3 May 2017

Companies Announcement Office
Via Electronic Lodgement

PENINSULA ENERGY LIMITED QUARTERLY RESULTS WEBCAST PRESENTATION

Peninsula Energy Limited (Peninsula) held an investor update webcast including the attached presentation to cover the March quarter and path forward at 11am AEST (9am AWST) today.

A recording of the webcast will be available on the same link within approximately 2 to 3 hours after the conclusion of the webcast and also on Peninsula’s website: http://www.pel.net.au under "Investor Info" subsection "Audio Broadcasts".

Yours sincerely

Jonathan Whyte
Company Secretary

For further information, please contact our office on +61 8 9380 9920 during normal business hours.
Q1 - CY2017 Results
03-May-2017
Disclaimer & Competent Person

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Please note that in accordance with Clause 17 of the JORC (2012) Code, the potential quantity and grade of the "Exploration Target" in this presentation must be considered conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Please note that Production Targets within this presentation are based on a proportion of inferred resources. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resource or that the production target itself will be realised.

Competent Person Statement

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves at Peninsula’s Lance Projects is based on information compiled by Mr. Jim Guilinger. Mr. Guilinger is a Member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (Member of Mining and Metallurgy Society of America and SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr. Guilinger is Principal of independent consultants World Industrial Minerals. Mr. Guilinger has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. Guilinger consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves at Peninsula’s Karoo projects is based on information compiled by Mr. George van der Walt. Mr van der Walt is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and the South African Council for Natural Scientific Professions (SACNASP). Mr van der Walt is a Geological Consultant and Director of Geoconsult International (Pty) Ltd. Mr van der Walt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as Competent Persons as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. van der Walt consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.
Agenda

• Quarterly Highlights

1. Board & Management Changes
2. Uranium Sales
3. Uranium Market
4. Production
5. Costs
6. Financial Position
7. Debt Facilities & Gearing
8. CY2017 Outlook

Mr Wayne Heili – Managing Director & CEO
Mr David Coyne – Finance Director & CFO
The Board completed a planned transition at the end of the quarter:

- Mr Wayne Heili replaced Mr John (Gus) Simpson as MD & CEO
- Mr Warwick Grigor and Mr Richard Lockwood stepped down
- Mr David Coyne joined the Board as Finance Director

The new Peninsula Board of Directors:

- John Harrison, Non-Executive Chairman
- Wayne Heili, Managing Director & CEO
- David Coyne, Finance Director & CFO
- Harrison (Hink) Barker, Non-Executive Director
- Evgenji Iorich, Non-Executive Director
- Mark Wheatley, Non-Executive Director

Capital Markets
Exec. Leadership & Technical
Finance & Risk Management
Nuclear Fuel Markets
Buy Side Capital Markets
Mining CEO & ISR Technical
Uranium Sales

- 250,000 pounds of $U_3O_8$ sold at an average US$54/lb

150,000 lbs purchased

100,000 lbs of Lance Production

Contracted to purchase a further 300,000 lbs p.a. over next 3 years at average cost of US$25/lb
Uranium Market Notes

- Production Restraint is becoming a common theme
  - The big miners have cut back production by 10-12% in Q1 CY17
  - Kazatomprom, Cameco, Areva, Paladin, more

- Demand for carbon-free nuclear power continues to grow
  - Utilities have >800 m lbs $U_3O_8$ of uncovered demand over next 10 years
  - China forecast to double capacity to 58GWe by 2020/2021
  - Slow but positive signs in Japan
  - Political support gaining momentum in U.S.

- Secondary supplies can’t /won’t cover the supply gap forever
Production Results

- 25,293 lbs produced in quarter
- Following operating strategy announced in Q416
  - Three new Header Houses (#’s 5, 6 & 7) commissioned
    - Two of the three new houses now contributing to production
    - HH #7 in re-circulation prior to production
  - Flow rates stabilized.

![Quarterly Production Chart](image)
Production Planning

• **Tightly Controlled Development Activities and Costs**
  - Seven header houses operating
  - House #8 is under construction and is due online in Q2 CY2017
  - Well drilling is active in house #9

• **Technical Team Focussed on Optimising Operating Parameters**
  - Filtration incorporated in houses 5 & 6 proven effective
  - Process chemistry refinements
    - reverting back to lixiviant chemistry of Q3 CY2016
    - RO Plant operating to clean injection lixiviant
  - Commencing campaign of pattern reversals in operating houses
  - Research and data review

• **Substantial Cost Reduction Efforts**
  - Land holding costs
  - Renegotiating supply and service agreements
**Costs**

- Significant progress made on sustainable cost reductions

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<th>Payments for:</th>
<th>Actual Dec Qtr CY16</th>
<th>Actual Mar Qtr CY17</th>
<th>F’cast Jun Qtr CY17</th>
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<tbody>
<tr>
<td>Exploration &amp; Evaluation</td>
<td>514</td>
<td>285</td>
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<tr>
<td>Development</td>
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<td>Production</td>
<td>3,531</td>
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<td>Sales, Admin &amp; Corporate(1)</td>
<td>1,054</td>
<td>1,486</td>
<td>450</td>
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<tr>
<td>Staff (Corporate)</td>
<td>367</td>
<td>207</td>
<td>300</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>7,908</strong></td>
<td><strong>7,543</strong></td>
<td><strong>6,150</strong></td>
</tr>
</tbody>
</table>

(1) Sales, Admin & Corporate adversely impacted in March Quarter by costs associated with staff reduction and MD/CEO change
Strong Financial Position

Cash Balances and Movement

- Successful Share Purchase Plan
- Cash received from U$_3$O$_8$ sales made in December and January
- Cash paid for 250,000 lbs of purchased U$_3$O$_8$ (100,000 lbs purchased Dec 16; 150,000 lbs purchased Feb 17) – average price paid $21.25/lb U3O8
Finance Facilities & Gearing

Working Capital
US$7.5m overdraft; US$3.5m drawn
US$7.5m TFF; US$3.2m drawn
Repaid in full 1st week April
Trade finance smooths cashflows

Finance Leases / Mortgages
US$1.2m outstanding at 31 Mar 17
Individual agreements
2-4 year terms

Surety Bonds
US$12.2m surety in place at 31 Mar 17
Cash effective bonding
PEN cash backing under 25%

Convertible Notes
US$20.0m drawn at 31 Mar 17
Extended to April 2018
Conversion price A$0.625/share

- Very low gearing ratio of 11% - balance sheet flexibility to fund future expansion and growth

Gearing Ratio = Net Debt / (Net Debt + Equity)
Outlook & Closing Remarks

✓ Very strong committed cash margins secured
  ✓ Sales and purchases at fixed prices

✓ Significant contract sales book that supports long-term revenue outlook
  ✓ Average sale price US$54/lb

✓ **Forecasting cash positive Q2 CY2017**

✓ Maintaining a healthy cash position

✓ Uranium production company with globally significant project resource base

✓ Peninsula ideally placed to capitalise on long overdue rebound in uranium price

✓ Strong institutional and retail shareholder support
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FURTHER INFORMATION
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