

15 July 2019

Companies Announcement Office  
Via Electronic Lodgement

## SECTION 232: WHITE HOUSE DETERMINATION ANNOUNCED

Peninsula Energy Limited (**Peninsula or Company**) advises that after the close of the US markets on Friday 12 July 2019, the President of the United States announced his findings and recommendations with respect to the investigation into the effect of imports of uranium on the national security of the United States conducted under Section 232 of the Trade Expansion Act of 1962 (**Act**).

As outlined in a White House memorandum, the President declined to implement the recommendations of the Secretary of Commerce under Section 232 and the investigation has been closed. However, the President has initiated further action to address the concerns identified by the Secretary regarding domestic uranium production. The key findings and decisions are as follows:

- The President does not concur with the Secretary of Commerce's finding that uranium imports threaten to impair the national security of the United States as defined under Section 232 of the Act.
- The President does agree that the Secretary's findings raise significant concerns regarding the impact of uranium imports on the national security with respect to domestic mining.
- The President finds that a fuller analysis of national security considerations with respect to the entire nuclear fuel supply chain is necessary at this time.
- The President has established a United States Nuclear Fuel Working Group to develop recommendations for reviving and expanding domestic nuclear fuel production. A report is due within 90 days.

Peninsula, through its wholly owned subsidiary Strata Energy Inc. (**Strata**), is one of only three companies with active uranium production facilities in the U.S. in 2019.

Wayne Heili, Peninsula's Managing Director/CEO, commented, "Peninsula's main focus has been and continues to be on improving the cost effectiveness and productivity of the Lance Project, with the outcomes of the Section 232 investigation being outside of our direct control.

While we recognise that there would have been benefits for U.S. uranium projects if some of the Section 232 petition recommendations were eventually implemented, we also believe the presidential action will put an end to the market uncertainty created by the Section 232 investigation. This is positive for the uranium market as a whole as we now expect market activity to increase. The establishment of a working group for the expressed purpose of developing recommendations for reviving and expanding domestic nuclear fuel production should also result in a positive outcome for the Company and may lead to enhanced project economics at Lance.

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Peninsula was not a party to the petition and has been mindful throughout the process of the potential impact of some of the suggested measures on our U.S. customers. Peninsula will continue to work closely with our customers to maintain the existing strong relationships that have been developed.”

### Operations at Lance

Over the past 18 months, the Company has been actively preparing to transition the Lance Project In-Situ Recovery operations from an alkaline based solution to a low pH solution. The preparations included the field demonstration and permit/license changes necessary to implement the change to low pH solutions.

With the final regulatory amendments now nearing completion, and with the removal of the uncertainty surrounding the Section 232 petition now announced, the Company has decided to idle the alkaline based production activities at the Lance Projects. This move will enable the Company to focus on completing the low pH field demonstration to within the required guidelines under the approved Permit to Mine amendment. It will also allow the Company to incorporate improvements developed from the field demonstration into the detailed design of low pH operations and begin employee training necessary to prepare for the safe operation of commercial scale low pH operations in Mine Units 1 and 2, on receipt of the final regulatory amendments. With the expected improved recovery rates under low pH operations, extraction of the remaining uranium in Mine Units 1 and 2 using low pH solutions will be more effective and efficient than continuing to use the alkaline extraction method.

Commencement of commercial scale low pH operations in Mine Units 1 and 2, and the commencement of development of Mine Unit 3, will also be determined by the timing and extent of improvement in market conditions and demand for uranium.

The Company has produced a sufficient inventory of uranium to meet its near-term Lance origin delivery commitments and the Company has contracted to purchase uranium at under US\$24/lb U<sub>3</sub>O<sub>8</sub> for the balance of its delivery commitments over the coming 12 months.

Yours Sincerely,



**Wayne Heili**  
**Managing Director/CEO**

For further information, please contact our office on +61 8 9380 9920 during normal business hours.

### About Peninsula Energy Limited

Peninsula Energy Limited (PEN) is an ASX listed uranium mining company which commenced in-situ recovery operations in 2015 at its 100% owned Lance Projects in Wyoming, USA. Following a positive feasibility study, Peninsula is embarking on a project transformation initiative at the Lance Projects to change from an alkaline ISR operation to a low pH ISR operation with the aim of aligning the operating performance and cost profile of the project with industry leading global uranium production projects. Peninsula is aiming to have all required approvals in place to enable the commencement of commercial-scale low pH operations during the 2019 calendar year. With an existing operation and infrastructure, and a significant long term contract portfolio underpinning its future uranium sales profile, Peninsula is positioned to grow into a mid-tier US uranium mining company over the next 2-3 years.

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