

Peninsula Energy Ltd

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Peninsula Energy records positive quarterly operating cash flow

Peninsula Energy (ASX:PEN) had a solid September quarter supported by positive operating cash flow and a 13% increase in uranium recovered over the prior quarter.

During the quarter, the company produced 34,658 pounds of uranium and dried and drummed 42,665 pounds uranium from its flagship Lance Project located in the U.S. state of Wyoming.

The quarterly production increase was due to header house 7 which operated for the full quarter and header house 8 which came online during the quarter.

Quarterly sales generated cash proceeds of US\$6.6 million, which was in line with forecasts and the company cash position was US\$11.8 million at the quarter's end.

Furthermore, recent encouraging research results at Lance have shown there is potential to transform the operating performance and cost profile at the project.

READ NOW: Peninsula Energy's game-changer adds potential for Lance to be in first quartile of uranium producers September operating performance

Focus during the quarter continued on operational improvement at the Lance Projects with production continuing at an average daily rate of ~400 pounds uranium per day.

Further improvement in performance is targeted as new header houses ramp up and production improvement initiatives are refined.

Current production rate targets are established so that production levels would meet the Lance Projects sourced delivery commitments under existing term contracts.

Peninsula continues to take advantage of the current low uranium price environment by purchasing uranium to meet commitments under certain term contracts.

Construction on header house 9 was completed during the quarter production from the nine commissioned header houses will form the basis of on-going operations over the near-term.

Sales prices still well below cost prices

Sales during the quarter totalled 132,934 pounds uranium which comprised 92,934 pounds from Lance and 40,000 pounds from market purchases.

Price: A\$0.37

Market Cap: A\$85.7M

1 Year Share Price Graph



Share Information

Code: PEN

Listing: ASX

52 week High Low
0.91p 0.265p

Sector: General Mining - Uranium & Lithium

Website: www.pel.net.au

Company Synopsis:

Peninsula Energy Ltd (ASX:PEN) is a uranium producer from the Lance ISR Projects in the U. S. The company also has uranium projects in South Africa.

Author:

Proactive Investors Australia

+61 (0)2 9280 0700

action@proactiveinvestors.com.au

The sales were made at an average price of US\$50 per pound which generated cash receipts of US\$6.6 million.

Considering Peninsula has contracted to purchase 900,000 pounds uranium over the next 3 years at an average cost of US\$25 per pound, costs are still well below sales prices.

Peninsula currently has up to 7.6 million pounds of uranium remaining under contract for delivery to major utilities located in the U.S. and Europe through to 2030 at a weighted average delivery price of US\$54.50 per pound.

Projected revenue remaining under these existing long-term contracts is up to US\$415 million.

These contracts provide a substantial earnings stream to Peninsula whilst allowing it to retain significant quantities of planned uranium production for contracting during future periods.

Research sheds light on potential game-changing transformation

Currently, Peninsula uses and is permitted for an alkaline lixiviant leaching process to extract uranium at the Lance Projects.

However, recent laboratory testing results indicate that using a low pH ISR solution could transform the operating performance and cost profile at Lance.

Test results showed average uranium grades using lower pH solution were over 10 times higher than current average alkaline solution grades.

Furthermore, a 95% uranium recovery was achieved during low pH testing compared to 40% recovery at the same stage under actual alkaline operations.

To change to a low pH solution will require the approval of amendment requests for the existing permits and licenses.

Initial discussions with the relevant regulatory authority have been positive and have not identified any legal impediments.

Based on these preliminary discussions, Peninsula holds a reasonable expectation that amendments to existing operating permits and licenses could be granted within the next 18 to 24 months.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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