

Peninsula Energy Ltd

09:20 23 Apr 2018

Peninsula Energy receives confirmation of finance as it progresses low pH uranium production

Peninsula Energy Ltd (ASX:PEN) has entered into binding offer letters with major shareholders Resource Capital Fund VI L.P. (RCF VI) and Pala Investments Ltd.

Peninsula is a uranium producer with its Lance Project based in Wyoming.

The new facility involves an extension of the maturity date of the existing convertible note facility by two years to April 22, 2020.

Peninsula produced more than 40,000 pounds of uranium in the March quarter but the real focus for the near term is on reducing costs through the introduction of a low pH operation.

Funding chimes in with development of low pH operation

Consequently, this confirmation of funding is timely as it provides financial assurance and balance sheet strength as the company looks to transition to a low pH operation.

Peninsula's managing director Wayne Heili said: "Peninsula is pleased to have secured this extension to the convertible loan facility with two of our major shareholders.

"The two-year extension will allow Peninsula to achieve a number of important project milestones well before the new maturity date.

"This will greatly assist the company on its path to transition to low pH operations which are expected to significantly lower operating costs and are intended to align Lance with leading global uranium production projects."

Peninsula reduces facility by US\$3 million

The convertible loans will bear interest at the rate of 10% per annum for the first 12-month period up until April 22, 2019, and then 12% thereafter.

The facility will also be reduced from US\$20 million to US\$17 million following a cash repayment by Peninsula of US\$3 million.

Following this payment, Peninsula's cash position remains strong at about US\$20 million.

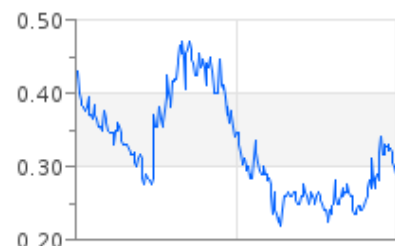
Furthermore, the company continues to generate cash flow from production at Lance.

Potential conversion of shares at 50% premium

Price: A\$0.29

Market Cap: A\$67.86M

1 Year Share Price Graph



August 2017 February 2018 August 2018

Share Information

Code: PEN

Listing: ASX

52 week High Low
A\$0.49 A\$0.22

Sector: Mining

Website: www.pel.net.au

Company Synopsis:

Peninsula Energy Ltd (ASX:PEN) is listed on the Australian Securities Exchange.

Author:

Proactive Investors Australia

+61 (0)2 9280 0700

action@proactiveinvestors.com.au

The lenders may elect to convert all or part of the principal amount of the convertible loans, including any capitalised interest, into ordinary shares at any time prior to maturity.

Under the terms of the agreement, this would be at a fixed conversion price of 40 cents per share.

This implies a 48.6% premium to the 5-day volume weighted average price of the company's shares prior to the date of this announcement.

Option to convert to shares a show of confidence

The fact that the lenders have opted to include the conversion clause and signed off at a premium share price perhaps is an indication of the value they see in the project.

It also underlines the potential share price upside that could occur as the company transitions to a producer with a much lower cost profile.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

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

No investment advice

The information on this Site is of a general nature only. It does not take your specific needs or circumstances into consideration, so you should look at your own financial position, objectives and requirements and seek financial advice before making any financial decisions. You acknowledge and understand that neither the Company, its related bodies corporate, the information providers or their affiliates will advise you personally about the nature, potential value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter. You should read our FSG and any other relevant disclosure documents and if necessary seek persona advice prior to making any investment decision.

You understand and agree that no Content (as defined below) published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person.

You understand that in certain circumstances the Company, its related bodies corporate, the information providers or their affiliates may have received, or be entitled to receive, financial or other consideration in connection with promoting, and providing information about, certain entities on the Site and in communications otherwise provided to you.

You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate. From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

Before you act on any general advice we provide, please consider whether it is appropriate for your personal circumstances.