

Peninsula Energy Ltd

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Peninsula Energy outlines efficient transition strategy to low pH operations

Peninsula Energy Ltd (ASX:PEN) is in the process of transitioning from alkaline-based production to low pH operations at its Lance Project in US state of Wyoming.

To preserve in-situ uranium and reduce cash expenditure, the transition from existing alkaline operations will be streamlined.

READ: Peninsula Energy's US\$50 per pound uranium sales contracts to 2030 generate cash while low pH operations gain approval

During May, Peninsula will suspend alkaline-based production activity within the first mining unit at the Lance Project.

However, production operations will continue in the second mining unit at the Lance Projects where head grades are higher.

Optimised production plan ahead of transition

Peninsula's managing director Wayne Heili said: "The decision to suspend alkaline production at Mine Unit 1 aligns well with the company's planned move to low pH mining operations at Lance.

"Thanks to the flexibility that we now have in certain off-take agreements, production from Mine Unit 1 is not necessary over the next 12 months, so it makes sense for us to buy on market as needed, save on operational expenditures and preserve the remaining MU1 resource for the more efficient low pH mining method."

Production guidance revised

Peninsula has revised its current production guidance levels from between 30,000 and 40,000 pounds U3O8 per quarter to between 22,500 and 27,500 pounds U3O8 per quarter.

Selling uranium at well above spot prices

Peninsula is selling its produced uranium from the Lance Projects at well above spot prices.

In the six months to December 31, 2018, Peninsula sold 132,934 pounds of uranium at an average realised cash price of US\$50 per pound.

Of these deliveries, 92,934 pounds of uranium was from material sourced entirely from the Lance projects and 40,000 pounds was purchased from the market.

Furthermore, forward sales agreements with a weighted price of more than US\$50 per pound extend to 2030.

Price: A\$0.235

Market Cap: A\$56.64M

1 Year Share Price Graph



Share Information

Code: PEN

Listing: ASX

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

Sector: General Mining

Website: www.pel.net.au

Company Synopsis:

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

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