

Peninsula Energy Ltd

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Peninsula Energy quarterly production from Lance projects exceeds expectations

Peninsula Energy Ltd (ASX:PEN) has exceeded quarterly uranium production expectations despite suspending the majority of alkaline-based production within the first mining unit (MU1) at the Lance Projects in Wyoming, USA.

Production during the quarter was 38,001 pounds of uranium oxide and a drying run over the period had a total of 43,553 pounds of uranium dried and drummed.

Peninsula managing director Wayne Heili said: "This action preserves in-situ pounds for future low pH extraction and also reduces cash outflows during the transition period being undertaken."

Alkaline in-situ recovery (ISR) production continues in the second mining unit (MU2), where head grades are higher, and in a small number of MU1 production wells to assist with maintaining wellfield fluid control.

Production from MU2 using alkaline lixiviant will continue to form the basis of ongoing operations over the near-term while Peninsula progresses the various activities and permit actions required for the change to a low pH ISR uranium operation at Lance.

READ: Peninsula Energy to benefit from rising uranium price post Global X rebalance

Production guidance for the upcoming quarter of 22,500 to 27,500 pounds of uranium oxide is being maintained as the company advances the planned transition.

Peninsula believes transitioning to a low pH ISR operation has the potential to align the operating performance and cost profile of Lance with the industry leading global uranium production projects.

Uranium purchase agreements

During the quarter Peninsula also entered into two separate agreements to purchase an aggregate of 225,000 pounds of uranium at fixed prices.

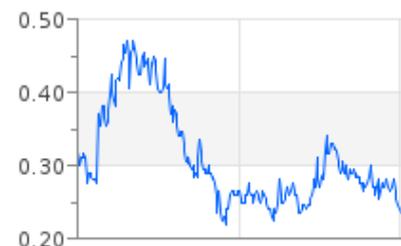
The uranium will be delivered into existing term contracts across 2019 and 2020, reducing cost exposure that Peninsula has against increased prices for uranium.

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Price: A\$0.235

Market Cap: A\$56.64M

1 Year Share Price Graph



October 2017 April 2018 October 2018

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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