

# Peninsula Energy Ltd

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## Peninsula Energy lifts cash position with US\$19 million uranium sales deal

Peninsula Energy Ltd (ASX:PEN) has strengthened its cash position by selling part of its interests in long-term uranium sale and purchase agreements for US\$19 million.

Binding contract sale agreements have been signed with a third-party for a portion of its delivery commitments under two existing concentrate agreements.

The quantity of delivery obligations sold represents 935,000 pounds of uranium.

These commitments were scheduled to be fulfilled between 2018 and 2021.

### Financial position "greatly enhanced"

Wayne Heili, managing director said: "One of Peninsula's defining strengths is our sales contract portfolio.

"We have greatly enhanced our current financial position by accelerating some of the income potential contained in that portfolio.

"This non-dilutive cash infusion should allow the company to comfortably advance our production improvement initiatives at the Lance projects.

"Peninsula greatly appreciates the full cooperation of our counterparties in this transaction.

"The professionalism and creativity exhibited by these industry leaders was on full display throughout the process of arranging this transaction."

### READ: Peninsula Energy lifts uranium production for third straight quarter

As part of the contract sale, Peninsula has also sold its entire interest in an agreement to purchase 900,000 pounds of uranium between 2018 and 2020.

This commitment is no longer required as uranium purchases under this agreement were intended to provide the bulk of material for commitments that have been satisfied through the contract sale.

### Strong contract book retained

Peninsula has retained a strong contract book of up to 6.6 million pounds remaining under contract for delivery between 2018 and 2030 with customers in North America and Europe.

The weighted average delivery price of these contracts is US\$51-53 per pound

**Price:** A\$0.19

**Market Cap:** A\$45.92M

#### 1 Year Share Price Graph



#### Share Information

**Code:** PEN

**Listing:** ASX

**52 week High Low**  
A\$0.49 A\$0.18

**Sector:** Mining

**Website:** www.pel.net.au

#### Company Synopsis:

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

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of uranium.

Deliveries under the agreements will be a combination of uranium from Peninsula's Lance projects in Wyoming, U.S.A., and open origin uranium that the company may purchase on the open market.

### **Possible new agreements**

Peninsula continues to engage with existing and potential new customers regarding possible new long-term concentrate sale and purchase agreements.

These are targeting pricing mechanisms that would support increased production scenarios under the company's planned transition to low pH mining at the Lance projects.

Part of the contract sale proceeds will be used to progress the low pH permit amendments, finalise additional technical testing and complete a low pH feasibility study.

### **READ: Peninsula Energy's substantial shareholder lifts position**

With a strong cash position and additional financial flexibility, Peninsula does not anticipate the need for a working capital facility over the next 1 to 2 years.

Therefore, the Investec working capital facility has not been extended.

This reduces corporate overhead expenses by eliminating associated line fees, undrawn commitment fees and interest on drawn working capital amounts.

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