

# Peninsula Energy Ltd

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## Peninsula Energy confirms withdrawal from Karoo to focus on Lance Uranium Project

Peninsula Energy Ltd (ASX:PEN) has confirmed its withdrawal from any further development activities at the Karoo project in South Africa.

This decision should be well received as it will allow the company to fully focus on development of its Lance Uranium Project in Wyoming.

Unlike Karoo, Lance is a producing asset which is driving earnings even in a low uranium price environment.

There is the potential for Lance to become an even stronger earnings driver should Peninsula receive approval to establish a low pH, low-cost, high margin operation.

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

Managing director Wayne Heili said: "The decision to discontinue our financial support for the development of the Karoo project and to focus our attention on the Lance project is regarded as the best approach to building value for our shareholders.

"In this enduring difficult uranium market, it has proven unrealistic to attribute any value to the Karoo project.

"The company has undertaken a difficult decision, but there is no value to be gained through continued investment in a secondary higher cost project."

### Not expected to impact balance sheet

The decision to suspend further development of the Karoo project is not expected to materially impact the company's balance sheet.

Impairment and rehabilitation provisions were made in the financial statements for the six months ended December 31, 2017.

Peninsula is pursuing consent for the sale of the 322 square kilometres of freehold farmland held in the Karoo Basin, the proceeds of which should cover rehabilitation costs.

### Impediments to continued investment

There were numerous hurdles for Peninsula to overcome at Karoo.

Prevailing uranium market conditions do not support the ongoing development of the hard rock uranium mining opportunity.

**Price:** A\$0.24

**Market Cap:** A\$57.84M

#### 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.

#### Author:

Proactive Investors Australia

+61 (0)2 9280 0700

action@proactiveinvestors.com.au

The limited duration and cost structure associated with holding South African mineral retention rights quickly become cost prohibitive.

Consequently, placing the project on hold to retain some form of 'option value' is not a viable scenario.

### **Rehabilitation underway**

Discussions are underway with joint-venture partners.

Over the remainder of 2018, the activities at Karoo will focus on the necessary rehabilitation of exploration and historical trial mining activities.

Good progress has already been made with the rehabilitation of more than 6,000 boreholes.

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

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