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Companies Announcement Office
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US CONGRESS FUNDS STRATEGIC URANIUM RESERVE

HIGHLIGHTS

- **US Congress approves budget funds for the establishment of a US Strategic Uranium Reserve**
- **US\$75 million allocated for uranium purchasing in the initial year of the proposed ten-year program**
- **Only US-produced uranium will make up the Reserve, providing a major boost to the domestic industry**
- **Peninsula is the only ASX-listed uranium company positioned to immediately benefit from the establishment of the US Strategic Uranium Reserve buying program**

Peninsula Energy Limited (“**Peninsula**”) and its wholly owned U.S. subsidiary Strata Energy (“**Strata**”) (combined “**the Company**”) are pleased to report that the United States Congress has funded the establishment of a U.S. National Strategic Uranium Reserve as a part of the Fiscal Year 2021 Budget, which now awaits the President’s signature. Once signed the Budget directs the U.S. Department of Energy (“**US DOE**”) to allocate US\$75 million toward the establishment of a program to operate a uranium reserve.

Commenting on the approval and establishment of the US uranium reserve, Peninsula Managing Director and Chief Executive Officer Wayne Heli said “*The Congressional approval of the Uranium Reserve is a major milestone for the US domestic sector and future development of the uranium industry. The White House has indicated that the President will sign the Fiscal Year 2021 Budget shortly.*”

“The US Nuclear Fuel Working Group continues to deliver on its recommendations outlined earlier in the year, which focused on supporting and advancing Nuclear Energy Initiatives across the country including the establishment of the Strategic Uranium Reserve.”

“Only a handful of companies will be able to supply material into the Uranium Reserve and the Company is fortunate to be on that short list. Peninsula is the only ASX listed company with immediate exposure to this opportunity.”

Background

In April 2020, the US Secretary of Energy released recommendations from the U.S. Nuclear Fuel Working Group (NFWG). The NFWG report stated that the U.S. government will take bold action to revive and strengthen the domestic uranium mining industry.

Included within the NFWG recommendations was the direct purchases of uranium and nuclear fuel services to expand five-fold the American Assured Fuel Supply strategic inventory stockpile by

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purchasing 17 to 19 million pounds over a 10-year period of US produced U₃O₈ (the Uranium Reserve). The approved 2021 Budget includes funding of US\$75 million for the Uranium Reserve.

The initial US Senate proposal for appropriation of Uranium Reserve-backed purchase of US-produced U₃O₈ was US\$150 million. However, during the budget negotiations the Congress Budget adjusted the initial year funding to US\$75 million. The approval of the revised amount still signals a significant impetus for the US domestic industry and the start of a longer-term program.

Offtake Agreement Benefit

The Company believes that the establishment of this Uranium Reserve will provide a substantial opportunity for our Lance Projects in Wyoming to secure new uranium offtake agreements with the US DOE. Additional sales agreements are a key consideration in the Company's decision-making process regarding the restart of production activities at Lance. This would supplement the Company's existing portfolio of uranium concentrate sale agreements which are with major utilities, totalling up to 5.5 million pounds U₃O₈ through to 2030, with a weighted average future sales price of US\$51-\$53 per pound.

Lance Projects

Peninsula is the only ASX-listed uranium company that has the immediate ability to take advantage of outcomes from the NFWG in the form of US government programs that support US uranium mines. The Lance Projects are in transition from an alkaline to a low pH in-situ recovery operation, the global leading method of uranium production.

Yours sincerely



Wayne Heili
Managing Director / CEO

This release has been approved by the Managing Director / CEO.

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About Peninsula Energy Limited

Peninsula Energy Limited (PEN) is an ASX listed uranium mining company which commenced in-situ recovery operations in 2015 at its 100% owned Lance Projects in Wyoming, USA. Following a positive feasibility study, Peninsula is embarking on a project transformation initiative at the Lance Projects to change from an alkaline ISR operation to a low pH ISR operation with the aim of aligning the operating performance and cost profile of the project with industry leading global uranium production projects.