PENINSULA ENERGY LIMITED

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2022

Contents

Corporate Directory

Directors	John Harrison *Non-Executive Chairman* Wayne Heili *Managing Director / CEO* Rachel Rees *Executive Director Finance & Corporate Affairs* Harrison Barker *Non-Executive Director* Mark Wheatley *Non-Executive Director* Brian Booth *Non-Executive Director*
Managing Director / Chief Executive Officer	Wayne Heili
Chief Financial Officer	Rachel Rees
CEO – Strata Energy	Ralph Knode
Joint Company Secretary	Jonathan Whyte and Rachel Rees
Registered and Principal Office	Units 32/33, 22 Railway Road, Subiaco, WA 6008 PO Box 8129, Subiaco East, WA 6008 Telephone: +61 8 9380 9920 Fax: +61 8 9381 5064 Website: www.pel.net.au
Share Registry	Link Market Services Limited Level 12, QV1 Building, 250 St Georges Terrace, Perth WA 6000 Telephone: 1300 554 474 Fax: +61 2 9287 0303
Auditors	BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street, Perth,WA 6000
Stock Exchange	Peninsula Energy Limited is a public company listed on the Australian Securities Exchange (ASX) and incorporated in Western Australia. Peninsula trades under the ticker 'PENMF' on the OTCQB Venture Market in the United States.
ASX Code	PEN – Ordinary Fully Paid Shares
ABN	67 062 409 303

Directors' Report

The Directors of Peninsula Energy Limited and its controlled entities (**Company, Peninsula** or **consolidated group**) submit the financial report of the economic entity for the half-year ended 31 December 2022.

Directors

The Directors of the Company in office at any time during or since the end of the half-year are as follows. Directors were in office for this entire period unless otherwise stated.

- John Harrison — Non-Executive Chairman
- Wayne Heili — Managing Director / Chief Executive Officer
- Rachel Rees — Executive Director Finance & Corporate Affairs
- Harrison Barker — Non-Executive Director
- Mark Wheatley — Non-Executive Director
- Brian Booth — Non-Executive Director

Review of Operations

WYOMING, USA – LANCE URANIUM PROJECT
(Peninsula Energy Ltd - 100%)

Peninsula's wholly-owned subsidiary Strata Energy Inc. (**Strata**) has 100% ownership of the Lance Projects in Wyoming (**Lance Projects,** or **Lance**). After commercial operations were idled in July 2019 in order to enable transition from an alkaline to a low pH in-situ recovery (**ISR**) operation, in November 2022 the Board made a positive Financial Investment Decision (**FID**) to restart uranium operations at Lance in 2023.

Peninsula to Restart Operations at the Lance Projects in 2023

In November 2022 Peninsula delivered a major milestone, with the Board making a positive FID to restart uranium operations at the Lance Projects.

Lance contains a JORC (2012) Resource[1] of 53.7Mlb U_3O_8, which constitutes one of the largest uranium production-development projects in the United States. Lance is the only uranium ISR project situated in the United States that is fully permitted to utilise the low-pH ISR recovery process.

Prior to making the FID, Peninsula completed a Definitive Feasibility Study (**DFS**) covering the Ross and Kendrick Areas with results highlighting the potential for Lance to be a globally competitive uranium operation (as detailed below). The excellent results from the DFS provided the Company and Board with a high-level of confidence to proceed with the positive decision to restart Lance, with preparation activities for the ramping up of commercial operations scheduled throughout in H1 2023.

Production Activities Update

The Lance Projects site team has been actively engaged in preparations to systematically return Lance to commercial production. During the reporting period the Company completed engineering and design work for the process changes required to transform the operations into a low-pH ISR facility. Items with longer lead-time were ordered with deliveries generally expected during 1Q CY2023. Plant modifications have progressed with the expectation that the recovery plant modifications will be completed in advance of the date needed. Contractors for the facility modification works have been screened and pre-qualified ahead of anticipated production.

Limited circulation of low pH solution and oxidant was established between Mine Unit 1 and the process plant in December 2022. The production stream is being chemically fortified at the plant and returned to the wellfield where it is injected into uranium bearing horizons. No uranium will be recovered in the ion-exchange system until the production stream reaches chemical target objectives and the process plant modifications are completed. The flow rate of the circulating stream can be ramped up throughout 1Q CY2023, as equipment and supplies are received and installed at the site. Commercial uranium production grades within the pre-circulated wellfield areas are projected to be achieved in mid-year 2023 and plant recovery operations are expected to commence at that time.

Licensing Actions

Strata submitted applications with the Wyoming Department of Environmental Quality **(WDEQ**) that would expand the approved license area of the Lance Projects, with the inclusion of the Kendrick Production Area (**Kendrick**). An acceptance review of the amendment package documents will be conducted by the WDEQ as the next step of the regulatory process with the review and approval process for amendments of this nature typically taking eighteen to twenty-four months to complete.

The Company is currently fully authorized to conduct uranium ISR operations within the defined boundaries of the Ross Production Area (**Ross)** of the district-scale Lance Projects. Ross holds 5.9Mlb of JORC (2012) compliant Measured, Indicated and Inferred U_3O_8 Resources[1], a licensed and constructed uranium ISR production facility and two fully developed mine units (or wellfields). A third mine unit is under development at Ross and the Company anticipates the area will hold four or five mining units when completed.

The Kendrick Production Area holds 15.9Mlb of JORC (2012) compliant Measured, Indicated and Inferred U_3O_8 Resources[1].

Resource Development

The Company has embarked on a programme to systematically expand and enhance the Lance Projects resources. A drilling programme is planned in 2023 to conduct resource quality enhancement drilling within Kendrick. Additional programmes have been designed within the Barber Resource Area to better define the mostly Inferred resources within the area with closer spaced drilling.

Definitive Feasibility Study for the Ross and Kendrick Production Areas at Lance

In August 2022 the Company completed a DFS for the Ross and Kendrick Production Areas at Lance. The Ross Production Area includes Mining Units 1 and 2 in which the Company undertook alkaline based ISR mining before pausing production with the intention of converting to low pH ISR based mining. The DFS was based on a total resource[1] base of 21.8Mlb U_3O_8. The Ross and Kendrick resource[1] base is robust, accounting for a majority of the Lance Projects current Measured and Indicated Resources.

The DFS excluded the contiguous Barber Resource Area with its 31.9Mlb U_3O_8 resource[1] base and highlights the opportunity for significant future growth for the Lance Projects.

The DFS revealed robust economic outcomes for production from Ross and Kendrick. Lance reaches positive cash flow after 2.5 years following a US$60 million investment in early operations and expansion of the production capacity.

With a mine operating life of 11 years and an average production rate of 1.3Mlb U_3O_8 per year, Lance yields an NPV8 of US$124.8 million (2022 real) and an IRR of 43%. The determined average sales price of US$62.38/lb U_3O_8 generates a life-of-mine revenue of US$895 million. The all-in-sustaining cost (**ASIC**) for the limited-scope project is US$39.08/lb and the fully loaded All in Cost (**AIC**) is US$45.74/lb. The C1 direct production cost (excluding mine restoration and reclamation costs) is projected at US$16.34/lb. Total OPEX including restoration and reclamation is US$19.72/lb.

Over the LoM, the Ross and Kendrick Production Areas are projected to yield a total of 14.4Mlb of U_3O_8.

Refer to the ASX announcement on 15 August 2022 for the full details of the DFS including all key economic outcomes and metrics used, sensitivity analyses and also the assumptions underpinning the DFS.

[1] Lance Projects Classified JORC-Compliant Resource Estimate (U_3O_8) as at 31 December 2022

Resource Classification	Tonnes Ore (M)	U_3O_8 kg (M)	U_3O_8 lbs (M)	Grade (ppm U_3O_8)	Location
Measured	3.4	1.7	3.7	491	Wyoming, USA
Indicated	11.1	5.5	12.1	496	Wyoming, USA
Inferred	36.2	17.2	37.8	474	Wyoming, USA
Total	**50.7**	**24.3**	**53.7**	**480**	

JORC Table 1 included in an announcement to the ASX released on 14 November 2018: "Revised Lance Projects Resource Tables". Peninsula confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Lance Projects is based on information compiled by Mr Benjamin Schiffer. Mr Schiffer is a Registered Professional Member of the Society of Mining, Metallurgy and Exploration (Member ID #04170811). Mr Schiffer is a professional geologist employed by independent consultant WWC Engineering. Mr Schiffer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

SOUTH AFRICA – KAROO URANIUM PROJECTS

(Peninsula Energy Ltd - 74% / BEE Groups - 26%)

During the reporting period the Company continued the processes to apply for closure of the Karoo Projects with the South African regulators which are expected to take some time to finalise.

The Company continues to progress the sale of the remaining freehold farmland previously held in the Karoo Basin, with proceeds still expected to be sufficient to cover any remaining exit costs. One farm was sold during the reporting period for ZAR 4,371,000 (US$0.257 million), which leaves only two farms remaining to be sold.

CORPORATE

Successful Completion of A$32m Placement

In November 2022 the Company completed an institutional placement (**Placement**), raising A$32 million (before costs) through the issue of approximately 244 million Placement Shares at an offer price of A$0.131 per share.

Canaccord Genuity (Australia) Limited was the Underwriter and Lead Manager to the Placement.

Share Purchase Plan Completed

In conjunction with the Placement, the Company launched a non-underwritten Share Purchase Plan (**SPP**) at the same price of A$0.131 per share. The SPP raised a total of A$0.9 million.

The proceeds from both the Placement and SPP are being used to complete the ongoing works programme to transition the Lance Projects into a low-pH ISR process, to restart production operations within the Ross Production Area, and for the advancement of the Kendrick Production Area.

Peninsula Awarded Supply Contract for US Strategic Uranium Reserve

In December 2022 Strata were awarded a supply contract with the US Department of Energy (**DOE**) to provide domestically produced uranium concentrates to the US$75 million Uranium Reserve established by Congress in 2020.

Under the supply award, Strata is to supply 300,000 pounds of US origin U_3O_8 for the Uranium Reserve. The delivery will be satisfied with US origin material currently held in the accounts of Strata.

The agreed pricing was above the current reported spot price at the time and term pricing benchmarks and is a strong signal the US government recognises that higher prices are needed to support sustainable production from US mines.

Portfolio of Uranium Sales and Purchase Agreements

During the December 2022 quarter the Company received a formal option exercise notice from one of its current customers. The option exercise increases the quantity of firmly committed pounds by a total of 0.75 million pounds U_3O_8, to be sold during the calendar years 2024 through 2026, under a pricing structure that includes partial exposure to the spot market price. These deliveries may be satisfied with either company production or market-sourced material.

As detailed above, Strata was awarded a supply contract with the US DOE to provide domestically produced uranium concentrates to the US$75 million Uranium Reserve. Under the supply award, Strata is to supply 0.3 million pounds of US origin U_3O_8 at a fixed price in 1Q CY2023.

At 31 December 2022 the Company's portfolio of uranium concentrate sale agreements is for sales volumes up to 4.85 million pounds U_3O_8, with 4.25 million pounds of firmly committed sales and up to 0.6 million pounds of optional sales remaining at the election of a customer.

At 31 December 2022, pricing for the 4.25 million pounds of firmly committed sales is subject to a blend of base-escalated price structures and uranium market based pricing metrics, including both floor and ceiling price limits. The sales subject to a base-escalated price structure have a projected sales price average of US$60 per pound. The remaining sales are structured with market-based prices which could range between a floor of US$45 and a ceiling of US$80 per pound U_3O_8.

Of the 4.25 million pounds of firmly committed sales, 0.95 million pounds can be satisfied with market sourced material ("open origin") and 0.3 million pounds is to be satisfied with US origin material. The balance of 3 million pounds is to be supplied from Company produced uranium, with deliveries starting in the second half of CY2023.

The open origin deliveries scheduled in 1Q CY2023 have been fully hedged with fixed price uranium concentrate purchase commitments. Purchased uranium will be received in allotments during the coming period with the purchase timing closely aligned with the timing of deliveries to customers. The agreed purchase pricing is fixed and payment terms for the purchased uranium are also aligned closely with the receipt of proceeds from the sales.

The US origin deliveries scheduled in 1Q CY2023 will be sourced from uranium inventory on hand on 31 December 2022, which have been increased during the period.

The combined portfolio of committed uranium concentrates sale and purchase agreements and associated uranium inventory underpin a forecast net cash margin of US$2.9 million to US$3.0 million on secured uranium sales in H1 CY2023 based on the difference between the fixed purchase price or uranium inventory cost and the likely sales price based on the customer agreements.

At 31 December 2022, the average pricing for the unexercised customer option agreement is projected to be $44 per pound. Post balance date, the Company successfully restructured these options (refer ASX announcement 16 March 2023).

Uranium Sales

Peninsula sold 0.25 million pounds of U_3O_8 pursuant to long-term sales contracts during the reporting period, at an average realised cash price of US$51.03 per pound, for total sales revenue of US$13.084 million which was received during the period. The two deliveries were ultimately met from corresponding purchase agreements of 0.25 million pounds of U_3O_8 which resulted in no impact to the uranium inventory balance.

In the March 2023 quarter, the Company has scheduled sales of 0.5 million pounds U_3O_8 relating to both a 0.2 million pounds sales contract from its existing portfolio and the recently awarded 0.3 million pounds supply contract to the US DOE. A purchase agreement of 0.2 million pounds of U_3O_8 in the March 2023 quarter will be used to maintain a uranium inventory balance.

Uranium Inventory

At 31 December 2022 Peninsula holds legal title to 0.51 million pounds of U_3O_8 at converter accounts.

The Company acquired 0.2 million pounds of U_3O_8 from the market at the end of December 2022 in anticipation of 1Q CY2023 sales of 0.5 million pounds. Sales are scheduled with the US DOE (0.3 million pounds) and with existing customers (0.2 million pounds). The payment for the acquired 0.2 million pounds of U_3O_8 has been scheduled to occur in 1Q CY2023 to align with the sales receipt from the US DOE.

The Company also holds a previously executed purchase contract with pricing below current spot market levels to acquire new inventory of 0.2 million pounds late in 1Q CY2023.

The Company is forecasting a uranium inventory balance of 0.21 million pounds of U_3O_8 at converter accounts as of 31 March 2023 after 1Q CY2023 sales of 0.5 million pounds and purchases of 0.2 million pounds.

Loss for the Half-Year and Financial Position

The consolidated group loss for the half-year ended 31 December 2022 decreased to US$2.6 million from US$3.7 million in 2021. The consolidated group loss is impacted by the requirement under International Accounting Standards to recognise a derivative financial asset on all open source origin components from its portfolio of uranium concentrate sale and purchase agreements. This results in the use of market prices for both revenue and expense recognition of uranium sales and purchases which are markedly different to the contracted cash prices.

The consolidated group's cash position, excluding security deposits and performance bonds, at 31 December 2022 was US$25.1 million and a total of 0.51 million pounds of uranium concentrate inventory was held in group converter accounts at a half-year end book value of US$26.8 million finished uranium inventory, based on an average uranium price of US$52.64 per pound. Peninsula is debt free at 31 December 2022 with only minor leases of motor vehicles, plant and equipment in place.

The net assets of the consolidated group have increased from US$73.4 million at 30 June 2022 to US$91.9 million at 31 December 2022, primarily due to the A$32 million Placement in November 2022, referenced elsewhere in this report.

The Company had 1,257,050,004 shares on issue as at 31 December 2022 and 4,100,000 unlisted options exercisable at A$0.30 on or before 29 November 2027.

EVENTS SUBSEQUENT TO REPORTING DATE

In January 2023 the Company appointed Rachel Rees to the position of Executive Director Finance and Corporate Affairs, including the roles of Chief Financial Officer and Joint Company Secretary. Ms Rees replaced Mr Ron Chamberlain who resigned from his roles as Chief Financial Officer and Joint Company Secretary to take up another opportunity.

In March 2023 the Company announced a revised target for the restart of commercial operations at Lance following minor delays in deliveries of equipment, with commencement of production forecast in mid-year 2023.

No other matter or circumstance has arisen since 31 December 2022, which has significantly affected, or may significantly affect the operations of the consolidated group, the result of those operations, or the state of affairs of the consolidated group in subsequent financial years.

ASIC LEGISLATIVE INSTRUMENT 2018/191: ROUNDING OF AMOUNTS

The Company is an entity to which ASIC Legislative Instrument 2018/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 9 of this report.

Signed in accordance with a resolution of the Board of Directors.

John Harrison
Non-Executive Chairman
16 March 2023

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF PENINSULA ENERGY LIMITED

As lead auditor for the review of Peninsula Energy Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Peninsula Energy Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth

16 March 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2022

	Notes	31 December 2022 US$000s	31 December 2021 US$000s
Continuing operations			
Revenue	*2*	12,300	9,250
Cost of sales	*3a*	(12,131)	(9,305)
Gross profit/(loss)		**169**	**(55)**
Other income	*2*	39	572
Standby mode and low pH transition costs	*3b*	(3,918)	(3,693)
Corporate and administrative expenses	*3c*	(1,410)	(989)
Foreign exchange gain/(loss)		(85)	193
Derivative fair value gain/(loss)	*13*	1,916	(242)
Other expenses	*3d*	(49)	(215)
Loss before interest and tax from continuing operations		**(3,338)**	**(4,429)**
Finance costs		-	(3)
Net loss before income tax		**(3,338)**	**(4,432)**
Income tax benefit/(expense)		680	810
Loss for the half-year from continuing operations		**(2,658)**	**(3,622)**
Profit/(loss) from discontinued operations		56	(48)
Loss for the half-year		**(2,602)**	**(3,670)**
Other comprehensive loss:			
Other comprehensive loss may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(126)	(291)
Total comprehensive loss for the half-year		**(2,728)**	(3,961)
Loss for the half-year attributable to:			
Equity holders of the Parent		(2,586)	(3,664)
Non-controlling interests		(16)	(6)
		(2,602)	**(3,670)**
Total comprehensive (loss)/profit attributable to:			
Equity holders of the Parent		(2,701)	(4,077)
Non-controlling interests		(27)	116
		(2,728)	**(3,961)**
Loss per share attributable to the members of Peninsula Energy Limited:			
Basic and diluted (cents per share)		(0.25)	(0.4)
Loss for the half-year from continuing operations			
Basic and diluted (cents per share)		(0.25)	(0.4)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	31 December 2022 US$000s	30 June 2022 US$000s
Current Assets			
Cash and cash equivalents		25,098	7,582
Trade and other receivables		751	1,023
Inventory	*7*	28,597	15,024
Held for sale assets		406	697
Other financial assets	*8*	1,222	5,269
Total Current Assets		**56,074**	**29,595**
Non-Current Assets			
Trade and other receivables		3,056	3,019
Property, plant and equipment		19,126	18,535
Mineral development	*9*	40,634	37,033
Other financial assets	*8*	3	3
Total Non-Current Assets		**62,819**	**58,590**
Total Assets		**118,893**	**88,185**
Current Liabilities			
Trade and other payables	*10*	13,487	1,095
Borrowings		3	3
Provisions		170	163
Liabilities associated with held for sale assets		194	261
Total Current Liabilities		**13,854**	**1,522**
Non-Current Liabilities			
Borrowings		3	5
Provisions		11,265	10,098
Deferred tax liabilities		232	912
Other Financial liabilities	*8*	1,615	2,209
Total Non-Current Liabilities		**13,115**	**13,224**
Total Liabilities		**26,969**	**14,746**
Net Assets		**91,924**	**73,439**
Equity			
Issued capital	*12*	274,893	252,717
Reserves		7,025	8,103
Accumulated losses		(188,925)	(186,339)
Equity attributable to equity holders of the Parent		92,993	74,481
Non-controlling interest		(1,069)	(1,042)
Total Equity		**91,924**	**73,439**

The Consolidated Statement of Financial Position should be read in conjunction with the notes.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2022

	Issued Capital US$000s	Accumulated Losses US$000s	Option and SBP Reserve US$000s	Foreign Currency Translation Reserve US$000s	Total US$000s	Non-controlling interest US$000s	Total Equity US$000s
Balance 1 July 2021	**252,502**	**(181,704)**	**15,466**	**(7,420)**	**78,844**	**(1,192)**	**77,652**
Transaction with Owners							
Shares issued during the period	215	-	(215)	-	-	-	-
Share-based payments expense	-	-	215	-	215	-	215
Transaction costs	-	-	-	-	-	-	-
Total Transactions with Owners	**215**	**-**	**-**	**-**	**215**	**-**	**215**
Comprehensive Loss							
Foreign exchange translation reserve	-	-	-	(291)	(291)	-	(291)
Non-controlling interest	-	-	-	(122)	(122)	122	-
Loss for the half-year	-	(3,664)	-	-	(3,664)	(6)	(3,670)
Total Comprehensive Loss	**-**	**(3,664)**	**-**	**(413)**	**(4,077)**	**116**	**(3,961)**
Balance 31 December 2021	**252,717**	**(185,368)**	**15,466**	**(7,833)**	**74,982**	**(1,076)**	**73,906**
Balance 1 July 2022	**252,717**	**(186,339)**	**16,094**	**(7,991)**	**74,481**	**(1,042)**	**73,439**
Transaction with Owners							
Shares issued during the period	23,251	-	(1,077)	-	22,174	-	22,174
Share-based payments expense	-	-	114	-	114	-	114
Transaction costs	(1,075)	-	-	-	(1,075)	-	(1,075)
Total Transactions with Owners	**22,176**	**-**	**(963)**	**-**	**21,213**	**-**	**21,213**
Comprehensive Loss							
Foreign exchange translation reserve	-	-	-	(126)	(126)	-	(126)
Non-controlling interest	-	-	-	11	11	(11)	-
Loss for the half-year	-	(2,586)	-	-	(2,586)	(16)	(2,602)
Total Comprehensive Loss	**-**	**(2,586)**	**-**	**(115)**	**(2,701)**	**(27)**	**(2,728)**
Balance 31 December 2022	**274,893**	**(188,925)**	**15,131**	**(8,106)**	**92,993**	**(1,069)**	**91,924**

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2022

	31 December 2022 US$000s	31 December 2021 US$000s
Operating Activities		
Receipts from sale of uranium concentrate to customers	13,084	22,237
Payments to acquire uranium concentrate from suppliers	(7,878)	(14,425)
Net cash margin from sale of uranium concentrate	*5,206*	*7,812*
Other payments to suppliers and employees	(5,880)	(5,055)
Interest paid	-	(3)
Interest received	51	4
Other receipts	-	84
Net cash (used in)/provided by operating activities	**(623)**	**2,842**
Investing Activities		
Payments for mineral exploration performance bonds and rental bonds	(37)	21
Proceeds from sale of property, plant and equipment	257	49
Purchase of property, plant and equipment	(3,161)	(145)
Net cash used in investing activities	**(2,941)**	**(75)**
Financing Activities		
Proceeds from issue of shares	22,174	-
Equity raising transaction costs	(1,075)	(58)
Repayment of borrowings	(2)	(21)
Net cash provided by/(used in) financing activities	**21,097**	**(79)**
Net increase in cash held	17,533	2,688
Cash at the beginning of the financial period	7,582	6,701
Effects of exchange rate fluctuations on cash held	(17)	(46)
Cash and cash equivalents at the end of the half-year	**25,098**	**9,343**

The Consolidated Statement of Cash Flows should be read in conjunction with the notes.

Note 1: Basis of Preparation

This general purpose interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Australian Accounting Standard AASB 134 ‘Interim Financial Reporting’ and the Corporations Act 2001, as appropriate for for-profit orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’.

The report has been prepared on an accrual and going concern basis, and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets, and financial liabilities.

This interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and operating and financing activities of the consolidated group as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Peninsula during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The half-year financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2022 annual financial statements contained within the annual report of Peninsula, other than as described in this Note 1.

This interim financial report was approved by the Board of Directors on 16 March 2023.

Adoption of New and Revised Accounting Standards

No new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board became applicable for the current reporting period, as a result there has been no impact on the interim financial report.

Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

Rounding of Amounts

The consolidated group has applied the relief available to it under ASIC Legislative Instrument 2018/191. Accordingly, amounts in the half-year financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Note 2: Revenue and Other Income

	31 December 2022 US$000s	31 December 2021 US$000s
Revenue from continuing operations		
Sale of goods(i)	12,300	9,250
Total revenue from continuing operations	**12,300**	**9,250**
Other income		
Interest received	39	1
Loan forgiveness	-	560
Gain on sale of property, plant and equipment	-	11
Total other income	**39**	**572**

Notes:

(i) Revenue from uranium concentrate sales is recognised at the point in time when control of goods passes to the purchaser, including delivery of the product and transfer of legal title, the selling price is set or determinable, and collectability is reasonably assured.

In accordance with International Accounting Standards the Company is required to recognise a derivative financial asset on all open source origin components from its portfolio of uranium concentrate sale and purchase agreements. This results in the use of market prices (average of US$49.2 per pound U_3O_8) for revenue recognition of uranium sales rather than contracted prices (average of US$52.3 per pound U_3O_8).

Note 3: Material Costs and Expenses

Included in costs and expenses for the period to 31 December 2022 are:

	31 December 2022 US$000s	31 December 2021 US$000s
a) Cost of sales		
Purchased uranium(i)	11,809	9,512
Net realisable value inventory adjustment	322	(207)
Total cost of sales	**12,131**	**9,305**
b) Standby mode and low pH transition costs(ii)	**3,918**	**3,693**
c) Corporate and administration expenses		
Selling and marketing expenses	214	95
Corporate and other administration expenses	1,196	894
Total corporate and administration expenses	**1,410**	**989**
d) Other expenses		
Share-based payments expense – refer Note 11	49	215
Total other expenses	**49**	**215**

Notes:

(i) In accordance with International Accounting Standards the Company is required to recognise a derivative financial asset or financial liability on all open source origin components from its portfolio of uranium concentrate sale and purchase agreements. This results in the use of market prices (average of US$49.9 per pound U_3O_8) for expense and/or inventory recognition of uranium purchases as appropriate, rather than contracted prices (average of US$32.5 per pound U_3O_8).

(ii) In July 2019 the Lance Projects ceased alkaline ISR operations and as a result the project standby mode and transition costs to the low pH ISR process have been separately disclosed. In 2022 these costs include expenditure related to the MU1A Field Demonstration and the preparatory work programmes for restart of commercial operations. Any costs relating to the sale of uranium concentrate have been disclosed in cost of goods sold.

Note 4: Dividends

The Company has not paid or provided for dividends during the half-year ended 31 December 2022.

Note 5: Operating Segments

The consolidated group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors and Managing Director / Chief Executive Officer (chief operating decision makers) in assessing performance and determining the allocation of resources. Segments are identified based on area of interest. Financial information about each segment is provided to the chief operating decision makers on at least a monthly basis.

The consolidated group has three reportable operating segments as follows:

- Lance Projects, Wyoming USA;
- Karoo Projects, South Africa; and
- Corporate/Other.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors and Managing Director / Chief Executive Officer, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated group.

(b) Inter-segment transactions

Corporate charges are allocated to reporting segments based on an estimation of the likely consumption of certain head office expenditure that should be used in assessing segment performance.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. Usually, segment assets are clearly identifiable on the basis of their nature and physical location.

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the consolidated group as a whole and are not allocated. Segment liabilities include trade and other payables.

(e) Unallocated items

The following items of revenue, expenditure, assets, and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Foreign exchange gain / (loss);
- Other expenses;
- Finance costs; and
- Income tax expense.

Segment Performance

The following tables present information regarding the consolidated group's operating segments for the half-year ended 31 December 2022:

31 December 2022	Lance Projects Wyoming, USA US$000s	Karoo Projects South Africa US$000s	Corporate/ Other US$000s	Total US$000s
Revenue and other income				
External sales	2,650	-	9,650	12,300
Cost of sales	(2,413)	-	(9,718)	(12,131)
Gross profit	**237**	**-**	**(68)**	**169**
Interest revenue	39	11	-	50
Total other income	**39**	**11**	**-**	**50**
Total gross profit and other income	**276**	**11**	**(68)**	**219**
Expenses				
Standby mode and low pH transition costs	(3,918)	-	-	(3,918)
Corporate and administration expense	-	45	(1,410)	(1,365)
Fair value gain on derivative	381	-	1,535	1,916
Allocated segment expenses	**(3,537)**	**45**	**125**	**(3,367)**
Unallocated expenses				
Foreign exchange loss	-	-	-	(85)
Other expenses	-	-	-	(49)
Income tax benefit	-	-	-	680
Loss for the half-year	**-**	**-**	**-**	**(2,602)**
Segment profit included in discontinued operations	-	-	-	(56)
Loss for the half-year from continuing operations	**-**	**-**	**-**	**(2,658)**

31 December 2022	Lance Projects Wyoming, USA US$000s	Karoo Projects South Africa US$000s	Corporate/ Other US$000s	Total US$000s
Segment assets				
Development	40,634	-	-	40,634
Property, plant and equipment	19,121	4	1	19,126
Cash and cash equivalents	13,219	298	11,581	25,098
Trade and other receivables	3,381	193	233	3,807
Inventory	28,597	-	-	28,597
Held for sale assets	-	406	-	406
Other financial assets	-	-	1,225	1,225
Total assets	**104,952**	**901**	**13,040**	**118,893**
Segment liabilities				
Borrowings	6	-	-	6
Provisions	11,418	-	17	11,435
Trade and other payables	13,106	25	356	13,487
Liabilities associated with held for sale assets	-	194	-	194
Deferred tax liability	-	-	232	232
Other financial liabilities	180	-	1,435	1,615
Total liabilities	**24,710**	**219**	**2,040**	**26,969**

The following tables present information regarding the consolidated group's operating segments for the half-year ended 31 December 2021:

31 December 2021	Lance Projects Wyoming, USA US$000s	Karoo Projects South Africa US$000s	Corporate/ Other US$000s	Total US$000s
Revenue and other income				
External sales	2,250	-	7,000	9,250
Cost of sales	(1,905)	-	(7,400)	(9,305)
Gross profit	**345**	**-**	**(400)**	**(55)**
Loan forgiveness	560	-	-	560
Profit on sale of property, plant and equipment	11	-	-	11
Sundry income	-	8	-	8
Interest revenue	-	4	-	4
Total other income	**571**	**12**	**-**	**583**
Total gross profit and other income	**916**	**12**	**(400)**	**528**
Expenses				
Standby mode and low pH transition costs	(3,693)	-	-	(3,693)
Corporate and administration expense	-	(3)	(989)	(992)
Exploration expense	-	(57)	-	(57)
Fair value gain/(loss) on derivative	2	-	(244)	(242)
Allocated segment expenses	**(3,691)**	**(60)**	**(1,233)**	**(4,984)**
Unallocated expenses				
Foreign exchange loss	-	-	-	193
Other expenses	-	-	-	(215)
Finance costs	-	-	-	(3)
Income tax expense	-	-	-	810
Loss for the half-year	**-**	**-**	**-**	**(3,670)**
Segment loss included in discontinued operations	-	-	-	(48)
Loss for the half-year from continuing operations	**-**	**-**	**-**	**(3,622)**

30 June 2022	Lance Projects Wyoming, USA US$000s	Karoo Projects South Africa US$000s	Corporate/ Other US$000s	Total US$000s
Segment assets				
Development	37,033	-	-	37,033
Property, plant and equipment	18,530	4	1	18,535
Cash and cash equivalents	1,122	91	6,369	7,582
Trade and other receivables	3,706	202	134	4,042
Inventory	15,024	-	-	15,024
Held for sale assets	-	697	-	697
Other financial assets	469	-	4,803	5,272
Total assets	**75,884**	**994**	**11,307**	**88,185**
Segment liabilities				
Borrowings	8	-	-	8
Provisions	10,250	-	11	10,261
Trade and other payables	701	29	365	1,095
Liabilities associated with held for sale assets	-	261	-	261
Deferred tax liability	-	-	912	912
Other financial liabilities	623	-	1,586	2,209
Total liabilities	**11,582**	**290**	**2,874**	**14,746**

Note 6: Contingent Liabilities

The Board is not aware of any circumstances or information which leads them to believe there are any material contingent liabilities outstanding as at 31 December 2022 other than those disclosed in the 30 June 2022 annual report.

Note 7: Inventory

	31 December 2022 US$000s	30 June 2022 US$000s
Stores and consumables	900	134
Inventory – In-Process Uranium	1,657	1,657
Inventory – Drummed Uranium	967	967
Net Realisable Value write-down on year-end balance(i)	(1,697)	(1,647)
Sub-Total	**1,827**	**1,111**
Inventory – Uranium Stockpile(ii)	26,770	13,913
Total Inventory	**28,597**	**15,024**

(i) The carrying value of inventory was reviewed at period end. A write down has been recorded in both periods to value inventory at the lower of cost and net realisable value.

(ii) At 31 December 2022 Peninsula holds legal title to 0.51 million pounds of U_3O_8 at converter accounts. The Company acquired 0.2 million pounds of U_3O_8 from the market at the end of December 2022 in anticipation of 1Q CY2023 sales of 0.5 million pounds. In accordance with International Accounting Standards the Company is required to recognise a derivative financial asset or financial liability on all open source origin components from its portfolio of uranium concentrate sale and purchase agreements. This results in the use of market prices at balance date for inventory recognition of uranium purchases as appropriate, rather than contracted prices.

Note 8: Other Financial Assets and Liabilities

	31 December 2022 US$000s	30 June 2022 US$000s
Current financial assets		
Derivative financial asset(i)	1,222	5,269
Total current other financial assets	**1,222**	**5,269**
Non-Current financial assets		
Listed investment	3	3
Total non-current other financial assets	**3**	**3**
Non-current financial liabilities		
Derivative financial liabilities(i)	1,615	2,209
Total non-current other financial liabilities	**1,615**	**2,209**

Notes:

(i) At 31 December 2022 the Company's portfolio of uranium concentrate sale agreements is for sales volumes up to 4.85 million pounds U_3O_8, with 4.25 million pounds of firmly committed sales and up to 0.6 million pounds of optional sales remaining at the election of a customer. At 31 December 2022 the Company has 0.2 million pounds U_3O_8 of purchase commitments which will be used to satisfy delivery commitments in the next year.

Judgement and Management Assessment

Judgement is required to determine whether the group's portfolio satisfies the "own-use exemption" contained within IFRS 9. The standard applies to contracts to buy or sell a non-financial item that can be settled net in cash or in another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale, or usage requirements.

Management has assessed that the entire portfolio of uranium concentrate sale and purchase agreements no longer satisfy the "own-use" exemption under IFRS 9 *Financial Instruments* to not fair value the contractual rights and obligations of the arrangement.

In 2018 the Company announced that it was seeking to transition the Lance Projects from an alkaline based mining method to a low pH mining method. To assist with the transition period, the group agreed to vary certain uranium sale and purchase agreements and reduce the quantity of Lance origin uranium to be delivered and granted a series of option agreements to customers. The group also enters into purchase commitments in order to procure pounds of U_3O_8 to satisfy the delivery obligations.

Committed Offtake Agreements
At 31 December 2022, pricing for the committed offtake agreements relate in the main to base escalated sales contracts, with the average cash sales price over the remaining term of the contracts estimated at US$54.83 per pound using conservative US inflation assumptions. Delivery obligations under the contracts continue through to 2030.

A Derivative Financial Asset has been recognised and accounted for as Financial Instruments at Fair Value through Profit or Loss. This asset only relates to the open source origin component of these agreements (0.2 million pounds U_3O_8 at 31 December 2022) and all the purchase commitments. No asset value has been subscribed to the Lance Projects origin component of the committed offtake agreements (3 million pounds U_3O_8).

Uncommitted Option Agreements
The uncommitted option agreements are subject to a mixture of base escalated prices and current uranium pricing metrics, including both a floor and a ceiling price, with an estimated cash sales price range of between US$42 to $45 per pound relating to the calendar years 2024 to 2026 inclusive, with exercise dates in the first quarter of the 2023 calendar year.

The increase in uranium prices during the 2022 financial year resulted in the first-time recognition of a Derivative Financial Liability at 30 June 2022 for the uncommitted option agreements which has been accounted for as Financial Instruments at Fair Value through Profit or Loss. This liability only relates to the open-source origin component of the uncommitted option agreements (0.15 million pounds U_3O_8). No liability value has been subscribed to the Lance Projects origin component of the uncommitted option agreements (0.45 million pounds U_3O_8).

Fair Value
The derivative financial asset and financial liability fair value of the open source origin components of the committed offtake agreements, purchase commitments, and uncommitted option agreements is based on the present value of the difference between the revenue/expense under the agreements and revenue/expense that similar agreements would generate if entered into at 31 December 2022, and will differ from the actual cash received/paid in the future.

The net derivative gain recognised in the half-year to December 2022 is US$1.9 million (December 2021: net derivative loss of US$0.2 million), attributable to both the derivative financial assets and financial liabilities (December 2021: derivative financial assets only).

Note 9: Mineral Development

	31 December 2022 US$000s	30 June 2022 US$000s
Non-Current		
Closing balance of Mineral Development assets(i)	40,634	37,033
Total Mineral Development Assets	**40,634**	**37,033**

Notes:
(i) At the end of each reporting period, the consolidated group assesses whether there is any indication that development assets may be impaired. This assessment includes the consideration of external sources of information including uranium prices and the Company's market capitalisation, and internal sources of information including progress of the transition to low pH in-situ recovery operations at the Lance Projects in Wyoming USA. At 31 December 2022 the group has concluded that there were no impairment indicators and the carrying value of the mineral development assets are recoverable.

Note 10: Trade and Other Payables

	31 December 2022 US$000s	30 June 2022 US$000s
Current		
Trade and other payables(i)	13,487	1,095
Total Trade and Other Payables	**13,487**	**1,095**

Notes:
(i) The large increase in trade and other payables since 30 June 2022 relates to the purchase of 0.2 million pounds of U_3O_8 in December 2022 in order to meet a sales delivery commitment. This trade payable was settled by the Company within contractual terms subsequent to period end.

Note 11: Share-Based Payments

	31 December 2022 US$000s	31 December 2021 US$000s
Non-Executive Director Options(i)	3	-
LTIP shares(ii)	131	215
STIP shares(ii)	(85)	-
Total Share-Based Payments	**49**	**215**

Notes:

(i) On 8 December 2022, 4,100,000 unlisted options were issued to Non-Executive Directors of the Company following approval at the Annual General Meeting of shareholders on 29 November 2022. The options vest in equal tranches over a 3-year period, with an exercise price of A$0.30 and expiry date of 29 November 2027.

The options were valued independently using the Hoadley valuation model utilising the following inputs and are being expensed over the vesting profiles of the tranches:

Valuation and Assumptions of Options	Tranche 1	Tranche 2	Tranche 3
Grant date	29-Nov-22	29-Nov-22	29-Nov-22
Number	1,366,667	1,366,667	1,366,666
Share price	A$0.135	A$0.135	A$0.135
Exercise price	A$0.300	A$0.300	A$0.300
Vesting date	29-Nov-23	29-Nov-24	29-Nov-25
Expiry date	29-Nov-27	29-Nov-27	29-Nov-27
Volatility	95.00%	95.00%	95.00%
Risk-free interest rate	3.35%	3.35%	3.35%
Value per option	A$0.0672	A$0.0723	A$0.0774
Total fair value (A$)	A$91,840	A$98,810	A$105,780
Total fair value (US$)	US$64,885	US$69,809	US$74,733

(ii) In August 2022, the Board approved the award of incentives under both the Long-Term Incentive Plan (LTIP) and the Short-Term Incentive Plan (STIP) for Key Management Personnel and senior staff in recognition of performance during the financial year to 30 June 2022. The STIP is awarded in cash, but an election can be made by the participant to receive a gross up of the cash benefit in shares. Both the LTIP shares and the STIP share elections were accrued for as at 30 June 2022 and subsequently issued during the half-year period to 31 December 2022.

Note 12: Issued Capital

(a) Ordinary Shares	31 December 2022 US$000s	30 June 2022 US$000s
1,257,050,004 fully paid ordinary shares (June 2022: 997,296,191)	**274,893**	**252,717**

For the six months ended 31 December 2022	Number	US$000s
Balance at 1 July 2022	997,296,191	252,717
Shares issued during the half-year		
• Shares issued under Placement(i)	244,274,810	21,592
• Shares issued under Share Purchase Plan(i)	6,580,186	582
• Shares issued under long-term employee incentive scheme(ii)	5,994,134	748
• Shares issued in lieu of cash short-term incentives(ii)	2,904,683	329
• Shares issue costs	-	(1,075)
Balance as at 31 December 2022	**1,257,050,004**	**274,893**

Notes:

(i) In November 2022 the Company completed an institutional placement (**Placement**), raising A$32 million (US$21.6 million) before costs through the issue of approximately 244 million Placement Shares at an offer price of A$0.131 per share. In conjunction with the Placement, the Company launched a non-underwritten Share Purchase Plan (**SPP**) at the same price of 13.1 cents per share. The SPP raised a total of A$0.9 million (US$0.6 million).

(ii) In August 2022, the Board approved the award of incentives under both the Long-Term Incentive Plan (LTIP) and the Short-Term Incentive Plan (STIP) for Key Management Personnel and senior staff in recognition of performance during the financial year to 30 June 2022. The STIP is awarded in cash, but an election can be made by the participant to receive a gross up of the cash benefit in shares. Both the LTIP shares and the STIP share elections were accrued for as at 30 June 2022 and subsequently issued during the half-year period to 31 December 2022.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. At 31 December 2022, the Company had on issue 4,100,000 unlisted options.

Note 13: Fair Value Measurement

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

31 December 2022	Level 1 US$000s	Level 2 US$000s	Level 3 US$000s	Total US$000s
Financial Assets				
Listed investments(i)	3	-	-	3
Derivative financial asset(ii)	-	-	1,222	1,222
Total Financial Assets	**3**	**-**	**1,222**	**1,225**
Financial Liabilities				
Derivative financial liabilities(ii)	-	-	1,615	1,615
Total Financial Liabilities	**-**	**-**	**1,615**	**1,615**

30 June 2022	Level 1 US$000s	Level 2 US$000s	Level 3 US$000s	Total US$000s
Financial Assets				
Listed investments(i)	3	-	-	3
Derivative financial asset(ii)	-	-	5,269	5,269
Total Financial Assets	**3**	**-**	**5,269**	**5,272**
Financial Liabilities				
Derivative financial liabilities(ii)	-	-	2,209	2,209
Total Financial Liabilities	**-**	**-**	**2,209**	**2,209**

Notes:

(i) The fair value of the listed investments have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

(ii) The fair value of the derivative financial asset and financial liabilities has been determined using comparison of uranium forward spot prices to total contractual cash flows of the respective uranium sale and purchase agreements, discounted back to present value.

There were no transfers between levels during the half-year ended 31 December 2022.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair value due to their short-term nature.

Level 3 Assets
Movements in level 3 assets during the half-year ended 31 December 2022 are set out below:

	Balance 1 July 2022	Derivative fair value movement	Realised Sales portion	Realised Purchase or Inventory	Balance 31 December 2022
Derivative financial assets	5,269	1,322	(784)	(4,585)	1,222
Derivative financial liabilities	2,209	594	-	-	1,615

The level 3 asset unobservable inputs and sensitivities are as follows:

Description	Unobservable Inputs	Input	Sensitivity
Derivative financial assets	Pre-tax discount rate	11% nominal	1% change would increase/ decrease fair value by US$0.0m (June 2022: US$0.0m)
	Uranium forward sales price	US$53/lb	US$1/lb change would increase/decrease fair value by US$0.2m (June 2022: US$0.4m)
	Uranium forward purchase price	US$49/lb	US$1/lb change would increase/decrease fair value by US$0.2m (June 2022: US$0.4m)
Derivative financial liabilities	Pre-tax discount rate	11% nominal	1% change would increase/ decrease fair value by US$0.0m (June 2022: US$0.1m)
	Uranium forward sales price	US$53/lb	US$1/lb change would increase/decrease fair value by US$0.4m (June 2022: US$0.4m)

Note 14: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There have been no changes in the nature of related party transactions since the last annual reporting date other than equity-based payments as disclosed in Note 11.

Peninsula Energy Limited is the ultimate parent entity. The parent entity has related party transactions with its subsidiaries whereby the parent funds exploration, evaluation and development expenses, and general and administrative expenses incurred by its subsidiaries. The parent entity charges its wholly owned subsidiary Strata Energy Inc, a management fee for the provision of corporate, financial management, administration and other services during the half year. These transactions are settled through inter-company loans.

Note 15: Events Subsequent to Reporting Date

In January 2023 the Company appointed Rachel Rees to the position of Executive Director Finance and Corporate Affairs, including the roles of Chief Financial Officer and Joint Company Secretary. Ms Rees replaced Mr Ron Chamberlain who resigned from his roles as Chief Financial Officer and Joint Company Secretary to take up another opportunity.

In March 2023 the Company announced a revised target for the restart of commercial operations at Lance following minor delays in deliveries of equipment, with commencement of production forecast in mid-year 2023.

No other matter or circumstance has arisen since 31 December 2022, which has significantly affected, or may significantly affect the operations of the consolidated group, the result of those operations, or the state of affairs of the consolidated group in subsequent financial years.

Directors' Declaration

The directors declare that:

1. The financial statements and notes, as set out on pages 10 to 23, are in accordance with the *Corporations Act 2001*, including

   (a) complying with Australian Accounting Standard 134; and

   (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

John Harrison
Non-Executive Chairman
16 March 2023

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Peninsula Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Peninsula Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth

16 March 2023