



# ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2023

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## Chairman's Report

Dear Shareholders

The 2023 financial year was filled with pre-production construction and de-risking activity in anticipation of the planned restart of operations at Lance in mid-2023. Following the release of the Definitive Feasibility Study on the Ross and Kendrick production areas in August 2022, Stage 1 plans were on track as we completed modifications to transition from an alkaline operation to the higher recovery and more economic low pH ISR method. Wellfield development was complete for Mine Units 1 and 2 and was underway at Mine Unit 3 at the end of the financial year.

Post the financial year end and on the cusp of restarting production, the Board received the information that our long-standing processing partner, with whom we had contracted to continue to treat loaded resins and produce dry yellowcake until our own plant was complete in Stage 2, had given notice to terminate the agreement. It was impractical for us to make short-period use of the notice period to treat resins and the absence of practical alternatives in the time available necessitated a change in production strategy. The Board made the difficult decision to delay our production schedule and rapidly bring our Stage 2 development plan forward in order to complete end-to-end processing in-house, produce the final yellowcake product and cease the reliance on a third party.

We appreciate the patience shown by shareholders whilst we re-evaluated the Life of Mine model for the Ross and Kendrick Areas, incorporating a new strategy for production commencing in Stage 2. After an intensive review of options, the Board is firmly of the view that this shift in strategy is in the best interests of our Company. The changes will establish Peninsula as a fully independent producer and will ultimately result in a faster ramp up of production. As we develop, we will pay close attention to geological detail and all other factors necessary to maximize uranium recovery and allow the project to achieve rapid positive cash flow. An exciting aspect of the new strategy is that this is projected to occur during the first full year of operations in our 2026 financial year.

Throughout the 2023 financial year, we delivered 750,000 pounds of uranium ( $U_3O_8$ ) to our loyal customers and to the US Federal Reserve, strengthening our reputation built over the last decade as a reliable supplier. Having secured well-priced purchased uranium to deliver into our contract book, we were able to maintain reasonable margins on these deliveries. Maintaining and building on customer relationships was an important focus during the year and this has resulted in productive discussions with all customers indicating their flexibility to revise near-term delivery schedules in the light of our new production strategy.

### *Right Resource*

When the Ross and Kendrick Areas are combined with the extensive 31.9 million pounds (Mlbs)  $U_3O_8$  resource in the Barber Area, Lance is one of the largest uranium projects in the US with a JORC (2012) Resource of 53.8 Mlbs  $U_3O_8$ . The upside for expansion of our operation beyond the revised Ross and Kendrick Life of Mine plan is substantial. As the entire cost of the plant upgrades are set against Ross and Kendrick, future mining at Barber will have a considerably lower capital cost profile.

### *Right Country*

Whilst some of our uranium sales this year were 'open source', it is becoming increasingly desirable to source US produced uranium to meet domestic supply demands. Ongoing conflicts in other uranium-rich countries are adding to the need for energy security. The effects of this are being felt across the world. With our world-class Lance Project in the heart of the US, we are the only Australian Securities Exchange (ASX)-listed uranium company providing direct exposure to near-term domestic US production. Additionally, two of the three currently operating Western conversion plants are located in North America, allowing direct truck transport from our mine in Wyoming.

### *Right Commodity*

As anticipated, the fundamentals have strengthened for the nuclear industry. The popularity of low-cost, reliable nuclear energy has seen a resurgence across the globe as countries aim to meet clean, green energy commitments. Nuclear power has bipartisan support in the US and the current US government is encouraging the uranium industry, having recently certified the first small modular reactor design. Globally, we are seeing governments and individual utility companies seeking to boost their nuclear power generation with uranium sourced from stable jurisdictions.

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### ***Right Time***

The new Ross and Kendrick Life of Mine Plan envisages production at Lance re-commencing in just over 12 months, which would see us coming on stream to meet demand in a supply constrained uranium market. The recent sustained uplift in uranium spot prices reflects the continuing mismatch between supply and demand.

### ***Right Location***

Our location in Wyoming is a long-term mining jurisdiction surrounded by supportive communities. This is such an important component in our operations and our team play an integral role in local life. Our commitment to building the long-term sustainability of the communities in which we operate has seen over 50 Strata Energy Scholarships awarded to Crook County students since commencement of our operations in 2013.

### ***Right Team***

An important differentiator for Peninsula is the high level of experience our team has in producing U<sub>3</sub>O<sub>8</sub>, from our current resource, at our existing plant and elsewhere across the world. On behalf of the Board, I extend my thanks to our dedicated on-site team at Strata Energy for their commitment to all areas of operations. Many of their efforts were highlighted in our Sustainability Report released in May 2023 including our proud record of no lost-time injuries for more than five years and the rollout of ISO 14001 and ISO 9001 certification for environmental and quality management. To achieve our goals, we will need to put substantial effort into strengthening and expanding our human resources.

Prudent financial management to date has seen us finish the year with US\$21.5 million (M) in cash and zero debt. The net loss of \$3.6M was in line with budgeted expectations. Our next 12 months are critical and we have much work to do to accomplish our goals. Delivering on our plans to re-enter producer status by the end of 2024 relies on securing financing options. In preparation, our CEO and MD, Wayne Heili has steadily built internal capability headed by Executive Director of Finance, Rachel Rees. Wayne and Rachel have generated encouraging feedback from the investment community through roadshows and regular dialogue and we are excited to build on our foundational work to fund our establishment as a fully independent uranium producer.

I have faith in our project, our product and our people. Our agility and ability to change gears quickly when the need arose is testament to the resilience and commitment of the entire Peninsula Group. I thank each and every one of our shareholders for the faith you have shown in our operations, especially through this challenging period of market volatility and look forward to bringing you regular updates on our progress throughout the coming year.

Yours faithfully



John Harrison  
Chairman  
Perth

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## Corporate Governance Statement

Unless disclosed below, all the best practice recommendations of the 4th edition of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2023.

### *Board Composition*

The skills, experience, and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the Directors' Report.

The names of the Directors of the Company, or who have served as a Director during the year, are:

- John Harrison Non-Executive Chairman (Independent)
- Wayne Heili Managing Director / Chief Executive Officer
- Rachel Rees Executive Director Finance and Corporate Affairs / Chief Financial Officer and Joint Company Secretary (transitioned from Non-Executive Director 30 January 2023)
- Harrison Barker Non-Executive Director (Independent)
- Mark Wheatley Non-Executive Director (Independent)
- Brian Booth Non-Executive Director (Independent)

The Board considers that an Independent Director is a Non-Executive Director who also:

- Is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with or nominated by, a substantial shareholder of the Company;
- Within the last three years has not been employed in an executive capacity by the Company or another group member or been a director after ceasing to hold any such employment;
- Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provider;
- Is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with the Company or another group member other than as a director of the Company;
- Has not served on the Board for a period that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- Is free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Non-Executive Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the Company.

### *Ethical Standards*

The Board acknowledges and emphasizes the importance of all Directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A Code of Conduct has been established requiring Directors and employees to:

- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflict of interest;
- Comply with the law; and
- Encourage the reporting and investigating of unlawful and unethical behavior.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

## Diversity

The Board has adopted a Diversity Policy as per the recommendations. The Diversity Policy addresses equal opportunities in the hiring, training, and career advancement of directors, officers, and employees.

The Diversity Policy outlines the processes by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with focus on gender diversity within the Company.

The Company is committed to inclusion at all levels of the organization, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives if and when such objectives are set. The Company is focused on providing a range of business and employment opportunities for all members of the communities in which it operates in.

## Gender Diversity

The Board is committed to workplace diversity and supports representation of women at the senior level of the Company and on the Board. Given the relatively small size of the Company at this point in time, the Board has not determined measurable objectives for increasing gender diversity. All personnel are employed and/or promoted on their merits. The Company considers the current Board to be effective and possessing a wide range of complementary skills. All Board appointment processes are conducted in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

### Women Employees, Executives and Board Members

There is currently one female member on the Board of the Company. In February 2022 the Company appointed its first female director, Ms Rachel Rees to the Board.

The Company and its consolidated entities have four female employees:

- An Executive Director;
- an accounts payable officer;
- a land administrator; and
- a cleaner.

whom represent approximately 9% of the total employees, executives and/or board members of the Company and its consolidated entities.

| Description         | Male      | %            | Female   | %            |
|---------------------|-----------|--------------|----------|--------------|
| <b>30 June 2023</b> |           |              |          |              |
| Board of Directors  | 5         | 83.3%        | 1        | 16.7%        |
| Senior management   | 8         | 100.0%       | 0        | 0.0%         |
| Other employees     | 29        | 90.6%        | 3        | 9.4%         |
| <b>Total</b>        | <b>42</b> | <b>91.3%</b> | <b>4</b> | <b>8.7%</b>  |
| <b>30 June 2022</b> |           |              |          |              |
| Board of Directors  | 5         | 83.3%        | 1        | 16.7%        |
| Senior management   | 7         | 100.0%       | 0        | 0.0%         |
| Other employees     | 23        | 88.5%        | 3        | 11.5%        |
| <b>Total</b>        | <b>35</b> | <b>89.8%</b> | <b>4</b> | <b>10.2%</b> |

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## *Trading Policy*

The Board has formally adopted a Share Trading Policy in line with Corporate Governance guidelines which restricts Directors and employees/consultants from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

## *Whistleblower and Anti-Bribery and Corruption Policy*

The Board formally adopted Whistleblower and Anti-Bribery and Corruption Policies on 9 September 2021, in line with recommendations of the 4th edition of the ASX Corporate Governance Council. The Board reviews the policy on an annual basis and no changes were identified during the year.

## *Audit and Risk Management Committee*

The Audit and Risk Management Committee consisted of three Non-Executive Directors throughout the majority of the year and has an independent Chairman. The number of directors on the Committee during the year is consistent with the ASX Corporate Governance Council recommendations and is appropriate for the size of the Company. The Chief Financial Officer and Company Secretary are also present at all Audit and Risk Management Committee meetings. The Audit and Risk Management Committee operates under a formal charter.

The names and qualifications of those appointed to the Audit and Risk Management Committee and their attendance at meetings of the Committee are included in the Directors' Report.

## *Shareholder Rights*

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of Directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Peninsula Energy Limited, to lodge questions to be responded to by the Board and/or the CEO and can appoint proxies.

## *Risk Management*

The Board considers identification and management of key risks associated with the business as vital to maximize shareholder wealth. The Chief Financial Officer has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed as required. The volatile economic environment has emphasized the importance of managing and reassessing the Company's key business, social and environmental risks.

## *Remuneration Policies*

The Remuneration Committee is responsible for determining and reviewing the appropriate compensation arrangements and policies for the Key Management Personnel, in accordance with the policies and procedures outlined in the Remuneration Committee Charter. The Remuneration Committee reviews executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies.

The Company's Remuneration Policy is to ensure remuneration packages properly reflect each person's duties and responsibilities and support the Company's business objectives. The Policy is designed to attract the highest caliber directors, executives, and senior staff, and reward them for performance which results in long-term growth in shareholder value.

Executives and selected senior staff are also entitled to participate in the employee share, restricted share unit and option arrangements.

The amount of remuneration for all Key Management Personnel of the consolidated group, including all monetary and non-monetary components, is detailed in the Remuneration Report within the Directors Report. Shares given to Key Management Personnel are valued at the market price of those shares. Options are valued independently using a Black-Scholes model.

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The Board believes that the remuneration structure adopted results in the Company being able to attract and retain the best directors, executives, and senior staff to run the consolidated group. It will also provide executives with the necessary incentives to work and grow long-term shareholder value.

The payment of cash bonuses, share awards and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All cash bonuses, share awards and other incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, cash bonuses and share awards and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria or other relevant circumstances applicable to the Company.

### *Remuneration Committee*

The Remuneration Committee consists of three Non-Executive Directors and has an independent Chairman, consistent with the ASX Corporate Governance Council recommendations.

The names of the members of the Remuneration Committee and their attendance at meetings of the committee are detailed in the Directors' Report.

### *Nomination Committee*

The Board has formally adopted a Nomination Committee Charter and during the 2023 financial year and formed a separate Nomination Committee comprising three Non-Executive Directors. The Company also has a procedure guideline for the selection and appointment of Directors.

New candidates are considered with reference to a number of factors which include, but are not limited to, their relevant experience, expertise and professional qualifications, compatibility with the existing Board and possession of complimentary skill sets, absence of conflicts of interest or other legal impediments to serving on the Board, credibility within the Company's industry and scope of activities and their overall integrity and reputation.

The Company has in place appropriate procedures to ensure that material information relevant to a decision to re-elect a Director is disclosed in the notice of meeting provided to security holders.

### *Other Information*

Further information relating to the Company's corporate governance practices and policies has been made available publicly on the Company's website at [www.pel.net.au](http://www.pel.net.au).



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## Directors' Report

Your Directors present their report, together with the financial statements of the consolidated group (or Peninsula), being the Company and its controlled entities, for the financial year ended 30 June 2023.

### *Directors*

The names of Directors in office at any time during or since the end of the year are:

- John Harrison
- Wayne Heili
- Harrison Barker
- Mark Wheatley
- Rachel Rees
- Brian Booth

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### *Principal Activities*

The principal activities of the consolidated group during the financial year consisted of uranium exploration and advancing the restart of the 100% owned Lance Uranium Project located in Wyoming, United States of America. There were no other significant changes in the nature of the consolidated group's principal activities during the financial year.

### *Forward Looking Statements*

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of the Consolidated Entity's planned work at the Company's projects and the expected results of such work are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: *expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential* and similar expressions. Forward-looking statements also include reference to events or conditions that *will, would, may, could or should* occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realize the perceived potential of the consolidated group's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of uranium reserves and resources; risk of accidents, equipment breakdowns and labor disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the consolidated group's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of uranium and other risks and uncertainties.

## Review of Operations

Peninsula Energy Limited (Peninsula or the Company) is an ASX listed uranium mining company with 100% ownership of the Lance Project (Lance) in Wyoming, USA, operated by Peninsula's subsidiary, Strata Energy Inc (Strata). The Company is preparing for the re-start of operations, after transitioning from its original alkaline operation to a low-pH in-situ recovery (ISR) operation. A Definitive Feasibility Study (DFS) for the Ross and Kendrick areas of the Lance Project was completed in August 2022, and post the end of the 2023 financial year, in August 2023, a revised production and Life of Mine (LoM) plan was released for the Ross and Kendrick areas of the Lance Project.

### Lance Uranium Project

(Peninsula Energy 100%)

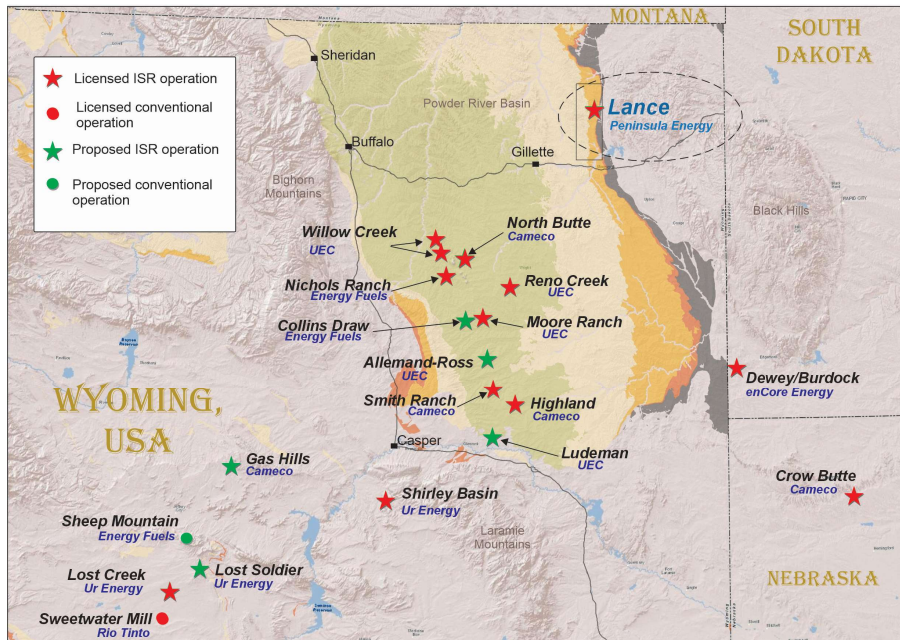


Figure 1: Lance Project Location, Wyoming, USA

The Lance Project is one of the largest uranium projects in the US and is made up of the Ross, Kendrick and Barber Areas with a combined JORC (2012) resource base of 53.8 Mlbs U<sub>3</sub>O<sub>8</sub>. Commercial operations commenced in 2015 and were suspended in 2019 to allow the on-site team to focus on preparing for the transformation in process chemistry applications to low pH ISR.

Over 50% of uranium produced globally is extracted via the low pH ISR process and companies that utilize this process populate the lowest quartile of cash costs for global uranium producers.

In 2019 and 2020 the Company obtained all necessary amendments to its regulatory authorizations for Lance to operate using a low pH ISR process in addition to the originally authorized alkaline ISR process. Lance is the only US uranium project authorized to use the industry leading, low-cost, low pH ISR process.

The Mine Unit 1A (MU1A) field demonstration of the low pH ISR process commenced in August 2020 to confirm the optimal operating conditions for resumption of production activities. The field demonstration was concluded in November 2021 and preparatory works for production commenced in February 2022.

In August 2022, a DFS was completed for the Ross and Kendrick Production Areas, covering a total resource base of 21.8 Mlbs U<sub>3</sub>O<sub>8</sub>. The DFS excluded the contiguous 31.9 Mlbs resource at the Barber Resource Area, where there is significant future growth opportunity for Lance.

The DFS, as detailed in the 2022 Annual Report, outlined a staged approach to name plate capacity production, with Stage 1 including the transition to the low pH ISR process. Stage 2 expanded the plant to a nameplate capacity of 2.0 Mlbs per annum and included the backend plant processes to generate a final yellowcake product.

In November 2022, following the successful completion of a A\$32M institutional placement and a Share Purchase Plan of A\$0.9M, the Board of Directors made a Financial Investment Decision (FID) to restart operations at Lance. Construction and well preparation activities progressed as planned and following modest delays in certain long lead item deliveries, commencement of commercial production was expected around mid-year 2023.

In July 2023, and within a month of the planned restart of production, Peninsula received a termination notice from their long-term supplier who treated the loaded resins and produced the dry yellowcake product. As a result of this unexpected development, the Company quickly made the decision to delay the production restart until the Stage 2 backend plant processes were available in-house. By moving directly to Stage 2, the ramp-up as outlined in the DFS is accelerated and Peninsula will be a fully independent end-to-end producer from the outset of production, mitigating the risk of third-party supply failures.

In August 2023, the Company released a revised production and Life of Mine plan for the Ross and Kendrick Areas with production scheduled to commence in December 2024.

## Revised Ross and Kendrick Life of Mine Plan

### Production Profile

A LoM production profile based on detailed mining, metallurgical and scheduling factors was developed for the Ross and Kendrick production areas.

The updated production profile reflects a faster ramp-up to substantial rates, through the availability of a complete 2.0 Mlbs per annum production plant from commencement of production. Production is projected to start in December 2024 and a production output of ~1.1 Mlbs is projected for calendar year 2025.

Full ramp-up annual production rates range from 1.6 Mlbs per annum to 1.8 Mlbs per annum. Over the effective 10-year Ross and Kendrick production life, 14.8 Mlbs U<sub>3</sub>O<sub>8</sub> are produced. The production profile is presented in **Figure 2**.

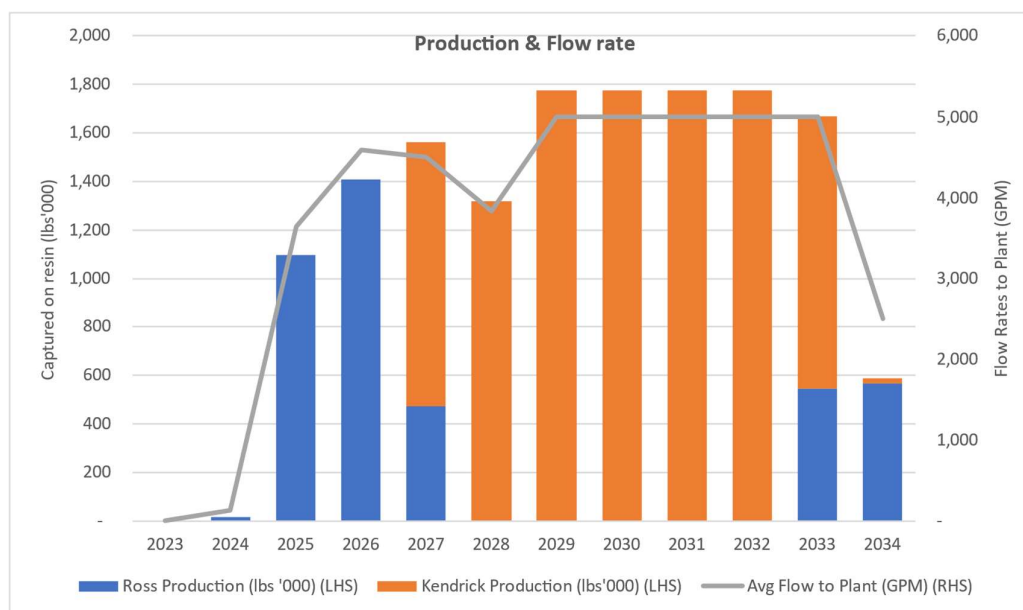


Figure 2: Life of Mine Production Profile

### Production Metrics

|  |          |
|--|----------|
| Estimated Ross and Kendrick Production Life                            | 10 years |
| Estimated LoM Production (Mlbs U <sub>3</sub> O <sub>8</sub> )         | 14.8     |
| Steady State Production Rate (Mlbs U <sub>3</sub> O <sub>8</sub> p.a.) | 1.80     |
| Average Production Grade (mg/L U <sub>3</sub> O <sub>8</sub> )         | 77.2     |
| LoM Global Resource Recovery (%)                                       | 67.7%    |

Table 1: Production Metrics

Production in the first two years is planned to be solely from the Ross production area, which has a much higher proportion of Measured and Indicated Resources than the Kendrick production area. Production from Kendrick is planned to commence in 2027. This means that most of the production during the first five years is from the higher confidence Measured and Indicated Resource categories. See **Figure 3** for the sequencing of production by mineral resource category.

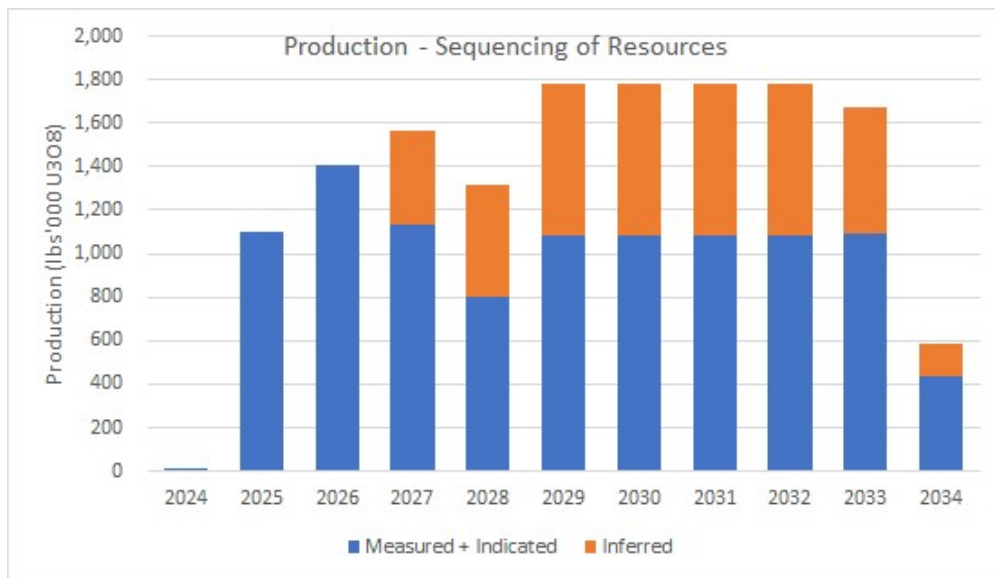


Figure 3: Life of Mine Production Profile by Resource Category

### Capital Costs

Revised capital expenditures for the completion of the low pH transition and process plant expansion have been estimated by internal personnel utilizing updated information developed for the initial low pH transition activities. The predicted level of accuracy for the process plant costs is +/-5%, and a contingency of 10% is allowed for all process plant capital expenditures.

Estimates for wellfield development costs have also been updated by internal personnel using wellfield planning information and current actual costs incurred by the Company. Wellfield development costs for Ross have a predicted level of accuracy of +/-5%. Since parts of the Kendrick wellfield designs are still conceptual, the level of accuracy for this area is +/-10%. A 5% contingency is applied to all wellfield development costs with the exception of Kendrick trunklines and overhead power extensions, which all carry a 15% contingency. Overall, contingency applied to capital expenditure is 5.5%.

Capital expenditure by each major stage is presented in **Table 2**.

| <b>Ross and Kendrick Project Level CAPEX Requirements</b>              |  | <b>(US\$M)</b> |
|--|--|----------------|
| <b>LoM CAPEX</b>   |  | <b>285.8</b>   |
| <b>Remaining CAPEX to 1st Production</b>                               |  | <b>53.4</b>    |
| • Process Plant  |  | 19.3           |
| • Wellfield  |  | 25.4           |
| • General  |  | 5.1            |
| • Contingency  |  | 3.6            |
| <b>Ramp-up Stage CAPEX (1st Production to flow capacity)</b>           |  | <b>17.4</b>    |
| • Wellfield  |  | 15.9           |
| • General  |  | 0.8            |
| • Contingency  |  | 0.8            |
| LoM Wellfield Replacement and Sustaining CAPEX (including contingency) |  | <b>215.0</b>   |

*Table 2: Project Level CAPEX Summary*

### Operating Costs

Operating costs are built from base principles, primarily using existing operating cost information and have an accuracy range of +/-5%. Operating costs include the estimated cost of restoration and rehabilitation of the above surface processing facilities, trunklines, field piping and below surface well reclamation.

Cost components used in the 2022 DFS were updated to reflect changes in costs in the period between the preparation of the DFS and preparation of the revised LoM plan.

The most substantial operating cost over the LoM is sulfuric acid. Using industry forecast information and expected benefits to be realized when the Company can commit to long-term supply arrangements, a price of US\$276 per ton in mid-2024, decreasing to US\$224 per ton in mid-2025 and US\$179 per ton from mid-2026 and beyond, has been used. An average cost contingency of 2.5% is applied to all operating costs.

| <b>OPEX (US\$M)</b>                              |       |
|--|-------|
| C1 Direct Operating Cost (excluding Restoration) | 320.2 |
| Total OPEX (including Restoration)               | 346.8 |
| <b>OPEX Unit Cost (US\$/lb)<sup>(i)</sup></b>    |       |
| C1 Direct Operating Cost (excluding Restoration) | 21.69 |
| Total OPEX (including Restoration)               | 23.49 |

*Table 3: OPEX Summary*

(i) Excludes royalties and local taxes (severance, ad valorem and property taxes)

### Project Level Economic Outcomes

The LoM plan reveals robust economic outcomes for production from Ross and Kendrick. The Project reaches positive cashflow within the 2026 financial year. A summary of the key economic outcomes and metrics from the LoM model is in **Table 4**.

| Key Ross and Kendrick Economic Outcomes                          |       |
|--|-------|
| LoM Project Revenue from Sale of Lance Production (real) (US\$M) | 988   |
| Average Sales Price Received (US\$/lb)                           | 67.07 |
| Average Price Received for Uncontracted Production (US\$/lb)     | 72.62 |
| LoM Operating Cashflow (before tax) (US\$M)                      | 258.2 |
| NPV <sub>8</sub> (US\$M)   | 116.2 |
| IRR (%)  | 26    |
| AISC – All In Sustaining Cost (US\$/lb)                          | 42.46 |
| AIC – All In Cost (US\$/lb)                                      | 50.27 |

*Table 4: Key Economic Outcomes*

With an operating mine life of 10 years and an average production rate of 1.48 Mlbs U<sub>3</sub>O<sub>8</sub> per year, Ross and Kendrick production areas yield an NPV<sub>8</sub> of US\$116M (2023 real) and an IRR of 26%.

The determined average sales price of US\$67.07 per pound U<sub>3</sub>O<sub>8</sub> generates a LoM revenue of US\$988M. The All In Sustaining Cost (AISC) for the project is US\$42.46/lb and the fully loaded All In Cost (AIC) is US\$50.27/lb.

### *Customer and Forward Sales Considerations*

Sales under existing contracts comprise up to 34% of the LoM production planned from Ross and Kendrick. The remaining production is currently uncontracted and is assumed to be sold at a weighted average of US\$72.62/lb U<sub>3</sub>O<sub>8</sub> (2023\$, un-escalated).

Following the decision to delay the restart of production at Lance, the Company has held discussions with the customer base regarding implications for scheduled deliveries in 2023 and 2024, prior to the expected restart of production. Peninsula's customers have been supportive of the evolving production plans and each has individually indicated a willingness to cooperatively revise their near-term delivery schedules.

### *Overview of Changes from 2022 DFS*

The information and production targets presented are based on parameters materially consistent with the 2022 DFS and updated where required for the revised LoM plan.

The DFS is a comprehensive study on the technical viability of converting the Ross and Kendrick production areas of the Lance Project from the alkaline mining method to a low pH mining method. The revised LoM plan represents the same conceptual basis, updated for changes in project schedule, changes in certain input and consumable costs, introduction of drill rig number capacity constraints, reduction in the number of new ion exchange columns to be included in the plant capacity expansion and removal of the previous 'Stage 1' toll milling period.

Existing mining facilities and infrastructure have largely been re-configured for low pH compatibility and used in the LoM plan. Cost estimates used in the revised LoM plan have been largely sourced from development experience, field scale demonstrations and operating experience from the existing mining operations.

While the modelling of capital and operating expenditures (CAPEX and OPEX) results in relatively consistent spending totals, differences in the assumptions of timelines to first production, production rates, sales schedules and revenue result in substantial changes to the resulting capital expenditure schedule, project level non-capital preproduction expenditures and production unit costs. All costing and revenue assumptions have been updated from a mid-2022 real dollar basis to a mid-2023 real dollar basis reflecting an interim period of substantial inflationary pressures.

| Key Ross and Kendrick Outcomes                                      | 2022 DFS      | Revised LoM   | Comments   |
|---|---------------|---------------|--|
| Uranium ISR Plant Flowrate Capacity (US Gallons per Minute)         | 6,250 GPM     | 5,000 GPM     | LoM based on 4 trains of IX columns; DFS based on 5 sets                         |
| Dry Yellowcake (U <sub>3</sub> O <sub>8</sub> ) Production Capacity | 2.0 Mlbs p.a. | 2.0 Mlbs p.a. | Drying capacity in the plant the same  |
| Estimated Production Operating Life                                 | 11 years      | 10 years      | Slightly shorter mine life due to elimination of toll milling period             |
| Average Recovered Grade   | 76 mg/L       | 77 mg/L       | Minor updates to pattern designs based on MU-3 wellfield design                  |
| Average Acid Consumption per lb U <sub>3</sub> O <sub>8</sub>       | 53.5 lbs      | 67 lbs        | Consumption updated to reflect pattern design and planned injection rates        |
| Estimated U <sub>3</sub> O <sub>8</sub> LoM Production              | 14.4 Mlbs     | 14.8 Mlbs     | Wellfield pattern area parameters updated to bring more pounds under pattern     |
| LoM Project Revenue from Sale of Lance Production                   | US\$895.2M    | US\$988.0M    | Slightly higher pounds produced and uplift in uncontracted price                 |
| Weighted Average Sales Price (US\$/lb)                              | US\$62.38M    | US\$67.07M    | Uplift in price for uncontracted uranium using 12-month spot price increase %    |
| LoM CAPEX <sup>(i)</sup>  | US\$290.6M    | US\$285.8M    | Despite cost escalation, wellfield design enhancements keep this steady          |
| LoM OPEX (before Royalties and Local Taxes) <sup>(i)</sup>          | US\$283.0M    | US\$346.8M    | Cost escalation between 2022 and 2023 and increased site support services        |
| NPV <sub>8</sub>  | US\$124.8M    | US\$116.2M    | Stays roughly the same of Life of Mine period                                    |
| IRR (%)   | 43%           | 26%           | Impact of deferred revenue from the 'old' Stage 1 during toll milling period     |
| All In Sustaining Costs (AISC)                                      | US\$39.08/lb  | US\$42.46/lb  | Reflects cost escalation between 2022 and 2023                                   |
| All In Costs (AIC)  | US\$45.74/lb  | US\$50.27/lb  | Reflects cost escalation and carrying site fixed costs for longer pre-production |

*Table 5: Comparison between 2022 DFS and Revised LoM Outcomes*

*(i) Revised LoM excludes sunk costs between January and June 2023 of approximately US\$6M CAPEX and US\$5.5M OPEX*

### Sensitivity Analysis

A sensitivity analysis shows the impact of OPEX, CAPEX and uncontracted uranium price on the revised LoM plan. The results indicate the project is least sensitive to CAPEX and that a 5% reduction in CAPEX would yield an increase of US\$10.1M in NPV<sub>8</sub>. See **Figure 4** for a summary of the sensitivity to CAPEX.

Sensitivity to a change in OPEX is marginally greater than sensitivity to CAPEX. A 5% reduction in OPEX would yield an increase of US\$12.4M in NPV<sub>8</sub>. See **Figure 5** for a summary of sensitivity to OPEX.

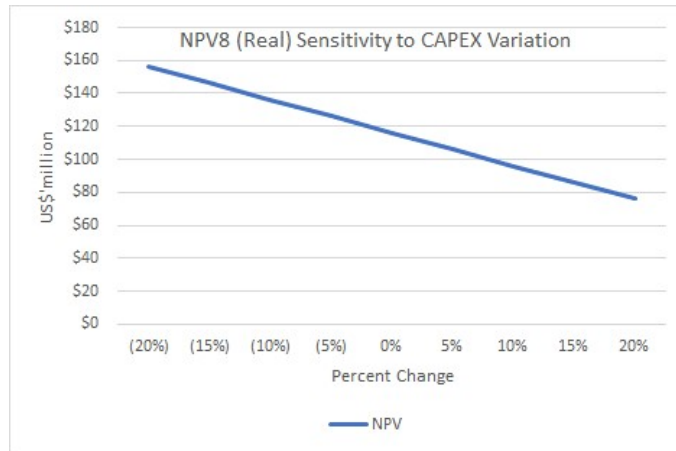


Figure 4: NPV Sensitivity to CAPEX

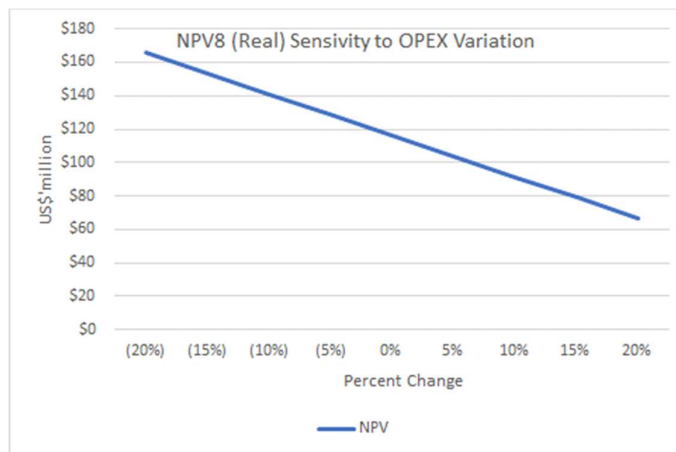


Figure 5: NPV Sensitivity to OPEX

The revised LoM plan used an average sales price for production sold outside of existing contracts of US\$72.62/lb U<sub>3</sub>O<sub>8</sub> (2023 real \$ basis), resulting in a weighted average price of US\$67.07/lb U<sub>3</sub>O<sub>8</sub> over the LoM period when combined with existing contracts. Consistent with sensitivities run for the 2022 DFS, Ross and Kendrick is most sensitive to changes in the price received for uncontracted uranium. A range of sensitivities have been run on the sales price for uncontracted production (see **Figure 6**). A US\$5/lb U<sub>3</sub>O<sub>8</sub> increase in the price received for non-committed production would yield an increase in the NPV<sub>8</sub> of US\$26.5M.

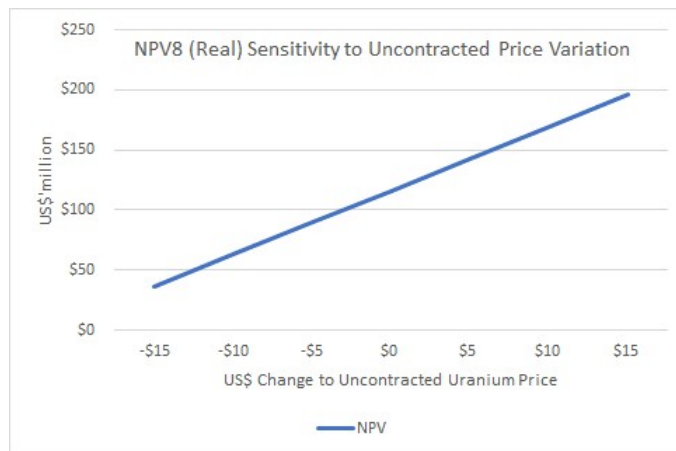


Figure 6: NPV Sensitivity to Uncontracted Uranium Price.



## Corporate Funding Requirements

Under this revised Ross and Kendrick LoM plan, between July 2023 (commencement period of the revised LoM plan) and the point where the project is forecast to start generating sustainable positive cash flows (estimated to be September 2025), an additional US\$19.3M (excluding contingency) is required to be spent on the process plant. Up to this same point in time, an additional US\$41.2M (excluding contingency) is planned to be spent on wellfield development CAPEX (Mine Unit 3, Mine Unit 4, and the commencement of development activities in the Kendrick Area).

The wellfield capital expenditure is required to enable the flow rate to the plant to ramp-up to approximately 5,000 GPM during the second half of 2025. In the same period, the Project is projected to require US\$44.3M in OPEX and site overhead expenditures. The OPEX and CAPEX contingency along with an allowance for escalation, totals US\$9.4M. The total Project level expenditure projected between July 2023 and August 2025 is US\$120.1M.

In the same period, the Company estimates it will require an additional US\$22.3M, made up of corporate costs (US\$8.9M), non-project area exploration and growth initiatives (US\$0.9M) and a working capital buffer allowance (US\$12.5M).

The Company enters this period with a cash balance of US\$21.5M and anticipates uranium sales activities to net US\$26M during the same period, including the assumed sale of strategic inventory. Considering all corporate level sources and uses, the Company projects a net additional funding need of US\$95M to achieve sustainable positive cash flows. This result is summarized in **Table 6**.

|  |              |
|--|--------------|
| <b>Sources (US\$M)</b>                                 | <b>142.4</b> |
| Cash Balance as of 30 June 2023                        | 21.5         |
| Revenue on Sales (net of purchases)                    | 25.9         |
| Net additional Funding Needed                          | 95.0         |
| <b>Uses (US\$M)</b>                                    | <b>142.4</b> |
| Plant CAPEX  | 25.2         |
| Wellfield CAPEX  | 41.2         |
| Site OPEX and Overheads                                | 44.3         |
| CAPEX and OPEX Contingency plus escalation             | 9.4          |
| Corporate Costs, Non-site Exploration, Working Capital | 22.3         |

*Table 6: Corporate Funding Sources and Uses Analysis (July 2023 through August 2025)*

This additional funding is not required as one lump sum amount and may be obtained progressively by the Company over the two-year time period. It is anticipated that additional finance will be sourced through a combination of the sale of strategic uranium inventory, equity and debt instruments.

The Board of Peninsula believes that there is a reasonable basis to assume that the required funding will be available as and when required by the Company to meet the development and production schedules based on:

- Operational and support infrastructure is already in place;
- The Company, its Board and executive management team have a successful track record of raising financing for mining projects;
- Existing long-term contracts for the sale of uranium held by the Company at prices viewed favorably by potential financiers and investors, due to the stable and predictable revenue generated from these contracts;
- Outcomes from the revised LoM plan demonstrate the Lance Project's potential to deliver favorable economic outcomes; and
- Other operators of North American uranium ISR projects have recently been successful in raising similar amounts of capital.

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### *Land and Mineral rights acquisition*

During the period, Peninsula acquired a strategically located 640-acre mineral lease as part of an ongoing mineral rights and data acquisition strategy. The new lease which lies approximately 20 km northeast of the Lance Project facilities is the latest in a sequence of mineral rights and data acquisition transactions in the area spanning an eight year period. To date, the Company has acquired approximately 4,140 acres of combined State and Federal Mineral rights covering a location with historically identified uranium mineralization and located contiguous to past successful uranium mining sites. The Company possesses past drilling data and is currently preparing a JORC compliant initial Mineral Resource Estimate which is due for completion by the end of 2023.

### *Sustainability*

Peninsula's sustainability initiatives and commitments are detailed in the Sustainability Report for the year ended 30 June 2023. Highlights include:

#### *Cultural Heritage Project*

Archeological evidence indicates at least 11,000 years of human activity in the vicinity of the Lance Project. Strata Energy act as custodians for a website created specifically for the Little Missouri Headwaters Cultural Heritage Project, allowing users to learn more about the area's traditional religious and cultural importance where direct access to those properties might not be possible.

#### *Community*

Over the last decade, Strata Energy has awarded over 50 scholarships to Crook County students through the Community Energy Scholarship for students who study in the field of science, technology, engineering or mathematics and the Opportunity Scholarship, for high school graduates pursuing trades or college education.

#### *Environment*

Peninsula has adopted a comprehensive Environmental Management Program that formalizes the approach for instituting sound environmental management practices at Lance. This program is designed to ensure compliance with applicable regulatory requirements and apply best management practices.

The environmental protection and monitoring requirements for Lance are primarily determined by Wyoming Department of Environmental Quality (WDEQ) permit and license requirements. The environmental surveillance programs include routine monitoring and analysis of water, air, soil, sediment, and vegetation within the permitted areas and surrounding environs to ensure compliance with WDEQ rules and regulations and that Lance does not cause any adverse environmental impacts. The monitoring programs are designed to provide environmental control based on many years of industry monitoring experience in conjunction with guidance and suggested practices from the relevant regulatory agencies.

### *United States Government Strategic Uranium Reserve*

In December 2022, the Company was awarded a supply contract with the US Department of Energy (DOE) to provide domestically produced uranium concentrates to the US\$75M Uranium Reserve established by Congress in 2020.

Under the supply award, the Company was to supply 300,000 lbs of US origin  $U_3O_8$  for the Uranium Reserve. The Company was a qualified supplier under the terms of the solicitation and provided an initial offer to the DOE in early August 2022. The delivery was satisfied with US origin material currently held by the Company. The agreed pricing was above reported spot and term pricing benchmarks at the time, reflecting the scarcity of US origin materials in the uranium market.

During the financial year, the US Government passed into law the Inflation Reduction Act of 2022 which contains a US\$3.4 billion plan providing substantial climate and energy-related incentives, including wide-ranging tax credits available to the nuclear energy sector, with the overall aim to reduce reliance on enriched uranium imports from Russia and promote direct purchases from domestic suppliers.

## Uranium Sales and Marketing

Peninsula sold 750,000 lbs of U<sub>3</sub>O<sub>8</sub> pursuant to long-term contracts during the 2023 financial year versus 450,000 lbs of U<sub>3</sub>O<sub>8</sub> in the 2022 financial year.

The sales completed by the Group consisted of 200,000 lbs of U<sub>3</sub>O<sub>8</sub> in August 2022 at an average realized cash price of US\$54.15; 50,000 lbs of U<sub>3</sub>O<sub>8</sub> in October 2022 at an average realized cash price of US\$45.06; 300,000 lbs of U<sub>3</sub>O<sub>8</sub> in December 2022 at an average realized cash price of US\$60.00; and 200,000 lbs of U<sub>3</sub>O<sub>8</sub> in March 2023 at an average realized cash price of US\$55.51/lb U<sub>3</sub>O<sub>8</sub>. With the Lance Project production idled in June 2021 these uranium delivery commitments were met using the Company's strategic uranium reserve and from on-market purchases. The company held 200,000 lbs of U<sub>3</sub>O<sub>8</sub> in strategic reserve at the end of the financial year (300,000 lbs U<sub>3</sub>O<sub>8</sub>, 30 June 2022).

Cash sales proceeds from these four deliveries totaled US\$42.2M, resulting in an average realized cash price of US\$56.25/lb U<sub>3</sub>O<sub>8</sub>. Revenue from the sale of uranium recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income was only US\$40.4M. The difference of US\$1.8M between the cash proceeds amount and the recognized accounting revenue has been allocated to derivative fair value movement to recognize the partial unwinding of derivative financial assets recognized in accordance with International Accounting Standards, specifically International Financial Reporting Standards (IFRS) 9 Financial Instruments.

At 30 June 2023, the Company's portfolio of uranium concentrate sale agreements is for up to 4.95 Mlbs U<sub>3</sub>O<sub>8</sub>, with 4.80 Mlbs of committed sales (refer Table 7) and up to 0.15 Mlbs of sales optional at the election of the customers.

| Financial Year | Committed Sale Pounds U <sub>3</sub> O <sub>8</sub> |
|----------------|---|
| 2024           | 525,000   |
| 2025           | 700,000   |
| 2026           | 700,000   |
| 2027           | 556,250   |
| 2028           | 493,750   |
| 2029           | 550,000   |
| 2030           | 550,000   |
| 2031           | 350,000   |
| 2032           | 150,000   |
| 2033           | 150,000   |
| 2034           | 75,000  |
| <b>TOTAL</b>   | <b>4,800,000</b>                                    |

*Table 7: Uranium Concentrate Sale Delivery Commitments summary as at 30 June 2023*

At 30 June 2023, pricing for the 4.80 Mlbs of U<sub>3</sub>O<sub>8</sub> firmly committed sales relates to base escalated and market sales contracts, with the average cash sales price over the remaining term of the contracts estimated at between US\$44 to US\$87/lb using Numerco forward pricing and US inflation assumptions, per the US Bureau of Labor Statistics.

The Company commenced discussions during the year with its existing customer base to realign uranium sale commitments with the revised restart of the Lance Project. Peninsula continues to engage with its existing and potential new customer base regarding possible new long-term uranium concentrate sale and purchase agreements targeting pricing mechanisms that would support the planned transition to low pH ISR production at the Lance Project.

## Outlook

The uranium market is increasingly supply restricted as demand grows for clean energy sources. Major energy consuming countries across Asia, Europe and North America are building nuclear generation

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capacity to provide emission free, reliable power. Uranium inventory stocks are dwindling and the lack of sufficient investment in new supply in recent times is placing upward pressure on the spot price.

In particular, US domestically produced uranium concentrates are increasingly sought after. This surge in demand, and the subsequent rising uranium price is advantageous timing for Peninsula's re-start of production at Lance.

Based on current forecasts, re-starting production once end-to-end processing can be completed in-house, should coincide with a bullish uranium market.

The Company has outlined its technical pathway to restart production and is currently developing its funding strategy to support the establishment of Peninsula as a fully independent end-to-end producer.

The Company is also committed to upgrading its resource base in the 2024 financial year. This is dependent on drill rig availability which continues to present challenges.

## *South Africa – Karoo Uranium Exploration Projects*

(Peninsula Energy 74%, BEE Group 26%)

### *Withdrawal from Karoo Projects*

The Company has withdrawn fully from any further development activities for the Karoo Projects in which it has a 74% interest and has suspended all financial support for development activities including progression of mining and prospecting right applications. Peninsula has been working together with its joint venture partners and the South African regulators since 2018 to ensure an orderly exit from the project.

During the 2022 financial year the Company completed the surface rehabilitation work programs required for the exit from the Karoo Project and commenced the processes to apply for formal closure from the South African regulators which are expected to take some time to finalize. Site surveys identified some discrete areas at Riet Kuil where uranium contamination levels exceeded the National Nuclear Regulator's public release limits and further remedial work was completed in September 2022. Following receipt of the Company's applications to release Riet Kuil and Rystkuil from regulatory control, the National Nuclear Regulator conducted their own radiological surveys in May 2023. The Company has not received any feedback from the National Nuclear Regulator in this regard.

The Company continues to progress the sale of the remaining freehold farmland in the Karoo Basin, with proceeds still expected to be sufficient to cover any remaining exit costs.

Because of the decisions to withdraw from development activities and sell the freehold farmland, the Karoo Projects have been separately disclosed in the Consolidated Statement of Financial Position as assets held for sale and associated liabilities. Any expenses and profit or loss on sale of the freehold farmland have been recognized as a profit or loss from discontinuing operations in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

### *Mineral Resource Governance*

Peninsula Energy Limited ensures that the Mineral Resource estimates for its Lance Project are subject to appropriate levels of governance and internal controls. The Mineral Resource estimation procedures are well established and are subject to annual review internally and externally, undertaken by suitably competent and qualified professionals. This review process has not identified any material issues or risks associated with the existing Mineral Resource estimates. The Company periodically reviews the governance framework in line with the development of the business.

Peninsula reports its Mineral Resources in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition'.

Competent Persons named by the Company are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or Members of Recognised Overseas Professional Organisations included in the list promulgated by ASX and qualify as Competent Persons as defined in the JORC Code.

The Company has updated its Mineral Resources as at 31 December 2022, with the JORC compliant resource largely unchanged from 31 December 2021 as the alkaline-based commercial in-situ recovery operations were suspended in July 2019.

The tables below set out the Company's Mineral Resources as at 31 December 2022 and 31 December 2021.

### Mineral Resource Statement

| Resource Classification    | Tonnes Ore (M) | U <sub>3</sub> O <sub>8</sub> kg (M) | U <sub>3</sub> O <sub>8</sub> lb (M) | Grade (ppm U <sub>3</sub> O <sub>8</sub> ) | Location     |
|----------------------------|----------------|--------------------------------------|--------------------------------------|--|--------------|
| <b>Measured</b>            | 3.5            | 1.7                                  | 3.8                                  | 489  | Wyoming, USA |
| <b>Indicated</b>           | 11.3           | 5.5                                  | 12.2                                 | 492  | Wyoming, USA |
| <b>Inferred</b>            | 36.2           | 17.2                                 | 37.8                                 | 474  | Wyoming, USA |
| <b>Total<sup>(i)</sup></b> | <b>51.0</b>    | <b>24.4</b>                          | <b>53.8</b>                          | <b>479</b>                                 |              |

Table 8: Lance Project Classified Resource Summary (U<sub>3</sub>O<sub>8</sub>) at 31 December 2022

| Resource Classification    | Tonnes Ore (M) | U <sub>3</sub> O <sub>8</sub> kg (M) | U <sub>3</sub> O <sub>8</sub> lb (M) | Grade (ppm U <sub>3</sub> O <sub>8</sub> ) | Location     |
|----------------------------|----------------|--------------------------------------|--------------------------------------|--|--------------|
| <b>Measured</b>            | 3.4            | 1.7                                  | 3.7                                  | 489  | Wyoming, USA |
| <b>Indicated</b>           | 11.1           | 5.5                                  | 12.1                                 | 496  | Wyoming, USA |
| <b>Inferred</b>            | 36.2           | 17.2                                 | 37.8                                 | 474  | Wyoming, USA |
| <b>Total<sup>(i)</sup></b> | <b>50.7</b>    | <b>24.3</b>                          | <b>53.7</b>                          | <b>480</b>                                 |              |

Table 9: Lance Project Classified Resource Summary (U<sub>3</sub>O<sub>8</sub>) at 31 December 2021

(i) Due to rounding, total values may not appear to equal the sum of estimated resource. The above tables are provided by an independent consultant outlined in the competent person statement below.

### Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Lance Project 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 mineralization 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'.

### Corporate

#### Uranium Inventory

At 30 June 2023 Peninsula has 209,507 lbs of uranium concentrate held in converter accounts. The total market value of this converter account inventory at 30 June 2023 is US\$11.8M (US\$56.20/lb U<sub>3</sub>O<sub>8</sub>). This inventory provides financial flexibility to continue the progress towards re-start and ramp-up of Lance Project production as outlined in August 2023 revised LoM plan.

#### Change in Non-Executive Directors

Rachel Rees transitioned from an Independent Non-Executive Director to the position of Executive Director Finance and Corporate Affairs, Chief Financial Officer effective 30 January 2023.

#### Security over Specific Lance Project Assets

The rehabilitation obligations for the Lance Project are required under US federal and state laws to be fully secured with surety bonds. The surety bond provider has a first ranking charge over specific Lance Project assets as part of the transition to low-pH ISR operations.

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The Company believes that these bonds will expire without any claims or payments thereon, and accordingly we do not expect any material adverse effect on our financial condition, results of operations or cash flows therefrom.

### *Financial Performance*

Peninsula recorded a consolidated group loss for the year ended 30 June 2023 of US\$3.5M after recognition of an income tax credit of US\$0.9M (loss of US\$4.6M in 2022 after income tax credit of US\$1.3M).

The Company recorded a gross profit of US\$1.8M (US\$3.0M in 2022) and a derivative gain of \$2.0M (US\$0.4M in 2022) derived from the sale of 750,000 lbs of U<sub>3</sub>O<sub>8</sub> and the net fair value gain on the Company's uranium sale and purchase contracts held during the year.

The most significant costs for the year of US\$4.5M were attributable to the transition of existing Lance Project infrastructure into a low pH operation (US\$7.1M in 2022), and payments to corporate employees and consultants of US\$3.6M (US\$2.1M in 2022), representing the ramp up of corporate activity associated with the transition to the feasibility and development of the Lance Project.

### *Financial Position*

At 30 June 2023 the Company had a surplus in working capital of \$31.2M (\$28.1M in 2022) which includes available cash and cash equivalent assets and uranium inventory holdings. As disclosed in Table 7 above, the Company has commitments to deliver uranium concentrate from mines developed or acquired by the Company under its portfolio of uranium concentrate sale agreements. To meet these commitments the Company will require additional development expenditure on the Lance Project and is likely to require renegotiation of certain uranium concentrate sale contractual terms.

The ability of the Company to continue as a going concern is dependent on securing additional equity or debt financing to fund the capital and operating expenditure to continue development and production ramp-up of the Lance Project, or the renegotiation of contracted uranium sale commitments necessary to maintain the project in a standby mode. These conditions indicate a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realization of assets and settlement of liabilities in the normal course of business for the following reasons:

- The decision to accelerate development of the Lance Project elution, precipitation and drying circuits to produce yellowcake in-house will ultimately deliver a faster ramp-up to the annual production target contained in the 2022 DFS of 2.0 Mlbs per annum. Though this change in strategy will materially delay the start of commercial production, it is the opinion of the Directors that the Lance Project will have the ability to generate future positive operating cash flows which is a requirement for the Company to continue as a going concern;
- Included within the working capital balance is the Company's uranium inventory holdings which can be realized to satisfy part of its uranium sale concentrate commitments and provide part of the funding required;
- The Company has strong relationships with its long-term customers, and it is expected the Company's uranium sale delivery commitments will be extended to be in line with the revised Lance Project restart production forecasts; and
- The Company has a successful track record of raising additional finance from debt or equity markets as and when required, to fund the capital and operating expenditure required to progress the Lance Project development and operational activities.

The net assets of the consolidated group have increased by US\$17.7M from 30 June 2022 to US\$91.4M at 30 June 2023. This was largely due to the US\$21.1M equity raise in November 2022, net of issuance costs.

The Company had 1,257,050,004 shares on issue at 30 June 2023, 4,100,000 unlisted options for the Non-Executive Directors, exercisable at A\$0.30, vesting over three years from grant with an expiry on 26 November 2027.

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## *Statement of Cash Flows*

Peninsula sold 750,000 lbs of uranium during the 2023 financial year under its portfolio of uranium concentrate sale and purchase agreements, including 300,000 lbs sold to the US Department of Energy to support the US government Uranium Reserve. These sales generated cash receipts of US\$42.2M and a net margin from the sales of uranium concentrate of US\$12.9M.

During the year Peninsula successfully completed a US\$21.1M share placement, net of issuance costs, and with US\$12.9M cash margin generated from sales of uranium concentrates funded US\$20.1M expenditure incurred during the year transitioning the Lance Project to a low pH ISR operation.

## *Significant Changes in State of Affairs*

The following significant changes in the state of affairs of the Group occurred during the financial year:

- On 1 August 2022, the Company announced a change of registered office, back to its old offices in Subiaco, WA;
- On 15 August 2022, the Company announced the Definitive Feasibility Study for the Ross and Kendrick Projects at Lance;
- On 2 September 2022, the Company issued 1,376,430 shares to employees (non-related parties) under the short-term incentive plan;
- On 25 November 2022, the Company announced the completion of a A\$32M placement through the issue of approximately 244M Placement Shares at an offer price of A\$0.131 per share;
- On 20 December 2022, the Company announced completion of a Share Purchase Plan raising a total of A\$1.0M at A\$0.131 per share;
- During the 2023 financial year, the Company sold 750,000 lbs of U<sub>3</sub>O<sub>8</sub> including 300,000 lbs of US origin U<sub>3</sub>O<sub>8</sub> to the US Department of Energy for their Strategic Uranium Reserve;
- Throughout the year, the Company reached multiple construction milestones relating to preparing the existing production plant and wellfield facilities for low pH ISR operations; and
- During the June 2023 quarter, the Company announced targeted portions of Mine Unit 1 and Mine Unit 2 were ready for low pH production operations.

## *Dividends Paid or Recommended*

The Directors of the parent entity do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2023.

## *Events Since the End of the Financial Year*

- On 19 July 2023, the Company announced resin processing provider, Uranium Energy Corp (UEC), had notified Peninsula that it was terminating the processing agreement under a 270-day notice of contract termination. Termination of the agreement led the company to shift strategy by delaying the production restart at Lance and adopt a plan to accelerate the in-house development of an expanded and fully optimized production plant to produce a high-quality yellowcake product, aligning with the re-start of production at Lance; and
- On 31 August 2023, a revised production and Life of Mine plan for the Ross and Kendrick Areas was announced, outlining the planned re-start for late 2024.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

## *Likely Developments and Expected Results of Operations*

Likely future developments in the operations of the consolidated group are referred to in the Annual Report. Other than as referred to in this report, further information as to likely developments in the operations of the consolidated group and expected results of those operations, to the date of this report, are considered

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insufficiently developed or so variable in nature as to quantification they remain unable to be accurately reported.

The material business risks faced by the Company that are likely to impact the financial prospects of the Company, and how the Company manages these risks are:

- **Mineral development risk** – Mineral development is a high-risk undertaking, and there is no guarantee that an identified viable deposit can be economically exploited. The Company's future development activities may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate equipment, availability of skilled labour, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, and many other factors beyond the control of the Company;
- **Future capital needs** – Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all; and
- **General market risks** – The Company is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption.

### *Environmental Regulations*

The consolidated group's operations are subject to significant environmental regulation and penalties under relevant jurisdictions in relation to its conduct of exploration, development, and mining of uranium deposits. The Directors are not aware of any non-compliance and are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its responsibilities and that the consolidated group's other business segment operations are not subject to any significant environmental regulations under Australian Law and International Legislation where applicable.

### *Information on Directors*

The names and details of the Directors of Peninsula in office as at the date of this report are:

- **Mr John Harrison**

***Non-Executive Chairman (Appointed 1 September 2014)***

Mr Harrison brings to Peninsula a wealth of broking and corporate finance experience acquired over a 45-year career, including 20 years of investment banking in London. During this time, Mr Harrison developed an extensive international contact base advising companies across a range of commodities (including uranium), as well as related engineering and service businesses, in both an M&A and Equity Capital markets context. He acted for numerous companies quoted on the Main List and the Alternative Investment Market of the London Stock Exchange, as well as the Australian, Johannesburg and Toronto Exchanges. During his investment banking career, Mr Harrison was the Managing Director at Numis Securities in London in charge of the Corporate Finance resources sector and subsequently UK Chairman of specialist Anglo-Australian resources advisory and broking business RFC Ambrian. He was founding Chairman of UK coking coal development company West Cumbria Mining Ltd and is currently a Non-Executive Director of that company. Mr Harrison has the following interest in shares and options in the Company as at the date of this report – 58,800 ordinary shares, and 1,100,000 unlisted options exercisable at A\$0.30, on or before 26 November 2027.

- **Mr Wayne Heili**

***Managing Director / Chief Executive Officer (Appointed 3 April 2017)***

Mr Heili has spent the bulk of his 30+ years professional career in the uranium mining industry. Prior to joining Peninsula, he most recently served as President and Chief Executive Officer of Ur-Energy, Inc. where he successfully oversaw the design, construction, commissioning and ramp-up of the Lost Creek in-situ uranium project in Wyoming USA. Prior to joining Ur-Energy, Inc., Mr Heili served as Operations Manager of the Christensen/Irigaray in-situ uranium mines in Wyoming and has experience in ISR and conventional uranium mines in Texas. He holds a Bachelor of Science in Metallurgical Engineering from Michigan Technological University and is a past President of the



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Uranium Producers of America. Mr Heili has the following interest in shares and options in the Company as at the date of this report – 8,716,772 ordinary shares, 1,432,080 Restricted Shares.

- **Mr Harrison Barker**

***Non-Executive Director (Appointed 3 August 2015)***

Mr Barker retired 1 June 2015 from the Generation segment of Dominion Resources with over 40 years of fossil and nuclear fuel commercial and technical responsibilities. Since 1992, Mr Barker had been the manager responsible for Dominion's procurement of nuclear fuel and the related processing steps of conversion from U<sub>3</sub>O<sub>8</sub> to UF<sub>6</sub>, enrichment of UF<sub>6</sub>, and fabrication of nuclear fuel assemblies. He is a former Chair of the Nuclear Energy Institute's Utility Fuel Committee, and a past member of the World Nuclear Fuel Market Board of Directors (Chairman for two years). He served on an Advisory Board to American Uranium Corporation while they attempted to develop the Wyoming Reno Creek uranium deposit. From 1975 to 1984 he worked as an engineer and supervisor in the areas of nuclear fuel quality assurance, nuclear core design, nuclear fabrication contract administration, nuclear fuel procurement, spent fuel transportation and disposal planning during a period when Dominion was building its regulated nuclear operating fleet in Virginia. Mr Barker holds a Bachelor of Science degree in Electrical Engineering and a Master's in Nuclear Engineering Science both from the University of Florida. Mr Barker has the following interest in shares and options in the Company as at the date of this report – nil interest in ordinary shares, and 750,000 unlisted options exercisable at A\$0.30 on or before 26 November 2027.

- **Mr Mark Wheatley**

***Non-Executive Director (Appointed 26 April 2016)***

Mr Wheatley is a chemical engineer with corporate finance experience and a career spanning more than 30 years in mining and related industries. He has worked in the uranium industry since 2003 and been involved in ISL project exploration, feasibility studies, start up, production, rehabilitation, and closure. His uranium experience includes the roles of Chairman and CEO of Southern Cross Resources Inc., the operator of the Honeymoon ISR uranium project, Non-Executive Director of Uranium One Inc. and Uranium Resources Inc. Mr Wheatley is currently the Non-Executive Chairman of Prospect Resources Limited and a Non-Executive Director of TriStar Group. His other board roles have included Non-Executive Chairman of Xanadu Mines Ltd, Gold One International Ltd, Goliath Gold Mining Ltd, Norton Gold Fields Ltd and non-executive directorships of St Barbara Ltd and Riversdale Resources Limited. Mr Wheatley has the following interest in shares and options in the Company as at the date of this report – 487,280 ordinary shares, and 750,000 unlisted options exercisable at A\$0.30 on or before 26 November 2027.

- **Mr Brian Booth**

***Non-Executive Director (appointed 14 May 2022)***

Mr Booth is an experienced mining executive, who brings over 35 years of experience across the mineral exploration and mining sectors with major and junior mining companies. During his career, Mr Booth has held various CEO roles where he was responsible for developing and executing high-level growth strategies across the mining lifecycle, implementing and progressing key ESG objectives and securing ongoing funding requirements through the capital markets. Most recently, Mr Booth was President, CEO and director of Element 29 Resources Inc., a public Company on the TSX.V (ECU) focused on advancing the exploration and development of the Elida and Flor De Cobre Cu porphyry projects in Peru. Prior to this role, Mr Booth was Chair of Canadian gold producer Claude Resources acquired by Silver Standard Resources (Now SSR Mining Inc.) for C\$337M in 2016 and President, CEO and a Director of Lake Shore Gold Corp. when the company progressed from resource drilling to the underground development of the Timmins West gold deposit and purchased the Bell Creek Mine and Mill. Lake Shore Gold Corp. was acquired by Tahoe Resources in 2016 for C\$751m. Mr Booth is currently a director of SSR Mining Inc and GFG Resources Inc. Mr Booth has the following interest in shares and options in the Company as at the date of this report – nil interest in ordinary shares and 750,000 unlisted options exercisable at A\$0.30 on or before 26 November 2027.

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## Joint Company Secretary

The following persons held the position of Joint Company Secretary at the end of the financial year:

- **Mr Jonathan Whyte (Appointed 12 April 2006)**

Mr Whyte is a Chartered Accountant and has extensive corporate, company secretarial financial accounting experience across a number of listed and unlisted resource sector companies. Mr Whyte is currently Company Secretary of ASX listed Charger Metals NL, Ironbark Zinc Limited and Infinity Lithium Corporation Limited and is Company Secretary of AIM listed Empyrean Energy Plc. Mr Whyte previously worked in the investment banking sector in London over a period of 6 years for Credit Suisse and Barclays Capital Plc.

- **Mr Ron Chamberlain**

***(Resigned as Chief Financial Officer and Joint Company Secretary on 30 January 2023)***

Mr Chamberlain is a finance professional with more than 30 years' experience in resources, and in particular more than 10 years specializing in the uranium sector. He has previously held the roles of CFO for Paladin Energy, acting CFO and Non-Executive Director of Extract Resources and more recently CFO at Vimy Resources. He also has significant experience in the US, where he lived and worked in his role as Vice President US Operations with Iluka Resources, overseeing treasury, risk, and finance. Mr Chamberlain holds a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Chartered Accountants Australia and New Zealand. Mr Chamberlain has the following interest in shares and options in the Company as at the date of this report – 538,558 ordinary shares.

- **Ms Rachel Rees**

***Executive Director Finance and Corporate Affairs, Chief Financial Officer (Appointed Non-Executive Director 5 Feb 2022 and Executive director and Joint Company Secretary since 30 January 2023)***

B.Bus (Acc), Grad Dip ACG, FCA, FGIA, FCG

Ms Rees is an experienced Chief Financial Officer, Non-Executive Director, Risk, Audit and Finance Committee Chair, Company Secretary and Board Governance specialist with over 25 years' experience in senior executive roles in multinational listed and unlisted companies in highly regulated environments across diverse industries including, mining and energy, industrial conglomerates, transport and logistics and member-based associations. She has strong commercial acumen with specific skills in strategic leadership, financial and risk management, business transformation, mergers and acquisitions, corporate governance and stakeholder engagement.

Ms Rees previous uranium industry experience includes the role as Vice President for TSX-listed Uranium One (2004-2011) during the development of Honeymoon mine. Previous Board roles include Non-Executive Director and Chair Audit Committee for MACA Ltd and President of the Board of Governance Institute of Australia and Non-Executive Director and Chair Risk, Audit and Finance Committee. Previous other executive experience includes Group Chief Financial Officer and Company Secretary at both Lionel Samson Sadleir Group and Empire Oil & Gas, and Chief Financial Officer at Rex Minerals Ltd. Ms Rees has the following interest in shares and options in the Company as at the date of this report – nil interest in ordinary shares and 750,000 unlisted options exercisable at A\$0.30 on or before 26 November 2027.

## Meetings of Directors

During the financial year 15 meetings of Directors were held. Attendances by each Director who held office during the financial year were as follows:

| Directors       | Directors Meetings        |                 |
|-----------------|---------------------------|-----------------|
|                 | Number Eligible to Attend | Number Attended |
| John Harrison   | 15                        | 15              |
| Wayne Heili     | 15                        | 15              |
| Harrison Barker | 15                        | 15              |
| Mark Wheatley   | 15                        | 15              |
| Rachel Rees     | 15                        | 14              |
| Brian Booth     | 15                        | 15              |

| Directors       | Committee Meetings                  |                 |                           |                 |                           |                 |
|-----------------|-------------------------------------|-----------------|---------------------------|-----------------|---------------------------|-----------------|
|                 | Audit and Risk Management Committee |                 | Remuneration Committee    |                 | Nomination Committee      |                 |
|                 | Number Eligible to Attend           | Number Attended | Number Eligible to Attend | Number Attended | Number Eligible to Attend | Number Attended |
| John Harrison   | -                                   | -               | 2                         | 2               | 1                         | 1               |
| Wayne Heili     | -                                   | -               | -                         | -               | -                         | -               |
| Harrison Barker | 2                                   | 2               | 2                         | 2               | -                         | -               |
| Mark Wheatley   | 2                                   | 2               | 2                         | 2               | 1                         | 1               |
| Rachel Rees     | 2                                   | 2               | 2                         | 2               | -                         | -               |
| Brian Booth     | -                                   | -               | -                         | -               | -                         | -               |

## Options

At the date of this report, the unissued ordinary shares of Peninsula under option are as follows:

| Grant Date | Date of Expiry | Exercise Price | Number Under Option |
|------------|----------------|----------------|---------------------|
| 29/11/2022 | 26/11/2027     | A\$0.3000      | 4,100,000           |

Option-holders do not have any rights to participate in any issue of shares or other interests in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the consolidated group during or since reporting date.

For details of options issued to Directors and Executives as remuneration, refer to the Remuneration Report.

No amounts are unpaid on any of the shares. No person entitled to exercise the options had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

## Indemnifying Directors and Officers

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each Director and Officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Company, other than conduct involving a willful breach of duty in relation to the Company. The amount of the premium was US\$140,036 to insure the Directors and Officers of the Company.

### *Proceedings on Behalf of the Company*

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

### *Non-Audit Services*

The Board of Directors, in accordance with advice from the Audit and Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit and Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid to the current external auditors:

| Service                                 | 2023<br>US\$  | 2022<br>US\$  |
|---|---------------|---------------|
| Taxation advice and compliance services | 48,700        | 32,024        |
| <b>Total</b>                            | <b>48,700</b> | <b>32,024</b> |

### *Auditor's Independence Declaration*

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 40 of the Annual Report.

### *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.

## **Remuneration Report – Audited**

This report outlines the remuneration structure which is in place for Executive Directors, Non-Executive Directors, and other Key Management Personnel.

Key Management Personnel include:

- Non-Executive Directors
  - John Harrison            Non-Executive Chairman
  - Harrison Barker        Non-Executive Director
  - Mark Wheatley         Non-Executive Director
  - Brian Booth             Non-Executive Director

- Executive Directors
  - Wayne Heili                      Managing Director / Chief Executive Officer
  - Rachel Rees                      Chief Financial Officer / Joint Company Secretary
- Other Key Management Personnel
  - Ralph Knode                      Chief Executive Officer, Strata Energy, Inc.
  - Ron Chamberlain                      Chief Financial Officer / Joint Company Secretary (resigned 30 January 2023)

This Remuneration Report, which has been audited, outlines the Key Management Personnel remuneration arrangements for the consolidated group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The principles adopted have been approved by the current Board of the Company and have been set out in the remuneration summary.

### *Principles Used to Determine the Nature and Amount of Remuneration*

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework which has been set out in detail under the remuneration structure below aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- aligns shareholders and executive interests;
- performance based and aligned to strategic and business objectives; and
- transparency.

### *Key Management Personnel*

Fees and payments to Key Management Personnel reflect the demands which are made on, and the responsibilities of, the Key Management Personnel. Fees and payments are reviewed annually by the Remuneration Committee. The Remuneration Committee also ensures that Key Management Personnel fees and payments are appropriate and in line with the market. There are no retirement allowances or other benefits paid to Key Management Personnel other than superannuation guarantee amounts (or overseas equivalent retirement benefit plans) as described in this remuneration report.

The executive remuneration and reward framework has three components:

- base pay and short-term incentives;
- share-based payments; and
- other remuneration such as superannuation / retirement benefits and long service leave.

The combination of these comprises the Key Management Personnel total remuneration. Fixed remuneration, consisting of base salary and superannuation / retirement benefits are reviewed annually by the Remuneration Committee, based on individual and area of responsibility performance, the overall performance of the Company and comparable market remuneration structures / amounts.

### *Non-Executive Directors*

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Non-Executive Directors. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration Committee. The annual remuneration including retirement benefits for Non-Executive Board Members was as follows:

- Non-Executive Chairman – A\$120,000 per annum
- Non-Executive Director – A\$80,000 per annum.

During the year the Company awarded Non-Executive Directors unlisted options as follows:

|                             | Non-Executive Chairman                                    | Non-Executive Director                                    |
|-----------------------------|---|---|
| Grant Date                  | 29 November 2022  | 29 November 2022  |
| Award Value                 | A\$79,530   | A\$54,225   |
| Option Value <sup>(i)</sup> | A\$0.0723   | A\$0.0723   |
| Number of Options           | 1,100,000   | 750,000   |
| Strike Price                | A\$0.30   | A\$0.30   |
| Vesting                     | Over 3 years in equal tranches based on Board appointment | Over 3 years in equal tranches based on Board appointment |
| Expiry                      | 29 November 2027  | 29 November 2027  |

(i) Options granted to Non-Executive Directors were valued using the Hoadley Trading and Investment Tools ('Hoadley') ESO2 valuation model. Valuation assumptions are detailed in Note 17 of the Financial Report.

There are no retirement allowances or other benefits paid to Non-Executive Directors other than required for Australian resident directors under the Australian superannuation guarantee legislation.

## Assessing Performance

The Remuneration Committee is responsible for assessing performance against targets and determining the amount of short-term and long-term incentives to be paid. To assist in this assessment, the committee receives detailed reports on performance from management. While key performance indicators are established, and individual targets set for management, award and payment of short- and long-term incentives remain subject to the discretion of the Remuneration Committee and the Board of the Company.

In assessing performance, the Remuneration Committee considers the achievement against key performance indicators that have been set at the beginning of the year. The Remuneration Committee believes that setting and achieving key performance indicators predominantly aligned to transitioning the Lance Project to low pH operations are the most appropriate form of incentivization for the Company at this point in time.

## Summary of Approach to Remuneration

The key parts of the Company's executive reward structure are:

- an overarching remuneration framework to formalize reward structures and to establish a framework to guide remuneration practices going forward;
- benchmarking Executive Director, Executive Officer and Non-Executive Director remuneration and consideration of typical market practice of global uranium peer companies to determine the competitiveness of then current remuneration arrangements and to identify areas for change;
- a short-term incentive (STI) plan to drive the collective efforts of the workforce in realizing the short-term business strategy; and
- an equity-based long-term incentive (LTI) plan for executives to encourage long-term sustainable performance.

The objective of the Company's executive reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure is intended to align executive reward with the achievement of strategic objectives and the creation of value for shareholders and reflects current market practice for delivery of reward. The Board aims to ensure that executive reward practices are aligned with good reward governance practices to ensure that executive remuneration is:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the consolidated group's strategic and business objectives, and the creation of shareholder value;
- transparent; and
- aligns shareholder and executive interests.

This structure remained in place for the 2023 financial year and continues to remain in place for the 2024 financial year.

There were no remuneration consultants used during the year.

### *Fixed Remuneration (Base salary inclusive of statutory superannuation)*

An annual review of the fixed remuneration for each employee of the Group is undertaken by the Remuneration Committee. The annual review for the 2023 financial year resulted in all employees of the Group receiving a cost-of-living salary adjustment from 1 July 2023, and some employees also receiving an additional merit salary increase.

### *Short-Term Incentives*

#### *Purpose*

To align with market practices of peer uranium companies and to provide a competitive total remuneration package, the Board uses a comprehensive Short-Term Incentive ('STI') Plan to motivate and reward executives for the achievement of key strategic goals. The quantum offered under the STI Plan is expressed as a target percentage of base salary, with executives' performance assessed against key performance indicators contained within a weighted scorecard over a 12-month period.

|   | Managing Director / CEO   | Other Key Management Personnel <sup>(i)</sup>                         |
|---|---|---|
| STI Target as a % of base salary <sup>(i)</sup> | 50%   | 10%-40%   |
| KPI alignment                                   | 80% aligned to corporate goals<br>20% aligned to personal performance | 80% aligned to corporate goals<br>20% aligned to personal performance |

<sup>(i)</sup> STI percentage for other Key Management Personnel range from 10% to 40%, depending on an individual's role and level of seniority in the Company.

### *Annual Corporate Goals*

The STI Plan provides rewards where significant meritorious performance is achieved with any payouts earned being made in cash and capped to avoid excessive risk-taking behavior. The majority of these key performance indicators are specific, measurable and applicable to the key business outcomes required per the annual business plan of the Company. The payments are made at a time chosen by the Board following the completion of each financial year after the Board has had an opportunity to assess the outcomes of performance against objectives, assessed the operational and financial performance of the Company during the financial year and also considered the outlook for the uranium mining industry.

### *Corporate Goals*

Metrics within the weighted scorecard are cascaded from the organizational strategy and fall within the following key strategic imperatives for the 2023 financial year.

| Strategic Goals                | Performance Measure   | Weighting<br>(varies for each Executive) |
|--------------------------------|---|--|
| Safety and Environment         | Leading and lagging measures for safety, environmental performance and inspections  | 8%                                       |
| Project Performance Objectives | Requirements to meet all future Lance Project Uranium delivery requirements   | 30%                                      |
| Project Funding                | Financial modelling, adequate funding to achieve objectives and planning restart funding                                    | 24%                                      |
| Corporate Governance           | Governance Structure that promotes transparency, trust, diversity and integrity   | 8%                                       |
| External Relations             | Design and execution of engagement plans for investor relations, public relations, corporate advisor relations and advocacy | 10%                                      |
| Subjective Individual Targets  | Exemplary individual contribution to achievement of Company objectives and overall financial wellbeing of Company           | 20%                                      |

### *Personal Goals*

Personal goals are measured by individual performance against a balanced scorecard applicable to the executive's business unit or area of responsibility. The balanced scorecard for each individual is intended to be agreed with their immediate supervisor at the commencement of the financial year. Performance against the goals will be assessed at the completion of the financial year.

In addition, individuals are assessed for their impact on team achievement through their contribution to achieving Company objectives and the overall financial wellbeing of the Company.

### *Performance Measurement Approach*

From 1 July 2020 the Company has adopted a more defined quantitative definition of performance measurement using the following benchmarks:

- Below threshold – defined as not achieving a minimum level of performance – 0% award;
- Threshold – defined as the lowest achievement level – 33% award;
- Target – defined as the expected performance level – 67% award; and
- Stretch – defined as outstanding performance with objectives being exceeded – 100% award.

These benchmarks are defined for each performance measurement to clearly quantify performance and objectives. The maximum cash award remains 100% of the quantum offered under the STI Plan.

Final performance ratings for all Key Management Personnel are presented to and reviewed by the Remuneration Committee prior to the finalization of the STI payment for any financial year. The Board retains discretion to modify the final STI payment for any individual, including the discretion to decrease the STI payment to an amount lower than that determined by assessment of final performance ratings.

### *Election to Receive Shares*

The provides the individual with the opportunity to elect to receive a partial share-based award in lieu of their Board approved STI cash award. If the employee elects to receive at least 50% or all of their STI award in shares the Company will gross up the share-based award up to a factor of 100%. This feature has been added to the STI Plan as it provides an incentive for employees to receive shares in the Company providing alignment with the interests of shareholders.



## Long-Term Incentives

LTI grants may be made to senior and executive employees (Eligible Participants) annually with vesting conditions to apply which will align participants' interests with those of shareholders and the generation of long-term sustainable value. The value of grants made under the plan are made with reference to a set percentage of base salary, with the ability to earn an LTI grant assessed against pre-determined key performance indicators for that year. Once an LTI grant has been made to an Eligible Recipient, the grant shall vest in equal tranches over the next three financial years following the date of grant. The Eligible Recipient must still be employed by the Company on a vesting date to be entitled to receive the vested LTI.

For the 2023 financial year the LTI Plan has set the same key performance indicators that were established for the STI Plan.

Through the requirement for the Eligible Participant to remain employed with the Company as a condition of annual vesting of previously earned LTI amounts, the Board views this mechanism as an attractive means of incentivizing long-term retention of key personnel and aligning long term executive performance with shareholder interests.

The Company primarily uses Restricted Share Units (RSU) as the form of LTI and has established a LTI Plan for this purpose. A RSU is a right to acquire one fully paid ordinary share in the Company, which will initially be held by the trustee of the LTI Plan. The Eligible Participant will be entitled to receive one share for each RSU that has vested and has not lapsed or expired. Until the Eligible Participants RSUs have vested and they have acquired Shares, a RSU will not give the Eligible Participant a legal interest in any shares, though the Eligible Participant will be able to participate in dividends and can direct the trustee to vote the underlying shares in certain circumstances.

Key terms of the 2023 financial year LTI structure were:

|   | Managing Director / CEO  | Other Key Management Personnel <sup>(i)</sup> |
|---|--|---|
| LTI Target as a % of base salary <sup>(i)</sup> | 80%  | 20%-60%                                       |
| Key Performance Indicators                      | As per the STI Plan – see description above under the heading Corporate Goals      |   |
| Vesting period                                  | Equal tranches over the three years following the date of award of each RSU series |   |

<sup>(i)</sup> LTI percentage for other Key Management Personnel range from 20% to 60%, depending on an individual's role and level of seniority in the Company.

On the basis that an Eligible Participant remains employed by Peninsula as at the relevant dates below, a RSU Amount will be earned at the end of each year with a third vested over each of the following three years. A Participant will become entitled to be issued with or transferred the corresponding RSUs as they are earned as shown in the following tabular example (which presumes that the relevant performance hurdle for the award of RSUs is achieved each year):

|   | 1 July 2022 | 1 July 2023                | 1 July 2024                | 1 July 2025                | 1 July 2026                |
|---|-------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Vest 1/3 of RSU Award FY19              | -           | -                          | -                          | -                          | -                          |
| Vest 1/3 of RSU Award FY20              |             | Vest 1/3 of RSU Award FY20 | -                          | -                          | -                          |
| Vest 1/3 of RSU Award FY21              |             | Vest 1/3 of RSU Award FY21 | Vest 1/3 of RSU Award FY21 | -                          | -                          |
| Grant RSU Award FY22                    |             | Vest 1/3 of RSU Award FY22 | Vest 1/3 of RSU Award FY22 | Vest 1/3 of RSU Award FY22 | -                          |
| Key Performance Indicators set for FY23 |             | Grant RSU Award FY23       | Vest 1/3 of RSU Award FY23 | Vest 1/3 of RSU Award FY23 | Vest 1/3 of RSU Award FY23 |

Note that in the above illustrative example, the grant of any RSU is subject, amongst other things, to measuring actual outcomes against the key performance indicators established at the beginning of each financial year.

The number of annual RSUs to be awarded to an Eligible Participant will be calculated by dividing the Eligible Participant's RSU Amount by the volume weighted average price of ordinary shares of Peninsula over the period 30 business days prior to the end of the respective financial year ending 30 June, as follows:

$$\frac{\text{Base salary x LTI percentage (applicable to role)}}{\text{30-day VWAP as at 30 June}}$$

## Employment Details of Directors and Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, directors and members of Key Management Personnel of the consolidated group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of share options, shares or restricted share units for the year ended 30 June 2023.

| Key Management Personnel | Position Held During the Year  | Remuneration Related to Performance |                                    | Remuneration Not Related to Performance |                                 | Total |
|--------------------------|--|-------------------------------------|------------------------------------|---|---------------------------------|-------|
|                          |  | Non-Salary Cash Based Incentives    | Non-Salary Equity Based Incentives | Fixed Salary/ Fees – Equity Based       | Fixed Salary/ Fees – Cash Based |       |
|                          |  | %                                   | %                                  | %                                       | %                               | %     |
| John Harrison            | Non-Executive Chairman   | -                                   | -                                  | 10                                      | 90                              | 100   |
| Wayne Heili              | Managing Director / Chief Executive Officer                              | 14                                  | 22                                 | -                                       | 64                              | 100   |
| Rachel Rees              | Executive Director – Chief Financial Officer and Joint Company Secretary | 10                                  | 18                                 | -                                       | 72                              | 100   |
| Harrison Barker          | Non-Executive Director   | -                                   | -                                  | 5                                       | 95                              | 100   |
| Mark Wheatley            | Non-Executive Director   | -                                   | -                                  | 10                                      | 90                              | 100   |
| Brian Booth              | Non-Executive Director   | -                                   | -                                  | 20                                      | 80                              | 100   |
| Ralph Knode              | Chief Executive Officer (Strata Energy Inc.)                             | 12                                  | 20                                 | -                                       | 68                              | 100   |
| Ron Chamberlain          | Chief Financial Officer (resigned 30 January 2023)                       | -                                   | -                                  | -                                       | -                               | 100   |

## Service Contracts

The employment terms and conditions of Key Management Personnel are formalized in contracts of employment. Terms of employment require that the relevant group entity provide an executive contracted person with a minimum one-month notice prior to termination of contract. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least one month's notice. Termination payments are not payable on resignation or under circumstances of unsatisfactory performance. On termination notice by the Company, any rights that have vested, or that will vest during the notice period, will be released. Rights that have not yet vested will be forfeited. Unless otherwise stated, the commencement date of the employment agreement is the appointment date to the role.

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- **Mr John Harrison**  
***Non-Executive Chairman***
    - Terms of agreement – no fixed term;
    - Base Chairman fees of A\$120,000, inclusive of superannuation;
    - Remuneration Committee Chairman fee of A\$10,000 to 31 January 2023;
    - Nomination Committee Chairman fee of A\$0 from 1 July 2022 to 12 October 2022 and A\$10,000 from 30 January 2023; and
    - No termination benefit is specified in the agreement.
  - **Mr Wayne Heili**  
***Managing Director / Chief Executive Officer***
    - Executive service employment agreement – no fixed term;
    - Base salary of US\$390,000 per annum, exclusive of retirement benefits and Company provided medical insurance coverage;
    - Notice period – 6 months;
    - 6-month termination payment under certain circumstances; and
    - From 1 July 2023 the base salary was increased to US\$403,650, exclusive of retirement benefits.
  - **Ms Rachel Rees**  
***Executive Director Finance and Corporate Affairs, Chief Financial Officer and Joint Company Secretary (appointed 5 February 2022 and transitioned to an Executive role 30 January 2023)***
    - Base director fees of A\$80,000, inclusive of superannuation to 30 January 2023;
    - Audit and Risk Management Committee Chairman fee of A\$10,000 from 13 October 2022 to 29 January 2023;
    - Executive Director Finance and Corporate Affairs, Chief Financial Officer and Joint Company secretary from 30 January 2023 with a Base salary of A\$450,000 per annum, exclusive of superannuation;
    - Notice period – 6 months;
    - 6-month termination payment under certain circumstances; and
    - From 1 July 2023 the base salary was increased to A\$457,875, exclusive of superannuation.
  - **Mr Harrison Barker**  
***Non-Executive Director***
    - Terms of agreement – no fixed term;
    - Base director fees of A\$80,000, inclusive of superannuation; and
    - No termination benefit is specified in the agreement.

- 
- **Mr Mark Wheatley**  
***Non-Executive Director***
    - Terms of agreement – no fixed term;
    - Base director fees of A\$80,000, inclusive of superannuation from 1 January 2022;
    - Audit and Risk Management Committee Chairman fee of A\$10,000 from 1 July 2022 to 12 October 2022 and from 30 January 2023;
    - Nomination Committee Chairman fee of A\$10,000 from 13 October 2022 to 29 January 2023; and
    - No termination benefit is specified in the agreement.
  - **Mr Brian Booth**  
***Non-Executive Director***
    - Terms of agreement – no fixed term;
    - Base director fees of A\$80,000, inclusive of superannuation;
    - Remuneration Committee Chairman fee of A\$10,000 from 1 February 2023; and
    - No termination benefit is specified in the agreement.
  - **Mr Ralph Knode**  
***Chief Executive Officer – Strata Energy Inc.***
    - Terms of agreement – no fixed term;
    - Full time equivalent base salary of US\$355,224, exclusive of retirement benefits and Company provided medical insurance coverage;
    - Presently working a full time equivalent of 0.67;
    - Notice period – none specified;
    - 6-month termination payment under certain circumstances; and
    - From 1 July 2023 the full time equivalent base salary was increased to US\$372,985, exclusive of retirement benefits, and he continues to work a full time equivalent of 67%.
  - **Mr Ron Chamberlain**  
***Chief Financial Officer / Joint Company Secretary (resigned 31 January 2023)***
    - Executive service employment agreement – no fixed term;
    - Base salary of A\$377,520 inclusive of superannuation from 1 July 2022;
    - Notice period – 3 months; and
    - 6-month termination payment under certain circumstances.

## Table of Benefits and Payments for the Year Ended 30 June 2023

| Key Management Personnel     | Year        | Salary and Fees<br>US\$ | Incentives                      |                             |                              | Retirement Benefits<br>US\$ | Other Benefits <sup>5</sup><br>US\$ | Total<br>US\$    |
|------------------------------|-------------|-------------------------|---------------------------------|-----------------------------|------------------------------|-----------------------------|-------------------------------------|------------------|
|                              |             |                         | Cash-Based <sup>1</sup><br>US\$ | Shares <sup>2</sup><br>US\$ | Options <sup>3</sup><br>US\$ |                             |                                     |                  |
| <i>Directors</i>             |             |                         |                                 |                             |                              |                             |                                     |                  |
| John Harrison                | 2023        | 87,468                  | -                               | -                           | 9,334                        | -                           | -                                   | <b>96,802</b>    |
|                              | 2022        | 87,864                  | -                               | -                           | 20,951                       | -                           | -                                   | <b>108,815</b>   |
| Wayne Heili                  | 2023        | 388,903                 | 98,475                          | 154,235                     | -                            | 15,625                      | 42,086                              | <b>699,324</b>   |
|                              | 2022        | 371,820                 | 35,918                          | 366,468                     | -                            | 15,552                      | 39,254                              | <b>829,012</b>   |
| Harrison Barker <sup>4</sup> | 2023        | 133,276                 | -                               | -                           | 6,365                        | -                           | -                                   | <b>139,641</b>   |
|                              | 2022        | 92,935                  | -                               | -                           | 14,284                       | -                           | -                                   | <b>107,219</b>   |
| Mark Wheatley                | 2023        | 54,800                  | -                               | -                           | 6,365                        | 5,754                       | -                                   | <b>66,919</b>    |
|                              | 2022        | 54,915                  | -                               | -                           | 14,284                       | 5,492                       | -                                   | <b>74,691</b>    |
| Rachel Rees <sup>6</sup>     | 2023        | 183,023                 | 27,969                          | 40,852                      | 7,046                        | 13,750                      | -                                   | <b>272,640</b>   |
|                              | 2022        | 23,573                  | -                               | -                           | 13,455                       | -                           | -                                   | <b>37,028</b>    |
| Brian Booth <sup>7</sup>     | 2023        | 56,630                  | -                               | -                           | 14,273                       | -                           | -                                   | <b>70,903</b>    |
|                              | 2022        | 7,656                   | -                               | -                           | 4,424                        | -                           | -                                   | <b>12,080</b>    |
| David Coyne <sup>8</sup>     | 2023        | -                       | -                               | -                           | -                            | -                           | -                                   | -                |
|                              | 2022        | 12,301                  | -                               | (30,808)                    | -                            | 1,230                       | -                                   | <b>(17,277)</b>  |
| <i>Other Executives</i>      |             |                         |                                 |                             |                              |                             |                                     |                  |
| Ralph Knode                  | 2023        | 238,057                 | 48,076                          | 85,785                      | -                            | 11,900                      | 31,500                              | 415,318          |
|                              | 2022        | 227,099                 | 65,466                          | 66,647                      | -                            | 11,396                      | 30,549                              | <b>401,157</b>   |
| Ron Chamberlain <sup>9</sup> | 2023        | 127,029                 | -                               | (107,815)                   | -                            | 10,205                      | -                                   | <b>29,419</b>    |
|                              | 2022        | 247,485                 | -                               | 204,693                     | -                            | 19,037                      | -                                   | <b>471,215</b>   |
| <b>Total</b>                 | <b>2023</b> | <b>1,269,186</b>        | <b>174,520</b>                  | <b>173,057</b>              | <b>43,383</b>                | <b>57,234</b>               | <b>73,586</b>                       | <b>1,790,966</b> |
|                              | <b>2022</b> | <b>1,125,648</b>        | <b>101,384</b>                  | <b>607,000</b>              | <b>67,398</b>                | <b>52,707</b>               | <b>69,803</b>                       | <b>2,023,940</b> |

- (1) Amounts include STI participant election to receive all or part of their STI award in cash for the relevant financial year if applicable and have been accrued at year end but paid subsequent to year end. For the 2023 year, all participants elected to receive their STI award in cash.
- (2) Amounts include STI participant election to receive all or part of their STI award in shares and RSUs for LTI awards. For the 2023 year, all participants elected to receive their STI award in cash. Amounts for the 2023 LTI RSU's have been accrued at year end with the shares to be issued after year end. The value of the 2023 LTI RSU's is expensed over the four-year period ending 30 June 2026 in line with the 2023 financial year assessment and subsequent three-year vesting period. Amounts for the 2022 STI share election and 2022 LTI RSU's have been accrued at year end with the shares to be issued after year end. The value of the 2022 LTI RSU's is being accounted for over the four-year period ending 30 June 2025 in line with the 2022 financial year assessment and subsequent three-year vesting period.
- (3) On 29 November 2022 a total of 4,100,000 options were granted to the Non-Executive Directors and have been valued at an average price of A\$0.0723 per option using the Hoadley Trading and Investment Tools ('Hoadley') ESO2 valuation model. The Hoadley model valuation and valuation assumptions are included in Note 17 of the Financial Report.
- (4) Mr Barker's remuneration includes US\$79,450 (2022: US\$39,850) for additional time spent representing the Company at various nuclear conferences, customer meetings and other industry events during the year.
- (5) Other Benefits in the above table include medical and dental benefits for Mr Heili and Mr Knode.
- (6) Ms Rees was appointed 5 February 2022 as a Non-Executive Director and transitioned to Executive Director Finance and Corporate Affairs, Chief Financial Officer and Joint Company Secretary 30 January 2023.
- (7) Mr Booth was appointed 14 May 2022.
- (8) Mr Coyne resigned effective 13 October 2021. At the time of his resignation, he had 188,607 unvested RSU's which subsequently lapsed resulting in a credit recognized under Incentives – Shares.
- (9) Mr Chamberlain resigned effective 30 January 2023. At the time of his resignation, he had 991,469 unvested RSU's which forfeit resulting in a credit recognized under Incentives – Shares.

## Table of Restricted Share Units for the Year Ended 30 June 2023

| Executives                   | Grant Details <sup>4</sup>   |                   |                  | For the Financial Year Ended<br>30 June 2023 |                  |                 | Overall                                     |  |            |
|------------------------------|--|-------------------|------------------|--|------------------|-----------------|---|--|------------|
|                              | Date   | Number            | Value<br>US\$    | Vested<br>No.                                | Unvested<br>No.  | Years<br>Remain | Fair Value<br>Brought<br>to<br>Account<br>% | Fair Value<br>Not Yet<br>Brought<br>to<br>Account<br>% | Lapse<br>% |
|                              | Restricted Share Units – Shares  |                   |                  |  |                  |                 |   |  |            |
| <b>Directors</b>             |  |                   |                  |  |                  |                 |   |  |            |
| Wayne Heili <sup>1</sup>     | 20/11/2019   | 828,006           | 163,200          | 276,002                                      | -                | -               | 100%  | 0%   | 0%         |
| Wayne Heili <sup>2</sup>     | 1/12/2020  | 3,107,388         | 166,464          | 1,035,796                                    | 1,035,796        | 1               | 100%  | 0%   | 0%         |
| Wayne Heili <sup>3</sup>     | 1/12/2021  | 466,170           | 82,278           | 155,390                                      | 310,780          | 2               | 89%   | 11%  | 0%         |
| Wayne Heili <sup>4</sup>     | 12/8/2022  | 1,915,033         | 166,949          | -  | 1,915,033        | 3               | 72%   | 28%  | 0%         |
| Wayne Heili <sup>5</sup>     | 7/08/2023  | 1,352,140         | 157,560          | -  | 1,352,140        | 4               | 36%   | 64%  | 0%         |
| Rachel Rees <sup>5</sup>     | 7/08/2023  | 360,035           | 41,954           | -  | 360,035          | 4               | 36%   | 64%  | 0%         |
| <b>Other Executives</b>      |  |                   |                  |  |                  |                 |   |  |            |
| Ralph Knode <sup>1</sup>     | 20/11/2019   | 660,673           | 126,072          | 220,224                                      | -                | -               | 100%  | 0%   | 0%         |
| Ralph Knode <sup>2</sup>     | 2/10/2020  | 2,136,501         | 114,453          | 712,167                                      | 712,167          | 1               | 100%  | 0%   | 0%         |
| Ralph Knode <sup>3</sup>     | 1/12/2021  | 246,113           | 40,203           | 82,038                                       | 164,075          | 2               | 61%   | 39%  | 0%         |
| Ralph Knode <sup>4</sup>     | 12/8/2022  | 818,077           | 116,527          | -  | 818,077          | 3               | 52%   | 48%  | 0%         |
| Ralph Knode <sup>5</sup>     | 7/08/2023  | 618,864           | 72,114           | -  | 618,864          | 4               | 36%   | 64%  | 0%         |
| Ron Chamberlain <sup>3</sup> | 1/12/2021  | 262,520           | 42,883           | 87,507                                       | 175,013          | -               | 33%   | 0%   | 67%        |
| Ron Chamberlain <sup>4</sup> | 12/8/2022  | 816,456           | 116,296          | -  | 816,456          | -               | 100%  | 0%   | 100%       |
| <b>Total</b>                 |  | <b>13,587,976</b> | <b>1,406,953</b> | <b>2,569,124</b>                             | <b>8,278,436</b> |                 |   |  |            |
| (1)                          | <i>LTI RSUs for 2019 were approved for issue by the Board after year end in recognition of milestones achieved during the financial year to 30 June 2019. RSUs are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A\$0.2721 per share.</i>  |                   |                  |  |                  |                 |   |  |            |
| (2)                          | <i>LTI RSUs for 2020 were approved for issue by the Board after year end in recognition of milestones achieved during the financial year to 30 June 2020. RSUs are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A\$0.078 per share.</i>   |                   |                  |  |                  |                 |   |  |            |
| (3)                          | <i>LTI RSUs for 2021 were awarded by the Board after publication of the 2021 Annual Report as the MU1A Field Demonstration yielded positive and improving results after 30 June 2021 through to October 2021 that showed the benefit of wellfield pattern configuration changes. The Board exercised its discretion and awarded 50% of the 2021 financial years plan capacity. RSUs are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A\$0.2476 per share.</i> |                   |                  |  |                  |                 |   |  |            |
| (4)                          | <i>LTI RSUs for 2022 were approved for issue by the Board after year end in recognition of achievement of key performance indicators during the financial year to 30 June 2022. RSUs are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A\$0.1743 per share.</i>  |                   |                  |  |                  |                 |   |  |            |
| (5)                          | <i>LTI RSUs for 2023 were approved for issue by the Board after year end in recognition of achievement of key performance indicators during the financial year to 30 June 2023. RSUs are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A\$0.1755 per share.</i>  |                   |                  |  |                  |                 |   |  |            |

## Number of Shares Held by Key Management Personnel as at 30 June 2023

| Key Management Personnel     | Balance at 1 July 2022 | Vesting of LTIP RSU's | Short-term Incentives <sup>1</sup> | On-Market Trades <sup>2</sup> | Balance at 30 June 2023 |
|------------------------------|------------------------|-----------------------|------------------------------------|-------------------------------|-------------------------|
| <b>Directors</b>             |                        |                       |                                    |                               |                         |
| John Harrison                | 58,800                 | -                     | -                                  | -                             | 58,800                  |
| Wayne Heili                  | 5,030,602              | 1,467,188             | 1,528,253                          | (555,331)                     | 7,470,712               |
| Harrison Barker              | -                      | -                     | -                                  | -                             | -                       |
| Mark Wheatley                | 391,860                | -                     | -                                  | 95,420                        | 487,280                 |
| Rachel Rees                  | -                      | -                     | -                                  | -                             | -                       |
| Brian Booth                  | -                      | -                     | -                                  | -                             | -                       |
| <b>Other Executives</b>      |                        |                       |                                    |                               |                         |
| Ralph Knode                  | 2,269,590              | 1,014,429             | -                                  | (251,262)                     | 3,032,757               |
| Ron Chamberlain <sup>3</sup> | -                      | 87,507                | 958,236                            | (507,185)                     | 538,558                 |
| <b>Total</b>                 | <b>7,750,852</b>       | <b>2,569,124</b>      | <b>2,468,489</b>                   | <b>(1,218,358)</b>            | <b>11,588,107</b>       |

\* LTI RSUs have been excluded from the table above as they are held in trust for the recipients until respective vesting dates and conditions are met.

(1) Amounts include STI participant election to receive all or part of their STI award in shares.

(2) The on-market trades for the year include the sale of shares to fund tax liabilities arising on the vesting of the RSU's and short-term incentives.

(3) Balance held at date of resignation on 30 January 2023

## Number of Options Held by Key Management Personnel as at 30 June 2023

| Key Management Personnel       | Balance at 1 July 2022 | Options Granted | Options Expired and Forfeit <sup>4</sup> | Options Exercised | Balance at 30 June 2023 | Total Vested |
|--------------------------------|------------------------|-----------------|--|-------------------|-------------------------|--------------|
| <b>Directors</b>               |                        |                 |  |                   |                         |              |
| John Harrison <sup>1,4</sup>   | 1,340,000              | -               | (240,000)                                | -                 | 1,100,000               | -            |
| Wayne Heili <sup>2</sup>       | 900,000                | -               | (900,000)                                | -                 | -                       | -            |
| Harrison Barker <sup>1,4</sup> | 930,000                | -               | (180,000)                                | -                 | 750,000                 | -            |
| Mark Wheatley <sup>1,4</sup>   | 930,000                | -               | (180,000)                                | -                 | 750,000                 | -            |
| Rachel Rees <sup>4</sup>       | 750,000                | -               | -  | -                 | 750,000                 | -            |
| Brian Booth <sup>4</sup>       | 750,000                | -               | -  | -                 | 750,000                 | -            |
| <b>Other Executives</b>        |                        |                 |  |                   |                         |              |
| Ralph Knode <sup>3</sup>       | 350,000                | -               | (350,000)                                | -                 | -                       | -            |
| Ron Chamberlain <sup>5</sup>   | -                      | -               | -  | -                 | -                       | -            |
| <b>Total</b>                   | <b>5,950,000</b>       | <b>-</b>        | <b>(1,850,000)</b>                       | <b>-</b>          | <b>4,100,000</b>        | <b>-</b>     |

\* LTI RSUs have been excluded from the table above as they are held in trust for the recipients until respective vesting dates and conditions are met.

(1) On 4 December 2018, the Company issued 600,000 unlisted options exercisable at A\$0.50 (A\$0.4572 from 30 June 2020) on or before 30 November 2022 to Mr Harrison, Mr Barker and Mr Wheatley as approved at the Annual General Meeting held on 29 November 2018. 50% of the unlisted options vested on 1 July 2019 and the remaining 50% vested on 1 July 2020. Options expired 30 November 2022.

(2) On 19 December 2017, unlisted options were issued to Executive Directors as approved by shareholders at the Annual General Meeting held on 28 November 2017. The options were valued independently using the Black Scholes option model and are being expensed over the vesting period of the options, refer to the Notice of Annual General Meeting released on 27 October 2017 for detailed valuation assumptions. The director incentive options will be held on trust for directors and will vest in equal proportions over a three-year period with the first vesting date being 1 July 2018. Options expired 30 November 2022.

- (3) On 19 December 2017, unlisted options were issued to employees under existing contracts. The options were valued using the Black Scholes option model and were expensed over the vesting period of the options. The employee incentive options were held on trust for the various recipients until the future vesting date being 6 months after the relevant regulatory body approves the amendments to the permits and licenses to allow low pH mining in the Ross Permit area. The final amendment approval was received by the Company on 1 August 2019 and the options fully vested on 1 February 2020. Options expired 30 November 2022.
- (4) On 29 November 2022 a total of 4,100,000 options were granted to the Non-Executive Directors and have been valued at an average price of A\$0.0723 per option using the Hoadley Trading and Investment Tools ('Hoadley') ESO2 valuation model. The Hoadley model valuation assumptions are detailed in Note 17(c) of the Financial Report.
- (5) Ron Chamberlain resigned from the position of Chief Financial Officer and Joint Company Secretary on 30 January 2023.

## Other Transactions with Key Management Personnel

There were no other transactions with key management personnel other than that disclosed above.

## Additional Information

The earnings of the consolidated group for the five years to 30 June 2023 are summarized below:

| \$'000                | 2023    | 2022    | 2021    | 2020    | 2019     |
|-----------------------|---------|---------|---------|---------|----------|
| Sales revenue         | 40,400  | 18,300  | 9,775   | 6,078   | 6,592    |
| EBITDA                | (4,203) | (5,557) | (613)   | (1,442) | (37,416) |
| EBIT                  | (4,459) | (5,837) | (940)   | (1,855) | (39,428) |
| Loss after income tax | (3,548) | (4,619) | (1,440) | (7,600) | (43,007) |

The factors that are considered to affect total shareholders return are summarized below:

| Cents per share                   | 2023   | 2022   | 2021   | 2020   | 2019    |
|-----------------------------------|--------|--------|--------|--------|---------|
| Share price at financial year end | 17.0   | 15.5   | 17.0   | 7.2    | 30.8    |
| Total dividends declared          | 0.0    | 0.0    | 0.0    | 0.0    | 0.0     |
| Basic earnings per share          | (0.31) | (0.47) | (0.16) | (2.68) | (17.58) |

## Voting at Last Annual General Meeting

At the last AGM, shareholders indicated their support of the Company's remuneration practices with 78% of the votes cast being in favor of the adoption of the Remuneration Report.

## End of Audited Remuneration Report

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



John Harrison

Non-Executive Chairman

29 September 2023

Perth



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

As lead auditor of Peninsula Energy Limited for the year ended 30 June 2023, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

29 September 2023

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

|  | Notes | 2023<br>US\$000s | 2022<br>US\$000s |
|--|-------|------------------|------------------|
| <b>Continuing Operations</b>   |       |                  |                  |
| Revenue  | 2     | 40,400           | 18,300           |
| Cost of sales  | 3(a)  | (38,618)         | (15,249)         |
| <b>Gross Profit</b>  |       | <b>1,782</b>     | <b>3,051</b>     |
| Other income   | 2     | 149              | 591              |
| Standby mode and low pH transition costs   | 3(b)  | (4,548)          | (7,079)          |
| Corporate and administration expenses  | 3(c)  | (3,593)          | (2,135)          |
| Foreign exchange gain  |       | 215              | 409              |
| Derivative fair value movement   | 3(d)  | 1,990            | 360              |
| Other expenses   | 3(e)  | (440)            | (1,033)          |
| <b>Loss before interest and tax from continuing operations</b>                               |       | <b>(4,445)</b>   | <b>(5,836)</b>   |
| Finance costs  |       | (1)              | (3)              |
| <b>Net loss before income tax</b>  |       | <b>(4,446)</b>   | <b>(5,839)</b>   |
| Income tax benefit   | 4(a)  | 912              | 1,294            |
| <b>Loss for the year from continuing operations</b>  |       | <b>(3,534)</b>   | <b>(4,545)</b>   |
| Loss for the year from discontinued operations   |       | (14)             | (74)             |
| <b>Loss for the year</b>   |       | <b>(3,548)</b>   | <b>(4,619)</b>   |
| <b>Other comprehensive loss:</b>   |       |                  |                  |
| <i>Other comprehensive loss may be reclassified to profit or loss in subsequent periods:</i> |       |                  |                  |
| Exchange differences on translation of foreign operations                                    |       | (299)            | (437)            |
| <b>Total comprehensive loss for the year</b>   |       | <b>(3,847)</b>   | <b>(5,056)</b>   |
| <b>Loss for the year attributable to:</b>  |       |                  |                  |
| Equity holders of the Parent   |       | (3,542)          | (4,635)          |
| Non-controlling interests  |       | (6)              | 16               |
| <b>Loss for the year</b>   |       | <b>(3,548)</b>   | <b>(4,619)</b>   |
| <b>Total comprehensive loss for the year attributable to:</b>                                |       |                  |                  |
| Equity holders of the Parent   |       | (3,845)          | (5,206)          |
| Non-controlling interests  |       | (2)              | 150              |
| <b>Total comprehensive loss for the year</b>   |       | <b>(3,847)</b>   | <b>(5,056)</b>   |
| <b>Loss per share attributable to the members of Peninsula Energy Limited:</b>               |       |                  |                  |
| Basic and Diluted (cents per share)  | 22    | (0.31)           | (0.47)           |
| <b>Loss per share</b>  |       |                  |                  |
| Basic and Diluted (cents per share)  | 22    | (0.31)           | (0.46)           |

*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 30 June 2023

|   | Notes | 2023<br>US\$000s | 2022<br>US\$000s |
|---|-------|------------------|------------------|
| <b>Current Assets</b>                               |       |                  |                  |
| Cash and cash equivalents                           | 5     | 21,455           | 7,582            |
| Trade and other receivables                         | 6     | 1,260            | 1,023            |
| Inventory   | 7     | 12,092           | 15,024           |
| Held for sale assets                                |       | 366              | 697              |
| Other financial assets                              | 8     | -                | 5,269            |
| <b>Total Current Assets</b>                         |       | <b>35,173</b>    | <b>29,595</b>    |
| <b>Non-Current Assets</b>                           |       |                  |                  |
| Trade and other receivables                         | 6     | 3,089            | 3,019            |
| Property, plant and equipment                       | 10    | 23,792           | 18,535           |
| Mineral development                                 | 11    | 47,962           | 37,033           |
| Other financial assets                              | 8     | 3                | 3                |
| <b>Total Non-Current Assets</b>                     |       | <b>74,846</b>    | <b>58,590</b>    |
| <b>Total Assets</b>                                 |       | <b>110,019</b>   | <b>88,185</b>    |
| <b>Current Liabilities</b>                          |       |                  |                  |
| Trade and other payables                            | 13    | 3,660            | 1,095            |
| Borrowings  | 14    | 3                | 3                |
| Provisions  | 15    | 190              | 163              |
| Liabilities associated with held for sale assets    |       | 155              | 261              |
| <b>Total Current Liabilities</b>                    |       | <b>4,008</b>     | <b>1,522</b>     |
| <b>Non-Current Liabilities</b>                      |       |                  |                  |
| Borrowings  | 14    | 1                | 5                |
| Provisions  | 15    | 12,402           | 10,098           |
| Deferred tax liabilities                            | 4(c)  | -                | 912              |
| Other financial liabilities                         | 8     | 2,504            | 2,209            |
| <b>Total Non-Current Liabilities</b>                |       | <b>14,907</b>    | <b>13,224</b>    |
| <b>Total Liabilities</b>                            |       | <b>18,915</b>    | <b>14,746</b>    |
| <b>Net Assets</b>                                   |       | <b>91,104</b>    | <b>73,439</b>    |
| <b>Equity</b>                                       |       |                  |                  |
| Issued capital                                      | 16    | 274,866          | 252,717          |
| Reserves  | 17    | 7,163            | 8,103            |
| Accumulated losses                                  |       | (189,881)        | (186,339)        |
| Equity attributable to equity holders of the Parent |       | 92,148           | 74,481           |
| Non-controlling interest                            |       | (1,044)          | (1,042)          |
| <b>Total Equity</b>                                 |       | <b>91,104</b>    | <b>73,439</b>    |

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

|                                       | Notes | Issued Capital<br>US\$000s | Accumulated Losses<br>US\$000s | Share-Based Payments Reserve<br>US\$000s | Foreign Currency Translation Reserve<br>US\$000s | Total<br>US\$000s | Non-controlling interest<br>US\$000s | Total Equity<br>US\$000s |
|---------------------------------------|-------|----------------------------|--------------------------------|--|--|-------------------|--------------------------------------|--------------------------|
| <b>30 June 2021</b>                   |       | <b>252,502</b>             | <b>(181,704)</b>               | <b>15,466</b>                            | <b>(7,420)</b>                                   | <b>78,844</b>     | <b>(1,192)</b>                       | <b>77,652</b>            |
| <b>Transactions with Owners</b>       |       |                            |                                |  |  |                   |                                      |                          |
| Shares issued during the year         | 16(b) | 215                        | -                              | (215)                                    | -  | -                 | -                                    | -                        |
| Share-based payments                  | 21    | -                          | -                              | 843                                      | -  | 843               | -                                    | 843                      |
| Share issue costs                     | 16(b) | -                          | -                              | -  | -  | -                 | -                                    | -                        |
| <b>Total Transactions with Owners</b> |       | <b>215</b>                 | <b>-</b>                       | <b>628</b>                               | <b>-</b>   | <b>843</b>        | <b>-</b>                             | <b>843</b>               |
| <b>Comprehensive Loss</b>             |       |                            |                                |  |  |                   |                                      |                          |
| Foreign exchange translation reserve  |       | -                          | -                              | -  | (437)  | (437)             | -                                    | (437)                    |
| Non-controlling interest              |       | -                          | -                              | -  | (134)  | (134)             | 134                                  | -                        |
| Loss for the year                     |       | -                          | (4,635)                        | -  | -  | (4,635)           | 16                                   | (4,619)                  |
| <b>Total Comprehensive Loss</b>       |       | <b>-</b>                   | <b>(4,635)</b>                 | <b>-</b>                                 | <b>(571)</b>                                     | <b>(5,206)</b>    | <b>150</b>                           | <b>(5,056)</b>           |
| <b>30 June 2022</b>                   |       | <b>252,717</b>             | <b>(186,339)</b>               | <b>16,094</b>                            | <b>(7,991)</b>                                   | <b>74,481</b>     | <b>(1,042)</b>                       | <b>73,439</b>            |
| <b>Transactions with Owners</b>       |       |                            |                                |  |  |                   |                                      |                          |
| Shares issued during the year         | 16(b) | 23,251                     | -                              | (1,077)                                  | -  | 22,174            | -                                    | 22,174                   |
| Share-based payments                  | 21    | -                          | -                              | 440                                      | -  | 440               | -                                    | 440                      |
| Share issue costs                     | 16(b) | (1,102)                    | -                              | -  | -  | (1,102)           | -                                    | (1,102)                  |
| <b>Total Transactions with Owners</b> |       | <b>22,149</b>              | <b>-</b>                       | <b>(637)</b>                             | <b>-</b>   | <b>21,512</b>     | <b>-</b>                             | <b>21,512</b>            |
| <b>Comprehensive Loss</b>             |       |                            |                                |  |  |                   |                                      |                          |
| Foreign exchange translation reserve  |       | -                          | -                              | -  | (299)  | (299)             | -                                    | (299)                    |
| Non-controlling interest              |       | -                          | -                              | -  | (4)  | (4)               | 4                                    | -                        |
| Loss for the year                     |       | -                          | (3,542)                        | -  | -  | (3,542)           | (6)                                  | (3,548)                  |
| <b>Total Comprehensive Loss</b>       |       | <b>-</b>                   | <b>(3,542)</b>                 | <b>-</b>                                 | <b>(303)</b>                                     | <b>(3,845)</b>    | <b>(2)</b>                           | <b>(3,847)</b>           |
| <b>30 June 2023</b>                   |       | <b>274,866</b>             | <b>(189,881)</b>               | <b>15,457</b>                            | <b>(8,294)</b>                                   | <b>92,148</b>     | <b>(1,044)</b>                       | <b>91,104</b>            |

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

|   | Notes | 2023<br>US\$000s | 2022<br>US\$000s |
|---|-------|------------------|------------------|
| <b>Operating Activities</b>                                       |       |                  |                  |
| Receipts from sale of uranium concentrate to customers            |       | 42,186           | 32,632           |
| Payments to acquire uranium concentrate from suppliers            |       | (29,243)         | (20,750)         |
| <i>Net cash margin from sale of uranium concentrate</i>           |       | <b>12,943</b>    | <b>11,882</b>    |
| Other payments to suppliers and employees                         |       | (8,058)          | (9,931)          |
| Interest paid   |       | (1)              | (3)              |
| Interest received   |       | 146              | 11               |
| Other receipts  |       | -                | 84               |
| <b>Net cash provided by operating activities</b>                  | 30    | <b>5,030</b>     | <b>2,043</b>     |
| <b>Investing Activities</b>                                       |       |                  |                  |
| Payments of mine development, property, plant and equipment       |       | (12,362)         | (1,022)          |
| Proceeds from sale of property, plant and equipment               |       | 257              | 50               |
| Payments to mineral exploration and rental bonds                  |       | (79)             | (18)             |
| <b>Net cash used in investing activities</b>                      |       | <b>(12,184)</b>  | <b>(990)</b>     |
| <b>Financing Activities</b>                                       |       |                  |                  |
| Proceeds from equity issues                                       |       | 22,174           | -                |
| Share issue costs   |       | (1,102)          | (58)             |
| Repayment of borrowings   |       | (3)              | (48)             |
| <b>Net cash provided by financing activities</b>                  |       | <b>21,069</b>    | <b>(106)</b>     |
| Net increase in cash held   |       | 13,915           | 947              |
| Cash and cash equivalents at the beginning of financial year      |       | 7,582            | 6,701            |
| Effects of exchange rate fluctuations on cash held                |       | (42)             | (66)             |
| <b>Cash and cash equivalents at the end of the financial year</b> | 5     | <b>21,455</b>    | <b>7,582</b>     |

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 1: Statement of Significant Accounting Policies

This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements are for Peninsula Energy Limited and controlled entities (consolidated group).

#### *Basis of Preparation*

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Peninsula Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Except for cash flow information, the financial statements have been prepared on an accrual's basis. Material accounting policies adopted in preparation of this financial report are presented within the notes of the financial statements and have been consistently applied unless otherwise stated.

The financial statements have been prepared under the historical cost convention, except for, where applicable, the measurement of financial assets and liabilities at fair value through profit or loss.

#### **Going Concern**

For the year ended 30 June 2023 the Company recorded a loss of \$3.5M (2022: \$4.6M) and had net cash inflows from operating activities of \$5.0M (2022: \$2.0M). At 30 June 2023 the Company has a surplus in working capital of \$31.2M (2022: \$28.1M) which includes available cash and cash equivalent assets and uranium inventory holdings. As disclosed in Note 23, the Company has commitments to deliver uranium concentrate from mines developed or acquired by the Company under its portfolio of uranium concentrate sale agreements. To meet these commitments the Company will require additional development expenditure on the Lance Project and is likely to require renegotiation of certain uranium concentrate sale contractual terms.

As disclosed in Note 20, on 19 July 2023 Peninsula announced that Uranium Energy Corp had notified the Company that it was terminating the agreement to toll treat loaded resins and produce dry yellowcake from the Lance Project. This has led the Company to accelerate its 'Stage 2' development plan per the 2022 Definitive Feasibility Study (DFS) to construct elution, precipitation and drying circuits at the Lance Project to produce yellowcake concentrate in-house which will delay the Company's ability to commence commercial production.

The ability of the Company to continue as a going concern is dependent on securing additional equity or debt financing to fund the capital and operating expenditure to continue development and production ramp-up of the Lance Project, or the renegotiation of contracted uranium sale commitments necessary to maintain the project in a standby mode. These conditions indicate a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realization of assets and settlement of liabilities in the normal course of business for the following reasons:

- The decision to accelerate development of the Lance Project elution, precipitation and drying circuits to produce yellowcake in-house will ultimately deliver a faster ramp-up to the annual production target contained in the 2022 DFS of 2.0 Mlbs per annum. Though this change in strategy

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

will materially delay the start of commercial production, it is the opinion of the Directors that the Lance Project will have the ability to generate future positive operating cash flows which is a requirement for the Company to continue as a going concern;

- Included within the working capital balance is the Company's uranium inventory holdings which can be realized to satisfy part of its uranium sale concentrate commitments and provide part of the funding required;
- The Company has strong relationships with its long-term customers, and it is expected the Company's uranium sale delivery commitments will be extended to be in line with the revised Lance Project restart production forecasts; and
- The Company has a successful track record of raising additional finance from debt or equity markets as and when required, to fund the capital and operating expenditure required to progress the Lance Project development and operational activities.

Should the Company not be able to continue as a going concern, it may be required to realize its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.

The consolidated financial statements were approved for issue by the Board of Directors on 29 September 2023.

### *Adoption of New and Revised Accounting Standards*

Peninsula Energy Limited has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the International Accounting Standards Board (IASB) that are mandatory for the current annual reporting period – year ended 30 June 2023.

### *New Accounting Standards and Interpretations Issued but not yet Effective*

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet mandatory, have not been early adopted by the consolidated group for the annual reporting period ended 30 June 2023. The consolidated group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

### *Principles of Consolidation*

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Peninsula Energy Limited at the end of the reporting year. A controlled entity is any entity over which Peninsula Energy Limited has the power to govern the financial and operating policies, so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights is considered.

Where controlled entities have entered or left the consolidated group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 9 of the notes to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Business combinations by the consolidated group are accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognized directly in equity attributable to the parent.

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

### *Rounding of amounts*

The consolidated group has applied the relief available to it under ASIC Legislative Instrument 2017/191. Accordingly, amounts in the Financial Report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar. The financial results in the Directors Report, going concern note and Note 26 are rounded to the nearest million.

### *Value Added Taxes*

Revenues, expenses and assets are recognized net of the amount of value added taxes, except where the amount of value added tax incurred is not recoverable from the relevant tax authority. In these circumstances the value added tax is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of value added tax. Cash flows are presented in the cash flow statement on a gross basis, except for the value added tax component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of value added tax recoverable from, or payable to, a taxation authority.

### *Key Estimates, Judgments and Assumptions*

The preparation of the consolidated group's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are disclosed in the relevant notes.



## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 2: Revenue and Other Income

|   | 2023<br>US\$000s | 2022<br>US\$000s |
|---|------------------|------------------|
| <b>Revenue from continuing operations</b>       |                  |                  |
| Sale of uranium concentrate                     | 40,400           | 18,300           |
| <b>Total revenue from continuing operations</b> | <b>40,400</b>    | <b>18,300</b>    |
| <b>Other income</b>                             |                  |                  |
| Loan forgiveness                                | -                | 560              |
| Profit on sale of property, plant and equipment | -                | 12               |
| Interest received                               | 149              | 4                |
| Sundry income                                   | -                | 15               |
| <b>Total other income</b>                       | <b>149</b>       | <b>591</b>       |

#### *Accounting Policy*

All revenue is stated net of the amount of value added tax (VAT), goods and services tax (GST) or other similar taxes.

#### **Sales Revenue**

Revenue from uranium concentrate sales is recognized when control of goods pass 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 recognize 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\$53.87/lb U<sub>3</sub>O<sub>8</sub>) for revenue recognition of uranium sales rather than contracted prices (average of US\$56.25/lb U<sub>3</sub>O<sub>8</sub>).

#### **Interest Revenue**

Interest revenue is recognized using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 3: Material Profit or Loss Items

|   | 2023<br>US\$000s | 2022<br>US\$000s |
|---|------------------|------------------|
| <b>a) Cost of sales</b>   |                  |                  |
| Purchased uranium <sup>(i)</sup>                                  | 38,851           | 15,418           |
| Inventory net realizable value reversal                           | (233)            | (169)            |
| <b>Total cost of sales</b>  | <b>38,618</b>    | <b>15,249</b>    |
| <b>b) Standby mode and low pH transition costs<sup>(ii)</sup></b> | <b>4,548</b>     | <b>7,079</b>     |
| <b>c) Corporate and administration expenses</b>                   |                  |                  |
| Selling and marketing expenses                                    | 315              | 202              |
| Corporate and other administration expenses                       | 3,278            | 1,933            |
| <b>Total corporate and administration expenses</b>                | <b>3,593</b>     | <b>2,135</b>     |
| <b>d) Derivative fair value net gain<sup>(iii)</sup></b>          | <b>1,990</b>     | <b>360</b>       |
| <b>e) Other expenses/(credits)</b>                                |                  |                  |
| Share-based payments expense (Note 22)                            | 440              | 1,023            |
| Impairment of exploration costs                                   | -                | 10               |
| <b>Total other expenses</b>                                       | <b>440</b>       | <b>1,033</b>     |

(i) In accordance with International Accounting Standards the Company is required to recognize 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\$51.80/lb U<sub>3</sub>O<sub>8</sub>) (2022: average of US\$44.25/lb U<sub>3</sub>O<sub>8</sub>) for expense and/or inventory recognition of uranium purchases as appropriate, rather than contracted prices (average of US\$43.18/lb U<sub>3</sub>O<sub>8</sub>), (2022: average of US\$31.78/lb U<sub>3</sub>O<sub>8</sub>).

(ii) In July 2019 the Lance Project 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. These costs include expenditure related to the MU1A Field Demonstration and the preparatory work programs for the restart of commercial operations. Any costs relating to the sale of uranium concentrate have been disclosed in cost of goods sold.

(iii) The derivative fair value movement for 2023 relates to a net gain of US\$2.0M (2022, US\$0.4M) relating to derivative assets and derivative liabilities (Note 9).

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 4: Income Tax

|   | 2023<br>US\$000s | 2022<br>US\$000s |
|---|------------------|------------------|
| <b>a) Income tax benefit</b>                                      |                  |                  |
| Current tax   | -                | -                |
| Deferred tax  | 912              | 1,294            |
| <b>Total income tax benefit</b>                                   | <b>912</b>       | <b>1,294</b>     |
| <b>b) Reconciliation of income tax to prima facie tax payable</b> |                  |                  |
| Accounting loss including discontinued operations before tax      | (4,460)          | (5,913)          |
| Income tax benefit @ 25.0% (2022: 25.0%)                          | (1,114)          | (1,478)          |
| Add tax effect of:  |                  |                  |
| • Non-tax effected items and adjustments                          | 800              | (606)            |
| • Tax effected items recognized in equity                         | 130              | 130              |
| • Impact of tax rates applicable outside Australia                | 142              | 182              |
| • Tax assets over applied in prior years                          | (656)            | 1,656            |
| • Deferred tax assets not recognized                              | (214)            | (1,178)          |
| <b>Total income tax (benefit) recognized</b>                      | <b>(912)</b>     | <b>(1,294)</b>   |
| <b>c) Deferred tax liabilities</b>                                |                  |                  |
| Exploration and evaluation expenditure – Foreign                  | 7,060            | 5,835            |
| Temporary differences – Foreign                                   | 1,299            | 1,645            |
|   | 8,359            | 7,480            |
| Offset with recognized deferred tax assets                        | (8,359)          | (6,568)          |
| <b>Net deferred tax liabilities recognized</b>                    | <b>-</b>         | <b>912</b>       |
| <b>d) Deferred tax assets</b>                                     |                  |                  |
| Tax losses – Australia  | 3,783            | 4,210            |
| Tax losses – Foreign  | 20,798           | 19,749           |
| Temporary differences – Australia                                 | 1,033            | 781              |
| Temporary differences – Foreign                                   | 3,293            | 3,943            |
|   | 28,907           | 28,683           |
| Deferred tax assets recognized                                    | (8,359)          | (6,568)          |
| <b>Net deferred tax assets not brought to account</b>             | <b>20,548</b>    | <b>22,115</b>    |

### Accounting Policy

The total income tax expense/(benefit) for the period comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

Current income tax expense charged to the profit or loss is the tax payable on taxable profits calculated using applicable income tax jurisdiction and rates enacted, or substantially enacted, as at reporting date. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the relevant taxation authorities.

Deferred income tax expense/(benefit) reflects movements in deferred tax assets and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged/credited directly to equity instead of the profit or loss when tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination where there is no effect on accounting or taxable profit or loss.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) legally enforceable right of set-off exists; and, (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Deferred tax assets relating to temporary differences and unused tax losses are recognized only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilized.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

### *Key Estimates, Judgments and Assumptions*

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the way management expects to recover or settle the carrying amount of the related asset or liability.

### Note 5: Cash and Cash Equivalents

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| Cash at bank and in hand                             | 21,455           | 7,582            |
| Cash at bank per consolidated statement of cash flow | <b>21,455</b>    | <b>7,582</b>     |

Refer to Note 24 for analysis of risk exposure for cash and cash equivalents.

### *Accounting Policy*

Cash and cash equivalents include unrestricted cash on hand and term deposits held with banks with maturities of three months or less.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 6: Trade and Other Receivables

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| <b>Current</b>                                       |                  |                  |
| Prepayments  | 984              | 771              |
| GST and VAT receivable                               | 46               | 23               |
| Sundry receivables                                   | 17               | 19               |
| Interest receivable                                  | 20               | -                |
| Bonds and security deposits <sup>(i)</sup>           | 193              | 210              |
| <b>Total current trade and other receivables</b>     | <b>1,260</b>     | <b>1,023</b>     |
| <b>Non-Current</b>                                   |                  |                  |
| Bonds and security deposits <sup>(i)</sup>           | 3,089            | 3,019            |
| <b>Total non-current trade and other receivables</b> | <b>3,089</b>     | <b>3,019</b>     |

(i) Consists of the cash on deposit as security for the Permit to Mine Bond, Environmental Performance Bonds for the construction and operating activities at the Lance Project, and an office rental bond.

No receivables are past due or impaired. Refer to Note 25 for analysis of risk exposure for trade and other receivables.

### Accounting Policy

Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. At the date of this report there has been no collectability issues historically and a simplified approach is applied, and no impairment allowance is recorded.

Sundry receivables are recognized at amortized cost, less any provision for impairment. Bonds and security deposits include restricted cash amounts and amounts placed on deposit as security for restoration and rehabilitation obligations.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 7: Inventory

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| <b>Current</b>                                 |                  |                  |
| Stores and consumables                         | 753              | 134              |
| Inventory – In-Process Uranium                 | 745              | 1,657            |
| Inventory – Drummed Uranium                    | 464              | 967              |
| Net realizable value adjustment <sup>(i)</sup> | -                | (1,647)          |
| <b>Sub-Total</b>                               | <b>1,962</b>     | <b>1,111</b>     |
| Inventory – Uranium Stockpile <sup>(ii)</sup>  | 10,130           | 13,913           |
| <b>Total current inventory</b>                 | <b>12,092</b>    | <b>15,024</b>    |

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

(ii) In June 2023, the Company held 200,000 lbs (2022: 300,000 lbs) of strategic uranium concentrate at an increased unit cost of US\$50.65/lb (2022: US\$31.35/lb) due to the replenishment of inventory during the year.

### Accounting Policy

Because of the nature of in-situ operations, it is not economically feasible to accurately measure the amount of in-process inventory at any given time. We use a combination of calculating estimated uranium captured per sampling applied to total lixiviant flow rates to determine the estimated U<sub>3</sub>O<sub>8</sub> pounds captured. In-process inventory represents uranium that has been extracted from the wellfield and captured in the ion exchange columns and the elution tanks in the processing plant and is currently being transformed into a saleable product. Plant inventory is U<sub>3</sub>O<sub>8</sub> that is contained in yellowcake, which has been dried and packaged in drums, but not yet transported to the conversion facility. The amount of U<sub>3</sub>O<sub>8</sub> in the plant inventory is determined by weighing and assaying the amount of U<sub>3</sub>O<sub>8</sub> packaged into drums at the plant. Conversion facility inventory is U<sub>3</sub>O<sub>8</sub> that has been transported to and received at the conversion facility. The amount of U<sub>3</sub>O<sub>8</sub> in the conversion facility inventory includes the amount of U<sub>3</sub>O<sub>8</sub> contained in drums shipped to the conversion facility plus or minus any final weighing and assay adjustments per the terms of the uranium supplier's agreement with the conversion facility.

The consolidated group's inventories are measured at the lower of cost or net realizable value and reflect the U<sub>3</sub>O<sub>8</sub> content in various stages of the production and sales process including in-process inventory, plant inventory and conversion facility inventory. Operating supplies are expensed when purchased. Finished goods and work in progress inventory are valued at the lower of cost and net realizable value using the weighted average cost method.

When determining the weighted average cost of uranium inventory, finished goods are segregated between uranium produced by the consolidated group and uranium purchased by the consolidated group. Produced uranium and purchased uranium are then separately valued at the lower of weighted average cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Where it is probable that the inventory will be delivered into existing agreements with purchasers that are not designated as derivative assets or liabilities, the estimated selling price is the average price contained in the existing agreements, otherwise current market prices are used to determine the estimated selling price.

Production costs include the cost of raw materials, direct labor, mine-site related overhead expenses and depreciation of mineral interests, property, plant and equipment.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

## Note 8: Other Financial Assets and Liabilities

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| <b>Current financial assets</b>                      |                  |                  |
| Derivative financial assets <sup>(i)</sup>           | -                | 5,269            |
| <b>Total current other financial assets</b>          | <b>-</b>         | <b>5,269</b>     |
| <b>Non-current financial assets</b>                  |                  |                  |
| Listed investment                                    | 3                | 3                |
| <b>Total non-current other financial assets</b>      | <b>3</b>         | <b>3</b>         |
| <b>Non-current financial liabilities</b>             |                  |                  |
| Derivative financial liabilities <sup>(i)</sup>      | 2,504            | 2,209            |
| <b>Total non-current other financial liabilities</b> | <b>2,504</b>     | <b>2,209</b>     |

(i) At 30 June 2023 the group has a portfolio of uranium concentrate sale agreements of up to 4.95 Mlbs U<sub>3</sub>O<sub>8</sub> of delivery commitments (4.80 Mlbs U<sub>3</sub>O<sub>8</sub> committed; up to 0.15 Mlbs U<sub>3</sub>O<sub>8</sub> optional).

### Judgment and Management Assessment

Judgment is required to determine whether the Company'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 concentrates 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 Project from an alkaline-based mining method to a low pH mining method. To assist with the transition period, the Company 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 Company also enters into purchase commitments in order to procure pounds of U<sub>3</sub>O<sub>8</sub> to satisfy the delivery obligations.

### Offtake Agreements

At 30 June 2023, pricing for the 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 between US\$44/lb to US\$86/lb using conservative US inflation assumptions. Delivery obligations under the contracts continue through to 2033.

A Derivative Financial Liability has been recognized and accounted for as Financial Instruments at Fair Value through Profit or Loss. This liability only relates to the open-source origin and the uncommitted option component of these agreements (0.90 Mlbs U<sub>3</sub>O<sub>8</sub> at 30 June 2023). No derivative value has been subscribed to the Lance Project origin component of the offtake agreements (4.05 Mlbs U<sub>3</sub>O<sub>8</sub>).

### 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 /

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

expense that similar agreements would generate if entered into at 30 June 2023, and will differ from the actual cash received / paid in the future.

The net derivative gain recognized in 2023 is US\$2.0M (2022 net derivative gain was US\$0.4M), attributable to both the derivative financial assets and financial liabilities.

### *Accounting Policy*

Financial assets are recognized when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

### *Key Estimates, Judgments and Assumptions*

Fair value for financial assets is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Fair value for derivative financial assets is determined by reference to comparable arm's length transactions or by reference to factors that would apply on an arm's length transaction. In determining fair value, the projected cash flow stream of the financial asset is escalated to a future date using the interest rate applicable to the financial asset instrument. Future cash flows are discounted back to present value using a discount rate that reflects the expected rate of return and level of risk inherent within each financial instrument.

Purchase contract derivative fair values are based on product value of the difference in purchase prices versus the forward curve of spot prices. Delivery contract derivative fair values are based on the present value of the difference between revenue under existing offtake contracts and revenue that a similar contract would generate if entered into at reporting date. Judgment is applied in determining what similar contracts could be entered into.



## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 9: Controlled Entities

#### (a) *Controlled entities consolidated*

|   | Country of Incorporation | Percentage Ownership (%) |      |
|---|--------------------------|--------------------------|------|
|   |                          | 2023                     | 2022 |
| <b>Parent Entity</b>                            |                          |                          |      |
| Peninsula Energy Limited                        | Australia                |                          |      |
| <b>Subsidiaries of Peninsula Energy Limited</b> |                          |                          |      |
| Peninsula Uranium Limited                       | UK                       | 100%                     | 100% |
| Strata Energy Inc.                              | USA                      | 100%                     | 100% |
| Peninsula USA Holdings Inc.                     | USA                      | 100%                     | 100% |
| Peninsula Energy LTIP Pty Ltd                   | Australia                | 100%                     | 100% |
| PM Prospecting Pty Ltd                          | Australia                | 100%                     | 100% |
| PM Energy Pty Ltd                               | Australia                | 100%                     | 100% |
| Trove Resources Pty Ltd                         | Australia                | 100%                     | 100% |
| Imperial Mining (Fiji) NL                       | Australia                | 100%                     | 100% |
| Tasman Pacific Minerals Limited                 | Australia                | 100%                     | 100% |
| Tasman RSA Holdings (Pty) Ltd                   | South Africa             | 100%                     | 100% |
| Tasman Mmakau JV Company (Pty) Ltd              | South Africa             | 74%                      | 74%  |
| Tasman Lukisa JV Company (Pty) Ltd              | South Africa             | 74%                      | 74%  |
| Beaufort West Minerals (Pty) Ltd                | South Africa             | 74%                      | 74%  |

#### (b) *Acquisition and disposal of controlled entities*

There were no acquisitions or disposals of controlled entities during the year.

#### (c) *Non-controlling interests (NCI)*

No summarized financial information has been presented for the Lukisa Joint Venture as it is immaterial.

On 18 December 2013, the Company acquired a 74% interest in Lukisa JV Company (Pty) Ltd. Under the terms of the shareholders' agreement in place with the holder of the 26% minority interest, the Company has judged that the Company has sufficient capability under the shareholders' agreement to control the day-to-day activities and economic outcomes of Lukisa JV Company (Pty) Ltd. Future changes to the shareholders' agreement may impact on the ability of the Company to control Lukisa JV Company (Pty) Ltd.

### *Key Estimates, Judgments and Assumptions*

In determining whether the consolidated group has control over subsidiaries that are not wholly owned, judgment is applied to assess the ability of the consolidated group to control the day-to-day activities of the partly-owned subsidiary and its economic outcomes. In exercising this judgment, the commercial and legal relationships that the consolidated group has with other owners of partly-owned subsidiaries are taken into consideration. Whilst the consolidated group is not able to control all activities of a partly-owned subsidiary, the partly-owned subsidiary is consolidated within the consolidated group where it is determined that the consolidated group controls the day-to-day activities and economic outcomes of a partly-owned subsidiary. Changes in agreements with other owners of partly-owned subsidiaries could result in a loss of control and subsequently de-consolidation.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

Upon acquisition of partly-owned subsidiaries by the consolidated group, judgment is exercised concerning the value of net assets acquired on the date of acquisition. Minority owner interest share of net assets acquired, and subsequent period movements in value thereof, are disclosed as outside equity interests.

### Note 10: Property, Plant and Equipment

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| <b>Plant and Equipment</b>                 |                  |                  |
| At cost                                    | 24,027           | 18,514           |
| Accumulated depreciation                   | (1,922)          | (1,727)          |
| <b>Total Plant and Equipment</b>           | <b>22,105</b>    | <b>16,787</b>    |
| <b>Land and Buildings</b>                  |                  |                  |
| At cost                                    | 2,186            | 2,186            |
| Accumulated depreciation                   | (499)            | (438)            |
| <b>Total Land and Buildings</b>            | <b>1,687</b>     | <b>1,748</b>     |
| <b>Total Property, Plant and Equipment</b> | <b>23,792</b>    | <b>18,535</b>    |

| 30 June 2023  | Plant and<br>Equipment | Land and<br>Buildings | Total         |
|---|------------------------|-----------------------|---------------|
| (a) Movement in carrying amounts  | US\$000s               | US\$000s              | US\$000s      |
| Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year. |                        |                       |               |
| Balance at the beginning of the year  | 16,787                 | 1,748                 | 18,535        |
| Additions   | 5,643                  | -                     | 5,643         |
| Disposals <sup>(i)</sup>  | (128)                  | -                     | (128)         |
| Depreciation expense  | (324)                  | (61)                  | (385)         |
| Reversal of accumulated depreciation on disposal <sup>(i)</sup>   | 127                    | -                     | 127           |
| Foreign exchange translation  | -                      | -                     | -             |
| <b>Carrying amount at the end of the year</b>   | <b>22,105</b>          | <b>1,687</b>          | <b>23,792</b> |

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

| 30 June 2022  | Plant and Equipment | Land and Buildings | Total         |
|---|---------------------|--------------------|---------------|
| (b) Movement in carrying amounts  | US\$000s            | US\$000s           | US\$000s      |
| Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year. |                     |                    |               |
| Balance at the beginning of the year  | 16,910              | 1,808              | 18,718        |
| Additions   | 45                  | -                  | 45            |
| Disposals <sup>(i)</sup>  | (31)                | -                  | (31)          |
| Depreciation expense included in standby mode and low pH transition costs and discontinued operations   | (137)               | (60)               | (197)         |
| Foreign exchange translation  | -                   | -                  | -             |
| <b>Carrying amount at the end of the year</b>   | <b>16,787</b>       | <b>1,748</b>       | <b>18,535</b> |

(i) Gains and losses on disposal have been recognized in the profit or loss as Standby mode and Low pH transition costs.

### Accounting Policy

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

### Land and Buildings

Freehold land and buildings are shown at their cost, less accumulated depreciation on buildings.

### Plant and Equipment

Plant and equipment are measured on a cost basis.

The carrying amount of plant and equipment is reviewed to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

### Depreciation

The carrying amounts of mineral development, property, plant and equipment are depreciated to their estimated residual value over the estimated economic life of the specific assets to which they relate or using the straight-line method over their estimated useful lives indicated below.

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

- Mine plant and equipment – based on recoverable resources or reserves on a unit of production basis;
- Assets under construction – not depreciate;
- Property, plant and equipment – 2–15 years straight-line or on a unit of production basis; and
- Buildings – 6 to 40 years straight-line or on a unit of production basis.

### *Note 11: Mineral Development*

|   | 2023<br>US\$000s | 2022<br>US\$000s |
|---|------------------|------------------|
| <b>Mineral Development</b>                            |                  |                  |
| Balance at the beginning of the year                  | 37,033           | 38,633           |
| Development costs                                     | 8,781            | 1,022            |
| Increase / (decrease) in provision for rehabilitation | 2,304            | (2,540)          |
| Amortization of development costs                     | (156)            | (82)             |
| <b>Carrying amount at the end of the year</b>         | <b>47,962</b>    | <b>37,033</b>    |

#### *Accounting Policy – Amortization of Development Costs*

Amortization of development costs is charged on a units of production basis over the life of economically recoverable resources. Mineral development costs are amortized on the following basis for the Company's operating in-situ recovery project:

- Mine Units – Wellfield development costs (mine unit wellfield data package costs, mining wells, monitor wells and header houses) within a mine unit are amortized on a units of production basis over the expected uranium to be recovered from that mine unit;
- Permit Area – Capitalized exploration, trunkline installation, permitting costs and restoration and rehabilitation costs are amortized on a units of production basis over the expected uranium to be recovered from that permit area; and
- Life of Mine – Capitalized borrowing costs and capitalized pre-production costs are amortized on a units of production basis over the expected uranium to be recovered over the life of mine from all permit areas.

#### *Accounting Policy – Rehabilitation*

The consolidated group's operations are subject to significant environmental regulation under international legislation in relation to its conduct of development and operation of uranium projects. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated group to meet its environmental responsibilities, including future restoration and rehabilitation obligations.

#### *Accounting Policy – Impairment of Assets*

Development activities commence after commercial viability and technical feasibility of the project is established. At the end of each reporting period, the consolidated group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal (FVLCD) and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. The recoverable amount is calculated based on estimates, the most significant of which are mineral

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

resources, sales price of uranium concentrate, operating and capital costs, discount rate and production start date.

### *Key Estimates, Judgments and Assumptions*

At the end of each reporting period, the consolidated group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal (FVLCD) and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. No indicators were present at 30 June 2023.

Pre-production costs are deferred as development costs until such time as the asset is capable of being operated in a manner intended by management and depreciated on a units of production basis. Post-production costs are recognized as a cost of production.

Determining when a project has commenced commercial operations involves judgment. Management performs this assessment for each development project. Amongst the criteria that are evaluated for in-situ recovery and operations are: the level of wellfield flow rates relative to design capacity; the level of production relative to design capacity and the sustainability of this level; the period of time since the start of uranium production; and, an assessment of the sustainability of profitable operations. These factors can be subjective and no one factor by itself is necessarily indicative. Management exercises judgment in evaluating these factors based on its knowledge of the project's operations.

This assessment impacts the statement of financial position and statement of profit or loss and other comprehensive income, as upon commencement of commercial operations, development expenditures cease to be capitalized, revenue is recognized from any sales when the appropriate criteria have been met, and the assets included in assets under construction are reclassified to property, plant and equipment.

When production commences, the accumulated costs for the relevant area of interest are amortized over the life of the area according to the rate of depletion of the economically recoverable resources or reserves. For ISR operations where a reserve (by definition under the relevant JORC Code), cannot be determined until a sufficient period of economic operations have occurred, the rate of depletion shall be based on economically recoverable resources. In determining economically recoverable resources, management makes production estimates regarding future well costs, well flow rates and uranium recovery in addition to market assumptions as to future events, including the future price of uranium.

### Note 12: Joint Arrangements

#### *Interest in Joint Operations*

The consolidated group's share of assets employed in joint operations that are included in the consolidated financial statements are as follows.

#### *Mmakau (RSA) Joint Venture*

Peninsula Energy has a 74% interest in the Mmakau Joint Venture, whose principal activity was uranium exploration in the Karoo region of the Republic of South Africa. The 74% interest in this joint venture is proportionately consolidated. BEE partner Mmakau Mining (Pty) Ltd holds a 26% interest. The joint venture is dormant and all capitalized mineral exploration and evaluation expenditure relating to the Mmakau Joint Venture was fully impaired at 30 June 2018.

#### *Accounting Policy*

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The consolidated group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 13: Trade and Other Payables

|   | 2023<br>US\$000s | 2022<br>US\$000s |
|---|------------------|------------------|
| <b>Current</b>                          |                  |                  |
| Trade and other payables <sup>(i)</sup> | 3,660            | 1,095            |
| <b>Total trade and other payables</b>   | <b>3,660</b>     | <b>1,095</b>     |

(i) The large amount in trade and other payables at 30 June 2023 relates to Lance Project construction and development costs.

### Accounting Policy

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated group during the reporting period which remains unpaid. The balance is recognized as a current liability with the amount being normally paid within 30 days of recognition of the liability.

### Note 14: Borrowings

|                                     | 2023<br>US\$000s | 2022<br>US\$000s |
|-------------------------------------|------------------|------------------|
| <b>Current</b>                      |                  |                  |
| Other borrowings <sup>(i)</sup>     | 3                | 3                |
| <b>Total current borrowings</b>     | <b>3</b>         | <b>3</b>         |
| <b>Non-Current</b>                  |                  |                  |
| Other borrowings <sup>(i)</sup>     | 1                | 5                |
| <b>Total non-current borrowings</b> | <b>1</b>         | <b>5</b>         |

(i) Other borrowings consist of leases of motor vehicles, plant and equipment.

|   | 2023<br>US\$000s | 2022<br>US\$000s |
|---|------------------|------------------|
| <b>Other finance facilities</b>             |                  |                  |
| <b>Off-balance sheet arrangements</b>       |                  |                  |
| Surety bonds <sup>(i)</sup>                 | 13,895           | 11,630           |
| <b>Total off-balance sheet arrangements</b> | <b>13,895</b>    | <b>11,630</b>    |

(i) In the normal course of business, the Company is a party to certain off-balance sheet arrangements. These arrangements include guarantees and financial instruments with off-balance sheet risk, such as letters of credit and surety bonds. No liabilities related to these arrangements are reflected in this consolidated Statement of Financial Position, other than the rehabilitation provision. US federal and state laws require the Company to secure certain long-term obligations, such as asset retirement obligations. In 2021 the Company secured Lance Project reclamation obligations with surety bonds and supported the surety bonds with cash deposits of US\$3.0M that represent a percentage of the face value of the obligation. The surety bond provider has a first ranking charge over the cash deposit amounts. In June 2022 the Company granted security to the surety bond provider over some specific Lance Project assets in lieu of providing additional cash deposits as part of the transition to low-pH ISR operations (security over cash deposits of US\$3.0M remains in place in 2023). The Company believes that these bonds will expire without any claims or payments thereon, and accordingly we do not expect any material adverse effect on our financial condition, results of operations or cash flows therefrom.

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### *Accounting Policy*

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost or fair value. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Borrowing costs cease to be capitalized upon the earlier of extinguishment of the liability or the commencement of commercial production from the qualifying asset.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the consolidated group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### *Key Estimates, Judgments and Assumptions*

Balances disclosed in the financial statements and notes related to financial liabilities are shown at their amortized cost or fair value. When measuring fair value of financial liabilities owed by the consolidated group to minority owners of partly owned subsidiaries within the consolidated group, judgment is made on the future maturity date of the financial instruments, likelihood of the obligation having to be settled and the discount rate applied to future cash flow streams to determine fair value at each reporting date. The discount rate takes into account a risk factor applicable to each such financial liability on each reporting date. At the time of completion of the acquisition of the 74% interest in the Lukisa JV Company (Pty) Ltd, the Company and the holder of the 26% minority interest each acquired from the vendor certain loans owing from the Lukisa JV Company (Pty) Ltd to the vendor. Due to the decision by the Company to withdraw from the Karoo Projects in South Africa and the subordinated position that the acquired loans hold compared to other shareholder loans and third-party liabilities, the Company has applied its judgment to value these loans at a fair value of nil.

The expected maturity date and discount factor applied at each reporting date may change as a result of changes in development, operations or future prospects of partly-owned subsidiaries and uranium market conditions.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 15: Provisions

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| <b>Current</b>   |                  |                  |
| Employee Entitlements – Annual Leave                         | 190              | 163              |
| <b>Total current provisions</b>                              | <b>190</b>       | <b>163</b>       |
| <b>Non-Current</b>   |                  |                  |
| Rehabilitation Provision <sup>(i)</sup>                      | 12,402           | 10,098           |
| <b>Total non-current provisions</b>                          | <b>12,402</b>    | <b>10,098</b>    |
| <b>Movement in Rehabilitation Provision:</b>                 |                  |                  |
| Balance at the beginning of the year                         | 10,098           | 12,638           |
| Change in provision recognized in Mineral Development assets | 2,304            | (2,540)          |
| <b>Balance at the end of the year</b>                        | <b>12,402</b>    | <b>10,098</b>    |

(i) A provision for rehabilitation is recognized in relation to the exploration, development and operating activities for costs associated with the restoration of various mine sites. Estimates of the restoration obligations are based on anticipated technology and legal requirements and future costs. In determining the restoration provision, the Company has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration in the future.

### Accounting Policy

#### Provisions

Provisions are recognized when the consolidated group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### Employee Benefits

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### Defined Retirement or Superannuation Schemes

Australian employees receive a superannuation guarantee contribution required by the government, which was 10.5% up to 30 June 2023, and do not receive any other retirement benefits. United States employees receive retirement contributions under a 401(k) plan established by Strata, which is currently up to a maximum of 5.0% of ordinary earnings, and do not receive any other retirement benefits.

### Key Estimates, Judgments and Assumptions

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of the mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example, in response to changes in resources or to production rates. In recognizing the amount of decommissioning



## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

and restoration obligation at each reporting date, judgment is made on the extent of decommissioning and restoration that the consolidated group is responsible for at each reporting date. For ISR operations, this requires an assessment to be made on not only physical above ground disturbances but also on below ground disturbances in mining zone aquifers that have occurred through the use of the ISR mining method. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

### Note 16: Issued Capital

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| A reconciliation of the movement in issued capital and reserves for the consolidated group can be found in the Statement of Changes in Equity. |                  |                  |
| 1,257,050,004 fully paid ordinary shares (2022: 997,296,191)   | <b>274,866</b>   | <b>252,717</b>   |

#### (a) Ordinary shares – Number of Shares

|   | 2023<br>No.          | 2022<br>No.        |
|---|----------------------|--------------------|
| At the beginning of the reporting year                                | 997,296,191          | 996,018,185        |
| <i>Shares issued during the year</i>                                  |                      |                    |
| • Shares issued under an institutional placement                      | 244,274,810          | -                  |
| • Shares issued under a Share Purchase Plan                           | 6,580,186            | -                  |
| • Shares issued under employment agreements <sup>(i)</sup>            | 5,994,134            | 1,278,006          |
| • Shares issued in lieu of cash short-term incentives <sup>(ii)</sup> | 2,904,683            | -                  |
| <b>Total at the end of the reporting year</b>                         | <b>1,257,050,004</b> | <b>997,296,191</b> |

#### (b) Ordinary shares – Value of Shares

|   | 2023<br>US\$000s | 2022<br>US\$000s |
|---|------------------|------------------|
| At the beginning of the reporting year                                | 252,717          | 252,502          |
| <i>Shares issued during the year</i>                                  |                  |                  |
| • Shares issued under an institutional placement                      | 21,592           | -                |
| • Shares issued under a Share Purchase Plan                           | 582              | -                |
| • Shares issued under employment agreements <sup>(i)</sup>            | 748              | 215              |
| • Shares issued in lieu of cash short-term incentives <sup>(ii)</sup> | 329              | -                |
| • Share issue costs   | (1,102)          | -                |
| <b>Total at the end of the reporting year</b>                         | <b>274,866</b>   | <b>252,717</b>   |

(i) In August 2022, the Board approved the payment of Long-Term Incentive Plan incentives for Key Management Personnel and senior staff in recognition of performance during the year ended June 2022. These were subsequently issued as on 13 December 2022 after the 2022 Annual General Meeting of shareholders. Restricted share units (RSUs) are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A\$0.1743 per share, being the 30-day volume weighted share price as at 30 June 2022. No RSU will vest for any participant before 1 July 2023.

In October 2021, the Board approved the payment of Long-Term Incentive Plan incentives for Key Management Personnel and senior staff in recognition of performance during the financial year to 30 June 2021. These were subsequently issued on 1 December 2021 after the 2021 Annual General Meeting of shareholders. Restricted share units (RSUs) are held in trust for the recipients to vest over a three-year period. The number of RSUs issued has been determined using a share price of A\$0.2476 per share, being the 30-day volume weighted share price as at 1 October 2021. No RSU will vest for any participant before 1 July 2022.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

- (ii) In August 2022, the Board approved the payment of Short-Term Incentive Plan incentives for Key Management Personnel and senior staff in recognition of performance during the year ended June 2022. These were subsequently issued as on 5 September 2022 and 13 December 2022 after the 2022 Annual General Meeting of shareholders. The number of shares issued has been determined using a share price of A\$0.198 per share, being the 5-day volume weighted share price as at 12 August 2022.

### (c) Options on issue at 30 June 2023

|   | Options    |                  |
|---|------------|------------------|
|   | Listed No. | Unlisted No.     |
| At the beginning of the reporting year        | -          | 9,025,000        |
| Issued during the year                        | -          | 4,100,000        |
| Expired during the year                       | -          | (9,025,000)      |
| Exercised during the year                     | -          | -                |
| <b>Total at the end of the reporting year</b> | <b>-</b>   | <b>4,100,000</b> |

All options granted to Key Management Personnel are convertible into ordinary shares in Peninsula, which confer a right of one ordinary share for every option held. All equity transactions with specified directors and specified executives have been entered into under terms and conditions no more favorable than those the entity would have adopted if dealing at arm's length.

Options issued during the year were valued using the Hoadley Trading and Investment Tools ('Hoadley') ESO2 valuation model.

|                  | Tranche 1 | Tranche 2 | Tranche 3 | Total     |
|------------------|-----------|-----------|-----------|-----------|
| Number           | 1,366,667 | 1,366,667 | 1,366,667 | 4,100,000 |
| Value per Option | A\$0.0672 | A\$0.0723 | A\$0.0774 | N/A       |
| Value – A\$      | A\$91,840 | A\$98,810 | \$105,780 | \$296,430 |

Using the following assumptions:

| Assumptions                | Ref | Tranche 1 | Tranche 2 | Tranche 3 |
|----------------------------|-----|-----------|-----------|-----------|
| Valuation / Grant Date     | 1   | 29-Nov-22 | 29-Nov-22 | 29-Nov-22 |
| Spot Price                 | 2   | A\$0.135  | A\$0.135  | A\$0.135  |
| Exercise Price             | 3   | A\$0.300  | A\$0.300  | A\$0.300  |
| Expiry Date                | 4   | 29-Nov-27 | 29-Nov-27 | 29-Nov-27 |
| Barrier Price              | 5   | Nil       | Nil       | Nil       |
| Vesting Date               | 6   | 29-Nov-23 | 29-Nov-24 | 29-Nov-25 |
| Expected Future Volatility | 7   | 95%       | 95%       | 95%       |
| Risk Free Rate             | 8   | 3.35%     | 3.35%     | 3.35%     |
| Dividend Yield             | 9   | Nil       | Nil       | Nil       |
| Early Exercise             | 10  | 2.5x      | 2.5x      | 2.5x      |

Refs:

1. Valuation Date – Options were granted at the AGM on 29 November 2022.
2. Spot Price – Market opening price on the Valuation Date.
3. Exercise Price – Options have a strike price of \$0.30.
4. Expiry Date – The expiry date for the Options is 29 November 2027.
5. Barrier Price – There is no VWAP vesting hurdle attached to the Options.

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

6. Vesting Date – Vesting dates for the Options are 29 November 2023, 29 November 2024, and 29 November 2025 respectively.
7. Expected Future Volatility – Volatility of 95% was calculated based on historical volatility over three, two, and one-year trading periods.
8. Risk Free Rate – Commonwealth bonds using a five-year bond, being the period, which most closely corresponds to the life of the Options, sourced from the RBA as the closing rate on 29 November 2022.
9. Dividend Yield – A nil dividend yield as the Company is not expected to pay dividends over the life of the Options.
10. Expected early exercise is factored into the valuation, by our application of the trinomial model (i.e. valuation of the option as an American style option – where early exercise is permitted). There have been several historical studies that indicate that option holders early exercise options generally at between two to three times the exercise price, with the higher multiples generally attributable to more senior employees within the company.

### (d) Capital Management

Management controls the capital of the consolidated group in order to maintain an appropriate debt to equity ratio and ensure that the consolidated group can fund its operations and continue as a going concern. The consolidated group currently has no debt.

Management effectively manages the consolidated group's capital by assessing projected compliance with financial undertakings and financial risks, and if required, adjusting its capital structure in response to changes in these risks and projected compliance with financial undertakings. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the consolidated group since the prior year.

### Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

The consolidated group operates equity-settled share-based payment employee share, performance rights, restricted share unit and option schemes. The fair value of the equity in which employees become entitled is measured at grant date and recognized as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares and restricted share units is ascertained as the market bid price at the time of issue. The fair value of performance rights is ascertained independently on the effective date of grant using a hybrid option pricing model, with the expected share price at the expiry date simulated using a Monte-Carlo model. The fair value of options is ascertained independently using a market accepted pricing model which incorporates all market vesting conditions. The number of shares, restricted stock units and options expected to vest is reviewed and, where expectations relate to non-market performance conditions, adjusted at each reporting date such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

## Note 17: Reserves

### (a) Share-Based Payments Reserve

The share-based payments reserve records items recognized as expenses on valuation of employee share options and convertible note facility shares and options.

A reconciliation of the movement in the share-based payments reserve as at 30 June 2023 is as follows:

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| At the beginning of the reporting year                 | 16,094           | 15,466           |
| Shares issued during the year                          | (1,077)          | (215)            |
| LTIP RSUs accrued and issued <sup>(i)</sup>            | 416              | 428              |
| Election to receive cash STIP in shares <sup>(i)</sup> | (19)             | 348              |
| Non-Executive Director Options <sup>(ii)</sup>         | 43               | 67               |
| <b>Total at the end of the reporting year</b>          | <b>15,457</b>    | <b>16,094</b>    |

(i) During August 2023, 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 2023. 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 2023 and will be issued during the 2024 year with some Restricted Share Units (RSUs) subject to approval at the Annual General Meeting of Shareholders. Restricted share units (RSUs) are held in trust for the recipients to vest over a three-year period and no RSU will vest for any participant before 1 July 2024. During 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 issued during the 2023 year. Restricted share units (RSUs) issued for the 2022 financial year are held in trust for the recipients to vest over a three-year period and no RSU will vest for any participant before 1 July 2023.

(ii) On 29 November 2022 a total of 4,100,000 options were granted to the Non-Executive Directors and have been valued at an average price of A\$0.0723 per option using the Hoadley Trading and Investment Tools ('Hoadley') ESO2 valuation model. The Hoadley model valuation and valuation assumptions are included in Note 17 of the Financial Report.

### (b) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign operations.

Refer to the Statement of Changes in Equity for a reconciliation of movements in the Share-Based Payments Reserve and Foreign Currency Translation Reserve during the year.

## Foreign Currency Transactions and Balances

### Functional and Presentation Currency

The functional currency of each of the consolidated group's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of the parent entity is Australian dollars. The consolidated financial statements are presented in United States dollars which is the parent entity's presentation currency. The functional currency of a material subsidiary, Strata Energy, Inc. is United States dollars. The functional currency of a material subsidiary, Tasman RSA Holdings (Pty) Ltd is South African rand. The functional currency of a material subsidiary, Peninsula Uranium Limited is United States dollars.

### Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the exchange rate on the last day of the reporting period. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

Exchange differences arising on the translation of monetary items are recognized in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. The parent entity of the consolidated group provides the majority of funding to subsidiaries by way of US dollar denominated intercompany loans, thereby generating a net investment hedge where the gain or loss on consolidation is taken to other comprehensive income in the consolidated statement of profit or loss.

Exchange differences arising on the translation of non-monetary items are recognized directly in equity to the extent that the gain or loss is directly recognized in equity, otherwise the exchange difference is recognized in the statement of profit or loss and other comprehensive income.

### Group Companies

The financial results and position of foreign operations whose functional currency is different from the consolidated group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the reporting period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than United States dollars are recognized in Other Comprehensive Income and included in the foreign currency translation reserve in the statement of financial position.

### Note 18: Auditor's Remuneration

|  | 2023<br>US\$   | 2022<br>US\$   |
|--|----------------|----------------|
| <b>Remuneration of the auditor of the parent entity for:</b> |                |                |
| • Auditing or reviewing the financial report                 | 78,534         | 73,257         |
| • Taxation advice and compliance services                    | 48,700         | 32,024         |
| <b>Total auditor's remuneration</b>                          | <b>127,234</b> | <b>105,281</b> |

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 19: Key Management Personnel Compensation

Names and positions held of consolidated and parent entity Key Management Personnel in office at any time during the financial year are:

| Key Management Personnel | Position   |
|--------------------------|--|
| John Harrison            | Non-Executive Chairman   |
| Wayne Heili              | Managing Director / Chief Executive Officer  |
| Harrison Barker          | Non-Executive Director   |
| Mark Wheatley            | Non-Executive Director   |
| Rachel Rees              | Executive Director Finance and Corporate Affairs, Chief Financial Officer (transitioned from a Non-Executive Director 30 January 2023) |
| Brian Booth              | Non-Executive Director   |
| Ralph Knode              | Chief Executive Officer (Strata Energy Inc.)   |
| Ron Chamberlain          | Chief Financial Officer and Joint Company Secretary (resigned 31 January 2023)   |

Refer to the Remuneration Report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the consolidated group's Key Management Personnel for the year ended 30 June 2023.

The totals of remuneration paid to Key Management Personnel of the Company and the consolidated group during the year are as follows:

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| Short-term employee benefits                               | 1,269            | 1,227            |
| Post-employment benefits                                   | 57               | 53               |
| Other benefits   | 74               | 70               |
| Share-based payments (Note 21)                             | 391              | 674              |
| <b>Total remuneration paid to Key Management Personnel</b> | <b>1,791</b>     | <b>2,024</b>     |

### Note 20: Events Since the End of the Financial Year

On 19 July 2023 the Company announced a significant delay in commencement of production due to an unanticipated termination of an agreement with its resin processing provider Uranium Energy Corp.

On the 31 August and 5 September 2023, the Company released information on its revised Life of Mine Plan (LoM) with a revised strategy for the restart of the Lance Project as a fully independent end-to-end producer of dry yellowcake with production expected to commence late 2024.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 21: Share-Based Payments

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| Accrual for LTIP RSU shares <sup>(i)</sup>                         | 416              | 428              |
| Accrual for election to receive cash STIP in shares <sup>(i)</sup> | (19)             | 348              |
| Non-Executive Director Options <sup>(ii)</sup>                     | 43               | 67               |
| <b>Total share-based payments</b>                                  | <b>440</b>       | <b>843</b>       |

- (i) In August 2023, the Board approved the award of incentives under both the Long-Term Incentive Plan and the Short-Term Incentives Plan for Key Management Personnel and senior staff in recognition of performance during the financial year to 30 June 2023. The STIP is awarded in cash, but an election can be made by the participant to receive gross-up of the cash benefit in shares. Both LTIP Restricted Share Units (RSU) and STIP share elections were accrued for as at 30 June 2023, and will be issued during the 2024 year with some (RSUs) subject to approval at the Annual General Meeting of Shareholders. Restricted share units (RSU) are held in trust for the recipients to vest over a three-year period and no RSU will vest for any participant before 1 July 2024.
- In August 2022, the Board approved the award of incentives under both the Long-Term Incentive Plan and the Short-Term Incentives Plan for Key Management Personnel and senior staff in recognition of performance during the financial year to June 2022. Both LTIP Restricted Share Units (RSU) and STIP share elections were accrued for as at 30 June 2022, and subsequently issued during the 2023 year with some issued on 13 December 2022 after the 2022 Annual General Meeting of shareholders. Restricted share units (RSU) are held in trust for the recipients to vest over a three-year period and no RSU will vest for any participant before 1 July 2023.
- (ii) On 29 November 2022 a total of 4,100,000 options were granted to the Non-Executive Directors and have been valued at an average price of A\$0.0723 per option using the Hoadley Trading and Investment Tools ('Hoadley') ESO2 valuation model. The Hoadley model valuation and valuation assumptions are detailed in Note 17.

All options granted to Key Management Personnel are convertible into ordinary shares in Peninsula, which confer the right of one ordinary share for every option held.

### Note 22: Loss Per Share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share (EPS):

#### (a) Reconciliation of earnings used in calculating earnings per share

|   | 2023<br>US\$000s | 2022<br>US\$000s |
|---|------------------|------------------|
| <b>Loss for the year attributable to the members of Peninsula Energy Limited:</b> |                  |                  |
| Loss after income tax   | (3,542)          | (4,635)          |
| Loss used to calculate basic and diluted EPS                                      | (3,542)          | (4,635)          |
| <b>Loss for the year from continuing operations:</b>                              |                  |                  |
| Loss after income tax   | (3,534)          | (4,545)          |
| Loss used to calculate basic and diluted EPS                                      | (3,534)          | (4,545)          |

#### (b) Weighted average number of shares outstanding during the year

|  | 2023<br>No.   | 2022<br>No. |
|--|---------------|-------------|
| Weighted average number of ordinary shares used in calculating basic EPS                           | 1,147,229,177 | 996,760,479 |
| Weighted average number of ordinary shares and shares under option used in calculating diluted EPS | 1,147,229,177 | 996,760,479 |

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Earnings Per Share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. For the 2023 and 2022 financial years the exercise of granted options is anti-dilutive and as such the diluted earnings per share is the same as the basic loss per share.

### Note 23: Capital, Leasing and Delivery Commitments

(a) *Exploration Tenement Leases*

|   | 2023<br>US\$000s | 2022<br>US\$000s |
|---|------------------|------------------|
| Payable – Mining Leases (not later than one year) | 265              | 279              |

The consolidated group has certain obligations with respect to mining tenements and minimum expenditure requirements on areas held. For exploration license expenditures, commitments are only expected for the following year. Financial commitments for subsequent periods are contingent upon future exploration results and cannot be estimated.

(b) *U<sub>3</sub>O<sub>8</sub> Delivery Commitments*

As at 30 June 2023 Peninsula has up to 4,950,000 lbs of U<sub>3</sub>O<sub>8</sub> remaining under contract through to calendar year 2033 for delivery to major utilities located in the United States and Europe.

Of the total delivery commitments noted above, 4,800,000 lbs U<sub>3</sub>O<sub>8</sub> is committed and up to 150,000 lbs U<sub>3</sub>O<sub>8</sub> is optional at the election of the customer.

| Summary of Delivery Commitments<br>Over the Next Five Years |                                      |
|---|--------------------------------------|
| Financial Year  | Pounds U <sub>3</sub> O <sub>8</sub> |
| 2024  | 525,000                              |
| 2025  | 700,000                              |
| 2026  | 700,000                              |
| 2027  | 556,250                              |
| 2028  | 493,750                              |

Of the 30 June 2023 committed U<sub>3</sub>O<sub>8</sub> sale deliveries, 0.9 Mlbs can be satisfied with market sourced material ('open origin'), with the balance to be supplied from Lance Project origin uranium. The open-source origin components do not meet the 'own-use exemption' under *IFRS 9 Financial Instruments* to not fair value the contractual rights and obligations of the arrangement, refer to Note 9.

The Company commenced discussions during the year with its customers to secure more favorable delivery commitment terms in line with the Lance Project production expectations. Whilst discussions are well advanced and substantially agreed, the contractual amendments were incomplete at 30 June 2023.



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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### *Key Estimates, Judgments and Assumptions*

Judgment is required to determine whether the consolidated group's U<sub>3</sub>O<sub>8</sub> delivery commitments satisfy 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.

Other than sale contracts that can be settled net in cash or in another financial instrument, management believe all other sales contracts meet the 'own-use exemption' definition. Therefore, the majority of commitments fall outside the scope of IFRS 9 and no derivative has been recognized other than as disclosed in Note 9.

### *Note 24: Financial Risk Management*

The consolidated group's financial instruments consist of certain uranium concentrate sale and purchase agreements, deposits with banks, local money market instruments, short-term investments and accounts receivable and payable, notes issued to debt providers, loans to subsidiaries, and leases.

#### *Financial Risk Management Policies*

The consolidated group manages its exposure to a variety of financial risks, market risk (including currency risk, commodity price risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk in accordance with the Audit and Risk Management Committee Charter and specific approved group policies. These policies are developed in accordance with the consolidated group's operational requirements. The consolidated group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of prevailing and forecast interest rates and foreign exchange rates. The consolidated group manages credit risk by only dealing with recognized, creditworthy third parties and liquidity risk is managed through the budgeting and forecasting process.

#### *Specific Financial Risk Exposures and Management*

The main risks the consolidated group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and equity price risk.

#### **(a) Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilization of systems for approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from invoice date.

Risk is also minimized by investing surplus funds in financial institutions that maintain a high credit rating.

#### **Credit Risk Exposures**

The maximum exposure to credit risk by class of recognized financial assets at the reporting date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The consolidated group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the consolidated group has significant credit risk exposures to the United States, United Kingdom and Australia given the substantial operations in those regions. Details with respect to credit risk of Trade and Other Receivables are provided in Note 6. Trade

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 6.

Credit risk related to balances with banks and other financial institutions are managed in accordance with approved Board policy. The consolidated group's current investment policy is aimed at maximizing the return on surplus cash, with the aim of outperforming the benchmark within acceptable levels of risk return exposure and to mitigate the credit and liquidity risks that the consolidated group is exposed to through investment activities.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

|                                  | 2023<br>US\$000s | 2022<br>US\$000s |
|----------------------------------|------------------|------------------|
| <b>Cash and cash equivalents</b> |                  |                  |
| A+ Rated                         | 11,555           | 6,461            |
| B+ Rated                         | 9,900            | 1,121            |
|                                  | <b>21,455</b>    | <b>7,582</b>     |

### (b) Liquidity Risk

Liquidity risk arises from the possibility that the consolidated group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The consolidated group's liquidity needs can be met through a variety of sources, including the issue of equity instruments and short or long-term borrowings.

Alternative sources of funding in the future could include project debt financing and equity raisings, and future operating cash flow. These alternatives will be evaluated to determine the optimal mix of capital resources.

The following table details the consolidated group's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows. Cash flows realized from financial assets reflect management's expectation as to the timing of realization. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

|                                    | Financial Asset and Financial Liability Maturity Analysis |               |              |              |              |          |               |               |
|------------------------------------|---|---------------|--------------|--------------|--------------|----------|---------------|---------------|
|                                    | Within 1 Year   |               | 1–5 Years    |              | Over 5 Years |          | Totals        |               |
|                                    | 2023  | 2022          | 2023         | 2022         | 2023         | 2022     | 2023          | 2022          |
|                                    | US\$000s  | US\$000s      | US\$000s     | US\$000s     | US\$000s     | US\$000s | US\$000s      | US\$000s      |
| <b>Financial Assets</b>            |   |               |              |              |              |          |               |               |
| Cash and cash equivalents          | 21,455  | 7,582         | -            | -            | -            | -        | 21,455        | 7,582         |
| Trade and other receivables        | 1,260   | 1,023         | 3,089        | 3,019        | -            | -        | 4,349         | 4,042         |
| Other financial assets             | -   | 5,269         | 3            | 3            | -            | -        | 3             | 5,272         |
| <b>Total Financial Assets</b>      | <b>22,715</b>   | <b>13,874</b> | <b>3,092</b> | <b>3,022</b> | <b>-</b>     | <b>-</b> | <b>25,807</b> | <b>16,896</b> |
| <b>Financial Liabilities</b>       |   |               |              |              |              |          |               |               |
| Trade and other payables           | 3,659   | 1,095         | -            | -            | -            | -        | 3,659         | 1,095         |
| Borrowings                         | 3   | 3             | 1            | 5            | -            | -        | 4             | 8             |
| Other financial liabilities        | -   | -             | 2,504        | 2,209        | -            | -        | 2,504         | 2,209         |
| <b>Total Financial Liabilities</b> | <b>3,662</b>  | <b>1,098</b>  | <b>2,505</b> | <b>2,214</b> | <b>-</b>     | <b>-</b> | <b>6,167</b>  | <b>3,312</b>  |

### (c) Market Risk

#### (i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognized at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The consolidated group does not use derivatives to mitigate these exposures.

At the reporting date, the details of outstanding contracts are as follows:

|                                    | Effective Average Fixed Interest Rate |      |              |           |
|------------------------------------|---------------------------------------|------|--------------|-----------|
|                                    | 2023                                  | 2022 | 2023         | 2022      |
|                                    | %                                     | %    | US\$000s     | US\$000s  |
| <b>Maturity of Amounts</b>         |                                       |      |              |           |
| Less than 1 year                   | 4.65                                  | 1.10 | 7,788        | 40        |
| 1 to 2 years                       | -                                     | -    | -            | -         |
| 2 to 5 years                       | -                                     | -    | -            | -         |
| <b>Total Financial Assets</b>      |                                       |      | <b>7,788</b> | <b>40</b> |
| <b>Maturity of Amounts</b>         |                                       |      |              |           |
| Less than 1 year                   | -                                     | -    | -            | -         |
| 1 to 2 years                       | -                                     | -    | -            | -         |
| 2 to 5 years                       | -                                     | -    | -            | -         |
| <b>Total Financial Liabilities</b> |                                       |      | <b>-</b>     | <b>-</b>  |

#### (ii) Foreign Exchange Risk

The consolidated group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the relevant group company. The consolidated group's borrowings and deposits are largely denominated in US dollars. Currently there are

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

no foreign exchange hedge programs in place. However, the consolidated group treasury function manages the purchase of foreign currency to meet operational requirements.

As at 30 June 2023 the consolidated group's net exposure to foreign exchange risk was as follows:

|  | Currency   | 2023<br>\$000s | 2022<br>\$000s |
|--|------------|----------------|----------------|
| <b>Functional currency of individual entity: AUD</b> |            |                |                |
| <b>Net Foreign Currency Financial Assets</b>         |            |                |                |
| Cash and cash equivalents                            | USD        | 9,681          | 3,966          |
| <b>Net Foreign Currency Financial Liabilities</b>    |            |                |                |
| Borrowings   | USD        | -              | -              |
| <b>Total Net Exposure</b>                            | <b>USD</b> | <b>9,681</b>   | <b>3,966</b>   |

The effect of a 10% strengthening of the USD against the AUD at the reporting date on the USD-denominated assets and liabilities carried within the AUD functional currency entity would, all other variables held constant, have resulted in a decrease in post-tax profit for the year and increase of net assets of US\$0.97M (2022: increase in post-tax loss and decrease in net assets of US\$0.39M).

### (iii) Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors of commodities. The consolidated group is also exposed to securities price risk on investments held for trading or for medium or longer terms. The value of the consolidated group's investments, as detailed in Note 9, is not material enough to be considered a risk at the reporting date.

### Fair Value

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

- Cash and short-term investments – the carrying amount approximates fair value because of their short term to maturity;
- Trade receivables and trade creditors – the carrying amount approximates fair value;
- Listed investments – for financial instruments traded in organized financial markets, fair value is the current quoted market bid price for an asset adjusted for transaction costs necessary to realize the asset;
- Derivative financial assets and liabilities – initially recognized at fair value through profit or loss at the date the contract is entered into and subsequently re-measured at each reporting date; and
- Other assets and liabilities approximate their carrying value.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

No financial assets and financial liabilities are readily traded on organized markets in standardized form other than listed investments.

### Financial Instruments Measured at Fair Value

The financial instruments recognized at fair value in the statement of financial position have been analyzed 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 summarized in the table below:

| 30 June 2023                                     | Level 1<br>US\$000s | Level 2<br>US\$000s | Level 3<br>US\$000s | Total<br>US\$000s |
|--|---------------------|---------------------|---------------------|-------------------|
| <b>Financial Assets</b>                          |                     |                     |                     |                   |
| Listed investments <sup>(i)</sup>                | 3                   | -                   | -                   | 3                 |
| Derivative financial asset <sup>(ii)</sup>       | -                   | -                   | -                   | -                 |
| <b>Total Financial Assets</b>                    | <b>3</b>            | <b>-</b>            | <b>-</b>            | <b>3</b>          |
| <b>Financial Liabilities</b>                     |                     |                     |                     |                   |
| Derivative financial liabilities <sup>(ii)</sup> | -                   | -                   | 2,504               | 2,504             |
| <b>Total Financial Liabilities</b>               | <b>-</b>            | <b>-</b>            | <b>2,504</b>        | <b>2,504</b>      |
| 30 June 2022                                     | Level 1<br>US\$000s | Level 2<br>US\$000s | Level 3<br>US\$000s | Total<br>US\$000s |
| <b>Financial Assets</b>                          |                     |                     |                     |                   |
| Listed investments <sup>(i)</sup>                | 3                   | -                   | -                   | 3                 |
| Derivative financial asset <sup>(ii)</sup>       | -                   | -                   | 5,269               | 5,269             |
| <b>Total Financial Assets</b>                    | <b>3</b>            | <b>-</b>            | <b>5,269</b>        | <b>5,272</b>      |
| <b>Financial Liabilities</b>                     |                     |                     |                     |                   |
| Derivative financial liabilities <sup>(ii)</sup> | -                   | -                   | 2,209               | 2,209             |
| <b>Total Financial Liabilities</b>               | <b>-</b>            | <b>-</b>            | <b>2,209</b>        | <b>2,209</b>      |

(i) The fair value of the listed investments has 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 have been determined using comparison of uranium forward spot prices to total contractual cash flows of the respective uranium sale and purchase agreements and options, discounted back to present value.

There were no transfers between levels during the years ended 30 June 2023 and 30 June 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.

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Level 3 Assets

Movements in Level 3 assets during the year ended 30 June 2023 are set out below:

|                                  | Balance<br>1 July<br>2022 | Derivative<br>fair value<br>movement | Realized<br>Sales<br>portion | Realized<br>Purchase or<br>Inventory | Balance<br>30 June<br>2023 |
|----------------------------------|---------------------------|--------------------------------------|------------------------------|--------------------------------------|----------------------------|
| Derivative financial assets      | 5,269                     | 2,342                                | (1,786)                      | (5,825)                              | -                          |
| Derivative financial liabilities | 2,209                     | 295                                  | -                            | -                                    | 2,504                      |

Movements in Level 3 assets during the year ended 30 June 2022 are set out below:

|                                  | Balance<br>1 July<br>2021 | Derivative<br>fair value<br>movement | Realized<br>Sales<br>portion | Realized<br>Purchase or<br>Inventory | Balance<br>30 June<br>2022 |
|----------------------------------|---------------------------|--------------------------------------|------------------------------|--------------------------------------|----------------------------|
| Derivative financial assets      | 12,646                    | 2,654                                | (4,419)                      | (5,612)                              | 5,269                      |
| Derivative financial liabilities | -                         | 2,209                                | -                            | -                                    | 2,209                      |

The Level 3 unobservable inputs and sensitivities are as follows:

| Description                      | Unobservable Inputs                  | Input        | Sensitivity   |
|----------------------------------|--------------------------------------|--------------|---|
| Derivative financial liabilities | Pre-tax discount rate <sup>(i)</sup> | 9.6% nominal | 1% change would increase/decrease fair value by US\$0.1M (2022: US\$0.1M)         |
|                                  | Uranium forward sales price          | US\$56/lb    | US\$1/lb change would increase / decrease fair value by US\$0.4M (2022: US\$0.4M) |

(i) The pre-tax discount rate is derived from a Capital Asset Pricing Model with the following assumptions:

- US 10-year government bond rate of 3.81%.
- Estimated Beta of 1.51 derived from comparable US Uranium miners over the last 5 years.
- Estimated US equity market risk premium 3.84%.
- Long-run US inflation expectation 2.54%.
- Estimated nominal cost of equity 9.6%.

### Financial Instruments

#### Recognition and Initial Measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through the profit or loss', in which case transaction costs are expensed to profit or loss immediately.

#### Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value or amortized cost using the effective interest rate method. Mortgages and finance leases are measured at amortized cost and all other financial instruments are measured at fair value through profit or loss. Fair value represents the amount for which

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortized Cost* is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortization of the difference, if any, between the amount initially recognized and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

The consolidated group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost or fair value. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

(ii) Investments

Investments are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Investments include non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost or fair value.

(iv) Financial assets

Fair value for financial assets is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. Fair value for financial liabilities is determined by reference to comparable arm's length transactions or by reference to factors that would apply on an arm's length transaction. In determining fair value, the projected cash flow stream of the financial liability is escalated to a future date using the interest rate applicable to the financial liability instrument. Future cash flows are discounted back to present value using a discount rate that reflects the expected rate of return and level of risk inherent within each financial liability instrument.

(v) Impairment

At each reporting date, the consolidated group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognized in the statement of profit or loss and other comprehensive income.

(vi) Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognized as a financial liability at fair value on initial recognition. The guarantee is

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

subsequently measured at the higher of the best estimate of the obligation and the amount initially recognized less, when appropriate, cumulative amortization in accordance with IFRS 15: Revenue from Contracts with Customers. Where the entity gives guarantees in exchange for a fee, revenue is recognized under IFRS 15.

### (vii) De-recognition

Financial assets are de-recognized where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognized where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognized in profit or loss.

### Note 25: Related Party Transactions

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

#### *Transactions with related parties*

#### Ultimate Parent Entity

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 are incurred by its subsidiaries. These expenses are charged to the subsidiaries through inter-company loans.

#### Service Agreements

Peninsula Energy Limited charged its wholly owned subsidiary Strata Energy Inc, a management fee for the provision of corporate, financial management, administration and other services during the year. The total management fee charged was US\$0.41M (2022: US\$0.32M).

### Note 26: 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 on the basis of 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 two reportable operating segments as follows:

- Lance Uranium Projects, Wyoming USA; 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 / CEO, 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.



## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### 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. In the majority of instances, 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:

- Net gains on disposal of available-for-sale financial investments;
- Impairment of assets and other non-recurring items of revenue and expense; and
- Other financial liabilities.

| 30 June 2023                                | Lance Project<br>Wyoming,<br>USA<br>US\$000s | Corporate/<br>Other<br>US\$000s | Total<br>US\$000s |
|---|--|---------------------------------|-------------------|
| <b>Revenue and Other Income</b>             |  |                                 |                   |
| External sales                              | 40,400                                       | -                               | 40,400            |
| Cost of sales                               | (38,618)                                     | -                               | (38,618)          |
| <b>Gross Profit</b>                         | <b>1,782</b>                                 | <b>-</b>                        | <b>1,782</b>      |
| Sundry income                               | -  | 8                               | 8                 |
| Interest revenue                            | 104  | 62                              | 166               |
| <b>Total Other Income</b>                   | <b>104</b>                                   | <b>70</b>                       | <b>174</b>        |
| <b>Total Gross Profit and Other Income</b>  | <b>1,886</b>                                 | <b>70</b>                       | <b>1,956</b>      |
| <b>Expenses</b>                             |  |                                 |                   |
| Standby mode and low pH transition costs    | (4,548)                                      | -                               | (4,548)           |
| Selling and marketing expenses              | (61)   | (255)                           | (316)             |
| Corporate and other administration expenses | -  | (3,316)                         | (3,316)           |
| Derivative fair value movement              | (370)  | 2,360                           | 1,990             |
| <b>Allocated Segment Expenses</b>           | <b>(4,979)</b>                               | <b>(1,211)</b>                  | <b>(6,190)</b>    |
| <b>Unallocated Expenses</b>                 |  |                                 |                   |
| Foreign exchange loss                       |  |                                 | 215               |
| Other expenses                              |  |                                 | (440)             |
| Finance costs                               |  |                                 | (1)               |
| Income tax expense                          |  |                                 | 912               |

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

| 30 June 2023  | Lance Project<br>Wyoming,<br>USA<br>US\$000s | Corporate/<br>Other<br>US\$000s | Total<br>US\$000s |
|---|--|---------------------------------|-------------------|
| <b>Loss for the year</b>                            |  |                                 | <b>(3,548)</b>    |
| Segment loss included in discontinued operations    |  |                                 | 14                |
| <b>Loss for the year from continuing operations</b> |  |                                 | <b>(3,534)</b>    |
| <b>Segment Assets</b>                               |  |                                 |                   |
| Mineral development                                 | 47,962                                       | -                               | 47,962            |
| Property, plant and equipment                       | 23,778                                       | 14                              | 23,792            |
| Cash and cash equivalents                           | 9,900  | 11,555                          | 21,455            |
| Trade and other receivables                         | 4,082  | 267                             | 4,349             |
| Inventory   | 12,092                                       | -                               | 12,092            |
| Held for sale assets                                | -  | 366                             | 366               |
| Other financial assets                              | -  | 3                               | 3                 |
| <b>Total Assets</b>                                 | <b>97,814</b>                                | <b>12,205</b>                   | <b>110,019</b>    |
| <b>Segment Liabilities</b>                          |  |                                 |                   |
| Borrowings  | 4  | -                               | 4                 |
| Provisions  | 12,590                                       | 2                               | 12,592            |
| Trade and other payables                            | 2,987  | 673                             | 3,660             |
| Liabilities associated with held for sale assets    | -  | 155                             | 155               |
| Other financial liabilities                         | 932  | 1,572                           | 2,504             |
| <b>Total Liabilities</b>                            | <b>16,513</b>                                | <b>2,402</b>                    | <b>18,915</b>     |

| 30 June 2022                    | Lance Project<br>Wyoming,<br>USA<br>US\$000s | Corporate/<br>Other<br>US\$000s | Total<br>US\$000s |
|---------------------------------|--|---------------------------------|-------------------|
| <b>Revenue and Other Income</b> |  |                                 |                   |
| External sales                  | 2,250  | 16,050                          | 18,300            |
| Cost of sales                   | (2,113)                                      | (13,136)                        | (15,249)          |
| <b>Gross Profit</b>             | <b>137</b>                                   | <b>2,914</b>                    | <b>3,051</b>      |
| Loan forgiveness                | 560  | -                               | 560               |
| Gain on sale of equipment       | 12   | -                               | 12                |
| Sundry income                   | -  | 30                              | 30                |
| Interest revenue                | 4  | 7                               | 11                |

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

| 30 June 2022  | Lance<br>Project<br>Wyoming,<br>USA<br>US\$000s | Corporate/<br>Other<br>US\$000s | Total<br>US\$000s |
|---|---|---------------------------------|-------------------|
| <b>Total Other Income</b>                           | <b>576</b>                                      | <b>37</b>                       | <b>613</b>        |
| <b>Total Gross Profit and Other Income</b>          | <b>713</b>                                      | <b>2,951</b>                    | <b>3,664</b>      |
| <b>Expenses</b>                                     |   |                                 |                   |
| Standby mode and low pH transition costs            | (7,079)   | -                               | (7,079)           |
| Selling and marketing expenses                      | (67)  | (135)                           | (202)             |
| Corporate and other administration expenses         | -   | (1,938)                         | (1,938)           |
| Derivative fair value movement                      | (600)   | 960                             | 360               |
| Other expenses                                      | -   | (91)                            | (91)              |
| <b>Allocated Segment Expenses</b>                   | <b>(7,746)</b>                                  | <b>(1,204)</b>                  | <b>(8,950)</b>    |
| <b>Unallocated Expenses</b>                         |   |                                 |                   |
| Foreign exchange loss                               |   |                                 | 409               |
| Other expenses                                      |   |                                 | (1,033)           |
| Finance costs                                       |   |                                 | (3)               |
| Income tax expense                                  |   |                                 | 1,294             |
| <b>Loss for the year</b>                            |   |                                 | <b>(4,619)</b>    |
| Segment loss included in discontinued operations    |   |                                 | 74                |
| <b>Loss for the year from continuing operations</b> |   |                                 | <b>(4,545)</b>    |
| <b>Segment Assets</b>                               |   |                                 |                   |
| Mineral development                                 | 37,033  | -                               | 37,033            |
| Property, plant and equipment                       | 18,530  | 5                               | 18,535            |
| Cash and cash equivalents                           | 1,122   | 6,460                           | 7,582             |
| Trade and other receivables                         | 3,706   | 336                             | 4,042             |
| Inventory   | 15,024  | -                               | 15,024            |
| Held for sale assets                                | -   | 697                             | 697               |
| Other financial assets                              | 469   | 4,803                           | 5,272             |
| <b>Total Assets</b>                                 | <b>75,884</b>                                   | <b>12,301</b>                   | <b>88,185</b>     |
| <b>Segment Liabilities</b>                          |   |                                 |                   |
| Borrowings  | 8   | -                               | 8                 |
| Provisions  | 10,250  | 11                              | 10,261            |
| Trade and other payables                            | 701   | 394                             | 1,095             |
| Liabilities associated with held for sale assets    | -   | 261                             | 261               |

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

| 30 June 2022                | Lance<br>Project<br>Wyoming,<br>USA<br>US\$000s | Corporate/<br>Other<br>US\$000s | Total<br>US\$000s |
|-----------------------------|---|---------------------------------|-------------------|
| Deferred tax liabilities    | -   | 912                             | 912               |
| Other financial liabilities | 623   | 1,586                           | 2,209             |
| <b>Total Liabilities</b>    | <b>11,582</b>                                   | <b>3,164</b>                    | <b>14,746</b>     |

### Note 27: Contingent Liabilities

#### *Portfolio of Uranium Concentrate Sale Agreements*

Peninsula has commitments to deliver uranium concentrate from mines developed or acquired by the Company under its portfolio of uranium concentrate sale and purchase agreements.

At 30 June 2023 the Company planned to meet its uranium sales commitments through the use of the Company's strategic inventory and uranium purchase contracts prior to the restart of the Lance Project in Wyoming USA.

The Company is not expected to breach any of the uranium concentrate sale agreements nor be liable in the future to pay liquidated damages or other breach of contract remedies, and no onerous contract provision has been recognized in the financial statements at 30 June 2023.

#### *Key Estimates, Judgments and Assumptions*

Amounts disclosed as contingent liabilities are judgments based on commercial arrangements entered into by the consolidated group. When making judgment on contingent liabilities, consideration is given the past or future event that gives rise to a possible liability in the future and to the probability that the liability will be actually required to be settled in the future.

### Note 28: Parent Entity Information

|   | 2023<br>US\$000s | 2022<br>US\$000s |
|---|------------------|------------------|
| Current assets  | 11,036           | 4,405            |
| <b>Total assets</b>   | <b>88,426</b>    | <b>65,788</b>    |
| Current liabilities   | 558              | 341              |
| <b>Total liabilities</b>                                      | <b>2,130</b>     | <b>1,927</b>     |
| Issued capital  | 274,866          | 252,717          |
| Accumulated losses  | (189,176)        | (196,657)        |
| Share-based payment reserve                                   | 15,547           | 16,095           |
| Foreign currency translation reserve                          | (14,850)         | (8,294)          |
| <b>Total equity</b>   | <b>86,296</b>    | <b>63,861</b>    |
| <b>Profit/(Loss) of parent entity</b>                         | <b>7,480</b>     | <b>(26,767)</b>  |
| Other comprehensive income                                    | -                | -                |
| <b>Total comprehensive profit/(loss) of the parent entity</b> | <b>7,480</b>     | <b>(26,767)</b>  |

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

### Note 29: Retirement Benefit Obligations

#### *Superannuation*

The parent entity contributes to a non-company sponsored or controlled superannuation fund. Contributions are made to an accumulation fund and are at least the minimum required by law. There is no reason to believe that funds would not be sufficient to pay benefits as vested in the event of termination of the fund on termination of employment of each employee.

### Note 30: Cash Flow Information

#### (a) *Reconciliation of net cash used in operating activities with loss after income tax*

|  | 2023<br>US\$000s | 2022<br>US\$000s |
|--|------------------|------------------|
| <b>Loss after income tax</b>   | <b>(3,546)</b>   | <b>(4,619)</b>   |
| <b>Non-cash flows included in loss:</b>  |                  |                  |
| Gain on sale of fixed assets   | -                | (12)             |
| Depreciation (including depreciation charged to cost of sales and Lance Project costs) | 135              | 227              |
| Share-based payments expense   | 440              | 1,023            |
| Inventory net realizable value adjustment  | (233)            | (169)            |
| Unrealized foreign exchange (gain) / loss  | (257)            | (337)            |
| Derivative asset (gain) / loss   | (1,990)          | (360)            |
| Loan forgiveness   | -                | (560)            |
| <b>Change in assets and liabilities:</b>   |                  |                  |
| Decrease in trade and other receivables relating to operating activities               | 60               | 9,749            |
| Decrease / (increase) in inventories   | 3,783            | (4,937)          |
| (Increase) in net held for sale assets and liabilities                                 | (70)             | (209)            |
| Decrease in other financial assets   | 7,611            | 7,738            |
| Increase in other financial liabilities  | -                | 2,209            |
| Increase / (decrease) in trade and other payables relating to operating activities     | 17               | (6,424)          |
| Increase / (decrease) in provisions relating to operating activities                   | (8)              | 18               |
| (Decrease) in deferred tax liabilities   | (912)            | (1,294)          |
| <b>Net cash used in operating activities</b>   | <b>5,030</b>     | <b>2,043</b>     |

#### (b) *Acquisition and disposal of entities*

During the financial year the consolidated group did not acquire or dispose of any entities that materially affected cash flows.

#### (c) *Non-cash investing and financing activities*

During the financial year, Peninsula made a number of share-based payments and transactions, which are outlined at Note 17 and Note 21.

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## Directors' Declaration

For the Year Ended 30 June 2023

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

- (1) (a) the consolidated financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, and accompanying notes are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated group's financial position at 30 June 2023 and of its performance for the year ended on that date;
  - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  - (iii) other mandatory professional reporting requirements.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) the audited remuneration disclosures set out in the Remuneration Report of the Directors' Report for the year ended 30 June 2023 comply with section 300A of the Corporations Act 2001.
- (2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2023.
- (3) The consolidated group has included in the notes to the consolidated financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

On behalf of the Board



John Harrison

Non-Executive Chairman

29 September 2023

Perth

## INDEPENDENT AUDITOR'S REPORT

To the members of Peninsula Energy Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Peninsula Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Carrying value of mine assets

| <b>Key audit matter</b>  | <b>How the matter was addressed in our audit</b>   |
|--|--|
| <p>Note 10 and 11 of the financial report discloses the carrying value of the Group's non-current mine assets which includes property, plant and equipment and mine development assets respectively.</p> <p>The Australian Accounting Standards require the Group to assess whether there are any indicators that the non-current mine assets may be impaired and if any indicator exists the group must estimate the recoverable amount of the asset.</p> <p>At 30 June 2023, the Group concluded that there were no indicators of impairment in relation to the carrying value of mine assets. This was supported by a Life of Mine plan ('LoM') for the Group's mine assets.</p> <p>The assessment of indicators of impairment is judgemental and includes a range of external and internal factors that could impact the recoverable amount of its mine assets. Accordingly, this matter was considered as key audit matter.</p> | <p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the reasonableness of management's assessment of indicators of impairment as at 30 June 2023 in accordance with Australian Accounting Standards;</li> <li>• Obtaining and reviewing the Group's LoM and with the assistance of our internal valuation expert: <ul style="list-style-type: none"> <li>• Reviewing the reliability of the life of mine plan, scrutinising its assumptions and parameters to ensure they accurately represent the current and future operational context;</li> <li>• Assessing the accuracy of critical inputs, including commodity prices and discount rates to confirm they align with offtake agreements and market data;</li> <li>• Evaluating reasonableness of reserve estimates, operating costs and forecasted capital costs with management and their external experts; and</li> <li>• Challenging management's assumptions around timing of future cash flows.</li> </ul> </li> <li>• Comparing the carrying amounts of the Group's net assets against the market capitalisation, both as at 30 June 2023, and subsequent movements;</li> <li>• Reviewing the Directors' minutes and ASX announcements for evidence of consistency of information with management's assessment of the carrying value; and</li> <li>• Assessing the adequacy of the related disclosures in Note 10 and 11 of the financial report.</li> </ul> |





### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.



## **Report on the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 27 to 39 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Peninsula Energy Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit (WA) Pty Ltd**

BDO  


**Dean Just**

**Director**

Perth

29 September 2023

## ASX Additional Information

### (a) Distribution of Shareholders as at 25 September 2023

| Spread of Holdings | Number of Ordinary Shareholders | Number of Shares     |
|--------------------|---------------------------------|----------------------|
| 1 – 1,000          | 2,588                           | 865,613              |
| 1,001 – 5,000      | 3,204                           | 8,867,024            |
| 5,001 – 10,000     | 1,814                           | 13,914,053           |
| 10,001 – 100,000   | 4,112                           | 150,292,950          |
| 100,001 – and over | 1,103                           | 1,078,031,553        |
| <b>Total</b>       | <b>12,641</b>                   | <b>1,251,971,193</b> |

### (b) Top 20 Shareholders as at 25 September 2023

| Rank                           | Name   | Number of Ordinary Shares Held | %      |
|--------------------------------|--|--------------------------------|--------|
| 1                              | CITICORP NOMINEES PTY LIMITED                      | 170,169,915                    | 13.060 |
| 2                              | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED          | 160,867,947                    | 12.790 |
| 3                              | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED          | 76,034,338                     | 6.045  |
| 4                              | BNP PARIBAS NOMINEES PTY LTD                       | 64,265,562                     | 5.109  |
| 5                              | BNP PARIBAS NOMS PTY LTD                           | 60,766,852                     | 4.831  |
| 6                              | BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM       | 60,220,050                     | 4.788  |
| 7                              | WARBONT NOMINEES PTY LTD                           | 21,178,960                     | 1.684  |
| 8                              | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED          | 19,581,907                     | 1.557  |
| 9                              | WANNA QUICKIE PTY LTD                              | 17,312,384                     | 1.376  |
| 10                             | MR WAYNE HEILI                                     | 10,148,852                     | 0.807  |
| 11                             | PENINSULA ENERGY LTIP PTY LTD                      | 5,826,993                      | 0.349  |
| 12                             | HUICEN CAPITAL PTY LIMITED                         | 5,758,155                      | 0.458  |
| 13                             | MR JOHN ROBERT LALOLI                              | 5,347,263                      | 0.425  |
| 14                             | MR WARREN ASTLEY COOPER & MRS NERINE LOUISE COOPER | 4,196,050                      | 0.334  |
| 15                             | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA | 3,906,500                      | 0.311  |
| 16                             | MR RALPH KNODE                                     | 3,825,389                      | 0.304  |
| 17                             | NETWEALTH INVESTMENTS LIMITED                      | 3,750,209                      | 0.298  |
| 18                             | XUE INVESTMENTS PTY LIMITED                        | 3,635,216                      | 0.289  |
| 19                             | UBS NOMINEES PTY LTD                               | 3,496,000                      | 0.278  |
| 20                             | BEARAY PTY LIMITED                                 | 3,396,181                      | 0.270  |
| Total Top 20                   |  | 696,310,184                    | 55.36  |
| Balance of Register            |  | 561,488,002                    | 44.64  |
| Total Ordinary Shares on Issue |  | 1,257,798,186                  | 100.00 |

The number of shareholders holding less than a marketable parcel of shares is 5,061, totaling 7,105,740 ordinary shares as at 25 September 2023.

### (c) Unlisted Issued Options as at 25 September 2023:

- There are 4,100,000 unlisted options over unissued shares on issue, in the class exercisable at A\$0.30 on or before 29 November 2027. Refer to the remuneration report for details on the holders this class of option.

### (d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

### (e) Schedule of Interests in Mining Tenements

## Wyoming, USA (Strata Energy, Inc.)

| Location / Project Name                       | Tenement             | Percentage |
|---|----------------------|------------|
| Private Land (FEE) – Surface Access Agreement | Approx. 2,397 acres  | 100%       |
| Private Land (FEE) – Mineral Rights           | Approx. 10,361 acres | 100%       |
| Federal Mining Claims – Mineral Rights        | Approx. 13,445 acres | 100%       |
| Federal Surface – Grazing Lease               | Approx. 40 acres     | 100%       |
| State Leases – Mineral Rights                 | Approx. 11,544 acres | 100%       |
| State Leases – Surface Access                 | Approx. 314 acres    | 100%       |
| Strata Owned – Surface Access                 | Approx. 315 acres    | 100%       |

## Karoo Projects, South Africa

| Permit Number/ Name | Holding Entity   | Initial Rights Date | Renewed/ Signed/ Validity<br>(e.g. Valid, Under PR Application, Under Mining Right Application, Closure Submitted/Issued) | Area (km <sup>2</sup> ) | Current Expiry | Commodity Group | Original PR Status |
|---------------------|------------------|---------------------|---|-------------------------|----------------|-----------------|--------------------|
| EC 07 PR            | Tasman Lukisa JV | 14/11/2006          | MR Application rejected – Environmental Closure Application Submitted   | 48                      | 10/06/2015     | U, Mo           | Expired            |
| EC 08 PR            | Tasman Lukisa JV | 14/11/2006          | MR Application rejected – Environmental Closure Application Submitted   | 47                      | 10/06/2015     | U, Mo           | Expired            |
| EC 12 PR            | Tasman Lukisa JV | 14/11/2006          | MR Application rejected – Environmental Closure Application Submitted   | 36                      | 10/06/2015     | U, Mo           | Expired            |
| EC 13 PR            | Tasman Lukisa JV | 14/11/2006          | MR Application rejected – Environmental Closure Application Submitted   | 69                      | 10/06/2015     | U, Mo           | Expired            |
| WC 25 PR            | Tasman Lukisa JV | 17/10/2007          | MR Application lapsed – Rehabilitation Completed – Environmental Closure Application being prepared                       | 7                       | 12/11/2014     | U, Mo           | Expired            |
| WC 33 PR            | Tasman Lukisa JV | 01/12/2006          | MR Application lapsed – Environmental Closure Application Submitted   | 68                      | 04/07/2016     | U, Mo           | Expired            |
| WC 34 PR            | Tasman Lukisa JV | 01/12/2006          | MR Application lapsed – Environmental Closure Application Submitted   | 34                      | 01/08/2015     | U, Mo           | Expired            |
| WC 35 PR            | Tasman Lukisa JV | 01/12/2006          | MR Application lapsed – Environmental Closure Application Submitted   | 69                      | 01/08/2015     | U, Mo           | Expired            |
| WC 47 PR            | Tasman Lukisa JV | 04/09/2008          | MR Application lapsed – Environmental Closure Application Submitted   | 36                      | 04/07/2015     | U, Mo           | Expired            |
| WC 59 PR            | Tasman Lukisa JV | 01/12/2006          | MR Application lapsed – Environmental Closure Application Submitted   | 40                      | 01/08/2015     | U, Mo           | Expired            |
| WC 60 PR            | Tasman Lukisa JV | 01/12/2006          | MR Application lapsed – Environmental Closure Application Submitted   | 56                      | 01/08/2015     | U, Mo           | Expired            |
| WC 61 PR            | Tasman Lukisa JV | 01/12/2006          | MR Application lapsed – Environmental Closure Application Submitted   | 69                      | 01/08/2015     | U, Mo           | Expired            |

|           |                         |            |   |     |            |       |              |
|-----------|-------------------------|------------|---|-----|------------|-------|--------------|
| WC 95 PR  | Tasman-Lukisa JV        | 17/04/2007 | Closure Submitted   | 5   | 23/03/2013 | U, Mo | Expired      |
| WC 137 PR | Tasman Lukisa JV        | 30/11/2006 | MR Application lapsed – Environmental Closure Application Submitted                                 | 73  | 04/07/2016 | U, Mo | Expired      |
| WC 152 PR | Tasman-Lukisa JV        | 01/12/2006 | MR Application lapsed – Rehabilitation Completed – Environmental Closure Application being prepared | 189 | 04/07/2016 | U, Mo | Expired      |
| WC 187 PR | Tasman Lukisa JV        | 01/12/2006 | Closure Submitted   | 24  | 01/08/2014 | U, Mo | Expired      |
| WC 168 PR | Tasman Pacific Minerals | 13/12/2006 | Closure Submitted   | 332 | 05/05/2014 | U, Mo | Expired      |
| WC 170 PR | Tasman Pacific Minerals | 13/12/2006 | Closure Submitted   | 108 | 05/05/2014 | U, Mo | Expired      |
| EC 28 PR  | Tasman Pacific Minerals | 15/11/2006 | Closure Submitted   | 225 | 26/03/2015 | U, Mo | Expired      |
| NC 330 PR | Tasman Pacific Minerals | 08/06/2007 | Closure Submitted   | 481 | 19/04/2019 | U, Mo | Relinquished |
| NC 331 PR | Tasman Pacific Minerals | 08/06/2007 | Closure Submitted   | 205 | 17/11/2018 | U, Mo | Relinquished |
| NC 347 PR | Tasman Pacific Minerals | 08/06/2007 | Closure Submitted   | 634 | 17/11/2018 | U, Mo | Relinquished |

## Corporate Directory

|  |   |
|--|---|
| <b>Directors</b>                                   | <p>John Harrison     <i>Non-Executive Chairman</i><br/> Wayne Heili        <i>Managing Director / CEO</i><br/> Rachel Rees        <i>Finance and Corporate Affairs, CFO</i><br/> Harrison Barker    <i>Non-Executive Director</i><br/> Mark Wheatley     <i>Non-Executive Director</i><br/> Brian Booth         <i>Non-Executive Director</i></p> |
| <b>Managing Director / Chief Executive Officer</b> | Wayne Heili   |
| <b>Chief Financial Officer</b>                     | Rachel Rees   |
| <b>Chief Executive Officer – Strata Energy</b>     | Ralph Knode   |
| <b>Joint Company Secretaries</b>                   | Jonathan Whyte and Rachel Rees  |
| <b>Registered and Principal Office</b>             | <p>Units 32/33, 22 Railway Road, Subiaco, WA 6008</p> <p>PO Box 8129, Subiaco East, WA 6008</p> <p>Telephone: +61 8 9380 9920<br/> Fax: +61 8 9381 5064</p> <p>Website: <a href="http://www.pel.net.au">www.pel.net.au</a></p>  |
| <b>Share Registry</b>                              | <p>Link Market Services Limited</p> <p>Level 12, QV1 Building, 250 St Georges Terrace, Perth<br/> WA 6000</p> <p>Telephone: 1300 554 474<br/> Fax: +61 2 9287 0303</p>  |

|                       |  |
|-----------------------|--|
| <b>Auditors</b>       | <p>BDO Audit (WA) Pty Ltd<br/> Level 9<br/> Mia Yellagonga Tower 2<br/> 5 Spring Street<br/> Perth, WA 6000</p>  |
| <b>Stock Exchange</b> | <p>Peninsula Energy Limited is a public company listed on the Australian Securities Exchange (ASX) and incorporated in Western Australia.</p> <p>Peninsula trades under the ticker 'PENMF' on the OTCQB Venture Market in the United States.</p> |
| <b>ASX Codes</b>      | <p>PEN – Ordinary Fully Paid Shares</p>  |