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Companies Announcement Office
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NRC INSPECTION AND AUTHORIZATION TO BEGIN IN-SITU URANIUM RECOVERY OPERATIONS AT THE LANCE PROJECTS, WYOMING, USA

Peninsula Energy Limited (Company) is extremely pleased to announce that it has received the United States Nuclear Regulatory Commission's (NRC) authorisation to begin in-situ uranium recovery operations from the Ross Permit Area at the Lance Projects in Wyoming, USA.

Peninsula Managing Director/CEO Mr John (Gus) Simpson said "*We are very happy to receive NRC approval to begin in-situ operations at Lance. I would like to congratulate the management, staff, contractors, shareholders and Board of Peninsula/Strata for their contributions to this significant achievement.*"

The U.S NRC conducted a preoperational team inspection at Strata Energy Inc.'s (Strata) Ross In-Situ Uranium Recovery (ISR) Project in Crook County, Wyoming, during November 2-5 and November 22-24, 2015. Pursuant to License Condition 12.6 of Materials License SUA-1601, the purpose of the inspection was to confirm that written operating procedures and approved radiation safety and environmental monitoring programs are in place, and to verify that preoperational testing was complete. The inspectors interviewed site personnel, observed the facility, and comprehensively reviewed procedures and program manuals for compliance with applicable regulations, license conditions, and license application.

The inspection team concluded that Strata has established programs that are protective of site workers, the public, and the environment at the Ross ISR Project. These programs include management oversight and audits, routine site inspections, plant operations, radiation protection, effluent, and environmental monitoring, groundwater monitoring, radioactive materials transportation, radioactive waste handling, and emergency preparedness. In particular, Strata has:

- Constructed the plant and associated site systems up to the ion exchange columns, including wellfields, indicating that the plant is physically capable of conducting in-situ uranium recovery operations;
- Filled management-level and plant support positions (health physics, laboratory, environmental monitoring, and operations) with trained and qualified staff;
- Established and implemented the performance-based license process and a quality assurance/quality control program;

- Established procedures for plant operations, wellfield operations, routine and non-routine reporting, and incident investigations (including spills);

- Completed construction of the first wellfield and associated header house in accordance with the approved license application;

- Established and implemented radiation protection, environmental monitoring, transportation, radioactive waste handling, and emergency preparedness programs that are in compliance with regulatory and license requirements; and

- Established and implemented a training program that includes operations, radiation protection, and industrial safety.

Based on the results of the preoperational inspection, the NRC staff has determined that the Ross ISR Project is physically ready for in-situ recovery operations up to the ion exchange columns. At the time of the preoperational inspection, the NRC noted that Strata plans to ship uranium-loaded resins to a nearby mill, an NRC-licensed site, for further processing.

This authorization is based, in part, on the fact that NRC has verified the first wellfield package, in accordance with License Condition 10.13, and that the financial surety is sufficient to cover costs for decommissioning and reclamation of the first wellfield up to and including the first two header houses.

In summary, Strata has NRC authorisation to commence with in-situ recovery operations at the Ross ISR Project including the wellfield injection and production circuits, ion exchange columns, water disposal pathways, and transportation of resins for further offsite processing.

Yours sincerely

John (Gus) Simpson
Managing Director/CEO

For further information, please contact our office on +61 (0)89380 9920 during Normal business hours.