

## Peninsula Energy Ltd. (PENMF, PEN-AU)

*Lance Resource Increases ; Plant Commissioning by Q4/2024*

### Event

Following a sixty-six drill hole campaign conducted last year at the Flagship Lance ISR property, Peninsula Energy released an updated Mineral Resource Estimate (MRE). The updated resource (effective December 31, 2023) now totals 58.0M lbs U3O8, representing a 7.8% increase from the previous 53.8M lb resource estimate. Of particular note is that drilling exclusively at the Ross and Kendrick areas (the two production areas included in the LOM economic study presented in the 2022 DFS) increased the resource by nearly 20%, going from 21.7M lbs to now reach 26.2M lbs. Incorporating the mineral resource increase to our estimates, we currently see many positives with Peninsula Energy. Now post-financing, construction is well underway and the timeline to re-started production remains Q4/2024. We maintain our 1.20x NAV<sub>8%</sub> price objective which equates to upside of +131% from the most recent close.

### Details

- **Plenty of Resource Upside Remains** – Lance encompasses three main production areas – Ross, Kendrick and Barber. As mentioned, the current mining plan only encompasses ISR production from Ross and Kendrick. There was no drilling last year on Barber. The modest 66 drill hole campaign was conducted last year and resulted in a M&I resource increase of nearly 20%, going from 21.7M lbs to 26.2M lbs. Given that the overall property spans 8km x 37km, much of the area remains untested. Either way, apart from Coles Hill in Virginia, the Lance property currently hosts the largest uranium resource in the US. Drilling this year will concentrate on further upgrading and increasing the resource at Ross.
- **Construction on Schedule** – The EPC contractor has been mobilized on site and earthworks have begun for the plant expansion. Once completed, Peninsula will be fully self-sufficient in all aspects of the uranium production value chain and thus will be able to capture a larger portion of the sales economics. The existing plant has already been modified to enable the processing of low-PH ISR solutions. Plant commissioning is expected by year-end.
- **Established LT Contract Book** – Peninsula currently has one of the most established LT contract books among peers. Contracts totaling 5.25M lbs U3O8 are currently in place and extend until 2033. The contracts in place are with utilities located both in the U.S. and Europe. The pricing structure is a mix of base escalated (~\$60/lb) and market based (floors down to \$45/lb and ceiling up to \$80/lb). Peninsula currently maintain 210,000 lbs of uranium concentrate in inventory.

### Conclusion

Given our LT \$120/lb uranium price objective, we maintain our 1.2x NAV<sub>8%</sub> price objective which equates to upside of +131% from the recent close. Note that PENMF shares are up by +7% YTD and currently trade at a 0.52x P/NAV. We expect the shares to re-rate higher closer in line to peers as development and production milestones are met. The full details can be found [here](#):

### Company Profile

Sector	Mining
Sub-Sector	Uranium
Ticker	PENMF
Ticker	PEN.AU

Current Price (\$)	\$0.08
12-Mth Price Objective (\$)	\$0.18
Potential Upside	+131%
Mkt Cap, Basic (\$M)	\$161.6M
Mkt Cap, FD (\$M)	\$162.6M
EV (\$M)	\$143.7M
Shares O/S FD (M)	2,331.5
1-Mth Return	4.2%
3-Mth Return	-11.3%
YTD Return	6.9%

	2024e	2025e	2026e
U3O8 Production lbs	15,000	900,000	1,200,000

LOM Production lbs	16,915,000
LOM avg. Cash cost\$/lb	\$26.95
LOM avg. AISC\$/lb	\$42.71

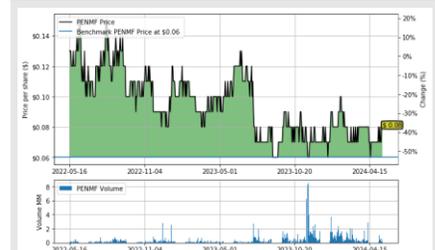
Measured & Indicated	PPM U3O8	Attrib. lbs
Lance	510	16.2M

Inferred Resources	PPM U3O8	Attrib. lbs
Lance	490	41.7M

### Company Description

Peninsula Energy is an ASX listed uranium developer, singularly focused on advancing the Lance Project located in Wyoming. With 16.2M lbs in the M&I category along with 41.7M lbs in the Inferred category, further project upside is expected in terms of economics. As the company transitions to production re-start, we would expect the current valuation discount to peers to narrow considerably

### 2-Year Stock Chart



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