

# Peninsula Energy (PEN)

Rating: Buy | Risk: High | Price Target: \$0.26

1 July 2024

## Lance on track for first production late 2024

### Key Information

Current Price (\$ps)	0.11
12m Target Price (\$ps)	0.26
52 Week Range (\$ps)	0.08 - 0.18
Target Price Upside (%)	145.8%
TSR (%)	145.8%
Reporting Currency	USD
Market Cap (\$m)	222
Sector	Energy
Avg Daily Volume (m)	23.0
ASX 200 Weight (%)	0.01%

### Fundamentals

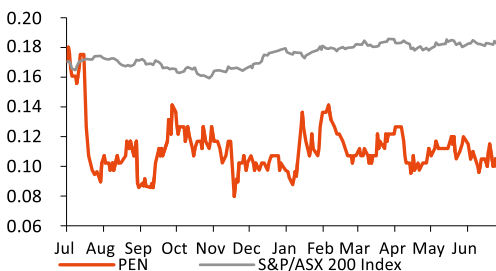
YE 30 Jun (USD)	FY23A	FY24E	FY25E	FY26E
Sales (\$m)	40	14	45	133
NPAT (\$m)	(4)	6	1	63
EPS (cps)	(0.3)	0.3	0.0	1.8
EPS Growth (%)	23.3%	181.9%	(86.1%)	nm
DPS (cps) (AUD)	0.0	0.0	0.0	0.0
Franking (%)	0%	0%	0%	0%

### Ratios

YE 30 Jun	FY23A	FY24E	FY25E	FY26E
P/E (x)	(35.3)	27.5	nm	3.8
EV/EBITDA (x)	(30.9)	26.6	34.4	1.8
Div Yield (%)	0.0%	0.0%	0.0%	0.0%
Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%

### Price Performance

YE 30 Jun	1 Mth	2 Mth	3 Mth	1 Yr
Relative (%)	(4.5%)	0.2%	(12.1%)	(46.3%)
Absolute (%)	(4.5%)	2.7%	(13.7%)	(38.4%)
Benchmark (%)	0.0%	2.5%	(1.6%)	7.9%



Price performance indexed to 100

Source: FactSet

### Major Shareholders

Paradise Investment Management	8.8%
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### Andrew Hines | Head of Research

+61 3 9268 1178

andrew.hines@shawandpartners.com.au

### Peter Kormendy | Senior Research Analyst

+61 3 9268 1099

Peter.Kormendy@shawandpartners.com.au

### Dorab Postmaster | Analyst

+61 8 9263 5211

Dorab.Postmaster@shawandpartners.com.au

### Event

Peninsula Energy has provided an update on construction activities at the Lance Uranium Project in Wyoming, US. The project is on track for a production restart in late 2024 and Peninsula reports that construction is on budget. Initial production is planned from a new production wellfield (Mine Unit 3) which is on-track for pre-conditioning operations in 3Q24.

### Highlights

- Lance is an In-Situ Recovery (ISR) uranium project whereby uranium is leached from the orebody in an acid solution before being recovered in an ion-exchange resin. Key features on the project include:
  - First production in Dec-24 and ramping up to 1.8Mlb steady state by 2029.
  - Remaining capex to first production of ~US\$57m (assuming US\$16m spent in the June quarter), with a further US\$17.4m required to reach full production rates.
  - C1 operating costs of US\$21.69/lb and AISC of US\$42.46/lb.
- Peninsula is fully funded to cash flow breakeven post the recent A\$106m equity raise at 10cps. We estimate that Peninsula has finished the June quarter with a cash balance of about US\$101m. On top the cash position, Peninsula also has ~US\$22m available from in-the-money options and is continuing to progress discussions with the US government for a debt facility.
- Plant construction is being conducted by Samuel Engineering and Samuel EPC (together as 'Samuel'). Peninsula is reporting that Samuel is currently progressing the operating plant building foundations with construction progressing as scheduled and the spend rate within anticipated levels.
- Equipment procurement activities remain on schedule with 74% of the major equipment ordered with timing of delivery and equipment costs tracking to budget estimates.
- Development of Mine Unit 3 (MU-3) is on track for pre-conditioning operations in 3Q24. This is a fresh well field that will allow production to ramp up faster than from MU-1 and MU-2. These mine units were partially depleted in previous operations. The company currently has ten contract drilling rigs on site to install production and injection wells and well development is 47% complete. The header house is 85% complete and overall MU-3 infrastructure is 70% complete.
- When we compare Peninsula with Boss Energy (BOE, Hold, PT \$4.75), there are many similarities and yet Peninsula has an enterprise valuation around 1/8<sup>th</sup> that of Boss (US\$125m v US\$945m). Both companies have in-situ leach uranium operations in first world jurisdictions, both will produce around 2Mlb/yr, both will be in production within a year, and both have a similar sized resource with substantial exploration upside. The main difference is that Boss is already in production and is lower cost (Boss AISC of US\$26/lb). Boss deserves to trade at a premium, but in our view the valuation gap is too wide. We also note that Boss recently acquired a 30% stake in the Alta Mesa ISR uranium project in the US for US\$60m – this implies a resource multiple of US\$10/lb compared to the similar Peninsula at US\$2.3/lb.
- Peninsula has existing contracts with a range of utility counterparties. Peninsula has confirmed that all customers have agreed to delivery schedules to align with the current forecast production. The next product delivery is scheduled in 2025 after production has commenced at Lance. We expect the first shipment to be made in the Jun-25 quarter.

### Recommendation

We retain our Buy recommendation and price target of 26c.

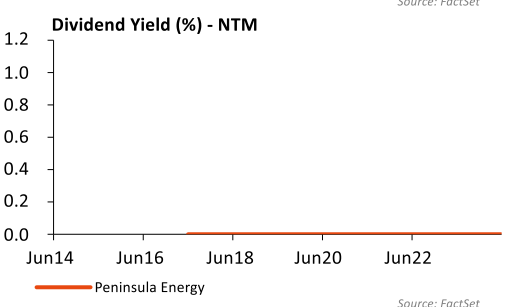
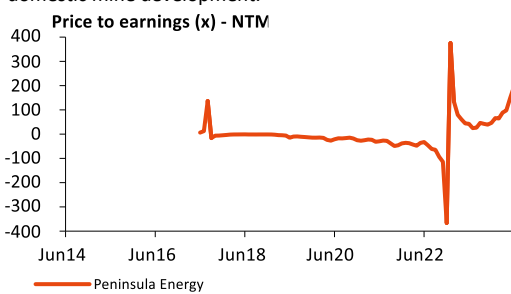
**Peninsula Energy**  
Energy  
Energy

FactSet: PEN-AU / Bloomberg: PEN AU

Key Items	Data
Recommendation	BUY
Risk	HIGH
Price (\$ps)	0.11
Target Price (\$ps)	0.26
52 Week Range (\$ps)	0.08 - 0.18
Shares on Issue (m)	2,118
Market Cap (\$m)	222
Enterprise Value (\$m)	205
TSR (%)	145.8%

**Company Description**

Peninsula Energy is an ASX listed company that owns the Lance Uranium Project in Wyoming, USA which are in transition from an alkaline to a low pH in-situ recovery operation. PEN is the only ASX company with direct exposure to US Government initiatives which are pro-domestic mine development.



**Financial Year End: 30 June**

Investment Summary (USD)	FY22A	FY23A	FY24E	FY25E	FY26E
EPS (Reported) (cps)	(0.4)	(0.3)	0.3	0.0	1.8
EPS (Underlying) (cps)	(0.4)	(0.3)	0.3	0.0	1.8
EPS (Underlying) Growth (%)	(64.3%)	23.3%	181.9%	(86.1%)	nm
PE (Underlying) (x)	(25.5)	(35.3)	27.5	nm	3.8
EV / EBIT (x)	(23.5)	(30.9)	26.6	(144.2)	2.2
EV / EBITDA (x)	(23.5)	(30.9)	26.6	34.4	1.8
DPS (cps) (AUD)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Franking (%)	0%	0%	0%	0%	0%
Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Free Cash Flow Yield (%)	1.0%	(5.9%)	(18.6%)	(30.9%)	12.5%
Profit and Loss (USD) (m)	FY22A	FY23A	FY24E	FY25E	FY26E
Sales	18	40	14	45	133
Sales Growth (%)	87.2%	120.8%	(66.5%)	232.7%	194.7%
Other Operating Income	1	0	0	0	0
EBITDA	(6)	(4)	5	4	75
EBITDA Margin (%)	(31.9%)	(11.0%)	38.1%	8.9%	56.5%
Depreciation & Amortisation	0	0	0	(5)	(13)
EBIT	(5.8)	(4.4)	5.2	(1.0)	62.1
EBIT Margin (%)	(31.9%)	(11.0%)	38.1%	(2.1%)	46.9%
Net Interest	0	0	0	2	1
Pretax Profit	(6)	(4)	6	1	63
Minorities	0	0	0	0	0
NPAT Underlying	(6)	(4)	6	1	63
Significant Items	(1)	0	0	0	0
NPAT Reported	(5)	(4)	6	1	63
Cashflow (USD) (m)	FY22A	FY23A	FY24E	FY25E	FY26E
EBIT	(6)	(4)	5	(1)	62
Tax Paid	0	0	1	0	0
Net Interest	0	0	0	2	1
Change in Working Capital	0	0	0	(11)	(29)
Depreciation & Amortisation	0	0	0	5	13
Other	8	9	0	0	0
Operating Cashflow	2	5	6	(5)	47
Capex	(1)	(12)	(35)	(66)	(17)
Acquisitions and Investments	0	0	0	0	0
Disposal of Fixed Assets/Investments	0	0	0	0	0
Other	0	(0)	0	0	0
Investing Cashflow	(1)	(12)	(35)	(66)	(17)
Free Cashflow	1	(7)	(29)	(71)	30
Equity Raised / Bought Back	0	21	113	22	0
Dividends Paid	0	0	0	0	0
Change in Debt	0	0	0	0	0
Other	(0)	0	0	0	0
Financing Cashflow	(0)	21	113	22	0
Exchange Rate Effect	(0)	0	0	0	0
Net Change in Cash	1	14	84	(49)	30
Balance Sheet (USD) (m)	FY22A	FY23A	FY24E	FY25E	FY26E
Cash	8	21	106	57	87
Accounts Receivable	1	1	1	4	11
Inventory	15	12	12	20	44
Other Current Assets	6	0	0	0	0
PPE	19	24	55	110	112
Total Assets	51	62	178	194	257
Accounts Payable	1	4	4	3	4
Short Term Debt	0	0	0	0	0
Long Term Debt	0	0	0	0	0
Total Liabilities	15	19	20	19	20
Total Shareholder Equity	73	91	210	233	296
Ratios	FY22A	FY23A	FY24E	FY25E	FY26E
ROE (%)	(5.3%)	(4.2%)	3.7%	0.5%	23.8%
Gearing (%)	(11.3%)	(30.3%)	(101.0%)	(32.2%)	(41.5%)
Net Debt / EBITDA (x)	1.3	4.8	(20.5)	(14.3)	(1.2)
Price to Book (x)	1.4	1.5	1.0	1.0	0.8

### Lance Uranium Project

Lance is an In-Situ Recovery (ISR) uranium project whereby uranium is leached from the orebody in an acid solution before being recovered in an ion-exchange resin.

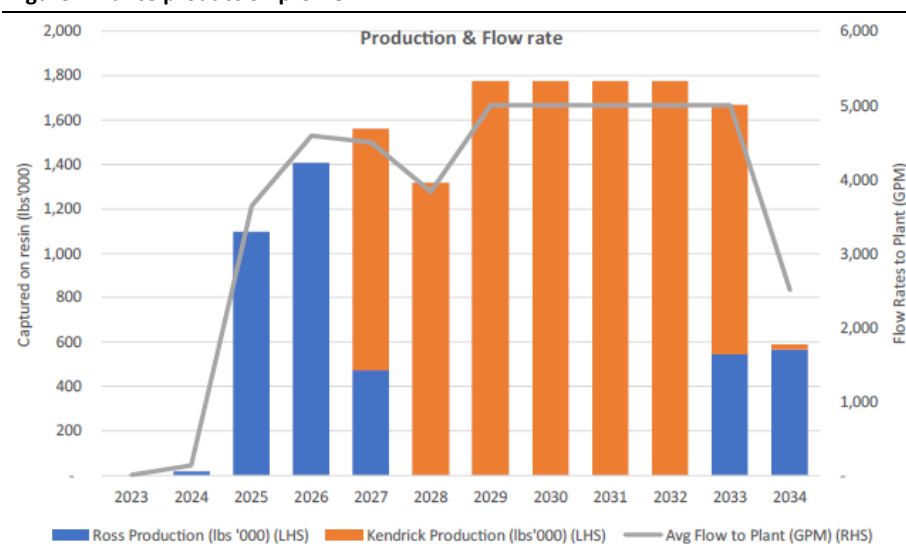
Peninsula revised its plan for Lance in August 2022 after the cancellation of a resin processing contract with Uranium Energy Corp (UEC:NYSE not covered). The original plan had a staged expansion of Lance with initial production of the uranium bearing resins being processed by UEC at the Irigaray Central Processing Plant to produce a finished yellowcake product.

Peninsula is accelerating the construction of its own resin processing plant at Lance and is moving directly to a larger project. Peninsula has today announced Samuel Engineering as the contractor for the engineering, procurement and construction services for the Ross Central Processing Plant for the project.

Key features of the project include:

- First production in Dec-24 and ramping up to 1.8Mlb steady state by 2029.
- Remaining capex to first production of ~US\$57m (assuming US\$16m spent in the June quarter), with a further US\$17.4m required to reach full production rates.
- C1 operating costs of US\$21.69/lb with AISC at US\$42.46/lb.

Figure 1: Lance production profile



Source: Peninsula ASX release 31-Aug-23

We have mapped out Peninsula's expected quarterly cash flow out to the end of FY25 which is expected to be the low point of cash flow. Peninsula should be cash flow positive in the September quarter of 2025.

In the table below we assume that the remaining options are exercised in the Mar-25 quarter.

We assume that first production is achieved in December 2024, with first uranium sales in the June quarter of 2025.

Figure 2: Peninsula Quarterly Cash flow FY24/25

Peninsula Energy	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Operating cash flow (US\$m)	-1.46	10.39	-2.32	-1.00	-1.00	-5.00	-7.00	7.87	10.50	10.50
Investing cash flow (US\$m)	-7.43	-4.95	-6.43	-16.19	-14.00	-22.00	-17.00	-12.50	-4.00	-4.00
Financing cash flow (US\$m)	0.00	0.00	40.47	68.84	0.00	0.00	22.20	0.00		
Cash position (US\$m)	12.52	17.94	49.59	101.23	86.23	59.23	57.43	52.80	59.30	65.80

Source: Company reports, Shaw and Partners analysis

Figure 3: Crews installing forms in preparation for upcoming concrete pours at Ross CPP site



Source: Peninsula ASX release 1 July 2024

Figure 4: Active well installation at Mine Unit 3. Ross Plant in background.



Source: Peninsula ASX release 1 July 2024

Figure 5: Peninsula P&L (US\$m)

Profit & Loss (US\$m)	2019	2020	2021	2022	2023	2024f	2025f	2026f	2027f	2028f	2029f	2030f	2031f
U3O8 (Mlb) - produced	125	31	0	0	0	0	500	1,300	1,500	1,400	1,600	1,800	1,800
U3O8 (Mlb) - sold	205.0	191.0	300.0	450.0	750.0	200.0	500.0	1,300.0	1,500.0	1,400.0	1,600.0	1,800.0	1,800.0
Spot Uranium (US\$/lb)	26	28	31	46	51	90	128	150	150	140	120	100	102
Peninsula achieved (US\$/lb)	40	39	41	53	51	68	90	102	108	104	96	88	102
<b>Revenue</b>	<b>7</b>	<b>6</b>	<b>10</b>	<b>18</b>	<b>40</b>	<b>14</b>	<b>45</b>	<b>133</b>	<b>162</b>	<b>146</b>	<b>154</b>	<b>158</b>	<b>184</b>
Operating costs	-6	-9	-15	-39	-2	-35	-51	-54	-50	-57	-64	-67	
Admin & other expenses	-44	-2	-9	-6	-6	-7	-7	-7	-7	-7	-7	-7	
<b>Total costs</b>	<b>-44</b>	<b>-8</b>	<b>-11</b>	<b>-24</b>	<b>-45</b>	<b>-8</b>	<b>-41</b>	<b>-58</b>	<b>-61</b>	<b>-57</b>	<b>-64</b>	<b>-71</b>	<b>-75</b>
<b>EBITDA</b>	<b>-37</b>	<b>-2</b>	<b>-1</b>	<b>-6</b>	<b>-4</b>	<b>5</b>	<b>4</b>	<b>75</b>	<b>101</b>	<b>88</b>	<b>89</b>	<b>88</b>	<b>109</b>
Depreciation & Amortisation	0	0	0	0	0	0	-5	-13	-15	-14	-16	-18	-18
<b>EBIT</b>	<b>-37</b>	<b>-2</b>	<b>-1</b>	<b>-6</b>	<b>-4</b>	<b>5</b>	<b>-1</b>	<b>62</b>	<b>87</b>	<b>75</b>	<b>74</b>	<b>70</b>	<b>92</b>
Net Finance Expense	-3	-4	0	0	0	0	2	1	2	3	5	6	7
<b>Profit before tax</b>	<b>-41</b>	<b>-6</b>	<b>-1</b>	<b>-6</b>	<b>-4</b>	<b>6</b>	<b>1</b>	<b>63</b>	<b>88</b>	<b>78</b>	<b>78</b>	<b>76</b>	<b>98</b>
Income tax (expense)/benefit	0	-2	0	1	1	0	0	0	0	0	-24	-23	-30
<b>Reported NPAT</b>	<b>-43</b>	<b>-7</b>	<b>-1</b>	<b>-5</b>	<b>-4</b>	<b>6</b>	<b>1</b>	<b>63</b>	<b>88</b>	<b>78</b>	<b>55</b>	<b>53</b>	<b>69</b>
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Attributable NPAT</b>	<b>-40</b>	<b>-8</b>	<b>-2</b>	<b>-4</b>	<b>-4</b>	<b>6</b>	<b>1</b>	<b>63</b>	<b>88</b>	<b>78</b>	<b>55</b>	<b>53</b>	<b>69</b>

Source: Company reports, Shaw and Partners analysis

Figure 6: Peninsula Cash flow (US\$m)

CASH FLOW (US\$m)	2019	2020	2021	2022	2023	2024f	2025f	2026f	2027f	2028f	2029f	2030f	2031f
<b>Operating activities</b>													
Receipts from customers	8	7	3	33	42	14	45	133	162	146	154	158	184
Payments to suppliers and employe	-15	-14	-11	-31	-37	-8	-41	-58	-61	-57	-64	-71	-75
Income taxes paid	0	0	0	0	0	1	0	0	0	0	0	-24	-23
Working capital movement	0	0	-9	0	0	0	-11	-29	-12	6	-3	-1	-10
Other	0	-1	0	0	0	0	2	1	2	3	5	6	7
<b>Net cash flow from operating activities</b>	<b>-7</b>	<b>-8</b>	<b>-17</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>-5</b>	<b>47</b>	<b>91</b>	<b>98</b>	<b>91</b>	<b>69</b>	<b>83</b>
<b>Investing activities</b>													
Payments for PPE	0	0	0	-1	-12	-35	-66	-17	-19	-19	-26	-29	-29
Other	2	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash flow from investing activities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-12</b>	<b>-35</b>	<b>-66</b>	<b>-17</b>	<b>-19</b>	<b>-19</b>	<b>-26</b>	<b>-29</b>	<b>-29</b>
<b>Free cash flow</b>	<b>-8</b>	<b>-8</b>	<b>-17</b>	<b>1</b>	<b>-7</b>	<b>-29</b>	<b>-71</b>	<b>30</b>	<b>72</b>	<b>79</b>	<b>66</b>	<b>40</b>	<b>54</b>
<b>Financing activities</b>													
Net proceeds from issue of shares	0	31	11	0	21	110	22	0	0	0	0	0	0
Proceeds from borrowings	0	1	1	0	0	0	0	0	0	0	0	0	0
Repayments of borrowings	-1	-17	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0	-5	-19
Other	-1	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash flow from financing activities</b>	<b>-1</b>	<b>15</b>	<b>12</b>	<b>0</b>	<b>21</b>	<b>110</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>-19</b>
Net increase/(decrease) in cash	-7	7	-6	1	14	81	-49	30	72	79	66	35	35

Source: Company reports, Shaw and Partners analysis

## Peninsula v Boss Energy

We think the Peninsula v Boss comparison is interesting and highlights a wide valuation disparity for similar assets. On our modelling, the Peninsula share price is factoring in a uranium price of US\$53/lb whereas Boss is factoring in US\$92/lb.

There are a number of similarities between Boss and Peninsula including:

- Both are In-situ Recovery operations (ISR),
- Both will produce about 2Mlb/y of uranium,
- Both will achieve first production in 2024,
- Both are in 1<sup>st</sup> world jurisdictions (South Australia, Wyoming),
- Both have a similar sized resource with exploration upside.

Boss has advantages over Peninsula including:

- Boss will achieve a higher realised uranium price,
- Boss is already in production,
- Boss is located in Australia making it easier for ASX investors to access,
- Boss is lower cost (AISC of US\$26/lb v US\$42/lb for PEN).

However, Peninsula also has some advantages over Boss including:

- Peninsula is in the US so has access to strong US government support for its domestic nuclear industry and uranium supply,
- Peninsula is likely to be a beneficiary of the US uranium import ban from Russia,
- Peninsula is higher cost, but that means more leverage to a rising uranium price,

Figure 7: Uranium Sector valuation comparisons

Company	Paladin	Boss	Lotus	Peninsula	Bannerman	Silex	Nexgen	Deep Yellow
Ticker	PDN	BOE	LOT	PEN	BMN	SLX	NXG	DYL
Exchange	ASX	ASX	ASX	ASX	ASX	ASX	ASX/TSE	ASX
Main Asset	Langer-Heinrich	Honeymoon	Kayelekera	Lance	Etango	PLEF	Rook I	Tumas
Jurisdiction	Namibia	South Aust.	Malawi	Wyoming, US	Namibia	US	Canada	Namibia
Share Price (A\$)	12.48	4.13	0.34	0.11	3.27	5.33	11.03	1.34
Recommendation	BUY	Hold	BUY	BUY	BUY	BUY	BUY	Not Rated
Price Target (A\$ps)	16.80	4.75	0.72	0.26	7.40	7.60	17.50	
Upside/downside (%)	35%	15%	112%	146%	126%	43%	59%	
Market Cap (US\$m)	2,458	1,115	411	245	330	833	3,720	831
Cash & equivalents (US\$m)	101	169	30	120	27	81	473	26
EV (US\$m)	2,357	945	381	125	303	753	3,247	805
Implied U3O8 price (US\$/lb) - full valuation	52	92	52	53	57	67	53	
Implied U3O8 price (US\$/lb) - main project only	141	118	93	94	102	106	57	
Resource (net Mlbs)	416	78	154	54	207	75	337	204
Grade (ppm)	686	620	648	480	197		31000	398
EV / Resource (US\$/lb)	5.7	12.2	2.5	2.3	1.5	10.0	9.6	3.9
Attrib Prod'n target (Mlb/yr)	4.5	2.45	2.4	2	3.5	2.5	28.8	3.6
AISC (US\$/lb)	33	26	38	42	38	<30	10.6	39
EV / production forecast (US\$/lb)	524	386	159	63	86	301	113	224
DFS valuation (US\$m)		309		116	209		4,275	393
Premium to DFS (%)		206%		8%	45%		-24%	105%
Shaw valuation main project (US\$m)	1,857	757	600	120	386	723	6,146	
Shaw total valuation (US\$m)	3,497	1,287	673	592	933	1,338	6,955	
Premium to Shaw main project val'n (%)	27%	25%	-37%	4%	-22%	4%	-47%	
Premium to Shaw total valuation (%)	-33%	-27%	-43%	-79%	-68%	-44%	-53%	

Source: Company Reports, Factset, Shaw and Partners

### Key risks

- As a small mining company broadly exposed to a single commodity and a single asset we consider an investment in Peninsula Energy to be high risk. The key risks include:
- The U3O8 market is relatively opaque and difficult to forecast. The actual uranium price may differ substantially from our forecasts.
- Operations for PEN have not yet started and there is a risk that they may be unable to bring Lance Projects to production in line with expectations. Costs may be higher and operations may not be as expected.
- Resource risks - PEN's 2022 Ross and Kendrick DFS assumes an overall resource recovery of 66% and a resource conversion of 61% to convert the Ross and Kendrick Area Inferred resources to Indicated or greater quality.
- PEN will need to recapitalise to fund the commencement of operations. There is a risk that capital markets are not willing to fund the project.
- Forecasting future operating costs has considerable uncertainty. Our forecasts may prove to be too optimistic. If each company's costs are higher than we expect then our cash flow forecasts will be too high.
- Smaller companies carry more significant 'key personnel' risk than larger organisations. If senior management depart it could delay projects or exacerbate operational risks.
- Safe and reliable production from operations once projects are operational. The inability to maintain safe and reliable operations may result in a sustained, unplanned interruption to production and impact the company's licence to operate and financial performance. Production facilities are subject to operating hazards associated with major accident events, cyber-attack, inclement weather and disruption to supply chain, that may result in a loss of uranium (radioactive material) containment, harm to personnel, environmental damage, diminished production, additional costs, and impacts to reputation or brand.

### Core drivers and catalyst

- PEN's flagship Lance Projects in Wyoming, USA, requires low upfront capital and can rapidly restart. PEN is the only ASX company with direct exposure to US Government initiatives which are pro-domestic mine development.
- PEN's flagship Lance Projects in Wyoming, USA, requires low upfront capital and can rapidly restart. PEN is the only ASX company with direct exposure to US Government initiatives which are pro-domestic mine development. We have a A\$0.27ps price target which is based on a 1.3x multiple of our base case valuation.
- PEN has an existing contract book and product inventory, with a binding purchase agreement netting a cash margin of US\$7.8m in CY2021 (450klbs) and >US\$9m in CY22 (450klbs). The company has long-term sales contracts extending to 2033, up to 5.25Mlbs at US\$56-58/lb U3O8 with major utilities across Europe and the US.
- The company is switching operations from high to low pH in order to increase product yields. The results of an 18-month field demonstration indicated that the targeted low-pH chemistry and field patterns are effective in dissolving and recovering uranium.
- The company released a Definitive Feasibility Study in Aug22 which details a Lance Projects NPV8 (pre-tax) of US\$125m and 43% IRR at an average U3O8 price of US\$62/lb. Other components include. In August 2023 the company released a revised plan to move directly to the previous stage 2 operation. Key parameters include: a life of mine (LOM) of 10 years with a plateau production of 1.8Mlbs/yr, upfront capital expenditure of ~US\$70m, and an estimated All-in-Sustaining-Cost (AISC) of US\$42/lb U3O8 over LOM.
- In our view there are two key advantages to PEN's project being located in Wyoming, USA: the Powder River Basin in Wyoming is in an established uranium and mining jurisdiction (uranium mining for ~70 years and coal mining for ~150 years), and the company has direct exposure to the US Government uranium purchase program and the US Nuclear Fuel Working Group.

## Rating Classification

<b>Buy</b>	Expected to outperform the overall market
<b>Hold</b>	Expected to perform in line with the overall market
<b>Sell</b>	Expected to underperform the overall market
<b>Not Rated</b>	Shaw has issued a factual note on the company but does not have a recommendation

## Risk Rating

<b>High</b>	Higher risk than the overall market – investors should be aware this stock may be speculative
<b>Medium</b>	Risk broadly in line with the overall market
<b>Low</b>	Lower risk than the overall market

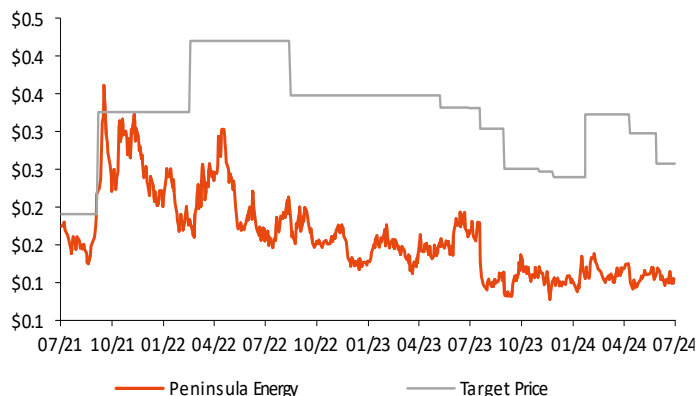
**RISK STATEMENT:** Where a company is designated as ‘High’ risk, this means that the analyst has determined that the risk profile for this company is significantly higher than for the market as a whole, and so may not suit all investors. Clients should make an assessment as to whether this stock and its potential price volatility is compatible with their financial objectives. Clients should discuss this stock with their Shaw adviser before making any investment decision.

### Distribution of Investment Ratings

Rating	Count	Recommendation Universe
Buy	71	91%
Hold	6	8%
Sell	1	1%

### History of Investment Rating and Target Price - Peninsula Energy

Date	Closing Price (\$)	Target Price (\$)	Rating
28-May-24	0.11	0.26	Buy
11-Apr-24	0.11	0.31	Buy
22-Jan-24	0.11	0.33	Buy
27-Nov-23	0.10	0.24	Buy
1-Nov-23	0.13	0.26	Buy
31-Aug-23	0.09	0.26	Buy
19-Jul-23	0.13	0.30	Buy
27-Jun-23	0.16	0.33	Buy
9-May-23	0.15	0.33	Buy
15-Aug-22	0.18	0.33	Buy
17-Feb-22	0.17	0.39	Buy
5-Sep-21	0.19	0.29	Buy





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Sydney   Head Office	Melbourne	Brisbane	Adelaide	Canberra	Perth	Noosa
Level 7, Chifley Tower	Level 36	Level 28	Level 25	Level 9	Level 47	Suite 11a Q Place
2 Chifley Square	120 Collins Street	111 Eagle Street	91 King William Street	5 Constitution Avenue	108 St Georges Terrace	2 Quamby Place
Sydney NSW 2000	Melbourne VIC 3000	Brisbane QLD 4000	Adelaide SA 5000	Canberra ACT 2601	Perth WA 6000	Noosa Heads QLD 4567
Telephone: +61 2 9238 1238	Telephone: +61 3 9268 1000	Telephone: +61 7 3036 2500	Telephone: +61 8 7109 6000	Telephone: +61 2 6113 5300	Telephone: +61 8 9263 5200	Telephone: +61 7 3036 2570
Toll Free: 1800 636 625	Toll Free: 1800 150 009	Toll Free: 1800 463 972	Toll Free: 1800 636 625	Toll Free: 1800 636 625	Toll Free: 1800 198 003	Toll Free: 1800 271 201