

Peninsula Energy Ltd. (PENMF, PEN-AU)

Lance Production Start Still Tracking for Year-End 2024

Event

Peninsula Energy provided a progress report regarding the latest developments from the Ross Central Processing Plant (CPP) located at the Lance project in Wyoming. Ultimately, the CPP Phase II expansion is progressing on schedule and on budget. Once the additional ion-exchange circuits along with the elution, precipitation, filtration and drying circuits will be installed, the Lance project will be home to an all-in-one 5,000 GPM uranium ion-exchange plant with the capacity to independently produce up to 2.0M lbs of dry yellowcake per year. Plant commissioning remains on track for the end of 2024. We continue to maintain production of ~15.0M lbs over a 9.5 year LOM. Incorporating our \$120 per lb LT uranium price deck, we maintain our NAV_{8%} valuation methodology for the currently expected operations at Lance. Our 1.20x NAV_{8%} multiple remains, equating to upside of +170% from the most recent close.

Details

- **Construction & Equipment Update** – All major piping and tank modifications for the low-pH ISR operations have been completed inside the previously constructed Ross Satellite Plant. As per the Phase II expansion, it was estimated that 87% of the building foundations have been installed (191 cubic meters of concrete placed). The structural steel and additional materials for the processing plant building have been delivered to site. The building will be erected once the concrete foundations and slab have met design strength and the major equipment is placed.
- **Wellfield Development Advancing** – The previously developed wellfield areas of Mine Unit 1 and Mine Unit 2 (MU1, MU2) are available for resumption of uranium recovery operations. A new wellfield development production area, Mine Unit 3 (MU3) is currently being developed. The required installation for the monitoring well network was previously completed while the necessary documentation was submitted to the Wyoming regulatory authorities. The regulatory review process typically follows a 90-day timeline. A total of eleven drill rigs are currently active on MU3 installing the ISR pattern wells (both injection and recovery).
- **Overlooked Exploration Upside** – an updated Mineral Reserve Estimate (MRE) was announced earlier this year for the Lance property. The global resource increased by nearly 8% to the current 58.0M lbs. The M&I resource increased by nearly 20%, going from 21.7M lbs to the current 26.2M lbs. Drilling only encompassed the Ross and Kendrick areas while the largest property component, the Barber production area did not have any drilling last year. Given an exploration target of 133.5M lbs (mid-point), meaningful exploration upside remains. As is, Lance already ranks as the largest single uranium asset base in any US based project.

Conclusion

Given our LT \$120/lb uranium price objective, we maintain our 1.2x NAV_{8%} price objective which equates to upside of +170% from the recent close. Note that PENMF shares are up by +2% YTD and currently trade at a 0.46x P/NAV. We expect the shares to re-rate higher as development, exploration 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 (\$)	\$0.07
12-Mth Price Objective (\$)	\$0.19
Potential Upside	+164%
Mkt Cap, Basic (\$M)	\$218.8M
Mkt Cap, FD (\$M)	\$219.9M
EV (\$M)	\$200.8M
Shares O/S FD (M)	2,331.5
1-Mth Return	-1.4%
3-Mth Return	+7.4%
YTD Return	+1.7%

	2024e	2025e	2026e
U3O8 Production lbs	15,000	800,000	1,200,000

LOM Production lbs	15,215,000
LOM avg. Cash cost\$/lb	\$26.95
LOM avg. AISC\$/lb	\$42.71

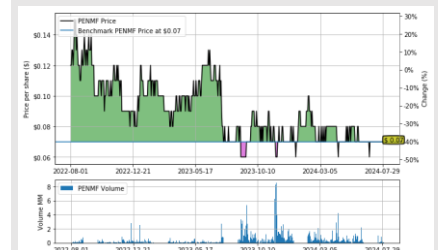
Measured & Indicated	PPM U3O8	Attrib. lbs
Lance	510	16.2M

Inferred Resources	PPM U3O8	Attrib. lbs
Lance	490	41.7M
Dagger	1,037	6.9M

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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