

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_{8%} 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_{8%} 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

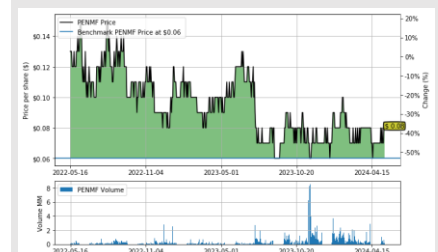
Measured & Indicated	PPM U3O8	Attrib. lbs
Lance	510	16.2M

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



DISCLAIMER: Any written content contained herein should be viewed strictly as observation, analysis & opinion and not in any way as investment advice. No compensation was received for this report. Readers are encouraged to conduct their own due diligence.

X (Twitter): @HoldCoMarkets
Website: HoldCoMarkets.com

May 15, 2024

The following Terms and Conditions govern the use by readers, clients, subscribers and any other use of HoldCo Markets Advisory Inc.'s ("HoldCo Markets" or "the firm") products and associated content which is made internally and selectively distributed/accessible via holdcomarkets.com, email and/or via select social media.

Any written content contained herein should be viewed strictly as analysis, observation & opinion and not in any way as investment advice. HoldCo Markets is neither a qualified financial advisor, broker or legal advisor. All information, data and reports should be strictly seen as for informational purposes only and should not be considered in any way as investment advice or a solicitation for any security. HoldCo Markets does not make any recommendations, the firm only offers opinions.

All content encompassing reports, writings and opinions are based on what the firm deems as reliable sources such as current news/corporate events, management interviews, SEC/SEDAR or any other regulatory filing and any other source deemed credible by the firm's publishing analysts given their significant industry experience. HoldCo Markets has not been provided with any material non-public information from any company mentioned in the report.

This report contains "forward-looking" statements. Company conclusions may involve forward-looking statements concerning future company or industry performance. Though the forward looking statements are based on fair and reasonable assumptions, actual performance or results may differ. Be reminded that market volatility is inherent with investing. Past performance is no guarantee of future performance. As such, an investment in any company mentioned in the above report should be viewed as speculative, and entered into only by those who can handle potential loss of capital. Recipients of any HoldCo Markets content looking to act on any of our opinions should consider whether any information contained in this report is suitable for their particular investing circumstance.

The views and opinions expressed herein are company specific and subject to change without notice. All material contained on this website and disseminated through email or social media is strictly for informational purposes only. One should not take any financial decisions based solely on what was written from this above report, rather one should consider whether any information contained in this report is suitable for their particular investing circumstance and should seek professional advice. Volatility and the possibility of loss is inherent with any investment decision, HoldCo Markets accepts no liability for any potential direct or indirect loss arising from the use of our research, website or any additional in-house content.

Research Notes: HoldCo Markets did not receive any form of compensation from the company or companies written about in Research Notes. Conclusions and opinions expressed in the reports have been formulated independently and objectively. Research Notes are strictly an expression of our views and opinions. No compensation was received for any Research Notes publication or for its distribution. As a non IIROC registered company, HoldCo Markets Advisory Inc. neither provides investment banking services nor does it make a market in any securities written about in Research Notes.

Spotlight Research: Holdco Markets publishes and distributes Spotlight Research which is a differentiated research product which is specifically issuer-paid. Monetary compensation has been received for a twelve-month research coverage period. The purpose of Spotlight Research is to highlight growth companies which have been largely overlooked by the larger broker/dealers, largely due to constraints related to size and liquidity. Spotlight Research is strictly an expression of our views and opinions. HoldCo Markets' publishing analysts retain full control over the conclusions and opinions regarding this issuer-paid research. As a non IIROC registered company, HoldCo Markets Advisory Inc. neither provides investment banking services nor does it make a market in any securities written about in Spotlight Research.

Holdco Markets, any publishing analyst or any HoldCo Markets Board member may at one point hold a direct or indirect position by way of equity, options, warrants or debt in any or none of the companies mentioned in either Research Notes or Spotlight Research. No person with any affiliation to HoldCo Markets serves in any capacity as an officer or Director in any of the companies mentioned in the above document. The distribution of any HoldCo Markets content has no relation to the distribution of securities nor is it in any way a solicitation to buy or sell any security.

Reprinting any content or information from this report is strictly prohibited without permission. For more information or to receive future reports, please visit [Home \(holdcomarkets.com\)](http://Home(holdcomarkets.com))