

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

*All About Execution: Lance to Restart Production by Year-End*

### Event

Peninsula Energy announced on October 16 that plant construction and wellfield development at Lance remain on course for a production restart sometime in December 2024. As part of the development update, it was specified that some of the recent milestones achieved onsite include the completion of all concrete work and the installation of the building's structural steel and roofing. Moreover, the new ion-exchange vessels, elution tanks, and precipitation tanks have been placed on the plant slab and progress is being made on the installation of key systems, such as HVAC, structural steel for pipe racks and equipment support, cable trays and interior lighting. We continue to maintain production of approximately 15.0M lbs over a 9.5 year LOM. Incorporating our \$120 per lb LT uranium price deck, we maintain our NAV<sub>8%</sub> valuation methodology for the currently expected operations at Lance. Our 1.20x NAV<sub>8%</sub> price objective multiple remains, equating to upside of +156% from the most recent close.

### Details

- **MU-1 and MU-3 Preconditioning** – On the development front, preconditioning in MU-1 has progressed in tandem with the broader project objectives. Meanwhile, new development areas such as MU-3 Header House 11 (HH-11) have been fully constructed and prepared for commencement of preconditioning operations. Final regulatory approval for the MU-3 wellfield was received on October 11. This approval authorizes the full operational activities within the MU-3 area. As mentioned, 12 rigs are currently operating on site in MU-3, drilling to prepare additional production pattern wells in HH-12 and HH-13. Well installation within MU-3 is estimated to be 76% complete, as of the latest update.
- **Sizeable Production Capacity** – Once in full operation, the Ross CPP will be 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. Though FY/2025 production guidance was previously benchmarked to 700,000-900,000 lbs, post-2025 our production estimates remain at 1.0M+ lbs annually. We continue to maintain production of approximately 15.0M lbs over 9.5 years, based on the current resource estimate and mine unit development.
- **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.

### 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 +156% from the recent close. Note that PENMF shares are flat YTD and currently trade at a 0.47x 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	+156%
Mkt Cap, Basic (\$M)	\$212.8M
Mkt Cap, FD (\$M)	\$213.7M
EV (\$M)	\$112.1M
Shares O/S FD (M)	2,331.5
1-Mth Return	+24.8%
3-Mth Return	-3.9%
YTD Return	+0.2%

	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		

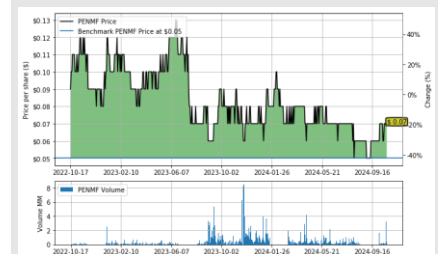
Measured & Indicated	PPM U3O8	Attrib. lbs
Lance	510	16.2M

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

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