

12 June 2025

COMPANY UPDATE AND SAMUEL EPC SETTLEMENT

KEY POINTS

Central Processing Plant (CPP)

- Construction of Phase II of the CPP is progressing well, with commissioning and handover activities scheduled to begin in June
- Settlement agreement has been executed with Samuel EPC, formally resolving all outstanding claims

Reset Plan and Funding

- Revised production guidance is being finalised that will lower the expected production rates in CY26 and CY27 from previous expectations, with outcomes to be released as soon as practicable following conclusion of discussions with customers and go-forward funding
- The Company is currently in discussions with several parties for interim debt funding to allow time for all workstreams to be finalised
- In parallel, the Company is working on a capital raise to ensure sufficient funds are available for the implementation of the plan. Such raise is expected to occur once the workstreams outlined in this announcement have been finalised
- As at 31 May 2025, the Company had a cash balance of US\$13million (unaudited) and nil corporate or project finance debt

Sales Contracts

- Advanced negotiations with offtake customers regarding amendments to sales contracts which are critical to the viability of the reset plan

People

- Current Strata General Manager / CFO David Hofeling will assume the role of General Manager of Operations reporting to Managing Director / CEO
- Frederic Guerin, Chief Operating Officer, will step down from his role in July due to personal reasons
- Changes to the organisation at the Lance Project have been completed, including a reduction in personnel

Suspension Update

- Suspension remains as we continue to finalise various matters including sales contracts and production guidance, together with financial and other associated plans

Peninsula Energy Limited and its wholly owned subsidiary, Strata Energy Inc. (together “**Peninsula**” or the “**Company**”) (ASX: **PEN**, OTCQB: **PENMF**) wishes to provide an update including on activities at the Lance Project, located in Wyoming.

Peninsula Energy’s Managing Director and CEO, George Bauk commented: *“We are being deliberate and disciplined in our approach to bring Lance back into production, with multiple workstreams underway to address the key matters necessary to set Peninsula up for success.*”

“Firstly, we have reached agreement with our EPC contractor for the completion of the CPP Phase II. We are in advanced negotiations with our offtake customers regarding their sales contracts. As part of the reset plan, we have restructured the organisation and are actively engaged in discussions with both debt and equity providers. Importantly, we remain focussed on the successful completion and commissioning of the CPP.

“We are making good progress on all these workstreams and are enthusiastic about being in a position to produce dry yellowcake in the coming months. We will have more information about the way forward for the Company and the Lance Project, including production guidance, as this important work is finalised.”

Lance Project

Samuel EPC Contract

The Company and its primary construction contractor, Samuel EPC, continue to make substantive progress on the completion of construction of Phase II of the CPP. All final pieces of equipment have been installed, with commissioning and handover activities scheduled to commence soon.

While progress continues, the Company acknowledges that several delays have impacted the original cost expectation, schedule and milestone delivery. In response, Peninsula has worked collaboratively with Samuel EPC to mitigate further delays and ensure the safe and efficient completion of Phase II of the CPP.

On 15 November 2024, the Company announced the construction contract was converted to a fixed price contract. Since that date, the cost of the CPP has increased due to the finalisation of the detailed engineering design after the announcement, with increases primarily in the quantities of structural steel, electrical cabling and piping. As a result of these increases, and notwithstanding the fixed price nature of the contract, over the last few months the Company and Samuel EPC have been in discussions in respect of various change orders submitted by Samuel for additional compensation. Those discussions have now been finalised, and all outstanding issues and claims resolved with an agreed change in price which has been documented in a settlement agreement executed by the Company and Samuel EPC on 10 June 2025. Warranties and mechanical guarantees remain as part of the construction contract.

Under this settlement agreement the Company has agreed with Samuel EPC to settle all outstanding claims and support the timely completion of Phase II. The total settlement amount is US\$4.75 million, comprising of:

- US\$2 million in cash;
- US\$2 million in equity; and
- US\$0.75 million cash milestone payment.

Of the cash component, US\$1.25 million will be paid following receipt of invoice following signing the settlement agreement, with the remaining US\$0.75 million payable upon the earlier of 30 June 2025 and the date that any capital raise is completed (Deferred Cash Payment).

The US\$2 million equity component will be issued as shares in the Company, is subject to shareholder approval and is also subject to a six-month escrow period unless the share price doubles, in which case the restriction will be lifted. The issue price of the shares will be the lower of A\$0.62 per share or the issue price of any issue of shares to third party investors as part of any equity capital raise. The actual number of shares to be issued to Samuel EPC will be calculated based on the A\$ issue price converted into US\$ at the prevailing exchange rate on 10 June 2025. If the shares are not issued to Samuel EPC by 5 September 2025, the Company is required to immediately pay Samuel EPC a cash amount of US\$2 million in lieu of the share issue.

The US\$0.75 million cash milestone payment will be paid upon successful delivery of the capability to produce dry yellowcake by 30 June 2025, alongside the Deferred Cash Payment.

The settlement agreement reflects both parties' ongoing commitment to maintaining project momentum and achieving first production as soon as possible.

Reset Plan and Funding

The Company is continuing to work diligently to assess the optimal path forward for Lance, including the development of revised and achievable production guidance. The Company intends to release the outcomes of this work as soon as practicable. Indications from the work completed to date are that the production rates in CY2026 and CY2027 are likely to be materially lower than previous guidance for these two years. A key aspect of the reset plan will be the adoption of a more risk considered approach to future wellfield planning and development than previously undertaken.

As part of the development of the reset plan, the Company is revising its operating and capital requirements. As a result, the Company is currently engaging with various parties to discuss funding, including interim debt funding to allow time for the workstreams in this announcement to be finalised, and a capital raise to ensure sufficient funds are available to it to implement the plan.

The Company will provide an update in respect of these matters, when it is able to do so.

In addition, the Company advises that it has introduced measures to reduce costs and improve operating efficiency at Lance. These measures include a reduction in the number of personnel on site, changes to the organisational structure, and revised contractor arrangements. These adjustments will put our cost structure on a sustainable footing ahead of our pending revised production guidance; while ensuring we have the right people in place to bring the plant into production. Construction activities remain ongoing, with the CPP ready for completion.

During a routine inspection in early May, corrosion was identified in sections of piping within Phase 1 of the CPP. The impact of the corrosion is currently being evaluated; however, the Company expects a solution to be outlined and implemented during Q3 CY2025. Over the coming month, a temporary system will be designed and installed to ensure minimal disruption to production.

Sales contracts

Peninsula continues to engage constructively with its customers regarding the impact of the CPP delay and changes to the Life of Mine forecast. The Company maintains strong and collaborative relationships with its offtake customers and is proactively discussing the way forward in respect of the sales contracts.

People

The Company has promoted Mr David Hofeling to General Manager of Operations at Lance reporting to the Managing Director / CEO.

Mr Hofeling currently serves as the General Manager – Operations / Chief Financial Officer of Strata Energy having worked at the operation since 2016. Mr Hofeling has over 30 years' experience in finance accounting, commercial and business management specific to the mining industry. Prior to joining Strata in 2016, Mr Hofeling's most recent assignment at Rio Tinto was to lead the finance team at a \$5 billion smelter project. Prior to this, Mr Hofeling was responsible for financial oversight including global finance, governance, compliance, tax optimisation and risk management at other numerous domestic and international copper, gold and nickel projects. In addition, Mr Hofeling has several years of experience working in Nevada gold operations.

The Company wishes to advise that its Chief Operating Officer and Senior Vice President of Geology, Mr Frederic Guerin, will step down from his position as of 18 July 2025. He has advised the Company that he needs to take time to attend to a personal matter.

Peninsula is in discussions with Mr Guerin about retaining access to his services in an advisory and mentorship capacity in 2026.

Mr Jitu Bhudia will assume all site finance responsibility as part of his role as Chief Financial Officer for Peninsula.

This is not the announcement referred to in the trading halt request on 17 April 2025 and suspension notice on 23 April 2025. The Company's shares will continue to remain in suspension until it finalises various matters including sales contracts and production guidance.

- ENDS -

This release has been approved by Peninsula's Board of Directors.

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ABOUT PENINSULA ENERGY LIMITED

Peninsula Energy Limited (ASX:PEN) is one of the only ASX-listed uranium companies providing US production and direct market exposure. Its 100% owned Lance Projects in Wyoming has re-commenced uranium recovery from wellfields in December 2024 and will continue ramping up the production rate in 2025 in coordination with the commissioning of a complete central processing plant.

Lance is one of the largest, independent near-term uranium development projects in the US. Once back in full production, Lance will establish Peninsula as a fully independent end-to-end producer of yellowcake, well-placed to become a key supplier of uranium and play an important role in a clean energy future.

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