Company number: 09473897

PENINSULA URANIUM LIMITED

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS

CORPORATE DIRECTORY

Directors	John Harrison Rachel Rees	Non-Executive Chairman Non-Executive Director
Company Secretary	Petershill Secretaries Limited and Jonathan Whyte	
Registered Office	1 Chamberlain Square Cs Birmingham B3 3AX	
Principal Office	Hays Galleria 1 Hays Lane London SE1 2RD	
Company Number	09473897	
Auditor	BDO LLP 55 Baker Street, London W1U 7EU	

DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of Peninsula Uranium Limited (the 'Company') for the year ended 31 December 2022. The directors' report has been prepared under the small companies' regime and the Directors have taken the exemption from preparing a Strategic Report.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

- John Harrison;
- Ron Chamberlain (resigned 30 January 2023); and
- Rachel Rees (appointed 30 January 2023).

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. The Company has relevant directors' indemnity insurance in place.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year consisted of corporate services, sales and marketing activities.

OPERATING RESULTS

The loss of the Company after income tax for the year ended 31 December 2022 amounted to US$13,563,737 (2021: US$9,328,555).

DIVIDENDS

No dividends were paid or applied in the current year (2021: $Nil).

PRINCIPLE RISK AND UNCERTAINTIES

The main financial risks arising from the Company's activities are liquidity risk, interest rate risk and foreign exchange risk. These are monitored by the board of directors as part of the wider Peninsula Energy Limited Group ("Group") and are outlined in Note 12. Liquidity risk is further detailed under 'Going Concern' in Note 1. The Company's policy in respect of the identified risks, is to continue to review them as the Company develops. Amendments to the existing policies may be made as and when the directors consider it appropriate.

<u>Uranium Concentrate Sale and Purchase Agreements</u>

The Company provides corporate services and uranium sales and marketing for the Group headed by Peninsula Energy Limited. In this capacity, the Company holds a uranium concentrate sale and purchase agreement with a major utility located in Europe on behalf of the Group. The contract requires delivery of 4,000,000 pounds of U_3O_8 between 2021 and 2030, with at least 3,000,000 pounds being delivered from the Group's Lance Project in Wyoming, USA, operated by the Company's 100% owned sister subsidiary, Strata Energy Inc ("Strata").

EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which has significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' REPORT

FINANCIAL REVIEW

The Company generated US$18,700,000 revenue in 2022 (2021: US$14,000,015) and a loss after income tax of US$13,563,737 (2021: US$9,328,555). The Company recorded an income tax credit of US$2,870,770 in 2022 (2021: US$2,189,052) due to the movements in the derivative financial assets outlined in Note 6.

The Company's cash and cash equivalent position as at 31 December 2022 was US$266,794 (2021: US$4,071,958). The net surplus asset position of the Company was US$3,580,228 as at 31 December 2022 (2021: US$17,143,965). The Company is a wholly owned subsidiary of Australian Securities Exchange listed Peninsula Energy Limited.

Going concern

The accounts have been prepared on the basis that the Company can meet its liabilities and commitments as and when they fall due and can therefore continue normal business activities and realise assets and liabilities in the ordinary course of business.

The Company made a loss after income tax of US$13,563,737 for the year ended 31 December 2022 (2021: US$9,328,555) and recorded net operating cash outflow of US$5,902,057 (2021: net operating cash inflow of US$630,552). The net working capital surplus of the Company at 31 December 2022 was US$1,851,886 (2021: working capital surplus US$6,848,075) and the net decrease in cash held during the year was US$3,802,711 (2021: increase of US$3,758,262). The cash movements of the Company are related to the Peninsula Energy Group activities and will vary from year to year.

The Company provides corporate services and uranium sales and marketing for the Peninsula Group. The parent company Peninsula Energy Limited provides support to the Company. On 19 July 2023 Peninsula announced that Uranium Energy Corp had notified the Group that it was terminating the agreement to toll treat loaded resins and produce dry yellowcake from the Lance Projects. This has led the Group to accelerate its "Stage 2" development plan per the 2022 Definitive Feasibility Study (DFS) to construct elution, precipitation and drying circuits at the Lance Projects to produce yellowcake concentrate in-house which will delay the Group's ability to commence commercial production. Commercial production is likely to be delayed until the financial year ending 30 June 2025.

The ability of the Group to continue as a going concern is dependent on securing additional equity or debt financing to fund the capital and operating expenditure necessary to continue development and production ramp-up of the Lance Projects, or to maintain the project in a standby mode.

The Directors have reviewed cash flow forecasts for at least the next 12 months following the date of signing these financial statements. The ability of the Company to continue as a going concern is dependent on the continued financial support of its parent entity. The Company has received written confirmation of this support for a period of at least the next 12 months following the date of signing these financial statements. However, the Group's business plan and cashflow is reliant on a further tranche of funding being raised. Until this funding is raised, there remains an uncertainty that this financing will be available.

After review of the uncertainty, the Directors have a reasonable expectation, that the additional funding will be received and the Group and therefore the Company will then have adequate resources to continue in operational existence for the foreseeable future, based on its assessment of the forecasts, principal risks and uncertainties and mitigating actions considered available to the Group and Company in the event of downside scenarios. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements. However, at the date of approval of these financial statements, uncertainties relating to completing the issue of the funding arrangements indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company financial statements in accordance with UK Adopted International Accounting Standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether they have been prepared in accordance with UK Adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

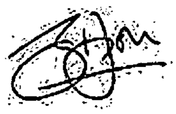
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

BDO LLP were appointed as auditor in the period and have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This Report of the Directors is signed in accordance with a resolution of the Board of Directors.

On behalf of the Board



John Harrison
Director
28 September 2023

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF PENINSULA URANIUM LIMITED

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Peninsula Uranium Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Loss, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern
We draw attention to note 1 to the financial statements, which indicates that the Company's ability to continue as a going concern is dependent on the continued financial support of its parent company. Currently the parent company is reliant on a further tranche of funding being raised and until this funding is raised, there remains an uncertainty that this funding will be available. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other Information
The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

INDEPENDENT AUDITOR'S REPORT

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors
As explained more fully in the Directors' report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be UK adopted international accounting standards, UK tax legislation and company law.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Making enquiries of management and those responsible for legal and compliance procedures.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition, transfer pricing and management override.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Testing the revenue and cost of sales transactions recorded during the year, including a review of the transfer pricing documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Jill MacRae
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Jill MacRae (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
28 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE LOSS
For the year ended 31 December 2022

	Notes	Year ended 31 December 2022 US$	Year ended 31 December 2021 US$
Continuing operations			
Uranium sales	2	18,700,000	14,000,015
Cost of uranium sales	2	(28,580,526)	(20,649,970)
Gross loss		**(9,880,526)**	**(6,649,955)**
Other income		20	-
Derivative fair value loss – unrealised		(6,084,707)	(4,789,159)
Selling and marketing expenses		(176,805)	(87,361)
General and administrative expenses		(1,956)	(4,652)
Professional fees		(72,486)	(41,508)
Foreign exchange (loss)/gain		(218,047)	55,028
Net loss before income tax	2	**(16,434,507)**	**(11,517,607)**
Income tax benefit	3	2,870,770	2,189,052
Loss for the year from continuing operations		**(13,563,737)**	**(9,328,555)**
Total comprehensive loss for the year		(13,563,737)	(9,328,555)
Loss from continuing operations attributable to:			
Equity holders of the Company		(13,563,737)	(9,328,555)
		(13,563,737)	**(9,328,555)**
Total comprehensive loss attributable to:			
Equity holders of the Company		(13,563,737)	(9,328,555)
		(13,563,737)	**(9,328,555)**

The above Statement of Comprehensive Loss should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022 **_Company number: 09473897_**

	Notes	As at 31 December 2022 US$	As at 31 December 2021 US$
CURRENT ASSETS			
Cash and cash equivalents	4	266,794	4,071,958
Trade and other receivables	5	278,599	2,370,260
Other financial assets	6	1,496,657	6,523,646
TOTAL CURRENT ASSETS		2,042,050	12,965,864
NON-CURRENT ASSETS			
Other financial assets	6	2,801,836	14,240,154
TOTAL NON-CURRENT ASSETS		2,801,836	14,240,154
TOTAL ASSETS		**4,843,886**	**27,206,018**
CURRENT LIABILITIES			
Trade and other payables	7	190,164	6,117,789
TOTAL CURRENT LIABILITIES		190,164	6,117,789
NON-CURRENT LIABILITIES			
Deferred tax liability	3	1,073,494	3,944,264
TOTAL NON-CURRENT LIABILITIES		1,073,494	3,944,264
TOTAL LIABILITIES		**1,263,658**	**10,062,053**
NET ASSETS		**3,580,228**	**17,143,965**
EQUITY			
Issued share capital	8	13	13
Retained earnings		3,580,215	17,143,952
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**3,580,228**	**17,143,965**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

The financial statements were approved and authorised for issue by the Board on 28 September 2023. Signed on behalf of the Board of Directors.

John Harrison
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Issued Share Capital US$	Retained Earnings US$	Total Equity US$
31 December 2020	13	26,472,507	26,472,520
Comprehensive Loss			
Loss for the year from continuing operations	-	(9,328,555)	(9,328,555)
Total Comprehensive Loss	**-**	**(9,328,555)**	**(9,328,555)**
31 December 2021	**13**	**17,143,952**	**17,143,965**
Comprehensive Loss			
Loss for the year from continuing operations	-	(13,563,737)	(13,563,737)
Total Comprehensive Loss	**-**	**(13,563,737)**	**(13,563,737)**
31 December 2022	**13**	**3,580,215**	**3,580,228**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Note	Year ended 31 December 2022 US$	Year ended 31 December 2021 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers from uranium sales		21,225,600	19,984,200
Payments to suppliers and employees		(27,127,677)	(19,571,021)
Income tax paid		-	217,373
Interest received		20	-
Net cash from/(used in) operating activities		(5,902,057)	630,552
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from related party borrowings		2,099,346	3,127,710
Net cash received from financing activities		2,099,346	3,127,710
Net increase/(decrease) in cash held		(3,802,711)	3,758,262
Cash and cash equivalents at the beginning of financial year		4,071,958	315,693
Effects of exchange rate changes on the balance of cash held in foreign currencies		(2,454)	(1,997)
Cash and cash equivalents at the end of financial year	4	**266,793**	**4,071,958**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation
Peninsula Uranium Limited is a private Company incorporated in England & Wales under the Companies Act 2006 limited by shares. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the directors' report.

These financial statements have been prepared in accordance with UK Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 (IFRS) and IFRS Interpretations Committee (IFRIC) interpretations. The adoption of all the new and revised standards and interpretations issued that are relevant to the operations and effective for reporting periods beginning on or before 1 January 2022 are reflected in these financial statements.

IFRS requires management to use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users; that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity. There were no significant judgements, except for the fair value of the derivative financial asset in Note 9.

The financial report has been prepared on an accruals, going concern and historical cost basis, except for the valuation of certain financial instruments that are measured at fair value at the end of each reporting period (Note 9) as explained in the accounting policies below.

Adoption of New and Revised Standards
There were no new standards effective for the first time for periods beginning on or after 1 January 2022 that have had a significant effect on the Company's financial statements.

Standards, amendments and interpretations that are not yet effective and have not been early adopted:
Any standards and interpretations that have been issued but are not yet effective, and that are available for early application, have not been applied by the Company in these financial statements. UK Adopted International Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 31 December 2022.

Going concern
The accounts have been prepared on the basis that the Company can meet its liabilities and commitments as and when they fall due and can therefore continue normal business activities and realise assets and liabilities in the ordinary course of business.

The Company made a loss after income tax of US$13,563,737 for the year ended 31 December 2022 (2021: US$9,328,555) and recorded net operating cash outflow of US$5,902,057 (2021: net operating cash inflow of US$630,552). The net working capital surplus of the Company at 31 December 2022 was US$1,851,886 (2021: working capital surplus US$6,848,075) and the net decrease in cash held during the year was US$3,802,711 (2021: increase of US$3,758,262). The cash movements of the Company are related to the Peninsula Energy Group activities and will vary from year to year.

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After review of the uncertainty, the Directors have a reasonable expectation, that the additional funding will be received and the Group and therefore the Company will then have adequate resources to continue in operational existence for the foreseeable future, based on its assessment of the forecasts, principal risks and uncertainties and mitigating actions considered available to the Group and Company in the event of downside scenarios. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements. However, at the date of approval of these financial statements, uncertainties relating to completing the issue of the funding arrangements indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

Key estimates, judgements and assumptions
The preparation of the Company's financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are disclosed in the relevant notes. Refer to Note 10 for a discussion on the change in assessment of the material facts surrounding the Company's U_3O_8 delivery commitments.Refer to Note 3(c) for a discussion on the judgement required for recognition of a deferred tax liability. Refer to Note 12(a) for a discussion of the judgement required for expected credit losses relating to financial assets.

Foreign currency translation
(a) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'United States Dollars', which is the Company's functional and presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'foreign exchange gain or loss'.

Current and deferred taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the Company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Company can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade and other receivables include prepayments. Trade and other receivables are measured at amortised cost using the effective interest rate method, less impairment. A provision for impairment of trade and other receivables is made based on expected credit losses. Prepayments for goods or services are not financial assets because they are associated with the receipt of goods or services. They do not give rise to a present right to receive cash or any other financial asset. IFRS 9 requires trade receivables to be measured at their transaction price if they do not contain a significant financing component - all amounts due from trade receivables have expected terms of less than one year.

Trade and other payables
Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

Financial assets and liabilities
Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

The Company's financial assets consist of financial assets at amortised cost (trade and other receivables, excluding prepayments, and cash and cash equivalents) and financial assets classified as fair value through profit or loss in prior periods. Financial assets at amortised cost are initially measured at fair value and subsequently at amortised cost. Financial assets designated as fair value through the profit or loss are measured at fair value through the profit or loss at the point of initial recognition and subsequently revalued at each reporting date. Movements in the fair value of derivative financial assets are recognised in the profit or loss in the period in which they occur.

All financial liabilities are classified as fair value through the profit and loss or financial liabilities at amortised cost. The Company's financial liabilities at amortised cost include trade and other payables. Financial liabilities at amortised cost, are initially stated at their fair value and subsequently at amortised cost. Interest and other borrowing costs are recognised on a time-proportion basis using the effective interest method and expensed as part of financing costs in the statement of comprehensive income.

Fair value for financial assets is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Fair value for derivative financial assets is determined by reference to comparable arm's length transactions or by reference to factors that would apply on an arm's length transaction. In determining fair value, the projected cash flow stream of the financial asset is escalated to a future date using the interest rate applicable to the financial asset instrument. Future cash flows are discounted back to present value using a discount rate that reflects the expected rate of return and level of risk inherent within each financial instrument.

Purchase contract derivative fair values are based on product value of the difference in purchase prices versus the forward curve of spot prices. Delivery contract derivative fair values are based on the present value of the difference between revenue under existing offtake contracts and revenue that a similar contract would generate if entered into at reporting date. Judgement is applied in determining what similar contracts could be entered into.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Revenue
All revenue is stated net of the amount of value added tax (VAT) or other similar taxes.

Sales Revenue
Revenue from uranium concentrate sales is recognised when control of goods pass to the purchaser, including delivery of the product and transfer of legal title, the selling price is set or determinable, and collectability is reasonably assured. In accordance with UK Adopted International Accounting Standards the Company is required to recognise a derivative financial asset or financial liability on all open source origin components from its portfolio of uranium concentrate sale and purchase agreements.

2. PROFIT BEFORE INTEREST AND TAX FROM CONTINUING ACTIVITIES

		2022 US$	2021 US$
(a)	**Sales revenue[i]:**		
	Uranium sales	21,225,600	19,984,215
	Realised derivative movement	(2,525,600)	(5,984,200)
	Total sales revenue	**18,700,000**	**14,000,015**
(b)	**Costs of uranium sales:**		
	Purchased uranium	12,595,000	12,900,000
	Realised derivative movement	7,855,000	774,000
	Project value charge	8,046,018	6,262,192
	Sales commission	-	629,270
	Guarantee fee	84,508	84,508
	Total costs of uranium sales	**28,580,526**	**20,649,970**
(c)	**Material costs and expenses:**		
	Auditor's remuneration.	37,000	62,469

Notes:

(i) Revenue from uranium concentrate sales is recognised at the point in time when control of goods passes to the purchaser, including delivery of the product and transfer of legal title, the selling price is set or determinable, and collectability is reasonably assured.

In accordance with UK Adopted International Accounting Standards the Company is required to recognise a derivative financial asset on all open source origin components from its portfolio of uranium concentrate sale and purchase agreements. This results in the use of market prices for revenue recognition of uranium sales rather than contracted prices.

(ii) The Company had no employees for the years ended 31 December 2022 (2021: no employees). No Director was remunerated by the Company during the year.

3. INCOME TAX

		2022 US$	2021 US$
(a)	**Income tax expense/(benefit):**		
	Current tax	-	4,946
	Deferred tax	(2,870,770)	(2,193,998)
		(2,870,770)	(2,189,052)
(b)	**Reconciliation of income tax to tax charge:**		
	Accounting loss before tax	(16,434,507)	(11,517,607)
	Income tax benefit @ 19% (2021: 19%)	(3,122,557)	(2,188,346)
	Add tax effect of:		
	- Permanent differences	-	199
	- Taxable profit offset against prior year losses	(5,851)	(905)
	- Impact of change in future corporate tax rate(i)	257,638	-
	Total income tax (benefit)/expense	(2,870,770)	(2,189,052)
(c)	**Deferred tax balances arising on timing differences:**		
	Deferred tax liabilities opening balance @ 19% (2021: 19%)	3,944,264	6,138,262
	- Current year derivative movement @ 25% (2021: 19%)(i)	(2,870,770)	(2,193,998)
	Total deferred tax liabilities @ 25% (2021: 19%)(ii)	1,073,494	3,944,264

Notes:

(i) There was a legislated change in the corporate tax rate that applies to future income years. The impact of this increase in the corporate tax rate has been reflected in the deferred tax positions and the prima face income tax reconciliation above.

(ii) The Company has recognised a deferred tax liability to account for the temporary difference in treatment of the derivative asset with income tax which is recognised between the accounting treatment of the derivative asset (refer Note 6) and the income tax treatment of recognising a gain or loss upon realisation.

4. CASH AND CASH EQUIVALENTS

	2022 US$	2021 US$
Cash at bank and in hand	266,794	4,071,958
	266,794	**4,071,958**

5. TRADE AND OTHER RECEIVABLES

	2022 US$	2021 US$
Current		
VAT receivable	6,869	4,749
Prepaid expenses	20,000	23,341
Intercompany receivable – parent entity(i)(ii)	-	2,342,170
Intercompany receivable – Strata Energy Inc	251,730	-
Total Current Trade and Other Receivables	**278,599**	**2,370,260**

Notes:

(i) During the year, Peninsula Energy Limited the Company's 100% parent entity, repaid funds to Peninsula Uranium Limited, via an intercompany loan account denominated in British pounds GBP. The loan is due and payable on demand.

(ii) The Company has performed an expected credit loss assessment and no expected credit loss provision is considered to apply as the intercompany receivable was settled subsequent to year end.

6. OTHER FINANCIAL ASSETS

	2022 US$	2021 US$
Current		
Derivative financial asset(i)	1,496,657	6,523,646
Total Current Other Financial Assets	**1,496,657**	**6,523,646**
Non-Current		
Derivative financial asset(i)	2,801,836	14,240,154
Total Non-Current Other Financial Assets	**2,801,836**	**14,240,154**

Notes:

(i) The Company provides corporate services and uranium sales and marketing for the Group headed by Peninsula Energy Limited. In this capacity, the Company holds a uranium concentrate sale and purchase agreement with a major utility located in Europe on behalf of the Group. The contract requires delivery of 4,000,000 pounds of U_3O_8 between 2021 and 2030, with at least 3,000,000 pounds being delivered from the Group's Lance Project in Wyoming, USA, operated by the Company's 100% owned sister subsidiary, Strata Energy Inc ("Strata").

The Group enters into binding purchase agreements from time to time to procure pounds of U_3O_8 to satisfy the delivery obligations noted above. At 31 December 2022 the Company has 200,000 pounds U_3O_8 of purchase commitments. Purchased uranium will be delivered in allotments during the year to align closely with the timing of deliveries to customers and Peninsula Energy Limited group uranium inventory holdings may be used to manage timing differences. Payment for the purchased uranium is also aligned closely with the receipt of proceeds from the sales. The price to be paid under the purchase agreements is confidential but in line with market reported prices at the time they are entered into and is fixed and is not subject to any form of escalation or adjustment.

The Company has recognised the entire 4,000,000 pounds sale and purchase agreement as open source origin as it fails the "own-use exemption" under IFRS 9 when viewed from the perspective of the Company as a standalone entity, regardless of being sourced inside or outside of the Group.

The fair value of the derivative at 31 December 2022 is based on the present value of the difference between the revenue under the sales agreement and revenue that a similar agreement would generate if entered into at that date, and will differ from the actual cash received in the future. The net derivative loss recognised during the year ended 31 December 2022 is US$16.5m, of which US$10.4m was realised (31 December 2021: US$11.5m, of which US$6.8m was realised).

7. TRADE AND OTHER PAYABLES

	2022 US$	2021 US$
Trade creditors	190,164	44,363
Intercompany payable - Strata Energy Inc	-	6,073,426
Total Current Trade and Other Payables	**190,164**	**6,117,789**

Trade and other payables are non-interest bearing and generally settled on 30 day terms. The Strata Energy Inc intercompany payable is non-interest bearing and settled as Peninsula Energy Group funding is available. Due to their short-term nature, their carrying amount is assumed to approximate their fair value. The intercompany payable was settled during the year.

8. ISSUED SHARE CAPITAL

	2022 US$	2021 US$
10 fully paid £ 1 ordinary shares (2021: 10)	13	13
Issued and paid up capital reconciliation		
Opening balance	13	13
Closing balance	**13**	**13**

Terms and conditions of contributed equity – Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The Companies Act 2006 (as amended) abolishes the requirement for a company to have an authorised share capital. Therefore the Company has taken advantage of these provisions and has an unlimited authorised share capital.

9. FAIR VALUE MEASUREMENT

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of the Level 3 financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

	2022 US$	2021 US$
Financial Assets		
Derivative financial asset[i]	4,298,493	20,763,800
Total Financial Assets	**4,298,493**	**20,763,800**

Notes:

(i) The fair value of the derivative financial asset has been determined using comparison of uranium forward spot prices to total contractual cash flows of the respective uranium sale and purchase agreements, discounted back to present value.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair value due to their short-term nature.

Movements in the Level 3 financial assets during the year ended 31 December 2022 are set out below:

	Balance 2021	Derivative fair value movement	Realised portion	Balance 2022
Derivative financial asset	**20,763,800**	(6,084,707)	(10,380,600)	**4,298,493**

Level 3 financial asset unobservable inputs and sensitivities are as follows:

Description	Unobservable Inputs	Input	Sensitivity
Derivative financial assets	Pre-tax discount rate	11.00% nominal (2021: 9.73%)	1% change would increase/ decrease fair value by US$0.13m (2021: US$0.65m)
	Uranium forward sales price	US$53/lb (2021: US$45/lb)	US$1/lb change would increase/decrease fair value by US$2.33m (2021: US$2.72m)
	Uranium forward purchase price	US$49/lb (2021: $US42/lb)	US$1/lb change would increase/decrease fair value by US$0.18m (2021: US$0.38m)

10. COMMITMENTS

U_3O_8 delivery commitments

The Company has 3,200,000 pounds of U_3O_8 remaining under contract for delivery to a major utility located in Europe through to 1 December 2030.

Summary of Minimum Delivery Commitments:

Financial Year	Total Pounds U_3O_8 Contractually Committed
2023	400,000
2024	400,000
2025	400,000
2026	400,000

11. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of an intercompany loan with its parent entity, certain uranium concentrate sale and purchase agreements, fair value derivative assets, deposits with banks, local money market instruments and accounts receivable and payable.

Specific Financial Risk Exposures and Management
The main risks the Company is exposed to through its financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk.

(a) Credit Risk
Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from invoice date.

Risk is also minimised by investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures
The maximum exposure to credit risk by class of recognised financial assets at the reporting date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Company has no significant concentration of credit risk with any single counterparty or company of counterparties except for the amounts due from its parent company. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5. Aggregates of such amounts are as detailed in Note 5.

Credit risk related to balances with banks and other financial institutions are managed in accordance with approved Board policy. The Company's current investment policy is aimed at maximising the return on surplus cash, with the aim of outperforming the benchmark within acceptable levels of risk return exposure and to mitigate the credit and liquidity risks that the Company is exposed to through investment activities.

(b) Liquidity Risk
Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company currently manages liquidity risk through operating cash flows and funding provided by its parent to meet the operating requirements of the business. Refer to Note 1: Going Concern for further details.

Financial Asset and Financial Liability Maturity Analysis

Financial Assets	Within 1 Year 2022 US$	2021 US$	1-5 Years 2022 US$	2021 US$	Over 5 Years 2022 US$	2021 US$	Totals 2022 US$	2021 US$
Cash and cash equivalents	266,794	4,071,958	-	-	-	-	266,794	4,071,958
Trade and other receivables	278,599	2,342,170	-	-	-	-	278,599	2,342,170
Total Financial Assets	**545,393**	**6,414,128**	**-**	**-**	**-**	**-**	**545,393**	**6,414,128**
Financial Liabilities								
Trade and other payables	190,164	6,073,426	-	-	-	-	190,164	6,073,426
Total Financial Liabilities	**190,164**	**6,073,426**	**-**	**-**	**-**	**-**	**190,164**	**6,073,426**

(c) Price Risk

(i) Interest Rate Risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The principal risk surrounds the variable rate cash held at bank. As the loan from the Company's parent was in a receivable or nil balance for both the entirety of the 2022 and 2021 financial years, no interest was charged by the parent. The Company does not use derivatives to mitigate these exposures.

At the reporting date, the details of outstanding amounts are as follows:

Maturity of Amounts	2022 %	2021 %	2022 US$	2021 US$
Financial Assets				
Cash and cash equivalents	-	-	266,794	4,071,958
Trade and other receivables	-	-	278,599	2,342,170
Total Financial Assets			**545,393**	**6,414,128**

A 1% change in interest rates would have resulted in a US$2,668 (2021: US$40,720) increase/(decrease) in losses and equity.

(ii) Foreign Exchange Risk
The Company operates internationally and is exposed to foreign exchange risk arising from currency exposures. Foreign exchange risk can arise from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the Company. The Company's has related party loan facilities denominated in GBP. Where possible the Company reduces its foreign currency exposure. Peninsula Energy Limited company treasury function manages the purchase of foreign currency to meet operational requirements as and when required.

The Company's exposure to foreign currency risk at the end of the reporting period was as follows:

	2022 GBP	2021 GBP
Cash and cash equivalents	26,906	25,045
Trade and other receivables	-	1,736,025

	Impact on post tax loss 2022 US$	2021 US$	Impact on other components of equity 2022 US$	2021 US$
USD/GBP FX rate – increase 10%	(2,961)	(215,962)	-	-
USD/GBP FX rate – decrease 10%	3,619	263,953	-	-

(d) Fair Value
Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market prices. Where securities are unlisted, and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

- Cash – the carrying amount approximates fair value;
- Trade receivables and trade creditors – the carrying amount approximates fair value; and
- Other assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

12. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Parent Entity
Peninsula Energy Limited is the parent entity and owns 100% of Peninsula Uranium Limited. The parent entity has related party transactions with the Company whereby the parent funds uranium purchases and selling, general and administrative expenses incurred via the provision of an intercompany loan account, with the Company returning funds received from uranium sales. These intercompany transactions have resulted in a receivable balance of nil at 31 December 2022 (2021: receivable balance of US$2,342,170). See Note 5 for details of the loan balance and loan terms.

Strata Energy Inc
The Company shares the same ultimate parent entity as Strata Energy Inc (Strata), which owns and operates the Lance Projects located in Wyoming, USA. In 2022 Strata charged fees to the Company for services provided and dependency on Strata assets used in securing uranium contracts, totalling US$8,046,018 (2020: US$6,262,192). These intercompany transactions have resulted in a receivable balance of US$251,730 at 31 December 2022 (2021: payable balance of US$6,073,426).

Key Management Personnel
The Directors (John Harrison, Rachel Rees and Ron Chamberlain) are remunerated through their respective contracts with Peninsula Energy Limited. No remuneration is paid in their capacity as Non-Executive Directors of Peninsula Uranium Limited.

13. EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which has significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

14. RESERVES

Reserve	Description and purpose
Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere.