PENINSULA MINES
LIMITED
ASX: PSM

ASX ANNOUNCEMENT **21 June 2018**

EUNHA NORTH DRILLING GRAPHITE INTERSECTIONS

- **Four out of five initial drillholes at Eunha North intersected thick, potentially high-grade, graphite**
- **Following sample analyses & flake sizing, further drilling planned to define a maiden Mineral Resource**
- **Concentrate sample to be sent to Germany for downstream, high-purity, spherical graphite testing**

Peninsula Mines Ltd (ASX:PSM) drilling has intersected thick and potentially high-grade graphite (visual estimates) on three, 80m spaced drill-sections at Eunha North in Chungnam Province, South Korea (Figure 1).

A total of five drillholes for 488.9m of diamond drilling have been completed to date, with visually estimated graphite intersections summarised below (see Appendix 1 for drillhole locations and intersection summaries):

EHD0001: 9.38m (6m TW) from 89.71m of potentially high-grade (>10%) graphite

EHD0003: 20.32m (14m TW) from 57.88m of potentially high-grade (>10%) graphite

EHD0004: 10.72m (7m TW) from 28.96m of potentially high-grade (>10%) graphite

EHD0005: 12.82m (8m TW) from 66.18m of potentially high-grade (>10%) graphite

The drilling to date indicates that the EM anomaly[D2] at Eunha North is related to a steeply west dipping graphitic unit, averaging ~10m true width of potentially high-grade (>10%) graphite (visual estimates). The drillhole intersections will now be logged and sampled for total graphitic carbon ("TGC") analyses as well as flake distribution, prior to further drilling to define a maiden Mineral Resource.

In parallel with the resource drilling at Eunha, a >5kg, high-grade, concentrate sample (>95% TGC) is close to being generated[D3,D4]. This sample will be sent to a German spherical graphite processing specialist for spherical graphite testing, including micronisation (to <20 micron) and spheronisation, prior to thermal, non-fluoride, purification incorporating CSIRO technology with the objective of generating a >99.95% TGC purity, uncoated spherical graphite product suitable for lithium-ion (graphite) battery anode production in Korea[D3,D4].

The production of spherical graphite is a value-added process that increases the potential value of the graphite product from a current market price for fine flake graphite concentrate (<150µm, >94-95% TGC) of ~AUD 1,000/t[D5] to a market price for un-coated, purified (>99.95% TGC) spherical graphite of >AUD 4,000/t[D5].

The Company has been offered foreign investment incentives (leasing and power discounts), to construct a spherical graphite production facility at a key industrial site at Dangjin Port in the same, Chungnam, Province as the Eunha Project. This site is in close proximity to Li-Ion Battery anode manufacturing as well as steel plants that will take by-product fine graphite flake.

Peninsula's Managing Director, Jon Dugdale, commented, *"The initial intersections of thick and potentially high-grade graphite at Eunha North are a key first step towards defining a mineral resource for potential development and concentrate production.*

"The ultimate objective, however, is to take the graphite processing a step further – to produce high-purity spherical graphite on the doorstep of the Lithium-Ion battery industry in South Korea."

Channel sampling has also been completed across the Roadhouse graphite unit, 500m south of Eunha North, on an average 40m spaced sections[D1]. A total of 81 samples will processed at Nagrom laboratories in Perth, with results to be reported in due course prior to drill target selection.

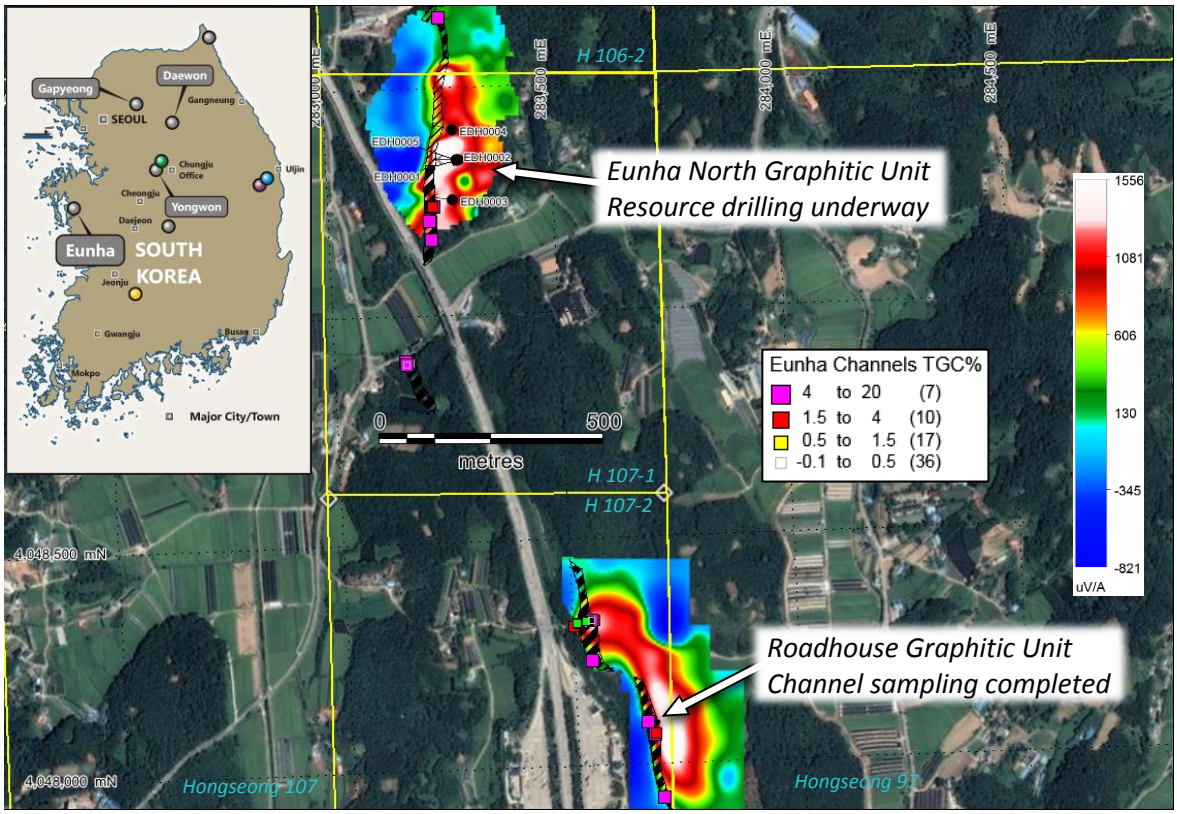

Figure 1: Eunha Project location, EM conductors, mapped graphitic units, drill hole location, channel sampling

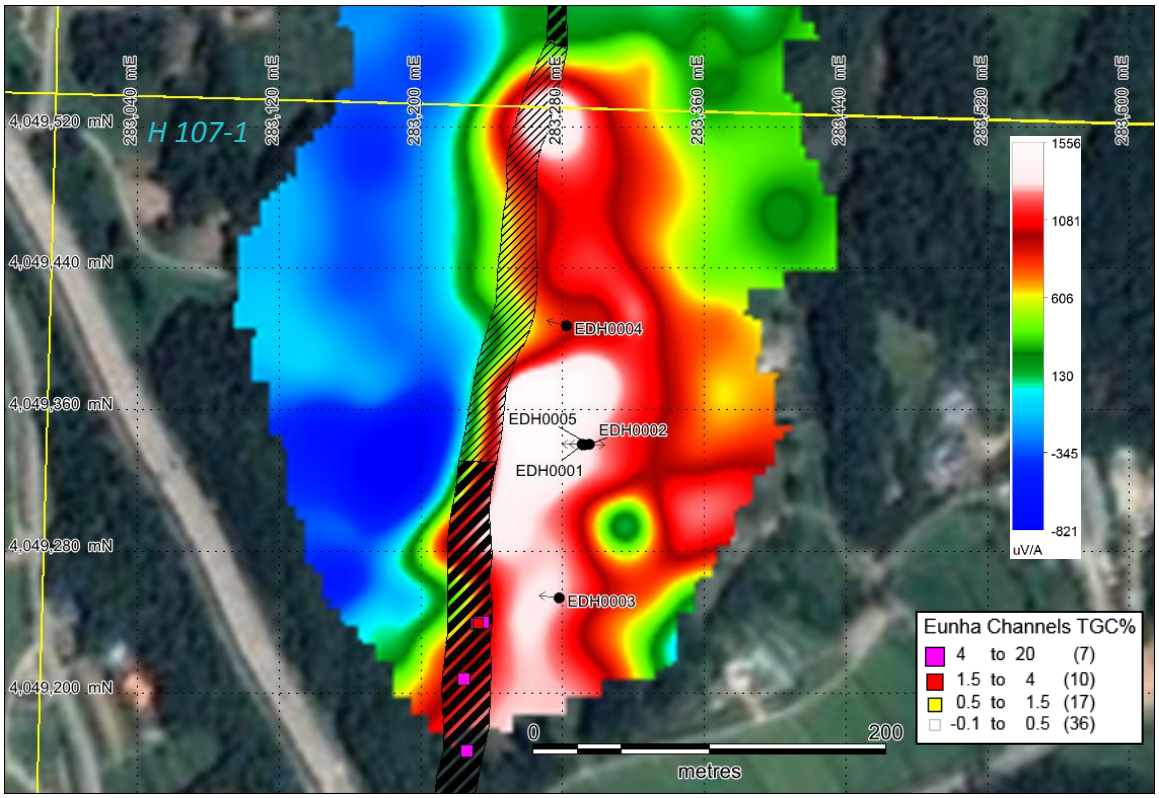

Figure 2: Eunha North graphitic unit, EM conductor, initial drill hole location[D1,D2,D3]

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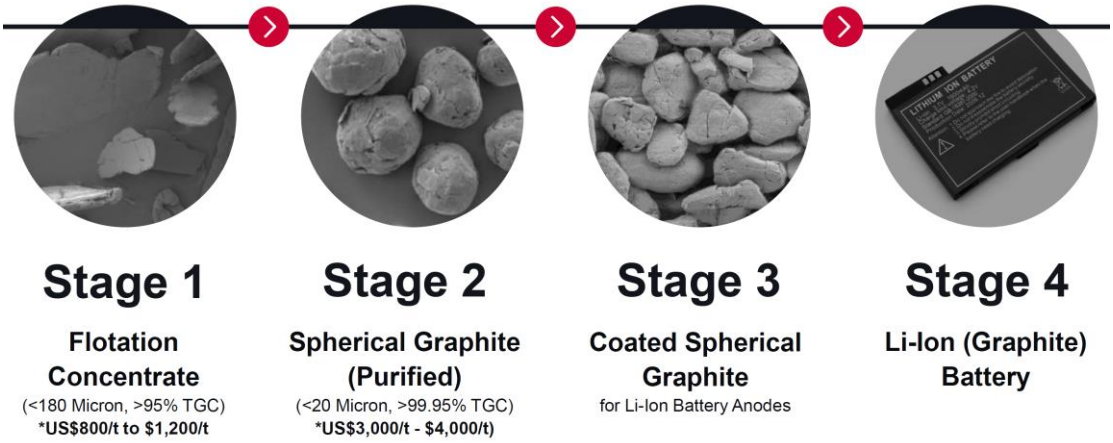
About the Peninsula Mines Limited Graphite Business:

Peninsula Mines Ltd ("Peninsula") is an Australian listed, exploration/development company focused on developing opportunities for mineral discovery and production in South Korea, where the Company is well established with a network of key contacts, having worked in the Country for over five years.

South Korea is one of the world's largest producers of lithium-ion batteries, but obtains downstream graphite products, including spherical graphite for Lithium-Ion battery anodes, predominantly from China (see value-chain below). Peninsula has identified the opportunity to mine and process graphite to produce value-added spherical graphite, in South Korea, to directly supply lithium-ion battery manufacturers and other graphite end-users in-country.



Note: US$ pricing from Benchmark Mineral Intelligence graphite price assessments, March - April 2018[D4].

Peninsula and its subsidiaries have tenements and tenement applications in South Korea with fine to large and jumbo flake graphite identified. Peninsula intends to progress these and other projects to JORC compliant resource definition and, potentially, development of mining and flake graphite concentrate production for spherical graphite – Lithium-ion battery applications and/or expandable graphite and other markets in Korea.

Peninsula signed a Memorandum of Understanding ("MOU") with Korean expandable graphite producer, Graphene Korea, in June 2017[D6], which envisages long-term strategic cooperation with respect to offtake of graphite concentrate and development of graphite mining and processing projects both within and potentially outside Korea.

Peninsula has also secured a Binding Supply Agreement with Canadian listed DNI Metals Inc ("DNI"). Subject to various conditions, DNI will supply up to 24,000 tonnes per year of flake graphite to Peninsula's 100% owned subsidiary, Korea Graphite Company Limited (''KGCL''), for on-sale to Korean end-users[D7]. Peninsula and DNI are discussing options to cooperate with respect to fast-tracking the development of DNI's large-flake graphite projects in Madagascar, which are situated close to port access and are saprolite (weathered rock) hosted - with low cost mining and processing potential.

Summary list of Peninsula ASX releases and other documents referenced in this announcement:

D1 Resource Drilling Commences at Eunha Graphite Project, ASX 31/05/18
D2 Outstanding EM Conductors Define Graphite Targets at Eunha, ASX: 28/02/18
D3 Very High-Grade Graphite Concentrate Grades for Eunha Graphite Project, ASX: 10/04/18
D4 Peninsula Launches Testing for Value-Added Spherical Graphite Processing in Korea, 24/04/18
D5 Benchmark Mineral Intelligence Graphite Pricing Assessment, May 2018
D6 Flake-Graphite Offtake & Development MOU signed with Korean End-User, ASX: 14/06/17
D7 PSM signs MOU to supply Flake Graphite to Korean End-Users, ASX: 15/08/17
D8 Daewon Graphite Excellent Metallurgy and Four New Projects, ASX: 27/06/17
D9 Super Jumbo and High-Grade Flake Graphite at New Projects, ASX: 20/10/17

For full versions of the Company's releases see Peninsula's website www.peninsulamines.com.au

Forward Looking Statements

This report contains certain forward-looking statements. These forward-looking statements are not historical facts but rather are based on Peninsula Mines Ltd's current expectations, estimates and projections about the industry in which Peninsula Mines Ltd operates, and beliefs and assumptions regarding Peninsula Mines Ltd's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Peninsula Mines Ltd, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Peninsula Mines Ltd cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Peninsula Mines Ltd only as of the date of this report. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. Peninsula Mines Ltd does not undertake any obligation to report publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this report except as required by law or by any appropriate regulatory authority.

Competent Persons Statements

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Daniel Noonan, a Member of the Australian Institute of Mining and Metallurgy. Mr Noonan is an Executive Director of the Company.

Mr Noonan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Noonan consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this release that relates to metallurgical test work is based on information compiled and / or reviewed by Mr Peter Adamini who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Adamini is a full-time employee of Independent Metallurgical Operations Pty Ltd. Mr Adamini consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this release that relates to Geophysical Results and Interpretations is based on information compiled by Karen Gilgallon, Principal Geophysicist at Southern Geoscience Consultants. Karen Gilgallon is a Member of the Australasian Institute of Geoscientists (AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Karen Gilgallon consents to the inclusion in the release of the matters based on this information in the form and context in which it appears.

JORC Code, 2012 Edition: Table 1
Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	*JORC – Code of Explanation*	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The locations of the sample points shown on Figures 1 and 2 were shown in the 28 February 2018 release[D2].
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	No additional results have been reported in this announcement.
	Aspects of the determination of mineralisation that are material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	The samples will then be forwarded to NAGROM Laboratories in Perth, WA, for analysis. Samples will then be air dried at 40°C and crushed to a nominal top size of 6.3mm using a jaw crusher. A 500g sub-sample will then be riffle split and then pulverised to provide a final aliquot for analysis to generate a grade for each sample. NAGROM utilise a LECO analyser and gravimetric analyses, where C and S values were determined from mass differences (using precision scales) during the high temperature heating and subsequent CO_2 and SO_2 generation inside the analyser. This method was considered near total for C and S and was the preferred method for accurate graphite sample analysis. From these analyses, the Total Carbon, Total Graphitic Carbon (TGC), Organic Carbon and Inorganic Carbon (as carbonate) and Sulphur will be reported.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	A total of five, standard, NQ core, diamond drillholes have been completed by the Company at Eunha North. All core is oriented by Ezy mark technology.

Criteria	*JORC – Code of Explanation*	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Visual estimates of graphite grade have been used to generate a minimum estimates graphite percentage over measured intervals. Core will now be sampled on intervals matching geological boundaries, approximating 1m intervals of diamond sawed half core that will be submitted to NAGROM Laboratories in Perth, WA, for analysis. Some core loss was observed in initial logging corresponding with graphitic intervals.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Diamond drill core logging is in progress.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	
	The total length and percentage of the relevant intersections logged.	
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Diamond drill core logging is in progress. Sampled intervals will be half-cored using a diamond saw and submitted to NAGROM Laboratories in Perth, WA, for analysis.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Diamond drill core logging is in progress. Sampled intervals will be half-cored using a diamond saw and submitted to NAGROM Laboratories in Perth, WA, for analysis.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The Company included blanks and Certified Reference Material as part of the channel sample analysis.

Criteria	*JORC – Code of Explanation*	Commentary
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Sampled intervals will range from 0.5m to 1.5m ensuring representative samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	As above.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	At NAGROM, samples post drying will be crushed to a nominal top size of 6.3mm using a jaw crusher then riffle split to generate a 500g sub-sample for pulverisation. Each sample will be pulverised using a LM5 pulveriser until 80% of the sample passed 75 microns. A >10g subsample of the pulverised material will then randomly selected for analysis with the balance of the pulverised material retained for future use. The NAGROM analyses utilised a LECO analyser and were gravimetric analyses, where C and S values were determined from mass differences (using precision scales) during the high temperature heating and subsequent CO_2 and SO_2 generation inside the analyser. This method is considered near total for C and S and was the globally preferred method for accurate graphite sample analysis. From these analyses, the Total Carbon, Total Graphitic Carbon (TGC), Organic Carbon and Inorganic Carbon (as carbonate) and Sulphur will be reported[D1]. The assays are considered total for the key elements of C and S. Additional XRF analyses of gangue minerals were also undertaken as part of the overall analysis suite.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivations, etc.	The Company commissioned Southern Geoscience Consultants (SGC) of Perth to undertake moving loop and selected fixed loop electromagnetic (MLEM) surveys across the Eunha graphitic units. The purpose of the surveys was to determine the EM (conductivity) response of the outcropping graphitic unit and map the extent and geometry of the conductive unit along strike and at depth[D1]. These EM images have been included again with this release. The geophysical programme parameters were as follows: **Planning/Supervision:** Southern Geoscience Consultants Pty Ltd (SGC) **Survey Configuration:** Fixed Loop TEM (FLEM)

Criteria	*JORC – Code of Explanation*	Commentary
		TX Loop Size: 120m x 200m (Eunha North) and 150m x 300m (Roadhouse). Three overlapping TX loops at each site. **Transmitter:** ZT-30 **Transmitter Power:** 72V (6 x 12V car batteries) **Receiver:** SMARTem24 **Sensor:** RVR coil – vertical (Z) component **Line Spacing:** 50m spacing with 25m infill **Line Bearing:** 090° **Station Spacing:** 25m and 50m **TX Frequency:** 6 Hz (125 msec time base) **Duty cycle:** 50% **Current:** 10 to 12 Amp **Stacks:** 256 stacks **Readings:** At least 3 repeatable readings per station **Powerline Frequency:** 60 Hz Data was received on 28 channels from early to late time (shallow to deeper). The anomaly detected on Channel 5 is plotted (see Figures 1 and 4) approximating the response from outcrop to ~200m down dip.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	The Company will include blank and CRM standard samples as part of the drill core sample analyses.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The graphite intersections reported in this release are based on visual estimates by company personnel and have not yet been verified by laboratory analysis.
	The use of twinned holes.	No holes have been twinned.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	No laboratory analysis of samples has yet been completed.
	Discuss any adjustment to assay data.	
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collars have been surveyed with a DGPS unit. Down-hole surveys have been conducted during the programme using the Company's equipment.

Criteria	*JORC – Code of Explanation*	Commentary
	Specification of the grid system used.	All drill hole sites were surveyed in the UTM WGS84 zone 52N coordinate system.
	Quality and adequacy of topographic control.	Topographic control on sample sites was as surveyed, to an accuracy of +/- 0.5m. Geophysical measurement locations were determined using a hand-held Garmin GPS60CSx. The accuracy of this unit at most sample sites was +/- 3m to 5m. Other topographic controls were based on The National Geographic Information Institute (NGII), 1:5,000 scale digital contour data available for the entire country.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drill hole pierce points are located, initially, on 80m spaced cross sections and 40m spacing down-dip on the central of the three cross sections.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The initial drill hole spacing, targeting 80m spaced sections and 40m down dip, is considered sufficient to establish an Inferred Mineral Resource (subject to final graphite analyses).
	Whether sample compositing has been applied.	No sample compositing has been conducted.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The holes were drilled in an effort to minimise any sampling bias. The Company's drilling and data compilation has been undertaken to a standard that would allow for it to be used in any future Mineral Resource estimate but at this point in time it is impossible to say whether any of the hole data would be used in the estimation of a Mineral Resource. The structural orientation data being generated from this first phase of drilling will be used to help design future drill holes at the Eunha North prospect.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	At this early stage of the drill hole data evaluation it looks like the main graphitic units strike north-south and dip steeply to the west. No sampling bias.

Criteria	*JORC – Code of Explanation*	Commentary
Sample security	*The measures taken to ensure sample security.*	Sampling of drill core will be conducted following detailed logging. The specific details of each sample and sample site will be recorded into a field notebook and later transferred to an Excel spreadsheet. Samples will be packed into cardboard cartons and dispatched via Fed Ex to NAGROM Laboratories, Australia.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The NAGROM Laboratory, Kelmscott has been visited by Company personnel and met full international standards. NAGROM is internationally recognised, particularly in the field of graphite analysis. Similarly, the IMO metallurgical laboratory in Welshpool, Perth, WA has been visited by Company personnel and meets full international standards. IMO are also internationally recognised, particularly in the field of metallurgical evaluations.

(Criteria in this section apply to all succeeding sections.)

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC – Code of Explanation	Commentary
Tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Company has filed applications at the Eunha Project over blocks Hongseong 97, 98, 106, 107 & 108. The company was granted tenure over the Hongseong 107-1 and 107-2 tenements on the 15 May 2018. In addition, MDS applications were submitted to the Mines Registration Office (MRO) office on 23 May 2018 and the formal site inspections of the 106-1 and 97-4 title areas is expected to take place at some point over the next 6 months. The main limitation with the Hongseong 106 & 107 titles at Eunha is the fact that motorway 15 and the Hongseong rest stop lie directly over and adjacent to the trend of the Eunha graphite structures and a buffer of at least 50m in all directions must be maintained around all major infrastructure such as roads and railways (see figure 1). Each Korean tenement block covers a 1-minute graticule and has a nominal area of 276 hectares. The Company has 100% sole rights over each of these five tenement applications for graphite. Graphite, like other industrial minerals, is classified as a minor mineral under Korean Mineral Law. In the case of minor minerals such as graphite, each 1-minute graticule block is further subdivided into four 30”x 30” sub-blocks (sub-blocks are only applicable for industrial minerals and road metal and dimension stone quarry permits). The Company must complete and file a Mineral Deposit Survey (MDS) over each sub-block to secure a potential 6-year exploration right for each sub-block. The MDS field inspection has been completed for four sub-blocks at Eunha. To date two applications have been approved and an additional two are pending with the Ministry. Additional MDS reports will be filed once additional trenching work is completed and surface exposures have been identified on surrounding sub-blocks. There are no native title interests in Korea. It is a generally accepted requirement that mineral title holders gain the consent of local land owners and residents before undertaking any major exploration activity, such as drilling. The Eunha graphite structures lie on privately held farm and forest land and on land compulsorily acquired for the construction and subsequent use as motorway 15.
	The security of the tenure held at the time of reporting along with any known impediments to	It may take longer for the more recent 106-1 and 97-4 submissions to be reviewed.

Criteria	JORC – Code of Explanation	Commentary
	obtaining a licence to operate in the area.	Once an MDS application is approved the Company has one year in which to file a prospecting plan and at that point the title holder is granted an initial 3-year exploration period which can be extended to 6 years upon submission of a supplementary application to the Ministry. Further, the Company can convert the exploration licence to a formal mining right application upon the filing of a prospecting report. A recent change to the Korean Mineral Law now requires that a mineral right holder must include details of the defined Mineral Resource with any application for extension to an Exploration Right or for the grant of a full Mining Right. There are minimum Resources requirements that must now be met at each stage of the application process. The prospecting plans for the Hongseong 107-1 and 107-2 titles were filed earlier this week with the MRO. Upon approval of a Mining Right the Company has 3 years to file and have a Mine Planning Application (MPA) approved. The MPA is submitted to and approved by the Local Government and is akin to local council planning approval. As part of the MPA process, the title holder must secure a "no objection certificate" from the residents of the local village(s). An MPA primarily covers design, implementation, environmental and safety aspects of all surface activities associated with the planned mining venture. The approval of the MPA then grants the mining Right holder a 20-year production period that can be extended further upon application, provided all statutory requirements have been met over the life of the mine. From the date of grant of the Mining Right, the title holder has a 3-year period in which mine production must commence. During this 3-year period, the title holder must make a minimum level of investment on plant and mine infrastructure in the amount of KWon100million (~A$120,000). In addition, certain minimum annual production levels must be met depending on the commodity being mined and its commercial value. In the case of graphite, it is 50 tonnes concentrate containing 75% TGC. The Company refiled applications over the Hongseong 106 and 107 titles and has filed fresh applications over adjacent blocks Honseong 97, 98 & 108 at Eunha in February. These applications are valid for up to 6 months. At some future date the Company could again re-apply for a 6 months extension to the application period but there is no certainty that further extensions will be successful. Where possible the Company aims to locate surface mineralisation that will meet the requirements of the Korean Mineral Law for a successful tenement grant and then complete an MDS over each applied tenement within the current application period.

Criteria	JORC – Code of Explanation	Commentary
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	In the mid-1970s, Korea Mineral Promotion Corporation (KMPC) completed a programme of surface mapping and sampling at Eunha and identified two main north-south trending structures identified from 9 outcrops sampled along close to 1300m of strike. The graphite beds reported widths ranged from 2-20m and they collected 181 rock chip samples from trench sampling programmes which averaged 6.5% TGC. KIGAM has flown airborne radiometrics and airborne magnetics across South Korea as part of an ongoing data capture programme conducted over the last 30 or more years. These surveys cover the Eunha project area. KIGAM has also completed 1:50,000 scale mapping across the project area. The Company is currently not aware of any exploration work by other non-Government agencies/parties.
Geology	*Deposit type, geological setting and style of mineralisation.*	The FLEM survey has defined a highly conductive graphitic schist horizon that strongly contrasts with surrounding non-conductive country rock, composed predominately of highly folded biotite feldspar gneiss. A major NW-SE trending fault structure has been interpreted to cut the Eunha project area offsetting the southern road house mineralised zone from the Eunha North zone. Similar trending basement structures have been mapped regionally by KIGAM. The area between channels 3 and 4 was not surveyed due to the motorway and the presence of major steel greenhouse structures[D1]. There was a very poor EM response at the site of channels 2 & 3 which is interpreted to be due to the north-easterly dipping NW-SE trending fault limiting the depth extent of the graphitic units in this area. The FLEM survey coupled with surface mapping of the sub-cropping and outcropping graphitic schist at both FLEM anomalies has defined graphitic structures that have been modelled as dipping moderately to the east. All surface exposures at Eunha suggest that the sequence is tightly folded and that the gneissic beds and graphitic schist horizons dip steeply to the west. It is postulated that the EM anomalies at both prospects represent the conductive response of graphite mineralisation in blind steep westerly dipping eastern limbs of northerly plunging upright isoclinal folds.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill*	Drilling details are included in Appendix 1.

Criteria	JORC – Code of Explanation	Commentary
	holes: *• easting and northing of the drill hole collar* *• elevation or RL (Reduce Level) – elevation above sea level in metres) of the drill hole collar* *• dip and azimuth of the hole* *• down hole length and interception depth* *• hole length*	
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Not applicable.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	No data has been cut or truncated.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	The visual estimates of graphite intersections are length weighted averages.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Intersection lengths are approximately 1.5 x true width. No tonnage or Mineral Resource potential has been commented on in this release.

Criteria	JORC – Code of Explanation	Commentary
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Drilling has been completed orthogonal to the strike of the graphitic units, however the drill holes are dipping at a shallow angle to the west, intersecting steep westerly dipping units approximating 1.5x true width.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Figures 1 shows the location of the two key EM anomalies recently identified at Eunha North and roadhouse. Figures 1 and 2 also show the location of the five drill holes completed at Eunha North.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Analytical results from the drilling are not yet available.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All data considered relevant and material have been included and commented upon in this announcement or included in earlier announcements[D1 to D4, D8 and D9].
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	The current programme has achieved the objective of defining the orientation of key graphitic units and assessing the stratigraphic thickness of units at the Eunha North prospect. Additional drilling will now be planned at 40m x 40m spacing to define an Indicated Resource over a 400m strike length.

Criteria	JORC – Code of Explanation	Commentary
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	The included Figure 1 shows the previously mapped and projected locations of the graphitic units at Eunha and the EM geophysical conductors projected to surface on the Google earth satellite image. It also shows the surrounding infrastructure. The second figure shows the Eunha North prospect and the location of the five drill holes completed, targeting the core of the EM anomaly.

Appendix 1: Eunha North diamond drillhole locations and summary logging details

HoleID	Easting	Northing	mRL	EOH	Dip°	True Az°	Mag Az°
EDH0001	283,291	4,049,340	46.6	120.0	-40	269.4	277.5
EDH0002	283,293	4,049,340	46.6	151.3	-30	91.0	99.1
EDH0003	283,378	4,049,253	40.0	88.1	-23	277.2	285.3
EDH0004	283,282	4,049,407	51.9	49.4	-25	285.0	292.0
EDH0005	283,291	4,049,340	46.6	80.0	-25	269.0	277.0

Hole name	from	to	Interval	rock classification	Graphite vis. estimate(%)
EHD0001	89.71	90.08	0.37	Pgn	15
	90.08	90.73	0.65	SHZ	80
	90.73	91.94	1.21	Pgn	15
	91.94	92.39	0.45	SHZ	95
	92.39	93.37	0.98	Ppeg	30
	93.37	94.37	1.00	Pgn	10
	94.37	95.55	1.18	Ppeg	10
	95.55	96.30	0.75	Ppeg	20
	96.30	97.54	1.24	Pgn	20
	97.54	99.09	1.55	Pgn	70
	99.09	100.30	1.21	Pgn	
	100.30	101.24	0.94	Kpor	
	101.24	102.10	0.86	Kpor	
EHD0003	57.88	58.00	0.12	graphite	70
	58.00	58.28	0.28	Pgn	
	58.28	58.33	0.05	graphite	40
	58.33	59.26	0.93	pgn	
	59.26	59.31	0.05	Kqz	
	59.31	59.77	0.46	core loss	50
	59.77	59.89	0.12	graphite	50
	59.89	59.91	0.02	Kqz	
	59.91	59.97	0.06	graphite	50
	59.97	60.77	0.80	Kpor	
	60.77	61.00	0.23	graphite	40
	61.00	61.88	0.88	Kpor	
	61.88	62.48	0.60	core loss	30
	62.48	65.17	2.69	graphite	30
	65.17	65.67	0.50	core loss	50
	65.67	65.79	0.12	graphite	50
	65.79	66.14	0.35	graphite	15
	66.14	69.14	3.00	Kpor	
	69.14	70.13	0.99	graphite	10
	70.13	70.25	0.12	Pgn	
	70.25	70.35	0.10	Graphite	10
	70.35	75.63	5.28	Pgn	

	75.63	75.73	0.10	graphite	15
	75.73	76.10	0.37	Kpor	
	76.10	77.26	1.16	core loss	20
	77.26	78.20	0.94	graphite	20
	78.20	80.00	1.80	Kpor and Pgn	
EHD0004	28.96	29.02	0.06	graphite	60
	29.02	29.71	0.69	Kqz	
	29.71	29.89	0.18	biotite rich	
	29.89	30.37	0.48	Kgn	
	30.37	30.50	0.13	graphite	10
	30.50	33.50	3.00	Kgn	
	33.50	33.57	0.07	graphite	30
	33.57	35.18	1.61	core loss	20
	35.18	35.58	0.40	graphite	20
	35.58	35.81	0.23	Kqz	
	35.81	35.94	0.13	graphite	30
	35.94	36.93	0.99	graphite	25
	36.93	39.24	2.31	calcic	
	39.24	39.39	0.15	graphite	20
	39.39	40.44	1.05	Kqz	
	40.44	40.94	0.50	core loss	40
	40.94	41.09	0.15	graphite	40
	41.09	41.89	0.80	Kqz	
	41.89	42.62	0.73	Kqz	
	42.62	49.43	6.81	Pgn	
EHD0005	66.18	66.24	0.06	graphite	10
	66.24	66.80	0.56	Pgn	
	66.80	67.33	0.53	Graphite	30
	67.33	68.30	0.97	Pgn	
	68.30	68.50	0.20	core loss	20
	68.50	68.76	0.26	graphite	20
	68.76	68.21	-0.55	Pgn	
	68.21	69.54	1.33	graphite	90
	69.54	71.60	2.06	fault zone, carbonate	
	71.60	73.00	1.40	graphite	85
	73.00	73.10	0.10	Kqz	
	73.10	78.62	5.52	Pgn	
	78.62	79.00	0.38	graphite	25
	79.00	80.00	1.00	-	-