

ASX ANNOUNCEMENT

11 September 2018

PENINSULA COMPLETES SECOND TRANCHE OF \$600K PLACEMENT

SPP documentation despatched to eligible shareholders

Further to previous announcements regarding the Placement and Share Purchase Plan ("SPP"), Peninsula Mines Limited (the "Company" or "Peninsula") is pleased to announce that it has completed the second tranche of its approximately \$600,000 placement to sophisticated and professional investors ("Placement" - see ASX release, 27 August 2018) and despatched SPP offer documentation to eligible shareholders.

The total amount raised from the Placement and SPP will be up to \$1.6 million before costs. The first and second tranches of the Placement resulted in the issue of 91,853,333 shares raising \$551,120. Directors are intending to participate to the amount of \$65,000, of which the Placement component will be subject to shareholder approval at the Company's AGM.

The SPP Offer will allow eligible shareholders to participate in the capital raising on the same terms as the Placement, which will include the issue of approximately 100 million fully-paid ordinary shares at \$0.006 per share ("Placement Shares") to raise approximately \$600,000 and, in addition, for every two Placement Shares issued, the Company will issue one option with an exercise price of \$0.01 per option and an expiry date of 30 April 2020. The issue of the Placement Options and SPP Options is subject to shareholder approval. It is also the intention of the Company to seek quotation of the Placement and SPP Options. If shareholder approval is not obtained the Placement Options and SPP Options will not be issued.

The funds raised from the Placement and SPP are intended to primarily be used to fund proposed drilling of the Company's flag-ship Gapyeong Flake-Graphite Project and complete metallurgical testing aimed at producing high-purity spherical graphite to supply the lithium-ion battery anode market in South Korea. The Company will also carry out drill testing at its Ubeong Zinc Project and/or Osu Gold-Silver Project should sufficient funding be raised.

The Company reserves the right not to proceed with the whole or part of the SPP at any time prior to the issue of the SPP shares and, if the SPP does not proceed, application monies will be refunded in full without interest.

ENDS

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