

PENINSULA COMPLETES SHARE PURCHASE PLAN

Peninsula Mines Limited (the "Company" or "Peninsula") closed its Share Purchase Plan ("SPP") on Friday 12th October 2018, having raised an additional \$270,300 through the issue and allotment today of 45,049,998 fully paid ordinary shares in the Company and taking the total Placement and SPP to \$886,420 including Directors subscriptions of \$65,000 that are subject to shareholder approval at the Company's AGM, 9 November 2018.

The Company will issue one option for every two shares subscribed for in the Placement and SPP with an exercise price of \$0.01 per option and an expiry date of 30th April 2020 ("Options"). Options to be issued pursuant to the SPP (subject to approval at the AGM to be held on 9 November) will be 22,524,999 together with an additional 45,926,666 options following the placement of 91,853,333 fully paid ordinary shares in September 2018. The Options, including a further 5,416,666 Options to be issued to Directors as part of the Placement, will be issued subject to shareholder approval at the Company's AGM, in mid November 2018, and it is the intention of the Company to seek quotation (listing) of the Options having reached the 50 subscriber threshold.

Following completion of the September Placement a drilling programme was commenced in South Korea, initially testing the Osu gold-silver project, then commencing initial drilling of the flag-ship, high-grade, Gapyeong Flake Graphite Project^{D1,D2,D3,D4}. Following the initial drilling the Company plans to complete metallurgical testing aimed at producing high-purity spherical graphite to supply the lithium-ion battery anode market in South Korea.

Managing Director of Peninsula, Jon Dugdale, said, *"we are very pleased with the strong support of our shareholders and new investors that subscribed under the Placement and SPP."*

"The money is going straight into the ground, drilling our flag-ship, high-grade, Gapyeong flake-graphite project in South Korea."

Results from the on-going drilling programme will be reported in due course.

ENDS

For further information contact:

Jon Dugdale

Managing Director, Peninsula Mines Ltd (ASX:PSM)

S2, L2, 20 Kings Park Rd. West Perth, WA, 6005

E: jdugdale@peninsulamines.com.au

Ph: +61 8 6143 1840 M: +61 402 298 026

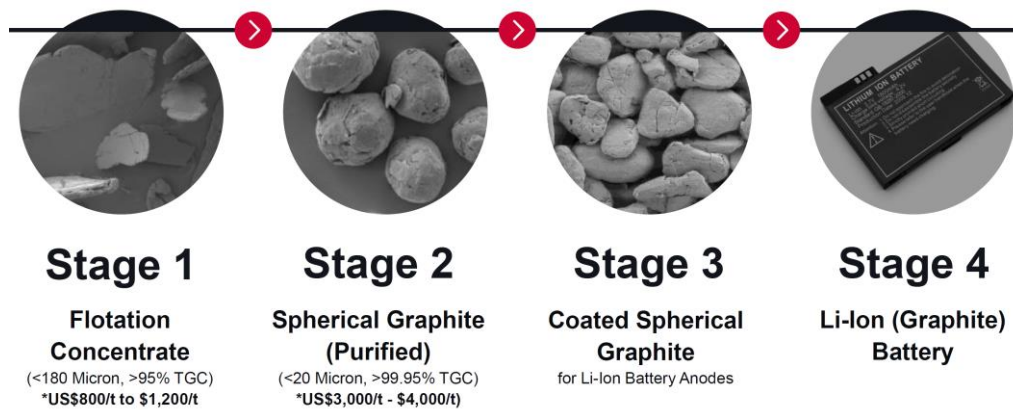
About the Peninsula Mines Limited Graphite Business:

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.

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Note: US\$ pricing from Benchmark Mineral Intelligence graphite price assessments, July - August 2018^{D5}.

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 Gapyeong High-Grade Graphite Drilling Underway, ASX: 09/10/18
 - D2 Drilling commenced Testing Key Korean Projects, ASX: 20/09/18
 - D3 Gapyeong High-Grade Graphite Channel-Sampling Intersections, ASX: 01/08/18
 - D4 Exploration Target for Key Korean Flake-Graphite Projects, ASX: 15/08/18
 - D5 Benchmark Mineral Intelligence Graphite Pricing Assessment, August 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
- 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 and Exploration Targets 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.