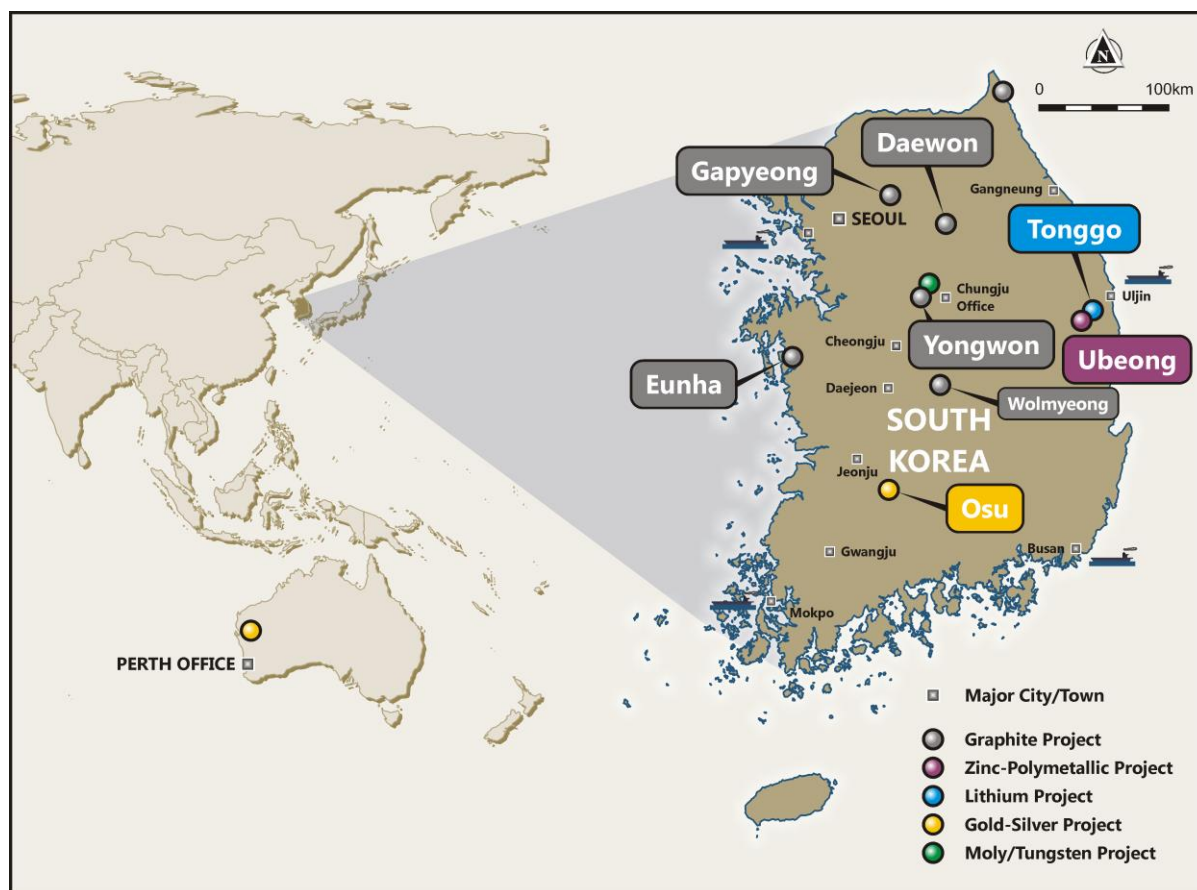


## QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2018

### SUMMARY and HIGHLIGHTS

During the Quarter ended 30 September 2018 (“the Quarter”) Peninsula Mines Limited (“Peninsula” or “the Company”) significantly advanced its defined strategy to develop a flake-graphite mining and downstream processing business to supply the South Korean lithium-ion battery industry, as well as defining multiple targets for drilling on its base and precious metals properties. Key highlights included:

- i) The definition of a significant and high-grade, flake-graphite, **Exploration Target estimate of 13 to 17 million tonnes grading 8% to 11% Total Graphitic Carbon (TGC) and containing 1.1 to 1.7 million tonnes of graphite** for its 100% owned and granted Gapyeong, Yongwon and Eunha North, Flake-Graphite Projects in South Korea (see inset Figure 1 for location)<sup>D3</sup>. The potential quantity (tonnage and contained graphite) and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration work conducted to estimate a Mineral Resource and it is uncertain if further exploration will result in the definition of a Mineral Resource at any of the Company’s graphite projects.
- ii) The commencement of the initial diamond drilling programme at the high-grade Gapyeong Flake-Graphite Project with the objective of defining a maiden Mineral Resource and, post Quarter end, the intersection of significant graphitic mineralisation in the first three drillholes<sup>D1</sup>.
- iii) Thick and high-grade channel sampling intersections across the Gapyeong flake-graphite deposit including: **GC0001: 12.5m (8.0m true width, TW) @ 10.6% TGC including 2.6m (2m TW) @ 14.5% TGC and GC0002: 13.1m (10.4m TW) @ 12.3% TGC including 6.66m (5.2m TW) @ 17.2% TGC<sup>D4</sup>**.
- iv) Significant graphite intersections produced from four of the five initial diamond drillholes and four surface channels at the **Eunha North** and **Eunha Roadhouse** graphite deposits<sup>D5</sup>.
- v) The definition of a series of ground magnetics targets at the **Ilweol Zinc-lead-Copper Prospect on the Ubeong Project** (see Figure 1) along extensions to the known, historically mined, zinc-lead-copper skarn mineralisation. Drilling is proposed to follow-up previous Korean Resources Corporation (“KORES”) drilling intersections including **7m @ 14.6% Zn, 2.1% Cu**, subject to finalising access agreements to private land<sup>D10</sup>.
- vi) Two drillholes have also tested the **Osu** high-grade silver-gold lode targets post Quarter end, with results pending<sup>D2</sup>.
- vii) A capital raising was in progress at Quarters end, including a Placement and Share Purchase Plan (SPP) that has now raised a total of \$886,420 including Directors subscriptions of \$65,000 that are subject to shareholder approval at the Company’s AGM on the 9<sup>th</sup> of November 2018.
- viii) The Company had \$817k cash at Quarters end (excluding final proceeds of the SPP) and no debt.



**Figure 1: Peninsula Mine's South Korean Project Locations**

### Graphite Projects:

#### Graphite Exploration Target Defined:

Peninsula is currently focused on drilling and developing multiple flake-graphite projects in South Korea and has set a significant and high-grade, flake-graphite, Exploration Target estimate of **13 to 17 million tonnes grading 8% to 11% Total Graphitic Carbon (TGC) and containing 1 to 1.9 million tonnes of graphite** for its 100% owned and granted Gapyeong, Yongwon and Eunha North, Flake-Graphite Projects (see Figure 1 for locations)<sup>D3</sup>. The potential quantity (tonnage and contained graphite) and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration work conducted to estimate a Mineral Resource and it is uncertain if further exploration will result in the definition of a Mineral Resource at any of the Company's graphite projects.

The Exploration Target estimate is summarised in Table 1 below and has been determined using a combination of exploration data that includes: mapping and surface channel sampling, geophysical modelling of electromagnetics (EM) data and initial drilling at Eunha North, that verified the correlation between channel sampling and EM modelling.

**Table 1: Exploration Target estimate for Peninsula's 100% owned flake-graphite deposits in South Korea**

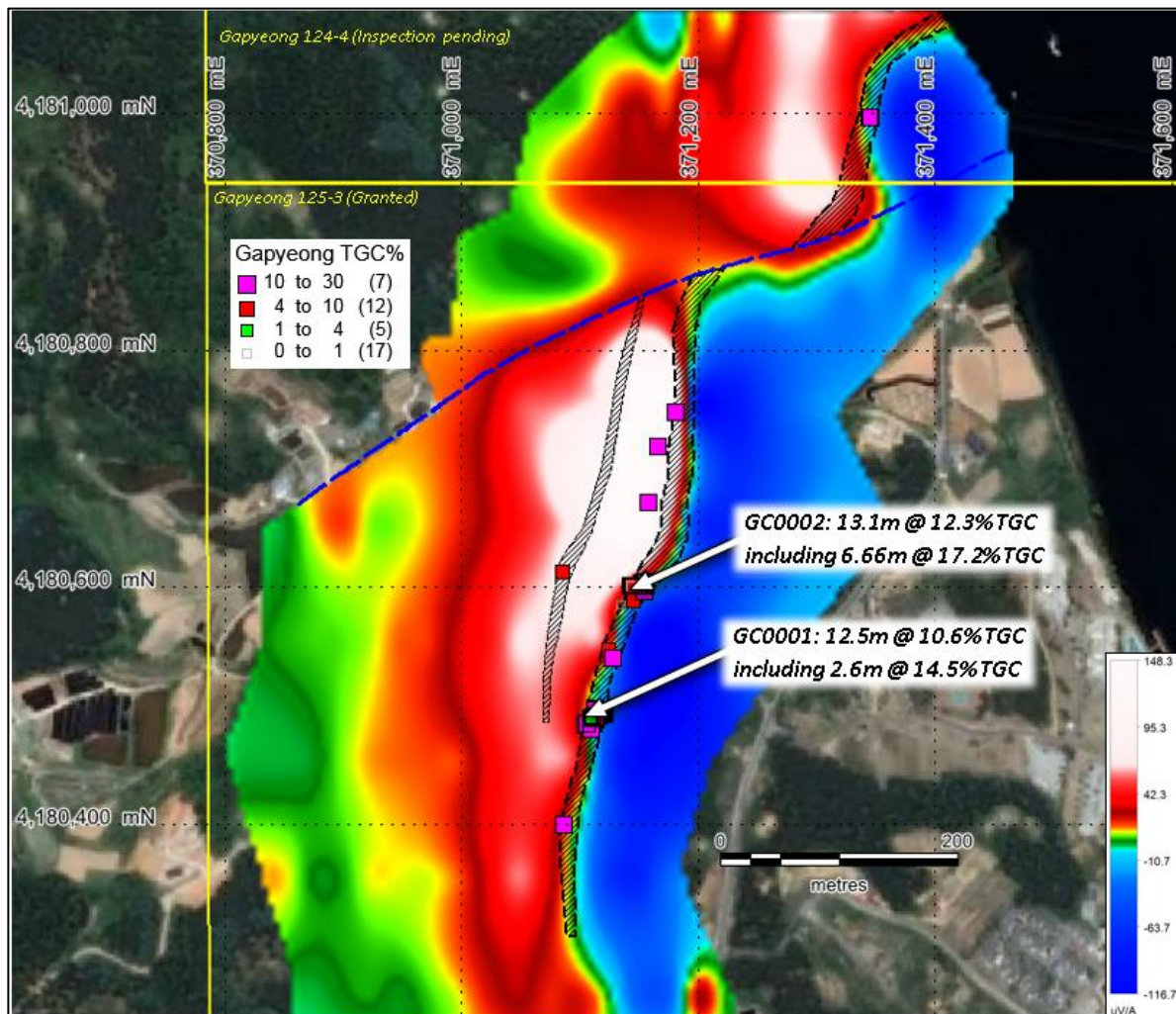
Project	Tonnes (Approximate)		Grade (TGC)		Graphite Tonnes (Approximate)	
	Low	High	Low	High	Low	High
Eunha North	750,000	1,000,000	2%	4%	20,000	40,000
Gapyeong	10,500,000	13,750,000	8%	12%	830,000	1,640,000
Yongwon	1,750,000	2,250,000	8%	12%	140,000	270,000
<b>Total</b>	<b>13,000,000</b>	<b>17,000,000</b>	<b>8%</b>	<b>11%</b>	<b>990,000</b>	<b>1,950,000</b>

### **Gapyeong Flake Graphite Project Channel Sampling Results and Drilling:**

At the 100% owned and granted Gapyeong Flake-Graphite Project a 1km strike length corridor of graphitic units have been defined by EM surveys and surface sampling results averaging more than 16% TGC<sup>D8,D12,D13</sup>.

During the Quarter high-grade channel sampling intersections were produced that included **GC0001: 12.5m (8.0m true width, TW) @ 10.6% TGC including 2.6m (2m TW) @ 14.5% TGC** and **GC0002: 13.1m (10.4m TW) @ 12.3% TGC including 6.66m (5.2m TW) @ 17.2% TGC** (see Figure 2 below)<sup>D4</sup>.

The EM and surface rockchip and channel sampling contributed to the definition of the Exploration Target model for Gapyeong (see Table 1 above)<sup>D3</sup>, which is now being drilled with the objective of defining a maiden, high-grade, flake graphite Mineral Resource. The first three holes of the drilling programme, post Quarter end, have intersected significant graphite mineralisation<sup>D1,D2</sup>.



**Figure 2: Gapyeong graphitic units, electromagnetic anomalies, channel and rock chip sampling**

Subject to generation of additional metallurgical samples from the drilling programme, a >5kg composite graphite concentrate sample of +95% TGC will be generated for spherical graphite test work (including micronisation, spheronisation and purification targeting >99.95% TGC) to meet Korean lithium-ion battery anode manufacturers' specifications<sup>D11</sup>.

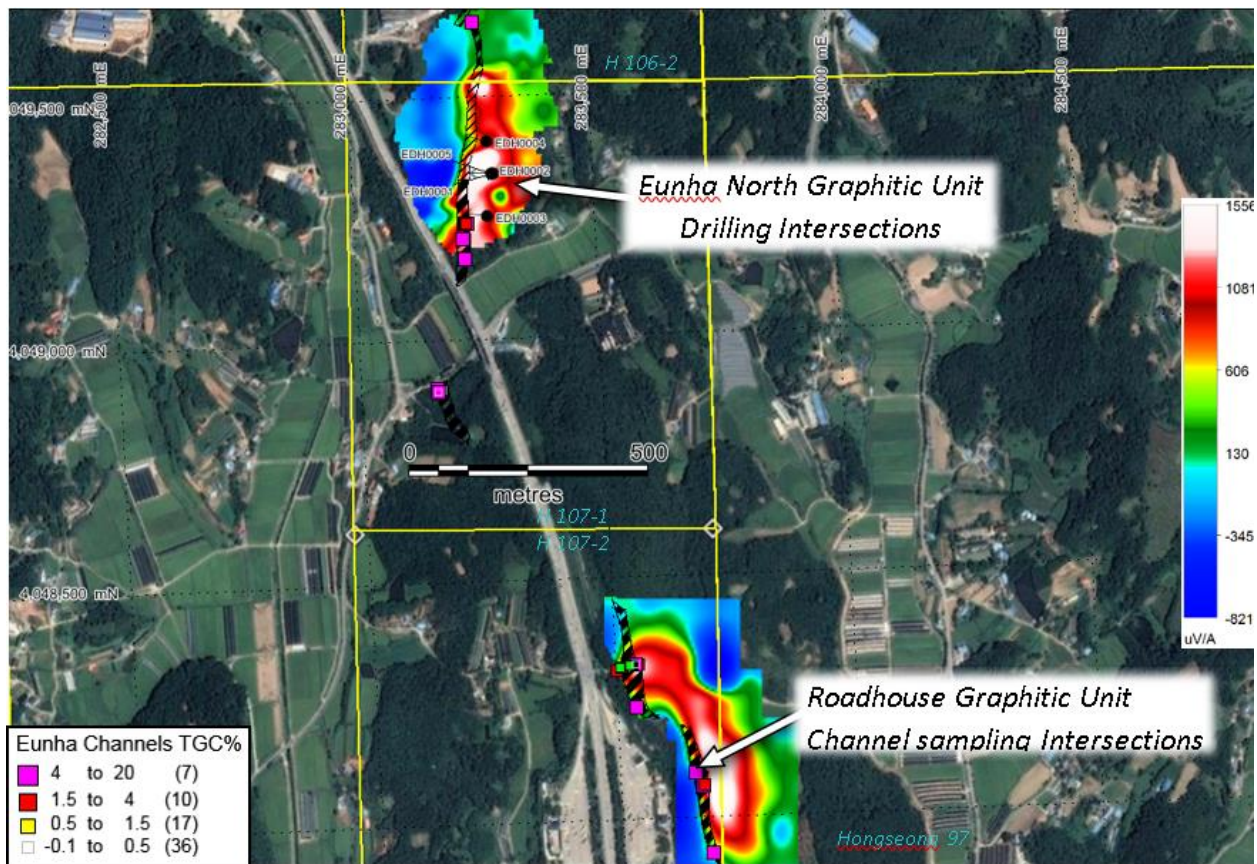
The Company has developed a Research and Development (R & D) programme with the objective of developing a non-hydrofluoric acid purification technique in collaboration with the CSIRO.

### ***Eunha Flake Graphite Project – Drilling and Channel Sampling Results:***

Four out of five initial drill holes at Eunha North (see Figure 3 below) intersected graphitic mineralisation and included drilling intersections of: **EHD0003: 10.87m (8.3m true width) @ 2.5% TGC from 56.1m including 5.19m @ 4.0% TGC and EHD0005: 6.68m (4.3m true width) @ 2.8% TGC from 66.99m including 4.53m @ 3.73% TGC<sup>D5</sup>.**

Channel sampling was carried out at Eunha Roadhouse, 800m south of Eunha North, with significant intersections including: **EC0007: 6.89m @ 3.1% TGC including 3.11m @ 4.5% TGC and EC0005: 8.9m @ 2.8% TGC including 4.0m @ 3.2% TGC<sup>D5</sup>.**

These results contributed to the definition of the Exploration Target summarised in Table 1, above<sup>D3</sup>. Further Mineral Resource definition drilling is to be planned in due course to confirm the down dip continuity of graphitic mineralisation modelled from the EM survey<sup>D13</sup>.



**Figure 3: Eunha EM anomalies, mapped graphitic outcrop, channel samples and resource drilling<sup>D2</sup>**

### **Base and Precious Metals Projects:**

#### ***Ubeong Zinc-Lead-Copper Project:***

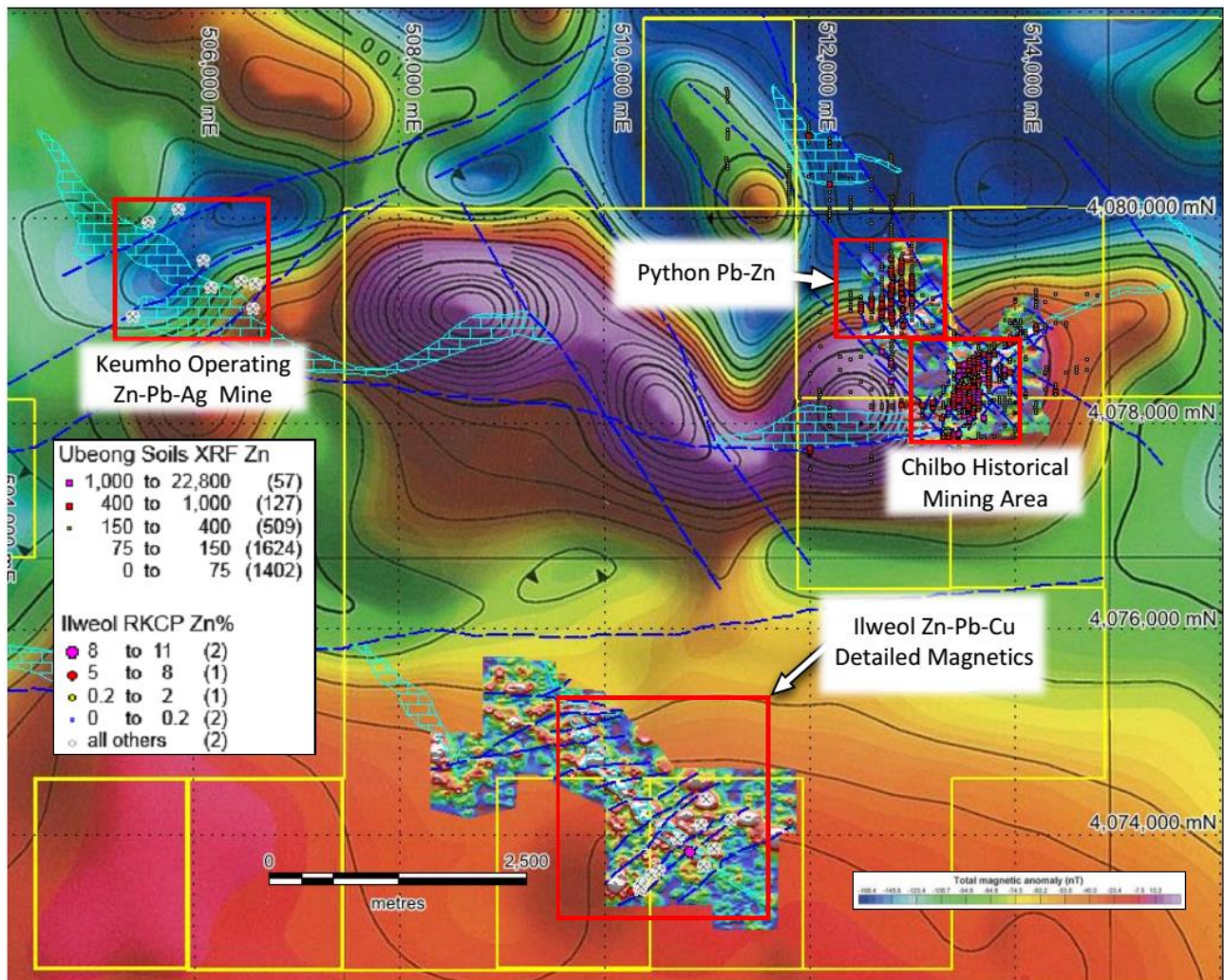
The Ubeong Project consists of seven granted and 100% owned exploration and mining tenements and multiple tenement applications covering more than a 10km x 10km area of mineralised skarn-horizons that include numerous historical workings on massive zinc, lead and copper sulphide occurrences. The tenements are adjacent to the operating Keumho Zinc-Lead-Silver Mine (see Figure 4, below).

Peninsula is the first Company to apply modern exploration techniques to this highly prospective area including detailed magnetics and Induced Polarisation ("IP") geophysics, surface rock chip and soil geochemistry and drilling.

This exploration programme has generated multiple, zinc-lead-copper (+/- silver, gold) targets at Chilbo, the site of numerous historical workings, and a new discovery at Python to the north west, which Peninsula has diamond drilled intersecting massive, brecciated and disseminated sulphides in UBD0005. The results of UBD0005 were slightly higher than indicated by previous hand-held XRF readings and including an intersection of **9.31m @ 1.17% combined Zn and Pb (0.7% Zn and 0.47% Pb) from 54.14m including 1.03m @ 3.03% Zn, 2.53% Pb from 61.38m** (same zone that included previously reported hand-held XRF results of up to 22.5% Pb and 21.4% Zn from massive galena (Pb) and sphalerite (Zn) sulphides), as well as **1.1m @ 2.12% Zn including 0.4m @ 4.69% Zn from 42.55m and 0.09m @ 8.8% Zn from 82.05m**<sup>D10</sup>.

The granting of the Ilweol Prospect tenements, 6km south west of Chilbo, during Q2 2018, enabled the release of historical drilling records to the Company, confirming high-grade diamond drilling intersections that included: **7.0m (4.0m TW) @ 14.58% Zn, 1.37% Pb, 2.12% Cu; 2.1m (1.5m TW) @ 18.66% Zn, 11.08% Pb, 3.21% Cu & 5.5m (4.0m TW) @ 10.16% Zn, 1.61% Pb, 1.45% Cu, and 3.6m (2.5m TW) @ 15.5% Zn, 1.48% Pb.**

The Company completed a detailed ground magnetics survey over the Ilweol skarn horizon, extending the magnetic skarn corridor a further 1km to over 2km strike length (see Figure 5 below). The new magnetic anomalies to the northwest of these previous high-grade Zn-Pb-Cu intersections (Figure 1) are of similar magnitude to those associated with the massive sulphide intersections and are now the subject of soil sampling programmes to define anomalies for future drill testing<sup>D6</sup>.



**Figure 4: Ubeong Project TMI ground magnetics imagery, TMI aeromagnetics, skarn-limestone and structural geology, tenements, granted and applied, and rock chip and soil sampling<sup>D6</sup>**

### **Tonggo Lithium Project**

A close spaced soil sampling grid was designed to identify sources of anomalous lithium within the north east trending pegmatite swarm. This programme is ongoing<sup>D14</sup>.

### **Osu Gold Project**

Two diamond drillholes were completed at Osu post Quarter end for approximately 320m and intersected sulphidic veining associated with the Palgong West lode structure at the Osu Gold Project (see Figure 1).

The drilling followed up previous limited drilling in 1975 by the Korean Mineral Promotion Corporation, now the Korea Resource Corporation (KORES), that intersected very high-grade silver (Ag) with gold (Au) mineralisation in diamond drill hole **75-2: 0.3m @ 5.1 g/t Au, 2,252 g/t Ag from 86.3m and 0.4m @ 8.4 g/t Au, 6,121 g/t Ag from 110.8m<sup>D10</sup>**.

The two drillholes at Osu will satisfy the minimum work programme requirement for extension of the Osu project tenement for a further three year exploration period.

### **Daehwa Molybdenum-Tungsten Project**

The final payment of KRW 400 million (~A\$500k) for the sale of the Daehwa Project is due and payable and expected to be paid during the December quarter<sup>D14</sup>.

### **Camel Hills Joint Venture, Western Australia**

The Camel Hills Project tenure was surrendered in August 2018, following a thorough project review.

### **Corporate**

Peninsula's expenditure during the Quarter was \$504k, including approximately 60% exploration and development costs. Administration costs included a significant component devoted to capital raising activities.

A Placement and Share Purchase Plan (SPP) completed post the end of the Quarter raised \$886,204, including Directors subscriptions of \$65,000 that are subject to shareholder approval at the Company's AGM on the 9th of November 2018.

The company retained \$816k cash at bank at the end of the Quarter, including partial proceeds of the Placement and SPP, and no debt.

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](mailto:jdugdale@peninsulamines.com.au)

Ph: +61 8 6143 1840

### **Summary list of all previous Peninsula ASX releases referenced in this report:**

- D1 Gapyeong Drilling Graphite Intersections Confirm Target, 23 October 2018
- D2 Gapyeong high-grade graphite drilling underway, 9 October 2018
- D3 Exploration Target for Korean Flake Graphite Projects, 15 August 2018
- D4 Gapyeong high-grade graphite channel intersections, 1 August 2018
- D5 Eunha graphite intersections confirm resource targets, 27 July 2018
- D6 New magnetics highlights high-grade zinc targets at Ilweol, 3 July 2018

- D7 Eunha North drilling graphite intersections, 21 June 2018
  - D8 Key tenement granted over high-grade Gapyeong graphite, 12 June 2018
  - D9 Resource drilling commences at Eunha Graphite Project, 31 May 2018
  - D10 High grade zinc intersections at Ilweol Prospect, 15 May 2018
  - D11 Launch of Korean Graphite Value Added Processing Programme, 24 April 2018
  - D12 High grade graphite results confirm EM target at Gapyeong, 19 March 2018
  - D13 Exceptional EM conductors at Gapyeong and Daewon Graphite Projects, 14 March 2018
  - D14 Quarterly Activities Report to 30 June 2018, 31 July 2018
- For full versions of the Company's releases see Peninsula's website [www.peninsulamines.com.au](http://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 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 has previously consented to the inclusion in the release of the matters based on this information in the form and context in which it appears.*

## MINERAL TENEMENT INFORMATION

(as at 30 September 2018)

### SOUTH KOREA

SMCL – subsidiary Suyeon Mining Company Limited

KGCL – subsidiary Korea Graphite Company Limited

Deposit	Mine Land Ledger No.	Mining Right No.	PSM Holding %	*Grant/Application Date	Title Expiry	Notes
<b>Granted Tenements</b>						
Donsan	Mokgye 125	77226	100%		22-Aug-28 <sup>#</sup>	The tenement is subject to sale and PSM holds a mortgage over the title that will be lifted once the balance payment is received. The company has met all the condition precedents set for the sale and the final payment is now due.
Daehwa	Mokgye 126	77227	100%		22-Aug-28 <sup>#</sup>	The tenement is subject to sale and PSM holds a mortgage over the title that will be lifted once the balance payment is received. The company has met all the condition precedents set for the sale and the final payment is now due.
Daehwa	Mokgye 126	76166	100%		4-Jun-27 <sup>#</sup>	The tenement is subject to sale and PSM holds a mortgage over the title that will be lifted once the balance payment is received. The company has met all the condition precedents set for the sale and the final payment is now due.
Daewon	Yangdeokwon50-2	200917	100%	24-July-2017	12-Sep-24	The Company's wholly owned subsidiary SMCL was notified of the grant an Exploration Right over this block for graphite on 24 July 2017. The Company was formally granted the title on 13 Sep 2017. On 18 June 2018 this year the Company transferred the title to its wholly owned Graphite subsidiary company KGCL. The Company has up to 6 years to complete the minimum exploration requirements and define a Mineral Resource** at the Daewon Project.
Eunha	Hongseong107-1	201010	100%	15-May-2018	14-May-25	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this block on the 15 May 2018. On the 18 June 2018 the Company transferred the tenement to its wholly owned graphite subsidiary KGCL. The Company lodged a Prospecting Plan on 30 May 2018 and has until 29 May 2021 to lodge a drilling report outlining that the Company has completed at least 50% of the required prospecting works. If this report is filed successfully the Company can be granted a further 3 years to complete the minimum required drilling work and define a Mineral Resource**.
Eunha	Hongseong107-2	201010	100%	15-May-2018	14-May-25	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this block on the 15 May 2018. On the 18 June 2018 the Company transferred the tenement to its wholly owned graphite subsidiary KGCL. The Company lodged a Prospecting Plan on 30 May 2018 and has until 29 May 2021 to lodge a drilling report outlining that the Company has completed at least 50% of the required prospecting

Deposit	Mine Land Ledger No.	Mining Right No.	PSM Holding %	*Grant/Application Date	Title Expiry	Notes
						works. If this report is filed successfully the Company can be granted a further 3 years to complete the minimum required drilling work and define a Mineral Resource**.
Gapyeong	Gapyeong 125-3	201038	100%	26-July-2018	25-July-2025	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this block on the 26 July 2018. On the 5 September 2018 the Company transferred the tenement to its wholly owned graphite subsidiary KGCL. The Company has to lodge a Prospecting Plan by 25 July 2019. On successful lodgement of the prospecting plan the Company will have 3 years in which to lodge a drilling report outlining that the Company has completed at least 50% of the required prospecting works. If this report is filed successfully the Company can be granted a further 3 years to complete the minimum required drilling work and define a Mineral Resource**.
Ilweol	Dogyedong 72	200954	100%	24-November-2017	23-November-2024	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this block on the 24 November 2017. The Company has until 23 November 2018 to file a Prospecting Plan with the Local Government Office for the grant of a 6-year period for exploration over the title block.
Ilweol	Dogyedong 82	200998	100%	16-March-2018	15-March-2025	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this block on the 16 March 2018. The Company has until 15 March 2019 to file a Prospecting Plan with the Local Government Office for the grant of a 6-year period for exploration over the title block.
Palgong & Baegun	Osu 23	200471	100%	17-Dec-14	14-Dec-21	Granted to SMCL on the 17 December 2014. Exploring Plan lodged with the Ministry of Trade Industry and Economics 15 December 2015. The Company's subsidiary SMCL has until 5 <sup>th</sup> December 2018 to complete 50% of proposed drilling work, if this minimum volume of drilling work is completed and a report filed by that date the Company can apply for 3-year extension of the title.
Ubeong	Hyeondong 59	200861	100%	26-April-2017	25-April-24	The Company's wholly owned subsidiary SMCL was notified of the Ministry's intention to grant an Exploration Right over this block for Zn, Pb & Ag exploration on the 13 March 2017. The Company was formally granted the title on 26 April 2017. The Company has filed a prospecting plan and must complete 50% of the required exploration works by 7 March 2021 which would then allow the company to apply for a further 3-year extension to the exploration permit.
Ubeong	Hyeondong 60	200862	100%	26-April-2017	25-April-24	The Company's wholly owned subsidiary SMCL was notified of the Ministry's intention to grant an Exploration Right over this block for Zn, Pb & Ag exploration on the 13 March 2017. The Company was formally granted the title on 26 April 2017. The Company has filed a prospecting plan and must complete 50% of the required exploration works by 7 March 2021 which would then allow the company to apply for a further 3-year extension to the exploration permit.

Ubeong	Hyeondong 69	200863	100%	26-April-2017	25-April-24	The Company's wholly owned subsidiary SMCL was notified of the Ministry's intention to grant an Exploration Right over this block for Zn, Pb & Ag exploration on the 13 March 2017. The Company was formally granted the title on 26 April 2017. The Company has filed a prospecting plan and must complete 50% of the required exploration works by 7 March 2021 which would then allow the company to apply for a further 3-year extension to the exploration permit.
Ubeong	Hyeondong 70	200940	100%	25-August-2017	24-August-24	The Company's wholly owned subsidiary SMCL was notified of the Ministry's intention to grant an Exploration Right over this block for Zn, Pb & Ag exploration on the 25 August 2017. The Company has filed a prospecting plan and must complete 50% of the required exploration works by 11 August 2021 which would then allow the company to apply for a further 3-year extension to the exploration permit.
Ubeong	Hyeondong 70-1	200969	100%	30-December-2017	29-December-2024	The Company has until 29 Dec 2018 to file a Prospecting Plan. On receipt of the prospecting plan the company will then have up to 6 years to complete the required mineral exploration work and define a Limestone Mineral Resource over this sub-block.
Ubeong	Hyeondong 68	201052	100%	7-August-2018	6-August-2025	The Company's wholly owned subsidiary SMCL has until 6 August 2019 to file a Prospecting Plan. On receipt of the prospecting plan the company will then have up to 6 years to complete the required mineral exploration work and define a Limestone Mineral Resource over this sub-block.
Ubeong	Hyeondong 78	200941	100%	25-August-2017	24-August-2024	The Company's wholly owned subsidiary SMCL was notified of the Ministry's intention to grant an Exploration Right over this block for Zn, Pb & Ag exploration on the 25 August 2017. The Company has filed a prospecting plan and must complete 50% of the required exploration works by 11 August 2021 which would then allow the company to apply for a further 3-year extension to the exploration permit.
Wolmyeong	Cheongsan 69-2	200812	100%	20-Dec-17	19-Dec-2023	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this sub-block for graphite exploration on the 20 December 2016. On the 18 June 2018 the Company transferred the tenement to its wholly owned graphite subsidiary KGCL. The Company successfully filed a prospecting report on 8 December 2017. The Company must complete 50% of the required exploration works by 7 December 2020 which would then allow the company to apply for a further 3-year extension to the exploration permit.
Wolmyeong	Cheongsan 69-4	200812	100%	20-Dec-17	19-Dec-23	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this sub-block for graphite exploration on the 20 December 2016. On the 18 June 2018 the Company transferred the tenement to its wholly owned graphite subsidiary KGCL. The Company successfully filed a prospecting report on 8 December 2017. The Company must complete 50% of the required

						exploration works by 7 December 2020 which would then allow the company to apply for a further 3-year extension to the exploration permit.
Wolmyeong	Cheongsan 79-2	200813	100%	20-Dec-17	19-Dec-23	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this sub-block for graphite exploration on the 20 December 2016. On the 18 June 2018 the Company transferred the tenement to its wholly owned graphite subsidiary KGCL. The Company successfully filed a prospecting report on 8 December 2017. The Company must complete 50% of the required exploration works by 7 December 2020 which would then allow the company to apply for a further 3-year extension to the exploration permit.
Wolmyeong	Cheongsan 79-4	200813	100%	20-Dec-17	19-Dec-23	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this sub-block for graphite exploration on the 20 December 2016. On the 18 June 2018 the Company transferred the tenement to its wholly owned graphite subsidiary KGCL. The Company successfully filed a prospecting report on 8 December 2017. The Company must complete 50% of the required exploration works by 7 December 2020 which would then allow the company to apply for a further 3-year extension to the exploration permit.
Wolmyeong	Cheongsan 89-1	200814	100%	20-Dec-17	19-Dec-23	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this sub-block for graphite exploration on the 20 December 2016. On the 18 June 2018 the Company transferred the tenement to its wholly owned graphite subsidiary KGCL. The Company successfully filed a prospecting report on 8 December 2017. The Company must complete 50% of the required exploration works by 7 December 2020 which would then allow the company to apply for a further 3-year extension to the exploration permit.
Yongwon	Eumseong 32-1	200811	100%	20-Dec-17	19-Dec-23	The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this sub-block for graphite exploration on 20 December 2016. On the 18 June 2018 the Company transferred the tenement to its wholly owned graphite subsidiary KGCL. The Company successfully filed a prospecting report on 27 September 2017. The Company must complete 50% of the required exploration works by 26 September 2020 which would then allow the company to apply for a further 3-year extension to the exploration permit.

Tenement Applications						
Chaesan	Dogyedong 102	2079	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Chaesan	Dogyedong 112	2080	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Daewon	Yangdeokwon 50-1 <sup>+</sup>	3441	100%	14-Sep-18	13-Mar-19	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Dongsugeok	Hyeondong 6	1928	100%	27-Apr-18	26-Oct-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Dongsugeok	Hyeondong 7	1927	100%	27-Apr-18	26-Oct-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Eepo	Eepo11	2479	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Eunha	Hongseong 97-4	1348	100%			KGCL lodged an MDS on 16 May 2018 and a field inspection by the MRO was undertaken on 23 August 2018, formal grant of the tenement is expected within the next 2 months.
Eunha	Hongseong 106-2	2542	100%			KGCL lodged an MDS on 16 May 2018 and a field inspection by the MRO was undertaken on 23 August 2018, formal grant of the tenement is expected within the next 2 months.
Gapyeong	Gapyeong124-4	1453	100%			KGCL lodged an MDS on 16 May 2018 and a field inspection by the MRO was undertaken on 16 August 2018, formal grant of the tenement is expected within the next 2 months.
Gapyeong	Gapyeong124 <sup>+</sup>	3438	100%	14-Sep-18	13-Mar-19	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Goseon North	Seobyek59	2477	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Goseon North	Seobyek 60	2478	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Goseon South	Seobyek 49	2475	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Goseon South	Seobyek 50	2476	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Goseong	Ganseong 23	1937	100%	27-April-18	26-Oct-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Goseong	Ganseong 24	1938	100%	27-April-18	26-Oct-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Ilweol	Dogyedong 62	2078	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ilweol	Dogyedong 71	2480	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ilweol	Dogyedong 81	2481	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ilweol	Dogyedong 91	2482	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Janggi	Janggiri 46	2472	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Palgong	Osu 13	2469	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Palgong	Osu 14	2470	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Palgong	Osu 24	2471	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Tonggo	Hyeondong 35	1787	100%	13-Apr-18	12-Oct-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend

Tonggo	Hyeondong 36	1788	100%	13-Apr-18	12-Oct-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Tonggo	Hyeondong 46	1789	100%	13-Apr-18	12-Oct-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 49	2474	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 50	2070	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 79	2071	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 80	2072	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 89	2073	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 90	2074	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 99	2075	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 100	2076	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 130	2077	100%	15-May-18	14-Nov-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Dogyedong61	2473	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Wolmyeong	Cheongsan 69	1930	100%	27-Apr-18	26-Oct-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Wolmyeong	Cheongsan 70	1931	100%	27-Apr-18	26-Oct-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Wolmyeong	Cheongsan 79	1932	100%	27-Apr-18	26-Oct-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Wolmyeong	Cheongsan 89	1936	100%	27-Apr-18	26-Oct-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Wolmyeong	Cheongsan 99	1933	100%	27-Apr-18	26-Oct-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Yongduri	Yongduri20	2483	100%	15-Jun-18	14-Dec-18	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Yongwon	Eumseong 11	2467	100%	15-Jun-18	14-Dec-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Yongwon	Eumseong 21	2468	100%	15-Jun-18	14-Dec-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Yongwon	Eumseong 22	888	100%	27-Apr-18	26-Oct-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Yongwon	Eumseong 32	889	100%	27-Apr-18	26-Oct-18	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years

\*For all tenement applications, SMCL must lodge a Mineral Deposit Survey (MDS) prior to the expiry date to facilitate the grant of an exploration permit for up to 7 years.

# The titles are subject to sale agreement. The forest access permission has been renewed and the Mining Right as was required as a condition precedent of the Daehwa Project sale.

+ Tenement reapplied for post financial year end.

\*\* The Mineral Resource required under the terms of the Korean Mineral Law need not be JORC compliant.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

PENINSULA MINES LTD

### ABN

56 123 102 974

### Quarter ended ("current quarter")

30 SEPTEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(267)	(267)
(b) development		
(c) production		
(d) staff costs*		
(e) administration and corporate costs	(238)	(238)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(504)</b>	<b>(504)</b>

\* The company's accounting policy allocates staff costs to activities and are accordingly included in items 1.2 (a) and 1.2 (e).

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(2)
(b) tenements (see item 10)		
(c) investments		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)*		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(2)</b>	<b>(2)</b>

\*Includes 200,000,000 Korean Won paid as part deposit on sale of Daehwa Project per agreement announced 29 August 2017

<b>173. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	551	551
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(27)	(27)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)*	214	214
<b>3.10 Net cash from / (used in) financing activities</b>	<b>738</b>	<b>738</b>

\*Proceeds from Share Purchase Plan in progress at end of quarter

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	585	585
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(504)	(504)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	738	738
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>817</b>	<b>817</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1    Bank balances	817	817
5.2    Call deposits	-	-
5.3    Bank overdrafts		
5.4    Other (provide details)		
<b>5.5    Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>817</b>	<b>817</b>

**6.    Payments to directors of the entity and their associates**

- 6.1    Aggregate amount of payments to these parties included in item 1.2
- 6.2    Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3    Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
116
-

Fees to directors

**7.    Payments to related entities of the entity and their associates**

- 7.1    Aggregate amount of payments to these parties included in item 1.2
- 7.2    Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3    Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	308
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	164
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>472</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:  
(Company secretary)

Date: 31 October 2018

Print name: Eric Moore

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.