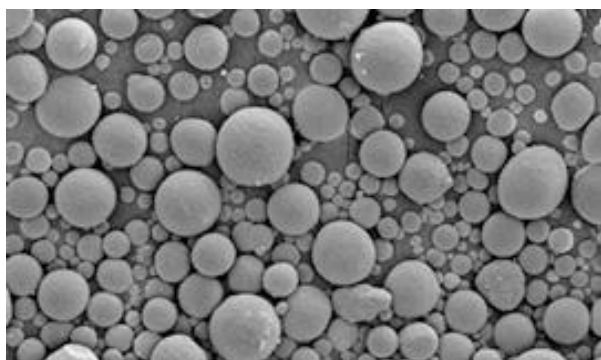


## PENINSULA SIGNS MOU WITH KOREAN LI-ION BATTERY ANODE SUPPLIER

Peninsula Mines Ltd (ASX:PSM) via 100% owned subsidiary Korea Graphite Co. Ltd (“Korea Graphite” or “KGL”), has signed a Memorandum of Understanding (“MOU”) with a South Korean high-technology manufacturing company, Tera Technos Co., Ltd (“Tera Technos”), that specialises in the production of high performance carbon composite “SiOx” anode materials, a modified and enhanced version of spherical graphite, see “Tera Series” product photomicrograph below (Spheroid size <20µm):



The MOU includes an initial testing programme, to be conducted by Tera Technos, to complete spheroidisation and electrochemical testwork on graphite concentrate samples from the Company’s flagship Gapyeong Graphite Project<sup>D1–D6</sup>, and possibly the Eunha Graphite Project.

Subject to the results of the testwork, Tera Technos and Korea Graphite will use their best endeavours to negotiate a cooperation and offtake agreement allowing Korea Graphite first priority to supply Tera Technos with flake graphite concentrate to meet the tonnage

requirements and specifications required by Tera Technos for production of their proprietary “Tera-Series”, (spherical) carbon composite anode materials.

Peninsula’s Managing Director and director of Korea Graphite, Jon Dugdale, said, *“This is the first MOU that the Company has signed with a key Korean lithium-ion battery anode materials manufacturer in Tera Technos.*

*“This MOU represents a toe-hold in the world most dynamic lithium-ion battery industry in South Korea. The Company will now look to complete ground breaking spheroidisation and electrochemical testing, in parallel with advancing its key graphite projects towards development and production.”*

The MOU includes the following terms:

Korea Graphite and Tera Technos will cooperate with each other with respect to:

- i) Korea Graphite providing flake-graphite concentrate (>95% Total Graphitic Carbon, (TGC)) samples to Tera Technos based on the following specifications:
  - >95% TGC
  - 1kg, -20µm,
  - 1kg, -75µm,
  - 1kg, -150µm.
- ii) Tera Technos completing spheroidisation and electrochemical testwork on Korea Graphite flake-graphite concentrate (>95% TGC) samples and providing the results to Korea Graphite.
- iii) Subject to positive results of the testwork, Tera Technos and Korea Graphite to use best endeavours to negotiate a cooperation and offtake agreement allowing Korea Graphite first priority to supply Tera Technos with flake graphite concentrate to meet the tonnage requirements and specifications required by Tera Technos and/or related companies or partners for their product production.

### About Tera Technos:

Tera Technos is a South Korean company, incubated and funded by the Korea Institute of Energy Research(KIER) that the Korean government established in 1977.

Tera Technos manufactures and supplies high performance carbon composite “SiOx” anode material that “*can overcome the limitations of conventional anode materials for batteries and realize high capacity, high efficiency, and high stability at the same time based on source technology that has been studied for more than 10 years*”.

Tera Technos is collaborating with research institutes around the world to achieve sustainable innovation and produce an anode material for a lithium rechargeable battery with a high capacity, a high retention ratio, and excellent stability for improving the range and charging efficiency of an electric vehicle and for increasing the usage duration of small electronic devices.

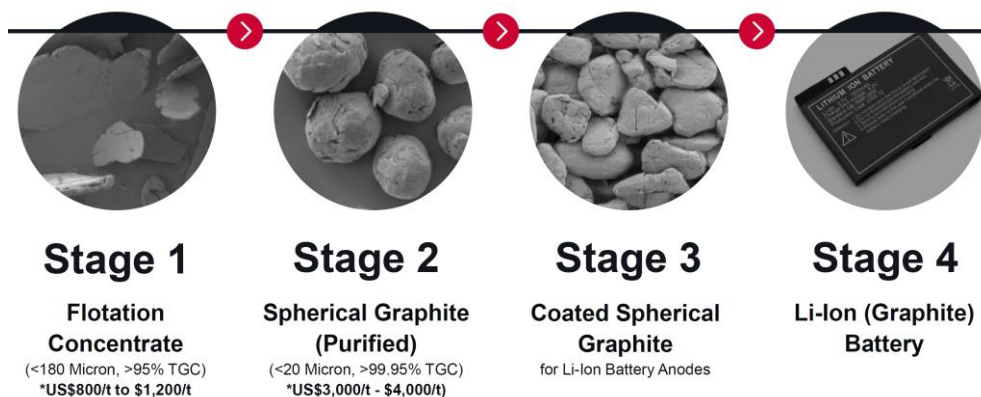
Tera Technos has several certified patents for production of its products through the collaboration with KIER. It has received significant government support and has received initial investment from the private sector such as from Samwon Tech Co., Ltd., a listed company on the KRX.

The company is planning full production of its high performance carbon composite “SiOx” anode materials from 2019.

### About Peninsula Mines/Korea Graphite:

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 more than 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. 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, July - December 2018<sup>D7</sup>.

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<sup>D8</sup>, 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 extended a Binding Supply Agreement with Canadian listed DNI Metals Inc (“DNI”)<sup>D9</sup>. Subject to various conditions, DNI will supply up to 24,000 tonnes per year of flake graphite for on-sale to Korean end-users. 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 High-Grade Graphite Intersections from Gapyeong Drilling, ASX:11/12/18
- D2 Gapyeong Drilling Intersections Confirm Exploration Target, ASX: 23/11/18
- D3 Gapyeong High-Grade Graphite Drilling Underway, ASX: 09/10/18
- D4 Gapyeong High-Grade Graphite Channel-Sampling Intersections, ASX: 01/08/18
- D5 Exploration Target for Key Korean Flake-Graphite Projects, ASX: 15/08/18
- D6 High-Purity Graphite Concentrate Confirms Potential of High Grade Gapyeong Project, ASX:23/05/18
- D7 Benchmark Mineral Intelligence Graphite Pricing Assessment, December 2018
- D8 Flake-Graphite Offtake and Development MOU signed with Korean End-User, ASX: 14/06/17
- D9 PSM extends Large-Flake Graphite supply Agreement with DNI, ASX: 22/10/18

For full versions of the Company’s releases see Peninsula’s website [www.peninsulamines.com.au](http://www.peninsulamines.com.au)

ENDS

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**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.*