

QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2018






Highlights

Peninsula Mines Limited (“Peninsula” or “the Company”) continues to pursue its strategy to develop a flake-graphite mining and processing business in South Korea to supply the South Korean lithium-ion battery manufacturing industry.

To this end, a significant milestone was achieved with the signing of a **Memorandum of Understanding** (“MOU”) with Tera Technos Co. Ltd (“Tera Technos”, or “TTCL”), announced post year-end ^{D3}. The MOU sets in place the groundwork for establishing an offtake agreement prioritising graphite supply from PSM’s wholly owned subsidiary, Korea Graphite Co. Ltd (“KGCL” or “Korea Graphite”), to TTCL ^{D3}.

Furthermore, the completion of the initial, six diamond drill hole programme for 458m at the Gapyeong Flake-Graphite Project, with significant flake graphite mineralisation intersected in all holes, including **10.63m at 11.6% total graphitic carbon (TGC) from 61.9m** in hole GPD0005, confirming the continuation of grade and thickness, as anticipated from the geological synform model. Metallurgical analysis of fresh core is underway.

Other significant highlights included:

-  Two diamond drill holes for 321m intersected the Palgong West gold-silver mineralised structure at the Osu Project and confirmed the continuation of mineralisation below historical underground workings. High grade intersections included **0.31m at 22.2g/t Au and 182g/t Ag from 157.79m**^{D5}.
-  A successful capital raising and the completion of the sale of the Daehwa Molybdenum-Tungsten Project in November 2018 ^{D6,10,11}.
-  Encouraging ground magnetic targets along extensions to the known, historically mined, zinc-lead-copper skarn mineralisation at the **Ilweol Zinc-lead-Copper Prospect, Ubeong Project** (see Figure 1 for location).
-  Mr Richard Henning was appointed Managing Director, effective 14 January 2019, and his Korean, Australian and global management experience will take Peninsula forward with its development strategy.
-  The corporate restructure boosted Korean interests in the Company with the appointment of Mr Young Yu as Non-Executive Director to the Peninsula Board. Mr Yu’s previous government appointments representing Australia in South Korea stand him in good stead to ensure that Peninsula gains exposure to further Korean offtake and investment opportunities.

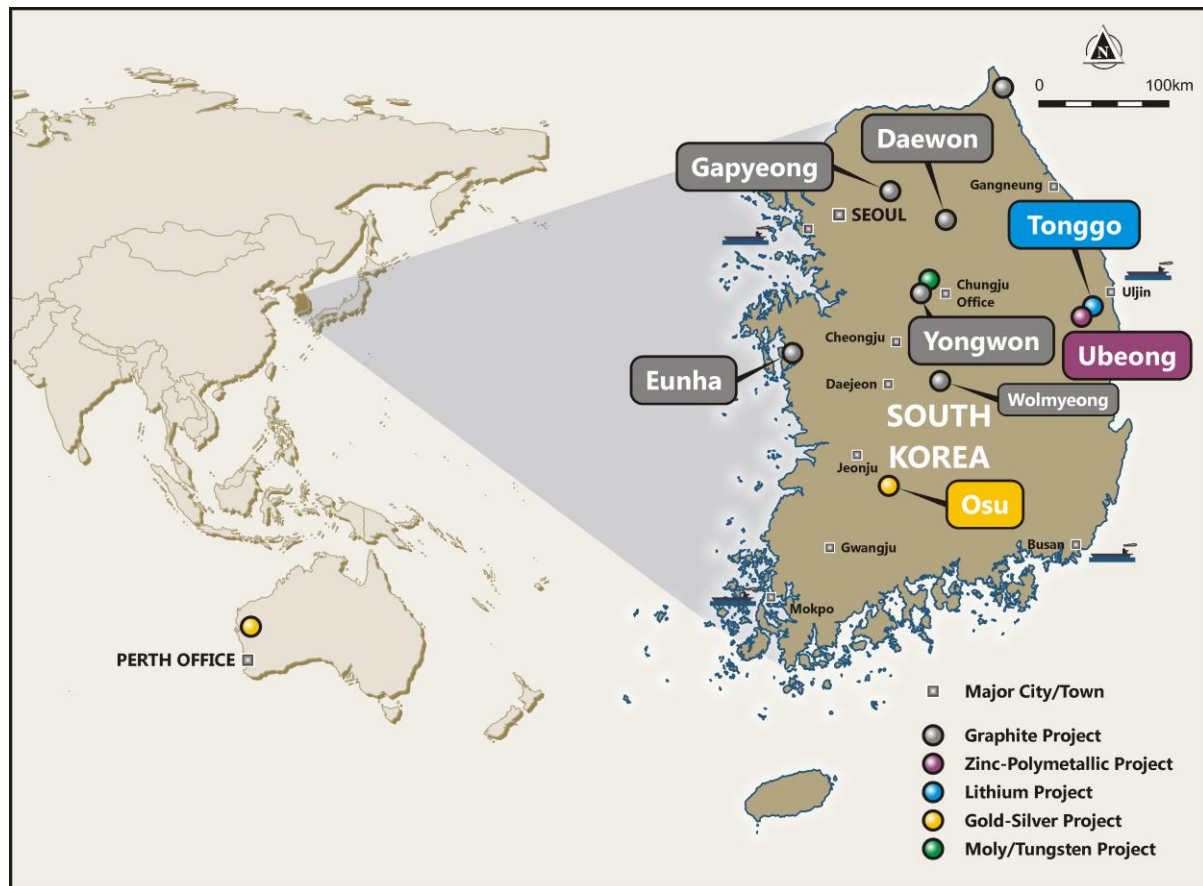


Figure 1: Peninsula Mine's South Korean Project Locations

Gapyeong Flake Graphite Project

Peninsula's flagship Gapyeong Project secures flake-graphite mineralised units striking north-south over 1km. The units have been defined by ground electromagnetic (EM) surveys, surface mapping and sampling, as well as drilling and trenching during the fourth Quarter 2018.

During the Quarter, Peninsula completed six diamond drill holes across the southern EM anomaly on two east-west section lines for 458m, to intersect the graphite in the geologically interpreted synform fold at depth. Significant LECO assay results from the drill core included:

GPD0001: 6.55m (5.1m True width (TW)) @ 7.9% TGC from 39.6m incl. 2.47m (2.1m TW) @ 11.9% TGC

GPD0002: 10.56mm (6.7m TW) @ 7.1% TGC from 70.91m including 5.44m (3.0m TW) @ 10.0% TGC, and, 1.81m (1.14m TW) @ 10.7% TGC from 86.95m

GPD0004: 6.45m (5.1m TW) @ 4.6% TGC from 15.22m and 2.64m (2.5m TW) @ 7.7% TGC from 38.13m

GPD0005: 10.63mm (7.4m TW) @ 11.6% TGC from 61.9m including 8.63m (6.0m TW) @ 12.1% TGC ^{D4}

These results confirm the anticipated continuity and thickness of the graphitic units at depth, particularly in the eastern fold limb and fold hinge. Trenching results received post Quarter-end have extended the mineralised strike length to 400m along the southern EM anomaly, open to the south. Results include:

GC0004: 9.69m @ 9.7% TGC, including 7.21m @ 10.6% TGC (400mN) and

GC0003: 3.97m @ 9.8% TGC and 5.62 @ 6.0% TGC (680mN) ^{D1}

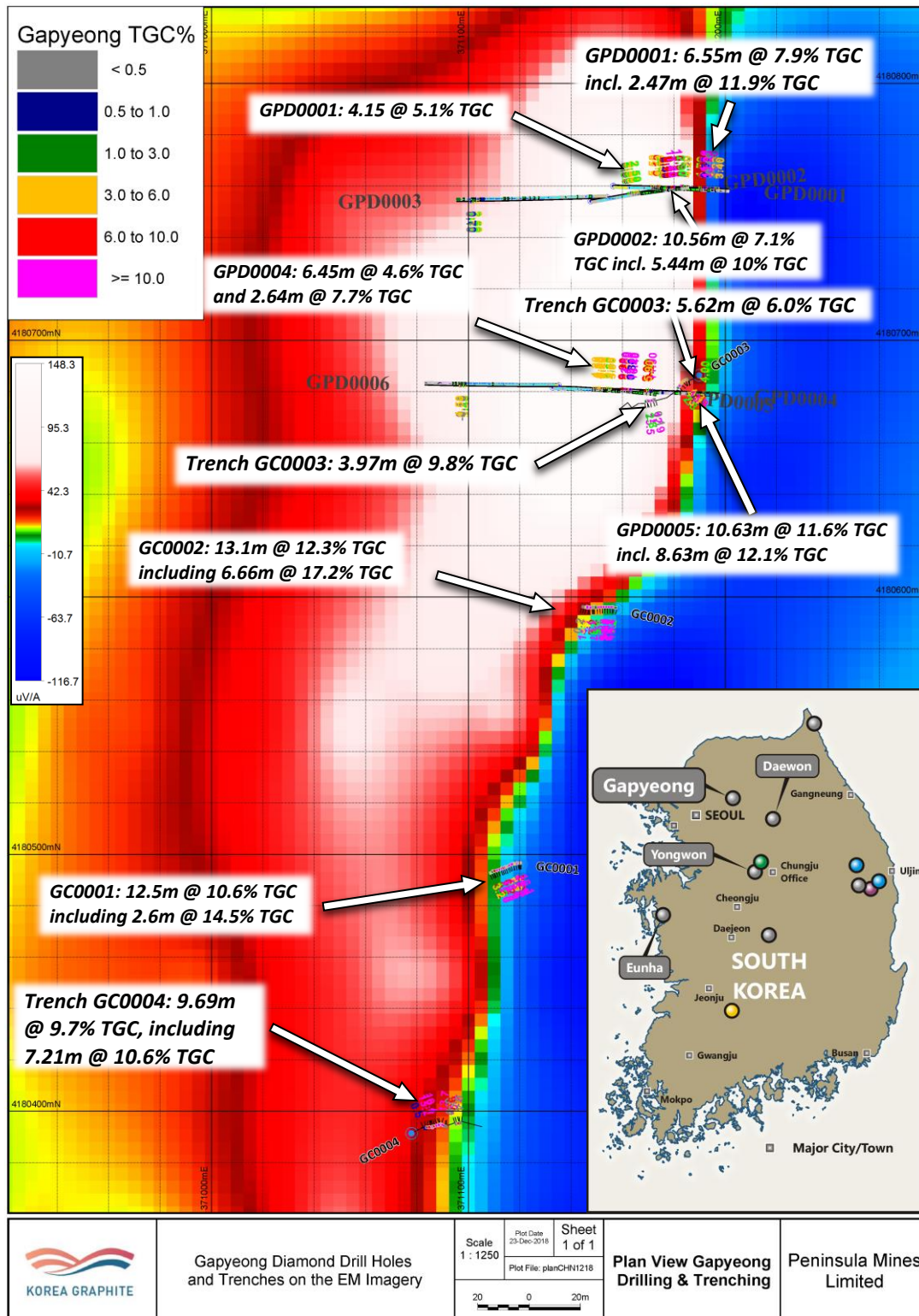


Figure 2: Diamond drill holes and trenches over Gapyeong EM anomaly ^{D1}

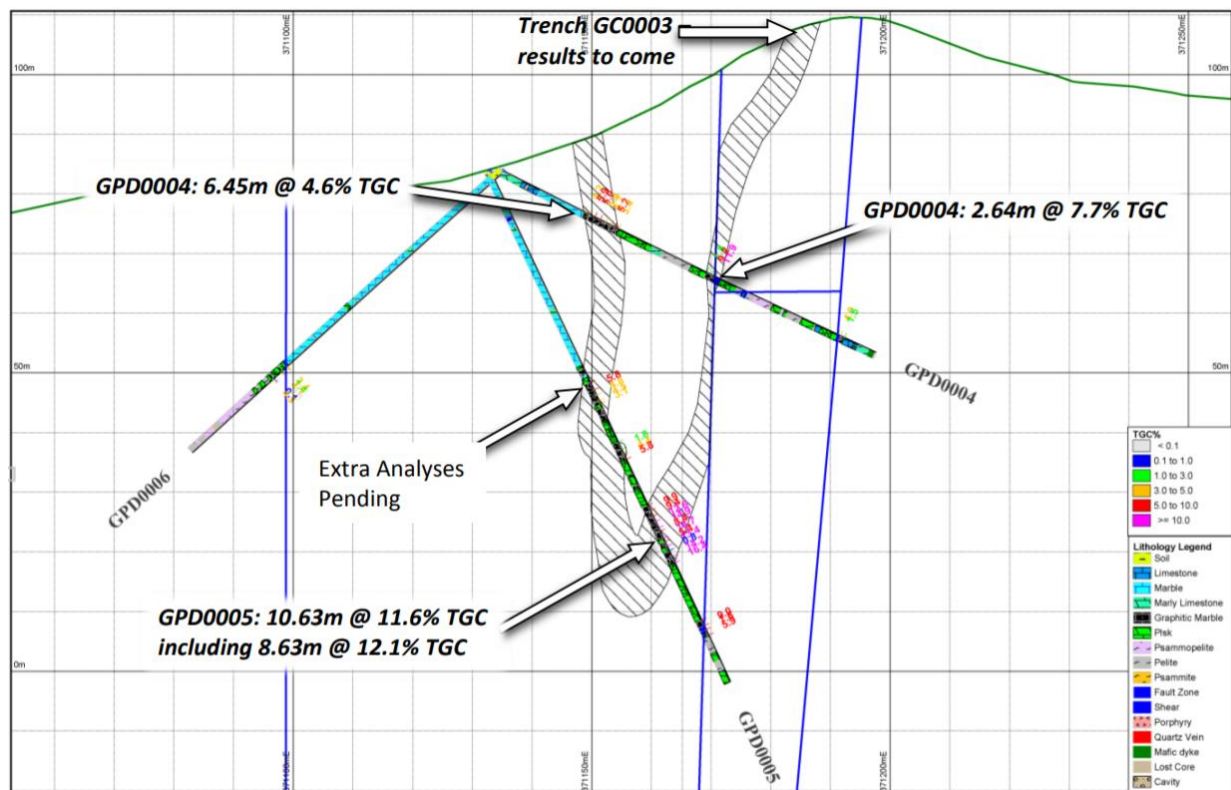


Figure 3: Gapyeong drill section 4,180,680N showing synformal graphitic units intersected in drilling with more results to come ^{D1}

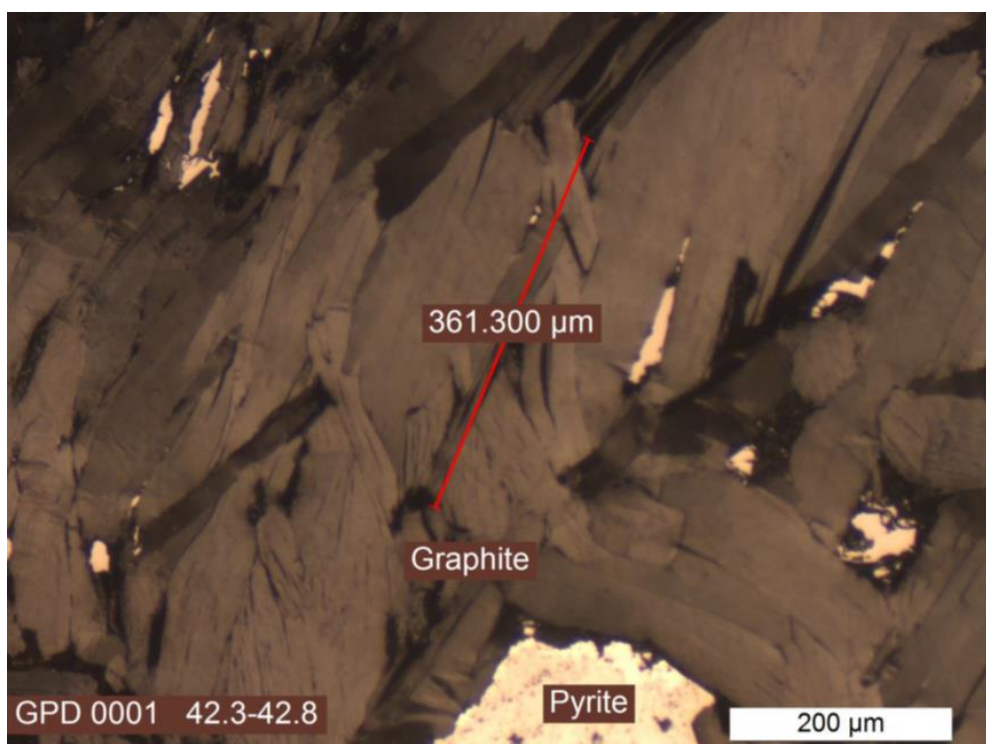


Figure 4: Thin section of Gapyeong drill core showing large flakes of graphite in relation to sulphides ^{D1}

Petrography of the Gapyeong drill core shows large flake graphite with interstitial pyrite, pyrrhotite and other sulphides which were not present in surface samples. This necessitates further metallurgical test work to confirm that a concentrate grade >95%TGC can be achieved from the fresh rock core samples^{D1}.

Graphite Business Development

Early in 2019, Peninsula reported a significant MOU between PSM subsidiary Korea Graphite and Tera Technos, a South Korean manufacturer of high-performance, carbon composite “SiOx” anode materials. TTCL plan to carry out initial sphericalisation testing of KGCL’s graphite concentrates. This will enable further negotiations to establish KGCL as a preferred supplier^{D3,7}.

Other Graphite Projects

Eunha Flake Graphite Project drilling and channel sampling were reported for the last Quarter.

Daewon and Yongwon Flake Graphite Projects - access arrangements are still under negotiation^{D8}.

Wolmyeong Graphite Project - KGCL is seeking Korean partners to develop the Wolmyeong amorphous graphite deposit, formerly the largest graphite mine in Korea, for use in steel production^{D8}.

Ubeong Zinc-Lead-Copper Project

The 100% owned Ubeong Project consists of seven granted tenements and multiple tenement applications covering the Chilbo and Ilweol Prospects covering areas of historically mined, mineralised skarn (see Figure 5, below).

Peninsula is the first Company to apply systematic exploration techniques to this highly prospective area including detailed magnetics and Induced Polarisation (“IP”) geophysics and Electro Magnetic (EM) surveys and systematic soil geochemistry programme. Other work done by PSM includes surface rock chip sampling and drilling.

Peninsula’s diamond drilling at the Chilbo Prospect, the site of numerous historical workings in the project’s east, and at Python in the north east, has intersected massive, brecciated and disseminated sulphides. At the Ilweol Prospect, in the Project’s south, historical diamond drilling records included high-grade intersections of **7.0m (4.0m TW) @ 14.58% Zn, 1.37% Pb, 2.12% Cu**^{D13}. Here, the Company completed a detailed ground magnetic survey over the Ilweol skarn horizon in the third Quarter 2018, extending the prospective magnetic skarn strike length to over 2km. Several of the magnetic anomalies are coincident with zones of massive sulphide intersected in the historical drill holes. Numerous other magnetic highs further along strike remain untested.

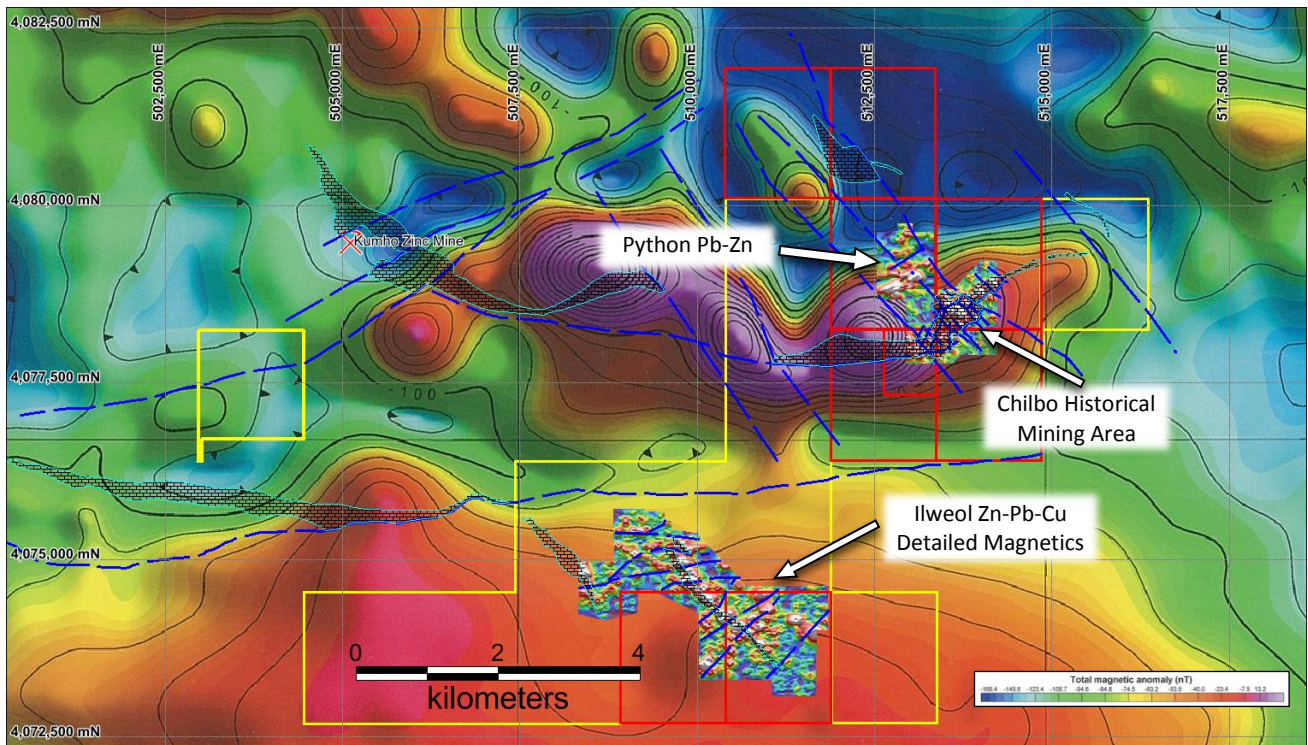


Figure 5: Ubeong Project TMI detailed ground magnetics imagery, TMI regional aeromagnetics, skarn-limestone (black) and structural geology (dark blue), granted tenements (red) & applications (yellow) ^{D13}.

Osu Gold Project

Following PSM successfully securing access, two diamond drillholes for 321m were drilled at the Palgong West Prospect these intersected a number of steeply dipping subparallel sulphidic vein structures. High grade results included:

OSD0002: 0.31m @ 22.2 g/t Au and 182 g/t Ag from 157.79m (see Figure 6, below)

OSD0001: 0.27m @ 4.44 g/t Au from 91.3m and 1.06m @ 4.84 g/t Au, 42 g/t Ag from 140.8m ^{D5}.

Previous drilling in 1975 by the Korean Mineral Promotion Corporation, now the Korea Resource Corporation (KORES), intersected very high-grade silver (Ag) with gold (Au) mineralisation in diamond drill hole 75-2, including: **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.** The drilling has ensured an extension of the Osu project exploration permit for a further three years ^{D5}.

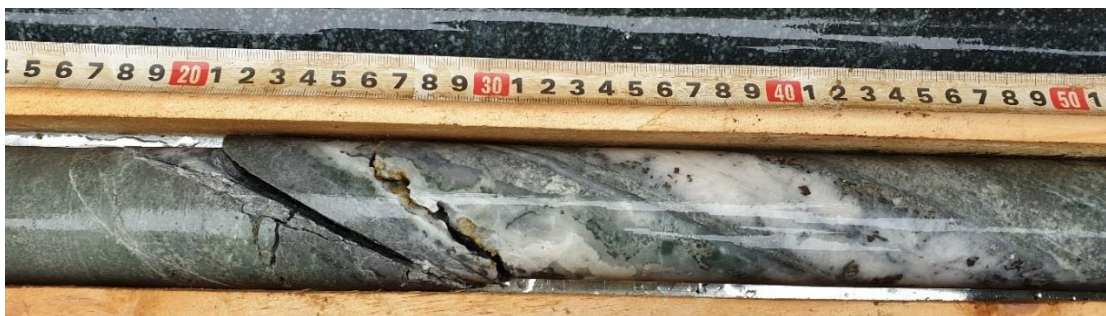


Figure 6: OSD0002 high-grade vein in drill-core 157.79m to 158.1m, 0.31m @ 22.2 g/t Au, 182 g/t Ag ^{D5}

Tonggo Lithium Project

An initial ridge and spur soil sampling programme at Tonggo in 2017 identified several anomalous lithium trends^{D12}. Further grid based soil sampling has been proposed.

Daehwa Molybdenum-Tungsten Project

The completion of the sale of the Daehwa Molybdenum-Tungsten Project was reported on 23 November 2018 following receipt of the final payment of KRW 400 million (~A\$500k), which has enabled Peninsula to focus on its priority projects^{D6}.

Corporate

Post 2018 year-end, Peninsula announced the resignation of Jon Dugdale as Managing Director and the appointment of Richard Henning to the role. Mr Henning brings a wealth of experience, having worked in Korea and other parts of Asia^{D2}.

The retirement of Martin Pyle as Non-executive Director provided an opportunity for the appointment of Mr Young Yu to the non-executive role. Mr Yu is currently the Chairman of the Australia Korea Business Council of Western Australia and previously represented the Australian government in Korea. His appointment brings valuable South Korean representation to the Board^{D2}.

The completed Placement and Share Purchase Plan (SPP) raised **\$939,275** before costs, including Directors subscriptions of \$65,000, to enable the ongoing development of Peninsula's priority projects^{D6,10}.

Peninsula's operating expenditure during the Quarter was \$621k, including approximately 65% exploration and development costs.

The company retained \$823k cash at bank at the end of the year with no debt.

For further information please contact:

Richard Henning

Managing Director, Peninsula Mines Ltd (ASX:PSM)

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

E: rhenning@peninsulamines.com.au

Ph: +61 8 6143 1840

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

- D1 Gapyeong Graphite Channel Intersections Extend Target, 21 January 2019
- D2 Peninsula boosts Korean representation on the Board, 14 January 2019
- D3 Peninsula MOU with Korean Li-ion battery anode supplier, 9 January 2019
- D4 High-grade graphite intersections from Gapyeong drilling, 11 December 2018
- D5 High grade gold results from Osu Project drilling, 4 December 2018
- D6 Peninsula receives final payment for Daehwa Project sale, 23 November 2018
- D7 Peninsula amends and extends flake graphite supply agreement, 22 November 2018
- D8 Quarterly Activities and Cashflow Report, 31 October 2018

- D9 Gapyeong Drilling Graphite Intersections Confirm Target, 23 October 2018
- D10 Peninsula Completes Share Purchase Plan, 19 October 2018
- D11 Gapyeong High-Grade Graphite Drilling Underway, 9 October 2018
- D12 Tonggo project generates highly anomalous lithium soil geochemistry results, 22 December 2017
- D13 New magnetics highlights high-grade zinc targets at Ilweol, 3 July 2018

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 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 31 December 2018)

SMCL – subsidiary Suyeon Mining Company Limited

SOUTH KOREA

KGCL – subsidiary Korea Graphite Company Limited

Deposit	Mine Land Ledger No.	Mining Right No.	PSM Holding %	*Grant/Application Date	Title Expiry	Notes
Granted Tenements						
Donsan	Mokgye 125	77226	0%		22-Aug-28	The tenements were formerly transferred to the purchaser and the mortgage over the title was discharged on 23 November 2019.
Daehwa	Mokgye 126	77227	0%		22-Aug-28	The tenements were formerly transferred to the purchaser and the mortgage over the title was discharged on 23 November 2019.
Daehwa	Mokgye 126	76166	0%		4-Jun-27	The tenements were formerly transferred to the purchaser and the mortgage over the title was discharged on 23 November 2019.
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	Hongseong106-2		100%	30-Nov-2018		The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this block on the 10 October 2018 and completed the final steps on the tenement registration process on 30 November 2018. The Company is in the process of transferring the tenement to its wholly owned graphite subsidiary KGCL.
Eunha	Hongseong97-4		100%	30-Nov-2018		The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this block on the 10 October 2018 and completed the final steps on the tenement

Deposit	Mine Land Ledger No.	Mining Right No.	PSM Holding %	*Grant/Application Date	Title Expiry	Notes
						registration process on 30 November 2018. The Company is in the process of transferring the tenement to its wholly owned graphite subsidiary KGCL.
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 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**.
Gapyeong	Gapyeong 124-4		100%	25-November-2018		The Company's wholly owned subsidiary SMCL was granted an Exploration Right over this block on the 1 October 2018 and completed the final steps on the tenement registration process on 25 November 2018. The Company is in the process of transferring the tenement to its wholly owned graphite subsidiary KGCL.

Deposit	Mine Land Ledger No.	Mining Right No.	PSM Holding %	*Grant/Application Date	Title Expiry	Notes
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 th 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

Deposit	Mine Land Ledger No.	Mining Right No.	PSM Holding %	*Grant/Application Date	Title Expiry	Notes
						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-Aug-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-Dec-2024	The Company filed a Prospecting Plan on 29 Dec 2018. 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-Aug-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-Aug-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

Deposit	Mine Land Ledger No.	Mining Right No.	PSM Holding %	*Grant/Application Date	Title Expiry	Notes
						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

Deposit	Mine Land Ledger No.	Mining Right No.	PSM Holding %	*Grant/Application Date	Title Expiry	Notes
						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	4190	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Chaesan	Dogyedong 112	4189	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Daewon	Yangdeokwon 50-1	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
Daewon	Yangdeokwon 40		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
Eepo	Eepo11	4200	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Gapyeong	Gapyeong124	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
Gapyeong	Gapyeong125	4207	100%	10-Dec-18	9-Jun-19	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Goseon North	Seobyeok59	4202	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Goseon North	Seobyeok 60	4201	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Goseon South	Seobyeok 49	4204	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Goseon South	Seobyeok 50	4203	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Goseong	Ganseong 23	4205	100%	10-Dec-18	9-Jun-19	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Goseong	Ganseong 24	4206	100%	10-Dec-18	9-Jun-19	KGCL must lodge Mineral Deposit Survey (MDS) prior to expiry date to extend the tenement life up to additional 7 years
Ilweol	Dogyedong 62	4199	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend

Ilweol	Dogyedong 71	4198	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ilweol	Dogyedong 81	4197	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ilweol	Dogyedong 91	4196	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ilweol	Dogyedong 92	4195	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Palgong	Osu 24	4194	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Tonggo	Hyeondong 35	1787	100%	2-Oct-18	1-Apr-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Tonggo	Hyeondong 36	1788	100%	2-Oct-18	1-Apr-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Tonggo	Hyeondong 46	1789	100%	2-Oct-18	1-Apr-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 49	2474	100%	2-Oct-18	1-Apr-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 79	4193	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 80	4192	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Ubeong	Hyeondong 130	4191	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend
Yongduri	Yongduri20	4188	100%	10-Dec-18	9-Jun-19	SMCL must Lodge Mineral Deposit Survey (MDS) prior to the expiry to extend

*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 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")

31 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(396)	(663)
(b) development		
(c) production		
(d) staff costs*		
(e) administration and corporate costs	(227)	(465)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	3
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) *	-	-
1.9 Net cash from / (used in) operating activities	(621)	(1,125)

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

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(3)
(b) tenements (see item 10)		
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(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)*	492	492
2.6	Net cash from / (used in) investing activities	491	489

*Final payment of 400,000,000 Korean Won for sale of Daehwa Project (including GST) per agreement announced 29 August 2017

173.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	174	939
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	(38)	(65)
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)		
3.10	Net cash from / (used in) financing activities	136	874

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	817	585
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(621)	(1,125)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	491	489
4.4	Net cash from / (used in) financing activities (item 3.10 above)	136	874

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	823	823

5.	Reconciliation of cash and cash equivalents 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	823	817
5.2	Call deposits	-	-
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	823	817

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**

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

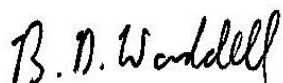
--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	230
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	195
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	425

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Donsan Tenement Mokgye 125 Registration No. 77226 Daehwa Tenement Mohgye 126 Registration No. 77227 & 76166	Via South Korean subsidiary Suyeon Mining Company Ltd (SMCL)	100% 100%	0% (Tenement Sold) 0% (Tenements Sold)
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Eunha Tenement Hongseong106-2 Registration No. 201098 Eunha Tenement Hongseong97-4 Registration No. 201101 Gapyeong Tenement Gapyeong124-4 Registration No. 201099	Via South Korean subsidiary Korea Graphite Company Ltd (KGCL)	0% 0% 0%	100% 100% 100%

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 January 2019

Print name: Bruce Waddell

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.