



ABN 56 123 102 974

**INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED**

**31 DECEMBER 2018**

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## CORPORATE DIRECTORY

### DIRECTORS

Mr Richard Henning	Managing Director
Mr Phillip Jackson	Non-executive Chairman
Mr Daniel Noonan	Executive Director
Mr Young Yu	Non-executive Director

### AUDITOR

RSM Australia Partners  
Level 32, Exchange Tower  
2 The Esplanade  
PERTH WA 6000

### Company Secretaries

Mr Eric Moore  
Mr Bruce Waddell

### REGISTERED OFFICE

Suite 2, Level 2  
20 Kings Park Road  
WEST PERTH WA 6005  
Telephone: +61 8 6143 1840  
Fax: +61 8 9321 4692  
Web Site: [www.peninsulamines.com.au](http://www.peninsulamines.com.au)

### SHARE REGISTRY

Computershare Investor Services  
Level 11, 172 St Georges Terrace  
PERTH WA 6000  
Telephone: +61 8 9323 2000  
Fax: +61 8 9323 2033

### POSTAL ADDRESS

PO Box 644  
WEST PERTH WA 6872

### ASX CODE

PSM

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**Your directors submit their report for the half-year ended 31 December 2018:**

## **DIRECTORS**

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Richard Henning (Managing Director, appointed 14 January 2019)  
Mr Jonathon Dugdale (Managing Director, resigned 14 January 2019)  
Mr Phillip Jackson (Chairman)  
Mr Daniel Noonan (Executive Director)  
Mr Young Yu (Director, appointed 14 January 2019)  
Mr Martin Pyle (Director, resigned 14 January 2019)

## **RESULTS**

The operating loss for the Company for the half-year ended 31 December 2018 was \$743,955 (2017: \$1,194,071), of which \$680,776 (2017: \$917,388) related to exploration and evaluation expenditure expensed.

## **REVIEW OF OPERATIONS**

### **Summary**

Peninsula Mines' mineral development operations are strategically located in South Korea, the hub of high-technology manufacturing, where demand for mineral resources is high but where only minimal mining has occurred over the last four decades. South Korea is mineral rich with state-of-the-art transport infrastructure, including, road, port and rail. Peninsula brings Australian mineral exploration and development expertise to develop Korea's own resources with a focus on graphite, base metals and gold (See Figure 1). The Company's objective is to drill key targets and define resources for economic evaluation and development in the short to medium term. Peninsula's operations are summarised below followed with details of the half-year's operations.

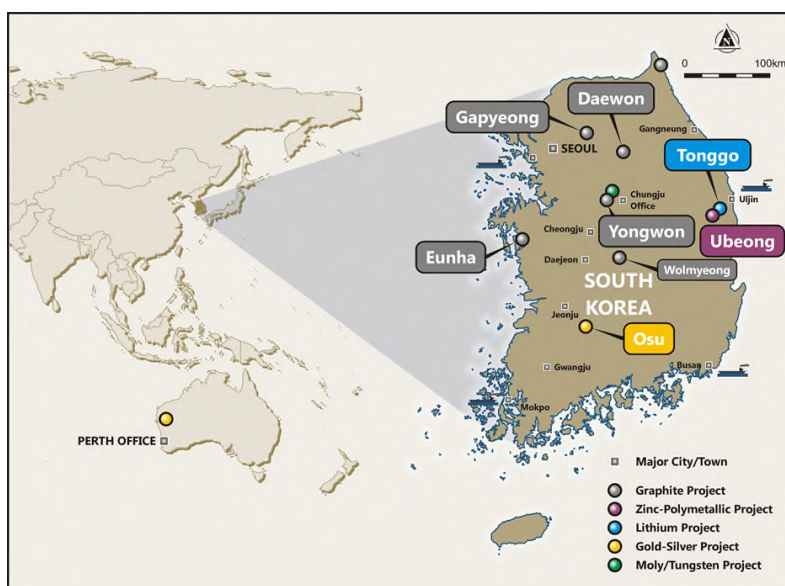
**Flake Graphite Projects: Gapyeong, Eunha, Yongwon and Daewon**— Each project has flake graphite mapped over a strike of more than 1km in units of varying widths up to 10m. Each has undergone detailed ground electromagnetic (EM) surveys and trenching, as well as metallurgical and petrographic analysis to confirm ore suitability for spherical graphite production. An Exploration Target has been defined for Eunha, Gapyeong and Yongwon, with resource drilling having so far been conducted at Gapyeong (Q4, 2018) and Eunha Projects and drill access being negotiated for Daewon and Yongwon.

**Wolmyeong "Amorphous" Graphite Project** —a large graphite deposit well suited to steel manufacture applications. Formerly the largest graphite mine in Korea, Peninsula is seeking local development partners to take the project forward.

**Ubeong Zinc-Lead-Silver Project** — includes 8 granted tenements 10 applications over adjoining titles aimed at securing tenure over the historical Chilbo and Ilweol polymetallic mines and much of the surrounding area considered prospective for skarn associated mineralisation. Modern exploration methods are being applied here for the first time including detailed ground magnetic surveys, induced polarisation (IP) and systematic soil sampling to define drill targets. Peninsula's diamond drilling to date has intersected disseminated to massive sulphides with further drilling planned for 2019.

**Osu Gold Project** - A number of historical underground mines on the flanks of Mount Palgong have exploited a mineralised zone over 1.2km strike. Peninsula has secured the ground and conducted diamond drilling below the historical workings at the Palgong West Prospect (completed Q4 2018) and trenching at surface confirming continuity of the high-grade gold-silver mineralisation both at surface and at depth.

**Tonggo Lithium Project** — located on the western flank of Mount Tonggo and around 4km west of the Boam Lithium Mine. The Company has a series of mineral tenement application over an area where KIGAM has mapped a series of pegmatites. Soil sampling is ongoing to identify lithium anomalies for diamond drilling.



**Figure 1: Peninsula Project Locations South Korea**

### Graphite Projects in South Korea:

- Graphite Business Development**

Post year-end, Peninsula signed a Memorandum of Understanding (MOU) with innovative, Korean, lithium-ion battery anode manufacturer, Tera Technos Co. Ltd (“Tera Technos” or TTCL). The MOU is the first step towards an offtake agreement to define Peninsula as TTCL’s preferred supplier of flake graphite for use in the production of their innovative carbon composite “SiOx” anodes. The SiOx anodes outperform anodes made from standard, purified, sphericalised, graphite flake. TTCL will test Peninsula’s Korean flake graphite to ensure its suitability for SiOx processing, while PSM continues to develop its Korean graphite resources to meet Tera Technos’ requirements<sup>D3</sup>.

Meanwhile, Peninsula’s Binding Supply Agreement with DNI Metals Inc (“DNI”) has been amended and extended. Under the Agreement, DNI will supply up to 24,000 tonnes per year of premium flake graphite from Madagascar to Peninsula’s 100% owned subsidiary, Korea Graphite Company Limited (“KGCL”), for on-sale to Korean manufacturers of high-technology products, such as expandable graphite insulation materials<sup>D7</sup>.

- Gapyeong Graphite Project**

During the second half of 2018, diamond resource drilling of six holes for 458m on two, east-west drill sections confirmed the Exploration Target model defined at Gapyeong. LECO analysis generated the expected high-grade graphite, particularly in intersections with the eastern limb of the synformal fold and in the fold hinge. Sulphides in the fresh rock necessitate further metallurgical test work to confirm >95% total graphitic carbon (TGC) purity can be achieved in concentrate. This will be followed with further drilling to define a maiden Resource<sup>D4, 9, 11, 13, 15</sup>.

- Eunha Graphite Project**

Resource drilling of four diamond drill holes and four surface trenches at Eunha North generated an average grade of 2 to 4% TGC in the steeply dipping graphitic schist, located in Chungnam Province. This work enabled the definition of an Exploration Target at Eunha which will be followed up with metallurgical testing and, potentially, further drilling along strike to define a maiden Resource. However, the Eunha graphite grade makes it a lower priority target than Gapyeong or Yongwon Projects<sup>D15, 17, 19</sup>.

**Table 1: Exploration Target Estimates for Peninsula's Flake-Graphite Projects 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 South	8,000,000	10,500,000	8%	12%	740,000	1,100,000
Gapyeong Middle	1,500,000	2,000,000	8%	12%	140,000	220,000
Gapyeong North	1,000,000	1,250,000	7%	11%	80,000	120,000
Yongwon	1,750,000	2,250,000	8%	12%	160,000	240,000
<b>Total</b>	<b>13,000,000</b>	<b>17,000,000</b>	<b>8%</b>	<b>11%</b>	<b>1,140,000</b>	<b>1,720,000</b>

- Yongwon Graphite Project**

Drilling has been planned to test the previously 3D modelled graphitic unit over a 400m strike length. The Company has now obtained support from the Korean Ministry of Trade Industry and Energy ("MOTIE") to assist in discussions with the local Chungju City officials to enable drilling access <sup>D12,15</sup>.

- Daewon Graphite Project**

An EM survey defined the shallow north-dipping graphitic unit in three dimensions. These encouraging results will lead to channel sampling and drill targeting <sup>D12, 15</sup>.

- Wolmyeong Graphite Project**

No further work at Wolmyeong. Mapping and additional petrography planned, with the objective of locating areas of flake graphite.

## **Osu Gold Project**

Diamond drilling commenced in September 2018 to intersect mineralised sheet veins below historical workings on Mount Palgong. Intercepts from the Palgong West lode included: <sup>D5,13</sup>

**OSD0002: 0.31m @ 22.2 g/t Au and 182 g/t Ag from 157.79m**

**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** <sup>D5</sup>

These results confirm the continuity of high-grade gold-silver mineralisation down dip, below historical workings, which extend over a 1.2km strike length. Previous channel sampling across the Pal Gong East lode had demonstrated high grade mineralisation at surface, such as **5.7m @ 3.14g/t Au including 1.25, @ 7.73g/t Au** <sup>D22</sup>. While Peninsula is focused on developing its graphite business, further investigation of the Osu Gold-Silver Project is planned in 2019.

## **Ubeong Polymetallic Project**

Ground magnetics at the Ilweol Prospect have defined extensions to the mineralised skarn that had been historically mined for high grade zinc-lead-silver <sup>D18</sup>. A systematic soil sampling programme commenced during the half-year in order to further help refine drill targets. Drilling is planned for 2019.

Peninsula's previous drilling at Ubeong Project has intersected disseminated to massive sulphides at the Python, Taipan and Tiger Prospects.

## **Tonggo Lithium Project**

A northeast trending corridor of anomalous lithium soil results, 1.2km x 200m, is associated with regionally mapped pegmatites. Further sampling is planned to pinpoint mineralised pegmatites beneath surface cover <sup>D12</sup>.

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

The Daehwa Project sale was concluded with the payment of the final instalment of KRW 400 million / AUD 470,000 (including VAT) in November 2018. This has enabled Peninsula to focus on its key projects and conduct resource drilling

D6.

### **Corporate**

Post year-end, Peninsula appointed Richard Henning as Managing Director of Peninsula following Jon Dugdale's resignation. Richard has extensive Korean and Asian project development experience and will progress Peninsula's project portfolio.

Young Yu was appointed as Non-Executive Director following Martin Pyle's retirement. Young heads the Australia Korea Business Council of Western Australia and previously represented Australia in Korea as Trade Commissioner of the Commonwealth<sup>D2</sup>.

In November 2018 the Company completed a Share Purchase Plan and placement, raising \$939,276, which enabled the funding of resource drilling at key projects<sup>D6, 10, 14</sup>. This funding will also enable the company to complete further metallurgical testing and progress towards offtake agreements with Korean manufacturers.

### **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 Peninsula Mines Limited Annual Report, 26 September 2018
- D13 Drilling Commenced Testing Key Korean Projects, 20 September 2018
- D14 Peninsula Raises \$0.6 Million in Placement for Resource Drilling, 27 August 2018
- D15 Exploration Target for Korean Flake Graphite Projects, 15 August 2018
- D16 High-Grade Graphite Channel Intersections at Gapyeong, 1 August 2018
- D17 Eunha Graphite Intersections Confirm Resource Targets, 27 July 2018
- D18 New Magnetics Highlights High-Grade Zinc Targets at Ilweol, 3 July 2018
- D19 Eunha North Drilling Graphite Intersections, 21 June 2018
- D20 Key Tenement Granted Over High-grade Gapyeong Graphite, 12 June 2018
- D21 Resource Drilling Commences at Eunha Graphite Project, 31 May 2018
- D22 High grade gold channel sampling results from Osu Project, 12 December 2016

There has been no material change to the information contained in the above releases. Full versions of all the company's releases are available for download from the company'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**

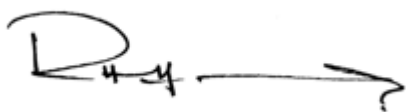
*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Daniel Noonan, a Member of the Australian Institute of Mining and Metallurgy. Mr Noonan is an Executive Director of the Company. Mr Noonan has sufficient experience 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.*

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the lead auditor's independence declaration as required by Section 307c of the Corporations Act 2001 is included within the Financial Report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



**DIRECTOR**  
**Richard Henning**  
07 March 2019



## STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

		Consolidated	
		31 December 2018	31 December 2017
	Note	\$	\$
Revenue	2(i)	449,447	234,647
Administration expenses	2(ii)	(512,626)	(511,330)
Exploration and evaluation expenditure		(680,776)	(917,388)
<b>Loss before tax</b>		(743,955)	(1,194,071)
Income tax expense		-	-
<b>Net loss for the period</b>		(743,955)	(1,194,071)
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to operating result</i>			
Foreign currency translation		5,507	(1,597)
<b>Total comprehensive loss for the period</b>		(738,448)	(1,195,668)
Basic and diluted loss per share (cents per share)		(0.095)	(0.21)

The accompanying notes form part of these financial statements



## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

		Consolidated	
		31 December 2018	30 June 2018
	Note	\$	\$
<b>Current Assets</b>			
Cash and cash equivalents		822,625	585,393
Trade and other receivables		1,692	65,522
Other current assets		43,861	815
Total current assets		<u>868,178</u>	<u>651,730</u>
<b>Non-Current Assets</b>			
Plant and equipment		<u>67,190</u>	<u>74,402</u>
Total non-current assets		<u>67,190</u>	<u>74,402</u>
Total assets		<u>935,368</u>	<u>726,132</u>
<b>Current Liabilities</b>			
Trade and other payables		<u>294,914</u>	<u>245,003</u>
Total current liabilities		<u>294,914</u>	<u>245,003</u>
Total liabilities		<u>294,914</u>	<u>245,003</u>
<b>Net Assets</b>		<u>640,454</u>	<u>481,129</u>
<b>Equity</b>			
Issued capital	3	21,763,220	20,926,504
Reserves		4,933,613	4,867,049
Accumulated losses		<u>(26,056,379)</u>	<u>(25,312,424)</u>
<b>Total Equity</b>		<u>640,454</u>	<u>481,129</u>

The accompanying notes form part of these financial statements

## STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
	\$	\$	\$	\$	\$
<b>CONSOLIDATED</b>					
<b>At 1 July 2017</b>	18,839,783	(22,678,306)	(1,488)	4,715,558	875,547
Loss for the half-year	-	(1,194,071)	-	-	(1,194,071)
Other comprehensive income	-	-	(1,597)	-	(1,597)
Total comprehensive loss for the half-year	-	(1,194,071)	(1,597)	-	(1,195,668)
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	51,773	51,773
Share based payments made for share capital costs	-	-	-	156,955	156,955
Issue of share capital	2,258,240	-	-	-	2,258,240
Transaction costs	(319,005)	-	-	-	(319,005)
<b>At 31 December 2017</b>	<b>20,779,018</b>	<b>(23,872,377)</b>	<b>(3,085)</b>	<b>4,924,286</b>	<b>1,827,842</b>
<b>At 1 July 2018</b>	20,926,504	(25,312,424)	(681)	4,867,730	481,129
Loss for the half-year	-	(743,955)	-	-	(743,955)
Other comprehensive income	-	-	5,507	-	5,507
Total comprehensive loss for the half-year	-	(743,955)	5,507	-	(738,448)
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	39,257	39,257
Share based payments made for share capital costs	-	-	-	21,800	21,800
Issue of share capital	939,276	-	-	-	939,276
Transaction costs	(102,560)	-	-	-	(102,560)
<b>At 31 December 2018</b>	<b>21,763,220</b>	<b>(26,056,379)</b>	<b>4,826</b>	<b>4,928,787</b>	<b>640,454</b>

The accompanying notes form part of these financial statements

## STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
<b>Cash flows from operating activities</b>		
Other payments to suppliers and employees	(398,314)	(424,119)
Payments for exploration expenditure	(624,830)	(999,069)
Interest received	2,794	4,593
	<u>(1,020,350)</u>	<u>(1,418,595)</u>
Net cash (used in) operating activities		
<b>Cash flows from investing activities</b>		
Purchase of assets	(3,437)	-
Proceeds from sale of mining tenements	446,925	230,776
	<u>443,488</u>	<u>230,776</u>
Net cash provided by investing activities		
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	873,820	2,173,240
Payment for share issue costs	(59,726)	(148,591)
	<u>814,094</u>	<u>2,024,649</u>
Net cash provided by financing activities		
<b>Net increase in cash held</b>	<b>237,232</b>	<b>836,830</b>
<b>Cash at the beginning of the half-year</b>	<b>585,393</b>	<b>1,038,724</b>
<b>Cash at the end of the half-year</b>	<b>822,625</b>	<b>1,875,554</b>

The accompanying notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: CORPORATE INFORMATION

The financial report of Peninsula Mines Limited ("Peninsula" or "the Company") for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 07 March 2019. Peninsula Mines Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Company are described in the Directors' Report.

#### a) Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Peninsula Mines Limited during the half-year reporting period in accordance with the continuous requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

#### b) New and Revised Accounting Standards

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

#### c) Compliance Statement

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>

## NOTE 2: REVENUE AND EXPENSES

Loss before income tax expense includes the following revenue and expenditure, the disclosure of which is relevant to explaining the performance of the Company.

<b>(i) Revenue</b>		
Interest income	2,330	3,871
Other income	192	-
Gain on sale of mining tenements <sup>(1)</sup>	446,925	230,776
	<u>449,447</u>	<u>234,647</u>

(1) Final Instalment of KRW 400,000 (including VAT) on sale of Daehwa Project tenements.

### Disaggregation of revenue

The disaggregation of revenue is as follows:

	<b>Australia \$</b>	<b>South Korea \$</b>	<b>Consolidated \$</b>
<b>Half-Year ended 31 December 2018</b>			
Interest income	2,153	177	2,330
Other income	-	192	192
Gain on sale of mining tenements	-	446,925	446,925
Total revenue	<u>2,153</u>	<u>447,294</u>	<u>449,447</u>
<b>Half-Year ended 31 December 2017</b>			
Interest income	3,842	29	3,871
Other income	-	-	-
Gain on sale of mining tenements	-	230,776	230,776
Total revenue	<u>3,842</u>	<u>230,805</u>	<u>234,647</u>

	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
<b>(ii) Administration expenditure</b>		
Depreciation	10,560	7,012
Less: allocated to exploration	(9,669)	(6,468)
	<u>891</u>	<u>544</u>
Consulting and labour hire	204,219	233,874
Salaries and wages	60,205	56,929
Facility charges	15,879	16,936
Insurance and legal	40,958	29,739
ASX, ASIC and related fees	23,869	28,820
Share based compensation	39,257	51,773
Audit fees	9,500	9,500
Other expenses	117,848	83,215
	<u>512,626</u>	<u>511,330</u>

**NOTE 3 – EQUITY SECURITIES ISSUED**

		<b>Consolidated</b>	
		<b>31 December 2018</b>	<b>30 June 2018</b>
		<b>\$</b>	<b>\$</b>
Fully paid ordinary shares		21,763,220	20,926,504
	<b>Shares No.</b>	<b>Listed Options No.</b>	<b>Unlisted Options No.</b>
At 1 July 2017	516,527,970	-	146,196,000
Issue of shares	178,610,630	-	-
Issue of options	-	-	80,975,002
Options converted to shares	-	-	(55,766,910)
Options expired	-	-	(329,090)
<b>At 31 December 2017</b>	695,138,600	-	171,075,002
At 1 July 2018	706,326,100	-	152,700,002
Issue of shares	156,545,987	-	-
Issue of options	-	95,272,994	33,000,000
Options expired	-	-	(25,000,000)
<b>At 31 December 2018</b>	862,872,087	95,272,994	160,700,002

**Details of Movements in Equity**

Date	Action	Type	Quantity	Issued To	Ex/Issue Price	Expiry Date
<b>Shares</b>						
04 Sept 18	Issue	Shares - fully paid	36,150,000	Other	\$0.006	-
11 Sept 18	Issue	Shares - fully paid	55,703,333	Other	\$0.006	-
19 Oct 18	Issue	Shares - fully paid	45,049,998	Shareholders	\$0.006	-
06 Nov 18	Issue	Shares - fully paid	8,809,323	Other	\$0.006	-
16 Nov 18	Issue	Shares - fully paid	10,833,333	Directors	\$0.006	-
<b>Total:</b>			<b>156,545,987</b>			

<b>Options</b>						
29 Oct 18	Expired	Unlisted options	(15,000,000)	Brokers	\$0.021	29 Oct 18
16 Nov 18	Issue	Listed options	50,331,328	Other	\$0.01	30 April 20
16 Nov 18	Issue	Listed options	22,524,999	Shareholders	\$0.01	30 April 20
16 Nov 18	Issue <sup>1</sup>	Listed options	5,000,000	Brokers	\$0.01	30 April 20
16 Nov 18	Issue	Listed options	11,416,667	Directors	\$0.01	30 April 20
16 Nov 18	Issue <sup>1</sup>	Unlisted options	6,000,000	Brokers	\$0.015	09 Nov 20
16 Nov 18	Issue	Unlisted options	6,000,000	Directors	\$0.015	09 Nov 20
16 Nov 18	Issue <sup>1</sup>	Unlisted options	7,000,000	Brokers	\$0.024	09 Nov 21
16 Nov 18	Issue	Unlisted options	6,000,000	Directors	\$0.024	09 Nov 21
29 Nov 18	Expired	Unlisted options	(6,300,000)	Directors	\$0.0265	29 Nov 18
29 Nov 18	Expired	Unlisted options	(3,000,000)	Directors	\$0.0389	29 Nov 18
30 Nov 18	Expired	Unlisted options	(700,000)	Directors	\$0.014	30 Nov 18
05 Dec 18	Issue	Listed options	6,000,000	Employees	\$0.01	30 April 20
05 Dec 18	Issue	Unlisted options	4,000,000	Employees	\$0.015	09 Nov 20
05 Dec 18	Issue	Unlisted options	4,000,000	Employees	\$0.024	09 Nov 21
<b>Total:</b>			<b>103,272,994</b>			

<sup>1</sup> Unlisted options were issued to the Company's brokers who supported the Placement during the period. The options have been valued using a Black-Scholes option pricing model. The value of the options at grant date of \$21,800 has been included in Issued Capital as Share Issue Costs.

#### NOTE 4 - SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The consolidated entity operates as two segments, which are mineral exploration and evaluation within Australia and South Korea.

The consolidated entity is domiciled in Australia. Segment revenues are allocated based on the country in which the customer is located. Segment assets are allocated to countries based on where the assets are located.

No operating revenue was derived during the year (2017: nil)

	Australia \$	South Korea \$	Consolidated \$
<b>Half-Year ended 31 December 2018</b>			
Other revenue	2,153	369	2,522
Gain on sale of mining tenements	-	446,925	446,925
Total segment revenue	2,153	447,294	449,447
Depreciation and amortisation	(7,232)	(3,328)	(10,560)
Interest revenue	2,153	50	2,203
Finance costs	(1,048)	-	(1,048)
<b>EBITDA</b>	(549,213)	(185,337)	(734,550)
Segment result before tax	(555,340)	(188,615)	(743,955)
Income tax expense	-	-	-
Segment result after income tax	(555,340)	(188,615)	(743,955)
Segment assets	550,488	384,880	935,368
Total assets of the consolidated entity			935,368
Segment liabilities	195,643	99,271	294,914
Total liabilities of the consolidated entity			294,914
<b>Half-Year ended 31 December 2017</b>			
Other revenue	3,842	29	3,871
Gain on sale of mining tenements	-	230,776	230,776
Total segment revenue	3,842	230,805	234,647
Depreciation and amortisation	(4,243)	(2,769)	(7,012)
Interest revenue	3,842	29	3,871
<b>EBTIDA</b>	(463,085)	(727,845)	(1,190,930)
Segment result before tax	(463,486)	(730,585)	(1,194,071)
Income tax expense	-	-	-
Segment result after income tax	(463,486)	(730,585)	(1,194,071)
Segment assets	1,884,020	125,829	2,009,849
Total assets of the consolidated entity			2,009,849
Segment liabilities	129,988	52,019	182,007
Total liabilities of the consolidated entity			182,007



#### **NOTE 5 - COMMITMENTS FOR EXPENDITURE**

Since the last annual reporting date, there has been no material change to any commitments for expenditure.

#### **NOTE 6 – CONTINGENT ASSETS AND LIABILITIES**

A final instalment of KRW 400 million (including VAT) (AUD 470,000) to be paid by the Korean purchaser of the Daehwa Project tenements was recognised as a contingent asset as at 30 June 2018 and was subsequently received during the six months to 31 December 2018. A Royalty Deed was signed in May 2013 between subsidiary Suyeon Mining Co Limited and Indogold Limited in relation to the Daehwa mining tenements, the sale of which was concluded in November 2018. An agreement to settle the royalty rights as per the Deed is subject to negotiation at reporting date.

#### **NOTE 7 - EVENTS OCCURRING AFTER REPORTING DATE**

On 14 January 2019, Managing Director Mr Jon Dugdale and non-executive director Mr Martin Pyle tendered their resignations from the Board of Peninsula Mines Limited. On 14 January 2019, Mr Richard Henning was appointed Managing Director and Mr Young Yu appointed as non-executive director, to be ratified at the next annual general meeting of shareholders.

There are no other matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the consolidated entity's operations, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

#### **NOTE 8 – DIVIDENDS**

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the half-year.

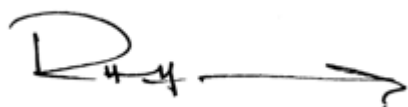
## **DIRECTORS' DECLARATION**

In the opinion of the directors:

1. The financial statements and notes, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Richard Henning**  
**MANAGING DIRECTOR**  
Perth, 07 March 2019

**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100  
F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
PENINSULA MINES LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Peninsula Mines Limited which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Peninsula Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

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### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Peninsula Mines Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

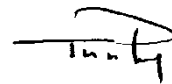
### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Peninsula Mines Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 7 March 2019

**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100  
F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

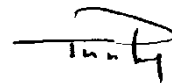
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Peninsula Mines Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read "Tutu Phong".

TUTU PHONG  
Partner

Perth, WA  
Dated: 7 March 2019

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

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