



ASX Announcement

12 March 2019

Non-Executive Director's Service Agreement

Peninsula Mines Limited (PSM or the Company) advises that the Company has entered into a Service Agreement with non-executive director, Mr Young Yu, effective from 1 March 2019.

Mr Yu was appointed to the Board of Peninsula Mines on 14 January 2019. Mr Yu is the current Chairman of the Australia Korea Business Council of Western Australia and Chairman of M2A Partners, a corporate advisory firm specialising in the Korean market opportunities.

Subsequent to his appointment, it has been agreed that as Mr Yu will spend a significant amount of time providing assistance to the Managing Director in relation to funding arrangements and contacts in South Korea, he be reimbursed through a Service Agreement.

The principal components of Mr Yu's Service Agreement are:

1. The Term of the Agreement shall be 12 months effective 1 March 2019.
2. Mr Yu shall dedicate 4 days per month to providing general and strategic advice to the Company in relation to its business interests and activities in the Korean peninsula.
3. In consideration of the provision of the Services by Mr Yu to the Company, the Company agrees to pay Mr Yu a consultancy fee of \$5,000 plus GST per month for the duration of the Term (to be pro-rated as necessary for part periods). The consultancy fee (exclusive of GST) will be paid to Mr Yu:
 - in fully paid ordinary shares in the Company, subject to shareholder approval. Payment in shares will be made at the end of each six months, with the number of shares to be issued to be calculated on a month by month basis using the VWAP for each month, but the price of the shares shall be deemed to be no less than 0.5 cents
 - or
 - in AUD cash.
4. As noted above, the payment for services in fully paid ordinary shares is subject to shareholder approval, such approval to be sought at a General Meeting of the Company proposed for the second quarter of 2019.

In addition to the above, Mr Yu will continue to receive directors' fees as previously announced.

-ENDS-

For more information please contact:

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