

ASX ANNOUNCEMENT

8 May 2019

PENINSULA SECURES KORES SUPPORT FOR DRILLING PROGRAMME AT GAPYEONG GRAPHITE PROJECT

- **KORES to fund up to 50% of the drilling cost of a 3-hole 340m drill programme at Gapyeong**
- **The step out drill programme will test 3 drill sections at the southern end of the known mineralisation**

Peninsula Mines Ltd (**“Peninsula” or “the Company”**) is pleased to announce that the Korean Resources Corporation (KORES) has approved direct support for 340 metres of drilling on the Company’s Gapyeong Graphite Project (Table 1 & Figure 1).

The planned 3-hole drill programme will assess the southern extent of the known Gapyeong structure on 3 drill sections at 4180360mN, 4180440mN and 4180520mN (Figures 1 & 2). Previous surface trench GC0004 on section 4180400mN returned **9.69m @ 9.7% TGC including 7.21m @ 10.6% TGC** and trench GC0001 on section 4180500mN returned **12.5m @ 10.6% TGC including 2.6m @ 14.5% TGC** (Figure 3).

The programme aims to confirm whether the mineralised structure broadens to the south as is suggested by surface trenching. Additional holes may be added to the programme based on the results of the initial drill programme. This drilling will provide a drill test on 5 drill sections along 400m of the targeted 1km strike extent of the Gapyeong structure.

The Exploration Target model for Gapyeong is for a shallow plunging synformal structure, as indicated by the EM model and the drilling completed to date. The drilling completed on the two northern sections suggests that the western fold limb hosts lower grade disseminated flake graphite while on the eastern fold limb, the abundance of flake graphite noticeably increases as does the level of alteration. To date, all the surface trenching has only targeted the surface expression of the interpreted eastern fold limb.

KORES will fund up to 70% of the direct drilling costs and the Company will fund additional drill meterage costs along with all ancillary costs such as drill site preparation, core orientation and down hole survey costs along with a proportion of compensation payments to local land holders for drill access. It is estimated that the KORES support will meet approximately half of the expected cost of the 3-hole drill programme.

Peninsula’s Managing Director, Richard Henning said: *“We are very pleased to have obtained the support of KORES for this step-out drill programme at the Gapyeong graphite project. It will enable the Company to test the structure across three further drill sections and confirm whether the mineralised structure broadens towards the south. This is an important stage in determining any future JORC resource”*

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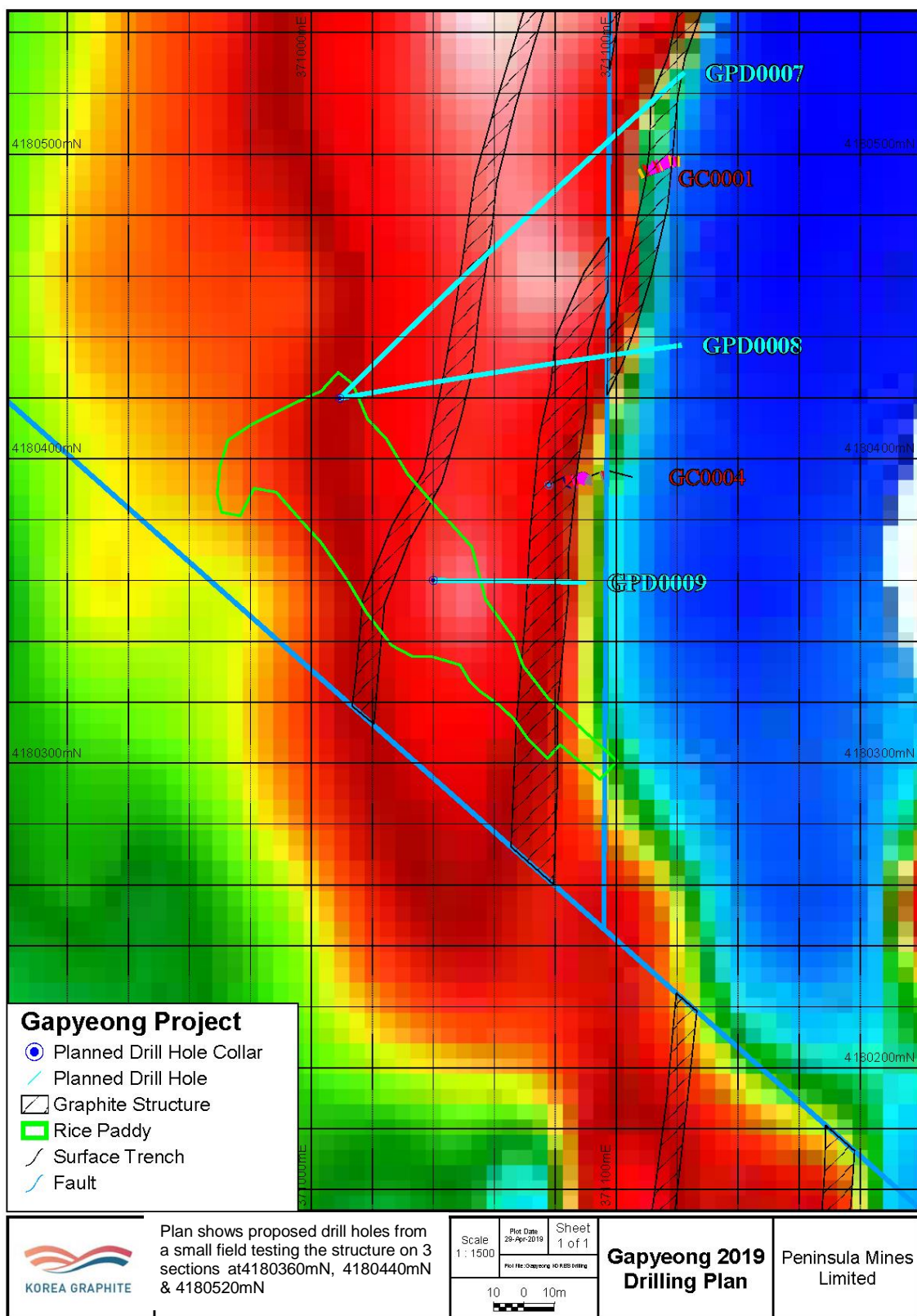


Figure 1: Gapyeong proposed 2019 drill hole locations and trench locations and intersections on EM imagery from channel 25 image (50 msec after TX turnoff)

Table 1: Proposed Hole Location Details

HoleID	Collar Easting	Collar Northing	Collar RL	Dip	Azimuth	Depth
GPD0007	371009	4180420	85.8	-15	45	160
GPD0008	371009	4180420	85.8	-20	80	110
GPD0009	371040	4180360	85.8	-45	90	70



Figure 2: View looking northeast along the strike of the eastern fold limb of the Gapyeong graphite unit, Trench 4 just inside the tree line.

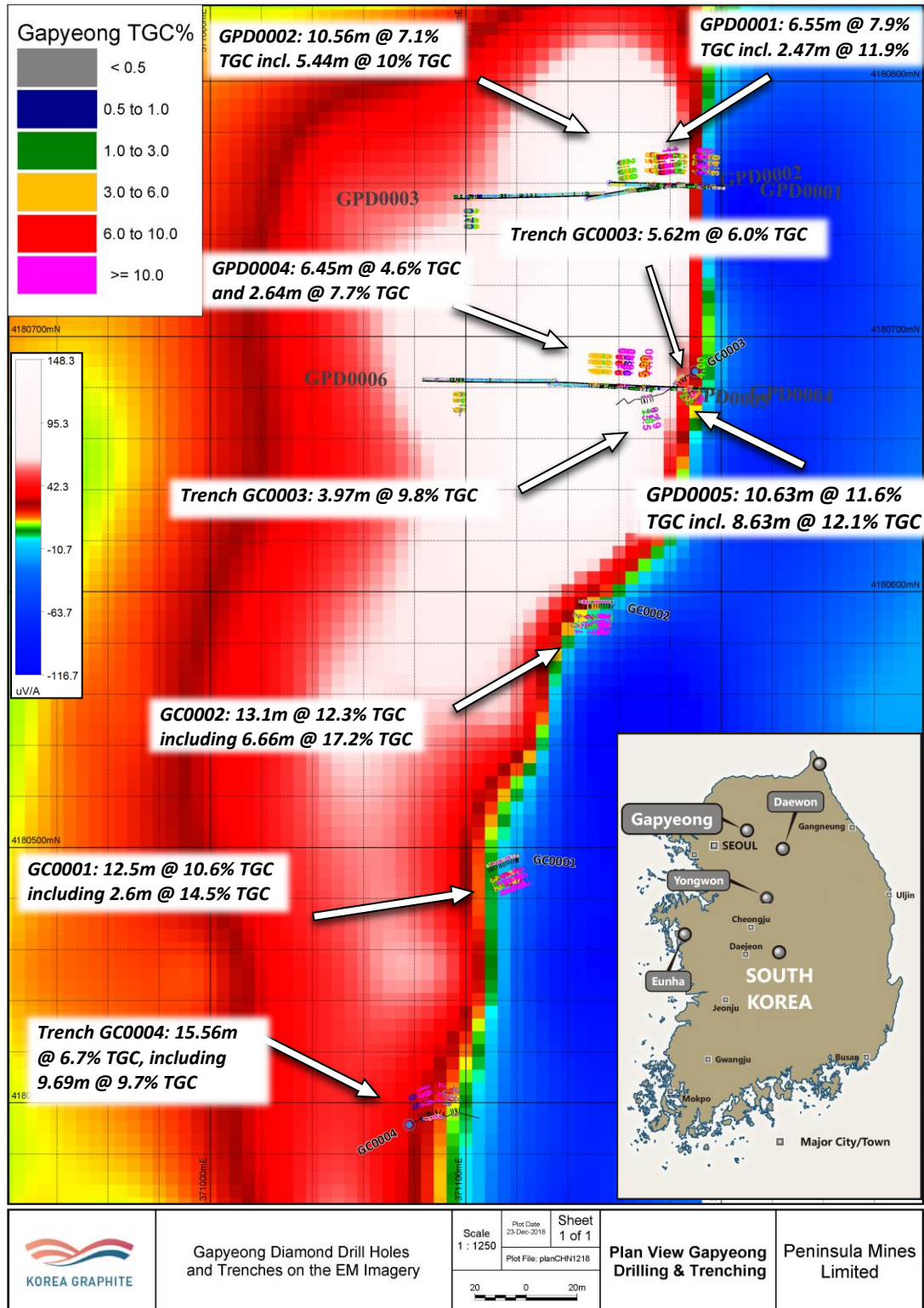


Figure 3: Gapyeong drill hole locations and results, trench locations and intersections on EM imagery from channel 25 image (50 msec after TX turnoff)

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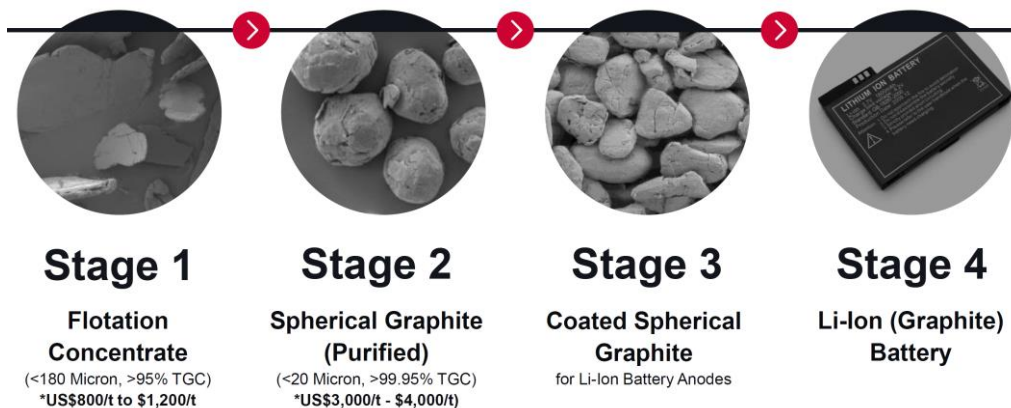
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About Peninsula Mines Limited:

Perth-based, ASX listed, Peninsula Mines Ltd (ASX:PSM) has a unique business model in South Korea and a strategy to develop production of in-country mineral commodities that have a positive price outlook and potential for off-take and strategic partnerships with high-tech Korean manufacturers.

Peninsula is primarily focused on advancing a series of flake-graphite projects to supply down-stream spherical graphite to Korea's high-technology Lithium-Ion battery manufacturing market.

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 (see value-chain below). 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, May – July 2018^{D1}.

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 then high-purity spherical graphite for Lithium-ion battery applications and/or other flake-graphite markets in Korea.

Peninsula signed a Memorandum of Understanding (“MOU”) with Korean R&D company Tera Technos in December 2018 which envisages long-term strategic co-operation with respect to offtake of graphite concentrate and development of technology and market development in lithium rechargeable batteries.

Peninsula has also secured a Binding Supply Agreement with Canadian listed DNI Metals Inc (“DNI”) Subject to various conditions, DNI will supply up to 24,000 tonnes per year of flake graphite to Peninsula’s 100% owned subsidiary, Korea Graphite Company Limited (“KGCL”), 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.

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 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 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.