



PENINSULA MINES LIMITED

Diversified Minerals Explorer

PENINSULA MINES LIMITED

Minerals Exploration for the New Millennium March 2016



(ASX:PSM)



Competent Person's Statement & Disclaimer

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Daniel Noonan, a Member of The Australian Institute of Mining and Metallurgy. Mr Noonan is engaged as a full time consultant to the Company providing exploration managerial services for the Company's Korean operations. 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 Mineral Resources and Ore Reserves'. Mr Noonan consents to the inclusion in the Prospectus of information compiled and interpreted by him in the form and context in which it now appears.

The background information on the location and history of the Daehwa Mo-W Project has not materially changed since it was first described in earlier ASX releases of the Company that were issued prior to the adoption by the Company of the reporting practices outlined in the 2012 edition JORC code. Information on the location and history of the Osu Au-Ag Project has not materially changed since it was first described in earlier ASX releases of the Company following the adoption by the Company of the reporting practices outlined in the 2012 edition JORC code.

The Company's website is located at (www.peninsulamines.com.au). The website contains information on the Company's projects, project maps, a list of the Company's announcements to ASX, information on Native Title (including the tenement grant process and heritage surveys), legislative environments under which the Company operates, Corporate Governance, a section on risks, many of which are common to exploration companies and other useful information. All the information presented in this investor update has been released to the market in previous Company announcements and no new exploration results are presented in this presentation. A list of the Company's announcements is also obtainable from the Australian Securities Exchange.

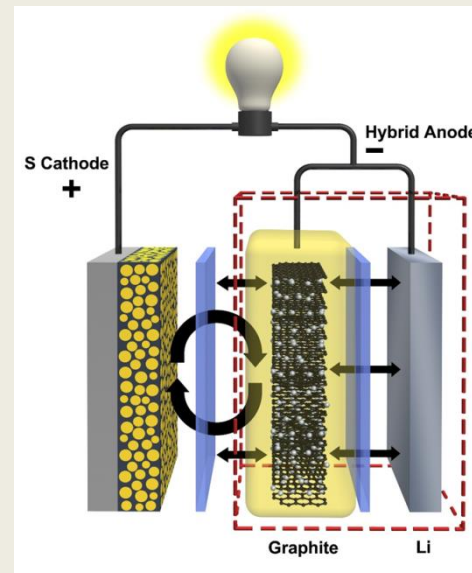
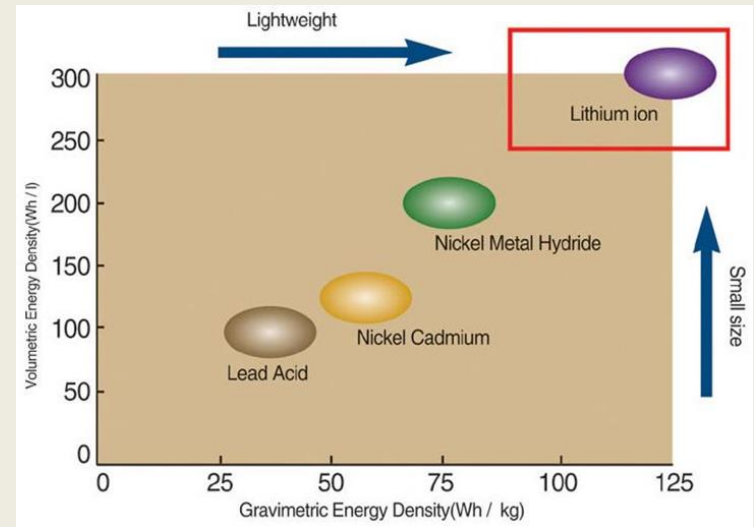
Forward-Looking Statements are included herein, regarding the future ability to finance projects and other statements that express management's expectations, or estimates regarding the timing of completion of various aspects of the projects' development or of our future performance and thereby constitute "forward-looking statements". The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "aims", "intends", "continue", "budget", "estimate", "may", "will", "schedule", and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

In particular, announcements and presentations by Peninsula Mines Limited include many such forward-looking statements and such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Peninsula Mines Limited to be materially different from its estimated future results, performance or achievements expressed or implied by those forward-looking statements and its forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors are included in the Risks section of the Company's website and ASX announcements available on the company's websites. Peninsula Mines Limited expressly disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except where required by law.



Company Highlights

- A focused lithium and graphite explorer in South Korea
- Multiple hard rock lithium and graphite opportunities with planned high impact 2016 exploration program
- Located in a stable first world economy close to major end users
- Experienced management team with a strong network in South Korea
- Existing local operational footprint with access to excellent infrastructure and a low cost, skilled, local workforce
- Well placed to capitalise on strong demand for lithium and graphite



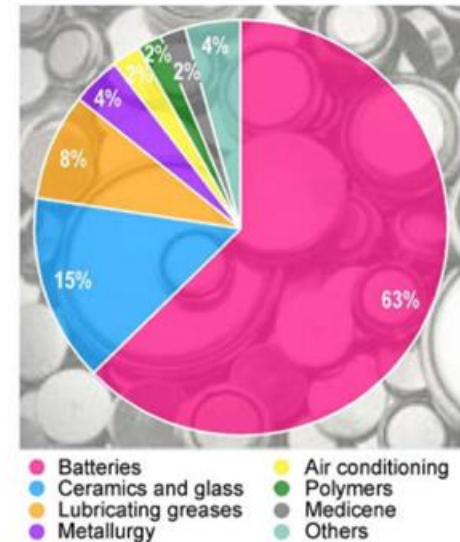
Lithium and Graphite contributing to major improvements in battery power and storage capacity



Lithium

- Traditional applications - ceramics and glass, lubricating greases, metallurgy, polymers
- Growth application - lithium ion batteries
- The price of lithium has surged on the back of this demand
- Batteries expected to be the major application for lithium for the next decade
- Brine sources of lithium are the dominant global supply at present
- Long timeframe to construct and high capex of brine production create opportunities for hard-rock projects

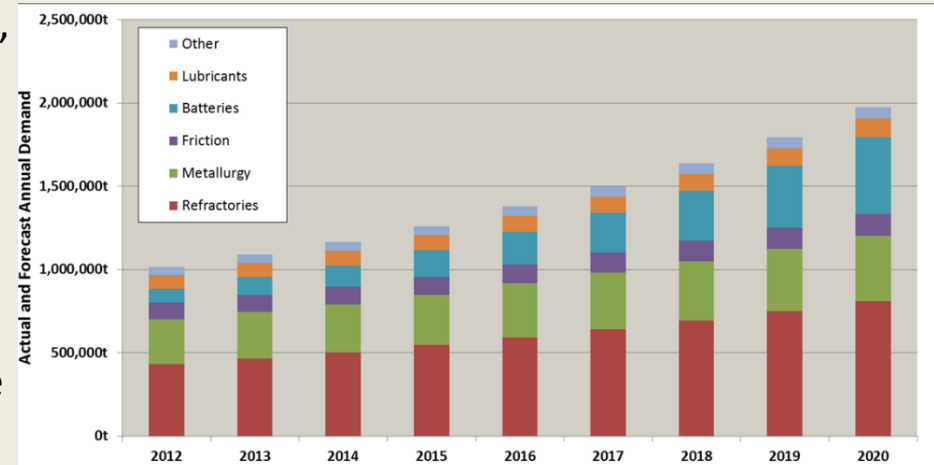
Lithium Demand by Application - 2025
(500,000t of LCE - forecast)



Source: signumBox estima

Graphite

- Traditional applications - refractories, lubricants, crucibles, coatings, consumer electronics
- Growth applications - lithium ion batteries, fuel cells and nuclear power
- Graphite is a primary component of lithium ion batteries (10 to 30x more graphite than lithium)
- Use of graphite in lithium ion batteries and other high tech applications is expected to drive world demand





Why South Korea?

Business Friendly

- Stable first world economy with an attractive fiscal regime
- Korea and Australia Free Trade Agreement signed in 2015
- Strong Government support to foster exploration to re-build its mining industry and active support from KORES (Korean Resources Corp.)
- PSM subsidiary has operated in country since 2011
- Management has an existing extensive network in South Korea

Commercial Benefits

- World leader in high tech applications for graphite and lithium
- Superb infrastructure, logistics and skilled labour
- Process plant fabrication and construction costs in South Korea are well below most western world equivalent costs
- Close proximity to battery production markets in Korea, China and Japan – 85% of world battery production
- Potential large local industrial partners providing off-take opportunities

SAMSUNG

LG Electronics

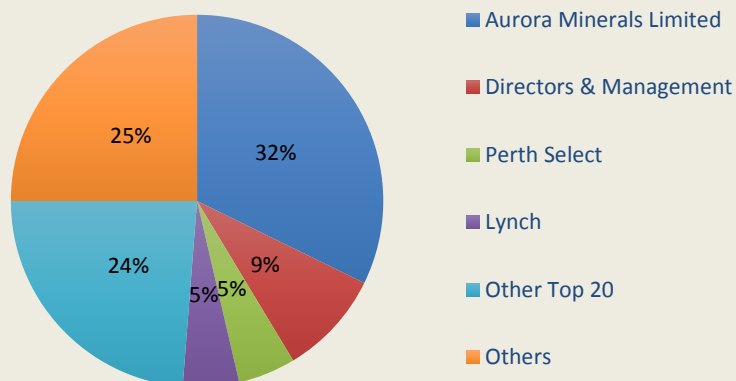




CORPORATE SNAPSHOT

PSM Board of Directors

Phillip Jackson	Non-Executive Chairman
Martin Pyle	Executive Director
Daniel Noonan	Executive Director
Chris Rashleigh	Non-Executive Director



*Post New Placement Shares and Loan conversion
Top 20 control >75% of issued capital
Tightly held capital structure*

ASX Code	PSM
Shares on Issue	300M^{#1}
New Placement Shares + Aurora Loan conversion Shares	131M^{#2}
Expanded Shares on Issue	431M
Market Capitalisation at \$0.016c	\$6.9M
Cash	~\$1.7M^{#3}

^{#1} Options on issue ~87M exercisable at various prices refer to App 5B Dec 2015 for details

^{#2} shares to be issued pursuant to ASX announcement dated 10 March 2016

^{#3} includes net proceeds from #2 above



Asset Portfolio Focussed in South Korea

LITHIUM PROSPECTS

- Seven tenement applications filed over the Dongsugok, Tonggo and Ubeong lithium prospects
- 53 tenement applications filed over the Daehyeon, Deokgu, Goseon North and Goseon South, Naedeok and Uguchi lithium Prospects.
- Exploration program commenced in Q2 2016
- Dongsugok prospect lies 700m along strike to the east of the Boam Lithium Mine
- Lithium at the neighbouring Boam Lithium Mine occurs as brecciated quartz and lepidolite mica and quartz lepidolite veins associated with pegmatite and aplite dykes

GRAPHITE PROSPECTS

- Twelve tenement applications over the Daewon, Deokseung, Eunha, Yongwon, Yongwon West and Wolmyeong graphite prospects
- Exploration program commenced in Q2 2016
- Wolmyeon has previous drilling results
- Historical mines & prospects – South Korea formerly a major world producer

OSU PORPHYRY COPPER-GOLD TARGET

- Historical Baegun and Pal Gong Gold-Silver & Base Metal mines
- Historical high grade production
- Magnetic anomaly suggests porphyry target

DAEHWAMOLYBDENUM-TUNGSTEN

- Historical Daehwa and Donsan molybdenum & tungsten mines



Minerals for a High Tech Economy



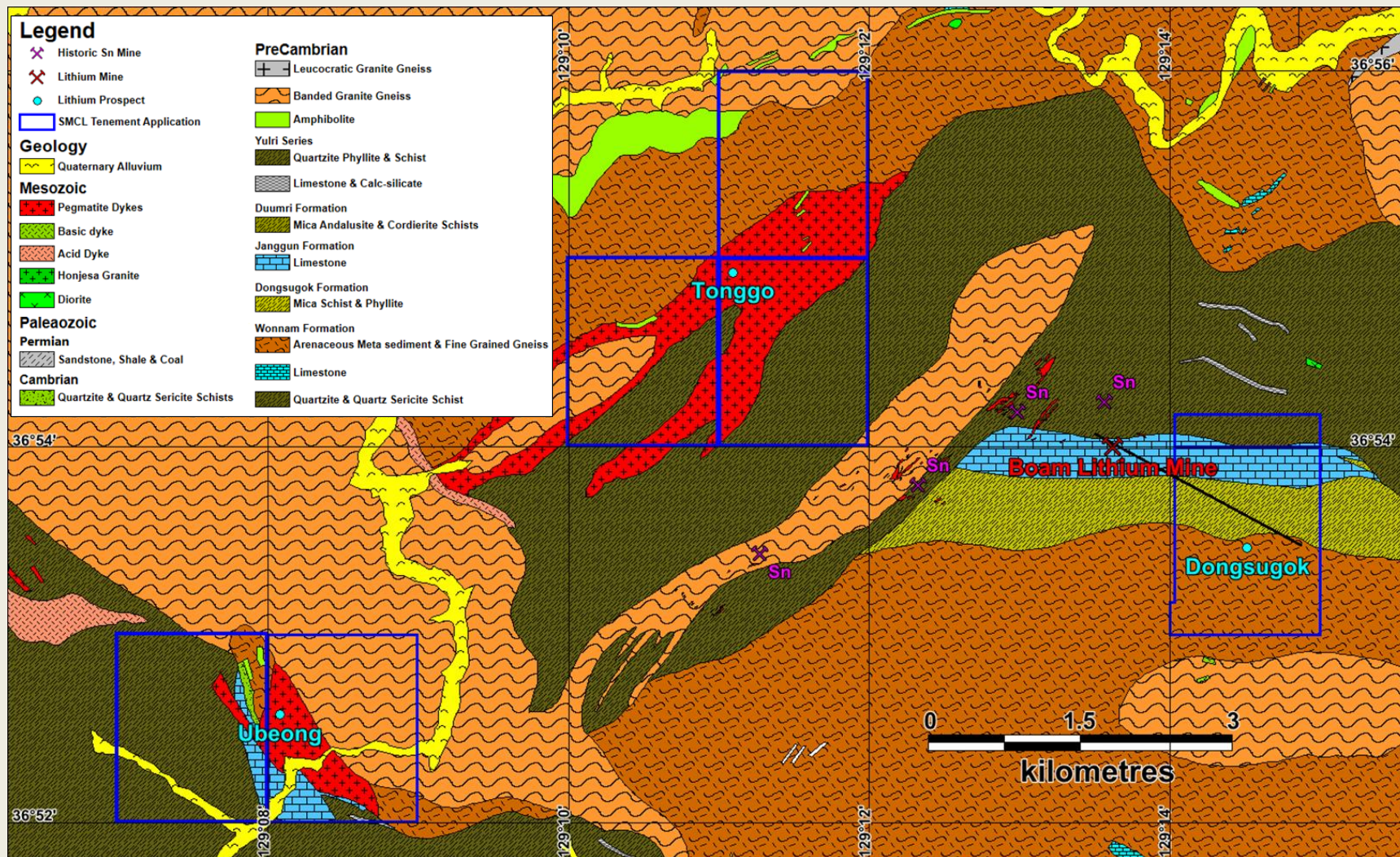
Lithium Projects



- Two regional Project areas secured as tenement applications over pegmatites with evidence of lithium, tin and tantalum mineralisation
- Dongsugok Project** – Features Tenement applications adjacent to the Boam Lithium Mine and additional applications over pegmatites considered prospective for lithium and tin mineralisation in the Boam mine district:
 - Dongsugok prospect** - lies 700m along strike of Boam Mine
 - Tonggo prospect** – includes 3 tenements centred over a pegmatite dyke swarm that intrudes Precambrian basement gneisses and amphibolites
 - Ubeong prospect** – includes 2 applications centred over an intrusive pegmatite that cuts a basement sequence dominated by Precambrian gneisses, limestones and amphibolites
- Greisen style mineralisation associated with a blind intrusive body. The lithium at Boam occurs as brecciated quartz and lepidolite mica and quartz lepidolite veins associated with pegmatite and aplite dykes.

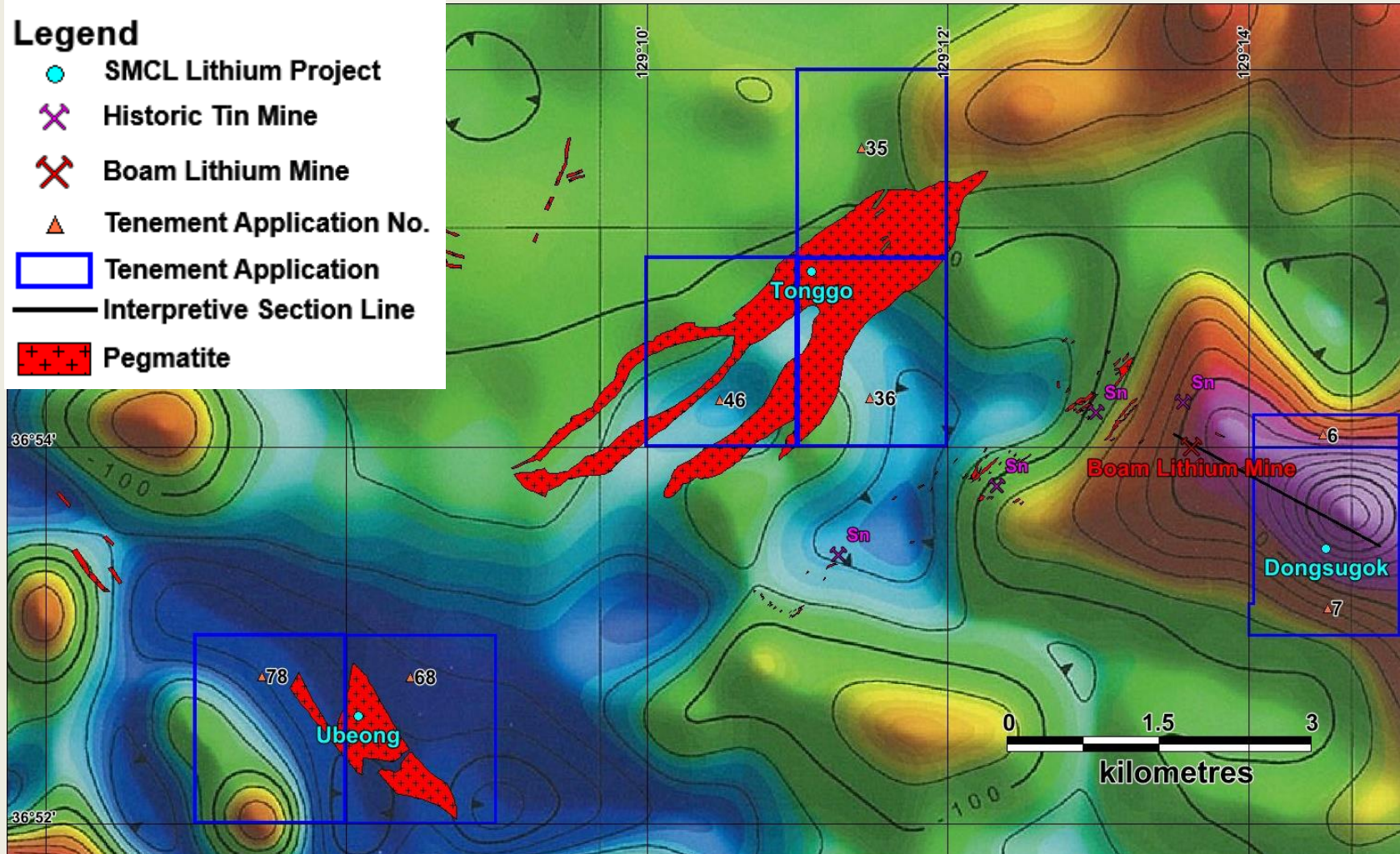


Lithium Tenement Applications on KIGAM Samgeunri 1:50,000 geology



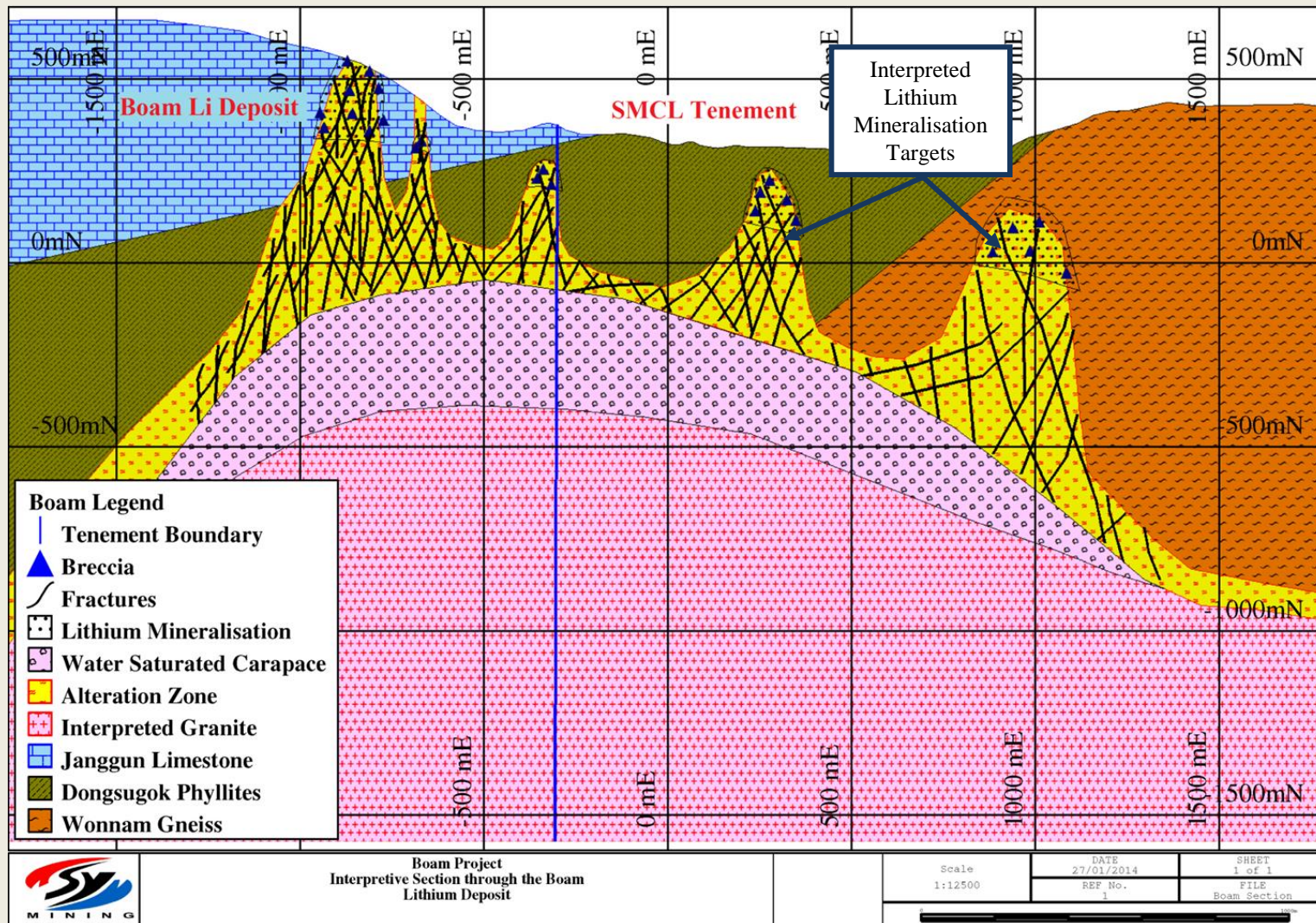


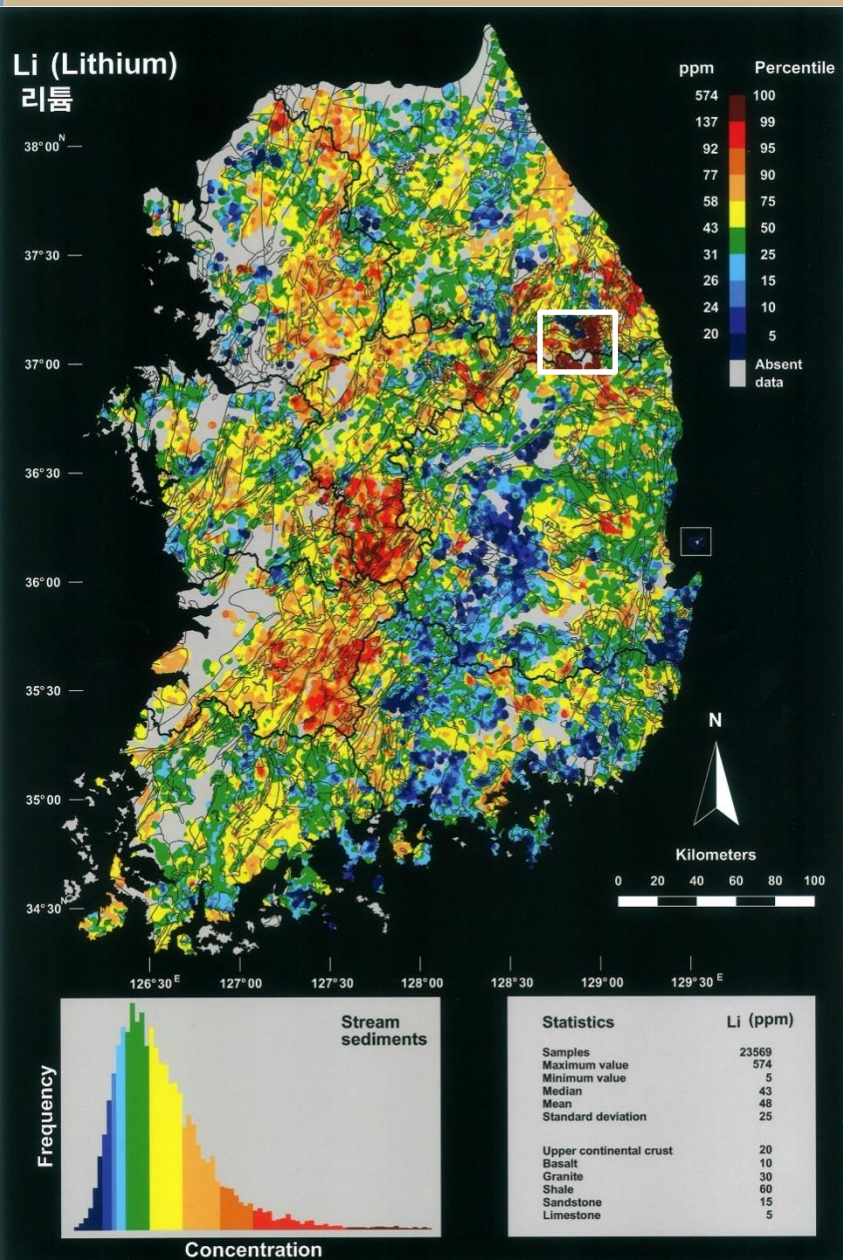
Lithium Projects on the KIGAM 1:100,000 Socheon magnetic image





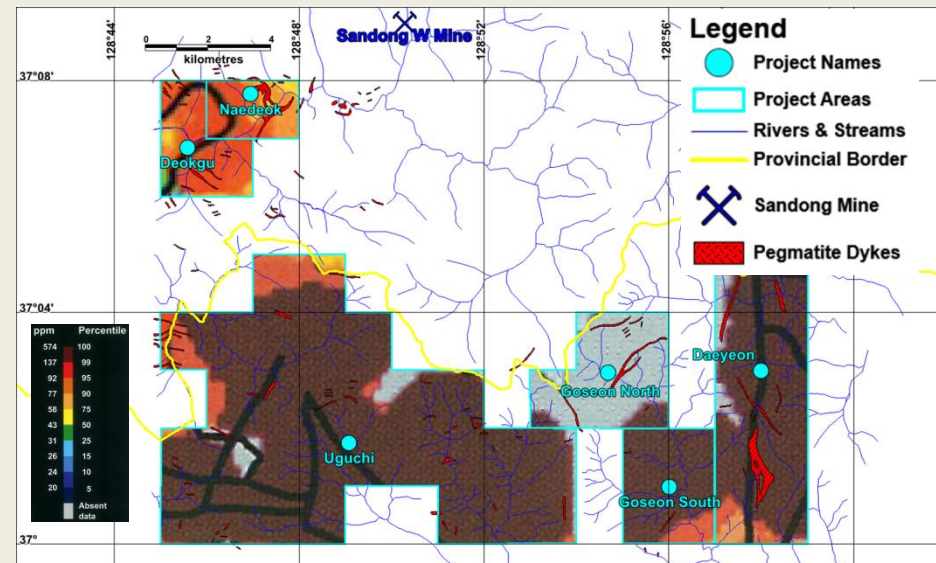
Interpretive model for the lithium mineralisation at Boam





Lithium Projects

- Review of historic country wide Korea Institute of Geoscience and Mineral Resources (KIGAM) stream sediment sampling data has highlighted an area to the south of the Sangdong tungsten mine where an aerially extensive lithium anomaly is centred.
- This area has the highest concentration of lithium anomalism reported from the country wide geochemical survey.
- KIGAM geological mapping over the area has identified numerous pegmatitic dyke occurrences. Elevated lithium values are interpreted to be a response to pegmatitic dykes.



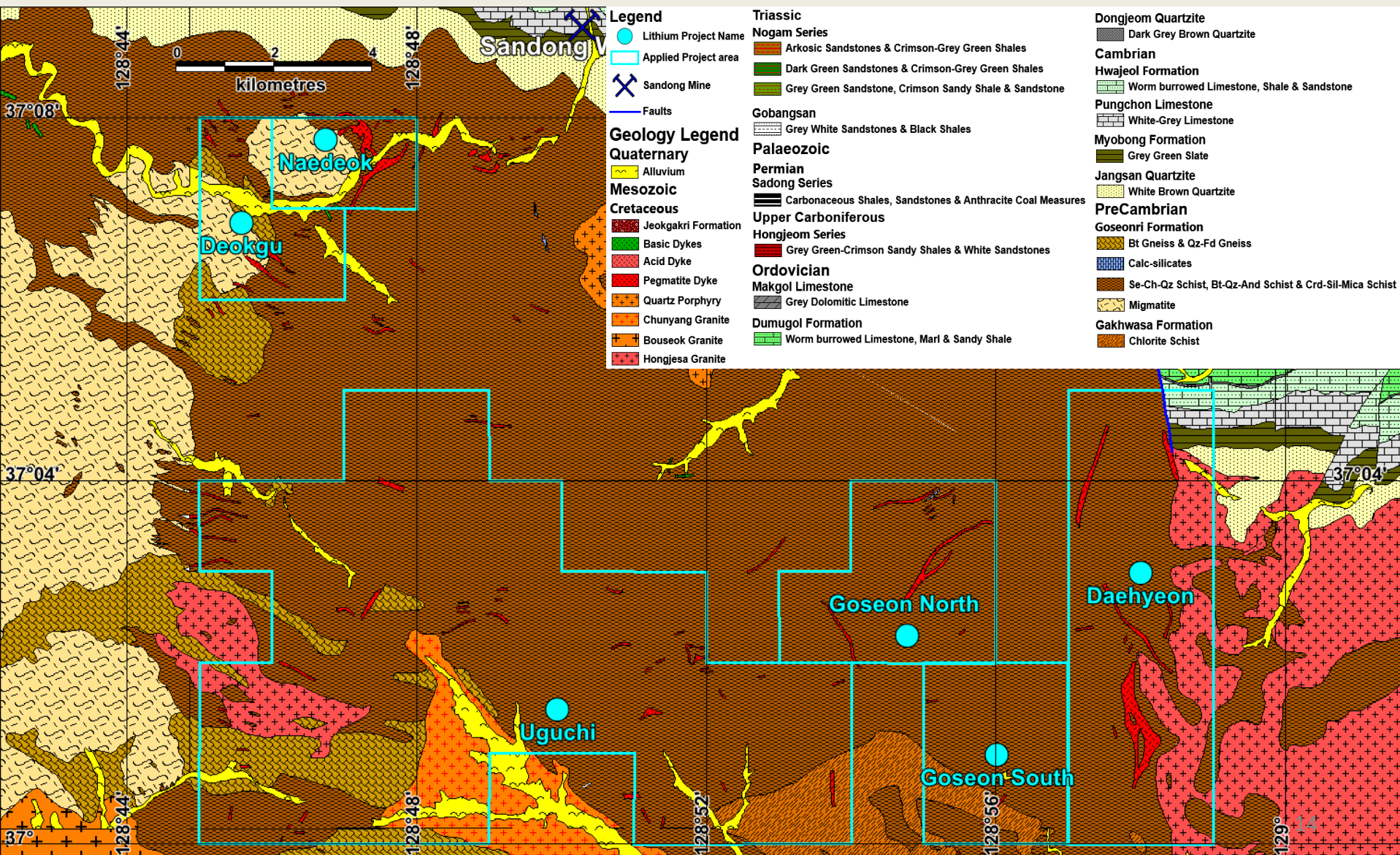


Daehyeon Lithium Project

- **Uguchi prospect** area includes twenty nine tenement blocks over an area identified as having highly anomalous stream sediment lithium values. The elevated lithium values are interpreted to be a response to pegmatitic dykes within the prospect area
- **Daehyeon prospect** includes ten tenement blocks that were selected due to the presence of pegmatitic dykes in an area where there is strong lithium anomalism in stream sediment values. A coincident magnetic high suggests the presence of an intrusive body and invokes a similar model to that proposed for the Boam lithium deposit (refer to ASX announcement dated 1 February 2016)
- **Goseon South prospect** includes four tenement blocks that were identified due to the presence of pegmatitic dykes and coincident anomalous lithium stream sediment values
- **Goseon North prospect** includes five tenement blocks that were selected due to the presence of a number of large pegmatitic outcrops (note: no stream sediment samples were collected in this area)
- **Naedeok and adjacent Deokgu prospects** include two and three tenement blocks respectively and have been targeted due to the presence of tin bearing pegmatites in the area



Daehyeon Lithium Project Tenements on Geological Map (KIAGAM 1:50000)





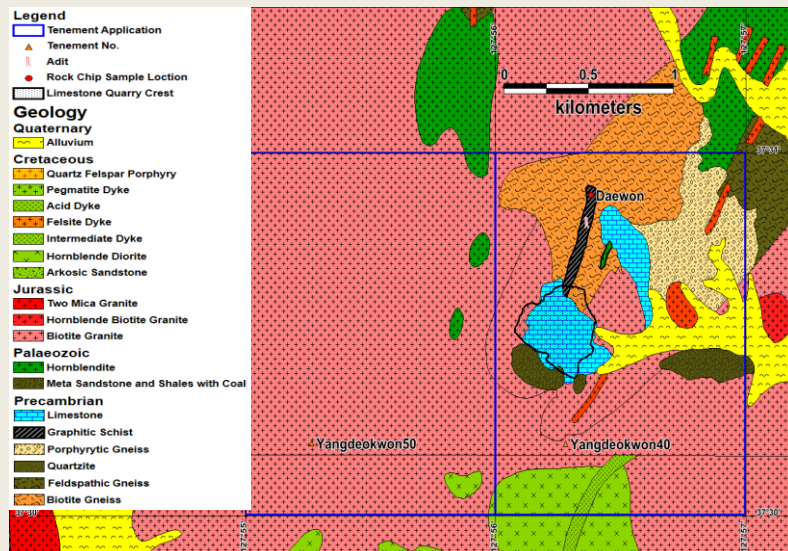
Graphite Projects

- Long History of Graphite Mining in South Korea
- 12 tenement applications over 5 historical graphite prospects including:
 - **Daewon Project** - application for two tenement blocks with high grade graphitic schists
 - **Wolmyeong Project** - was the largest graphite mine in South Korea before closing in 1987
- Several other of the prospects were active mines at some point prior to 1990
- Ground “truthing” and reconnaissance sampling program has commenced





Daewon Graphite Project

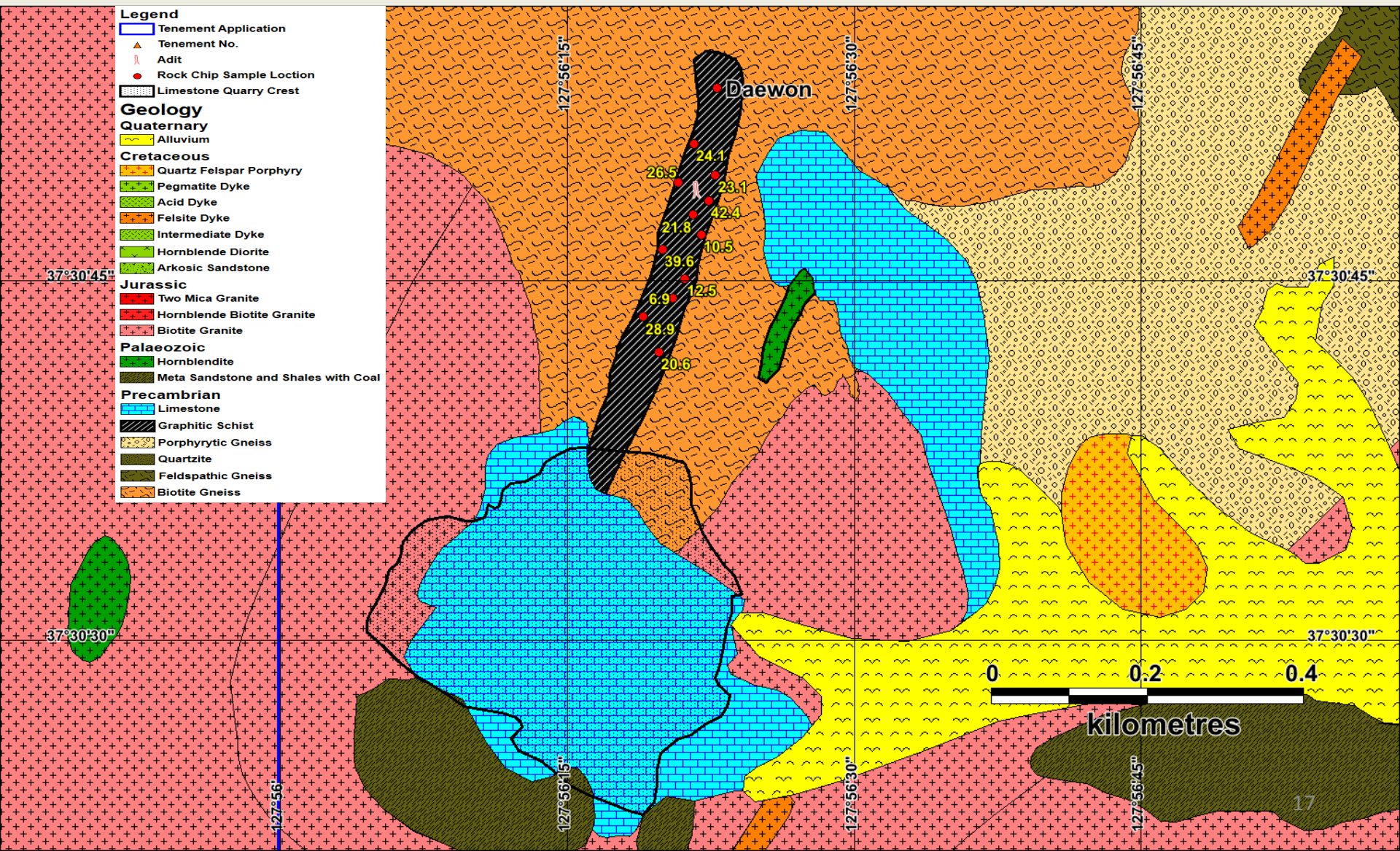


- Rock chip sampling in 1978 by KORES identified flake graphite grades ranging from 6.9 to 42.4% Total Graphitic Carbon (TGC)
- The graphite schist horizon that hosts the Daewon graphite prospect has been mapped over a strike length of more than 500m and a width of 60m. The graphitic horizon dips shallowly 35-40° to the west
- A small adit was developed at the site
- In the metamorphosed limestone adjacent to the Daewon prospect, there is an active limestone quarry and an in-pit crushing facility
- The Daewon prospect is located close to major road and rail infrastructure and has readily available grid power nearby

SampleID	Water%	Volatiles	Ash%	TGC%
GDW-01	1.21	5.28	84.2	10.5
GDW-02	0.78	5.65	72.6	21.8
GDW-03	1.13	5.36	68.1	26.5
GDW-04	1.46	4.51	71.4	24.1
GDW-05	0.96	3.9	73	23.1
GDW-06	1.23	4.57	53	42.4
GDW-07	0.88	5.73	54.7	39.6
GDW-08	0.45	10.1	77.4	12.5
GDW-09	0.44	11.3	81.8	6.9
GDW-10	1.85	9.34	61.8	28.9
GDW-11	0.87	5.88	73.5	20.6



Plan showing the location of the 11 KMPC 1978 rock chip samples and TGC% assay results. The irregular stippled polygon to south of the graphitic schist horizon is the active limestone quarry





Oblique Google Earth view of the Daewon Project area showing the operational limestone quarry



Shaded area represents interpreted position of outcropping and subcropping graphite mineralisation

Daewon



Wolmyeong Graphite Project

- Tenement applications cover the historical Wolmyeong graphite mine
- Wolmyeong was the largest graphite mine in South Korea before it closed in 1987
- Wolmyeong deposit predominantly contains high grade, microcrystalline or “amorphous” graphite
- Sampling by KMPC (1979) included grades from 79-83% total graphitic carbon (TGC)
- The grade of the Wolmyeong deposit is significantly higher than that of South Korean flake graphite deposits
- Historical underground development extended over 300 to 750m of strike across the 3 graphitic horizons identified thus far
- Historical mining was highly selective and focussed on the easily accessible areas of the deposit, above 260m altitude (water level). Therefore, significant down dip potential still remains at Wolmyeong





Wolmyeong Historical Graphite Mine

Historical KMPC sampling results from the Wolmyeong Mine

Sample Location	Water (%)	Ash (%)	Volatile (%)	TGC (%)	Sulfide (%)
Middle horizon	0.30	12.64	3.25	83.81	0.21
Middle horizon	0.35	16.68	3.75	79.22	0.36
Rom pad	0.34	15.84	2.86	80.96	0.40
Rom pad	0.37	15.30	3.18	81.15	0.29
Lower horizon	0.33	26.86	3.27	79.54	0.35
Rom pad	0.38	15.24	3.47	80.91	0.35
Rom pad	0.32	15.08	3.58	81.02	0.25
Rom pad	0.34	15.00	4.16	80.56	0.38

(Note: minor rounding errors in the figures)



ROM pad at Wolmyeong prior to the mine's closure in 1987

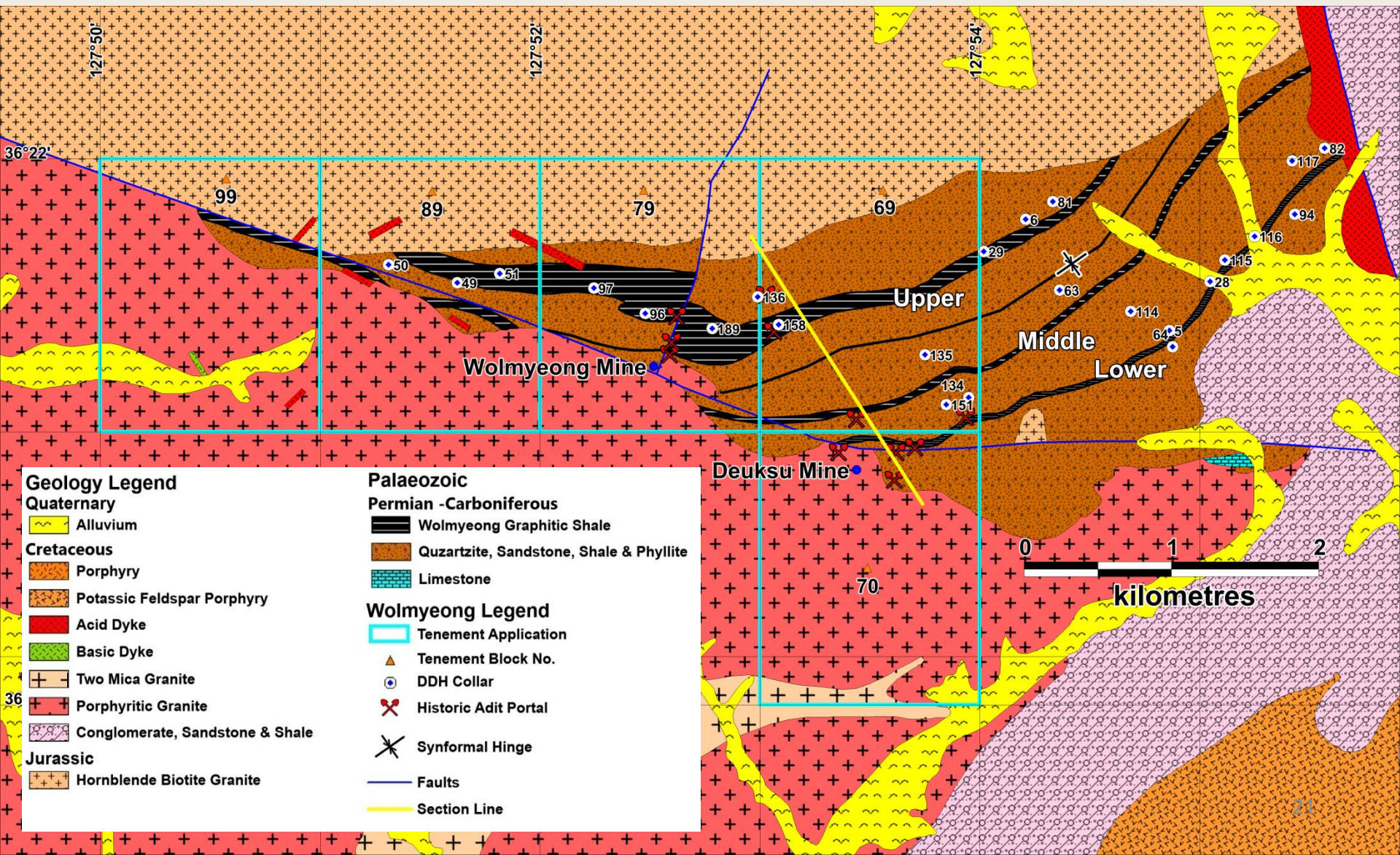


Graphitic ore being transported from the Wolmyeong Mine

Exceptionally high grade graphite mineralisation

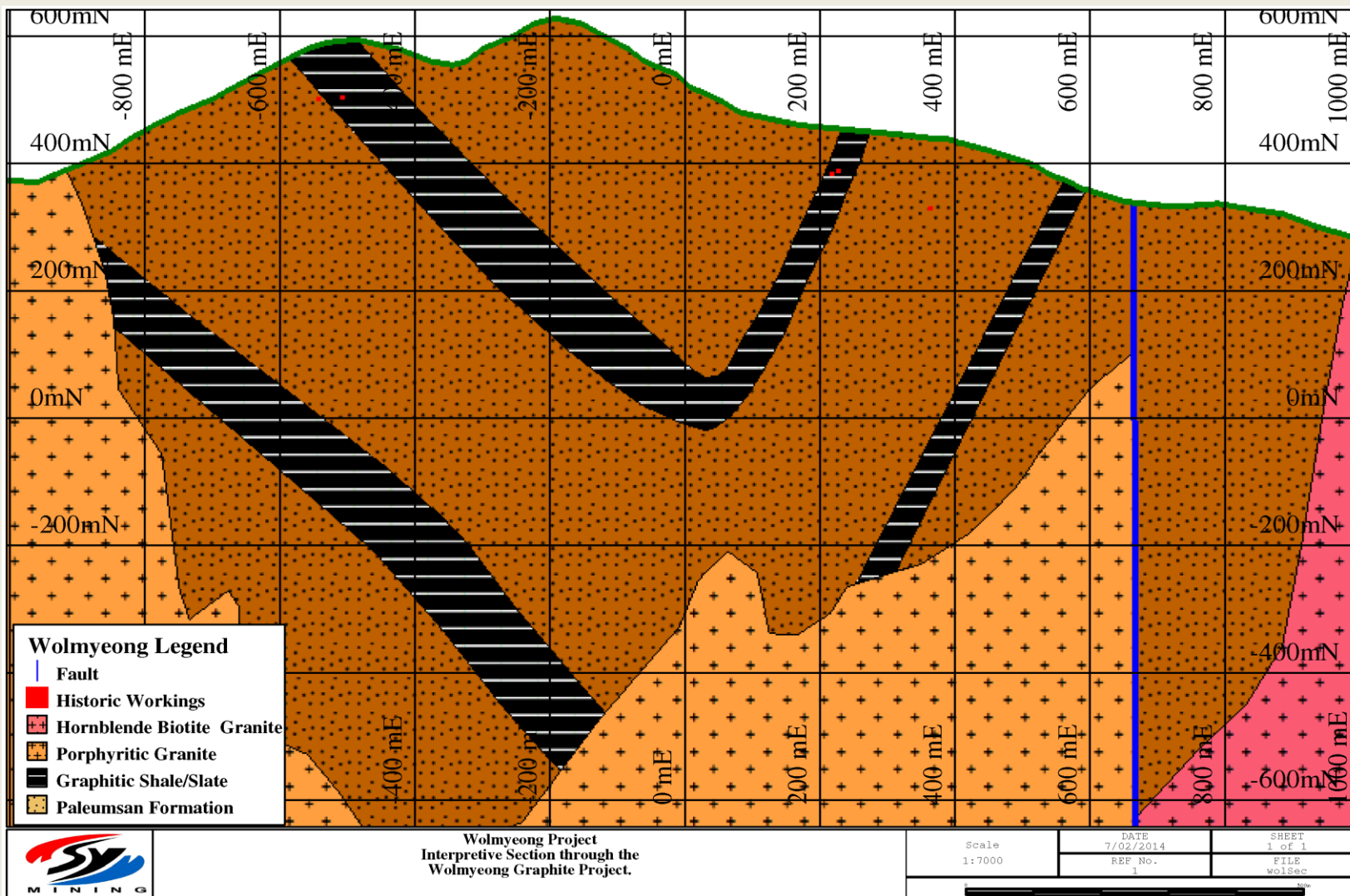


Wolmyeong Graphite Project Geology





Wolmyeong Graphite Project Interpreted Geological Section





Planned Work Programmes

Activity	Q2	Q3	Q4
Graphite Projects			
Daewon, Yongwon, Deokseung, Eunha, Wolmyeon			
Mapping Surface Sampling			
Drilling (selected Targets 2,000 - 4,000) *			
Resource Calculation			
Lithium Projects			
Dongsugok and Daehyeon			
Mapping Surface Sampling			
Drilling (selected Targets 2,000 - 3,000) *			
Resource Calculation			

- higher total includes possible KORES funding support



Why Invest?

Attractive target commodities

- Clear focus on advancing multiple hard rock lithium and graphite prospects
- Significant demand growth from new markets – battery power and storage

Strong in-country benefits

- Favourable operating and fiscal regime providing clear path from mining to end markets
- Excellent infrastructure, logistics and skilled labour market
- Supplies of lithium and graphite are highly sought after in South Korea and region

Experienced team

- Highly experienced board and management team
- Built reputation with South Korean government and industry since 2012

Significant activity underway for 2016

- Expect material near-term value drivers from planned 2016 exploration program
- Lithium and graphite activity program commences with mapping and surface sampling followed by drilling in Q3 2016
- Aim to fast track resource definition drilling thereafter



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