

ASX Announcement

21 June 2016

Peninsula Mines Limited (ASX: PSM)

Exploration in South Korea
- Graphite and Lithium
- Molybdenum and Tungsten
- Gold, Silver and Base Metals

Substantial Shareholders

Aurora Minerals Limited	32%
Management	10%
Perth Select	6%
M&S Lynch	6%

Shares on Issue: 434M

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Successful Application for Janggohang Graphite Mine Daewon Graphite Mineralisation Confirmed

- The Directors of Peninsula Mines Limited (“PSM” or the “Company”) are pleased to announce successful tenement applications over the historical Janggohang graphite mine in South Korea.

Janggohang

- Suyeon Mining Co. Ltd. (“SMCL”), the Company’s wholly owned Korean subsidiary, filed 4 tenement applications over blocks Janggohang 139, Janggohang 140, Janggohang 150 and Pungdo 10 in the Dangjin district (Figures 1 & 3).
- A site inspection by SMCL geologists has confirmed the graphite ore at Janggohang has been mined from a small open cut with dimensions of approximately 180m east-west by 50m north-south to a depth of 25m below the northern high-wall. To the south the pit floor is approximately at the same horizon as the adjacent topography (Figure 2). Historical production records are currently being sourced.
- Graphite mineralisation visible in the pit floor can be traced for over 80m in at least two narrow (~0.5-1m) semi continuous lenses striking 070° and dipping 60° to the NW before disappearing into the NE high-wall (Figures 2 & 4B).
- Approximately 2.5km to the west graphite mineralisation has recently been exposed in a road cutting (Figures 3, 4G & 4H), thereby opening up significant strike potential.
- Samples from the pit floor have been collected and dispatched for assay, petrographic assessment and metallurgical test-work.

Daewon

- Recent mapping has confirmed the presence of graphite mineralisation immediately to the west of the limestone quarry shown in Figure 5. The mineralised horizon with widths up to 6 metres has been traced for 350m dipping shallowly to the northwest along the eastern flank of a north-south trending ridge forming the western high-wall of the limestone quarry (Figure 6C). The location and near surface geometry of the mineralisation suggests good dimensions for possible future open pit mining.
- A sample has been dispatched for petrographic assessment and additional samples will be dispatched shortly for assay and follow-up metallurgical test-work.
- Commenting on the two graphite projects Executive Director Danny Noonan noted: “Janggohang is the sixth graphite exploration project Peninsula has applied for this year, all located in South Korea^{D1}, a country which is noted as a major consumer of graphite for refractories, recarboniser in steel manufacture and, more recently, spherical graphite used in lithium batteries. Janggohang’s history as an open-cut mine close to roads and other infrastructure suggests a good location from which to recommence mining. Additionally, after much reconnaissance mapping it is very pleasing to have confirmed the presence of graphite mineralisation at Daewon.”

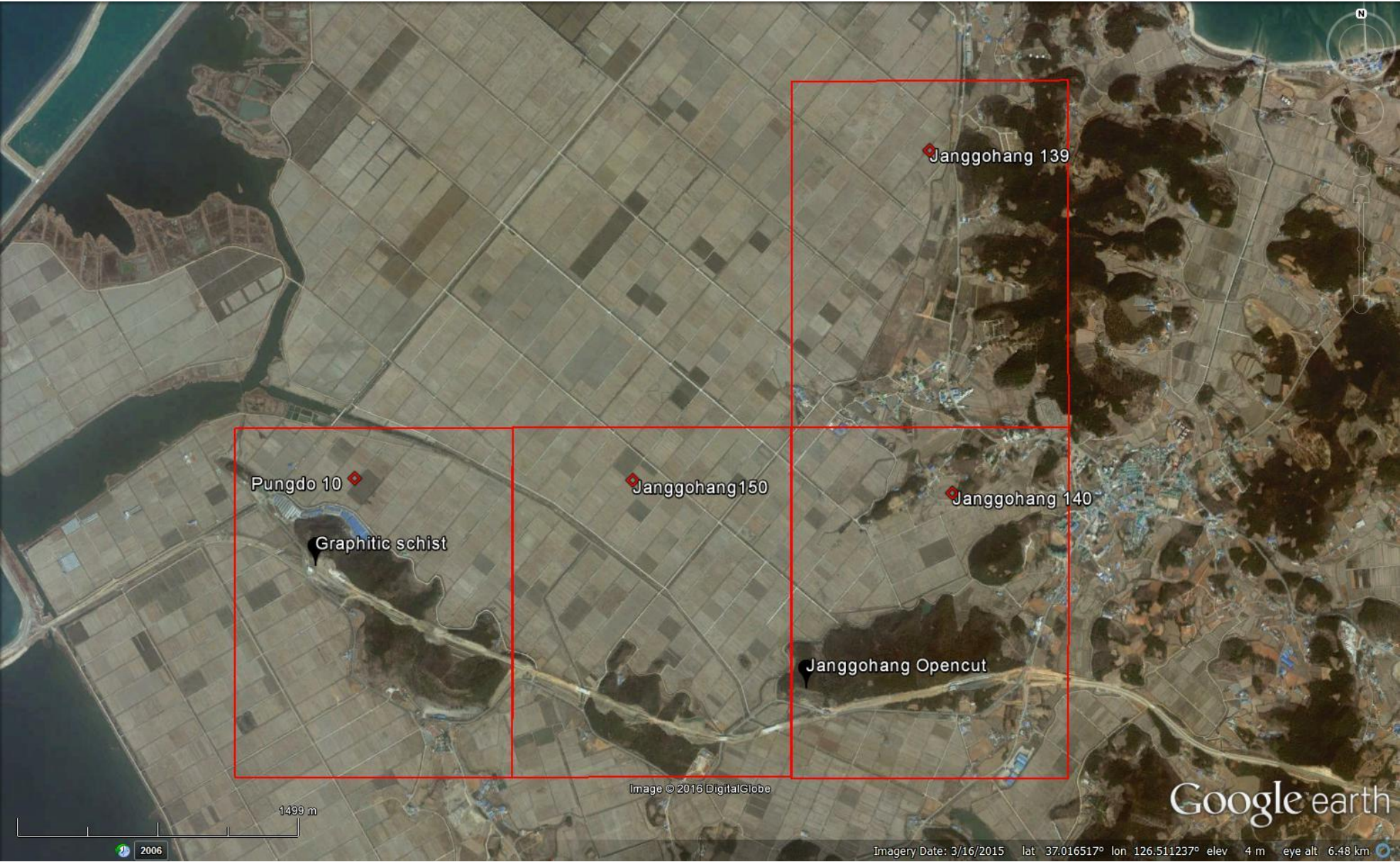
Figure 1: Location Plan of South Korean Projects



Figure 2: Google Earth Image showing location and dimensions of Janggohang Graphite Mine



Figure 3: Graphite Tenement Applications on Google Earth Image.





Janggohang Project

SMCL has filed 4 tenement applications over and adjacent to the historical Janggohang graphite mine (Figure 3). Indications from the Korean Institute of Geosciences and Mineral Resources (KIGAM) mapping in the area is that the Janggohang graphite is most likely Carboniferous in age and represents metamorphosed anthracitic coal seams similar to the ones at the Company’s Wolmyeong project.

The graphitic schist and associated carbonaceous shale outcrop on low lying hills that were formerly islands prior to an active land reclamation programme in the area. The graphitic schist overlies a sandstone sequence and is in turn overlain by sandstones and conglomerates. Initial reconnaissance mapping and a review of the Google Earth satellite image indicates that the prospective graphitic schist horizon outcrops in a road cutting on another former island 2.5km to the west of the Janggohang mine (Figures 4G & 4H) and in a second road cutting 850m east of the former Janggohang open cut (Figure 3). This suggests there is significant strike potential to identify additional graphite mineralisation both at surface on the former islands and below the surrounding reclaimed land.

In the floor of the Janggohang open cut there is evidence of mining on at least two narrow (0.5-1m wide) graphitic seams (Figures 4B & 4E). Two samples from the seams exposed in the pit floor (Figures 4A, 4C & 4D) have been sent to Perth for assay and a third sample from the road cutting 2.5km to the west has also been dispatched to Perth (Figures 4G & 4H). At the western end of the pit there are a number of derelict buildings that are all that are left of the historical mine infrastructure including the former float plant (Figures 2, 4E & 4F).

Figure 4: Janggohang graphite project

	
<p><i>Graphite mineralisation in base of abandoned open pit</i></p>	<p><i>Trace of graphite outcrop in pit floor, view looking East. (Note high tensile power line in background)</i></p>

C



Sampling graphite mineralisation in open pit

D



Graphite outcrop in the floor of the open pit

E



View looking west across the pit floor. Graphite structures are exposed in the pit floor to the right of picture and the derelict mine plant is visible on the far western side of the pit.

F



Historical Janggohang Mine float plant.



Graphite outcrop newly exposed in roadside cutting in the Pungdo 10 application area

Graphite outcrop and surface spoil from roadside cutting

Daewon

The Daewon project consists of two tenement blocks (Yangdeokwon 40 & Yangdeokwon 50) where graphitic schists and limestone occur as part of a basement sequence dominated by Precambrian gneisses and intruded by Mesozoic granites and felsic porphyry and hornblendite of an unknown age. Previous rock chip sampling by KMPC in 1978 identified flake graphite grades ranging from 6.9 to 42.4% Total Graphitic Carbon (TGC)^{D2}. Reconnaissance mapping has been successful in identifying graphite mineralisation over a strike length of 350m. More detailed mapping efforts are planned for next month in a bid to locate the zone of KMPC sampling and trial mining further to the NE along the strike of the Daewon mineralised horizon (the shaded grey area shown in Figure 5). The Daewon structure dips shallowly from 10 to 40° to the north west into a ridge on the western side of an active limestone quarry (Figures 5, 6C, 6G & 6H). A number of narrow graphite bearing horizons were located in a small exploration pit at the southern end of the mapped structure (Figures 5 & 6A, 6B, 6D, 6E & 6F).

A sample taken from an outcrop of graphitic schist in a creek at the northern end of the mapped structure (dark area figures 5 & 6D) has been dispatched to Perth for petrographic assessment.

Figure 5: Plan view showing the location of the Daewon prospect and tenement applications on the Google earth image. The yellow square shows the location of the small exploration pit from figure 6A.

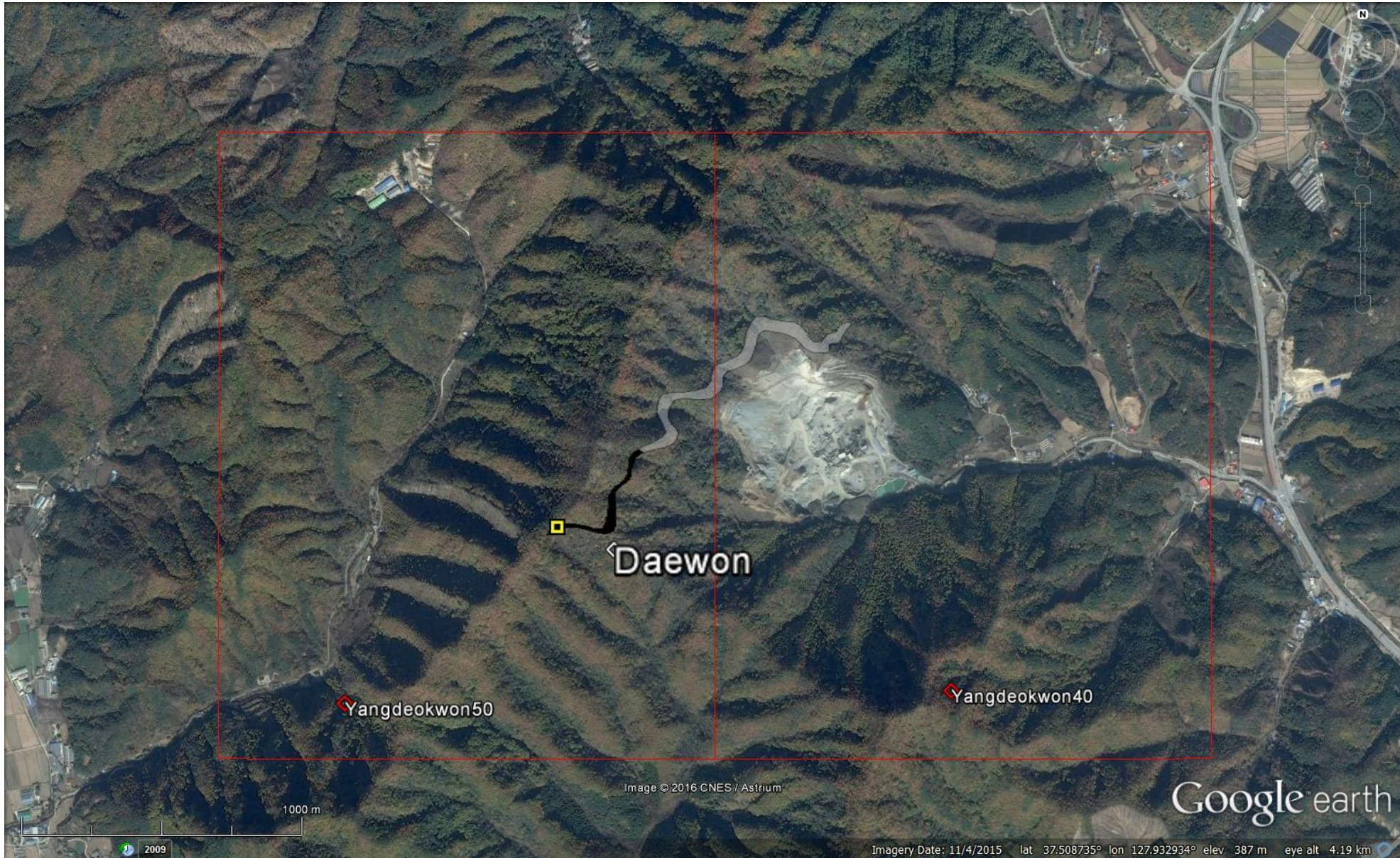


Figure 6: Daewon graphite project today



Excavation for Graphite Mineralisation



Weathered Graphite Mineralisation Outcrop (from location shown in LHS photo)



View from above the excavation looking eastward over the limestone quarry in the adjacent valley



Trace (solid black line) of Graphite Mineralisation as mapped in surface outcrop. Grey shaded area is the interpreted continuation of the structure to the NE. View looking NW in the dip direction.



Outcrop showing multiple graphite horizons



Graphite outcrop showing localised folding. Mineralisation thickened in fold hinge



View looking west along the quarry northern highwall. The small graphite exploration pit is located on the far side of the peak, centre of picture.



View looking west along the limestone quarry access road. The graphite horizon flanks the ridge from the centre of the photo.

Summary List of all previous ASX releases referenced in this announcement:

- D1. Graphite Prospects - South Korea, 13 Jan 2016
- D2. High Grade Graphite Samples - Daewon Prospect, 21 Jan 2016

Other than the information reported in this announcement, there has been no material change to the information contained in the above releases. Full versions of all the company's releases are available from the company's website www.peninsulamines.com.au

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The information in this announcement 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 Exploration Manager for the Company and is employed as a consultant.

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 announcement of the matters based on this information in the form and context in which it appears.

PENINSULA MINES LIMITED

Janggohang and Daewon Tenement Holdings (at 21 June 2016)

Deposit	Mine Land Ledger No.	Mining Right No.	Title Coordinate		Grid System	PSM Holding %	Expiry Date	Notes
			Northing	Easting				
Daewon	Yangdeokwon 40		37.51666	127.93333	GRS080	100%	13-Dec-16	Original tenement application filed on 6 January 2016. SMCL filed a fresh application on 14 June 2016. SMCL must lodge a Mineral Deposit Survey (MDS) prior to the 13 December 2016 expiry date to extend the tenement life for up to an additional 6 years.
			37.51666	127.95				
			37.5	127.95				
			37.5	127.93333				
Daewon	Yangdeokwon 50		37.51666	127.91666	GRS080	100%	13-Dec-16	Original tenement application filed on 6 January 2016. SMCL filed a fresh application on 14 June 2016. SMCL must lodge a Mineral Deposit Survey (MDS) prior to the 13 December 2016 expiry date to extend the tenement life for up to an additional 6 years.
			37.51666	127.93333				
			37.5	127.93333				
			37.5	127.91666				
Janggohang	Janggohang139		37.016667	126.5166667	GRS080	100%	9-Nov-16	Tenement application filed on 10 May 2016. On 9 June SMCL application was confirmed as successful. SMCL must lodge a Mineral Deposit Survey (MDS) prior to the 9 November 2016 expiry date to extend the tenement life for up to an additional 6 years.
			37.016667	126.5333333				
			37.033333	126.5333333				
			37.033333	126.5166667				
Janggohang	Janggohang140		37	126.5166667	GRS080	100%	9-Nov-16	Tenement application filed on 10 May 2016. On 9 June SMCL application was confirmed as successful. SMCL must lodge a Mineral Deposit Survey (MDS)
			37	126.5333333				
			37.016667	126.5333333				

Deposit	Mine Land Ledger No.	Mining Right	Title Coordinate		Grid System	PSM Holding %	Expiry Date	Notes
			37.016667	126.5166667				prior to the 9 November 2016 expiry date to extend the tenement life for up to an additional 6 years.
Janggohang	Janggohang150		37	126.5	GRS080	100%	9-Nov-16	Tenement application filed on 10 May 2016. On 9 June SMCL application was confirmed as successful. SMCL must lodge a Mineral Deposit Survey (MDS) prior to the 9 November 2016 expiry date to extend the tenement life for up to an additional 6 years.
			37	126.5166667				
			37.016667	126.5166667				
			37.016667	126.5				
Janggohang	Pungdo10		37	126.4833333	GRS080	100%	13=Dec-16	Tenement application filed on 14 June 2016. SMCL must lodge a Mineral Deposit Survey (MDS) prior to the 13 December 2016 expiry date to extend the tenement life for up to an additional 6 years.
			37	126.5				
			37.016667	126.5				
			37.016667	126.4833333				