



PENINSULA MINES LIMITED



Minerals Exploration for the New Millennium

July 2016 (ASX:PSM)



COMPETENT PERSONS 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.

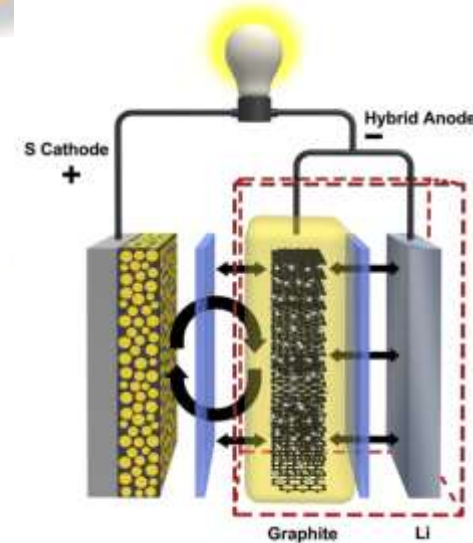
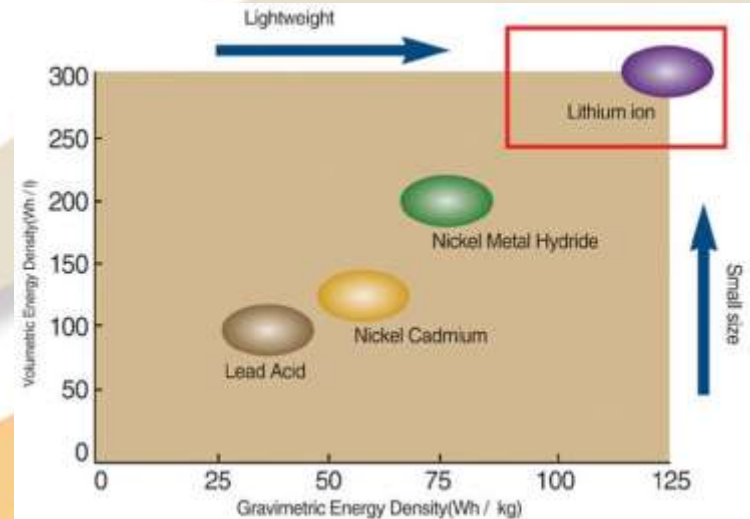
Forward-Looking Statements are included herein, regarding the future ability to finance projects and other statements that express management's expectations, or estimates regarding the timing of completion of various aspects of the projects' development or of our future performance and thereby constitute "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

- An established explorer in South Korea, focused on **Lithium, Graphite and Gold**
- Multiple hard rock lithium and graphite opportunities identified
- High impact exploration program underway across the graphite and lithium portfolio
- Drilling high grade gold target this half (Osu Project)
- 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
- ***Enterprise Value of ~\$13 million provides strong upside to exploration success***



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



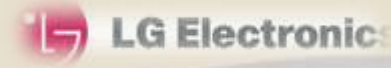
WHY SOUTH KOREA?

Business Friendly

- Stable first world economy
- 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



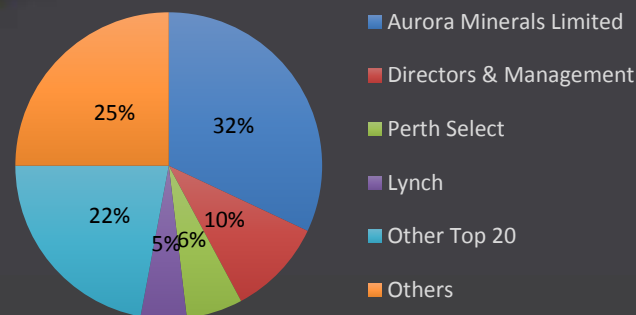
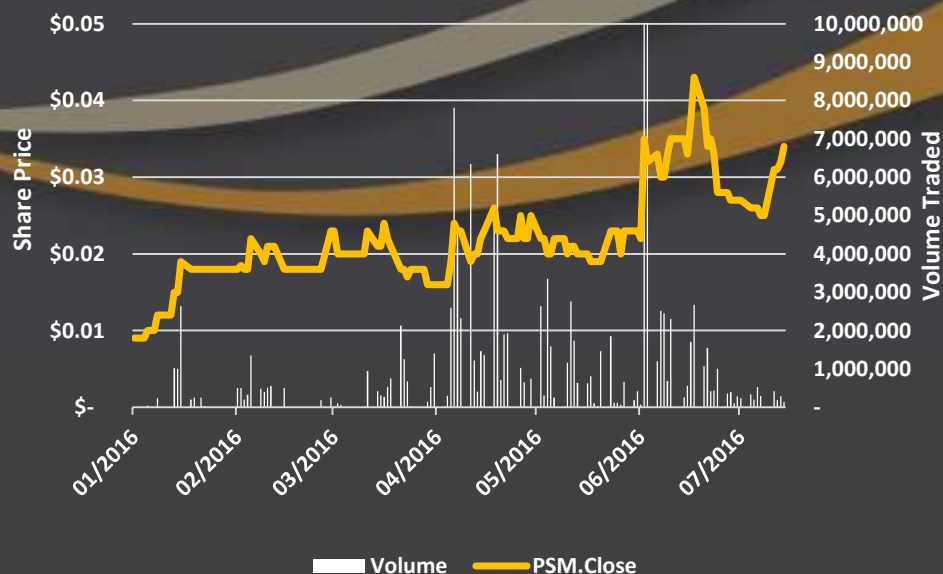
CORPORATE SNAPSHOT

Capital Structure

Shares	434.5M
Options	100M (various prices)
Market Capitalisation	\$14.7M (at 3.0cps)
Cash	\$1.3m (30 June 2016)
Enterprise Value	\$13.4m

PSM Board of Directors

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



*Top 20 control >75% of issued capital
Tightly held capital structure*

OUR PORTFOLIO

Osu Gold Project

Lithium Projects

- Daehyeon
- Dongsugok



Daehwa Moly-Tungsten Project

Graphite Projects

- Wolmyeong
- Yongwon
- Daewon
- Eunha

Diversified Portfolio, providing exposure to Graphite, Lithium, Gold, Copper, Tungsten and Molybdenum

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).
- **Significant down dip potential still remains at Wolmyeong**



WOLMYEONG HISTORICAL MINE



Graphitic ore being transported from the Wolmyeong Mine



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

Historical KMPC sampling results from the Wolmyeong Mine

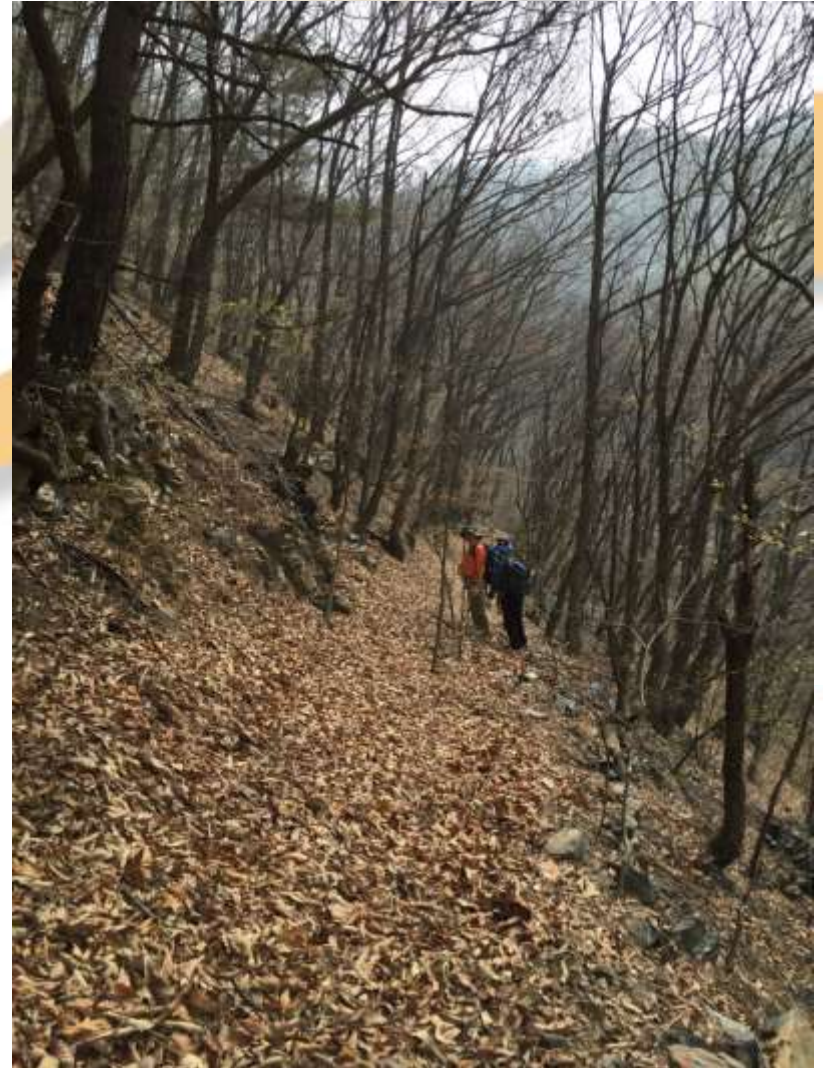
Sample Location	Water (%)	Ash (%)	Volatile (%)	TGC (%)	Sulfide (%)
Middle horizon	0.30	12.64	3.25	83.81	0.21
Middle horizon	0.35	16.68	3.75	79.22	0.36
Rom pad	0.34	15.84	2.86	80.96	0.40
Rom pad	0.37	15.30	3.18	81.15	0.29
Lower horizon	0.33	26.86	3.27	79.54	0.35
Rom pad	0.38	15.24	3.47	80.91	0.35
Rom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

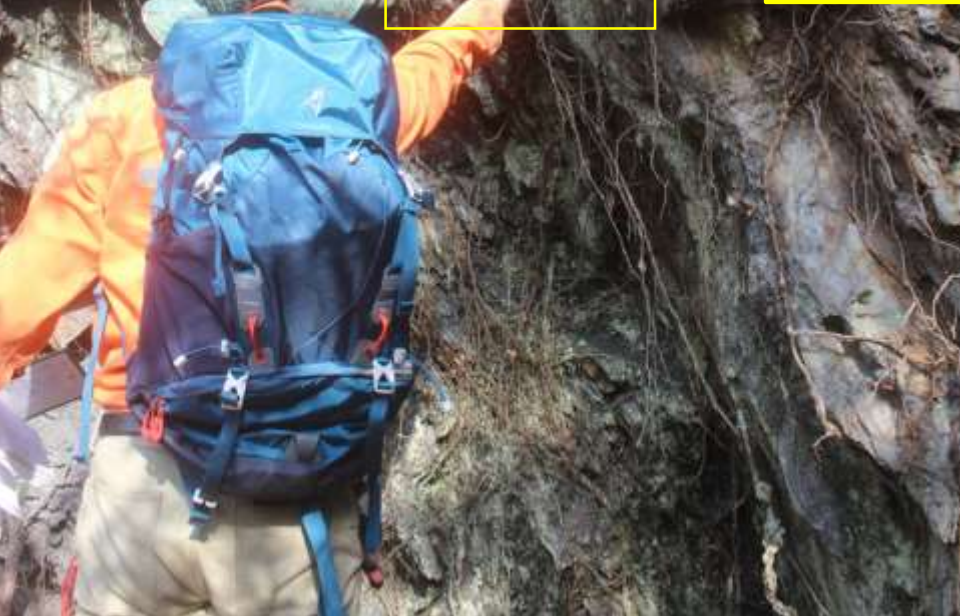
Note: Minor rounding errors in the figures.

TGC% of up to 83.81% compares favourably to PSM's peer's with advanced graphite projects



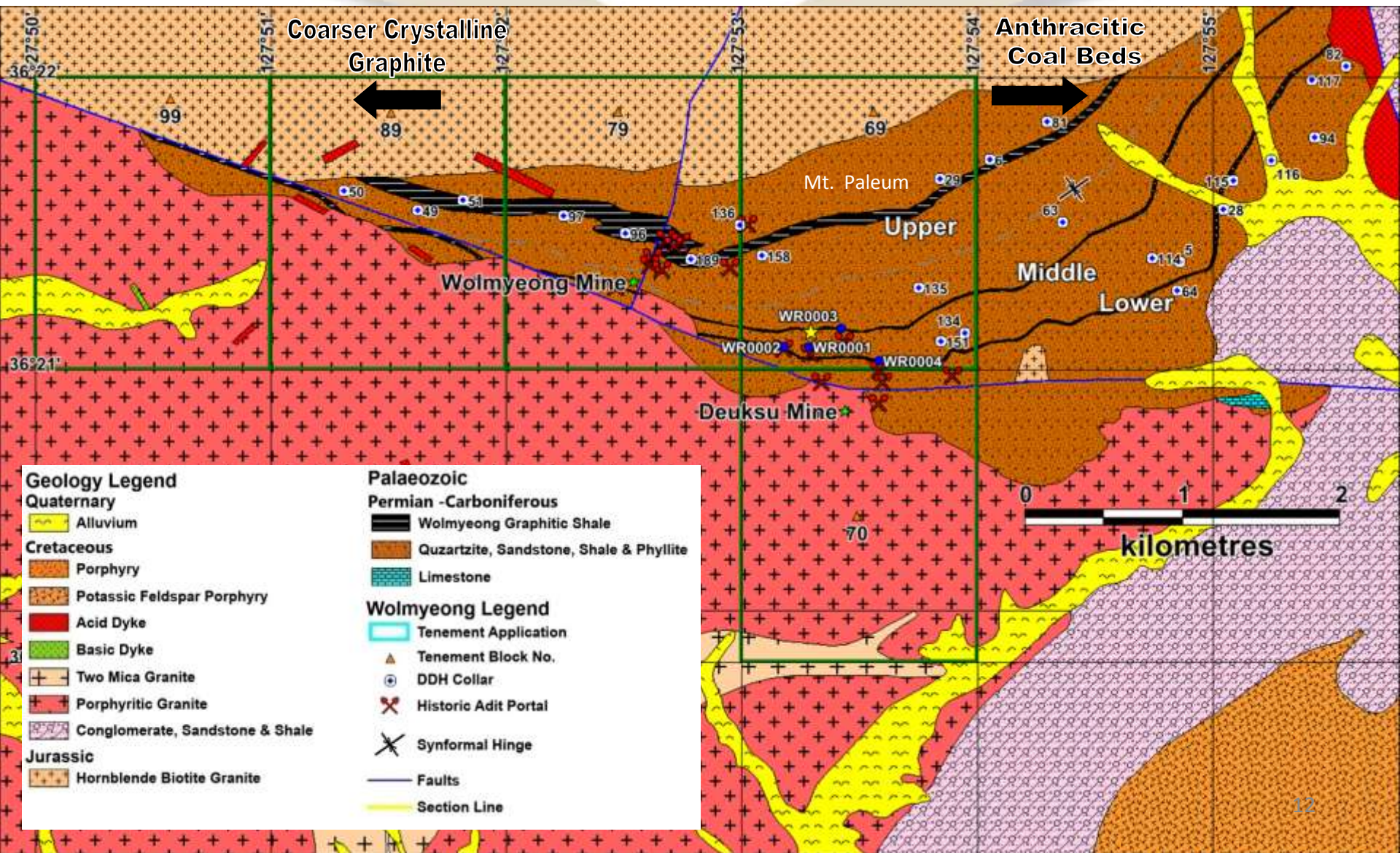
WOLMYEONG GRAPHITE MINE TODAY







WOLMYEONG PROJECT GEOLOGY



WOLMYEONG GRAPHITE PROJECT



Exceptionally high grade graphite mineralisation



WOLMYEONG IS HIGH GRADE

- Analysis of recent samples demonstrates Wolmyeong to be exceptionally high grade

Method	S-IR08	C-IR07t	C-IR17 [#]	C-IR18	(C-IR17) - (C-IR18)	(C-IR07t) - C-IR17
Analyte	S Total	C Total	C Organic & Graphitic	C Graphitic	C Organic	C Inorganic
	%	%	%	%	%	%
Lower Detection Limit	0.01	0.01	0.02	0.02	0.1	0.1
WR0001	0.03	54.1	52.9	52.8	0.1	1.2
WR0002	0.03	53.1	51.1	49.6	1.5	2.0
WR0003	<0.01	53.4	52.9	48.7	4.2	0.5
WR0004	0.04	72.9	70.2	66.7	3.5	2.7

Results of recent check samples collected by SMCL.

Results averaged from 3 readings due to high grade nature of the assays.



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 sandstone 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 15-40° to the northwest.
- In the metamorphosed limestone adjacent to the Daewon prospect, there is an active limestone quarry and an in-pit crushing facility.
- **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



DAEWON GRAPHITE PROJECT



Trace of surface expression of graphite horizon at Daewon immediately west of limestone quarry



DAEWON GRAPHITE PROJECT



- LHS Photo: Limestone quarry
- RHS & Below Photos Graphite lens exposed immediately west of limestone quarry



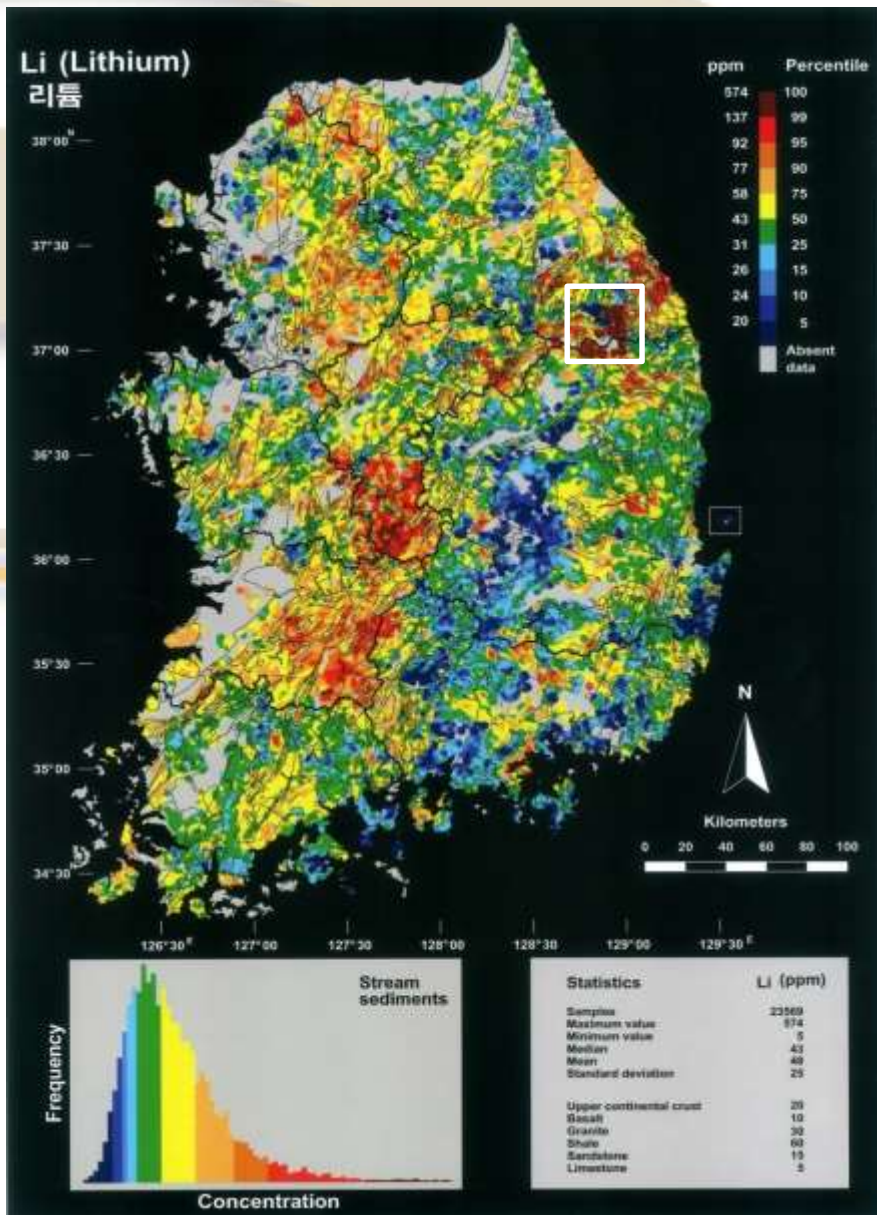
LITHIUM PROJECTS



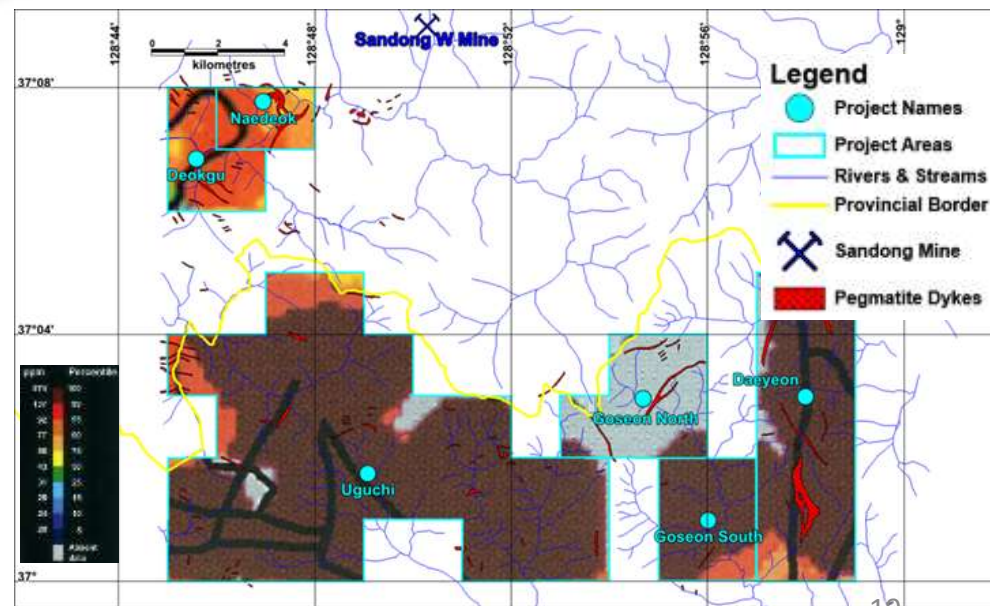
- Two regional Project areas secured as tenement applications over pegmatites with evidence of lithium, tin and tantalum mineralisation
- **Dongsugok Project** - Tenement applications adjacent to the Boam Lithium Mine and additional applications over pegmatites considered prospective for lithium and tin mineralisation in the Boam mine district:
- **Daehyeon Project** – Large regional lithium exploration play over 20 x 20km area of highly elevated stream sediment anomalism



LITHIUM PROJECTS

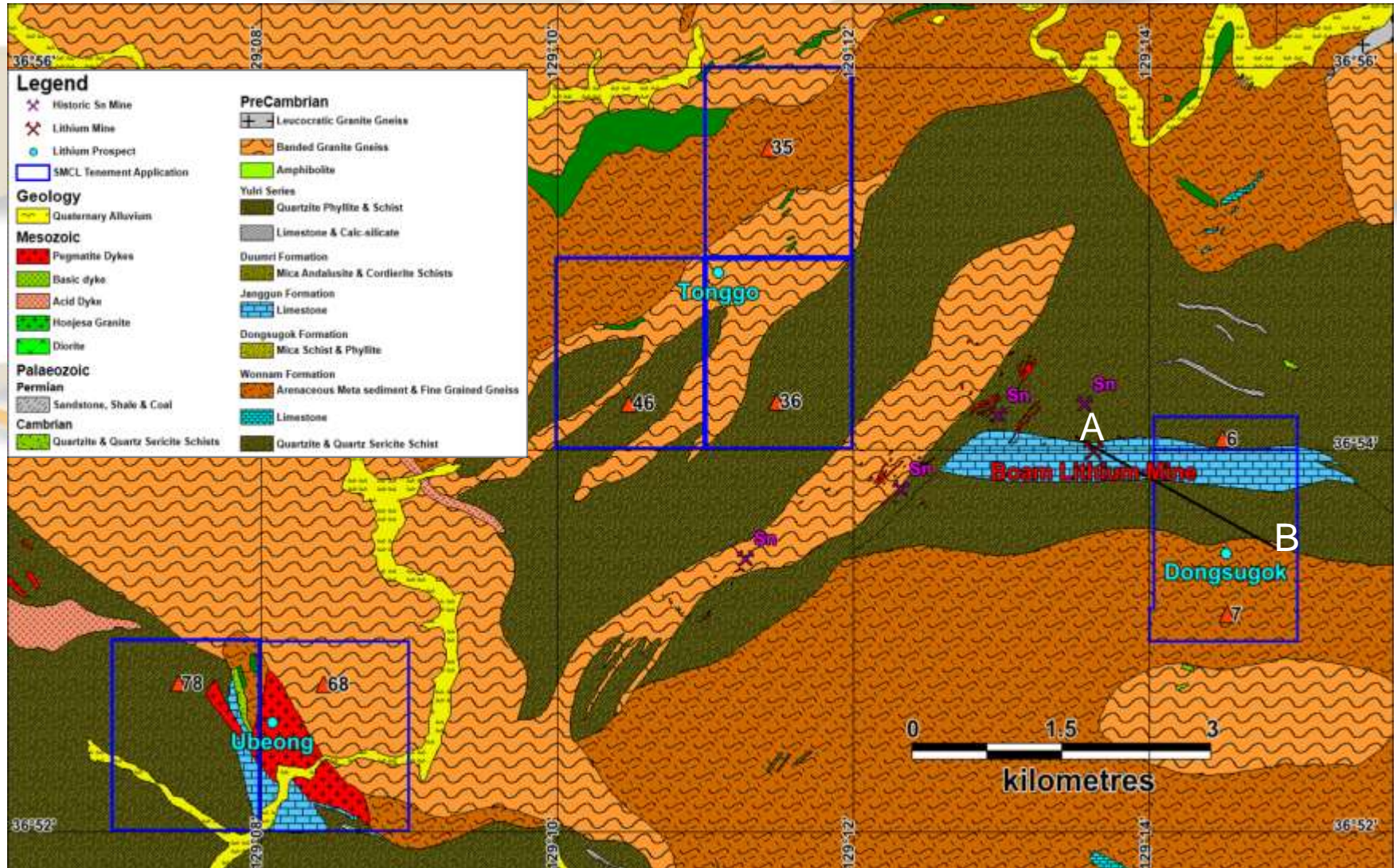


- Review of historic country wide stream sediment sampling data has highlighted an area to the south of the Sangdong tungsten mine where an aerially extensive lithium anomaly is centred
- This area has the highest concentration of lithium anomalism reported from the country wide geochemical survey
-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



LITHIUM PROJECTS

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

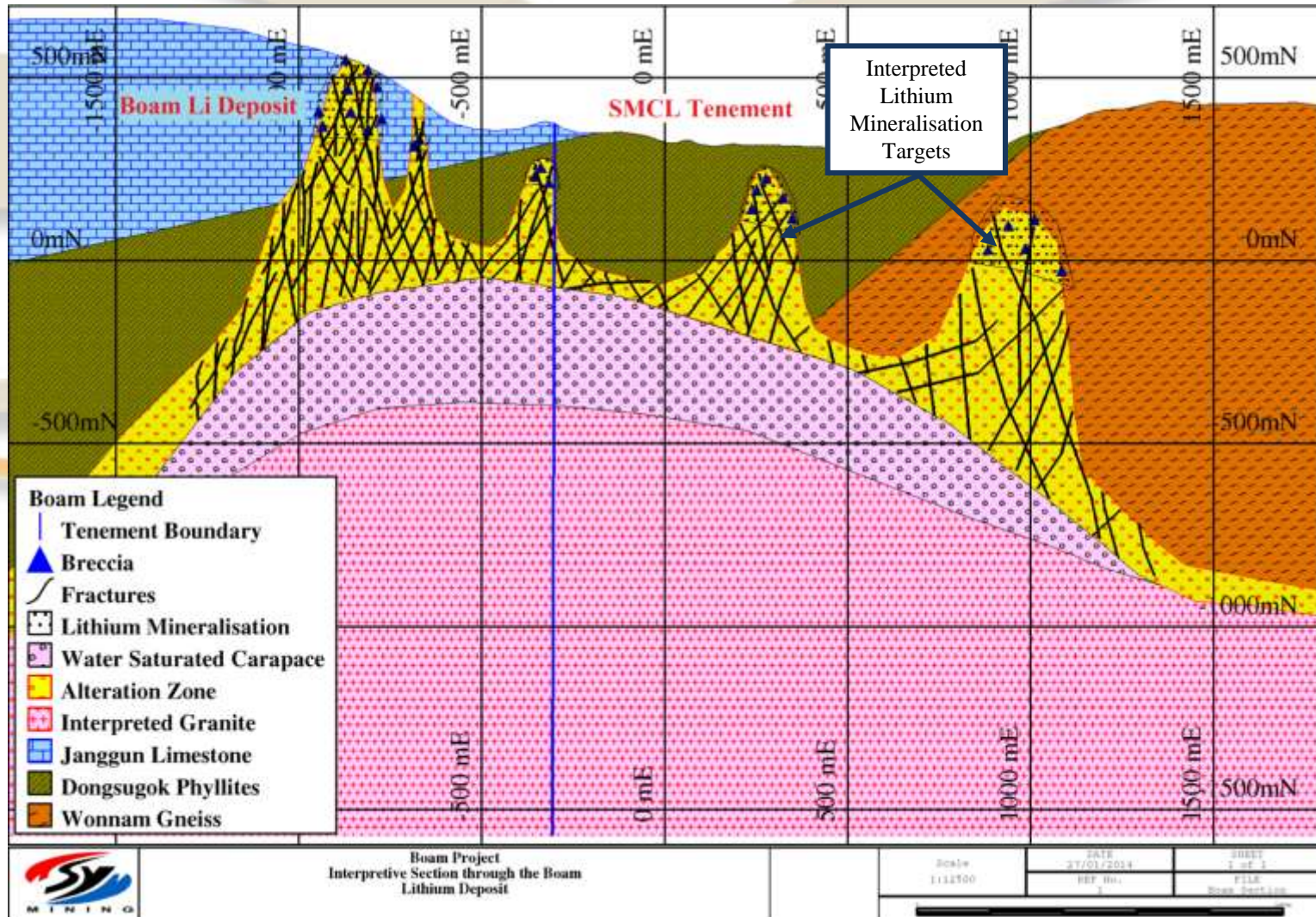






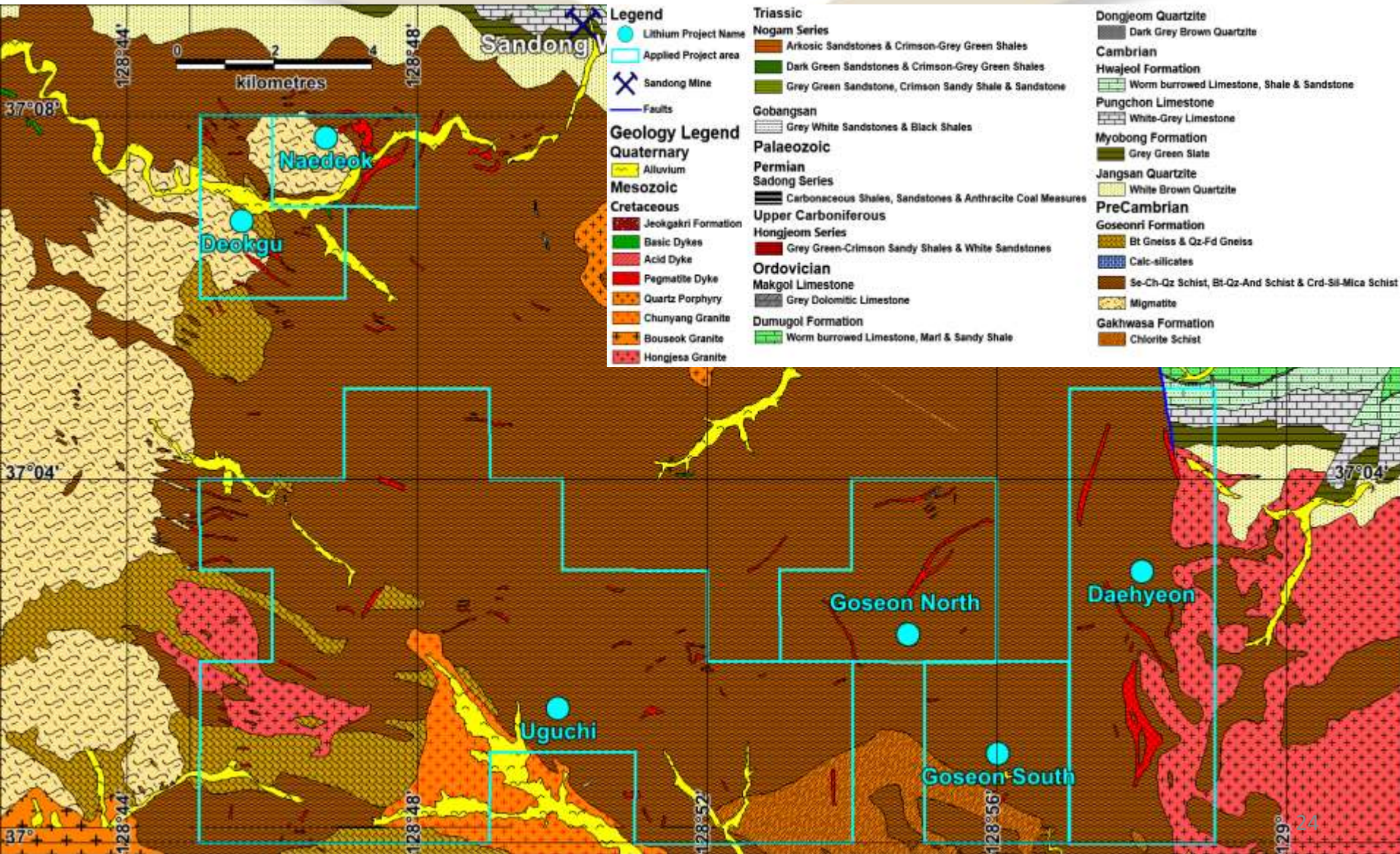
LITHIUM PROJECTS

Interpretive model for the lithium mineralisation at Boam



LITHIUM PROJECTS

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



OSU GOLD-COPPER PROJECT



- Located 40 km southeast of Jeongju
- Includes historic polymetallic Baegun and Pal Gong mines
- Includes the granted Osu 23 licence and applications over 3 adjacent blocks centred over a magnetic high.
- High grade mineralisation from surface rock chips
- Sampling programme completed over Pal Gong and Baegun mine dumps
- Resamples from historic dumps yielded **grades of over 17g/t Au, 570g/t Ag & 1.4% Cu**
- KIGAM airborne magnetic imagery over the project indicates the potential for a deep seated blind porphyry target
- Serviced by motorways and major arterial roads



OSU GOLD-COPPER PROJECT

Osu Project-High Grade Gold, Silver & Base Metal Assay Results from Channel & Grab sampling

Significant assay results from the channel sampling of the lode structures at surface included:

- 0.1m @ 18.5 g/t Au, 318 g/t Ag & 0.37% Cu, 2.5% Pb, 0.09% Zn, 0.63% W
- 0.05m @ 20.7 g/t Au, 126 g/t Ag, 0.11% Cu, 2.5% Pb, 0.09% Zn, 0.03% W
- 0.09m @ 9.17 g/t Au, 509 g/t Ag, 0.43% Cu, 0.7% Pb, 0.03% Zn
- 0.09m @ 9.9 g/t Au, 97 g/t Ag, 0.05% Cu, 0.35% Pb, 0.1% Zn
- 0.14m @ 20.3 g/t Au, 153 g/t Ag, 0.07% Cu, 1.9% Pb, 0.03% Zn

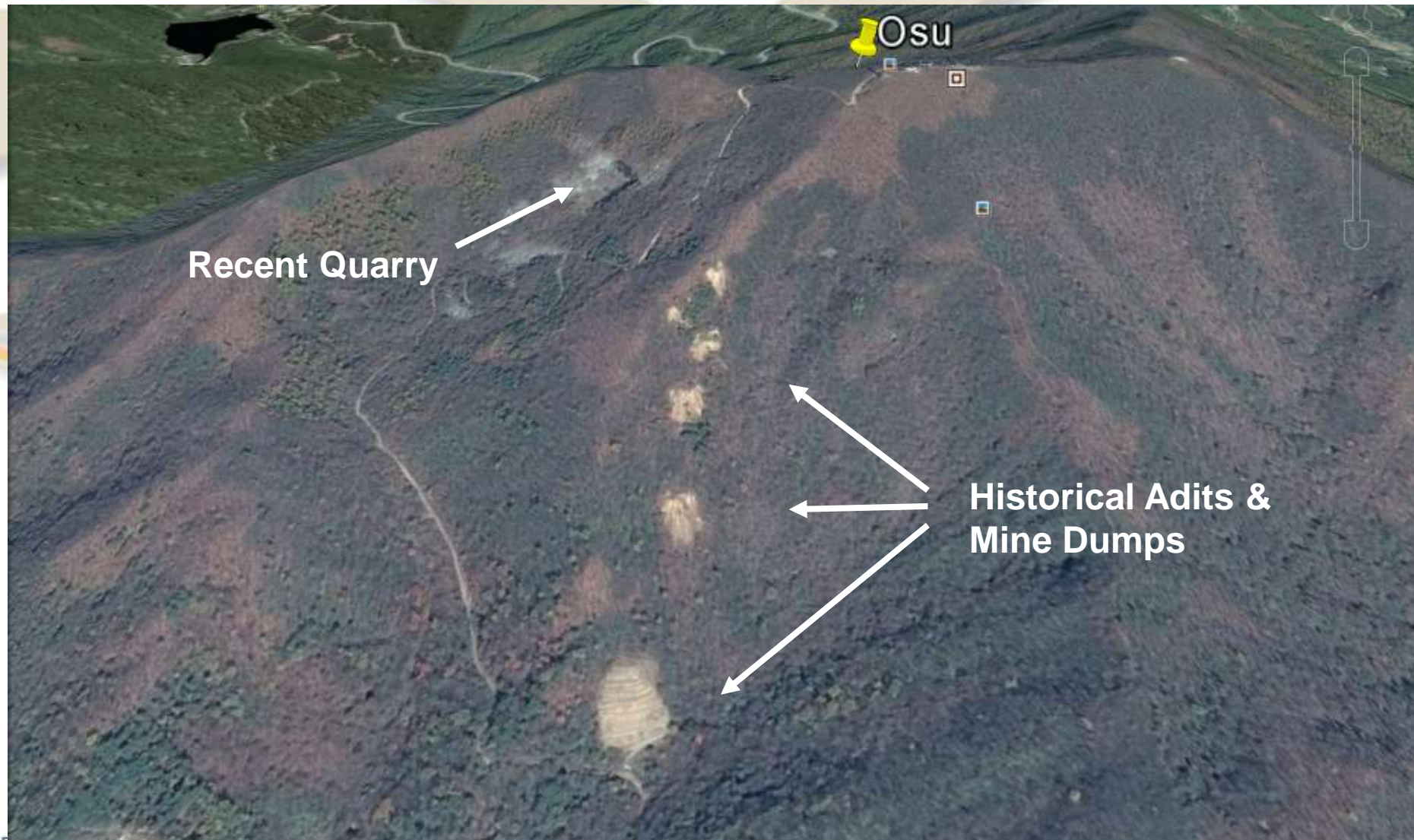
The grade of the historic dump grab samples include:

- Au grades up to 17.5 g/t
- Ag grades up to 579 g/t
- Cu grades up to 1.4%
- Pb grades up to 3.3%
- Zn grades up to 2.4%



OSU GOLD-COPPER PROJECT

Adit dumps visible on side of Mount Pal Gong



OSU GOLD-COPPER PROJECT

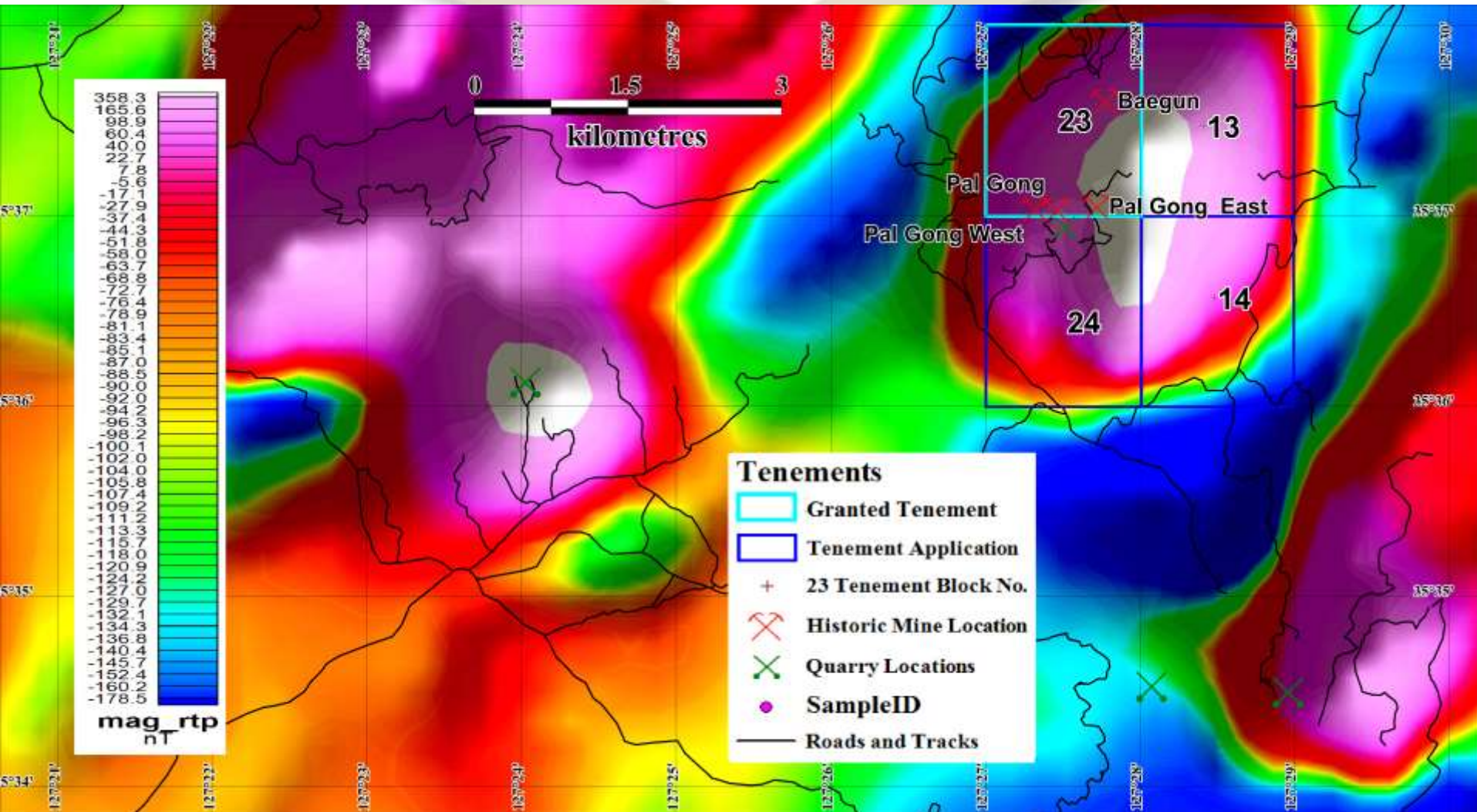
Baegun mine dumps

A view looking northeast towards the peak of Mt. Pal Gong (mountain peak with communication towers right side of the picture).



OSU GOLD-COPPER PROJECT

Osu Tenement Locations Displayed on the KIGAM December 2008 Imsil Airborne Magnetic Image
Reduced to the Pole



Graphite Projects

- Initial petrographic assessment for samples from the Daewon Project
- Initial metallurgical test work for several graphite projects including Daewon and Wolmyeong
- VTEM survey to better define the extent and depth potential of the graphite horizons at Wolmyeong
- Sampling will continue across the graphite portfolio
- Maiden drilling programme expected to commence in Q4 2016
- Progressive granting of Exploration Permits expected (currently under application)

Lithium Projects

- Mapping and stream sediment sampling [continuing/results]
- Reconnaissance work ahead of selecting initial drill targets
- Progressive granting of Exploration Permits expected (currently under application)

Osu Gold Project

- Drilling of high grade gold targets at the Osu Gold Project in Q3/Q4 2016
- Following up channel samples, including:
 - 0.1m @ 18.5 g/t Au, 318 g/t Ag & 0.37% Cu, 2.5% Pb, 0.09% Zn, 0.63% W
 - 0.05m @ 20.7 g/t Au, 126 g/t Ag, 0.11% Cu, 2.5% Pb, 0.09% Zn, 0.03% W
 - 0.09m @ 9.17 g/t Au, 509 g/t Ag, 0.43% Cu, 0.7% Pb, 0.03% Zn

WHY INVEST IN PENINSULA MINES

Attractive Target Commodities

- Clear focus on advancing multiple hard rock lithium and graphite prospects
- Significant demand growth from new markets- battery power and storage
- Historical high grade Gold mine to be drill tested

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

- 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 subject to results in 2016
- Aim to fast-track resource definition drilling thereafter
- Gold drilling in 2016 at Osu – targeting high grade mineralisation under historic mines



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