



ASX Announcement

20 October 2017

ASX Code: ARM

Aurora Minerals Group of Companies

Diversified Minerals Exploration via direct and indirect interests

Predictive Discovery Limited (ASX: PDI) – 39.6%

- Gold Exploration / Development in Burkina Faso

Peninsula Mines Limited (ASX: PSM) – 29.7%

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

Aurora Western Australian Exploration – 100%

- Manganese, Base metals and gold

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Peninsula Mines: Super-jumbo and high-grade flake graphite at new graphite projects in South Korea.

Peninsula Mines Limited, a company in which Aurora Minerals Limited holds a 29.7% shareholding, today announced that it had identified super-jumbo and high-grade flake graphite at the Chungwang Graphite Project in South Korea.

A copy of the announcement is attached.

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PENINSULA MINES LIMITED

ASX ANNOUNCEMENT

20 October 2017

SUPER-JUMBO AND HIGH-GRADE FLAKE GRAPHITE AT NEW GRAPHITE PROJECTS IN SOUTH KOREA

- “Super-Jumbo” graphite flakes identified at Chugwang Graphite Project in South Korea
- High-grade rockchip sample results from Chugwang average 20% Total Graphitic Carbon
- Channel sampling and initial metallurgical testing to be commenced ASAP
- Potential to develop large-flake expandable graphite supply to meet offtake demand

Peninsula Mines Ltd (“Peninsula Mines” or “the Company”) is very pleased to announce that petrographic analysis has identified a high proportion of super-jumbo (>500 micron) and jumbo (>300 micron) graphite flakes in petrography on rock samples from the recently acquired Chugwang Graphite Project in Chungnam Province, western South Korea (see Figure 1 for location).

At the Chugwang Project (formerly Daeheung) Korean Mineral Promotion Corporation (KMPC, now “KORES”) previously reported surface exposures of graphitic units over a 1km strike length and sample analyses ranging from 13% to 50% Total Graphitic Carbon (“TGC”) ^{D1}. Three rock-chip samples collected by the Company, in the vicinity of a previous mining and processing operation, produced very-high grade results of **CH0001: 16.2% TGC, CH0002: 24.4% TGC and CH0003: 19.2% TGC (average 20% TGC)**.

Polished thin section petrography conducted by Townend Mineralogy Laboratory in Perth on the Chugwang samples identified “**coarse single flakes and sometimes bunches with long dimensions frequently exceeding 750 micron and widths >100 micron**”, as shown on photomicrographs #1 (CH0001) and #2 (CH0002). Industry reporting has classified large flakes as >180 micron in length, “Jumbo” flakes as >300 micron in length and “Super Jumbo” as >500 micron (0.5 mm) in length.

The observation of flakes frequently exceeding “Super Jumbo” size, including flakes over 1,000 micron (>1 mm - see photomicrograph #1), is very encouraging as the material is highly likely to be suitable for production of high-purity, large-flake graphite concentrate required by the fast-growing market in South Korea for non-flammable, expandable graphite building products production.

Petrography has also been conducted on samples from the nearby Eunha Project (see Figure 1), where a rockchip sample result of **EU0001: 19.3% TGC** ^{D1} was obtained from a graphitic unit that previous KORES mapping has identified over a 1.3km strike length ^{D1}. The petrography on the Eunha sample identified “*a minor population of >500 micron flakes with widths between 50 and 100 micron*”, as shown on photomicrograph #3 (EU0001).

The Company will now look to progress mapping and channel sampling across the graphitic units at Chugwang and Eunha as soon as possible, and conduct initial metallurgical testing to determine potential for large-flake graphite concentrate production.

The Company has previously signed an offtake MOU with Korean expandable graphite producer Graphene Korea Co. Ltd, that requires initial supply of up to 20,000 tonnes per annum of large flake (>180 micron), >95% TGC graphite concentrate for the production of non-flammable, light-weight, expandable graphite building cladding products for which demand is rapidly growing in Asia ^{D2}.

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The early results from the Chugwang and Eunha Projects are highly promising in terms of demonstrating potential to produce large flake graphite concentrate that will meet the specifications required by Graphene Korea Co. Ltd pursuant to this MOU, and other potential offtakers in the region.

Peninsula Mines Managing Director Jon Dugdale commented:

“We are very pleased to have identified potential for large to jumbo-sized flake graphite concentrate production in Korea. We are on the doorstep of the world’s largest market for high-growth expandable graphite and lithium-ion battery production and we look forward to progressing these projects towards development.

“We will now accelerate our testwork on these projects to undertake vital metallurgical test work to understand the suitability of flake graphite from the Chugwang and Eunha Projects to supply this burgeoning market for expandable graphite.”

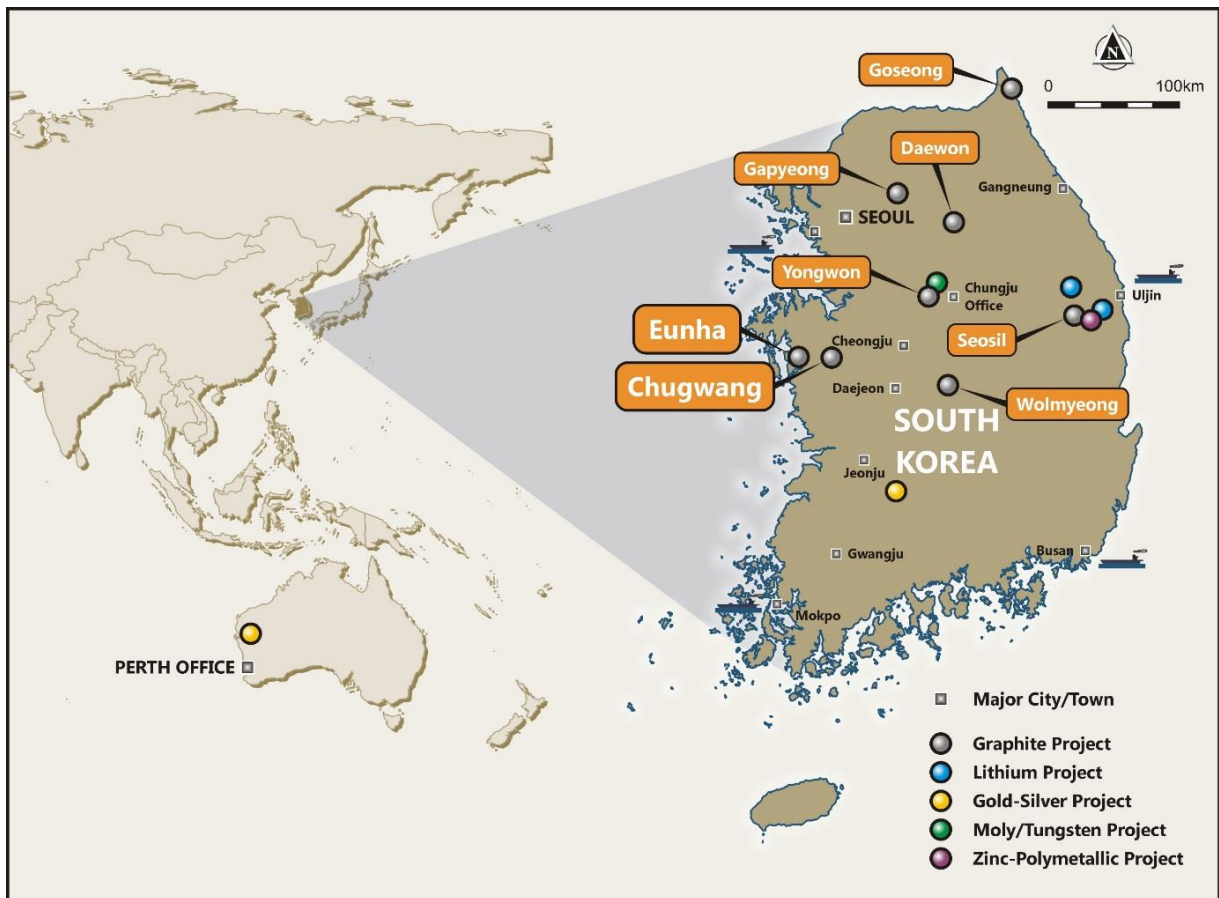
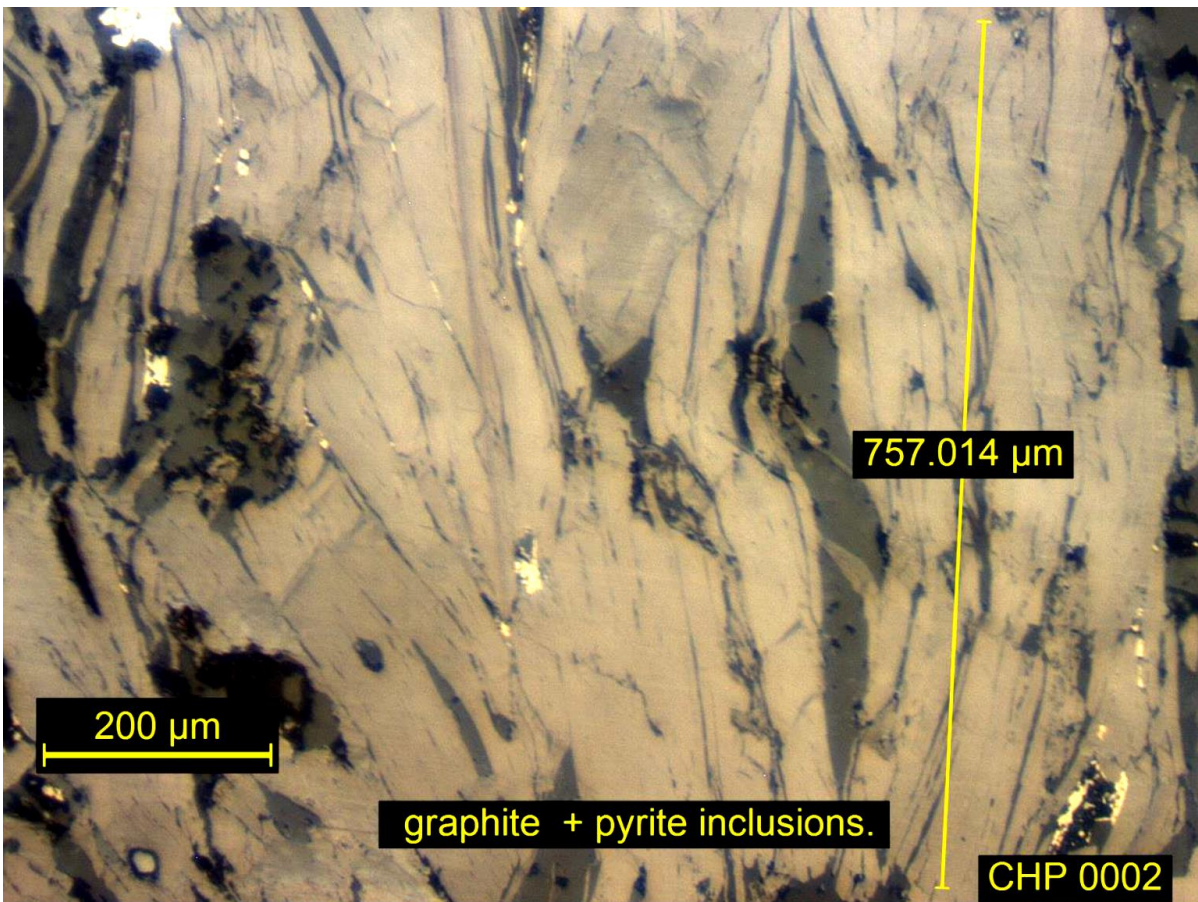
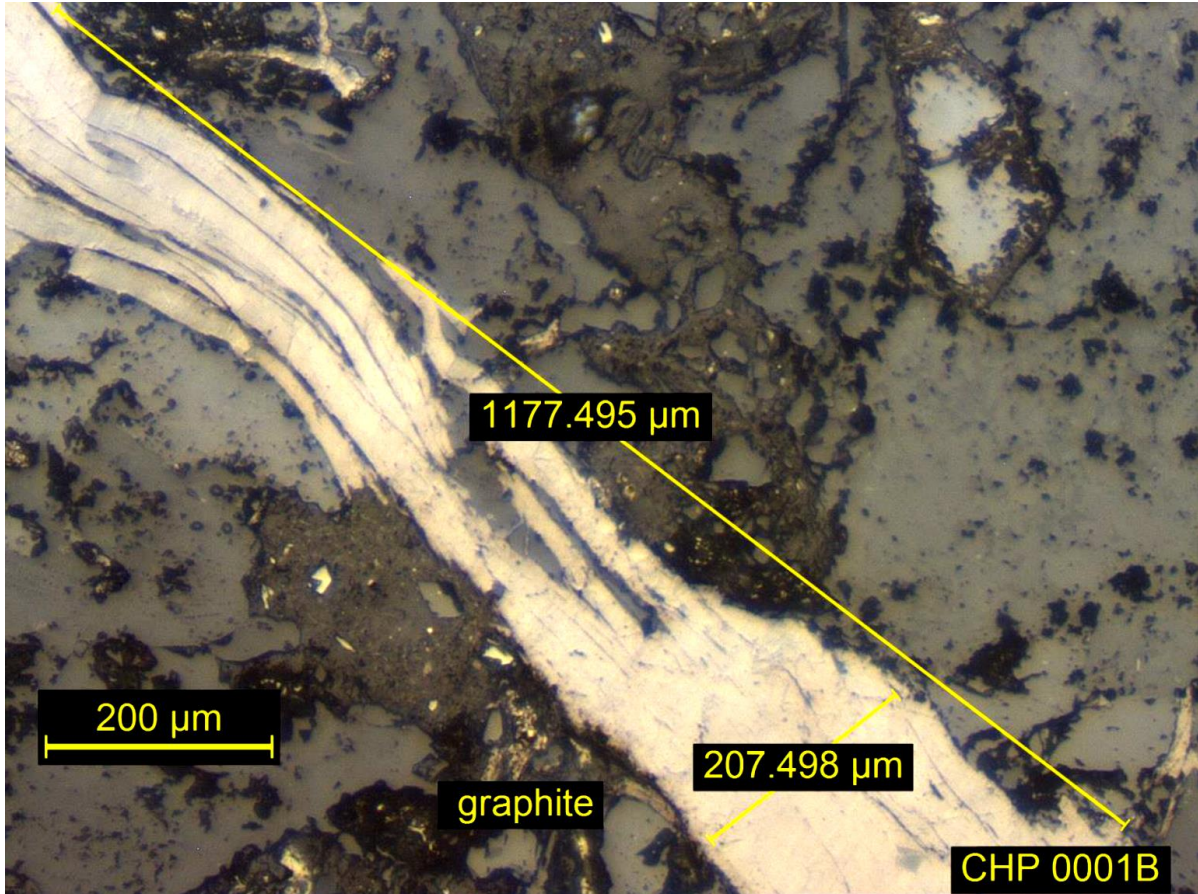
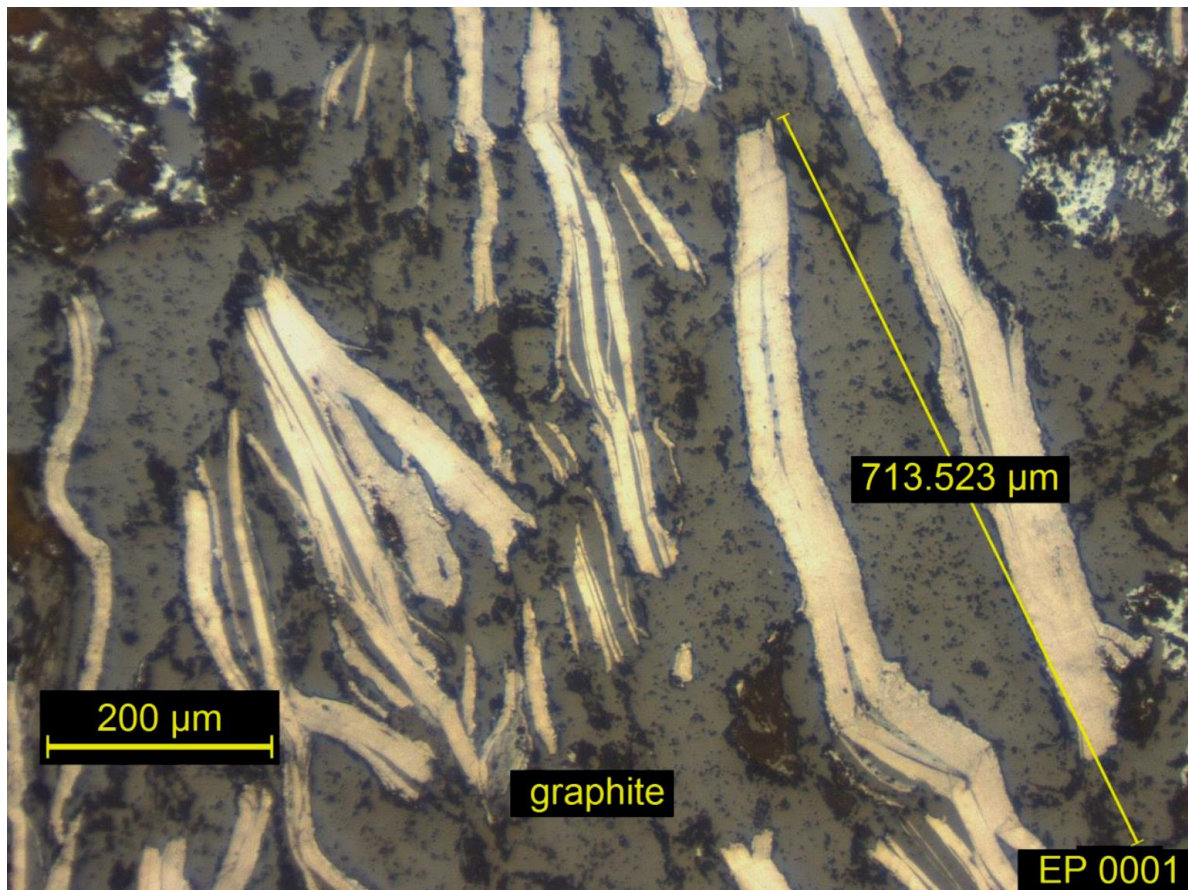


Figure 1: Location of Eunha and Chugwang Projects in South Korea



Photomicrographs 1 & 2: "Super-Jumbo" graphite flakes (>500 μm) from Chugwang Graphite Project



Photomicrographs 3: “Super-Jumbo” graphite flakes (>500μm) from the Eunha Graphite Project

About the Peninsula Mines Limited Graphite Business:

Peninsula Mines Ltd (“Peninsula”) is an Australian listed, exploration/development company focused on developing opportunities for mineral discovery and production in South Korea. Peninsula is well established in South Korea, having worked in the Country for over five years.

Peninsula has tenements and tenement applications in South Korea (Figure 1) with identified fine to large flake graphite mineralisation and Peninsula intends to progress these and other projects to JORC compliant resource definition and economic (feasibility) studies and development of mining and flake graphite concentrate production (for spherical graphite – Li-ion battery applications and/or expandable graphite and other markets in Korea and/or elsewhere in east Asia).

PSM signed a Memorandum of Understanding (“MOU”) with Korean expandable graphite producer, Graphene Korea, in June 2017^{D2}, which is non-binding (except for certain non-material terms) and envisages long-term strategic cooperation with respect to offtake of graphite concentrate and development of graphite mining and processing projects both within and potentially outside Korea. The offtake and development MOU includes a commitment to cooperate in respect of:

- i) Supply by the Company, to Graphene Korea, initially up to 20,000 TPA of >180 micron, >95% Total Graphitic Carbon (“TGC”) flake graphite concentrate, and,
- ii) Development of mining and processing facilities in South Korea, and potentially overseas, for selected projects that meet required metallurgical specifications.

Peninsula Mines and Graphene Korea are working together to identify supply from projects that have the potential to produce flake-graphite concentrate that will meet the specifications for production of Graphene Korea’s expandable graphite product, which are, specifically >180 micron flake graphite and a >95% concentrate grade of material that shows expandable properties.



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The material and/or releases referenced in this release are listed below:

D1 Daewon Graphite Excellent Metallurgy and Four New Projects, ASX: 27/06/17

D2 Flake-Graphite Offtake & Development MOU signed with Korean End-User, ASX: 14/06/17

Full versions of all the company's releases are available for download from the Company's website www.peninsulamines.com.au

Forward looking Statements:

This release 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 release. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Peninsula Mines Ltd does not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

Competent Persons Statement:

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



JORC Code, 2012 Edition: Table 1
Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC – Code of Explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p>	<p>Three float rock chip samples were collected from graphitic bearing waste rock at the Chugwang project. The samples were all grab samples of remnant material left behind from historic mining activity at the sample site.</p> <p>The basement rock at Chugwang was obscured by a relatively deep soil profile and only remnant graphite bearing quartz felspar schist was visible as near surface float material.</p> <p>The sampling undertaken at the Eunha Project was also discussed in an earlier release^{D1}.</p> <p>The channel/rock chip samples were analysed for Total Carbon (TC %), Total Graphitic Carbon (TGC %), Total Organic Carbon (TOC%) and Total Inorganic Carbon (TIC %) as well as sulphur (S %) by NAGROM laboratory in Perth, Australia.</p> <p>The NAGROM analyses utilised a LECO analyser, gravimetric analyses where C and S values were determined from mass differences (determined using precision scales) during the high temperature heating and subsequent CO₂ and SO₂ generation in the analyser.</p> <p>The analytical results and sample location details are tabled as Appendix 1.</p> <p>All coordinates were in WGS84 UTM Zone 52N coordinate system.</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p>	<p>The results released in this announcement are grab sample results from Chugwang and hand chiselled channels, approximately 5cm wide, taken across exposed rock face at the Eunha project. Sampling was undertaken as close as possible to normal to strike of the moderately dipping graphitic unit.</p> <p>The grab samples only provide a rough indication of the potential grade of the graphite bearing structures at Chugwang and Eunha. The channel samples taken at the Eunha project should be considered representative of the site at which the sample was taken and every effort was made to ensure that a clean even width and depth channel was chiselled at the sample site.</p> <p>Sampled intervals were measured using a tape measure and located spatially using a handheld Garmin 60 CSx GPS unit which should only be considered accurate to +/- 5 to 10m.</p>



Criteria	JORC – Code of Explanation	Commentary
	<p><i>Aspects of the determination of mineralisation that are material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>The surface channel sample was collected from an exposed outcrop. The channel was hand chiselled to a width of about 5cm and depth of 4cm and a 0.8m sample interval.</p> <p>The graphite was evenly distributed within the sampled interval at Eunha. Individual samples were dispatched to NAGROM laboratories in Perth, WA for analysis.</p> <p>The graphitic samples were heat treated on arrival at Nagrom to meet AQIS import requirements. Samples post drying were crushed to a nominal top size of 6.3mm using a jaw crusher. Samples were then cone and quartered to produce a quarter sub sample that was then oven dried at 70°C and processed for analysis. The balance of the sample has been preserved for possible future met testing.</p> <p>The sub-sample was pulverised using a LM5 pulveriser until 80% of the sample passed 75 microns. A ~150g subsample of the pulverised material was then randomly selected for analysis with the balance of the pulverised material retained for any repeat testing that might be required.</p> <p>NAGROM utilised a LECO analyser and gravimetric analyses, where C and S values were determined from mass differences (using precision scales) during the high temperature heating and subsequent CO₂ and SO₂ generation inside the analyser. This method was considered near total for C and S and was the preferred method for accurate graphite sample analysis.</p> <p>From these analyses, the Total Carbon, Total Graphitic Carbon (TGC), Organic Carbon and Inorganic Carbon (as carbonate) and Sulphur were reported (Appendix 1).</p>
Drilling techniques	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>No drilling has been undertaken by the company and no commentary is being presented here on past drilling results.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p>	<p>No drilling has been undertaken by the company and no commentary is being presented here on past drilling results.</p> <p>In the case of the channel sampled interval, even sized rock fragments were chiselled from the sampled interval that constitute the channel sample. The grab samples at Chugwang were of large surface and sub-cropping float material.</p>



Criteria	JORC – Code of Explanation	Commentary
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	There is no observed sample bias in the channel samples but the grab float samples by their localised nature may not represent the grade of the originally mined structure at the point where the sample was taken. The grab samples should only be considered indicative of the possible grade of the Chugwang structure. The reader should note that this was presumably material considered to low grade to warrant processing at the time of mining.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results. At the time of sampling limited geological data was recorded such as rock type, structures present, estimated grade, mineralogy. Rough sketches of the outcrops and sample location were recorded in a field notebook.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	The geology for the entire sampled interval was recorded. There were no areas of sample loss within any of the sampled intervals.
	<i>The total length and percentage of the relevant intersections logged.</i>	
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	The bagged sample was dispatched in its entirety to Nagrom Perth via FedEx. Samples were oven dried on receipt by Nagrom and once dry were crushed and then cone and quartered to produce a nominal quarter sub-sample for analysis. During sampling a rubber mat was used to help funnel material into the calico sample bag. Channel samples were all collected dry. The samples were either hand grab samples or in the case of the single Eunha channel sample taken using a geology hammer and/or a mallet and chisel. Samples were collected in a calico bag using a piece of rubber matting to funnel rock chips into the open sample bag.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	In the case of the rock chip samples the entire sample was jaw crushed and then split (cone and quartered) to produce a subsample for analysis. The details of the applicable sample preparation have been discussed more fully in previous sections.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	The channels were chiselled at various lengths based on underlying lithology and the presence of structures (natural breaks). The channel sample was collected over 0.8m interval ensuring that a representative sample was taken across the



Criteria	<i>JORC – Code of Explanation</i>	Commentary
		<p>length and breadth of the sampled interval. Sample quality was excellent and samples included fresh to partially oxidised rock.</p> <p>No blanks and Certified Reference Material were included as part of the sample analysis as these are all early stage project assessment samples. The Company has relied on the laboratories own internal QA/QC measures with respect to these samples.</p>
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	As previously stated, the entire chiselled sample was collected over an interval of 0.8m every effort was made to ensure that a representative sample was collected. At this point in time, no duplicate samples have been taken at any of the sample sites. No sample splits have been analysed other than those routinely analysed by the laboratory as part of their own internal QA/QC process.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample size was considered more than adequate to assess TGC content of the graphite mineralisation from the two projects assessed.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>All channel samples were taken using a mallet and chisel the grab samples were taken by hand or dug from the soil with a geology pick.</p> <p>At NAGROM, the final rock chip subsamples were dried at 105°C. Samples post drying were crushed to a nominal top size of 6.3mm using a jaw crusher. The crushed sample was then cone and quartered to produce a smaller nominally quarter subsample for pulverisation and analysis.</p> <p>The sample was pulverised using a LM5 pulveriser until 80% of the sample passed 75 microns. A ~150g subsample of the pulverised material was then randomly selected for analysis with the balance of the pulverised material retained for future use.</p> <p>The NAGROM analyses utilised a LECO analyser and were gravimetric analyses, where C and S values were determined from mass differences (using precision scales) during the high temperature heating and subsequent CO₂ and SO₂ generation inside the analyser. This method was considered near total for C and S and was the globally preferred method for accurate graphite sample analysis.</p> <p>From these analyses, the Total Carbon, Total Graphitic Carbon (TGC), Organic Carbon and Inorganic Carbon (as carbonate) and Sulphur were reported (Appendix 1).</p> <p>The assays were considered total for the key elements of C and S. Additional XRF analyses of gangue minerals (such as SiO₂, CaO, K₂O, Al₂O₃ etc.) were also undertaken as part of the overall</p>



Criteria	JORC – Code of Explanation	Commentary
		analysis suite. These results were not considered material and have been excluded from this release.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivations, etc.</i>	Geophysical programmes such as EM may be considered in the future to assess the extents of graphite mineralisation at both projects.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<p>The Company has not included any blank or CRM samples as part of these sample analyses. No blank or CRM samples were included as part of the metallurgical analysis. The Company has relied entirely on the internal QA/QC routine of Nagrom with respect to the analysis of these samples. The results of the laboratory's own internal QA/QC do not indicate any issues with the assay results reported herewith.</p> <p>No blind sample repeats have been undertaken at this point in time. The labs routine sample repeats show excellent correlation.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The graphite intersection reported in this release is a single interval. All the sample data has been examined independently by two executives of the Company and verified, based on review of sampling and analytical techniques.
	<i>The use of twinned holes.</i>	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<p>Assay results were stored in an Excel database. All results were checked by the responsible geologist on entry to the database.</p> <p>The Company's data was stored in an Excel database and routinely transferred to the Perth Head Office.</p>
	<i>Discuss any adjustment to assay data.</i>	The data presented in the accompanying Appendix 1 is raw laboratory data. The organic carbon and inorganic carbon content were calculated using the results of the total and graphitic carbon and non-inorganic carbon analyses. This is standard practice in the reporting analyses of various carbon species.



Criteria	JORC – Code of Explanation	Commentary
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results. All sample sites were surveyed using a hand-held Garmin GPS 60CSx accurate to +/- 5 to 10m at the sample sites.
	<i>Specification of the grid system used.</i>	All sample sites were surveyed in the UTM WGS84 zone 52N coordinate system.
	<i>Quality and adequacy of topographic control.</i>	Topographic control on sample sites can be established from the available country wide 1:5000 scale topographic sheets. Geophysical measurement locations were determined using a hand-held Garmin GPS60CSx. The accuracy of this unit at most sample sites was +/- 5m to 10m. Other topographic controls were based on The National Geographic Information Institute (NGII), 1:5,000 scale digital contour data available for the entire country.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The initial graphite channel-sampling intersection was based on continuous channel sampling across the reported intersection.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	This initial sampling was for early stage project evaluation and insufficient work has been undertaken at this stage to confirm the width and continuity of the graphite structures at the Chugwang or Eunha projects. The Company has commented on past work by Korean Minerals Promotion Corporation now KORES.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The channel sample was taken as close as possible to perpendicular to structure. The channel sample accurately reflects the grade of the sampled interval at the sampled site.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results. The channel was taken as close to normal to the graphitic unit's strike as possible. The sample location was across an exposed rock face at the sample site.



Criteria	<i>JORC – Code of Explanation</i>	Commentary
Sample security	<i>The measures taken to ensure sample security.</i>	<p>All samples were collected into pre-labelled calico sample bags. The specific details of each sample and sample site were recorded into a field notebook and later transferred to an Excel spreadsheet. Samples were packed into cardboard cartons and dispatched via FedEx to NAGROM Laboratories, Australia.</p> <p>The samples were air freighted to Perth where they were held for assessment by AQIS. The Company's import declaration outlined where the sample batch was sourced and the nature of the sampled material (e.g. rock chips, soil, core etc.). All the Company's graphite samples were declared as surface samples and as a result were recommended for heat treatment.</p>
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>The NAGROM Laboratory, Kelmscott has been visited by Company personnel and met full international standards. NAGROM is internationally recognised, particularly in the field of metallurgical evaluations.</p> <p>Similarly, the IMO metallurgical laboratory in Welshpool, Perth, WA has been visited by Company personnel and meets full international standards. IMO are also internationally recognised, particularly in the field of metallurgical evaluations.</p>

(Criteria in this section apply to all succeeding sections.)



Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC – Code of Explanation	Commentary
Tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>The Company has filed applications at the Chugwang project, over blocks Daeheung 87 & 88 and at the Eunha Project over blocks Hongseong 106 & 107. The main limitation with the Hongseong 106 & 107 titles at Eunha is the fact that motorway 15 and the Hongseong rest stop lie directly over and adjacent to the trend of the Eunha graphite structures and a buffer of at least 50m in all directions must be maintained around all major infrastructure such as roads and railways.</p> <p>Each Korean tenement block covers a 1-minute graticule and has a nominal area of 276 hectares. The Company has 100% sole rights over each of these four tenements for graphite. Graphite, like other industrial minerals, is classified as a minor mineral under Korean Mineral Law. In the case of minor minerals such as graphite, each 1-minute graticule block is further subdivided into four 30" x 30" sub-blocks (sub-blocks are only applicable for industrial minerals and road metal and dimension stone quarry permits). The Company must complete and file a Mineral Deposit Survey (MDS) over each sub-block to secure a 6-year exploration right for each sub-block. The MDS field inspection has been completed for two sub-blocks at Eunha and the relevant report is expected to be filed by the engaged independent contractor with the Ministry towards the end of this month.</p> <p>There are no native title interests in Korea. It is a generally accepted requirement that mineral title holders gain the consent of local land owners and residents before undertaking any major exploration activity, such as drilling.</p> <p>The Eunha graphite structures lie on privately held farm and forest land and on land compulsorily acquired for the construction and subsequent use as motorway 15. The land at the Chugwang project is a mixture of privately owned farm and forest land again within the Chungcheongnam-do Province.</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	<p>The Company does not anticipate any issues with the grant of the two sub-blocks for which MDS reports have so far been undertaken. The Company is currently identifying absentee land holders who own land over the Chugwang project. The Company needs to secure access to expose mineralised outcrops at the project site to facilitate the requirements of the MDS process.</p> <p>Once a MDS application is approved the Company has one year in which to file a prospecting plan and at that point the title holder is granted an initial 3-year exploration period which can be extended to 6 years upon submission of a supplementary application to the Ministry. Further, the</p>



Criteria	JORC – Code of Explanation	Commentary
		<p>Company can convert the exploration licence to a formal mining right application upon the filing of a prospecting report. A recent change to the Korean Mineral Law now requires that a mineral right holder must include details of the defined Mineral Resource with any application for extension to an Exploration Right or for the grant of a full Mining Right. There are minimum Resources requirements that must now be met at each stage of the application process.</p> <p>Upon approval of a Mining Right the Company has 3 years to file and have a Mine Planning Application (MPA) approved. The MPA is submitted to and approved by the Local Government and is akin to local council planning approval. As part of the MPA process, the title holder must secure a “no objection certificate” from the residents of the local village(s). An MPA primarily covers design, implementation, environmental and safety aspects of all surface activities associated with the planned mining venture. The approval of the MPA then grants the mining Right holder a 20-year production period that can be extended further upon application, provided all statutory requirements have been met over the life of the mine. From the date of grant of the Mining Right, the title holder has a 3-year period in which mine production must commence. During this 3-year period, the title holder must make a minimum level of investment on plant and mine infrastructure in the amount of KWon100million (~A\$120,000). In addition, certain minimum annual production levels must be met depending on the commodity being mined and its commercial value. In the case of graphite, it is 50 tonnes concentrate containing 75% TGC.</p> <p>The Company has just refiled applications over the titles at Eunha and Chugwang which are valid until mid-May to allow sufficient time to hopefully identify outcropping mineralisation and complete an MDS for the grant of the Chugwang tenements. At some future date the Company could again re-apply for a 6 months extension to the application period but there is no certainty that further extensions will be successful. Where possible the Company aims to locate surface mineralisation that will meet the requirements of the Korean Mineral Law for a successful tenement grant and then complete an MDS over each applied tenement within the current application period.</p>



Criteria	JORC – Code of Explanation	Commentary
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	<p>During from 1969 to 1971, KMPC now KORES, completed a programme of mapping and trenching at Chugwang. KMPC identified graphitic schists hosted within gneisses striking north-south over more than 1km. They completed 4 trenches and reported widths of 1.5 to 6m and grades ranging from 13 to 50% TGC. Works also included the excavation of a 20m adit.</p> <p>In the mid-1970s, KMPC completed a programme of surface mapping and sampling at Eunha and identified two main north south trending structures identified from 9 outcrops sampled along close to 1300m of strike. The graphite beds ranged from 2-20m and they collected 181 rock chip samples from trench sampling programmes which averaged 6.5% TGC.</p> <p>KIGAM has flown airborne radiometrics and airborne magnetics across South Korea as part of an ongoing data capture programme conducted over the last 30 or more years. These surveys cover both the Chugwang and Eunha projects. KIGAM has also completed 1:50,000 scale mapping across the project area.</p> <p>The Company is currently not aware of any exploration work by other non-Government agencies/parties.</p>



Criteria	JORC – Code of Explanation	Commentary
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>At the Chugwang Project KMPC described a coal bearing carbonaceous shale unit that is most likely Permo-Triassic in age that has been regionally metamorphosed and subsequently contact metamorphosed through the intrusion of Mesozoic granites to generate high grade locally flaky graphite beds.</p> <p>At the Eunha Project north south trending biotite graphite rich schist horizons occurs within the Precambrian gneissic basement.</p>



Criteria	JORC – Code of Explanation	Commentary
Drill hole information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduce Level) – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length</i> 	<p>All sample results and sample location details are summarised in Appendix 1.</p> <p>No drilling has been completed at any of these projects by PSM and the Company is not aware of any drilling being completed by other parties at any of the projects.</p>
	<p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>No material information has been excluded from this release.</p> <p>As there is no drilling, there are no results (exploration results) related to any drilling.</p>
Data aggregation methods	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p>	<p>No data has been cut or truncated.</p>



Criteria	JORC – Code of Explanation	Commentary
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	All assay values reported are raw assays and none of the data values have been cut or truncated. The raw Channel length has been reported. In each case, the results of the analysis for each individual sample has been reported.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	The channel sampled intersection have been sampled normal to the underlying structures strike and dip and are considered true widths of the mineralisation at the sampled location. It should be noted that only a portion of the exposed structure at Eunha was sampled to meet the MDS requirements it is the Company's intention to undertake detailed diamond rock saw channel sampling programme at the Eunha and Chugwang projects once access permission is obtained from local land owners. No tonnage or Mineral Resource potential has been commented on in this release.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	No drilling has been undertaken by the Company and no drilling results have been reported or commented upon in this release.
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	No drilling has been undertaken and no drill assay results have been reported or commented upon.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Photomicrographs 1 and 2 are microscope images of the Chugwang graphite bearing schist. Photomicrographs 3 and 4 show the Eunha graphite bearing gneiss. Figure 1 shows the location of the Company's projects. GPS coordinates of each of the sample locations is tabulated in Appendix 1. The absence of specific project location maps is not considered material at this early evaluation stage for the two additional graphite projects discussed in this release.



Criteria	JORC – Code of Explanation	Commentary
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All assay values and sample location details have been reported and are summarised in Appendix 1. Previous results were included in earlier announcements and can be reviewed by the reader for comparative purposes ^{D1} .
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	All data considered relevant and material have been included and commented upon in this announcement or included in earlier announcements ^{D1} .
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	The Company is also initiating approaches to local land holders regarding access for channel sampling of the surface exposures. The aim is to collect suitable diamond sawn trench channel samples that could form a component of a future resource estimation but with the initial aim of generating a composite sample for metallurgical studies to assess the suitability of the Chugwang and Eunha graphite for use in the production of expandable and spherical graphite.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	It is too early to comment on the potential for depth and strike extensions at Chugwang and Eunha other than to comment on the reports of past work by Korean Government agencies at each of these projects.





PENINSULA MINES LIMITED

ASX ANNOUNCEMENT

Appendix 1: Location and Results for rock chip sampling at the Chugwang and Eunha Graphite Projects

Sample ID	Project	Easting UTM WGS84 Z52N	Northing UTM WGS84 52N	RL m	Sample type	From (m)	To (m)	Interval	TGC%	TC%	TIC%	TOC%	S%
EU0001	Eunha Channel	283160	4048896	150	Channel	0.00	0.77	0.77	19.3	19.3	<0.1	<0.1	<0.1
	Chugwang Grab Samples												
CH0001	Chugwang	308837	4047189	116	Channel				16.2	16.3	0.1	<0.1	1.7
CH0002 & RPT	Chugwang	308836	4047188	116	Channel				24.4/24.5	24.6	0.2	<0.1	1.9
CH0003	Chugwang	308836	4047188	115	Channel				19.2	19.3	0.1	<0.1	0.5

TGC: Total Graphitic Carbon, TC: Total Carbon, TIC: Inorganic Carbon, TOC: Organic Carbon, S: Sulphur

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