



PENINSULA MINES LIMITED

ASX:PSM

ASX ANNOUNCEMENT

11 December 2017

PENINSULA RAISES \$2.0 MILLION IN OVERSUBSCRIBED CAPITAL RAISING

- Peninsula receives oversubscribed commitments to raise \$1.9 million in Placement
- In addition, major shareholder, Aurora Minerals, commits to subscribe for \$100,000 (subject to shareholder approval)
- Funds raised to continue zinc-silver and copper-gold drilling at Ubeong, advance flake-graphite and lithium projects and complete graphite supply and offtake agreements

Peninsula Mines Limited ("Peninsula" or the "Company", ASX:PSM) is pleased to announce that it has closed its capital raising over-subscribed and received commitments to raise approximately \$1.9 million through a placement of shares at an issue price of 1.6 cents per share to institutional and sophisticated investors ("Placement").

In addition, the Company's major shareholder, Aurora Minerals Ltd ("Aurora", ASX:ARM), has committed to invest a further \$100,000, subject to shareholder approval at an Extraordinary General Meeting ("EGM") to be held mid to late January 2018.

The proceeds of the Placement will be used to:

- fund ongoing exploration and metallurgical test work to advance the Company's key graphite projects in South Korea and complete supply and offtake agreements;
- fund the continuation of a drilling programme testing the Company's priority Zinc-Silver/Copper-Gold targets at Ubeong in South Korea;
- progress drilling on the Company's Osu Silver-Gold Project and drill targeting of Lithium prospects in South Korea; and
- for working capital purposes.

Commenting on the capital raising, Peninsula's Managing Director, Mr Jon Dugdale said:

"This is a great result for the company and we are extremely pleased with the strong demand from both new and existing shareholders and the support shown by institutional and sophisticated investors for this capital raising.

"We are in the middle of a very exciting drilling programme at our Ubeong Zinc-Silver and Copper-Gold Project in Korea, and we can now accelerate our Graphite and Lithium drill-targeting as well as focusing on completing graphite supply and offtake agreements."

The Placement, together with the issue of shares to Aurora, will result in the issue of 125 million ordinary fully paid shares in the Company at an issue price of 1.6 cents per share. In addition, the Company will issue one free attaching option for every two shares subscribed in the Placement (with an exercise price of 2.0 cents and an expiry date 18 months from the date of issue) ("Options"), resulting in the issue of up to 62.5 million Options to subscribers, including Aurora. The Company will also issue up to 21.6 million Options to brokers who supported the Placement.

Peninsula Mines Limited (ASX: PSM)

Principal & Registered Office
Suite 2, Level 2
20, Kings Park Road
West Perth, WA 6005

www.peninsulamines.com.au

Jon Dugdale, Chief Executive Officer

Tel: +61 8 6143 1840

jdugdale@peninsulamines.com.au

Karen Oswald, Media and Investor Relations

Tel: +61 423 602 353

Ken Banks, Investor Relations

Tel: +61 402 079 999

Other than 6,250,000 shares to be issued to the Company's major shareholder, Aurora, the issue will be made under the 100 million share placement capacity approved at the Company's AGM in November 2017; 80,975,000 Options will be issued under ASX Listing Rule 7.1 and 18,750,000 shares will be issued under ASX Listing Rule 7.1A .

The Lead Manager for the Placement is Perth based Hartleys Limited.

For more information please contact:

Jon Dugdale

Managing Director

Phone: +61 8 6143 1840

Email: jdugdale@peninsulamines.com.au

About Peninsula Mines:

Peninsula Mines Ltd is an Australian listed, exploration/development company focused on developing the outstanding opportunities for mineral discovery within South Korea. Peninsula's strategy is to focus on mineral commodities that have a positive price outlook and offer potential for off-take and/or strategic partnerships in-country.

The Company is advancing a highly prospective zinc-lead-silver and copper-gold project at Ubeong in eastern South Korea, and has a dual focus on advancing a series of flake-graphite projects that offer potential to be advanced and developed to supply, high technology, lithium-ion battery and/or expandable graphite applications for which South Korea is the major global end-user.

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.

