



PENINSULA MINES LIMITED

ASX:PSM

ASX ANNOUNCEMENT

13 December 2016

MAJOR ZINC-SKARN DISTRICT IDENTIFIED AT UBEONG PROJECT IN SOUTH KOREA

- Accelerated and targeted work programme identifies major zinc-skarn district centred on the extensive Chilbo Mine historical workings at the Ubeong Zinc-Silver Project in South Korea
- New, high-grade zinc-silver (+/- lead, copper) results include 2m @ 29% Zn from outcropping massive-sulphide lodes associated with workings now located over a 2km x 2km area
- An initial geophysical survey completed in the Chilbo historical workings area has identified significant mineralised structures and “bullseye” magnetic anomalies associated with intense skarn alteration and sulphide mineralisation
- Detailed mapping and soil sampling programmes, currently in progress, will assist definition of drilling targets for high-grade zinc-skarn mineralisation, planned to be tested in 2017

Peninsula Mines Limited (“Peninsula” or the “Company”) is very pleased to announce that further high-grade zinc-silver (+/- lead, copper, gold) channel sampling results, together with detailed ground geophysics and the commencement of mapping and soil sampling programmes, have identified a major mineralised zinc-skarn district associated with the historical Chilbo Mine workings at the Company’s Ubeong Zinc-Silver Project in South Korea (see Figure 1).

The newly sampled workings are located to the south of previously identified mineralisation (up to 39.7% Zn^{D2}, and have produced **high-grade channel sampling results of up to 2m @ 29% Zinc (Zn)** from substantial stopes and adits on outcropping lodes, as summarised in Table 1 below:

Table 1: Selected High-Grade results from Ubeong Zinc-Silver Project:

Sample ID	Location / Geology	Width	Au g/t	Ag g/t	Zn %	Pb %	Cu %
UBG0009	Sulphide ore on dump near smelting	Dump	0.17	137	5.6%	2.3%	0.43%
UBG0010	Gossanous lode in pit/stope	2.0 m	0.02	14	29.0%	0.02%	0.07%
UBG0012	Gossanous lode in pit	2.0 m	0.01	2	7.5%	<0.01%	0.01%

See Appendix 1 & 2 for a full list of results and specific sample location details

High-grade sulphide mineralisation and historical workings at the historical Chilbo Mine are interpreted to be associated with extensional fault-structures that intersect the main, skarn-altered and magnetised limestone unit. Regional magnetic trends and mapping indicates that this faulting has resulted in a major offset and re-orientation of the skarn-limestone unit from east-west trending to northeast-southwest trending (see Figure 1). However, the regional aero-magnetics and geological mapping^{D3,D4} information is too coarse to determine detailed drilling targets associated with these mineralised structures, and so the Company initiated a detailed ground magnetics survey and mapping programme over the site of the historical Chilbo Mine workings.

The detailed ground magnetic survey was initiated in early November 2016 and, despite the challenging and steep terrain (see Figure 3), has already covered a 1.5km x 1.5km area on 50m to 100m line spacing, over the main initial target area associated with the Chilbo Mine workings. The survey was initiated by Southern Geoscience Consultants (SGC) of Perth, and continued by the Company’s personnel, and also included an initial electromagnetics (EM) trial, the results of which are being assessed.

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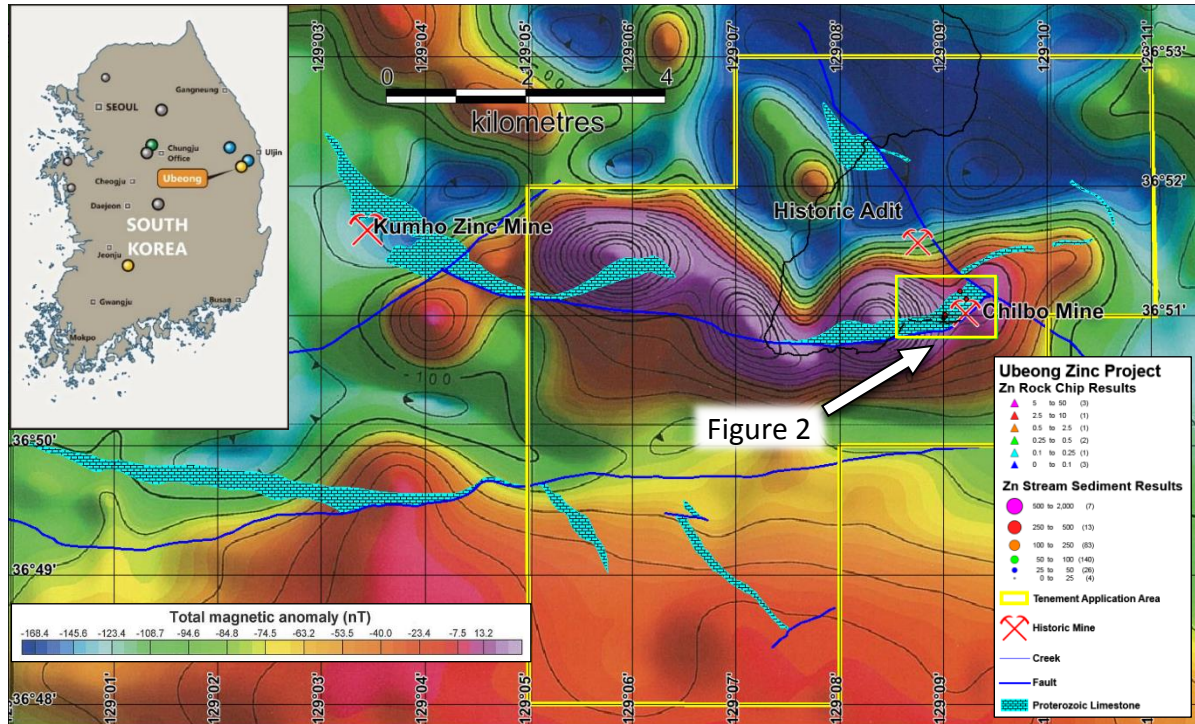


Figure 1: Ubeong Projects, skarn-limestone unit & tenements on Aeromagnetic image^{D3, D4}

The initial results of the ground-magnetics survey are shown on Figure 2 with an interpretation by the Company that has highlighted several strongly magnetic zones associated with magnetite bearing skarn alteration in the limestone unit. In addition, distinct offsets and magnetic disruptions are evident, in many cases associated with mapped workings and high-grade zinc-silver rock-chip results.

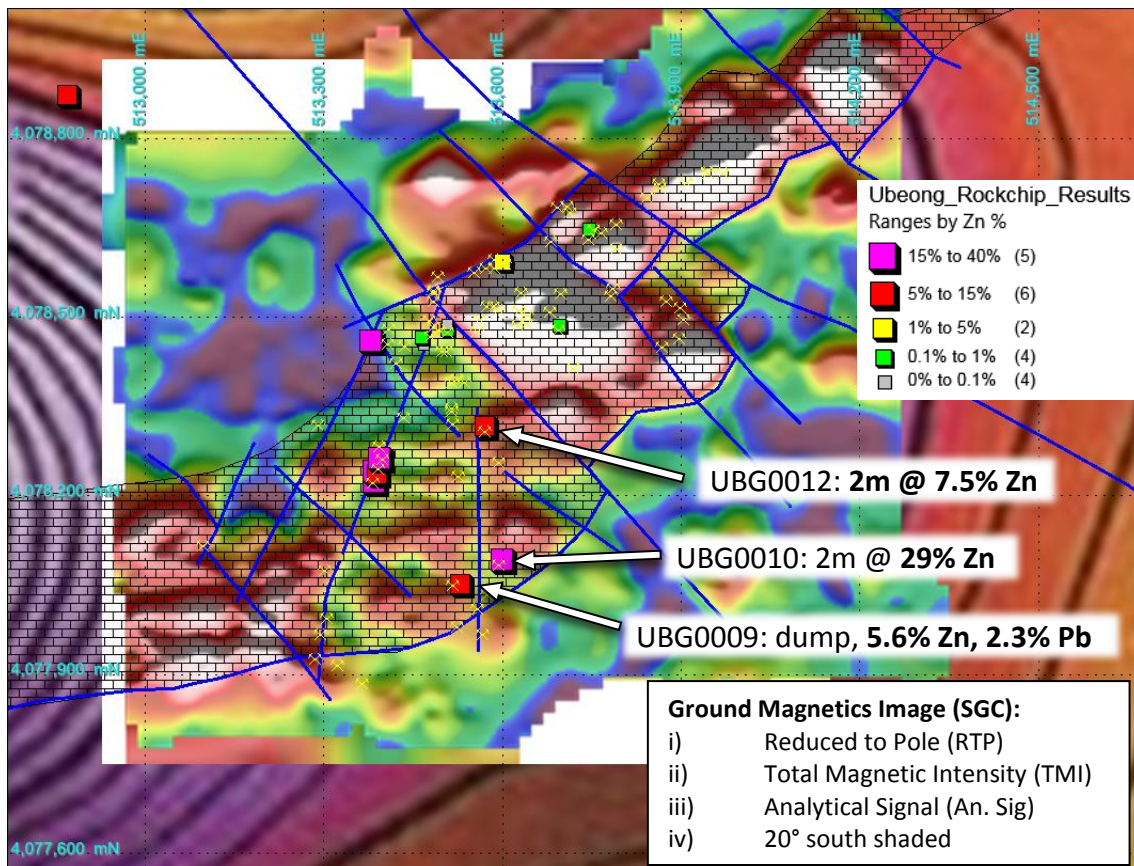


Figure 2: Ubeong Project, Chilbo Mine-workings area, TMI image of ground magnetics, skarn-limestone unit (pattern) and structure (blue lines) interpretation, with workings (yellow) and results to date (squares)

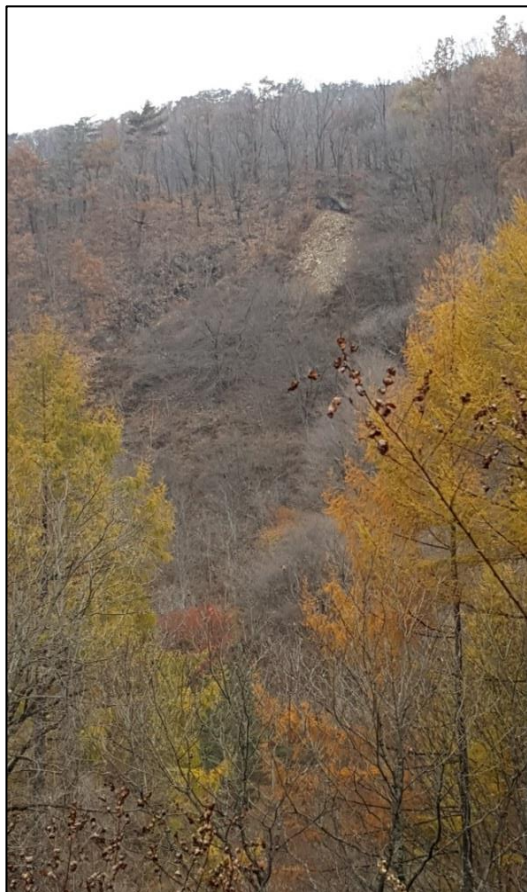


Figure 3: Ubeong project, view from UBG0009 site towards previously sampled workings (to 39.7% Zn^{D2})

Detailed mapping conducted by experienced (in South Korea) consultant geologist, Malcolm Forbes (FAusIMM), is currently in progress, and has resulted in the identification of numerous additional workings (see Figure 2), many of which have yet to be sampled. The extent of the workings and the association of the high-grade identified mineralisation within the main skarn-altered limestone unit, has led to the conclusion that the Company has identified a major zinc-skarn district, with the Chilbo historical mine on the eastern end of the system, whilst 10km to the west is the operating Kumho Zinc Mine (Figure 1), just outside the Company's tenement applications.

In order to define the extent of mineralisation, a soil sampling programme will be conducted along the 100m spaced magnetics lines with the objective of defining anomalies associated with the mineralised trends.

Once the mapping and soil sampling work is completed, drilling targets for high-grade massive sulphide mineralisation may be defined, for possible testing early next field season (2017), subject to grant of the key tenements targeted and access permission to the relevant drill-sites from the Korean Forestry Service.

Background to the Ubeong Zinc-Silver Project:

Peninsula has secured tenement applications over the eastern 10 km of strike length of a highly prospective limestone-skarn unit, that includes the historical Chilbo Zinc Mine and adjoins the operating Kumho Zinc Mine (see Figure 1).

The high-grade zinc-silver mineralisation associated with the historical Chilbo Mine occurs towards the eastern end of the skarn-unit, associated with a mineralised northwest trending fault zone that has offset the limestone.

The Company has previously announced high-grade zinc-silver (+/- lead, copper, gold) results, produced from historical dumps and adits in the Chilbo historical mine area^{D1, D2}. The Company has also commenced a ground-magnetic survey that will map the magnetic skarn-unit trend and allow the Company to target fault zones likely to be associated with zinc-silver mineralisation.

Detailed mapping and grid soil sampling has commenced with the objective of defining areas of surface anomalism along the 10km strike of the limestone skarn-unit.

The objective of both the geophysical programme and the soil sampling is to define drilling targets for massive-sulphide zinc-silver mineralisation.

The Company will consider making application for funding support from the Korean government agency, KORES. Any application to KORES will be subject to prior approval by the Ministry of the application for Exploration Licenses filed in October this year.

Meanwhile, the Company will look at preparing Korean Forestry Service submissions for approval of drill access tracks and the establishment of drilling pads, for drilling to test targets in the Chilbo historical mine workings area during 2017 (Figure 3).



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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 which have a positive price outlook and offer potential for off-take or strategic partnerships in-country.

The Company has established and is growing a portfolio of highly prospective graphite, lithium, gold-silver and zinc-silver-polymetallic projects in South Korea that all offer significant exploration potential.

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

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

- D1 Exceptional Zinc-Silver-Lead grades from newly acquired Ubeong Project in South Korea
- D2 Further exceptionally high-grade zinc-silver results from Ubeong Project in South Korea
- D3 Koo, S.B., Park, Y.S., Lim, M.T., Rim, H.R., Lee, H.I., Sung, N.H., Choi, J.H. and Koo., J.H., 2008, KIGAM 1:100,000 Socheon Aeromagnetic Contour Image.
- D4 Kim, O.J., Hong, M.S., Park, H.I. and Kim, K.T., 1963, KIGAM 1:50,000 Samgeunri Geology Sheet and Dogyedong Geology Sheet.

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	<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>	As further follow-up to earlier sampling of identified workings south of Mt. Ubeong, reconnaissance located outcropping sulphide mineralisation in large pits and stopes. A further three (3) rock chip samples were collected and submitted for assay. The rock chip samples are predominantly short channel samples taken across mineralised shear structures. The rock chip samples were analysed for a suite of elements by NAGROM Laboratory Service in Perth, WA, using ICP and XRF fusion analyses and Fire Assay for precious metals.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	The rock chip sampling was standard sampling using a geology hammer, mallet and in some cases a chisel. During channel sampling, efforts were made to collect even sized rock fragments across the breadth of the structure at the sampled location.
	<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>	Rock chip samples were collected in a calico bag and taken using a geology hammer, mallet and/or chisel. Samples were funnelled into the bag using a piece of rubber matting.
Drilling techniques	<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>	No drilling has been undertaken by the Company and no commentary is being presented here on past drilling results.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling has been undertaken by the Company and no commentary is being presented here on past drilling results.



Criteria	JORC – Code of Explanation	Commentary
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><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></p>	
Logging	<p><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></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	No drilling has been undertaken by the Company and no commentary is being presented here on past drilling results.
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of 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>The rock chip samples were jaw crushed post oven drying at the NAGROM Laboratory to a nominal 2mm size fraction. In cases where sample weights exceeded 3kg samples were riffle split with the resultant sample fraction then pulverised using an LM5 pulveriser to 95% passing 75 microns. A 150gm pulverised sub sample was then prepped for analysis.</p> <p>In the case of the rock chip analyses, samples were prepped as discussed above. This methodology is considered appropriate for both base and precious metal analyses as well as analyses for a broader range of trace elements. The use of fusion methods XRF and ICP analyses is considered total for all the elements analysed. A 50gm fire assay with an ICP finish was used for the Au analyses.</p> <p>The Channel samples are considered representative of the area's samples but the grab and spot rock chip samples were taken purely to provide an indication of the grade of ore historically mined and as such, cannot be considered representative.</p>



Criteria	JORC – Code of Explanation	Commentary
	<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>	<p>No field duplicate samples have been collected at this point in time from the Ubeong Project. This is not considered material at this early project evaluation stage.</p> <p>No sample splits have been analysed other than those routinely analysed by the laboratory as part of their own internal QA/QC process.</p>
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The size of the rock chip samples is considered appropriate for the style of sampling undertaken.
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>Rock chip samples were dried at 105°C upon receipt by the lab. The samples were then prepped and pulverised as discussed above. The 0.8gm subsample was then prepared for analysis via heating to 1050oC using 8gm sodium peroxide as the flux agent. The samples were then analysed using a Perkin Elmer NexION unit for ICP-MS analyses or a Thermo iCAP 6000 unit for ICP-OES analyses.</p> <p>A 50gm charge was prepared for fire assay for all the Au analyses. A 0.8gm sub-sample was prepped using 8gm of lithium metaborate flux and W, Mo and Sn analyses were undertaken using a Panalytical Axios XRF.</p>
	<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>	<p>The release includes a portion of the Socheon 1:100,000 Total Magnetic Airborne Magnetic Imagery.</p> <p>The Company purchased this image along with other images produced by the Korea Institute of Geoscience and Mineral Resources (KIGAM) as part of the country wide aeromagnetic atlas (Published Dec 2008). The Company has recently received permission from KIGAM management permitting the use of the KIGAM magnetic images in its ASX announcements, shareholder communications and corporate presentations.</p> <p>The magnetic survey was undertaken by KIGAM using a Geometrics G-813 Proton Magnetometer. The flight lines were flown East-West at a 1 km line spacing with North-South tie lines flown at a 5 km spacing. The flight altitude for the survey was 100-200m above ground level. The data processing involved setting the data level at 300m above mean sea level by upward/downward continuation. The International Geomagnetic Reference Field (IGRF) was used to assist with the removal of total magnetic anomaly.</p> <p>The KIGAM colour total magnetic contour maps are printed at 1:100,000 scale and referenced using the Bessel ellipsoid and the Tokyo datum with latitude and longitude coordinate marked.</p>
	<i>Nature of quality control procedures adopted (e.g.</i>	The Company has not included any blank or CRM samples with these analyses. The Company has relied solely on the standard



Criteria	JORC – Code of Explanation	Commentary
	<i>standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<p>repeat and CRM protocols undertaken by Intertek on the analyses of these samples.</p> <p>No repeats other than those involving size fraction analysis as part of the orientation survey have been undertaken at this time.</p> <p>The company has relied on the laboratories' own internal QA/QC procedures for quality control with these analyses. This is considered adequate given that none of the analyses disclosed or discussed in this release are intended for use in any future mineral resource estimation.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<p>The channel samples are single isolated samples and no weighted averages have been calculated using these assays.</p> <p>None of the results reported or commented upon in this release have been independently checked by non-Company personnel. This is not considered material at this early reconnaissance stage of the project's evaluation.</p>
	<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 are stored in an Excel database. All results are checked by the responsible geologist on entry to the database.</p> <p>The Company's data is 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 Appendices is raw laboratory data. No adjustments have been made to the data.
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>	<p>No drilling has been undertaken by the Company and no commentary is being presented here on past drilling results.</p> <p>The sample locations have been recorded using a hand held Garmin GPS60CSx. The accuracy of this unit at most sample sites was +/- 10m.</p>
	<i>Specification of the grid system used.</i>	All sample sites were surveyed in the UTM WGS84 zone 52N coordinate system or WGS 84 Latitudes and Longitudes.
	<i>Quality and adequacy of topographic control.</i>	The National Geographic Information Institute (NGII) has 1:5,000 scale digital contour data for the entire country.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	It is not anticipated that any of these data would be used to compile any form of Mineral Resource and the data are purely acquired as part of the overall reconnaissance evaluation of the project.



Criteria	JORC – Code of Explanation	Commentary
	<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>	The sampling to date is not intended for the use in any future resource estimation that may be undertaken.
	<i>Whether sample compositing has been applied.</i>	None of the assay results have been composited. The bulk of the rock chip assays narrow channel samples.
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 rock chip sampling programme is the first stage of follow-up of the successful stream sediment survey.
	<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.
Sample security	<i>The measures taken to ensure sample security.</i>	The rock chip samples were organised and packed at the Company's secure core yard facility at Sotae-myeon. The samples were then packed in cardboard cartons and shipped to NAGROM Laboratory, Kelmscott, Perth using DHL Global Forwarding. The samples routinely took 4 to 7 days in transit from Korea until clearing customs in Perth and delivery to the laboratory. DHL online tracking allows for the parcels to be tracked throughout their transit.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	The NAGROM Laboratory, Kelmscott has been visited by Company personnel and meets full international standards. NAGROM is internationally recognised particularly in the field of metallurgical evaluations.

(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>SMCL, a wholly owned subsidiary of Peninsula initially filed 2 applications over a prospective pegmatite outcrop proximal to Mt. Ubeong. These applications were renewed on 17 June 2016. The Company has until 14 December 2016 to complete a Mineral Deposit Survey reports (MDS) survey across title applications Hyeongdong 68 and 78.</p> <p>In addition, Hyeongdong blocks 48, 49, 58, 59, 69 were applied for on the 17 August 2016 and Hyeongdong blocks 60 and 70 on 18 August 2016. The Company has until 13th and 14th February respectively to file MDS surveys over these additional blocks. Further, on the 9 September 2016, the Company filed 12 additional applications including 6 more Hyeongdong blocks and 6 adjacent Dogyedong blocks. The Company will have until 8 March 2017 to complete MDS surveys over these 12 additional blocks.</p> <p>Exploration rights are granted by commodity for tenement blocks defined by the GRS080 grid system over 1x1 minute graticule blocks.</p> <p>The Ministry of Trade, Industry and Energy (MOTIE) reviews the MDS and if satisfied, will issue an exploration right.</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 has been granted tenure for 6 months and is required to submit an MDS report for each of the 21 applied tenements prior to the end of the 6 month application period.</p> <p>If the MDS report is accepted by the Ministry, the Company will be granted Mining rights over the applied tenement for a further 3 years. Following the successful filing of the MDS, the applicant is required to file a Prospecting Application (PA). The PA report details the planned exploration activities to be completed over the tenement during the 3 year prospecting period. This includes the completion of a minimum quantum of geophysical surveys, geochemical surveys or drilling as defined under the Mines Act. Provided that at least 50% of the statutory requirement is completed within the initial 3 year prospecting period, the tenement holder is entitled to apply for an additional 3 year extension to facilitate the completion of the specified exploration programme. A Prospecting Report must then be submitted to the Ministry at the completion of the exploration programme. The tenement holder must then submit a Mine Planning Application (MPA) to the local Government Authority who will, if the MPA is approved, grant tenure for mining for a period of 20 years subject to statutory requirements as set out under the terms of the MPA approval. The applicant holding a Mining Right can apply for</p>



Criteria	JORC – Code of Explanation	Commentary
		extensions provided all statutory requirements have been met over the life of the mine.
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	<p>The Company has presented and commented upon all past exploration work in the area that the Company is currently aware of. The Company is currently searching for historical mine records and past Korea Resources Corporation (KORES) or historic Korea Mineral Promotion Corporation (KMPC) reports on the Ubeong Project. All the exploration work by KIGAM has been undertaken as high level reconnaissance surveys including: airborne geophysics, regional scale stream sediment surveys and large scale regional geological mapping.</p> <p>The presence of scattered pieces of drill core at the Ubeong Zinc Project mine site indicates that some limited drilling was undertaken historically. As yet, the Company has been unsuccessful in locating any historic records pertaining to this work. The Company has no records of the past production from any of the historic mines in the district.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The geological target is skarn associated polymetallic zinc, silver +/- copper, lead and gold mineralisation. The limited rock chip assay results indicate that there is potential in the area for zinc, lead, copper, silver, gold, tin, stibnite and tungsten mineralisation. The Proterozoic limestone at the former mine site has undergone intense skarn metasomatic alteration most likely associated with a blind intrusive body. Typical calc-silicate skarn alteration minerals such as hedenbergite and epidote were observed in rock chip samples. The intense magnetite and pyrrhotite mineralisation is typical of many other Korean skarn deposits. The intense magnetic high sympathetically tracking the mapped limestone unit is interpreted to reflect strong magnetite and pyrrhotite mineralisation associated with skarnification of the limestone.</p> <p>The Kumho mine to the west of the Ubeong Project was discovered during the Japanese occupation of Korea and initially mined as a manganese bearing skarn deposit. Subsequently, copper, lead, zinc, silver and gold mineralisation was discovered at depth in the 1940s. The Kumho mine has operated intermittently since 1930s with mining activities ceasing at times due to declining metal prices. The mine is currently active and is reportedly operating at around a 6% zinc head grade.</p>
Drill hole information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material</i>	There is evidence of historic drilling at the main historic mine site with minor scattered pieces of HQ and AQ core observed. The Company is yet to locate any historic drilling or mining records.



Criteria	JORC – Code of Explanation	Commentary
	<p><i>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> 	All rock chip results, location details and descriptions are included herewith as Appendices 1 & 2.
	<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>	No comments are being made on drilling results.
Data aggregation methods	<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>	No weightings or averaging has been applied to the data. All the data presented in this release is raw data. The image in this release relate to rock chip samples collected by Company personnel as part of a broader follow-up stream sediment survey over the Ubeong Project area.
	<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>	The data has not been aggregated.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent vales have been reported.



Criteria	JORC – Code of Explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	The assay results being commented upon are all rockchip sample channel sample data assays.
	<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 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 or assaying has been undertaken and no drilling or 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>	<p>Figure 1 illustrates the location of the Ubeong Project tenements and presents the rock chip sample locations. The KIGAM Socheon aeromagnetic image has been used as an underlying base to the figure and highlights the strong coincident magnetic high attributed to the skarnification of the host limestone unit within the Ubeong Project area. The tenement applications areas are also shown.</p> <p>Figure 2 shows the location of the rockchip samples and results projected onto a TMI ground-magnetics image generated following completion of initial ground magnetics survey by Southern Geoscience Consultantas (SGC) and company personnel.</p> <p>Figure 3 is a photograph of historical workings from the site of channel sample UBG 0009.</p>
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>	The full list of all the base and precious metal assays obtained from rock chip sample assaying is included as Appendices 1 & 2. The sample data points are displayed in Figures 1 & 2.



Criteria	JORC – Code of Explanation	Commentary
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>	<p>All base metal data considered relevant and material has been included in this announcement.</p> <p>A detailed ground magnetics survey has been completed over the main Chilbo workings area, covering a 1.5km x 1.5km area on 50m to 100m spaced north-south lines. The magnetic readings were collected continuously using a Geometrics G858, continuous reading CV magnetometer (G858), supported by a Geometrics G856 proton precession base station unit (G856). The G858 records one (1) reading per second as the operator walks the survey line. The G856 base station unit records and monitors the diurnal variation in the earths geomagnetic field during the survey, variations of which can be removed from the survey using processing.</p> <p>The image of the ground magnetics data presented on Figure 3 is a total magnetic intensity (TMI), reduced to pole (RTP), analytical signal image with a 20° from vertical sun-angle from the south.</p>
Further work	<p><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></p> <p><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></p>	<p>The Company plans to complete tenement scale geological mapping and rock chip sampling across each project.</p> <p>In addition, a grid based soil sampling programme, on 100m x 25m spacing, has commenced, with the objective of refining base and precious metal targets.</p> <p>The initial ground based magnetics programme covering a 1.5km x 1.5km area over the Chilbo mine workings area (see Figure 3) will be extended to the remainder of the 10km strike of the magnetic skarn-limestone unit targeted. The objectives of this programme are to define the magnetic skarnified limestone unit and structural breaks that may have focussed mineralisation.</p> <p>Electromagnetics (EM) has also been trialled to directly locate massive sulphides, and results are being assessed before consideration of any further EM work.</p> <p>Figure 1 outlines the strong magnetic high coincident with the mapped limestone unit with tenement applications and regionally mapped limestone unit. This is considered a strong target for along strike repeats of skarn polymetallic mineralisation already identified within the Ubeong Project area.</p> <p>Figure 2 shows the TMI image of the ground magnetics over the Chilbo workings area, the location of mapped workings and rock-chip sample results to date. Overlaying is a structural interpretation showing interpreted skarnified limestone and numerous structural breaks that may be targeted using drilling for high-grade massive sulphide mineralisation, with geochemical support.</p>



Appendix 1 – Location and sample description details for stage 3 rock chip sampling, Ubeong Project

<i>SampleID</i>	<i>UTME</i>	<i>UTMN</i>	<i>mRL</i>	<i>Type</i>	<i>Location</i>	<i>Geology</i>	<i>Mineralisation</i>	<i>Width</i>
UBG0009	513,532	4,078,049	678	Dump	Chilbo mine	Sulphide ore on dump near smelting	Apy, Sp, Gl, Cpy	Dump
UBG0010	513,603	4,078,090	683	Channel	Chilbo mine	Gossanous lode in pit/stope	Lm, Sp	2.00
UBG0012	513,574	4,078,313	748	Channel	Chilbo mine	Gossanous lode in pit	Lm, Sp	2.00

Mineral codes: magnetite (mt), pyrrhotite (po), sphalerite (sp), galena (gl), pyrite (py), chalcopryite (cpy), arsenopyrite (apy), bornite (bn), manganese (mn), limonite (lm), goethite (go), quartz (qz), calcite (ca), hedenbergite (hd), clay (cy).

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Appendix 2 - Results of rock chip sampling at the Ubeong Project

<i>SampleID</i>	<i>Au g/t</i>	<i>Au</i>	<i>Ag g/t</i>	<i>Zn</i>	<i>Zn %</i>	<i>Pb</i>	<i>Pb %</i>	<i>Cu</i>	<i>Cu %</i>	<i>As</i>	<i>As %</i>	<i>Cd</i>	<i>Ba</i>
Method	FA50	FA50	ICP003	ICP003	ICP003	ICP003	ICP003	ICP003	ICP003	ICP003	ICP003	ICP003	ICP003
Units	ppm	ppb	ppm	ppm	%	ppm	%	ppm	%	ppm	%	ppm	ppm
LLD	0.001	1	1	5	0.0005	10	0.001	10	0.001	5	0.0005	0.5	5
UBG0009	0.17	169	137	56,015	5.60	22,650	2.27	4,270	0.43	64,040	6.40	648.0	60
UBG0010	0.02	20	14	290,270	29.03	170	0.02	660	0.07	27,120	2.71	629.0	100
UBG0010 REP			12	291,925	29.19	160	0.02	660	0.07	27,705	2.77	637.0	105
UBG0012	0.01	6	2	75,490	7.55	30	<0.01	70	0.01	1,000	0.10	34.5	115
OXC145 STD	0.22	215											
GBMS911-1 STD			12	1,225	0.12	5,990	0.60	9,860	0.99	355	0.04	4.5	470
GBM307-16 STD			24	3,655	0.37	2,700	0.27	950	0.10	91,450	9.15	19.5	155

<i>SampleID</i>	<i>Ca</i>	<i>Ca%</i>	<i>Co</i>	<i>Fe %</i>	<i>In</i>	<i>K</i>	<i>Mg</i>	<i>Mn</i>	<i>Mo</i>	<i>Sb</i>	<i>Sn</i>	<i>Te</i>	<i>W</i>
Method	ICP003	ICP003	ICP003	ICP004	ICP003	ICP003	ICP003	ICP003	ICP004	ICP004	ICP004	ICP003	ICP004
Units	ppm	%	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
LLD	5	0.0005	5	0.01	0.1	100	5	5	5	1	1	0.1	10
UBG0009	129,000	12.90	5	17.50	6.8	4,800	6,180	2,745	10	29	123	1.7	20
UBG0010	55,435	5.54	15	3.44	10.6	7,300	13,125	5,535	-5	16	41	-0.1	20
UBG0010 REP	55,190	5.52	15	3.48	10.7	7,400	13,320	5,650	-5	16	41	0.3	20
UBG0012	158,655	15.87	10	5.31	0.3	8,500	27,765	3,750	10	34	31	-0.1	20
OXC145 STD													
GBMS911-1 STD	23,470	2.35	30	5.27	0.6	24,400	9,370	575	30	460	13	0.8	-10
GBM307-16 STD	11,465	1.15	95	26.86	0.4	6,600	5,675	1,535	5	408	24	2.1	-10