



PENINSULA MINES LIMITED

ABN 56 123 102 974

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2015

CORPORATE DIRECTORY

DIRECTORS

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

AUDITOR

RSM Australia Partners
8 St Georges Terrace
PERTH WA 6000

Company Secretary

Mr Eric Moore

REGISTERED OFFICE

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Your directors submit their report for the half-year ended 31 December 2015.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Phillip Jackson (Chairman)
Mr Chris Rashleigh (Director)
Mr Martin Pyle (Director)
Mr Daniel Noonan (Director – appointed 22 February 2016)

RESULTS

The operating loss for the Company for the half-year ended 31 December 2015 was \$368,287 (2014: \$599,910), of which \$125,485 (2014: \$231,178) related to exploration and evaluation expenditure expensed.

REVIEW OF OPERATIONS

Daehwa Project

The Daehwa Project is located about 100 km southeast of Seoul in Chungbuk Province in Central South Korea. The Daehwa project consists of two former Mo-W mines, Daehwa and Donsan, and is comprised of three Mining Rights over Tenements 76166, 77226 and 77227, with granted tenure until 2027-2028 subject to meeting performance conditions.

A single diamond core was undertaken with the support of Korea Resources Corporation (KORES). The hole failed to reach the targeted footwall molybdenum lodes but did intersect a number of hangingwall molybdenum, cassiterite and tungsten bearing veins^{D1}.

Osu 23 Project

The Osu project is located 40km SE of the regional city of Jeonju. It includes the granted Osu 23 exploration right and the Osu 24 tenement application. The tenements are centred over a large magnetic high which is being targeted as a blind porphyry copper system^{D2}. Historic high grade narrow vein polymetallic workings flank the north and south side of Mount Palgong^{D2}. A Prospecting Plan was filed as per the Mineral Law on 15 December 2015.

Planning for a drilling program was completed during the half with drilling to be considered in 2016 subject to the priorities noted below^{D1}.

Jinan Project

Peninsula's Korean subsidiary Suyeon Mining Company Limited (SMCL) informed the co-tenement holders of its decision not to pursue exploration efforts under the Jinan 89 earn in agreement. SMCL withdrew as the representative tenement holder on the 1 July 2015^{D3}. The adjoining Jinan 79 tenement was allowed to lapse naturally in August 2015.

Camel Hills Joint Venture (CHJV) (Peninsula 49.75% / Aurora Minerals Limited 50.25%)

No field activity was undertaken during the quarter. The JV continues to rationalise the tenements in the CHJV area with a number of tenements being relinquished or reduced in size.

Business Development

In early 2016, the Company aggressively pegged a large number of tenements prospective for both graphite and lithium mineralisation. During 2016, the Company plans to undertake the following works subject to the Company having sufficient funding capacity:

- Complete reconnaissance mapping and rock chip sampling across all the new tenement applications.

DIRECTORS' REPORT

- Rationalise the new tenement portfolio with the aim of completing Mineral Deposit Surveys and securing long term tenure over the most prospective ground by midyear.
- Drill prospective targets generated from the prospect review in the second half of the year.
- Continue to review business development opportunities and acquire additional ground considered prospective for lithium and graphite mineralisation.
- Actively pursue a drill programme at Osu subject to KORES joint funding support.

Corporate

All directors and senior management continued to work for reduced remuneration over the last 6 months. These cuts are subject to review upon further financing.

At the Annual General Meeting held on 30 November 2015, a resolution for the issuance of an additional 10% of the Company's share capital was approved by shareholders^{D4}.

On 13 October 2015 Peninsula announced that it had received binding subscription agreements for a placement of shares and options to raise in the first instance up to approximately \$305,000 ("Placement").

The Placement is represented by up to 61,140,000 ordinary fully paid shares in the Company at a price of 0.5c/share ("Shares"). In addition for every 2 shares subscribed in the placement, placees will receive one free option exercisable at 0.5c/share with a term of approximately 2 years ("Options").

The Placement was conducted in 2 tranches:

- Tranche 1 being for up to 21,093,292 Shares and 10,546,646 Options. Tranche 1 was issued without shareholder approval within the Company's 15% Placement capacity pursuant to ASX Listing Rule 7.1.
- Tranche 2 being for up to 40,046,709 Shares and 20,023,355 Options. Tranche 2 was issued following shareholder approval at the Company's annual general meeting.

The Placement was made to exempt investors under section 708 of the Corporations Act in Australia and as a consequence no prospectus or other disclosure statement was issued in relation to the Placement.

Peninsula also announced that agreement has been reached with its major shareholder Aurora Minerals Limited for the conversion into equity of part of its outstanding loan. Following completion of both tranches of the above Placement and shareholder approval Aurora subscribed for up to 28,300,000 Shares and 14,150,000 Options on the same terms as the Placement in consideration for \$141,500 reduction of the loan balance owing to Aurora.

Summary List of all previous ASX releases referenced in this report

- D1. Quarterly Activities Report, 11 January 2016.
- D2. Grant of Exploration Rights– Osu 23, 8 December 2014.
- D3. Quarterly Activities Report, 6 October 2015.
- D4. Results of Meeting, 30 November 2015

There has been no material change to the information contained in the above listed releases.

The information in this Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Daniel Noonan, a Member of The Australian Institute of Mining and Metallurgy. Mr Noonan is Exploration Manager for the Company and is employed as a consultant.

Mr Noonan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Noonan consents to the inclusion in the Report of the matters based on this information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the lead auditor's independence declaration as required by Section 307c of the Corporations Act 2001 is included within the Financial Report.

Signed in accordance with a resolution of Directors:



MARTIN PYLE
DIRECTOR

15 March 2016

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

| | Note | Consolidated | |
|---|-------|---------------------------|---------------------------|
| | | 31 December 2015 \$ | 31 December 2014 \$ |
| Revenue | 2(i) | 1,530 | 5,440 |
| Administration expenses | | (125,485) | (231,178) |
| Exploration and evaluation expenditure | 2(ii) | (244,332) | (374,172) |
| Loss before tax | | (368,287) | (599,910) |
| Income tax expense | | - | - |
| Net loss for the period | | (368,287) | (599,910) |
| Other comprehensive income | | | |
| <i>Item that may be reclassified subsequently to operating result</i> | | | |
| Foreign currency translation | | (1,231) | 6,285 |
| Total comprehensive loss for the period | | (369,518) | (593,625) |
| Basic loss per share (cents per share) | | (0.17) | (0.30) |
| Diluted loss per share (cents per share) | | (0.17) | (0.30) |

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

| | | Consolidated | |
|--|------|---------------------------|-----------------------|
| | Note | 31 December 2015 \$ | 30 June 2015 \$ |
| Current Assets | | | |
| Cash and cash equivalents | | 347,355 | 169,224 |
| Trade and other receivables | | 15,674 | 10,639 |
| Other current assets | | 11,062 | 3,868 |
| Total current assets | | 374,091 | 183,731 |
| Non-Current Assets | | | |
| Plant and equipment | | 4,282 | 5,645 |
| Exploration and evaluation expenditure | | - | - |
| Total non-current assets | | 4,282 | 5,645 |
| Total assets | | 378,373 | 189,376 |
| Current Liabilities | | | |
| Trade and other payables | | 84,166 | 81,121 |
| Loan from parent entity | | 458,500 | 450,000 |
| Total current liabilities | | 542,666 | 531,121 |
| Total liabilities | | 542,666 | 531,121 |
| Net Assets / (Net Liabilities) | | (164,293) | (341,745) |
| Equity | | | |
| Issued capital | 3 | 15,231,530 | 14,789,657 |
| Reserves | | 4,142,731 | 4,038,865 |
| Accumulated losses | | (19,538,554) | (19,170,267) |
| Total Equity | | (164,293) | (341,745) |

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

| | Issued Capital | Accumulated Losses | Foreign Currency Translation Reserve | Share Based Payments Reserve | Total |
|---|-------------------|---------------------|--------------------------------------|------------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| CONSOLIDATED | | | | | |
| At 1 July 2014 | 14,598,480 | (18,143,022) | 4,747 | 4,026,518 | 486,723 |
| Loss for the year | - | (599,910) | - | - | (599,910) |
| Other comprehensive income | - | - | 6,285 | - | 6,285 |
| Total comprehensive loss for the year | - | (599,910) | 6,285 | - | (593,625) |
| Transactions with owners in their capacity as owners: | | | | | |
| Share based payments | 121,515 | - | - | - | 121,515 |
| Transaction costs | (3,261) | - | - | - | (3,261) |
| At 31 December 2014 | 14,716,734 | (18,742,932) | 11,032 | 4,026,518 | 11,352 |
| At 1 July 2015 | 14,789,657 | (19,170,267) | 12,347 | 4,026,518 | (341,745) |
| Loss for the year | - | (368,287) | - | - | (368,287) |
| Other comprehensive income | - | - | (1,231) | - | (1,231) |
| Total comprehensive loss for the year | - | (368,287) | (1,231) | - | (369,518) |
| Transactions with owners in their capacity as owners: | | | | | |
| Share based payments | - | - | - | 105,097 | 105,097 |
| Issue of share capital | 447,200 | - | - | - | 447,200 |
| Transaction costs | (5,327) | - | - | - | (5,327) |
| At 31 December 2015 | 15,231,530 | (19,538,554) | 11,116 | 4,131,615 | (164,293) |

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

| | Note | Consolidated | |
|--|------|---------------------------|---------------------------|
| | | 31 December 2015 \$ | 31 December 2014 \$ |
| Cash flows from operating activities | | | |
| Other payments to suppliers and employees | | (150,361) | (251,121) |
| Payments for exploration expenditure | | (126,040) | (307,860) |
| Other income | | 568 | 61,963 |
| Interest received | | 804 | 4,285 |
| | | <hr/> | <hr/> |
| Net cash (used in) operating activities | | (275,029) | (492,733) |
| Cash flows from investing activities | | | |
| Receipt on sale of assets | | - | 1,818 |
| | | <hr/> | <hr/> |
| Net cash inflow provided by investing activities | | - | 1,818 |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 305,700 | - |
| Proceeds from borrowings from ultimate parent entity | | 150,000 | 250,000 |
| Payment for share issue costs | | (2,540) | (3,261) |
| | | <hr/> | <hr/> |
| Net cash provided by financing activities | | 453,160 | 246,739 |
| Net increase/(decrease) in cash held | | 178,131 | (244,176) |
| Cash at the beginning of the half-year | | <hr/> | <hr/> |
| | | 169,224 | 558,955 |
| Cash at the end of the half-year | | <hr/> | <hr/> |
| | | 347,355 | 314,779 |

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION

These general purpose interim financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Peninsula Mines Limited during the half-year reporting period in accordance with the continuous requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

New and Revised Accounting Standards

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$368,287 and net cash outflows from operating activities of \$275,029 for the half-year ended 31 December 2015. As at that date the consolidated entity cash had net liabilities of \$164,293.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- Subsequent to year end and as disclosed in Note 7 to the financial statements, the company has announced that it has received binding subscription agreements for a placement of up to 98,937,500 ordinary fully paid shares in the company at a price of 1.6c/share to raise up to \$1.58M. The parent entity and major shareholder, Aurora Minerals Limited, has also advised that it intends to participate in the capital raising by converting into equity up to \$500,000 of its outstanding loan to the consolidated entity provided that it does not trigger any takeover provisions of the *Corporations Act 2001*. These subsequent events will essentially put the consolidated entity in a debt free position and will provide sufficient capital to fund its activities for the next 15 months; and
- The consolidated entity has the ability to scale down its operations in order to control costs, such as directors' remuneration and exploration related expenditure, to ensure that cash outflow is minimised in the event capital raisings are delayed or insufficient cash is available to meet projected expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

| Consolidated | |
|---------------------|--------------------|
| 31 December | 31 December |
| 2015 | 2014 |
| \$ | \$ |

NOTE 2: REVENUE AND EXPENSES

Loss before income tax expense includes the following revenue and expenditure, the disclosure of which is relevant to explaining the performance of the Company.

| | | | |
|-------------|---|---------|---------|
| (i) | Revenue | | |
| | Interest income | 962 | 3,425 |
| | Other income | 568 | 2,015 |
| | | 1,530 | 5,440 |
| | | | |
| (ii) | Administration expenditure | | |
| | Depreciation | 1,807 | 3,220 |
| | Less: capitalised to exploration | (1,712) | (3,002) |
| | | 95 | 218 |
| | Consulting and labour hire | 27,085 | 59,926 |
| | Salaries and wages | 41,904 | 42,571 |
| | Facility charges | 3,000 | 14,000 |
| | Insurance and legal | 5,084 | 21,913 |
| | ASX, ASIC and related fees | 16,126 | 19,039 |
| | Share based compensation ⁽¹⁾ | 105,097 | 159,482 |
| | Audit fees | 9,000 | 9,500 |
| | Loss on disposal of fixed assets | - | 455 |
| | Interest Expense | 21,541 | - |
| | Other expenses | 15,400 | 47,068 |
| | | 244,332 | 374,172 |

- (1) Share based compensation in the prior period included \$37,966 in shares to be issued as compensation for fees to Directors and Consultants foregone for the period 1 October to 31 December 2014. 4,788,406 shares were issued subsequent to the period ended 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 3 – EQUITY SECURITIES ISSUED

| | Consolidated | |
|---|---------------------------|---------------------------------|
| | 31 December 2015 \$ | 30 June 2015 \$ |
| 300,372,915 (June 2015: 210,932,915) fully paid ordinary shares | 15,231,530 | 14,789,657 |
| | Shares No. | Listed Options No. |
| At 1 July 2014 | 191,820,923 | - |
| Issue of shares in lieu of consideration | 10,095,470 | - |
| Options cancelled/expired | - | (15,150,000) |
| At 31 December 2014 | 201,916,393 | - |
| | | Unlisted Options No. |
| At 1 July 2015 | 210,932,915 | 41,700,000 |
| Issue of shares | 61,140,000 | - |
| Issue of shares as partial loan repayment | 28,300,000 | - |
| Issue of options | - | 60,996,000 |
| Options cancelled/expired | - | (15,600,000) |
| At 31 December 2015 | 300,372,915 | 87,096,000 |

Details of Movements in Equity

| Date | Action | Type | Quantity | Issued To | Ex/Issue Price | Expiry Date |
|-----------|--------|---------------------|------------|-------------|----------------|--------------|
| 22 Aug 15 | Expiry | Options – unlisted | 5,500,000 | Directors | \$0.0343 | 22 Aug 2015 |
| 22 Aug 15 | Expiry | Options – unlisted | 2,600,000 | Consultants | \$0.0343 | 22 Aug 2015 |
| 13 Oct 15 | Issue | Shares – fully paid | 21,093,291 | Placement | \$0.005 | - |
| 13 Oct 15 | Issue | Options - unlisted | 10,546,646 | Placement | \$0.005 | 30 Sept 2017 |
| 22 Nov 15 | Expiry | Options- unlisted | 7,500,000 | Directors | \$0.50 | 22 Nov 2015 |
| 30 Nov 15 | Issue | Options - unlisted | 6,516,000 | Directors | \$0.005 | 30 Nov 2017 |
| 30 Nov 15 | Issue | Options – unlisted | 6,950,000 | Consultants | \$0.005 | 30 Nov 2017 |
| 30 Nov 15 | Issue | Options – unlisted | 1,810,000 | Employees | \$0.005 | 30 Nov 2017 |
| 30 Nov 15 | Issue | Options – unlisted | 1,000,000 | Director | \$0.014 | 30 Nov 2018 |
| 24 Dec 15 | Issue | Shares – fully paid | 30,046,709 | Placement | \$0.005 | - |
| 24 Dec 15 | Issue | Options - unlisted | 15,023,354 | Placement | \$0.005 | 30 Sept 2017 |
| 24 Dec 15 | Issue | Shares – fully paid | 28,300,000 | Aurora | \$0.005 | - |
| 24 Dec 15 | Issue | Options - unlisted | 14,150,000 | Aurora | \$0.005 | 30 Sept 2017 |
| 31 Dec 15 | Issue | Shares – fully paid | 10,000,000 | Placement | \$0.005 | - |
| 31 Dec 15 | Issue | Options - unlisted | 5,000,000 | Placement | \$0.005 | 30 Sept 2017 |

NOTE 4 - SEGMENT INFORMATION

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group operates as two segments, which are mineral exploration and evaluation within Australia and South Korea.

The group is domiciled in Australia. Segment revenues are allocated based on the country in which the customer is located. Segment assets are allocated to countries based on where the assets are located.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 4 - SEGMENT INFORMATION (continued)

No operating revenue was derived during the year (2014: nil)

| | Australia \$ | South Korea \$ | Consolidated \$ |
|--|-----------------|-------------------|--------------------|
| Half Year Ended 31 December 2015 | | | |
| Sales to external customers | - | - | - |
| Other revenue/income | 962 | 568 | 1,530 |
| Total segment revenue | 962 | 568 | 1,530 |
| Segment result from continuing operations before tax | (241,148) | (127,139) | (368,287) |
| As At 31 December 2015 | | | |
| Segment assets | 350,706 | 27,667 | 378,373 |
| Total assets of the consolidated entity | | | 378,373 |
| Segment liabilities | 525,445 | 17,221 | 542,666 |
| Total liabilities of the consolidated entity | | | 542,666 |
| Half Year Ended 31 December 2014 | | | |
| Sales to external customers | - | - | - |
| Other revenue/income | 4,378 | 1,062 | 5,440 |
| Total segment revenue | 4,378 | 1,062 | 5,440 |
| Segment result from continuing operations before tax | (402,693) | (197,217) | (599,910) |
| As At 30 June 2015 | | | |
| Segment assets | 153,635 | 35,741 | 189,376 |
| Total assets of the consolidated entity | | | 189,376 |
| Segment liabilities | 488,965 | 42,156 | 531,121 |
| Total liabilities of the consolidated entity | | | 531,121 |

NOTE 5 - COMMITMENTS FOR EXPENDITURE

Consultancy Agreements

In the event that the group terminates all of the directors' and executives' consultancy agreements, there is no requirement to continue payment of the fees as the directors and executives have agreed to forego termination fees. The directors have also agreed to forego remuneration from 1 July 2015 to conserve cash within the Company. The ability to pay directors cash fees will be reviewed subject to a successful capital raising.

Mineral Tenements

In order to maintain the mineral covenants in which the Company and other parties are involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the covenants are granted.

| | Consolidated | |
|--|---------------------------|-----------------------|
| | 31 December 2015 \$ | 30 June 2015 \$ |
| Minimum estimated expenditure requirements | 14,925 | 22,509 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 6 – CONTINGENT LIABILITIES

Since the last annual reporting date there has been no material change of any contingent liabilities or contingent assets.

NOTE 7 - EVENTS OCCURRING AFTER REPORTING DATE

On 22 February 2016 Mr Daniel Noonan was appointed a Director of the Company.

On 10 March 2016 the Company announced the following:

- a placement of 75,093,225 shares at an issue price of 1.6c/share to Sophisticated Investors (Placement Shares). In addition a further 23,844,275 shares will be granted to Sophisticated Investors and Directors of Peninsula subject to shareholder approval on the same terms as the Placement Shares.
- Aurora Minerals will convert its outstanding loan of approximately \$500,000, including interest, to ordinary fully paid shares Peninsula shares on the same terms as the Placement Shares subject to shareholder approval

Other than as stated above, there have been no material items, transactions or events subsequent to 31 December 2015 which, although they do not relate to conditions existing at that date, have not been dealt with in this report and which would cause reliance on the information shown in this report to be misleading.

NOTE 8 – DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the half-year.

DIRECTORS' DECLARATION

In the opinion of the directors of Peninsula Mines Limited ('the company'):

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Martin Pyle
EXECUTIVE DIRECTOR
Perth, 15 March 2016



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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
PENINSULA MINES LIMITED**

We have reviewed the accompanying half-year financial report of Peninsula Mines Limited which comprises the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Peninsula Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Peninsula Mines Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

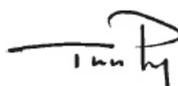
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Peninsula Mines Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 15 March 2016

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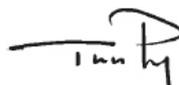
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Peninsula Mines Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 15 March 2016