PENINSULA MINES LIMITED
ABN 56 123 102 974

ASX Announcement

29 February 2016

Peninsula Mines Limited (ASX: PSM)

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

Substantial Shareholders

Aurora Minerals Limited	35.8%
Management	9.7%
Perth Select	6.8%
M&S Lynch	6.7%

Shares on Issue: 300m

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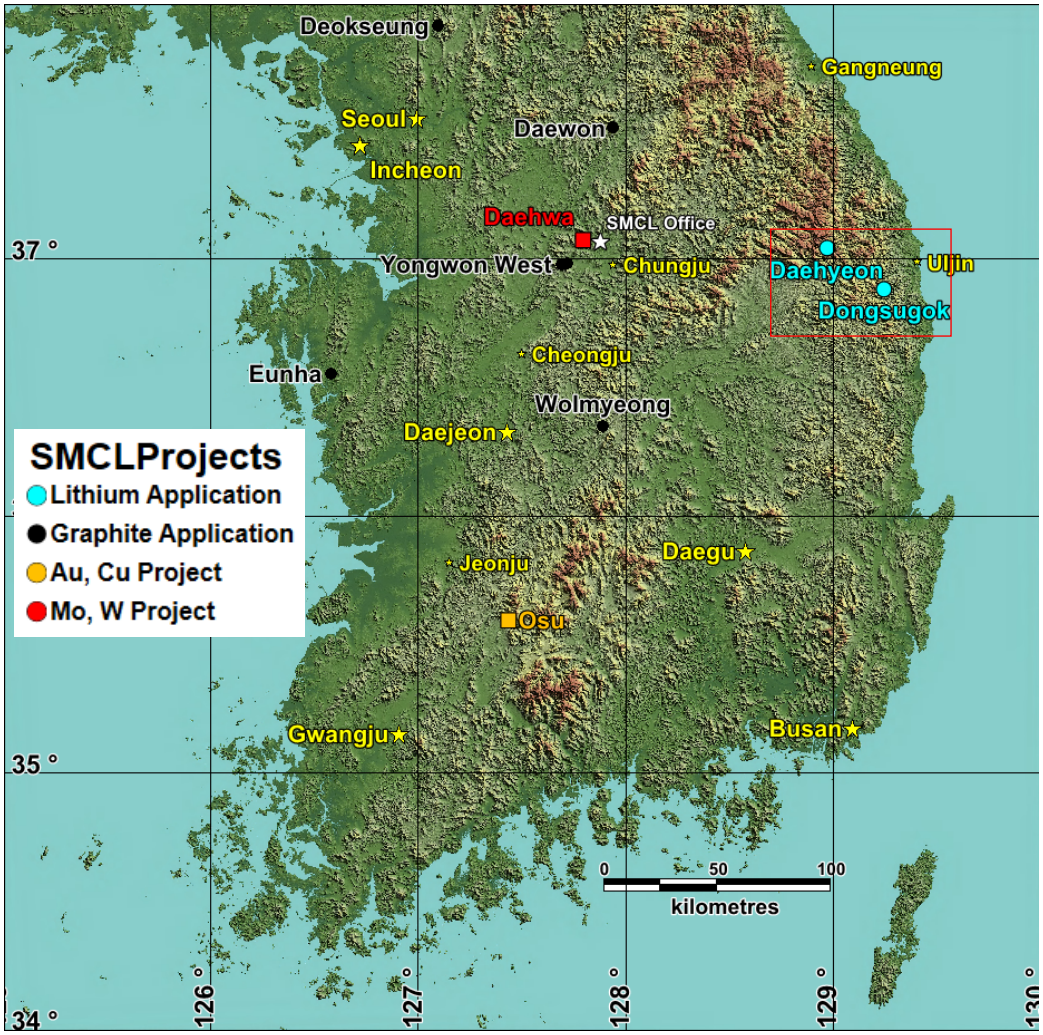
PSM Secures Large Tenement Position Over an Area Highly Prospective for Lithium Bearing Pegmatites in South Korea

- Peninsula (PSM or the "Company") is pleased to announce a major expansion of its portfolio of lithium projects in South Korea.
- Peninsula through its wholly owned South Korean subsidiary Suyeon Mining Co. Ltd. (SMCL) has successfully filed 53 tenement applications over an area considered highly prospective for pegmatite associated lithium mineralisation. (Figure 1, 2 & 3).
- A review of historic country wide Korea Institute of Geoscience and Mineral Resources (KIGAM) stream sediment sampling data has highlighted an area to the south of the Sangdong tungsten mine where an aerially extensive lithium anomaly is centred. This area has the highest concentration of lithium anomalism reported from the country wide geochemical survey (Figures 4 & 5).
- KIGAM geological mapping over the area has identified numerous pegmatitic dyke occurrences (Figure 2).
- Lithium Prospect Applications filed:
  - Uguchi prospect area includes twenty nine tenement blocks over an area identified as having highly anomalous stream sediment lithium values. The elevated lithium values are interpreted to be a response to pegmatitic dykes within the prospect area (Figures 2, 3 & 5).
  - Daehyeon prospect includes ten tenement blocks that were selected due to the presence of pegmatitic dykes in an area where there is strong lithium anomalism in stream sediment values (Figures 2, 3 &5). A coincident magnetic high suggests the presence of an intrusive body and invokes a similar model to that proposed for the Boam lithium deposit (refer to ASX announcement dated 1 February 2016)[1,2].
  - Goseon South prospect includes four tenement blocks that were identified due to the presence of pegmatitic dykes and coincident anomalous lithium stream sediment values (Figures 2, 3 & 5).
  - Goseon North prospect includes five tenement blocks that were selected due to the presence of a number of large pegmatitic outcrops (Figures 2 & 3).
  - Naedeok and adjacent Deokgu prospects include two and three tenement blocks respectively and have been targeted due to the presence of tin bearing pegmatites in the area (Figures 2, 3 & 5).
- Commenting on the applications, Executive Director, Danny Noonan said: *"The Company is excited to announce that it has secured a significant tenement portfolio over an area considered highly prospective for pegmatite related lithium mineralisation. The presence of a sizable swarm of pegmatitic dykes in an area with coincident elevated stream sediment lithium values is considered highly encouraging."*

Figure 1: Plan showing the location of the Company's Lithium Applications (sky blue dots), Graphite Applications (black dots) along with the locations of the Company's existing projects (red & orange squares) for reference. The insert is an enlargement of the lithium project area. The Daehyeon Project includes 6 prospects; Uguchi, Daehyeon, Goseon South, Goseon North, Naedeok and Deokgu. The Dongsugok Project includes three prospects: Donsugok, Tonggo and Ubeong.



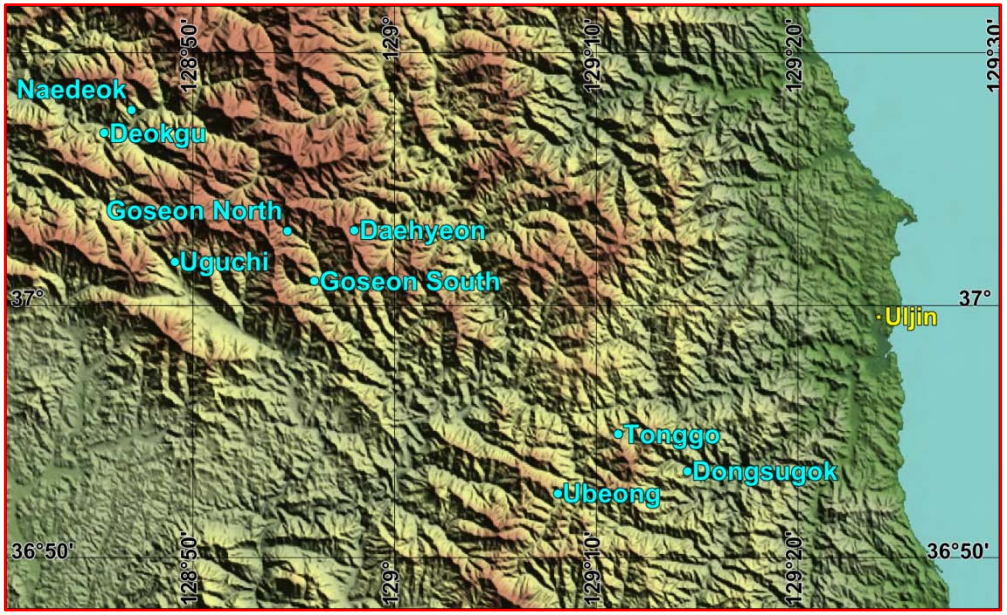


Figure 2: Prospect Areas on the KIGAM 1:50,000 Geology[3,4,5,6,7,8,9&10].

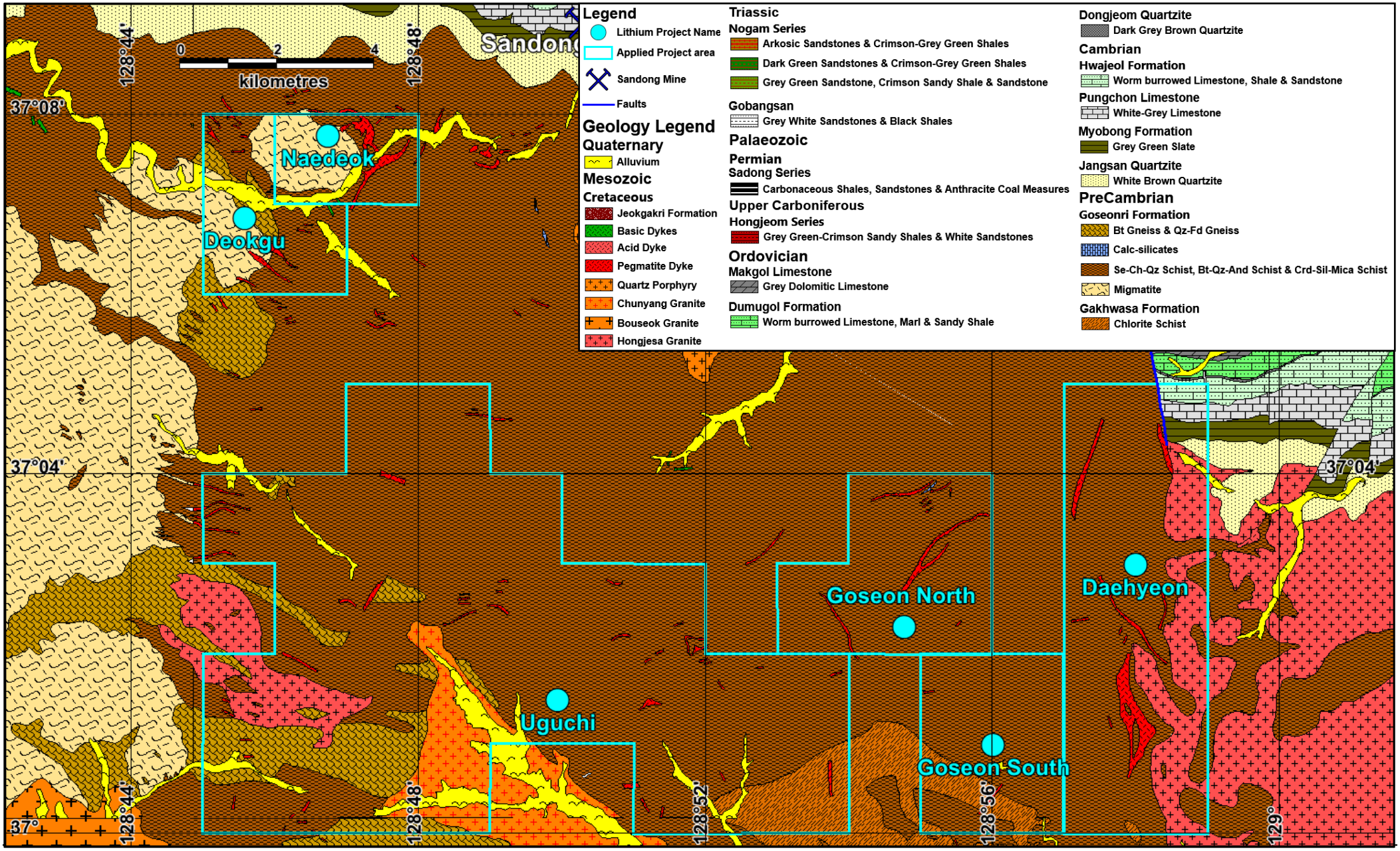
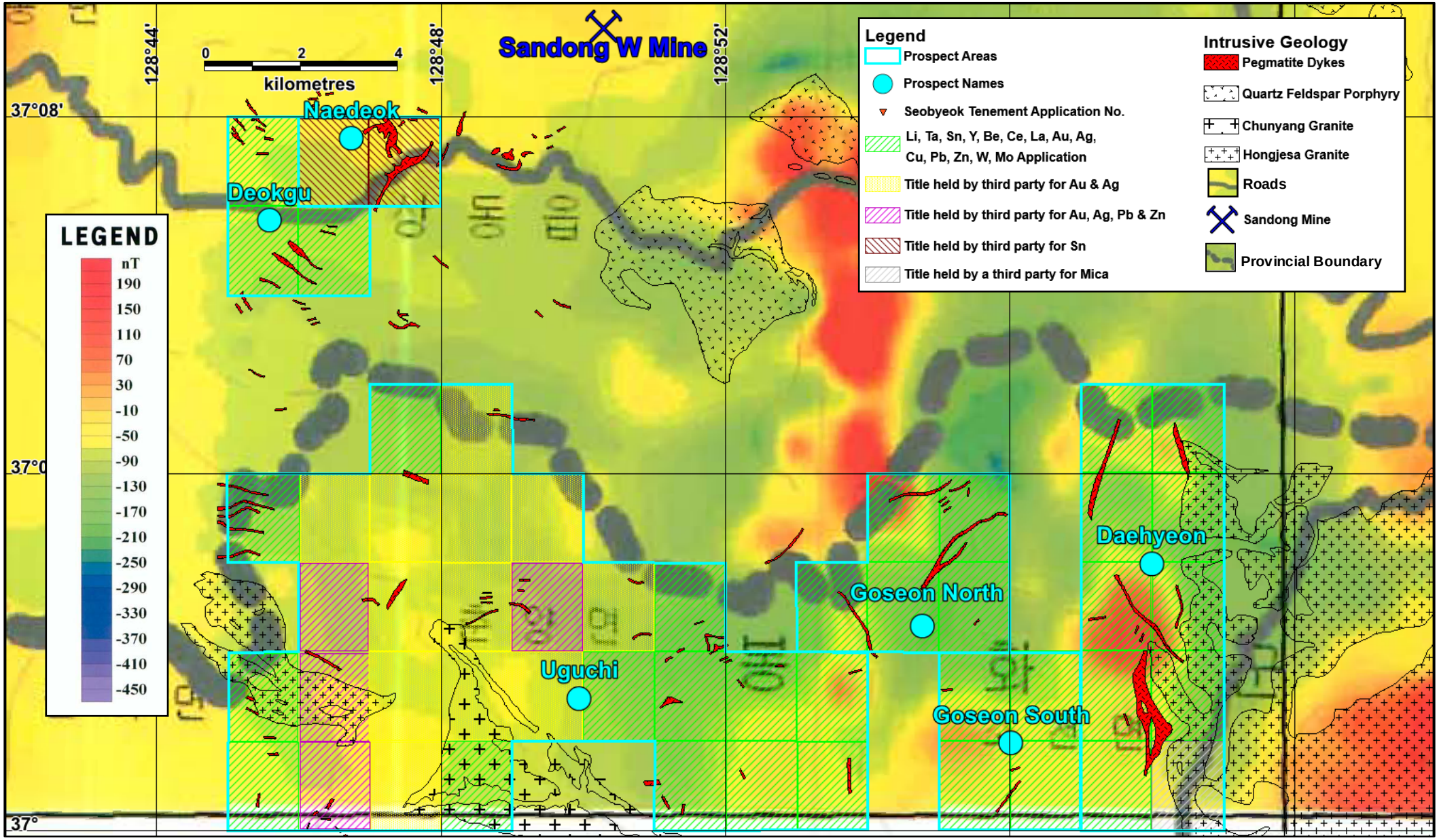


Figure 3: SMCL Lithium Project tenement applications on the KIGAM 1:250,000 Gangneung magnetic image reduced to the pole[2].



NB: SMCL has secured mineral rights for Li, Ta, Nb, Be, Y, La, Ce, Mo & W across all 53 applied tenement blocks.

Figure 4: KIGAM Country wide stream sediment data for lithium[11].

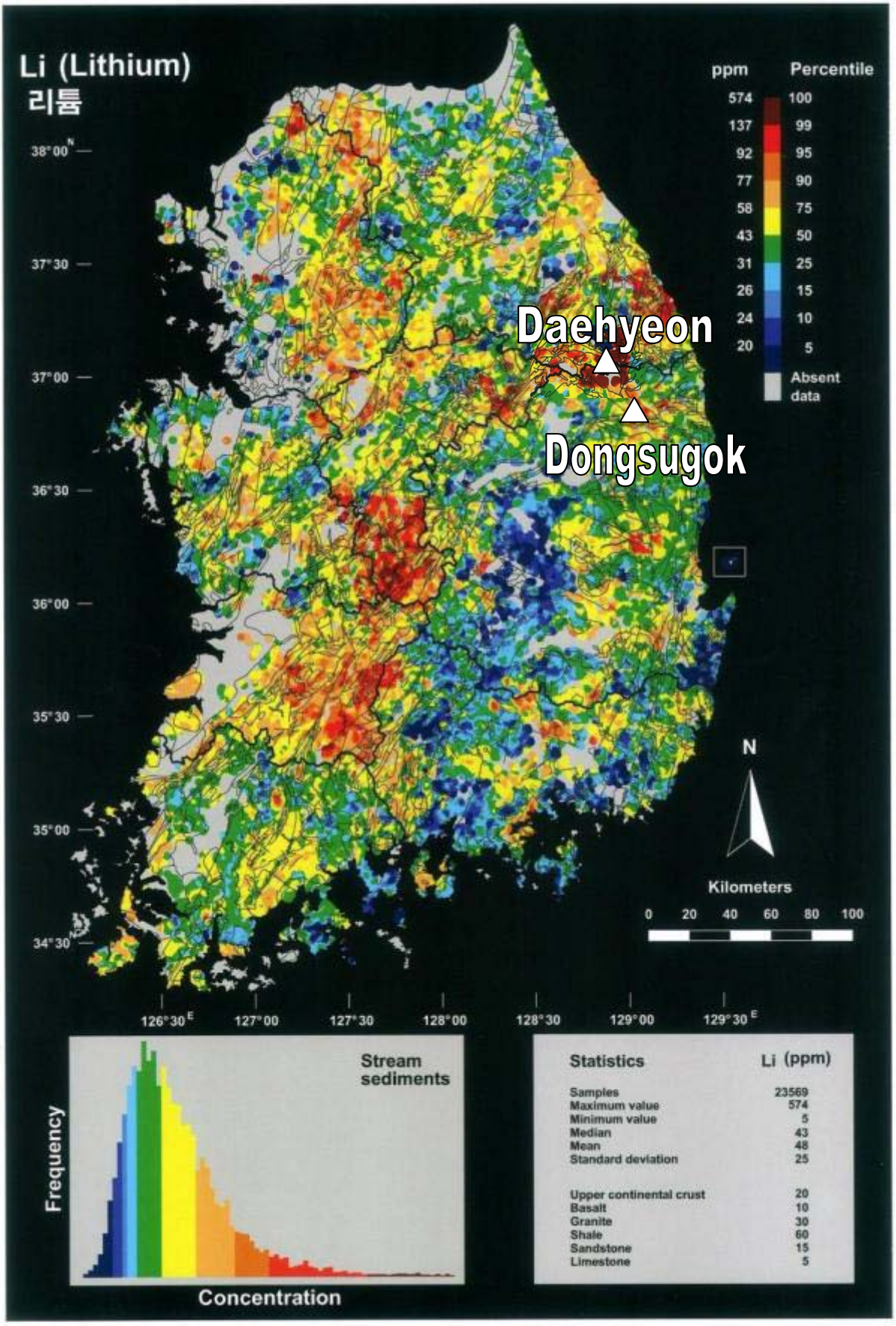
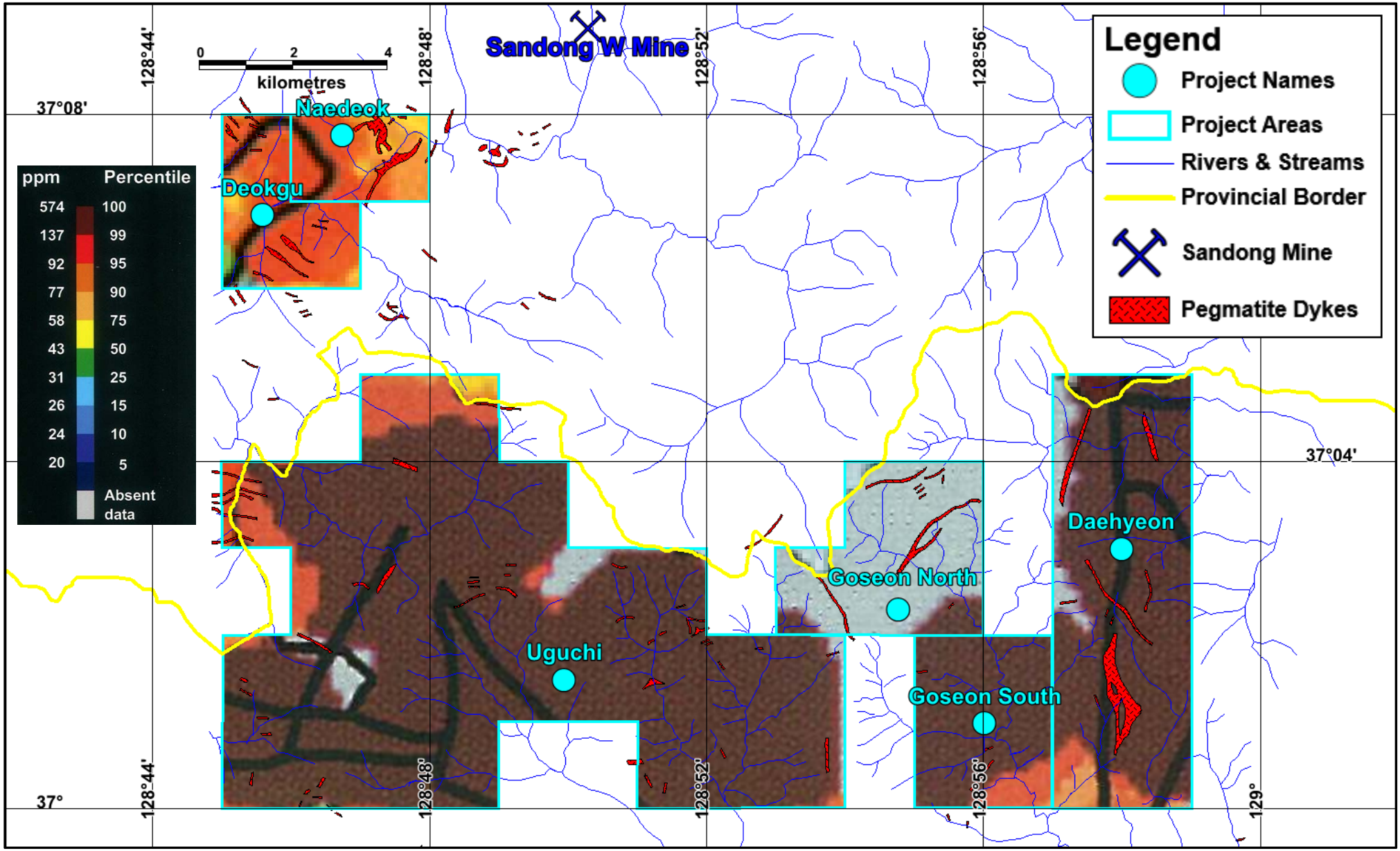


Figure 5: Prospect Areas on the KIGAM stream sediment inverse distance weighted lithium plot[11]. The deeper red-brown colours reflect areas of higher intensity lithium anomalism.



Pursuant to the South Korean mineral law, Peninsula has six months to lodge a Mineral Deposit Survey (MDS) over each of the 53 applied tenements (Figure 3 & Appendix I). Each tenement block is 1x1 graticule minute in size. It is anticipated that the tenement package area will be refined within this initial 6 month evaluation period as specific pegmatites are selected for detailed geological investigation. Upon receipt of official notification that the MDS has been accepted, the Company has one year from the original application date to file a prospecting plan. The prospecting plan outlines the exploration method the applicant intends to use and the quantum of work. Certain minimum levels of drilling and/or geophysics and/or geochemistry are required. The applicant is then granted a 3 year exploration license which can on application be extended once for an additional 3 year period. An applicant may at any time during the exploration period file an application to change the prospecting method. At the end of the exploration period, the tenement holder must submit a prospecting report which must demonstrate that specified minimum levels of exploration work have been completed. If the prerequisite minimum levels of exploration work have been completed, the tenement holder is then granted a mining right which subject to certain conditions being met has a 20 year renewable life.

Exploration has commenced with historical data review and compilation. Initial work programmes planned for March will involve prospect wide mapping and rock chip sampling aimed at identifying the primary source of the anomalous lithium stream sediment values. The initial investigations will be focussed on the areas where previous mapping has identified pegmatite outcrops in each of the prospect areas. It is envisaged that once all areas have been reviewed, the tenement position will be further refined. The aim then would be to generate drill targets. Detailed ground geophysics may also be considered to assist with drill targeting.

References utilised in the compilation of this announcement:

1. PSM ASX release - Lithium Prospect Enhanced by Magnetic High, 1 February 2016.
2. Koo, S.B., Park, Y.S., Lim, M.T. and Rim, H., 2005, KIGAM 1:250,000 Gangneung Magnetic Anomaly Map.
3. Geological Society of Korea, 1962, Seobyeokri North 1:50,000 Geology Sheet.
4. Geological Society of Korea, 1962, Seobyeokri South 1:50,000 Geology Sheet.
5. Kim, O.J., Hong, M.S., Park, H.I. and Kim, K.T., 1963, KIGAM 1:50,000 Samgeunri Geology Sheet.
6. Yun, S.G., 1967, KIGAM 1:50,000 Jangseong Geology Sheet.
7. Lee, D.S., 1966, KIGAM 1:50,000 Okdong Geology Sheet.
8. Lee, J.H., Lee, S.H. and Jang, T.W., 1989, KIGAM 1:50,000 Punggi Geology Sheet.
9. Son, C.M. and Kim, S.H., 1963, KIGAM 1:50,000 Chunyang Geology Sheet.
10. Geological Society of Korea, 1962, Gyaesanchon (Taebaek) 1:50,000 Geology Sheet.
11. Lee, P.K., Youm, S.J., Shin, S.C., Park, S. W., Kang, M.J. and Moon, S. W., 2007, Geochemical Atlas of Korea: Series 9. Korea Institute of Geoscience and Mineral Resources, 68p.

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The information in this announcement 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 announcement 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	*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.*	At this stage of the project's evaluation, no field sampling has been undertaken by SMCL. In this announcement, the Company has presented the processed results from historical Korea Institute of Geoscience and Mineral Resources (KIGAM) stream sediment surveys. The processed data images presented in this announcement were compiled and interpreted by KIGAM geochemical staff. The raw data is not available for sale from KIGAM at this point in time. The stream sediment samples from the prospect area were taken as part of a broader country wide sampling project. The lithium (Li) data was collected as part of a broad 36 element survey. Samples were taken at a density of 1 sample / 3.5 km^2. Samples were sieved on site to produce a 70-100g passing -100 mesh sample for analysis. A range of analytical methods were used to accommodate the broad range of elements being targeted as part of the overall survey. Analysis methods used to analyse the samples from the 1996-2003 country wide survey included XRF, NAA, ICP-AES, and Ion Chromatography for water analysis studies[11]. The Li analyses were ICP-AES analyses undertaken using a Jovin Yvon JY 38 Plus Spectrometer. KIGAM has undertaken baseline surveys prior to this more recent work. The samples were collected across the country between 1996 and 2003 with the samples from the eastern Provinces, where the prospect areas are located, collected during a 4 year period from 1999 to 2003.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	The KIGAM sample collection data sheet is comprehensive and includes all the required elements for high quality stream sediment sampling programmes[11]. The only limitation is the relatively broad nature of the survey data given that all the publically available KIGAM stream sediment data has been collected as part of a high level Country wide survey.
	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.	The comments in this announcement relate to the interpretation of historical geophysical and geochemical surveys reported by KIGAM in 2005 and 2007 [2&11]. The samples were composite stream sediment samples collected as part of a Country wide survey. KIGAM collected stream bed grab samples from 5 to 20 points over a 50m stream interval at each sample location. These samples were sieved to passing 100 mesh (150 microns) and composited to produce a 70-100g sample from each site for analysis. Samples were then dried at the KIGAM laboratory and pulverised using an agate mortar to passing 270 mesh (53 microns) a sub-sample was taken and digested using acids and SPEX sample preparation equipment[11].

Criteria	JORC – Code of Explanation	Commentary
Drilling techniques	*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).*	No drilling has been undertaken and no commentary is being presented here on drilling results.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling has been undertaken and no commentary is being presented here on drilling results.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
	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.	
Logging	*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.*	No drilling has been undertaken and no commentary is being presented here on drilling results.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	KIGAM recorded rock type information adjacent to sample sites, signs of cultural contamination, the presence of suspended sediments in the stream water, whether the stream was dry or wet, details on whether any rainfall events had occurred in the last 24 hours.
	The total length and percentage of the relevant intersections logged.	
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Stream sediment samples were sieved in the field to produce a 70-100g sample passing 100 mesh for analysis. SMCL has no additional information regarding the sample preparation prior to the analysis. All the analyses were performed in house at the KIGAM laboratory in Daejeon on sub-samples of the original 70-100g field sample. KIGAM included 1 blank and 1 standard reference material (SRM) sample with every batch of 100 samples analysed[11]. The SRM samples were stream sediment samples prepared and certified by the Japanese Geological Survey, Ibaraki and were included as regular check samples to assess and monitor the analytical process[11]. The data summarised in the KIGAM report suggest that there were no significant issues with the analytical process with all SRM analyses falling within the expected range. KIGAM also completed base line studies prior to undertaking the main country wide surveys.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	
	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.	
	Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The range of analysis methods used by KIGAM is considered more than adequate to provide total results for the range of elements analysed.

Criteria	JORC – Code of Explanation	Commentary
tests	*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.*	In addition to the geochemical map data, the Company has also purchased the KIGAM 1:250,000 Reduced to the Pole, International Geomagnetic Reference Field (IGRF) removed, Total Magnetic Airborne Magnetic Imagery for the Gangneung sheet on which the Daehyeon, Goseon Uguchi, Deokgu and Naedeok prospects lie (Published December 2005)[2]. The magnetic survey was undertaken by KIGAM using a Geometrics G-813 Proton Magnetometer and G-822A caesium magnetometer. The flight lines were flown East-West at a 1 to 2 km line spacing with North-South tie lines flown at a 5km 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 IGRF was used to assist with the removal of total magnetic anomaly. The KIGAM colour total magnetic contour maps are printed in two series - one at 1:100,000scale and the other at 1:250,000 scale. The data is referenced using the Bessel ellipsoid and the Tokyo datum with latitude and longitude coordinates marked.
	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.	The company has relied on the processed image purchased from KIGAM for all subsequent interpretations. At this point in time, the Company has been unable to procure the raw data from the original airborne magnetic survey or from any of the KIGAM geochemical surveys.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The company is not aware of the results of any sample repeats that KIGAM may have taken either at the time of the original survey or subsequently that could be used to verify the results commented upon in this report.
	The use of twinned holes.	No drilling has been undertake nor commented upon in this release.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The Company has been unable at this point in time to procure the raw survey data from KIGAM. The Company has not completed any field mapping at this stage but intends to do so once the Korean winter passes and the snow cover has melted. The Company has relied on the information compiled and published by KIGAM. The Company's data is stored in an excel database and routinely transferred to the Perth office.
	Discuss any adjustment to assay data.	All the available KIGAM stream sediment data has been processed by KIGAM geochemical staff in Daejeon. The data available for purchase is presented in the form of published atlases of processed data. The data that the Company has presented in this announcement is stream sediment sample analyses for lithium. The raw data has been processed by KIGAM using an Inverse Distance Weighted (IDW) interpolation using class boundaries based on percentiles generated from statistical evaluation of the original raw data set (Figures 4 & 5)[11]. The interpolation and the results presented by KIGAM meet internationally recognised standards and are considered more than adequate as a first pass target generation tool.

Criteria	JORC – Code of Explanation	Commentary
Location of data points	*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.*	No drilling has been undertaken or commented upon in this release. The Company has relied on information compiled and published by KIGAM.
	Specification of the grid system used.	All the KIGAM 1:250,000 Gangneung magnetic image is presented using the Bessel ellipsoid and Tokyo datum. The geochemical data is similarly presented using the Bessel ellipsoid and Tokyo datum.
	Quality and adequacy of topographic control.	The National Geographic Information Institute (NGII) has 1:5,000 scale digital contour data for the entire country. The Company understands that KIGAM used this contour data to produce a Digital Elevation Model (DEM) as part of the data levelling process.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The aerial magnetic survey was undertaken by KIGAM using a Geometrics G-813 Proton Magnetometer. The flight lines were flown East-West at a 1 to 2 km line spacing with North-South tie lines flown at a 5km 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. It is not anticipated that any of the data would be used to compile any form of Mineral Resource and the data is purely acquired as part of the overall reconnaissance evaluation of the projects. The Company is considering the possibility of undertaking follow-up, closer spaced ground magnetic surveys over the tenement areas. The Li stream sediment samples were collected across the country on a nominal 1 sample / 3.5 km^2 basis[11].
	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.	The flight line spacing is considered adequate for a regional scale airborne survey. The sample spacing of the stream sediment data is considered adequate to meet the programmes original design parameters. It is an excellent reconnaissance based data set. The geochemical and geophysical data commented upon in this release is not intended for the use in any future resource estimation that may be undertaken.
	Whether sample compositing has been applied.	The stream sediment samples were collected as a composite sample with sample material collected from 5 to 20 sites across the bed of the water course along a 50m long stretch. These samples were then composited together to provide a 70-100g sample passing 100 mesh for analysis[11].

Criteria	JORC – Code of Explanation	Commentary
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The main structural features across the Country trend approximately northeast-southwest and the airborne magnetic survey was flown east-west to reflect the prevailing trends observed in the geology across the Korean Peninsula. The broad scale and regional nature of the stream sediment survey is considered adequate for follow-up targeting and project generation purposes.
	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.	No drilling has been undertaken or commented upon.
Sample security	*The measures taken to ensure sample security.*	All magnetic data was collected by KIGAM and the Company understands that KIGAM took adequate steps to maintain data security both during the surveying and subsequently during the data processing phase. Similarly all the geochemical data was collected by KIGAM personal. It is assumed that adequate sample security steps were followed.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The company is not aware of any historic internal KIGAM audits of their airborne survey process or of the geochemical procedures followed.

Section 2: Reporting of Exploration Results

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

Criteria	JORC – Code of Explanation	Commentary
Mineral tenement and land tenure status	*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.*	SMCL, a wholly owned subsidiary of Peninsula, was granted exploration rights on the 25 February 2016 over 53 tenements on the Seobyeokri map sheet for Li, Ta, Nb, Y, Be, Ce, La, Mo and W. In addition, Sn exploration rights were granted over 51 tenement blocks (Figures 3 & 4 and Appendix I). Further Au, Ag and basemetal rights were also granted over a lesser number of blocks as detailed in Appendix I. The tin exploration rights for blocks 123 and 133 are already held by another party, together these two blocks are referred to as the Naedeok prospect. Exploration rights are granted by commodity for tenement blocks defined by the GRS080 grid system over 1x1 minute graticule blocks. The full list of applied blocks is summarised in Appendix I. The company has until 24 August 2016 to successfully lodge Mineral Deposit Survey reports (MDS) over the applied areas before the Ministry of Trade, Industry and Energy (MOTIE). The Ministry then reviews the MDS and if satisfied will issue an exploration right.

	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.	The Company has been granted tenure for 6 months and is required to submit an MDS report for each of the 53 applied tenements prior to the end of the 6 month application period. 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 extensions provided all statutory requirements have been met over the life of the mine.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	The Company has presented and commented upon all past exploration work in the area that the Company is currently aware of. 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[2,3,4,5,6,7,8,9,10&11]. Company is not aware of any detailed exploration having been undertaken in the past on any of the granted tenements. The Company has no records of the past production from any of the historic mines in the district. Data reviews and compilation are ongoing and the Company will also seek to acquire any recent Korea Resources Corporation (KORES) or historic Korea Mineral Promotion Corporation (KMPC) reports on any of the applied tenement blocks.

Geology	*Deposit type, geological setting and style of mineralisation.*	The geological target is pegmatite hosted lithium mineralisation associated with lithium bearing minerals such as lepidolite, spodumene and amblygonite. Historic mapping by KIGAM has highlighted a broad swarm of pegmatite dykes across the applied tenement area. These dykes intrude Precambrian basement schists of the Goseonri Formation. The Goseonri Formation is a mixed meta-sedimentary sequence of slates, sericite-chlorite-quartz schists, biotite-quartz-andalusite schists and cordierite-mica±sillimanite schists. Locally meta-limestone calc-silicates occur as lenses. Towards the west of the applied area, biotite and quartz feldspar gneisses become more common as the basement sequence becomes more migmatitic while to the southeast, the Goseonri schist sequence is analogous to the Yulri Formation mapped at Boam[1]. The basement schist sequence is intruded by Mesozoic (Cretaceous) granites, quartz feldspar porphyry and pegmatitic and basic dykes. The Hongjesa Granite occurs in the Daehyeon and Uguchi tenement areas and is described as a two mica microcline bearing granite. The Chunyang granite is a two mica granite with local coarse feldspar phenocrysts that occurs along the southern margin of the Uguchi prospect area. The data presented in this announcement is from past regional scale exploration surveys undertaken by KIGAM as part of their Country wide geophysical and geochemical surveys. SMCL has completed a review of the available KIGAM lithium stream sediment data and historical KIGAM and Geological Society of Korea1:50,000 scale geological mapping data. This work has identified an area to the south of the Sangdong Tungsten Mine that is anomalous for lithium. The Company aims to identify the presence of lithium bearing veins and pegmatitic dykes at each of the project areas.
Drill hole information	*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:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduce Level) – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length*	The Company is not aware of any historic drilling having been conducted at the Daehyeon, Uguchi, Goseon North, Goseon South, Naedeok or Deokgu Projects.
	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.	No comments are being made on drilling results.
Data aggregation methods	*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.*	SMCL has been unable to secure access to the KIGAM raw stream sediment data files. All available data considered relevant has been presented in this announcement. The images commented upon are based on processed data and are not site specific assay results.

	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.	The IDW interpolation undertaken by KIGAM and presented in the publically available images is by default smoothed during the interpolation phase. The colour coded zones on the processed image reflect statistically generated zones based on percentile analysis of the primary data. The basis for this interpretation and interpolation appears to be geostatistically sound.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent vales have been reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	The assay results being commented upon are all stream sediment point data assays.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	No drilling or assaying has been undertaken and no drilling or assay results have been reported or commented upon.
	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').	No drilling or assaying has been undertaken and no drilling or assay results have been reported or commented upon.
Diagrams	*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.*	Figures1, 2, 3 and 5 illustrate the location of the Company's Daehyeon, Goseon, Uguchi, Naedeok and Deokgu lithium project tenements. The tenement locations are displayed on the modified KIGAM 1:50,000 geology sheets (Figure 2)[3,4,5,6,7,8&9].Figures 4 & 5 show the KIGAM stream sediment data for Li[11].The tenements are also presented with respect to the airborne magnetic highs and lows on the KIGAM 1:250,000 scale Gangneung aeromagnetic image (Figure 3)[2].
Balanced reporting	*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.*	Only the processed stream sediment data images for Li have been presented. Data is available for a further 15 elements out of the original 36 element data set including: Ba, Co, Cr, Cu, Fe_2O_3, Pb, Zn, K_2O, CaO, MgO, MnO, Ni, Rb, Sr and V. These elements are not considered material at this early reconnaissance stage of the project evaluation for pegmatite hosted lithium mineralisation.
Other substantive exploration data	*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.*	All data considered relevant and material have been included in this announcement.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	The Company plans to complete tenement scale geological mapping and rock chip sampling across each project. An assessment will then be made as to whether to proceed with further more detailed geophysical surveys or whether to undertake a drilling programme at one or more of the projects.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	The KIGAM stream sediment survey has identified areas of anomalous lithium values that are coincident with mapped pegmatite occurrences. The data is presented in figures 2 and 5 of this announcement.

Appendix I: Tenement Application Summary List and Status as at 25 February 2016.

SMCL Application No.	Tenement No.	Mine Registry No.	Title status	SMCL Applied Minerals	SMCL Application Date	Blocks Held for Other Minerals	Area (ha)	Granted Date
1	Seobyeok 16		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
2	Seobyeok 17		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
3	Seobyeok 18		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
4	Seobyeok 19		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
5	Seobyeok 20	80063	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Mica	68	9-Jan-12
6	Seobyeok 26		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
7	Seobyeok 27		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
8	Seobyeok 28		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
9	Seobyeok 29		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
10	Seobyeok 30		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
11	Seobyeok 39		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
12	Seobyeok 40		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
13	Seobyeok 47		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
14	Seobyeok 48		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
15	Seobyeok 49		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
16	Seobyeok 50		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
17	Seobyeok 57		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
18	Seobyeok 58		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
19	Seobyeok 68		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	

20	Seobyeok 69		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
21	Seobyeok 70		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
22	Seobyeok 79		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
23	Seobyeok 80		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
24	Seobyeok 88		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
25	Seobyeok 89		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
26	Seobyeok 90		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
27	Seobyeok 98	79852	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	21-Sep-11
28	Seobyeok 99		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
29	Seobyeok 107	78907	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	27-Sep-10
30	Seobyeok 108	71082	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, W, Mo & Sn	25-Feb-16	Au, Ag, Pb, Zn	274	27-Jul-00
31	Seobyeok 109	79853	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	21-Sep-11
32	Seobyeok 116	78908	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	27-Sep-10
33	Seobyeok 117	78909	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	27-Sep-10
34	Seobyeok 118	79854	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	21-Sep-11
35	Seobyeok 119	79855	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	21-Sep-11
36	Seobyeok 120		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
37	Seobyeok 123	79306	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Au, Ag, Cu, Pb, Zn, W, Mo & Be	25-Feb-16	Sn	274	14-Mar-11
38	Seobyeok 126		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
39	Seobyeok 127	79792	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	23-Aug-11
40	Seobyeok 128	79856	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	21-Sep-11

41	Seobyeok 129	79857	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	21-Sep-11
42	Seobyeok 130	79858	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	21-Sep-11
43	Seobyeok 133	79307	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Au, Ag, Cu, Pb, Zn, W, Mo & Be	25-Feb-16	Sn	274	14-Mar-11
44	Seobyeok 134		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
45	Seobyeok 137	79793	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16	Au, Ag	274	23-Aug-11
46	Seobyeok 138	79859	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, W, Mo & Sn	25-Feb-16	Au Ag Pb Zn	274	21-Sep-11
47	Seobyeok 139	79860	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, W, Mo & Sn	25-Feb-16	Au Ag Pb Zn	274	21-Sep-11
48	Seobyeok 140	79861	Joint Mineral Right	Li, Ta, Nb, Y, Ce, La, Be, Cu, W, Mo & Sn	25-Feb-16	Au Ag Pb Zn	274	21-Sep-11
49	Seobyeok 143		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
50	Seobyeok 144		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
51	Seobyeok 147		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
52	Seobyeok 149		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	
53	Seobyeok 150		Sole Mineral Rights	Li, Ta, Nb, Y, Ce, La, Be, Au, Ag, Cu, Pb, Zn, W, Mo & Sn	25-Feb-16		274	