



# ASX ANNOUNCEMENT

16 August 2017

## DRILLING COMMENCED TESTING COPPERHEAD PORPHYRY COPPER-GOLD / ZINC-SILVER TARGET AT UBEONG PROJECT

- Initial diamond drillhole commenced testing Copperhead Target, the most intense of the very-high chargeability zones identified during recently completed Induced Polarisation (IP) surveys
- Modelling of dipole-dipole “3D-IP” data indicates a possible sulphide body capped by approximately 50 metres of hornfelsed pelitic rocks and overlying the core of a porphyry system
- Drilling also planned to test the Krait IP chargeability target and the Cobra and Taipan zinc-lead-silver and copper-gold geochemical targets in the exposed portion of the skarn-limestone

Peninsula Mines Limited (“Peninsula” or “the Company”) is pleased to announce that it has commenced diamond drilling to intersect the high-priority Copperhead target at its Chilbo Prospect, at the Company’s Ubeong Project in South Korea (inset, Figure 1). Copperhead is considered highly prospective for porphyry copper-gold mineralisation, as well as zinc-lead-silver skarn mineralisation.

The initial drillhole is testing the Copperhead high-chargeability anomaly that was initially detected in the gradient array IP survey<sup>D1</sup> (see Figure 1 below). Modelling of follow up dipole-dipole “3D IP” data indicates that Copperhead may be a disseminated to semi-massive sulphide body at the core of a porphyry system<sup>D1</sup>, capped by >50m of hornfelsed pelitic rocks (see cross sections Figures 2 and 3).

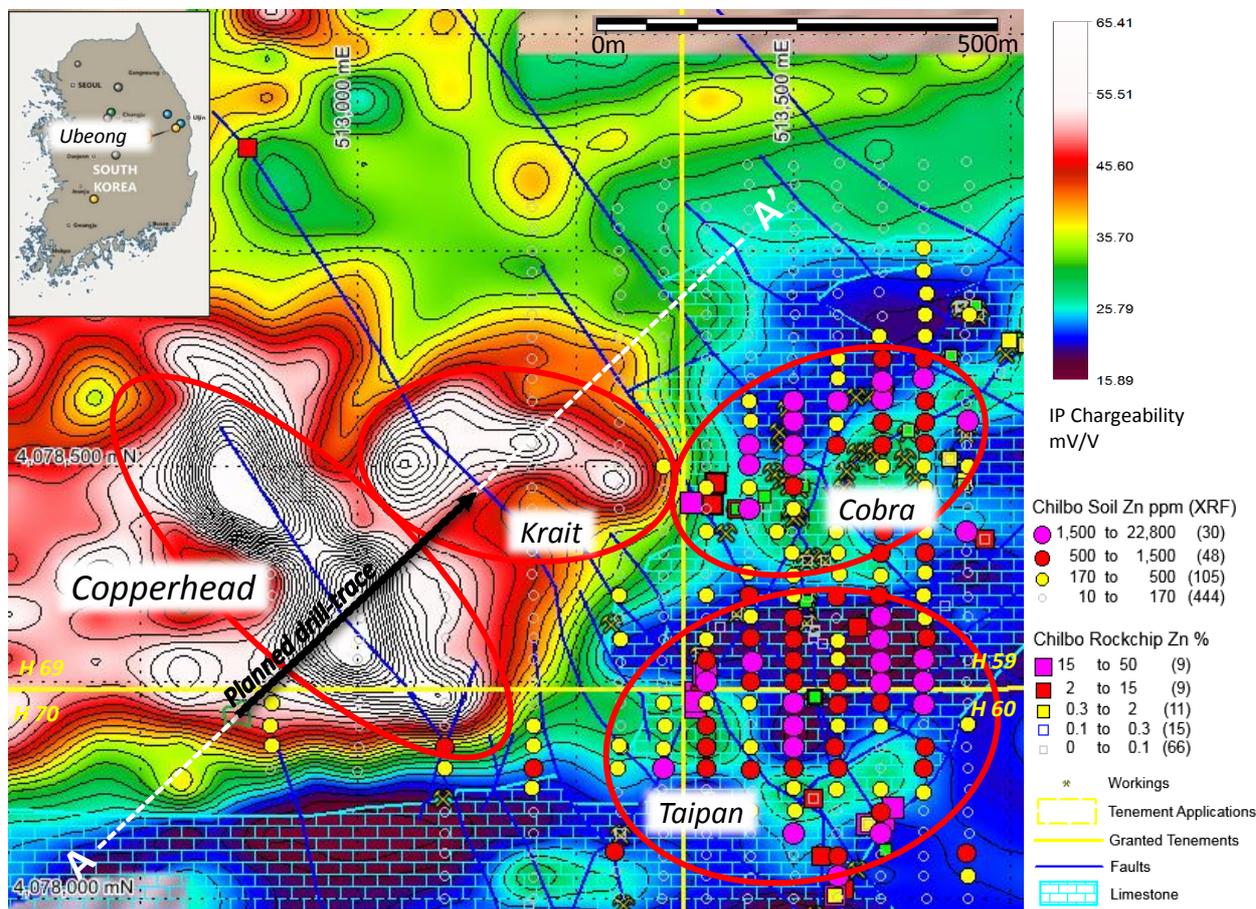


Figure 1: Ubeong, Chilbo Prospect, IP chargeability image with XRF soil & rockchip results (Zn) on limestone<sup>D1</sup>

Peninsula Mines Limited (ASX: PSM)

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

www.peninsulamines.com.au

Jon Dugdale, Chief Executive Officer

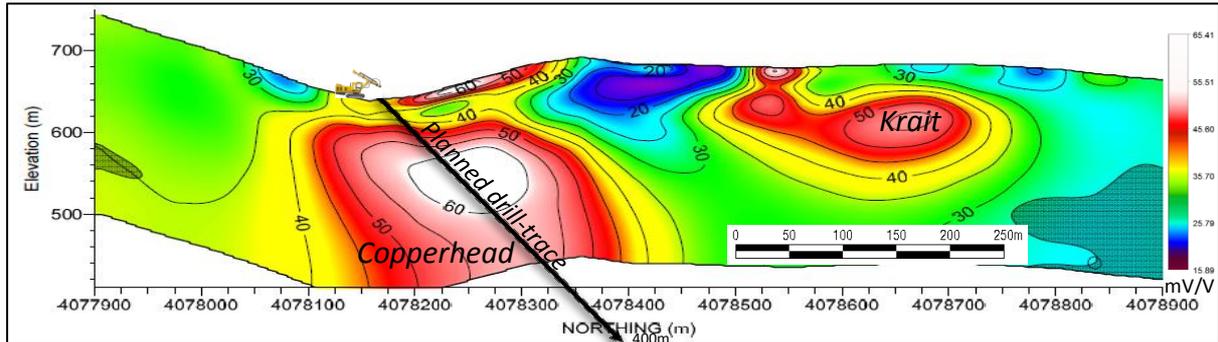
Tel: +61 8 6143 1840  
 jdugdale@peninsulamines.com.au

Karen Oswald, Media and Investor Relations  
 Tel: +61 423 602 353

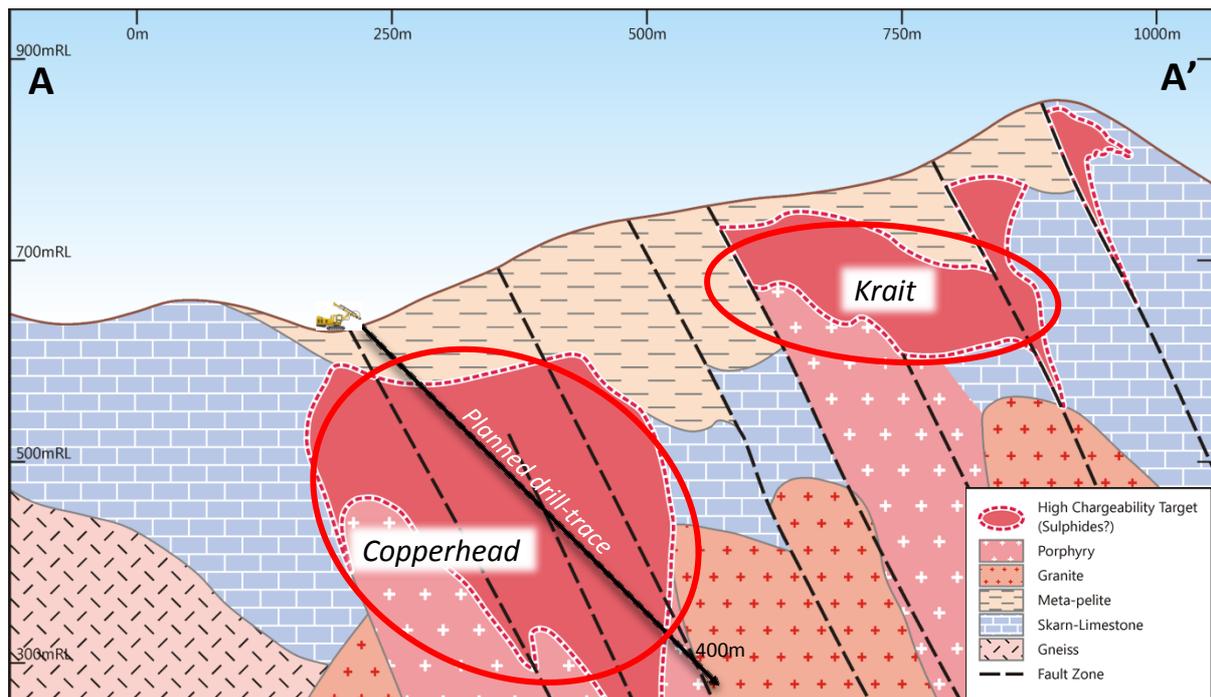
Ken Banks, Investor Relations  
 Tel: +61 402 079 999

The 3D Inversion modelling of the IP chargeability anomaly by Southern Geoscience Consultants (“SGC”) indicates that the possible disseminated to semi-massive sulphide body has east-west and north-south dimensions of 250m x 250m at >50 mv/v chargeability, continuing down plunge to the north for >300m (see cross section 51300mE, Figure 2 below).

Mapping indicates that the Copperhead sulphide target lies under an effective cap of shallow to moderate north dipping hornfelsed pelitic units, at a depth of >50m to the top, immediately overlying the projection of the magnetic skarn-limestone unit. However, the Copperhead high-chargeability anomaly is associated with a magnetic low<sup>D2</sup>, indicating that magnetite in the skarn limestone may have been replaced by non-magnetic sulphides (e.g. pyrite, chalcopyrite, sphalerite and/or galena) above a possible porphyry body (see interpreted schematic cross section, Figure 3 below).



**Figure 2: Cross section 51300mE through Copperhead & Krait IP chargeability models with planned drill-trace**



**Figure 3: Schematic cross section along drill-azimuth through Copperhead & Krait IP chargeability models**

The initial drillhole that has commenced (see Photo 1 below) is planned to intersect the Copperhead sulphide target zone from 50m to at least 300m downhole, continuing to >400m where it is expected to intersect intrusive rocks below the interpreted sulphide target. Further drilling may then be carried out from the same site subject to encouraging initial results.

Drilling is also planned to test the Taipan and Cobra targets (see Figure 1), which XRF soil sampling results indicates are significant and broad, northeast-southwest oriented zones of highly anomalous zinc-lead-silver and copper mineralisation in the outcropping part of the skarn-limestone unit<sup>D1</sup>, immediately distal to the core of the porphyry system that may underlay the Copperhead Target.

Very high grade rock chip sample results of up to 48.8% Zn and 958 g/t Ag, 27.9% Zn, 13.85% Pb, 1.1% Cu from Taipan<sup>D2</sup> and up to 25.6% Zn, up to 215 g/t Ag and up to 2.3% Cu from Cobra<sup>D2</sup> are associated with through-going faults that have disrupted the skarn-limestone and potentially provided a conduit for hydrothermal mineralising fluids, linking to the high-chargeability Copperhead and Krait targets, that may represent the core of the porphyry-sulphide system.

Drilling of the Krait, Taipan and Cobra targets is subject to further access agreements currently being negotiated. Testing could also be carried out from the current private land access, subject to identifying a drilling rig capable of drilling shallow angle holes, with possible directional drilling capability.

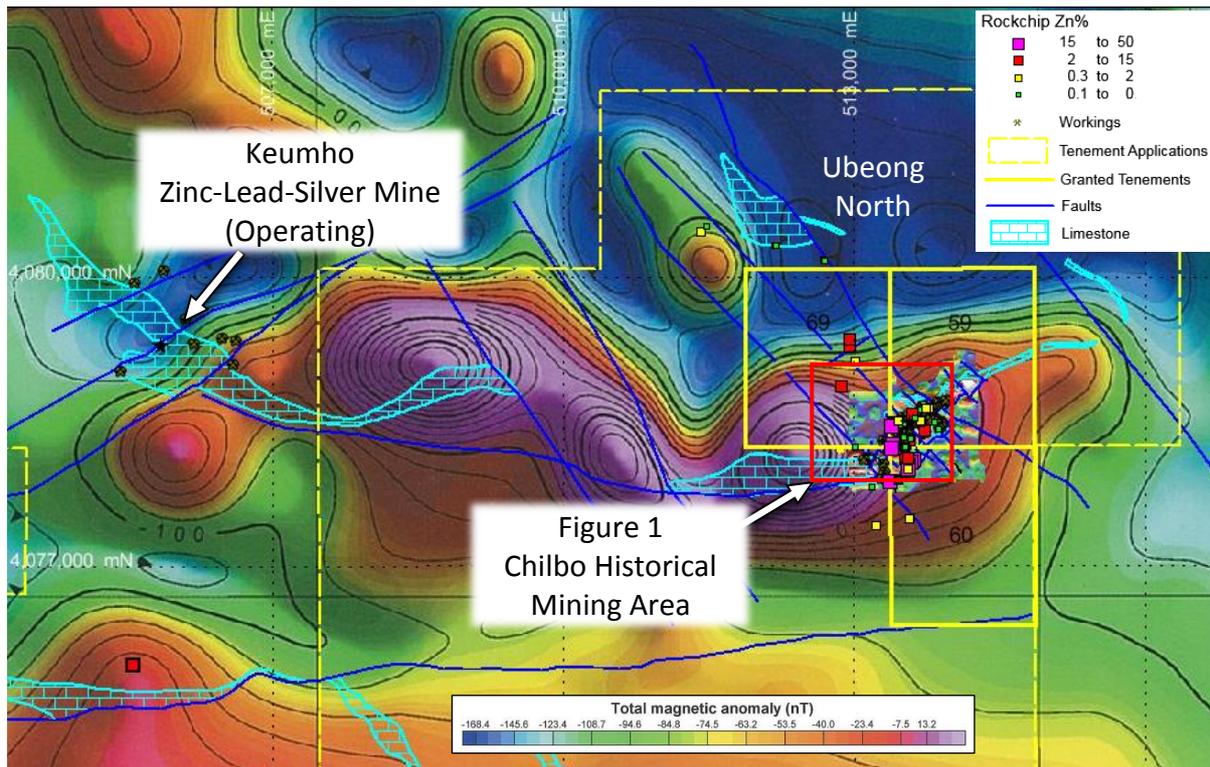


*Photo 1: Diamond drilling rig, collared on UBD0001 15<sup>th</sup> August 2017, testing Copperhead Target at Ubeong*

### **Background to the Ubeong Zinc-Silver and Copper-Gold Project**

Peninsula has secured three granted tenements<sup>D4</sup> and multiple tenement applications over the eastern 10 kilometre strike length of a highly prospective, limestone-skarn unit that includes the historical Chilbo mine workings and adjoins the operating Keumho Zinc-Lead-Silver Mine (see Figure 4 below).

The high-grade, zinc-lead-silver and copper-gold<sup>D2</sup> mineralisation identified in the Chilbo workings area occurs towards the eastern end of the limestone skarn unit, associated with an extensively faulted zone that has offset the unit and is interpreted to have acted as a conduit for mineralisation.



**Figure 4: Ubeong Project, mapped skarn-limestone unit with tenements on aero & ground magnetics image<sup>D8</sup>**

The Company has previously announced high-grade, Zn-Ag (+/- Pb, Cu, Au), rockchip results from the vicinity of the historical Chilbo workings<sup>D2,D3,D5,D7,D8</sup>. The Company has also commenced detailed mapping, ground-based geophysical programmes (magnetics, electromagnetics and induced polarisation (IP) surveys) and detailed soil sampling programmes, with the objective of defining drilling targets for disseminated to massive sulphide zinc-lead-silver +/- copper-gold mineralisation.

For further information please contact:

**Jon Dugdale**

Managing Director

Phone: +61 8 6143 1840

Email: [jdugdale@peninsulamines.com.au](mailto:jdugdale@peninsulamines.com.au)

**About Peninsula Mines**

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

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

For full versions of the Company's releases see Peninsula's website [www.peninsulamines.com.au](http://www.peninsulamines.com.au)



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

- D1 IP survey identifies very strong sulphide targets at Ubeong, 12/07/17
- D2 Exceptional zinc-silver grades with copper & gold from surface sampling at Ubeong, 23/05/17
- D3 High-grade silver-gold-zinc rockchip results, Ubeong Project, South Korea, 26/04/17
- D4 Three key tenements granted, Ubeong Zinc Project, 28/03/17
- D5 Zinc project fast-tracked for drill targeting after exceptional soil sampling results, 9/03/17
- D6 Major zinc-skarn district identified at Ubeong Project in South Korea, 13/12/16
- D7 Further exceptionally high-grade zinc-silver results from Ubeong Project, South Korea, 31/10/16
- D8 Exceptional zinc-silver-lead grades from newly acquired Ubeong Project, South Korea, 13/9/16

**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.*

*The information in this release that relates to Geophysical Results and Interpretations is based on information compiled by Mr William Peters, a Consulting Geophysicist (Crosmine Pty Ltd) at Southern Geoscience Consultants. Mr Peters is a Fellow of the Australasian Institute of Mining and Metallurgy and Chartered Professional (Geology) and 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 Peters consents to the inclusion in the release of the matters based on this information in the form and context in which it appears.*

