



10 September 2010

Companies Announcement Office
Via Electronic Lodgement

PENINSULA SUCCESSFULLY DEMONSTRATES VIABILITY OF AQUIFER EXEMPTION AT ROSS PROJECT

Peninsula Minerals Limited (**Peninsula**) is pleased to announce that the results of the baseline groundwater quality monitoring program support the operational and technical feasibility of the Ross Project, the first planned production centre at the Lance Projects, Wyoming, USA (**Lance Projects**). Analysis of the water chemistry in the Production Zone and surrounding aquifers demonstrates confinement and provides a clear pathway to obtain the aquifer exemption necessary for mining.

During 2009 six clusters of four monitoring wells were installed across the Ross Project. These wells were completed in the Production Zone, the overlying aquifer, the underlying aquifer, and in the surficial aquifer. Water quality samples have been analyzed on a quarterly basis in order to characterize the aquifers.

The monitoring wells are designed to provide information on the water quality of the Production Zone aquifer plus characterize the hydrology and water quality of the overlying confining unit, the underlying confining unit, and the overlying and underlying aquifers.

The baseline data collection, compilation and analysis form part of the Company's applications to the NRC and the WDEQ in accordance with the project schedule as previously announced.

The quarterly water quality data was collected and analysed on a range of parameters and then compared against Ground Water Suitability Standards as determined by the Wyoming Water Quality Rules and Regulations and the U.S. EPA National Primary and Secondary Drinking Water Standards.

The results of the monitoring program demonstrate that the Production Zone aquifer will be eligible for an aquifer exemption, since it exceeds state and federal standards and is therefore not suitable as a present or future supply of drinking water. Further, the results show

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clear distinctions in water chemistry between the Production Zone and surrounding aquifers, demonstrating confinement of the Production Zone.

Three of the four required quarterly samples are complete, with the fourth occurring in October 2010. In addition, the Company has completed many other elements of its baseline environmental monitoring program, including:

- Identifying and measuring properties of surface water sources over the course of a year **(complete)**.
- Measurement of meteorological and air quality parameters over the course of a year. This includes installation of an on-site meteorological station and six air quality monitors **(installation of met station and two of four quarters of monitoring complete)**.
- Background radiological conditions. Field surveys include background gamma, soil and vegetation sampling and analysis of radium, uranium and other radionuclides **(complete)**.
- Cultural resources and archaeology **(complete)**.
- Other miscellaneous baseline studies.

Yours Sincerely



John (Gus) Simpson
Chairman

For further information, please contact our office on (08)9380 9920 during normal business hours.