18 October 2010

Companies Announcement Office
Via Electronic Lodgement

LANCE CONTINUES TO PRODUCE HIGH GRADE DRILL RESULTS

Highlights

- Hole RMR0744 intersected **18.5ft @ 650ppm U_3O_8** for **GT 1.21**
- Hole RMR0744 also intersected **14.5ft @ 500ppm U_3O_8** for **GT 0.73**
- Hole RMR0734 intersected **18ft @ 385ppm U_3O_8** for **GT 0.69**
- Hole RMR0745 intersected **13.5ft @ 490ppm U_3O_8** for **GT 0.66**
- Hole RMR0708 intersected **21.5ft @ 292ppm U_3O_8** for **GT 0.63**
- **Majority of results greater than 0.2GT located outside the current JORC resource and will add directly to the known resource**

Summary

Peninsula Minerals Limited **(Peninsula)** is pleased to announce that it has completed a further 56 development drillholes for a total of 31,740 feet at the Ross Project **(Ross)**.

The highlights of the drilling at Ross were drillhole RMR0744 which intersected **18.5ft @ 650ppm U_3O_8 (GT 1.21)** and also **14.5ft @ 500ppm U_3O_8 (GT 0.73)**, including a peak intersection of **5ft @ 1,060ppm**. In addition drillhole RMR0734 intersected **18ft @ 385ppm U_3O_8 (GT 0.69)** including a peak intersection of **3.5ft @ 1,290ppm**,

Drilling at Ross is testing extensions of the known mineral zones identified by the 3D geological model with the aim of enhancing the grade and definition of the current 25,200,000 lb U_3O_8 JORC compliant resource[1] and to progress existing inferred resources to indicated status.

Lance Drilling Program – September/October 2010

During the period 6 September to 12 October 2010 Peninsula has completed 56 drill holes at Ross of which 40 holes encountered significant mineralisation. A total of 24 holes recorded multiple stacked intersections of uranium mineralisation.

The focus of the drilling has been within and adjacent to the exploration target zones in the Ross Permit area, predominantly in Sections 6, 7, 12, 18 and 19 as shown in Figure 1. In addition drilling is being stepped out into more sparsely drilled target zones in Sections 6 and 7.

Significantly, the majority of intersections reporting grade thickness values above 0.2GT (Table 1) are having the effect of upgrading inferred material to either indicated or measured category.

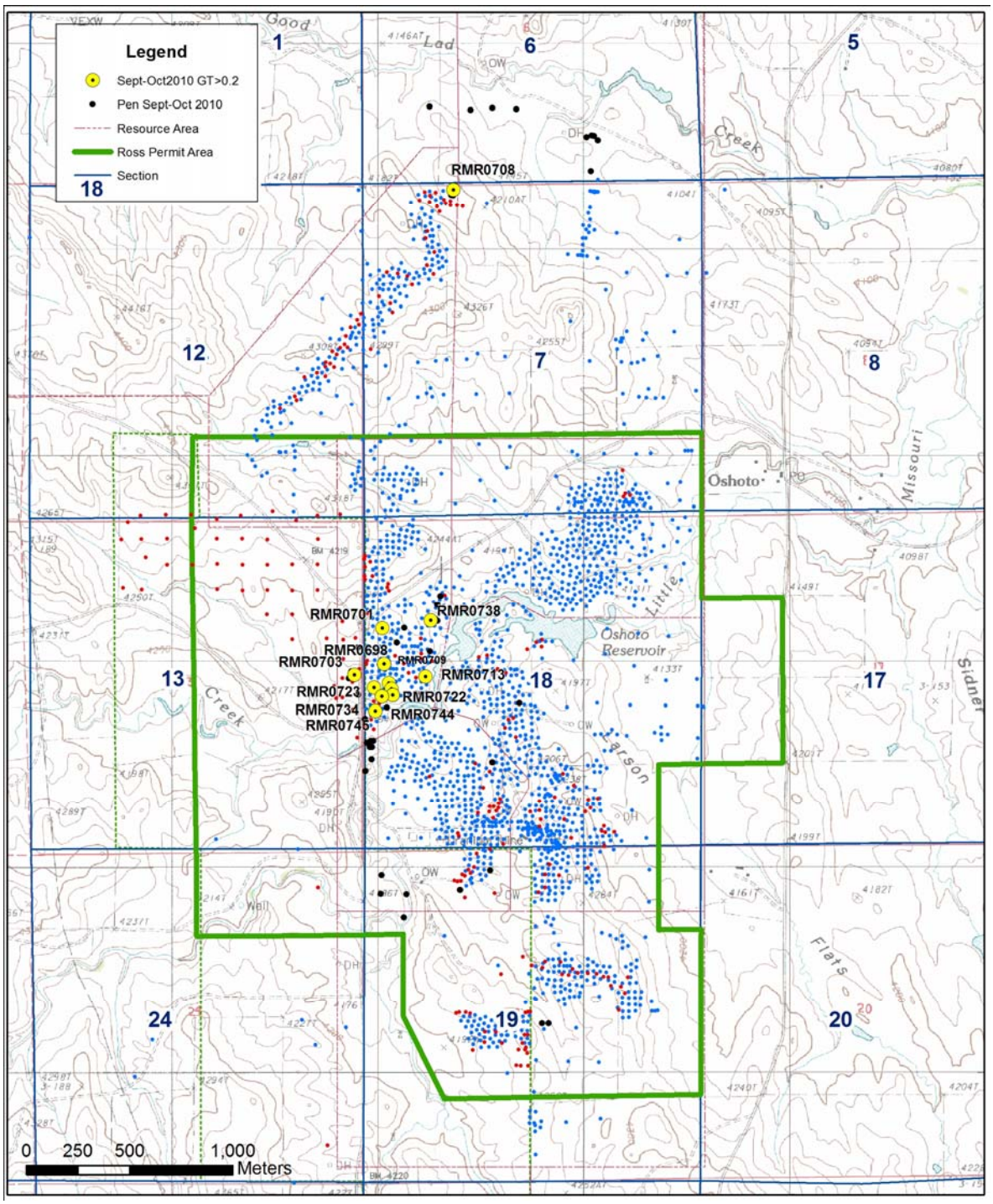

Figure 1: Lance Projects Wyoming – Location Plan Ross Permit Area.

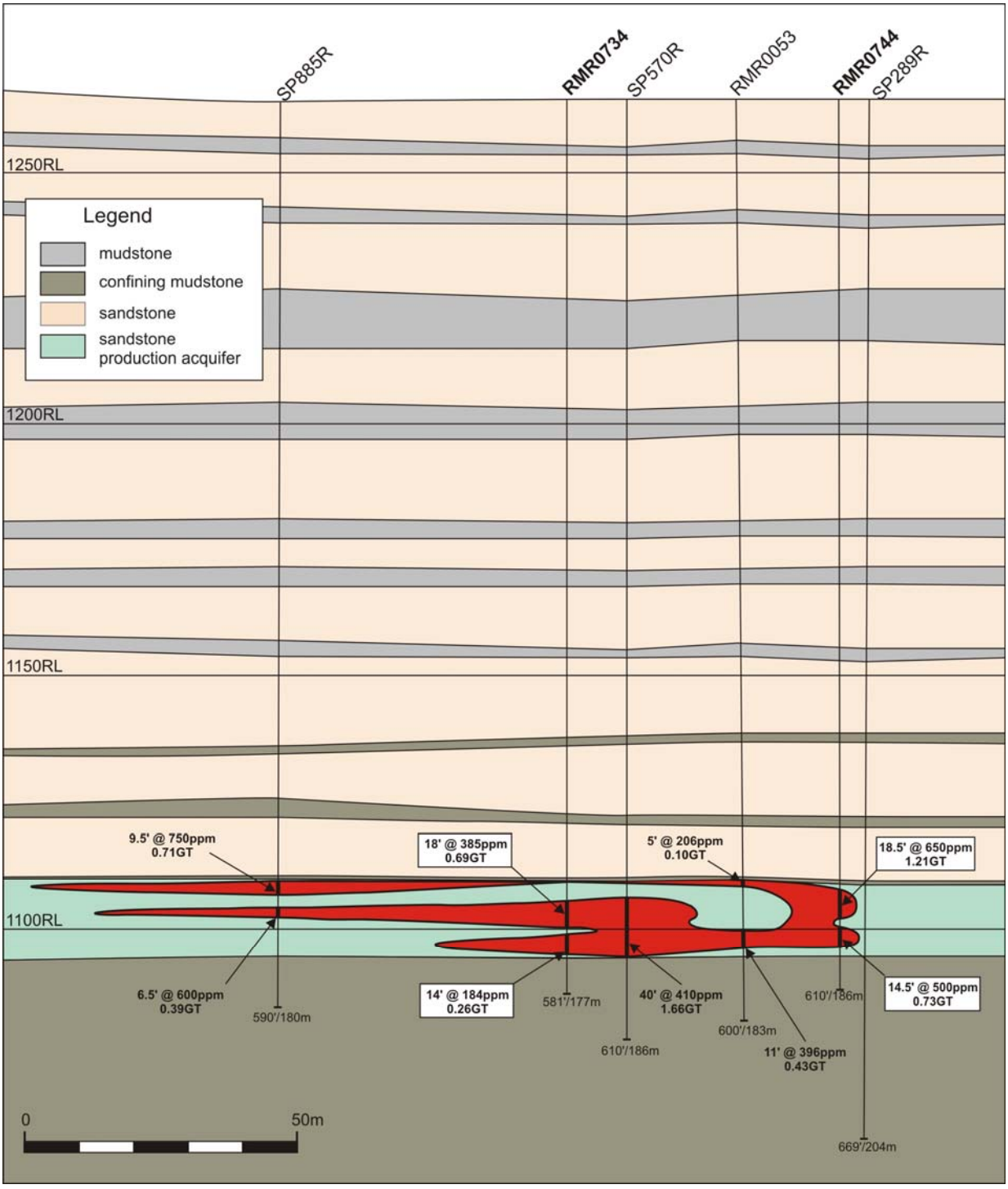

Figure2: Lance Projects Wyoming – Drilling Cross Section

In addition to the upgrade in resource classification, the positive results on the periphery of the known resource indicate that the inferred trends can be extended into areas that were not previously included in the resource estimate. Given these indications, and the positive results of the current drilling strategy, Peninsula expect a progressive growth in the resource inventory over the life of the project.

The drilling results are also helping to resolve the geometry of the mineralisation. Figure 2 illustrates the continuity of multiple stacked mineralised zones that are developed behind the nose or foremost part of the roll front.

A summary of the best drill results (all results with grade thickness > 0.2ft%) during the period is shown in Table 1 below.

TABLE 1: Drilling Results Ross September-October 2010 (based on grade thickness > 0.2)

Hole ID	Area	Local Northing	Local Easting	Depth (ft)	From (ft)	Intercept ft over PFN U3O8 grade ppm	Peak Concentration Intercept ft over PFN U3O8 grade ppm	Grade Thickness ft% U3O8
RMR0744	Ross	4935826	503070	580	515.25	18.5'@650ppm	5' @ 1060ppm	**1.21**
RMR0744	Ross	4935826	503070	580	539.75	14.5'@500ppm	3' @ 760ppm	**0.73**
RMR0734	Ross	4935820	503016	580	519.25	18'@385ppm	3.5' @ 1290 ppm	**0.69**
RMR0745	Ross	4935750	502984	580	532.25	13.5'@490ppm	7.5' @760ppm	**0.66**
RMR0708	Ross	4938279	503364	600	425.75	21.5'@292ppm	14.5' @ 350 ppm	**0.63**
RMR0738	Ross	4936188	503253	560	520.75	11.5'@380ppm	3'@ 650 ppm	**0.43**
RMR0722	Ross	4935855	503062	580	547.25	14'@256ppm	2' @ 670 ppm	**0.36**
RMR0745	Ross	4935750	502984	580	450.25	12.5'@210ppm	5.5' @ 270ppm	**0.26**
RMR0734	Ross	4935820	503016	580	540.25	14'@184ppm	5' @ 310 ppm	**0.26**
RMR0723	Ross	4935861	502977	580	557.25	6.5'@380ppm	2.5' @ 600 ppm	**0.25**
RMR0703	Ross	4935924	502883	580	550.25	9'@270ppm	5' of 360ppm	**0.24**
RMR0698	Ross	4935976	503026	580	512.25	12.5'@173ppm	4.0' @ 550 ppm	**0.22**
RMR0713	Ross	4935915	503227	580	529.75	7.5'@290ppm	1' @ 540 ppm	**0.22**
RMR0709	Ross	4935883	503050	580	515.75	18.5'@108ppm	1' @ 220 ppm	**0.20**
RMR0701	Ross	4936149	503018	600	507.75	6.5'@300ppm	3.5' @ 410ppm	**0.20**

(Cutoff > 2 feet and 100ppm)

Yours sincerely

John (Gus) Simpson
Chairman

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

Competent Person

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Alf Gillman and Mr Jim Guilinger. Mr Gillman is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Gillman is General Manager Project Development and is a Competent Person under the definition of the 2004 JORC Code. Mr Guilinger is a Member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (Member of Mining and Metallurgy Society of America and SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr Guilinger is Principal of independent consultants World Industrial Minerals. Both Mr Gillman and Mr Guilinger have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the

activity which they are undertaking as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Gillman and Mr Guilinger consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

All U_3O_8 grades from the 2008-2010 drilling were obtained from the prompt fission neutron (PFN) down-hole probe and are not subject to disequilibrium effects.

1 Current JORC Compliant Resource Estimate

Resource Classification	Tonnes Ore (M)	U_3O_8 kg (M)	U_3O_8 lbs (M)	Grade (ppm U_3O_8)
Measured	**3.6**	**1.7**	**3.6**	**465**
Indicated	**6.0**	**2.5**	**5.6**	**421**
Inferred	**17.1**	**7.2**	**16.0**	**422**
Total	**26.6**	**11.4**	**25.2**	**429**