



4 August 2016

Companies Announcement Office
Via Electronic Lodgement

DRA INVESTMENT PARTNER FUNDS KAROO PRE-FEASIBILITY STUDY

Highlights

- DRA Global investment partner Concentrate Capital Partners has subscribed for 979,696 fully paid PEL shares at A\$0.80 per share (A\$781,357)
- DRA Projects SA to complete mining, processing and engineering components of the Pre-Feasibility Study for the Karoo Projects
- Pre-Feasibility Study will incorporate:
 - results from independent metallurgical test work completed during 2014-2016
 - additional metallurgical testing to confirm the process design
 - updated mine design and layout
 - specification of infrastructure requirements directly associated with the mine
 - capital and operating cost estimates

Peninsula Energy Limited (**Peninsula or Company**) is pleased to announce that it has entered into a subscription agreement with Concentrate Capital Partners Limited (**CCP**), an independent investment partner to DRA Global.

Peninsula will issue 976,696 shares to CCP at an issue price of \$0.80 upon receipt of invoice from DRA Projects SA (**DRA**). CCP will assume full responsibility for payment to DRA for services provided under the Pre-Feasibility Study (**PFS**).

This agreement also contains an option for CCP to fund post-PFS activities using the same mechanism. Post-PFS activities include the Bankable Feasibility Study, reserve drilling and other related activities.

Peninsula has previously appointed DRA to complete the preliminary mining and process engineering and enhanced metallurgical test work to support the PFS at the Karoo Projects in South Africa.

The PFS follows a preliminary technical and economic assessment concluded by DRA in late 2013 and additional metallurgical test work conducted during 2014-2016.

The current metallurgical testing is primarily aimed at establishing the economic benefits of carbonate removal ahead of leaching along with confirmatory hydrometallurgical test work. Pending the outcome of this test work phase, the PFS process design will consider the

Level 2, 100 Railway Road, Subiaco WA 6008

PO Box 8129, Subiaco East WA 6008

Phone: +61 (0)8 9380 9920

Fax: +61 (0)8 9381 5064

Peninsula Energy Limited - ABN: 67 062 409 303

incorporation of a carbonate rejection step ahead of leaching to optimise the process flow sheet and minimise operating costs.

The PFS will also include preliminary mine design and layout (both open pit and underground), all engineering works associated with the proposed mine, plant tailings storage facility and in-plant infrastructure.

Managing Director and CEO Mr. John Simpson stated *"The Company is confident this work will provide us with clear parameters for the future development at the Karoo Projects. We are pleased to partner with DRA and Concentrate Capital Partners in moving the Karoo Projects toward production"*.

Concentrate Capital Partners is a globally-focused boutique advisory and private equity group with unprecedented access to technical expertise and capabilities in the execution and operation of capital projects. CCP manages an early stage mining investment fund which offers financial solutions for, *inter alia*, companies seeking to raise funding to progress feasibility studies and preliminary engineering work associated primarily with mineral processing projects.

DRA Global is a diversified global engineering group with a track record of over 30 years. They are known in the industry for their knowledge and experience in every aspect of a project's life cycle. DRA Global specialists provide flexible engineering solutions in the areas of mining, resources, water, energy, industrial/agricultural engineering and infrastructure to clients worldwide. Globally represented in Africa, Australia, Canada, India and the United States, they are able to deliver world-class engineering solutions across the globe.

Yours sincerely



John (Gus) Simpson
Managing Director/CEO

For further information, please contact our office on +61 (0)89380 9920 during normal business hours.