



31 January 2008

Australian Stock Exchange Limited (ASX)  
Company Announcements Platform

*Via e-lodgement*

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## DECEMBER 2007 – QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

#### WYOMING, USA - LANCE (SUNDANCE) URANIUM PROJECT

- Environmental Permitting process commences for planned drill program
- Commencement of NI 43-101 resource estimate using historic drill data
- Continuation of mineral rights acquisition program

#### SOUTH AFRICA – URANIUM / MOLYBDENUM EXPLORATION

- Commencement of detailed airborne radiometric and magnetic survey
- Confirmation of Government radiometric anomalies by field inspection on sites 5, 22, 29, and 37
- Recognition of previously unknown historic uranium resource at site 29

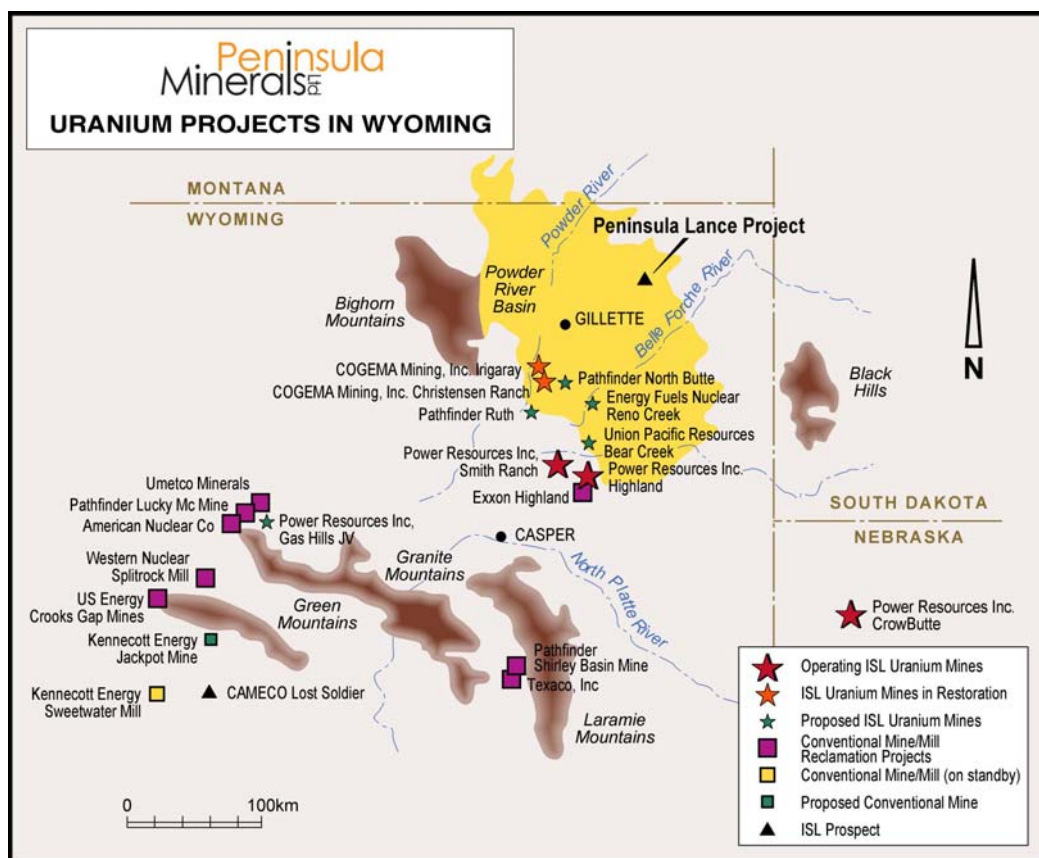
#### CORPORATE

- Key Board and Senior Management Appointments
- Cash at bank at the end of the Quarter was \$7.5 million

## WYOMING, USA – LANCE (SUNDANCE) URANIUM PROJECT [Peninsula Minerals 100%]

As announced on 21 January, 2008, the environmental permitting process for the planned drill program has commenced at the Lance (previously named Sundance) uranium project, located in the north-east Powder River Basin in Wyoming, USA (**Lance Project**).

It is envisaged that the drill program will commence in May 2008 with completion expected in July 2008. The main objectives of the program are to firstly confirm the historic uranium mineralisation at the Lance Project area and secondly to conduct sufficient drilling to extend these historic resources and to produce a JORC compliant resource estimate. At this stage this is planned for September 2008.



In addition to the above, the Company commissioned international consultants World Industrial Minerals to prepare a National Instrument 43-101 compliant resource estimation ("**NI 43-101**") based on historic drilling. NI 43-101 is a mineral resource classification developed by the Canadian Securities Administrators ("**CSA**") and administered by the provincial securities commissions that govern how public companies in Canada disclose scientific and technical information about their minerals projects to the public. It requires that all disclosure be based on advice by a "qualified person" as defined in NI 43-101.

The NI 43-101 is expected to be completed by early March 2008 and will form the basis of a preliminary scoping study for an In-Situ Recovery operation.

The Lance Project area hosts significant deposits of uranium mineralisation covering an extensive area (35 kilometres by 8 kilometres). The original Nubeth Joint Venture, (a joint venture between Nuclear Dynamics Inc and Bethlehem Steel Corporation) (**Nubeth JV**), discovered several substantial zones of uranium mineralisation, including the Oshoto deposits, associated with an extensive system of roll fronts. In addition the Nubeth JV drilled more than 5,000 exploration and development holes over an eight year program, totaling in excess of 912,000 metres in the Sundance district. The Company has recently intensified its program of claim “staking” and negotiation with landowners and mineral rights holders to secure further strategic portions of the original Nubeth JV project area.

In addition the land acquisition team increased from one to four people to accelerate the task.

### **SOUTH AFRICA – URANIUM / MOLYBDENUM EXPLORATION**

[Peninsula Minerals 74% / BEE Group 26%]

The Company has commissioned Fugro Airborne Surveys (Pty) Ltd to carry out a helicopter borne magnetic and radiometric survey (**Airborne Survey**) over the Company's uranium / molybdenum properties - comprising Sites 5, 22, 29, 37, 45 and 49 in the Karoo region of South Africa (refer Figure 2).

The Airborne Survey commenced on 20 January, 2008 and will cover an approximate 1,985km<sup>2</sup> area, at a minimum line spacing of 100 metres. (A historic government airborne survey of the Karoo region was previously conducted at a line spacing of one kilometre).

The commissioning of the Airborne Survey will enable the Company to accelerate its exploration program to compensate for delays experienced in the granting of the Prospecting Rights. It is envisaged that the Airborne Survey will be completed within 7-8 weeks of commencement with results received by the Company 4-5 weeks following completion. Data from the Airborne Survey will be interpreted and anomalies will be ground checked, mapped geologically and prioritised for drill testing.

The National Nuclear Regulator is yet to issue Certificates of Registration for the collecting of samples for assaying for uranium for Sites 5, 45 and 49 however their granting is expected soon.

In addition, Sites 22, 29 and 45 each host historic uranium mineralisation. It is planned to conduct drilling at these areas in the third quarter of calendar 2008 to bring the resources to JORC status.

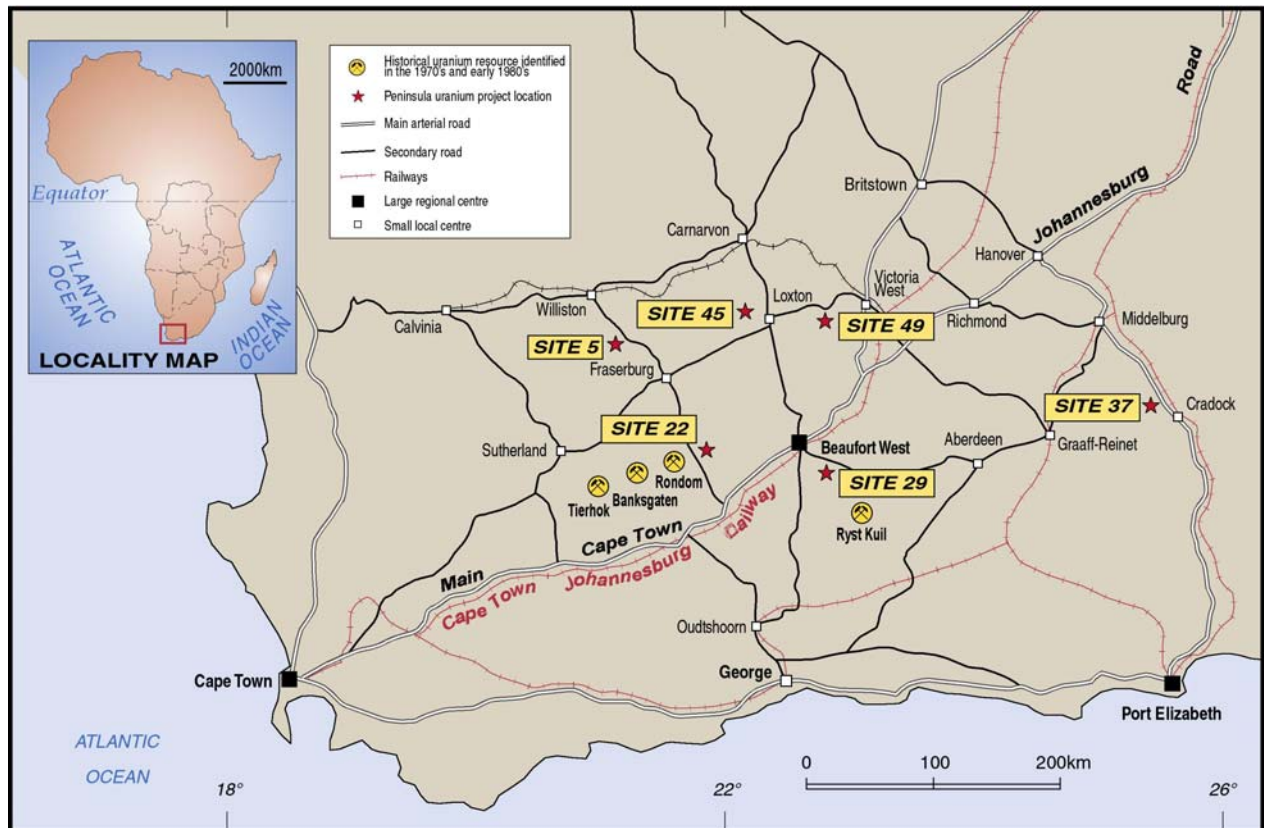


Figure 2 : South Africa - Uranium /Molybdenum Prospect Site Locations

At Site 22 the process of capturing the lithology and down-hole logging uranium values from cross sections from historic percussion and diamond drilling was completed and hole locations were identified in the field and coordinates picked up with GPS.

At site 45 historic data compilation continued and at Site 29 some details of another, previously unknown historic uranium resource were obtained through review of old documents.

At Sites 5, 22, 29, and 37 field work confirmed the location and tenor of the radiometric anomalies originally identified by the South African Council of Geoscience which were used as the main targeting tool for the Prospecting Right Applications.

Previous exploration for uranium was conducted over the Karoo region through the late 1960's and into the early 1980's. Many sandstone-hosted uranium deposits and prospects were identified but little analysis was carried out for the associated molybdenum, due to prevailing low prices for that metal. Private exploration in the region ceased in the early 1980's after the worldwide fall in the demand for uranium, but the South African Government Geological Survey completed a broad spaced airborne radiometric survey and then conducted surface sampling of radioactive anomalies located by the airborne survey. The government identified significant uranium and molybdenum mineralisation at each of the six Prospecting Rights through surface rock samples but there has been no follow-up work conducted on these projects since the Geological Survey work was undertaken.

## **TANZANIA, AFRICA – LUPA GOLD JOINT VENTURE**

[Zari Exploration Limited / Peninsula earning up to 75%]

In December 2007 the Company announced it's withdrawal from the joint venture with Zari Exploration Limited (**Zari**) in Tanzania.

This decision followed a detailed review of the latest gold assays from the Company's drilling program at the Lupa gold project in south west Tanzania. Thirty three reverse circulation drill holes were drilled over a strike length of 3.3km, targeting the strongest geochemical anomalies and structural targets previously identified. Although the results indicated the presence of narrow zones of gold mineralisation below surface, a low continuity along strike and down sip was observed.

In light of these assay results the Board decided to withdraw from the joint venture with Zari with the predominant focus of the Company's going forward being on the advanced uranium projects in Wyoming and South Africa.

## **FIJI – RAKI RAKI GOLD PROJECT**

[Peninsula Minerals 50% / Geopacific Resources NL 50%]

During the second half of 2007 six diamond drill holes were completed at Raki Raki. Four holes at the 4300E prospect (DDHQ009-012) and two holes at the Qalau prospect (DDHQ008 and DDHQ013) were undertaken and finalised assay results from sawn drill core from three holes (DDHQ008, 009 and 010) were received during the December quarter.

Both diamond drill holes DDHQ009 and DDQ010 intersected wide zones of quartz-pyrite-carbonate veining, shearing, brecciation and alteration typical of an epithermal gold mineralised system.

Results include:

- DDHQ009 intersected 5.5 metres from 56.6 metres (down-hole depth) of 1.68g/t Au including 84.3-84.8m of 8.16g/t Au;
- DDHQ010 intersected 40.5 metres from 9.5 meters (down-hole depth) of 0.85g/t Au, including 2.5m of 4.48g/t Au from 43m within a zone of quartz-pyrite-carbonate veining. Deeper intervals of similar grade mineralisation were intersected between 52-59.5m and 77.5-91m. Individual assays range up to 9.14g/t Au and variability of repeated assays indicate that coarse gold may occur in some intervals; and
- Completed assay data from DDHQ013 (Qalau Prospect) and other drill holes at the 4300E Prospect (DDHQ011 and 012) have not yet been returned with each of these holes having intersected zones of quartz veining and pyritic alteration

The mineralisation appears to follow an east-west trending zone which corresponds to a trend of high resistivity and low magnetic response which is typical of quartz mineralised epithermal systems (Figure 3). The limits of mineralisation intersected in holes DDHQ003, 4, 9 and 10 have not been determined although an interpreted shallow north dipping shear zone may form the lower contact of the mineralised zone.

Repeat analyses, including screen fire assays are planned for high grade intersections where there is evidence of coarse "nuggety" gold. Silver and metal analyses are yet to be undertaken.

Drill holes DDHQ008 and DDHQ013 were completed at the Qalau area where high grade gold has been intersected during previous drill testing. DDHQ008 was drilled to test the

western continuity of mineralisation in DDHQ001 and intersected zones of epithermal quartz veining between 15.6-21.55m and 86.7-101.3m and these probably represent the western extension to veining in DDHQ001, 06 and 05. DDH013 was drilled beneath DDHQ001 towards the grid north east to test for a NW trending vein system. Epithermal quartz-pyrite veining was well developed between 130.70-137.50m in DDHQ013.

During December a ground magnetic survey covering the Qalau and 4300E prospects was completed. This work is currently being assessed but initial data interpretations define linear zones of magnetic 'lows' which may represent areas of pronounced epithermal bedrock alteration.

For further details please refer to the announcement released to the market on 5 December, 2007.

## **SOUTH AUSTRALIA EXPLORATION PROJECTS**

### **Uranium Access Agreement - Roopena (EL 3236, 3443) and Gibraltar (EL 3608, 2972) Joint Ventures**

[Peninsula Minerals 100%, Toro earning up to 70%]

#### Gibraltar Joint Venture

No exploration was undertaken during the quarter.

#### Roopena Joint Venture

No exploration was undertaken during the quarter. The tenements are subject to the possible expansion of a Department of Defence exclusion zone that will restrict access to the area. Further information has been sought from the Department of Primary Industries and Resources of South Australia prior to committing to additional expenditure in this area, but no official response has yet been received. As a result of this, tenement EL 3443 (Roopena) was renewed with an agreed reduction in area of 25%.

### **Tumby Bay Talc Project**

[Peninsula Minerals 100%, Luzenac earning up to 90%]

A program of three diamond drill holes was completed at Tumby Bay in November 2007. All holes tested talc mineralisation encountered in Lode 1 at depth. Drillhole DD07TB03 was a re-drill of DD07TB02 since this hole intersected a shaft and was terminated at 9m.

DDH07TB01 intersected a talc zone 25m wide (~15m true width) from 57-82m and reached a total depth of 124.8m. Talc is intermixed with chert, vein quartz and clay. Some core loss occurred over the interval due to variable hard/soft conditions. Talc is clayey and light in colour and visual results were not considered encouraging.

DDH07TB03 reached a depth of 51.6m. This hole intersected a zone of clay-talc mineralisation between 8 and 39m. Thin (<1m) zones of talc were intermixed with clay, breccia, sandstone and chert. The hole was abandoned due to drilling difficulties noted above.

Once analytical results are received, a full review of the drilling will be completed before any further work is planned.

## **Uranium Tenements Acquired from PacMag**

### **Olary North Project (EL 3849)**

[Giralia Resources 100%, Peninsula Minerals earning uranium rights up to 75%]

An Exploration Work Approval was received from the Department of Primary Industry and Resources South Australia (PIRSA) for the drilling of approximately four reverse circulation holes. The drilling will test for uranium mineralisation in an area of shallow cover with anomalous uranium rock chips recovered to the north (2.2% U<sub>3</sub>O<sub>8</sub>, 2.7% thorium, 0.25% cerium and 0.09% lanthanum) and south (four samples reporting 0.73% U<sub>3</sub>O<sub>8</sub>, 0.31% U<sub>3</sub>O<sub>8</sub>, 0.30% U<sub>3</sub>O<sub>8</sub> and 0.29% U<sub>3</sub>O<sub>8</sub>) of the target area. The target is granite and pegmatite vein and breccia hosted uranium mineralisation within gneissic rocks and is similar in style to that seen at Crocker Well located 25km to the NW.

A shortage of drill rigs has delayed the drilling of this target.

## **CORPORATE**

### **Board Composition Changes**

As previously announced to the ASX in October 2007, the Company appointed Mr John (Gus) Simpson as Executive Chairman and Mr Alan Marlow as Non-Executive Technical Director. In addition the Company announced the appointment of Mr Andrew Ford as Chief Operating Officer effective 5 November, 2007. Please refer to the ASX announcement released on 19 October, 2007 for full details of these appointments.

In addition to the above, Ms Jade Styants resigned as Director of the Company effective 21 January, 2008.

### **Cash Position**

The Company's cash position at the end of the quarter was \$7.5 million.

### **For further information please contact:**

**John Simpson**  
**Executive Chairman**  
**Telephone: +61 9420 9333**

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Ford, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ford is a full-time employee of the Company. Mr Ford 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 as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**Peninsula Minerals Limited**

ABN

**62 062 409 303**

Quarter ended ("current quarter")

**31 December 2007**

### Consolidated statement of cash flows

|   |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|---|---|----------------------------|---------------------------------------|
| <b>Cash flows related to operating activities</b> |   |                            |                                       |
| 1.1   | Receipts from product sales and related debtors               | -                          | -                                     |
| 1.2   | Payments for :  |                            |                                       |
|   | (a) exploration and evaluation                                | (925)                      | (1,815)                               |
|   | (b) development   | -                          | -                                     |
|   | (c) production  | -                          | -                                     |
|   | (d) administration  | (236)                      | (627)                                 |
| 1.3   | Dividends received  | -                          | -                                     |
| 1.4   | Interest and other items of a similar nature received         | 136                        | 183                                   |
| 1.5   | Interest and other costs of finance paid                      | -                          | -                                     |
| 1.6   | Income taxes paid   | -                          | -                                     |
| 1.7   | Other (provide details if material)                           | 7                          | 25                                    |
| <b>Net Operating Cash Flows</b>                   |   | <b>(1,018)</b>             | <b>(2,234)</b>                        |
| <b>Cash flows related to investing activities</b> |   |                            |                                       |
| 1.8   | Payment for purchases of:                                     |                            |                                       |
|   | (a)prospects  | -                          | -                                     |
|   | (b) equity investments  | -                          | -                                     |
|   | (c) other fixed assets  | (39)                       | (56)                                  |
| 1.9   | Proceeds from sale of:  |                            |                                       |
|   | (a)prospects  | -                          | -                                     |
|   | (b) equity investments  | -                          | -                                     |
|   | (c) other fixed assets  | -                          | -                                     |
| 1.10  | Loans from other entities                                     | -                          | -                                     |
| 1.11  | Loans repaid by other entities                                | -                          | -                                     |
| 1.12  | Other – Funds received for exercise of options                | -                          | -                                     |
| <b>Net investing cash flows</b>                   |   | <b>(39)</b>                | <b>(56)</b>                           |
| 1.13  | Total operating and investing cash flows<br>(carried forward) | (1,057)                    | (2,290)                               |

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |  |              |              |
|------|--|--------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,057)      | (2,290)      |
|      | <b>Cash flows related to financing activities</b>          |              |              |
| 1.14 | Proceeds from issues of shares, options, etc.              | -            | 5,545        |
| 1.15 | Proceeds from sale of forfeited shares                     | -            | -            |
| 1.16 | Proceeds from borrowings                                   | -            | -            |
| 1.17 | Repayment of borrowings                                    | -            | -            |
| 1.18 | Dividends paid   | -            | -            |
| 1.19 | Other (provide details if material)                        | -            | -            |
|      | <b>Net financing cash flows</b>                            | -            | <b>5,545</b> |
|      | <b>Net increase (decrease) in cash held</b>                | (1,057)      | 3,255        |
| 1.20 | Cash at beginning of quarter/year to date                  | 8,563        | 4,251        |
| 1.21 | Exchange rate adjustments to item 1.20                     | -            | -            |
| 1.22 | <b>Cash at end of quarter</b>                              | <b>7,506</b> | <b>7,506</b> |

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

|   | Current quarter<br>\$A'000 |
|---|----------------------------|
| 1.23 Aggregate amount of payments to the parties included in item 1.2 | (135)                      |
| 1.24 Aggregate amount of loans to the parties included in item 1.10   | -                          |
| 1.25 Explanation necessary for an understanding of the transactions   |                            |

Payment of Directors Fees and payments for Consultancy Services.

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | Nil                         | Nil                    |
| 3.2 Credit standby arrangements | Nil                         | Nil                    |

### Estimated cash outflows for next quarter

|                                | \$A'000      |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 1,725        |
| 4.2 Development                | -            |
| <b>Total</b>                   | <b>1,725</b> |

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|  | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 615                        | 274                         |
| 5.2 Deposits at call                             | -                          | -                           |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (Commercial Bills & Security Deposits) | 6,891                      | 8,289                       |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>7,506</b>               | <b>8,563</b>                |

### Changes in interests in mining tenements

|   | Tenement<br>reference | Nature of<br>interest<br>(note (2)) | Interest at<br>beginning of<br>quarter | Interest at end<br>of quarter |
|---|-----------------------|-------------------------------------|--|-------------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed |                       |                                     |  |                               |
| 6.2 Interests in mining tenements acquired or increased           |                       |                                     |  |                               |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|  | Total number   | Number quoted  | Issue price per security (see note 3) (cents)   | Amount paid up per security (see note 3) (cents)   |
|--|--|--|---|--|
| 7.1 <b>Preference +securities</b><br><i>(description)</i>  |  |  |   |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions                                 |  |  |   |  |
| 7.3 <b>+Ordinary securities</b>  | 960,678,825  | 960,678,825  |   |  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Increases through exercise of options<br>(c) Decreases through returns of capital, buy-backs | 9,918  | 9,918  | \$0.10  | Fully Paid   |
| 7.5 <b>+Convertible debt securities</b> <i>(description)</i>   |  |  |   |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted  |  |  |   |  |
| 7.7 <b>Options</b> <i>(description and conversion factor)</i>  | 2,500,000<br>2,500,000<br>2,500,000<br>1,000,000<br>2,000,000<br>10,000,000<br>105,808,280<br>30,286,394<br>30,286,394<br>30,286,395 | -<br>-<br>-<br>-<br>-<br>-<br>105,808,280<br>-<br>-<br>- | <i>Exercise price</i><br>\$0.02<br>\$0.03<br>\$0.06<br>\$0.03<br>\$0.06<br>\$0.07<br>\$0.10<br>\$0.06<br>\$0.10<br>\$0.15 | <i>Expiry date</i><br>23/02/09<br>30/11/09<br>30/11/09<br>30/11/09<br>30/11/09<br>15/12/2009<br>30/06/2010<br>30/06/2010<br>30/06/2010<br>30/06/2010 |
| 7.8 Issued during quarter*   | 30,286,394<br>30,286,394<br>30,286,395   | -<br>-<br>-  | \$0.06<br>\$0.10<br>\$0.15  | 30/06/2010<br>30/06/2010<br>30/06/2010   |
| 7.9 Exercised during quarter   | 9,918  |  | \$0.10  | 30/06/2010   |
| 7.10 Expired during quarter  |  |  |   |  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>   |  |  |   |  |
| 7.12 <b>Unsecured notes</b> <i>(totals only)</i>   |  |  |   |  |

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Jonathan Whyte  
Company Secretary

Date: 29/01/2008

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.