

Peninsula Minerals

14 September 2007

Companies Announcement Office
Via Electronic Lodgement

DRILLING COMMENCES AT LUPA GOLD PROJECT, TANZANIA

Peninsula Minerals Limited (**Company**) is pleased to announce that drilling has commenced at the Lupa gold project, in south western Tanzania north of the regional centre of Mbeya.

A reverse circulation drilling program will test the gold in soil anomalies previously reported as occurring over a 5km x 2 km area. The largest anomaly in the central part of the grid extends for 650 to 700m in length by 300m in width with several samples peaking at +500 ppb gold and numerous samples at 100 ppb gold within a broad 50 ppb contour. Previous exploration by Zari Exploration has returned rock samples along the zone to be tested of up to 8.2g/t, 14.8g/t, 24.4g/t and 36.3g/t gold and higher.

The drill program consists of 35 reverse circulation holes of approximately 50 metres each at -60 degree dip (totaling 1,750 metres) to test the soil anomalies and anomalous rock samples along seven fences of holes.

Background

In October 2006 the Company entered into a joint venture with Zari Exploration Limited (**Zari**), a private Tanzanian company, to explore for gold and other minerals on three prospecting licences controlled by Zari in the Lupa Goldfield of south west Tanzania. The joint venture agreement gives the Company the right to earn a 75% interest in the project, subject to a 2% royalty, by free carrying Zari to end of a bankable feasibility study. The tenements cover an area of 167 square kilometres on the eastern margin of the Lupa Goldfield, which is the second largest goldfield in Tanzania. Previous gold production in the region was generally from higher grade (+7 g/t gold) underground mines and artisanal workings and there has been little modern exploration for large, lower grade deposits.

Previous work by Zari and others in the areas of interest has been restricted to surface sampling of outcropping gold mineralisation in quartz veins and a minor amount of soil sampling. Zari's rock chip and grab samples from the quartz veins, and from some limited tranching, show highly anomalous gold values in multiple structures as detailed above.

Peninsula Minerals Limited

**Malcolm James
Chairman**

For further information, please contact our office on (08)9420 9333 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 Doug Goodall, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Goodall is a consultant to the company. Mr Goodall 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 Goodall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.