

Regulatory Announcement

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Company	Peninsular Gold Limited
TIDM	PGL
Headline	Repurchase of Convertible Notes Completed
Released	09:01 25- Feb-09
Number	8514N09

RNS Number : 8514N
Peninsular Gold Limited
25 February 2009

PENINSULAR GOLD LIMITED

("Peninsular" or the "Company")

AIM: PGL

**Repurchase of US\$20 Million Convertible Loan Notes
Completed**

**Raub Plant - Operating and Management Agreement
Signed**

Peninsular is pleased to announce that the transaction for the repurchase and cancellation of its US\$20 million convertible loan notes ("Notes"), as announced on 16 February, 2009, has been concluded and settled.

Following the initial cash payment of US\$15 million (plus US\$1,070,000 of outstanding interest), as per the Note

Purchase Agreement ("Agreement"), the Notes have now been cancelled and all securities given in relation to the Notes have been released. The Notes had a subscription price of 30 pence per ordinary share ("Share") which could have converted into approximately 32.5 million Shares. This right has now been extinguished.

As per the Agreement, 10,000,000 warrants to subscribe for 10,000,000 new Shares have been issued at an initial subscription price of 30 pence per Share (subject to adjustment in certain conditions). The Company has a pre-emptive right to re-purchase the warrants for cancellation.

For further details of the Agreement to repurchase the Notes and terms of the warrants, please see the announcement dated 16 February, 2009.

In addition, the Company also announces that it has signed a two year operating and management agreement (subject to terms and conditions) with Time Mining and Processing (Proprietary) Ltd. of South Africa ("Time Mining") in relation to its new Carbon-In-Leach ("CIL") plant at Raub. Time Mining also designed and project managed the construction and commissioning of the plant, which commenced production on 18 February 2009. Time Mining have significant experience in operating similar CIL plants and the treatment of tailings, which will form the initial feedstock for the plant. An important part of their role will be to pass on their experience and know-how to local operational staff and management via training and skills transfer programmes.

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