

**Company** [Peninsular Gold Limited](#)  
**TIDM** PGL  
**Headline** Placing  
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**Peninsular Gold Limited  
(the "Company" or "Peninsular")**

**(AIM: PGL)**

**£5,572,000 Fund Raising From Placing of 11,144,000 New Ordinary Shares  
(the "Placing")**

**Highlights**

**£5,572,000 funding provides:**

- Targeted exploration across Peninsular's 11,000+ hectares of exploration licence areas in Malaysia.

**Exploration targets:**

- Expansion of Raub's existing 218,000 ounces JORC compliant resource
  - Phase one of the Raub drilling programme identified 1,160g/t intersection, of visible gold, over 0.5m
- Exploration programme in northern licence areas to commence:
  - Including the Tersang project area, that currently has 528,000 ounces of historic resource (non JORC)

**Production expansion to a run rate of 2mtpa at the Raub project is expected during 2011**

- All production remains un-hedged

**The Placing**

Peninsular Gold Limited is pleased to announce that it has today placed, through its broker Daniel Stewart & Company Ltd., 11,144,000 new ordinary shares of no par value (the "Placing Shares") in the capital of the Company at 50 pence per share to raise £5,572,000 (before expenses). The Placing Shares will represent 14.4% of the enlarged, issued ordinary share capital of the Company on admission. The Placing is to UK institutional and other investors and is conditional upon admission of the Placing Shares to trading on AIM ("Admission"). Application will be made for the admission to trading of the new ordinary shares to AIM and dealings are expected to commence at 8.00am on 15 October, 2010. Following Admission of the Placing Shares, the Company's issued share capital will be 77,461,550 ordinary shares of no par value.

The net placing proceeds will primarily be used to:

- Finance the next phase of exploration at the Raub project site and the recently approved northern licence areas;
- Develop the infrastructure in the new licence areas and also at Raub; and
- Provide working capital.

### **Peninsular Project Background**

At the operating Raub site, the Company's wholly owned subsidiary, Raub Australian Gold Mining Sdn. Bhd., is currently producing gold from the processing of tailings through its carbon-in-leach plant. During 2011, production from the plant is on target to increase significantly as its throughput capacity is expanded from 1.1 million tonnes per annum ("mtpa") to a rate of 2mtpa. The expanded carbon-in-leach plant is expected to be commissioned towards the end of Q1 2011 and production ramped up on tailings material before the inclusion of oxides later. All gold production from Peninsular is un-hedged with prices set to the gold price available at the time of sale.

In addition to the tailings, there are 218,000 ounces (JORC) of gold resources adjacent to the plant in free digging oxide material. The Company is undertaking an exploration programme to expand the gold resources at Raub. The recently completed initial diamond drilling programme successfully identified significant gold mineralisation below the oxides within the envelope of the historic underground mine. The results from this programme included the recently announced 1,160g/t intersection, of visible gold, over 0.5m.

The exploration work at Raub and the northern targets represent the next stage in building value from Peninsular's 11,000+ hectares of exploration licence areas. Delineation work shall initially focus on established resources areas at Raub and in similar areas to the north, such as Tersang, which has a 528,000 ounce historic inferred resource (non JORC). The exploration in these areas is designed to rapidly bring the most highly prospective areas in Peninsular's land portfolio into established, JORC compliant resource categories.

Dato' Sri Andrew Kam, Chairman and Chief Executive of the Company commented: "The funds raised today will enable Peninsular to proceed with its objective of adding to its resource base through the exploration of both the Raub and northern licence areas, that sit within 25 km of each other. Having successfully commissioned the Raub gold mine in 2009 we are on track to expand throughput capacity to two million tonnes per annum during 2011. To help ensure ongoing production expansion we aim to delineate additional resources at Raub and to carry out exploration at Peninsular's projects to the north. I look forward to announcing news to shareholders relating to both resource exploration and un-hedged production expansion over the next 12 months."

**-End-**

### **Further information:-**

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