



Company	Peninsular Gold Limited
TIDM	PGL
Headline	Exploration Update
Released	12:05 06-Dec-2010
Number	4249X12

RNS Number : 4249X
Peninsular Gold Limited
06 December 2010

6th December 2010

Peninsular Gold Limited
(the "Company" or "Peninsular") (AIM: PGL)

Exploration Update for Northern Licence Areas, Malaysia

Highlights

- Chunchok best surface sampling results: 3.24g/t, 4.37g/t, 5.35g/t, 10.40g/t and 14.70g/t
- RC drilling will commence at Tersang South within two weeks and a concurrent programme at Tersang North on schedule to begin by the end of 2010
- Objective to rapidly define JORC compliant resources by mid 2011.

Peninsular Gold Limited, the gold production and exploration group operating in Malaysia, today announces high grade gold assays from rock samples collected from one of its key exploration areas 13km to the north of its Raub gold mine. Samples taken from trenches and outcrops at the Chunchok veins, located in the Chunchok project area returned assay results including 3.24g/t, 4.37g/t, 5.35g/t, 10.40g/t and 14.70g/t.

Peninsular will also commence an intense RC drilling program at Tersang South, 2 km away from Chunchok, with a concurrent programme due to start at Tersang North by the end of the year. The Company intends to delineate new JORC compliant gold resources from its prospective projects

to the north of Raub, in addition to expanding existing resources around the Raub Gold mine. The exploration programme runs in tandem with the ongoing gold production expansion work being undertaken at the Raub mine. The current exploration programmes are designed to allow Peninsular to rapidly realise value from significant gold production over the next few years.

Commenting today Dato' Sri Andrew Kam, Chairman and Chief Executive, said:

"These results from our initial exploration of the highly prospective Chunchok area are very encouraging and are consistent with the historically reported samples of up to 12.3g/t. Peninsular has the funding secured to rapidly define gold resources to an internationally recognized standard and build value from gold production. I look forward to building on the success of 2010, that saw our first maiden profit, as we expand gold production at Raub during 2011 and unlock value from the mineralization surrounding the mine and at our highly prospective 12,000 hectares of gold exploration properties to the North."

Further information:-

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Independent Adviser's Declaration

The information in this report that relates to Exploration Results for the Chunchok area is based on information compiled by Dr. Yves Cheze who is a Member of the Australian Institute of Geoscientists (MAIG). Dr. Cheze, who is a Director of the Company, has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a qualified person as defined in the June 2009 Edition of the AIM Note for Mining, Oil and Gas Companies. He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

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Peninsular Project Background

Peninsular Gold Limited is a gold producer in the Malaysian peninsular that is currently expanding existing production through a plant expansion programme and exploration at its producing mine at Raub, and at other

prospective licenses all within a 25 km radius.

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. The tailings had 217,400 ounces (JORC) of gold resource prior to commencement of production, which has produced 26,190 ounces since commissioning in February 2009 to the end of October, 2010. During 2011, production from the plant is on target to increase significantly as its throughput design 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 exploration work at Raub and the northern targets, including Chunchok, represent the next stage in building value from Peninsular's approximately 12,000 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 ounces 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.

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