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

Drilling Update at Raub Gold Project, Malaysia

Highlights

- **Significant widths and grades of gold mineralisation confirmed at depth below the historic Raub mine site oxides**
- **Intersection of 5.0 metres @ 8.05g/t (including 1 metre @ 28.7 g/t)**

Introduction

Peninsular Gold Limited, the gold production and exploration group operating in Malaysia, today announces new assay results from the ongoing Reverse Circulation ("RC") and Diamond Drilling ("DD") programme by its wholly owned subsidiary, Raub Australian Gold Mining Sdn Bhd at the Raub Gold Project in Peninsular Malaysia.

The new results from Raub are highly encouraging and reinforce the results from the previous DD and RC holes drilled. The recently received results are consistent with an extension of the oxide zone mineralisation within the East Lode at depth into fresh basement structures.

Summary of drilling at Raub

The Company has so far completed 19 RC holes at Raub ranging in depth from 59 to 102

metres over a total of 1,620 metres. Results have been received back for 5 holes to date.

All samples were prepared at the commercial Raub mine-site laboratory and gold determinations at the Intertek commercial laboratory in Jakarta, Indonesia. Gold determinations are by fire assay using a 50g charge and an AAS finish.

Results from the first five holes are summarised in the table below:

HOLE ID	X	Y	Z	Azimuth (deg)	Incline (deg)	Depth (m)	From (m)	To (m)	Sections / Grade (g/t Au)
10BKRC-650	816880	423888	167.97	162	71.4	96	0	22	22 m @ 1.14
							26	44	18 m @ 1.47
							49	52	3 m @ 3.05
							57	59	2 m @ 2.21
							64	65	1 m @ 1.27
							86	95	9 m @ 2.26
10BKRC-651	816880	423887	167.97	162	69.3	84	0	49	49 m @ 1.72*
							* Including 5m @ 8.05 g/t from 39m, and 1m @ 28.7 g/t from 39m		
10BKRC-652	816880	423886	167.97	161	66.4	68	0	39	39 m @ 1.08
							49	53	4 m @ 1.70
10BKRC-653	816874	423888	167.97	172	72.1	102	25	40	15 m @ 1.92
							71	74	3 m @ 1.34
10BKRC-654	816875	423885	167.97	172	66.4	72	0	4	4 m @ 1.12
							18	22	4 m @ 1.57
							26	32	6 m @ 1.41
							36	47	11 m @ 1.45

Further announcements of results will be made in due course.

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

"Our recent fund raising has enabled us to rapidly move forward with our exploration programmes. These mineralisation results from our producing Raub mine further reinforce our belief in the project as we look to delineate significant additional ounces of gold resources at the property. I look forward to updating the market as exploration progresses."

Further information:-

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Independent Adviser's Declaration

The information in this report that relates to Exploration Results, Mineral Resources and Ore

Reserves for the Raub area is based on information compiled by Bryan (Mort) Cowan who is a Member of the Australasian Institute of Mining and Metallurgy. Mort Cowan is an independent consultant geologist to the Company. The Directors of the Company are satisfied that he has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves" as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. Mort Cowan is qualified as a qualified person as defined in the June 2009 Edition of the AIM Note for Mining, Oil and Gas Companies. Mort Cowan 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.

This information is provided by RNS

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