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Peninsular Gold Limited

("The Company")

Exploration, Production and Plant Expansion Update**One Tonne of Gold Produced - Milestone Achieved**

Peninsular Gold Limited, the AIM listed Malaysian gold mining company, today announces an update from its Raub gold mine, gold plant expansion and exploration projects. All of the Peninsular Gold projects are located within 25km of each other in central Malaysia. The Company is currently diamond drilling (DD) at Raub and reverse circulation (RC) and diamond drilling at the exploration properties to the north. The aim of this work is to increase the resource inventory at Raub and to define initial resources to JORC standard at Tersang and the nearby exploration properties.

HIGHLIGHTS**Operations:**

- Raub CIL plant has passed the 1 tonne of gold production milestone.
- 279,227 tonnes of tailings treated in calendar Q1 for 3,562 ounces Au.

Plant Expansion:

- Construction of the additional 0.9mtpa CIL circuit capacity is progressing and is expected to be completed by end of June 2011.
- Commissioning of the new CIL circuit using tailings material will follow during Q3 2011.

Exploration:

- The **Raub Project** latest drilling results include **2.66m @ 10.30 g/t, 3.3m @ 6.16 g/t, 9.4m @ 1.35 g/t.**
- The **Tersang Project** latest drilling results include **11m @ 3.24 g/t, 4m @ 3.46 g/t, 1m @ 7.54 g/t, 1m @ 5.24 g/t.**
- At **Tenggelan** the initial RC drilling programme has commenced with 15 holes completed.

All the recent RC and diamond drill results from Raub and Tersang are shown in the table at the end of this press release.

Operations

During the quarter ended 31 March 2011, the Raub CIL plant treated 279,227 tonnes of tailings and produced 3,562 ounces of gold. The average grade mined during the period was 0.60g/t and average recovery was 66%, reflecting the slightly lower than average grade being mined. During March, the plant passed the production milestone of 1 tonne of gold poured since production commenced in February, 2009.

Completion of the second tailings storage facility within the current footprint of the recently mined tailings is nearing completion.

Plant Expansion

The 0.9 mtpa expansion of the CIL circuit at the Raub plant, to bring the total plant capacity up to 2 mtpa, is progressing with most of the key components that were previously delayed now on site and construction is expected to be complete by the end of June. Commissioning of the CIL circuit is now expected in Q3 2011 following the relevant inspections with commissioning of the new crushing and milling circuit, for the treatment of fresh ore, following in Q1 2012.

Exploration Programmes**Raub Gold Project**

Following completion of the RC drilling programme at Raub (AIM Release: 9 March 2011), the Company commenced a DD programme, 8 holes of which have been completed covering some 2,500 metres, with a further two holes in progress. This programme is additional to the initial 2010 programme of 6 DD holes (AIM Release: 13 September 2010) in which a total of 1,304 metres were drilled.

Following drilling of the lode zone structures below the Ward Hill, drilling is now focused on the deep Malacca South resource zone where earlier drilling intersected strong grades in a cross reef setting (AIM Release: 13 September 2010).

The drilling programme, currently with 2 rigs operating, has led to a better understanding of the complex structure of the gold bearing lode systems that form the Raub deposit; once all results are available, the Company will design the next set of DD holes that will be used to complete the data set and to define new resources by the middle of Q4 2011. In the meantime deep holes designed to intersect the lodes below the old underground works will be collared and commenced.

Assay results from 6 of the 8 completed holes have been received. Highlights from the recent drilling results are shown in the following table:

HOLE ID	From (m)	To (m)	SECTION
10BKDDH-7	42.35	51.75	9.4m @ 1.35 g/t
10BKDDH-9	15.85	18.51	2.66m @ 10.30 g/t
	29.35	33.08	3.73m @ 2.03 g/t
	36.18	41.85	5.67m @ 1.22 g/t
	44.3	47.6	3.3m @ 6.16 g/t
	50.15	51.3	1.15m @ 3.86 g/t
	57.97	60.45	2.48m @ 2.40 g/t
10BKDDH-10	101.1	108.2	7.1m @ 1.49 g/t
10BKDDH-11	213.85	219.8	5.95m @ 1.55 g/t
	223.35	229	5.65m @ 1.34 g/t

Tersang Project

The initial planned RC programme at Tersang South and Tersang North is now complete and the results are being compiled and evaluated; further RC is planned on completion of the current Tenggelan RC drilling programme.

A total of 67 RC drill holes for 5,046 metres have been completed: with 36 holes at Tersang South and 31 holes at Tersang North. Additionally, a total of 5 DD holes for 429 metres have been completed; further diamond drilling at Tersang is in progress.

Assays returns for a total of 56RC holes have been received, with 11holes outstanding. Assay returns for 5 DD holes have been received. Highlights from the recent assay returns are shown in the following table:

HOLE ID	From (m)	To (m)	SECTION
TRC-139	85	96	11m @ 3.24 g/t
TRC-154	0	56	56m @ 0.69 g/t
TRC-137	32	36	4m @ 3.46 g/t
TRC-143	3	15	12m @ 0.90 g/t
TRC-129	15	19	4m @ 1.02 g/t
TRC-134	14	15	1m @ 7.54 g/t
TRC-125	8	9	1m @ 5.24 g/t
TRC-132	6	7	1m @ 3.60 g/t
TRC-141	6	7	1m @ 2.83 g/t
TRC-116	12	13	1m @ 2.28 g/t

The Tersang mineralised zone presents as a structurally and lithologically-controlled large tonnage, low grade sheet of mineralisation confirmed by the incoming assay results - the limits of which remain open. The mineralisation is hosted by quartz-veined and altered coarser grained felsites. Tersang North has occasional higher grade zones.

The Company's next objective is to define a new JORC compliant resource at Tersang by the middle of Q4 2011.

Tenggelan Project

Tenggelan is located about 7km to the North of Tersang; it was previously the object of soil sampling, trenching and ground geophysics in 1994, that led to the definition of an approximate 1,000 x300m target zone that is geologically similar to Tersang.

The RC rig has now moved to Tenggelan and a total of 15 RC holes for 1,007 metres have been completed. The initial 1,000m of first pass of drilling planned at Tenggelan has been increased to between 1,500 and 2,00m following the discovery of previously unknown mineralised outcrops during the opening of access tracks and drilling platforms. RC assay results are not yet available; they will be announced in due course.

Further work at Tenggelan will be dependent on the results of the current RC programme.

Further information:

Dato' Sri Andrew TY Kam Chairman and Chief Executive Peninsular Gold Limited Tel: +60 (0)3 2698 8381	Patrick Watson Finance Director Peninsular Gold Ltd. Tel: +44 (0)7799 885653
Samantha Harrison / Jen Boorer	Colin Rowbury

Nominated Advisor Ambrian Partners Limited Tel: +44 (0)20 7634 4700	Broker Daniel Stewart & Co. Ltd. Tel: +44 (0)20 7776 6936
Simon Robinson Farm Street Communications Tel: +44 (0) 7593 340107	

Independent Adviser's Declaration

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves for the Raub, Tersang and Tengellan project areas are based on information compiled by Bryan (Mort) Cowan and David Bennett. Bryan Cowan is a Member of the Australasian Institute of Mining and Metallurgy. Mort Cowan and David Bennett are members of the Australian Institute of Geoscientists (AIG) and are independent consultant geologists to the Company. The Directors of the Company are satisfied that Messrs. Cowan and Bennett have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons 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 and David Bennett are each qualified as a qualified person as defined in the June 2009 Edition of the AIM Note for Mining, Oil and Gas Companies. Mort Cowan and David Bennett consent 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.

Detailed Drilling Results

Drill core has been logged, split and sampled, with samples prepared at the commercial minesite laboratory at Raub. Gold determinations were completed by fire assay using a 50g charge and an AAS-Finish at the Intertek laboratory in Jakarta, Indonesia.

RC samples are logged and split on-site and submitted directly to Intertek (Jakarta) for Au determinations by fire assay using a 50g charge and an AAS-Finish.

The following table show the detailed collars and assay results for both Raub and Tersang drillholes.

RAUB GOLD MINE DIAMOND DRILLHOLES RESULTS									
Hole ID	X	Y	Z	Azimuth	Inclin	Depth (m)	From (m)	To (m)	SECTION
10BKDDH-6	424005	816805	147.7	90	-50	180.8	0	6.7	6.7 m @ 0.54 g/t
							41.4	44.9	3.5 m @ 1.07 g/t
							59	61.8	2.8 m @ 1.06 g/t
10BKDDH-7	816760	423629	140.8	135	-50	148.2	42.35	51.75	9.4 m @ 1.35 g/t
							98.9	101.6	2.7 m @ 1.03 g/t
10BKDDH-8	817240	424052	144.7	90	-50	300	No Significant Values		
10BKDDH-9	816838	423725	139.8	315	-50	161.85	11.27	12.29	1.02 m @ 1.06 g/t
							15.85	18.51	2.66 m @ 10.30 g/t
							29.35	33.08	3.73 m @ 2.03 g/t
							36.18	41.85	5.67 m @ 1.22 g/t
							44.3	47.6	3.3 m @ 6.16 g/t
							50.15	51.3	1.15 m @ 3.86 g/t
10BKDDH-10	816961	424398	153.4	270	-50	250.05	57.97	60.45	2.48 m @ 2.40 g/t
							56.75	59	2.25 m @ 1.04 g/t
							64.55	66.3	1.75 m @ 1.03 g/t
							83.1	89.5	6.4 m @ 0.98 g/t
							92.2	96.1	3.9 m @ 1.37 g/t
10BKDDH-11	816957	424774	180.0	270	-50	355.2	101.1	108.2	7.1 m @ 1.49 g/t
							133.9	134.84	0.94 m @ 1.42 g/t
							158.4	159.8	1.4 m @ 1.29 g/t
							162.05	162.4	0.35 m @ 1.93 g/t
							202.14	203.7	1.56 m @ 1.03 g/t
							213.85	219.8	5.95 m @ 1.55 g/t
223.35	229	5.65 m @ 1.34 g/t							
252	254.55	2.55 m @ 1.16 g/t							
288.1	290.4	2.3 m @ 1.84 g/t							

TERSANG RC DRILLHOLES									
Hole ID	X	Y	Z	Azimuth	Inclin	Depth	From (m)	To (m)	SECTION
<i>A - Tersang South:</i>									
TRC-110	812667	441095	178.0	180	-60	72	No Significant Values		
TRC-111	812782	440944	165.7	180	-60	48	28	30	2 m @ 1.36 g/t
							42	48	6 m @ 0.43 g/t
TRC-112	812580	441459	148.3	360	-60	36	4	5	1 m @ 1.31 g/t
TRC-116	812735	440998	173.9	180	-60	68	12	13	1 m @ 2.28 g/t
TRC-117	812578	441444	148.0	180	-60	60	58	59	1 m @ 1.61 g/t
TRC-122	812729	440943	152.1	180	-60	48	No Significant Values		
TRC-125	812525	441129	140.1	360	-60	74	8	9	1 m @ 5.24 g/t
TRC-126	812733	441079	200.5	360	-60	78	36	42	6 m @ 0.58 g/t
TRC-146	812655	440988	145.4	360	-60	54	No Significant Values		
TRC-147	812593	441055	143.5	360	-60	46	32	46	14 m @ 0.44 g/t
TRC-148	812737	441202	217.9	360	-60	102	1	10	9 m @ 0.89 g/t
							42	48	6 m @ 0.55 g/t
TRC-149	812741	441202	218.2	180	-60	100	0	9	9 m @ 0.91 g/t
							71	73	2 m @ 0.62 g/t

TRC-151	812680	441197	194.3	180	-60	72	14	21	7 m @ 0.80 g/t
<i>B - Tersang North:</i>									
TRC-127	812762	441384	215.6	180	-60	60	No Significant Values		
TRC-128	812840	441489	218.8	180	-60	42	26	29	3 m @ 1.01 g/t
TRC-129	812745	441451	199.0	180	-60	42	15	19	4 m @ 1.02 g/t
TRC-131	812751	441549	212	180	-60	60	3	17	14 m @ 0.40 g/t
TRC-132	812846	441580	229.5	180	-60	48	6	7	1 m @ 3.60 g/t
TRC-133	812829	441644	229.8	180	-60	60	No Significant Values		
TRC-134	812777	441661	250.3	180	-60	84	14	15	1 m @ 7.54 g/t
TRC-135	812674	441750	278.0	180	-60	108	0	3	3 m @ 1.09 g/t
							94	95	1 m @ 1.30 g/t
TRC-136	812665	441798	276.2	180	-60	100	3	9	6 m @ 0.68 g/t
							20	23	3 m @ 0.72 g/t
							39	44	5 m @ 0.48 g/t
							49	50	1 m @ 1.08 g/t
TRC-137	812632	441844	265.2	180	-60	96	0	25	25 m @ 0.30 g/t
							32	36	4 m @ 3.46 g/t
							51	68	17 m @ 0.57 g/t
TRC-138	812669	441588	209.4	180	-60	66	2	16	14 m @ 0.40 g/t
TRC-139	812587	441600	206.1	180	-60	108	60	64	4 m @ 0.53 g/t
							85	96	11 m @ 3.24 g/t
TRC-140	812550	441635	204.5	180	-60	90	3	23	20 m @ 0.32 g/t
							29	74	45 m @ 0.51 g/t
TRC-141	812524	441735	210.9	180	-60	102	6	7	1 m @ 2.83 g/t
							6	37	31 m @ 0.54 g/t
TRC-142	812518	441828	214.3	90	-60	84	42	46	4 m @ 1.02 g/t
							47	56	9 m @ 0.41 g/t
TRC-143	812513	441936	232.1	90	-60	96	3	15	12 m @ 0.90 g/t
							72	74	2 m @ 1.02 g/t
							82	83	1 m @ 1.06 g/t
TRC-144	812504	441969	234.8	180	-60	108	0	10	10 m @ 0.38 g/t
							45	46	1 m @ 2.04 g/t
							68	75	7 m @ 0.52 g/t
TRC-145	812515	442017	231.5	180	-60	108	2	24	22 m @ 0.47 g/t
							45	49	4 m @ 0.54 g/t
							93	101	8 m @ 0.46 g/t
TRC-153	812857	441436	215.8	180	-60	100	84	90	6 m @ 0.67 g/t
TRC-154	812419	442115	179.8	180	-60	66	0	56	56 m @ 0.69 g/t
TRC-155	812399	442047	152.8	180	-60	66	57	66	9 m @ 0.58 g/t
TRC-157	812641	441666	243	360	-60	66	0	7	7 m @ 0.51 g/t
							11	24	13 m @ 0.40 g/t
TRC-158	812598	441733	237.4	360	-60	78	0	35	35 m @ 0.42 g/t
TRC-159	812581	441878	240.4	90	-60	78	0	18	18 m @ 0.36 g/t
							32	42	10 m @ 0.53 g/t
TRC-160	812584	442077	224.2	180	-60	60	No Significant Values		

TERSANG (South) DIAMOND DRILLHOLES									
Hole ID	X	Y	Z	Azimuth	Inclin	Depth	From (m)	To (m)	SECTION
TR-DD-001	812759	441242	214.0	180	60	94.5	0	7.17	7.17 m @ 0.53 g/t
							29.2	36.1	6.9 m @ 0.53 g/t
TR-DD-002	812831	440948	190.0	180	60	44.3	28.6	29.6	1 m @ 1.04 g/t
							35.35	35.85	0.5 m @ 5.64 g/t
TR-DD-003	812832	440960	192.0	180	60	88.5	8.35	20.2	11.85 m @ 0.61 g/t
							39.95	79.95	40 m @ 0.86 g/t
TR-DD-004	812782	441000	151	180	60	98.1	20	95	75 m @ 0.57 g/t
TR-DD-005	812591	441058	151	180	60	60	No Significant Values		

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