

## Regulatory Story

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**Company** [Peninsular Gold Limited](#)  
**TIDM** PGL  
**Headline** New Working Capital Facility  
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**PENINSULAR GOLD LIMITED**  
**("Peninsular" or the "Company") AIM: PGL**

**New Working Capital Facility**

The Company is pleased to announce that its wholly owned subsidiary, Raub Australian Gold Mining Sdn. Bhd. ("RAGM"), has entered into an agreement with Alkhair International Islamic Bank Berhad ("AIIB") for an Islamic working capital facility, known as a Murabaha Facility, (the "Facility") of up to US\$6 million.

The Facility will be used to provide RAGM with additional working capital over a one year period. The Facility will give additional flexibility over the coming year whilst RAGM will be aiming to ramp up production from both tailings and shallow in-situ ore at its Raub mine.

**Principal terms of the Facility**

The principal terms of the Facility are as follows:

- the Facility is available for a period of 1 year from the first drawdown of Facility(a "Murabaha Transaction"), providing that the first Murabaha Transaction shall take place no later than 11 February 2012;
- each Murabaha Transaction will be subject to a profit rate of 2.75% above the Bank's cost of funding rate (currently 5.0% per annum); and

- each Murabaha Transaction will be for a period of 3 months;
- upon the fulfilment of relevant conditions, the Facility allows for the profit amount that is due on a maturing Murabaha Transaction to first be paid at the end of each Murabaha transaction period, while the principal may be rolled over.

### **Security granted to AIB**

AIB has been granted security for the Facility under the agreement as follows:

- a debenture over RAGM's current and future fixed and floating assets ranking after security in favour of RAGM's existing financier, Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat"), and
- a corporate guarantee from Peninsular.

In addition to the above, a legal charge over the mining lease for Raub, known as Mining Lease 1669 Lot No. 17478 Bukit Koman, Mukim of Gali, District of Raub, Pahang (the "Mining Lease") which is owned by Akay Holdings Sdn. Bhd ("Akay") has been granted in favour of AIB. Akay is a privately owned Malaysian company with a 15.1% shareholding interest in Peninsular and is 99.9% owned by Dato' Sri Andrew Tai Yeow Kam, the Chairman and Chief Executive of Peninsular who is also a director of RAGM and Akay. This new legal charge over the Mining Lease is in addition to those already provided by Akay to Bank Rakyat in 2009 as security for existing debt facilities. Akay has provided this new legal charge as security to AIB at no additional financial cost to the Company or RAGM. The Company and RAGM have agreed to indemnify Akay against all or any claims, proceedings, damages, losses, costs and expenses which Akay may incur or suffer arising from or incidental upon Akay charging ML1669 under the Facility in line with its existing indemnity.

### **RAGM's Borrowings**

In addition to the Facility, RAGM has debt facilities of RM169 million (approximately £34 million) from Bank Rakyat of which RM100 million is being used to finance the expansion of the production capability at the Raub gold plant. RAGM's borrowings are currently approximately RM116 million.

The Facility from AIB will provide RAGM with additional flexibility to purchase consumables for the Raub gold plant and finance general working capital requirements whilst the

production at the plant is ramped up during 2012 towards the target production rate of 2 million tonnes p.a. of ore processed.

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