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Companies Announcement Office
Via Electronic Lodgement

ACQUISITION OF SOUTH AFRICAN URANIUM AND MOLYBDENUM EXPLORATION PORTFOLIO

- **Highly prospective portfolio of uranium and molybdenum projects in South Africa**
- **Application lodged covering substantial exploration areas in the Karoo Region**
- **Experienced personnel secured to lead uranium/molybdenum exploration programmes**
- **Acquisition terms subject to shareholder approval**

Peninsula Minerals Limited ("the Company") is pleased to announce that it has entered into an option agreement ("the Agreement") to acquire a substantial portfolio of uranium and molybdenum projects in South Africa.

The Agreement gives the Company the exclusive right to acquire 100% of the issued capital in the unlisted public Australian company, Tasman Pacific Minerals Limited ("Taspac"), whose prime assets comprise six Prospecting Right applications covering approximately 2,000 square kilometres in the Karoo region of South Africa. These tenements are considered to be highly prospective for economic sandstone-hosted deposits of both uranium and molybdenum.

Reports published by the South African Government Geological Survey identified significant uranium and molybdenum mineralisation at each of the six prospects, through the presence of airborne radiometric anomalies and highly anomalous uranium and molybdenum rock chip samples. Further assessment of previous exploration results is being undertaken to better understand the potential of the prospect areas.

The Company has acquired the services of an experienced exploration geology and prospecting team, to assist in the planning and implementation of a comprehensive uranium/molybdenum exploration review.

Completion of the Agreement is subject to the approval of the acquisition of Taspac and the issue of securities by shareholders at an Extraordinary General Meeting and the satisfactory completion of a mutual due diligence investigation by the Company and Taspac.

Previous Exploration

Regional exploration for uranium was conducted over the Karoo province through the late 1960's and into the early 1980's by a number of mining companies, which identified many sandstone-hosted uranium deposits and prospects. Little analysis was carried out for the associated molybdenum, due to the low world prices for that metal during this period. Uranium exploration was based on a strategy that identified target sedimentary basins showing geological similarities to the Colorado Plateau Province in the United States, which has proven to be a significant uranium producing region.

During the early 1980's the world's demand for uranium significantly fell and resultantly exploration for uranium virtually stopped.

In the early 1980's, after private company exploration work for uranium had ceased, the South African Government Geological Survey completed an airborne radiometric survey and conducted surface sampling of radioactive anomalies located by the airborne survey. Geological and geochemical studies were also conducted, with emphasis on prospectivity for a molybdenum association with uranium. The work carried out by the government successfully highlighted a strong uranium-molybdenum association in the area. This information formed the basis for Taspac's initial fieldwork by the way of geological reconnaissance in the Karoo region and, coupled with procurement and compilation of available published government technical data, provided the basis for the selection and application of the six target areas.

Numerous occurrences of both uranium and molybdenum mineralisation have been identified within the Taspac tenement application areas from the government's surface rock sampling in the 1980's. Two of the tenements reportedly contain drilled uranium mineralisation from historical exploration which contains unknown quantities of molybdenum (as little or no analysis was carried out for this commodity).

With the substantial increase in demand and price of both uranium and molybdenum, the Company believes the potential Taspac acquisition gives the Company exposure to high quality uranium-molybdenum exploration areas with excellent prospectivity for the discovery of economic deposits.

Prospecting Right Applications

The six Prospecting Right applications cover the right to explore for uranium and molybdenum within the Karoo region of South Africa. The tenements cover an area of approximately 2,000 square kilometres. The granting process for the Prospecting Right applications is expected to take approximately six months. A pre-condition of granting tenements by the Department of Minerals and Energy is an approved agreement with a Black Economic Empowerment ("BEE") partner who must have a minimum 26% interest in the tenements. Negotiations with a BEE partner are at an advanced stage.

South Africa has a long established sophisticated mining sector with well-developed infrastructure and workforce, and provides a favourable regulatory environment towards uranium exploration and production.

Further Exploration and Development

Whilst acquisition of uranium prospects is a significant initiative for the Company, offering exciting potential, the Company will continue with its exploration programmes in both Fiji and Australia. Longer term direction and priorities will be influenced by exploration results achieved in the various projects being explored.

Key Personnel

In order to enhance the Company's exploration expertise following the acquisition of the uranium and molybdenum prospects in South Africa, the Company has agreed to make a number of key appointments following the successful completion of the due diligence.

Doug Goodall brings to the Company significant experience, with over 33 years in the resource sectors, funds investment and institutional sales and research with leading stockbrokers. Since 2002 Mr Goodall has been involved in developing a number of private resources projects in Australia and Southern Africa. On completion of the due diligence, Mr Goodall will join the board as Managing Director.

Alastair Hunter has been involved in the mineral exploration industry for over 35 years, having been involved in a number of base metal discoveries. Mr Hunter has been a director of a number of public companies including the successful "Matlock Mining NL" which was involved in the Nimary Gold Project which produced over 2Moz.

Acquisition Terms

On 25 October 2005, the Company entered into an agreement to acquire 100% of the issued capital in Taspac, on the following basis:

- $50,000 non-refundable option fee, to secure the exclusive right to the interest in Taspac, for a 28 day option and evaluation period;

- $50,000 call option fee, payable within 28 days on successful completion of a due diligence review of Taspac and its projects;

- Upon the grant of at least four of the six exploration applications before 30 June 2006, the Company will issue 83 million ordinary fully paid shares to the shareholders of Taspac. Grant is expected within six months.

Completion of the Agreement is subject to the satisfactory completion of a mutual due diligence investigation by the Company and Taspac and the approval of the acquisition of Taspac and the issue of securities by shareholders at an Extraordinary General Meeting.

On the satisfactory completion of a due diligence investigation on Taspac, the Company will appoint Mr Doug Goodall as Managing Director of the Company for a three year period and Mr Alistair Hunter as a director of the Company, in addition to engaging Mr Hunter's services for a period of 12 months to assist in the ongoing exploration programmes.

In the event that four of the six exploration applications are not granted by 30 June 2006, the Company will allot and issue to Taspac shareholders 16,600,000 ordinary fully paid shares in the Company. If during this time, Taspac has identified one or more additional exploration or mining opportunities in Africa, the Company may elect to acquire such opportunities, in addition to any exploration applications granted, through the issue and allotment of 83 million ordinary fully paid shares.

The Company will be seeking shareholder approval in accordance with the ASX Listing Rules and the Corporations Act for the allotment of shares in respect to the acquisition of 100% of the issued capital in Taspac, on completion of the transaction.

For and on behalf of the board

Warwick Grigor
Executive Director

For further information, please contact either Warwick Grigor on 02 9247 0077 or Jade Styants on 08 9420 9333 during normal business hours.