



ASX ANNOUNCEMENT

30 SEPTEMBER 2014

## EXECUTION OF \$7 MILLION FARM-IN AGREEMENT FOR THE COBAR SUPERBASIN PROJECT

Peel Mining Ltd (**Peel**) is pleased to announce that Peel (CSP) Pty Ltd (**Company**), a wholly owned subsidiary of Peel has entered into a Memorandum of Agreement (**MoA**) with Japan Oil, Gas and Metals National Corporation (**JOGMEC**), for JOGMEC to earn up to 50% of certain exploration tenements owned by the Company, located in NSW, Australia, known as the Cobar Superbasin Project (**Project**) by funding up to \$7,000,000 of exploration expenditure.

JOGMEC is a Japanese government independent administrative institution which among other things seeks to secure stable resource supply for Japan. Details about JOGMEC can be found on the corporation's website at [www.jogmec.go.jp/english/about/index.html](http://www.jogmec.go.jp/english/about/index.html).

Key terms of the MoA are set out below:

- Stage 1 – JOGMEC has the right to earn a 40% interest in the Cobar Superbasin Project by funding A\$4,000,000 of exploration expenditure on the Project tenements over a period of up to 3 years.
- JOGMEC has the right to earn a further 10% interest in the Project tenements, by funding a further A\$3,000,000 of exploration expenditure on the tenements over a period of up to 2 further years.
- JOGMEC is required to spend a minimum of \$500,000 before withdrawing from the Agreement.
- Subject to JOGMEC earning a vested interest in the Project tenements, the companies will form a joint venture.
- Peel to act as Operator of the project on behalf of the parties during the farm-in and any subsequent joint venture unless JOGMEC becomes a majority owner at which point the Operator shall be appointed by JOGMEC.
- The MoA is subject to Australian Foreign Investment Review Board approval (**FIRB**), if required.
- JOGMEC has the right to assign its interest in the agreement (this is in line with JOGMEC's mission, which is to help source and de-risk opportunities for Japanese corporations).

A plan showing the tenements to which the MoA applies is attached to this announcement.

Rob Tyson, Peel's Managing Director commented: "This is a great outcome for Peel at a time when funding for exploration activities is difficult. The JOGMEC deal gives Peel a clear path for exploration on the Cobar Superbasin assets in the medium term, and along with the co-funding agreements with the NSW government announced on 22 September 2014, provide Peel and JOGMEC the best opportunity for exploration success. Exploration has been ongoing throughout the year and resulted in the delineation of several priority targets which we plan to commence drilling on in the near term."

**For further information, please contact Rob Tyson on +61 420 234 020.**

*The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Tyson, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience which 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 of Exploration Results, Mineral Resources and Ore Reserves.' Mr Tyson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

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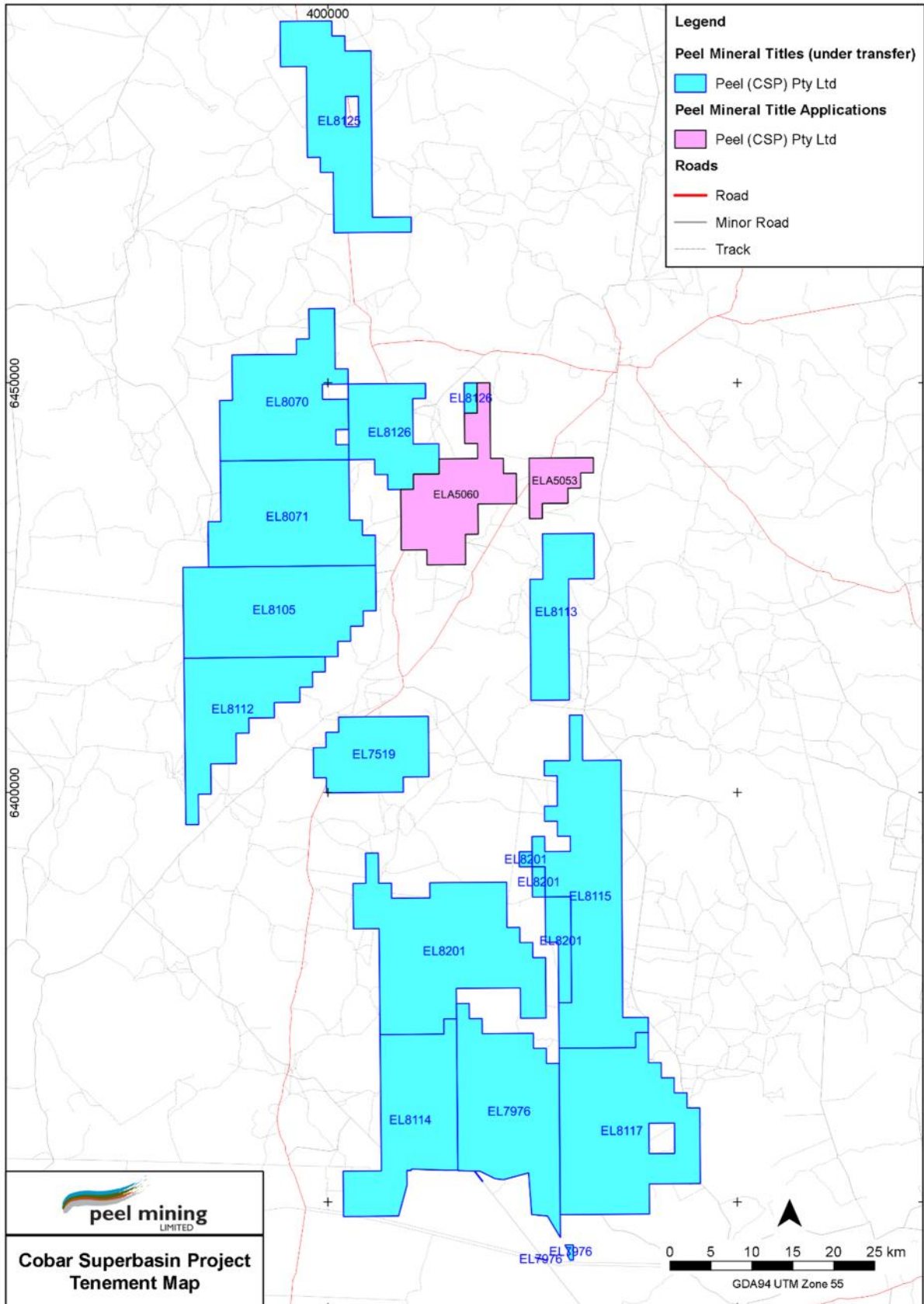


Figure 1: Cobar Superbasin Project tenements subject to JOGMEC Farm-in Agreement