ASX ANNOUNCEMENT **28th JANUARY 2021**

PROCESSING HUB REPORT & PROMISING ORE-SORTING TESTWORK RESULTS

Key Points:

- **GR Engineering Services (GRES) has completed a preliminary process plant technical report for the South Cobar Project that considers crushing, grinding, gravity, flotation and cyanidation process stages for the recovery of gold, silver, copper, lead and zinc relevant to the various mineralisation styles within Peel's deposits**
- **The detailed report will form the basis for future preliminary studies**
- **Promising preliminary ore-sorting results highlight potential for pre-concentration benefits:**
  - **testwork undertaken on Southern Nights mineralisation by STEINERT achieved strong results with substantially increased lead and zinc grades with significant feed mass rejection and low metal loss**
  - **testwork undertaken on Mallee Bull mineralisation by TOMRA achieved strong results with increased copper grades with significant feed mass rejection and low metal loss**

Peel Mining Limited (ASX: PEX) (Peel or the Company) is pleased to update the market on recently received studies regarding a central processing plant and ore-sorting testwork relevant to the Company's 100%-owned South Cobar Project, in western New South Wales.

GR Engineering recently completed a preliminary process plant technical report for Peel's South Cobar Project that considers crushing, grinding, gravity, flotation and cyanidation process stages for the recovery of gold, silver, copper, lead and zinc from the various mineralisation styles within Peel's deposits. Due to the preliminary nature of the report and ASX requirements, significant detail cannot be released at this time, however Peel's management view the report as highly informative, the detail of which will form the basis for future preliminary studies.

In addition to the process plant technical report, Peel has recently received positive preliminary ore sorting testwork results from work undertaken on diamond drilling samples. The ore-sorting testwork, completed in conjunction with ongoing metallurgical studies, was undertaken by expert materials sorting companies STEINERT and TOMRA, on Southern Nights and Mallee Bull mineralisation respectively.

STEINERT's testwork on Southern Nights mineralisation demonstrated strong recovery and upgrade potential: two size range samples returned on average ~93% Zn, ~91% Pb, ~91% Ag, ~87% Cu, and ~82% Au recoveries to an average of ~54% of the feed mass (~46% of feed mass rejection) increasing the Pb and Zn grades by 61% and 64%, respectively. TOMRA's testwork on Mallee Bull mineralisation achieved significant waste mass reductions while maintaining very high copper recoveries (≥95% for the higher-grade Breccia Copper and Massive Sulphide Copper samples). A lower grade Breccia Copper sample upgraded from 0.59% Cu to 1.05% Cu with 77% Cu recovery and 56% mass rejection.

Positive results from ore-sorting at Southern Nights and Mallee Bull deposits provide encouragement for the inclusion of this pre-concentration technology into future process plant design and, as a result Peel has engaged GR Engineering to integrate ore-sorting technology into an updated processing plant technical report.

Executive Director of Mining Jim Simpson commented:

"The completion of the processing plant technical report by mineral processing solutions experts GR Engineering is a critical first step in understanding the potential composition of the milling infrastructure required for the Company's development plans.

The detail presented in the report by GR's is impressive and the report will form the basis for ongoing preliminary studies for the refinement and improvement of the processing plant design as new information comes to hand.

We are also very pleased with the potential of ore-sorting as part of any future South Cobar Project Hub's processing route with initial testwork pointing to the amenability of both Southern Nights and Mallee Bull mineralisation to separation using 3D-XRT ore-sorting technology, allowing for the simultaneous rejection of barren or waste material whilst retaining the bulk of contained metal, and in the process, upgrading the value of the ore.

Apart from reducing the overall feed mass by the rejection of waste at early stage, other benefits of ore-sorting include potentially upgrading lower-grade mineralisation and reducing the size of the processing plant offering potentially reduced capital, power, water and tailings storage needs.

We now seek to improve our technical understanding of the Hub through refined metallurgical and ore-sorting testwork and preliminary engineering studies - we look forward to providing updates in the future."

GR Engineering Process Plant Technical Report

In September quarter 2020, Peel commissioned industry experts GR Engineering Services to complete a technical report regarding a conceptual processing plant. The impetus for the report was driven by Peel's consolidation of ownership of the various polymetallic deposits within the Company's South Cobar Project. The South Cobar Project forms the basis for the Company's "Hub & Spoke" strategy (Figure 1).

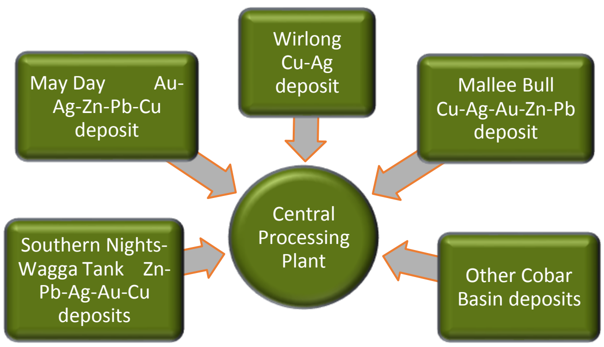

Figure 1. Peel Mining Limited's "Hub and Spoke" Strategy

Process plant considerations included in GR Engineering's report comprised a processing plant featuring crushing, grinding, gravity, flotation and cyanidation process stages for the recovery of gold, silver, copper, lead and zinc from the various mineralisation styles within Peel's deposits. The conceptual flowsheet is shown in Figure 2. Due to the preliminary nature of the report and ASX requirements, significant detail cannot be released at this time, however the report is viewed as highly informative, the detail of which will form the basis for future preliminary studies.

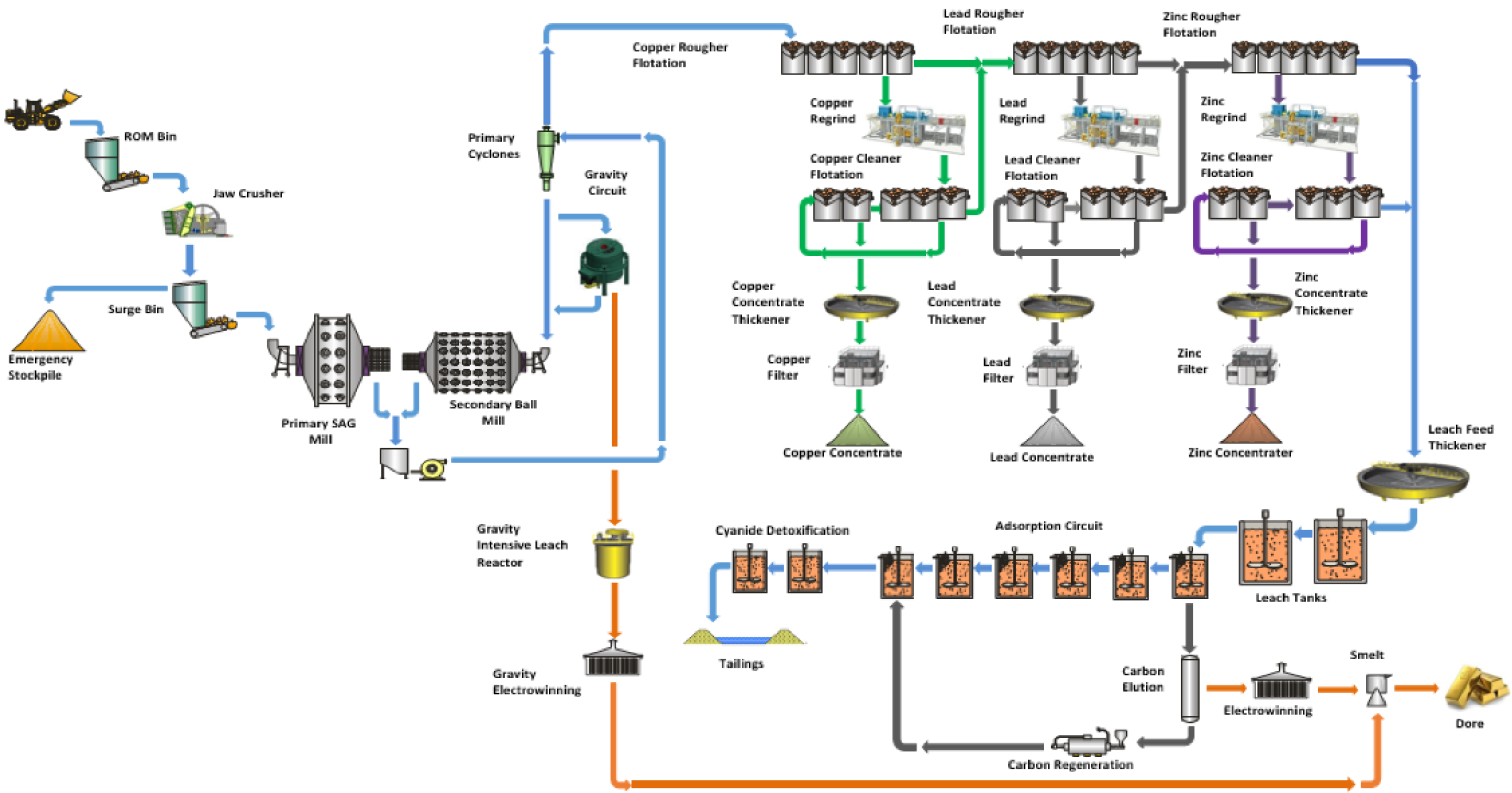

Figure 2. South Cobar Project Technical Report Conceptual Flowsheet

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Southern Nights – Wagga Tank Deposit Ore-sorting Testwork Summary

Preliminary ore-sorting testwork was recently undertaken by STEINERT for the Southern Nights deposit to investigate the potential for up-grading of feed to the process plant. The aim of the process is to reject low grade or barren gangue. Results of the sorting testwork demonstrate that 3D-XRT sorting is a promising avenue to ore upgrading.

Peel provided STEINERT with two size fraction samples (49.38kg and 94.91kg for Sample 1 and 2 respectively), derived from a crushed and screened composite sample (at -31.5+10mm and -60 +31.5mm for Sample 1 and 2 respectively), to test on the STEINERT KSS FLI XT to assess the performance of sensor sorting in metal recovery (using 3D-XRT sorting to target sulphides).

The samples were derived from a composite sample (~133kg) from Southern Nights drillhole WTRCDD239 assaying 0.3% Cu, 1.24% Pb, 5.67% Zn, 0.39g/t Au and 32g/t Ag.

The -10mm size fraction was retained and its metal content added to the products from sorting the two size ranges to calculate the overall sorting performance.

Ore sorting programs were developed based on 3D laser and XRT sensor data, with programs developed to target ~35, ~50 and ~70% cumulative yields to feed for both size fractions. The 3D-XRT programs were built to target rocks by peak density, by comparing maximum X-ray absorption versus particle height for each rock, which was presumed to correlate strongly with Pb and Zn grade.

Three sorting passes were completed on both size fractions to generate yield-recovery and yield-grade curves from which a preliminary operating point was chosen.

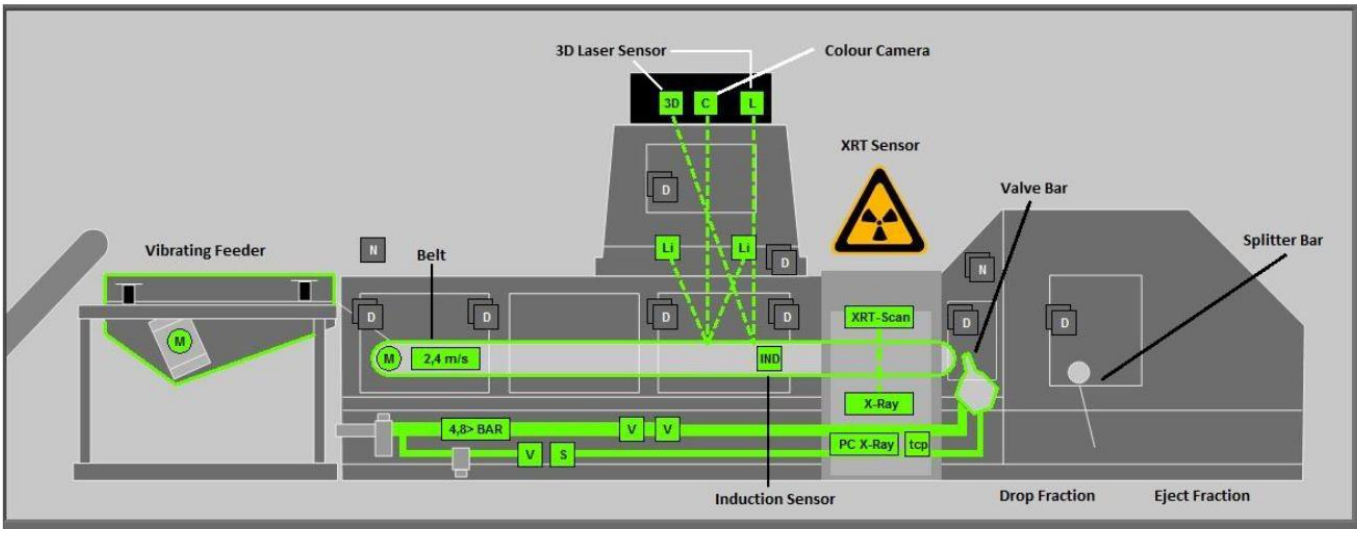


Figure 3. Schematics of the STEINERT KSS FLI XT

Results of the sort indicate that 3D-XRT sorting is a promising avenue to a Pb/Zn upgrade and significant waste rejection. The following was achieved for the mid-point (sorting passes 1 & 2) on the cumulative yield/cumulative metal recovery curves:

Table 1. Sample 1 -31.5+10mm (49.38kg feed with 47% mass rejection to 26.75kg concentrate)

-31.5+10mm	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Cu (%)
Feed Grade	5.55	1.18	30	0.37	0.31
Conc. Recovery	94.78	91.35	92.00	82.34	88.44
Conc. Grade	9.72	2.00	51	0.56	0.5
Upgrade Factor	1.75	1.69	1.70	1.51	1.61

Table 2. Sample 2 +31.5mm (94.91kg feed with 46% mass rejection to 50.44kg concentrate)

+31.5mm	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Cu (%)
Feed Grade	5.60	1.25	32	0.39	0.30
Conc. Recovery	91.22	90.04	88.97	79.44	84.84
Conc. Grade	9.61	2.13	53	0.58	0.49
Upgrade Factor	1.72	1.70	1.66	1.49	1.63

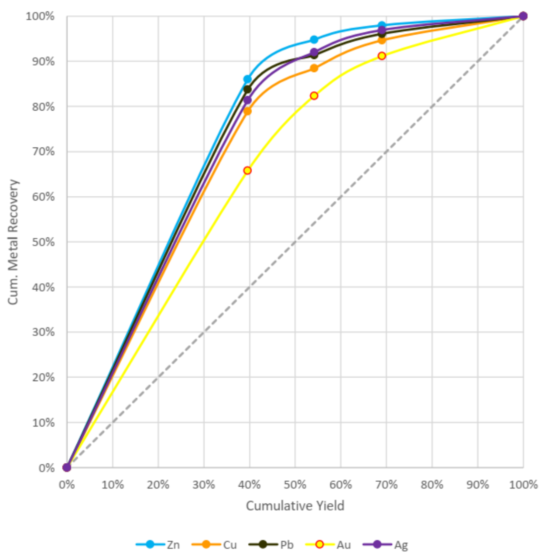


Figure 4. Sample 1 (-31.5+10mm) Cumulative Yield/Cumulative Metal Recovery Curve

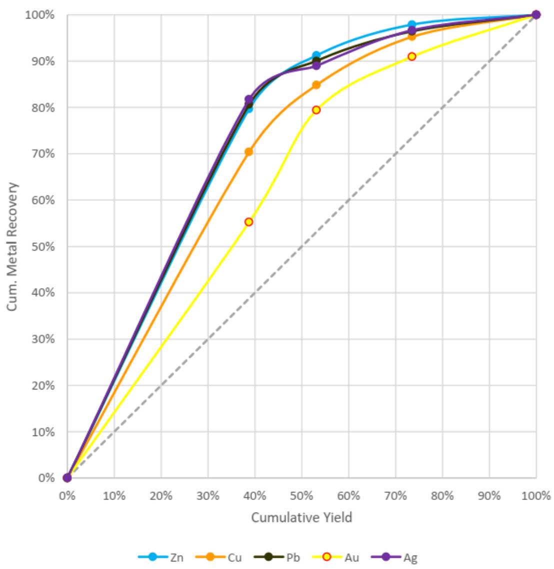


Figure 5. Sample 2 (+31.5mm) Cumulative Yield/Cumulative Metal Recovery Curve

Table 3. STEINERT ore-sorting testwork results

Mass				Zn		Cu		Pb		Au		Ag	
Sample	Ore Sorter Fraction	Mass	Mass Recovery	Grade	Recovery	Grade	Recovery	Grade	Recovery	Grade	Recovery	Grade	Recovery
		Kg	%	%	%	%	%	%	%	%	%	%	%
Sample 1 (-31.5mm +10mm)	P1E	19.56	39.61%	12.061	83.03%	0.608	78.93%	2502	83.73%	0.610	65.77%	0.006	81.39%
	P2E	7.19	14.56%	3.336	8.75%	0.199	9.51%	0.619	7.62%	0.418	16.57%	0.002	10.62%
	P3E	7.32	14.82%	1.192	3.18%	0.128	6.21%	0.378	4.74%	0.218	8.80%	0.001	4.91%
	P3D	15.31	31.00%	0.365	2.04%	0.053	5.36%	0.149	3.91%	0.105	8.86%	0.000	3.08%
	Total	49.38		5.553	100.00%	0.305	100.00%	1.184	100.00%	0.367	100.00%	0.003	100.00%
Sample 2 (+31.55mm)	P1E	36.8	38.77	11.508	79.71	0.554	70.42	2.609	80.63	0.555	55.26	0.007	81.73
	P2E	13.64	14.37	4.481	11.50	0.306	14.42	0.821	9.40	0.655	24.17	0.002	7.23
	P3E	19.37	20.41	1.831	6.68	0.156	10.43	0.394	6.41	0.220	11.53	0.001	7.71
	P3D	25.1	26.45	0.446	2.11	0.055	4.74	0.169	3.55	0.133	9.03	0.000	3.33
	Total	94.91		5.598	100.00	0.305	100.00	1.255	100.00	0.389	100.00	0.003	100.00

Mallee Bull Deposit Ore-sorting Testwork Summary

Peel engaged TOMRA to conduct ore-sorting testwork, with selected sensing techniques, on three bulk mineralised samples from the Mallee Bull deposit. The samples were derived from three composite samples from Mallee Bull diamond drillhole MBDD017:

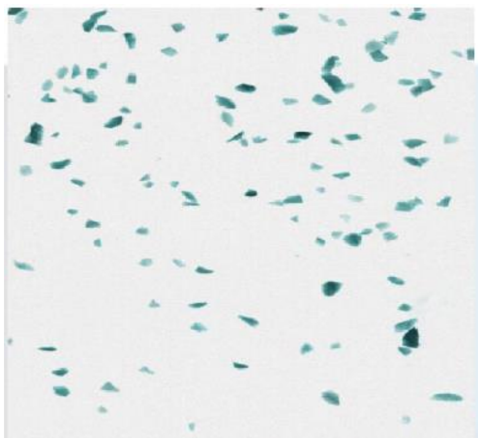
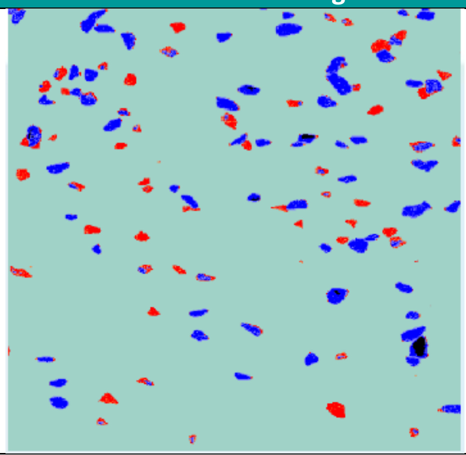
- Sample 1 - Low-grade Breccia Copper (95.6kg)
    - 0.59% Cu, 0.19g/t Au, 8g/t Ag
- Sample 2 - High-grade Breccia Copper (112.0kg)
    - 2.00% Cu, 0.13g/t Au, 14g/t Ag
- Sample 3 - Massive Sulphide Copper (75.6kg)
    - 1.98% Cu, 1.2g/t Au, 30g/t Ag

To generate testwork samples, each of the three feeds were screened at 8-19mm and 19-50mm to provide the two size ranges for sorting. The metal content from the non-sorted -8mm material screened out as fines during preparation and the -6mm material generated by the pre-sorter de-dusting screen was added to the products to calculate the overall sorting performance.

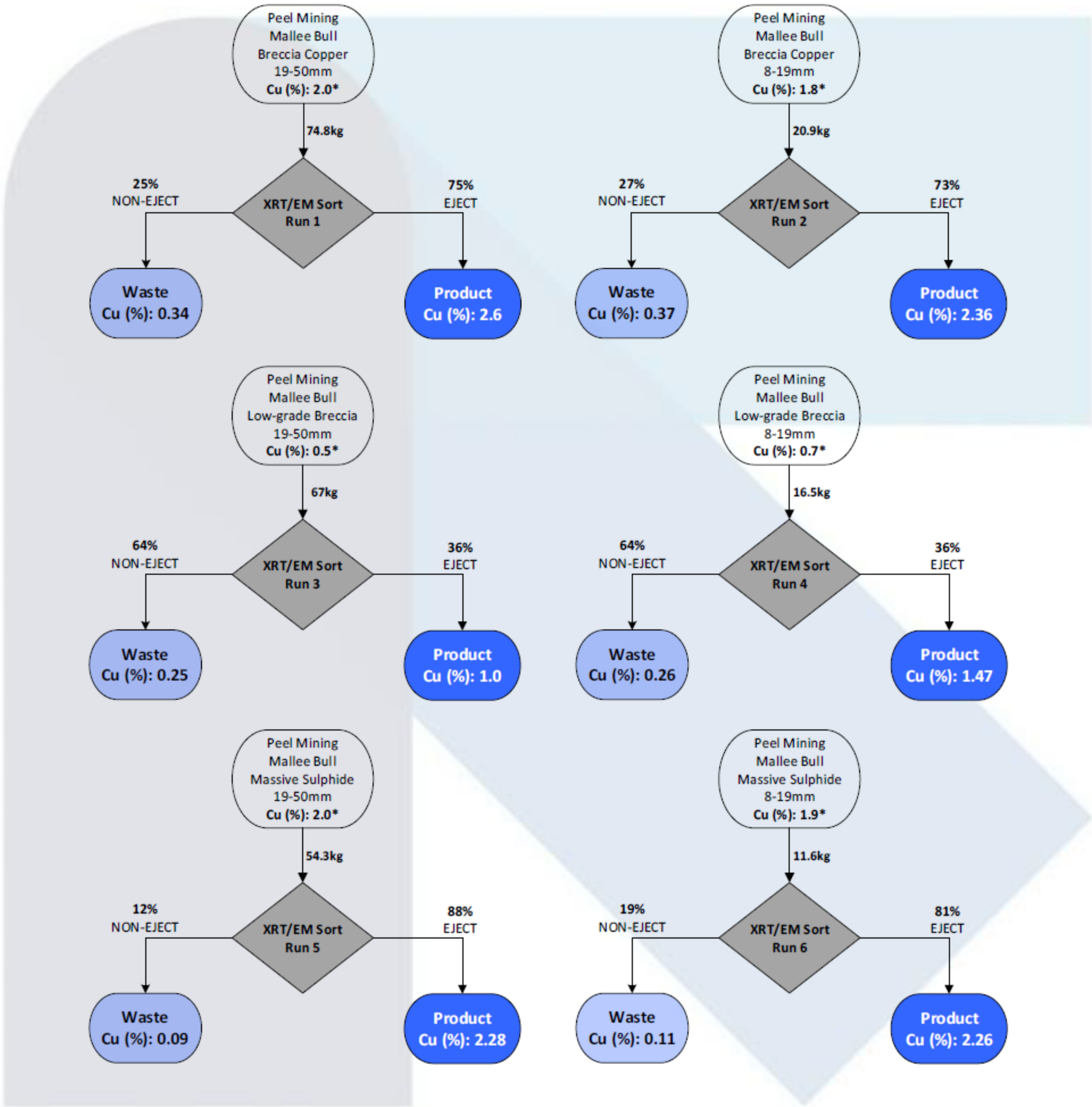
TOMRA specialises in sensor-based sorting techniques. To establish whether TOMRA sorting system was capable of sorting copper ore from waste material, TOMRA's engineers conducted performance testwork on a series of samples provided by Peel. For this material, TOMRA's COM XRT sorter was used.

To set up/train the sorter and to parameterize the software, X-ray images were taken of the samples. The images were analysed using proprietary TOMRA sorting image processing software. Examples of raw and classified XRT images collected are shown in Table 4. Based on the acquired images, sorting-task specific algorithms were developed and utilised in single pass ore-sorting trials.

Table 4. Raw (left) and processed (right) XRT images of tested material.

Classification Scheme XRT		Colour Legend
Low atomic density (host-rock)		Red / Orange
High atomic density (sulphides)		Black / Blue
Background		Grey / Green
	Raw XRT Image	Classified XRT Image
Low Grade 50+mm Feed		

Test results shown in Figures 4 & 5 and Table 5 show the masses and copper assays of the sorted fractions produced by this set of testwork as well as back-calculated feed grades. The primary sorting task was to produce a high-grade copper-rich fraction by way of sulphide classification and ejection in all runs. Sample 1 was a lower-grade sample while samples 2 and 3 were relatively high-grade.



**Values have been back-calculated from original assay values.*

Figure6. Testwork flow and sorting results for Mallee Bull copper ore runs 1 to 6.

All results generated from this set of testwork were successful. All product fractions were upgraded in terms of copper, but most importantly all of the waste fractions were very low-grade in terms of copper. In the 6 sorted runs, the highest recorded waste sample was 0.37% Cu with grade as low as 0.09% Cu for Sample 3 in Run 5. Copper recovery values were ≥95% for all sample 2 and 3 runs. This success can be attributed to the well-liberated nature of the sulphide bearing particles.

Although other metals for the most part are considered too low-grade to be of interest, it is worth noting that the samples that did contain significant gold values also upgraded successfully. For example, in Run 5, a feed grade of 1.2ppm Au resulted in a product grade of 1.34 ppm Au and a waste grade of 0.12ppm Au. In general, the fines material naturally upgraded or had similar grade to the feed.

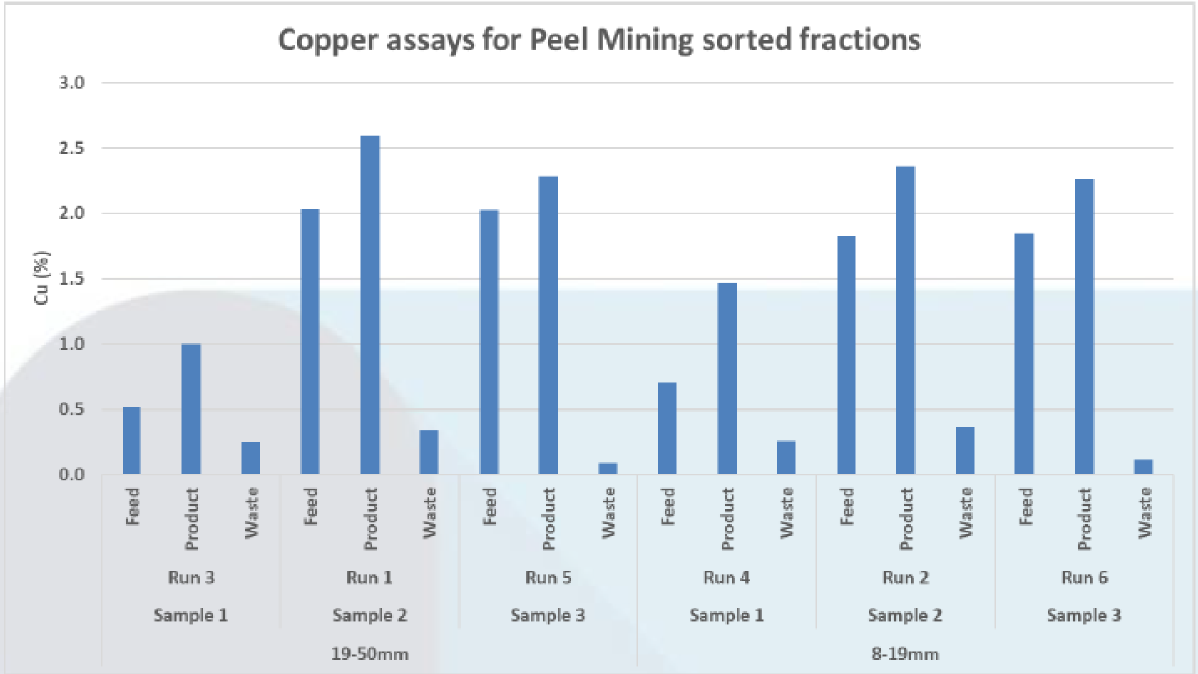


Figure 7. Cu values for Mallee Bull ore sorted fractions.

Table 5. TOMRA ore-sorting testwork results

Sample	Size	Run	Fraction	Cu	Ag	Au	Overall Mass Rejection	Sorted Cu Recovery	Sorted Ag Recovery	Sorted Au Recovery
				%	Ppm	ppm				
High-grade Breccia Copper	19-50mm	Run 1	Feed	2.0	15	0.14	22%	96%	91%	78%
			Product	2.6	18	0.15				
			Waste	0.34	5	0.13				
	8-19mm	Run 2	Feed	1.80	12	0.12		95%	89%	85%
			Product	2.36	15	0.14				
			Waste	0.37	5	0.07				
	-6mm	N/A	Fines	1.20	14	0.21		96%*	92%*	82%*
	-8mm	N/A	Fines	2.25	15	0.12				
Low-grade Breccia Copper	19-50mm	Run 3	Feed	0.50	7	0.15	56%	69%	55%	55%
			Product	1.00	11	0.23				
			Waste	0.25	5	0.11				
	8-19mm	Run 4	Feed	0.70	10	0.32		76%	62%	67%
			Product	1.47	17	0.58				
			Waste	0.26	6	0.17				
	-6mm	N/A	Fines	2.32	18	0.12		77%*	64%*	65%*
	-8mm	N/A	Fines	0.92	11	0.20				
Massive Sulphide Copper	19-50mm	Run 5	Feed	2.00	31	1.20	11%	99%	98%	99%
			Product	2.28	34	1.34				
			Waste	0.09	4	0.12				
	8-19mm	Run 6	Feed	1.90	27	1.27		99%	97%	98%
			Product	2.26	32	1.53				
			Waste	0.11	4	0.14				
	-6mm	N/A	Fines	1.84	24	0.77		99%*	98%*	99%*
	-8mm	N/A	Fines	1.94	27	1.03				

** Recoveries listed within fines rows are calculated total metal recoveries when fines are considered recovered*

Ore-sorting Discussion

The use of ore sorting is being investigated by Peel for potential upgrading of any future feeds processed through a centrally located processing plant. Ore-sorting assists in the rejection of low grade and barren material. The benefits that can be derived from implementation of ore sorting depend on the context in which it is applied however the rationale for applying ore-sorting can include:

- Upgrade the value of mineralisation
- Increase operational margins with relatively low ore-sorting operating costs
- Rejection of waste at a size that is easier to handle and dispose of
- Reduce tailing storage requirements and associated water demand and loss
- Opportunity to reduce mining cut-off grades potentially increasing overall Resources and Reserves, or upgrading low grade stockpiles
- Reduce capital for processing plants
- Reduce trucking costs

This announcement has been approved for release by the Board of Directors.

For further information, please contact:

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Competent Persons Statements

The information in this report that relates to Metallurgical Testwork Results is based on information compiled by Dr Ian Pattison who is a Consultant to the company. Dr Pattison is a member of the Australasian Institute of Mining and Metallurgy. Dr Pattison has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Pattison consents to the inclusion in this report of the matters based on information in the form and context in which it appears. Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures.

The information in this report that relates to Exploration Results is based on information compiled by Mr Rob Tyson who is a fulltime employee of the company. Mr Tyson is a member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) 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 information in the form and context in which it appears. Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures.

Previous Results

Previous results referred to herein have been extracted from previously released ASX announcements. Previous announcements and reports are available to view on www.peelmining.com.au and www.asx.com.au. Additional information regarding Peel's South Cobar Project is available in the Company's quarterly reports from December 2009 through to September 2020. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 6: Southern Nights and Mallee Bull Ore-Sorting Drillhole Collars

Hole ID	Easting	Northing	RL	Azi	Dip	Final Depth (m)
WTRCDD239	378359.5	6386304	192	86.33	-56.11	316.3
MBDD017	415378.9	6413360	292	281.00	-75.71	892.6

Table 7: Southern Nights and Mallee Bull Ore-Sorting Drillhole Sample Composite Details

Hole ID	Sample	From (m)	To (m)	Weight (kg)
WTRCDD239	1 & 2	259	295	133
MBDD017	1	617	619	95.6
		620	621	
		622	624	
		634	635	
		642	643	
		676	677	
		697	698	
		700	701	
		702	703	
		706	709	
		745	746	
		749	750	
		753	754	
		758	759	
		766	768	
		769	770	
		771	772	
		773	775.3	
	2	390	418	112.0
	3	231	250	75.6

Figure 8. Southern Nights Long Section View of WTRCDD239

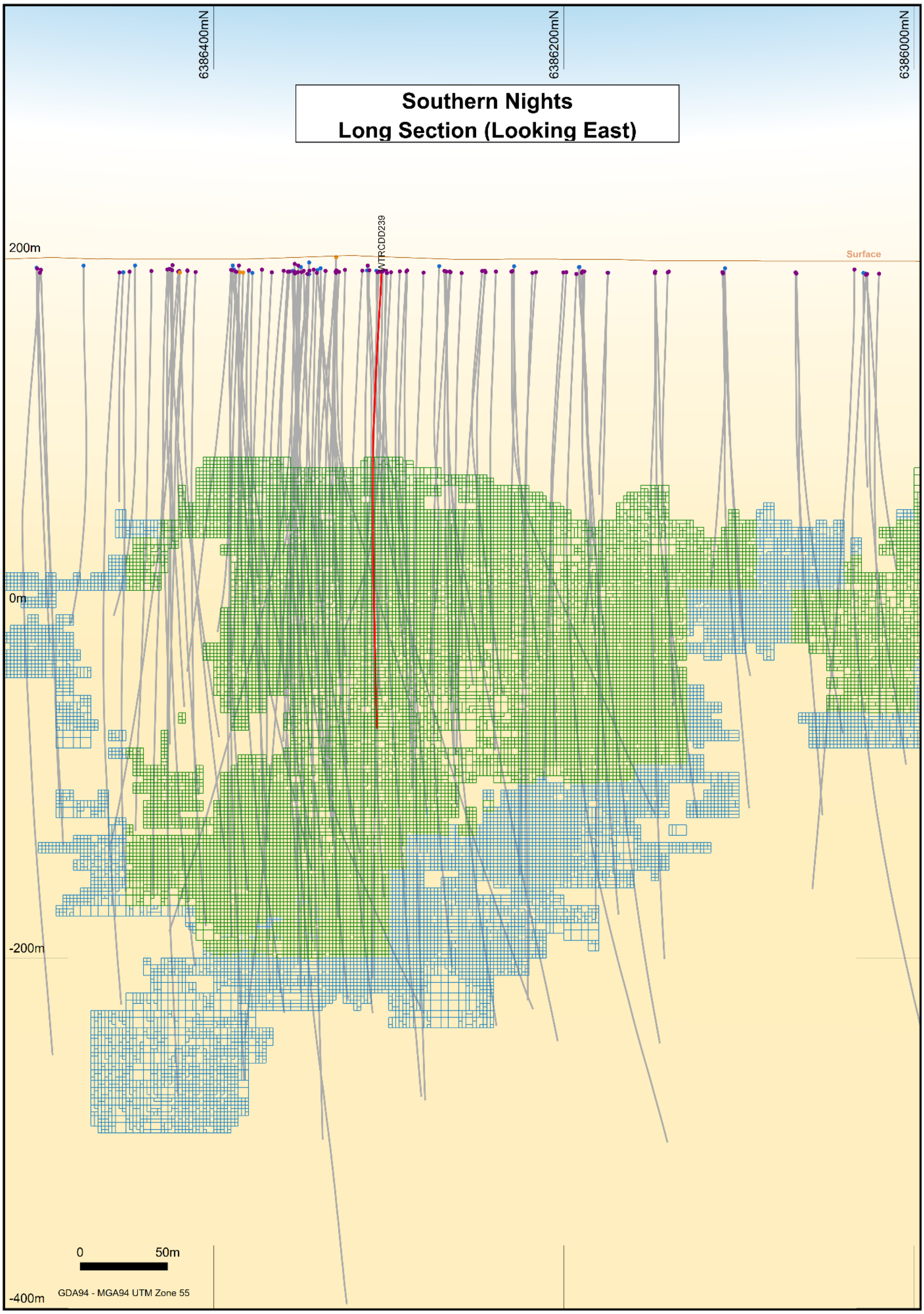
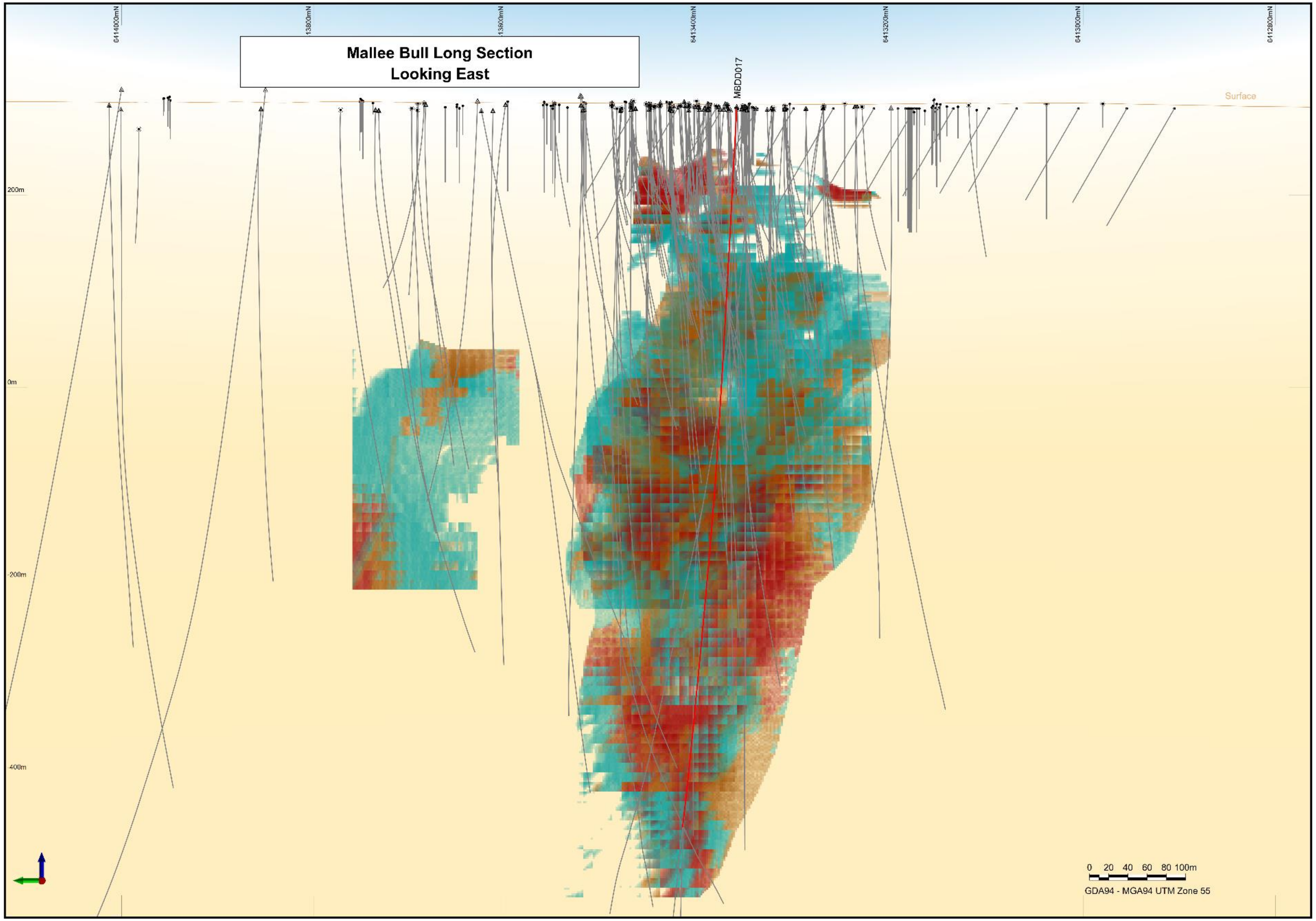


Figure 9. Mallee Bull Long Section View of MBDD017



JORC Code (2012) Edition Table 1 - Section 1. Sampling Techniques and Data for South Cobar Project

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond drilling were drilling was used to obtain samples for geological logging and assaying. • Diamond core was cut and sampled at 1m intervals on average or intervals determined by geological contacts. • Multi-element readings were taken of the diamond core using an Olympus Delta Innov-X portable XRF machine or an Olympus Vanta portable XRF machine. Portable XRF machines are routinely serviced, calibrated and checked against blanks/standards. • Samples were of half core of either PQ or HQ diameter produced a representative sample. • Samples were all collected by qualified geologists / metallurgist or under geological supervision.
Drilling Techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• PQ, NQ and HQ coring was used for diamond drilling.
Drill Sample Recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recoveries are recorded by the drillers in the field at the time of drilling and checked by a geologist or technician • Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking and depths are checked against the depths recorded on core blocks. Rod counts are routinely undertaken by drillers. • When poor sample recovery is encountered during drilling, the geologist and driller have endeavoured to rectify the problem to ensure maximum sample recovery. • Sample recoveries at Wirlong, May Day and Mallee Bull to date have generally been high. • Sample recoveries at Wagga Tank have been variable with broken ground occurring in places and poorer sample recoveries encountered. Insufficient data is available at present to determine if a relationship exists between recovery and grade. This will be assessed once a statistically valid amount of data is available to make a determination. • Sample recoveries at Southern Nights have been generally high to date.

Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All core samples are geologically logged. Core samples are orientated and logged for geotechnical information. • Logging of diamond core samples records lithology, mineralogy, mineralisation, structure (DDH only), weathering, colour and other features of the samples. Core is photographed as both wet and dry. • All diamond holes in the current program were geologically logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Drill core was cut with a core saw and half core taken. • Bulk samples were placed in green plastic bags, with the sub-samples collected placed in calico sample bags • Field duplicates were collected by re-splitting the bulk samples from large plastic bags. These duplicates were designed for lab checks. • Laboratory duplicate samples are split using method SPL-21d which produces a split sample using a riffle splitter. These samples are selected by the geologist within moderate and high-grade zones. • A sample size of 2-4kg was collected and considered appropriate and representative for the grain size and style of mineralisation. • The samples were crushed and screened to appropriate size based on the ore-sorting testwork program requirements authorised by STEINART and TOMRA,

Quality of Assay data and Laboratory Tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*
		• ALS Laboratory Services were used for Au and multi-element analysis work carried on out on 3m to 6m composite samples and 1m split samples.
		• The laboratory techniques below are for all samples submitted to ALS and are considered appropriate for the style of mineralisation defined at Mallee Bull, May Day, Cobar Superbasin and Southern Nights-Wagga Tank Projects:
		  ○ PUL-23 (Sample preparation code)
		  ○ Au-AA25 Ore Grade Au 30g FA AA Finish, Au-AA26 Ore Grade Au 50g FA AA Finish
		  ○ ME-ICP41 35 element aqua regia ICP-AES, with an appropriate Ore Grade base metal AA finish
		  ○ ME-ICP61 33 element 4 acid digest ICP-AES, with an appropriate Ore Grade base metal AA finish
		  ○ ME-MS61 48 element 4 acid digest ICP-MS and ICP-AES, with an appropriate Ore Grade base metal AA finish
		• Assaying of samples in the field was by portable XRF instruments: Olympus Delta Innov-X or Olympus Vanta Analysers. Reading time for Innov-X was 20 seconds per reading, reading time for Vanta was 10 & 20 seconds per reading.
		• The QA/QC data includes standards, duplicates and laboratory checks. Duplicates

		for drill core are collected by the lab every 30 samples after the core sample is pulverised. Duplicates for percussion drilling are collected directly from the drill rig or the metre sample bag using a half round section of pipe. In-house QA/QC tests are conducted by the lab on each batch of samples with standards supplied by the same companies that supply our own.
Verification of Sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All geological logging and sampling information is completed Geobank Mobile or in spreadsheets, which are then transferred to a database for validation and compilation at the Peel head office. Electronic copies of all information are backed up periodically. • No adjustments of assay data are considered necessary.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• A Garmin hand-held GPS is used to define the location of the samples. Standard practice is for the GPS to be left at the site of the collar for a period of 5 minutes to obtain a steady reading. • Collars are routinely picked up after by DGPS. Down-hole surveys are conducted by the drill contractors using either a Reflex gyroscopic tool with readings every 10m after drill hole completion or a Reflex electronic multi-shot camera will be used with readings for dip and magnetic azimuth taken every 30m down-hole. QA/QC in the field involves calibration using a test stand. The instrument is positioned with a stainless steel drill rod so as not to affect the magnetic azimuth. • Grid system used is MGA 94 (Zone 55). All down-hole magnetic surveys were converted to MGA94 grid.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data/drill hole spacing is variable and appropriate to the geology and historical drilling.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Most drillholes are planned to intersect the interpreted mineralised structures/lodes as near to a perpendicular angle as possible (subject to access to the preferred collar position). • Recent diamond drilling at various orientations does not reveal any bias regarding the orientation of the mineralised horizons.
Sample Security	• *The measures taken to ensure sample security.*	• The chain of custody is managed by the project geologist who places calico sample bags in polyweave sacks. Up to 5 calico sample bags are placed in each sack. Each sack is clearly labelled with: o Peel Mining Ltd

		○ Address of Laboratory ○ Sample range • Detailed records are kept of all samples that are dispatched, including details of chain of custody.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Data is validated when loading into the database. No formal external audit has been conducted.

JORC Code (2012) Edition Table 1 - Section 2. Reporting of Exploration Results for South Cobar Project

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The May Day and Mallee Bull prospects are respectively located within Mining Licence ML1361 and Exploration Licence EL7461 . The tenements are subject to a 50:50 Joint Venture (termed the Mallee Bull JV) with CBH Resources Ltd, a wholly owned subsidiary of Toho Zinc Co Ltd. These tenements are the subject of a purchase and sale agreement between Peel and CBH. Settlement of the transaction is subject to Ministerial consent for the transfer of title and is expected in the near term. • All other prospects, including Wagga Tank, Southern Nights and Wirlong, are located within 100%-owned tenements. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Work at May Day was completed by multiple previous explorers including Mt Hope Minerals, Le Nickel, Epoch Mining, Imperial Corporation, and Triako. Significant work included diamond drilling by Mt Hope Minerals to ~270 m below the surface targeting a resistivity high and a surface geochemical anomaly. Le Nickel continued exploration (in conjunction with Mt Hope Minerals) in the mid-1970s, which included further diamond drilling. Between 1987 and 1991 Epoch Mining carried out relatively shallow (less than 100m below surface) reverse circulation and diamond drilling. • Work at Mallee Bull was completed in the area by several former tenement holders including Triako Resources between 2003 and 2009; it included diamond drilling, IP surveys, geological mapping and reconnaissance geochemical sampling around the historic Four Mile Goldfield area. Prior to Triako Resources, Pasminco Exploration explored the Cobar Basin area for a "Cobar-type" or "Elura-type" zinc-lead-silver or copper-gold-lead-zinc deposit. • Work at Wagga Tank was completed by multiple previous explorers including Newmont, Homestake, Amoco, Cyprus, Arimco, Golden Cross, Pasminco and MMG. Minimal exploration has been completed at the Wagga Tank area since 1989.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• May Day deposit, a structurally controlled-volcanogenic massive sulphide (VMS)

		system, is a classic analogue for Cobar- style precious and base metal mineralisation. May Day was reportedly discovered in 1898. Carne in 1908 described the workings in the May Day area as primarily for gold which was "disseminated through slate near the junction of porphyry". The main rock types within the open cut consist of variably chlorite and talc altered crystal-vitric tuff and tuffaceous siltstone of the Mount Halfway Volcanics and interbedded sandstone, siltstone and claystone of the Upper Amphitheatre Group. The contact between the two units is gradational and well exposed within the open cut. The rocks have been folded by steeply northeast-plunging folds with an associated upright northeast-trending axial plane cleavage. Within some of the volcaniclastic rocks the cleavage is intense and appears as a shear fabric. Numerous thrust faults, with various orientations, disrupt the sequence and generally postdate the northeasterly plunging folds. Primary gold, silver, copper, lead and zinc mineralisation occurs within deformed quartz veins, mainly within the volcaniclastic rocks, with associated clinochlore alteration. Based upon previous exploration work and the apparent way in which mining was carried out, the mineralised zones appear to be steeply plunging shoots. A structural analysis suggests that the mineralised veins were emplaced into the zone of shearing, synchronous with its formation, accompanying steeply northeast plunging folds. It is considered that the structural and lithological features within the open cut are best explained by asymmetric folding. This deformation is considered to have occurred in the late Early Devonian, consistent with features of the Cobar deformation event observed elsewhere in the region. The northeast trend of structures, in contrast to the general northerly trend observed regionally, is attributed to refraction by the northeast trending Gilgunnia Granite, nine kilometres to the northwest of the mine. Oblique thrust faulting, with associated folding, has disrupted the sequence and is attributed to a separate stress regime, assumed to be part of the Carboniferous Kanimblan Orogeny. • The Mallee Bull prospect area lies within the Cobar-Mt Hope Siluro-Devonian sedimentary and volcanic units. The northern Cobar region consists of predominantly sedimentary units with tuffaceous member, whilst the southern Mt Hope region consists of predominantly felsic volcanic rocks; the Mallee Bull prospect seems to be located in an area of overlap between these two regions. Mineralisation at the Mallee Bull

		discovery features the Cobar-style attributes of short strike lengths (<200m), narrow widths (5-20m) and vertical continuity, and occurs as a shoot-like structure dipping moderately to the west. • Wagga Tank, is believed to be a volcanic-hosted massive sulphide (VHMS) or Cobar-style deposit, and is located ~130 km south of Cobar on the western edge of the Cobar Superbasin. The deposit is positioned at the western-most exposure of the Mt. Keenan Volcanics (Mt. Hope Group) where it is conformably overlain by a poorly-outcropping, distal turbidite sequence of carbonaceous slate and siltstone. Mineralisation is hosted in a sequence of rhyodacitic volcanic and associated volcaniclastic rocks comprising polymictic conglomerate, sandstone, slate, crystal-lithic tuff and crystal tuff. This sequence faces northwest strikes northeast-southwest and dips range from moderate westerly, to vertical, and locally overturned to the east. Mineralisation straddles the contact between the volcaniclastic facies and the siltstone-slate facies where there is a broad zone of intense tectonic brecciation and hydrothermal alteration (sericite-chlorite with local silicification).
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Exploration Results are not being reported
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Exploration Results are not being reported

	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• True widths are generally estimated to be about 80% of the downhole width unless otherwise indicated.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Ore-sorting testwork results are being reported which do not require maps and diagrams.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Exploration results are not being reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All material and meaningful data, relevant to the scope of work in this report, has been included in this report. • No substantial new information is available other than that reported above.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Exploration Results are not being reported. • Based on the outcome of the testwork data, ore sorting performance with a smaller grain size, increased sensitivity settings, and bulk sample testwork would further optimise and improve recovery and feed grade. • Further planning of ore-sorting testwork is underway for South Cobar Project deposits.