

# **PEEL MINING LIMITED**

**ABN 42 119 343 734**

## **HALF-YEAR CONSOLIDATED FINANCIAL REPORT**

**31 DECEMBER 2020**



**peel mining**  
LIMITED

# PEEL MINING LIMITED

ABN 42 119 343 734

## Corporate Directory

### Directors

Robert Tyson	Managing Director
James Simpson	Executive Director
Simon Hadfield	Chairman
Graham Hardie	Non-executive Director

### Company Secretary

Ryan Woodhouse

### Registered Office

Unit 1, 34 Kings Park Road, WA 6005

Telephone: +61 8 9382 3955

E-mail: [info@peelmining.com.au](mailto:info@peelmining.com.au)

Website: [www.peelmining.com.au](http://www.peelmining.com.au)

### Share Registry

Link Market Services Limited

Level 4, 152 St Georges Tce PERTH WA 6000

Telephone +61 1300 554 474

Facsimile +61 2 9287 0303

Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Auditors

PricewaterhouseCoopers

Level 15, Brookfield Place 125 St Georges Terrace PERTH WA 6000

### Home Exchange

Australian Securities Exchange ('ASX')

Code: PEX

## Contents

Directors' Report	2
Competent Persons Statement and Mineral Resources	12
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	15
Condensed Consolidated Statement of Financial Position	16
Condensed Consolidated Statement of Changes in Equity	17
Condensed Consolidated Statement of Cash Flows	18
Notes to the consolidated statements	19
Directors' Declaration	26
Auditor's Independence Declaration	27
Independent Auditor's Review Report	28

## PEEL MINING LIMITED

### DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Peel Mining Limited ("the Company") and the entities it controlled ("the Group") at the end of the half-year ended 31 December 2020.

#### Directors

The following persons held office as directors throughout the entire financial period and up to the date of this report, unless otherwise indicated:

Robert Tyson	Managing Director
James Simpson	Executive Director
Simon Hadfield	Chairman
Graham Hardie	Non-executive Director

#### Company Secretary

Ryan Woodhouse

#### Results

The profit of the Group for the half-year ended 31 December 2020 amounted to \$7,414,230 (2019: Loss : \$1,817,847).

#### Review of Operations

The principal continuing activity of the Group is the acquisition of mineral tenements, mineral exploration, mineral development and investment. During the half-year, Peel Mining Limited continued to explore its tenements in New South Wales and is dedicated to its mineral development strategy.

### PRE-DEVELOPMENT ACTIVITIES

#### South Cobar Project Hub & Spoke Strategy

Peel's Cobar assets – now referred to as **the South Cobar Project (SCP)** – is the 100% consolidation of Mallee Bull, May Day deposits and the Cobar Superbasin Project tenure. The company is now focused on a Hub and Spoke development strategy for the project, which is centered on establishing critical mass via high quality mineral resource definition at each of Peel's deposits to support a new centrally located processing plant.

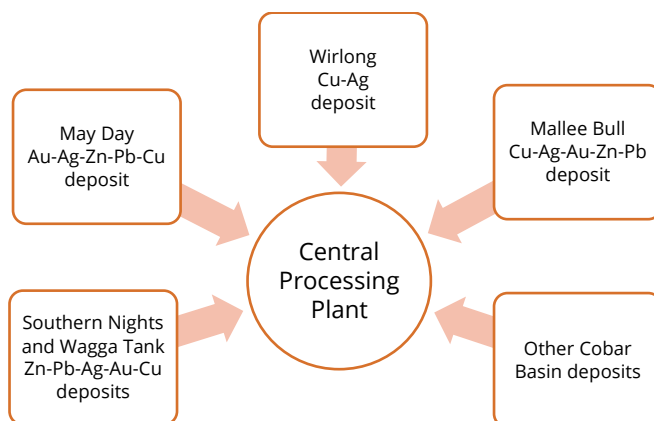


Figure 1 - Hub and Spoke Development Model



## PEEL MINING LIMITED

During the half year, Peel engaged GR Engineering Services (GRES) to complete a conceptual polymetallic mill design as part of the “Hub and Spoke” model, with the mill envisaged to be centrally located amongst Peel’s projects. Post half year end, GRES 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.

Peel also engaged ore sorting specialists Steinert and Tomra to conduct ore sorting testwork on Southern Nights and Mallee Bull mineralization. This testwork looked at the potential of concentrating grade and reducing tonnes at the mine site, to minimise transport and processing costs. Delivering higher grade to a regional processing plant. The initial test work was finalised post half year end with encouraging results.

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.

## EXPLORATION

### May Day - Gold, Silver, Zinc, Lead, Copper; Western NSW (PEX 100%)

The maiden Inferred Mineral Resource Estimate (MRE) for the May Day deposit was updated during the half year in accordance with the JORC Code (2012 Edition) using a 0.65g/t AuEq cu off grade. The maiden MRE is based on historic drilling data from 169 open-hole percussion holes, 62 RC holes and 21 diamond holes for a combined 12,676m. The grade estimates include only RC and diamond drilling data. No results from Peel’s recently completed drill programme were included in the estimate dataset. Full details of the resource can be found in the announcement released 16 December 2020 – “*May Day Inferred Mineral Resource Estimate*”. Table 1 presents the estimates by oxidation zone.

**Table 1 – December 2020 May Day Inferred Mineral Resource Estimates at 0.65 g/t gold equivalent cut off grade**

Oxidation Zone	Tonnes Kt	Metal Grades						Contained Metal					
		AuEq g/t	Au g/t	Ag g/t	Zn %	Pb %	Cu %	AuEq Koz	Au Koz	Ag Koz	Zn Kt	Pb Kt	Cu Kt
<b>Oxide</b>	<b>206</b>	1.3	1.3	13	-	-	-	8.6	8.6	8.6	-	-	-
<b>Fresh</b>	<b>924</b>	1.9	1.3	20	0.90	0.61	0.11	56.4	38.6	594	8.32	5.64	1.02
<b>Total</b>	<b>1,130</b>	<b>1.8</b>	<b>1.3</b>	<b>19</b>	<b>0.74</b>	<b>0.50</b>	<b>0.09</b>	<b>65.1</b>	<b>47.2</b>	<b>680</b>	<b>8.32</b>	<b>5.64</b>	<b>1.02</b>

## PEEL MINING LIMITED

The MRE for the May Day deposit of **1.13 Mt at 1.3 g/t Au, 19 g/t Ag, 0.74% Zn, 0.50% Pb, 0.09% Cu** (1.8 g/t AuEq); containing:

- **47,200 oz gold**
- **680,000 oz silver**
- **8,320 t zinc**
- **5,640 t lead**
- **1,020 t copper**
- **(65,100 oz gold equivalent)**

May Day mineralisation is shear-hosted/related with primary sulphides comprising pyrite-sphalerite-galena-chalcopyrite. Assays received to date show strong, continuous, and wide gold-polymetallic intercepts, confirming substantial true width (~25m) at relatively shallow depths. A high-grade core proximal to the hanging wall is evident with an approximate true thickness of up to ~12m. Results compliment previously received assays which also confirmed good down-dip continuity (minimum 180m down dip continuity from the base of the pit) of the May Day mineral system.

The May Day deposit resource upgrade drill programme concluded in late November with a total of 14 diamond holes, for a total of 1,631m, and 45 RC holes, for a total of 8,984m. See quarterly report for highlights from RC assays returned.

Significantly, strong mineralisation remains open down dip of the deepest drillholes on several sections, including MDDD002 and MDRC052, presenting a future exploration target.

Metallurgical testwork is currently underway with pit optimisation work to accompany Mineral Resource Estimation. It is envisaged that May Day has the potential to supply initial feed for a conceptual mill, as part of the Hub and Spoke development strategy, in the southern part of the Cobar Basin.

The Company plans to update the May Day Mineral Resource Estimate to predominately Indicated classification. This is anticipated to be completed in the March Quarter, and it will be followed by the commencement of an internal concept study.

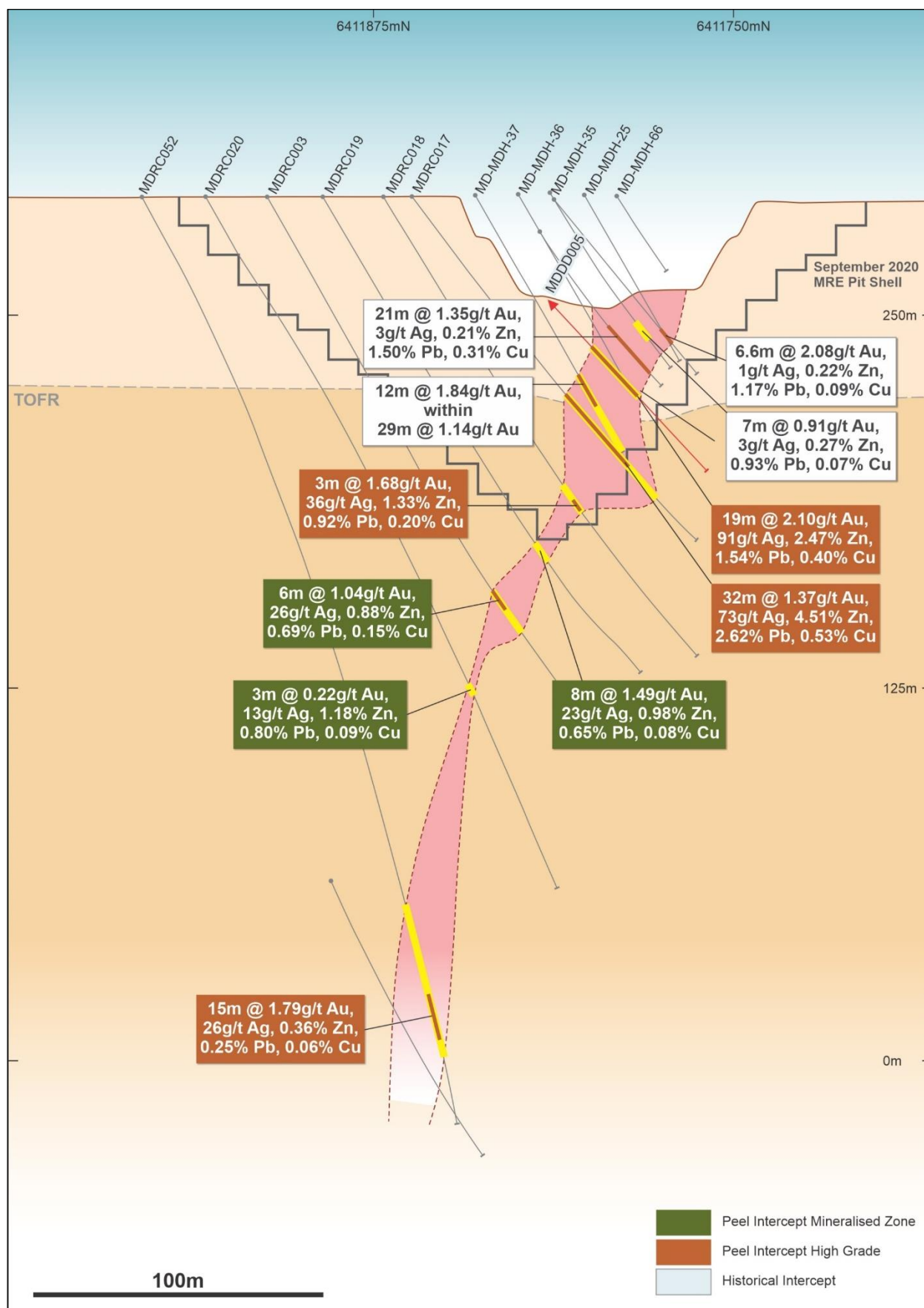


Figure 2 - May Day drilling cross section, including history pit.

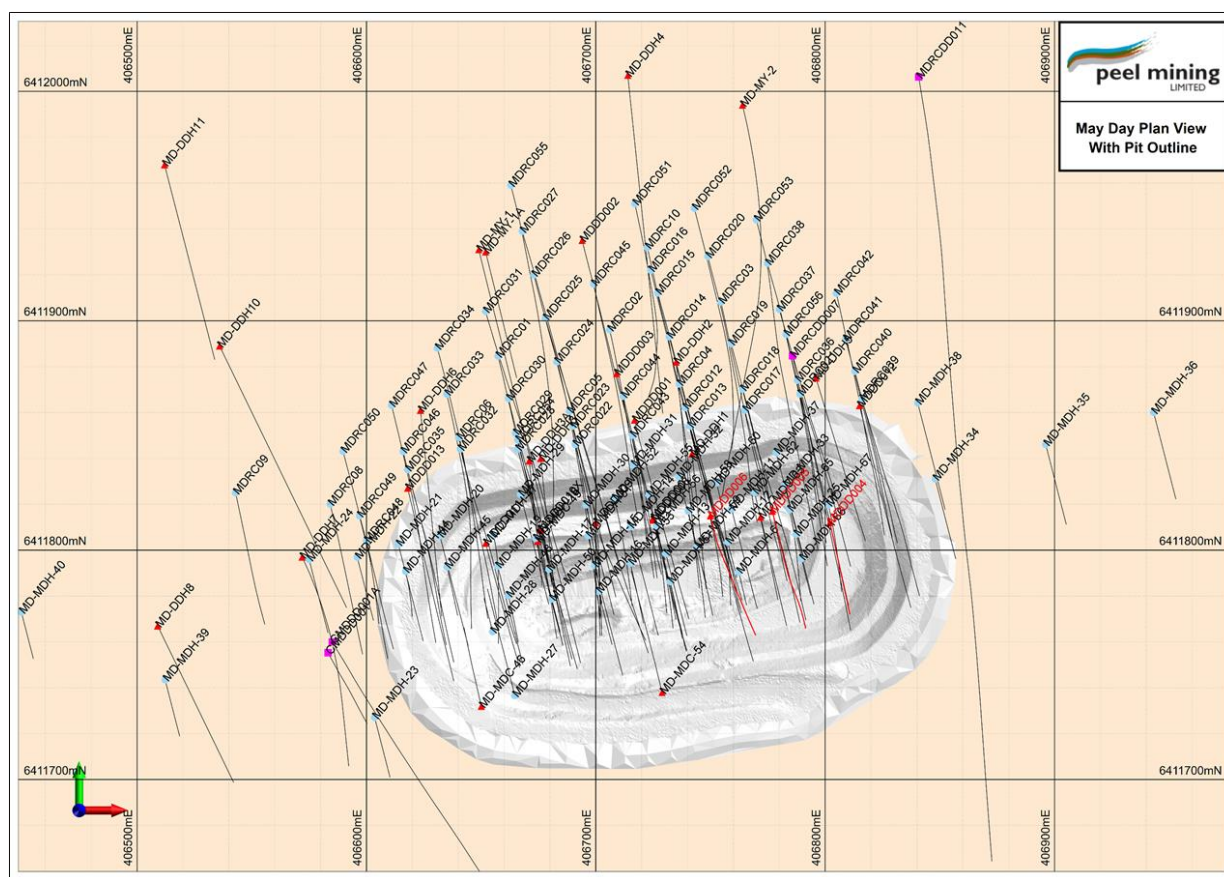


Figure 3 - May Day drill plan

### **Mallee Bull - Copper, Silver, Gold, Lead, Zinc; Western NSW (PEX 100%)**

At Mallee Bull, the Company plans to undertake infill resource drilling during the upcoming half year, in an effort to define a predominantly Indicated classified resource. An existing internal scoping study for Mallee Bull will then be updated to reflect its potential contribution to the conceptual Hub and Spoke development model. Currently, the Mallee Bull deposit has a JORC compliant Mineral Resource of 6.76 million tonnes at 1.8% copper, 31 g/t silver, 0.4 g/t gold, 0.6% lead and 0.6% zinc (2.6% copper equivalent) containing approximately 175,000t copper equivalent (using a 1% copper equivalent cut-off). Other activities that will be undertaken at Mallee Bull will include metallurgical testwork, geotechnical studies, underground mining studies, and resource modelling and estimation.

### **Southern Nights - Zinc, Lead, Silver, Copper, Gold; Western NSW (PEX 100%).**

The Southern Nights deposit is located on the western edge of the Cobar Superbasin, ~130 km south of Cobar or ~30km northwest of Mount Hope and is host to the polymetallic VMS-type deposit.

During the half year, assay results were returned for drillholes completed at Southern Nights. The drillholes were designed to test for southerly extensions to the mineral system and to follow-up previously intersected gold-rich mineralisation seen in WTRCDD238. Five reverse circulation (RC) holes with diamond tails were completed (WTRCDD242-WTRCDD246) at the southern end of Southern Nights with assay results returned for WTRCDD243 and WTRCDD244.

## PEEL MINING LIMITED

Significant new sulphide Zn-Pb-Ag-Cu-Au mineralisation was returned with better assays including:

- 2.0m @ 3.65g/t Au, 654g/t Ag, 2.89% Zn, 1.52% Pb, 0.02% Cu from 363.6m in WTRCDD181
- 3.5m @ 2.49% Cu, 0.86g/t Au, 6.03% Zn, 0.90% Pb, 22g/t Ag from 446m and 2.7m @ 2.71% Cu, 1.80g/t Au, 0.70% Zn, 0.57% Pb, 73g/t Ag from 465.39m in WTRCDD194
- 5.4m @ 6.62% Zn, 2.26% Pb, 216g/t Ag, 0.51% Cu, 0.3g/t Au from 436.62m in WTRCDD195
- 2.0m @ 10.45g/t Au, 0.42% Cu from 380m in WTRCDD234
- 4.6m @ 12.48% Zn, 4.22% Pb, 58g/t Ag, 0.36% Cu, 0.25g/t Au from 273.45m in WTRCDD243
- 8m @ 6.30% Zn, 2.74% Pb, 63 g/t Ag, 0.93% Cu, 0.27 g/t Au from 276m in WTRCDD244

The massive sulphide mineralisation returned in WTRCDD244 occurs ~35m south of the resource model and remains open to the southwest; follow-up drilling is planned to continue to grow this major mineral system. Ongoing review of Southern Nights-Wagga Tank area has identified excellent opportunities to increase the quality and scale of this substantial resource.

### **Wagga Tank - Zinc, Lead, Silver, Copper, Gold; Western NSW (PEX 100%).**

The Wagga Tank deposit is located on the western edge of the Cobar Superbasin, ~130 km south of Cobar or ~30km northwest of Mount Hope situated 800m north of Southern Nights and is host to the polymetallic VMS-type deposit. Mineralisation straddles a broad zone of intense tectonic brecciation and hydrothermal alteration (sericite-chlorite with local silicification) and occur as sub-vertical elongate shoots/lenses. Drilling by Peel to date has focused on defining the geometry and extent of the Zn-Pb-Ag-Au-Cu rich mineralisation at Wagga Tank.

During the half year, planning of resource definition drilling targeting a shallow oxide gold target at Wagga Tank commenced and is subject to regulatory approvals and access negotiations. Metallurgical testwork was also undertaken and will continue in the coming period, as part of a scoping study on this project.

### **Wirlong - Copper, Silver; Western NSW (PEX 100%).**

Wirlong is located ~75km south of Cobar or about 40km north of May Day. Wirlong represents a classic Cobar-style Cu-Ag deposit analogous to the CSA mine. The prospect is pre-resource, however internal modelling shows good potential to establish a copper-rich Maiden Mineral Resource Estimate. Strong copper mineralisation commences at ~60m below surface and has been defined to at least 600m below surface. The deposit remains open along strike and at depth.

During the half year, the Company commenced a resource definition drilling programme to establish a Maiden copper-dominant resource. The resource definition program consists of ~15,000m of drilling and is anticipated to be completed in the June quarter of 2021. Drilling at Wirlong has been designed to drill test the upper ~300m of the Wirlong Central zone where high-grade copper (chalcopyrite) mineralisation is believed to be structurally controlled on a NW-SE orientation.

A total of five drillholes were completed during the half year ending 31 December 2020 (WLRC067-WLRC072) with early drilling encountering significant deviation in actual drillhole trace versus design. As reported in late December 2020, drillholes WLRC068, WLRC069 and WLRC071 each intersected substantial chalcopyrite-dominant sulphide mineralisation over significant downhole widths. Recently returned assays (see below) confirm the presence of very high-grade copper mineralisation.



## PEEL MINING LIMITED

Significantly, the mineralisation is consistent with the position of an electromagnetic conductor plate, and with a revised structural model, supporting Peel's geophysical and geological modelling.

- **9m @ 4.33% Cu, 14g/t Ag, 0.34g/t Au from 181m within 51m @ 1.35% Cu, 6g/t Ag, 0.11g/t Au from 177m in WLRC068**
- **6m @ 8.64% Cu, 37g/t Ag, 0.11g/t Au from 255m within 15m @ 3.80% Cu, 17g/t Ag, 0.04g/t Au from 255m in WLRC069**
- **10m @ 4.02% Cu, 16g/t Ag from 275m within 28m @ 1.83% Cu, 8g/t Ag from 263m in WLRC071**

Drilling at Wirlong is continuing as part of the Company's "Hub & Spoke" strategy to advance each of the Company's deposits to mineable resources, to achieve critical mass in support of a new centrally located processing plant. The resource definition drill program comprises of up to ~11,000m of drilling and is anticipated to be completed in the June quarter of 2021.

## SIGNIFICANT CORPORATE CHANGES

### ***Withdrawal of JOGMEC***

Notification was received by Peel from JOGMEC on 14 August 2020 that it was withdrawing from the Cobar Superbasin Project (CSP) Farm-in agreement. The withdrawal resulted in all rights and interests in the CSP tenure transferring back to Peel for no cost. Peel regained 100% ownership of the tenure and projects. As JOGMEC did not take up its 50% interest, all amounts held as deferred income were recognised in profit and loss as a gain in the half-year.

### ***Acquisition of Mallee Bull***

In July 2020, the Company exercised its pre-emptive right to acquire CBH Resources Limited's 50% share providing Peel with 100% control of the Mallee Bull Project. To fund the purchase, in August 2020, the Company successfully completed a placement of 60 million shares at an issue price of \$0.175 each to raise a gross amount of \$10,500,000. This was completed in conjunction with a fully underwritten 1 for 8 pro-rata entitlement issue to raise a further \$6,643,036 at the same price. The Mallee Bull purchase ended a successful eight-year partnership with CBH, during which CBH contributed more than \$13 million to exploration on the project.

Ministerial approval, the last remaining condition precedent, was received on 22 December 2020, and the consideration of \$17,000,000 was paid and settled on 24 December 2020. Once settlement was reached on 24 December 2020, the joint venture was dissolved.

### ***Wirlong Royalty Purchase***

During the half year, the company exercised its first right of refusal and settled the purchase of the 1.5% Net Smelter Return (NSR) royalty over tenement EL8307 with Weddarla Pty Ltd, by paying AUD\$1.2 million (excluding GST) cash.

EL8307 was part of the Cobar Superbasin Project and contains the Wirlong copper-silver deposit, as well as the Sandy Creek and Red Shaft prospects. Wirlong, discovered in 2016, represents a classic Cobar-style VMS copper deposit analogous to the CSA mine. Peel commenced drilling at Wirlong during the half year ending 31 December 2020, with the objective of establishing a copper-rich Maiden Mineral Resource Estimate.

## PEEL MINING LIMITED

### ***Peel regained 100% ownership of all its Cobar Basin Tenements.***

Following JOGMEC's withdrawal from the Cobar Superbasin Project, the Mallee Bull acquisition, and the purchase of the Wirlong Royalty, Peel now has 100% unencumbered ownership of all its Cobar Basin tenements. The assets are now referred to as the **South Cobar Project (SCP)**.

### ***Sale of Saturn Metals Limited interest***

In mid-November, the Company completed the sale of its remaining holding of 4,000,001 shares in Saturn Metals Limited (ASX: STN). The sale was primarily block traded to institutional investors. The sale proceeds of \$2,921,756.93 (before costs) are being utilised to continue advancing the Company's "Hub & Spoke" Development Strategy at its South Cobar Project.

### ***Issue of Share Capital***

Contributed equity increased during the financial year by \$17,143,036 through the issue of:

- (i) A placement of 60,000,000 shares to institutional and sophisticated investors issued at \$0.175 each, raising \$10,500,000.
- (ii) An entitlement issue of 37,960,203 shares to shareholders issued at \$0.175 each, raising \$6,643,036.

Further information on Peel's activities during the half year financial period can be found in the quarterly activity reports.

Shares under options and Performance Rights

Grant Date	Date Vested & Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
7 December 2018	2,000,000 Director Options 7 December 2018 (75%) 7 December 2019 (25%)	7 December 2021	64.1 cents	27.0 cents
7 December 2018	1,562,500 Employee Options 7 December 2018 (50%) 7 December 2019 (50%)	7 December 2021	57.0 cents	28.0 cents
28 November 2019	2,000,000 Director Options 28 November 2019	29 November 2022	32.0 cents	12.9 cents
28 November 2019	2,000,000 Executive Director Options under the ESOP 28 November 2019 (50%) 28 November 2020 (50%)	9 September 2022	31.0 cents	12.6 cents
13 July 2020	2,050,000 Employee Options 13 July 2020 (50%) 13 July 2021 (50%)	12 July 2023	27.5 cents	6.4 cents
26 November 2020	1,755,000 Executive Directors' Performance Rights 31 Dec 2022 (100%)	26 May 2023	0.0 cents	22.0 cents
26 November 2020	945,000 Executive Directors' Performance Rights 31 Dec 2022 (100%)	26 May 2023	0.0 cents	11.5 cents
23 Dec 2020	260,000 Employee Performance Rights 31 Dec 2022 (100%)	23 Jun 2023	0.0 cents	26.5 cents
23 Dec 2020	140,000 Employee Performance Rights 31 Dec 2022 (100%)	23 Jun 2023	0.0 cents	15.6 cents

**Events occurring after reporting period**

Post balance date the Company's 100% owned subsidiary, Peel Far West, signed a deal to sell its Koonenberry Project tenements, to Odin Metals Limited (ASX: ODM). The Company will receive 50,000,000 fully paid ODM shares and a 1% Net Smelter Royalty. The exploration licences EL8721, EL8722, EL8790, EL8791 and EL8909 are located east of Broken Hill in NSW, Australia.

On the 10th March 2021, the Company announced plans to raise capital of \$32.2 million (before costs) by way of placement and a non-renounceable 1 for 8 entitlement issue to existing shareholders, as follows:

- Placement: The Company has received firm commitments from institutional, sophisticated and professional investors to raise \$18.55 million (before costs) through the issue of 70,000,000 fully paid ordinary shares in the capital of the Company ("Shares") at an issue price of \$0.265 per Share ("Placement").
- Entitlement Offer: Peel will also undertake a pro-rata non-renounceable entitlement offer of one Share for every eight Shares held by eligible shareholders on the record date at an issue price of \$0.265 per Share ("Entitlement Offer").

The Company proposes to use the majority of the proceeds of the capital raising for the completion of scoping and prefeasibility studies, and work there in, on the "Hub and Spoke" development strategy of its South Cobar Project.

The Company has no other events occurring after the reporting period to disclose.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 27.

Signed in accordance with a resolution of the directors and on behalf of the Board by:



**R. Tyson**

Managing Director  
Perth, Western Australia  
10 March 2021



## PEEL MINING LIMITED

### COMPETENT PERSONS STATEMENTS & MINERAL RESOURCES

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.

Past Exploration results reported in this announcement have been previously prepared and disclosed by Peel Mining Ltd in accordance with JORC 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in these market announcements. The Company confirms that the form and content in which the Competent Person's findings are presented here have not been materially modified from the original market announcement. Refer to [www.peelmining.com.au](http://www.peelmining.com.au) for details on past exploration results.

#### May Day

Oxidation Zone	Tonnes Kt	Metal Grades						Contained Metal					
		AuEq g/t	Au g/t	Ag g/t	Zn %	Pb %	Cu %	AuEq Koz	Au Koz	Ag Koz	Zn Kt	Pb Kt	Cu Kt
<b>Oxide</b>	<b>206</b>	1.3	1.3	13	-	-	-	8.6	8.6	8.6	-	-	-
<b>Fresh</b>	<b>924</b>	1.9	1.3	20	0.90	0.61	0.11	56.4	38.6	594	8.32	5.64	1.02
<b>Total</b>	<b>1,130</b>	<b>1.8</b>	<b>1.3</b>	<b>19</b>	<b>0.74</b>	<b>0.50</b>	<b>0.09</b>	<b>65.1</b>	<b>47.2</b>	<b>680</b>	<b>8.32</b>	<b>5.64</b>	<b>1.02</b>

The information in this announcement that relates to Mineral Resource estimates is based on information compiled by Mr Jonathon Abbott, who is a Member of The Australian Institute of Geoscientists. Mr Abbott is a full time employee of MPR Geological Consultants Pty Ltd and 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 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#### Mallee Bull

Resource Classification	Kt	CuEq %	Cu %	Ag g/t	Au g/t	Pb %	Zn %
<b>Indicated</b>	1,340	2.15	0.91	30	0.4	0.96	1.23
<b>Inferred</b>	5,420	2.7	2	31	0.4	0.5	0.4
<b>Total Resource</b>	6,760	2.6	1.8	31	0.4	0.6	0.6

The information referred to in this announcement in relation to the Mallee Bull Resource Estimate is based on information compiled by Mr Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. At the time of calculating the Resource Estimate Mr Abbott was a full-time employee of MPR Geological Consultants Pty Ltd and is an independent consultant to Peel Mining Ltd. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code of Reporting of Mineral Resources and Ore Reserves'. Mr Abbott consented to the release of the matters based on his information in the form and context in which it appears.

**Wagga Tank – Southern Nights**

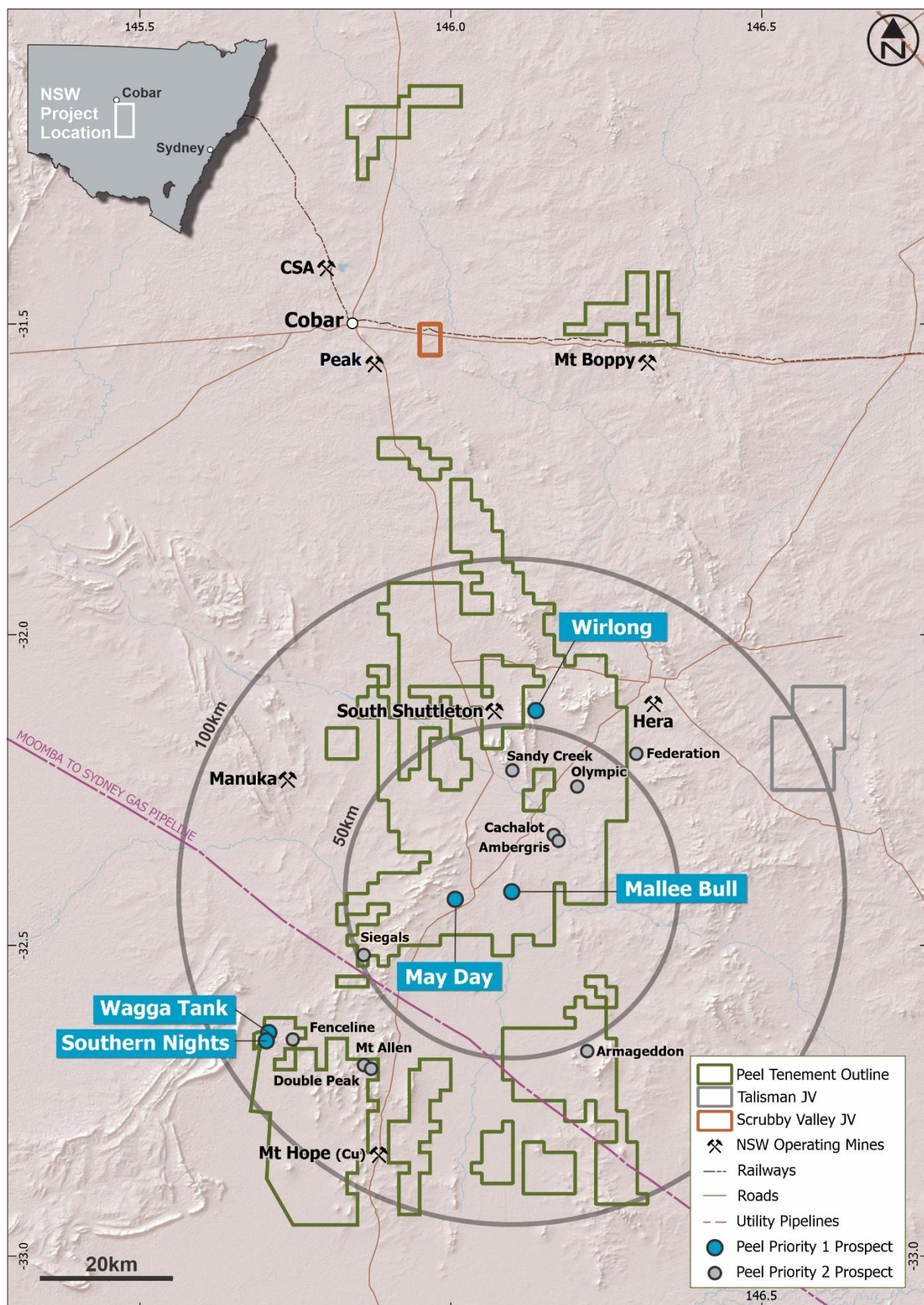
Southern Nights Mineral Resource Estimate						
Resource Classification	Tonnes (Kt)	Zn (%)	Pb (%)	Ag (g/t)	Cu (%)	Au (g/t)
<b>Indicated</b>	2,540	5.90	2.30	88.9	0.19	0.33
<b>Inferred</b>	1,600	3.7	1.4	59	0.3	0.3
<b>Total Resource</b>	<b>4,140</b>	<b>5.0</b>	<b>2.0</b>	<b>77</b>	<b>0.2</b>	<b>0.3</b>
Wagga Tank Mineral Resource Estimate						
Resource Classification	Tonnes (Kt)	Zn (%)	Pb (%)	Ag (g/t)	Cu (%)	Au (g/t)
<b>Indicated</b>	410	4.67	2.52	64.3	0.50	0.53
<b>Inferred</b>	400	5.3	2.3	98	0.3	0.5
<b>Total Resource</b>	<b>810</b>	<b>5.0</b>	<b>2.4</b>	<b>81</b>	<b>0.4</b>	<b>0.5</b>
Combined Southern Nights-Wagga Tank Mineral Resource Estimate						
Resource Classification	Tonnes (Kt)	Zn (%)	Pb (%)	Ag (g/t)	Cu (%)	Au (g/t)
<b>Indicated</b>	2,950	5.73	2.33	85.5	0.23	0.36
<b>Inferred</b>	2,000	4.0	1.6	67	0.3	0.3
<b>Total Resource</b>	<b>4,950</b>	<b>5.0</b>	<b>2.0</b>	<b>78</b>	<b>0.3</b>	<b>0.4</b>

The information in this report that relates to Exploration Results and sampling information is based on information compiled by Mr Jason McNamara who, at the time of reporting, was a fulltime employee of the company. Mr McNamara is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McNamara 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 McNamara 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 announcement that relates to grade estimation and Mineral Resource estimates for Southern Nights-Wagga Tank is based on information compiled by Mr Jonathon Abbott, who is a Member of The Australian Institute of Geoscientists. Mr Abbott is a full time employee of MPR Geological Consultants Pty Ltd and 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 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This release may include aspirational targets. These targets are based on management's expectations and beliefs concerning future events as of the time of the release of this document. Targets are necessarily subject to risks, uncertainties and other factors, some of which are outside the control of Peel Mining that could cause actual results to differ materially from such statements. Peel Mining makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

Figure 4 - SOUTH COBAR PROJECT TENURE



**PEEL MINING LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
for the half-year ended 31 December 2020**

		<b>Consolidated Entity</b>	
		<b>31-Dec 2020</b>	<b>31-Dec 2019</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Interest income		26,745	40,105
Other income	2	7,437,642	7,530
Profit on disposal of investment asset	3	921,756	-
Revenue and other income		<u>8,386,143</u>	<u>47,635</u>
Depreciation		(56,082)	(56,895)
Employee and directors' benefit expenses		(311,408)	(351,889)
Share based payment expense	10	(230,193)	(551,365)
Administration expenses		(374,230)	(598,640)
Loss attributable to associate		-	(306,693)
Profit/(Loss) before income tax expense		<u>7,414,230</u>	<u>(1,817,847)</u>
Income tax expense		-	-
Profit/(Loss) after tax from continuing operations		7,414,230	(1,817,847)
Total comprehensive profit / (loss) for the period attributable to the members of Peel Mining Limited		<u>7,414,230</u>	<u>(1,817,847)</u>
		Cents	Cents
Basic earnings/(loss) per share		2.31	(0.75)
Diluted earnings/(loss) per share		2.17	(0.75)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



**PEEL MINING LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2020**

		<b>Consolidated Entity</b>	
	<b>Note</b>	<b>31-Dec 2020</b>	<b>30-Jun 2020</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		5,162,431	8,199,092
Trade and other receivables		111,909	123,581
<b>TOTAL CURRENT ASSETS</b>		<b>5,274,340</b>	<b>8,322,673</b>
<b>NON-CURRENT ASSETS</b>			
Security deposits		589,366	541,866
Property		840,487	840,487
Plant & equipment		375,880	386,034
Financial assets	3	-	2,860,001
Exploration assets	4	63,747,550	41,896,334
<b>TOTAL NON-CURRENT ASSETS</b>		<b>65,553,283</b>	<b>46,524,722</b>
<b>TOTAL ASSETS</b>		<b>70,827,623</b>	<b>54,847,395</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		864,071	512,391
<b>TOTAL CURRENT LIABILITIES</b>		<b>864,071</b>	<b>512,391</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Income	2	-	7,363,461
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>7,363,461</b>
<b>TOTAL LIABILITIES</b>		<b>864,071</b>	<b>7,875,852</b>
<b>NET ASSETS</b>		<b>69,963,552</b>	<b>46,971,543</b>
<b>EQUITY</b>			
Issued capital	7	65,184,832	48,977,246
Retained Earnings / (Losses)	8	556,324	(6,857,906)
Financial Assets at FVOCI Reserve	8	-	860,000
Reserves	8	4,222,396	3,992,203
<b>TOTAL EQUITY</b>		<b>69,963,552</b>	<b>46,971,543</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

PEEL MINING LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the half-year ended 31 December 2020

	Note	Attributable to equity holders of the company			
		Contributed Equity	Retained Earnings / (Losses)	Asset Revaluation Reserve	Other Reserves
		\$	\$	\$	\$
<b>At 1 July 2020</b>		48,977,246	(6,857,906)	860,000	3,992,203
Total comprehensive profit for the half-year		-	7,414,230	-	-
<i>Transactions with equity holders in their capacity as equity holders</i>					
Issue of share capital		17,143,036	-	-	-
Exercise of options		-	-	-	-
Financial asset reserve movement	3	-	-	(860,000)	-
Issue of options	8	-	-	-	230,193
Share issue costs		(935,450)	-	-	-
<b>At 31 December 2020</b>		65,184,832	556,324	-	4,222,396
<b>At 1 July 2019</b>		48,774,396	(10,467,976)	-	3,378,107
Total comprehensive loss for the half-year		-	(1,817,847)	-	-
<i>Transactions with equity holders in their capacity as equity holders</i>					
Issue of share capital		-	-	-	-
Exercise of options		202,850	-	-	-
Issue of options		-	-	-	551,365
Share issue costs		-	-	-	-
<b>At 31 December 2019</b>		48,977,246	(12,285,823)	-	3,929,472

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**PEEL MINING LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the half-year to 31 December 2020**

	Note	Consolidated Entity	
		31-Dec 2020 \$	31-Dec 2019 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(602,594)	(1,071,057)
Interest received		26,745	41,736
<b>Net cash outflow from operating activities</b>		<u>(575,849)</u>	<u>(1,029,321)</u>
<b>Cash flows from investing activities</b>			
Payments for exploration expenditure		(3,276,457)	(4,698,093)
Payment of Mallee Bull acquisition	5	(17,000,000)	-
Payments for Wirlong Royalty		(1,200,000)	-
Transfer to security deposits		(47,500)	(20,000)
Payments for purchase of property, plant and equipment		(36,979)	(39,489)
Research and Development Tax Incentive Scheme Refund		-	1,523,383
Proceeds as part of E&E asset farm-out		-	250,000
<b>Net cash outflow from investing activities</b>		<u>(21,560,936)</u>	<u>(2,984,199)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and options	7	17,143,036	202,850
Share issue costs	7	(935,450)	-
Proceeds from sale of available financial assets		2,892,538	-
<b>Net cash inflow from financing activities</b>		<u>19,100,124</u>	<u>202,850</u>
			-
<b>Net (decrease)/increase in cash and cash equivalents</b>		(3,036,661)	(3,810,670)
Cash and cash equivalents at the start of the half-year		8,199,092	6,950,662
<b>Cash and cash equivalents at the end of the half-year</b>		5,162,431	3,139,992

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## PEEL MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Basis of preparation of Half-Year Financial Statements

These condensed consolidated financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statement. Accordingly, this interim financial statement is to be read in conjunction with the annual financial statement for the year ended 30 June 2020 and any public announcements made by Peel Mining Limited during the interim reporting period in accordance with continuous disclosure requirements.

For the half year ended 31 December 2020, the Group made a net profit after tax of \$7,414,230 (2019: Loss of \$1,817,847). The ongoing capital requirements of the Group are dependent on the Group's ability to raise funds in the future.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the twelve-month period from the date of signing this financial report. As at 31 December 2020, the Group recognised net current assets of \$4,410,269. As announced on 10 March 2021, the Group has received irrevocable commitments to receive \$18,550,000 less any transaction costs from investors as part of a Share Placement. Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the basis of preparation is appropriate.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, with the exception of the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Company.

Certain new accounting standards and interpretations have been published that are mandatory for the current reporting period and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### 2. Other Income

*Japan Oil Gas and Metals National Corporation ("JOGMEC") farm-in agreement*

On 30 September 2014, JOGMEC and Peel executed a Memorandum of Agreement ("MoA") pursuant to which JOGMEC could earn up to a 50% interest in certain exploration tenements held by Peel. Under the terms of this agreement a wholly owned subsidiary of Peel incurred expenses in relation to the farm-in and JOGMEC contributed to these expenses by way of cash call. Based on the terms of the agreement, Peel accounted for the MoA as per its policy, except for the Management Fee of \$13,010 (31 Dec 2019 : nil), which was 10% on all expenditure and was accrued as cash calls were received.



## PEEL MINING LIMITED

Notification was received by Peel from JOGMEC on 14 August 2020 that it was withdrawing from the agreement. The withdrawal results in all rights and interests in the CSP tenure to be transferred to Peel at no cost, resulting in Peel regaining 100% ownership. JOGMEC did not take up its 50% interest thus the full amount of deferred income, being \$7,347,006, has been recognised as a gain in the profit or loss.

	31 Dec 2020	30 Jun 2020
	\$	\$
Deferred income from farm-out of asset to JOGMEC	-	7,363,461

	31 Dec 2020	31 Dec 2019
	\$	\$
Deferred income recognised	7,347,006	-
Operator Income	13,010	7,530
Government grants	77,626	-
<b>Total Other Income</b>	<b>7,437,642</b>	<b>7,530</b>

### 3. Financial Assets

In mid-November, the Company completed the sale of its remaining holding of 4,000,001 shares in Saturn Metals Limited (ASX: STN). The sale resulted in proceeds of \$2,921,756.93 before costs.

*Equity investments at fair value through other comprehensive income*

Equity investments at FVOCI comprise the following individual investments:

	31 Dec 2020	30 Jun 2020
	\$	\$
<b>Non-current assets</b>		
<i>Listed securities</i>		
Saturn Metals Limited	-	2,860,001
	-	2,860,001

*Amounts recognised in profit or loss or other comprehensive income*

The following are gains recognised in profit or loss or other comprehensive income.

	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Gains recognised in other comprehensive income</i>		
Related to equity investments	-	860,000
	-	860,000
<i>Gains recognised in profit or loss</i>		
Related to equity investments	921,756	-
	921,756	-

#### 4. Exploration Assets

	31-Dec 2020	30 Jun 2020
	\$	\$
<b>Exploration assets</b>		
At cost	63,747,550	41,896,334
<i>Reconciliations</i>		
Opening balance	41,896,334	37,128,536
Exploration expenditure	4,861,968	6,506,630
Purchase of 50% Mallee Bull Project (note 5)	16,989,248	-
Research and development tax incentive scheme refund	-	(1,738,832)
<b>Closing balance</b>	<b>63,747,550</b>	<b>41,896,334</b>

Recovery of the capitalised amount is dependent upon successful development and commercial exploitation, or alternatively, sale of the associated tenements.

#### 5. Asset Acquisition

##### *Mallee Bull Asset Acquisition*

Peel Mining Limited (Peel) and CBH Resources Limited (a wholly owned subsidiary of Toho Zinc Co. Ltd.) were in a 50:50 Joint Venture (unincorporated) over the Mallee Bull project tenements EL7461 and ML1361. In July 2020, the Company exercised its pre-emptive right to acquire CBH Resources Limited's 50% share giving it 100% control of the Mallee Bull Project. Consideration of \$17,000,000 was paid and settled on 24 December 2020. Once settlement was reached on 24 December 2020, the joint venture was dissolved.

The acquisition was not accounted for as a business combination as the assets acquired did not meet the definition of a business as per AASB 3 Business combinations at the date of the acquisition. Namely, the assets do not constitute an integrated set of activities, and assets that are capable of being conducted and managed for a purpose of providing a return at the time of acquisition.

The fair value of the purchase consideration was allocated to the assets acquired and liabilities assumed at the date of the acquisition as per the table below:

	24-Dec 2020 Value (\$)
<b>Assets/Liabilities</b>	
Cash	17,965
Property, Plant & Equipment & Other Assets	22,350
Exploration and evaluation assets	16,989,248
Creditors and accruals	(29,563)
<b>Net assets acquired and liabilities assumed</b>	<b>17,000,000</b>

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values. No deferred tax is recognised in relation to the acquired assets and assumed liabilities as the initial cost is recognised for the deferred tax under AASB 112.

There was no contingent consideration arising from the acquisition.

## 6. Segment Reporting

Previously, the Group had three reportable segments, due to the different joint ventures and farm-in agreements, mentioned above. Since the consolidation of the Group's Cobar assets, management has determined that the Group has only one reportable segment being mineral exploration and development in New South Wales.

The Group is focused on mineral exploration and development of the South Cobar Project, and the Board monitors the Group based on actual versus budgeted expenditure incurred. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration and development activities, while also taking into consideration the results of exploration work that has been performed.

## 7. Contributed Equity

<i>Movements in ordinary issued capital</i>	<b>Number of Shares</b>	<b>\$</b>
Balance at 1 July 2020	243,683,611	48,977,246
Shares issued under placement	60,000,000	10,500,000
Shares issued under entitlement offer	37,960,203	6,643,036
Share issue costs		(935,450)
<b>Balance at 31 December 2020</b>	<b>341,643,814</b>	<b>65,184,832</b>

<i>Movements in ordinary issued capital</i>	<b>Number of Shares</b>	<b>\$</b>
Balance at 1 July 2019	242,733,611	48,774,396
Shares issued under exercise of director or employee options	950,000	202,850
<b>Balance at 31 December 2019</b>	<b>243,683,611</b>	<b>48,977,246</b>

## 8. Reserves and Accumulated Gain/(Loss)

	<b>31 Dec 20</b>	<b>30 Jun 2020</b>
	<b>\$</b>	<b>\$</b>
<i>(i) Accumulated losses</i>		
Opening balance at 1 July	(6,857,906)	(10,467,976)
Profit for the year	7,414,230	3,936,791
Loss attributable to associate		(326,721)
<b>Closing balance</b>	<b>556,324</b>	<b>(6,857,906)</b>
<i>(ii) Option reserve</i>		
Opening balance at 1 July	3,992,203	3,378,107
Option expenses (employee/director options)	230,193	614,096
<b>Closing balance</b>	<b>4,222,396</b>	<b>3,992,203</b>
<i>(iii) Financial assets at FVOCI reserve</i>		
Opening balance at 1 July	860,000	-
Fair value movement on financial assets	(860,000)	860,000
<b>Closing balance</b>	<b>-</b>	<b>860,000</b>

## 9. Related Parties

### Transactions with key management personnel

During the financial period the Group paid \$27,555 (2019: \$34,702) for head office rental and on charges to RIU Pty Ltd, and \$17,050 (2019: \$9,900) to RIU Conferences Pty Ltd, both companies controlled by Mr S Hadfield.

Rob Tyson is currently Non-Executive Director of Saturn Metals. Saturn Metals Limited engaged Peel Mining Limited in a non-exclusive basis to perform and provide administrative services and facilities through a service agreement. During the period, a total of \$124,225 (2019: \$80,236) was paid to Peel Mining Limited from Saturn Metals Limited.

### Compensation of key management personnel

During the period 2.7 million performance rights were granted to Peel Mining Limited's executive directors, Rob Tyson and James Simpson. These were ratified at the company's AGM on 26 November 2020. These performance rights were divided into three vesting classes and expire on 26 May 2023 (refer note 10).

It has been determined that the performance rights for Classes A & B are valued at \$0.22 and the performance rights for Class C are valued at \$0.115. This valuation was confirmed by an independent consultant. The total value of related party share based payment at grant date is \$494,775, the expense will be prorated over two years per the vesting conditions.

## 10. Share Based Payments

During the period the Company granted performance rights to its Executive Directors with shareholder approval at its Annual General Meeting. Employee share options as well as employee performance rights were also granted during this period.

	31-Dec 2020 Number	31-Dec 2020 Value (\$)
Executive Directors' performance rights (prorated due to vesting conditions)	2,700,000	22,637
Employee performance rights (prorated due to vesting conditions)	400,000	985
Options granted to employees (prorated due to vesting conditions)	2,050,000	154,871
Expense attributed with vesting of options granted in prior period	-	51,700
<b>Total</b>	<b>5,150,000</b>	<b>230,193</b>

	31-Dec 2019 Number	31-Dec 2019 Value (\$)
Options granted to employee under ESOP (pro-rated due to vesting conditions)	2,000,000	137,182
Options granted to executive directors	1,000,000	128,526
Options granted to non-executive directors	1,000,000	128,526
Expense attributed with vesting of options granted in prior period	-	157,130
<b>Total</b>	<b>4,000,000</b>	<b>551,364</b>

## PEEL MINING LIMITED

### *Fair value of performance rights and options granted*

The options and performance rights Class A and B are considered to have non-market based vesting conditions. Thus, they were valued using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Both options and performance rights Class A and B were expensed on a prorated basis as a result of the vesting condition attached to these options.

Performance Rights Class C have market based vesting conditions attached and therefore they were valued using a hybrid multiple barrier option pricing model. This model incorporates a Monte Carlo simulation which simulates the Company's share price at test date. The value is then expensed on a prorated basis due to the vesting conditions.

The model inputs for director performance rights granted during the half-year ended 31 December 2020 included:

	<b>Executive Director Performance Rights Class A<sup>1</sup> &amp; B<sup>2</sup></b> Refer 1 & 2	<b>Executive Director Performance Rights Class C<sup>3</sup></b> Refer 3
Performance rights granted at nil consideration and vest accordingly		
Exercise Price	Nil	Nil
Grant Date	26 November 2020	26 November 2020
Expiry Date	26 May 2023	26 May 2023
Share Price at Grant Date	22.0 cents	22.0 cents
Expected Price Volatility	70%	70%
Expected Dividend Yield	0.00%	0.00%
Risk-free interest rate	0.09%	0.09%
<b>Fair Value of Performance Rights at Grant Date</b>	<b>22.0 cents</b>	<b>11.5 cents</b>

1. The Class A Rights vest subject to the Company establishing a minimum of 10 million tonnes ('Mt') of Indicated Resources at the South Cobar Project and publishing a pre-feasibility study ('PFS') (as defined in the JORC Code) in relation to the South Cobar Project, which is based on a 1Mt per annum 10 year mine-life scenario.
2. The Class B Rights vest based on the lodgement of an Environmental Impact Statement for the South Cobar Project with the New South Wales ('NSW') Government Regulatory Body.
3. The Class C Rights vest based on the total shareholder return ('TSR') of Peel Mining over the period from 26 November 2020 to 31 December 2022, assessed against predetermined TSR hurdles. The TSR of Peel Mining is based on the 20-day volume weighted average price ('VWAP') of the Company's shares trading on the Australian Securities Exchange.



## PEEL MINING LIMITED

The model inputs for employee options and employee performance rights granted during the half-year ended 31 December 2020 included:

	<b>Employee Options (under the ESOP)</b>	<b>Employee Performance Rights Class A<sup>1</sup> &amp; B<sup>2</sup> Refer 1 &amp; 2</b>	<b>Employee Performance Rights Class C<sup>3</sup> Refer 3</b>
Options are granted for no consideration and vest accordingly	50% vest immediately 50% vest in one year from grant date		
Exercise Price	27.5 cents	Nil	Nil
Grant Date	13 July 2020	23 December 2020	23 December 2020
Expiry Date	12 July 2023	23 June 2023	23 June 2023
Share Price at Grant Date	18.4 cents	26.5 cents	26.5 cents
Expected Price Volatility	70%	70%	70%
Expected Dividend Yield	0.00%	0.00%	0.00%
Risk-free interest rate	0.28%	0.09%	0.09%
<b>Fair Value of Performance Rights at Grant Date</b>	<b>6.4 cents</b>	<b>26.5 cents</b>	<b>15.6 cents</b>

1. The Class A Rights vest subject to the Company establishing a minimum of 10 million tonnes ('Mt') of Indicated Resources at the South Cobar Project and publishing a pre-feasibility study ('PFS') (as defined in the JORC Code) in relation to the South Cobar Project, which is based on a 1Mt per annum 10 year mine-life scenario.
2. The Class B Rights vest based on the lodgement of an Environmental Impact Statement for the South Cobar Project with the New South Wales ('NSW') Government Regulatory Body.
3. The Class C Rights vest based on the total shareholder return ('TSR') of Peel Mining over the period from 26 November 2020 to 31 December 2022, assessed against predetermined TSR hurdles. The TSR of Peel Mining is based on the 20-day volume weighted average price ('VWAP') of the Company's shares trading on the Australian Securities Exchange.

## 11. Events occurring after the Reporting date

Post balance date the Company's 100% owned subsidiary, Peel Far West, signed a deal to sell its Koonenberry Project tenements to Odin Metals Limited (ASX: ODM). The Company will receive 50,000,000 fully paid ODM shares (subject to ODM Shareholder approval) and a 1% Net Smelter Royalty. The exploration licences EL8721, EL8722, EL8790, EL8791 and EL8909 are located east of Broken Hill in NSW, Australia.

On the 10th March 2021, the Company announced plans to raise capital of \$32. million (before costs) by way of placement and a non-renounceable 1 for 8 entitlement issue to existing shareholders, as follows:

- Placement: The Company has received firm commitments from institutional, sophisticated and professional investors to raise \$18.55 million (before costs) through the issue of 70,000,000 fully paid ordinary shares in the capital of the Company ("Shares") at an issue price of \$0.265 per Share ("Placement").
- Entitlement Offer: Peel will also undertake a pro-rata non-renounceable entitlement offer of one Share for every eight Shares held by eligible shareholders on the record date at an issue price of \$0.265 per Share ("Entitlement Offer").

The Company proposes to use the majority of the proceeds of the capital raising for the completion of scoping and prefeasibility studies, and work there in, on the "Hub and Spoke" development strategy of its South Cobar Project.

The Company has no other events occurring after the reporting period to disclose.

**PEEL MINING LIMITED**

**DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 15 to 25 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the period then ended; and
- (b) there are reasonable grounds to believe that Peel Mining Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors and signed for on behalf of the Board by:

A handwritten signature in dark ink, appearing to read 'R. Tyson', with a horizontal line extending to the right.

**R. Tyson**

Managing Director

Perth, Western Australia

10 March 2021



## *Auditor's Independence Declaration*

As lead auditor for the review of Peel Mining Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review, and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Peel Mining Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Helen Bathurst'.

Helen Bathurst  
Partner  
PricewaterhouseCoopers

Perth  
10 March 2021

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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## **Independent auditor's review report to the members of Peel Mining Limited**

### ***Report on the half-year financial report***

#### ***Conclusion***

We have reviewed the half-year financial report of Peel Mining Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated statement of financial position as at 31 December 2020, the Condensed consolidated statement of changes in equity, Condensed consolidated statement of cash flows and Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Peel Mining Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibility of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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*Auditor's responsibility for the review of the half-year financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*Helen Bathurst*

Helen Bathurst  
Partner

Perth  
10 March 2021