



2017 Annual Report

ABN 42 119 343 734

Corporate Directory

Directors

Simon Hadfield Non-executive Chairman
Rob Tyson Managing Director
Graham Hardie Non-executive Director

Company Secretary

Ryan Woodhouse

Registered Office

Unit 1, 34 Kings Park Rd
WEST PERTH WA 6005
Telephone: +61 (0) 8 9382 3955
Email: info@peelmining.com.au

Stock Exchange Listing

Securities of Peel Mining Limited are listed on
the Australian Securities Exchange (ASX)
ASX Code: PEX

ACN: 119 343 734

Share Registry

Link Market Services Limited
Level 4, 152 St Georges Tce
PERTH WA 6000

Telephone +61 1300 554 474
Facsimile: +61 (0)2 9287 0303
Website: www.linkmarketservices.com

Auditors

PricewaterhouseCoopers
Level, 15
125 St Georges Terrace
Perth WA 6000

Website

www.peelmining.com.au

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Peel Mining Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the directors on 20 September 2017. The directors have the power to amend and reissue the financial statements.

Chairman's report

Dear Fellow Shareholders

In an exciting 2016/17 Peel Mining Limited continued to make new high-grade discoveries, advanced plans to mine its Mallee Bull discovery in central NSW and raised \$6.27 million in additional working capital.

Wagga Tank

The most recent discovery was high grade zinc/lead/copper/gold/silver at Peel's 100 per cent-owned Wagga Tank project, located in the southern end of the Cobar basin in NSW. The discovery brought to three the number of high grade deposits that have now been discovered by Peel in the basin, host to some of the richest copper, gold and base metal mines in Australia.

Recent intersections at Wagga Tank included:

- 27m @ 10.00% Zn, 6.41% Pb, 89 g/t Ag, 0.42 g/t Au, 0.21% Cu from 240m, including 10m @ 19.39% Zn, 12.35% Pb, 171 g/t Ag, 0.67 g/t Au from 253m in WTRC003
- 16m @ 3.2 g/t Au, 0.35% Cu, 1.1% Zn, 0.57% Pb, 12 g/t Ag from 226m, including 10m @ 4.27 g/t Au, 0.37% Cu, 0.88% Zn, 0.52% Pb, 13 g/t Ag from 228m;
- and 13m @ 3.34 g/t Au, 0.83% Cu, 0.77% Zn, 0.28% Pb, 20 g/t Ag from 299m, including 6m @ 6.90 g/t Au, 1.28% Cu, 0.62% Zn, 0.21% Pb, 29 g/t Ag from 300m in WTRC017

Further drilling about 1km south of Wagga Tank in August intersected extensive mineralisation, giving a strong indicator that the area could host a very large mineralised system. A follow-up drilling program is under way.

Wirlong

The Wirlong project, about 30km north of Mallee Bull, has also seen excellent high-grade intercepts over the past year and high-grade copper mineralisation has now been defined from near surface to 600m below surface. The recent drilling is part of an ongoing investigation into the potential for Wirlong to host a Cobar-style deposit, renowned for their vertical continuity of mineralisation. Australia's highest-grade copper mine, the CSA Mine, is an example of a Cobar-style deposit, showing strong vertical development of mineralisation to more than 2000m below surface. CSA has produced about two million tonnes of copper since the commencement of modern mining in the 1960's. JOGMEC, an exploration vehicle owned by the Government of Japan, is spending \$7 million to earn 50% of various Peel Cobar basin tenements, one of which includes the Wirlong deposit. Both Peel and JOGMEC remain highly encouraged by results to date and the obvious economic potential of the Wirlong copper system.

Recent intersections at Wirlong included:

- 27m @ 5.3% Cu, 23 g/t Ag from 286m in WLRC026
- 31m @ 3.19% Cu, 11 g/t Ag from 299m in WRLC052
- 17m @ 4.59% Cu, 8 g/t Ag from 738m in WLRCD043
- 9m @ 8.0% Cu, 17 g/t Ag, 0.21 g/t Au from 616m and 38m @ 1.18% Cu, 4g/t Ag from 450m in WLDD001

Mallee Bull

Following recent discussions between Peel and its 50% partner in the Mallee Bull project, CBH Resources Limited, a subsidiary of Toho Zinc of Japan, it has been decided to push ahead as quickly as possible to investigate the potential mining of the high grade near-surface zinc-lead-silver-gold T1 lens, located immediately above the Mallee Bull copper deposit. Peel and CBH are currently undertaking a pre-feasibility study to investigate the conceptual development of T1 as a "dig and truck" operation, under which ore would be milled at CBH's Endeavour mine, about 150km away, where surplus milling capacity exists. Prefeasibility concepts will include development of an exploration decline to ~300m below surface to enable underground drilling of the primary Mallee Bull copper mineralisation. A positive result from the prefeasibility study will lead to the immediate commencement of a final feasibility study.

Recent drilling results from Mallee Bull-T1 included:

- 13.5m @ 21.10% Zn, 14.10% Pb, 268 g/t AG from 82m in MBDD028
- 9m @ 20.82% Zn, 10.64% Pb, 338 g/t Ag and 1.91 g/t Au from 88m in MBRC085

Chairman's report

- 45m @3.00% Zn, 2.51 % Pb, 29 g/tAg, 0.15 g/t Au from 57m; and 14m at 5.16%Zn, 2.70% Pb, 85 g/t Ag, 0.67 g/t Au from 104m; and 5m @2.16% Zn, 1.13% Pb, 17 g/t Ag, 0.21 g/t Au from 145m in MBDD029 (down-plunge drillhole)
- 16m @ 13.52% Zn, 7.61% Pb, 191 g/t Ag, 1.31g/t Au from 74m in MBRCDD065

On July 6, 2017, Peel reported an updated JORC Mineral Resource estimate for the whole Mallee Bull deposit, reflecting the substantial exploration success that has occurred since the completion of the maiden mineral resource estimate in May 2014. The updated resource estimate represented a 65% increase in total contained copper equivalent tonnes and comprised 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 119,000 tonnes of copper, 6.6 million ounces silver, 83,000 ounces gold, 38,000t lead and 38,000t zinc (175,000t copper equivalent cut-off).

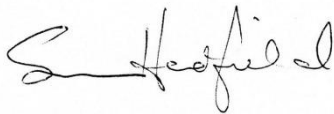
Capital Raisings

In September 2016, Resource Capital Funds (RCF) purchased 15,000,000 shares in Peel (9.9% of the company at the time of issue) as a part of a placement. The capital raised as part of this placement was predominately used to fund the initial drill program at Wagga Tank.

In April 2017 it was announced that the established ASX-listed gold producer, St Barbara Limited, had agreed to subscribe for \$3.28 million of Peel shares giving it an approximate 9.5% stake in the Company. Peel was pleased to welcome a company of the calibre of St Barbara to the share register and the capital raised, together with cash on hand, positioned the Company well to pursue its strategic objectives.

Finally, on behalf of all shareholders, I would like to thank Peel's first-rate team for the excellent results achieved in the past year.

Yours Sincerely,



Simon Hadfield

Chairman

20th September 2017

Review of operations

Company Assets Background

At September 2017, Peel held four key mineral projects comprising granted exploration licences and licences under application.

- Gilgunnia (EL7461 and ML1361) is in a 50:50 joint venture with CBH Resources Limited, a wholly-owned subsidiary of Tokyo Stock Exchange-listed Toho Zinc, and contains the Mallee Bull copper-polymetallic discovery and the May Day polymetallic deposit. The tenure also hosts the historic Gilgunnia and 4-Mile goldfields. The maiden resource estimate at Mallee Bull was updated in June 2017 and a pre-feasibility study for the T1 near-surface zinc-lead-silver-gold mineralisation is underway.
- Cobar Superbasin Project (CSP) is a package of granted tenements covering more than 1,800km² of prospective stratigraphy within the Cobar Basin. The tenements are considered prospective for Cobar-style and VHMS polymetallic deposits. The package includes EL8307 located north of Mallee Bull, which contains the Wirlong copper-polymetallic discovery. The tenure is covered by a farm-in agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC) which was executed in November 2014. JOGMEC can earn up to 50% of certain tenements by funding up to \$7 million of exploration expenditure.
- Wagga Tank/Mount View Projects, also in the Cobar Basin, comprise of four licences with notable prospects including the namesake Wagga Tank polymetallic deposit, Mt Allen/Mt Dromedary/Double Peak prospects and the May Day Tails anomaly.
- Apollo Hill Project contains two significant gold deposits - Apollo Hill and the Ra Zone - for an inferred resource estimate of 505,000 oz gold. These deposits exhibit the hallmarks of a major mineralised Archean system, showing extensive hydrothermal alteration and deformation. Post year end, the Board of Peel Mining Limited announced plans to vend its Apollo Hill Gold project into a new 100% owned subsidiary, Saturn Metals Limited (Saturn), with the intention to list the new company on the ASX, via an initial public offering (IPO). Post successful IPO/Listing of Saturn, Peel would hold a significant interest in the new venture, retaining exposure to the Apollo Hill assets.

Details on assets

Gilgunnia/Mallee Bull Project

The Gilgunnia/Mallee Bull project, located about 100km south of Cobar in western NSW, contains the Mallee Bull copper-polymetallic discovery, the May Day polymetallic deposit and the historic Gilgunnia and 4-Mile goldfields. Peel and CBH Resources Limited (a wholly owned subsidiary of Toho Zinc Co. Ltd.) are in a 50:50 Joint Venture over the project tenements EL7461 and ML1361.

Mallee Bull is interpreted to be located in a favourable geological and structural position; it is situated in the suitably high-stress environment of the "nose" of an anticline, and occurs in a geological sequence of turbidite and volcanoclastic sediments which are thought to be age equivalent to the Chesney and Great Cobar Slate Formations found in the immediate Cobar region. Mineralisation occurs either as massive sulphide or breccia/stringer styles within a package of brecciated volcanoclastic and turbidite sediments comprising siltstones and mudstone, and is interpreted to occur as a shoot-like structure dipping moderately to the west.

Resource Estimate

Following CBH's election to farm-in to Mallee Bull, eight drilling programs have been completed for a total 56,330m, with the latest activities culminating in an update to the maiden resource estimate released in May 2014. The new estimate for Mallee Bull was released post year-end and represents a 65% increase in total contained copper equivalent tonnes and comprises 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 119,000 tonnes of copper, 6.6 million ounces silver, 83,000 ounces gold, 38,000t lead and 38,000t zinc (175,000t copper equivalent) (using a 1% copper equivalent cut-off).

Review of operations

Cut-off CuEq	Domain	Resource Category	Kt	Grade						Contained Metal					
				CuEq %	Cu %	Ag g/t	Au g/t	Pb %	Zn %	CuEq kt	Cu kt	Ag Moz	Au koz	Pb kt	Zn kt
1.00	HW Pb/Zn	Indicated	270	3.08	0.1	51	0.22	2.3	4	8.3	0.3	0.44	1.9	6.2	11
		Inferred	150	2	0.3	23	0.5	1.3	2.2	3	0.5	0.1	2.4	2	3.3
	HW Cu	Indicated	760	1.98	1.13	23	0.54	0.71	0.56	15	8.6	0.56	13	5.4	4.3
		Inferred	1,300	2.1	0.8	30	0.9	1.1	1	28	10	1.3	38	14	13
	FW Cu	Indicated	310	1.75	1.09	28	0.2	0.42	0.48	5.4	3.4	0.28	2	1.3	1.5
		Inferred	3,400	3.1	2.6	32	0.2	0.2	0.1	104	88	3.5	22	6.8	3.4
	Central	Indicated	180	2.2	1.6	36	0.2	0.3	0.3	4	2.9	0.21	1.2	0.5	0.5
	North	Inferred	390	1.8	1.3	23	0.2	0.3	0.4	7.2	5.1	0.3	2.5	1.2	1.6
	Total	Indicated	1,340	2.15	0.91	30	0.4	0.96	1.23	29	12	1.3	17	13	17
		Inferred	5,420	2.7	2	31	0.4	0.5	0.4	146	107	5.4	66	25	22
	Total		6,760	2.6	1.8	31	0.4	0.6	0.6	175	119	6.6	83	38	38

TABLE 1: MALLEE BULL MINERAL RESOURCE ESTIMATE* JORC 2012

*Based on 1% copper equivalent (CuEq) cut-off grade. The figures in this table are rounded to reflect the precision of the estimates and include rounding errors.

The Mineral Resource estimate includes copper equivalent grades incorporating copper, silver, gold, lead and zinc values. The copper equivalent grades are based on copper, silver, gold, lead and zinc prices of US\$5,500/t, US\$17.00/oz, \$1,200/oz, US\$2,100/t and US\$2,500/t with overall recoveries of 95%, 85%, 40%, 90% and 85% respectively. These estimates are based on Peel's interpretation of potential commodity prices and the Company's interpretation of early stage metallurgical test work performed on Mallee Bull diamond core using the following formula: Cu equivalent (%) = Cu (%) + 0.009 x Ag (g/t) + 0.295 x Au (g/t) + 0.362 x Pb (%) + 0.407 x Zn (%). It is the company's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold. The Mineral Resource update was prepared by MPR Geological Consultants Pty Ltd. The Mineral Resource estimate is reported in accordance with the guidelines of the JORC Code (2012 edition) and includes the addition of more than 17,200m of drilling conducted since mid-2014. Approximately 20% of the Mallee Bull resource is in the Indicated Mineral Resource category. The Mallee Bull Mineral Resource comprises five mineralised domains. The domains were generated by wire-framing of geological data and the use of a 0.8% copper equivalent lower cut-off. Resources were estimated by Ordinary Kriging of one metre down-hole composited assay grades from RC and diamond drilling within these domains. The figures in Tables 1 are rounded to reflect the precision of the estimates and include rounding errors. A detailed summary of the information used in the resource estimation is found in the appended Table 1 - Mallee Bull (JORC Code, 2012 Edition).

Recent Exploration

CBH JV Program 7

Drilling at Mallee Bull this financial year commenced with CBH JV Program7, which partly aimed at determining the cause of an off-hole DHEM anomaly centred ~300m north of the main Mallee Bull deposit. This led to the discovery of new copper mineralisation in the area now termed 'Mallee Bull North', which remains open along strike and down dip. Better intercepts are listed below, with the true width of mineralisation generally interpreted to be ~60% of down hole widths.

- 7m @ 2.01% Cu, 37 g/t Ag, 0.15 g/t Au from 324m in MBRC054
- 9m @ 2.24% Cu, 27 g/t Ag, 0.27 g/t Au from 455m in MBRC055
- 5m @ 0.76% Cu, 0.54% Pb, 0.62% Zn, 16.0 g/t Ag from 458m (incl. 1m @ 0.44% Cu, 2.35% Pb, 1.97% Zn, 37.1 g/t Ag from 458m) in MBRCDD056 (northernmost hole of the program)
- 1m @ 1.24% Pb, 0.30% Zn, 17.4 g/t Ag from 357 in MBRCDD057

Review of operations

- 2m @ 0.27% Cu, 0.75% Pb, 1.34% Zn, 15 g/t Ag from 292m, 1m @ 0.57% Cu, 1.00% Pb, 1.80% Zn, 41 g/t Ag from 299m, 1m @ 0.42% Pb, 1.14% Zn from 269m, 1m @ 0.69% Cu, 13.5 g/t Ag, 0.20 g/t Au from 307m and 1m @ 1.06% Cu from 312m in MBRC058
- 10m @ 1.01% Cu, 0.37% Zn, 14 g/t Ag (incl. 1m @ 1.40% Cu, 12 g/t Ag from 469m and 4m @ 1.67% Cu, 0.61% Zn, 18.4 g/t Ag, 0.13 g/t Au from 474m in MBRCDD059
- 4m @ 1.18% Cu, 0.36% Pb, 0.23% Zn, 37.7 g/t Ag, 0.37 g/t Au from 369m (incl. 1m @ 3.15% Cu, 0.30% Pb, 0.31% Zn, 39.7 g/t Ag, 0.58 g/t Au from 369m in MBRCDD060
- 1m @ 1.59% Cu, 0.47% Pb, 3.05% Zn, 28.7 g/t Ag from 266m, 1m @ 4.65% Cu, 48.3 g/t Ag, 2.96 g/t Au from 335m, 7m @ 1.28% Cu, 16 g/t Ag, 1.89 g/t Au from 371m and 5m @ 2.22% Cu, 31 g/t Ag, 0.09 g/t Au from 404m in MBDD027

An additional three drill holes were also completed as part of Program 7 at the northern and southern ends of the Mallee Bull deposit. To the north, RC hole MBRC062 was drilled to further test the strike and down dip potential of the T1 Zn-Pb-Ag-Au mineralisation, however, only weakly mineralised zones of Zn-Pb mineralisation were intersected. At the southern end, hole MBRCDD061 was primarily designed to target a remanent magnetic anomaly named 'T3' and encountered several zones of significant structural deformation and locally strong stringer sulphide (pyrrhotite-sphalerite-galena) mineralisation, including 1m @ 0.71% Zn, 0.87 g/t Au from 484m, 2m @ 1.74% Zn, 0.84% Pb, 0.26 g/t Au, 13.8 g/t Ag from 541m and 1m @ 0.93% Zn, 0.75% Pb, 23.9 g/t Ag from 638m.

Collared adjacent to MBRCDD061 but drilled towards the west instead of the east, hole MBRCDD063 was completed to test a theorised down-plunge structural target considered a potential conduit for mineralisation. A few narrow significant intercepts were encountered with 1m @ 1.22% Zn, 0.22% Pb, 0.16 g/t Au, 10.4 g/t Ag from 305m, 1m @ 2.06% Zn, 0.37% Pb, 0.33 g/t Au, 7.4 g/t Ag from 326m, 1m @ 4.03% Zn, 1.29% Pb, 0.17% Cu, 0.14 g/t Au, 11 g/t Ag from 463m and 1m @ 0.77% Zn, 0.85% Pb, 17.3 g/t Ag from 487m. However, down hole EM surveying identified no additional conductive bodies other than the main Mallee Bull deposit itself.

CBH JV Program 8

Drilling under CBH JV Program 8 focused on the T1 area and its near-surface Zn-Pb-Ag-Au mineralisation, starting with three holes drilled primarily for metallurgical purposes. PQ diamond hole MBDD028, designed as a twin to RC drill hole MBRC054 (12m @ 20.30% Zn, 14.81% Pb, 308 g/t Ag, 1.59 g/t Au from 83m), encountered a zone of massive and stringer/disseminated sulphides (sphalerite-galena-pyrite dominant) from 82-95.5m, along with intervals of stringer sulphide (chalcopyrite-dominant) from ~118m onwards. The mineralised interval from 82m-95.5m was despatched to CBH Resources' Endeavor Mine laboratory facilities for metallurgical and analytical test work. Excellent overall metal recoveries were returned of up to 90.3% Zn, 92.3% Pb, and 82.3% Ag, producing separate Pb and Zn concentrates with grades of 55.6% Pb, 13.1% Zn, 780 g/t Ag and 49.6% Zn, 2.4% Pb, 75 g/t Ag respectively. Assays also returned T1's best result to date of 13.5m @ 21.1% Zn, 14.1% Pb, 268 g/t Ag from 82m.

The second metallurgical drill hole MBDD029 was drilled from the east down the plunge of T1 and intersected multiple zones of shear hosted and massive sulphide (sphalerite, galena, pyrite) mineralisation from ~60m onwards. Assays defined the most significant intervals as follows, however it should be noted that given the down-dip nature of drilling no true width estimates are possible: 45m @ 3.00% Zn, 2.51% Pb, 29.3 g/t Ag, 0.15% Au from 57m; 14m @ 5.16% Zn, 2.70% Pb, 84.9 g/t Ag, 0.67 g/t Au from 104m (incl. 3m @ 20.3% Zn, 10.6% Pb, 319 g/t Ag, 2.81 g/t Au from 114m); and 15m @ 2.16% Zn, 1.13% Pb, 16.6 g/t Ag, 0.21 g/t Au from 145m.

To the west and down-dip of the T1 mineralisation, hole MBRCDD064 was drilled to target a gap between significant Zn-Pb mineralised intercepts at approximately 195m below surface within the main Mallee Bull resource domain. The hole returned 3m @ 6.81% Zn, 7.64% Pb, 0.35% Cu, 29.4 g/t Ag, 0.55 g/t Au from 227m at the target zone, along with strong copper mineralisation further down hole including 9m @ 3.69% Cu, 0.61% Pb, 0.48% Zn, 42 g/t Ag, 0.64 g/t Au from 233m and 7m @ 1.45% Cu, 0.44% Pb, 0.52% Zn, 35.8 g/t Ag, 0.23 g/t Au from 265m. An additional metallurgical drillhole MBRCDD065, drilled up-dip of MBDD028, intercepted a broad interval of 16m @ 13.52% Zn, 7.61% Pb, 191 g/t Ag, 1.31 g/t Au from 74m.

Following the return of encouraging metallurgical results, an RC drilling program was subsequently designed for T1 with the aim of better defining the Zn-Pb mineralisation as part of the Mallee Bull resource; 32 holes were completed to both infill to a maximum of 20m by 20m drilling spacing and also define the limits of the T1 mineralisation. Assay highlights include:

- 5m @ 5.47% Zn, 7.63% Pb, 102 g/t Ag and 0.14 g/t Au from 76m in MBRC066
- 3m @ 19.79% Pb, 53 g/t Ag and 0.36 g/t Au from 62m in MBRC067

Review of operations

- 4m @ 5.64% Zn, 3.29% Pb, 52 g/t Ag and 0.20 g/t Au from 64m in MBRC068
- 4m @ 6.76% Pb, 46 g/t Ag and 0.53 g/t Au from 62m in MBRC069
- 2m @ 25.6% Pb, 1.87 g/t Au, 0.63% Zn from 46m in MBRC073
- 12m @ 3.54% Pb, 15 g/t Ag from 42m in MBRC074
- 5m @ 200.2 g/t Ag from 52m in MBRC076
- 3m @ 5.98% Zn, 3.33% Pb, 54 g/t Ag, 0.32 g/t Au from 77m in MBRC084
- 8m @ 22.8% Zn, 11.5% Pb, 367.4 g/t Ag, 2.10 g/t Au, 0.30% Cu from 88m in MBRC085
- 3m @ 12.7% Zn, 6.93% Pb, 263 g/t Ag, 1.25 g/t Au from 119m in MBRC088
- 3m @ 23.2% Zn, 14.6% Pb, 716 g/t Ag, 0.94 g/t Au from 129m in MBRC089

Assays will be included in an update to the T1 geological and resource model for use in the pre-feasibility study currently being undertaken by Peel. The study aims to investigate the conceptual development of T1 as a "dig and truck" operation, under which ore would be milled at joint venture partner CBH's Endeavor mine approximately 150km away, where surplus milling capacity exists. Pre-feasibility concepts will consider open pit and underground mining scenarios, followed by the development of an exploration decline to ~300m below surface to enable to the underground drilling of the primary Mallee Bull copper mineralisation. Peel and CBH believe this scenario could allow for a reduction in total capital expenditure and the staged mining development of the Mallee Bull deposit.

An initial environmental baseline study has already been conducted, along with the establishment of environmental and groundwater monitoring systems. Three diamond holes (MBDD030 to MBDD032) have also been completed since the end of June for geotechnical purposes. The pre-feasibility study is expected to be completed in late September /early December quarter.

May Day

May Day was discovered in 1898 and was initially developed as an underground copper-lead-silver mine. Exploration in the 1970s identified high grade gold-base metal mineralisation to a depth of about 250m below surface. Exploration in the late 1980s defined a shallow gold resource, which eventually led to the development in 1996 of a small-scale mining operation comprising an open pit with a heap leach gold circuit.

Since acquisition in late 2009, Peel has completed multiple phases of exploration involving: geological mapping and rock chip sampling; geophysical surveys comprising gravity and Induced Polarisation; remodelling of airborne magnetic data; laser scanning and survey pick-up of the open pit and historic drillholes; an RC drilling programme; early-warning metallurgical test work; and a helicopter-borne geophysical survey (VTEM).

From RC drilling confirm down dip extensions and that mineralisation is shear-related, occurring as a sub-vertical lens/shoot. Mineralisation occurs at or near the interbedded contact of a fine-grained sedimentary hanging-wall and a porphyritic volcanic footwall, is associated with silica/talc alteration, and includes disseminated through to massive sphalerite-galena-pyrite-pyrrhotite-chalcopryrite sulphides

Developments at the nearby Mallee Bull prospect add significant value to the Gilgunnia project and support the prospectivity of the May Day deposit. Further work at May Day will involve a deeper drilling programme targeting the magnetic anomaly. No work was completed at the prospect in the current year.

Review of operations

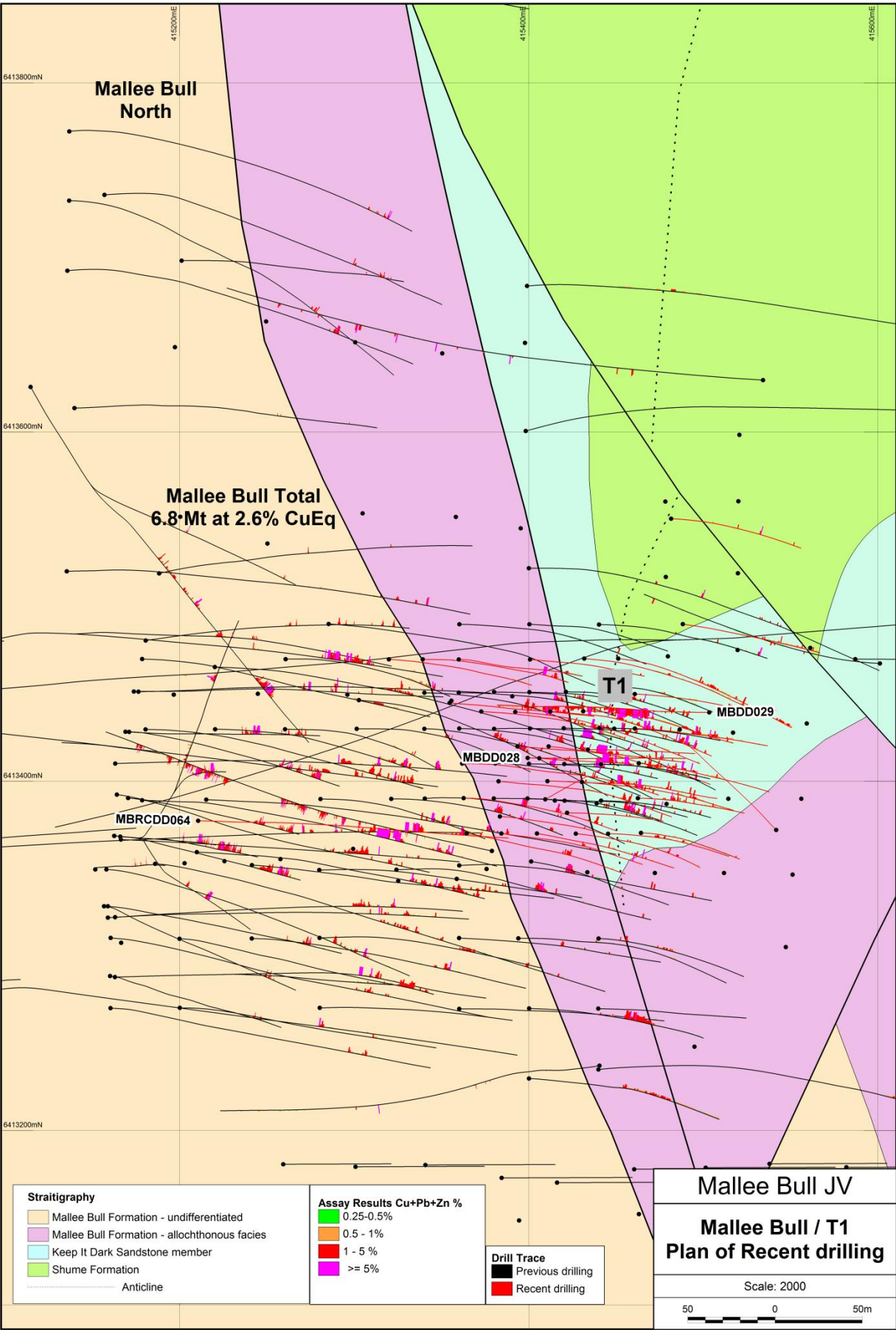


Figure 1: Mallee Bull Drill Plan

Review of operations

Cobar Superbasin Project

Work on the Cobar Superbasin Project continued under farm-in agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC); JOGMEC may earn up to 50% interest in the project by funding up to \$7 million of exploration expenditure. Exploration was conducted under Stage 2 of the farm-in and included diamond and RC drilling, focusing predominantly on the Wirlong prospect. Peel expects JOGMEC to complete full earn-in expenditure by end March 2018.

Wirlong

The Wirlong prospect is located within EL8307, approximately 30km SW of Nymagee and 80km SSE of Cobar. Peel was initially drawn to the area by the presence of historic copper workings, a topographic high, a multi-element surface geochemical anomaly and coincident or semi-coincident magnetic, radiometric, gravity, IP and electromagnetic anomalies. It has since been proven to represent a very large hydrothermal system hosting significant copper mineralisation along more than 2.5km strike length and to depths of up to 950m. Almost 26km of diamond, RC and RAB drilling has been completed at the prospect to date.

Drilling this financial year has been conducted under Phases 4 and 4a of the JOGMEC JV to further define the Wirlong mineralised system. The first eight holes were drilled to test for potential oxide copper mineralisation up-dip of previous significant intercepts, and multiple mineralised zones were returned from all holes. Better initial intercepts are summarised below.

- 1m @ 1.77% Zn from 72m, 10m @ 0.64% Zn, 0.26% Cu from 91m, 7m @ 0.53% Cu, 0.34% Zn from 111m and 3m @ 0.94% Zn, 0.24% Pb from 119m in WLRC029
- 9m @ 0.47% Cu from 35m and 4m @ 0.53% Zn, 0.30% Cu from 110m in WLRC030
- 2m @ 0.81% Cu from 5m and 2m @ 0.85% Cu, 11.5 g/t Ag from 63m in WLRC031
- 6m @ 0.77% Cu from 106m and 6m @ 0.52% Cu from 127m in WLRC032
- 3m @ 0.76% Cu from 28m, 1m @ 0.99% Zn, 0.38% Cu from 62m, 2m @ 1.28% Cu, 0.54% Zn from 67m and 3m @ 1.88% Cu, 7.6 g/t Ag from 103m in WLRC033
- 9m @ 0.83% Zn, 0.30% Pb from 75m, 2m @ 2.00% Cu from 117m, 1m @ 1.52% Cu from 122m and 2m @ 1.12% Cu from 147m in WLRC034
- 3m @ 0.65% Cu from 56m, 1m @ 2.15% Cu, 0.60% Zn, 13.6 g/t Ag from 63m, 9m @ 3.29% Cu, 0.60% Zn, 18 g/t Ag from 70m and 2m @ 0.85% Cu from 123m in WLRC035
- 1m @ 1.13% Cu from 65m and 1m @ 1.24% Cu from 76m in WLRC036

Holes WLRC029 to WLRC033 showed indications of continued mineralisation past the end-of-hole and were extended with the following intervals returned:

- 1m @ 0.59% Cu, 4 g/t Ag from 163m, 2m @ 0.69% Cu, 6 g/t Ag from 170m and 1m @ 0.74% Cu, 6 g/t Ag from 173m in WLRC031
- 7m @ 0.86% Zn, 0.19% Pb from, 4m @ 0.65% Zn, 0.29% Pb from 145m, and 3m @ 1.00% Zn from 153m in WLRC033
- 6m @ 0.43% Cu from 138m, 1m @ 0.88% Zn, 0.33% Pb, 0.29% Cu, 6 g/t Ag from 147m, 4m @ 0.56% Zn from 152m, 1m @ 0.93% Cu, 0.39% Zn, 5 g/t Ag from 158m, 1m @ 0.91% Zn from 164m and 5m @ 0.50% Zn from 181m in WLRCDD032

At the southern end of the Wirlong prospect, RC drill hole WLRC037 was completed to test a gravity high anomaly interpreted to be ~180m below surface. The hole was collared ~400m south-west of hole WLRC022, which was drilled in April 2016 to target the northern end of the same gravity anomaly and returned notable intercepts such as 1m @ 0.35% Cu, 1.30% Pb, 0.76% Zn, 29 g/t Ag from 172m and 1m @ 0.46% Pb, 0.95% Zn from 366m. Initial down hole surveys for WLRC037 showed that the modelled gravity target was intersected and whilst chlorite alteration was noted in the hole, no significant mineralisation was found to be present.

Phase 4 drilling recommenced in January 2017 with RC holes WLRC038 to WLRC042, which were designed to test for mineralisation along strike from previous significant intercepts, and significant copper mineralisation was intersected in all five holes:

- 3m @ 0.82% Zn from 98m, 2m @ 1.13% Cu, 8.1 g/t Ag from 277m and 48m @ 0.54% Cu from 355m (incl. 3m @ 0.98% Cu from 379m and 2m @ 1.29% Cu from 399m) in WLRC038

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- 2m @ 1.13% Zn, 0.75% Cu from 65m, 1m @ 2.44% Cu, 12.3 g/t Ag from 148m, 2m @ 1.06% Cu from 193m, 3m @ 1.31% Cu from 245m and 3m @ 0.95% Cu from 253m in WLRC039
- 3m @ 0.87% Zn from 294m, 4m @ 1.43% Cu, 10.2 g/t Ag from 350m, 2m @ 0.66% Cu from 388m and 14m @ 0.47% Cu from 404m in WLRC040
- 4m @ 1.17% Cu, 0.57% Zn, 10.1 g/t Ag from 371m, 3m @ 0.6% Zn, 7.4 g/t Ag from 419 (incl. 1m @ 1.1% Zn, 9.3 g/t Ag), 3m @ 0.48% Cu, 0.70% Pb, 0.45% Zn, 25.2 g/t Ag from 425m, and 9m @ 0.57% Cu from 437m in WLRC041.
- 3m @ 0.95% Cu from 58m and 3m @ 0.42% Cu from 278m in WLRC042 (abandoned early due to excessive water in-flow)

The next RC/diamond drill hole WLRCDD043 (891.6m) aimed to test for mineralisation at depth and down-dip of previous high-grade intersections (incl. 4.9m @ 4.3% Cu, 13 g/t Ag from 402.1m and 22m @ 1.0% Cu, 4 g/t Ag from 332m in WLRCDD015; 9m @ 8.0% Cu, 17 g/t Ag, 0.21 g/t Au from 616m and 38m @ 1.18% Cu, 0.60% Zn, 18 g/t Ag from 450m in WLDD001). WLRCDD043 succeeded in extending the continuity of strong copper mineralisation to ~600m below surface with an intercept of **17m @ 4.59% Cu, 8 g/t Ag from 738m**. Additional mineralised zones also included 1m @ 0.85% Zn from 576m and 1m @ 0.75% Zn from 670m, 4m @ 1.33% Cu from 699m and 5m @ 0.62% Cu, 1.05% Pb, and 2.22% Zn, 15.9 g/t Ag from 780m.

Down hole EM surveying of hole WLRCDD043 indicated the presence of an off-hole conductor corresponding with the aforementioned 17m copper interval, and as a consequence hole WLRCDD044 was drilled down-dip of WLRCDD043 to target ~800m below surface. Despite difficult ground conditions causing a deviation from the planned drill trace, WLRCDD044 intercepted the target horizon at nearly 1km below surface and returned 14m @ 0.51% Cu, 5 g/t Ag from 1004m (incl. 2m @ 1.49% Cu, 0.44% Zn, 11 g/t Ag from 1004m and 1m @ 1.28% Cu, 0.54% Zn, 19 g/t Ag from 1017m).

In mid-April, Phase 4 drilling concluded with three RC holes WLRC045 to WLRC047 designed to follow up hole WLRC035; testing along strike and up-dip of the significant intercepts. The northern hole WLRC045 encountered 3m @ 0.92% Cu, 6 g/t Ag from 54m and 7m @ 0.53% Cu from 81m (incl. 2m @ 0.95% Cu, 5 g/t Ag from 83m). Corresponding intercepts of 1m @ 1.57% Cu, 5 g/t Ag from 68m and 2m @ 2.06% Cu, 5 g/t Ag from 91m were encountered 40m along strike to the south in WLRC046. Up dip of WLRC035, hole WLRC047 also intercepted 1m @ 1.11% Cu, 0.51% Pb, 0.58% Zn, 22 g/t Ag from 60m, 1m @ 0.86% Cu, 6 g/t Ag from 63m, 5m @ 0.53% Zn, 0.35% Pb from 66m.

Phase 4a drilling commenced at Wirlong initially designed to test new geophysical targets. The first hole was a diamond wedge off WLRCDD043 to target the centre of an off-hole DHEM anomaly located between holes WLRCDD043 and WLDD001 (9m @ 8.0% Cu, 17 g/t Ag, 0.21 g/t Au from 616m and 4m @ 1.14% Cu, 3 g/t Ag from 643m). Only narrow zones of mineralisation were observed at the expected depth, and it has been interpreted that the hole passed through a structural "pinch" in the copper system; not uncommon in Cobar style deposits. Better intercepts include 1m @ 1.06% Cu from 605m, 1m @ 1.83% Zn, 0.87% Pb, 0.45% Cu, 6.8 g/t Ag from 658m, 1m @ 0.93% Cu from 715m and 1m @ 0.67% Cu from 761m.

At the southern end of the prospect, a number of targets were also identified from a detailed gravity survey completed in late May. RC drill holes WLRC048 and WLRC049 were completed to target the two of highest priority. However, the results were disappointing with no explanation for the source of the observed gravity anomalies.

At the Wirlong oxide zone, extensional drilling of prior drill holes continued with hole WLRC026, initially drilled in May 2016 to test up-dip of hole WLRCDD015 (4.9m @ 4.3% Cu, 13 g/t Ag from 402.1m and 22m @ 1.0% Cu, 4 g/t Ag from 332m) and terminated early at 277m due to insufficient lift. The hole had previously returned significant copper mineralisation averaging 2m @ 3.80% Cu, 10.5 g/t Ag from 36m, 1m @ 1.31% Cu from 71m, 2m @ 0.80% Cu from 74m, 2m @ 0.96% Cu from 243m, 1m @ 1.46% Cu from 249m and 9m @ 1.27% Cu from 255m. A further 73m of RC drilling in June 2017 saw the intersection of **27m @ 5.30% Cu, 0.54% Zn, 0.19% Pb, 23.3 g/t Ag from 286m** and 4m @ 1.03% Cu, 0.33% Zn, 4.1 g/t Ag from 333m.

Approximately 150m north along strike from the above holes, down hole EM surveying had defined a conductor off-hole from WLRCDD024 (drilled May 2016, returned 121m @ 0.73% Cu, 3 g/t Ag from 207m), and RC hole WLRC050 was drilled in response from the west to target the modelled plate. However, the hole steepened excessively and was abandoned at 150m. Hole WLRC051 was drilled as a replacement to 480m, with initial surveys showing that the hole intersected the bottom edge of the modelled conductor plate near ~419m down hole where minor mineralisation was returned. Drilling down-dip of WLRCDD024 from the east with hole WLRC055 also returned a number of anomalous zones including 3m @ 0.65% Cu, 7.3 g/t Ag from 120m, 1m @ 1.15% Cu from 132m and 2m @ 0.71% Cu from 156m.

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At the time of reporting, RC holes WLRC052 and WLRC053 have been drilled north and updip of WLRC026 to follow-up the new intercepts, with assays defining highly mineralised zones such as 31m @ 3.19% Cu, 11g/t Ag from 299m (incl. **10m @ 8.83% Cu, 0.57% Zn, 28.1 g/t Ag from 299m**) and 24m @ 0.85% Cu, 8 g/t Ag from 179m in WLRC053. Given these results, a further 300m RC/diamond extension was added to drill hole WLCDD032 located along strike to the north, as well as another 163m of RC drilling to extend hole WLRC029 located along strike to the south. Complete laboratory assays were still awaited at the time of reporting, but results returned so far have outlined 4m @ 1.12% Cu, 9 g/t Ag from 258m (incl. 1m @ 3.30% Cu, 26.7 g/t Ag from 258m) and 1m @ 1.19% Cu from 293m in WLCDD032.

Red Shaft

Approximately 4km SSE of Wirlong, 3 RC drill holes (for 1,098m) were completed at the Red Shaft prospect with the aim of intercepting additional Cu and Au mineralisation. Drill hole RSRC009 was drilled down dip of previous RC drill hole RSRC005 (drilled Nov 2015; 6m @ 0.28 g/t Au from 6m, 2m @ 0.44% Pb from 17m) to follow up the significant intercepts and also to test both an arsenic surface geochemical anomaly and gravity high. RSRC009 passed through chlorite altered zones with disseminated sulphide mineralisation, returning a better intercept of 4m @ 0.48% Pb from 41m. About 140m to the south-east of RSRC009, drill hole RSRC010 was drilled down dip of drill hole RSRC003 (Nov 2015; 4m @ 1.88 g/t Au, 0.35% Pb from 61m), and whilst silicic and chlorite alteration was noted throughout the hole, no significant gold or base metal mineralisation was encountered. A further 115m to the south-east, drill hole RSRC011 was drilled down dip of RSRC007 (Nov 2015; 5m @ 0.76% Cu from 62m), returning a significant intercept of 2m @ 0.80% Pb from 61m.

Sandy Creek

RC drilling was also completed at the Sandy Creek prospect to further evaluate the potential southern extension of mineralisation and investigate a gravity high with an associated chargeability anomaly. RAB drilling over the area in late 2015 had returned several encouraging Pb and Zn intercepts, and holes PSCRC006 (150m) and PSCRC007 (200m) were drilled as follow-up to target potential shallow mineralisation. Both holes encountered fine disseminations of sphalerite and pyrite, with pXRF analysis returning a few anomalous zones in PSCRC007 of 2m @ 0.58% Zn, 0.18% Pb from 119m, 2m @ 0.47% Zn, 0.35% Pb from 128m and 3m @ 0.43% Zn, 0.19% Pb from 142m.

Iris Vale & Armageddon

VTEM surveys were completed over the Armageddon prospect and the Iris Vale tenement, with multiple anomalies for further investigation identified. At Iris Vale, a number of the anomalies appear to be coincident with areas of discrete and linear basement anomalies identified from the modelling of airborne magnetic survey data collected in October 2015. Areas of particular interest include the north-eastern portion of the Iris Vale tenement as well as the vicinity of the Marigold prospect along the western edge of the licence, where pXRF sampling has also defined a surface Zn anomaly. At Armageddon a series of anomalies have been identified from the latest VTEM survey. The area is proposed to be covered with a partial leach soil sampling program in the future.

Bedooba

Approximately 24km south-west of Wirlong, the Bedooba prospect is defined by a NE/SW trending magnetic anomaly with coincident gravity high and a substantial pXRF soil geochemical anomaly along strike to the north-east. A follow-up partial leach soil sampling program (506 samples) was completed in November 2016; results not only substantiate the pXRF data but also extend the As, Pb, Sb, Bi soil anomaly a further 800m to the north-east. A 8-hole RC drilling program is proposed, with hole depths ranging from 200m to 400m.

Tara

In July 2016, an airborne magnetic survey was completed over the north-eastern portion of the Tara tenement, situated north of Bedooba. Prospects within the licence covered by the survey included the 'Tara' Pb surface geochemical anomaly and the 'Raggott' coincident gravity/magnetic high feature. The airborne magnetic data defined multiple structures including a NW-SE trending feature on which the Tara prospect is located. This feature intersects a possible fold for which the axis trends N-S, extending towards a large anomaly in the southern survey area that coincides with the Raggott prospect. Additional prospects defined by 3D inversion modelling of the data included a small discrete pipe-like body located approximately 5km north of Raggott and plunging to the west.

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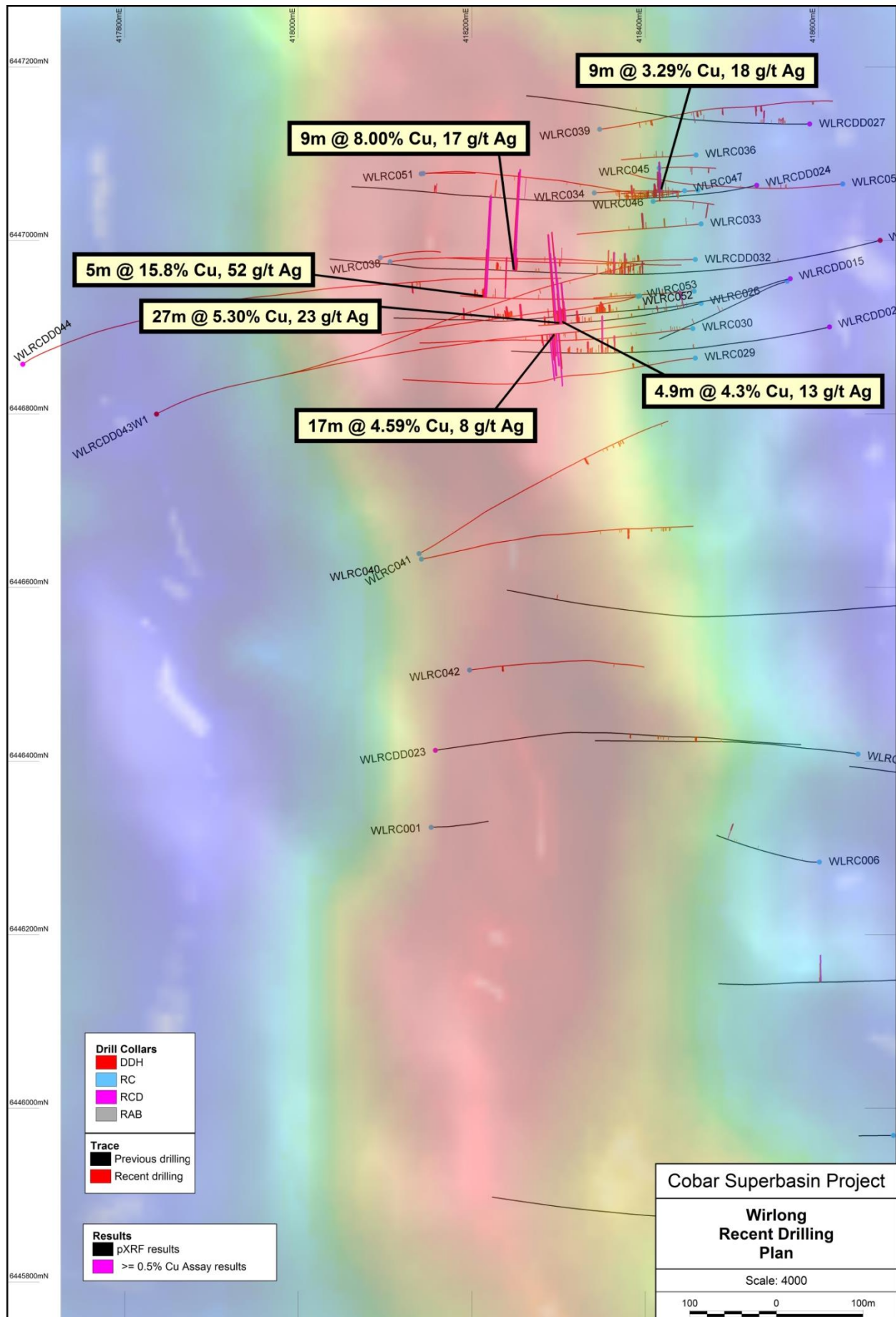


FIGURE 3: WIRLONG PROSPECT MAIN ZONE PLAN VIEW

Review of operations

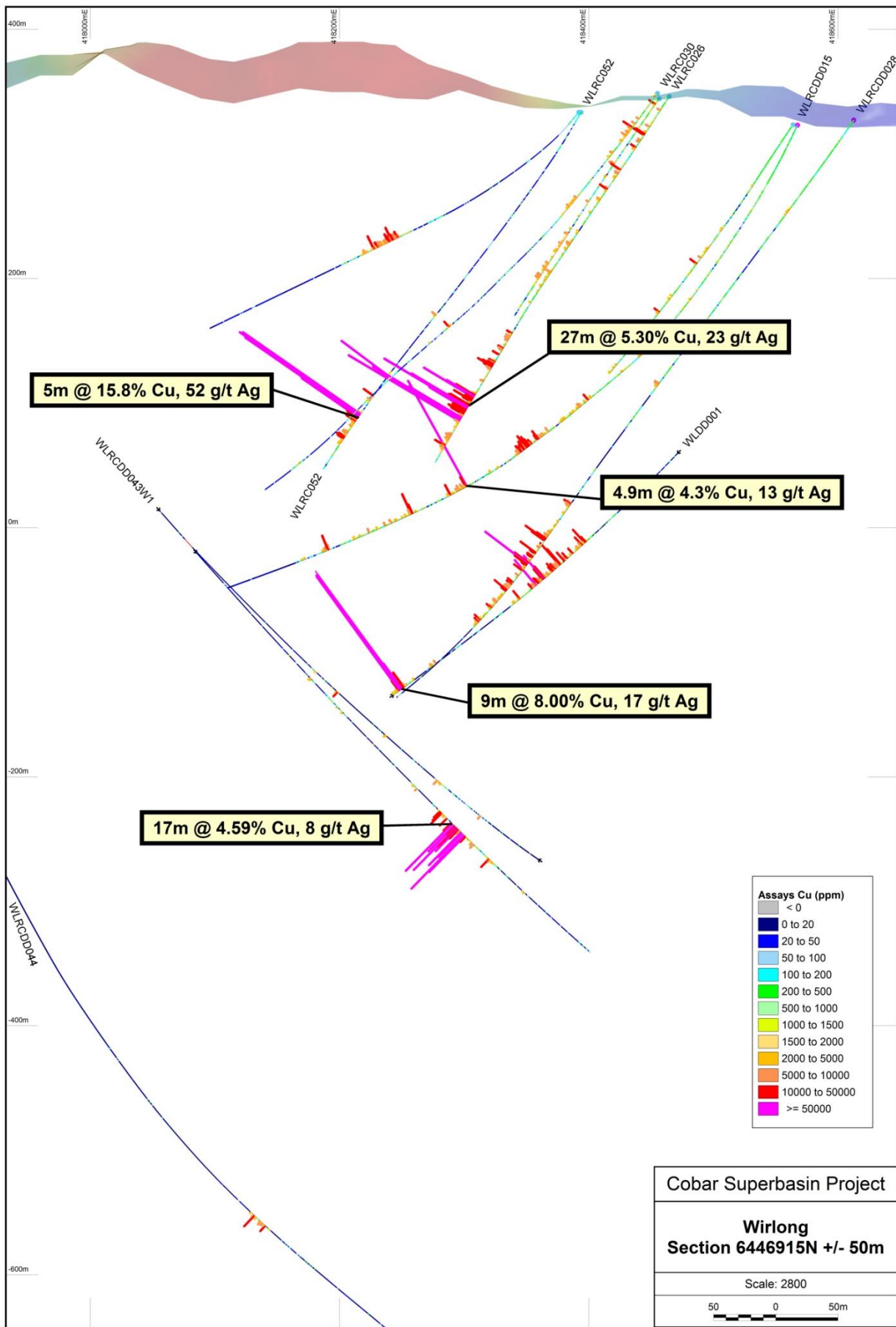


FIGURE 4: WIRLONG CROSS SECTION 6446915N

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Wagga Tank/Mount View Projects

The Wagga Tank and Mount View Projects comprise a package of 4 tenements within the Cobar Superbasin, for which Peel completed sale agreements in 2016. ELs 7581 and 7484 of the Mount View Project were acquired from MMG Australia Limited, with the latter licence (which adjoins EL7461, host to the Mallee Bull and May Day deposits) containing the May Day Tails prospect; a large untested coincident magnetic and geochemical anomaly. EL7226 and EL6695 of the Wagga Tank Project were held in Joint Venture by MMG Australia Limited (80%) and Golden Cross Operations Pty Ltd (20%). At the start of this financial year, Peel acquired 100% of the Joint Venture interests with MMG Australia Limited receiving \$1 consideration and 2% NSR on any future metals production; and Golden Cross Operations Pty Ltd receiving \$40,000 cash. The transfer of all four licences was finalised in mid to late 2016.

Wagga Tank

The Wagga Tank prospect is located on the western edge of the Cobar Superbasin, ~130 km south of Cobar or ~30km northwest of Mount Hope, and represents a polymetallic VHMS-type deposit with many significant historic drill intercepts.

The first drilling program by Peel commenced in October 2016 and was designed to confirm the presence of high grade base and precious metal mineralisation originally identified at Wagga Tank in the 1970s and 80s. A total 18 RC holes were completed, five of which were extended with diamond tails; significant zones of copper oxide/sulphide mineralisation and zinc-lead-silver sulphide mineralisation were returned, the best of which are summarised below. True widths are likely ~60-70% of the down hole widths based on the interpreted sub-vertical nature of mineralisation.

WTRC001

- 4m @ 2.40 g/t Au from 78m
- **12m @ 3.09% Cu, 97 g/t Ag, 1.36 g/t Au from 92m**

WTRCDD002

- 9m @ 1.01% Cu, 0.11 g/t Au from 109m
- 7m @ 0.88% Cu, 0.08 g/t Au from 130m
- **8m @ 8.54% Zn, 6.20% Pb, 134 g/t Ag, 1.45% Cu from 173m**
- 13m @ 3.73% Zn, 2.14% Pb, 29 g/t Ag, 0.30% Cu, 0.21 g/t Au from 225m (incl. 7m @ 5.75% Zn, 3.32% Pb, 43 g/t Ag, 0.40% Cu, 0.24 g/t Au from 230m)

WTRC003

- 8m @ 0.83% Cu, 42.7 g/t Ag, 1.18 g/t Au from 142m
- 14m @ 0.86% Cu, 1.49% Pb, 35 g/t Ag, 0.19 g/t Au from 188m
- 25m @ 1.07% Cu, 8 g/t Ag, 0.27 g/t Au from 208m
- **27m @ 10.00% Zn, 6.41% Pb, 89 g/t Ag, 0.42 g/t Au, 0.21% Cu from 240m** (incl. 10m @ 19.39% Zn, 12.35% Pb, 171 g/t Ag, 0.67 g/t Au, 0.30% Cu)

WTRCDD004

- 17m @ 1.19% Cu from 128m
- **17m @ 8.66% Zn, 4.13% Pb, 112.9 g/t Ag, 1.46 g/t Au, 0.30% Cu from 280m**

WTRCDD005

- 33m @ 1.01% Cu, 0.27 g/t Au from 120m
- 5m @ 0.97% Cu, 0.37 g/t Au from 165m
- 5m @ 1.39% Zn, 2.17% Pb, 33.2 g/t Ag from 205m
- 2m @ 2.15% Cu, 45 g/t Ag, 0.8 g/t Au from 224m
- **5m @ 6.60% Zn, 2.30% Pb, 55 g/t Ag, 0.40% Cu, 0.34 g/t Au from 295m**

WTRC006

- 9m @ 1.49% Zn, 0.40% Pb, 6.4 g/t Ag from 165m (incl. 4m @ 2.20% Zn, 0.55% Pb, 7 g/t Ag from 165m)

WTRC007

- 1m @ 3.26 g/t Au from 79m

WTRC009

- 4m @ 1.34% Cu, 0.29 g/t Au from 78m
- 20m @ 1.25% Zn, 6.18 g/t Ag from 171m

WTRC010

- 5m @ 1.21% Cu, 20.1 g/t Ag, 0.60 g/t Au from 200m
- 1m @ 1.65% Pb, 67.5 g/t Ag, 0.62% Cu from 211m

WTRC011

- 7m @ 1.10% Cu, 3.15 g/t Au, 19.2 g/t Ag from 190m

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WTRC013

- **17m @ 2.65 g/t Au, 0.54% Cu, 11 g/t Ag from 211m to EOH (incl. 9m @ 4.30 g/t Au, 0.72% Cu, 14 g/t Ag from 211m)**

WTRCDD015

- 6m @ 1.06% Cu, 0.80 g/t Au from 150m
- 16m @ 0.73% Cu, 0.28 g/t Au from 171m
- 14m @ 1.94% Zn, 0.99% Pb, 0.30% Cu, 20 g/t Ag from 225m
- 7m @ 1.34% Zn, 0.65% Pb, 0.49% Cu, 12.4 g/t Ag, 0.35 g/t Au from 338m

WTRCDD016

- 10m @ 3.46% Zn, 0.97% Pb from 230m
- 9m @ 0.79% Cu, 0.26 g/t Au, 20 g/t Ag from 315m
- **6.5m @ 4.9% Zn, 1.79% Pb, 22 g/t Ag, 0.21 g/t Au from 330m**
- **17m @ 3.18% Zn, 1.42% Pb, 30 g/t Ag, 0.26 g/t Au from 351m**
- 0.4m @ 5.43% Zn, 3.75% Pb, 327 g/t Ag from 388.8m

WTRC017

- **16m @ 3.27 g/t Au, 0.35% Cu, 1.1% Zn, 0.57% Pb, 12 g/t Ag from 226m (incl. 10m @ 4.3 g/t Au, 0.37% Cu, 0.88% Zn, 0.52% Pb, 13 g/t Ag from 228m)**
- 2m @ 3.17% Zn, 1.90% Pb, 1.35% Cu, 85 g/t Ag from 284m
- **13m @ 3.34 g/t Au, 0.83% Cu, 0.77% Zn, 0.28% Pb, 20 g/t Ag from 299m (incl. 6m @ 6.90 g/t Au, 1.28% Cu, 0.62% Zn, 0.21% Pb, 29 g/t Ag from 300m)**

WTRC018

- 8m @ 0.5 g/t Au, 0.66% Cu from 142m
- 15m @ 0.7 g/t Au, 0.7% Cu, 12 g/t Ag from 206m
- **3m @ 2.07% Cu, 0.36 g/t Au, 6 g/t Ag from 249m (EOH)**

Following the success of the initial program, the second phase of drilling at Wagga Tank commenced in May 2017 with the aim of increasing the footprint of the deposit, and is ongoing at the time of reporting. Drillhole WTRCDD020 intercepted a significant zone of semi-massive/breccia quartz-sulphide mineralisation, with final assays confirming a high-grade interval of 6m @ 8.52% Zn, 2.97% Pb and 12 g/t Ag from 282m (vs 6m @ 7.37% Zn, 1.81% Pb, 10 g/t Ag from 282m in pXRF). Encouragingly follow-up drillhole WTRCDD023 intersected a zone of semi-massive/breccia quartz-sulphide mineralisation grading 11m @ 7.15% Zn and 2.31% Pb, 58 g/t Ag from 396m, approximately 80m downdip of the intercept in WTRCDD020. The true width of these intercepts is estimated to be 70-80% of the downhole width. The intercepts in WTRCDD020 and WTRCDD023 represent the northern-most (local grid) zinc-lead-silver -rich intercepts recorded to date at Wagga Tank.

Drillhole WTRCDD021, designed to test coincident chargeable IP geophysical and magnetic anomalies, was collared approximately 1km south of the Wagga Tank deposit. Whilst assay results remain pending, Peel is encouraged by the presence of strong deformation, alteration and mineralisation, particularly a zone of variable Wagga Tank-style zinc-lead-silver breccia/stringer quartz-sulphide mineralisation between ~390m and ~410m downhole. The location of mineralisation downhole corresponds well with the chargeable IP anomaly. Promisingly, the strongest part of the anomaly lies to the south of the drillhole. Follow-up drilling is planned.

Drillhole WTRC019 was completed as a vertical drillhole, primarily as a replacement water bore for the local landowner, and was sited near historic drillhole and original waterbore WTP-1. WTRC019 returned a significant interval of 11m @ 0.90% Cu, 0.73 g/t Au and 6 g/t Ag from 113m.

Drillhole WTRCDD022 was drilled on the southern end (local grid) of the Wagga Tank deposit and was designed to test for southerly extensions to mineralisation. WTRCDD022 returned a significant interval of 6m @ 1.50% Cu from 92m. The southern end of Wagga Tank is interpreted to be affected by local cross-faulting with accompanying offsets. Drillhole WTRCDD022 supports this interpretation.

Drilling at Wagga Tank is ongoing at the time of reporting with drillholes WTRCDD024, WTRCDD025, WTRCDD026, WTRC027, WTRC028 recently completed and WTRC029 underway; these drillholes are currently being processed and assays remain pending.

Siegal's Shaft

The Siegal's Shaft/MD-2 prospect is located approximately 20km north-east of Wagga Tank within the same tenement. Historic drilling in the area returned substantial mineralised intervals, including 14m @ 2.20% Zn, 0.85% Pb, 0.66% Cu,

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0.49 g/t Au, 40.3 g/t Ag from 48m in percussion hole SP1, 0.5m @ 4.44% Zn, 3.40% Pb, 0.80% Cu, 65 g/t Ag from 70m in diamond hole SD1 and 2m @ 2.70% Zn, 1.22% Pb, 0.43% Cu, 56.8 g/t Ag from 35.5m in diamond hole SD4.

Drilling commenced in August 2016 with RC hole MD2RC001, targeting a strong magnetic anomaly insufficiently tested by historic activities. Despite the early termination of the hole at 343m due to excessive water, anomalous Cu, Pb and Zn values were seen throughout the hole, with significant intervals including 2m @ 1.00% Zn, 0.40% Pb, 10.9 g/t Ag from 81m and a 20m zone averaging 0.23% Zn from 119m.

Approximately 350m to the west of MD2RC001, RC holes MD2RC002 and MD2RC003 were drilled to follow-up the aforementioned historic shallow mineralised intervals. Both holes returned significant zones of mineralisation which remain open at depth and along strike:

- 2m @ 0.69% Cu, 0.33 g/t Au, 10.3 g/t Ag from 31m, 1m @ 0.38 g/t Au from 34m and 4m @ 2.49% Zn, 1.31% Pb, 0.31 g/t Au, 41.8 g/t Ag from 51m (incl. 2m @ 4.44% Zn, 2.40% Pb, 0.5 g/t Au, 75.5 g/t Ag from 52m) in MD2RC002
- 1m @ 0.58% Zn from 42m, 1m @ 0.58% Zn, 0.27% Pb from 51m and 7m @ 0.82% Zn, 0.38% Pb, 0.22 g/t Au, 16.2 g/t Ag from 64m (incl. 1m @ 1.86% Zn, 0.97% Pb, 0.39% Cu, 0.37 g/t Au, 31.1 g/t Ag from 64m) in MD2RC003

Mt Allen

Approximately 16km to the east-southeast of Wagga Tank lies the Mt Allen, Double Peak and Mt Dromedary prospect area which comprises historic mines and workings. The area has been subject to gravity and airborne magnetic surveys, as well as a number of IP surveys over the Mt Allen prospect where several coincident chargeable IP and gravity anomalies near the historic workings have been noted.

A significant RC and diamond drilling program has been planned for the next quarter targeting identified IP and gravity anomalies as well as to follow up historic gold intercepts.

Apollo Hill Project

The Apollo Hill gold project is located 60km SE of Leonora, Western Australia. Two main gold deposits define the Apollo Hill deposit; Apollo Hill Main Zone and the Ra Zone. Both deposits exhibit the hallmarks of a major mineralised Archean gold system, showing extensive and intense hydrothermal alteration and deformation.

In June 2010, Peel entered into an option agreement with Hampton Hill Mining NL (ASX:HHM) to acquire the entire issued capital of Apollo Mining Pty Ltd, the 100%-owner of the Apollo Hill gold project, and in November 2010 the option was exercised. The key terms of the sale agreement saw Peel issue 11 million fully paid ordinary shares to HHM in consideration for Apollo Hill, and HHM was granted a 5% gross overriding royalty on Apollo Hill gold production exceeding 1 million ounces.

Peel has since consolidated the company's WA landholding to approximately 1,000km² of granted tenure and applications, with multiple prospective targets identified over the broader area and away from the main Apollo Hill resource.

Post year end, the Board of Peel Mining Limited announced plans to vend its Apollo Hill Gold Project into a new 100% owned subsidiary, Saturn Metals Limited, with the intention to list the new company on the ASX, via an initial public offering (IPO). Post a successful IPO and listing of Saturn, Peel would hold a significant interest in the new venture, retaining exposure to the Apollo Hill assets.

History and Geology

Apollo Hill was discovered in 1986 by Fimiston Mining Limited during a drill program aimed at finding the source of abundant alluvial gold at the base of a prominent hill in the area. Active drilling so far has outlined extensive gold mineralisation and alteration over a 1km strike length, which is up to 250m wide and dips 45-60 degrees to the east.

Multiple gold mineralisation events are interpreted to have occurred at Apollo Hill during a complex deformational history. Gold mineralisation is accompanied by quartz veins and carbonate-pyrite alteration associated with a mafic-felsic contact.

Review of operations

The Apollo Hill gold project straddles a major shear zone, known as the Apollo shear zone, which is a component of the Keith Kilkenny Fault system. This shear zone is largely concealed beneath transported overburden, often associated with the Lake Raeside drainage system, and previous surface geochemical sampling and shallow RAB drilling has consequently been of limited effectiveness. Deeper drilling by previous explorers has largely focused on the only locality where this shear zone is exposed at surface, Apollo Hill itself, and also on a nearby parallel trend termed the Western trend (Ra deposit).

Apollo Hill Resource

In December 2010, Peel reported a maiden resource estimate for the Apollo Hill and Ra deposits; 11.1 Mt at 1.0 g/t Au for 341,000 ounces of gold (using 0.5 g/t gold cut off), with the potential to increase resources with minimal further drilling.

In line with this conclusion, Peel completed a programme of infill and extensional drilling from April to June 2011, comprising approximately 3,600m of RC and diamond drilling. The programme was designed to increase sample density to allow for the extension of the Apollo Hill resource model a further 200 metres (grid) south, and to a minimum depth of about 150 metres below surface. The drilling also provided representative gold-mineralised material for additional metallurgical test work. Subsequently, in September 2011 Peel reported a 48 per cent increase in the resource estimate for Apollo Hill, to 505,000 ounces contained gold.

The resource estimate totals 17.2 million tonnes at 0.9 g/t Au for 505,000oz of gold (using a 0.5 g/t gold cut-off) across the Apollo Hill and Ra deposits. The Mineral Resource estimate was updated post year end in accordance with the guidelines of the JORC Code 2012 edition (previously JORC Code 2004) – see ASX announcement 15 September 2017:

CUT-OFF	RA			APOLLO HILL			TOTAL		
AU G/T	MT	AU G/T	KOZ	MT	AU G/T	KOZ	MT	AU G/T	KOZ
0.2	2.4	0.7	54	43	0.5	691	45.4	0.5	745
0.4	1.5	1	48	22	0.8	566	23.5	0.8	614
0.5	1.2	1.1	42	16	0.9	463	17.2	0.9	505
0.6	1	1.2	39	12	1.0	386	13	1.0	424
0.8	0.7	1.4	32	7	1.2	270	7.7	1.2	302
1	0.5	1.6	26	4	1.4	180	4.5	1.4	206
1.2	0.4	1.8	23	2	1.6	103	2.4	1.6	126
TABLE 2: APOLLO HILL RESOURCE ESTIMATES JORC 2012									

Peel Mining believes that the shallow and extensive nature of mineralisation at the Apollo Hill gold project suggests that the project has reasonable prospects for eventual economic extraction.

Metallurgy

Metallurgical test work on Apollo Hill mineralisation has consistently given promising outcomes. The latest program was completed in June 2016 to evaluate gravity and cyanide leach extractions from the ore at conventional grind sizes and coarse-crush sizes, with key results as follows:

Head Assay Characteristics

Head grade was calculated to be 0.73 g/t Au with variable assay repeatability. The ore contains minor concentrations of silver and low concentrations of cyanide consuming metals.

Communiton Characteristics

Bond Ball Mill Work Index indicates an ore of average hardness (16 kWh/t)

Gold extraction characteristics

Excellent Au extraction with agitated cyanide leach (with and without gravity); 92-98% recovery at P80 sizes of 300, 150 and 90 microns

Excellent gravity Au extraction; Gravity Recoverable Gold (GRG) test returned 82.5% recovery

Review of operations

Moderate to good Au extraction with column leach; heap leach simulation tests at HPGR crush sizes of -4mm and -8mm achieved 76.7% and 69.1% recovery respectively, with moderate cyanide consumption.

Resource Increase Potential

In March 2016, an RC drilling program was completed at the Apollo Hill deposit to assess the potential to expand the existing JORC inferred resource estimate. A total of 7 new holes (PARC033-39) were drilled along with an extension to existing RC hole PARC31. To the south-east, the strike of the Apollo Hill main zone was increased by up to 250m with intercepts such as **8m @ 6.39 g/t Au from 71m** (incl. 3m @ 15.6 g/t Au from 74m) and **10m @ 4.23 g/t Au from 94m** (incl. 5m @ 6.31 g/t Au from 95m) in PARC036, as well as 28m @ 0.86 g/t Au from 207m in PARC31. Infill drilling, also in the south-eastern portion, was also successful, with best intercepts of 1m @ 8.09 g/t Au from 47m and 1m @ 4.77 g/t Au from 120m in PARC037, and 5m @ 1.56 g/t Au from 19m, 1m @ 4.4 g/t Au from 53m, 1m @ 5.20 g/t Au from 95m, 1m @ 4.23 g/t Au from 113m, 1m @ 19.55 g/t Au from 142m and 1m @ 8.50 g/t Au from 162m in PARC038.

At the north-eastern edge of the deposit, all three RC holes drilled were successful in testing for down-dip extensions to mineralisation, with anomalous zones averaging 10m @ 0.76 g/t Au from 214m in PARC033, 5m @ 1.71 g/t Au from 209m, 1m @ 7.51 g/t Au from 246m and 1m @ 42.77 g/t Au from 287m in PARC034, and 12m @ 0.85 g/t Au from 258m in PARC035.

Prior to Peel obtaining the Apollo Hill project, a drilling program was completed by Apex Minerals NL in 2006 which returned significant mineralised zones including 1.26m @ 21.12 g/t Au from 192.74m in AAHD0002, 1.3m @ 14.46 g/t Au from 96.7m in AAHD0004, and 2m @ 69.26 g/t Au from 146m in AAHD0010. A review of the results revealed numerous gaps in the sampling, with many in close proximity to high grade Au intervals as well as the ends of holes. Peel undertook sampling and assaying of the historic drill core last financial year, and the results further substantiate the Apollo Hill resource model with intervals such as 1m @ 6.74 g/t Au from 165m in AAHD0004; 1m @ 2.91 g/t Au from 225m in AAHD0010; 2m @ 1.18 g/t Au from 148m in AAHD0014; 1m @ 2.59 g/t Au from 400m and 1m @ 3.60 g/t Au from 417m in AAHD0020.

These results indicate good potential to add to the existing Apollo Hill resource.

The Wider Apollo Hill Project

Regional exploration activities throughout Peel's extensive WA tenure has delineated multiple targets that warrant further investigations. The most promising of these is the '40G' prospect, located on E31/1063 to the SE of the main Apollo Hill resource. Preliminary geochemical sampling showed the area to be highly anomalous in gold (max. 42.9 g/t Au) and a follow-up RAB drilling completed late last financial year continued to highlight the prospectivity of the area with intercepts such as 2m @ 0.53 g/t Au from 9m in 40GRAB03, 2m @ 1.32 g/t Au from 16m and 2m @ 2.11 g/t Au from 22m in 40GRAB12, and 1m @ 1.09 g/t Au from 18m in 40GRAB17. Auger and rock chip sampling has since extended coverage to the north, south and east of the RAB drilling, with anomalous gold values of up to 110ppb Au returned towards the east along an interpreted NE trending magnetic structural feature.

About 17km SE of 40G, a small soil and rock chip sampling was undertaken on E31/1076 'Mt Remarkable' where the main target is a strong discrete magnetic anomaly (named 'The Eye') in otherwise low-to-moderately responsive basalt. Whilst only minor Au values were returned, an increase in surface sampling coverage is deemed necessary to investigate the full potential of the area.

Review of operations

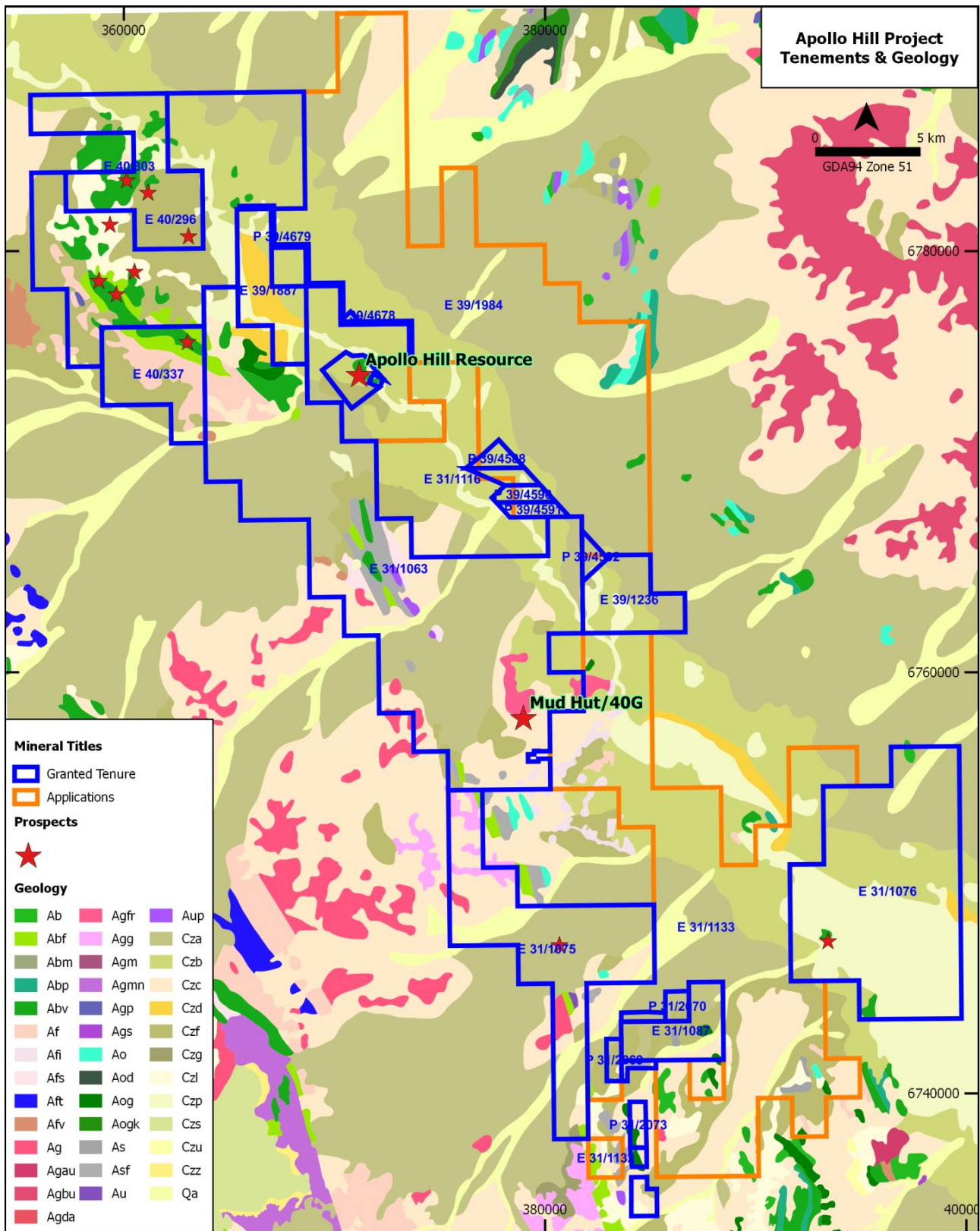


Figure 4 - Apollo Hill Project Tenements & Geology

Review of operations

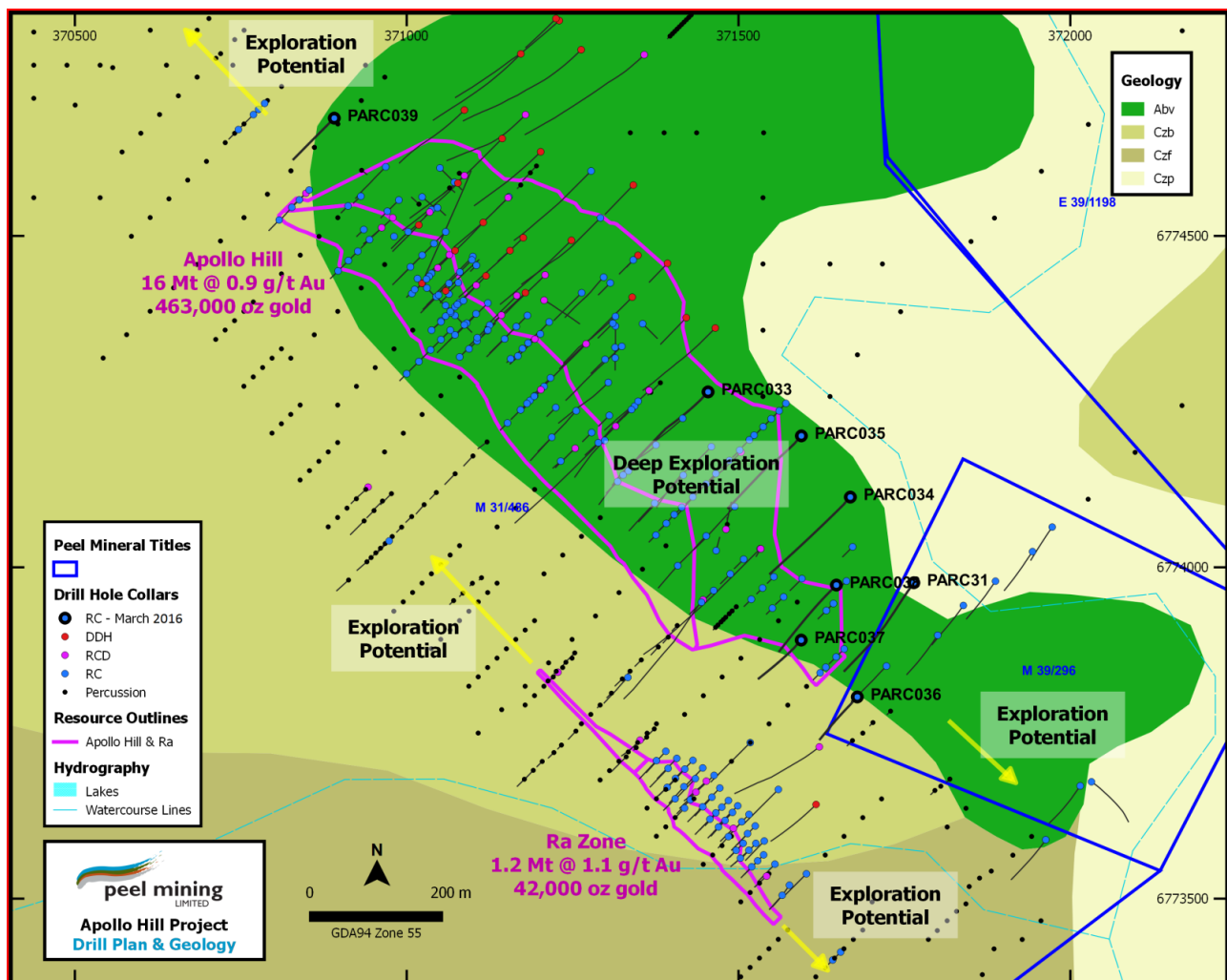


Figure 5 - Apollo Hill Resource Exploration Potential

Corporate

On 19 September 2016, Peel raised \$2,992,000 by way of placement to Resource Capital Funds and significant sophisticated investors of 18,700,000 new ordinary shares in the company. After the issue Resource Capital Funds held 9.9% of the Company.

In the June 2017 quarter, ASX-listed gold producer, St Barbara Limited subscribed for \$3.28 million of Peel shares. The placement, at a subscription price of 20.5 cents per share, represented a premium to Peel's then share price and volume-weighted average share price, and gave St Barbara an approximate 9.5% stake in the Company. The funds raised will allow for the acceleration of work programs including further drilling at Peel's 100%-owned Wagga Tank prospect (currently underway).

Also during the year, Peel Mining Limited received a tax refund of approximately \$1.14m (before costs) for the 2015/16 year in relation to Research & Development activities undertaken by the Company.

In June 2017, Saturn Metals Limited was incorporated as a 100% owned subsidiary of Peel Mining Limited. As announced on 8th September 2017, it is planned to vend the Apollo Hill Gold Project assets into the new entity, with the intention to list the on the ASX, via an initial public offering (IPO). The asset sale and subsequent IPO was subject to shareholder approval at a general meeting on 10 October 2017.

Review of operations

Mineral Resource Estimation Governance Statement

The Mallee Bull Mineral Resource estimate has been updated from the previous year. Subsequent to the end of the year the Apollo Hill Mineral Resource estimate has been updated to be compliant with the JORC Code 2012 Edition, from its previous 2004 edition. The Attunga Mineral Resource estimates remained unchanged from the Resources estimate as at 30 June 2014.

Peel Mining Ltd has ensured that the Mineral Resource estimates are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by independent external consultants who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken a review of the quality and suitability of the underlying information used to generate the resource estimations. Additionally, Peel Mining Ltd carries out regular reviews and audits of internal processes and external contractors that have been engaged by the Company.

The Mineral Resources estimates for Mallee Bull and Apollo Hill were compiled and reported in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition, whilst the Attunga Resource Estimate was completed in accordance with the JORC Code 2004 Edition.

The tables below set out Mineral Resources comparatives for 2016 and 2017.

Mallee Bull Mineral Resource estimate at 30 June 2017 based on 1% copper equivalent (CuEq) cut-off grade

Mineral Resource - as at 30 June 2017							
Category	Kt	CuEq %	Cu %	Ag g/t	Au g/t	Pb %	Zn %
Indicated	1,340	2.15	0.91	30	0.4	0.96	1.23
Inferred	5,420	2.7	2	31	0.4	0.5	0.4
Total	6,760	2.6	1.8	31	0.4	0.6	0.6

Mallee Bull Mineral Resource estimate at 30 June 2016 based on 1% copper equivalent (CuEq) cut-off grade

Mineral Resource - as at 30 June 2016					
Category	Kt	CuEq	Cu %	Ag g/t	Au g/t
Indicated	620	2.22	1.73	29.0	0.54
Inferred	3,300	2.8	2.4	32	0.3
Total	3,920	2.7	2.3	32	0.3

Note: The figures in the above table are rounded to reflect the precision of the estimates and include rounding errors.

Apollo Hill Inferred Mineral Resource estimate based on a 0.5 g/t Au cut-off grade

	Mineral Resource - as at 30 June 2017			Mineral Resource - as at 30 June 2016		
	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Apollo Hill Gold Project						
Ra Zone	1.2	1.1	42	1.2	1.1	42
Apollo Hill	16	0.9	463	16	0.9	463
Total	17.2	0.9	505	17.2	0.9	505

Note: The figures in the above table are rounded to reflect the precision of the estimates and include rounding errors.

Attunga Tungsten Deposit Inferred Mineral Resource Estimate based on a 0.2% WO₃equivalent cut-off

WO ₃ equivalent cut-off	Mineral Resource - as at 30 June 2017				Mineral Resource - as at 30 June 2016			
	Mt	WO ₃ Eq %	WO ₃ %	Mo %	Mt	WO ₃ Eq %	WO ₃ %	Mo %
0.2	1.29	0.73	0.61	0.05	1.29	0.73	0.61	0.05

Note: The figures in the above table are rounded to reflect the precision of the estimates and include rounding errors.

Review of operations

Competent Persons Statements

Mallee Bull

The information referred to in this announcement in relation to the Mallee Bull Resource Estimate is based on information compiled by 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.

Apollo Hill

The information in this report that relates to the Apollo Hill Mineral Resource estimates, and reported by the Company in compliance with JORC 2012 is based on information compiled by Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Jonathon Abbott is 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 undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". At the time of construction of the Apollo Hill estimates Mr Abbott was an employee of Hellman & Schofield Pty Ltd. Mr Abbott consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Attunga Tungsten Deposit

The information referred to in this announcement in relation to the Attunga Resource Estimate is based on information compiled by Mr Murray Hutton, a Competent Person who is a Member of the Australian Institute of Geoscientists. At the time of calculating the Resource Estimate Mr Hutton was a full time employee of Geos Mining and was an independent consultant to Peel Mining Ltd. Mr Hutton 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 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Mr Hutton consented to the inclusion of the matters based on his information in the form and context in which it appears.

Peel Mining Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by 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.

Schedule of tenements as at 30 June 2017

Project	Number	Holder	Peel Interest
New South Wales			
Attunga	EL8326	Peel Mining Ltd	100%
Ruby Silver	EL7711	Peel Mining Ltd	100%
Brambah	EL8336	Peel Mining Ltd	100%
Mayday	ML1361	Peel Mining Ltd	50%
Gilgunnia	EL7461	Peel Mining Ltd	50%
Gilgunnia South	EL7519	Peel Mining Ltd	100%
Mundoe	EL7976	Peel (CSP) Pty Ltd	60%
Tara	EL8070	Peel (CSP) Pty Ltd	60%
Manuka	EL8071	Peel (CSP) Pty Ltd	60%
Mirraboona	EL8105	Peel (CSP) Pty Ltd	60%
Yackerboon	EL8112	Peel (CSP) Pty Ltd	60%
Iris Vale	EL8113	Peel (CSP) Pty Ltd	60%
Hillview Nth	EL8125	Peel (CSP) Pty Ltd	60%
Norma Vale	EL8126	Peel (CSP) Pty Ltd	60%
Yara	EL8114	Peel (CSP) Pty Ltd	60%
Burthong	EL8115	Peel (CSP) Pty Ltd	60%
Illewoong	EL8117	Peel (CSP) Pty Ltd	60%
Mundoe North	EL8201	Peel (CSP) Pty Ltd	60%
Sandy Creek	EL8307	Peel (CSP) Pty Ltd	60%
Glenwood	EL8314	Peel (CSP) Pty Ltd	60%
Pine Ridge	EL8345	Peel (CSP) Pty Ltd	60%
Gilgunnia North	EL8391	Peel Mining Ltd	100%
Mt Walton	EL8414	Peel Mining Ltd	100%
Marygold	EL8426	Peel Mining Ltd	100%
Lineara	EL8447	Peel Mining Ltd	100%
Beanbah	EL8450	Peel Mining Ltd	100%
Michelago	EL8451	Peel Mining Ltd	100%
Wagga Tank	EL6695	Peel Mining Ltd	100%
Lowan	EL7581	Peel Mining Ltd	100%
Mount View	EL7484	Peel Mining Ltd	100%
Wongawood	EL7226	Peel Mining Ltd	100%
Burthong	EL8534	Peel Mining Ltd	100%
Nombinnie	EL8562	Peel Mining Ltd	100%
Western Australia			
Isis	M39/0296	Apollo Mining Pty Ltd	100%
Apollo Hill South	E31/1063	Apollo Mining Pty Ltd	100%
The Gap	E40/0337	Apollo Mining Pty Ltd	100%
Yerilla	E31/1075	Apollo Mining Pty Ltd	100%
Mt Remarkable	E31/1076	Apollo Mining Pty Ltd	100%
Apollo Hill ML	M31/486	Apollo Mining Pty Ltd	100%
Rise Again	E31/1087	Apollo Mining Pty Ltd	100%
Rise Again	P31/2068	Apollo Mining Pty Ltd	100%
Rise Again	P31/2069	Apollo Mining Pty Ltd	100%
Rise Again	P31/2070	Apollo Mining Pty Ltd	100%
Rise Again	P31/2071	Apollo Mining Pty Ltd	100%
Rise Again	P31/2072	Apollo Mining Pty Ltd	100%
Rise Again	P31/2073	Apollo Mining Pty Ltd	100%
Apollo Hill	E39/1198	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4588	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4589	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4590	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4591	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4592	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4677	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4678	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4679	Apollo Mining Pty Ltd	100%
Apollo Hill	E39/1887	Apollo Mining Pty Ltd	100%
Apollo Hill	E31/1116	Apollo Mining Pty Ltd	100%
Apollo Hill	E31/1132	Apollo Mining Pty Ltd	100%
Apollo Hill	E39/1984	Apollo Mining Pty Ltd	100%

Directors' report

Your directors present their report on the consolidated entity ("**Group**") comprising Peel Mining Limited ("**Company**") and the entities it controlled at the end of, or during the financial years ended 30 June 2017 and the comparative period.

Directors

The following persons were directors of Peel Mining Limited during the financial year and up to the date of this report.

Simon Hadfield

Graham Hardie

Robert Tyson

Directors' interests in shares and options

Directors' interests in shares and options as at the date of this report are set out in the table below.

<i>Director</i>	<i>Shares Directly and Indirectly Held</i>	<i>Options</i>
Simon Hadfield	3,812,564	1,000,000
Graham Hardie	15,422,890	1,000,000
Robert Tyson	7,080,000	3,000,000

Principal activities

The principal activity of the Group is the exploration for economic deposits of minerals. For the period of this report, the emphasis has been on base and precious metals.

Results

The loss for the Group for the financial year after providing for income tax amounted to \$1,140,539 (2016: \$345,277).

Dividends

No dividends were paid or proposed during the year.

Review of operations

A review of the operations of the Group during the financial year and the results of those operations are contained in pages 3 to 23 in this report.

Significant changes in the state of affairs

Contributed equity increased during the financial year by \$6,268,000 through the issue of:

- (i) 18,700,000 new ordinary shares at \$0.16 each as part of a capital raising to Resource Capital Funds (RCF) and major shareholders.
- (ii) 16,000,000 new ordinary shares at \$0.20475 each as part of a placement to St Barbara Limited.

Details of the changes in contributed equity are disclosed in note 14 to the financial statements.

The directors are not aware of any other significant changes in the state of affairs of the Group occurring during the financial year, other than disclosed in this report.

Events occurring after balance date

On 8 September 2017, the Board of Peel Mining Limited announced plans to vend its Apollo Hill Gold project into a new 100% owned subsidiary with the intention to list the new company on the ASX, via an initial public offering (IPO). The company would hold a general meeting on 10 October 2017 to obtain shareholder approval for the transaction. Post successful IPO/Listing of Saturn, Peel would hold a significant interest in the new venture, retaining exposure to the Apollo Hill assets.

Other than the above, there were no events occurring after balance date requiring separate disclosure.

Likely developments and expected results

It is the Board's current intention that the group will seek to progress exploration on current projects. These activities are inherently risky and there are no certainties that the group will successfully achieve its objectives.

Directors' report

Information on directors

Simon Hadfield – *Non-Executive Chairman*

Mr Hadfield has more than 30 years company management experience and has held directorships in publicly-listed industrial and resource companies. Mr Hadfield is a director of RIU Conferences Pty Ltd and of Resource Information Unit. No other directorships were held in the past 3 years.

Mr Hadfield holds 3,812,564 shares in Peel Mining Limited and 1,000,000 share options.

Robert MacLaine Tyson B.App Sc(Geol).GradDip Applied Finance(SIA) – *Managing Director*

Mr Tyson is a geologist with more than 20 years resources industry experience having worked in exploration and mining-related roles for companies including Cyprus Exploration Pty Ltd, Queensland Metals Corporation NL, Murchison Zinc Pty Ltd, Normandy Mining Ltd and Equigold NL. Mr Tyson has more than 10 years of senior management experience. No other directorships were held in the past 3 years.

Mr Tyson holds 7,080,000 shares in Peel Mining Limited and 3,000,000 share options.

Graham Hardie FCA– *Non-Executive Director*

Mr Hardie is the principal of Hardie Finance Corporation, a private Perth-based property development company, and is also the principal of Entertainment Enterprises, a private Perth-based hospitality company. He is a Fellow of the Institute of Chartered Accountants and a former partner in a leading Chartered Accounting firm. He has extensive commercial and financial experience and has held board positions on a number of public companies in the mining, media, transport and retail industries. No other directorships were held in the past 3 years.

Mr Hardie holds 15,422,890 shares in Peel Mining Limited and 1,000,000 share options.

Ryan Woodhouse - *Company Secretary*

Mr Woodhouse has 10 years of experience in the mining and energy industries in the area of accounting and governance. He holds a Bachelor of Commerce from Curtin University and is a member of the Institute of Chartered Accountants.

Mr Woodhouse was appointed Company Secretary on 7 January 2015.

Meetings of directors

Director's attendance at directors meetings are shown in the following table:

<i>Director</i>	<i>Number held whilst in office</i>	<i>Number attended</i>
S Hadfield	8	8
G Hardie	8	8
R Tyson	8	8

Remuneration report (audited)

The remuneration report is set out under the following headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation and
- Additional information

a) Principles used to determine the nature and amount of remuneration

The objective of the remuneration framework of Peel Mining Limited is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's remuneration policy.

Directors' report

Board and senior management

Fees and payments to the directors and other key management personnel reflect the demands which are made on, and the responsibilities of, the directors and the senior management. Such fees and payments are determined by the board and reviewed annually.

Company policy in relation to remunerating executives is that directors are entitled to remuneration out of the funds of the Company but the remuneration of the non-executive directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate of fees of the non-executive directors has been fixed at a maximum of \$250,000 per annum to be apportioned among the non-executive directors in such a manner as they determine (refer below). Directors are also entitled to be paid reasonable travel, accommodation and other expenses incurred in consequence of their attendance at board meetings and otherwise in the execution of their duties as directors. Senior management are paid based on applicable market rates.

Remuneration is not linked to past Group performance but rather towards generating future shareholder wealth through share price performance. The board and management are issued share options in the company on a periodic basis as a means to link executive rewards to shareholder value.

Peel Mining Limited listed on 11 May 2007 at 20c per share and the share price at 30 June 2017 was 19c (2016: 17c). The Company has recorded a loss each financial year to date, except for 2014 during which it recorded a gain on the partial disposal of the Mallee Bull Project. No dividends have been declared or paid during the reporting period.

b) Details of remuneration

Details of the nature and amount of each element of the remuneration of each of the directors of Peel Mining Limited and other key management personnel of the Group during the year ended 30 June 2017 are set out in the following table:

Table 1: Director and Key Management Personnel remuneration

	<i>Short-Term Employment Benefits</i>	<i>Post- Employment</i>	<i>Long-Term Benefits</i>	<i>Share Based Payment</i>		
	<i>Cash salary and fees</i>	<i>Superannuation</i>	<i>Long-service leave</i>	<i>Options</i>	<i>Total</i>	<i>Performance Related</i>
2017	\$	\$	\$	\$	\$	%
Directors						
R Tyson	230,000	23,531	3,830	160,270	417,631	0%
S Hadfield	50,000	4,750	-	50,515	105,265	0%
G Hardie	50,000	4,750	-	50,515	105,265	0%
Other Key Management Personnel						
Ryan Woodhouse	129,462	12,299	-	12,768	154,529	0%
Total	459,462	45,330	3,830	274,068	782,690	0%

	<i>Short-Term Employment Benefits</i>	<i>Post- Employment</i>	<i>Long-Term Benefits</i>	<i>Share Based Payment</i>		
	<i>Cash salary and fees</i>	<i>Superannuation</i>	<i>Long-service leave</i>	<i>Options</i>	<i>Total</i>	<i>Performance Related</i>
2016	\$	\$	\$	\$	\$	%
Directors						
R Tyson	229,004	21,755	28,761	12,080	291,600	0%
S Hadfield	50,000	4,750	-	45,410	100,160	0%
G Hardie	50,000	4,750	-	45,409	100,159	0%
Other Key Management Personnel						
Ryan Woodhouse	110,000	10,500	-	13,399	133,899	0%
Total	439,004	41,755	28,761	116,298	625,818	0%

Directors' report

c) Service agreements

Remuneration and other terms of employment for the directors and key management personnel, except those of non-executive directors are formalised in Employment Agreements or Letters of Offer. Details of the employment conditions for directors and key management personnel are set out below:

S Hadfield (non-executive chairman)

Mr Hadfield was appointed a director of the Company on 20 April 2006. Mr Hadfield has not entered into a formal contract with the Company in respect to his appointment as a non-executive director. Mr Hadfield received cash payments and share options totalling \$105,265 (2016: \$100,160) in his role as a non-executive director of the Company.

G Hardie (non-executive director)

Mr Hardie was appointed a director of the Company on 24 February 2010. Mr Hardie has not entered into a formal contract with the Company in respect to his appointment as a non-executive director. Mr Hardie received cash payments and share options totalling \$105,265 (2016: \$100,159) in his role as a non-executive director of the Company.

R Tyson (managing director)

Mr Tyson was appointed a director of the Company on 20 April 2006. Mr Tyson is employed as the Managing Director of the Company under an ongoing contract. The terms of his contract state:

- The managing director receives fixed remuneration of \$230,000 per annum gross, plus statutory superannuation guarantee.
- Either the managing director or the Company may terminate the employment at any time by giving one month written notice.
- If the Company terminates the employment the managing director will receive payment of five weeks' pay.
- The managing director may be invited to participate in the Company's Employee Share Option Plan.
- If the Company terminates the employment of the managing director any active share options issued will be cancelled.

R Woodhouse (Company Secretary)

Mr Woodhouse was appointed company secretary of the Company on 7 January 2015. Mr Woodhouse is employed under a letter of employment with the Company as their financial controller/company secretary, the terms of which state:

- The employee receives fixed remuneration of \$130,000 per annum gross, plus statutory superannuation guarantee.
- Either the employee or the Company may terminate the employment at any time by giving one month written notice.

d) Share-based compensation

Employees

Options over shares in Peel Mining Limited may be granted under the Company's Employee Share Option Plan which was created in June 2008 and approved by shareholders at the annual general meeting. The Employee Share Option Plan is designed to provide long-term incentives for employees to deliver long-term shareholder returns. Under the plan, participants are granted options 50% of which vest immediately and the remainder vest after twelve months provided the employee is still employed by the Company at the end of the vesting period. Participation in the plan is at the board's discretion.

Details of options over ordinary shares in the Company provided as remuneration to each director and key management personnel of Peel Mining Limited are set out below. When exercisable, each option is convertible into one ordinary share of Peel Mining Limited. Further information on the options is set out in note 25 to the financial statements.

Name	Fair Value at Grant Date		Number of options granted during year		Number of options vested during year	
	2017	2016	2017	2016	2017	2016
Directors	\$	\$				
Simon Hadfield	50,515	45,410	500,000	500,000	500,000	500,000
Graham Hardie	50,515	45,409	500,000	500,000	500,000	500,000
Rob Tyson	160,270	-	2,000,000	-	1,000,000	500,000
Ryan Woodhouse	12,768	16,000	200,000	200,000	200,000	100,000

Directors' report

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date. Fair values at grant date have been determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, impact of dilution, share price at grant date, price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option.

The terms and conditions of each grant of options existing at reporting date is as follows:

Grant Date	Date Vested & Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
5 December 2014	5 December 2014 (50%) 5 December 2015 (50%)	4 December 2017	7 Cents	3 Cents
7 December 2015	7 December 2015 (100%)	7 December 2018	21.6 Cents	9 cents
19 October 2015	19 October 2015 (50%) 19 October 2016 (50%)	19 October 2018	19 cents	8 cents
10 October 2016	10 October 2016 (50%) 10 October 2017 (50%)	10 October 2019	20.3 cents	15 cents
28 November 2016	28 November 2016 (67%) 28 November 2017 (33%)	28 November 2019	22.3 cents	17.5 cents

No options were exercised by directors of Peel Mining Limited.

(e) Option holdings of key management personnel (KMP)

30 June 2017	Balance at the start of the year	Granted as compensation	Expired during year	Exercised	Other Change	Balance at end of the year	Vested and exercisable	Unvested
Directors								
R Tyson	1,000,000	2,000,000	-	-	-	3,000,000	1,000,000	1,000,000
S Hadfield	500,000	500,000	-	-	-	1,000,000	500,000	-
G Hardie	500,000	500,000	-	-	-	1,000,000	500,000	-
KMP								
R Woodhouse	200,000	200,000	-	-	-	400,000	300,000	100,000

(f) Share holdings of directors and key management personnel – Shares in Peel Mining Limited (number)

30 June 2017	Balance at 1 July 2016	Received during the year on the exercise of options	Other changes during the year	Balance at 30 June 2017
Directors				
G Hardie	15,422,890	-	-	15,422,890
R Tyson	7,080,000	-	-	7,080,000
S Hadfield	3,812,564	-	-	3,812,564
KMP				
R Woodhouse	200,000	-	-	200,000

Directors' report

30 June 2016	Balance at 1 July 2015	Received during the year on the exercise of options	Other changes during the year	Balance at 30 June 2016
Directors				
G Hardie	15,422,890	-	-	15,422,890
R Tyson	7,080,000	-	-	7,080,000
S Hadfield	3,812,564	-	-	3,812,564
KMP				
R Woodhouse	200,000	-	-	200,000

(g) Other transactions with directors and key management personnel

Simon Hadfield, is a director of Resource Information Unit Pty Ltd (RIU). RIU leases the Company office space and charges the Company lease fees on arm's length commercial terms on a monthly basis. Total fees charged to the Company by RIU for the year ended 30 June 2017 were \$59,981 (2016: \$63,501). During the year the Company participated in conferences organised by RIU Conferences Pty Ltd, to the value of \$14,630 (2016: \$13,860), a company of which Mr Hadfield is a director. These amounts are included in loss for the year within administration expenses and on the statement of financial position within trade and other payables at year end in relation to any unpaid amounts.

Aggregate amounts of each of the above types of "other transactions" with key management personnel of Peel Mining Limited:

Amounts recognised as expense	Consolidated	
	2017	2016
	\$	\$
Rent and office management fees	59,981	63,501
Conferences	14,630	13,860
	74,611	77,361

h) Additional information

Cash bonuses

No cash bonuses have been paid by the Company during the reporting period.

Share-based compensation: options

Other than options granted and exercised under the Employee Option Share Plan, as described in (d) above, there were no options issued to or exercised by directors of Peel Mining Limited or other key management personnel during the year.

Use of remuneration consultants

During the year ended 30 June 2017, the Group did not employ the services of a remuneration consultant to review its existing remuneration policies and to provide recommendations in respect of both executive short-term and long-term incentive plan design.

Voting and comments made at the Company's 2016 Annual General Meeting

Peel Mining Limited received more than 99% of "yes" votes on its remuneration report for the 2016 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Audited Remuneration Report

Directors' report

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
3 December 2014 (managing director)	4 December 2017	7 cents	1,000,000
19 October 2015	19 October 2018	19 cents	1,100,000
7 December 2015 (non-executive directors)	7 December 2018	21.6 cents	1,000,000
10 October 2016	10 October 2019	20.3 cents	1,000,000
28 November 2016	28 November 2019	22.6 cents	3,000,000

No option holder has any right under the options to participate in any other share issue of the Company.

Shares issued on the exercise of options

Date of Exercise	Issue price of shares		Number of shares issued	
	2017 cents	2016 cents	2017 Number	2016 Number
nil	-	-	-	-

Indemnification and Insurance of Directors and Officers

During the financial year the Company paid a premium of \$10,266 (2016: \$11,125) to insure the directors and officers of the Group. The policy indemnifies each director and officer of the Group against certain liabilities arising in the course of their duties.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Environmental Regulation

The Group holds exploration licences and mining leases in Australia. These licences specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the respective jurisdiction's guidelines and standards. The Company is not aware of any significant breaches of the licence condition.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included at the end of this financial report.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. The Board has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor as set out below did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in *APEX 110 Code of Ethics for Professional Accountants*.

Details of the fees paid to the auditor during the year can be found at note 16 of the notes to the consolidated financial statements.

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



Managing Director
Perth, Western Australia
20th September 2017

Consolidated statement of profit or loss and other comprehensive income
for the year ended 30 June 2017

		Consolidated	
		2017	2016
	Note	\$	\$
Operator management fee income		162,011	272,645
Interest revenue		60,772	51,281
Other income	3	157,184	150,753
Revenue and other income		379,967	474,679
Share-based remuneration to directors & employees	15	(348,527)	(183,292)
Depreciation expense	9	(54,646)	(82,267)
Employee and directors' benefit expenses	4	(427,987)	(513,412)
Exploration expenditure written off	10	(144,737)	(145,309)
Administration expenses	4	(544,609)	(479,743)
Loss before income tax		(1,140,539)	(929,344)
Income tax benefit (expense)	5	-	584,067
Loss from continuing operations after income tax		(1,140,539)	(345,277)
Other comprehensive income		-	-
Total Loss and comprehensive income for the year attributable to the members of Peel Mining Limited		(1,140,539)	(345,277)
Basic Loss per share for the year attributable to the members of Peel Mining Ltd	24	(0.008)	(0.002)
Diluted Loss per share for the year attributable to the members of Peel Mining Ltd	24	(0.008)	(0.002)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position
as at 30 June 2017

		Consolidated	
	Note	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	6	5,906,983	1,859,028
Trade and other receivables	7	438,144	271,942
Assets held for sale	28	3,351,969	-
Total Current Assets		9,697,096	2,130,970
Non-Current Assets			
Security deposits	8	415,866	366,404
Property	9	840,487	840,487
Plant & equipment	9	184,405	171,272
Exploration assets	10	15,389,576	15,100,555
Total Non-Current Assets		16,830,334	16,478,718
Total Assets		26,527,430	18,609,688
Current Liabilities			
Trade and other payables	12	1,066,333	384,584
Total Current Liabilities		1,066,333	384,584
Non-Current Liabilities			
Deferred Income	13	5,418,541	3,636,415
Total Non-Current Liabilities		5,418,541	3,636,415
Total Liabilities		6,484,874	4,020,999
Net Assets		20,042,556	14,588,689
Equity			
Contributed equity	14	24,248,580	18,002,700
Accumulated losses	15	(5,925,020)	(4,784,480)
Option reserve	15	1,718,996	1,370,469
Total Equity		20,042,556	14,588,689

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
for the year ended 30 June 2017

		Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity \$
CONSOLIDATED					
Balance at 1 July 2015	Note	17,942,191	(4,439,203)	1,187,177	14,690,165
Loss for the year		-	(345,277)	-	(345,277)
Total comprehensive profit for the year	15	-	(345,277)	-	(345,277)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Issue of share capital	14	62,163	-	-	62,163
Share issue expenses	14	(1,654)	-	-	(1,654)
Share based payments	25	-	-	183,292	183,292
Balance at 30 June 2016		18,002,700	(4,784,480)	1,370,469	14,588,689
Loss for the year			(1,140,539)		(1,140,539)
Total comprehensive loss for the year	15	-	(1,140,539)	-	(1,140,539)
Issue of share capital	14	6,268,000	-	-	6,268,000
Share issue expenses	14	(22,120)	-	-	(22,120)
Share based payments	25	-	-	348,527	348,527
Balance at 30 June 2017		24,248,580	(5,925,020)	1,718,996	20,042,556

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
for the year ended 30 June 2017

		Consolidated	
		2017	2016
	Note		\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,003,411)	(984,496)
Research and Development Tax Incentive - Corporate		140,350	-
Management fee income		90,038	182,636
Interest received		48,469	50,803
Net cash outflow from operating activities	22	(724,554)	(751,057)
Cash flows from investing activities			
Payments for exploration expenditure		(4,178,943)	(3,742,930)
Transfer to security deposits		(50,000)	-
Transfer from security deposits		-	21,500
Payments for purchase of plant and equipment		(59,910)	(66,305)
Proceeds from sale of plant and equipment		29,500	-
Research and Development Tax Incentive - Exploration Asset		1,003,856	769,885
Proceeds as part of E&E asset farm-out		1,782,126	2,635,848
Net cash outflow from investing activities		(1,473,371)	(382,002)
Cash flows from financing activities			
Proceeds from issue of shares		6,268,000	19,000
Transaction costs of issue of shares		(22,120)	(1,654)
Net cash inflow from financing activities		6,245,880	17,346
Net increase/(decrease) in cash and cash equivalents		4,047,955	(1,115,713)
Cash and cash equivalents at the start of year		1,859,028	2,974,741
Cash and cash equivalents at the end of year	6	5,906,983	1,859,028

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the financial statements for the Group which comprises Peel Mining Limited and its controlled entities at the end of, or during the financial years ended 30 June 2017 and the comparative period.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Peel Mining Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

New and amended standards adopted by the group

The accounting policies adopted are consistent with those of the previous financial year, other than the adoption of the following standards and amendments; AASB 2014-3 Amendments to Australian Accounting Standard – Accounting for Acquisitions of Interests in Joint Operations; AASB 2014-4 Amendments to Australian Accounting Standard – Clarification of Acceptable Methods of Depreciation and Amortisation; AASB 2015-1 Amendments to Australian Accounting Standard – Annual improvements to Australian Accounting Standards 2012-2014 cycle; and AASB 2015-2 Amendments to Australian Accounting Standard – Disclosure initiative Amendments to AASB 101; which came into effect for the annual reporting period commencing 1 July 2016. The adoption of these standards did not have any significant impact on the current period or any prior period and is not likely to affect future periods.

Comparative information

Certain comparative information has been restated to be present on a consistent basis with the current year's presentation.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Peel Mining Limited (the parent entity) and entities controlled during the year and at reporting date ("**Group**"). A controlled entity is any entity that the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Information from the financial statements of the controlled entities is included from the date the parent company obtains control until such time as control ceases. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

Subsidiary acquisitions are accounted for using the acquisition method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-Group transactions, have been eliminated in full. Unrealised losses are eliminated except where costs cannot be recovered.

Investments in subsidiaries are carried at cost in the parent entity.

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

Peel Mining Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Details of joint operations are set out in note 27.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest income

Revenue is recognised as the interest accrues using the effective interest rate method.

Notes to the consolidated financial statements

Operator Management Fee

Peel Mining Limited receives a 10% management fee on all exploration expenses from Peel (CSP) Pty Ltd as the operator of the CSP Project, under the JOGMEC farm-in arrangement. The revenue is accrued when expenditure is incurred.

(d) Income tax

The income tax expense (or benefit) for the period is the tax payable (or refundable) on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. A deferred income tax asset is not recognised where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit and loss for the year.

(e) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs of disposal and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the asset.

Nil impairment losses have been recognised for the year ending 30 June 2017 (2016: \$nil).

(f) Cash and cash equivalents

For statement of cash flows preparation purposes, cash and cash equivalents includes cash on hand and short term deposits held at call (other than deposits used as cash backing for performance bonds) with financial institutions. Any bank overdrafts are shown within borrowings in the current liabilities on the statement of financial position.

(g) Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised initially at fair value and subsequently at amortised cost less an allowance for any potentially unrecoverable amounts. An allowance for doubtful debts is made when there is objective evidence that the Group may not be able to collect the debts. The allowance for bad debts is recognised in a separate account. Bad debts are written off when identified.

(h) Other financial assets – security deposits

The Group classifies its financial assets as loans and receivables. Management determines the classification at initial recognition and where applicable re-evaluates this designation at the end of each reporting period. Loans and receivables are carried at amortised cost using the effective interest method. The Group assesses at the end of each financial period whether a financial asset is impaired.

Security deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(i) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Notes to the consolidated financial statements

(j) Plant and equipment

All assets acquired, including plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives from the time the asset is held ready for use as follows:

- Plant	3-5 years
- Vehicles	3-5 years
- Office equipment	3-5 years
- Computer software	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is impaired.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(k) Property (Land held at cost)

Property, being interests in freehold land, is held at historical cost and is not depreciated as per AASB 116 Property, Plant and Equipment.

(l) Exploration and evaluation expenditure

All exploration and evaluation expenditure is capitalised under AASB 6 Exploration for and Evaluation of Mineral Resources. Mineral interest acquisition costs and exploration and evaluation expenditure incurred is accumulated and capitalised in relation to each identifiable area of interest. These costs are only carried forward to the extent that the Group's right to tenure to that area of interest are current and either the costs are expected to be recouped through successful development and exploitation of the area of interest (alternatively by sale) or where areas of interest have not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active, and significant operations are undertaken in relation to the area of interest.

Amortisation is not charged on costs carried forward in respect of areas of interest in the exploration and evaluation phase or development phase until production commences.

This policy has resulted in exploration expenditure of \$144,737 (2016: \$145,309) being written off during the year.

(m) Accounting for farmouts

The Group may enter into transactions whereby a third party ("**Farmee**") may earn a right to acquire an interest in assets owned by the Group by meeting certain obligations agreed to by both parties. As the terms of farm-ins are not generic management assess each agreement on a transaction by transaction basis and determines the appropriate accounting treatment based on the terms of the agreement.

CBH Resources Ltd ("CBH") farm-in agreement

On 18 July 2012, CBH and Peel Mining Ltd ("**Peel**") executed a farm-in agreement ("**FIA**") pursuant to which CBH could earn up to a 50% interest in certain exploration tenements held by Peel. Under the terms of this agreement Peel incurred expenses in relation to the farm-in and CBH contributed to these expenses.

Based on the terms of the FIA, Peel applied the following accounting policy whilst in the farm-in period:

- Exploration expenditure incurred by Peel in relation to the FIA is capitalised in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.
- Contributions by CBH pursuant to the FIA, are initially classified as deferred income until such time as CBH fail to earn an interest in the tenements or elected to have an interest in the tenements vest. At this point in time the deferred income is considered earned and transferred to Other Income in the calculation of profit or loss for the period.
- Should CBH earn a vested interest in the tenements, Peel transfers to profit or loss a corresponding proportion of the costs capitalised by the Company over the life of the project, in order to calculate the gain or loss on the disposal that has occurred.

CBH resources took up their interest in the Mallee Bull Project on 27th March 2015, and an un-incorporated Joint Venture was formed. This entity is classified as a joint operation and is accounted for as such per note 1(b).

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 will account for the MoA as per its policy and the agreement with CBH (above), except the Management Fee of 10% on all expenditure, which is accrued as cash calls are received.

Notes to the consolidated financial statements

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually payable within 30 days of invoice. They are recognised initially at fair value and subsequently at amortised cost.

(o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity acquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) are recognised directly in equity.

(p) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the Lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the liability. Finance charges are charged directly to the statement of profit or loss and other comprehensive income.

Operating lease payments are recognised as an expense when incurred.

(r) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and leave entitlements that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to balance date and are measured at the amounts expected to be paid when the liabilities are settled.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable is included as a current asset in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from the taxation authority are classified as operating cash flows.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief decision maker has been identified as the board of directors.

(u) Share Based Payments

Share-based compensation benefits to directors, employees and consultants are provided at the discretion of the board.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipient becomes unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, share price at grant date, expected price volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

Notes to the consolidated financial statements

(v) Research and Development Tax Incentive Grant

Peel accounts for funds received from the ATO under the Research and Development (R&D) Tax Incentive Scheme as an offset to the Exploration and Evaluation asset, where the initial expenses to which it relates were capitalised. A portion of the R&D Tax Incentive Grant relates corporate overheads, this portion has been recognised as other income.

(w) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet. A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(x) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments – (Effective date 1 January 2018)

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the financial instruments standard.

Management has assessed the assets, liabilities and contracts and believe they currently do not constitute financial instruments. Therefore application of the standard at the operative date is not expected to have a significant impact on the group's accounting for financial assets and liabilities at the current time.

AASB 15 Revenue from Contracts with Customers – (Effective date 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management has assessed the impact of the new rules. At this stage, the application of the new rules on the Group's financial statements will not constitute a material change.

AASB 16 Leases – (Effective date 1 January 2019)

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Management has considered significant contracts, such as those for drilling, and believes the group does not hold any contracts that constitute leases under the standard. The group has not entered into any operating or financial leases and therefore believes the implementation of the standard will have no impact at the current time.

At this stage the group does not intend to adopt any of the above standards before their effective date. There are no other standards that are not yet effective and that are expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

(y) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Notes to the consolidated financial statements

The Company makes estimates and judgements in applying the accounting policies. Critical judgements in respect of accounting policies relate to exploration assets, where exploration expenditure is capitalised in certain circumstances. Recoverability of the carrying amount of any exploration assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Capitalisation and carrying amount of capitalised mining and exploration licences

Mining and exploration leases acquired are carried in the consolidated statement of financial position at cost. The directors have determined that the carrying value is appropriate.

Share-based payment transactions

The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined using a Black-Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Impairment of capitalised exploration and evaluation expenditure

It is the Group's policy to capitalise costs relating to exploration and evaluation activities. The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

Income tax expenses and deferred tax

The Group is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

In addition, the Group has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised. Utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. Refer to note 5 for the current recognition of tax losses.

2. Financial Risk Management

Overview

The Company and Group have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The Group manages its credit risk on financial instruments, including cash, by only dealing with banks licensed to operate in Australia and credit ratings of AA.

Trade and other receivables

The Group operates in the mining exploration sector and does not have trade receivables from customers. It does however have credit risk arising from other receivables.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

Carrying amounts	Note	Consolidated	
		2017 \$	2016 \$
Cash and cash equivalents	6	5,906,983	1,859,028
Trade and other receivables	7	438,144	271,942
Security Deposits	8	415,866	366,404

Impairment losses

At 30 June 2017 the Group has recognised an impairment on a receivable from its joint venture partner in relation to expenses paid for by the Company in relation to the Mallee Bull tenement. None of Group's other receivables are past due.

Notes to the consolidated financial statements

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically the Group ensures it has sufficient cash on hand to meet expected operational expenses for a period of 6 months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	Consolidated		
	Carrying Amount \$	Contractual Cash flows \$	6mths Or less \$
30 June 2017			
Trade and other payables	1,066,333	1,066,333	1,066,333
30 June 2016			
Trade and other payables	384,584	384,584	384,584

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of managing market risk is to manage and control market risk exposures to within acceptable limits, while optimising returns. The Group does not have any risks associated with foreign exchange rates or equity prices.

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates that will increase the costs of floating rate debt or opportunity losses that may arise on fixed rate borrowings in a falling interest rate environment. The Group does not have any borrowings and is, therefore, not exposed to interest rate risk in this area. Cash and cash equivalents at variable rates exposes the Group to cashflow interest rate risk. The Group is not exposed to fair value interest rate risk as all of its financial assets and liabilities are carried at amortised amount.

Profile

At the reporting date the interest rate profile of the consolidated entity's interest-bearing financial instruments was:

Variable rate instruments	Variable Average Interest Rate	Consolidated	
		Carrying Amount	
		2017 \$	2016 \$
Short term cash deposits	1.96%	5,906,983	1,859,028
Security deposits	0.77%	415,866	366,404

Cash flow sensitivity analysis for variable rate instruments of the consolidated entity

At 30 June 2017 if interest rates had changed +/- 100 basis points from year end rates with all other variables held constant, equity and post-tax loss would have been \$63,228 lower/higher (2016: \$22,254 lower/higher).

Fair values

The carrying values of all financial assets and financial liabilities, as disclosed in the Statement of Financial Position, approximate their fair values.

	Consolidated	
	2017 \$	2016 \$
3. Other Income		
Doubtful Debt Recovery	-	137,499
R&D Tax Incentive grant income	140,351	-
Gain and loss of disposal of assets	16,833	13,254
Total	157,184	150,753
4. Expenses		
Loss before income taxes includes the following specific expenses:		
Employees and director's benefit expenses		
Employee costs	236,350	324,746
Directors fees	100,013	100,000
Superannuation	91,624	88,666
	427,987	513,412

Notes to the consolidated financial statements

	Consolidated	
	2017	2016
	\$	\$
Administration expenses		
Corporate	361,373	364,835
Consultants	183,236	114,908
	544,609	474,649
5. Income tax		
Income tax expense		
Current tax	-	-
Deferred tax	(224,937)	(584,067)
Numerical reconciliation of income tax to prima facie tax payable:		
Profit/(loss) from continuing operations before income tax	(1,140,539)	(929,344)
At the statutory income tax rate of 30% (2016: 30%)	(342,162)	(278,803)
Expenditure not allowed for income tax purposes:		
Non-deductible expenses	62,820	58,956
Benefit of temporary differences not previously recognised	(218,604)	(508,656)
Previously unrecognised tax losses utilised in the current period	(110,431)	-
Tax losses not brought to account	-	144,436
Adjustments in respect of R&D Tax Incentive Scheme	608,376	-
Income tax benefit/(expense) reported in the statement of profit and loss and other comprehensive income	-	(584,067)
Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		
Deferred tax: share issue costs recognised through equity	(5,960)	(43,163)
The Group has total carried forward tax losses arising in Australia of \$12,432,777 (2016: \$10,941,653) available for offset against future assessable income of the Group. The deferred tax asset in respect of these losses has been used to offset a deferred tax liability. The net deferred tax asset attributable to the residual tax losses of \$34,005 has not been brought to account until convincing evidence exists that assessable income will be earned of a nature and amount to enable such benefit to be realised.		
Deferred taxes: the balance comprises temporary differences attributable to:		
DTA – Deferred income	1,625,562	1,090,925
DTA – Provision for doubtful debts	41,250	41,250
DTA – Employee benefits	79,461	58,574
DTA – Other	5,960	21,079
DTL – Exploration & Evaluation	(5,622,464)	(4,344,167)
DTL – Other Timing Differences	174,403	(5,721)
	(3,695,828)	(3,138,060)
DTA – Tax Losses	3,695,828	3,138,060
Net deferred tax liability	-	-
6. Cash & Cash Equivalents		
Cash at bank and in hand	406,983	359,028
Term deposits with financial institutions	5,500,000	1,500,000
	5,906,983	1,859,028
Refer to Note 2 for the policy on financial risk management		
7. Trade and other receivables		
Receivable from JV Partner	137,667	202,719
Trade and Other Receivables	72,569	-
Provision for doubtful debt	(137,499)	(137,499)
GST recoverable from taxation authority	153,514	87,788
Accrued income	175,330	90,517
Prepayments	36,563	28,417
	438,144	271,942
Refer to Note 2 for the policy on financial risk management		

Notes to the consolidated financial statements

		Consolidated		
		2017	2016	
		\$	\$	
8. Receivables (Non-current)				
Security deposits in relation to exploration tenements		415,866	366,404	
		415,866	366,404	
9. Property, Plant & Equipment				
<i>Property</i>				
Freehold land (at cost)		840,487	840,487	
<i>Plant and equipment</i>				
Depreciating plant and equipment		522,496	574,415	
Less accumulated depreciation		(338,091)	(403,143)	
		184,405	171,272	
Total property, plant and equipment		1,024,892	1,011,759	
Reconciliation				
Carrying amount at beginning of year		1,011,759	1,028,810	
Additions		80,446	66,305	
Depreciation expense		(54,646)	(82,267)	
Disposals		(12,667)	(1,089)	
Closing balance		1,024,892	1,011,759	
10. Exploration assets				
At cost		15,389,576	15,100,555	
Reconciliation				
Opening balance		15,100,555	12,211,904	
Acquisition of exploration lease		-	40,000	
Exploration expenditure		4,789,582	3,763,343	
Assets re-classified as held for sale	28	(3,351,969)	-	
Impairment Expense		(144,737)	(145,309)	
Research and development tax incentive grant		(1,003,855)	(769,383)	
Closing balance		15,389,576	15,100,555	
The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.				
11. Subsidiary companies				
The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):				
Name	Country of Incorporation	Class of Shares	Equity holding 2017 %	Equity holding 2016 %
Peel Environmental Services Limited	Australia	Ordinary	100	100
Apollo Mining Pty Ltd	Australia	Ordinary	100	100
Peel (CSP) Pty Ltd	Australia	Ordinary	100	100
Saturn Metals Limited	Australia	Ordinary	100	-
			Consolidated	
			2017	2016
			\$	\$
12. Trade and other payables				
Trade payables			571,043	174,805
Accrued expenses & other payables			495,290	209,779
			1,066,333	384,584
13. Deferred Income				
Funds from farm-out of asset to JOGMEC ^(a)			5,418,541	3,636,415
Total Deferred Income			5,418,541	3,363,415

Notes to the consolidated financial statements

(a) During the year, Peel Mining Limited continued with its farm-in arrangement with Japanese Oil, Gas & Metals National Corporation (JOGMEC) into the Group's Cobar Superbasin Project (CSP). This saw JOGMEC pay the Group \$1,782,125 for exploration on the project and management fees as part of their Stage 2, \$3,000,000 earn-in over 3 years to acquire an additional 10% of the project (currently earned the right to acquire 40% as part of completion of Stage 1 expenditure). Post this requirement being met and audited, JOGMEC will have a the right to acquire a 50% ownership stake of the project. These amounts have been included in the Group's Consolidated Statement of Cashflows and Consolidated Statement of Financial Position, however per the Group's accounting policy (see note 1(m)), the contributions are recorded as deferred income, which will offset the capitalised expenditure incurred resulting in no gain or loss recognised (net effect) until the point in which the interest is taken up. Currently cash held by Peel Mining Limited of \$5,798 is restricted to be used on the Cobar Superbasin Project under JOGMEC's farm-in arrangement.

14. Contributed Equity

(a) Share capital

	Consolidated and Parent Entity			
	2017		2016	
	Number of Shares	\$	Number of Shares	\$
Ordinary shares fully paid	167,285,969	24,248,580	132,585,969	17,959,537

(b) Movements in ordinary share capital

Opening balance, 1 July	132,585,969	18,002,700	132,485,969	17,942,191
Shares issued as a result of exercise of options	-	-	100,000	19,000
Shares issued as a result of share placements	34,700,000	6,268,000	-	-
Transaction costs on share issues	-	(22,120)	-	(1,654)
Adjustments to share issue costs and related tax	-	-	-	43,163
Closing balance, 30 June	167,285,969	24,248,580	132,585,969	18,002,700

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Options

Information relating to options issued during the year is set out in note 25.

(e) Capital risk management

In employing its capital the Company seeks to ensure that it will be able to continue as a going concern and in time provide value to shareholders by way of increased market capitalisation and/or dividends. In the current stage of its development, the Company has invested its available capital in acquiring and exploring mining tenements. As is appropriate at this stage, the Company is funded entirely by equity. As it moves forward to develop its tenements towards production, the Company will adjust its capital structure to support its operational and strategic objectives, by raising additional capital or taking on debt, as is seen to be appropriate from time to time given the overriding objective of creating shareholder value. In this regard, the board will consider each step forward in the development of the Company on its merits and in the context of the then capital markets, in deciding how to structure funding arrangements.

	Consolidated	
	2017	2016
15. Reserves and accumulated losses	\$	\$
<i>(i) Accumulated losses</i>		
Opening balance	(4,784,480)	(4,439,203)
Loss for the year	(1,140,539)	(345,277)
Closing balance	(5,925,020)	(4,784,480)
<i>(ii) Share-based payments reserve</i>		
Opening balance	1,370,469	1,187,177
Option expenses (employee/director options)	348,527	183,292
Closing balance	1,718,996	1,370,469

Nature and purpose of reserve

The share-based payment reserve represents the fair value of equity benefits provided to directors and employees as part of their remuneration for services provided to the Company paid for by the issue of equity.

Notes to the consolidated financial statements

Share options and reserve movements

	2017		2016	
	Options	\$	Options	\$
Opening balance	3,100,000	1,370,469	3,500,000	1,187,177
Expired during year				
Issued to directors, employees and contractors	4,000,000	348,527	2,200,000	183,292
Lapsed	-	-	(2,500,000)	-
Exercised	-	-	(100,000)	-
Closing balance,	7,100,000	1,718,996	3,100,000	1,370,469
Exercisable at 7 cents each on or before 4 December 2017	1,000,000	-	1,000,000	-
Exercisable at 19 cents each on or before 19 October 2018	1,100,000	-	1,100,000	-
Exercisable at 21.6 cents each on or before 7 December 2018	1,000,000	-	1,000,000	-
Exercisable at 20.3 cents each on or before 10 October 2019	1,000,000	-	-	-
Exercisable at 22.3 cents each on or before 28 November 2019	3,000,000	-	-	-
	7,100,000	-	3,100,000	-

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value (note 25).

16. Remuneration of Auditors

	Consolidated	
	2017 \$	2016 \$
Amounts paid or due and payable to the PricewaterhouseCoopers Auditing and reviewing financial reports	45,900	48,600
	45,900	48,600
Taxation services	10,098	-
Indirect taxation services	96,660	65,283
Valuation services	20,400	-
Total	127,158	65,283

17. Contingencies

The Group had no contingent assets or liabilities as at 30 June 2017 (2016: \$Nil).

18. Commitments and contingencies

	Consolidated	
	2017 \$	2016 \$
Operating lease commitments		
Within one year	-	-
Later than a year but not later than five years	-	-
Later than five years	-	-

Operating lease commitments – Peel Mining Limited as lessee

The Company has entered into a commercial property lease agreement for its Perth office, which has been on a month-by-month basis since July 2014.

Exploration commitments

Under the terms of mineral tenement licences held by the Group, minimum annual expenditure obligations are required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing. This expenditure may be subject to variation from time to time in accordance with the relevant state department's regulations. The Group may at any time relinquish tenements and as such avoid the requirement to meet applicable expenditure requirement, or may seek exemptions from the relevant authority.

Expenditure commitments at the reporting date but not recognised as liabilities are as follows:

	Consolidated	
	2017 \$	2016 \$
Within one year	2,047,140	2,199,240
Later than a year but not later than five years	-	-
Later than five years	-	-

Notes to the consolidated financial statements

19. Segment information

Management has determined that the Group has three reportable segments, being mineral exploration under its joint venture with CBH Resources Limited at its Mallee Bull prospect, mineral exploration under its farm-in agreement with JOGMEC and the other being all other mineral exploration within Australia. The Group is focused only on mineral exploration and the Board monitors the Group based on actual versus budgeted exploration expenditure incurred for these three areas. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date. Decisions regarding the Mallee Bull joint venture is also taken into account by the board, however exploration decisions are made by the Joint Venture committee, which is made up of members from both Peel Mining Limited and CBH Resources Limited.

	2017 \$ Peel	2017 \$ CSP	2017 \$ Mallee Bull	2017 Total
Revenue from external sources	-	-	-	-
Reportable segment profit/(loss)	17,274	-	-	17,274
Segment assets	8,996,479	5,989,388	4,780,570	19,766,437
Segment liabilities	-	(5,418,541)	-	(5,418,541)
	2016 \$ Peel	2016 \$ CSP	2016 \$ Mallee Bull	2016 Total
Revenue from external sources	-	-	-	-
Reportable segment (loss)	264,865	-	-	264,865
Segment assets	8,248,207	3,878,090	3,986,016	16,112,313
Segment liabilities	-	(3,636,415)	-	(3,636,415)

Reconciliation of reportable segment (loss)

	2017 \$	Consolidated 2016 \$
Reportable segment profit/ (loss)	17,274	264,865
Interest & Other income	217,956	64,505
Unallocated expenses	(1,375,769)	(1,258,714)
Profit/(loss) before tax	(1,140,539)	(929,344)

Reconciliation of reportable net assets

Reportable segment assets	19,766,437	16,112,314
Reportable segment liabilities	(5,418,541)	(3,636,415)
Cash	5,906,983	1,859,028
Unallocated Assets	854,010	638,346
Unallocated liabilities	(1,066,333)	(384,584)
Total Net Assets	20,042,556	14,588,689

20. Related Parties

	2017 \$	2016 \$
(a) Compensation of key management personnel		
Short-term employee benefits	459,462	439,004
Post-employment benefits	45,330	41,755
Long-term benefits	3,830	28,761
Share-based payments	274,068	116,298
	782,690	625,818

(b) Other transactions with key management personnel

Simon Hadfield, is a director of Resource Information Unit Pty Ltd (RIU) and RIU Conferences Pty Ltd. RIU leases office space to the Company and charges rental lease fees on arm's length commercial terms on a monthly basis. Total fees charged to the Company by RIU for the year ended 30 June 2017 were \$59,981 (2016: \$63,501). During the year the Company participated in conferences, to the value of \$14,630 (2016: \$13,860) organised by RIU Conferences Pty Limited. These amounts are included in losses for the year within administration expenses.

Aggregate amounts of each of the above types of "other transactions" with key management personnel of Peel Mining Limited:

Notes to the consolidated financial statements

Amounts recognised as expense	Consolidated	
	2017	2016
	\$	\$
Rent and office management fees	59,981	63,501
Conferences	14,630	13,860
	74,611	77,361

21. Events after the reporting period

On the 8th September 2017, the Board of Peel Mining Limited announced plans to vend its Apollo Hill Gold project into a new 100% owned subsidiary with the intention to list the new company on the ASX, via an initial public offering (IPO). The company would hold a general meeting on the 10th October 2017 to obtain shareholder approval for the transaction (see ASX Announcements 8th September 2017 for more information). Post successful IPO/Listing of Saturn, Peel would hold a significant interest in the new venture, retaining exposure to the Apollo Hill assets.

As this process was started in late February 2017 and was ongoing at year end, the Apollo Hill Gold Project assets have been reclassified as non-current assets held for sale (see note 28) from exploration assets (see note 10).

Other than above no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

22. Reconciliation of cash flows from operating activities to loss after income tax

	Consolidated	
	2017	2016
	\$	\$
Net cash outflow from operating activities	(724,554)	(751,056)
Adjustments for		
Share-based payments	(348,527)	(183,292)
Depreciation	(54,646)	(82,267)
Exploration expenditure written off	(144,737)	(145,309)
Reversal of Doubtful Debt	-	137,499
Adjustments to share issue costs and related tax	-	(43,163)
Change in Deferred Tax Liability	-	627,229
Change in operating assets and liabilities		
Decrease/ (increase) in receivables	86,093	(7,899)
Increase in payables	45,832	102,980
Loss after income tax	(1,140,539)	(345,278)

23. Non-cash investing and financing activities

No non-cash investing and financing activities were undertaken during the year (2016: nil).

24. Earnings/(Loss) per share

Basic earnings/(loss) per share	Consolidated	
	2017	2016
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.008)	(0.002)
Diluted earnings/(loss) per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.008)	(0.002)
Reconciliation of profit/loss used in calculation of loss per share		
Loss used in calculating basic loss per share	(1,140,539)	(345,277)

	Consolidated	
	Number of Shares	Number of Shares
	2017	2016
Weighted average number of shares used as the denominator		
Weighted average number of shares used in calculating basic earnings/loss per share	150,949,805	132,555,832
Adjustments for calculation of diluted earnings/loss per share		
Options	158,049,805	135,585,969

Notes to the consolidated financial statements

Effect of dilutive securities

Options on issue at reporting date could potentially dilute earnings per share in the future. The effect in the current year is to reduce the loss per share hence they are considered anti-dilutive. Accordingly the diluted loss per share has not been disclosed.

25. Share-based payments

(a) Share-based payment expenses

During the year the Company has granted options to employees through its employee share option plan (ESOP).

Total expenses arising from share-based payment transactions recognised in the profit and loss during the year were as follows:

	Consolidated			
	2017 Number	2017 \$	2016 Number	2016 \$
Options granted to employees	1,000,000	87,226	1,200,000	80,393

(b) Director options

Set out below are summaries of director's options granted

	Consolidated			
	2017 Number	2017 \$	2016 Number	2017 \$
Options granted to directors	3,000,000	261,301	1,000,000	102,899

30 June 2017

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Expired during the year	Exercised during the year	Balance at end of the year	Vested and exercisable at end of the year
		\$	Number	Number	Number	Number	Number	Number
28 Nov'16	28 Nov'19	\$0.223	-	3,000,000	-	-	3,000,000	2,000,000
5 Dec'14	4 Dec'17	\$0.07	1,000,000	-	-	-	1,000,000	1,000,000
7 Dec'15	7 Dec'18	\$0.216	1,000,000	-	-	-	1,000,000	1,000,000

30 June 2016

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Expired during the year	Exercised during the year	Balance at end of the year	Vested and exercisable at end of the year
		\$	Number	Number	Number	Number	Number	Number
18 Dec'12	28 Nov'15	\$0.50	2,500,000	-	2,500,000	-	-	-
5 Dec'14	4 Dec'17	\$0.07	1,000,000	-	-	-	1,000,000	1,000,000
7 Dec'15	7 Dec'18	\$0.216	-	1,000,000	-	-	1,000,000	1,000,000

Fair value of options granted

The assessed fair value at grant date of options granted to directors during the period ended 30 June 2017 was 10 cents per option (2016: 9 cents). The fair value at grant date is independently determined using a 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.

The model inputs for options granted during the years ended 30 June 2017 and 2016 included:

	2017	2016
Recipient	Executive & Non-exec Director Options	Non-exec Director Options
Options are granted for no consideration and vest accordingly	2,000,000 vest immediately 1,000,000 vest 28 Nov'17	100% vest immediately
Exercise Price	22.3 cents	21.6 cents
Grant Date	28 November 2016	7 December 2015
Expiry Date	28 November 2019	7 December 2018
Share Price at Grant Date	17.5 cents	16 cents
Expected Price Volatility	100%	100%
Expected Dividend Yield	0.00%	0.00%
Risk-free interest rate	1.89%	2.19%

Notes to the consolidated financial statements

(c) Employee share option plan

An employee share option plan, designed to provide long-term incentives for senior employees to deliver long-term shareholder returns, was established in June 2008. The plan was approved by shareholders at annual general meeting. Under the plan, participants are granted options of which 50% are vested immediately and the remainder after 12 months employment with the Company. The plan was reapproved during the year at the annual general meeting.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share at an exercise price of 20.3 cents.

Set out below are summaries of options granted under the plan.

30 June 2017

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at end of the year	Vested and exercisable at end of the year
		\$	Number	Number	Number	Number	Number	Number
19 Oct'15	19 Oct'18	\$0.19	1,100,000	-	-	-	1,100,000	1,100,000
10 Oct'16	10 Oct'19	\$0.203	-	1,000,000	-	-	1,000,000	500,000

Fair value of options granted

The assessed fair value at grant date of options granted to employees during the period ended 30 June 2017 was 8 cents per option (2016: 8 cents). The fair value at grant date is independently determined using a 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.

The model inputs for options granted during the year ended 30 June 2017 included:

	Employee Options	
	2017	2016
Options are granted for no consideration and vest accordingly	50% vest immediately 50% vest in one year from grant date	50% vest immediately 50% vest in one year from grant date
Exercise Price	20.3 cents	19 cents
Grant Date	10 October 2016	19 October 2015
Expiry Date	10 October 2019	19 October 2018
Share Price at Grant Date	15 cents	14 cents
Expected price volatility	100%	100%
Expected dividend yield	0.00%	0.00%
Risk-free interest rate	1.67%	1.82%

30 June 2016

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
		\$	Number	Number	Number	Number	Number	Number
19 Oct'15	19 Oct'18	\$0.19	-	1,200,000	100,000	-	1,100,000	500,000

(d) Acquisition – Share based payment

Peel Mining Limited made no acquisitions using share based payments during the year.

(e) Weighted averages – Options

The weighted average exercise price \$0.19 (2016: \$0.16).

The weighted average fair value of options is \$0.08 (2016: \$0.07).

The weighted average remaining contractual life is 1.82 years (2016: 2.07 years).

Notes to the consolidated financial statements

26. Parent entity information

	Parent entity	
	2017	2016
	\$	\$
Statement of financial position		
Current assets	6,301,589	1,902,543
Total assets	20,093,461	13,969,787
Current liabilities	(808,925)	(304,393)
Total liabilities	(832,412)	(307,343)
Net assets	19,261,049	13,662,445
Equity		
Issued capital	24,248,580	17,959,537
Share option reserve	1,718,996	1,370,469
Accumulated losses	(6,706,526)	(5,667,561)
Total equity	19,261,049	13,662,445
Statement of profit or loss and other comprehensive income		
Interest Revenue	60,772	51,281
Other income	319,195	423,398
Comprehensive loss for the year	(1,375,769)	(201,752)
Total comprehensive loss for the year	(995,802)	(201,752)

Commitments for the parent entity are the same as those for the consolidated entity and are set out in note 18.

The parent entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at year end.

27. Interests in other entities

Peel Mining Limited has a 50% interest in a joint arrangement called the Mallee Bull Joint Venture which was formed after CBH Resources Limited completed their 50% earn-in to the Mallee Bull Project on 27th March 2015. The joint venture agreement in relation to the Mallee Bull Joint Venture require unanimous consent from all parties for all relevant activities. The two joint venture parties own the assets of the joint venture as tenants in common and their interest in assets and liabilities are several, separate and distinct.

This entity is therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

Peel Mining Limited is currently in a farm-in arrangement, through its wholly owned subsidiary Peel (CSP) Pty Ltd, with JOGMEC. JOGMEC is earning the right to a 50% interest in the tenements held by Peel (CSP) Pty Ltd through funding exploration expenditure. If JOGMEC decided to take up their interest at this point a joint arrangement is formed between the parties, in relation to the Cobar Superbasin Project, which requires unanimous consent from all parties for all relevant activities. The parties to the joint arrangement will own the assets of the joint arrangement as tenants in common and their interest in assets and liabilities are several, separate and distinct. If this is to occur the entity is would be classified as a joint operation and the Group would recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

28. Assets Held for Sale

In February 2017, the directors of Peel Mining Limited decided to start the process of floating on the Australian Stock Exchange the Exploration and Evaluation assets of Apollo Mining Pty Ltd (a wholly owned subsidiary which forms part of the Peel reportable segment). As part of this the assets would be sold to a new wholly owned subsidiary company, Saturn Metals Limited (Saturn), prior to Initial Public Offering. At 30 June 2017, the process was continuing with the assets to be transferred as part of the sale process post year end for shares in Saturn. The process is subject to shareholder approval for which a general meeting of the company is to be held on the 5th October 2017. The assets held for sale are held at cost value of \$3,351,969.

	2017	2016
	\$	\$
Opening Balance	-	-
Assets transferred from Exploration and Evaluation	10 3,351,969	-
Total assets held for sale	3,351,969	-

Directors' declaration

The board of directors of Peel Mining Limited declares that:

- (a) the financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements ; and
 - (ii) give a true and fair view of the financial position as at 30 June 2017 and performance for the financial year ended on that date of the consolidated entity.
- (b) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (c) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (d) the board of directors have been given the declaration by the chief executive officer and chief financial officer required by Section 295A of the Corporations Act 2001.

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



Rob Tyson

Managing Director
Perth, Western Australia
20th September 2017



Auditor's Independence Declaration

As lead auditor for the audit of Peel Mining Limited for the year ended 30 June 2017, 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 audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink, appearing to read 'Ben Gargett'.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
20 September 2017



Independent auditor's report

To the members of Peel Mining Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Peel Mining Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2017
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757

Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840

T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of \$260,000, which represents approximately 1% of the Group's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose the Group's total assets because, in our view, it is the benchmark against which the performance of the Group is most commonly measured whilst in the exploration phase.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable asset related thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group's operational and financial processes are managed by a corporate function in Perth, where all of our audit procedures are performed.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Board of Directors.

Key audit matter	How our audit addressed the key audit matter
<p>Carrying value of exploration and evaluation assets (Refer to note 10)</p> <p>The Group holds mining, exploration and prospecting licenses across New South Wales and Western Australia and recognised exploration and evaluation assets of \$15.4 million at 30 June 2017 in respect of carry forward expenditure on these tenements.</p> <p>The Group performed an assessment as to whether impairment indicators existed at 30 June 2017 in respect of exploration and evaluation assets and concluded that there were no indicators of impairment.</p> <p>The carrying value of exploration and evaluation assets was a key audit matter due to the size of the exploration and evaluation assets on the consolidated statement of financial position as at 30 June 2017 and the risk of impairment of exploration and evaluation assets should the result of exploration activities not be positive or the Group relinquish certain exploration licenses as it continues to assess future viability.</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • Tested whether the Group retained right of tenure for a sample of its exploration licence areas by obtaining licence status records from relevant government databases. • For a sample of additions to exploration and evaluation assets during the year, inspected relevant supporting documentation, such as invoices, and compared the amounts to accounting records. • Obtained management's exploration expenditure forecasts supporting their assessment and compared these to the approved budgets and future cash flow forecasts of the Group. • Inquired of management and directors as to the future planned expenditure on capitalised exploration and evaluation assets and assessed plans for future expenditure to meet minimum licence requirements. • Obtained written representations from management regarding their plans for future action and their assessment of the feasibility of these plans.

Key audit matter	How our audit addressed the key audit matter
<p>Accounting for joint venture farm-in arrangements (Refer to note 13 & 27)</p> <p>The Group obtained funding for the Cobar Superbasin Project (“CSP”) through a farm-in arrangement with joint venture partner Japan Oil, Gas and Metals National Corporation (“JOGMEC”).</p> <p>Until such time that JOGMEC meets their expenditure requirements and exercises their right to earn an interest in the project, the contributions received under this arrangement are recognised as deferred income, with management fee income recognised in line with the contractual terms of the arrangement.</p> <p>This was a key audit matter due to the significance of the deferred income liability as well as the judgements by the Group in interpreting the terms of the contractual arrangement and determining the appropriate accounting treatment of the elements of the farm-in arrangement.</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • Obtained the contractual agreements in respect of the joint venture farm-in arrangement and correspondence between the participants relevant to the current standing of the agreement, including the status of JOGMEC’s right to earn an interest in the project. • Inquired of management and directors as to whether there were any changes to the nature of the arrangement during the year. • Compared the cash contributions received during the year from JOGMEC to cash receipts in the bank statement. • Assessed the treatment of the contributions received by the Group under the joint venture arrangement and the resulting classification between management fee revenue and deferred revenue in light of the terms of the agreement. • Obtained written representations from management regarding the current status of the farm-in arrangement, including that JOGMEC had not exercised their right to any interest in the underlying exploration tenement as at 30 June 2017. • Evaluated whether, in view of the requirements of Australian Accounting Standards, the financial report provided adequate disclosure about the joint arrangement.

Key audit matter	How our audit addressed the key audit matter
<p><i>Classification of non-current assets considered to be held for sale</i> <i>(Refer to note 28)</i></p> <p>At 30 June 2017, the Group had classified non-current exploration and evaluation assets relating to the Apollo Hill gold project as held for sale. The Group believes that their carrying value will be recovered principally through an ASX listing of these assets, rather than through continuing use.</p> <p>This was a key audit matter due to the significance of the proposed transaction for the Group and the nature of the judgements made by the Group about the status of the transaction when assessing whether the requirements of Australian Accounting Standards to classify assets as held for sale have been satisfied as at 30 June 2017.</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • Evaluated whether the Apollo Hill gold project assets were available for immediate sale in their present condition by considering the Group's current rights to tenure. • Inquired of management as to their plan to sell these assets and the basis of their conclusion that the transaction was highly probable of completing within the next twelve months. • Obtained the relevant correspondence and contractual arrangements with advisors in relation to the proposed sale. • Compared the Group's assessment of assets and liabilities identified and classified as held for sale to the underlying accounting records • Tested that the assets classified as held for sale were held at the lower of their carrying amount and fair value less costs to sell through obtaining evidence supporting the fair value less costs to sell, such as valuations implied by recent comparable transactions. • Evaluated whether, in view of the requirements of Australian Accounting Standards, the financial report provided adequate disclosure about the proposed transaction.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Directory, Chairman's Report, Review of Operations, Schedule of Tenements as at 30 June 2017, Directors' Report, Additional ASX Information and Shareholder Information included in the Group's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 26 to 30 of the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Peel Mining Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized, handwritten-style signature of the firm PricewaterhouseCoopers.

PricewaterhouseCoopers

A handwritten signature of Ben Gargett.

Ben Gargett
Partner

Perth
20 September 2017

Additional ASX information

ASX BEST PRACTICE RECOMMENDATIONS

This statement outlines the main corporate governance practices that were formally in place from 15 September 2014 onwards. These corporate governance practices comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

BOARD OF DIRECTORS

The Board operates in accordance with the broad principles set out in its charter, which is available from the corporate governance information section of the Company website at www.peelmining.com.au.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. This includes setting the strategic directions for the company, establishing goals for management and monitoring the achievement of these goals.

A summary of the key responsibilities of the Board include:

1. **Strategy** - Providing strategic guidance to the Company, including contributing to the development of and approving the corporate strategy;
2. **Financial performance** - Approving budgets, monitoring management and financial performance;
3. **Financial reporting and audits** - Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the external auditors;
4. **Leadership selection and performance** - Appointment, performance assessment and removal of the Managing Director. Ratifying the appointment and/or removal of other senior management, including the Company Secretary and other Board members;
5. **Remuneration** - Management of the remuneration and reward systems and structures for Executive management and staff;
6. **Risk management** - Ensuring that appropriate risk management systems and internal controls are in place; and
7. **Relationships with the exchanges, regulators and continuous disclosure** - Ensuring that the capital markets are kept informed of all relevant and material matters and ensuring effective communications with shareholders.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the board. All directors have direct access to the Company Secretary.

The Board has delegated to management responsibility for the day-to-day operation and administration of the Company is delegated by the board to the Managing Director. The Board ensures that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive directors.

The roles of Chairman and Managing Director are not combined. The Managing Director is accountable to the Board for all authority delegated to the position.

Whilst there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- Board approval and monitoring of a strategic plan;
- approval of annual and semi-annual budgets and monitoring actual performance against budget; and
- procedures are in place to incorporate presentations to each Board meeting by financial and operations management.

COMPOSITION OF THE BOARD

The names, skills, experiences and period of office of the Directors of the Company in office at the date of this Statement are set out in the Director's Report. A summary of these skills and experiences are provided in table 1.

The composition of the Board is determined using the following principles:

- Persons nominated as Non-executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter.

Additional ASX information

- The Chairperson should ideally be independent, but in any case be Non-executive and be elected by the Board based on his/her suitability for the position.
- The roles of Chairperson and Managing Director should not be held by the same individual.
- All Non-executive Directors are expected voluntarily to review their membership of the Board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company.
- The Company considers that the Board should have at least three Directors (minimum required under the Company's Constitution) and to have a majority of independent Directors but acknowledges that this may not be possible at all times due to the size of the Company. Currently the Board has three Directors, with only Mr Hadfield as independent. The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.

The Board has accepted the following definition of an independent Director:

An independent Director is a Director who is not a member of management (a Non-executive Director) and who:

- holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

Table 1: Skills and Experience Matrix of Peel Mining Limited's Directors

Area	Competence
Business and Finance	Accounting, Tax, Business Strategy, Corporate Financing, Financial Literacy, Agreements/Fiscal Terms and Risk Management
Leadership	Business Leadership, Executive Management and Mentoring, Public Listed Company Experience
Sustainability & Stakeholder	Community Relations, Corporate Governance, Environmental Issues, Government Affairs, Health & Safety, Human Resources, Industrial Relations and Remuneration
Industry Specific (Australia)	Precious Metals – Exploration & Production, Base Metals – Exploration & Production, Mining & Resources

The directors on the Board collectively have a combination of skills and experience in the competencies set out in the table above. These competencies are set out in the skills matrix that the Board uses to assess the skills and experience of each director and the combined capabilities of the Board. Where an existing or projected competency gap is identified, the Board will address those gaps. The Board does not currently consider that there are any existing or projected competency gaps.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

Each director has the right to seek independent professional advice on matters relating to his position as a director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

NOMINATION COMMITTEE / APPOINTMENT OF NEW DIRECTORS

Because of the size of the Company and the size of the Board, the Directors do not believe it is appropriate to establish a separate Nomination Committee. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the web.

Additional ASX information

The composition of the Board is reviewed on an annual basis to ensure the Board has the appropriate mix of expertise and experience. Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities and then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Non-executive directors do not have written agreements setting out the key terms and conditions of their appointment because the Company's constitution and the ASX Listing Rules govern the term of each director's appointment. Directors are required to retire by rotation. Common law and the Corporations Act govern the duties of directors and members are required to approve the maximum fees paid to non-executive directors. Executive directors enter into an employment agreement which governs the terms of their appointment.

The Board undertakes appropriate checks prior to nominating a director for election by shareholders. These checks include a police and reference checks. Shareholders are provided with all material information in its possession concerning a director standing for election or re-election in the relevant notice of meeting.

An informal induction is provided to all new directors, which includes meeting with technical and financial personnel to understand Peel Mining Limited's business, including strategies, risks, company policies and health and safety.

All directors are required to maintain professional development necessary to maintain their skills and knowledge needed to perform their duties. In addition to training provided by relevant professional affiliations of the directors, additional development is provided through attendance at seminars and provision of technical papers on industry related matters and developments offered by various professional organisations, such as accounting firms and legal advisors.

TERM OF OFFICE

Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting, one third of the Directors (excluding the Managing Director) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.

PERFORMANCE OF DIRECTORS AND MANAGING DIRECTOR

The performance of all Directors, the Board as a whole and the Managing Director and Company Secretary is reviewed annually.

The Board meets once a year with the specific purpose of conducting a review of its composition and performance. This review includes:

- comparison of the performance of the Board against the requirements of the Board charter;
- assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- review the Board's interaction with management;
- identification of any particular goals and objectives of the Board for the next year;
- review the type and timing of information provided to the directors; and
- identification of any necessary or desirable improvements to Board or committee charters.

A review was undertaken during the reporting period.

PERFORMANCE OF SENIOR EXECUTIVES

The Managing Director is responsible for assessing the performance of the key executives within the Company. This is to be performed through a formal process involving a formal meeting with each senior executive. The basis of evaluation of senior executives will be on agreed performance measures.

A review of senior executives was undertaken during the reporting period.

CONFLICT OF INTEREST

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the

Additional ASX information

item is considered. Details of Directors related entity transactions with the Company are set out in the related parties note in the financial statements.

DIVERSITY

Peel Mining Limited recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

The Diversity Policy defines the initiatives which assist Peel Mining Limited with maintaining and improving the diversity of its workforce. A copy of the Diversity Policy can be found in the company's Corporate Governance Framework on the Company's website. The policy does not include a requirement also set Measurable Objectives for achieving gender diversity and monitor their achievement. Nor has the Board set measurable objectives for achieving gender diversity, given its current size and stage of development as an exploration company. However the board is striving to achieve the initiatives set out in the Policy.

The policy was formally adopted by the company on the 23 September 2015.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are set out in the table below:

Proportion of Women	Proportion of women
Organisation as a whole	3 out of 13 (23%)
Executive Management Team	0 out of 2 (0%)
Board	0 out of 3 (0%)

REMUNERATION

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre Executives;
- Link Executive rewards to shareholder value; and
- Establish appropriate performance hurdles in relation to variable Executive remuneration.

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and Executives in the current year is included in the remuneration report, which is contained within the Report of the Directors.

There are no schemes for retirement benefits for Non-executive Directors, other than superannuation.

BOARD REMUNERATION COMMITTEE

Once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish a Remuneration Committee. Until that time, the Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process is stringent and full details of remuneration policies and payments are provided to shareholders in the annual report and on the web.

AUDIT AND RISK COMMITTEE

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate audit committee is not considered appropriate. The Board assures integrity of the financial statements by:

- a) reviewing the Company's statutory financial statements to ensure the reliability of the financial information presented and compliance with current laws, relevant regulations and accounting standards;
- b) monitoring compliance of the accounting records and procedures in conjunctions with the Company's auditor, on matters overseen by the Australian Securities and Investments Commission, ASX and Australian Taxation Office;
- c) ensuring that management reporting procedures, and the system of internal control, are of a sufficient standard to provide timely, accurate and relevant information as a sound basis for management of the Group's business;
- d) reviewing audit reports and management letters to ensure prompt action is taken;
- e) when required, nominating the external auditor and at least annually review the external auditor in terms of their independence and performance in relation to the adequacy of the scope and quality of the annual statutory audit and half-year review and the fees charged.

Additional ASX information

RISK OVERSIGHT AND MANAGEMENT

The Board determines the Company's 'risk profile' and is responsible overseeing and approving risk management strategy and policies, internal compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

The Company has exposure to economic risks, including general economy wide economic risks and risks associated with the economic cycle which impact on the price and demand for minerals which affects the sentiment for investment in exploration companies.

There will a requirement in the future for the Company to raise additional funding to pursue its business objectives. The Company's ability to raise capital may be effected by these economic risks.

Company has in place risk management procedures and processes to identify, manage and minimise its exposure to these economic risks where appropriate.

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceed. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Board currently considers that the Company does not have any material exposure to social sustainability risk. The Company's Corporate Code of Conduct outlines the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees when dealing with stakeholders.

The Board reviewed the Risk Management Framework, including the policies, procedures and the Company's Risks during the reporting period.

A summary of Peel Mining Limited's Risk Management review procedures can be found in the corporate governance information section of the Company website at www.peelmining.com.au.

Considerable importance is placed on maintaining a strong control environment. The Board actively promotes a culture of quality and integrity.

Control procedures cover management accounting, financial reporting, compliance and other risk management issues.

No internal audit function is currently in place due to the size of the Company, however Board regularly assess the need for an internal audit function. The Board encourages management accountability for the Company's financial reports by ensuring ongoing financial reporting during the year to the Board. Half yearly, the Financial Controller (or equivalent) and the Managing Director are required to state in writing to the Board that in all material respects:

Declaration required under s295A of the Corporations Act 2001 -

- the financial records of the Company for the financial period have been properly maintained;
- the financial statements and notes comply with the accounting standards;
- the financial statements and notes for the financial year give a true and fair view; and
- any other matters that are prescribed by the Corporations Act regulations as they relate to the financial statements and notes for the financial year are satisfied.

Additional declaration required as part of corporate governance -

- the risk management and internal compliance and control systems in relation to financial risks are sound, appropriate and operating efficiently and effectively.

These declarations were received for the June 2017 financial year.

CODE OF CONDUCT

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

The Code of Conduct embraces the values of:

- Integrity & Objectivity
- Excellence
- Commercial Discipline

Additional ASX information

The Board encourages all stakeholders to report unlawful/unethical behaviour and actively promotes ethical behaviour and protection for those who report potential violations in good faith.

TRADING IN PEEL MINING LIMITED SECURITIES BY DIRECTORS, OFFICERS AND EMPLOYEES

The Board has adopted a specific policy in relation to Directors and officers, employees and other potential insiders buying and selling shares.

Directors, officers, consultants, management and other employees are prohibited from trading in the Company's shares, options and other securities if they are in possession of price-sensitive information.

The Company's Security Trading Policy is provided to each new employee as part of their induction training.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

CONTINUOUS DISCLOSURE

The Board has a Market Disclosure Policy to ensure the compliance of the Company with the various laws and ASX Listing Rule obligations in relation to disclosure of information to the market. The Managing Director is responsible for ensuring that all employees are familiar with and comply with the policy.

The Company is committed to:

- a) complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing rules;
- b) preventing the selective or inadvertent disclosure of material price sensitive information;
- c) ensuring shareholders and the market are provided with full and timely information about the Company's activities; and
- d) ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

SHAREHOLDER COMMUNICATIONS STRATEGY

The Company recognises the value of providing current and relevant information to its shareholders. The Company has adopted a Shareholder Communications Strategy which can be accessed from Peel Mining Limited's website at <http://www.peelmining.com.au/wp-content/uploads/2014/09/Peel-Mining-Ltd-Corporate-Governance-Framework-board-approved-150914.pdf>.

Information is communicated to shareholders through the annual and half yearly financial reports, quarterly reports on activities, announcements through the Australian Stock Exchange and the media, on the Company's web site and through the Chairman's address at the annual general meeting. After the Annual General Meeting, the Managing Director provides shareholders with a presentation. Afterwards all directors are available to meet with any shareholders and answer questions.

Shareholders are encouraged to contact the Company through the Contact Us section on Peel Mining Limited's website, to submit any questions via email, or call.

The Company's website provides communication details for its Share Registry, including an email address for shareholder enquiries direct to the Share Registry.

In addition, news announcements and other information are sent by email to all persons who have requested their name to be added to the email list. If requested, the Company will provide general information by email.

The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

The Company ensures that its external auditor is present at all Annual General Meetings to enable shareholders to ask questions relevant to the audit directly to the auditor.

COMPANY WEBSITE

Peel Mining Limited has made available details of all its corporate governance principles, which can be found in the corporate governance information section of the Company website at www.peelmining.com.au.

Shareholder Information

Information relating to shareholders at 15 September 2017

Distribution of shareholders

Range	No. of Holders	No. Ord	
		Shares	%
1 - 1,000	46	10,790	0.01
1,001 - 5,000	125	397,880	0.24
5,001 - 10,000	122	1,038,680	0.62
10,001 - 100,000	373	15,656,385	9.36
100,001 - 9,999,999,999	148	150,182,234	89.78
Total	814	167,285,969	100.00

Twenty largest shareholders

	No. Ord Shares		%
1. ST BARBARA LTD	16,000,000	9.56	
2. POINT NOMINEES PTY LTD	15,422,890	9.22	
3. MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	15,030,680	8.99	
4. PERTH CAPITAL PTY LTD	11,111,842	6.64	
5. ARIKI INVESTMENTS PTY LIMITED	10,855,897	6.49	
6. HAMPTON HILL MINING NL	9,900,000	5.92	
7. PERTH CAPITAL PTY LTD	5,500,000	3.29	
8. MR ROBERT MACLAINE TYSON	3,877,625	2.32	
9. MR MICHAEL HSIAU YUN LAN	3,402,182	2.03	
10. CITICORP NOMINEES PTY LIMITED	3,201,088	1.91	
11. WYTHENSHAW PTY LTD	2,410,000	1.44	
12. MR SIMON HADFIELD & MRS FIONA HADFIELD	2,195,560	1.31	
13. MR JONATHON TYSON & MR CHRIS TYSON & MR ROBERT TYSON	2,030,000	1.21	
14. ARIKI INVESTMENTS PTY LIMITED	1,950,000	1.17	
15. MR RICHARD JOHN DUNN	1,895,743	1.13	
16. DENKEY PTY LTD	1,300,000	0.78	
17. NALMOR PTY LTD JOHN CHAPPELL SUPER FUND A/C	1,300,000	0.78	
18. JETOSEA PTY LTD	1,271,214	0.76	
19. MR SIMON HADFIELD	1,250,000	0.75	
20. MR KEIRAN HAYNES	1,100,000	0.66	
	112,004,721	66.95	

Substantial shareholders

	No. Ord Shares		%
1 Hampton Hill Mining NL and Associates	24,578,184	14.69	
2 William Hodgson and Associated Companies	19,200,000	11.48	
4 St Barbara Limited	16,000,000	9.56	
3 Point Nominees Pty Ltd	15,422,890	9.22	
4 Resource Capital Fund VI L.P.	15,000,000	8.97	

At the prevailing market price of \$0.225 per share there were 81 shareholders with less than a marketable parcel of shares at 15 September 2016.

Shareholder Information

At 15 September 2016 there were 814 holders of ordinary shares in the Company.

At the date of this report there were no shares or options restricted by the ASX.

Unquoted securities

At the date of this report the Company had 7,100,000 unlisted share options on issue.

Voting Rights

The voting rights attaching to the ordinary shares, set out in Clause 12.11 of the Company's Constitution are:

"Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at meetings of Shareholders or classes of Shareholders:

1. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
2. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote; and
3. on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited)"

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Peel Mining Limited

ABN / ARBN:

42 119 343 734

Financial year ended:

30 June 2017

Our corporate governance statement² for the above period above can be found at:³

- ☒ These pages of our annual report: 61 - 66
- ☒ This URL on our website: www.peelmining.com.au

The Corporate Governance Statement is accurate and up to date as at 20th September 2017 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 20th September 2017

Name of Director or Secretary authorising
lodgement:



¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement for part (b) OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at http://www.peelmining.com.au/about/corporate-governance/</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at ... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at ... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at Page 26 of the 2017 Annual report	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at http://www.peelmining.com.au/about/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at http://www.peelmining.com.au/about/corporate-governance/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>