peel mining LIMITED

**ASX ANNOUNCEMENT** **30th OCTOBER 2017**

# HIGH-GRADE ZINC DISCOVERY CONFIRMED: 21m @ 31.02% Zn, 12.05% Pb, 258 g/t Ag, 1.43 g/t Au

- **High-grade zinc-lead-silver discovery at Southern Nights prospect confirmed with exceptional assay results:**
  - **21m @ 31.02% Zn, 12.05% Pb, 258 g/t Ag, 1.43 g/t Au from 194m in WTRC035**
  - **58m @ 3.88% Zn, 1.19% Pb, 28 g/t Ag, 0.28 g/t Au from 139m (including 9m @ 8.84% Zn, 2.07% Pb, 14 g/t Ag, 0.58 g/t Au from 188m) in WTRC033**
- **Follow-up drilling intercepts further significant zinc-rich mineralisation over ~240m strike**
- **Mineralisation remains open in all directions**
- **Drilling continuing**

Peel Mining (ASX:PEX) ("Peel" or the "Company") is pleased to confirm an exciting new zinc-rich discovery at the Company's 100%-owned Wagga Tank Project, south of Cobar in western New South Wales, following the receipt of exceptionally high-grade zinc-lead-silver assay results from the Southern Nights prospect.

Southern Nights, located ~1km south of the high-grade (Zn-Pb-Ag-Au-Cu) Wagga Tank deposit, was recently identified as hosting significant Wagga Tank-style mineralisation (see ASX announcements dated 7 September and 19 October 2017). As reported on 19 October 2017, drillholes WTRC035 and WTRC033 intersected very high-grade zinc-lead-silver rich sulphides including massive sulphides.

Analysis of drill cuttings with a portable XRF device gave a preliminary indication as to the remarkable tenor of the mineralisation. Assay results have since been received with significant intercepts returned shown below:

**Table 1 - Southern Nights Significant Assay Results**

| Hole ID | From (m) | To (m) | Width (m) | Zn % | Pb % | Cu % | Ag (g/t) | Au (g/t) |
|---|---|---|---|---|---|---|---|---|
| WTRC031 | 100 | 145 | 45 | 0.87 | 0.41 | - | 27 | - |
| and | 180 | 185* | 5 | 2.23 | 0.51 | - | 28 | 0.12 |
| WTRC033 | 108 | 200* | 92 | 2.81 | 0.98 | - | 19 | 0.20 |
| Including | 139 | 197 | 58 | 3.88 | 1.19 | - | 28 | 0.28 |
| including | 188 | 197 | 9 | 8.84 | 2.07 | 0.35 | 14 | 0.58 |
| WTRC035 | 190 | 216* | 26 | 25.45 | 9.92 | 0.34 | 215 | 1.19 |
| including | 194 | 215 | 21 | 31.02 | 12.05 | 0.42 | 258 | 1.43 |

* denotes end-of-hole

Importantly, follow-up drilling undertaken since 19 October has intercepted further significant zinc-rich mineralisation, with the mineralisation remaining open in all directions. Drilling is continuing at the time of reporting.

The discovery of this near-surface, zinc-rich mineralisation at Southern Nights supports the Company's view that the Wagga Tank/Southern Nights area is potentially host to a major, high-grade, base/precious metals mineral system. The mineralisation in WTRC035 ranks as the best intercept ever reported by the Company.

***Southern Nights Discovery & Follow-up Drilling***

As previously reported, drillhole WTRCDD021 (456.6m), designed to test coincident chargeable IP and magnetic geophysical anomalies ~1km south of the Wagga Tank deposit, intersected a broad zone of Wagga Tank-style mineralisation including significant Zn-Pb-Ag-Cu-Au mineralisation. This area is now termed the Southern Nights prospect. Follow-up drilling at Southern Nights recommenced several weeks ago, and as at the time of reporting, eleven RC drillholes (WTRC031, WTRC033-WTRC042 for 2,565m) had been completed.

Encouragingly, the stratigraphic unit host to Wagga Tank mineralisation - the Vivigani Formation - appears to have been intercepted in all drillholes, with significant mineralisation intercepted in seven drillholes. Drilling has now defined the Vivigani Formation over the entire 280m of strike length tested so far. Geological logging and interpretation is preliminary, and along with geochemical sampling, is ongoing at the time of reporting. References to mineralisation have been made based on initial visual logging, portable XRF analysis and laboratory assay results.

Due to the early stage of investigation, the geometry of Southern Nights' mineralisation, and subsequent true widths of the downhole mineralised intercepts, remains uncertain, however a near-vertical or a steep westerly dip to mineralisation is considered likely. This would imply a true width of between approximately 35-65% of the downhole intervals reported for all west-oriented (270 degree collar azimuth) drillholes, and between ~70-90% for east-oriented (85 degree collar azimuth) drillholes. Drilling is continuing to assist in determining the geometry of mineralisation.

A summary of all follow-up drilling completed to date is included below:

**WTRC031** (185m) was collared 160m south and 80m west of WTRCDD021 and was designed to further test the Southern Nights chargeable IP anomaly, and to test along strike and updip of WTRCDD021. Assays confirmed WTRC031 intersected a broad zone of anomalous Zn-Pb-As-Ag-Cu from ~70m to end-of-hole (185m). The hole was terminated prematurely in moderate-strong mineralisation due to high water inflows. A diamond tail is planned.

**WTRC033** (200m) was collared 80m west of WTRCDD021 and was designed to test immediately updip of WTRCDD021. WTRC033 intersected a broad zone of anomalous Zn-Pb-As-Ag-Cu from ~80m to end-of-hole (200m). Assays confirmed the drillhole intercepted a broad zone of mineralisation comprising **92m @ 2.81% Zn, 0.98% Pb, 19 g/t Ag, 0.2 g/t Au from 108m including 9m @ 8.84% Zn, 2.07% Pb, 14 g/t Ag, 0.58 g/t Au from 188m**. The hole was terminated prematurely in mineralisation due to high water inflows. A diamond tail is planned.

**WTRC034** (199m) was collared 40m west of WTRC033 and was designed to test immediately updip of WTRC033. WTRC034 intersected a broad zone of weakly anomalous Zn-Pb-As from surface to end-of-hole. Initial interpretations are that this drillhole was positioned too far west to intersect mineralisation.

**WTRC035** (216m) was collared 40m south of WTRC033 and was designed to test along strike of WTRC033. WTRC035 intersected a broad zone of anomalous Zn-Pb-As-Ag-Cu from ~40m to end-of-hole (216m). The drillhole intercepted several zones of significant mineralisation with assays confirming a strongly mineralised zone of **26m @ 25.45% Zn, 9.92% Pb, 215 g/t Ag, 1.43 g/t Au from 190m**. Assays for the remainder of the drillhole remain pending. The hole was terminated prematurely in mineralisation due to high water inflows. A diamond tail is planned.

**WTRC036** (265m) was collared 120m west of WTRC033 and was designed to scissor towards WTRC033. Portable XRF analysis indicates WTRC036 intersected a broad zone of anomalous Zn-Pb-As-Ag-Cu from

~80m to ~190m downhole, however no obvious significant mineralisation was intersected. The drillhole appears to have been positioned too far east to successfully scissor WTRC033.

**WTRC037** (259m) was collared 40m north of WTRC033 and was designed to test along strike of WTRC033. Portable XRF analysis indicates WTRC037 intersected a broad zone of anomalous Zn-Pb-As-Ag-Cu from ~40m to ~190m downhole, including a zone of strong Zn-Pb-Ag mineralisation between ~149m to ~156m downhole. Assays remain pending.

**WTRC038** (289m) was collared 80m south of WTRC033 and was designed to test along strike of WTRC033 and WTRC035. Portable XRF analysis indicates WTRC038 intersected a broad zone of anomalous Zn-Pb-As-Ag-Cu from ~40m to ~195m including a zone of moderate Zn-Pb-Ag mineralisation between ~148m to ~154m downhole, and a zone of strong Zn-Pb-Ag mineralisation between ~190m to ~192m downhole. Assays remain pending.

**WTRC039** (259m) was collared 120m south of WTRC033 and was designed to test along strike of WTRC033 and WTRC035. Portable XRF analysis indicates WTRC039 intersected a broad zone of anomalous Zn-Pb-As-Ag-Cu from ~60m to 200m downhole including a zone of strong Zn-Pb-Ag mineralisation between ~162m to ~183m downhole. Assays remain pending.

**WTRC040** (253m) was collared 120m north of WTRC033 and was designed to test along strike of WTRC033 and WTRC035. Portable XRF analysis indicates WTRC040 intersected a broad zone of anomalous Zn-Pb-As-Ag-Cu from ~60m to 130m downhole. Initial interpretations are that this drillhole was positioned too far west to intersect mineralisation.

**WTRC041** (253m) was collared 80m north of WTRC033 and was designed to test along strike of WTRC033 and WTRC035. Portable XRF analysis indicates WTRC041 intersected a broad zone of anomalous Zn-Pb-As-Ag-Cu from ~75m to 130m downhole. Initial interpretations are that this drillhole was positioned too far west to intersect mineralisation.

**WTRC042** (187m) was collared west of WTRC033 and was designed to scissor towards WTRC033. Portable XRF analysis indicates a WTRC042 intersected a zone of moderate-strong Zn-Pb-Ag mineralisation between ~176m to ~187m downhole. Assays remain pending. A diamond tail is planned.

Drilling at Southern Nights is ongoing at the time of reporting with six additional RC drillholes planned in the near term. These drillholes will be designed to primarily test for strike extentions.

***Previous Results***

Previous results referred to herein have been extracted from previously released ASX announcements, most recently including "Drilling Success Continues at Wagga Tank and Wirlong" published on 7th September 2017 and "Exceptional Zinc-Rich Discovery at Wagga Tank" published on 19th October 2017. Previous reports are available to view on www.peelmining.com.au and www.asx.com.au. Additional information regarding Wagga Tank is available in the Company's quarterly reports from September 2016 through to June 2017. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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***Competent Persons Statements***

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.

**Table 2 – Southern Nights Drill Colars**

| Hole ID | Northing | Easting | Dip | Azi | Max Depth (m) |
|---|---|---|---|---|---|
| WTRCDD021 | 6386354 | 378698 | -60 | 270 | 456.6 |
| WTRC031 | 6386190 | 378620 | -60 | 270 | 185 |
| WTRC033 | 6386350 | 378620 | -60 | 270 | 200 |
| WTRC034 | 6386350 | 378580 | -60 | 270 | 199 |
| WTRC035 | 6386310 | 378620 | -60 | 270 | 216 |
| WTRC036 | 6386340 | 378500 | -60 | 85 | 265 |
| WTRC037 | 6386390 | 378620 | -60 | 270 | 259 |
| WTRC038 | 6386270 | 378620 | -60 | 270 | 289 |
| WTRC039 | 6386230 | 378620 | -60 | 270 | 259 |
| WTRC040 | 6386470 | 378620 | -60 | 270 | 253 |
| WTRC041 | 6386430 | 378620 | -60 | 270 | 253 |
| WTRC042 | 6386350 | 378440 | -60 | 85 | 187 |
| WTRC043 | 6386310 | 378420 | -60 | 85 | Underway |

**Figure 1 – Wagga Tank/Southern Nights Plan (Zn/Pb Histogram/1VD Magnetics)**

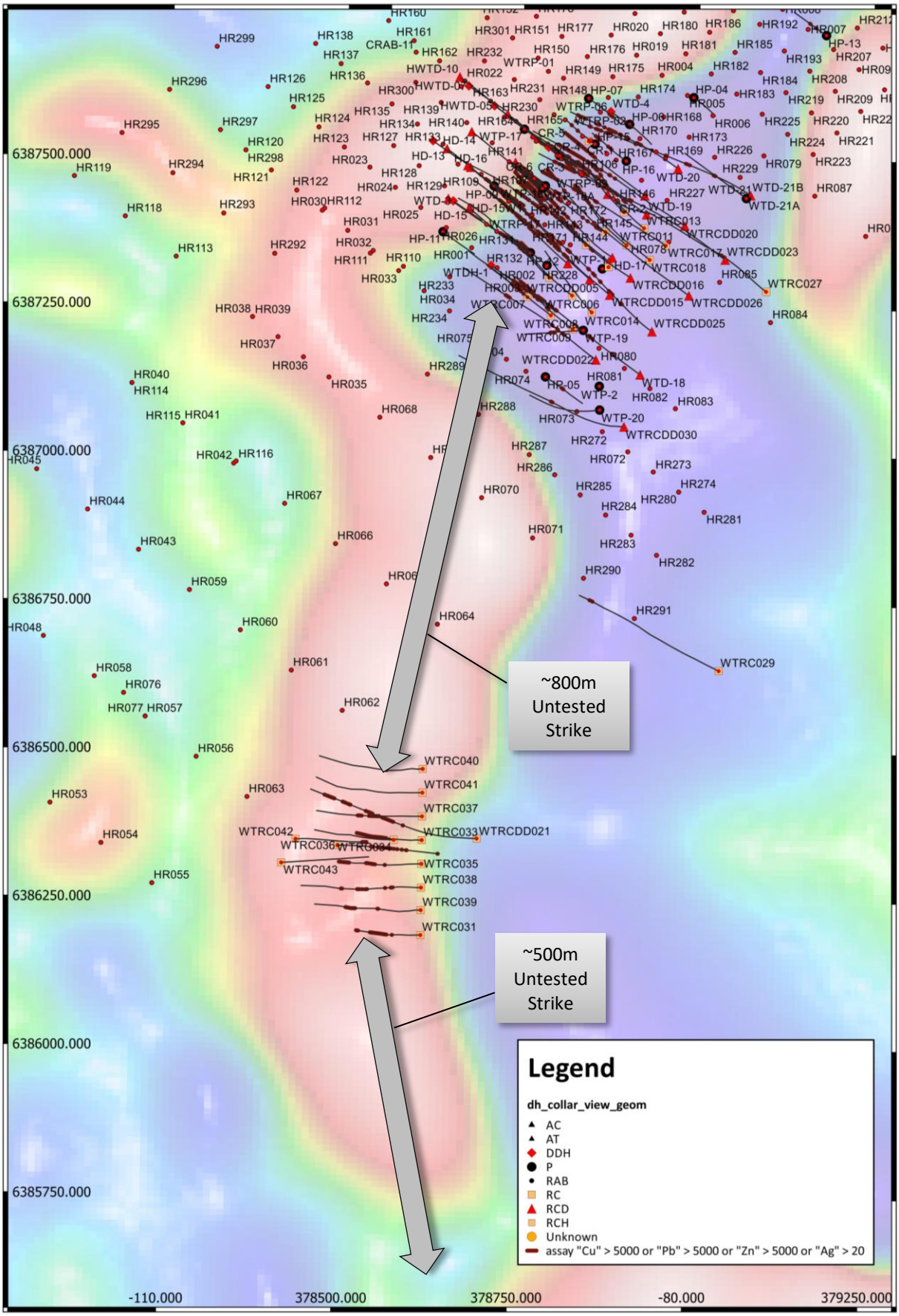
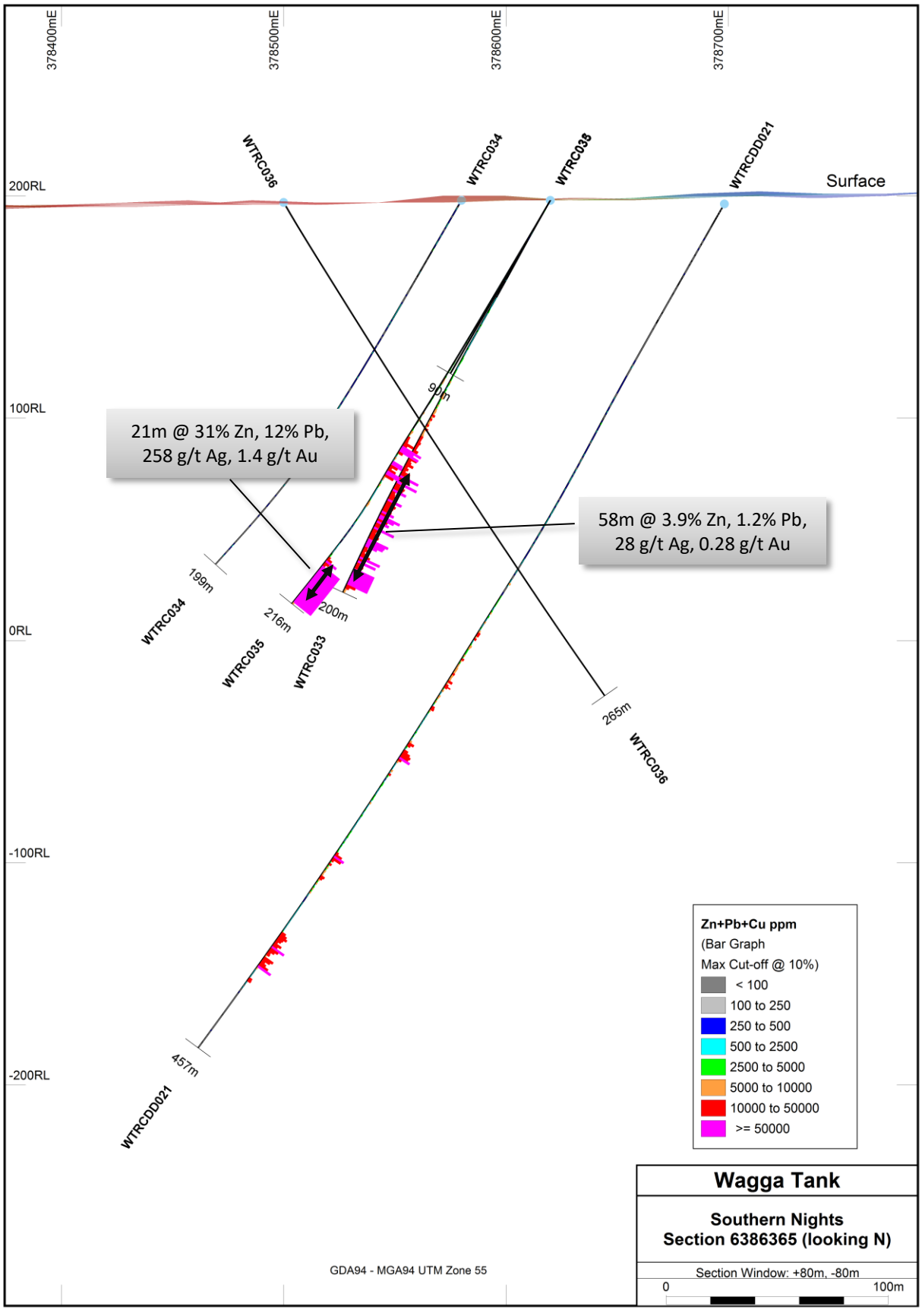


**Figure 2 – Wagga Tank/Southern Nights Section**



***Wagga Tank Background***

*Wagga Tank is located ~130 km south of Cobar on the western edge of the Cobar Superbasin. The deposit is positioned at the western-most exposure of the Mt. Keenan Volcanics (Mt. Hope Group) where it is conformably overlain by a poorly outcropping, distal turbidite sequence of carbonaceous slate and siltstone. Mineralisation is hosted in a sequence of rhyodacitic volcanic and associated volcaniclastic rocks comprising polymictic conglomerate, sandstone, slate, crystal-lithic tuff and crystal tuff. Mineralisation straddles the contact between the volcaniclastic facies and the siltstone-slate facies where there is a broad zone of intense tectonic brecciation and hydrothermal alteration (sericite-chlorite with local silicification). Mineralisation is believed to sub-vertical in nature.*

*Mineralisation comprises a near surface oxide gold zone, a possible supergene-enriched copper-gold-silver zone, and a primary zinc-lead-silver -rich massive sulphide zone starting at the base of oxidation (~120m below surface). Historic drilling comprised 20 percussion drillholes and 22 diamond drillholes (some completed as percussion pre-collar/diamond tail combinations). All drillholes intersected mineralisation to some degree, with 24 intercepting significant values including:*

- *32m @3.00 g/t Au, 24 g/t Ag from 10m*
- *20m @3.11 g/t Au, 63 g/t Ag from 28m*
- *30m @ 1.93 g/t Au 24 g/t Ag from 8m*
- *25.9m @ 8.74% Zn, 3.39% Pb, 82 g/t Ag from 141.6m*
- *15.7m @ 10.39% Zn, 4.43% Pb, 69 g/t Ag from 215.6m*
- *18.15m @5.86% Zn, 3.00% Pb, 32 g/t Ag, 1.01 g/t Au from 222.85m*
- *24m @2.73% Cu, 0.56 g/t Au, 13 g/t Ag from 86m*
- *20.3m @ 2.17% Cu, 0.76 g/t Au, 9 g/t Ag from 184.4m*
- *13.55m @4.6% Cu, 1.14 g/t Au, 470 g/t Ag from 119.75m*

*In 2016, Peel acquired 100% of the Wagga Tank licences in a non-dilutive acquisition for $40k and 2% NSR. No significant exploration including drilling has occurred since 1989. In late 2016, Peel commenced a maiden 18-drillhole programme designed to confirm historic drill data; highlights have included:*

- *27m @ 10.00% Zn, 6.41% Pb, 89 g/t Ag, 0.42 g/t Au, 0.21% Cu from 240m*
- *17m @ 2.65 g/t Au, 0.54% Cu, 11 g/t Ag from 211m (eoh)*
- *16m @ 3.27 g/t Au, 0.35% Cu, 1.1% Zn, 0.57% Pb, 12 g/t Ag from 226m*
- *13m @ 3.34 g/t Au, 0.83% Cu, 0.77% Zn, 0.28% Pb, 20 g/t Ag from 299m*
- *15m @ 8.5% Zn, 4.11% Pb, 114 g/t Ag, 1.57 g/t Au, 0.3% Cu from 280m*
- *12m @ 3.09% Cu, 97 g/t Ag, 1.36 g/t Au from 92m*
- *8m @ 8.54% Zn, 6.20% Pb, 134 g/t Ag, 1.45% Cu from 173m*
- *25m @ 1.07% Cu, 8 g/t Ag, 0.27 g/t Au from 208m*
- *33m @ 1.01% Cu, 0.27 g/t Au from 120m*
- *5m @ 6.60% Zn, 2.30% Pb, 55 g/t Ag, 0.40% Cu, 0.34 g/t Au from 295m*
- *7m @ 3.15 g/t Au, 1.1% Cu from 78m*
- *11m @ 7.15% Zn, 2.31% Pb, 58 g/t Ag from 396m*
- *6m @ 8.52% Zn, 2.97% Pb, 12 g/t Ag from 282m*
- *6m @ 1.50% Cu from 92m*

*For further information, please see Peel's ASX quarterly reports commencing September 2016 through to July 2017.*

***Supporting Table 1 Information - Portable XRF Analysis***

References to XRF results and portable XRF analysis relate to analysis using hand-held Olympus Delta and Vanta Analysers. These portable devices provide immediate on-site elemental analysis of drill samples. Unless otherwise stated, values determined by XRF analysis are based on one spot reading per one metre of drill samples. As such, results from XRF analysis are indicative only and preliminary in nature, subject to confirmation by geochemical analysis. The XRF data is useful in assisting in the interpretation of the geological character of the rocks being encountered during drilling, and assisting in determining sample selection for laboratory assaying.

Peel routinely conducts portable XRF analysis for all drilling and has statistical comparisons for over 2,000 Wagga Tank samples where both portable XRF data and laboratory assay data exists. Data shows generally good correlations for copper, lead, zinc and silver values with respective correlation coefficients of 0.77, 0.90, 0.92 and 0.87 (see Wagga Tank lab vs pXRF co-efficient plots below).

***Table 1 - Section 1: Sampling Techniques and Data for Mallee Bull/Cobar Superbasin/Wagga Tank Projects***

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • Diamond and reverse circulation (RC) drilling were used to obtain samples for geological logging and assaying.<br>• Diamond core was cut and sampled at 1m intervals. RC drill holes were sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of 2-4kg to ensure sample representivity.<br>• Multi-element readings were taken of the diamond core and RC drill chips using an Olympus Delta Innov-X portable XRF machine or an Olympus Vanta portable XRF machine. Portable XRF machines are routinely serviced, calibrated and checked against blanks/standards. |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • Drilling to date has been a combination of diamond, reverse circulation and rotary air blast. Reverse circulation drilling utilised a 5 1/2 inch diameter hammer. A blade bit was predominantly used for RAB drilling. NQ and HQ coring was used for diamond drilling. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • Core recoveries are recorded by the drillers in the field at the time of drilling and checked by a geologist or technician<br>• RC and RAB samples are not weighed on a regular basis due to the exploration nature of drilling but no significant sample recovery issues have been encountered in a drilling program to date. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | • Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking and depths are checked against the depths recorded on core blocks. Rod counts are routinely undertaken by drillers.<br>• When poor sample recovery is encountered during drilling, the geologist and driller have endeavoured to rectify the problem to ensure maximum sample recovery.<br>• Sample recoveries at Wirlong and Mallee Bull to date have generally been high.<br>• Sample recoveries at Wagga Tank have been variable with broken ground occurring in places and poorer sample recoveries encountered. Insufficient data is available at present to determine if a relationship exists between recovery and grade. This will be assessed once a statistically valid amount of data is available to make a determination.<br>• Sample recoveries at Southern Nights have been generally high to date. |
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • All core and drill chip samples are geologically logged. Core samples are orientated and logged for geotechnical information. Drill chip samples are logged at 1m intervals from surface to the bottom of each individual hole to a level that will support appropriate future Mineral Resource studies.<br>• Logging of diamond core, RC and RAB samples records lithology, mineralogy, mineralisation, structure (DDH only), weathering, colour and other features of the samples. Core is photographed as both wet and dry.<br>• All diamond, RC drill holes in the current program were geologically logged in full except at Wagga Tank where logging is still underway. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field* | • Drill core was cut with a core saw and half core taken.<br>• The RC drilling rigs were equipped with an in-built cyclone and splitting system, which provided one bulk sample of approximately 20kg and a sub-sample of 2-4kg per metre drilled.<br>• All samples were split using the system described above to maximise and maintain consistent representivity. The majority of samples were dry.<br>• Bulk samples were placed in green plastic bags, with the sub-samples collected |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | placed in calico sample bags<br>• Field duplicates were collected by re-splitting the bulk samples from large plastic bags. These duplicates were designed for lab checks.<br>• A sample size of 2-4kg was collected and considered appropriate and representative for the grain size and style of mineralisation. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • ALS Laboratory Services were used for Au and multi-element analysis work carried on out on 3m to 6m composite samples and 1m split samples.<br>The laboratory techniques below are for all samples submitted to ALS and are considered appropriate for the style of mineralisation defined at Mallee Bull, Cobar Superbasin and Wagga Tank Projects:<br>○ PUL-23 (Sample preparation code)<br>○ Au-AA25 Ore Grade Au 30g FA AA Finish, Au-AA26 Ore Grade Au 50g FA AA Finish<br>○ ME-ICP41 35 element aqua regia ICP-AES, with an appropriate Ore Grade base metal AA finish<br>○ ME-ICP61 33 element 4 acid digest ICP-AES, with an appropriate Ore Grade base metal AA finish<br>○ ME-MS61 48 element 4 acid digest ICP-MS and ICP-AES, with an appropriate Ore Grade base metal AA finish<br>• Assaying of samples in the field was by portable XRF instruments: Olympus Delta Innov-X or Olympus Vanta Analysers. Reading time for Innov-X was 20 seconds per reading with a total 3 readings per sample. Reading time for Vanta was 10 & 20 seconds per reading with 2 readings per sample.<br>• The QA/QC data includes standards, duplicates and laboratory checks. Duplicates for drill core are collected by the lab every 30 samples after the core sample is pulverised. Duplicates for percussion drilling are collected directly from the drill rig or the metre sample bag using a half round section of pipe. In-house QA/QC tests are conducted by the lab on each batch of samples with standards supplied by the same companies that |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | supply our own. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • All geological logging and sampling information is completed in spreadsheets, which are then transferred to a database for validation and compilation at the Peel head office. Electronic copies of all information are backed up periodically.<br>• No adjustments of assay data are considered necessary. |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • A Garmin hand-held GPS is used to define the location of the samples. Standard practice is for the GPS to be left at the site of the collar for a period of 5 minutes to obtain a steady reading. Collars are routinely picked up after by DGPS. Down-hole surveys are conducted by the drill contractors using either a Reflex gyroscopic tool with readings every 10m after drill hole completion or a Reflex electronic multi-shot camera will be used with readings for dip and magnetic azimuth taken every 30m down-hole. QA/QC in the field involves calibration using a test stand. The instrument is positioned with a stainless steel drill rod so as not to affect the magnetic azimuth.<br>• Grid system used is MGA 94 (Zone 55). All down-hole magnetic surveys were converted to MGA94 grid. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Data/drill hole spacing is variable and appropriate to the geology and historical drilling.<br>• 3m to 6m sample compositing has been applied to RC drilling at Mallee Bull for gold and/or multi-element assay. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • Most drillholes are planned to intersect the interpreted mineralised structures/lodes as near to a perpendicular angle as possible (subject to access to the preferred collar position). |
| *Sample security* | • *The measures taken to ensure sample security.* | • The chain of custody is managed by the project geologist who places calico sample bags in polyweave sacks. Up to 5 calico sample bags are placed in each sack. Each sack is clearly labelled with:<br>  ○ Peel Mining Ltd<br>  ○ Address of Laboratory<br>  ○ Sample range<br>• Detailed records are kept of all samples that are dispatched, including details of chain of custody. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • Data is validated when loading into the database. No formal external audit has been conducted. |

***Table 1 - Section 2 - Reporting of Exploration Results for Mallee Bull/Cobar Superbasin/Wagga Tank Projects***

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The Mallee Bull prospect is wholly located within Exploration Licence EL7461 "Gilgunnia". The tenement is subject to a 50:50 Joint Venture with CBH Resources Ltd, a wholly owned subsidiary of Toho Zinc Co Ltd.<br>• The Cobar Superbasin Project comprises of multiple exploration licences that are subject to a farm-in agreement with JOGMEC whereby JOGMEC can earn up to 50%.<br>• The Wagga Tank Project comprises of EL6695, EL7226, EL7484 and EL7581 and are 100%-owned by Peel Mining Ltd, subject to 2% NSR royalty agreement with MMG Ltd.<br>• The tenements are in good standing and no known impediments exist. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • Work at Mallee Bull was completed in the area by several former tenement holders including Triako Resources between 2003 and 2009; it included diamond drilling, IP surveys, geological mapping and reconnaissance geochemical sampling around the historic Four Mile Goldfield area. Prior to Triako Resources, Pasminco Exploration explored the Cobar Basin area for a "Cobar-type" or "Elura-type" zinc-lead-silver or copper-gold-lead-zinc deposit.<br>• Work at Wagga Tank was completed by multiple previous explorers including Newmont, Homestake, Amoco, Cyprus, Arimco, Golden Cross, Pasminco and MMG. Minimal exploration has been completed at the Wagga Tank area since 1989. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The Mallee Bull prospect area lies within the Cobar-Mt Hope Siluro-Devonian sedimentary and volcanic units. The northern Cobar region consists of predominantly sedimentary units with tuffaceous member, whilst the southern Mt Hope region consists of predominantly felsic volcanic rocks; the Mallee Bull prospect seems to be located in an area of overlap between these two regions. Mineralization at the Mallee Bull discovery features the Cobar-style attributes of short |

| Criteria | JORC Code explanation | Commentary |
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| | | strike lengths (<200m), narrow widths (5-20m) and vertical continuity, and occurs as a shoot-like structure dipping moderately to the west.<br>• Wagga Tank, is believed to be a volcanic-hosted massive sulphide (VHMS) or Cobar-style deposit, and is located ~130 km south of Cobar on the western edge of the Cobar Superbasin. The deposit is positioned at the western-most exposure of the Mt. Keenan Volcanics (Mt. Hope Group) where it is conformably overlain by a poorly-outcropping, distal turbidite sequence of carbonaceous slate and siltstone. Mineralisation is hosted in a sequence of rhyodacitic volcanic and associated volcaniclastic rocks comprising polymictic conglomerate, sandstone, slate, crystal-lithic tuff and crystal tuff. This sequence faces northwest, strikes northeast-southwest and dips range from moderate westerly, to vertical, and locally overturned to the east. Mineralisation straddles the contact between the volcaniclastic facies and the siltstone-slate facies where there is a broad zone of intense tectonic brecciation and hydrothermal alteration (sericite-chlorite with local silicification). |
| *Drill hole Information* | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>○ *easting and northing of the drill hole collar*<br>○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>○ *dip and azimuth of the hole*<br>○ *down hole length and interception depth*<br>○ *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • All relevant information material to the understanding of exploration results has been included within the body of the announcement or as appendices.<br>• No information has been excluded. |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* | • No length weighting or top-cuts have been applied.<br>• No metal equivalent values are used for reporting exploration results. |

| Criteria | JORC Code explanation | Commentary |
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| | • *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • True widths are generally estimated to be about 90-100% of the downhole width unless otherwise indicated.<br>• Southern Nights (part of the Wagga Tank project) true widths are unknown at this point due to the early stage nature of investigation. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Refer to Figures in the body of text. |
| *Balanced reporting* | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • All results are reported. |
| *Other substantive exploration data* | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • No other substantive exploration data are available. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Future work at Mallee Bull and Cobar Superbasin Project will include geophysical surveying and RC/diamond drilling to further define the extent of mineralisation at the prospects. Down hole electromagnetic (DHEM) surveys will be used to identify potential conductive sources that may be related to mineralisation.<br>• Drilling at Southern Nights/Wagga Tank is continuing and further geophysical surveys are planned. |