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**PEEL MINING LIMITED**  
**ABN 42 119 343 734**

**HALF-YEAR CONSOLIDATED FINANCIAL REPORT**

**31 DECEMBER 2017**

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## Corporate Directory

### Directors

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

### Company Secretary

Ryan Woodhouse

### Registered Office

Unit 1, 34 Kings Park Road, WA 6005

Telephone: +61 8 9382 3955

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

Web-site: [www.peelmining.com.au](http://www.peelmining.com.au)

### Share Registry

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

Telephone +61 1300 554 474

Facsimile: +61 (0)2 9287 0303

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

### Auditors

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

### Solicitors

Steinepreis Paganin  
Level 4, The Read Building, 16 Milligan Street, Perth  
WA 6000

### Bankers

National Australia Bank Limited

### Home Exchange

Australian Securities Exchange ('ASX') code: PEX

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## Directors' Report

The directors present their report on the consolidated entity consisting of Peel Mining Limited ("the Company") and the entities it controlled ("the Group") at the end of, or during, the half-year ended 31 December 2017.

### Directors

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

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

### Company Secretary

Ryan Woodhouse

### Results

The loss of the Group for the half-year ended 31 December 2017 amounted to \$1,144,946 (2016: \$776,975).

### Dividend

No dividends were paid or proposed during the half-year.

### Review of Operations

The principal continuing activity of the Group is the acquisition of mineral tenements, mineral exploration and investment. During the half-year Peel Mining Limited continued to explore its tenements in New South Wales. Peel's tenements in Western Australia have been vended into the newly established 100%-owned subsidiary, Saturn Metals Limited (Saturn), which listed on the ASX post 31 December 2017.

### Wagga Tank Project

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.

Following the success of an initial 18-hole maiden drilling program, which confirmed the historic results with intercepts such as 27m @ 10.00% Zn, 6.41% Pb, 89 g/t Ag, 0.42 g/t Au, 0.21% Cu from 240m and 15m @ 8.5% Zn, 4.11% Pb, 114 g/t Ag, 1.57 g/t Au, 0.3% Cu from 280m, a second phase of drilling commenced primarily to increase the footprint of Wagga Tank. At the north-eastern end of the deposit, RC/diamond hole WTRCDD020 intersected a significant zone of semi-massive/breccia quartz-sulphide mineralisation with 6m @ 8.52% Zn, 2.97% Pb and 12 g/t Ag from 282m. This mineralised zone was reinforced with intercepts from another two holes; hole WTRCDD024 confirmed the up-dip continuation of zinc-lead-silver rich mineralisation with 16m @ 1.46% Pb, 0.54% Zn, 7.6 g/t Ag from 158m, 22m @ 1.06% Pb, 0.95% Zn, 5.3 g/t Ag from 183m, and 10m @ 1.22% Zn, 0.73% Pb, 11.4 g/t Ag from 240m, whilst hole WTRCDD023 returned 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 down-dip of the intercept in WTRCDD020. Importantly, this latter intercept represents the deepest significant mineralised intercept recorded to date at Wagga Tank and is open at depth and along strike.

Approximately 1km south of the main Wagga Tank deposit, Phase 2 drilling also led to the discovery of exceptional new zinc-lead-silver mineralisation at the 'Southern Nights' prospect area. Drill intercepts encountered at Southern Nights rank as the best since the Company's inception, and include 26m @ 25.45% Zn, 9.92% Pb, 215 g/t Ag, 1.19 g/t Au from 190m in WTRCDD035; 46m @ 17.01% Zn, 9.57% Pb, 272 g/t Ag, 1.22 g/t Au from 201m in WTRCDD033 (incl. 16m @ 25.66% Zn, 15.01% Pb, 361 g/t Ag, 0.86 g/t Au from 218m and 10m @ 31.45% Zn, 16.92% Pb, 590 g/t Ag, 3.2 g/t Au from 237m); 29m @ 6.10% Zn, 1.08% Pb, 0.6% Cu, 22 g/t Ag, 0.55 g/t Au from 204m in WTRCDD043; 25m @ 7.53% Zn, 2.71% Pb, 104.6 g/t Ag, 0.22 g/t Au from 159m in WTRC039; 8m @ 15.21% Zn, 4.93% Pb, 179 g/t Ag, 0.43 g/t Au from 215m in WTRCDD062. The area has since been the focus on intensive drilling with 81 RC and/or diamond holes drilled for over 21,790m so far and currently defining mineralisation over >700m strike. Interpretation of drilling at Southern Nights indicates a sub-vertical mineralised system, with a likely steep (70-80 degrees) westerly dip, and drilling is ongoing to continue testing for strike and dip extensions to the existing mineralised zones.

Over the broader prospect area, 84 RAB holes were completed to test for geochemical anomalism and locate the contact between the Wagga Tank and Vivigani stratigraphic units, where the significant Zn-Pb-Ag-Au mineralisation is known to occur. The RAB drilling succeeded in extending the strike of lead-zinc anomalism, which remains open, to ~2.7km. A number of these anomalous values were returned between the Wagga Tank and Southern Nights prospects, and follow-up RC drilling is currently being completed within this corridor.

**Mallee Bull Project**

The Mallee Bull project is a copper-polymetallic discovery located approximately 100km south of Cobar in Western NSW and is subject to a 50:50 Joint Venture with CBH Resources Limited (CBH). Activities in the half-year saw an update to the May 2014 maiden JORC compliant Mineral Resource estimate, which now 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).

Drilling at Mallee Bull under the latest CBH JV Program 8 focused on the high-grade near-surface zinc-lead-silver-gold T1 lens, now termed 'Silver Ray', which aimed to infill to a maximum of 20m by 20m drill spacing, define the limits of the Silver Ray mineralisation, and provide material for ongoing metallurgical testwork and geotechnical review. Better intercepts include 10m @ 7.10% Pb, 19 g/t Ag and 0.53 g/t Au from 46m in MBRC073, 9m @ 20.82% Zn, 10.64% Pb, 338 g/t Ag and 1.91 g/t Au from 88m in MBRC085, and 9m @ 10.80% Zn, 6.89% Pb, 337 g/t Ag and 0.45 g/t Au from 129m in MBRC089. Results to date were then used as part of a pre-feasibility study for Silver Ray, which aims to investigate the conceptual development of the orebody as a "dig and truck" operation; ore would be milled at CBH's Endeavor mine approximately 150km away, where surplus milling capacity exists. The final project design and economic modelling is anticipated to be completed by the end of the March quarter.

**Cobar Superbasin Project**

The Cobar Superbasin Project is subject to a Memorandum of Agreement with Japan Oil, Gas, and Metals National Corporation (JOGMEC), under which JOGMEC may earn up to 50% interest by funding up to \$7 million of exploration. Activities in this half-year continued to focus on the Wirlong prospect, which is host to a very large hydrothermal system containing significant high-grade copper mineralisation.

Two drilling programs, Phase 4a and Phase 5, were successfully completed at Wirlong to better define and extend the known mineralised system. Very strong chalcopyrite-dominant mineralisation continued to be returned, with better intervals including 31m @ 3.19% Cu, 11 g/t Ag from 299m (incl. 10m @ 8.83% Cu, 28 g/t Ag from 299m) and 24m @ 0.85% Cu, 8 g/t Ag from 179m in RC holes WLRC052 and WLRC053 respectively. The results highlighted the structurally dislocated nature of the Wirlong system, which likely constitutes a series of stacked, short-strike length, shoot-like structures characteristic of Cobar-style deposits.

**Other Projects**

No significant field activities were completed on the Apollo Hill, Attunga and Ruby Silver projects during the half year. Further information on Peel's activities during the half year financial period can be found in the quarterly activity reports.

**Significant changes**

During the period Peel Mining Limited increased shares on issue by 15,000,000 shares due to the placement of new shares to sophisticated investors raising \$5.8 million (net of share issue costs) (see ASX announcement titled "\$6m Share Placement to Accelerate Southern Nights Drilling", on 9 November 2017).

On 8 September 2017, the Board of Peel Mining Limited announced plans to vend its Apollo Hill Gold project into Saturn Metals Limited ("Saturn"), a newly formed 100% owned subsidiary, with the intention to list Saturn on the ASX, via an initial public offering (IPO). The Company held a general meeting on 10 October 2017 at which they obtained shareholder approval for the transaction. On the 11th October 2017 Saturn issued 20,000,000 shares to the Company for the purchase of the Apollo Hill Gold project. Upon listing the Company held a 36.36% interest in Saturn.

**Events occurring after reporting period**

Saturn Metals Limited opened its initial public offering on the 10th January 2018 seeking to raise up to \$7,000,000 through the issue of up to 35,000,000 shares at \$0.20 per Share. The offer was announced closed on the 20 February 2018 with the maximum amount of \$7,000,000 raised. Saturn listed on the Australian stock exchange on 9 March 2018, with the Company holding 36.36% of Saturn upon listing.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 14.

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

**PEEL MINING LIMITED**

A handwritten signature in black ink, appearing to read 'R. Tyson', with a long horizontal stroke extending to the right.

**R. Tyson**  
Managing Director  
Perth, Western Australia  
14 March, 2018

**PEEL MINING LIMITED**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the Half-Year ended 31 December 2017**

		<b>Consolidated Entity</b>	
		<b>31-Dec 2017</b>	<b>31-Dec 2016</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue from continuing operations		120,189	86,367
Other Income		1,485	6,950
Depreciation		(26,451)	(30,193)
Employee and directors' benefit expenses		(294,637)	(208,737)
Exploration expenditure written off		-	(144,736)
Share based payment expense	9	(642,811)	(261,570)
Administration expenses		(302,720)	(225,056)
Loss before income tax expense		(1,144,946)	(776,975)
Income tax benefit		-	-
Loss after tax from continuing operations		(1,144,946)	(776,975)
Total comprehensive loss for the period attributable to the members of Peel Mining Limited		(1,144,946)	(776,975)
		Cents	Cents
Basic loss per share		(0.67)	(0.54)
Diluted loss per share		(0.67)	(0.54)

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 31 December 2017**

		<b>Consolidated Entity</b>	
	<b>Note</b>	<b>31-Dec 2017 \$</b>	<b>30-Jun 2017 \$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		8,492,384	5,906,983
Trade and other receivables		752,949	438,144
Assets held for sale	13	3,527,558	3,351,969
<b>TOTAL CURRENT ASSETS</b>		<b>12,772,891</b>	<b>9,697,096</b>
<b>NON-CURRENT ASSETS</b>			
Security deposits		465,866	415,866
Plant and equipment		274,399	184,405
Property		840,487	840,487
Exploration expenditure	5	18,772,200	15,389,576
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,352,952</b>	<b>16,830,334</b>
<b>TOTAL ASSETS</b>		<b>33,125,843</b>	<b>26,527,430</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		(1,574,583)	(1,066,333)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(1,574,583)</b>	<b>(1,066,333)</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Income	2	(6,029,125)	(5,418,541)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(6,029,125)</b>	<b>(5,418,541)</b>
<b>TOTAL LIABILITIES</b>		<b>(7,603,708)</b>	<b>(6,484,874)</b>
<b>NET ASSETS</b>		<b>25,522,135</b>	<b>20,042,556</b>
<b>EQUITY</b>			
Issued capital	4	30,230,294	24,248,580
Accumulated losses		(7,069,966)	(5,925,020)
Reserves		2,361,807	1,718,996
<b>TOTAL EQUITY</b>		<b>25,522,135</b>	<b>20,042,556</b>

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

**Consolidated Statement of Changes in Equity**  
for the Half-Year ended 31 December 2017

	Attributable to equity holders of the company			
	Contributed	Accumulated	Other	Total
	Equity	Losses	Reserves	Equity
	\$	\$	\$	\$
<b>At 1 July 2017</b>	24,248,580	(5,925,020)	1,718,996	20,042,556
Total comprehensive loss for the half-year	-	(1,144,946)	-	(1,144,946)
<i>Transactions with equity holders in their capacity as equity holders</i>				
Issue of share capital	6,180,600	-	-	6,180,600
Issue of options	-	-	642,811	642,811
Share issue costs	(198,886)	-	-	(198,886)
<b>At 31 December 2017</b>	<b>30,230,294</b>	<b>(7,069,966)</b>	<b>2,361,807</b>	<b>25,522,135</b>
<b>At 1 July 2016</b>	18,002,700	(4,784,480)	1,370,469	14,588,689
Total comprehensive loss for the half-year	-	(776,975)	-	(776,975)
<i>Transactions with equity holders in their capacity as equity holders</i>				
Issue of share capital	2,992,000	-	-	2,992,000
Issue of Options	-	-	261,570	261,570
Share issue costs	(11,456)	-	-	(11,456)
<b>At 31 December 2016</b>	<b>20,983,244</b>	<b>(5,561,455)</b>	<b>1,632,039</b>	<b>17,053,828</b>

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



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## Consolidated Statement of Cash Flows For the half year to 31 December 2017

		Consolidated Entity	
		31-Dec	31-Dec
	Note	2017	2016
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(871,195)	(390,772)
Interest received		64,681	22,624
<b>Net cash outflow from operating activities</b>		<u>(806,514)</u>	<u>(368,148)</u>
<b>Cash flows from investing activities</b>			
Payments for mineral exploration		(3,014,887)	(1,659,088)
Payment of security deposits		(50,000)	(40,000)
Payments for purchase of property, plant and equipment		(155,496)	(36,416)
Proceeds from sale of property, plant and equipment		20,000	5,000
Proceeds received under farm-out agreement	2	610,584	598,211
<b>Net cash outflow from investing activities</b>		<u>(2,589,799)</u>	<u>(1,132,293)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and options		6,180,600	2,992,000
Share issue costs		(198,886)	(11,456)
<b>Net cash inflow from financing activities</b>		<u>5,981,714</u>	<u>2,980,544</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,585,401	1,480,103
Cash and cash equivalents at the start of the half-year		5,906,983	1,859,028
<b>Cash and cash equivalents at the end of the half-year</b>		<u>8,492,384</u>	<u>3,339,131</u>

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

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## Notes to the consolidated financial statements

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

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statement. Accordingly, this interim financial statement is to be read in conjunction with the annual financial statement for the year ended 30 June 2017 and any public announcements made by Peel Mining Limited during the interim reporting period in accordance with continuous disclosure requirements.

At 31 December 2017 and for the half-year then ended, there were no new accounting standards or amendments to accounting standards which impacted on the Group's half year report. The Group did not early adopt any accounting standards or amendments to accounting standards which have been finalised but are not yet effective.

### 2. CSP Farm-in by Japanese Oil, Gas & Metals National Corporation (JOGMEC)

In 2014, Peel Mining Limited entered into a farm-in by Japanese Oil, Gas & Metals National Corporation (JOGMEC) to the Group's Cobar Superbasin Project (CSP). In the prior year, JOGMEC completed its stage 1 commitment of \$4,000,000 earn-in to acquire a 40% interest in the project. This interest has yet to be taken up and JOGMEC has progressed onto stage two where by spending \$3,000,000 it has the right to earn an additional 10%. Once stage two is completed JOGMEC has the right to exercise its interest in 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, 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 at which the interest is taken up. During the half-year Peel Mining Limited and its subsidiaries received cash calls of \$610,584 in relation to JOGMEC's farm-in arrangement and of the cash held by Peel Mining Limited, \$12,603 is to be used on the Cobar Superbasin Project under farm-in. Due to the fact that the farm-in arrangement requires unanimous consent from both parties for all relevant activities, the parties to the farm-in contractually have joint control and therefore the farm-in is classified as a joint operation.

### 3. 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. Decisions regarding the Mallee Bull joint venture are 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

	31-Dec 2017 \$ Peel Mining	31-Dec 2017 \$ Mallee Bull	31-Dec 2017 \$ CSP	31-Dec 2017 \$ Total
Reportable segment profit	55,508	-	-	55,508
Segment assets	11,998,557	5,043,421	6,372,665	23,414,643
	31-Dec 2016 \$ Peel Mining	31-Dec 2016 \$ Mallee Bull	31-Dec 2016 \$ CSP	31-Dec 2016 \$ Total
Reportable segment (loss)	(80,517)	-	-	(80,517)
Segment assets	9,245,886	4,619,668	4,610,335	18,475,889

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	31-Dec 2017 Consolidated \$	31-Dec 2016 Consolidated \$
<b>Reconciliation of reportable segment (loss)</b>		
Reportable segment (loss)/ profit	55,508	(80,517)
Interest and other income	66,166	29,096
Corporate expenses	(1,266,620)	(725,554)
Loss before tax	(1,144,946)	(776,975)
<b>Reconciliation of reportable segment (assets)</b>		
Reportable segment assets	23,414,644	18,475,889
Cash	8,492,384	3,339,131
Unallocated Assets	1,218,815	727,662
Unallocated Liabilities	(6,029,125)	(5,488,854)
Net Assets	27,096,718	17,053,828

### 4. Contributed equity

	Number of Shares	\$
<i>Movements in ordinary issued capital</i>		
Balance at 1 July 2017	167,285,969	24,248,580
Shares issued under placement (net of share issue costs)	15,000,000	5,801,114
Shares issued under exercise of employee options	1,150,000	180,600
<b>Balance at 31 December 2017</b>	<b>183,435,969</b>	<b>30,230,294</b>
<i>Movements in ordinary issued capital</i>		
Balance at 1 July 2016	132,585,969	18,002,700
Shares issued under placement (net of share issue costs)	18,700,000	2,980,544
<b>Balance at 31 December 2016</b>	<b>151,285,969</b>	<b>20,983,244</b>

### 5. Exploration expenditure

	31-Dec 2017 \$	30-Jun 2017 \$
At cost	18,772,200	15,389,576
<i>Reconciliations</i>		-
Opening balance	15,389,576	15,100,555
Exploration expenditure	3,382,624	4,789,582
Assets re-classified as held for sale	-	(3,351,969)
Impairment Expense	-	(144,737)
Research and development tax incentive grant	-	(1,003,855)
<b>Closing balance</b>	<b>18,772,200</b>	<b>15,389,576</b>

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

### 6. Subsidiary companies

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary companies

Name	Country of Incorporation	Class of Shares	Equity Holding	
			31-Dec 2017 %	30-June 2017 %
Peel Environmental Services Limited	Australia	Ordinary	100	100
Apollo Mining Pty Ltd	Australia	Ordinary	100	100
Peel (CSP) Pty Ltd	Australia	Ordinary	100	100
Peel Far West Pty Ltd	Australia	Ordinary	100	-
Saturn Metals Limited	Australia	Ordinary	100	100

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## 7. Contingencies

The Group had no contingent assets or liabilities for the half-year ended 31 December 2017.

## 8. Related Parties

### Transactions with related parties

During the financial period the Group paid \$28,588 (2016: \$31,999) for head office rental and on charges to RIU Pty Ltd, a company controlled by Mr S Hadfield.

During the period 2 million share options were granted to Peel Mining Limited's directors. These were ratified at the company's AGM and granted on 28 November 2017. Each option has an exercise price of 78.3 cents per share.

## 9. Share Based Payments

During the period the Company has granted options to its employees and directors through its Employee Share Option Plan. Total expenses arising from share-based payment transactions recognised during the period were as follows.

	31-Dec 2017 Number	31-Dec 2017 Value (\$)
Options granted to employees (pro-rated due to vesting conditions)	1,050,000	82,999
Options granted to directors	2,000,000	506,197
Expense attributed with vesting of options granted in prior period	-	53,615
<b>Total</b>	<b>3,050,000</b>	<b>642,811</b>
	<b>31-Dec 2016 Number</b>	<b>31-Dec 2016 Value (\$)</b>
Options granted to employees (pro-rated due to vesting conditions)	1,000,000	51,825
Options granted to Non-executive directors	3,000,000	195,328
Expense attributed with vesting of options granted in prior period	-	14,417
<b>Total</b>	<b>4,000,000</b>	<b>261,570</b>

### Fair value of options granted

The assessed fair value at grant date of options granted to employees of the company during the period ended 31 December 2017 was 11 cents per option. The options were valued on a prorated basis as a result of the vesting condition attached to these options (50% of the options vest one year from grant date). The assessed fair value at grant date of options granted to the non-executive directors of the company during the period ended 31 December 2017 was 33 cents per option. 1,500,000 options vested immediately and with the remaining 500,000 vesting in one year from grant were prorated accordingly. 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 31 December 2017 included:

	Employee Options	Executive Director Options	Non-Executive Director Options
(a) 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	100% vest immediately
(b) Exercise Price	26 cents	78.3 cents	78.3 cents
(c) Grant Date	15 August 2017	30 November 2017	30 November 2017
(d) Expiry Date	15 August 2020	30 November 2020	30 November 2020
(e) Share Price at Grant Date	20 cents	58 cents	58 cents
(f) Expected Price Volatility	100%	100%	100%
(g) Expected Dividend Yield	0.00%	0.00%	0.00%
(h) Risk-free interest rate	1.93%	1.89 %	1.89 %

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### 10. Events occurring after the Reporting date

Peel Mining Limited's 100% owned subsidiary, Saturn Metals Limited, opened its initial public offering on the 10th January 2018 seeking to raise up to \$7,000,000 through the issue of up to 35,000,000 shares at \$0.20 per share. The offer was announced closed on 20 February 2018 with the maximum amount of \$7,000,000 raised. Saturn listed on the Australian Stock Exchange on 9 March 2018, with the company holding 36.36% of Saturn upon listing.

The Company had no additional events occurring after the reporting period to disclose.

### 11. Dividends

No dividends were paid during the period.

### 12. 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 its 50% earn-in to the Mallee Bull Project on 27th March 2014. The joint venture agreement in relation to the Mallee Bull Joint Venture requires 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.

### 13. 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 31 December 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 received shareholder approval at general meeting of the company which was held on the 10th October 2017. The assets held for sale are held at cost value of \$3,527,558.

	<b>31-Dec 2017</b>	<b>30-Jun 2017</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	3,351,969	-
Assets transferred from Exploration and Evaluation	-	3,351,969
Capitalised expenditure during the period	175,589	-
<b>Total assets held for sale</b>	<b>3,527,558</b>	<b>3,351,969</b>

# PEEL MINING LIMITED

## Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 12 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the period then ended; and
- (b) there are reasonable grounds to believe that Peel Mining Limited will be able to pay its debts as and when they become due and payable.

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



**R. Tyson**  
Managing Director

Perth, Western Australia  
14 March 2018



## Auditor's Independence Declaration

As lead auditor for the review of Peel Mining Limited for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'Ben Gargett', written in a cursive style.

Ben Gargett  
Partner  
PricewaterhouseCoopers

Perth  
14 March 2018

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**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](http://www.pwc.com.au)

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

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of Peel Mining Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Peel Mining Limited Group (the Group). The Group comprises the Company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

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

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Peel Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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### *Conclusion*

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

1. giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in grey ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Ben Gargett'.

Ben Gargett  
Partner

Perth  
14 March 2018