



# HIGH GRADE BASE METALS IN THE COBAR BASIN

Diggers and Dealers  
August 2018

**Rob Tyson**  
MANAGING DIRECTOR

# DISCLAIMER

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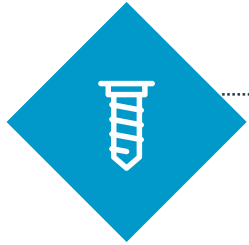
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# EFFICIENT TARGETED COMPANY

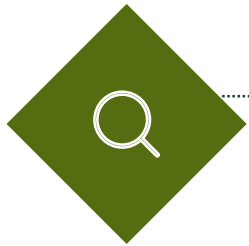
## Money Into The Ground

### Drill



- 200 km since listing in 2007
- 71 km in 2017/18

### Discover



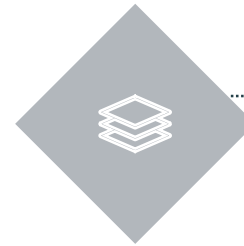
- Mallee Bull
- Wirlong
- Wagga Tank (re-discovery)
- Southern Nights

### Deal



- CBH Resources (\$8.3m)
- JOGMEC (\$7m)
- Wagga Tank (MMG)
- St Barbara Ltd (\$3.3m)

### Deliver



- Dominant Land Position
- High Grade Discoveries/Deposits
- Tight Capital Structure

# CORPORATE SNAPSHOT

## Capital Structure - ASX: PEX

Shares on issue:	184 million
Options:	9 million
Market cap (@ \$0.45/sh):	\$83 million
Cash (30 June 2018):	\$2.3 million
Other:	36% of ASX: STN

## Substantial Shareholders

Hampton Hill Mining and assoc.	19.3%
St Barbara Ltd	16.3%
Directors	14.4%
Ariki Investments Pty Ltd	9.5%
Top 20	~66.4%

## 12 Month Share Price Performance



## Board & Management

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

# PEEL AND COBAR

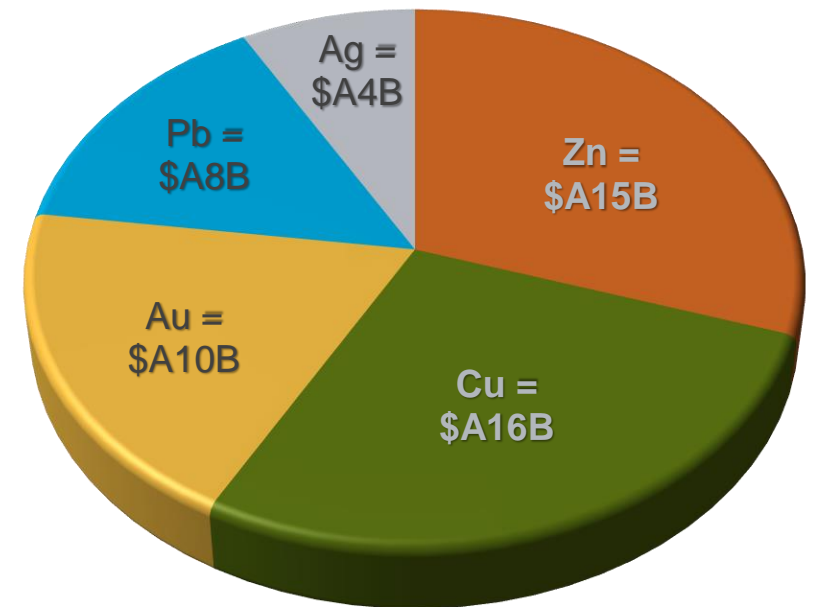
## Cobar's Rich Mining Heritage

### NSW's Leading Greenfields Explorer

- Long-standing and outstanding technical (and practical) team
- Deep knowledge of Cobar Basin
- > \$30m expended by Peel in NSW since 2007

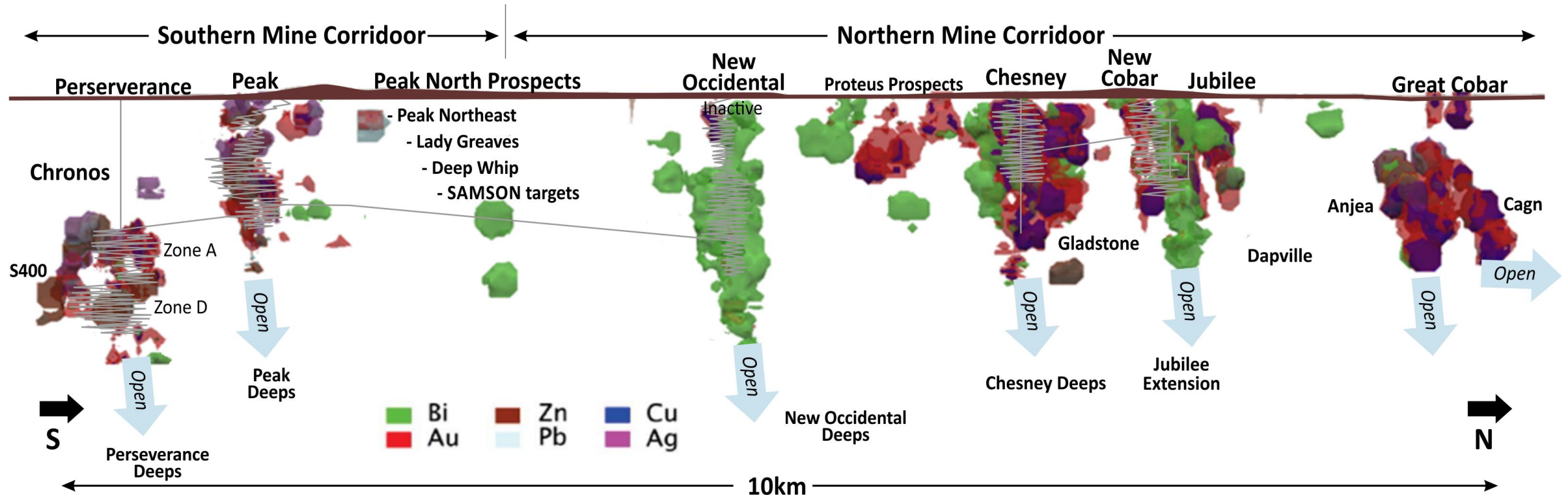
### Cobar Basin is an excellent place to explore:

- Richest polymetallic part of Lachlan Fold Belt
- Proven prospectivity - 4 mines currently in operation
- High-grade and long-life mining operations
- Excellent infrastructure
- Mining-skilled community
- Friendly farmers



*Modified from NSW Geological Survey – A Review of Metalliferous Basins in NSW - 2015*

# COBAR STYLE = VERTICAL CONTINUITY, CLUSTERING/STACKING



# DOMINATING THE COBAR BASIN

## Three Greenfields Discoveries In Seven Years

### Wagga Tank / Southern Nights (100% PEX)

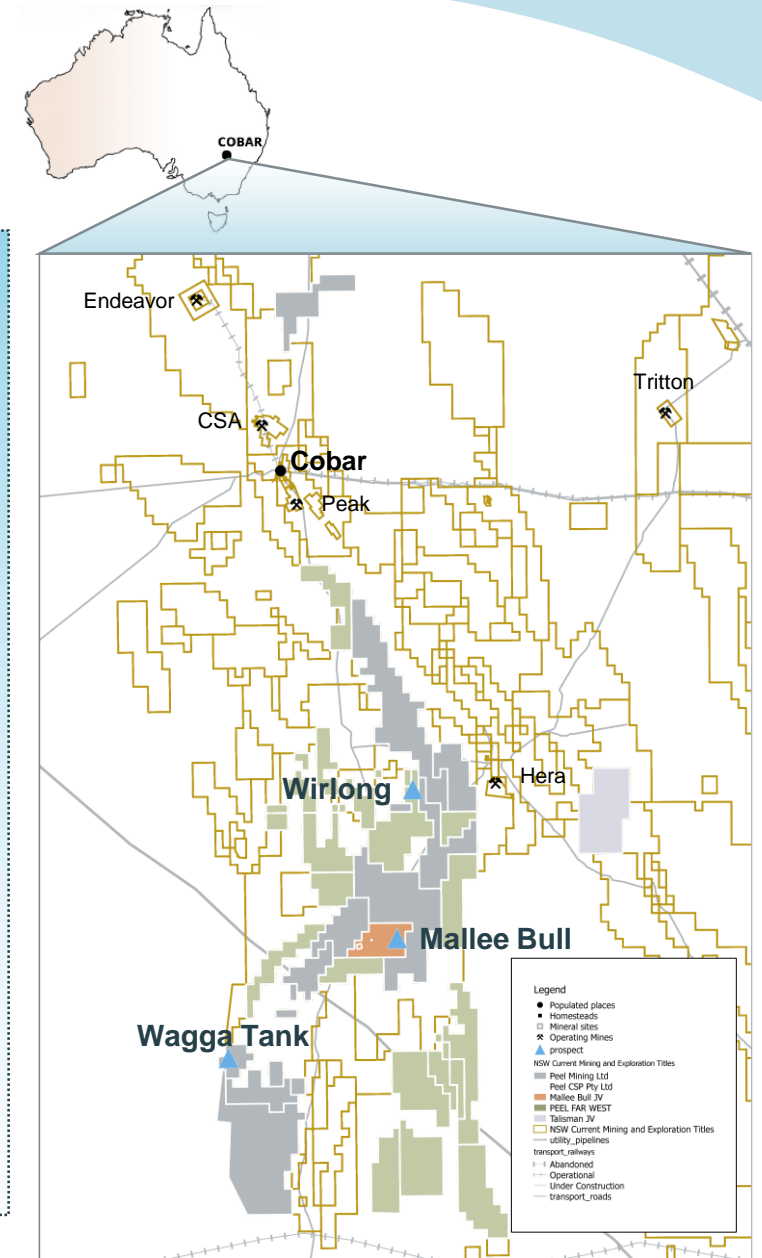
- High-grade base metal discovery in 2017 at Southern Nights
- Exceptional grades and widths intercepted
- Camp-scale (2km strike) mineral system; open in all directions
- Targeting Maiden JORC Resource in 1H2019

### Mallee Bull Project (50% PEX; 50% CBH)

- One of the highest-grade undeveloped copper resources in Australia
- Global JORC Resource of **6.76Mt @ 2.6% CuEq**
- PFS targeting a low-capex development opportunity; decision 2H2018

### Wirlong (CSP) Project (50% PEX; JOGMEC 50%)

- JOGMEC (Japanese Govt) earnt 50% by spending \$7 million
- Wirlong high-grade copper discovery in 2015
- High-grade copper system analogous to CSA



# 2018 EXPLORATION FOCUS

## Unlocking The Cobar Basin's Next Mine Development Opportunity

### Wagga Tank / Southern Nights

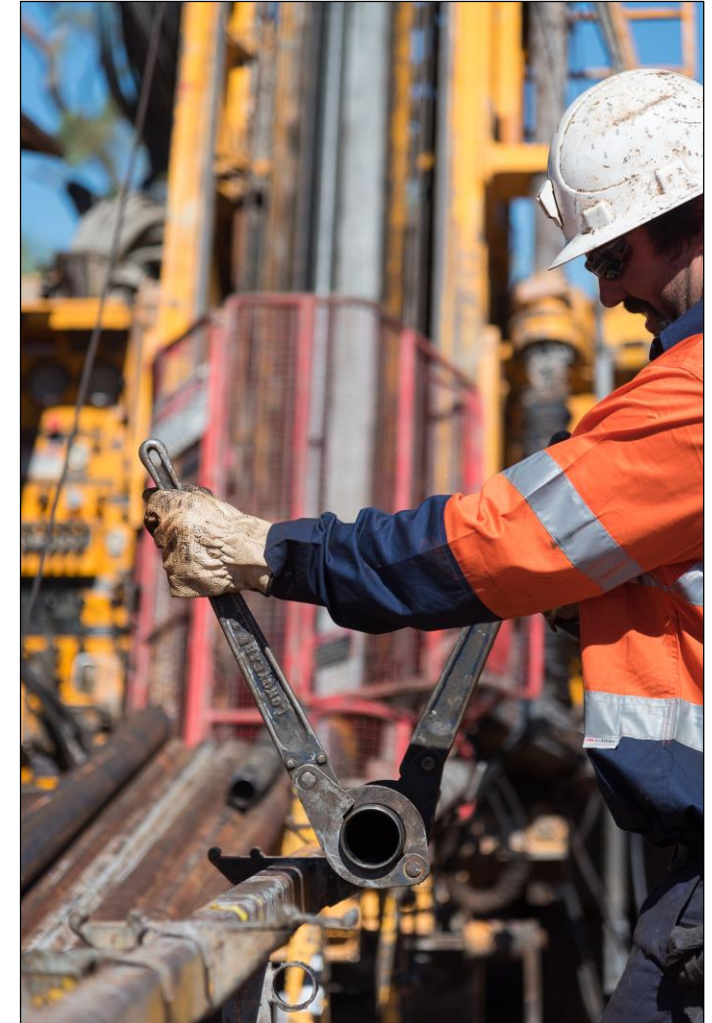
- Drilling of 60 holes for 20,000m
- Targeting a JORC Resource by 1H2019
- Infill and extensional drilling - **mineralisation open in all directions**
- Exploration at other Wagga Tank targets (Fenceline, Anomaly G)
- **Possibility for repetition/extension of Wagga Tank / Southern Nights**

### Mallee Bull

- Complete PFS assessing staged 'dig and truck' development opportunity
- A favourable PFS could see decision to mine in 2H2018

### Regional

- Exploration to continue – Mt Dromedary, Mt Allen, Siegals, May Day Tails





# WAGGA TANK-SOUTHERN NIGHTS

## A Major Zinc-Rich Mineral System

### 100% owned - Smart Acquisition

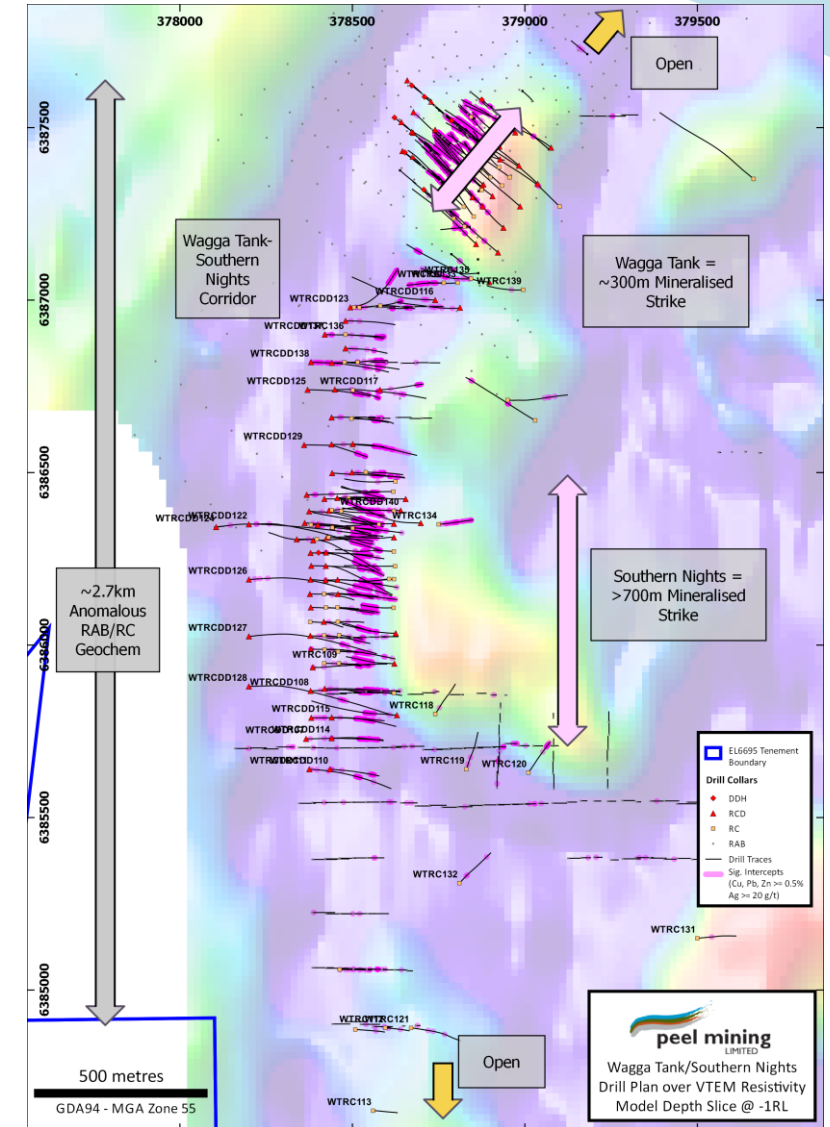
- Non-dilutive acquisition (2% NSR + \$40k) in 2016

### Under Explored Tenure

- Economic mineralisation discovered mid-1970s
- Land banked with no drilling since 1989
- Peel's drilling validates historic results and exploration model; leading to Southern Nights discovery

### Large Scale

- Wagga Tank to Southern Nights covers >2km strike
- Proximal to major lineaments/structures
- Project shows Camp-scale (0.5-10km) mineral system characteristics
- Analagous to Cobar-style mineralisation



# WAGGA TANK

## A Forgotten High-Grade Zn-Pb-Ag-Au-Cu Deposit

### Encouraging Historic Results

- 42 historic drill holes completed at Wagga Tank
- 24 returned significant intercepts including:

#### *Oxide Zone*

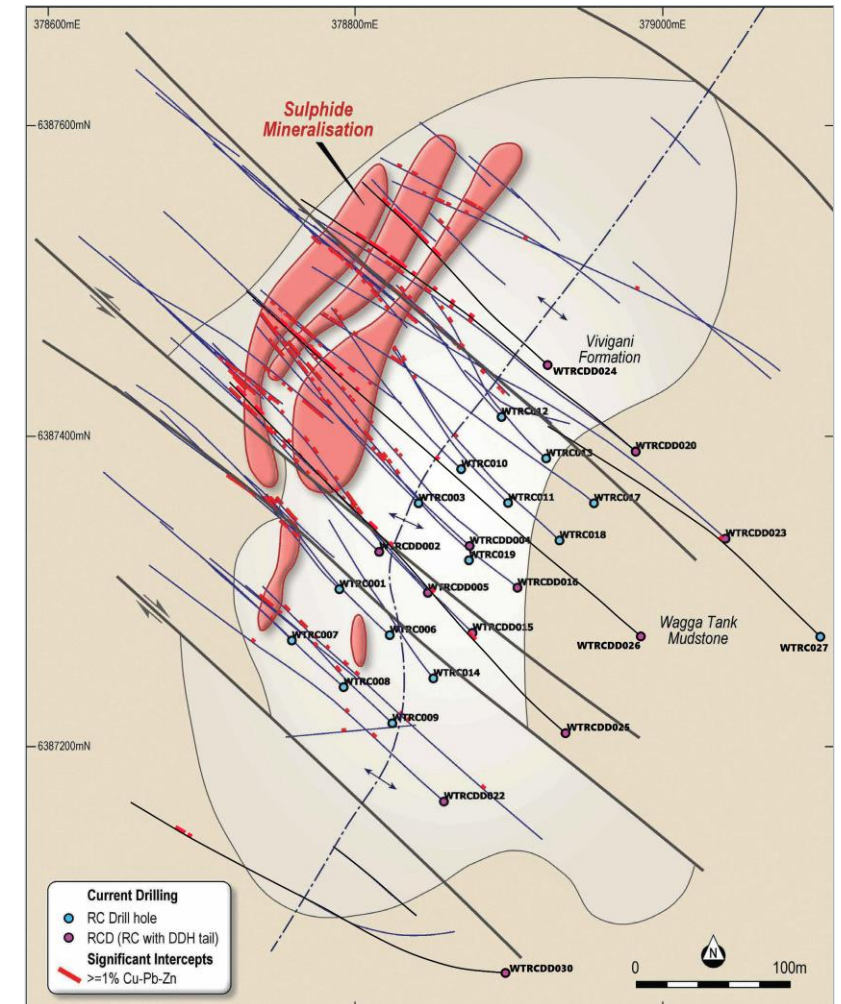
- 32m @ 3.00 g/t Au, 24 g/t Ag from 10m
- 20m @ 3.11 g/t Au, 63 g/t Ag from 28m
- 24m @ 2.7% Cu, 0.56 g/t Au, 13 g/t Ag from 86m

#### *Supergene Zone*

- 13.55m @ 4.6% Cu, 1.14 g/t Au, 470 g/t Ag from 119.75m

#### *Sulphide Zone*

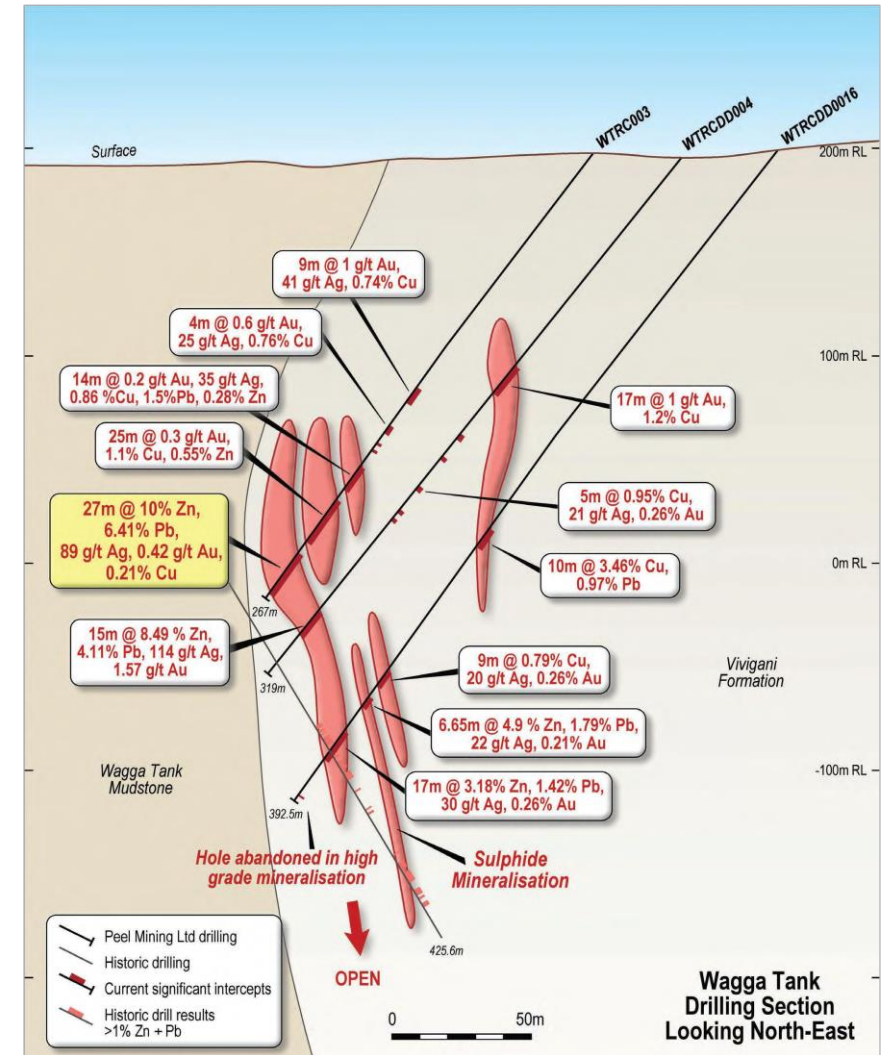
- 25.9m @ 8.7% Zn, 3.3% Pb, 82 g/t Ag from 141.6m
- 15.7m @ 10.3% Zn, 4.4% Pb, 69 g/t Ag from 215.6m



# WAGGA TANK

## Peel's Drilling Confirms Historic Data & Validates Exploration Model

- Peel's drilling at Wagga Tank confirmed historical data
- Drilling adds strike and depth extensions; better results include:
  - 27m @ 10% Zn, 6.4% Pb, 89 g/t Ag, 0.4 g/t Au from 240m
  - 15m @ 8.5% Zn, 4.1% Pb, 114 g/t Ag, 1.57 g/t Au from 280m
  - 11m @ 7.1% Zn, 2.3% Pb, 58 g/t Ag from 396m
  - 13m @ 3.34 g/t Au, 0.8% Cu, 20 g/t Ag from 299m
  - 12m @ 3.0% Cu, 97 g/t Ag, 1.36 g/t Au from 92m
- Mineralisation defined over ~300m strike; near surface to ~350mbs; **open in all directions**
- Extensive alteration and mineralisation validates exploration model





# SOUTHERN NIGHTS DISCOVERY

Delivers Extensive High-Grade Zn-Pb-Ag-Au ~1km South Of Wagga Tank

October 2017 Discovery Holes Return Exceptional Intercepts:

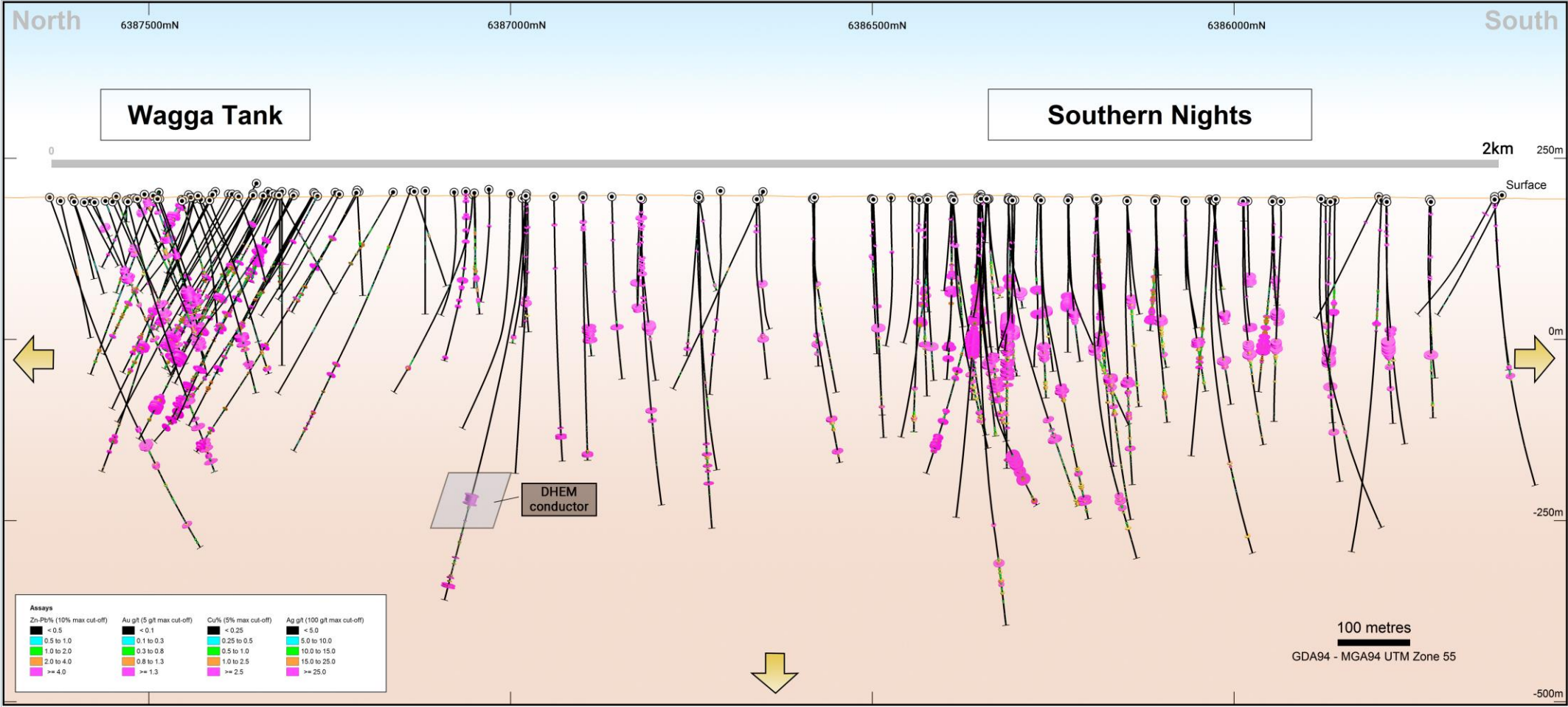
- 26m @ 25.5% Zn, 9.9% Pb, 215 g/t Ag, 1.19 g/t Au from 190m
  - 142m @ 7.3% Zn, 3.7% Pb, 101 g/t Ag, 0.54 g/t Au from 108m
- Follow up results included:
    - 38m @ 8% Zn, 2.4% Pb, 0.5% Cu, 54 g/t Ag, 0.63 g/t Au from 195m
    - 19m @ 10.9% Zn, 3.6% Pb, 99 g/t Ag, 0.46 g/t Au from 215m
    - 17m @ 2.8% Zn, 1% Pb, 0.2% Cu, 469 g/t Ag, 0.9 g/t Au from 181m
    - 22m @ 6.6% Zn, 2.2% Pb, 0.8% Cu, 60 g/t Ag, 0.4 g/t Au from 459m
  - Strong mineralisation defined over > 700m strike
  - Southern Nights remains **open in all directions**
  - Link between Wagga Tank and Southern Nights established:
    - 14.5m @ 2.4% Cu, 2.7 g/t Au, 123 g/t Ag, 2.6% Zn from 435.5m
  - Geochem anomalism > 2.7km in strike length





# WAGGA TANK-SOUTHERN NIGHTS

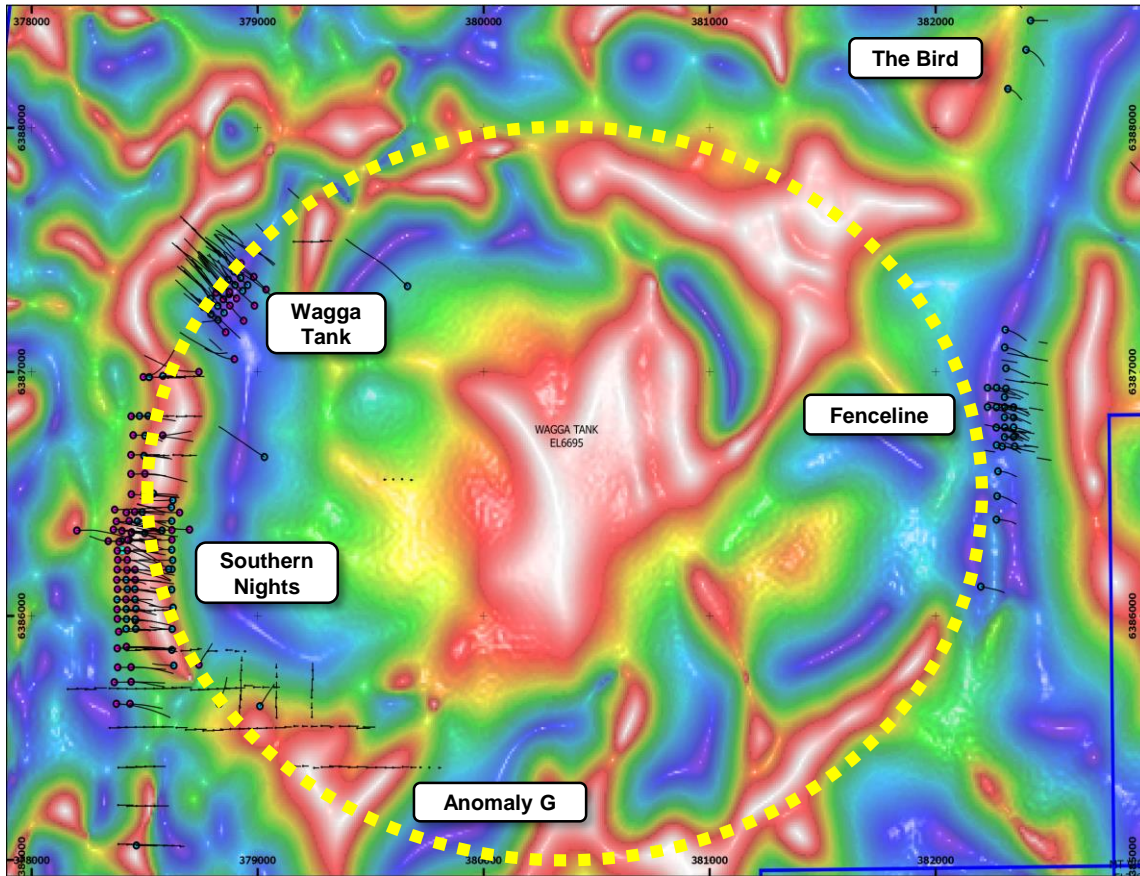
Extensive High-Grade Zn-Pb-Ag-Au



100 metres  
GDA94 - MGA94 UTM Zone 55

# WAGGA TANK REGIONAL POTENTIAL

## A Camp-Scale Mineral System



### Strong Geophysical Indications for a Large System

- Strong 3km x 4km circular magnetic and gravity anomaly
- Multiple significant geochem and geophysical anomalies
- Strong historic intercepts at Fenceline including:
  - 6m @ 5.4% Zn, 3.9% Pb, 44 g/t Ag, 0.83 g/t Au from 84m
  - 14m @ 12.4% Pb, 1.3% Zn, 64 g/t Ag, 2 g/t Au from 118m
  - 10m @ 2.3 g/t Au from 80m
- Peel's first-pass drilling at Fenceline returned high grade results, including:
  - 13m @ 21.5% Pb, 120 g/t Ag, 4.36 g/t Au from 119m
  - 3m @ 20.9% Pb, 66 g/t Ag, 2.08 g/t Au from 92m
- Further drilling planned 2H2018; 10 holes for 2,000m

# MALLEE BULL

## One Of The Highest Grade Undeveloped Copper Resources In Australia

### The Right Partner

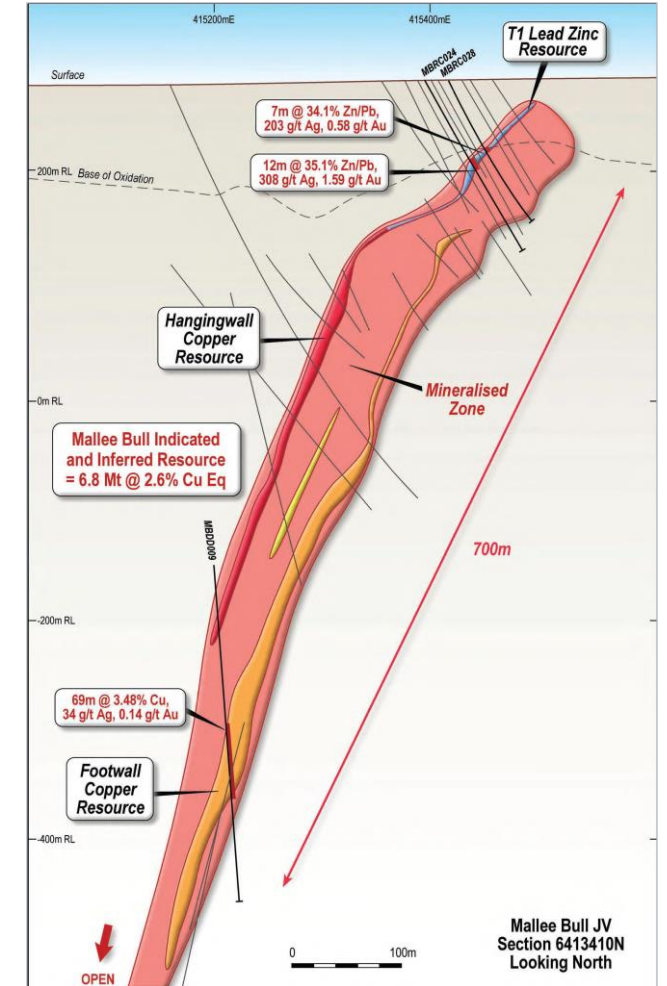
- 50:50 JV with CBH Resources (\$8.33m for 50%)
- CBH Resources owns Endeavor Mine/Mill (surplus milling capacity) located 150km away

### Low Capex Development Opportunity

- PFS nearing completion to assess a small footprint, 'dig and truck' development pathway to minimise capital expenditure (Stage 1)
- PFS based on underground operation
- Completion of PFS due in Q3 with a decision to mine by 2H2018

### Favourably Located

- Situated on pastoral lease owned by Peel
- 100km South of Cobar (Kidman Way); 50km to Wagga Tank
- Trucking distance to Endeavor Mine





# MALLEE BULL

## Near-Surface Silver Ray Lens: 'Starter Orebody' Opportunity

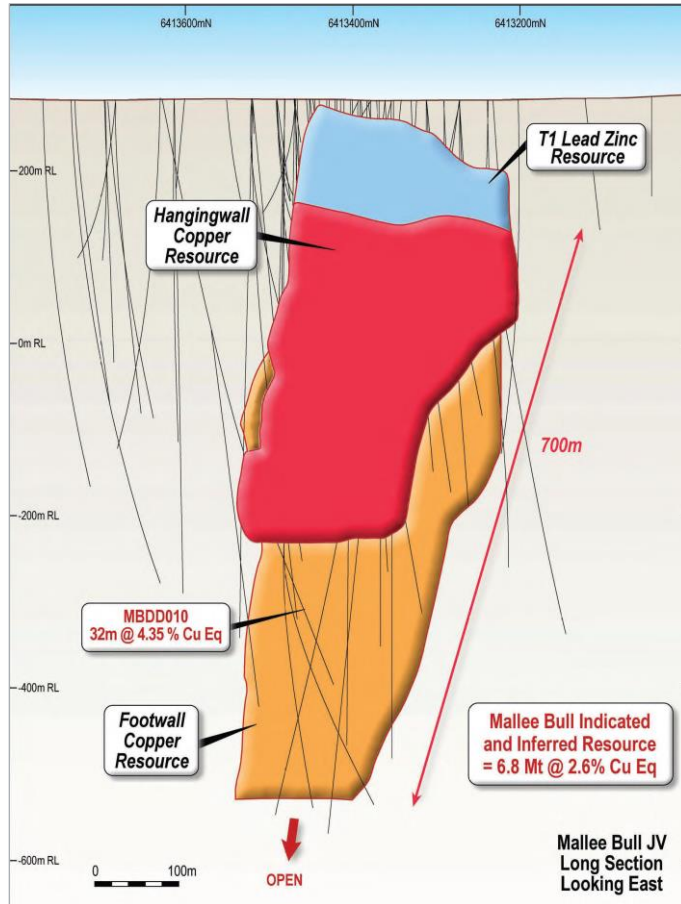
- Silver Ray = near surface high-grade Zn-Pb-Ag mineralisation:
  - 16m @ 13.5% Zn, 7.6% Pb, 191 g/t Ag and 1.3 g/t Au from 74m
  - 13.5m @ 21.1% Zn, 14.1% Pb, 268 g/t Ag from 82m
  - 12m @ 20.3% Zn, 14.8% Pb, 308 g/t Ag, 1.59 g/t Au from 83m
  - 9m @ 20.8% Zn, 10.6% Pb, 338 g/t Ag, 1.91 g/t Au from 88m
- Met testwork yields total recoveries of up to **90.3% Zn, 92.3% Pb, and 82.3% Ag**, producing separate Pb and Zn concentrates
- PFS based on mining of Silver Ray lens; exploration decline to ~300mbs
- Silver Ray scenario provides potential low-capex pathway to access the high-grade Mallee Bull copper resource at depth





# MALLEE BULL COPPER RESOURCE

## The Prize at Depth



- Global Resource of **6.76Mt @ 2.6% CuEq**
- Recent infill drilling of upper (180-300mbs) Mallee Bull lode returns strong copper results including:
  - **16m @ 2.19% Cu, 49 g/t Ag, 0.38 g/t Au from 237m**
  - **14.15m @ 4.27% Cu, 51 g/t Ag, 0.25 g/t Au from 262m**
  - **11m @ 9.02% Cu, 114 g/t Ag, 0.37 g/t Au from 296m**
- PFS now examining potential to bring upper copper ore into Stage 1
- Stage 2 to focus on deeper Mallee Bull lode where historic drilling returned broad high grade copper intercepts:
  - **53m @ 4.08% Cu, 42 g/t Ag, 0.22 g/t Au from 470m**
  - **69m @ 3.48% Cu, 34 g/t Ag, 0.14 g/t Au from 533m**
  - **84m @ 4.42% Cu, 38 g/t Ag, 0.14 g/t Au from 575m**

# WIRLONG COPPER DISCOVERY

## CSA Mine Analogue

- 50:50 JV with JOGMEC (Japanese Government - \$7m for 50%)
- Hallmarks of high-grade “Cobar-style” copper discovery
- Drill highlights include:
  - 9m @ 3.29%Cu, 18 g/t Ag from 70m
  - 27m @ 5.3% Cu, 23 g/t Ag from 286m
  - 31m @ 3.19% Cu, 11 g/t Ag from 299m
  - 9m @ 8.0% Cu, 17 g/t Ag, 0.21 g/t Au from 616m
  - 17m @ 4.59% Cu, 8 g/t Ag from 738m
- Mineralisation defined from near-surface to more than **600m depth, >500m strike and open**
- Follow-up drilling planned by end 2018



# PEEL INVESTMENT FOUNDATIONS



Efficient, targeted  
Company

Money in the ground



## Dominant Cobar Land Position

> 3,700 sq km tenure

Multiple exciting  
prospects; most  
without modern  
exploration



## Wagga Tank/ Southern Nights:

100%-Owned  
Major High Grade  
Zn-Pb-Ag Discovery

Major Drill Program  
Continuing

JORC Resource in  
1H2019



## Mallee Bull

High Grade  
Cu-Zn-Pb-Ag-Au

Staged Production  
Opportunity

PFS and Decision to  
Mine in 2H2018



## Wirlong

High-grade  
Cu-Ag Discovery

JOGMEC continued  
expenditure

# COMPETENT PERSONS STATEMENTS

## 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.

The information in this report that relates to the Mallee Bull 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”. 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.



# JORC CODE INFORMATION

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## Metal equivalent Calculations

The information in this report that relates to Exploration Results is based on information compiled by Rob Tyson who is a Mineral Resource estimates include 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:  $\text{Cu equivalent (\%)} = \text{Cu (\%)} + 0.009 \times \text{Ag (g/t)} + 0.295 \times \text{Au (g/t)} + 0.362 \times \text{Pb (\%)} + 0.407 \times \text{Zn (\%)}$ . It is the company's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

## JORC Code

All information within this presentation relating to Mineral Resources is referred to Table 1 as appended into ASX market release "Mallee Bull Resource Grows by 65% to 175,000t CuEq" dated 06.07.2017. See overleaf for table.

Any previously reported information within this announcement is referred to Table 1 of PEX's Quarterly Activity Statement dated 31.07.2018 or other previously released Quarterly Activity Statements, or Exploration Reporting, or to the Competent Persons Statements in the Disclaimer.

# JORC CODE INFORMATION

## Mallee Bull Resource Table

Cutoff CuEq	Domain	Resource Category	Kt	Grade						Contained Metal					
				CuEq %	Cu %	Ag g/t	Au g/t	Pb %	Zn %	CuE q kt	Cu kt	Ag Moz	Au koz	Pb kt	Zn kt
1.00	HW Pb/Zn	Indicated	270	3.08	0.10	51	0.22	2.30	4.00	8.3	0.3	0.44	1.9	6.2	11
		Inferred	150	2.0	0.3	23	0.5	1.3	2.2	3.0	0.5	0.1	2.4	2.0	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	1.0	28	10	1.3	38	14	13
	FW Cu	Indicated	310	1.75	1.09	28	0.20	0.42	0.48	5.4	3.4	0.28	2.0	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	Inferred	180	2.2	1.6	36	0.2	0.3	0.3	4.0	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	0.40	0.96	1.23	29	12	1.3	17	13	17
		Inferred	5,420	2.7	2.0	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

# THANK YOU

Diggers and Dealers  
August 2018

**Rob Tyson**  
MANAGING DIRECTOR

