

Peel Mining Limited

ASX code: PEX

ACN: 119 343 734

Unit 1, 34 Kings Park Rd
West Perth, WA 6005

Ph: (08) 9382 3955

Fax: (08) 9388 1025

E: info@peelmining.com.au

Web: www.peelmining.com.au

Contact:

Rob Tyson

Managing Director

info@peelmining.com.au

219 million shares in issue for ~\$70m
Market Capitalisation at 31 Oct 2018.

About Peel Mining Limited:

- The Company's projects cover more than 6,000 km² of highly prospective tenure with a focus on the Cobar Basin in NSW.
- The 100%-owned Wagga Tank-Southern Nights project represents a potentially major zinc-rich polymetallic Cobar-type discovery and is currently the Company's primary focus.
- Mallee Bull is an advanced copper-polymetallic deposit that is subject to a feasibility study; the deposit remains open in many directions.
- Cobar Superbasin Project Farm-in Agreement with JOGMEC offers funded, highly-prospective and strategic greenfields exploration potential and includes the exciting Wirlong copper discovery.
- 36.3% shareholding in Saturn Metals Ltd (ASX: STN) offers exposure to a strategic gold asset in WA goldfields.

Highlights for September quarter 2018

- High-grade assay results continue to expand the Wagga Tank-Southern Nights mineral system with better assays including:
 - 16m @ 3.86% Zn, 1.29% Pb, 198 g/t Ag from 224m in WTRCDD049 (extension)
 - 22.55m @ 5.58% Zn, 2.84% Pb, 55 g/t Ag from 204.1m in WTRCDD051 (extension)
 - 24m @ 3.93% Zn, 1.71% Pb, 99 g/t Ag, 0.26 g/t Au from 203m in WTRC136
- Fenceline returns further significant assays:
 - 6m @ 7.51% Pb, 41 g/t Ag, 1.12 g/t Au from 95m in TBRC029
- Subsequent to quarter's end, resource definition drilling at Wagga Tank-Southern Nights commences to enable the establishment of a maiden JORC-compliant mineral resource estimate by end fiscal 2018/19
- Preliminary metallurgical test-work from Southern Nights yields encouraging results with metal recoveries of up to 81% for Zn into a 47% Zn in concentrate; and 71% for Pb into a 50% Pb in concentrate
- Acquisition of 2% NSR from MMG Limited delivering 100% unencumbered ownership
- Peel successfully raised \$12.3 million through oversubscribed placement and fully underwritten rights issue

Plans for December quarter 2018

- RC and diamond drilling to continue at Wagga Tank-Southern Nights including extensional and exploration drilling
- Finalisation of Mallee Bull resource model, engineering and geotechnical studies for completion of Pre-Feasibility Study
- Drilling and geophysics planned for Cobar Superbasin Project JV tenements

Exploration

Wagga Tank/Mount View Projects: Copper, Silver, Gold, Lead, Zinc; Western NSW (PEX 100%). Targets: Cobar-style polymetallic mineralisation; Volcanogenic Massive Sulphide mineralisation.

The Wagga Tank project is located on the western edge of the Cobar Superbasin, ~130 km south of Cobar or ~30km northwest of Mount Hope, and is host to the namesake polymetallic Cobar-style or VHMS-type deposit with multiple significant historic drill intercepts. Mineralisation is interpreted to occur as sub-vertical elongate shoots/lenses within zones of brecciation and hydrothermal alteration.

Activities by Peel to date have been focused on defining the geometry and extent of large-scale Zn-rich mineralisation at Wagga Tank-Southern Nights.

Wagga Tank-Southern Nights

Drilling

The bulk of reverse circulation ("RC") and diamond drilling undertaken since the start of the year has been focused at the main Southern Nights area with drilling designed to target the contact between the Wagga Tank and Vivigani stratigraphic units. A large proportion of drillholes have been completed on a relatively close spacing (~40m x 40m) to aid in the future estimation of a mineral resource at Southern Nights.

Drilling to date indicates a sub-vertical mineralised system, with a steep westerly dip implying true widths of 70-90% of the downhole intervals reported for east-oriented (085/090 degree collar azimuth) drillholes, and between 30-50% for all west-oriented (270 degree collar azimuth) drillholes.

Most drilling completed to date has been designed to delineate the strike extent of Southern Nights mineralisation, generally to a depth of no more than ~250m below surface however several recent drillholes targeted the deeper potential of the Wagga Tank-Southern Nights mineral system. Drillholes WTRCDD124-129, reported during the quarter, successfully intercepted the critical host stratigraphic units with mineralisation observed in all drillholes. Drillhole WTRCDD124 intersected **66m @ 1.15% Zn, 0.43% Pb, 5 g/t Ag from 639m** downhole (~550m below surface) providing encouragement for additional mineralisation at depth along the Southern Nights system.

Other drill results returned during the quarter include further significant intercepts from the central part of the Southern Nights area and include: **4m @ 6.47% Zn, 2.80% Pb, 39 g/t Ag from 255m** in WTRCDD079; and **8m @ 2.81% Zn, 1.08% Pb, 128 g/t Ag from 217m** in WTRCDD088. Recent results from the southern end of Southern Nights included: **16m @ 3.86% Zn, 1.29% Pb, 198 g/t Ag from 224m** in WTRCDD049 (extension) and **22.55m @ 5.58% Zn, 2.84% Pb, 55 g/t Ag from 204.1m** in WTRCDD051 (extension).

In the "Corridor Zone", a significant intercept of **24m @ 3.93% Zn, 1.71% Pb, 99 g/t Ag, 0.26 g/t Au from 203m** in WTRC136 was returned during the quarter. The intercept in WTRC136 lies ~160m south and ~200m updip of the strong copper-gold-silver-zinc-lead intercept (**14.45m @ 2.43% Cu, 2.67 g/t Au, 123 g/t Ag, 2.58% Zn, 0.87% Pb from 435.55m**) returned from drillhole WTRCDD123.

Previous DHEM geophysical surveying of drillhole WTRCDD123 identified a significant offhole anomaly believed to likely represent extensions to the mineralisation encountered in WTRCDD123. Follow-up drilling targeting the conductor was undertaken during the quarter however the anomaly remains to be properly tested due to drillhole deviation. Follow-up drilling is planned.

Preliminary Metallurgical Test-work

Subsequent to the quarter's end, preliminary metallurgical test-work was completed on high-grade zinc-lead-silver mineralisation from Southern Nights. Whilst the test-work was preliminary in nature, results returned are encouraging with good recoveries for the key elements of zinc, lead and silver achieved, along with the production of high-grade concentrates.

The sample was prepared by crushing and grinding for sequential base metal flotation. Standard flotation reagents and conditions were used. Metal recoveries of up to 79% for Zn into a 51% Zn in concentrate; and 71% for Pb into a 50% Pb in concentrate were achieved. Further test-work is planned.

Next steps

Subsequent to the quarter's end, drilling at Wagga Tank-Southern Nights recommenced as part of programme to establish a mineral resource estimate. The drilling programme, comprising approximately 20,000m of RC and diamond drilling, is designed to enable the completion of a maiden JORC-compliant mineral resource estimate by end fiscal 2018/19. The programme is also designed to test for extensions to the mineralised system, which remains open along strike and at depth.

Two multi-purpose (RC/diamond) drill rigs have recently mobilised to site and will operate on a double shift basis, to systematically infill and extend the current 2km long footprint of the Wagga Tank-Southern Nights mineral system. Further drilling is also planned targeting the corridor zone and the DHEM conductor in WTRCDD123.

Fenceline

As previously reported, first-pass drilling at Fenceline, located ~4km east of Wagga Tank, returned significant results similar to those historically reported confirming the prospect's potential. High grade supergene Pb-Au-Ag mineralisation was returned in TBRC001 and TBRC002, whilst TBRC012 intercepted primary sulphide mineralisation similar to that seen at Wagga Tank and Southern Nights.

Peel believes that mineralisation at Fenceline is likely part of the same mineralising event that emplaced the Wagga Tank-Southern Nights deposits and that it has good potential to develop into a significant deposit in its own right.

Follow-up drilling at the Fenceline prospect has encountered further significant mineralisation which remains open along strike and down-dip. A new supergene mineralised interval of **6m @ 7.51% Pb, 41 g/t Ag, 1.12 g/t Au from 95m** in TBRC029 was returned during the quarter.

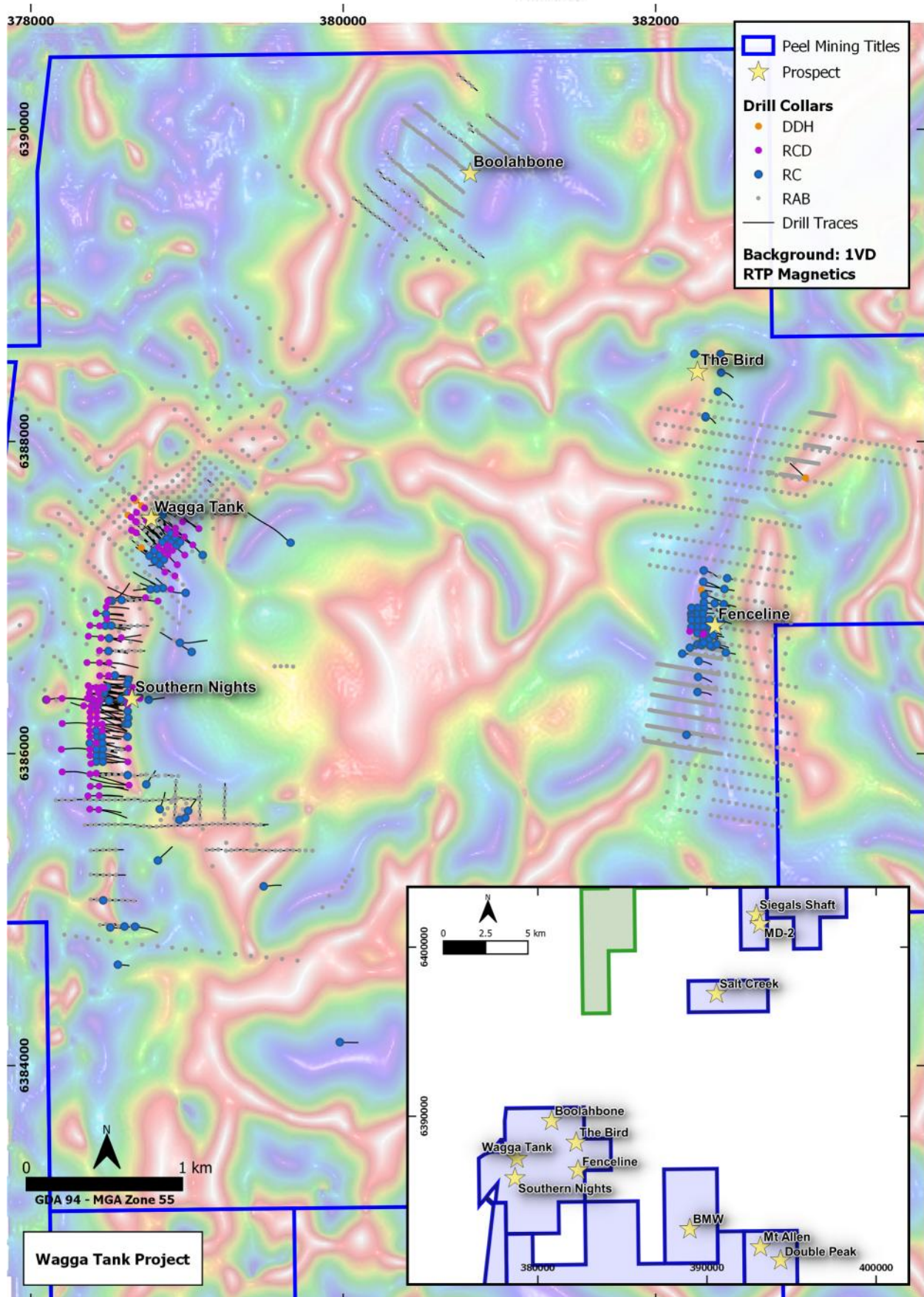


Figure 1: Wagga Tank Project, main prospect locations

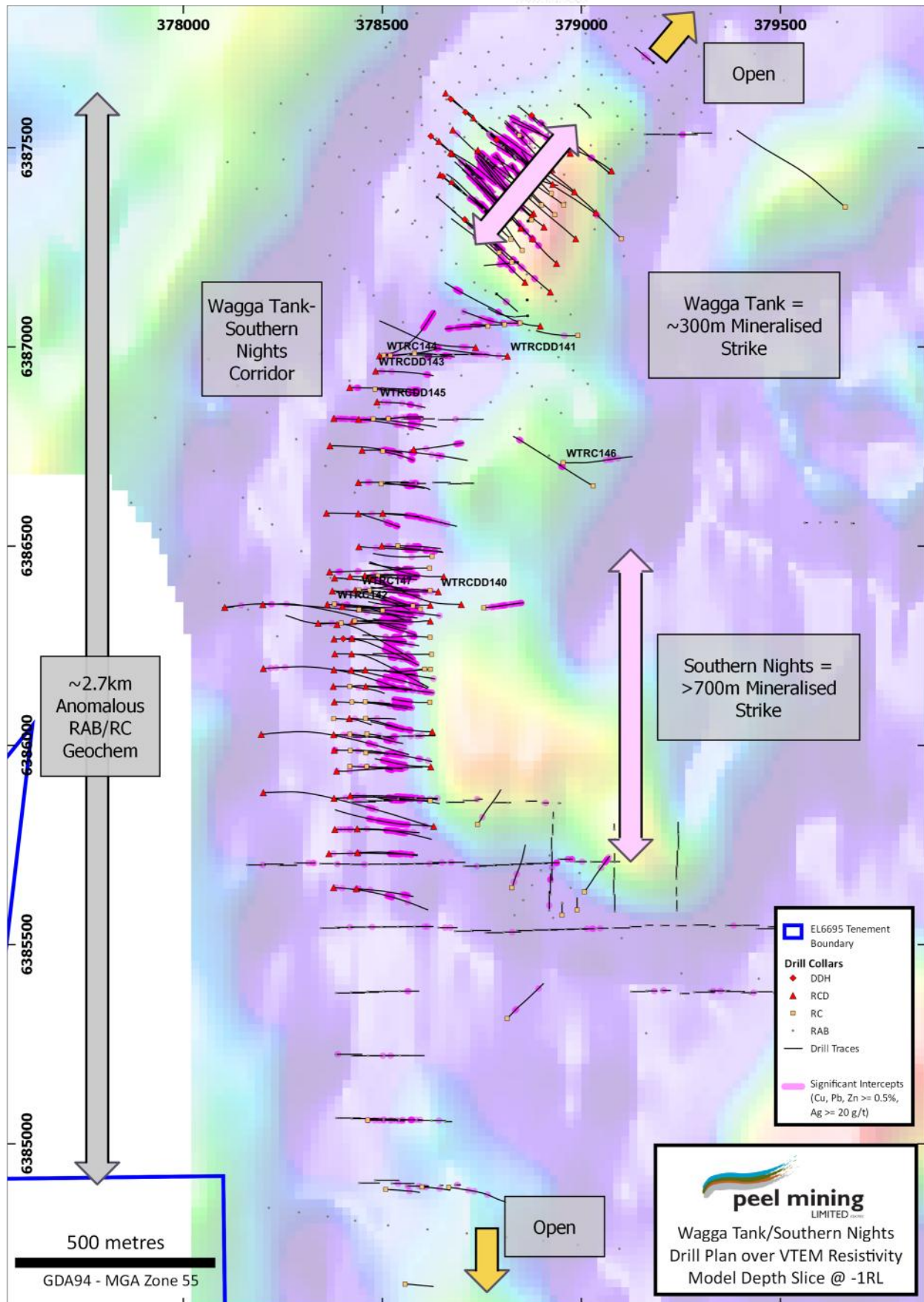


Figure 2: Wagga Tank-Southern Nights Drill Plan

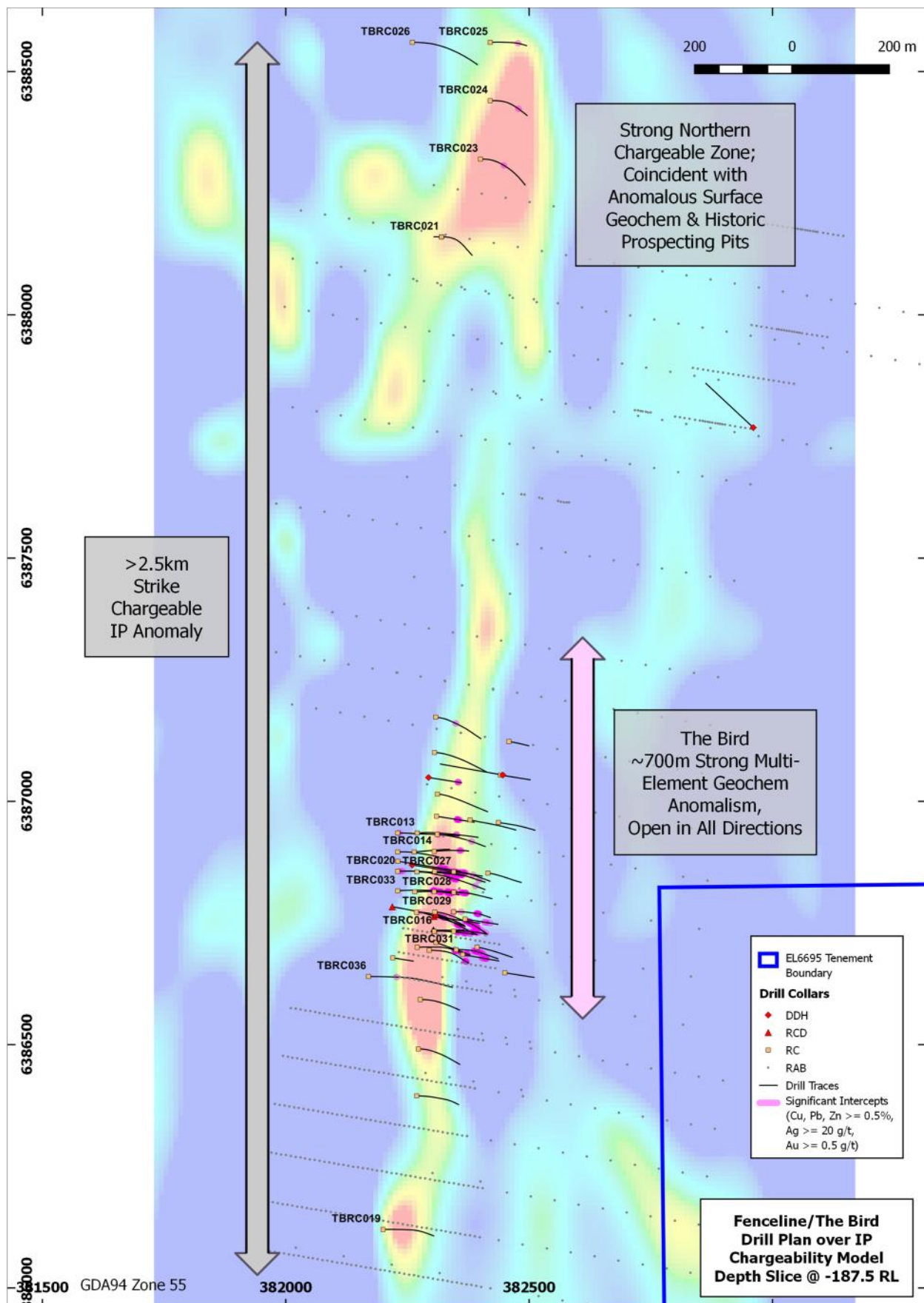


Figure 4: Fenceline & The Bird Drill Plan



Mallee Bull Project: Copper, Silver, Gold, Lead, Zinc; Western NSW (PEX 50% and Manager, CBH 50%).
Targets: Cobar-style polymetallic mineralisation; Volcanogenic Massive Sulphide mineralisation.

The Mallee Bull project is a 50:50 Joint Venture with CBH Resources Limited (CBH). Drilling in the June 2017 quarter led to an update to the initial May 2014 maiden JORC compliant Mineral Resource with a 65% increase in total contained copper equivalent tonnes; the new estimate 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, 38,000 tonnes of lead and 38,000 tonnes of zinc (175,000t copper equivalent) (using a 1% copper equivalent cutoff). Details of the update can be found in the announcement released 6 July 2017; "Mallee Bull Resource Grows 65% to 175,000 CuEq".

Pre-feasibility Study

The Silver Ray high-grade Zn-Pb-Ag lens (formerly known as 'T1') pre-feasibility study currently being undertaken by Peel and JV partner CBH Resource aims to investigate the conceptual development of Mallee Bull as a "dig and truck" operation, under which ore would be milled at CBH's Endeavour mine approximately 150km away where surplus milling capacity exists.

No field activities were undertaken during the quarter following completion of Phase 9 in-fill drilling. Updating of the Mallee Bull resource model, along with engineering and geotechnical studies were undertaken during the quarter in anticipation of finalisation of the pre-feasibility study.

Cobar Superbasin Project: Copper, Silver, Gold, Lead, Zinc; Western NSW (PEX 100%).

Targets: Cobar-style polymetallic mineralisation; Volcanogenic Massive Sulphide mineralisation.

The Cobar Superbasin Project is subject to a Memorandum of Agreement with Japan Oil, Gas, and Metals National Corporation (JOGMEC). Details of the JOGMEC MoA can be found in Peel's ASX Announcement released on 30 September 2014. Exploration activities under the agreement have focused predominantly on the Wirlong prospect, which represents a very large hydrothermal system hosting significant high-grade copper mineralisation along its greater than 2.5km strike length and to depths of up to 950m.

Wirlong

Field activities in the September quarter were limited to a preliminary portable XRF geochemical survey within the north-west of the Wirlong prospect, with a total of 48 samples taken. The returned results indicated that there are no significant Cu, Pb, Zn anomalies in Wirlong NW. However, there are some anomalies present within the south east of the soil sampling in close proximity to the Wirlong Central prospect area. A SQUITEM survey is planned for the next quarter to clarify targets within the southern part of the Wirlong prospect.

Armageddon

The Armageddon prospect is located approximately 43km east of the Fenceline prospect area, which was defined by anomalous Cu/Pb/As gossanous rocks from over a strong N-S magnetic low. Previous rock sampling completed by Peel taken in the prospect returned encouraging results including 861g/t Pb, 1100g/t Zn, 1420 g/t Cu and 2.12g/t Ag. Heli-borne (VTM) survey completed in 2017, identified a magnetic low anomaly within the northern part of the prospect area. Follow-up geochemical sampling was then completed this quarter over the prospect area; laboratory assays remain pending.

Bedooba

The Bedooba prospect is defined by a NE/SW trending magnetic anomaly with a 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 and Bi soil anomaly a further 800m to the north-east. A follow-up drilling program is planned for the next quarter.

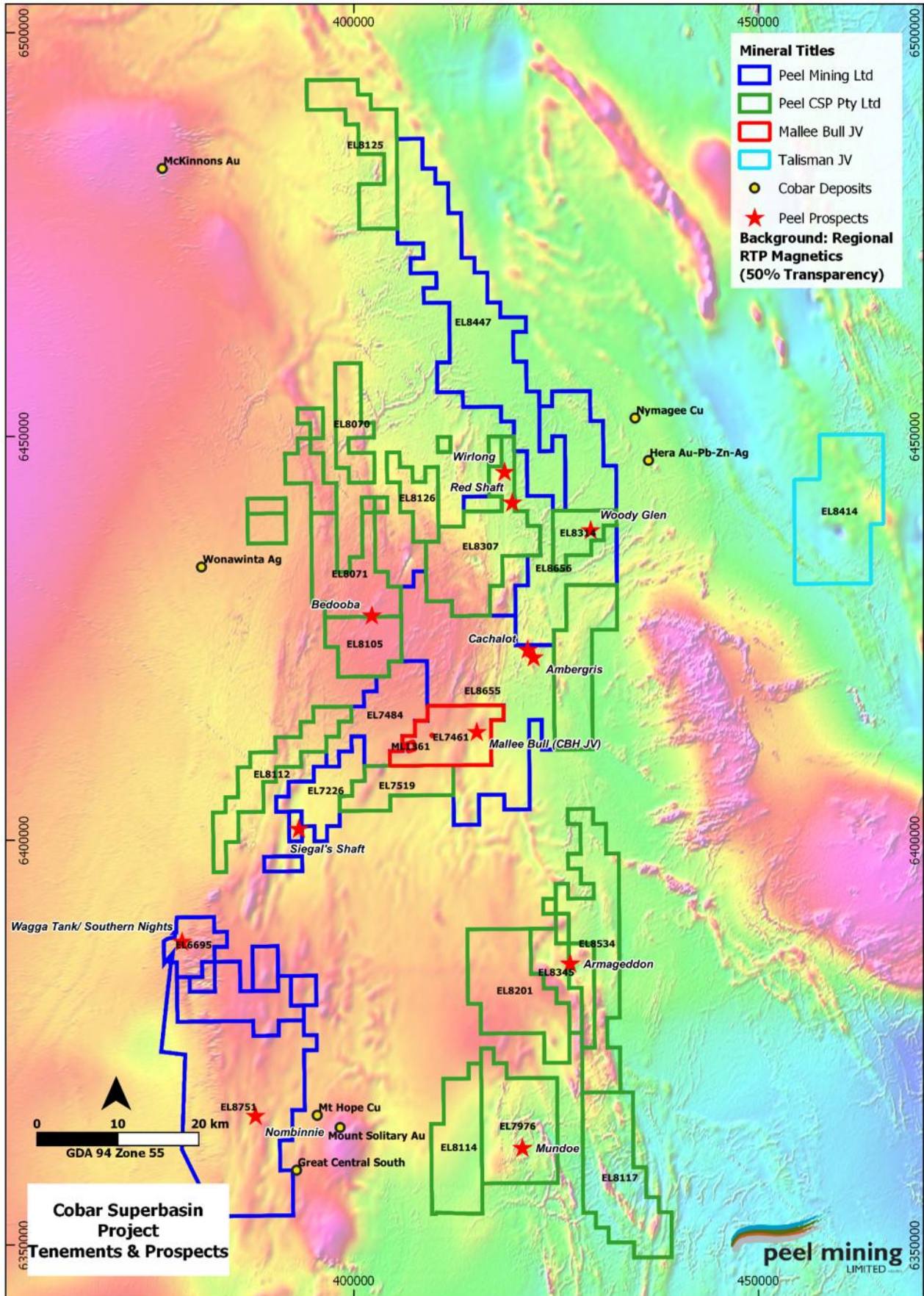


Figure 5: Cobar Superbasin Project Tenements and Prospect

Other Projects

Early stage exploration on the Koonenberry Project near Broken Hill in western New South Wales continued this quarter. Previous rock chip sampling by Peel have shown to be anomalous for gold, copper and lead within the project area. Hence, a follow-up field reconnaissance on the EL 8721 'Bilpa' tenement was then completed this quarter; laboratory assays remain pending.

Further reconnaissance is planned.

Corporate

During the quarter, the Company successfully completed the placement of 10,000,000 shares at an issue price of \$0.36 each to raise a gross amount of \$3.6 million. The placement was done in conjunction with a fully underwritten rights issue, at the same price, to raise a further \$8.7 million. The entitlement issue offered eligible shareholders the ability to subscribe for 1 one new share for every 8 shares held, with the total new shares issued to existing shareholders and the underwriter being 24,266,996.

As previously reported, MMG notified Peel on 10 August 2018 that it had received an offer from a TSX listed royalty streaming business to purchase the royalty interests associated with the tenements Peel acquired from MMG in 2016. Pursuant to Peel's first right of refusal under the Royalty Deeds, MMG offered to sell the royalty interests to Peel for \$3.3 million (incl GST) in cash. In accordance with the terms of the relevant Royalty Deeds, Peel elected to exercise its right to acquire the royalty interests and settled subsequent to the quarter. The acquisition delivers to Peel 100% encumbered ownership of the tenements acquired from MMG in 2016, and in particular the Wagga Tank-Southern Nights project.

For further information, please contact Managing Director Rob Tyson on (08) 9382 3955.

Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Tyson, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the '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 his information in the form and context in which it appears.

Wagga Tank/Southern Nights RC/Diamond Drill Collars September Quarterly

| Hole ID | Northing | Easting | Azi | Dip | Final Depth (m) |
|-----------|----------|----------|--------|--------|-----------------|
| WTRC142 | 6386355 | 378379.5 | 90 | -55 | 241 |
| WTRC144 | 6386979 | 378503.7 | 90 | -67 | 193 |
| WTRC146 | 6386710 | 378954.5 | 90 | -60 | 331 |
| WTRC147 | 6386390 | 378441.2 | 85 | -60 | 151 |
| WTRCDD140 | 6386386 | 378640.5 | 269.75 | -61.39 | 288.4 |
| WTRCDD141 | 6386977 | 378814.4 | 269.21 | -62.65 | 427.9 |
| WTRCDD143 | 6386940 | 378483.2 | 91.69 | -61.08 | 393.5 |
| WTRCDD145 | 6386862 | 378486.7 | 91.69 | -61.5 | 279.4 |
| WTRCDD051 | 6385797 | 378629 | 273.24 | -60.06 | 546.3 |
| WTRCDD048 | 6386034 | 378626 | 271.56 | -60.76 | 387.4 |
| WTRCDD049 | 6385946 | 378622 | 271.65 | -59.86 | 300 |

JORC Code, 2012 Edition Table 1 Appendices

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

| Criteria | JORC Code explanation | Commentary |
|---------------------|---|--|
| Sampling techniques | <ul style="list-style-type: none"> 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 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. | <ul style="list-style-type: none"> Diamond, Reverse Circulation (RC) and Rotary Air Blast (RAB) drilling is used to obtain samples for geological logging and assaying. Diamond core is generally cut and sampled at 1m intervals. RC and RAB drill holes are generally 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. Multi-element readings are generally taken of the diamond core and RC drill chips using an Olympus Delta Innov-X portable XRF tool. Portable XRF tools are routinely serviced, calibrated and checked against blanks/standards. |
| Drilling techniques | <ul style="list-style-type: none"> 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). | <ul style="list-style-type: none"> 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. PQ, HQ and NQ coring was/is used for diamond drilling. |

| Criteria | JORC Code explanation | Commentary |
|---|---|--|
| <i>Drill sample recovery</i> | <ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> | <ul style="list-style-type: none"> • Core recoveries are recorded by the drillers in the field at the time of drilling and checked by a geologist or technician • 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. • 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. • When poor sample recovery is encountered during drilling, the geologist and driller have endeavoured to rectify the problem to ensure maximum sample recovery. • Sample recoveries at Mallee Bull and Wirlong to date have generally been high. • Sample recoveries at Wagga Tank have been variable 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. |
| <i>Logging</i> | <ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> | <ul style="list-style-type: none"> • 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. • 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. • RC/Diamond holes at Wirlong were geologically logged in full. Logging at Wagga Tank/Southern Nights, Fenceline/The Bird, Boolahbone and Double Peak is still underway. |
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> | <ul style="list-style-type: none"> • Drill core is generally cut with a core saw and half core taken. • The RC and RAB 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. |

| Criteria | JORC Code explanation | Commentary |
|--|---|---|
| | <ul style="list-style-type: none"> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> | <ul style="list-style-type: none"> • All samples were split using the system described above to maximise and maintain consistent representivity. The majority of samples were dry. • Bulk samples were placed in green plastic bags, with the sub-samples collected placed in calico sample bags • Field duplicates were collected by resplitting the bulk samples from large plastic bags. These duplicates were designed for lab checks. • 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 | <ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> | <ul style="list-style-type: none"> • ALS Laboratory Services is generally used for Au and multi-element analysis work carried on out on 3m to 6m composite samples and 1m split samples. The laboratory techniques below are for all samples submitted to ALS and are considered appropriate for the styles of mineralisation defined at Mallee Bull, Wirlong and Wagga Tank: <ul style="list-style-type: none"> o PUL-23 (Sample preparation code) o Au-AA26 Ore Grade Au 50g FA AA Finish o ME-ICP41 35 element aqua regia ICP-AES, with an appropriate Ore Grade base metal AA finish o ME-ICP61 33 element 4 acid digest ICP-AES, with an appropriate Ore Grade base metal AA finish o ME-MS61 48 element 4 acid digest ICP-MS and ICP-AES, with an appropriate Ore Grade base metal AA finish • 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. • 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 supply our own. |

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| Verification of sampling and assaying | <ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. | <ul style="list-style-type: none"> 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. No adjustments of assay data are considered necessary. |
| Location of data points | <ul style="list-style-type: none"> 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. Specification of the grid system used. Quality and adequacy of topographic control. | <ul style="list-style-type: none"> 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 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 multishot 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. Grid system used is MGA 94 (Zone 55). All down-hole magnetic surveys were converted to MGA94 grid. |
| Data spacing and distribution | <ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 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. Whether sample compositing has been applied. | <ul style="list-style-type: none"> Data/drill hole spacing is variable and appropriate to the geology and historical drilling. 3m to 6m sample compositing has been applied to RC drilling at Mallee Bull and Wagga Tank for gold and/or multi-element assay. |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 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. | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> The measures taken to ensure sample security. | <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> o Peel Mining Ltd o Address of Laboratory o Sample range Detailed records are kept of all samples that are dispatched, including details of chain of custody. |

| Criteria | JORC Code explanation | Commentary |
|-------------------|---|--|
| Audits or reviews | <ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. | <ul style="list-style-type: none"> 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/Wagga Tank/Cobar Superbasin Projects

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| Mineral tenement and land tenure status | <ul style="list-style-type: none"> 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. 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. | <ul style="list-style-type: none"> The Mallee Bull prospect is wholly located within 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. 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%. The Wagga Tank Project comprises of EL6695, EL7226, EL7484 and EL7581 and are 100%-owned by Peel Mining Ltd. The tenements are in good standing and no known impediments exist. |
| Exploration done by other parties | <ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. | <ul style="list-style-type: none"> Work in the Mallee Bull area was completed 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. Work at Wagga Tank was completed by multiple previous explorers including Newmont, Homestake, Amoco, Cyprus, Arimco, Golden Cross, Pasminco and MMG. |
| Geology | <ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. | <ul style="list-style-type: none"> 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 strike lengths (<200m), narrow widths (5-20m) and vertical continuity, and occurs as |

| Criteria | JORC Code explanation | Commentary |
|--------------------------|---|---|
| | | <p>a shoot-like structure dipping moderately to the west.</p> <ul style="list-style-type: none"> Wagga Tank is believed to be a volcanic hosted massive sulphide (VHMS) deposit, and is located ~130 km south of Cobar on the western edge of the Cobar Superbasin. The deposit is positioned at the westernmost 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 volcanoclastic 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 volcanoclastic 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 | <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 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. | <ul style="list-style-type: none"> All relevant information material to the understanding of exploration results has been included within the body of the announcement or as appendices. No information has been excluded. |
| Data aggregation methods | <ul style="list-style-type: none"> 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. 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. The assumptions used for any reporting of metal equivalent values should be clearly stated. | <ul style="list-style-type: none"> No length weighting or top-cuts have been applied. No metal equivalent values are used for reporting exploration results. |

| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| <i>Relationship between mineralisation widths and intercept lengths</i> | <ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> | <ul style="list-style-type: none"> • True widths are generally estimated to be about 90-100% of the downhole width unless otherwise indicated. |
| <i>Diagrams</i> | <ul style="list-style-type: none"> • <i>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.</i> | <ul style="list-style-type: none"> • Refer to Figures in the body of text. |
| <i>Balanced reporting</i> | <ul style="list-style-type: none"> • <i>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.</i> | <ul style="list-style-type: none"> • All results are reported. |
| <i>Other substantive exploration data</i> | <ul style="list-style-type: none"> • <i>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.</i> | <ul style="list-style-type: none"> • No other substantive exploration data are available. |
| <i>Further work</i> | <ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | <ul style="list-style-type: none"> • The pre-feasibility study at Mallee Bull is ongoing and will incorporate the information obtained from the completed infill drilling program for the upper portion of the resource model. • Further drilling and geophysical surveying is planned for Wagga Tank-Southern Nights and Fenceilne-The Bird. |

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

NSW Granted Tenements

| TENEMENT | PROJECT | LOCATION | OWNERSHIP | CHANGE IN QUARTER |
|----------|-----------------|------------------|-----------|-------------------|
| EL7519 | Gilgunnia South | Cobar, NSW | 100% | |
| EL7976 | Mundoe | Cobar, NSW | 100% | |
| EL8070 | Tara | Cobar, NSW | 100% | |
| EL8071 | Manuka | Cobar, NSW | 100% | |
| EL8105 | Mirrabooka | Cobar, NSW | 100% | |
| EL8112 | Yackerboon | Cobar, NSW | 100% | |
| EL8113 | Iris Vale | Cobar, NSW | 100% | |
| EL8114 | Yara | Cobar, NSW | 100% | |
| EL8117 | Illewong | Cobar, NSW | 100% | |
| EL8125 | Hillview | Cobar, NSW | 100% | |
| EL8126 | Norma Vale | Cobar, NSW | 100% | |
| EL8201 | Mundoe North | Cobar, NSW | 100% | |
| EL8307 | Sandy Creek | Cobar, NSW | 100% | |
| EL8314 | Glenwood | Cobar, NSW | 100% | |
| EL8345 | Pine Ridge | Cobar, NSW | 100% | |
| EL8534 | Burthong | Cobar, NSW | 100% | |
| EL7461 | Gilgunnia | Cobar, NSW | 50% | |
| ML1361 | May Day | Cobar, NSW | 50% | |
| EL6695 | Wagga Tank | Cobar, NSW | 100% | |
| EL7226 | Wongawood | Cobar, NSW | 100% | |
| EL7484 | Mt View | Cobar, NSW | 100% | |
| EL8414 | Mt Walton | Cobar, NSW | 100% | |
| EL8447 | Linera | Cobar, NSW | 100% | |
| EL8562 | Nombinnie | Cobar, NSW | 100% | |
| EL7711 | Ruby Silver | Armidale, NSW | 100% | |
| EL8326 | Attunga | Attunga, NSW | 100% | |
| EL8450 | Beanbah | Cobar, NSW | 100% | |
| EL8451 | Michelago | Cooma, NSW | 100% | |
| EL8656 | Marigold | Cobar, NSW | 100% | |
| EL8655 | Brambah | Cobar, NSW | 100% | |
| EL8721 | Bilpa | Broken Hill, NSW | 100% | Granted |
| EL8722 | Cymbric Vale | Broken Hill, NSW | 100% | Granted |
| EL8790 | Comarto | Broken Hill, NSW | 100% | Granted |
| EL8791 | Devon | Broken Hill, NSW | 100% | Granted |