

Peel Set to Regain Control of Mallee Bull Delivering High-Grade Copper and Potential Critical Mass

Key Points:

- The Company intends to acquire CBH Resources Limited's 50% share of the Mallee Bull Joint Venture, taking Peel's ownership in the project to 100%, by exercising its pre-emptive right, matching a third party's unconditional cash offer of \$17 million
- 100% control of the high-grade Mallee Bull copper deposit and the gold-polymetallic May Day deposit, in adjunct to the Company's Southern Nights-Wagga Tank zinc-lead-silver project, delivers the potential critical mass of resources to support Peel's strategy of establishing a robust standalone operation in the Southern Cobar Basin
- To fund the acquisition, the Company is undertaking a capital raising of \$17.1 million comprising:
 - a placement to institutional, sophisticated and professional investors which has raised \$10.5 million (before costs); and
 - a fully underwritten 1:8 pro-rata non-renounceable entitlement offer at \$0.175 per Share to raise up to an additional \$6.6 million (before costs)
- Executive Director Jim Simpson to sub-underwrite up to \$750,000 of the Entitlement Offer

Peel Mining Limited (ASX:PEX) ("Peel" or the "Company") is pleased to announce a capital raising to raise \$17.1 million (before costs) to fund the acquisition of the 50% share of the Mallee Bull Joint Venture ("Joint Venture") which is currently held by CBH Resources Limited ("CBH"). The capital raising comprises a placement as well as an entitlement offer to eligible shareholders, as follows:

- **Placement:** Peel has received firm commitments from institutional, sophisticated and professional investors to raise \$10.5 million (before costs) through the issue of 60,000,000 fully paid ordinary shares in the capital of the Company ("Shares") at an issue price of \$0.175 per Share ("Placement").
- **Entitlement Offer:** Peel will also undertake a fully underwritten pro-rata non-renounceable entitlement offer of one Share for every eight Shares held by eligible shareholders on the record date at an issue price of \$0.175 per Share ("Entitlement Offer").

The Company proposes to use the proceeds of the capital raising, in conjunction with existing cash and liquid investments of ~\$11 million, for the acquisition of CBH's joint venture interest, the costs of the capital raising, and for ongoing working capital and general corporate purposes.

Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement and are Sole Lead Manager and Underwriter to the Entitlement Offer. Hartleys acted as Co-manager to the Placement.

Peel Mining's Managing Director Rob Tyson said that the Company was very pleased with the response from investors to the capital raising, and the opportunity that the consolidation of Mallee Bull brought with it.

Rob Tyson commented:

“The consolidation of Mallee Bull will deliver a number of very important outcomes for our business plan, those being: control, critical mass and copper.

“Bringing Mallee Bull back into the fold makes us masters of our own destiny once again, however, most importantly, it delivers potential critical mass for our goal of establishing a stand-alone operation in our region of the Cobar Basin, with the added benefit of re-positioning the Company’s primary metal exposure to copper in a rising copper price market.

“The Mallee Bull JV also includes the May Day gold-polymetallic deposit where we see an exploration opportunity to add shallow gold resources to our asset base - a potential boost towards our critical mass aspirations.

“The support and demand we have received for the capital raising from existing and new institutional, sophisticated and professional investors has been overwhelming, reaffirming and validating our belief in the project and the Company’s strategy.”

About the Mallee Bull Project

The Mallee Bull Project contains both the Mallee Bull copper deposit and the May Day gold-polymetallic deposit, which are both open in most directions offering strong exploration upside. Mallee Bull is one of Australia’s highest-grade undeveloped copper deposits and is located ~50km northeast of Peel’s Wagga Tank-Southern Nights discovery. May Day is an historic gold-polymetallic deposit within a granted mining licence with a small remnant open pit and is located ~8km to the west of Mallee Bull and ~40km to the northeast Wagga Tank-Southern Nights.

Importantly for Peel, owning 100% of Mallee Bull establishes full control and delivers potential critical mass of resources for Peel in the southern Cobar Basin, in the process transforming Peel’s metal exposure to predominantly copper, and strengthening the Company’s strategy to establish a robust stand-alone processing operation supported by multiple mines. 100%-ownership of Mallee Bull consolidates Peel’s global resource base to more than 10Mt, with an experienced team focused on improving the confidence and growing the resources for establishment of ore reserve and mining inventory.

The ability to consolidate ownership of Mallee Bull is an attractive opportunity for Peel, at a transaction cost of \$5 per resource tonne, and importantly allows Peel to advance development scenarios for both Mallee Bull and Wagga Tank-Southern Nights. The May Day deposit located within ML1361 presents Peel with a relatively low-cost opportunity to establish potential shallow gold dominant resources.

Mallee Bull contains a JORC Resource of 6.76Mt @ 1.8% Cu, 31g/t Ag, 0.4g/t Au, 0.6% Pb, 0.6% Zn. (See ASX Announcement release 6th July 2017 “Mallee Bull Resource Grows by 65% to 175,000t CuEq” for full detail.)

Acquisition of the Mallee Bull Joint Venture Interest

Peel advises that it has received an Initial Transfer Notice (“ITN”) from CBH after CBH received an unconditional cash offer of A\$17,000,000 from a third party (“Third-Party Offer”) for its 50% share of the Joint Venture. The Joint Venture consists of two tenements, being EL7461 and ML1361.

CBH has advised it intends to accept the Third-Party Offer, subject to Peel not exercising its pre-emptive right. The Third-Party Offer is conditional on Ministerial Approval.



The Company has had independent confirmation of the validity of the ITN and Third-Party Offer per the conditions of the Joint Venture Agreement. Pursuant to the Joint Venture agreement between CBH and Peel, Peel has a pre-emptive right to acquire the Joint Venture interest on the same terms. Peel intends to submit an offer to acquire the Joint Venture interest, as soon as possible, within its pre-emptive right period which is 30 business days from receipt of the ITN.

Details of Capital Raising

Placement

Peel has received firm commitments from institutional, sophisticated and professional investors for a placement of 60,000,000 Shares at an issue price of \$0.175 per Share to raise \$10.5 million (before costs). The Company will issue the new Shares to subscribers under the Placement pursuant to its available placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Placement Shares are intended to be issued on Friday 31 July 2020. Accordingly, participants in the Placement will be eligible to participate in the Entitlement Offer.

The total fees payable on the capital raising are expected to be about 5% of the gross proceeds.

Entitlement Offer

Peel will also undertake a pro-rata non-renounceable entitlement offer of one Share for every eight Shares held by eligible shareholders on the record date at an issue price of \$0.175 per Share to raise \$6.6 million (before costs).

The Entitlement Offer is to be fully underwritten by Canaccord Genuity (Australia) Limited who have received binding commitments for the entire Entitlement Offer. The Underwriting Agreement is expected to be executed shortly in conjunction with the lodgement of the Entitlement Offer prospectus.

Executive Director, Jim Simpson has entered into two sub-underwriting agreements, whereby he has agreed to sub-underwrite \$500,000 of the Entitlement Offer on a priority basis and an additional \$250,000 on a general sub-underwriting basis.

Further details of the Entitlement Offer, including details on how to accept the offer and key risks of the Entitlement Offer will be set out in a prospectus which is expected to be released to the ASX on 31 July 2020 and dispatched to shareholders on 11 August 2020 ("Prospectus"). Shareholders may view the Company's ASX announcements, including those relating to the Entitlement Offer, on the ASX website under the ASX code: PEX.

Eligible shareholders should consider the Prospectus before deciding whether to acquire securities and will need to complete the personalised entitlement and acceptance form that will accompany the Prospectus in order to apply for Shares under the Entitlement Offer.

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Background

The Mallee Bull JV is centred on the namesake Mallee Bull copper deposit, discovered in August 2011. Mallee Bull represents one of the highest-grade, undeveloped copper resources in Australia with an updated resource estimate published in July 2017:

Cut off CuEq	Category	Kt	Grade							Contained Metal					
			CuEq %	CuEq Kt	Cu%	Pb%	Zn%	Au g/t	Ag g/t	CuEq kt	Cu kt	Pb kt	Zn kt	Au koz	Ag Moz
1.00	Indicated	1,340	2.15	28.8	0.91	0.96	1.23	0.40	30	29	12	13	17	17	1.3
	Inferred	5,420	2.7	146	2.0	0.5	0.4	0.4	31	146	107	25	22	66	5.4
	Total	6,760	2.6	175	1.8	0.6	0.6	0.4	31	175	119	38	38	83	6.6

See ASX Announcement release 6th July 2017 "Mallee Bull Resource Grows by 65% to 175,000t CuEq" for full detail.

This announcement has been approved for release by the Board of Directors.

For further information, please contact:

Robert Tyson – Peel Mining Limited, Managing Director +61 (8) 9382 3955.

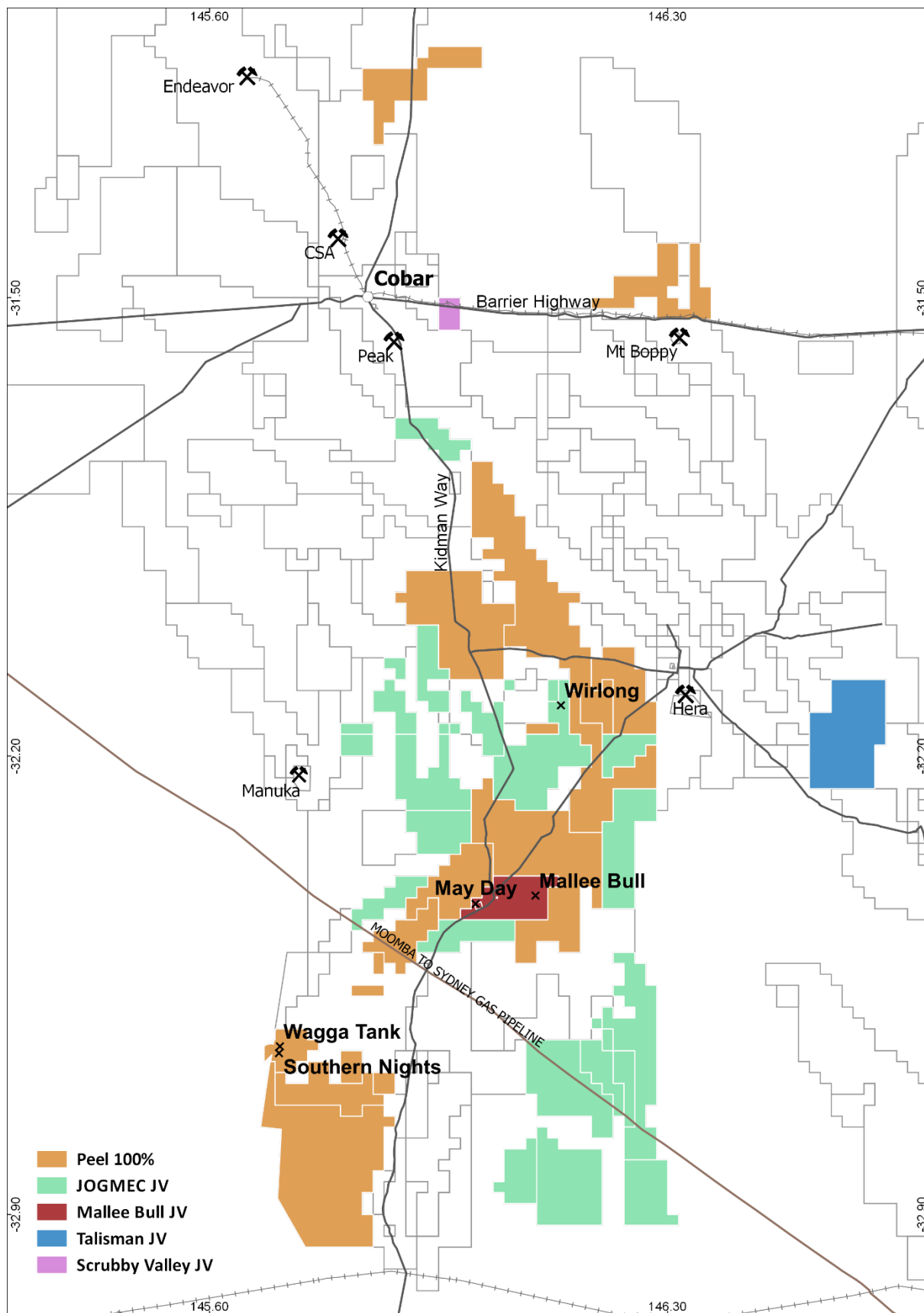
Competent Persons Statement

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.

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

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Figure 1 – Peel Mining Cobar Basin Tenure



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