



2014 Financial Report

Corporate Directory

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Chairman's report

Dear Fellow Shareholders

It is a pleasure to report to you that Peel Mining Limited has continued to make excellent progress in the past 12 months despite the malaise that is currently affecting the resources market and share prices.

The Company has now established an inferred resource of 3.9 million tonnes at a 2.7% copper equivalent at the Mallee Bull deposit, located in the Cobar district of New South Wales.

The inferred resource confirms Mallee Bull's standing as one of the highest grade copper discoveries in Australia in the past decade and your directors are excited by the potential for more discoveries in the region.

The deposit was initially identified in mid-2011 following the discovery of massive and stringer/breccia sulphides containing strong copper-silver-gold-lead-zinc-cobalt mineralisation. An \$8.33 million 50% farm-in agreement was subsequently made with CBH Resources Limited, a subsidiary of Japanese-owned Toho Zinc Co. Ltd. Work started on a major drilling exploration programme in July 2012.

To date more than 20,000 metres of diamond drilling and 4,000 metres of RC drilling have been completed at Mallee Bull with some outstanding results returned, including 84 metres @ 4.4% copper, 38 g/t silver and 0.14 g/t gold from 575m. During the year just gone, exploration at Mallee Bull was focused on defining the geometry of the Mallee Bull deposit and on adding new mineralisation away from Mallee Bull.

Following the completion of the Mallee Bull farm-in in February 2014, your Company announced a maiden inferred resource, and in conjunction with CBH work began on an in-house scoping study which is still under way. In the meantime, CBH and Peel have agreed to carry out further drilling and geophysics with a view to adding to the resource, and identifying nearby targets. Cobar-style deposits are typically deep, pipe-like structures, often occurring as a cluster of lenses, similar to the Glencore-owned, 140-year-old CSA copper mine at Cobar, which is the richest copper mine in Australia.

During the year Peel continued to advance its 100%-owned portfolio of tenements surrounding Mallee Bull. This included the acquisition of the highly prospective Sandy Creek project where work during the year confirmed high grade lead-silver mineralisation in association with previously identified base-precious metal mineralisation. Strong geochemical anomalies with coincident alteration zones were also identified at the nearby Wirlong and Red Shaft copper-lead prospects. These prospects all rank highly and the Company plans to investigate them further including by targeted drilling.

Earlier in the year, your Company completed a drilling programme at the Apollo Hill gold project near Leonora in Western Australia. The results of the drilling continue to confirm that Apollo Hill is a major gold system with mineralisation remaining open along strike and at depth. Peel has continued to consolidate its land position at Apollo Hill with the pegging of new tenure. Further drilling at Apollo Hill and at new targets nearby is planned before the end of the year.

I would like to thank Peel's Managing Director Mr Rob Tyson and our technical and practical team for the tremendous advances they have made in our projects during the past year. I would also like to thank my fellow non-executive director Graham Hardie for his hard work and input.

It has been another challenging year for investors in the resources sector but we believe our projects are showing very positive signs and that we will have more successes in the year ahead.

Yours Sincerely,



Simon Hadfield

Chairman

16th September 2014

Review of operations

Background

At September 2014, Peel held five key mineral projects comprising granted exploration licences and licences under application.

- Gilgunnia (EL7461 and ML1361) contains the Mallee Bull copper-polymetallic discovery and the May Day polymetallic deposit. The tenure also hosts the historic Gilgunnia and 4-Mile goldfields. Exploration activities during the reporting period led to the completion of a maiden resource estimate at Mallee Bull. During the year, CBH Resources Limited, a wholly-owned subsidiary of Tokyo Stock Exchange-listed Toho Zinc, completed its final Farm-in payment of the total \$8.33 million expenditure and consequently has earned an undivided 50% interest in the project; a 50:50 Joint Venture has now been formed.
- Cobar Superbasin Project (CSP) is a package of tenements (ELs and ELAs) covering more than 3,200km² of prospective stratigraphy within the Cobar Basin. The tenements are considered prospective for Cobar-style and VHMS polymetallic deposits. The package includes EL7403 immediately north of Mallee Bull, which contains the Sandy Creek and Wirlong prospects. Both lie within the same geological unit as Mallee Bull, and Sandy Creek is believed by Peel to be analogous to Mallee Bull at an early stage of exploration. Geochemical sampling undertaken at both prospects during the year has delineated significant arsenic, lead and copper anomalies. The CSP package also hosts the Mundoe prospect where drilling by Peel in late 2012 returned significant base and precious metal values. A major program of geochemical sampling is ongoing over numerous prospective areas within the package to assist in prioritisation of drill targets.
- Apollo Hill contains two significant gold deposits - Apollo Hill and the Ra Zone - for an inferred resource estimate of 505,000 oz gold. These deposits exhibit the hallmarks of a major mineralised Archean system, showing extensive hydrothermal alteration and deformation. Metallurgical testwork has been highly encouraging, with excellent gravity and cyanide leach gold extraction. RC drilling during the reporting period tested for extensions to the main mineralised zone, and results indicated the presence of mineralisation extending to the south-east of the inferred resource at the main Apollo Hill deposit. With continued drilling, Peel aims to update the resource model at Apollo Hill with an increase in contained ounces and strengthen the potential for future economic extraction.
- Attunga is considered prospective for tungsten-molybdenum, base/precious metal skarn-type mineralisation, and intrusive-related gold system type mineralisation. It is host to numerous historic mines/workings/prospects, including the Attunga Tungsten Deposit where Peel has outlined a high-grade tungsten-molybdenum resource of 1.29Mt at 0.61%WO₃ and 0.05% Mo. At the Attunga Copper mine, RC and diamond drilling has encountered substantial gold-copper-molybdenum mineralisation, and significant gold mineralisation has also been identified at the Kensington gold prospect.
- Ruby Silver contains three major known deposits; the very high grade Ruby and Tulloch silver mines and the Rockvale arsenic mine. Hydrothermal mineralisation has been found to be associated with quartz/carbonate veins containing narrow silver-rich (up to 60,000 g/t) massive sulphide pods and shoots.

Details on Assets

Gilgunnia/Mallee Bull Project

The Gilgunnia/Mallee Bull project, located about 100km south of Cobar in western NSW, contains the Mallee Bull copper-polymetallic discovery, the May Day polymetallic deposit and the historic Gilgunnia and 4-Mile goldfields. During the year, Peel and CBH Resources Limited completed the Mallee Bull Farm-in Agreement and a Joint Venture has now been formed.

Exploration over the reporting period has focused on the Mallee Bull copper-polymetallic deposit, where activities culminated with a high grade maiden resource estimate. Mallee Bull was initially recognised in January 2011, when a strong electromagnetic (EM) and coincident magnetic anomaly was identified in the 4-Mile Goldfield following an airborne EM survey (VTEM). Since discovery, drilling has consistently encountered multiple zones of strong polymetallic (Cu-Ag-Au-Pb-Zn) mineralisation, affirming Mallee Bull to be one of the highest grade copper discoveries in Australia in recent times.

Mallee Bull Discovery

In late 2010, an airborne electromagnetic geophysical survey (VTEM) was flown over the May Day and 4-Mile/Butchers Dog areas, resulting in the recognition of a coincident late time conducting anomaly and magnetic high. The Mallee Bull anomaly is proximal to the historic 4-Mile goldfield area; a series of surface and underground gold workings located about 10km east of the May Day deposit. A subsequent ground-based geophysical (fixed-loop TEM) survey confirmed the existence of a moderate-strong conductor and in March 2010, a programme of three RC drill holes for a total of 663m targeting the geophysical anomaly was completed. This drilling resulted in the discovery of strongly anomalous polymetallic (gold-silver-copper-lead-zinc) mineralisation in all three drill holes.

Systematic exploration followed involving several rounds of additional drilling (4 more RC drill holes plus a diamond tail) and several down-hole geophysical (DHEM) surveys. This work culminated in discovery drill hole 4MRC007 intersecting multiple zones of strong

Review of operations

copper-dominated polymetallic mineralisation including massive sulphides. In late August 2011, Peel announced that drill hole 4MRCD006 intersected a 10m zone of massive sulphide averaging more than 20% combined lead-zinc plus silver-gold, and a 6.65m semi-massive zone averaging better than 3% copper plus silver-gold. Mineralisation included chalcopyrite, sphalerite, galena, pyrrhotite, pyrite, and arsenopyrite.

Geological Setting

Mallee Bull is interpreted to be located in a favourable geological and structural position; it is situated in the suitably high-stress environment of the "nose" of an anticline, and occurs in a geological sequence of turbidite and volcanoclastic sediments which are thought to be age equivalent to the Chesney and Great Cobar Slate Formations found in the immediate Cobar region. Mineralisation occurs either as massive sulphide or breccia/stringer styles within a package of brecciated volcanoclastic and turbidite sediments comprising siltstones and mudstone, and is interpreted to occur as a shoot-like structure dipping moderately to the west.

Phase 1 Exploration

In September and October 2011, Peel completed further ground-based geophysics including high-resolution surface magnetics and gravity surveys, and additional down-hole and fixed loop EM surveys. In February 2012, Peel completed a Phase 1 follow-up 5,817m RC/diamond drilling programme designed to test along strike and down dip of previously intersected mineralisation. Most drill holes intersected zones of copper-polymetallic mineralisation comprising intervals of massive sulphide and/or stringer mineralisation, including visible chalcopyrite, sphalerite and galena.

CBH Resources Farm-in

In May 2012, Peel and CBH Resources Limited signed a binding Heads of Agreement under which CBH Resources had the right to earn an interest of up to 50% of the Gilgunnia project over a three year period via staged \$8.33 million expenditure on exploration and contribution to previous exploration costs incurred by Peel. In March 2014, CBH Resources completed its final Farm-in payment in relation to the agreement, and consequently has earned a 50% interest in the project; a 50:50 Joint Venture has now been formed.

Phase 2 Exploration

In July 2012, diamond drilling recommenced at Mallee Bull as part of Stage 1 of CBH Resources' farm-in. Phase 2 exploration was completed by November 2012 and comprised 4,822m of diamond drilling targeting down-dip/plunge mineralisation. Strong results were returned including 69m at 3.48% Cu, 34 g/t Ag, 0.14 g/t Au from 533m in MBDD009, indicating an increase in width and tenor of mineralisation at deeper levels. Significant results are summarised in Table 1:

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
MBDD001	6413290	415162	100	-81	489.9	431	436	5	0.85	9	0.62	0.09	0.05
						447	450	3	1.07	30	2.09	0.46	0.37
MBDD002	6413370	415166	094	-77	468.8	363	404	41	1.71	33	1.84	0.15	0.06
including						381	383	2	2.31	38	2.09	0.15	0.08
and						391	404	13	3.11	52	1.59	0.18	0.08
						415	446	31	2.65	51	0.18	0.74	0.52
including						418	430	12	4.06	64	0.21	0.97	0.65
and						433	439	6	3.35	100	0.38	1.41	0.93
MBDD003	6413430	415171	090	-75	507.8	367	377	10	1.12	47	0.95	1.51	1.11
						386	398	12	1.58	39	0.14	0.77	0.50
						409	423	14	1.92	56	0.30	0.10	0.04
						444	466	22	3.62	38	0.09	0.40	0.04
including						453	464	11	5.40	55	0.11	0.49	0.06
MBDD004	6413330	415159	095	-75	453.9	356	398	42	1.01	23	0.91	0.20	0.10
including						384	398	14	2.53	30	0.38	0.16	0.08
MBDD005	6413330	415157	096	-80	474.8	414	419	5	1.75	31	0.21	0.10	0.10
						421	426	5	1.44	68	0.34	0.11	0.42
MBDD006	6413394	415164	097	-82	486.9	396	403	7	1.09	29	1.74	0.19	0.10
						405	418	13	1.91	31	0.12	0.25	0.15
						444	475	31	1.61	13	0.17	0.08	0.03
MBDD007	6413350	415152	221	-90	771.8	584	588	4	0.03	26	0.11	0.98	1.58
						617	621	4	0.07	75	0.91	1.82	0.02
						647	651	4	1.55	10	0.14	0.07	0.03

Review of operations

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
MBDD008	6413430	415169	093	-83	525.8	374	409	35	0.65	54	1.16	3.42	1.51
including						394	409	15	0.78	73	0.74	7.27	3.01
						461	469	8	1.23	12	0.09	0.18	0.05
						479	500	21	1.48	24	0.25	0.01	0.05
						504	508	4	0.07	2	3.93	0.02	0.01
MBDD009	6413370	415162	094	-86	642.8	457	463	6	0.06	70	0.13	1.56	3.10
						499	503	4	0.19	21	0.67	0.46	0.19
						533	602	69	3.48	34	0.14	0.23	0.05
including						542	560	18	9.35	83	0.43	0.30	0.07
including						547	551	4	17.99	143	0.39	0.23	0.10

The true width of mineralisation intersected in Phase 2 drilling is estimated to be about 55-65% of the down-hole intervals, except for MBDD007 and MBDD009 where the true-width is estimated to be about 40-45% of the down-hole intervals.

Phase 3 Exploration

In February 2013, Phase 3 Exploration (Stage 2 of the Mallee Bull farm-in agreement) commenced. This drilling was completed by June 2013 and predominantly targeted down-dip/plunge mineralisation. Further strong results were returned including 84m @ 4.42% Cu, 38 g/t Ag, 0.14 g/t Au from 575m in MBDD009W2W1 from a zone of variable stringer/breccia sulphide mineralisation. The true width of mineralisation intersected in Phase 3 drilling is estimated to be about 40-50% of the down-hole intervals. Significant results from Phase 3 diamond drilling are summarised in Table 2:

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
MBDD009W1	6413369	415162	094	-86	561.8	470	523	53	4.08	42	0.22	0.30	0.05
including						472	484	12	9.13	86	0.34	0.54	0.05
MBDD009W2	6413369	415162	094	-86	852.7	484	487	3	0.08	18	0.85	0.35	0.31
						494	518	24	0.39	33	1.39	0.32	0.22
						706	727	21	2.22	40	0.11		
MBDD009W2 W1	6413369	415162	094	-86	760.7	496	507	11	0.55	24	1.62	0.29	0.23
						575	659	84	4.42	38	0.14	0.1	
including						626	652	26	11.39	80	0.20	0.11	
						669	675	6	0.7	15	0.13		
MBDD009W3	6413369	415162	094	-86	610.1	456	461	5		25	0.11	0.8	1.60
						502	512	10	4.53	31	0.13		
MBDD010	6413626	415115	151	-77	735.8	512	515	3	0.11	24		2.21	5.42
						634	666	32	3.62	46	0.21		
MBDD010W1	6413626	415115	151	-77	736.3	709	714	5	1.12	10			
MBDD011	6413522	415815	244	-65	1195.8	996	1000	4	0.43	6	0.13		

A 9 hole RC drilling programme for a total 1,621m was also completed in April 2013, testing several newly discovered IP anomalies as well as several areas of anomalous geochemistry. Several drillholes returned anomalous geochemistry however results were generally not significant.

Phase 4 Exploration

In August 2013, Phase 4 exploration (Stage 3 of the Mallee Bull farm-in agreement) commenced. Diamond and RAB drilling was carried out with diamond drilling completed by March 2014, and strong copper mineralisation at Mallee Bull was intercepted at still greater depths with mineralisation extended to more than 800m below surface. Phase 4 also included a resource definition program that enabled the maiden resource estimate for Mallee Bull, released in May 2014. The following is a summary of the drilling:

MBDD012 was drilled to test a moderate offhole DHEM anomaly identified at ~250m downhole in MBDD011. MBDD012 intercepted a broad zone of variable, but generally weak, sphalerite-galena-pyrrhotite-pyrite mineralisation occurring as veinlets from ~350m downhole to end-of-hole. This mineralisation was coincident with an increase in chlorite alteration. Follow-up DHEM surveying of MBDD012 indicated that the primary DHEM target remained untested.

Review of operations

MBDD013 and MBDD014 were completed targeting a geophysical anomaly generated from a magnetotelluric (MT) survey over the Mallee Bull and Butcher's Dog prospect areas. Both drillholes intercepted minor zones of variable, narrow, chalcopyrite-pyrrhotite-pyrite-arsenopyrite mineralisation similar in style to Mallee Bull "stringer" mineralisation with associated chlorite and silica-alteration.

MBDD015 and MBDD016 were drilled to follow-up on the primary DHEM target that MBDD012 had failed to test. MBDD015 was terminated prematurely following drilling problems, however MBDD016 intercepted several locally strong though limited copper mineralised zones, including 1m @ 4.95% Cu, 49 g/t Ag, 0.21 g/t Au from 275m and 1m @ 5.49% Cu, 41 g/t Ag, 0.88 g/t Au from 288m. These intercepts occur more than 400m east of Mallee Bull, and the mineralisation is identical to the Mallee Bull footwall/stringer style mineralisation.

MBRCDD007 and MBRCDD008 were drilled subsequent to the re-modelling of the magnetotelluric (MT) survey data, which indicated the position of the anomaly to be further south than originally interpreted. Both drillholes encountered broad zones of minor mineralisation including pyrrhotite-sphalerite veinlets and alteration comprising chlorite and silica. However no significant assays were returned, and the MT anomaly was interpreted to be explained by a small in-hole response in MBRCDD007 that reflects a zone of increased pyrrhotite mineralisation.

MBDD017, MBDD017W1 and MBDD017W2 were drilled down the dip of mineralisation at Mallee Bull to provide fresh material for additional metallurgical testwork purposes. As expected, extensive zones of mineralisation were intersected, though no true width estimates are possible given the down-dip nature of drilling. MBDD017W2 intercepted stringer-style chalcopyrite mineralisation to about 825m down hole, increasing the vertical extent of Mallee Bull mineralisation by more than 50m. MBDD017 also intersected a shallow, high grade copper interval grading 13m @ 5.5% Cu, 59 g/t Ag, 1.68 g/t Au from 225m, showing the potential for an area of high-grade copper-rich mineralisation close to surface.

Resource definition drilling was completed in March 2014, filling in areal gaps within the upper levels of the existing drilling dataset at Mallee Bull. Significant intercepts include the following, with true widths estimated to be about 90% of the reported downhole widths:

- 20m @ 1.81% Cu, 26 g/t Ag, 0.71 g/t Au from 450m - MBRCDD005
- 5m @ 1.23% Cu, 46 g/t Ag, 1.75 g/t Au from 358m - MBRCDD010
- 16m @ 1.40% Cu, 11 g/t Ag, 0.07 g/t Au from 444m - MBRCDD011
- 28m @ 1.75% Cu, 29 g/t Ag, 1.13 g/t Au from 274m including 8m @ 3.00% Cu, 42 g/t Ag, 1.64 g/t Au from 293m - MBDD021
- 14m @ 1.12% Cu, 34 g/t Ag, 1.20 g/t Au from 281m and 4m @ 5.73% Cu, 208 g/t Ag, 0.43 g/t Au from 375m - MBDD022
- 3m @ 2.11% Cu, 60 g/t Ag, 0.46 g/t Au from 352m - MBDD023
- 4m @ 10.6% Pb, 10.5% Zn, 66 g/t Ag, 0.48 g/t Au from 318m - MBDD024

Significant results from Phase 4 drilling are summarised in Table 3:

Also during the reporting period, diamond drillhole RFDD001 was drilled to test a coincident geochemical and stratigraphic target located on the eastern flank of the Mallee Bull anticline at the Rabbit's Foot prospect, approximately 1km east of Mallee Bull. RFDD001 intercepted a thick zone of volcanoclastic material with variable pyrrhotite alteration and minor sphalerite and galena mineralisation. No significant assay results were returned.

In addition to the diamond drilling, a close-spaced RAB drill program was completed, targeting a magnetic anomaly near Mallee Bull and also the historic workings of the Four Mile gold field. The concept was to test for a shallow gold deposit using the nearby May Day gold mine as an analogue. Generally low gold values were returned, however elevated base metals and pathfinder elements were returned from several drillholes in close proximity to Mallee Bull and the area generally remains undertested.

Review of operations

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
MBDD017	6413360	415379	281	-76	775.3	224	237	13	5.52	59.14	1.68	0.18	0.15
						441	489	48	1.82	7.6	0.42	0.07	0.02
including						444	453	9	3.6	21.97	0.02	0.23	0.02
						648	677	29	2.95	35.87	0.08	0.05	0.03
including						648	650	2	4.11	28.75	0.03	0.14	0.04
						664	676	12	4.77	57.45	0.12	0.05	0.05
						681	696	15	4.25	70.23	0.25	0.1	0.05
including						684	688	4	4	80.65	0.31	0.06	0.06
						692	696	4	5.42	143.45	0.49	0.1	0.06
MBDD017W1	6413360	415379	281	-76	892.6	815	827	12	2.29	20.25	0.19	0.2	0.04
including						815	821	6	3.08	17.43	0.2	0.03	0.04
						823	827	4	1.94	31.33	0.24	0.5	0.05
MBDD017W2	6413360	415379	281	-76	1047.8	751.4	756.8	5.4	3.36	72.9	0.31	0.2	0.06
including						751.4	752	0.6	5.6	110	0.16	0.13	0.1
						755	756.8	1.8	3.32	79.95	0.6	0.08	0.06
MBRCDD005	6413428	415048	081	-60	492	418	421	3	2.28	29.63	0.06	0.25	0.3
						452	470	18	1.9	27.26	0.81	0.04	0.05
including						456	457	1	3.55	68.5	0.06	0.01	0.07
						469	470	1	2.71	17.9	13.1	0.03	0.04
MBRCDD010	6413270	415056	071	-63	510.4	359	363	4	1.36	55.65	2.13	1.23	0.33
MBRCDD011	6413350	415048	071	-64	552.4	424	426	2	1.77	38.2	0.17	0.52	1.42
						444	451	7	1.14	6.4	0.06	0.05	0.05
						455	460	5	2.46	21.4	0.12	0.22	0.11
including						458	460	2	3.48	33.35	0.11	0.31	0.08
MBDD021	6413367	415166	093	-64	399.4	275	301	26	1.83	30.29	1.18	0.11	0.07
including						293	300	7	3.09	44	1.74	0.11	0.1
						464	470	6	2.88	43.22	2.3	0.04	0.05
MBDD019	6413322	415158	089	-61	400.5	286	300	14	1.78	18.41	0.1	0.05	0.03
						327	332	5	2.33	21.96	0.18	0.07	0.03
MBDD020	6413322	415162	088	-64	331.8	254	257	3	1.42	78.63	0.56	1.56	1.35
including						254	255	1	3.39	208	1.12	3.94	1.73
						278	280	2	1.32	33.3	0.72	0.89	0.12
						302	304	2	1.33	32.15	0.23	0.25	0.07
MBDD022						281	295	14	1.12	34	1.20	0.46	0.17
						375	379	4	5.73	208	0.43	1.68	0.37
MBDD023						352	355	3	2.11	60	0.46	1.06	0.98
MBDD024						318	322	4	0.34	66	0.48	10.6	10.5

The maiden resource estimate for Mallee Bull was completed by MPR Geological Consultants Pty Ltd (MPR), in accordance with the guidelines of the JORC Code (2012 edition), comprising 3.9 million tonnes at 2.3% copper, 32 g/t silver and 0.3 g/t gold for 90,000 tonnes of contained copper, 4 million ounces contained silver and 43,000 ounces contained gold (at a 1% copper equivalent cut-off).



Review of operations

The Mallee Bull Mineral Resource comprises two main mineralised domains (hanging-wall and footwall domains), and one smaller zone (central domain). The domains were generated from wire-framing geological data and the use of a 0.8% copper lower cut-off. The Mineral Resource area has dimensions of approximately 400m (north) by 400m (east) and 800m (elevation).

Table 4: Mineral Resource at 1% copper equivalent cut-off

Cut off CuEq %	Category	Kt	Grade				Contained Metal			
			CuEq	Cu %	Ag g/t	Au g/t	CuEq Kt	Cu kT	Ag koz	Au koz
1.0	Indicated	620	2.22	1.73	29.0	0.54	14	10.7	578	11
	Inferred	3,300	2.8	2.4	32	0.3	93	79	3,395	32
	Total	3,920	2.7	2.3	32	0.3	107	90	3,973	43

Approximately 16% of the Mallee Bull resource is in the Indicated Mineral Resource category. A breakdown of the Mineral Resource at 1% copper equivalent cut-off is shown below in Table 4.

Mineral Resource estimates include copper equivalent grades incorporating copper, silver and gold values. The copper equivalent grades are based on copper, silver and gold prices of \$7,000/t \$20.00/oz and \$1,300/oz and overall recoveries of 95%, 90% and 66% respectively. These estimates were based on Peel's interpretation of potential commodity prices and the Company's interpretation of first pass metallurgical testwork performed on Mallee Bull diamond core using the following formula: Cu equivalent (%) = Cu (%) + 0.009 x Ag (g/t) + 0.415 x Au (g/t). It is the Company's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold. Further testwork is required to demonstrate potential metallurgical recoveries for cobalt, lead and zinc.

Table 5: Mineral Resources at various cut-offs

Cut off CuEq %	Category	Kt	Grade				Contained Metal			
			CuEq	Cu %	Ag g/t	Au g/t	CuEq Kt	Cu kT	Ag koz	Au koz
0.0	Indicated	640	2.18	1.70	28.6	0.53	14	10.9	588	11
	Inferred	3,300	2.7	2.3	32	0.3	90	76	3,395	32
	Total	3,940	2.6	2.2	31	0.3	103	87	3,984	43
1.0	Indicated	620	2.22	1.73	29.0	0.54	14	10.7	578	11
	Inferred	3,300	2.8	2.4	32	0.3	93	79	3,395	32
	Total	3,920	2.7	2.3	32	0.3	107	90	3,973	43
1.4	Indicated	580	2.28	1.78	29.6	0.57	13	10.3	552	11
	Inferred	3,100	2.8	2.4	33	0.3	87	74	3,289	30
	Total	3,680	2.7	2.3	32	0.3	101	85	3,841	41
1.8	Indicated	450	2.46	1.92	30.5	0.65	11	8.6	441	9
	Inferred	2,600	3.1	2.7	36	0.3	82	70	3,009	25
	Total	3,050	3.0	2.6	35	0.4	93	79	3,451	34

Mineralisation appears robust, demonstrated by the fact that elevated cut-off grades have relatively minor effect on the contained metal - i.e., at a 1.8% copper equivalent lower cut-off, the resource still contains approximately 79,000 tonnes of copper, 3.45 Moz of silver and 34 koz of gold. The Mallee Bull mineral resource estimate forms the basis of an in-house scoping study that is currently underway and due for completion in the next reporting period.

Metallurgy/Mineralogy

Metallurgical and mineralogical assessments were completed to determine the flotation characteristics of high grade (Cu) Massive Sulphide and high grade (Cu) Stringer Sulphide, the two dominant styles of mineralisation at Mallee Bull. Assessments of the Stringer Zone were performed on samples from diamond hole MBDD009 with excellent results achieved: a 30.2% Cu concentrate grade at 94.2% recovery. For the high grade Massive Sulphide, good overall rougher/cleaner results were achieved with the same reagent suite as the Stringer Sulphide but with a more intense regrind; cleaning tests resulted in a 24.7% Cu at an overall recovery of 88.1%.

Further samples have been selected from diamond drillhole MBDD017, drilled in November 2013 for metallurgical purposes down the dip of Mallee Bull mineralisation; the samples are undergoing testwork to determine the potential of pre-concentration of copper/sulphide mineralisation. Results are anticipated in the next reporting period.

Review of operations

Butcher's Dog Magnetic Anomaly

In November 2011, 3D inversion modelling was performed on the total magnetic intensity (TMI) data collected during the VTEM survey of the 4-Mile area. As a result, a 3D volume of the anomalous susceptibility was calculated. Interpretation of the data shows a large magnetic feature located about 1km north of Mallee Bull. This feature, named the Butcher's Dog prospect, is assumed to be positioned under the axial plane of the 4-Mile anticline, with its core (susceptibility 4×10^{-3} SI) interpreted to be 500-1000m below surface. The top of the magnetic source was interpreted to be between 300-500m below surface.

In February 2012, Peel completed one deep drillhole targeting Butcher's Dog. Drillhole BDRCD001 was drilled as a vertical hole to a depth of 680m. No satisfactory explanation for the magnetic anomaly was observed from geological logging or down-hole geophysics. In late 2013, DHEM survey data collected from Butcher's Dog drill hole BDRCD001 was re-appraised, and a moderate-to strong off-hole anomaly identified.

Drillhole BDD001 was completed in September 2013 to target the aforementioned anomaly; from ~800m to end-of-hole, the hole intercepted a broad zone of disseminated and veinlet pyrrhotite mineralisation coincident with variable chlorite alteration and minor/trace chalcopryite/galena and sphalerite. Assay results showed anomalous precious and base metal values consistent with observed alteration zones. Subsequent DHEM of BDD001 again identified a very strong off-hole anomaly with ~170 millisecond time constant, and drillhole BDD002 was completed to target the modelled conductor plate deemed responsible for this anomaly. The hole intersected a broad zone of disseminated and fracture-fill pyrrhotite mineralisation at approximately 930m down-hole, coincident with the modelled conductor, to end-of-hole.

The testing of BDD002's main target was confirmed with DHEM surveying, which showed a broad strong positive response, consistent with the targeted anomaly. Modelling indicated the conductors responsible for the anomalies dip 30 degrees to the SW, however this appears to be in contrast to the position of the main magnetic anomaly at Butcher's Dog which is centred approximately 500m further north. Further activities at the Butcher's Dog prospect will investigate this with additional modelling of magnetic data.

May Day

May Day was discovered in 1898 and was initially developed as an underground copper-lead-silver mine. Exploration in the 1970s identified high grade gold-base metal mineralisation to a depth of about 250m below surface. Exploration in the late 1980s defined a shallow gold resource, which eventually led to the development in 1996 of a small-scale mining operation comprising an open pit with a heap leach gold circuit.

Since acquisition in late 2009, Peel has completed multiple phases of exploration involving: an initial due diligence site visit inclusive of geological mapping and rock chip sampling; geophysical surveys comprising gravity and Induced Polarisation; remodelling of airborne magnetic data; laser scanning and survey pick-up of the open pit and historic drillholes; an RC drilling programme; early-warning metallurgical testwork; and a helicopter-borne geophysical survey (VTEM).

Several geophysical surveys comprising gravity and IP were also undertaken over the immediate May Day mine environment and 2km along strike to the northeast; this data, along with remodelled regional airborne magnetic data shows that a moderate-to-strong chargeable IP anomaly and a deep (greater than 400m) magnetic anomaly is associated with the May Day deposit. Drill result-supported interpretation has been made that the source of this magnetic anomaly is a possible deeper mineralised system that has remobilised or "leaked" into the May Day deposit.

In May 2010, Peel completed a programme of 10 RC drillholes for a total 1,877m, testing for down-dip extensions to known mineralisation. Better drill results include:

- 16m @ 1.78 g/t Au, 42 g/t Ag, 0.25% Cu, 0.95% Pb, 1.33% Zn from 159m - MDRC002;
- 24m @ 0.96 g/t Au, 20 g/t Ag, 0.07% Cu, 0.70% Pb, 0.85% Zn from 120m - MDRC004; and
- 27m @ 2.12 g/t Au, 27 g/t Ag, 0.11% Cu, 0.43% Pb, 0.75% Zn from 120m - MDRC005.

Results confirm down dip extensions and that mineralisation is shear-related, occurring as a sub-vertical lense/shoot. Mineralisation occurs at or near the interbedded contact of a fine-grained sedimentary hangingwall and a porphyritic volcanic footwall, is associated with silica/talc alteration, and includes disseminated through to massive sphalerite-galena-pyrite-pyrrhotite-chalcopryite sulphides. The true width is estimated to be about 65% of the reported intercepted widths.

Early-warning metallurgical testwork on a single sample of May Day mineralisation to determine potential extraction characteristics returned excellent results, key findings of this testwork being:

- Encouraging grind characteristics were observed;
- Gravity gold extraction yielded 45% of gold reporting to 0.6% mass;
- Flotation extraction yielded 77% of gold, 88% of zinc, 52% of lead, and 46% of copper reporting to 13% mass; and
- 24 hour cyanidation yielded 71% of gold reporting to 2% of mass.

Late in 2010, Peel completed a helicopter-borne geophysical survey (VTEM) over the May Day area. No anomalies were detected.

Review of operations

Developments at the nearby Mallee Bull prospect add significant value to the Gilgunnia project and support the prospectivity of the May Day deposit. Further work at May Day will involve a deep drilling programme targeting the magnetic anomaly at depth.

Cobar Superbasin Project

During the 2013/14 reporting period, extensive field work was conducted on the broader Cobar Superbasin Project, now comprising an area in excess of 3,200km²; one of the largest landholdings in the Cobar Basin. Exploration activities defined numerous targets through desktop review, surface geochemical sampling, geophysical surveying and geological mapping. A total 31 areas have been selected for further investigation, including the Sandy Creek, Wirlong, Red Shaft and Mundoe prospects, all of which are in relatively close proximity to the high-grade Mallee Bull copper-polymetallic deposit.

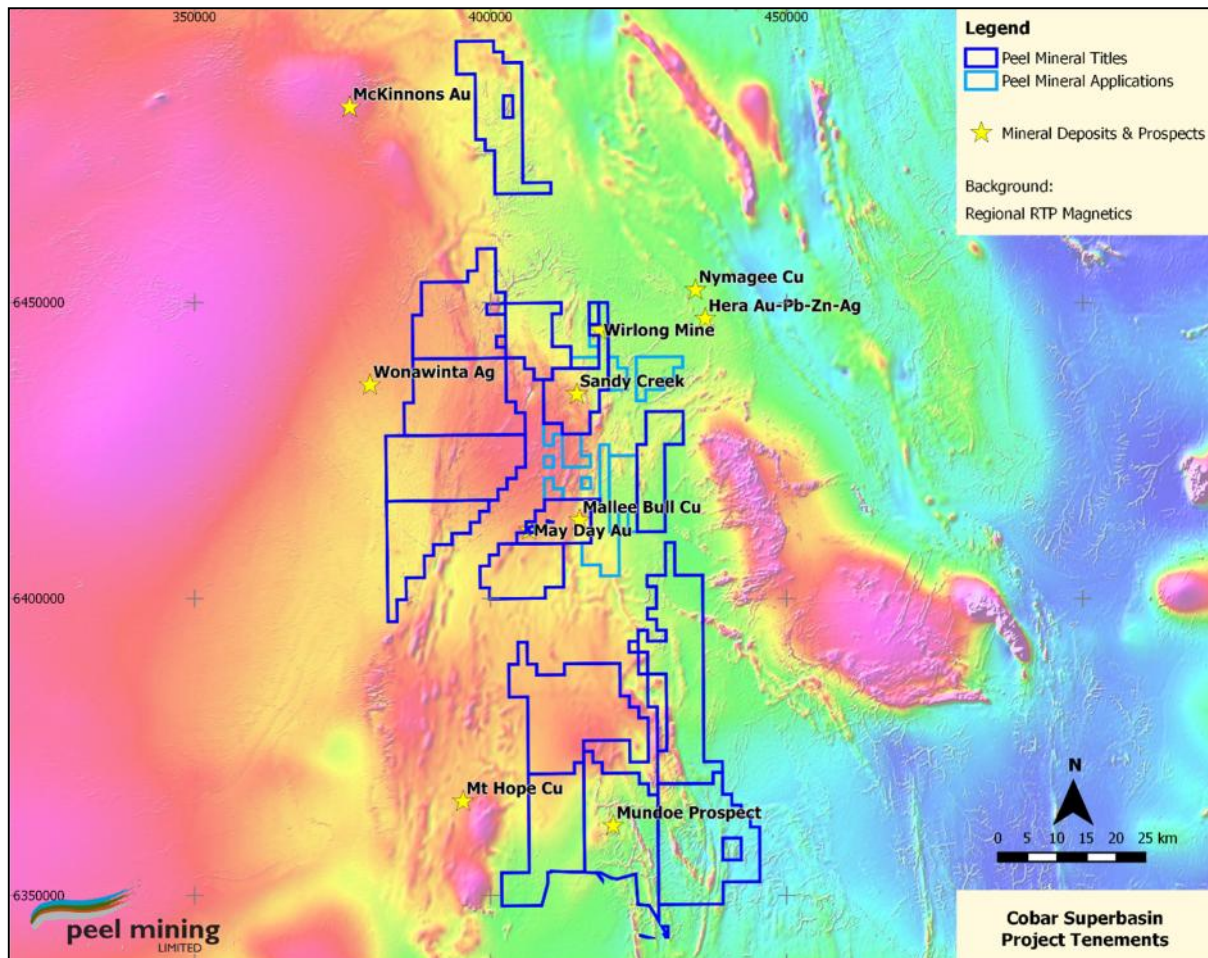


Figure 2: Peel Mining Cobar Superbasin Tenure

Sandy Creek

The Sandy Creek prospect lies directly along strike from the stratigraphic contact intersected at the Mallee Bull deposit and occupies the same geological unit. Historic drilling has yielded encouraging results, including 10.2m @ 1.6% Cu, 7.4% Pb, 68 g/t Ag from 521.8m at SCDD02, drilled in 2003 by Pasminco Limited.

In August 2013, follow-up drilling by Peel was completed with diamond hole PSCDD001, targeting a strong historic DHEM off-hole conductor. Several broad zones of mineralisation/alteration were intersected including; a 25m zone of disseminated pyrrhotite-dominant sulphides from 237m; and a 19m zone of variable pyrrhotite-dominant sulphides from 493m including a 4m zone of strong galena-dominant mineralisation averaging 48 g/t Ag, 0.50% Cu, 9.63% Pb, 1.1% Zn from 493m. The true width of these intercepts is estimated to be close to the down-hole intercept. Follow-up high-powered DHEM survey of PSCDD001 indicates that the anomaly remains open in multiple directions.

Review of operations

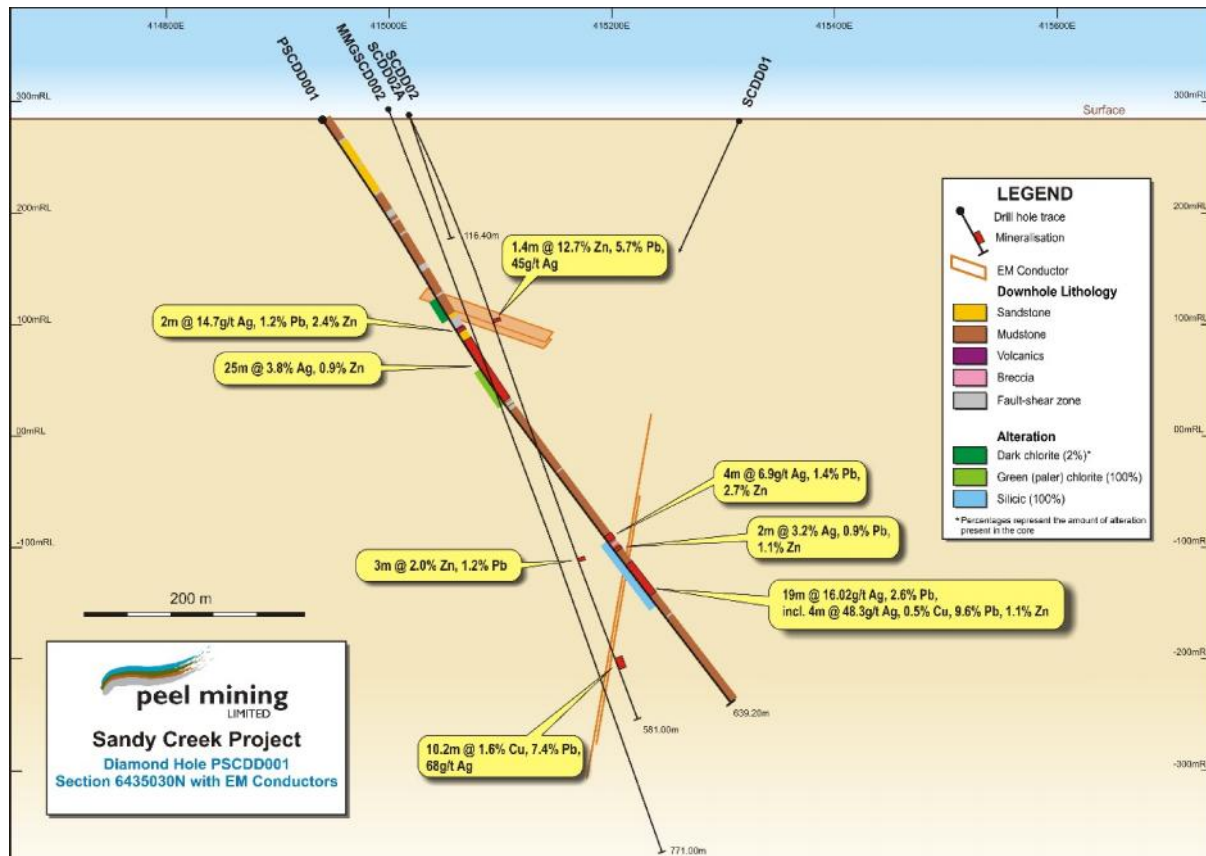


Figure 3: Sandy Creek Section 6435030N

Geochemical sampling and data review have been ongoing since acquisition, identifying an As-Pb anomaly north of Sandy Creek which also correlates to a radiometric anomaly and a strong north-south arsenic anomaly, possibly the surface expression of the deeper structure responsible for the Cu-Pb-As mineralisation intersected in historic drillhole SCDD02 (10.2m @ 1.6% Cu). Also identified were mineralised outcrop, subcrop and float over an area to the south-west of Sandy Creek ("Sandy Creek SW"); strong arsenic and lead anomalies appear to have the same trend as the main Sandy Creek mineralised zone to the north-east, and a review of depth sections from historic IP data completed over Sandy Creek show strong chargeability/resistivity coincident anomalies underneath the anomalous areas. Portable XRF geochemical sampling was completed to investigate these anomalies, and results so far have outlined a strong and coherent Pb and As soil anomaly (>100ppm) at Sandy Creek SW. A RAB drilling programme is anticipated for the next reporting period to follow-up on high priority anomalies.

Wirlong

The Wirlong prospect lies within the Sandy Creek tenement EL7403 and is located approximately 11km to the north-east of the main Sandy Creek prospect. Geochemical sampling at Wirlong has identified significant Pb (>700ppm, 450m by 75m) and Cu (>100ppm, 750m by 125m) anomalies. HyMap airborne hyperspectral images over the area were acquired and processed; a distinct zone of anomalism along the eastern zone of the outcrop ridge at Wirlong was noted, where a change in sericite minerals and mineral chemistry was highlighted. Subsequent geological mapping outlined a strong sericite alteration zone running parallel to the aforementioned main lead anomaly located in sheared outcropping volcanics and sediments. Very high lead values (600-3000ppm) were found to be present over the entire sericite alteration zone, and rock chip samples were collected and submitted for analysis; results ranged from 1000-35000ppm lead.

Portable XRF geochemical sampling was also completed at Wirlong for a total 604 samples; the volcanoclastics in the area were found to be considerably anomalous in Cu, Pb, Zn and Mn, and results defined a new lead anomaly north of the main Wirlong lead anomaly. As at Sandy Creek, drilling is planned to target a strong chargeable feature north-west of the Wirlong workings, under which areas of coincident chargeability and resistivity lows have been identified through a review of historic IP survey depth level slices.

Review of operations

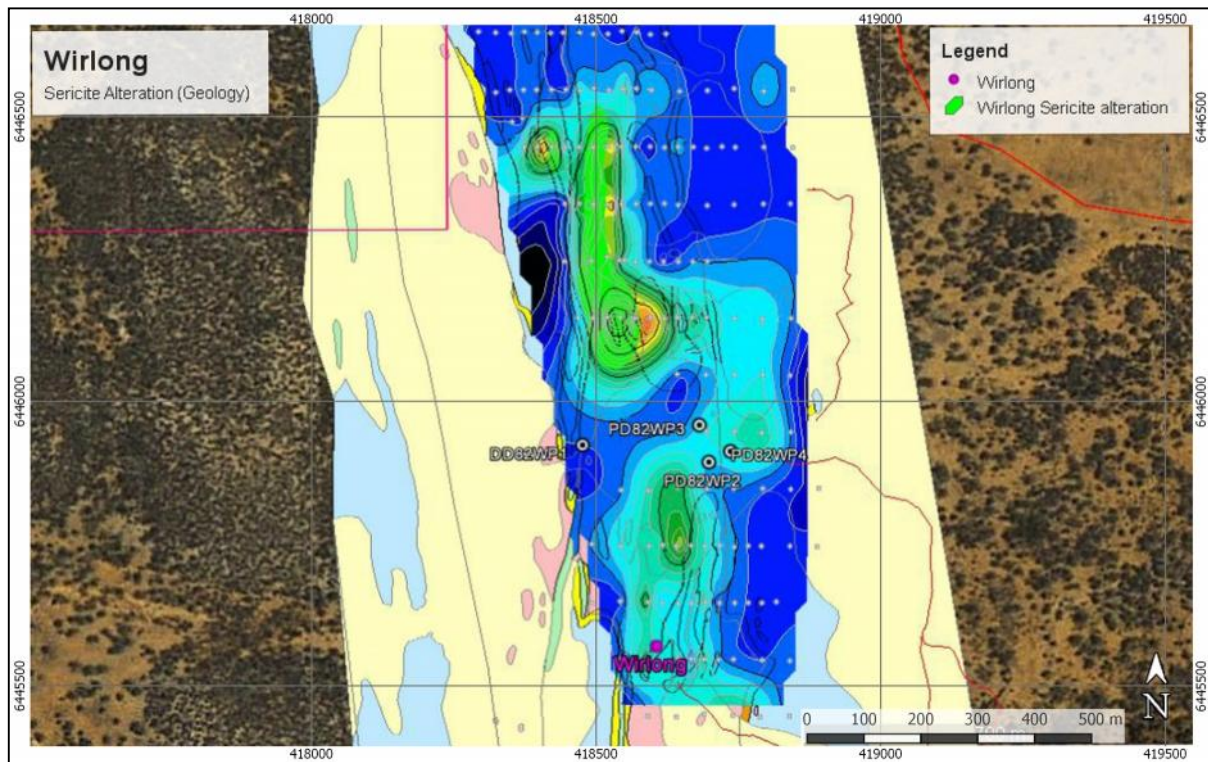


Figure 4: Wirlong Sericite Alteration and Pb Anomaly

Mundoe

The Mundoe prospect, located approximately 50km south of the Mallee Bull deposit, is defined by a 2km long multi-element geochemical anomaly, first identified in the 1970s as a "bulls eye" magnetic anomaly. Historic drill intersections at the prospect include 3m @ 2.90% Zn, 0.87% Pb, 30 g/t Ag from 88m and 6m @ 1.66% Cu, 103 g/t Au from 111m. Follow-up RC drilling by Peel in 2012 returned highly encouraging results, confirming Mundoe as a valid copper-polymetallic target:

- 19m @ 0.3 g/t Au from 88m and 24m @ 15 g/t Ag, 0.29% Cu from 124m in MURC02;
- 13m @ 28 g/t Ag, 0.76% Cu from 106m in MURC003;
- 19m @ 0.33 g/t Au from 8m, 23m @ 25 g/t Ag and 0.4% Cu from 129m in MURC005; and
- 23m @ 15 g/t Ag and 0.31% Cu from 153m in MURC007.

Peel is highly encouraged by the results, and follow-up drilling is planned.

Apollo Hill

The Apollo Hill gold project is located 60km southeast of Leonora, Western Australia. Two main gold deposits define the Apollo Hill deposit; Apollo Hill Main Zone and the Ra Zone. Both deposits exhibit the hallmarks of a major mineralised Archean gold system, showing extensive and intense hydrothermal alteration and deformation.

In June 2010, Peel entered into an option agreement with Hampton Hill Mining NL (ASX:HMM) to acquire the entire issued capital of Apollo Mining Pty Ltd, the 100%-owner of the Apollo Hill gold project in the North Eastern Goldfields of WA, and in November 2010 the option was exercised. The key terms of the sale agreement saw Peel issue 11 million fully paid ordinary shares to HMM in consideration for Apollo Hill, and HMM granted a 5% gross overriding royalty on Apollo Hill gold production exceeding 1 million ounces.

History and Geology

Apollo Hill was discovered in 1986 by Fimiston Mining Limited during a drill program aimed at finding the source of abundant eluvial gold at the base of a prominent hill in the area. Active drilling since then has outlined extensive gold mineralisation and alteration over a 1km strike length, which is up to 250m wide and dips 45-60 degrees to the east.

Multiple gold mineralisation events are interpreted to have occurred at Apollo Hill during a complex deformational history. Gold mineralisation is accompanied by quartz veins and carbonate-pyrite alteration associated with a mafic-felsic contact.

Review of operations

The Apollo Hill gold project straddles a major shear zone, known as the Apollo shear zone, which is a component of the Keith Kilkenny Fault system. This shear zone is largely concealed beneath transported overburden, often associated with the Lake Raeside drainage system, and previous surface geochemical sampling and shallow RAB drilling has consequently been of limited effectiveness. Deeper drilling by previous explorers has largely focused on the only locality where this shear zone is exposed at surface, Apollo Hill itself, and also on a nearby parallel trend termed the Western trend (Ra deposit).

Work to date

Peel initially completed various due diligence work programmes on Apollo Hill; in September 2010, an Aboriginal Heritage and work program clearance survey was undertaken. The outcome of the survey was positive, with large areas of the project area cleared for future exploration access. Preliminary metallurgical testwork was also completed on two representative samples of Apollo Hill mineralisation to determine potential extraction characteristics. This testwork showed excellent overall gold extraction kinetics with 99% total gold extracted for Sample 1 (15-16m - AD002) and Sample 2 (154-155m - AD002), respectively. Additionally, both samples contained a significant amount of gravity recoverable gold, greater than 80%, with relatively low base metal levels and organic carbon levels below detectable level indicated very little change of preg-robbing during cyanidation.

In December 2010, Peel reported a maiden resource estimate for the Apollo Hill and Ra deposits; 11.1 Mt at 1.0 g/t Au for 341,000 ounces of gold (using 0.5 g/t gold cut off), with the potential to increase resources with minimal further drilling. In line with this conclusion, Peel completed a programme of infill and extensional drilling from April to June 2011, comprising approximately 3,600m of RC and diamond drilling. The programme was designed to increase sample density to allow for the extension of the Apollo Hill resource model and to provide representative gold-mineralised material for additional metallurgical testwork.

The RC drilling component comprised 21 drillholes for 3,276 metres of drilling. This drilling was designed primarily to enable the extension of the existing Apollo Hill resource model a further 200 metres (grid) south, and to a minimum depth of about 150 metres below surface. The diamond drilling component comprised 2 drillholes for 310 metres of HQ diamond core drilling. This drilling was designed primarily to provide sufficient material for further metallurgical testwork.

Subsequently, in September 2011 Peel reported a 48 per cent increase in the resource estimate for Apollo Hill, to 505,000 ounces contained gold. The updated resource estimate – which was estimated by Hellman and Schofield Pty Ltd (H&S) and incorporated the results of drilling undertaken by Peel – totals 17.2 million tonnes at 0.9 g/t Au for 505,000oz of gold (using a 0.5 g/t gold cut-off) across the Apollo Hill and Ra deposits.

The updated resource estimate highlights the potential of the Apollo Hill Project for future economic extraction. The updated resource estimate at a range of gold cut-off grades is shown below:

Table 6: Apollo Hill Resource Estimates

September 2011 Apollo Hill Inferred Resource Estimates to 180m Depth (190MRL)									
Cut-off	RA			Apollo Hill			Total		
Au g/t	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
0.2	2.4	0.7	54	43	0.5	691	45.4	0.5	745
0.4	1.5	1	48	22	0.8	566	23.5	0.8	614
0.5	1.2	1.1	42	16	0.9	463	17.2	0.9	505
0.6	1	1.2	39	12	1.0	386	13	1.0	424
0.8	0.7	1.4	32	7	1.2	270	7.7	1.2	302
1	0.5	1.6	26	4	1.4	180	4.5	1.4	206
1.2	0.4	1.8	23	2	1.6	103	2.4	1.6	126

Note: The significant figures in above reflect the precision of estimates and include rounding errors.

Peel Mining believes that the shallow and extensive nature of mineralisation at the Apollo Hill gold project suggests that the project has reasonable prospects for eventual economic extraction.

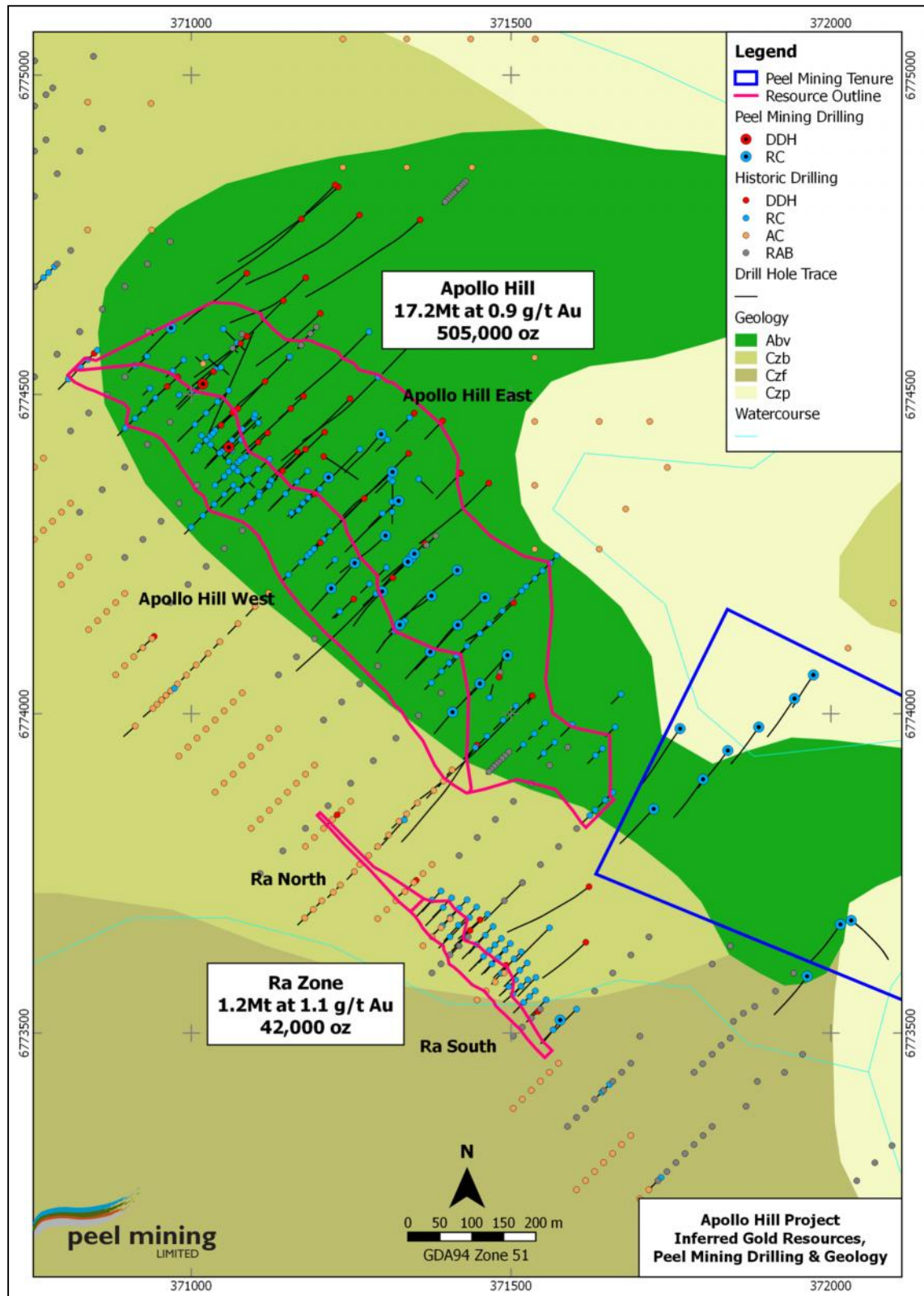
Additional metallurgical testwork on Apollo Hill mineralisation confirmed that Apollo Hill gold mineralisation is readily amenable to gravity gold and cyanide leaching recovery techniques. The key outcomes from this testwork are:

- Head Assay Characteristics
 - o Assays indicate clean, coarse-grained gold mineralisation with variable assay repeatability.
- Comminution Characteristics
 - o SMC testwork indicates hard to very-hard rock strength of larger particle sizes (DWI average of 11.3 kWh/m³); HPGR should be considered.
 - o Bond Ball Mill Work Index indicates medium hardness of smaller particle sizes (BWI average of 14.3 kWh/t)
 - o Bond Abrasion Index indicates low abrasiveness of ore (BAI of 0.055 Ai); low steel ball consumption and low wear on crushing and grinding equipment, pipework, etc.
- Gold Extraction Characteristics
 - o Excellent gravity gold extraction with 88% recovery at 75 µm; 68% recovery at 500 µm.

Review of operations

- o Excellent gravity plus cyanide leach gold extraction (48hrs) with 99% recovery at 75 µm; 96% recovery at 500 µm; moderate cyanide consumption, low lime consumption.
- o Moderate to good cyanide leach gold extraction at coarse grind/fine crush sizes: 86% at 2mm; 72% at 4mm; 73% at 6mm; moderate cyanide consumption, low lime consumption.

Expansion of the project continued in 2012, with the acquisition of mining licence M39/296 from Birimian Gold Limited. M39/296 is immediately along strike (southeast) from the Apollo Hill resource and is considered to have good potential to host additional gold resources. Peel completed field reconnaissance trips to Apollo Hill with a focus on mining licence M39/296 and regional exploration. A number of promising targets were identified, and the areas cleared for follow-up exploration through an additional aboriginal heritage survey.



Review of operations

In November 2013 an RC drilling program comprising of 11 holes was completed over licences E39/1198 and M39/296, testing for extensions to the main mineralised zone. Results indicated the presence of mineralisation extending to the south-east of the inferred resource at Apollo Hill Main Zone, with an evident continuation of quartz veining and ankerite alteration within the felsic schist-meta basalt contact that has been associated with the bulk of mineralisation at Apollo hill to date. Significant intercepts include:

- 21m @ 1.27 g/t Au from 91m including 5m @ 4.22 g/t Au from 91m in PARC22;
- 8m @ 1.33 g/t Au from 123m and 2m @ 2.79 g/t Au from 101m in PARC25; and
- 25m @ 0.62 g/t Au from 37m, including 5m @ 1.18 g/t Au in PARC32.

In 2014, exploration work continued at the Apollo Hill project with geochemical sampling targeting potential mineralisation away from the main Apollo Hill deposit. Sampling was conducted predominantly on the newly applied-for "Yerilla" tenement E31/1075, which is contiguous to Peel's current Apollo Hill tenure and lies to the south of the main deposit. Analysis of regional geophysical data over this tenement identified a possible southern extension to the 27 Well shear zone and a fold closure along strike from known historic mineralisation. In May 2014, a rock chip and soil sampling program, along with portable XRF sampling, was completed for a total 710 samples. Soil sample results confirmed the existence of the shear system, however the mineralisation potential of the structure was not fully explored due to the broad spacing of the program; further geochemical sampling is anticipated for the next reporting period.

Attunga

Attunga is located about 20km north of Tamworth, NSW. Within the Attunga project, there are three specific areas of interest: the Attunga Tungsten Deposit; the Attunga Copper Mine prospect and the Kensington gold-tungsten prospect. The Attunga Project area is considered prospective for tungsten-molybdenum skarn-type mineralisation, base/precious metal skarn-type mineralisation, and gold (+/-tungsten) intrusive-related gold system type mineralisation.

Attunga Tungsten Deposit

During the period 2007-2009, Peel completed multiple phases of exploration at the Attunga Tungsten Deposit including the completion of an independent JORC-compliant resource estimation in April 2008. A high-grade inferred tungsten-molybdenum resource was defined with results including 1.29 Mt at 0.61% WO₃ and 0.05% Mo for 9,400t contained WO₃ equivalent using a 0.2% WO₃ equivalent cut-off.

Initial metallurgical testwork resulted in the production of high grade WO₃ concentrate along with a potential process flow sheet. The potential process flow sheet identified would involve staged crushing and grinding, conventional gravity concentration (spirals), drying of gravity concentrates, removal of magnetic gangue material (garnet) via magnetic circuit, and flotation of fine (-75 micron) spiral tails. Secondary processing/mineral dressing would involve further flotation work.

RC drilling by Peel in June 2009 returned high grade tungsten intercepts including 27m at 0.54% WO₃ and 0.06% Mo from 19m (including 2m at 3.38% WO₃ and 0.27% Mo) from 22m in RC drillhole AP1-026, and 2m at 0.59% WO₃ and 0.03% Mo from 58m in RC drillhole AP1-027.

In August 2013, Peel completed a single diamond drillhole AWP001 at Attunga for metallurgical purposes. Results for this hole continued to confirm the high grade nature of the Attunga Tungsten Deposit, returning 3.1m @ 0.2% WO₃ from 5.9m, 3m @ 0.17% WO₃ from 14m, 4m @ 0.32% WO₃ from 76m, and 35m @ 0.31% WO₃ from 91m (including 22m @ 0.42% WO₃ from 104m).

An in-house conceptual study into development options for the Attunga Tungsten Deposit has indicated that a low capital expenditure operation could yield positive returns. Peel believes that the deposit's small, high grade nature and proximity to excellent infrastructure and services bodes well for its future advancement/potential development.

Attunga Copper Mine

The Attunga Copper Mine, located about 800m north of the Attunga Tungsten Deposit was discovered in 1902 and worked over various periods up until World War 2. Total recorded production was about 1,600t ore grading ~6% copper, ~8 g/t gold and ~150 g/t silver. Other significant metals present include bismuth and molybdenum.

In May 2009, Peel completed a drilling programme targeting the historic Attunga Copper Mine workings and an EM anomaly. While thick clays prevented the effective testing of the EM anomaly, drilling to the south of the historic workings resulted in the discovery of polymetallic mineralisation. Drillhole ACM-004 returned 75m at 1.02 g/t Au, 0.87% Cu, 0.09% Mo, 0.06% Bi, and 22 g/t Ag from 136m including 27m at 1.60 g/t Au, 1.6% Cu, 0.18% Mo, 0.1% Bi, and 39 g/t Ag from 136m. The true width of the above intervals is construed to be approximately 25% of the down-hole intercepts.

Between March and May 2010, Peel completed a programme of six diamond drillholes for 944m drilling that returned encouraging mineralisation up-dip of ACM-004 with an interval of 5.6m at 0.44% Mo, 0.70 g/t Au, 12 g/t Ag, 0.45% Cu, 1.9 g/t Re from 48m and 1.4m at 22.70 g/t Au, 13 g/t Ag, 0.72% Cu from 55m.

Review of operations

The results from the Attunga Copper Mine confirm the presence of significant molybdenum-gold-copper skarn mineralisation that remains open in several directions and provides encouragement that the Attunga skarn deposits are possibly part of a larger metalliferous system, perhaps including a porphyry/mineralised granite source.

No further work was completed at the Attunga Copper Mine in 2013 or 2014.

Kensington Gold Prospect

The Kensington gold deposit, located about 5km north of the Attunga Tungsten Deposit, comprises a series of historic gold workings (pre-WW1) across 800m strike with mineralisation outcropping, and covered by a 1.5km long, +100ppb gold geochemical anomaly, open in several directions.

In July 2008, Peel completed a preliminary RC drilling programme encountering widespread gold mineralisation with better results including 9m @ 1.4 g/t Au from 15m, 5m @ 2.76 g/t Au from 60m, 14m @ 0.78 g/t Au from 24m and 13m @ 1.07 g/t Au. In July 2010, RAB drilling was completed at Kensington and Kensington NW to test for additional near-surface gold; mineralisation was returned from multiple drillholes and was found to occur within a package of structurally deformed sediments. The results from this RAB drilling provide encouragement to the possibility of substantial, near surface mineralisation at Kensington. Peel believes that Kensington holds good potential to host a significant gold system with mineralisation remaining open to the northwest, southeast and down dip.

Ruby Silver

In 2011, Peel was granted an exploration licence covering the historic Ruby-Tulloch-Rockvale silverfield, located approximately 30 km east of Armidale in north-eastern New South Wales.

The Ruby Silver project encompasses much of the central part of the Rockvale Adamellite which hosts silver-gold-arsenic mineralisation both at its margin and within the intrusion on northeast/northwest fracture zones, possibly associated with aplite dykes. Major known deposits are the Ruby and Tulloch silver mines and the Rockvale arsenic mine. There are, however, many other underexplored prospects and anomalies within the project, adding to its prospectivity for silver and gold.

The Ruby silver mine, associated with an outcropping aplite dyke, has a lode up to 1.4 metres wide and was worked to a depth of 120 metres between 1895 and 1905. Historic production is estimated to be about 350,000 ounces silver at a recovered grade of ~600 g/t Ag.

In 1968, a nine-hole diamond drill program was undertaken to test the main workings at Ruby. Records of this work are poor, but it is known that the first hole intersected 5.08 metres at a grade of ~6,700 g/t Ag from 90.5 metres down-hole. True width was estimated at about 3 metres. Results from an historic IP geophysics survey completed in 1969 suggest that sulphide mineralisation possibly extends well beyond the known silver-rich shot at Ruby, and presents future exploration targets.

At the Tulloch mine, mined between 1913 and 1928, an estimated 50,000 ounces silver at a recovered grade of ~6,200 g/t Ag have been won. The silver mineralisation is developed in fissures associated with three obliquely intersecting sets of shears near the contact of sediments.

The Rockvale arsenic mine was discovered in 1923, and in the period to 1928, produced 2,950 tonnes of ore containing about 600 tonnes of white arsenic. Mineralisation occurs as irregular shots in altered aplite within the Rockvale Adamellite. Mineralisation is predominantly pyrite-arsenopyrite, but silver-gold-lead mineralisation (similar to both the Ruby and Tulloch mines) is recorded.

Peel's Activities

During 2011, Peel undertook an 18 line kilometre IP survey over the historic Tulloch silver mine and Rockvale arsenic mine areas in preparation for an upcoming drill programme. This work identified multiple zones of strong shallow chargeable anomalism, many of which are coincident or proximal to known historic workings. These chargeable IP responses are interpreted as areas of possibly concentrated sulphide mineralisation and will be high-priority targets for future drill programmes.

Also in 2011, Peel completed several reconnaissance mapping and rock chip/dump sampling programmes at the Tulloch, G Reef, Happy Valley and Rockvale areas. This sampling returned very high silver and gold values. Samples were collected from shaft dumps at the Rockvale, G Grid and Happy Valley areas from rock chips along the line of lode at Rockvale.

Ongoing reconnaissance geological mapping and sampling programmes over the Tulloch, G Reef/Happy Valley and Rockvale areas has delineated the Rockvale line of lode at surface for more than 1000m. Mapping and sampling has also identified that the G-Reef lode is traceable in outcrop for 700m in length. In places the lode zone is up to 5m wide and is associated with sericitised granite.

Review of operations

In May 2012, Peel completed a maiden RC drilling programme at Ruby Silver comprising 15 holes for 1,483m. The programme was designed to test IP chargeability anomalies, and to also test beneath historic workings at the Rockvale and Tulloch mines. Several narrow, high-grade silver intercepts were recorded with better results including:

- PRRC009 – 2m @ 32 g/t Ag from 9m, 3m @ 227 g/t Ag from 20m and 3m @ 267 g/t Ag, 0.82% Pb, 0.39% Zn from 115m;
- PRRC010 – 5m @ 145 g/t Ag, 0.23 g/t Au from 93m; and
- PRRC013 – 2m @ 173 g/t Ag from 16m and 1m @ 71 g/t Ag from 24m.

Best results were obtained from drilling directed at the Tulloch Lode. High-grade mineralisation was intersected below the base of old workings. Significantly, several shallow high-grade results were returned from near surface in a previously unidentified parallel lode.

No exploration was undertaken during 2014 due to the Company's focus on its core projects.

Rise and Shine

No field work was undertaken during the reporting period whilst Peel focused on its Mallee Bull and Cobar Superbasin projects. Subsequent to the year's end Peel relinquished the Rise & Shine project.

Schedule of tenements

Project	Number	Holder	Peel Interest
New South Wales			
Tara	EL 8070	Peel Mining Ltd	100%
Manuka	EL 8071	Peel Mining Ltd	100%
Gulf Creek	EL 8247	Peel Mining Ltd	100%
Gilgunnia	EL 7461	Peel Mining Ltd	50%
Ruby Silver	EL 7711	Peel Mining Ltd	100%
May Day	ML 1361	Peel Mining Ltd	50%
Orana	EL 8216	Peel Mining Ltd	100%
Rosehill	EL 8217	Peel Mining Ltd	100%
Mundoe North	EL 8201	Peel Mining Ltd	100%
Attunga Garnet	EL 7633	Peel Mining Ltd	100%
Sandy Creek	EL 7403	Peel Mining Ltd	100%
Mundoe	EL 7976	Peel Mining Ltd	100%
Attunga	EL 6884	Peel Mining Ltd	100%
Iris Vale	EL 8113	Peel Mining Ltd	100%
Yara	EL 8114	Peel Mining Ltd	100%
Burthong	EL 8115	Peel Mining Ltd	100%
Illewong	EL 8117	Peel Mining Ltd	100%
Hillview North	EL 8125	Peel Mining Ltd	100%
Norma Vale	EL 8126	Peel Mining Ltd	100%
Yackerboon	EL 8112	Peel Mining Ltd	100%
Mirraboona	EL 8105	Peel Mining Ltd	100%
Gilgunnia South	EL 7519	Peel Mining Ltd	100%
Brambah	ELA 5002	Peel Mining Ltd	100%
Marigold	ELA 5033	Peel Mining Ltd	100%
Wilverboon	ELA 5046	Peel Mining Ltd	100%
Glenwood	ELA 5053	Peel Mining Ltd	100%
Sandy Creek	ELA 5060	Peel Mining Ltd	100%
Western Australia			
Apollo Hill	E31/0800	Peel Mining Ltd	100%
Apollo Hill South	E31/1063	Peel Mining Ltd	100%
Yerilla	E31/1075	Peel Mining Ltd	100%
Mt Remarkable	E31/1076	Peel Mining Ltd	100%
Apollo Hill	E39/1198	Peel Mining Ltd	100%
Apollo Hill	E39/1236	Peel Mining Ltd	100%
27 Well	E40/0296	Peel Mining Ltd	100%
Bulyairdie	E40/0303	Peel Mining Ltd	100%
The Gap	E40/0337	Peel Mining Ltd	100%
Isis	M39/0296	Peel Mining Ltd	100%
Apollo Hill	P31/1797	Peel Mining Ltd	100%
Apollo Hill	P39/4586	Peel Mining Ltd	100%
Apollo Hill	P39/4587	Peel Mining Ltd	100%
Apollo Hill	P39/4588	Peel Mining Ltd	100%
Apollo Hill	P39/4589	Peel Mining Ltd	100%
Apollo Hill	P39/4590	Peel Mining Ltd	100%
Apollo Hill	P39/4591	Peel Mining Ltd	100%
Apollo Hill	P39/4592	Peel Mining Ltd	100%
Apollo Hill	P39/4677	Peel Mining Ltd	100%
Apollo Hill	P39/4678	Peel Mining Ltd	100%
Apollo Hill	P39/4679	Peel Mining Ltd	100%
Apollo Hill	P39/4789	Peel Mining Ltd	100%

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 styles of mineralisation and types of deposits 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 the information in the form and context in which it appears.

Directors' report

Your directors present their report on the consolidated entity ("**Group**") comprising Peel Mining Limited ("**Company**") and the entities it controlled at the end of, or during the financial years ended 30 June 2014 and the comparative period.

Directors

The following persons were directors of Peel Mining Limited during the financial year and up to the date of this report.

S Hadfield

G Hardie

R Tyson

Directors' interests in shares and options

Directors' interests in shares and options as at the date of this report are set out in the table below.

<i>Director</i>	<i>Shares Directly and Indirectly Held</i>	<i>Options</i>
Simon Hadfield	3,812,564	500,000
Graham Hardie	15,422,890	500,000
Robert Tyson	7,080,000	1,000,000

Principal activities

The principal activity of the Group is the exploration for economic deposits of minerals. For the period of this report, the emphasis has been on base and precious metals.

Results

The loss for the Group for the financial year after providing for income tax amounted to \$1,086,568 (2013 Restated Gain: \$1,459,841).

Dividends

No dividends were paid or proposed during the year.

Review of operations

A review of the operations of the Group during the financial year and the results of those operations are contained in pages 3 to 19 in this report.

Significant changes in the state of affairs

Contributed equity increased during the financial year by \$775,000 through the issue of:

- (i) 2,214,286 ordinary shares at \$0.35 each as consideration for the purchase of the tenement EL7403 "Sandy Creek", from Weddarla Pty Ltd.

Details of the changes in contributed equity are disclosed in note 12 to the financial statements.

The directors are not aware of any other significant changes in the state of affairs of the Group occurring during the financial year, other than disclosed in this report.

Events occurring after balance date

400,000 employee options were exercised on the 31st July 2014, as part of the Company's employee option share plan.

Other than the above, there were no events occurring after balance date requiring separate disclosure.

Likely developments and expected results

Due to the nature of mineral exploration, the Company is unable to comment on any additional likely developments or future results as this is likely to prejudice the Consolidated Entity.

Information on directors

Simon Hadfield – Non-Executive Chairman

Mr Hadfield has more than 30 years company management experience and has held directorships in publicly-listed industrial and resource companies. Mr Hadfield is Managing Director of Resource Information Unit Pty Ltd and a director of RIU Conferences Pty Ltd. No other directorships were held in the past 3 years.

Mr Hadfield holds 3,812,564 shares in Peel Mining Limited and 500,000 share options with an exercise price of \$0.50.

Directors' report

Robert Maclaine Tyson B.App Sc(Geol).GradDip Applied Finance(SIA) – Managing Director

Mr Tyson is a geologist with more than 20 years resources industry experience having worked in exploration and mining-related roles for companies including Cyprus Exploration Pty Ltd, Queensland Metals Corporation NL, Murchison Zinc Pty Ltd, Normandy Mining Ltd and Equigold NL. Mr Tyson has more than five years of senior management experience. No other directorships were held in the past 3 years.

Mr Tyson holds 7,080,000 shares in Peel Mining Limited and 1,000,000 share options with an exercise price of \$0.50.

Graham Hardie FCA– Non-Executive Director

Mr Hardie is the principal of Hardie Finance Corporation, a private Perth-based property development company, and is also the principal of Entertainment Enterprises, a private Perth-based hospitality company. He is a Fellow of the Institute of Chartered Accountants and a former partner in a leading Chartered Accounting firm. He has extensive commercial and financial experience and has held board positions on a number of public companies in the mining, media, transport and retail industries. No other directorships were held in the past 3 years.

Mr Hardie holds 15,422,890 shares in Peel Mining Limited and 500,000 share options with an exercise price of \$0.50.

Company Secretary

David Lim

Mr Lim has over 17 years of experience in the resources industry in the area of finance and company administration. During this time he has worked for several ASX listed companies operating in the oil and gas, and mining sectors with projects in Indonesia, USA, UK, Ivory Coast, Peru and Australia.

Mr Lim holds a Bachelor of Business from Curtin University in Western Australia, and is a CPA and Chartered Secretary.

Mr Lim was appointed Company Secretary of Peel Mining Ltd on 4 June 2014.

Ryan Woodhouse

Mr Woodhouse has 8 years of experience in the mining and energy industries in the area of accounting and governance. He holds a Bachelor of Commerce from Curtin University and is a member of the Institute of Chartered Accountants.

Mr Woodhouse was appointed Company Secretary on 8 June 2012 and ceased in this role on 4 June 2014.

Meetings of directors

Director's attendance at directors meetings are shown in the following table:

Director	Number held whilst in office	Number attended
S Hadfield	8	8
G Hardie	8	8
R Tyson	8	8

Remuneration report (audited)

The remuneration report is set out under the following headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation and
- Additional information.

a) Principles used to determine the nature and amount of remuneration

The objective of the remuneration framework of Peel Mining Limited is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's remuneration policy.

Board and senior management

Fees and payments to the directors and other key management personnel reflect the demands which are made on, and the responsibilities of, the directors and the senior management. Such fees and payments are determined by the board and reviewed annually.

Directors' report

Company policy in relation to issuing options and remunerating executives is that directors are entitled to remuneration out of the funds of the Company but the remuneration of the non-executive directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate fees of the non-executive directors has been fixed at a maximum of \$250,000 per annum to be apportioned among the non-executive directors in such a manner as they determine (refer below). Directors are also entitled to be paid reasonable travel, accommodation and other expenses incurred in consequence of their attendance at board meetings and otherwise in the execution of their duties as directors.

Remuneration is not linked to past Group performance but rather towards generating future shareholder wealth through share price performance. Peel Mining Limited listed on 11 May 2007 at 20c per share and the share price at 30 June 2014 was 11c (2013: 33c). The Company has recorded a loss each financial year to date, except for 2013 during which it recorded a gain on the partial disposal of the Mallee Bull Project. No dividends have been declared or paid during the reporting period.

b) Details of remuneration

Details of the nature and amount of each element of the remuneration of each of the directors of Peel Mining Limited and other key management personnel of the Group during the year ended 30 June 2014 are set out in the following table.

Table 1: Director and Key Management Personnel remuneration

	<i>Short-Term Employment Benefits</i>	<i>Post-Employment</i>	<i>Long-Term Benefits</i>	<i>Share Based Payment</i>			
	<i>Cash salary and fees</i>	<i>Superannuation</i>	<i>Long-service leave</i>	<i>Options</i>	<i>Total</i>	<i>Performance Related</i>	<i>Options</i>
2014	\$	\$	\$	\$	\$	%	%
Directors							
R Tyson	200,000	18,500	-	-	218,500	0%	0%
S Hadfield	50,000	4,625	-	-	54,625	0%	0%
G Hardie	50,000	4,625	-	-	54,625	0%	0%
Other Key Management Personnel							
D Lim ¹	5,267	487	-	-	5,754	0%	0%
R Woodhouse ²	101,470	9,392	-	6,800	117,662	0%	5.78%
Total	406,737	37,629	-	6,800	451,166		1.51%

1. Appointed as Company Secretary on 4th June 2014.

2. Ceased being Company Secretary on 4th June 2014.

	<i>Short-Term Employment Benefits</i>	<i>Post-Employment</i>	<i>Long-Term Benefits</i>	<i>Share Based Payment</i>			
	<i>Cash salary and fees</i>	<i>Superannuation</i>	<i>Long-service leave</i>	<i>Options¹</i>	<i>Total</i>	<i>Performance Related</i>	<i>Options</i>
2013	\$	\$	\$	\$	\$	%	%
Directors							
R Tyson	172,327	15,509	-	210,917	398,753	0%	52.89%
S Hadfield	50,000	4,500	-	105,459	159,959	0%	65.93%
G Hardie	50,000	4,500	-	105,459	159,959	0%	65.93%
C McGown ²	41,666	4,500	-	105,459	151,625	0%	69.55%
Other Key Management Personnel							
R Woodhouse	95,349	8,567	-	7,240	111,156	0%	6.51%
D Hocking ³	26,400	2,376	-	-	28,776	0%	0%
Total	435,742	39,952	-	534,534	1,010,228		52.91%

1. Options do not represent cash payments to directors and executives and options granted may or may not be exercised by the directors and executives.

2. Retired as Non-executive Director 8th April 2013

3. Retired as Joint Company Secretary 30th April 2013

Directors' report

c) Service agreements

Remuneration and other terms of employment for the directors and key management personnel, except those of non-executive directors are formalised in Employment Agreements or Letters of Offer. Details of the employment conditions for directors and key management personnel are set out below:

S Hadfield (non-executive chairman)

Mr Hadfield was appointed a director of the Company on 20 April 2006. Mr Hadfield has not entered into a formal contract with the Company in respect to his appointment as a non-executive director. Mr Hadfield received payments and benefits totalling \$54,625 (2013:\$ 159,959) in his role as a non-executive director of the Company.

G Hardie (non-executive director)

Mr Hardie was appointed a director of the Company on 24 February 2010. Mr Hardie has not entered into a formal contract with the Company in respect to his appointment as a non-executive director. Mr Hardie received payments and benefits totalling \$54,625 (2013:\$ 159,959) in his role as a non-executive director of the Company.

R Tyson (managing director)

Mr Tyson was appointed a director of the Company on 20 April 2006. Mr Tyson is employed as the Managing Director of the Company under an ongoing contract. The terms of his contract state:

- The managing director receives fixed remuneration of \$200,000 per annum gross, plus statutory superannuation guarantee.
- Either the managing director or the Company may terminate the employment at any time by giving one month written notice.
- If the Company terminates the employment the managing director will receive payment of five weeks pay.
- The managing director may be invited to participate in the Company's Employee Share Option Plan.

D Lim (Company Secretary)

Mr Lim was appointed company secretary of the Company on 4 June 2014. Mr Lim is employed on a casual basis and as such is only paid for hours worked and does not accrue leave. Mr Lim's employment with the Company can be terminated with 1 days written notice. Mr Lim's contract doesn't provide for termination benefits.

R Woodhouse (Company Secretary)

Mr Woodhouse was appointed company secretary of the Company on 8 June 2012 and ceased in this role on 4 June 2014. Mr Woodhouse is employed under a letter of employment with the Company as their financial controller, the terms of which state:

- The employee receives fixed remuneration of \$110,000 per annum gross, plus statutory superannuation guarantee.
- Either the employee or the Company may terminate the employment at any time by giving one month written notice.

d) Share-based compensation

Employees

Options over shares in Peel Mining Limited may be granted under the Company's Employee Share Option Plan which was created in June 2008 and approved by shareholders at annual general meeting. The Employee Share Option Plan is designed to provide long-term incentives for employees to deliver long-term shareholder returns. Under the plan, participants are granted options 50% of which vest immediately and the remainder vest after twelve months provided the employee is still employed by the Company at the end of the vesting period. Participation in the plan is at the board's discretion.

Details of options over ordinary shares in the Company provided as remuneration to each director and key management personnel of Peel Mining Limited are set out below. When exercisable, each option is convertible into one ordinary share of Peel Mining Limited. Further information on the options is set out in note 23 to the financial statements.

Directors' report

Name	Number of options granted during year		Number of options vested during year	
	2014	2013	2014	2013
Directors				
Simon Hadfield	-	500,000	-	500,000
Graham Hardie	-	500,000	-	500,000
Craig McGown ⁽¹⁾	-	500,000	-	500,000
Rob Tyson	-	1,000,000	-	1,000,000
Ryan Woodhouse ⁽²⁾	40,000	-	120,000	100,000

(1) Mr McGown resigned from the position of Director on the 8th of April 2013.

(2) Mr Woodhouse ceased being Company Secretary on the 4th of June 2014.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date. Fair values at grant date have been determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, impact of dilution, share price at grant date, price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option.

The terms and conditions of each grant of options existing at reporting date is as follows:

Grant Date	Date Vested & Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
12 September 2013	12 September 2013 (50%) 12 September 2014 (50%)	30 June 2015	50 cents	17 cents
18 December 2012	18 December 2012 (100%)	28 th November 2015	50 cents	22 cents
11 July 2012	11 July 2012 (50%) 11 July 2013 (50%)	31 July 2014	8 cents	4 cents

No options were exercised by directors of Peel Mining Limited or other key management personnel during the financial year.

(e) Option holdings of key management personnel (KMP)

30 June 2014	Balance at the start of the year	Granted as compensation	Expired during year	Exercised	Other Change ¹	Balance at end of the year	Vested and exercisable	Unvested
Directors								
R Tyson	1,000,000	-	-	-	-	1,000,000	1,000,000	-
S Hadfield	500,000	-	-	-	-	500,000	500,000	-
G Hardie	500,000	-	-	-	-	500,000	500,000	-
KMP								
D Lim ²	-	-	-	-	-	-	-	-
R Woodhouse	200,000	40,000	-	-	(240,000)	-	220,000	20,000

1. Holding at date Mr Woodhouse ceased to act as Company Secretary (4th June 2014).

2. Mr Lim was appointed Company Secretary on the 4th June 2014

Directors' report

30 June 2013	Balance at the start of the year	Granted as compensation	Expired during year	Exercised	Other Change	Balance at end of the year	Vested and exercisable	Unvested
Directors								
R Tyson	-	1,000,000	-	-	-	1,000,000	1,000,000	-
S Hadfield	-	500,000	-	-	-	500,000	500,000	-
G Hardie	-	500,000	-	-	-	500,000	500,000	-
C McGown ¹	-	500,000	-	-	(500,000)	-	-	-
KMP								
R Woodhouse	200,000	-	-	-	-	200,000	100,000	100,000
D Hocking ²	100,000	-	-	100,000	-	-	-	-
^{1.} Holding at the date Mr McGown ceased to be a director (8 th April 2013). ^{2.} Holding at the date Mr Hocking ceased to act as Company Secretary (30 th April 2013).								

(f) Share holdings of directors and key management personnel – Shares in Peel Mining Limited (number)

30 June 2014	Balance at 1 July 2013	Received during the year on the exercise of options	Other changes during the year	Balance at 30 June 2014
Directors				
G Hardie	15,322,890	-	100,000	15,422,890
R Tyson	7,000,000	-	80,000	7,080,000
S Hadfield ¹	4,812,564	-	(1,000,000)	3,812,564
KMP				
D Lim ³	-	-	-	-
R Woodhouse ²	-	-	-	-
^{1.} Sale of 1,000,000 shares off market. ^{2.} Holding at the date Mr Woodhouse ceased to act as Company Secretary (4th June 2014).				

30 June 2013	Balance at 1 July 2012	Received during the year on the exercise of options	Other changes during the year	Balance at 30 June 2013
Directors				
G Hardie	15,029,095	-	293,795	15,322,890
R Tyson	7,000,000	-	-	7,000,000
S Hadfield	4,812,564	-	-	4,812,564

(g) Other transactions with directors and key management personnel

Simon Hadfield, is a director of Resource Information Unit Pty Ltd (RIU). RIU leases the Company office space and charges the Company lease fees on arm's length commercial terms on a monthly basis. Total fees charged to the Company by RIU for the year ended 30 June 2014 were \$59,670 (2013: \$36,000). During the year the Company participated in conferences organised by RIU Conferences Pty Ltd, to the value of \$22,550 (2013: \$20,000), a company of which Mr Hadfield is a director. These amounts are included in loss for the year within administration expenses and on the statement of financial position within trade and other payables at year end in relation to any unpaid amounts.

Aggregate amounts of each of the above types of "other transactions" with key management personnel of Peel Mining Limited:

Amounts recognised as expense	Consolidated	
	2014	2013
	\$	\$
Management fees	59,670	36,000
Advertisements	-	9,300
Conferences	22,550	20,000
	82,220	65,300

Directors' report

h) Additional information

Cash bonuses

No cash bonuses have been paid by the Company during the reporting period.

Share-based compensation: options

Other than options granted and exercised under the Employee Option Share Plan, as described in (d) above, there were no options issued to or exercised by directors of Peel Mining Limited or other key management personnel during the year.

Use of remuneration consultants

During the year ended 30 June 2014, the Group did not employ the services of a remuneration consultant to review its existing remuneration policies and to provide recommendations in respect of both executive short-term and long-term incentive plan design.

Voting and comments made at the Company's 2013 Annual General Meeting

Peel Mining Limited received more than 99% of "yes" votes on its remuneration report for the 2013 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Audited Remuneration Report

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
18 December 2012 (directors)	28 November 2015	50 cents	2,500,000
12 September 2013 (employees/consultants)	30 June 2015	50 cents	280,000

No option holder has any right under the options to participate in any other share issue of the Company.

Shares issued on the exercise of options

No ordinary shares of the Company were issued during the year on the exercise of options.

Date of Exercise	Issue price of shares		Number of shares issued	
	2014 cents	2013 cents	2014 Number	2013 Number
11 October 2012	-	8	-	350,000
27 March 2013	-	8	-	50,000

Indemnification and Insurance of Directors and Officers

During the financial year the Company paid a premium of \$13,568 (2013: \$8,769) to insure the directors and officers of the Group. The policy indemnifies each director and officer of the Group against certain liabilities arising in the course of their duties.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Environmental Regulation

The Group holds exploration licences and mining leases in Australia and New Zealand. These licences specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the respective jurisdiction's guidelines and standards. The Company is not aware of any significant breaches of the license condition.

Greenhouse Gas and Energy Data Reporting Requirements

The directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included at the end of this financial report.

Directors' report

Auditor

BDO Audit (WA) Pty Ltd continues in office under Division 6 of the Corporations Act 2001.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. Details of the fees paid to the auditor during the year can be found at note 14 of the notes to the consolidated financial statements.

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

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

Rob Tyson

Managing Director

Perth, Western Australia

16th September 2014

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2014

	Note	Consolidated	
		2014 \$	2013 Restated \$
Interest Revenue		164,749	77,502
Other income		288,149	2,935,769
Revenue and other income	3	452,898	3,013,271
Share-based remuneration to employees	13	(42,110)	(543,301)
Depreciation expense	8	(83,938)	(37,916)
Employee and directors' benefit expenses		(488,112)	(411,694)
Exploration expenditure written off	9	(212,288)	(53,455)
Administration expenses		(713,018)	(507,064)
Profit/(loss) before income tax		(1,086,568)	1,459,841
Income tax expense	4	-	-
Profit/(loss) from continuing operations after income tax		(1,086,568)	1,459,841
Other comprehensive income		-	-
Total profit/(loss) and comprehensive income for the year attributable to the members of Peel Mining Limited		(1,086,568)	1,459,841
Earnings/ (loss) per share for the year attributable to the members of Peel Mining Ltd	22	(0.008)	0.013
Diluted earnings/ (loss) per share for the year attributable to the members of Peel Mining Ltd	22	(0.008)	0.013

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Refer to note 1 (a) and 26 for details about restatements for a change in accounting policy.

Consolidated statement of financial position

as at 30 June 2014

		Consolidated	
	Note	2014	2013 Restated
		\$	\$
Current Assets			
Cash and cash equivalents	5	3,114,744	6,360,673
Trade and other receivables	6	97,337	212,913
Total Current Assets		3,212,081	6,573,586
Non-Current Assets			
Security deposits	7	347,904	229,904
Property	8	840,487	-
Plant & equipment	8	220,789	228,090
Exploration assets	9	12,446,494	10,007,188
Total Non-Current Assets		13,855,674	10,465,182
Total Assets		17,067,755	17,038,768
Current Liabilities			
Trade and other payables	11	704,381	405,936
Total Current Liabilities		704,381	405,936
Total Liabilities		704,381	405,936
Net Assets		16,363,374	16,632,832
Equity			
Contributed equity	12	17,911,805	17,136,805
Accumulated losses	13	(2,713,564)	(1,626,996)
Option reserve	13	1,165,133	1,123,023
Total Equity		16,363,374	16,632,832

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

Refer to note 1 (a) and 26 for details about restatements for a change in accounting policy.

Consolidated statement of changes in equity (Restated)

for the year ended 30 June 2014

CONSOLIDATED

	Notes	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 1 July 2012		10,089,725	(3,086,837)	579,722	7,582,610
Loss for the period as reported in the 2013 financial statements		-	(1,475,928)	-	(1,475,928)
Changes in accounting policy	1(a), 26	-	2,935,769	-	2,935,769
Restated profit for the year		-	1,459,841	-	1,459,841
Total comprehensive profit for the year			1,459,841		1,459,841
Transactions with equity holders in their capacity as equity holders:					
Issue of share capital		7,268,000	-	-	7,268,000
Share issue expenses		(220,920)	-	-	(220,920)
Share based payments		-	-	543,301	543,301
Balance at 30 June 2013		17,136,805	(1,626,996)	1,123,023	16,632,832
Loss for the year		-	(1,086,568)	-	(1,086,568)
Total comprehensive loss for the year		-	(1,086,568)	-	(1,086,568)
Transactions with equity holders in their capacity as equity holders:					
Issue of share capital		-	-	-	-
Share issue expenses		-	-	-	-
Share based payments		775,000	-	42,110	817,110
Balance at 30 June 2014		17,911,805	(2,713,564)	1,165,133	16,363,374

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

Consolidated statement of cash flows

for the year ended 30 June 2014

	Note	Consolidated	
		2014	2013
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(901,370)	(1,007,321)
Interest received		179,808	54,466
Net cash outflow from operating activities	20	(721,562)	(952,855)
Cash flows from investing activities			
Payment for exploration expenditure		(4,840,371)	(4,931,757)
Transfer to security deposits		(118,000)	(120,000)
Transfer from security deposits		-	55,000
Payment for purchase of property		(756,064)	-
Payments for purchase of plant and equipment		(139,932)	(115,844)
Proceeds from disposal of interest in E&E asset through farm-out		3,330,000	5,000,000
Net cash outflow from investing activities		(2,524,367)	(112,601)
Cash flows from financing activities			
Proceeds from issue of shares		-	7,018,000
Transaction costs of issue of shares		-	(220,920)
Net cash inflow from financing activities		-	6,797,080
Net increase (decrease) in cash and cash equivalents		(3,245,929)	5,731,624
Cash and cash equivalents at the start of year		6,360,673	629,049
Cash and cash equivalents at the end of year	5	3,114,744	6,360,673

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

Notes to the consolidated financial statements

1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the financial statements for the Group which comprises Peel Mining Limited and its controlled entities at the end of, or during the financial years ended 30 June 2014 and the comparative period

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Peel Mining Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Change in Accounting Policy

Accounting for Farm-outs – in the exploration and evaluation phase

The board of Peel Mining Limited has reviewed the Group's accounting policy for Farm-outs – in the exploration and evaluation phase. In light of this review the board has decided to change the policy in accordance with AASB 108 as the new policy will result in the financial statements providing reliable and more relevant information about the effects of transactions and conditions on the entity's financial position. The new policy was adopted for the 30 June 2014 accounts and applied retrospectively.

Under the previous policy adopted to 31 December 2013 the Group did not recognise any expenditure by the Farm-in partner on the tenements the subject of the farm-in, during the farm-in. It also did not recognise a gain or loss on the transfer of an interest in the tenements earned by the Farmee. Any cash consideration received directly from the farmee was credited against costs previously capitalised for exploration and evaluation expenditure incurred in relation to the farm-in tenements with any excess, if any, accounted for by the Company as a gain.

The new policy adopted by the Group for the current financial reports (and retrospectively) recognises receipts from the Farmee as deferred income, until either, the Farmee decides not to earn an interest in the tenements, or elects to have any interest in the tenements earned vest. In each of these cases the Company would recognise the funds received from the Farmee as income in the calculation of profit or loss. If the Farmee earns and vests its interest in the tenements the Company transfers a corresponding proportion of the costs capitalised by the Company over the life of the project to the calculation of profit or loss, in order to calculate the gain or loss on the disposal that has occurred. Both the previous and new accounting policy are compliant with AASB 6. See note 26 for details of restatement.

Apart from the change noted above, the accounting policies adopted are consistent with those of the previous financial year, other than for the adoption of AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements and AASB 12 Disclosure of Interests in Other Entities, AASB 13 Fair Value Measurement and AASB 119 Employee Benefits which came into effect on 1 July 2013 from Peel's perspective. Peel have reviewed the impact of applying these new standards compared to the previous standards AASB 128 Investments in Associates and Joint Ventures, AASB 127 Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards and concluded that there is no material impact on the Group's performance and position arising from the initial application of these standards and, apart from additional note disclosures required under AASB 13 and AASB 12, they are therefore immaterial in the context of Peel's financial report for the full year reporting period ended 30 June 2014 or the comparative information.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Peel Mining Limited (the parent entity) and entities controlled during the year and at reporting date ("**Group**"). A controlled entity is any entity that the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Information from the financial statements of the controlled entities is included from the date the parent company obtains control until such time as control ceases. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

Subsidiary acquisitions are accounted for using the acquisition method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-Group transactions, have been eliminated in full. Unrealised losses are eliminated except where costs cannot be recovered.

Investments in subsidiaries are carried at cost in the parent entity.

Notes to the consolidated financial statements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

Peel Mining Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Details of joint operations are set out in note 25.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest income

Revenue is recognised as the interest accrues using the effective interest rate method.

(d) Income tax

The income tax expense (or benefit) for the period is the tax payable (or refundable) on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. A deferred income tax asset is not recognised where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit and loss for the year.

(e) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the asset.

Nil impairment losses (2013: \$nil) have been recognised for the year ending 30 June 2014.

(f) Cash and cash equivalents

For statement of cash flows preparation purposes, cash and cash equivalents includes cash on hand and deposits held at call (other than deposits used as cash backing for performance bonds) with financial institutions. Any bank overdrafts are shown within borrowings in the current liabilities on the statement of financial position.

(g) Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised initially at fair value and subsequently at amortised cost less an allowance for any potentially unrecoverable amounts. An allowance for doubtful debts is made when there is objective evidence that the Group may not be able to collect the debts. The allowance for bad debts is recognised in a separate account. Bad debts are written off when identified.

Notes to the consolidated financial statements

(h) Other financial assets – security deposits

The Group classifies its financial assets as loans and receivables. Management determines the classification at initial recognition and where applicable re-evaluates this designation at the end of each reporting period. Loans and receivables are carried at amortised cost using the effective interest method. The Group assesses at the end of each financial period whether a financial asset is impaired.

Security deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(i) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(j) Plant and equipment

All assets acquired, including plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives from the time the asset is held ready for use as follows:

- Plant	3-5 years
- Vehicles	3-5 years
- Office equipment	3-5 years
- Computer software	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is impaired.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(k) Property (Land held at cost)

Property, being interests in freehold land, is held at historical cost and is not depreciated as per the accounting standard.

(l) Exploration and evaluation expenditure

All exploration and evaluation expenditure is capitalised under AASB 6 Exploration for and Evaluation of Mineral Resources. Mineral interest acquisition, exploration and evaluation expenditure incurred is accumulated and capitalised in relation to each identifiable area of interest. These costs are only carried forward to the extent that the Group's right to tenure to that area of interest are current and either the costs are expected to be recouped through successful development and exploitation of the area of interest (alternatively by sale) or where areas of interest have not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active, and significant operations are undertaken in relation to the area of interest.

Amortisation is not charged on costs carried forward in respect of areas of interest in the exploration and evaluation phase or develop phase until production commences.

This policy has resulted in exploration expenditure of \$212,288 (2013: \$53,455) being written off during the year.

(m) Accounting for farmouts

The Group may enter into transactions whereby a third party ("Farmee") may earn a right to acquire an interest in assets owned by the Group by meeting certain obligations agreed to by both parties. As the terms of farm-ins are not generic management assess each agreement on a transaction by transaction basis and determines the appropriate accounting treatment based on the terms of the agreement.

CBH Resources Ltd ("CBH") farm-in agreement

On 18 July 2012, CBH and Peel Mining Ltd ("Peel") executed a farm-in agreement ("FIA") pursuant to which CBH could earn up to a 50% interest in certain exploration tenements held by Peel. Under the terms of this agreement Peel incurred expenses in relation to the farm-in and CBH contributed to these expenses.

Based on the terms of the FIA Peel retrospectively applied the following accounting policy during the current reporting period.

- Exploration expenditure incurred by Peel in relation to the FIA is capitalised in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.
- Contributions by CBH pursuant to the FIA, are initially classified as deferred income until such time as CBH fail to earn an interest in the tenements or elected to have an interest in the tenements vest. At this point in time the deferred income is considered earned and transferred to Other Income in the calculation of profit or loss for the period.

Notes to the consolidated financial statements

- Should CBH earn a vested interest in the tenements, Peel transfers to profit or loss a corresponding proportion of the costs capitalised by the Company over the life of the project, in order to calculate the gain or loss on the disposal that has occurred.

During the current reporting period Peel elected to change the accounting policy to account for the FIA as it decided that the previously stated policy did not provide information that accurately reflected the transactions undertaken in accordance with the FIA. As a result of the change in accounting policy in the current reporting period Peel has applied the disclosure requirements of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually payable within 30 days of invoice. They are recognised initially at fair value and subsequently at amortised cost.

(o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity acquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) are recognised directly in equity.

(p) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the Lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the liability. Finance charges are charged directly to the statement of profit or loss and other comprehensive income.

Operating lease payments are recognised as an expense when incurred.

(r) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and leave entitlements that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to balance date and are measured at the amounts expected to be paid when the liabilities are settled.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable is included as a current asset in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from the taxation authority are classified as operating cash flows.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief decision maker has been identified as the board of directors.

Notes to the consolidated financial statements

(u) Share Based Payments

Share-based compensation benefits to directors, employees and consultants are provided at the discretion of the board.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipient becomes unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, share price at grant date expected price volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

(v) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not yet been applied in the financial report. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments and AASB 2009 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective for annual reporting periods beginning on or after 1 January 2017).

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. Adoption of AASB 9 is only mandatory for the year ending 30 June 2018. The entity has not yet made an assessment of the impact of these amendments.

AASB 2013-9 Presentation of Financial Statements (effective for annual reporting periods commencing on or after 1 January 2017).

AASB 101, amended in June 2013, introduces amendments to align the presentation items of other comprehensive income with US GAAP. The Group will apply the amended standard from 1 July 2014. When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values. However, there will be no impact on any of the amounts recognised in the financial statements.

AASB 2013-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (effective from 1 July 2014).

AASB 2013-9 will align the presentation of items of other comprehensive income (OCI) with US GAAP. When this standard is first adopted for the year ended 30 June 2014, there will be no impact on amounts recognised for transactions and balances for 30 June 2014 (and comparatives).

AASB 2013-5 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (effective periods commencing on or after from 1 January 2014).

When this standard is first adopted for the year ended 30 June 2014, there will be no material impact.

(w) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

The Company makes estimates and judgements in applying the accounting policies. Critical judgements in respect of accounting policies relate to exploration assets, where exploration expenditure is capitalised in certain circumstances. Recoverability of the carrying amount of any exploration assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Capitalisation and carrying amount of capitalised mining licence

Mining leases acquired are carried in the consolidated statement of financial position at cost. The directors have determined that the carrying value is appropriate. .

Share-based payment transactions

The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined using a Black-Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Impairment of capitalised exploration and evaluation expenditure

It is the Group's policy to capitalise costs relating to exploration and evaluation activities. The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

Notes to the consolidated financial statements

2. Financial Risk Management

Overview

The Company and Group have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The Group manages its credit risk on financial instruments, including cash, by only dealing with banks licensed to operate in Australia and credit ratings of AA.

Trade and other receivables

The Group operates in the mining exploration sector and does not have trade receivables. It is not exposed to credit risk in relation to trade receivables.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

Carrying amounts	Note	Consolidated	
		2014 \$	2013 \$
Cash and cash equivalents	5	3,114,744	6,360,673
Trade and other receivables	6	97,337	212,913

Impairment losses

None of Group's other receivables are past due. At 30 June 2014 the Group does recognise an impairment on a receivable from its joint venture partner in relation to expenses paid for by the Company in relation to the Mallee Bull tenement.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically the Group ensures it has sufficient cash on hand to meet expected operational expenses for a period of 6 months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	Consolidated		
	Carrying Amount \$	Contractual Cash flows \$	6mths Or less \$
30 June 2014			
Trade and other payables	704,381	704,381	704,381
30 June 2013			
Trade and other payables	405,936	405,936	374,277

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of managing market risk is to manage and control market risk exposures to within acceptable limits, while optimising returns. The Group does not have any risks associated with foreign exchange rates or equity prices.

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates that will increase the costs of floating rate debt or opportunity losses that may arise on fixed rate borrowings in a falling interest rate environment. The Group does not have any borrowings and is, therefore, not exposed to interest rate risk in this area. Cash and cash equivalents at variable rates exposes the Group to cashflow interest rate risk. The Group is not exposed to fair value interest rate risk as all of its financial assets and liabilities are carried at amortised amount.

Notes to the consolidated financial statements

Profile

At the reporting date the interest rate profile of the consolidated entity's interest-bearing financial instruments was:

Variable rate instruments	Variable Average Interest Rate	Consolidated	
		Carrying Amount	
		2014 \$	2013 \$
Short term cash deposits	3.57%	3,114,744	6,360,673

Cash flow sensitivity analysis for variable rate instruments of the consolidated entity

At 30 June 2014 if interest rates had changed +/- 100 basis points from year end rates with all other variables held constant, equity and post-tax loss would have been \$32,218 lower (2013: \$14,759).

Fair values

The carrying values of all financial assets and financial liabilities, as disclosed in the Statement of Financial Position, approximate their fair values.

	Consolidated	
	2014 \$	2013 \$
3. Revenue & Other Income		
Interest received	164,749	77,502
Gain on disposal of exploration and evaluation asset	288,149	2,935,769
Expenditure		
Loss before income taxes includes the following specific expenses:		
Superannuation	40,968	33,170
Operating lease payments	59,760	36,000
Directors fees	100,000	155,166
Employee costs	347,144	256,528
4. Income tax		
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Numerical reconciliation of income tax to prima facie tax payable:		
Profit/(loss) from continuing operations before income tax	(1,086,568)	1,459,841
At the statutory income tax rate of 30% (2013: 30%)	(325,967)	437,952
Expenditure not allowed for income tax purposes:		
Non-deductible expenses	76,319	179,028
Non-assessable gain	(86,444)	(880,731)
Tax loss not brought to account	336,092	263,752
Income tax benefit reported in the statement of profit and loss and other comprehensive income	-	-

The Group has carried forward tax losses arising in Australia of \$ 10,664,995 (2013: \$9,345,662) available indefinitely for offset against future assessable income of the Group. No deferred tax asset has been recognised in respect of these losses at this point in time as the Group is not expecting to generate sufficient net income in the foreseeable future and therefore it is not probable that these tax losses will be utilised. In the year to 30 June 2014 the Group also had an unrecognised deferred tax asset in respect of equity raising costs of \$Nil (2013: \$152,903). The deferred tax liability arising from capitalised exploration costs and licence acquisitions have been offset by the deferred asset balances above.

	Consolidated	
	2014 \$	2013 \$
5. Cash and Cash Equivalents		
Cash at bank and in hand	14,744	40,673
Term deposits with financial institutions	3,100,000	6,320,000
	3,114,744	6,360,673
Refer to Note 2 for the policy on financial risk management		

Notes to the consolidated financial statements

	Consolidated 2014 \$	Consolidated 2014 \$
6. Trade and other receivables		
Receivable from JV Partner	323,691	-
Provision for doubtful debt	(284,117)	-
GST recoverable from taxation authority	49,839	189,930
Interest accrued on term deposits	7,924	22,983
	97,337	212,913

Refer to Note 2 for the policy on financial risk management

7. Receivables (Non-current)		
Security deposits in relation to exploration tenements	347,904	229,904
	347,904	229,904

8. Property, Plant & Equipment		
<i>Property</i>		
Freehold land (at cost)	840,487	-
<i>Plant and equipment</i>		
Depreciating plant and equipment	453,650	377,013
Less accumulated depreciation	(232,861)	(148,923)
	220,789	228,090
Total property, plant and equipment	1,061,276	228,090

Reconciliation		
Carrying amount at beginning of year	228,090	86,855
Additions	917,124	179,151
Depreciation expense	(83,938)	(37,916)
Closing balance	1,061,276	228,090

9. Exploration assets	2014	2013 Restated
At cost	12,446,494	10,007,188

Reconciliation		
Opening balance	10,007,188	6,864,104
Acquisition of exploration lease	775,000	250,000
Other exploration expenditure	5,002,869	5,010,770
Impairment Expense	(212,288)	(53,455)
Transfer of Wirchileba Property	(84,423)	-
Partial disposal of E&E asset interest ^(a)	(3,041,852)	(2,064,231)
Closing balance	12,446,494	10,007,188

(a) The disposal of E&E asset is the recognition of Peel Mining Limited's (Farmor) disposal of a share in tenements subject to the Mallee Bull farm-out arrangement. See note 1(a) for further information regarding change in accounting policy.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

10. Subsidiary companies

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of Incorporation	Class of Shares	Equity holding 2014 %	2013 %
Peel Environmental Services Limited	Australia	Ordinary	100	100
Apollo Mining Pty Ltd	Australia	Ordinary	100	100

Notes to the consolidated financial statements

	Consolidated	
	2014	2013
	\$	\$
11. Trade and other payables		
Trade payables	676,996	299,260
Accrued expenses & other payables	27,373	43,369
Finance Lease	12	63,307
	704,381	405,936

12. Contributed equity

(a) Share capital

	Consolidated and Parent Entity			
	2014		2013	
	Number of Shares	\$	Number of shares	\$
Ordinary shares fully paid	132,085,969	17,911,805	129,871,683	17,136,805

(b) Movements in ordinary share capital

Opening balance, 1 July	129,871,683	17,136,805	110,571,683	10,089,725
Shares issued pursuant to placement	-	-	16,400,000	6,986,000
Shares issued pursuant to a 'Rights Issue'	-	-	-	-
Shares issued as consideration for the acquisition of a mining/exploration lease	2,214,286	775,000	2,500,000	250,000
Shares issued as result of exercise of options	-	-	400,000	32,000
Transaction costs on share issues	-	-	-	(220,920)
Closing balance, 30 June	132,085,969	17,911,805	129,871,683	17,136,805

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Options

Information relating to options issued during the year is set out in note 13.

(e) Capital risk management

In employing its capital the Company seeks to ensure that it will be able to continue as a going concern and in time provide value to shareholders by way of increased market capitalisation and/or dividends. In the current stage of its development, the Company has invested its available capital in acquiring and exploring mining tenements. As is appropriate at this stage, the Company is funded entirely by equity. As it moves forward to develop its tenements towards production, the Company will adjust its capital structure to support its operational and strategic objectives, by raising additional capital or taking on debt, as is seen to be appropriate from time to time given the overriding objective of creating shareholder value. In this regard, the board will consider each step forward in the development of the Company on its merits and in the context of the then capital markets, in deciding how to structure funding arrangements.

	Consolidated	
	2014	2013
	\$	Restated \$
13. Reserves and accumulated losses		
<i>(i) Accumulated losses</i>		
Opening balance, 1 July	(1,626,996)	(3,086,837)
Profit/(loss) for the year	(1,086,568)	1,459,841
Closing balance, 30 June	(2,713,564)	(1,626,996)
<i>(ii) Share-based payments reserve</i>		
Opening balance, 1 July	1,123,023	579,722
Option expenses (employee options)	42,110	543,301
Closing balance, 30 June	1,165,133	1,123,023

Notes to the consolidated financial statements

Nature and purpose of reserve

The share-based payment reserve represents the fair value of equity benefits provided to directors and employees as part of their remuneration for services provided to the Company paid for by the issue of equity.

Share options and reserve movements

	2014		2013	
	Options	\$	Options	\$
Opening balance, 1 July	2,900,000	1,123,023	200,000	579,722
Expired during year	-	-	-	-
Issued to employees and contractors	320,000	48,126	3,100,000	543,301
Lapsed	(40,000)	(6,016)		
Exercised	-	-	(400,000)	
Closing balance, 30 June	3,180,000	1,165,133	2,900,000	1,123,023
Exercisable at 50 cents each on or before 28 November 2015	2,500,000		2,500,000	
Exercisable at 8 cents each on or before 31 July 2014	400,000		400,000	
Exercisable at 50 cents each on or before 30 June 2015	280,000		-	
	3,180,000		2,900,000	

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value (note 23)

14. Remuneration of Auditors

	Consolidated	
	2014	2013
	\$	\$
Amounts paid or due and payable to the auditors		
BDO Audit (WA) Pty Ltd:		
Auditing or reviewing financial reports	38,338	41,845
Non-assurance services *	5,659	-
	43,997	41,845

* Relates to review of farm-in expenditure during the current year.

15. Contingencies

The Group had no contingent assets or liabilities as at 30 June 2014 (2013: \$775,000). The contingent liability recognised for the year ended 30 June 2013 represented the value of the share-based payment due to Weddarla Pty Ltd for the purchase of an exploration tenement. A liability of \$775,000 was recognised for the value of the share-based payment at a deemed price to be determined upon completion of a contractual condition precedent. On settlement of the deal 2,214,286 Peel Mining Limited shares were issued at a share price of 35 cents each to settle the liability. See note 23(d) for further information.

16. Commitments and contingencies

Operating lease commitments	Consolidated	
	2014	2013
	\$	\$
Within one year	59,760	-
Later than a year but not later than five years	-	-
Later than five years	-	-

Operating lease commitments – Peel Mining Limited as lessee

The Company has entered into a commercial property lease agreement for its Perth office. The lease has 1 year remaining with an option to extend for 2 years. The lease includes a clause to enable revision of the rental charge on an annual basis.

Exploration commitments

Under the terms of mineral tenement licences held by the Group, minimum annual expenditure obligations are required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing. This expenditure may be subject to variation from time to time in accordance with the relevant state department's regulations. The Group may at any time relinquish tenements and as such avoid the requirement to meet applicable expenditure requirement, or may seek exemptions from the relevant authority.

Notes to the consolidated financial statements

Expenditure commitments at the reporting date but not recognised as liabilities are as follows:

	Consolidated	
	2014	2013
	\$	\$
Within one year	1,807,990	1,174,880
Later than a year but not later than five years	-	1,674,140
Later than five years	-	20,000

17. Segment information

Management has determined that the Group has two reportable segments, being mineral exploration under its joint venture with CBH Resources Limited at its Mallee Bull prospect 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 two 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 to date. Decisions regarding the Mallee Bull joint venture is 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.

	2014	2014	2013	2013
	\$	\$	\$	\$
	Peel	Mallee Bull	Peel Mining	Mallee Bull
Revenue from external sources	-	-	-	-
Reportable segment (loss)	(296,226)	288,149	(91,371)	2,935,769
Segment assets	7,803,956	5,703,814	5,207,909	5,027,369

Reconciliation of reportable segment (loss)

	Consolidated	Consolidated
	2014	2013
Reportable segment (loss)	(8,077)	2,844,398
Other revenue	164,749	77,502
Corporate expenses	(1,243,230)	(1,462,059)
Profit/(loss) before tax	(1,086,568)	1,459,841

Reconciliation of reportable segment (assets)

	Consolidated	Consolidated
	2014	2013
Reportable segment assets	13,507,770	10,235,278
Cash	3,114,204	6,360,673
Corporate Segment Assets	445,241	442,817
Total Assets	17,067,755	17,038,768

18. Related Parties

	2014	2013
	\$	\$
(a) Compensation of key management personnel		
Short-term employee benefits	406,737	435,742
Post-employment benefits	37,629	39,952
Long-term benefits	-	-
Share-based payments	6,800	534,534
	451,166	1,010,228

(b) Other transactions with key management personnel

Simon Hadfield, is a director of Resource Information Unit Pty Ltd (RIU) and RIU Conferences Pty Ltd. RIU leases office space to the Company and charges rental lease fees on arm's length commercial terms on a monthly basis. Total fees charged to the Company by RIU for the year ended 30 June 2014 were \$59,670 (2013: \$36,000). During the year the Company participated in conferences, to the value of \$22,550 (2013: \$20,000) organised by RIU Conferences Pty Limited. These

Notes to the consolidated financial statements

amounts are included in losses for the year within administration expenses and on the statement of financial position within trade and other payables at year end.

Aggregate amounts of each of the above types of "other transactions" with key management personnel of Peel Mining Limited:

Amounts recognised as expense	Consolidated	
	2014	2013
	\$	\$
Management fees	59,670	36,000
Advertisements	-	9,300
Conferences	22,550	20,000
	82,220	65,300

19. Events after the reporting period

400,000 employee options were exercised on the 31st July 2014, as part of the Company's employee option share plan.

Other than above no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

20. Reconciliation of cash flows from operating activities to loss after income tax

	Consolidated	
	2014	2013
	\$	Restated \$
Net cash outflow from operating activities	(721,562)	(952,855)
Share-based payments	(42,110)	(543,301)
Depreciation	(83,938)	(37,916)
Impairment	(212,288)	(53,455)
Doubtful Debt	(284,117)	-
Gain on Disposal of Asset	288,149	2,935,769
Change in operating assets and liabilities		
Increase in receivables	(155,161)	182,030
Decrease/(increase) in payables	124,459	(70,431)
Profit/(loss) after income tax	(1,086,568)	1,459,841

21. Non-cash investing and financing activities

Acquisition of an exploration lease by issue of 2,500,000 ordinary shares at 10 cents each	-	250,000
2,214,286 ordinary shares at 35 cents each	775,000	-
Acquisition of plant and equipment by means of finance lease	-	69,790

22. Earnings/(Loss) per share

	Consolidated	
	2014	2013
		Restated
Basic earnings/(loss) per share		
Earnings/(loss) from continuing operations attributable to the ordinary equity holders of the Company	(0.008)	0.013
Diluted earnings/(loss) per share		
Earnings/(loss) from continuing operations attributable to the ordinary equity holders of the Company	(0.008)	0.013
Reconciliation of profit/loss used in calculation of loss per share		
Profit/(loss) used in calculating basic loss per share	(1,086,568)	1,459,841

Notes to the consolidated financial statements

	Consolidated	
	Number of Shares 2014	Number of Shares 2013
Weighted average number of shares used as the denominator		
Weighted average number of shares used in calculating basic earnings/loss per share	131,891,306	114,709,183
Adjustments for calculation of diluted earnings/loss per share		
Options	-	600,000

Effect of dilutive securities

Options on issue at reporting date could potentially dilute earnings per share in the future. The effect in the current year is to reduce the loss per share hence they are considered anti-dilutive. Accordingly the diluted loss per share has not been disclosed.

23. Share-based payments

(a) Share-based payment expenses

During the year the Company has granted options to employees through its Employee share option plan (ESOP).

Total expenses arising from share-based payment transactions recognised in the profit and loss during the year were as follows:

	Consolidated			
	2014 Number	2014 \$	2013 Number	2013 \$
Options granted to employees	280,000	42,110	600,000	16,008

(b) Director options

Set out below are summaries of directors options granted

	Consolidated			
	2014 Number	2014 \$	2013 Number	2013 \$
Options granted to directors	-	-	2,500,000	527,293

30 June 2014

Grant date	Expiry date	Exercise price \$	Balance at start of the year Number	Granted during the year Number	Expired during the year Number	Exercised during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
18 Dec'12	28 Nov'15	\$0.50	2,500,000	-	-	-	2,500,000	2,500,000

30 June 2013

Grant date	Expiry date	Exercise price \$	Balance at start of the year Number	Granted during the year Number	Expired during the year Number	Exercised during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
18 Dec'12	28 Nov'15	\$0.50	-	2,500,000	-	-	2,500,000	2,500,000

Fair value of options granted

The assessed fair value at grant date of options granted to directors during the period ended 30 June 2013 was 21 cents per option. 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.

Notes to the consolidated financial statements

The model inputs for options granted during the year ended 30 June 2013 included:

	Director Options
Options are granted for no consideration and vest accordingly	100% vest immediately
Exercise Price	50 cents
Grant Date	28 November 2012
Expiry Date	28 November 2013
Share Price at Grant Date	37 cents
Expected Price Volatility	100%
Expected Dividend Yield	0.00%
Risk-free interest rate	2.67%

(c) Employee share option plan

An employee share option plan, designed to provide long-term incentives for senior employees to deliver long-term shareholder returns, was established in June 2008. The plan was approved by shareholders at annual general meeting. Under the plan, participants are granted options of which 50% are vested immediately and the remainder after 12 months employment with the Company.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share at an exercise price of 8 cents.

Set out below are summaries of options granted under the plan.

30 June 2014

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at end of the year	Vested and exercisable at end of the year
		\$	Number	Number	Number	Number	Number	Number
12 Sept'13	30 Jun'15	\$0.50	-	320,000	-	(40,000)	280,000	140,000
11 Jul'12	31 Jul'14	\$0.08	400,000	-	-	-	400,000	400,000

Fair value of options granted

The assessed fair value at grant date of options granted to employees during the period ended 30 June 2014 was 17 cents per option. Employee 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 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.

Notes to the consolidated financial statements

The model inputs for options granted during the years ended 30 June 2014 and 2013 included:

	Employee Options	
	2014	2013
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
Exercise Price	50 cents	8 cents
Grant Date	12 September 2013	11 July 2012
Expiry Date	30 June 2015	31 July 2014
Share Price at Grant Date	38 cents	7 cents
Expected price volatility	100%	100%
Expected dividend yield	0.00%	0.00%
Risk-free interest rate	2.70%	2.41%

30 June 2013

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
		\$	Number	Number	Number	Number	Number	Number
11 Jul'12	31 Jul'14	\$0.08	-	600,000	200,000	-	400,000	100,000
18 Mar'11	30 Mar'13	\$0.08	200,000	-	200,000	-	-	-

(d) Acquisition – Share based payment

During the 2014 year, the Group purchased an exploration lease in the Cobar District of New South Wales from Weddarla Pty Ltd for consideration 2,214,286 Peel Mining Limited shares, at a value of 35 cents per share.

(e) Weighted averages – Options

The weighted average exercise price \$0.45 (2013: \$0.17).

The weighted average fair value of options is \$0.19 (2013: \$0.41).

The weighted average remaining contractual life is 1.21 years (2013: 2.10 years).

24. Parent entity information

	Parent entity	
	2014 \$	2013 Restated \$
Statement of financial position		
Current assets	3,212,082	6,573,586
Total assets	16,144,472	16,115,473
Current liabilities	707,331	408,886
Total liabilities	707,331	408,886
Net assets	15,437,141	15,706,587
Equity		
Issued capital	17,911,805	17,136,805
Share option reserve	1,165,133	1,123,023
Accumulated losses	(3,639,797)	(2,553,240)
Total equity	15,437,141	15,706,587

Notes to the consolidated financial statements

Statement of profit or loss and other comprehensive income

Revenue	164,749	77,502
Other income	288,148	2,935,769
Profit/(loss) for the year	(1,086,568)	531,547
Total comprehensive profit/(loss) for the year	(1,086,568)	531,547

Commitments for the parent entity are the same as those for the consolidated entity and are set out in note 16.
The parent entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at year end.

25. 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 their 50% earn-in to the Mallee Bull Project on 27th March 2014. The joint venture agreement in relation to the Mallee Bull Joint Venture require 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.

26. Voluntary change of accounting policy

During the current reporting period Peel elected to change the accounting policy to account for the Farm-in arrangement (FIA) as it decided that the previously stated policy did not provide information that accurately reflected the transactions undertaken in accordance with the FIA. As a result of the change in accounting policy in the current reporting period Peel has applied the disclosure requirements of *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The new policy provides more relevant and reliable information to the users of the financial statements by accounting for the transactions undertaken in accordance with the farm-in agreement

Based on the terms of the FIA Peel retrospectively applied the following accounting policy during the current reporting period.

- Exploration expenditure incurred by Peel in relation to the FIA is capitalised in accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources*.
- Contributions by CBH pursuant to the FIA, are initially classified as deferred income until such time as CBH fail to earn an interest in the tenements or elected to have an interest in the tenements vest. At this point in time the deferred income is considered earned and transferred to Other Income in the calculation of profit or loss for the period.
- Should CBH earn a vested interest in the tenements, Peel transfers to the Statement of Profit or Loss and other comprehensive income a corresponding proportion of the costs capitalised by the Company over the life of the project, in order to calculate the gain or loss on the disposal that has occurred.

The impact of the above change of accounting policy on the financial statements is outlined

Consolidated statement of financial position (extract)

	30 June 2013 Previous Policy	Increase/ (Decrease)	30 June 2013 (Restated)
Exploration and Evaluation Expenditure	7,071,419	2,935,769	10,007,188
Total net Assets	13,697,063	2,935,769	16,632,832
Accumulated Losses	(4,562,765)	2,935,769	(1,626,996)
Total Equity	13,697,063	2,935,769	16,632,832

Consolidated profit or loss and other comprehensive income (extract)

	30 June 2013 Previous Policy	Increase/ (Decrease)	30 June 2013 (Restated)
Revenue and other income from continuing operations	77,502	2,935,769	3,013,271
Total comprehensive income/(loss) for the year net of tax	(1,475,928)	2,935,769	1,459,841

Directors' declaration

The board of directors of Peel Mining Limited declares that:

- (a) the financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements ; and
 - (ii) give a true and fair view of the financial position as at 30 June 2014 and performance for the financial year ended on that date of the consolidated entity.
- (b) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (c) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (d) the board of directors have been given the declaration by the chief executive officer and chief financial officer required by Section 295A of the Corporations Act 2001.

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



Rob Tyson

Managing Director
Perth, Western Australia
16th September 2014

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN OF PEEL MINING LIMITED

As lead auditor of Peel Mining Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 16 September 2014

INDEPENDENT AUDITOR'S REPORT

To the members of Peel Mining Limited

Report on the Financial Report

We have audited the accompanying financial report of Peel Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Peel Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Peel Mining Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Peel Mining Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd



Glyn O'Brien

Director

Perth, 16 September 2014

Additional ASX information

A description of the Company's main corporate governance practices is set out below. These practices, unless otherwise stated, were adopted on the 15th of September 2014. Copies of relevant corporate governance policies are available in the corporate governance section of the Company's web-site at www.peelmining.com.au.

Board of Directors ("Board")

The Board is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of shareholders. Day to day management of the Company's affairs and the implementation of corporate strategies and policy initiatives are formally delegated by the Board to the Managing Director and senior executives, as set out in the Company's Board Charter.

Board composition

The Board Charter states that:

- the Board is to comprise an appropriate mix of both executive and non-executive directors.
- the roles of Chairman and Managing Director will not be combined.
- the Chairman is elected by the full Board and is required to meet regularly with the Managing Director.

Board members should possess complementary business disciplines and experience aligned with the Company's objectives, with a number of directors being independent and where appropriate, major shareholders being represented on the Board. Consequently, at various times there may not be a majority of directors classified as being independent, according to ASX guidelines. However, where any director has a conflict of interest or a potential conflict of interest in a matter, unless the other director's resolve otherwise, the director will not be permitted to be present during discussions or to vote on the matter.

Directors' independence

The experience, qualifications and term of office of directors are set out in the Directors' Report. The Board comprises three directors none of which are considered independent under ASX guidelines. Having regard to the share ownership structure of the Company, it is considered appropriate by the Board that a major shareholder may be represented on the Board and if nominated, hold the position of Chairman. Such appointment would not be deemed to be independent under ASX guidelines. The Chairman is expected to bring independent thought and judgement to his role in all circumstances. Where matters arise in which there is a perceived conflict of interest, the Chairman must declare his interest and, unless the other directors resolve otherwise, abstain from any consideration or voting on the relevant matter.

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, subject to the prior written approval of the Chairman, which shall not be unreasonably withheld.

Performance assessment

The Board has adopted a formal process for an annual self-assessment of its collective performance and the performance of individual directors. The Board is required to meet annually with the purpose of reviewing the role of the Board, assessing its performance over the previous 12 months and examining ways in which the Board can better perform its duties. A formal assessment was not undertaken during the current financial year.

Corporate reporting

The Managing Director and Chief Financial Officer equivalent provide a certification to the board on the integrity of the Company's external financial reports. The board does not specifically require an additional certification that the financial statements are founded on a sound system of risk management and that compliance and control systems are operating efficiently and effectively. The board considers that risk management and internal compliance and control systems are sufficiently robust for the board to place reliance on the integrity of the financial statements without the need for an additional certification by management.

The Company has established policies for the oversight and management of material business risk.

Board Committees

Whilst at all times the board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it may make use of committees. To this end the board may establish the following committees:

- Audit committee;
- Nomination committee; and
- Remuneration committee.

At present the board has deemed the Company's current size and complexity of its operations does not sufficiently warrant the establishment of the above-mentioned committees; however the board will continually re-evaluate this position as necessary. If or when these committees are established, each will have its own written charter. Matters determined by the committees will be submitted to the full board as recommendations for board consideration.

If or when an audit committee is established, the committee will oversee accounting and reporting practices and will also be responsible for:

- Co-ordination and appraisal of the quality of the audits conducted by the Company's external auditors;
- Assessment of whether non-audit services have the potential to impair the independence of the external auditor;
- Reviewing the adequacy of the reporting and accounting controls of the Company.

If or when a remuneration committee is established, the remuneration committee will review all remuneration policies and practices for the Company, including overall strategies in relation to executive remuneration policies and compensation arrangements for the Managing Director and non-executive directors, as well as all equity based remuneration policies.

Additional ASX information

Details of the Company's current remuneration policies are set out in the Remuneration Report section of the Directors' Report and the Company's Corporate Governance Framework posted on the Company's website. The remuneration policy states that executive directors may participate in share option schemes with the prior approval of shareholders. Executives may also participate in employee share option schemes, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders. The board however, considers it appropriate to retain the flexibility to issue options to executives outside of approved employee option plans in appropriate circumstances.

The responsibility for the selection of potential directors and to review membership lies with the full board of the Company and consequently no separate nomination committee has been established. In circumstances where the size of the board is expanded as a result of the growth or complexity of the Company, the requirement for a separate nomination committee will be reviewed.

External Auditors

The performance of the external auditor is reviewed annually. BDO Audit (WA) Pty Ltd was appointed as the external auditors in 2006. It is both the Company's and BDO Audit (WA) Pty Ltd.'s policy to rotate audit engagement partners at least every five years and the review partner every five years.

The external auditors provide an annual declaration of their independence to the board. The external auditor is requested to attend annual general meetings and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Code of Conduct

A formal Code of Conduct of the Company applies to all directors and employees. The code aims to encourage the appropriate standards of conduct and behaviour of the directors, officers, employees and contractors of the Company. All personnel are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Continuous Disclosure and Shareholder Communications

The Company has a formal written policy for the continuous disclosure of any price sensitive information concerning the Company. The board has also adopted a formal written policy covering arrangements to promote communications with shareholders and to encourage effective participation at general meetings.

The Managing Director and Company Secretary have been nominated as the Company's primary disclosure officers. All information released to the ASX is posted on the Company's website immediately after it is disclosed to the ASX. When analysts are briefed on aspects on the Company's operations, the material used in the presentation is released to the ASX and posted on the Company's website. All shareholders receive a copy of the Company's Annual Report. In addition, the Company makes all market announcements, media briefings, details of shareholders meetings, press releases and financial reports available on the Company's web-site.

Share trading policy

The Company has established a share trading policy which governs the trading in the Company's shares and applies to all directors and employees of the Company.

Under the share trading policy directors or employees must not trade in any securities of the Company at any time when they are in possession of unpublished, price sensitive information in relation to those securities.

No acquisitions or sale of Company securities may be made during closed periods i.e. the time from the end of the quarter up until a reasonable amount of time has elapsed since the release of the quarterly cash flow and activities reports, nor prior to any anticipated announcement to the ASX or after a reasonable amount of time has elapsed after the announcement. For directors and key management personnel and those employees reporting directly to the Managing Director, trading of securities outside the trading windows can only occur with the approval of the Company Secretary, Managing Director, Chairman or Board of Directors.

As required by the ASX rules, the Company notifies the ASX of any transaction in the securities of the Company conducted by directors.

Shareholder information

Information relating to shareholders at 11 September 2014

Distribution of shareholders

Range	No. of Holders	No. Ord	
		Shares	%
1 - 1,000	42	13,396	0.02
1,001 - 5,000	126	396,746	0.30
5,001 - 10,000	123	1,073,949	0.80
10,001 - 100,000	403	16,409,564	12.39
100,001 - 9,999,999,999	161	114,592,314	86.49
Total		132,485,969	100.00

Twenty largest shareholders

		No. Ord Shares	%%
1.	POINT NOMINEES PTY LTD	15,422,890	11.64
2.	HAMPTON HILL MINING NL	12,655,000	9.55
3.	ARIKI INVESTMENTS PTY LIMITED	7,192,211	5.43
4.	MR ROBERT MACLAINE TYSON	4,550,000	3.43
5.	CATHOLIC CHURCH INSURANCE LIMITED	3,715,000	2.80
6.	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,111,915	2.35
7.	WYTHENSHAW PTY LTD	2,749,790	2.08
8.	MR MICHAEL HSIAU YUN LAN	2,624,044	1.98
9.	OZ INVESTMENTS PTY LTD	2,500,000	1.89
10.	MR SIMON HADFIELD + MRS FIONA HADFIELD	2,195,560	1.66
11.	MR RICHARD JOHN DUNN	2,061,318	1.56
12.	MR JONATHON TYSON + MR CHRIS TYSON + MR ROBERT TYSON TITAN FUNDS S/F A/C>	2,030,000	1.53
13.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,000,000	1.51
14.	PERTH CAPITAL PTY LTD	2,000,000	1.51
15.	MR HUGH BROWN + MRS TANYA BROWN	1,555,887	1.17
16.	CITICORP NOMINEES PTY LIMITED	1,390,000	1.05
17.	NALMOR PTY LTD	1,300,000	0.98
18.	MR SIMON HADFIELD	1,250,000	0.94
19.	JOHN WARDMAN & ASSOCIATES PTY LTD	1,200,000	0.91
20.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,089,478	0.82
		72,593,092	54.79

Substantial shareholders

		No. Ord Shares	%
1	Point Nominees Pty Ltd	15,422,890	11.64
2	Hampton Hill Mining NL	12,655,000	9.55
3	Ariki Investments Pty Limited	7,192,211	5.43
4	Mr Roboert Tyson	7,080,000	5.34

At the prevailing market price of \$0.09 per share there were 168 shareholders with less than a marketable parcel of shares at 11 September 2014.

At 11 September 2014 there were 855 holders of ordinary shares in the Company.

Shareholder information

At the date of this report there were no shares or options restricted by the ASX.

Unquoted securities

At the date of this report the Company had 2,780,000 unlisted share options on issue.

Voting Rights

The voting rights attaching to the ordinary shares, set out in Clause 12.11 of the Company's Constitution are:

"Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at meetings of Shareholders or classes of Shareholders:

1. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
2. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote; and
3. on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited)"

Corporate Governance Statement

ASX Best Practice Recommendations

The table below identifies the ASX Best Practice Recommendations and whether or not the Company has complied with the recommendations during the reporting period:

Principle	Action taken and reasons if not adopted
<i>Principle 1: Lay solid foundation for management and oversight</i>	
1.1 Formalise and disclose the functions reserved to the Board and those delegated to management.	1.1 Adopted
1.2 Disclose the process for evaluating the performance of senior executives.	1.2 Adopted
1.3 Provide the information indicated in the Guide to reporting on Principle 1.	1.3 During the reporting period an evaluation of the performance of senior executives was undertaken in line with the Company's evaluation practices contained in its Corporate Governance Framework.
<i>Principle 2: Structure the Board to add value</i>	
2.1 A majority of the Board should be independent.	2.1 The Board comprises three directors, none of whom is considered independent.
2.2 The chairperson should be an independent director.	2.2 The chairperson is not considered independent
2.3 The roles of Chairperson and chief executive officer should not be exercised by the same individual.	2.3 Adopted
2.4 The Board should establish a Nomination Committee. The Nomination Committee should be structured so that it: • consists of a majority of independent Directors; • is chaired by an independent Director; and • has at least three members.	2.4 The Board has formed the view that due to the size of the Board a separate Nomination Committee is not warranted. Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board.
2.5 Disclose the process for evaluating the performance of the Board, its committees and individual directors.	2.5 Adopted
2.6 Provide the information indicated in Guide to reporting on Principle 2.	2.6 The board seeks to ensure that the composition of the board is adequate to properly manage the Company's business operations. This includes, where possible, having a diverse range of the skills necessary to enhance the performance of the board and Company. The board will always comprise at least one member with relevant mining industry experience and one member

Shareholder information

		with relevant finance and accounting experience. As the Company has not established a Nominations Committee the full board is responsible for discharging the responsibilities established in the Company's Nominations Committee Charter. A performance evaluation for the board and directors has not taken place in the reporting period. Where a new director is required to be appointed the board may use external consultants to assist in sourcing suitably qualified and experience individuals that possess the relevant skills deemed necessary to enhance the performance of the board and Company.												
Principle 3: Promote ethical and responsible decision making														
3.1	Establish a Code of Conduct and disclose the Code or a summary of the Code as to: - the practices necessary to maintain confidence in the Company's integrity. - the practices necessary to take into account their legal obligations and reasonable expectations of their stakeholders. - The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	3.1 Adopted												
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measureable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	3.2 Due to the current size of the Company's workforce (approx. 6 fulltime equivalent employees) the Board do not believe that a formal policy on diversity is warranted at present.												
3.3	Disclose in each annual report the measureable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	3.3 the Company has not yet established measurable objectives for achieving gender diversity for the reasons outlined at 3.2 above.												
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	3.4 At the reporting date the proportion of women employed in the organisation are as follows: <table> <tr> <th></th><th>Men</th><th>Women</th></tr> <tr> <td>board</td><td>3</td><td>0</td></tr> <tr> <td>executives</td><td>2</td><td>0</td></tr> <tr> <td>organisation</td><td>9</td><td>2</td></tr> </table>		Men	Women	board	3	0	executives	2	0	organisation	9	2
	Men	Women												
board	3	0												
executives	2	0												
organisation	9	2												
3.5	Provide the information indicated in Guide to Reporting on Principle 3.	3.5 Adopted												

Shareholder information

Principle 4: Safeguard integrity in financial reporting	
4.1 The Board should establish an Audit Committee.	4.1 The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an Audit Committee. The board continues to monitor the business' operations in order to ensure that factors affecting this decision have not changed.
4.2 Structure the Audit Committee so that it consists of: - Only Non-Executive Directors - A majority of independent Directors - An independent Chairperson who is not the Chairperson of the Board - At least three members.	4.2 (see point 4.1 above)
4.3 The Audit Committee should have a formal operating charter.	4.3 Adopted
4.4 Provide the information indicated in Guide to reporting on Principle 4.	4.4 Adopted
Principle 5: Make timely and balanced disclosure	
5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	5.1 Adopted.
5.2 Provide the information indicated in the Guide to reporting on Principle 5.	5.2 Adopted
Principle 6: Respect the rights of shareholders	
6.1 Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	6.1 Adopted
6.2 Provide the information indicated in Guide to reporting on Principle 6.	6.2 Adopted
Principle 7: Recognize and manage risk	
7.1 Establish and disclose policies for the oversight and management of material business risks.	7.1 Adopted
7.2 The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively.	7.2 Adopted
7.3 The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	7.3 The board has received assurance from chief executive officer and chief financial officer equivalent in accordance with section 295A of the Corporations Act.

Shareholder information

Principle 8: Encourage enhanced performance	
8.1 The Board should establish a Remuneration Committee.	8.1 The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a separate Remuneration Committee. At present the Board as a whole is responsible for the remuneration arrangements for directors and executives of the Company.
8.2 The Remuneration Committee should be structured so that it: • consists of a majority of independent Directors; • is chaired by an independent Director; and • has at least three members.	8.2 refer 8.1 above
8.3 Clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives.	8.3 Adopted
8.4 Provide the information indicated in Guide to reporting on Principle 8.	8.4 Adopted