

SOUTHERN NIGHTS RETURNS FURTHER HIGH-GRADE INTERCEPTS; RAB DRILLING EXTENDS PROSPECTIVE STRIKE TO ~2.7KM

- New important zinc-lead-silver intercepts returned, with assay results including:
 - 8m @ 15.26% Zn, 7.44% Pb, 177 g/t Ag, 0.97 g/t Au from 195m in WTRCDD043; further assays pending
- WTRCDD033 diamond tail returns spectacular zinc-lead-silver intercept from ~218m to ~245m downhole; assays pending
- RAB drilling extends strike of lead-zinc anomalism to ~2.7km strike open in all directions
- Expanded drilling programme to resume early January 2018

Peel Mining (ASX:PEX) (“Peel” or the “Company”) is pleased to report that its 100%-owned Wagga Tank-Southern Nights project, south of Cobar in western New South Wales, continues to demonstrate the potential to develop into a major mineral system, with further high-grade zinc-lead-silver intercepts returned from the Southern Nights prospect and RAB drilling extending the strike length of lead-zinc geochemical anomalism in the project area to ~2.7km (open in all directions).

While most assays from the most recent round of drilling are yet to be received, an intercept of 8m at 15.26% Zn, 7.44% Pb, 177 g/t Ag and 0.97 g/t Au from 195m was returned from hole WTRCDD043, providing further compelling evidence of the high-grade tenor of mineralisation at Southern Nights. Furthermore, a diamond tail extension to hole WTRCDD033 intersected spectacular massive sphalerite-galena-pyrite sulphide mineralisation, similar to that encountered in WTRCDD035, from ~218m to ~245m downhole. Assays from this hole are expected early in the New Year.

Figure 1: Southern Nights drill area – 1 x RC rig (nearest), 2 x diamond rigs



Southern Nights Discovery

Southern Nights, located ~1km south of the high-grade (Zn-Pb-Ag-Au-Cu) Wagga Tank deposit, was identified in September this year by drillhole WTRCDD021 (456.6m) as hosting significant Wagga Tank-style mineralisation. Follow-up drilling undertaken since mid-October has focused on testing the strike and depth potential of mineralisation. As of 17 December, 36 RC drillholes (for 8,050m), 10 RC/diamond drillholes (for 3,653.2m), and 103 RAB drillholes (for 8,637m) had been completed as part of this program. At least 17 RC drillholes require diamond tails.

An expanded drilling programme at Southern Nights has been underway since late November, with two diamond rigs, one RC rig and one RAB rig. Recent work has been designed to target the contact between the Wagga Tank and Vivigani stratigraphic units, where significant Zn-Pb-Ag-Au mineralisation is known to occur. The bulk of recent RC and diamond drilling has been focused at the main Southern Nights area where high-grade mineralisation has been identified over ~300m strike. RAB drilling has been designed to test for geochemical anomalism and to attempt to locate the contact between the Wagga Tank and Vivigani stratigraphic units. Encouragingly, RAB drilling has extended the strike of lead-zinc anomalism to ~2.7km strike, and open.

The geometry, and hence true widths, of mineralisation at Southern Nights is still uncertain, with recent results indicating a sub-vertical mineralised system, with a likely steep westerly dip. This would imply true widths of between approximately 35-50% of the downhole intervals reported for all west-oriented (270 degree collar azimuth) drillholes, and between 70-90% for east-oriented (085/090 degree collar azimuth) drillholes. Significant assay results received from Southern Nights to date is shown below, with new results highlighted in yellow.

Table 1 - Southern Nights Latest Significant Assay Results

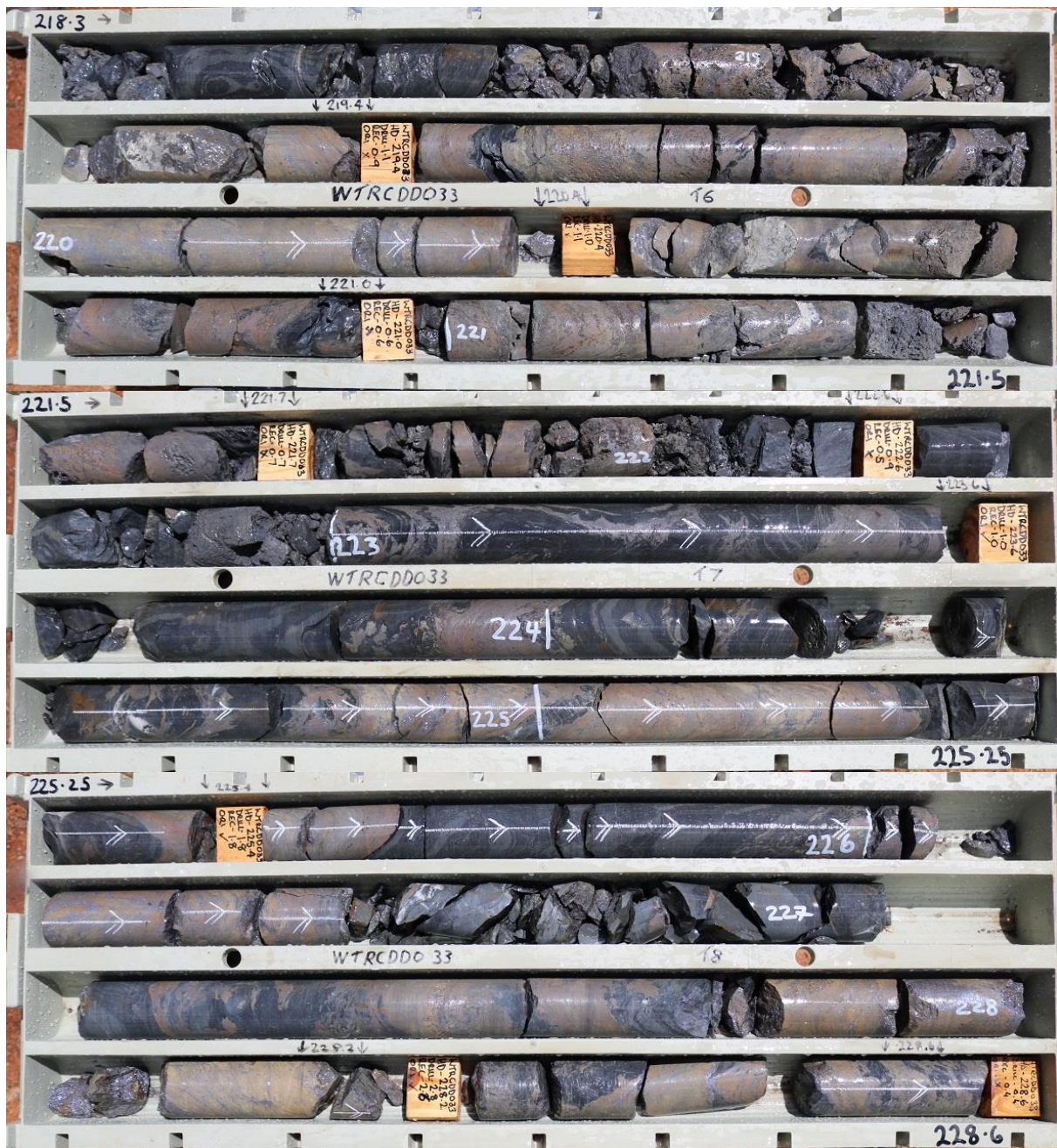
Hole ID	From (m)	To (m)	Width (m)	Zn %	Pb %	Ag (g/t)	Au (g/t)
WTRCDD042	177	187*	10	2.83	0.96	9	0.20
WTRCDD043	195	203*	8	15.26	7.44	177	0.97
WTRC045	174	185	11	1.80	0.58	24	0.12
WTRC046	142	162	20	2.88	1.39	6	-
and	167	172	5	2.95	1.17	8	-
and	192	204	12	4.48	1.88	20	-
including	193	200	7	6.34	2.70	24	-
WTRC047	111	195	84	2.03	0.73	20	-
including	185	192	7	6.34	1.51	119	-
WTRC048	194	250	56	1.44	0.49	6	-
WTRC049	182	211*	29	2.17	0.55	7	0.08
WTRC050	146	182	36	1.15	0.53	34	-
WTRC051	180	196	16	0.93	0.32	30	-
WTRC052	168	181	13	3.13	1.08	38	0.07
including	168	172	4	6.57	2.09	75	0.13
WTRC053	159	166	7	2.38	0.64	44	0.1

* = end-of-hole or pre-collar

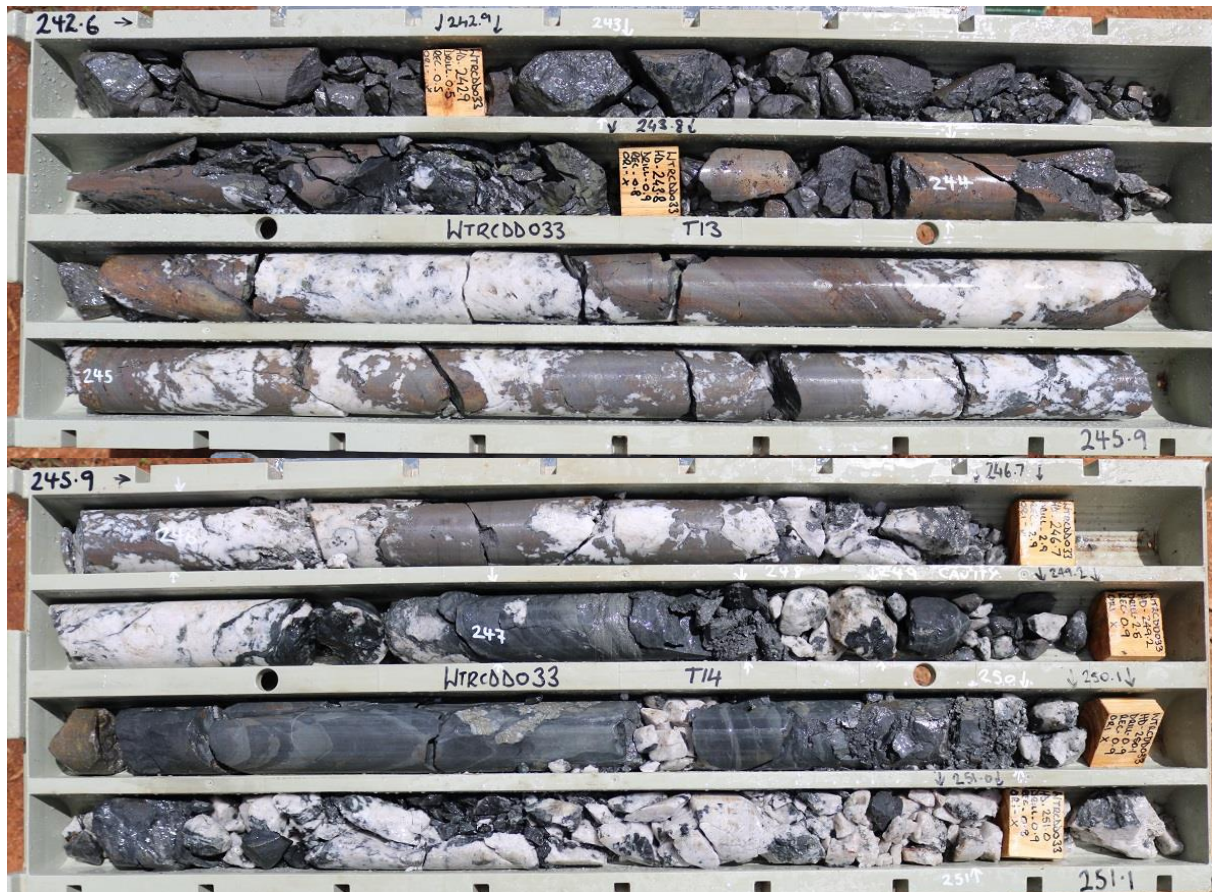
RC and Diamond Drilling Summary

A summary of follow-up drilling completed since last announcement is included below:

WTRCDD033 (501.4m) was collared 270 azi and was extended with a 301.4m diamond tail following ending in mineralisation as an RC drillhole. WTRCDD033 returned 74m @ 3.35% Zn, 1.07% Pb, 23 g/t Ag, 0.23 g/t Au from 123m (including 7m @ 10.50% Zn, 2.22% Pb, 15 g/t Ag, 0.61 g/t Au from 189m) in the RC portion of the drillhole. The diamond tail intersected spectacular massive sphalerite-galena-pyrite sulphide mineralisation from ~218m to ~245m downhole. Logging and portable XRF analysis indicates very high-grade Zn-Pb-Ag mineralisation to be present. The diamond tail was continued past this mineralisation to test a geophysical target at depth, however no further mineralisation was returned. The images below show the mineralised zone:







WTRDDC035 (255.4m) was collared 270 azi and was designed to test along strike of WTRC033. As previously reported, WTRC035 intersected a broad zone of strongly anomalous Zn-Pb-As-Ag-Cu from ~40m below surface through to end-of-hole (216m). The drillhole intercepted several strong zones of mineralisation including: 18m @ 3.45% Zn, 1.11% Pb, 38 g/t Ag from 127m and 26m @ 25.45% Zn, 9.92% Pb, 215 g/t Ag, 1.19 g/t Au from 190m. The drillhole was extended with a 39.4m diamond tail, however no further mineralisation was intersected.

WTRCDD042 (261.3m) was collared 090 azi and was designed to scissor towards WTRC033. WTRC042 intersected 10m @ 2.83% Zn, 0.96% Pb, 9 g/t Ag, 0.2 g/t Au from 177m. The drillhole was extended with a 74.3m diamond tail, however only minor mineralisation was intersected.

WTRCDD043 (399.2m) was collared 090 azi and was designed to scissor towards WTRC035. WTRCDD043 intersected 8m @ 15.26% Zn, 7.44% Pb, 177 g/t Ag, 0.97 g/t Au from 195m downhole. The drillhole was extended with a 196.2m diamond tail. The drillhole remains to be fully processed.

WTRC054 (217m) was collared 090 azi and was designed to scissor towards WTRC037. WTRC054 intersected a broad zone of anomalous to weak Zn-Pb-As mineralisation from ~134m to ~215m downhole. Assays remain pending.

WTRC055 (186m) was collared 090 azi and was designed to scissor towards WTRC046. WTRC055 intersected a broad zone of anomalous to weak Zn-Pb-As mineralisation from ~132m to ~185m downhole. Assays remain pending.

WTRC056 (240m) was collared 090 azi and was designed to test for northerly strike extensions to mineralisation found in WTRC046. WTRC056 intersected a zone of anomalous Zn-Pb-As mineralisation from ~80m to ~180m downhole. Assays remain pending.

WTRC057 (210m) was collared 090 azi and was designed to test downdip of anomalous Zn-Pb returned from RAB drilling in the area between Wagga Tank and Southern Nights. WTRC057 intersected a zone of anomalous to weak Zn-Pb-As-Ag mineralisation from ~155m to ~186m downhole. Assays remain pending. A diamond tail is planned.

WTRC058 (162m) was collared 090 azi and was designed to test downdip of anomalous Zn-Pb in WTRC056. WTRC058 intersected a zone of anomalous Zn-Pb-As-Ag mineralisation from ~151m to ~162m end of hole. Assays remain pending. A diamond tail is planned.

WTRCDD059 (300.5m) was collared 090 azi and was designed to test downdip of WTRC055. WTRC059 intersected a zone of anomalous to weak Zn-Pb-As mineralisation from ~202m to end of RC pre-collar. An 84.5m diamond tail was recently completed however remains to be fully processed and assays remain pending.

WTRCDD060 (363.3m) was collared 090 azi and was designed to test downdip of WTRC037. WTRC060 intersected a zone of moderate Zn-Pb-As-Ag mineralisation from ~210m to end of RC pre-collar. A 145.3m diamond tail was recently completed however remains to be fully processed and assays remain pending.

WTRC061 (244m) was collared 090 azi and was designed to test downdip of WTRC033. WTRC061 intersected a zone of weak to strong Zn-Pb-As-Ag mineralisation from ~234m to end of hole (244m). Assays remain pending. A diamond tail is planned.

WTRCDD062 (299.2m) was collared 090 azi and was designed to scissor towards WTRC035. WTRC062 intersected a zone of strong Zn-Pb-As-Ag mineralisation from ~215m to end of RC pre-collar (223m). A 76.2m diamond tail was recently completed however remains to be fully processed and assays remain pending.

WTRC063 (223m) was collared 090 azi and was designed to scissor towards WTRC038. WTRC063 intersected a zone of variable Zn-Pb-As-Ag mineralisation from ~180m to end of hole (223m) including a strong zone of mineralisation from ~181m to ~188m. Assays remain pending. A diamond tail is planned.

WTRC064 (187m) was collared 090 azi and was designed to scissor towards WTRC039. WTRC064 intersected a zone of variable Zn-Pb-Ag-As mineralisation from ~181m to end of hole (187m). Assays remain pending. A diamond tail is planned.

WTRC065 (271m) was collared 090 azi and was designed to scissor towards WTRC045. WTRC065 intersected a zone of variable Zn-Pb-As-Ag mineralisation from ~214m to end of hole (271m) including a moderate zone of mineralisation from ~214m to ~230m. Assays remain pending. A diamond tail is planned.

WTRC066 (277m) was collared 090 azi and was designed to scissor towards WTRC047. WTRC066 intersected a zone of variable Zn-Pb-As-Ag mineralisation from ~192m to end of hole (277m) including a moderate to strong zone of mineralisation from ~192m to ~203m. Assays remain pending.

WTRC067 (235m) was collared 090 azi and was designed to test downdip of WTRC057. WTRC067 intersected a zone of weak Zn-Pb-As-Ag mineralisation from ~225m to ~232m. Assays remain pending. A diamond tail is planned.

WTRC068 (204m) was collared 090 azi and was designed as a pre-collar to test downdip of WTRC063. A diamond tail is planned.

WTRC069 (204m) was collared 090 azi and was designed as a pre-collar to test downdip of WTRC064. A diamond tail is planned.

WTRCDD070 (397.1m) was collared 090 azi and was designed to test downdip of WTRC037. The drillhole was extended with a 193.1m diamond tail. The drillhole remains to be fully processed.

WTRCDD071 (494.5m) was collared 090 azi and was designed to test downdip of WTRC035. The drillhole was extended with a 254.5m diamond tail. The drillhole remains to be fully processed.

WTRC072 (179m) was collared 090 azi and was designed to test downdip of anomalous Zn-Pb returned from RAB drilling in the area between Wagga Tank and Southern Nights. WTRC072 intersected a weak zone of Zn-Pb-As-Ag mineralisation from ~132m to ~143m downhole. Assays remain pending.

WTRC073 (218m) was collared 090 azi and was designed to test downdip of anomalous Zn-Pb returned from RAB drilling in the area between Wagga Tank and Southern Nights. WTRC073 intersected a weak zone of Zn-Pb-As-Ag mineralisation from ~134m to ~146m downhole. Assays remain pending.

WTRC074 (235m) was collared 090 azi and was designed to test downdip of WTRC046. WTRC074 intersected a zone of weak Zn-Pb-As-Ag mineralisation from ~224m to end of hole (235m). A diamond tail is planned.

WTRC075 (211m) was collared 090 azi and was designed as a pre-collar to test downdip of WTRCDD043. A diamond tail is planned.

WTRC076 (181m) was collared 090 azi and was designed as a pre-collar to test downdip of WTRC057. WTRC076 intersected a zone of weak Zn-Pb-As-Ag mineralisation from ~173m to end of hole (181m). Assays remain pending. A diamond tail is planned.

Next Steps

RC and diamond drilling at Wagga Tank-Southern Nights is paused at the time of reporting with up to 15,000m of RC/diamond drilling, and up to 10,000m of RAB drilling planned over the coming months. Drilling will be designed to continue to test for strike and dip extensions. A portion of drilling will be dedicated to testing nearby prospects including the Fenceline prospect located ~4km east of Wagga Tank where extensional IP geophysical surveys have recently been completed.

Previous Results

Previous results referred to herein have been extracted from previously released ASX announcements, most recently including “Drilling Success Continues at Wagga Tank and Wirlong”; “Exceptional Zinc-Rich Discovery at Wagga Tank”; “High-Grade Discovery Confirmed” and “New High-Grade Zinc Intercepts Expand Southern Nights” published on 7th September 2017; 19th and 30th October 2017, and 13th November 2017 respectively. Previous reports are available to view on www.peelmining.com.au and www.asx.com.au. Additional information regarding Wagga Tank is available in the Company’s quarterly reports from September 2016 through to September 2017. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Table 2 - Southern Nights Previously Released Significant Assay Results

Hole ID	From (m)	To (m)	Width (m)	Zn %	Pb %	Ag (g/t)	Au (g/t)
WTRC031	100	145	45	0.87	0.41	27	-
and	180	185*	5	2.23	0.51	28	0.12
WTRCDD033	108	200*	92	2.81	0.98	19	0.20
Including	139	197	58	3.88	1.19	28	0.28
including	188	197	9	8.84	2.07	14	0.58
WTRCDD035	127	145	18	3.45	1.11	38	0.05
and	190	216*	26	25.45	9.92	215	1.19
including	194	215	21	31.02	12.05	258	1.43
WTRC037	118	127	9	1.26	0.30	42	0.30
and	148	158	10	16.28	11.17	387	0.63
including	149	155	6	26.18	18.00	608	0.98
WTRC038	147	154	7	4.22	1.33	21	0.07
and	190	192	2	5.40	4.98	92	0.27
WTRC039	161	183	22	8.48	3.06	115	0.24
including	174	182	8	16.21	6.18	248	0.28

* = end-of-hole or pre-collar

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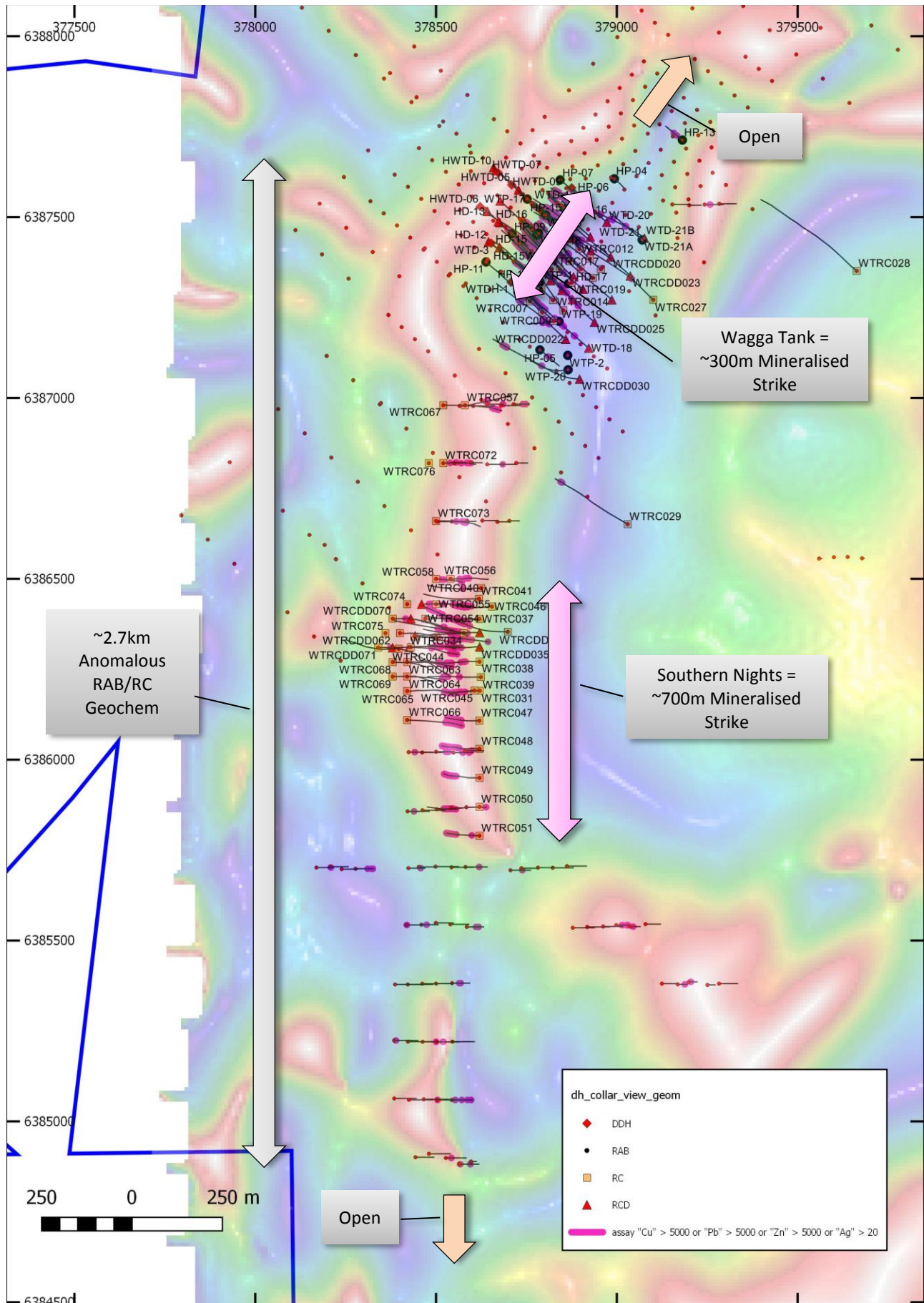
Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Rob Tyson who is a fulltime employee of the company. Mr Tyson is a member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Tyson consents to the inclusion in this report of the matters based on information in the form and context in which it appears. Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures.

Table 3 – Southern Nights Drill Collars

Hole ID	Northing	Easting	Dip	Azi (grid)	Max Depth (m)
WTRC031	6386191	378621	-60	270	185
WTRC034	6386350	378577	-60	270	199
WTRC036	6386339	378501	-60	85	265
WTRC037	6386389	378620	-60	270	259
WTRC038	6386271	378620	-60	270	289
WTRC039	6386228	378624	-60	270	259
WTRC040	6386474	378625	-60	270	253
WTRC041	6386445	378619	-60	270	253
WTRC044	6386307	378397	-60	270	253
WTRC045	6386191	378606	-60	270	228
WTRC046	6386423	378654	-60	270	211
WTRC047	6386108	378620	-60	270	205
WTRC048	6386030	378620	-60	270	253
WTRC049	6385950	378620	-60	270	211
WTRC050	6385870	378620	-60	270	265
WTRC051	6385790	378620	-60	270	204
WTRC052	6386311	378430	-50	90	199
WTRC053	6386341	378442	-50	90	175
WTRC054	6386390	378470	-50	90	217
WTRC055	6386430	378500	-55	90	186
WTRC056	6386500	378540	-60	90	240
WTRC057	6386980	378580	-60	90	210
WTRC058	6386500	378500	-60	90	162
WTRC061	6386350	378400	-60	90	244
WTRC063	6386270	378420	-60	90	223
WTRC064	6386230	378420	-60	90	187
WTRC065	6386190	378420	-60	90	271
WTRC066	6386110	378420	-60	90	277
WTRC067	6386980	378520	-60	90	235
WTRC068	6386270	378380	-60	90	204
WTRC069	6386230	378380	-60	90	204
WTRC072	6386820	378520	-60	90	179
WTRC073	6386660	378500	-60	90	218
WTRC074	6386430	378420	-60	90	235
WTRC075	6386350	378360	-60	90	211
WTRC076	6386820	378480	-60	90	181
WTRCDD021	6386354	378698	-60	270	456.6
WTRCDD033	6386352	378620	-60	270	501.4
WTRCDD035	6386312	378620	-60	270	255.4
WTRCDD042	6386343	378442	-60	85	261.3
WTRCDD043	6386311	378425	-60	85	399.2
WTRCDD059	6386430	378460	-60	90	300.5
WTRCDD060	6386390	378430	-60	90	363.3
WTRCDD062	6386310	378380	-60	90	299.2
WTRCDD070	6386390	378380	-60	90	397.1
WTRCDD071	6386310	378340	-60	90	494.5

Figure 1 – Wagga Tank/Southern Nights Plan (Zn/Pb Histogram/1VD Magnetics)



Wagga Tank Background

Wagga Tank is located ~130 km south of Cobar on the western edge of the Cobar Superbasin. The deposit is positioned at the western-most exposure of the Mt. Keenan Volcanics (Mt. Hope Group) where it is conformably overlain by a poorly outcropping, distal turbidite sequence of carbonaceous slate and siltstone. Mineralisation is hosted in a sequence of rhyodacitic volcanic and associated volcanoclastic rocks comprising polymictic conglomerate, sandstone, slate, crystal-lithic tuff and crystal tuff. Mineralisation straddles the contact between the volcanoclastic facies and the siltstone-slate facies where there is a broad zone of intense tectonic brecciation and hydrothermal alteration (sericite-chlorite with local silicification). Mineralisation is believed to sub-vertical in nature.

Mineralisation comprises a near surface oxide gold zone, a possible supergene-enriched copper-gold-silver zone, and a primary zinc-lead-silver -rich massive sulphide zone starting at the base of oxidation (~120m below surface). Historic drilling comprised 20 percussion drillholes and 22 diamond drillholes (some completed as percussion pre-collar/diamond tail combinations). All drillholes intersected mineralisation to some degree, with 24 intercepting significant values including:

- 32m @ 3.00 g/t Au, 24 g/t Ag from 10m
- 20m @ 3.11 g/t Au, 63 g/t Ag from 28m
- 30m @ 1.93 g/t Au 24 g/t Ag from 8m
- 25.9m @ 8.74% Zn, 3.39% Pb, 82 g/t Ag from 141.6m
- 15.7m @ 10.39% Zn, 4.43% Pb, 69 g/t Ag from 215.6m
- 18.15m @ 5.86% Zn, 3.00% Pb, 32 g/t Ag, 1.01 g/t Au from 222.85m
- 24m @ 2.73% Cu, 0.56 g/t Au, 13 g/t Ag from 86m
- 20.3m @ 2.17% Cu, 0.76 g/t Au, 9 g/t Ag from 184.4m
- 13.55m @ 4.6% Cu, 1.14 g/t Au, 470 g/t Ag from 119.75m

In 2016, Peel acquired 100% of the Wagga Tank licences in a non-dilutive acquisition for \$40k and 2% NSR. No significant exploration including drilling has occurred since 1989. In late 2016, Peel commenced a maiden 18-drillhole programme designed to confirm historic drill data; highlights have included:

- 27m @ 10.00% Zn, 6.41% Pb, 89 g/t Ag, 0.42 g/t Au, 0.21% Cu from 240m
- 17m @ 2.65 g/t Au, 0.54% Cu, 11 g/t Ag from 211m (eoh)
- 16m @ 3.27 g/t Au, 0.35% Cu, 1.1% Zn, 0.57% Pb, 12 g/t Ag from 226m
- 13m @ 3.34 g/t Au, 0.83% Cu, 0.77% Zn, 0.28% Pb, 20 g/t Ag from 299m
- 15m @ 8.5% Zn, 4.11% Pb, 114 g/t Ag, 1.57 g/t Au, 0.3% Cu from 280m
- 12m @ 3.09% Cu, 97 g/t Ag, 1.36 g/t Au from 92m
- 8m @ 8.54% Zn, 6.20% Pb, 134 g/t Ag, 1.45% Cu from 173m
- 25m @ 1.07% Cu, 8 g/t Ag, 0.27 g/t Au from 208m
- 33m @ 1.01% Cu, 0.27 g/t Au from 120m
- 5m @ 6.60% Zn, 2.30% Pb, 55 g/t Ag, 0.40% Cu, 0.34 g/t Au from 295m
- 7m @ 3.15 g/t Au, 1.1% Cu from 78m
- 11m @ 7.15% Zn, 2.31% Pb, 58 g/t Ag from 396m
- 6m @ 8.52% Zn, 2.97% Pb, 12 g/t Ag from 282m
- 6m @ 1.50% Cu from 92m

For further information, please see Peel's ASX quarterly reports commencing September 2016 through to September 2017.

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- Diamond and reverse circulation (RC) drilling were used to obtain samples for geological logging and assaying. - Diamond core was cut and sampled at 1m intervals. RC drill holes were sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of 2-4kg to ensure sample representivity. - Multi-element readings were taken of the diamond core and RC drill chips using an Olympus Delta Innov-X portable XRF machine or an Olympus Vanta portable XRF machine. Portable XRF machines are routinely serviced, calibrated and checked against blanks/standards.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Drilling to date has been a combination of diamond, reverse circulation and rotary air blast. Reverse circulation drilling utilised a 5 1/2 inch diameter hammer. A blade bit was predominantly used for RAB drilling. NQ and HQ coring was used for diamond drilling.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- Core recoveries are recorded by the drillers in the field at the time of drilling and checked by a geologist or technician - RC and RAB samples are not weighed on a regular basis due to the exploration nature of drilling but no significant sample recovery issues have been encountered in a drilling program to date. - Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking and depths are checked against the depths recorded on core blocks. Rod counts are routinely undertaken by drillers. - When poor sample recovery is encountered during drilling, the geologist and driller have endeavoured to rectify the problem to ensure maximum sample recovery. - Sample recoveries at Wirlong and Mallee Bull to date have generally been high. - Sample recoveries at Wagga Tank have been variable with broken ground occurring in places and poorer sample recoveries encountered. Insufficient data

Criteria	JORC Code explanation	Commentary
		is available at present to determine if a relationship exists between recovery and grade. This will be assessed once a statistically valid amount of data is available to make a determination. Sample recoveries at Southern Nights have been generally high to date.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- All core and drill chip samples are geologically logged. Core samples are orientated and logged for geotechnical information. Drill chip samples are logged at 1m intervals from surface to the bottom of each individual hole to a level that will support appropriate future Mineral Resource studies. - Logging of diamond core, RC and RAB samples records lithology, mineralogy, mineralisation, structure (DDH only), weathering, colour and other features of the samples. Core is photographed as both wet and dry. - All diamond, RC drill holes in the current program were geologically logged in full except at Wagga Tank where logging is still underway.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- Drill core was cut with a core saw and half core taken. - The RC drilling rigs were equipped with an in-built cyclone and splitting system, which provided one bulk sample of approximately 20kg and a sub-sample of 2-4kg per metre drilled. - All samples were split using the system described above to maximise and maintain consistent representivity. The majority of samples were dry. - Bulk samples were placed in green plastic bags, with the sub-samples collected placed in calico sample bags - Field duplicates were collected by re-splitting the bulk samples from large plastic bags. These duplicates were designed for lab checks. - A sample size of 2-4kg was collected and considered appropriate and representative for the grain size and style of mineralisation.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg	ALS Laboratory Services were used for Au and multi-element analysis work carried out on 3m to 6m composite samples and 1m split samples. The laboratory techniques below are for all samples submitted to ALS and are considered appropriate for the style of mineralisation defined at Mallee Bull,

Criteria	JORC Code explanation	Commentary
	<i>standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Cobar Superbasin and Wagga Tank Projects: ○ PUL-23 (Sample preparation code) ○ Au-AA25 Ore Grade Au 30g FA AA Finish, Au-AA26 Ore Grade Au 50g FA AA Finish ○ ME-ICP41 35 element aqua regia ICP-AES, with an appropriate Ore Grade base metal AA finish ○ ME-ICP61 33 element 4 acid digest ICP-AES, with an appropriate Ore Grade base metal AA finish ○ ME-MS61 48 element 4 acid digest ICP-MS and ICP-AES, with an appropriate Ore Grade base metal AA finish • Assaying of samples in the field was by portable XRF instruments: Olympus Delta Innov-X or Olympus Vanta Analysers. Reading time for Innov-X was 20 seconds per reading with a total 3 readings per sample. Reading time for Vanta was 10 & 20 seconds per reading with 2 readings per sample. • The QA/QC data includes standards, duplicates and laboratory checks. Duplicates for drill core are collected by the lab every 30 samples after the core sample is pulverised. Duplicates for percussion drilling are collected directly from the drill rig or the metre sample bag using a half round section of pipe. In-house QA/QC tests are conducted by the lab on each batch of samples with standards supplied by the same companies that supply our own.
Verification of sampling and assaying	• <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i>	• All geological logging and sampling information is completed in spreadsheets, which are then transferred to a database for validation and compilation at the Peel head office. Electronic copies of all information are backed up periodically. • No adjustments of assay data are considered necessary.
Location of data points	• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i>	• A Garmin hand-held GPS is used to define the location of the samples. Standard practice is for the GPS to be left at the site of the collar for a period of 5 minutes to obtain a steady reading. Collars are routinely picked up after by DGPS. Down-hole surveys are conducted by the drill contractors using either a Reflex gyroscopic tool with readings every 10m

Criteria	JORC Code explanation	Commentary
		after drill hole completion or a Reflex electronic multi-shot camera will be used with readings for dip and magnetic azimuth taken every 30m down-hole. QA/QC in the field involves calibration using a test stand. The instrument is positioned with a stainless steel drill rod so as not to affect the magnetic azimuth. Grid system used is MGA 94 (Zone 55). All down-hole magnetic surveys were converted to MGA94 grid.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	- Data/drill hole spacing is variable and appropriate to the geology and historical drilling. 3m to 6m sample compositing has been applied to RC drilling at Mallee Bull for gold and/or multi-element assay.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Most drillholes are planned to intersect the interpreted mineralised structures/lodes as near to a perpendicular angle as possible (subject to access to the preferred collar position).
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	- The chain of custody is managed by the project geologist who places calico sample bags in polyweave sacks. Up to 5 calico sample bags are placed in each sack. Each sack is clearly labelled with: - Peel Mining Ltd - Address of Laboratory - Sample range - Detailed records are kept of all samples that are dispatched, including details of chain of custody.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Data is validated when loading into the database. No formal external audit has been conducted.

Table 1 - Section 2 - Reporting of Exploration Results for Mallee Bull/Cobar Superbasin/Wagga Tank Projects

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	- The Mallee Bull prospect is wholly located within Exploration Licence EL7461 "Gilgunnia". The tenement is subject to a 50:50 Joint Venture with CBH Resources Ltd, a wholly owned subsidiary of Toho Zinc Co Ltd. - The Cobar Superbasin Project comprises of multiple exploration licences that are subject to a farm-in agreement with JOGMEC whereby JOGMEC can earn up to 50%. - The Wagga Tank Project comprises of

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		EL6695, EL7226, EL7484 and EL7581 and are 100%-owned by Peel Mining Ltd, subject to 2% NSR royalty agreement with MMG Ltd. The tenements are in good standing and no known impediments exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- Work at Mallee Bull was completed in the area by several former tenement holders including Triako Resources between 2003 and 2009; it included diamond drilling, IP surveys, geological mapping and reconnaissance geochemical sampling around the historic Four Mile Goldfield area. Prior to Triako Resources, Pasminco Exploration explored the Cobar Basin area for a “Cobar-type” or “Elura-type” zinc-lead-silver or copper-gold-lead-zinc deposit. - Work at Wagga Tank was completed by multiple previous explorers including Newmont, Homestake, Amoco, Cyprus, Arimco, Golden Cross, Pasminco and MMG. Minimal exploration has been completed at the Wagga Tank area since 1989.
Geology	Deposit type, geological setting and style of mineralisation.	- The Mallee Bull prospect area lies within the Cobar-Mt Hope Siluro-Devonian sedimentary and volcanic units. The northern Cobar region consists of predominantly sedimentary units with tuffaceous member, whilst the southern Mt Hope region consists of predominantly felsic volcanic rocks; the Mallee Bull prospect seems to be located in an area of overlap between these two regions. Mineralization at the Mallee Bull discovery features the Cobar-style attributes of short strike lengths (<200m), narrow widths (5-20m) and vertical continuity, and occurs as a shoot-like structure dipping moderately to the west. - Wagga Tank, is believed to be a volcanic-hosted massive sulphide (VHMS) or Cobar-style deposit, and is located ~130 km south of Cobar on the western edge of the Cobar Superbasin. The deposit is positioned at the western-most exposure of the Mt. Keenan Volcanics (Mt. Hope Group) where it is conformably overlain by a poorly-outcropping, distal turbidite sequence of carbonaceous slate and siltstone. Mineralisation is hosted in a sequence of rhyodacitic volcanic and associated volcanoclastic rocks comprising polymictic conglomerate, sandstone, slate, crystal-lithic tuff and crystal tuff. This sequence

Criteria	JORC Code explanation	Commentary
		faces northwest, strikes northeast-southwest and dips range from moderate westerly, to vertical, and locally overturned to the east. Mineralisation straddles the contact between the volcanoclastic facies and the siltstone-slate facies where there is a broad zone of intense tectonic brecciation and hydrothermal alteration (sericite-chlorite with local silicification).
<i>Drill hole Information</i>	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	- All relevant information material to the understanding of exploration results has been included within the body of the announcement or as appendices. - No information has been excluded.
<i>Data aggregation methods</i>	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- No length weighting or top-cuts have been applied. - No metal equivalent values are used for reporting exploration results.
<i>Relationship between mineralisation widths and intercept lengths</i>	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	- True widths are generally estimated to be about 90-100% of the downhole width unless otherwise indicated. - Southern Nights (part of the Wagga Tank project) true widths are unknown at this point due to the early stage nature of investigation.
<i>Diagrams</i>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures in the body of text.
<i>Balanced reporting</i>	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of	All results are reported.

Criteria	JORC Code explanation	Commentary
	<i>Exploration Results.</i>	
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	No other substantive exploration data are available.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	- Future work at Mallee Bull and Cobar Superbasin Project will include geophysical surveying and RC/diamond drilling to further define the extent of mineralisation at the prospects. Down hole electromagnetic (DHEM) surveys will be used to identify potential conductive sources that may be related to mineralisation. - Drilling at Southern Nights/Wagga Tank is continuing and further geophysical surveys are planned.