



ASX ANNOUNCEMENT

3rd AUGUST 2020

Peel Exercises Pre-Emptive Right to Acquire Mallee Bull and Successfully Completes Placement

Key Points:

- **The Company has exercised its pre-emptive right to acquire CBH Resources Limited's 50% share of the Mallee Bull Joint Venture, to take Peel's ownership in the project to 100%, by matching a third party's unconditional cash offer of \$17 million**
- **Placement to institutional, sophisticated and professional investors closed raising \$10.5 million (before costs)**

Peel Mining Limited (ASX:PEX) ("Peel" or the "Company") is pleased to announce the successful completion of a share placement to institutional, sophisticated and professional investors which has raised \$10.5 million (before costs).

As announced on 27 July 2020, the Company is seeking to raise \$17.1 million (before costs), comprising:

- a placement to institutional, sophisticated and professional investors at an issue price of \$0.175 per share to raise \$10.5 million (before costs) ("Placement"); and
- a 1:8 pro-rata non-renounceable entitlement offer at an issue price of \$0.175 per share to raise an additional \$6.6 million (before costs) ("Entitlement Offer").

The Company proposes to use the proceeds of the capital raising, in conjunction with existing cash and liquid investments of ~\$11 million, for the acquisition of the 50% share of the Mallee Bull Joint Venture ("Joint Venture") which is currently held by CBH Resources Limited ("CBH"), the costs of the capital raising, and for ongoing working capital and general corporate purposes.

Acquisition of the Mallee Bull Joint Venture Interest

As announced on 27 July 2020, the Company received an Initial Transfer Notice ("ITN") from CBH after CBH received an unconditional cash offer of \$17 million from a third party ("Third-Party Offer") for its 50% share of the Joint Venture. The Joint Venture consists of two tenements, being EL7461 and ML1361.

Pursuant to the Joint Venture agreement between CBH and Peel, Peel has a pre-emptive right to acquire the Joint Venture interest on the same terms. Peel has exercised this pre-emptive right by submitting an offer to acquire the Joint Venture interest.

The acquisition of the Joint Venture interest is conditional on the receipt of Ministerial approval.



Details of Capital Raising

Placement

Peel has completed a placement of 60,000,000 shares at an issue price of \$0.175 per share to institutional, sophisticated and professional investors raising \$10.5 million (before costs). The Company has issued the new Shares to participants in the Placement pursuant to its available placement capacity under ASX Listing Rules 7.1 and 7.1A. Participants in the Placement will be eligible to participate in the Entitlement Offer.

Canaccord Genuity (Australia) Limited ("Canaccord") acted as Lead Manager to the Placement with Hartleys Limited acting as Co-Manager.

The total fees payable on the capital raising (placement and entitlement offer) are expected to be about 5% of the gross proceeds.

Entitlement Offer

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

The Entitlement Offer is fully underwritten by Canaccord. The Company must pay the Underwriter a management fee of 2% of the amount raised pursuant to the Entitlement Offer and an underwriting fee of 4% of the total amount raised pursuant to the Entitlement Offer (subject to some exclusions). The Company must also reimburse the Underwriter for costs incidental to the Entitlement Offer.

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

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

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

This announcement has been approved for release by the Board of Peel Mining Limited.

For further information, please contact:

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