

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Peel Mining Limited

ABN

42 119 343 734

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(1,768)	(2,677)
(b) development	-	-
(c) production	-	-
(d) administration	(336)	(527)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	49	113
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	600	1,500
Net Operating Cash Flows	(1,455)	(1,591)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(145)	(947)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(145)	(947)
1.13 Total operating and investing cash flows (carried forward)	(1,600)	(2,538)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,600)	(2,538)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Costs of issue of shares	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,596)	(2,538)
1.20	Cash at beginning of quarter/year to date	5,427	6,365
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,827	3,827

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	(45)
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

1.7 - Cash calls (payments) from CBH Resources Limited (CBH) are part of a Farm-In Agreement of Peel Mining Limited's (Peel) Mallee Bull Project. CBH are currently funding Stage 3 of the farm-in which will see them fund \$3.33 million on exploration to earn an additional 20% of the project. CBH completed stages 1 and 2 of the farm-in during the previous financial year earning a 30% stake in the Mallee Bull Project.

Estimate of Cashflows (below) – This estimate includes exploration proposed for the Mallee Bull Project which will be funded by cash calls of \$1,830,000 (of a total of \$3,330,000) in the next quarter. \$900,000 of the \$1,830,000 is due back to Peel for prepaid cash calls made during the current quarter (see 2.2).

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Peel Mining Limited has signed a farm in agreement with CBH Resources Limited for CBH earn an interest in Peel's Mallee Bull Project. CBH in this quarter has provided cash calls of \$600,000, as part of their \$3,330,000 obligation to earn an additional 20% of the project. During the quarter, Peel prepaid \$900,000 of cash-calls to assist with a timing of the calls and to ensure work continued through to the end of the quarter. It was agreed that the JV would repay the amount in the following quarter. At the date of this report, \$450,000 had been repaid with the remainder due in February.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	823
4.2 Development	
4.3 Production	
4.4 Administration	260
Total	1,083

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	177	327
56 Deposits at call	3,650	5,100
800 Bank overdraft		
Other (Farm-in Agreement funds)	-	-
43 Total: cash at end of quarter (item 1.22)	3,827	5,427
899		

Changes in interests in mining tenements (Refer to Annexure of Quarterly Activity Statement)

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	132,085,969	132,085,969		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	400,000 1,000,000 1,500,000 320,000	Nil Nil Nil Nil	<i>Exercise Price</i> \$0.08 \$0.50 \$0.50 \$0.50	<i>Expiry Date</i> 31/07/2014 28/11/2015 28/11/2015 30/06/2015
7.8 Issued during quarter	Nil	Nil		
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 31 January 2014

Print name: Ryan Woodhouse

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==