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**PEEL MINING LIMITED**  
ABN 42 119 343 734

**HALF-YEAR CONSOLIDATED FINANCIAL REPORT**  
**31 DECEMBER 2015**

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**PEEL MINING LIMITED**

ABN 42 119 343 734

**Corporate Directory**

**Directors**

Simon Hadfield	Non-executive Chairman
Robert Tyson	Managing Director
Graham Hardie	Non-executive Director

**Company Secretary**

Ryan Woodhouse

**Registered Office**

Unit 1, 34 Kings Park Road, WA 6005

Telephone: +61 8 9382 3955  
E-mail: [info@peelmining.com.au](mailto:info@peelmining.com.au)  
Web-site: [www.peelmining.com.au](http://www.peelmining.com.au)

**Share Registry**

Link Market Services Limited  
Level 4, 152 St Georges Tce PERTH WA 6000

Telephone +61 1300 554 474  
Facsimile: +61 (0)2 9287 0303  
Website: [www.linkmarketservices.com](http://www.linkmarketservices.com)

**Auditors**

PricewaterhouseCoopers  
Level 15, Brookfield Place 125 St Georges Terrace  
PERTH WA 6000

**Solicitors**

Steinepreis Paganin  
Level 4, The Read Building, 16 Milligan Street,  
Perth WA 6000

**Bankers**

National Australia Bank Limited

**Home Exchange**

ASX code: PEX

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## **Directors' Report**

The directors present their report on the consolidated entity consisting of Peel Mining Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

### **Directors**

The following persons held office as directors throughout the entire financial period and up to the date of this report, unless otherwise indicated:

Robert Tyson - Managing Director  
Simon Hadfield - Chairman  
Graham Hardie - Non-executive Director

Company Secretary  
Ryan Woodhouse

### **Results**

The loss of the Group for the half-year ended 31 December 2015 after providing for income tax amounted to \$12,687 (2014: \$529,640).

### **Dividend**

No dividends were paid or proposed during the half-year.

### **Review of Operations**

The principal continuing activity of the Group is the acquisition of mineral tenements, mineral exploration and investment. During the half-year Peel Mining Limited continued to explore its tenements which are located in New South Wales and Western Australia.

### **Mallee Bull Project**

The Mallee Bull project is a copper-polymetallic discovery located approx. 100km south of Cobar in Western NSW. A maiden JORC compliant Mineral Resource estimate was completed in May 2014, comprising 3.9Mt 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). Exploration activities continued under the 50:50 Joint Venture with CBH Resources Limited (CBH).

Drilling at the start of the half year continued at the T1 geophysical target, defined from an Orion 3D DC/IP/MT survey as a near-surface, strong chargeable IP, low resistivity anomaly coincident with a gravity high. RC drilling in Apr/May 2015, targeting the strongest part of the anomaly, encountered substantial zinc-lead-silver-gold mineralisation to within 50m of surface, and a further 2,394m of RC drilling was completed to test the remainder of the strike potential of this IP chargeability anomaly both to the north and south. The best intercept was 18m @ 3.72% Zn, 1.75% Pb, 20 g/t Ag, 0.38 g/t Au from 103m (incl. 1m @ 24.3% Zn, 11.8% Pb, 198 g/t Ag, 1.0 g/t Au from 107m) in MBRC037 which potentially extends high grade zinc-lead rich mineralisation ~140m to the south.

On the northern edge of the Mallee Bull resource model, substantial zinc-lead and copper-rich mineralisation also remains open and results from drilling in the December quarter (7 holes for a total 3,405m, plus a diamond tail on hole 4MRC021) has indicated a greater strike continuity of copper mineralisation than previously assumed. Significant intercepts include 62m @ 3.15% Cu, 42 g/t Ag, 0.28 g/t Au from 465m (incl. 34m @ 4.6% Cu, 63 g/t Ag, 0.44 g/t Au from 475m) in MBRCDD050 and 5m @ 2.1% Cu, 59 g/t Ag, 0.72 g/t Au from 385m in MBRCDD051. Subsequent Downhole EM surveying has defined a number of anomalies which continue to highlight the potential for additional mineralisation, and follow-up drilling is set to commence in the next half year.

### **Cobar Superbasin Project**

The Cobar Superbasin Project is subject to a Memorandum of Agreement with Japan, Oil, Gas, and Metals National Corporation (JOGMEC), under which JOGMEC may earn up to 50% interest by funding up to \$7 million of exploration. The second phase of activities under the JOGMEC MoA continued with moving loop EM (MLEM); downhole EM (DHEM); gravity and airborne magnetic surveys; RAB, RC and diamond drilling.

The focus of activities lay predominantly on the EL8307 Sandy Creek tenement, where drilling in the December quarter confirmed a new high-grade copper discovery at the Wirlong prospect. Work included extensive RAB drilling to test beneath anomalous surface geochemistry, DHEM and detailed gravity surveying, and RC/diamond drilling which returned significant intercepts of 4.9m @ 4.3% Cu, 13 g/t Ag from 402.1m (incl. 0.9m @ 19.5% Cu, 58 g/t Ag from 402.1m) in

## **PEEL MINING LIMITED**

WLRCD015 and 9m @ 8.0% Cu, 17 g/t Ag, 0.21 g/t Au from 616m (incl. 2.82m @ 21.85% Cu, 46 g/t Ag, 0.62 g/t Au in 619.68m) in WLDD001.

RAB drilling also returned several encouraging intercepts at the Sandy Creek and Red Shaft prospects, with RC drilling at the latter intercepting highly anomalous Au values; 10m @ 0.84 g/t Au, 0.20% Cu, 0.26% Pb from 60m (incl. 4m @ 1.88 g/t Au, 0.35% Pb from 61m) in RSRC003. The detailed gravity survey completed over Wirlong also covered the Red Shaft area, delineating significant structural features and several positive gravity anomalies along the Wirlong-Red Shaft shear zone, some of which correlate with magnetic anomalies and trends.

Additional activities in the EL8307 Sandy Creek tenement included RAB and RC drilling at the new Valvoline prospect (5km north of the main Sandy Creek prospect), defined by two adjacent dipole magnetic anomalies. Drilling failed to return significant results, however it is noted that both RC holes failed to lift sufficiently to properly test the modelled anomalies.

Geophysical work was completed over numerous other areas within the Cobar Superbasin project, including MLEM surveying at the Bedooba, Burthong, Gilgunnia South, Mundoe and Mundoe West prospects. Detailed gravity surveying also delineated a number of linear trends at Bedooba and some isolated gravity highs at Mundoe West adjacent to a positive N-S striking gravity trend; follow-up RAB drilling is planned.

At Glenwood (EL8314) and Iris Vale (EL8113), airborne magnetic surveys were flown over the entire tenement areas; and a number of discrete magnetic anomalies were defined, with modelling indicating them to be basement sourced. MLEM was also completed over the main magnetic low anomaly at Glenwood, although preliminary interpretations show that the effectiveness of the survey has been reduced by the presence of highly conductive cover. Deep RAB/RC drilling has been recommended to followup the magnetic targets.

### **Apollo Hill Project**

Exploration at Apollo Hill in the half year commenced with regional activities over the broader tenement package. At the 40G prospect on E31/1063, significant RAB drilling results (incl. 2m @ 1.32 g/t Au from 16m and 2m @ 2.11 g/t Au from 22m in 40GRAB12) were followed-up with auger and rock chip sampling to extend coverage to the north, south and east. Anomalous gold values of up to 110ppb Au were returned along an interpreted NE trending magnetic structural feature. On E31/1076, approx. 35km SE of the Apollo Hill Resource, a small soil and rock chip sampling programme was completed over the main target on the licence; a strong discrete magnetic anomaly (named 'The Eye') in otherwise low-to-moderately responsive basalt. Minor Au values were returned, however greater sample coverage is required to fully investigate the area.

At the main Apollo Hill deposit, re-sampling of historic drill core was completed to fill in numerous interval gaps, and multiple significant Au values were returned including 2m @ 3.41 g/t Au from 104m in AAHD0003, 1m @ 6.74 g/t Au from 165m in AAHD0004, 1m @ 2.91 g/t Au from 225m in AAHD0010, and 1m @ 3.60 g/t Au from 417m in AAHD0020.

### **Other Projects**

At the Orana Prospect, diamond hole OR15DD01 (205.7m) was drilled to target a strong discrete magnetic anomaly on the basis that it might represent a shallow buried Elura-type body in Devonian sediments. However, results were disappointing with no mineralisation encountered; it was determined that a contact aureole associated with a Devonian acid porphyry was the cause of the anomaly. The tenement is set to be relinquished in the second half of the year.

No field activities were completed on the Attunga and Ruby Silver projects during the half year. Gulf Creek is set to be relinquished in the second half of the year. Further information on Peel's activities during the half-year financial period can be found in the quarterly activity reports.

### **Significant changes**

During the period Peel Mining Limited increased shares on issue by 100,000 shares due to the exercise of employee options granted on 19 October 2015.

### **Events occurring after reporting period**

The Company had no events occurring after the reporting period to disclose.

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**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 14.

Signed in accordance with a resolution of the directors and on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'R. Tyson', with a horizontal flourish extending to the right.

**R. Tyson**  
Managing Director  
Perth, Western Australia  
15 March, 2016

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the Half-Year ended 31 December 2015**

		<b>Consolidated Entity</b>	
		<b>31-Dec</b>	<b>31-Dec</b>
		<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
	Note		
Revenue from continuing operations		181,020	105,663
Other Income		137,499	-
Depreciation		(43,080)	(42,669)
Employee and directors' benefit expenses		(280,143)	(327,910)
Exploration expenditure written off	5	(140,099)	(5,011)
Share based payment expense	9	(159,655)	(20,869)
Administration expenses		<u>(186,637)</u>	<u>(238,844)</u>
Profit/(Loss) before income tax expense		(491,095)	(529,640)
Income tax benefit/ (expense)	10	478,408	-
Profit/(Loss) after tax from continuing operations		<u>(12,687)</u>	<u>(529,640)</u>
Total comprehensive income/(loss) for the period attributable to the members of Peel Mining Limited		<u>(12,687)</u>	<u>(529,640)</u>
		Cents	Cents
Basic loss per share		(0.01)	(0.40)
Diluted loss per share		(0.01)	(0.40)

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

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**Consolidated Statement of Financial Position  
as at 31 December 2015**

		<b>Consolidated Entity</b>	
	<b>Note</b>	<b>31-Dec 2015 \$</b>	<b>30-Jun 2015 \$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	2,070,774	2,974,741
Trade and other receivables		337,579	111,260
<b>TOTAL CURRENT ASSETS</b>		<u>2,408,353</u>	<u>3,086,001</u>
<b>NON-CURRENT ASSETS</b>			
Security deposits		351,404	387,904
Plant and equipment		180,457	188,323
Property		840,487	840,487
Exploration expenditure	5	14,246,054	12,302,812
<b>TOTAL NON-CURRENT ASSETS</b>		<u>15,618,402</u>	<u>13,719,526</u>
<b>TOTAL ASSETS</b>		<u>18,026,755</u>	<u>16,805,527</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		534,091	487,565
<b>TOTAL CURRENT LIABILITIES</b>		<u>534,091</u>	<u>487,565</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Income	2	2,489,364	1,000,567
Deferred Tax Liability		148,821	627,229
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>2,638,135</u>	<u>1,627,796</u>
<b>TOTAL LIABILITIES</b>		<u>3,172,276</u>	<u>2,115,361</u>
<b>NET ASSETS</b>		<u>14,854,479</u>	<u>14,690,166</u>
<b>EQUITY</b>			
Issued capital	4	17,959,537	17,942,191
Accumulated losses		(4,451,890)	(4,439,202)
Reserves		1,346,832	1,187,177
<b>TOTAL EQUITY</b>		<u>14,854,479</u>	<u>14,690,166</u>

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

**Consolidated Statement of Changes in Equity  
for the Half-Year ended 31 December 2015**

	Attributable to equity holders of the company			
	Contributed	Accumulated	Other	Total
	Equity	Losses	Reserves	Equity
	\$	\$	\$	\$
<b>At 1 July 2015</b>	17,942,191	(4,439,203)	1,187,177	14,690,165
Total comprehensive loss for the half-year	-	(12,687)	-	(12,687)
<i>Transactions with equity holders in their capacity as equity holders</i>				-
Issue of share capital	19,000			19,000
Issue of options			159,655	159,655
Expenses of issue of share capital	(1,654)			(1,654)
<b>At 31 December 2015</b>	<u>17,959,537</u>	<u>(4,451,890)</u>	<u>1,346,832</u>	<u>14,854,479</u>
<b>At 1 July 2014</b>	17,911,805	(2,713,562)	1,165,133	16,363,376
Total comprehensive loss for the half-year	-	(529,640)	-	(529,640)
<i>Transactions with equity holders in their capacity as equity holders</i>				
Issue of share capital	32,000			32,000
Issue of Options			20,869	20,869
Expenses of issue of share capital	(1,614)			(1,614)
<b>At 31 December 2014</b>	<u>17,942,191</u>	<u>(3,243,202)</u>	<u>1,186,002</u>	<u>15,884,991</u>

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



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**Consolidated Statement of Cash Flows**  
**For the half year to 31 December 2015**

	<b>Consolidated Entity</b>	
	<b>31-Dec</b>	<b>31-Dec</b>
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(476,918)	(360,910)
Interest received	32,140	38,010
<b>Net cash outflow from operating activities</b>	<u>(444,778)</u>	<u>(322,900)</u>
<b>Cash flows from investing activities</b>		
Payments for mineral exploration	(1,966,617)	(1,499,585)
Payment of security deposits	(81,500)	(50,000)
Refund of security deposits	118,000	-
Payments for purchase of property, plant and equipment	(35,214)	(32,529)
Proceeds received under farm-out agreement	2 1,488,796	651,613
Research & Development tax refund	-	75,578
<b>Net cash inflow/(outflow) from investing activities</b>	<u>(476,535)</u>	<u>(854,923)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares and options	19,000	32,000
Transaction cost of issue of shares	(1,654)	(1,614)
<b>Net cash inflow from financing activities</b>	<u>17,346</u>	<u>30,386</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(903,967)	(1,147,437)
Cash and cash equivalents at the start of the half-year	<u>2,974,741</u>	<u>3,114,744</u>
<b>Cash and cash equivalents at the end of the half-year</b>	<u>2,070,774</u>	<u>1,967,307</u>

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

**Notes to the Accounts**

**1. Basis of preparation of Half-Year Financial Statements**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These interim financial statements do not include all the notes of the type normally included in an annual financial statement and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statement. Accordingly, this interim financial statement is to be read in conjunction with the annual financial statement for the year ended 30 June 2015 and any public announcements made by Peel Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. In addition the following accounting policy was adopted:

*New and amended standards adopted by the entity*

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2016 annual report as a consequence of these amendments.

*Impact of standards issued but not yet applied by the entity*

There were no new standards issued since 30 June 2015 that have been applied by Peel. The 30 June 2015 annual report disclosed that Peel anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2015.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period

**2. CSP Farm-in by Japanese Oil, Gas & Metals National Corporation (JOGMEC)**

Last year, Peel Mining Limited entered into a farm-in by Japanese Oil, Gas & Metals National Corporation (JOGMEC) to the Group's Cobar Suberbasin Project (CSP). During the current year JOGMEC paid the Group \$1,488,796 for exploration on the project as part of their \$4,000,000 earn-in over 3 years to acquire a 40% interest in the project. These amounts have been included in the Group's Consolidated Statement of Cashflows and Consolidated Statement of Financial Position, however per the Group's accounting policy, the contributions are recorded as deferred income, which will offset the capitalised expenditure incurred resulting in no gain or loss recognised (net effect) until the point at which the interest is taken up. Of the cash held by Peel Mining Limited, \$229,046 is restricted to be used on the Cobar Superbasin Project under JOGMEC's farm-in arrangement. Due to the fact that the farm-in arrangement requires unanimous consent from both parties for all relevant activities, the parties to the farm-in contractually have joint control and therefore the farm-in is classified as a joint operation.

**3. Segment Information**

Management has determined that the Group has three reportable segments, being mineral exploration under its joint venture with CBH Resources Limited at its Mallee Bull prospect, mineral exploration under its farm-in agreement with JOGMEC 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 three 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 are 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.

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	2015 \$ Peel Mining	2015 \$ Mallee Bull	2015 \$ CSP	Dec 2014 \$ Peel Mining	Dec 2014 \$ Mallee Bull	Dec 2014 \$ CSP
Reportable segment Profit /(loss)	103,200	-	-	(47,680)	-	-
Segment assets	8,638,424	4,216,324	2,412,251	8,367,096	3,688,962	1,000,567

**Reconciliation of reportable segment (loss)**

	Dec Consolidated 2015	Dec Consolidated 2014
Reportable segment profit / (loss)	103,200	(47,680)
Revenue from continuing operations	32,140	105,663
Corporate expenses	(626,435)	(587,623)
Profit/(loss) before tax	<u>(491,095)</u>	<u>(529,640)</u>

**Reconciliation of reportable segment (assets)**

	Dec 2015	June 2015
Reportable segment assets	15,266,998	13,056,625
Cash	2,070,774	2,974,741
Corporate Assets	688,984	774,161
Total Assets	<u>18,026,756</u>	<u>16,805,527</u>

**4. Contributed equity**

	Number of Shares	\$
<i>Movements in ordinary share capital</i>		
Balance at 1 July 2015	132,485,969	17,942,191
Shares issued pursuant to the exercise of options	100,000	17,346
<b>Balance at 31 December 2015</b>	<u>132,585,969</u>	<u>17,959,537</u>

*Movements in ordinary share capital*

Balance at 1 July 2014	132,085,969	17,911,805
Exercise of options	400,000	30,386
<b>Balance at 31 December 2014</b>	<u>132,485,969</u>	<u>17,942,191</u>

**5. Exploration expenditure**

	31-Dec 2015 \$	30-Jun 2015 \$
At cost	<u>14,246,054</u>	<u>12,302,812</u>
<i>Reconciliations</i>		
Opening balance	12,302,812	12,446,494
Other exploration expenditure	2,083,341	2,480,164
Written off during the period	(140,099)	(5,011)
Research and development tax incentive	-	(2,618,835)
Closing net book amount	<u>14,246,054</u>	<u>12,302,812</u>

Recovery of the capitalised amount is dependent upon successful development and commercial exploitation, or alternatively, sale of the associated tenements.

## PEEL MINING LIMITED

### 6. Subsidiary companies

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary companies.

Name	Country of Incorporation	Class of Shares	Equity Holding	
			31-Dec 2015	30-June 2015
			%	%
Peel Environmental Services Limited	Australia	Ordinary	100	100
Apollo Mining Pty Ltd	Australia	Ordinary	100	100
Peel (CSP) Pty Ltd	Australia	Ordinary	100	100

### 7. Contingencies

The Group had no contingent assets or liabilities for the half-year ended 31 December 2015.

### 8. Related Parties

#### Transactions with related parties

During the financial period the Group paid \$31,534 (2014: \$29,880) for head office rental and on charges to RIU Pty Ltd, a company controlled by Mr S Hadfield. The company also paid \$653 for food entertainment at a hotel owned by Mr G Hardie.

During the period 1 million share options were granted to Peel Mining Limited's non-executive directors. These were ratified on at the company's AGM and granted on 7 December 2015. Each option has an exercise price of 22.6 cents per share.

### 9. Share Based Payments

During the period the Company has granted options to its employees and directors through its Employee Share Option Plan. Total expenses arising from share-based payment transactions recognised during the period were as follows.

	31-Dec 2015	31-Dec 2015
	Number	Value (\$)
Options granted to employees (pro-rated due to vesting conditions)	1,200,000	56,755
Options granted to Non-executive directors	1,000,000	90,819
Vesting of options granted in prior period	-	12,081
<b>Total</b>	<b>2,200,000</b>	<b>159,655</b>
	<b>31-Dec 2014</b>	<b>31-Dec 2014</b>
	<b>Number</b>	<b>Value (\$)</b>
Options granted to employees (pro-rated due to vesting conditions)	1,000,000	16,119
Vesting of options granted in prior period	-	4,750
<b>Total</b>	<b>1,000,000</b>	<b>20,869</b>

#### Fair value of options granted

The assessed fair value at grant date of options granted to employees of the company during the period ended 31 December 2015 was 8 cents per option. The 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 assessed fair value at grant date of options granted to the non-executive directors of the company during the period ended 31 December 2015 was 9 cents per option. The options vested immediately and hence were not prorated. 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.

The model inputs for options granted during the year ended 31 December 2015 included:

	Employee Options	Non Executive Director Options
(a) Options are granted for no consideration and vest accordingly	50% vest immediately, 50% vest in one year from grant date	100% vest immediately
(b) Exercise Price	19 cents	22.6 cents
(c) Grant Date	19 October 2015	7 December 2015
(d) Expiry Date	19 October 2018	7 December 2018
(e) Share Price at Grant Date	14 cents	16 cents
(f) Expected Price Volatility	100%	100%
(g) Expected Dividend Yield	0.00%	0.00%
(h) Risk-free interest rate	1.82%	2.19%

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### *Options Exercised*

100,000 employee options were exercised during the period at a price of 19 cents per option.

### 10. Income tax expense

	31-Dec 2015	31-Dec 2014
Current tax	-	-
Deferred tax	(478,408)	-
<b>Numerical reconciliation of income tax to prima facie tax payable:</b>		
Profit/(loss) from continuing operations before income tax	(491,095)	(529,640)
At the statutory income tax rate of 30% (2014: 30%)	(147,328)	(158,892)
Expenditure not allowed for income tax purposes:		
Non-deductible expenses	48,252	-
Adjustments for current tax of prior periods	(379,332)	-
Tax losses not brought to account	-	158,892
Income tax expense reported in the statement of profit and loss and other comprehensive income	(478,408)	-

### 11. Events occurring after the Reporting date

The Company had no events occurring after the reporting period to disclose.

### 11. Dividends

No dividends were paid during the period.

### 12. 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 2015. 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.

## **Directors' Declaration**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 12 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the period then ended; and
- (b) there are reasonable grounds to believe that Peel Mining Limited will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to read 'R. Tyson', with a horizontal line extending to the right.

**R. Tyson**  
Managing Director

Perth, Western Australia  
15 March 2016



## Auditor's Independence Declaration

As lead auditor for the review of Peel Mining Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'B. Gargett', is written over a faint, illegible printed name.

Ben Gargett  
Partner  
PricewaterhouseCoopers

Perth  
15 March 2016



## **Independent auditor's review report to the members of Peel Mining Limited**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of Peel Mining Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Peel Mining Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Peel Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.





*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Peel Mining Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Ben Gargett', written over the printed name.

Ben Gargett  
Partner

Perth  
15 March 2016