ASX ANNOUNCEMENT 9th SEPTEMBER 2016

NEW MINERALISATION AT MALLEE BULL NORTH

- **Drilling designed to test downhole electromagnetic (DHEM) anomaly centred ~300m north of Mallee Bull returns significant new copper-dominant mineralisation including:**
  - **7m @ 2.01% Cu, 37 g/t Ag, 0.15 g/t Au from 324m in MBRC054**
  - **9m @ 2.24% Cu, 27 g/t Ag, 0.27 g/t Au from 455m in MBRC055**
- **Further mineralisation has been intersected in follow-up drillholes MBRCDD059 and MBRCDD060; assays awaited**
- **Mineralisation remains open along strike and up and down dip**
- **Follow-up DHEM identifies a moderate-strong offhole anomaly that remains untested and is modelled as easterly dipping**
- **Drillhole targeting DHEM anomaly underway**
- **Additional drilling planned for T3 remnant magnetic anomaly and for possible extensions/repeats of T1 Zn-Pb-Ag mineralisation**

Peel Mining is pleased to announce that recent drilling at its Mallee Bull project, near Cobar in Western NSW, has returned significant new copper-dominant mineralisation. The drilling was designed to test an offhole DHEM anomaly centred ~300m north of Mallee Bull and is part of investigations to test for new mineralisation. The programme is anticipated to encompass up to 6,000m of RC and diamond drilling.

The Mallee Bull North area was identified following a review of historic DHEM surveys adjacent to the area of interest. Mallee Bull North covers an area of stratigraphic continuity from the main Mallee Bull resource area.

The current drill programme has focussed on broader step-out drilling at Mallee Bull North and to date has encompassed 8 drillholes. Assay results from the first 2 drillholes (MBRC054 and MBRC055) confirmed that the conductor responsible for the EM anomaly is caused by significant copper mineralisation.

Drillhole MBRC054 returned **7m @ 2.01% Cu, 37 g/t Ag, 0.15 g/t Au from 324m** whilst drillhole MBRC055, positioned ~80m north of MBRC054, returned **9m @ 2.24% Cu, 27 g/t Ag, 0.27 g/t Au from 455m**. Mineralisation intersected to date comprises stringer/breccia style quartz-sulphide (chalcopyrite-pyrrhotite) mineralisation with the true width of mineralisation thought to be ~60% of the downhole intervals.

Drillhole MBRCDD056 was drilled ~80m along strike to the north and 60m east of MBRC055. At the time of reporting, this drillhole was still being processed.

Drillhole MBRC057 was drilled ~80m along strike to the south of MBRC054, however failed to reach the zone of interest and requires extension by the addition of diamond tail.

Drillhole MBRC058 was drilled updip of MBRC054 and the EM anomaly, intersecting a 10m zone of weak copper mineralisation (as defined by portable XRF analyser) from ~292m downhole.

Drillhole MBRCDD059 was drilled to test between MBRC054 and MBRC055, however the drillhole trace deviated such that the final trace intersected ~170m down dip of MBRC054, down dip and south of the EM target. A 10m zone of stringer/breccia style quartz-sulphide (chalcopyrite-pyrrhotite) mineralisation was intersected from ~469m downhole. Assays remain pending.

Drillhole MBRCDD060 was also drilled to test between MBRC054 and MBRC055. A 9m zone of stringer/breccia style quartz-sulphide (chalcopyrite-pyrrhotite) mineralisation was intersected from ~369m downhole. Assays remain pending.

Follow-up DHEM has identified a moderate-strong offhole anomaly in close proximity to the area that has been targeted, that remains untested, and is modelled as easterly dipping. Drillhole MBDD027 is now underway to target this conductor.

Peel is highly encouraged by the discovery of new mineralisation at Mallee Bull North, approximately 300m north of Mallee Bull. Mineralisation remains open along strike and up and down dip, with DHEM indicating that the stronger part of EM conductor remains untested. Follow-up geophysics and drilling is to continue.

Additional drilling is also planned for the T3 remnant magnetic anomaly and for possible extensions/repeats of T1 Zn-Pb-Ag mineralisation.

Mallee Bull Project Background

The Mallee Bull project, comprising EL7461 and ML1361, lies adjacent to the historic 4-Mile Goldfield and was identified as a coincident EM and magnetic geophysical anomaly in early 2011. In mid-2011 massive and stringer/breccia sulphide mineralisation with strong Cu-Ag-Au-Pb-Zn values, characteristic of major Cobar-style deposits, was intercepted in drilling.

In May 2012, Peel and CBH Resources Limited, a wholly owned subsidiary of Toho Zinc Co Ltd., signed a Heads of Agreement related to EL7461 and ML1361, under which, CBH gained the right to earn up to 50% via $8.33 million expenditure. In March 2014, CBH Resources completed its final Farm-in payment, and consequently a 50:50 Joint Venture has now been formed.

Mineralisation at Mallee Bull features the “Cobar-style” attributes of short strike length, moderate widths and extensive vertical continuity, with the deepest mineralised drillhole intercept at more than 800m below surface. A maiden inferred resource estimate for Mallee Bull was made in May 2014, in accordance with the JORC Code (2012), 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).

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

For further information, please contact Rob Tyson on +61 420 234 020.

Mallee Bull Drill Collars

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)
MBRC053	6414446	414373	89.88	-60.26	235.0
MBRC054	6413692	415136	83.98	-64.36	427.0
MBRC055	6413772	415137	83.03	-66.14	499.0
MBRC057	6413614	415140	89.28	-65.06	409.0
MBRC058	6413698	415201	89.78	-64.76	337.0
MBRCDD056	6413855	415195	81.09	-65.10	533.1
MBRCDD059	6413733	415137	90.50	-68.62	604.1
MBRCDD060	6413735	415157	84.80	-68.00	487.0

Mallee Bull Significant Assays

Hole_ID	From (m)	To (m)	Ag (ppm)	Au (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
MBRC054	324	325	29.4	0.03	5890	5590	7470
MBRC054	325	326	54.4	0.14	11850	6990	8090
MBRC054	326	327	15.9	0.05	11800	1540	8120
MBRC054	327	328	50.1	0.28	43200	5270	10300
MBRC054	328	329	49.9	0.24	34600	6730	5200
MBRC054	329	330	43.6	0.29	25900	7940	9830
MBRC054	330	331	14.3	-0.01	7340	2370	3250
MBRC055	430	431	20.3	0.07	2920	1920	2020
MBRC055	431	432	29.6	0.03	6030	2910	9270
MBRC055	442	443	18.8	0.03	7130	1160	1385
MBRC055	444	445	13.6	0.03	10200	603	4610
MBRC055	446	447	13.5	0.04	11100	434	903
MBRC055	455	456	15.5	0.1	21000	370	2050
MBRC055	456	457	6.6	0.06	9170	135	1035
MBRC055	457	458	17.8	0.05	6470	1755	1820
MBRC055	458	459	8.9	0.04	4770	836	1210
MBRC055	459	460	11.8	0.08	6860	893	1130
MBRC055	460	461	79.7	0.49	49100	5160	6620
MBRC055	461	462	22.1	0.28	19400	1080	1870
MBRC055	462	463	69.6	1.32	79300	1875	6870
MBRC055	463	464	6.3	0.05	5860	284	705

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.

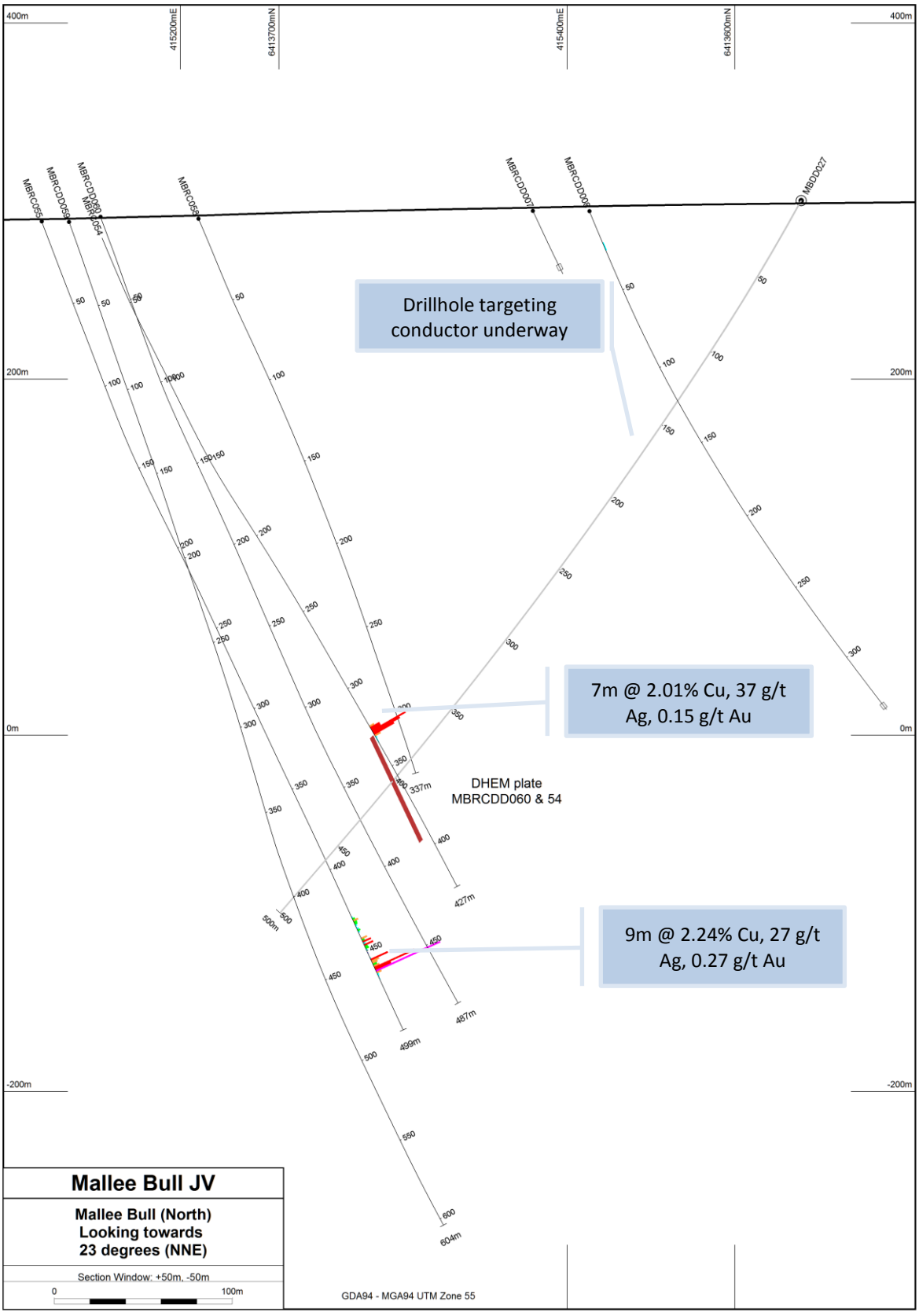

Figure 1 – Mallee Bull Section (Looking NNE)

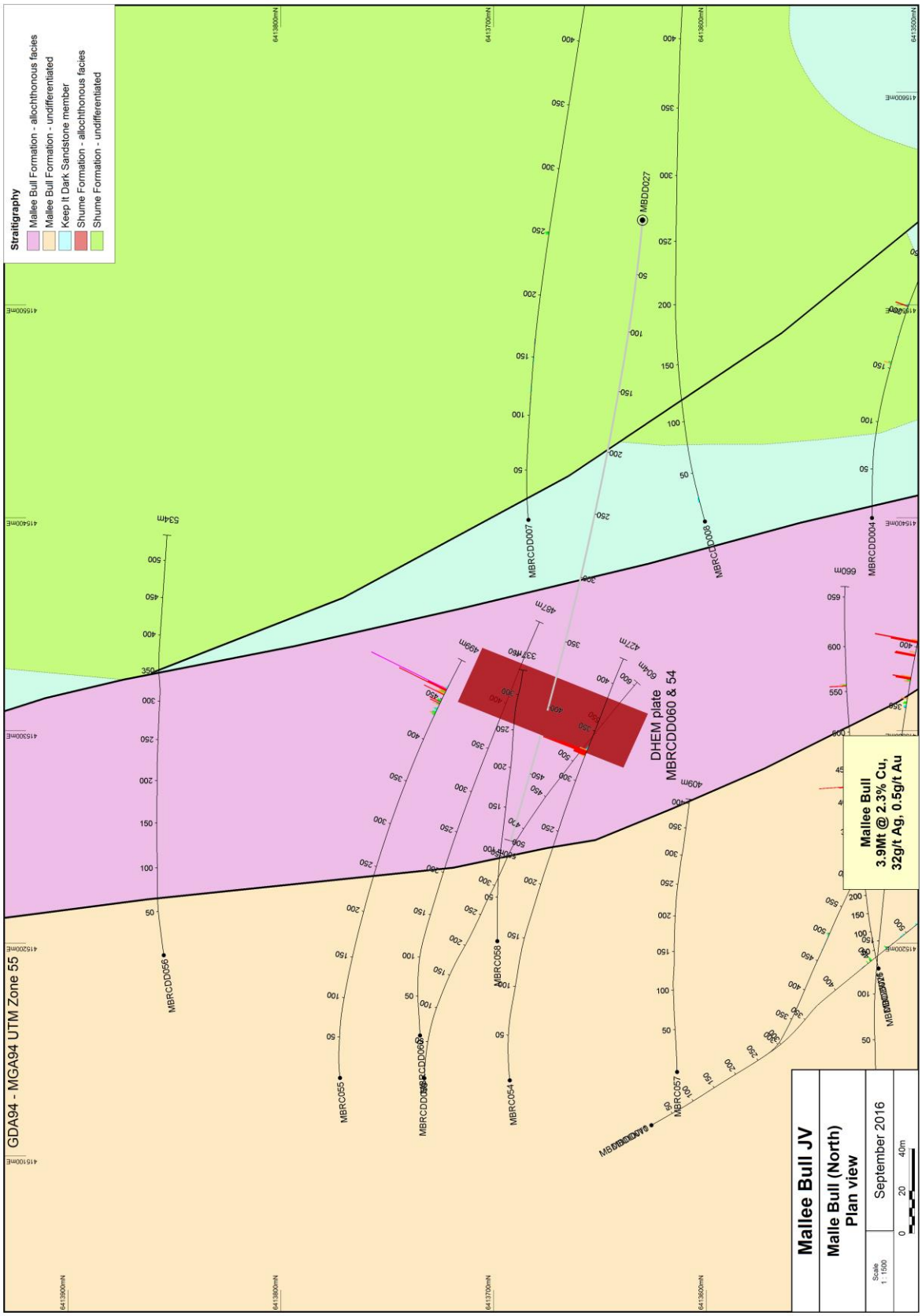

Figure 2 – Mallee Bull Plan View

Table 1 - Section 1: Sampling Techniques and Data for Mallee Bull/Cobar Superbasin Project

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, reverse circulation (RC) and Rotary Air Blast (RAB) drilling were used to obtain samples for geological logging and assaying. • Diamond core was cut and sampled at 1m intervals. RC and RAB drill holes were sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of 2-4kg (generally) to ensure sample representivity. • Multi-element readings were taken of the RC and RAB drill chips using an Olympus Delta Innov-X portable XRF tool. The portable XRF was calibrated against standards after every 30 readings.
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 drilling programs 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 to date have generally been high. Insufficient data is available at present to determine if a relationship exists between recovery and grade. This will be assessed once a statistically valid

Criteria	JORC Code explanation	Commentary
		amount of data is available to make a determination.
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 and RAB drill holes in the current program were geologically logged in full.
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 and RAB 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. • Early stage exploration sees composite sampling completed for Au only analysis, with samples hand speared using a half round piece of pipe with samples collected as 6m composites. Resampling is undertaken using split samples which are stored with the bulk samples at the time of drilling. • Where pXRF sampling indicates significant base metals mineralisation, 1m split samples for those intervals are collected and submitted for multi-element analysis. • 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	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and*	• ALS Services and SGS Laboratory Services were used for Au and multi-element

Criteria	JORC Code explanation	Commentary
and laboratory tests	*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 standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	analysis work carried out on 5m or 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 Mundoe, Sandy Creek, Wirlong and Red Shaft: ○ PUL-23 (Sample preparation code) ○ ME-MS61 or ME-ICP41 multi-element ○ Or an appropriate Ore Grade base metal AA finish ○ Au-AA26 Ore Grade Au 50g FA AA Finish • The laboratory techniques below are for all samples submitted to SGS and are considered appropriate for the style of mineralisation defined at Mundoe, Sandy Creek, Wirlong and Red Shaft: ○ PRP-86/88 & SPL-26 (Sample preparation code) ○ ME-ICP41Q multi-element ○ Or an appropriate Ore Grade base metal AA finish ○ FAA-505 Ore Grade Au 50g FA AA Finish • Assaying of soil samples in the field was by portable XRF instrument Olympus Delta Innov-X Analyser. Reading time was 20 seconds per filter with a total 3 filters 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	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• 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	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral*	• A Garmin hand-held GPS is used to define the location of the drillholes and /or samples. Standard practice is for the GPS

Criteria	JORC Code explanation	Commentary
	Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	to be left at the site of the collar for a period of 5 minutes to obtain a steady reading. Collars are picked up at a later date by DGPS. All collars at Mallee Bull and Wirlong have been picked up by DGPS. Down-hole surveys are conducted by the drill contractors using either a Reflex gyroscopic tool with readings every 10m 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.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Data/drill hole spacing is variable and appropriate to the geology and historical drilling. • 5m or 6m sample compositing has been applied to RC drilling and RAB drilling for gold assay.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• 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).
Sample security	• *The measures taken to ensure sample security.*	• 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.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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 Project

Criteria	JORC Code explanation	Commentary
Mineral tenement and	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures,*	• The Mallee Bull prospect is wholly located within Exploration Licence EL7461 "Gilgunnia". The tenement is subject to a

Criteria	JORC Code explanation	Commentary
land tenure status	*partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *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.*	50:50 Joint Venture with CBH Resources Ltd, a wholly owned subsidiary of Toho Zinc Co Ltd. • The Wirlong prospect is wholly located within Exploration Licence EL8307 "Sandy Creek", part of the Cobar Superbasin Project. The Cobar Superbasin Project is subject to a farm-in agreement with JOGMEC whereby JOGMEC can earn up to 50%. • 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 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.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The 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.

Drill hole Information	• *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.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *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.
Relationship between mineralisation widths and intercept lengths	• *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.
Diagrams	• *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.
Balanced reporting	• *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 Exploration Results.*	• All results are reported.
Other substantive exploration data	• *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.*	• No other substantive exploration data are available.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work at Mallee Bull and Cobar Superbasin Project will include geophysical surveying and RC/diamond drilling to further define the extent of mineralization at the prospect. Down hole electromagnetic (DHEM) surveys will be used to identify potential conductive sources that may be related to mineralization.