

7th September 2018

PEEL TO RAISE \$12.3 MILLION THROUGH OVERSUBSCRIBED PLACEMENT AND FULLY UNDERWRITTEN RIGHTS ISSUE

Highlights:

- **Peel has successfully completed an oversubscribed placement to raise \$3.6 million supported by a fully underwritten rights issue to raise a further \$8.7 million**
- **Placement strongly backed by institutional, sophisticated and strategic investors**
- **St Barbara Ltd subscribing for \$1.8 million in the placement will see their interest increase to 17.9%**
- **Placement and underwritten rights issue will fully fund Peel to deliver maiden JORC Resource at Wagga Tank and advance Mallee Bull towards production**
- **Peel to purchase 2% NSR royalty over Wagga Tank from MMG Limited to deliver 100% unencumbered ownership**

Peel Mining Limited (ASX: PEX) (Peel or the Company) is pleased to announce that it has successfully completed an oversubscribed placement raising \$3.6 million and, in conjunction with a fully underwritten rights issue to raise a further \$8.7 million, will raise a total of \$12.3 million. The placement was strongly supported, with St Barbara Ltd subscribing for \$1.8 million, and the balance placed to institutional, sophisticated and strategic investors. Capital raised will fully fund Peel to deliver a maiden JORC Resource at Wagga Tank, advance Mallee Bull towards production, and complete the acquisition of the 2% NSR royalty over Wagga Tank.

In that regard, Peel is pleased to announce that it has exercised its pre-emptive right to acquire the 2% NSR royalty relevant to tenements that Peel acquired from MMG Limited (MMG) pursuant to the Minerals Royalty Deeds dated on or around 3rd March 2016 (Royalty Deeds). These tenements include the Wagga Tank-Southern Nights project, which is emerging as one of the most significant zinc polymetallic discoveries in Australia in recent years.

MMG Limited (MMG) notified Peel on 10 August 2018 that it had received an offer from a TSX-listed royalty streaming business to purchase the 2% NSR royalty. Pursuant to Peel's first right of refusal under the Royalty Deeds, MMG offered to sell the 2% NSR royalty to Peel for \$3.3 million (incl GST) in cash. In accordance with the terms of the relevant Royalty Deeds, Peel has elected to exercise its right to acquire the royalty interests. Following the acquisition Peel will have unencumbered 100% ownership of the tenements acquired from MMG.

Peel is also pleased to announce that it has successfully completed a placement (under the Company's existing Listing Rule 7.1 capacity) to existing and new investors of 10 million new shares at \$0.36 each to raise a gross amount of \$3.6 million (Placement). Funds raised in conjunction with existing cash at bank will help facilitate the acquisition of the 2% NSR.

Peel is further pleased to announce a fully underwritten non-renounceable pro-rata rights issue offering eligible shareholders the opportunity to subscribe for one (1) new fully paid ordinary share (New Share) for every eight (8) fully paid ordinary shares (Shares) held at the record date at an issue price of \$0.36 per New Share (Rights Issue or Offer).

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Approximately 24.3 million New Shares will be offered to eligible shareholders under the Rights Issue to raise approximately \$8.7 million before costs. Patersons Securities Limited has been appointed Lead Manager and Underwriter to the Placement and Rights Issue.

The Rights Issue will be offered to all shareholders with registered addresses in Australia and New Zealand (Eligible Shareholders) who hold shares at 5pm (WST) Friday 14th September 2018 (Record Date). This will include holders of shares issued pursuant to the Placement.

Eligible Shareholders will also be given the opportunity to apply for additional New Shares in excess of their entitlement. Further details of the Rights Issue including how to apply for entitlement and additional shares will be set out in a prospectus to be lodged with ASIC and the ASX dated 10th September 2018 and which will be made available to all Eligible Shareholders in accordance with the indicative timetable set out below.

The Offer price of \$0.36 per Share represents a:

- 12.2% discount to the last closing price (on 4th September 2018), which was \$0.41;
- 10% discount to the 5-day volume weighted average price of \$0.40; and an
- 11.1% discount to the 10-day volume weighted average price of \$0.405.

Following completion of the Placement and the Rights Issue, Peel will have approximately 218.4 million Shares on issue.

Funds raised under the Placement and the Rights Issue will enable the Company to:

- Purchase the 2% NSR Royalty from MMG delivering 100% ownership unencumbered
- Continue to drill-out the Wagga Tank-Southern Nights discovery and deliver a maiden Mineral Resource Estimate in 1H'19
- Advance exploration at some of the Company's exciting regional targets
- Finalise the Pre-Feasibility Study for Mallee Bull and commence the permitting process to advance Mallee Bull towards a potential near-term, low capex mining operation
- Continue CSP programmes of work with JV Partner JOGMEC
- Working capital and expenses of the Offer

The likely timetable of the capital raising is:

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| Lodgement of Prospectus with the ASIC | 10 th September 2018 |
| Lodgement of Prospectus & Appendix 3B with ASX | 10 th September 2018 |
| Notice sent to Shareholders | 11 th September 2018 |
| Issue of Placement Shares | on or before 13 th September 2018 |
| Ex date | 13 th September 2018 |
| Record Date for determining Entitlements | 14 th September 2018 |
| Prospectus sent out to Shareholders & Company announces this has been completed | 17 th September 2018 |
| Last day to extend Closing Date | 25 th September 2018 |
| Closing Date* | 28 th September 2018 |
| Shares quoted on a deferred settlement basis | 1 st October 2018 |
| ASX notified of under subscriptions | 1 st October 2018 |
| Issue date/Shares entered into Shareholders' security holdings | 4 th October 2018 |
| Quotation of Shares issued under the Offer* | 5 th October 2018 |



A notice will be issued pursuant to Section 708AA of the Corporations Act 2001 (Cth) (Corporations Act) with respect to the Placement. The Rights Issue will be made pursuant to a Prospectus to be lodged with ASX on or about 10th September 2018 and will be available on ASX's company announcement platform at www.asx.com.au and at www.peelmining.com.au.

Eligible Shareholders registered on the Record Date will receive a copy of the Prospectus, together with instructions on how and when to apply for New Shares under the Rights Issue and a personalised Acceptance Form specifying each Eligible Shareholder's entitlement.

The Prospectus will include full details of the Rights Issue, the underwriting and the use of funds, and Eligible Shareholders should read it carefully.

If you require further information, please contact the Company Secretary Ryan Woodhouse on +61 8 9382 3955.

The Company encourages all Eligible Shareholders to participate in the Offer.

Rob Tyson
Managing Director

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