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Robert Tyson  
Managing Director  
10 September 2018

**PEEL MINING LIMITED**  
**ACN 119 343 734**

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## **ENTITLEMENT ISSUE PROSPECTUS**

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For a non-renounceable entitlement issue of 1 Share for every 8 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.36 per Share to raise up to \$8,736,119 (based on the number of Shares on issue as at the date of this Prospectus and the number of Shares to be issued under the Placement) (**Offer**).

The Offer is fully underwritten by Patersons Securities Limited (ACN 008 896 311) (**Underwriter**). Refer to Section 8.4.1 for details regarding the terms of the Underwriting Agreement.

### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Simon Hadfield (Non-Executive Chairman)  
Graham Hardie (Non-Executive Director)  
Robert Tyson (Managing Director)

### Company Secretary

Ryan Woodhouse

### Share Registry\*

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

Telephone: +61 1300 306 413  
Facsimile: +61 (0)2 9287 0303  
Website: [www.Linkmarketservices.Com](http://www.Linkmarketservices.Com)

### Auditor

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

### Registered Office

Unit 1, 34 Kings Park Road  
West Perth WA 6005

Telephone: + 61 8 9382 3955  
Email: [info@peelmining.com.au](mailto:info@peelmining.com.au)  
Website: [www.peelmining.com.au](http://www.peelmining.com.au)

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

### Underwriter and Lead Manager

Patersons Securities Limited  
Level 23, Exchange Tower  
2 The Esplanade  
Perth WA 6000

AFSL Number: 239 052

\*This entity is included for information purposes only.

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## 2. TIMETABLE

Lodgement of Prospectus with the ASIC	10th September 2018
Lodgement of Prospectus & Appendix 3B with ASX	10th September 2018
Notice sent to Shareholders	12th September 2018
Issue of Placement Shares	on or before 13th September 2018
Ex date	13th September 2018
Record Date for determining Entitlements	14th September 2018
Prospectus sent out to Shareholders & Company announces this has been completed	18th September 2018
Last day to extend Closing Date	25th September 2018
Closing Date*	2.00pm (WST) 28th September 2018
Shares quoted on a deferred settlement basis	1st October 2018
ASX notified of under subscriptions	3rd October 2018
Issue date/Shares entered into Shareholders' security holdings	4th October 2018
Quotation of Shares issued under the Offer*	5th October 2018

\*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

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### 3. IMPORTANT NOTES

This Prospectus is dated 10<sup>th</sup> September 2018 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### 3.1 Placement

As announced on 7 September 2018, the Company has successfully completed a capital raising of 10,000,000 Shares at an issue price of \$0.36 per Share (**Placement Shares**) to sophisticated investors to raise \$3,600,000 (**Placement**). The Company intends to issue the Shares under the Placement on or before 13 September 2018 and in any event, prior to the Record Date.

St Barbara Limited, a substantial shareholder of the Company, subscribed for 5,000,000 Shares in the Placement. Refer to Section 5.5 for details of the substantial holdings.

#### 3.2 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## 4. DETAILS OF THE OFFER

### 4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of 1 Share for every 8 Shares held by Shareholders registered at the Record Date at an issue price of \$0.36 per Share. Fractional entitlements will be rounded to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus (and assuming that all Placement Shares are issued prior to the Record Date), a maximum of 24,266,996 Shares will be issued pursuant to this Offer to raise up to \$8,736,119.

As at the date of this Prospectus the Company has 8,300,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

### 4.2 Minimum subscription

There is no minimum subscription.

### 4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
  - (i) complete the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
  - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.36 per Share); or

- (c) if you wish to subscribe for **more** than your Entitlement:
- (i) fill in the number of Shares you wish to accept in addition to your Entitlement in the relevant space allocated on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft or arrange BPAY®, for the appropriate application monies (being the total number of Shares that you indicate in the Entitlement and Acceptance Form that you wish to acquire, multiplied by \$0.36 per Share)
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

#### 4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Peel Mining Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 2.00pm WST on the Closing Date.

#### 4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

#### 4.6 Underwriting and Sub-Underwriting

The Company entered into an Underwriting Agreement with Patersons (as detailed in Section 8.4.1) whereby Patersons has agreed to fully underwrite the Offer. Refer to Section 8.4.1 of this Prospectus for details of the terms of the underwriting.

The Underwriter has entered into sub-underwriting agreements to fully sub-underwrite the underwritten securities.

#### 4.7 Effect on control of the Company

The Underwriter is not presently a shareholder of the Company and the extent to which Shares are issued pursuant to the Underwriting will increase the Underwriter's voting power in the Company. The Underwriter is not a related party of the Company for the purpose of the Corporations Act. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below.

	Shares held by Patersons	Voting power of Patersons
Date of Prospectus	Nil	0%
<b>Completion of Entitlement Issue</b>		
Fully subscribed	Nil	0%
75% subscribed	6,066,749	2.78%
50% subscribed	12,133,498	5.56%
25% subscribed	18,200,247	8.33%
0% subscribed	24,266,996	11.11%

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriter will reduce by a corresponding amount for the amount of entitlements under the Offer taken up by Shareholders. The voting power of the Underwriter will also be reduced to the extent that sub-underwriters take up any Shortfall.

The Company and the Underwriter have confirmed that no sub-underwriter nor existing Shareholder of the Company will increase its shareholding to above 19.99% as a result of the Offer.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 12.5% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	5.15%	1,250,000	10,000,000	4.58%
Shareholder 2	5,000,000	2.58%	625,000	5,000,000	2.29%
Shareholder 3	1,500,000	0.77%	187,500	1,500,000	0.69%
Shareholder 4	400,000	0.21%	50,000	400,000	0.18%
Shareholder 5	50,000	0.03%	6,250	50,000	0.02%
Total	194,135,969		24,266,996		218,402,965

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**Notes:**

1. The above total shares are based off the non-diluted ordinary shares and assumes no employee or director options have been exercised prior to the close of the offer.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

#### **4.8 Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.36 being the price at which Shares have been offered under the Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shares using BPAY® (refer to Section 4.5 above).

The allocation of Shares under the Shortfall Offer will be allocated in the sole and absolute discretion of the Underwriter, in consultation with the Company.

#### **4.9 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

#### **4.10 Issue of Shares**

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

#### **4.11 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

##### ***New Zealand***

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

##### ***Nominees and custodians***

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **4.12 Enquiries**

Any questions concerning the Offer should be directed to the Share Registry (Link Market Services Limited) on +61 1300 306 413.

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$8,736,119.

As the raising will be fully underwritten there will be no minimum subscription. The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Drill out and resource definition at the Wagga Tank/ Southern Nights prospect.	5,500,000	63%
2.	Regional exploration incl. Wagga Tank/ Southern Nights	1,000,000	11%
3.	Mallee Bull and CSP commitments till June 2019	700,000	8%
4.	Expenses of the Offer <sup>1</sup>	598,567	7%
5.	Working capital	937,552	11%
	<b>Total</b>	<b>8,736,119</b>	<b>100%</b>

#### Notes:

1. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events including exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

### 5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted, all Placement Shares are issued prior to the Record Date and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$8,137,551 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 194,135,969 as at the date of this Prospectus (being the number of Shares on issue as at the date of this Prospectus including all Placement Shares) to 218,402,965 Shares.

### 5.3 Pro-forma balance sheet

The Company has prepared a pro-forma balance sheet as at 1 October 2018 shown below, which has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, all Placement Shares are issued prior to the Record Date and no Options are exercised prior to the Record Date, and includes expenses of the Offer and the proceeds from the Placement. The balance sheet as at 31 December 2017 (from the Company's Half-Year Consolidated Financial Report, the unaudited 30 June 2018 accounts and pro-forma balance sheet as at 1 October 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	31 December 2017 <sup>3</sup>	UNAUDITED 30 June 2018	PROFORMA ADJUSTMENT	PROFORMA
<b>CURRENT ASSETS</b>				
Cash <sup>1</sup>	8,492,384	2,291,570	11,593,551	13,885,121
Other current assets	4,280,507	341,940	-	341,940
<b>TOTAL CURRENT ASSETS</b>	<b>12,772,891</b>	<b>2,633,510</b>	<b>11,593,551</b>	<b>14,227,061</b>
<b>NON-CURRENT ASSETS</b>				
Exploration	18,772,200	24,585,053	-	24,585,053
Plant, Property and Equipment	1,114,886	1,217,463	-	1,217,463
Security deposits	465,866	485,866	-	485,866
Investment in associate	-	3,652,152	-	3,652,152
<b>TOTAL NON-CURRENT ASSETS</b>	<b>20,352,952</b>	<b>29,940,534</b>	<b>-</b>	<b>29,940,534</b>
<b>TOTAL ASSETS</b>	<b>33,125,843</b>	<b>32,574,044</b>	<b>11,593,551</b>	<b>44,167,595</b>
<b>CURRENT LIABILITIES</b>				
Creditors and borrowings	(1,574,583)	(1,110,533)	-	(1,110,533)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(1,574,583)</b>	<b>(1,110,533)</b>	<b>-</b>	<b>(1,110,533)</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred Income	(6,029,125)	(6,363,688)	-	(6,363,688)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>(6,029,125)</b>	<b>(6,363,688)</b>	<b>-</b>	<b>(6,363,688)</b>
<b>TOTAL LIABILITIES</b>	<b>(6,029,125)</b>	<b>(7,474,221)</b>	<b>-</b>	<b>(7,474,221)</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>25,522,135</b>	<b>25,099,823</b>	<b>11,593,551</b>	<b>36,693,374</b>
<b>EQUITY</b>				
Share capital <sup>2</sup>	30,230,294	30,266,457	11,593,551	41,860,008
Options Reserve	2,361,807	2,472,772	-	2,472,772
Retained loss	7,069,966	(7,639,406)	-	(7,639,406)
<b>TOTAL EQUITY</b>	<b>25,522,135</b>	<b>25,099,823</b>	<b>11,593,551</b>	<b>36,693,374</b>

**Notes:**

1. Cash as part of the pro-forma accounts will increase by \$11,593,551 (after deducting the estimated expenses of the Offer and Placement) post the issue.

2. Share Capital will increase by \$11,593,551, after deducting the estimated expenses of the issue.
3. The figures for the 31 December 2017 have been taken from the Company's Half-Year Consolidated Financial Report, released on the ASX on the 15<sup>th</sup> March 2018.

#### 5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, all Placement Shares are issued prior to the Record Date and no Options are exercised prior to the Record Date, is set out below.

##### Shares

	Number
Shares currently on issue	184,135,969
Placement Shares to be issued prior to the Record Date	10,000,000
Shares offered pursuant to the Offer	24,266,996
<b>Total Shares on issue after completion of the Offer</b>	<b>218,402,965</b>

##### Options

	Number
Options currently on issue:	
<u>Unquoted Options:</u>	
Employee and Contractor Incentive Options with an exercise price of \$0.19 and expiry date of 19 October 2018	500,000
Related party options with an exercise price of \$0.216 and expiry date of 7 December 2018	1,000,000
Employee & Contractor Incentive Options with an exercise price of \$0.203 and expiry date of 10 October 2019	800,000
Related party options with an exercise price of \$0.223 and expiry date of 28 November 2019	3,000,000
Employee & Contractor Incentive Options with an exercise price of \$0.26 and expiry date of 15 August 2020	1,000,000
Related Party Options with an exercise price of \$0.783 and expiry date of 30 November 2020	2,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>8,300,000</b>

The capital structure on a fully diluted basis as at the date of this Prospectus (including all Placement Shares) would be 202,435,969 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 218,402,965 Shares.

No Shares on issue are subject to escrow restrictions, either voluntary or ASX imposed.

## 5.5 Details of substantial holders

Based on publicly available information as at 5 September 2018 (and assuming issue of the Placement Shares), those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
St Barbara Limited	34,750,000 <sup>1</sup>	17.90%
Hampton Hill Mining NL and associates	35,480,612	18.28%
William Hodeson and associated companies	17,246,548	8.88%
Point Nominees Pty Ltd <sup>2</sup>	15,422,890	7.94%

**Note:**

1. This total includes 5,000,000 Placement Shares to be issued to St Barbara under the Placement.
2. Graham Hardie is a director of Point Nominees Pty Ltd.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

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## 6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### 6.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

### 6.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### 6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

#### **6.4 Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

#### **6.5 Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

#### **6.6 Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

#### **6.7 Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

#### **6.8 Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.



## 6.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## 7. RISK FACTORS

### 7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### 7.2 Company specific

#### (a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted, all Placement Shares are issued prior to the Record Date and no Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 194,035,969 currently on issue (and including the Placement Shares) to 218,402,965. This means that each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.41 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

#### (b) Exploration Success

The future profitability of the Company and the value of its securities are directly related to the results of exploration. The exploration tenements held by the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. In addition, the resources may become depleted, resulting in a reduction of the value of those tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant

uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(c) **Environmental risks**

Exploration programmes impact on the environment. These impacts are minimised by the Company's application of best practice principles. The Company will be subject to environmental laws and regulations in connection with activities and operations it may pursue. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject it to extensive liability.

Approval may be required from the relevant authorities before the Company can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

(d) **Further risks specific to the Company**

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

- geological conditions;
- alteration to exploration and production programmes and budgets;
- unanticipated operational and technical difficulties;
- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- prevention or restriction of access due to inability to obtain consents or approvals (including access agreements entered into with Native Title claimants); and
- uninsured losses or liabilities.

## 7.3 Industry specific

### (a) Commodity price risk

Changes in Commodity Prices of base and precious metals, which in the past have fluctuated widely, will affect the profitability of the Company's operations and its financial condition in the future, if and when the Company enters production. The Company's revenues, profitability and viability would depend on the market price of base metals produced from the Company's Project. The market prices of base and precious metals is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand, expectations with respect to the rate of inflation, interest rates, currency exchange rates, the demand for base and precious metals and industrial products containing metals, base and precious metals production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and procedures of base and precious metals in response to any of the above factors, and global and regional political and economic factors.

Should the Company eventually enter a production phase, a decline in the market price of base and precious metals below the Company's production costs for any sustained period would have a material adverse impact on the profit, cash flow and results of operations of the Company's projects and anticipated future operations. Such a decline also could have a material adverse impact on the ability of the Company to finance the exploration and development of its existing and future mineral projects. A decline in the market price of base and precious metals may also require the Company to write-down its material reserves which would have a material adverse effect on the value of the Company's securities. Further, if future revenue from any future base and precious metals sales decline, the Company may experience liquidity difficulties. The Company will also have to assess the economic impact of any sustained lower prices on recoverability and therefore, on cut-off grades and the level of any future mineral reserves and resources.

### (b) Resources and reserves

The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

## 7.4 General risks

### (a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

### (b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### (c) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

### (d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility

with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

**7.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## 8. ADDITIONAL INFORMATION

### 8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### 8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
27/10/2017	Change in substantial holding
27/10/2017	Notice of Annual General Meeting/Proxy Form
30/10/2017	High grade Zinc Discovery Confirmed – 21m @ 31.02% Zn
31/10/2017	Quarterly Activities Report
31/10/2017	Quarterly Cashflow Report
06/11/2017	Trading Halt
08/11/2017	Voluntary Suspension
09/11/2017	\$6m Share Placement to Accelerate Southern Nights Drilling
09/11/2017	Reinstatement to Official Quotation
13/11/2017	New High-Grade Zinc Intercepts Expand Southern Nights
14/11/2017	Investor Presentation
17/11/2017	Appendix 3B and Listing Rule 7.1
17/11/2017	Notice under section 708A(5)(e) of the Corporations Act
17/11/2017	Change in substantial holding from SBM
20/11/2017	Change in substantial holding
28/11/2017	Appendix 3B – Exercise of employee options
29/11/2017	Results of Annual General Meeting
29/11/2017	2017 Annual General Meeting Presentation
30/11/2017	Ceasing to be a substantial holder
01/12/2017	Change in substantial holding from SBM
01/12/2017	Appendix 3B
01/12/2017	Change of Director's Interest Notice x 3



08/12/2017	Change in substantial holding
18/12/2017	Southern Nights Return Further High-Grade Intercepts
11/01/2018	Letter to Shareholders Saturn Metals Priority Offer
11/01/2018	Letter to Shareholders Saturn Metals Priority Offer Amended
12/01/2018	Appointment of Saturn Metals Managing Director
19/01/2018	TLM: NSW Lachlan Cu-Au Project Update
23/01/2018	Southern Nights Surges with Multiple High-Grade Hits
25/01/2018	Change in substantial holding
29/01/2018	Saturn Metals Limited Priority Offer and IPO Presentation
01/02/2018	Quarterly Activities Report
01/02/2018	Quarterly Cashflow Report
01/02/2018	Appendix 3B
20/02/2018	Saturn metals Ltd IPO Closes Early and Heavily Oversubscribed
22/02/2018	2018 RIU Explorers Conference Presentation
26/02/2018	TLM: Lachlan Cu-Au Project – Targeting Review Completed
06/03/2018	Euroz Independent Research Report
15/03/2018	Half-Year Consolidated Financial Report
22/03/2018	Large-scale mineral system at Wagga Tank confirmed
29/03/2018	Mallee Bull Update
17/02/2018	Link Between Wagga Tank and Southern Nights Established
01/05/2018	Quarterly Activities Report
01/05/2018	Quarterly Cashflow Report
07/05/2018	High-Grade Link at Wagga Tank Confirmed
09/05/2018	Sydney Resources Roundup Conference Presentation
14/05/2018	Strong Assays Confirm Continuity at Depth
06/06/2018	Further High-Grade Assays from Southern Nights
27/07/2018	Appendix 3B
31/07/2018	Quarterly Cashflow Report
31/07/2018	Quarterly Activities Report
31/07/2018	Mallee Bull Returns Strong Infill Drill Results
6/08/2018	Diggers and Dealers Investor Presentation
17/08/2018	Appendix 3B
4/09/2018	Southern Nights Update
5/09/2018	Pause in trading
5/09/2018	Trading Halt
7/09/2018	Oversubscribed Placement and Underwritten Rights Issue

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.peelmining.com.au](http://www.peelmining.com.au).

### 8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.605	12 June 2018
Lowest	\$0.375	7 September 2018
Last	\$0.41	7 September 2018

### 8.4 Material contracts

#### 8.4.1 Underwriting Agreement

By an agreement between Patersons (**Underwriter**) and the Company dated 6 September 2018 (**Underwriting Agreement**) (as varied by an agreement dated 7 September 2018), the Underwriter agreed to underwrite the Offer for 24,266,996 Shares (**Underwritten Shares**), being an amount of \$8,736,119.

A summary of the terms of the Underwriting Agreement are set out below:

- (a) (**Appointment of Underwriter**): The Company appoints the Underwriter to exclusively manage the Offer and underwrite the subscription and sale of the Underwritten Shares at the price of \$0.36 per Share and the Underwriter accepts that appointment on the terms and conditions of and the considerations appearing in this Agreement.
- (b) (**Sub-underwriters**): The Underwriter may procure any person to sub underwrite such portion of the Underwritten Shares as the Underwriter in its absolute discretion, thinks fit.
- (c) (**Allocation of Shortfall Shares**): Subject to the terms of allocation described in the Prospectus and of any sub underwriting agreements the Underwriter has the right to nominate and determine who is to receive the Shortfall Shares in consultation with the Company.
- (d) (**Fees**): The Company has agreed to pay the following fees to the Underwriter:
  - (i) **Underwriting Fee** - an underwriting fee equal to 4% of the total gross amount raised in the Offer;
  - (ii) **Issue Management Fee** - On Completion the Company must pay to the Underwriter (or as the Underwriter may in writing

direct) an Issue Management Fee of 2.0 % of the total gross amount raised in the Offer;

- (iii) **Other fees** - The Company must pay to the Underwriter a Corporate Advisory Fee of \$30,000 for its services in managing the Issue.

In addition to the fees set out above, the Company will reimburse the Underwriter for all costs and expenses incidental to the Offer.

- (e) **(Termination)**: The Underwriter may terminate its obligations under the Underwriting Agreement if:
  - (i) **(Indices fall)**: either of the All Ordinaries Index or the S&P/ASX Small Resources Index as published by ASX is at any time after the date of the Underwriting Agreement, is at a level that is 7.5% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement; or
  - (ii) **(Share Price)**: the Shares of the Company that trade on the ASX under the ASX code of "PEX" close lower than the Price on any two consecutive trading days; or
  - (iii) **(No Official Quotation)**: Official Quotation has not been granted for all the Rights Shares by the Shortfall Notice Deadline Date or, having been granted, is subsequently withdrawn, withheld or qualified; or
  - (iv) **(Supplementary Prospectus)**:
    - (A) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in Section 8.4.1(e)(xiv)(F), forms the view on reasonable grounds that a supplementary or replacement Prospectus should be lodged with ASIC and the Company fails to lodge a supplementary or replacement Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
    - (B) the Company lodges a supplementary or replacement Prospectus without the prior written agreement of the Underwriter; or
  - (v) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information required by the Corporations Act; or
  - (vi) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus or if any statement in the becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;

- (vii) **(Restriction on allotment):** the Company is prevented from allotting the Rights Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (viii) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (ix) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (x) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (xi) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Japan, Russia, the United Kingdom, the United States of America, France, North Korea, the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (xii) **(Authorisation)** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (xiii) **(Indictable offence):** a director or senior manager of a Relevant Company is charged with an indictable offence;
- (xiv) **(Termination Events):** subject always to Section 8.4.1(f), any of the following events occurs :
  - (A) **(Default):** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
  - (B) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
  - (C) **(Contravention of constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or

any other applicable legislation or any policy or requirement of ASIC or ASX;

- (D) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (E) **(Error in Due Diligence Results)**: it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive in a material respect or that there was a material omission from them;
- (F) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (G) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus;
- (H) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (I) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
- (J) **(Change in Act or policy)**: there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (K) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs (as defined in the Underwriting Agreement);
- (L) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (M) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;

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- (N) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$25,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (O) **(Litigation)**: material litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or threatened against any Relevant Company, other than any claims disclosed to the Underwriter in writing prior to the date of the Underwriting Agreement or foreshadowed in the Prospectus;
- (P) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter;
- (Q) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (R) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 3 Business Days, without the written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
- (S) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (T) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (U) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
- (V) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Relevant Company; or
- (W) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

(f) **(Material Adverse Effect):** the Underwriter may not exercise its rights under Section 8.4.1(e)(xiv) unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a Termination Event has or is likely to have, or two or more Termination Events together have or are likely to have:

- (i) a Material Adverse Effect; or
- (ii) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

Under the Underwriting Agreement, Material Adverse Effect is defined as:

- (i) a material adverse effect on the Offer or on the subsequent market for the Shares that are subject to the Offer (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in Shares); or
  - (ii) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospectus, business or operations of the Company and its subsidiaries either individually or taken as a whole; or
  - (iii) the underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement; or
  - (iv) a material adverse effect on the tax position of either:
    - (A) the Company and its subsidiaries either individually or taken as a whole; or
    - (B) an Australian resident shareholder in the Company.
- (g) **(Company Termination):** The Company may terminate the Underwriting Agreement by notice in writing given at any time prior to Completion, if the Underwriter is in default or any representation, warranty or undertaking given by the Underwriter in this Agreement is or becomes untrue or incorrect.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

## 8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or

- (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
- (i) the formation or promotion of the Company; or
- (ii) the Offer.

### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company (held directly or indirectly) as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$ Entitlement
Simon Hadfield	Direct- 1,250,000 (FPO Shares)  Indirect – 2,562,564 (FPO Shares) <sup>1</sup>	Indirect - 1,500,000 <sup>1</sup>	476,571	171,565
Graham Hardie	Indirect – 15,422,890 (FPO Shares) <sup>2</sup>	Indirect- 1,500,000 <sup>2</sup>	1,927,861	694,030
Robert Tyson	Direct- 3,550,000 (FPO Shares)  Indirect – 3,530,000 (FPO Shares) <sup>3</sup>	Indirect- 3,000,000 <sup>3</sup>	885,000	318,600

#### **Note:**

1. Held by Salamar Pty Ltd a company in which Mr Hadfield is a director.
2. Held by Point Nominees Pty Ltd.
3. Jordan Tyson & Flynn Tyson, Tyson Titan Funds and Bianca Pope.

None of the Directors participated in the Placement.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements to the best of their ability.

### **Remuneration**

The total aggregate fixed sum per annum to be paid to the Directors from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between



them, then in equal shares (Total Aggregate Fixed Sum). No non-executive Director shall be paid as part or whole of his remuneration a commission on or a percentage of profits or a commission or a percentage of operating revenue, and no executive Director shall be paid as whole or part of his remuneration a commission on or percentage of operating revenue. The remuneration of a Director shall be deemed to accrue from day to day. Any increase in the remuneration of Directors shall be in accordance with the Corporations Act and the Listing Rules.

The Total Aggregate Fixed Sum has been set to an amount not to exceed \$200,000.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Year end - 30 June 2019 (Proposed) <sup>1</sup>	Year end - 30 June 2018	Year end - 30 June 2017 <sup>1</sup>
Simon Hadfield	54,750	218,837	\$105,265
Graham Hardie	54,750	218,837	\$105,265
Robert Tyson	255,680	524,291	\$417,631

**Notes:**

1. Remuneration amount comprise cash salary and fees, superannuation, long-service leave and share base payments.

## 8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
- (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Patersons Securities Limited will be paid an underwriting fee of approximately \$349,445; together with a \$174,722 Issue Management Fee in respect of this Offer. Patersons Securities Limited will also be paid \$30,000 for corporate advisory services provided to the Company. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons Securities Limited has been paid fees totalling \$72,600 by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$46,507.51 (excluding GST and disbursements) for legal services provided to the Company.

## 8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;
- (c) Patersons Securities Limited has given its written consent to being named as Lead Manager and Underwriter to the Offer in this Prospectus, in the form and context in which it is named. Patersons Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus. Patersons Securities Limited (including its related entities) is not a Shareholder of the Company and currently has no

relevant interest in any of the Company's securities. Patersons was not involved in the preparation of the Prospectus and Patersons:

- (i) has not made any statement in the Prospectus or any statement on which a statement made in this Prospectus is based;
  - (ii) has not authorised or caused the issue of the Prospectus or the making of the Offer; and
  - (iii) makes no representation regarding, and to the extent permitted by law, excludes any responsibility for, any statements in, or omission from, any part of the Prospectus.
- (d) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.
- (e) PricewaterhouseCoopers has given its written consent to being named as auditor to the Company in this Prospectus. PricewaterhouseCoopers has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. PricewaterhouseCoopers was not involved in the preparation of the Prospectus and PricewaterhouseCoopers:
- (i) has not authorised or caused the issue of the Prospectus;
  - (ii) has not made, and does not purport to have made, any statement in the Prospectus; and
  - (iii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of the Prospectus.

## 8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$598,568 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	20,293
Underwriting fees	349,445
Issue Management Fee	174,722
Corporate Advisory Fee	30,000
Legal fees	15,000
Printing and distribution	5,000
Miscellaneous	902
<b>Total</b>	<b>598,568</b>

## 8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Share Registry (Link Market Services Limited) on +61 1300 306 413 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively,

you may obtain a copy of this Prospectus from the Company's website at [www.peelmining.com.au](http://www.peelmining.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **8.10 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

#### **8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **8.12 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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9. **DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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Robert Tyson  
**Managing Director**  
For and on behalf of  
Peel Mining Limited

For personal use only

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10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Peel Mining Limited (ACN 119 343 734).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Placement** means the completed capital raising of 10,000,000 Shares at an issue price of \$0.36 per Share to sophisticated investors to raise \$3,600,000 as announced on 7 September 2018.

**Placement Shares** means those Shares issued under the Placement.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Application Form** means the shortfall application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in Section 4.8 of this Prospectus.

**Shortfall Shares** means those Shares issued pursuant to the Shortfall.

**Termination Events** have their meanings given to them by Section 8.4.1(e)(xiv) of this Prospectus.

**WST** means Western Standard Time as observed in Perth, Western Australia.