

12th September 2018

Dear Shareholder

Peel Mining Limited – non-renounceable rights issue

As announced on 7 September 2018, Peel Mining Limited (ACN 119 343 734) (the **Company**) is undertaking a 1:8 non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 24,266,996 fully paid ordinary shares (**New Shares**) to raise approximately \$8,736,119. The price of New Shares under the Offer is 36 cents (\$0.36) each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX earlier today.

The Offer is fully underwritten by Patersons Securities Limited (**Underwriter**). The Company must pay the Underwriter the following fees:

- an underwriting fee equal to 4% of the total gross amount raised in the Offer;
- an Issue Management Fee of 2.0 % of the total gross amount raised in the Offer; and
- 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.

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 ¹	598,567	7%
5.	Working capital	937,552	11%
	Total	8,736,119	100%

Peel Mining Limited ACN 119 343 734

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The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 14 September 2018, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 24,266,996 New Shares resulting in total Shares on issue of approximately 218,402,965 (included Shares to be issued pursuant to the Placement announced on 7 September 2018).

Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your financial adviser or the Share Registry (Link Market Services Limited) on +61 1300 306 413.

Yours sincerely

Robert Tyson
Managing Director

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