

WAGGA TANK RESOURCE DRILLING UNDERWAY; ROYALTY ACQUISITION COMPLETED

Highlights:

- **Drilling at Wagga Tank and Southern Nights now underway as part of programme to establish a maiden JORC-compliant mineral resource estimate by end fiscal 2018/19**
- **Programme to comprise approximately 20,000m of RC/diamond drilling**
- **Drilling also to test for extensions to the mineralised system, which remains open along strike and at depth**
- **Acquisition of 2% NSR royalty over Wagga Tank completed delivering 100% unencumbered ownership**

Peel Mining Limited (ASX:PEX: "Peel" or the "Company") is pleased to report that drilling at its 100%-owned Wagga Tank-Southern Nights project, south of Cobar in western New South Wales is now underway. Peel is also pleased to report that it has recently completed the acquisition of the 2% NSR royalty from MMG Limited (MMG) delivering 100% unencumbered ownership to Peel.

The drilling programme, comprising approximately 20,000m of RC and diamond drilling, is designed to enable the completion of a maiden JORC-compliant mineral resource estimate by end fiscal 2018/19. The programme is also designed to test for extensions to the mineralised system, which remains open along strike and at depth.

Two multi-purpose (RC/diamond) drill rigs have recently mobilised to site and will operate on a double shift basis, to systematically infill and extend the current 2km long footprint of the Wagga Tank-Southern Nights mineral system. The Wagga Tank-Southern Nights project is emerging as one of the most significant zinc polymetallic discoveries in Australia in recent years.

As previously reported, MMG notified Peel on 10 August 2018 that it had received an offer from a TSX-listed royalty streaming business to purchase the royalty interests associated with the tenements Peel acquired from MMG in 2016. Pursuant to Peel's first right of refusal under the Royalty Deeds, MMG offered to sell the royalty interests to Peel for \$3.3 million (incl GST) in cash.

In accordance with the terms of the relevant Royalty Deeds, Peel elected to exercise its right to acquire the royalty interests and subsequently settled last week. The acquisition delivers to Peel 100% unencumbered ownership of the tenements acquired from MMG in 2016.

For further information, please contact:

Rob Tyson – Peel Mining, Managing Director +61 (0)420 234 020

For personal use only

Wagga Tank-Southern Nights Background

Wagga Tank is located ~130 km south of Cobar on the western edge of the Cobar Superbasin. The deposit was initially discovered in the mid-1970s and comprises a near surface oxide gold zone, a possible supergene-enriched copper-gold-silver zone, and a primary zinc-lead-silver -rich massive sulphide zone starting at the base of oxidation (~120m below surface). Historic drilling comprised 20 percussion drillholes and 22 diamond drillholes (some completed as percussion pre-collar/diamond tail combinations). All drillholes intersected mineralisation to some degree, with 24 intercepting significant values including:

- 32m @ 3.00 g/t Au, 24 g/t Ag from 10m
- 20m @ 3.11 g/t Au, 63 g/t Ag from 28m
- 25.9m @ 8.74% Zn, 3.39% Pb, 82 g/t Ag from 141.6m
- 15.7m @ 10.39% Zn, 4.43% Pb, 69 g/t Ag from 215.6m
- 18.15m @ 5.86% Zn, 3.00% Pb, 32 g/t Ag, 1.01 g/t Au from 222.85m
- 24m @ 2.73% Cu, 0.56 g/t Au, 13 g/t Ag from 86m
- 13.55m @ 4.6% Cu, 1.14 g/t Au, 470 g/t Ag from 119.75m

In 2016, Peel acquired 100% of the Wagga Tank licences in a non-dilutive acquisition for \$40k and 2% NSR. No significant exploration including drilling had occurred since 1989. In late 2016, Peel commenced a maiden 18-drillhole programme designed to confirm historic drill data; highlights included:

- 27m @ 10.00% Zn, 6.41% Pb, 89 g/t Ag, 0.42 g/t Au, 0.21% Cu from 240m
- 16m @ 3.27 g/t Au, 0.35% Cu, 1.1% Zn, 0.57% Pb, 12 g/t Ag from 226m
- 13m @ 3.34 g/t Au, 0.83% Cu, 0.77% Zn, 0.28% Pb, 20 g/t Ag from 299m
- 15m @ 8.5% Zn, 4.11% Pb, 114 g/t Ag, 1.57 g/t Au, 0.3% Cu from 280m
- 12m @ 3.09% Cu, 97 g/t Ag, 1.36 g/t Au from 92m
- 8m @ 8.54% Zn, 6.20% Pb, 134 g/t Ag, 1.45% Cu from 173m
- 11m @ 7.15% Zn, 2.31% Pb, 58 g/t Ag from 396m

By mid-2017, Peel had completed a significant programme of geophysical surveys which generated a number of exploration targets surrounding Wagga Tank, and in August 2017, discovery drillhole WTCDD021 led to recognition of Wagga Tank-style mineralisation approximately 1 km south of Wagga Tank. Follow-up drilling rapidly established the Southern Nights discovery as one of the most significant zinc polymetallic discoveries in Australia in recent years. Mineralisation at Wagga Tank-Southern Nights has been defined over a 2km strike footprint. Highlights from drilling have included:

- 142m @ 7.39% Zn, 3.76% Pb, 101 g/t Ag, 0.54 g/t Au, 0.15% Cu from 108m
- 26m @ 25.45% Zn, 9.92% Pb, 215 g/t Ag, 1.19 g/t Au from 190m
- 10m @ 16.28% Zn, 11.17% Pb, 387 g/t Ag, 0.63 g/t Au from 148m
- 22m @ 8.48% Zn, 3.06% Pb, 115 g/t Ag, 0.24 g/t Au from 161m
- 102m @ 4.30% Zn, 1.14% Pb, 27 g/t Ag, 0.44 g/t Au, 0.41% Cu from 195m
- 19m @ 10.9% Zn, 3.6% Pb, 99 g/t Ag, 0.46 g/t Au from 215m
- 17m @ 2.80% Zn, 0.96% Pb, 469 g/t Ag, 0.91 g/t Au, 0.21% Cu from 181m
- 20.45m @ 1.98% Cu, 1.99 g/t Au, 92 g/t Ag, 1.83% Zn, 0.62% Pb from 435.45m

For further information, please see Peel's ASX quarterly reports commencing September 2016 to June 2018.

Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr. Rob Tyson who is a fulltime employee of the company and a member of the Australasian Institute of Mining and Metallurgy. Mr. Tyson has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Tyson consents to the inclusion in this report of the matters based on information in the form and context in which it appears. Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures.