



ASX ANNOUNCEMENT

30TH SEPTEMBER 2020

Peel Exercises Pre-Emptive Right to Purchase Wirlong Royalty

Key Points:

- **The Company has exercised its pre-emptive right to acquire Weddarla Pty Ltd's 1.5% Net Smelter Return royalty over tenement EL8307, by matching a third party's unconditional cash offer of \$1.2 million**
- **EL8307 contains the Wirlong Cu-Ag deposit, and the Sandy Creek and Red Shaft prospects**
- **Purchase of royalty moves Peel to 100% unencumbered ownership of all its Southern Cobar Basin tenements**

Peel Mining Limited (ASX:PEX) (Peel or the Company) is pleased to advise that it has exercised its pre-emptive right to acquire Weddarla Pty Ltd's 1.5% Net Smelter Return (NSR) royalty over tenement EL8307, by matching a third party's unconditional cash offer of \$1.2 million.

Weddarla recently notified Peel that it had received an offer from a Toronto Stock Exchange listed royalty streaming business to purchase the 1.5% NSR royalty associated with EL8307. Pursuant to Peel's first right of refusal under the Royalty Deed, Weddarla offered to sell the 1.5% NSR royalty to Peel for \$1.2 million (excluding GST) in cash. In accordance with the terms of the Royalty Deed, Peel has elected to exercise its right to acquire the royalty interest. Following the acquisition Peel will have 100% unencumbered ownership of all its Southern Cobar Basin tenements.

EL8307 contains the Wirlong copper-silver deposit, as well as the Sandy Creek and Red Shaft prospects. Wirlong, discovered in 2016, represents a classic Cobar-style VMS copper deposit analogous to the CSA mine. Wirlong has returned strong copper mineralised intercepts commencing from ~60m below surface to at least 600m below surface, and when combined with Mallee Bull, significantly increases the Company's exposure to copper. Peel intends to undertake drilling at Wirlong over the coming months with the objective of establishing a copper-rich Maiden mineral resource estimate.

Rob Tyson commented:

"The unconditional cash offer from a TSX-listed royalty streaming business for the 1.5% NSR royalty covering EL8307 continues to underscore the widespread interest that exists for Cobar Basin assets, and the strong economic potential therein.

Peel's pre-emptive right has ensured that the Company can completely consolidate its Southern Cobar Basin tenements removing all future ownership encumbrances.

As foreshadowed, it is the Company's intention, in due course, to undertake a resource drillout at Wirlong in order to establish a maiden mineral resource estimate.

It is our strong belief that Wirlong, and the broader EL8307 landholding, has excellent economic potential, and the buyout of the royalty interest underlines the Company's view on the value proposition."



About Wirlong

The Wirlong discovery, located ~35km north of Mallee Bull, exhibits the hallmarks of a classic Cobar-style VMS copper deposit with many significant drill intercepts returned including:

- 9m @ 3.29% Cu, 18 g/t Ag from 70m in WLRC035
- 27m @ 5.3% Cu, 23 g/t Ag from 286m in WLRC026
- 31m @ 3.19% Cu, 11 g/t Ag from 299m in WLRC052
- 9m @ 8.0% Cu, 17 g/t Ag, 0.21 g/t Au from 616m in WLDD001
- 17m @ 4.59% Cu, 8 g/t Ag from 738m in WLRCD043

High-grade copper mineralisation at Wirlong has been defined from near surface to more than 600m below surface and remains open in all directions.

Further drilling targeting the high-grade Tally-Ho lode is planned for the current half year, with plans to undertake, in due course, a resource drillout to establish a maiden mineral resource estimate.

This announcement has been approved for release by the Board of Directors.

For further information, please contact:

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Competent Persons Statement

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

Figure 1 – Peel Mining Cobar Basin Tenure

