



ACN 119 343 734



Annual Report 2015

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Contents

Chairman's report	1
Review of operations	2
Schedule of tenements	17
Directors' report	18
Consolidated statement of profit and loss and other comprehensive income	26
Consolidated statement of financial position	27
Consolidated statement of changes in equity	28
Consolidated statement of cash flows	29
Notes to the consolidated financial statements	30
Directors' declaration	46
Auditor's independence declaration	47
Independent auditor's report	48
Additional ASX information	50
Corporate governance statement	58

Chairman's Report

Dear Fellow Shareholders

Peel Mining Limited has once again delivered outstanding results in 2015 to buck the trend in another tough year for the resources sector.

Late in the year the company announced spectacular Zn-Pb-Ag near-surface intercepts at its Mallee Bull deposit, located in the Cobar district of New South Wales. After establishing a maiden inferred resource of 3.9 million tonnes at a 2.7% copper equivalent for the project in the previous year, the Company along with its 50/50 joint venture partner, CBH Resources Limited, has spent the current year seeking to increase the scale of the deposit with a combination of geophysics and drilling.

The deposit is known for its high grade mineralisation and has once again shown its potential with intercepts including 12 metres @ 20.30% zinc, 14.81% lead, 0.54% copper, 308 g/t silver and 1.59 g/t gold from 83m. This near-surface mineralisation has greatly enhanced the open-pit mining potential of the system.

During the year Peel was pleased to announce it had executed a Memorandum of Agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC), to earn 50% of certain exploration ground in its Cobar Superbasin Project, also located in the Cobar District of NSW. The deal will see JOGMEC spend up to \$7,000,000 on exploration over the next five years to earn its interest. The deal will see Peel's exploration activities fully funded in the area at a time where funding in the resources sector is difficult.

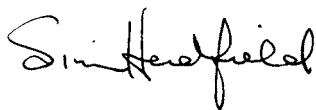
Exploration under the farm-in commenced in November and by year end the first \$1,000,000 had been spent on exploration. This exploration focused on the highly prospective Sandy Creek tenement which contains the Sandy Creek, Red Shaft, Wirlong prospects. Maiden drill programs at both Red Shaft and Wirlong produced highly encouraging results including 15m @ 0.86 g/t Au from 7m in RSRA035 and 4m @ 3.04% Cu, 12 g/t Ag, 0.19% Zn from 196m in WLRC005. At Wirlong strong geochemical anomalies with coincident alteration zones have now been extended to over 2.5km and remain open to the north and south. These initial results show the potential of these prospects and will once again be a focus for exploration in the upcoming year.

Throughout the year, your Company continued exploration at its 100% owned Apollo Hill gold project near Leonora in Western Australia. Peel has continued to consolidate its land position at Apollo Hill with the pegging of new tenure to the south of the main prospect. Exploration of this new tenure discovered the Mud Hut and 40G prospects, which were identified with geochemical sampling, values from which included 42.0 g/t Au, 10.9 g/t Au and 7.39 g/t Au. This was followed up with a RAB drilling program in the June quarter producing anomalous values with better intercepts including 2m @ 1.32 g/t Au from 16m and 2m @ 2.11 g/t Au from 22m in 40GRAB12 and 1m @ 1.09 g/t Au from 18m in 40GRAB17. The results of the drilling continue to confirm that the areas prospectivity, and will be followed up with drilling along strike and at depth in due course.

I would like to thank Peel's Managing Director Mr Rob Tyson and our technical and practical team for their efforts throughout the year to further advance our key projects. I would also like to thank my fellow non-executive director Graham Hardie for his hard work and input.

It has been another trying year for investors in the resources sector, however we believe if we continue to systematically explore our projects it will give us the best chance for success in the field and subsequently consequently the share price for our investors.

Yours Sincerely,



Simon Hadfield

Chairman

29th September 2015

Review of Operations

Background

At September 2015, Peel held three key mineral projects comprising granted exploration licences and licences under application.

- Gilgunnia (EL7461 and ML1361), in 50:50 joint venture with CBH Resources Limited, a wholly-owned subsidiary of Tokyo Stock Exchange-listed Toho Zinc, contains the Mallee Bull copper-polymetallic discovery and the May Day polymetallic deposit. The tenure also hosts the historic Gilgunnia and 4-Mile goldfields. Exploration activities during the reporting period led to the completion of a maiden resource estimate at Mallee Bull. During the year, geophysical target drilling uncovered near surface, very high grade zinc-lead-silver-gold mineralisation at the T1 prospect above Mallee Bull.
- Cobar Superbasin Project (CSP) is a package of tenements (ELs and ELAs) covering more than 3,200km² of prospective stratigraphy within the Cobar Basin. The tenements are considered prospective for Cobar-style and VHMS polymetallic deposits. The package includes EL7403 immediately north of Mallee Bull, which contains the Sandy Creek, Redshaft and Wirlong prospects. During the year, a farm-in agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC) was executed for the Cobar Superbasin Project with an initial \$1 million dollars of exploration expenditure spent. JOGMEC can earn up to 50% of certain tenements by funding up to \$7 million of exploration expenditure.
- Apollo Hill contains two significant gold deposits – Apollo Hill and the Ra Zone – for an inferred resource estimate of 505,000 oz gold. These deposits exhibit the hallmarks of a major mineralised Archean system, showing extensive hydrothermal alteration and deformation. With continued drilling, Peel aims to update the resource model at Apollo Hill with an increase in contained ounces and strengthen the potential for future economic extraction. During the year, the company added to its land holding in the area including the Apollo Hill South tenement where rock chip sampling results included 42.9 g/t Au and 10.9 g/t Au.

Details on Assets

Gilgunnia/Mallee Bull Project

The Gilgunnia/Mallee Bull project, located about 100km south of Cobar in western NSW, contains the Mallee Bull copper-polymetallic discovery, the May Day polymetallic deposit and the historic Gilgunnia and 4-Mile goldfields. Peel and CBH Resources Limited are in a 50:50 Joint Venture over the tenement.

Mallee Bull is interpreted to be located in a favourable geological and structural position; it is situated in the suitably high-stress environment of the “nose” of an anticline, and occurs in a geological sequence of turbidite and volcanoclastic sediments which are thought to be age equivalent to the Chesney and Great Cobar Slate Formations found in the immediate Cobar region. Mineralisation occurs either as massive sulphide or breccia/stringer styles within a package of brecciated volcanoclastic and turbidite sediments comprising siltstones and mudstone, and is interpreted to occur as a shoot-like structure dipping moderately to the west.

Exploration over the reporting period has focused on the Mallee Bull copper-polymetallic deposit, where an Orion 3D IP and MT resistivity survey and 3D inversion modelling of airborne magnetic survey delineated multiple chargeable IP and magnetic anomalies. Three of these anomalies were followed up with diamond and reverse circulation (RC) drilling, with the T1 target returning near surface, very high grade zinc-lead-silver-gold mineralisation.

Mallee Bull Discovery

In late 2010, an airborne electromagnetic geophysical survey (VTEM) was flown over the May Day and 4-Mile/Butchers Dog areas, resulting in the recognition of a coincident late time conducting anomaly and magnetic high. The Mallee Bull anomaly is proximal to the historic 4-Mile goldfield area; a series of surface and underground gold workings located about 10km east of the May Day deposit. A subsequent ground-based geophysical (fixed-loop TEM) survey confirmed the existence of a moderate-strong conductor and in March 2010, a programme of three RC drill holes for a total of 663m targeting the geophysical anomaly was completed. This drilling resulted in the discovery of strongly anomalous polymetallic (gold-silver-copper-lead-zinc) mineralisation in all three drill holes.

Systematic exploration followed involving several rounds of additional drilling (4 more RC drill holes plus a diamond tail) and several down-hole geophysical (DHEM) surveys. This work culminated in discovery drill hole 4MRC007 intersecting multiple zones of strong copper-dominated polymetallic mineralisation including massive sulphides. In late August 2011, Peel announced that drill hole 4MRCDD006 intersected a 10m zone of massive sulphide averaging more than 20% combined lead-zinc plus silver-gold, and a 6.65m semi-massive zone averaging better than 3% copper plus silver-gold. Mineralisation included chalcopyrite, sphalerite, galena, pyrrhotite, pyrite, and arsenopyrite.

CBH Resources Farm-in

In May 2012, Peel and CBH Resources Limited signed a binding Heads of Agreement under which CBH Resources had the right to earn an interest of up to 50% of the Gilgunnia project over a three year period via staged \$8.33 million expenditure on exploration and contribution to previous exploration costs incurred by Peel. In March 2014, CBH Resources completed its final Farm-in payment in relation to the agreement, and consequently has earned a 50% interest in the project; a 50:50 Joint Venture has now been formed.

As part of Stage 1 of the farm-in, diamond drilling recommenced targeting down-dip/plunge mineralisation at Mallee Bull in June 2012. Phase 2 exploration was completed by November 2012 4,822m of diamond drilling. Strong results were returned including 69m at 3.48% Cu, 34 g/t Ag, 0.14 g/t Au from 533m in MBDD009, 31m at 2.65% Cu, 51 g/t Ag, 0.18 g/t Au from 415m in MBDD002 and 22m at 3.62% Cu, 38 g/t Ag, 0.09 g/t Au from 444m in MBDD003 indicating an increase in width and tenor of mineralisation at deeper levels.

The true width of mineralisation intersected in Phase 2 drilling is estimated to be about 55-65% of the down-hole intervals, except for MBDD007 and MBDD009 where the true-width is estimated to be about 40-45% of the down-hole intervals.

In February 2014, Stage 2 of the Mallee Bull farm-in agreement commenced. This drilling was completed by June 2014 and predominantly targeted down-dip/plunge mineralisation. Further strong results were returned including 84m @ 4.42% Cu, 38 g/t Ag, 0.14 g/t Au from 575m in MBDD009W2W1 and 53m @ 4.08% Cu, 42 g/t Ag, 0.22 g/t Au from 470m in MBDD009W1 from a zone of variable stringer/breccia sulphide mineralisation. The true width of mineralisation intersected in Phase 3 drilling is estimated to be about 40-50% of the down-hole intervals. A 9 hole RC drilling programme for a total 1,621m was also completed in April 2014, testing several newly discovered IP anomalies as well as several areas of anomalous geochemistry. Several drillholes returned anomalous geochemistry however results were generally not significant.

In August 2014, Stage 3 of the Mallee Bull farm-in agreement commenced. Diamond and RAB drilling was carried out with diamond drilling completed by March 2014, and strong copper mineralisation at Mallee Bull was intercepted at still greater depths with mineralisation extended to more than 800m below surface. Stage 3 also included regional drilling targeting geophysical anomalies and a resource definition program that enabled the maiden resource estimate for Mallee Bull, released in May 2014.

Maiden Resource Estimate

The maiden resource estimate for Mallee Bull was completed by MPR Geological Consultants Pty Ltd (MPR), in accordance with the guidelines of the JORC Code (2012 edition), comprising 3.9 million tonnes at 2.3% copper, 32 g/t silver and 0.3 g/t gold for 90,000 tonnes of contained copper, 4 million ounces contained silver and 43,000 ounces contained gold (at a 1% copper equivalent cut-off).

The Mallee Bull Mineral Resource comprises two main mineralised domains (hanging-wall and footwall domains), and one smaller zone (central domain). The domains were generated from wire-framing geological data and the use of a 0.8% copper lower cut-off. The Mineral Resource area has dimensions of approximately 400m (north) by 400m (east) and 800m (elevation). A breakdown of the Mineral Resource at 1% copper equivalent cut-off is shown below in Table 1.

Table 1: Mineral Resource at 1% copper equivalent cut-off

CUT OFF CUEQ %	CATEGORY	KT	GRADE				CONTAINED METAL			
			CUEQ	CU %	AG G/T	AU G/T	CUEQ KT	CU KT	AG KOZ	AU KOZ
1.0	Indicated	620	2.22	1.73	29.0	0.54	14	10.7	578	11
	Inferred	3,300	2.8	2.4	32	0.3	93	79	3,395	32
	Total	3,920	2.7	2.3	32	0.3	107	90	3,973	43

Mineral Resource estimates include copper equivalent grades incorporating copper, silver and gold values. The copper equivalent grades are based on copper, silver and gold prices of \$7,000/t \$20.00/oz and \$1,300/oz and overall recoveries of 95%, 90% and 66% respectively. These estimates were based on Peel's interpretation of potential commodity prices and the Company's interpretation of first pass metallurgical testwork performed on Mallee Bull diamond core using the following formula: Cu equivalent (%) = Cu (%) + 0.009 x Ag (g/t) + 0.415 x Au (g/t). It is the Company's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

Review of Operations

Metallurgical and mineralogical assessments have been completed to determine the flotation characteristics of high grade (Cu) Massive Sulphide and high grade (Cu) Stringer Sulphide, the two dominant styles of mineralisation at Mallee Bull. Assessments of the Stringer Zone were performed on samples from diamond hole MBDD009 with excellent results achieved: a 30.2% Cu concentrate grade at 94.2% recovery. For the high grade Massive Sulphide, good overall rougher/cleaner results were achieved with the same reagent suite as the Stringer Sulphide but with a more intense regrind; cleaning tests resulted in a 24.7% Cu at an overall recovery of 88.1%. Further testwork is required to demonstrate potential metallurgical recoveries for cobalt, lead and zinc.

Scoping Study

The Mallee Bull mineral resource estimate formed the basis of an in-house scoping study that was completed during the reporting period. This study highlighted amongst other things the benefits of increasing the scale of Mallee Bull. Encouragingly, review of data indicates the likelihood of mineralisation remaining open to the north, in particular for lead and zinc

Recent Exploration

In February 2015, an Orion 3D DC-IP-MT survey, covering approx. 5km² centred on the Mallee Bull deposit, was completed in conjunction with a high-resolution (50m line-spacing) airborne magnetics survey, aiming to increase the scale of the known mineralised system. Orion 3D is a state-of-the-art geophysical system that acquires three sets of data in multiple directions – DC (direct current), IP (induced polarisation) and MT (magnetotellurics) – providing a high-resolution and deep-penetrating three dimensional survey. 3D inversion modelling of the data and subsequent interpretation identified two areas of strong chargeability for drill testing, both occurring in close proximity to Mallee Bull.

T1 Target

The first target (T1) is defined as a near surface, strong chargeable and low resistivity response located in an up-dip position to the east of Mallee Bull, and is coincident with a gravity high. RC drilling at T1 in April/May of this quarter encountered substantial near-surface zinc-lead-silver-gold mineralisation comprising sphalerite-galena-pyrite sulphides in stringer to massive accumulations within fresh turbidite sediments of the Shume Formation. Mineralisation was intersected in all 21 holes (MBRC013, MBRC016 to MBRC035) to varying degrees, with nine of the twenty-one drill holes intersecting high-grade mineralisation to within 50m of surface. Mineralisation is occurring in a position close to the interpreted axial plane of an anticline and is considered to be dipping about 45 degrees to the west. Down hole widths are interpreted to approximate true widths. Better results are detailed in Table 2 below.

Table 2: T1 – Summary of important drill results

HOLE ID	FROM (M)	TO (M)	WIDTH (M)	ZN (%)	PB (%)	AG (G/T)	AU (G/T)
MBRC016	131	138	7	6.08	3.42	76	0.25
MBRC018	106	116	10	15.82	7.60	322	1.28
MBRC019	88	92	4	8.21	3.35	113	1.02
MBRC021	95	101	6	10.30	4.98	159	0.76
MBRC023	121	127	6	10.57	4.81	53	0.39
MBRC024	83	95	12	20.30	14.81	308	1.59
MBRC028	71	78	7	21.39	12.74	203	0.58
MBRC030	77	80	3	16.05	7.48	174	0.21
MBRC034	50	58	8	2.13	6.98	130	0.49

Substantial zinc-lead rich mineralisation has previously been intercepted at Mallee Bull, most notably on the northern end of the current resource model where it has been defined to more than 500m below surface and remains open. This mineralisation possibly represents the down-dip continuation of the mineralisation currently intercepted at T1. No resource estimates have been made for zinc-lead mineralisation to date. T1, which remains open along strike to the north and south and up and down dip.

Subsequent to the quarter's end, a follow-up programme comprising a minimum of 2,400m RC designed to test for extensions to the high grade mineralisation recently intercepted at T1. Results have been announced to the ASX post year end.

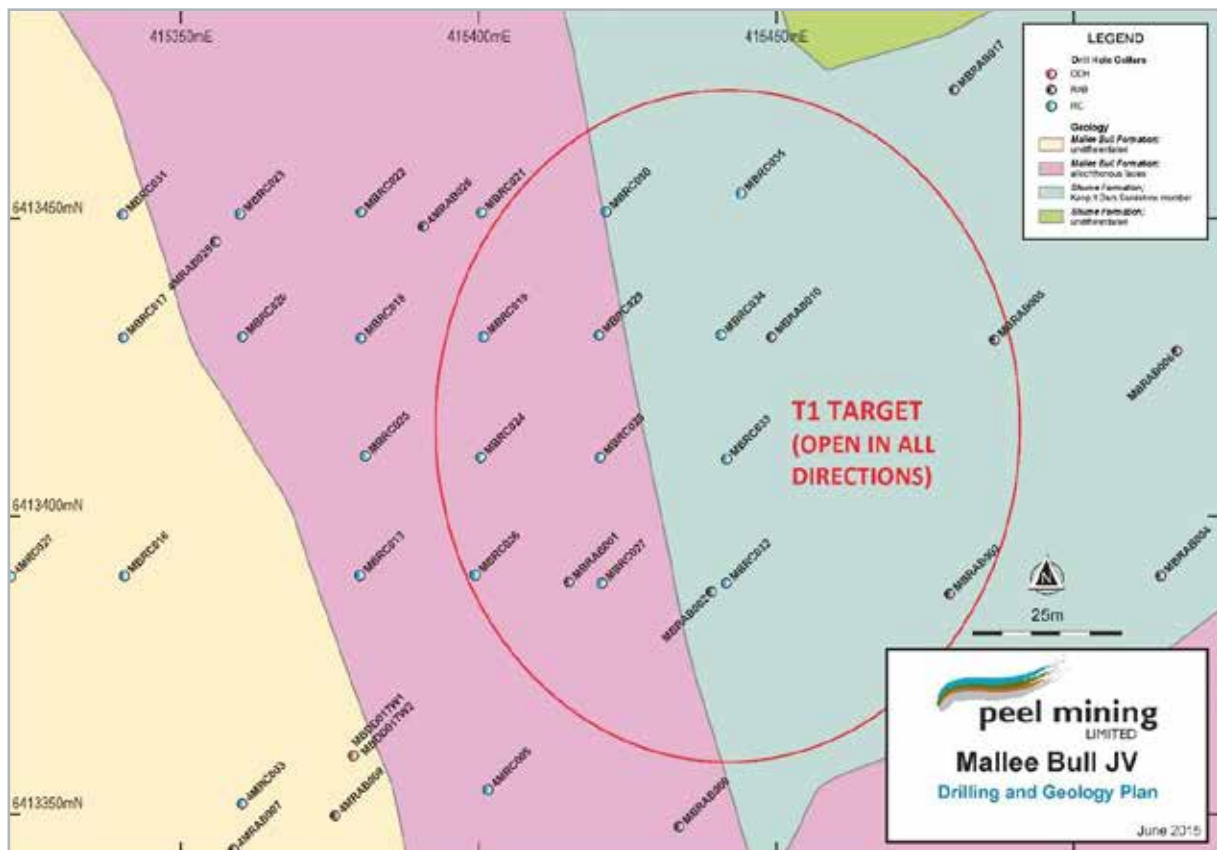


FIGURE 1: MALLEE BULL JV T1 DRILL PLAN

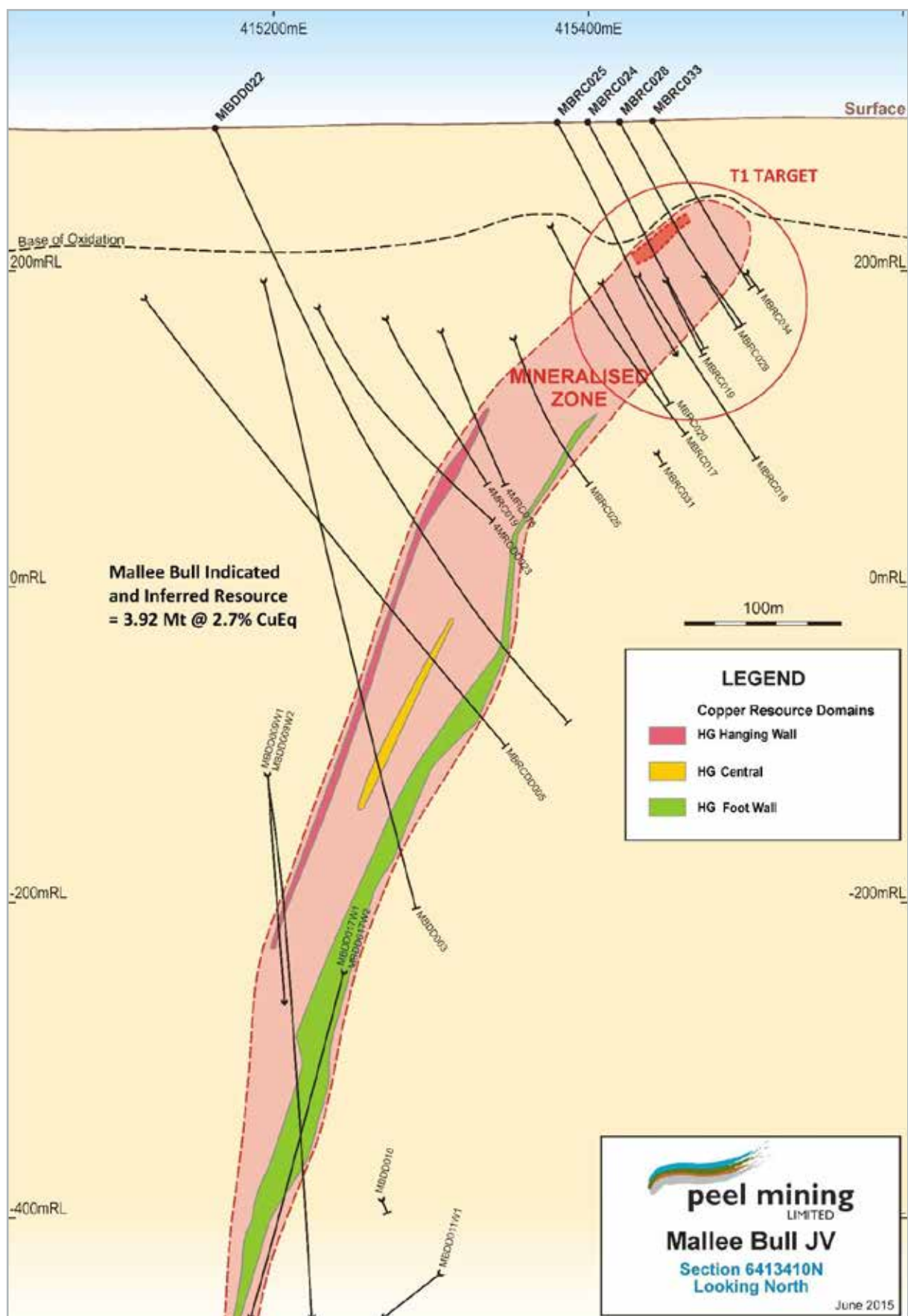


FIGURE 2: MALLEE BULL JV SECTION 6413410N

T2 Target

Target 2 (T2) is defined as a moderate to strong chargeable anomaly located approximately 250m to the west of Mallee Bull, commencing at ~250m below surface and continuing to about ~450m below surface. A single diamond hole (MBDD025) for a total 500m was drilled to test the anomaly, and whilst zones of chlorite alteration and fracturing were noted in the drillcore, only minor disseminated sulphide mineralisation was noted at depths shallower than the target zone. A DHEM survey was completed, and excepting an off-hole anomaly interpreted to be consistent with the Mallee Bull conductor, no further anomalies were observed.

T3 & T4 Targets

Target 3 (T3) is a substantial remanent (negative) magnetic feature located ~500m southeast of Mallee Bull. T3 is located in close proximity to the centre of the historic 4-Mile gold workings and has anomalous surface and RAB drillhole geochemistry (Au-As) located above it. A deep diamond drillhole to test T3 was deferred following the discovery of significant mineralisation at T1. Target 4 (T4), a small, strong magnetic high located ~1,200m to the east of Mallee Bull was tested with drillholes MBRC014 and MBRC015. No significant mineralisation was intercepted however disseminated pyrrhotite was identified over broad intervals and elevated magnetic susceptibility readings were noted. A DHEM survey was completed on hole MBRC015, and whilst no bedrock conductors proximal to the hole were identified, there was evidence for a distal off-hole anomaly for which a unique source location could not be determined. Additional geophysics, such as a Fixed Receiver Electromagnetic (FREM) survey, has been recommended to potentially upgrade the priority of this anomaly.

May Day

May Day was discovered in 1898 and was initially developed as an underground copper-lead-silver mine. Exploration in the 1970s identified high grade gold-base metal mineralisation to a depth of about 250m below surface. Exploration in the late 1980s defined a shallow gold resource, which eventually led to the development in 1996 of a small-scale mining operation comprising an open pit with a heap leach gold circuit.

Since acquisition in late 2009, Peel has completed multiple phases of exploration involving: an initial due diligence site visit inclusive of geological mapping and rock chip sampling; geophysical surveys comprising gravity and Induced Polarisation; remodelling of airborne magnetic data; laser scanning and survey pick-up of the open pit and historic drillholes; an RC drilling programme; early-warning metallurgical testwork; and a helicopter-borne geophysical survey (VTEM).

From RC drilling confirmed down dip extensions and that mineralisation is shear-related, occurring as a sub-vertical lense/shoot. Mineralisation occurs at or near the interbedded contact of a fine-grained sedimentary hangingwall and a porphyritic volcanic footwall, is associated with silica/talc alteration, and includes disseminated through to massive sphalerite-galena-pyrite-pyrrhotite-chalcopyrite sulphides

Developments at the nearby Mallee Bull prospect add significant value to the Gilgunnia and support the prospectivity of the May Day deposit. Further work at May Day will involve a deep drilling programme targeting the magnetic anomaly at depth. No work was completed at the prospect in the current year.

Cobar Superbasin Project

During the 2014/15 reporting period, Peel Mining Limited signed a Memorandum of Agreement with Japan Oil, Gas, and Metals National Corporation (JOGMEC) over the Cobar Superbasin Project, under which JOGMEC may earn up to 50% interest in the project by funding up to \$7 million of exploration. The first stage of exploration under this MoA was completed in March, encompassing \$1 million expenditure; activities this year included diamond, RC and RAB drilling at the Sandy Creek, Wirlong, Red Shaft, Burthong and Mundoe prospects.

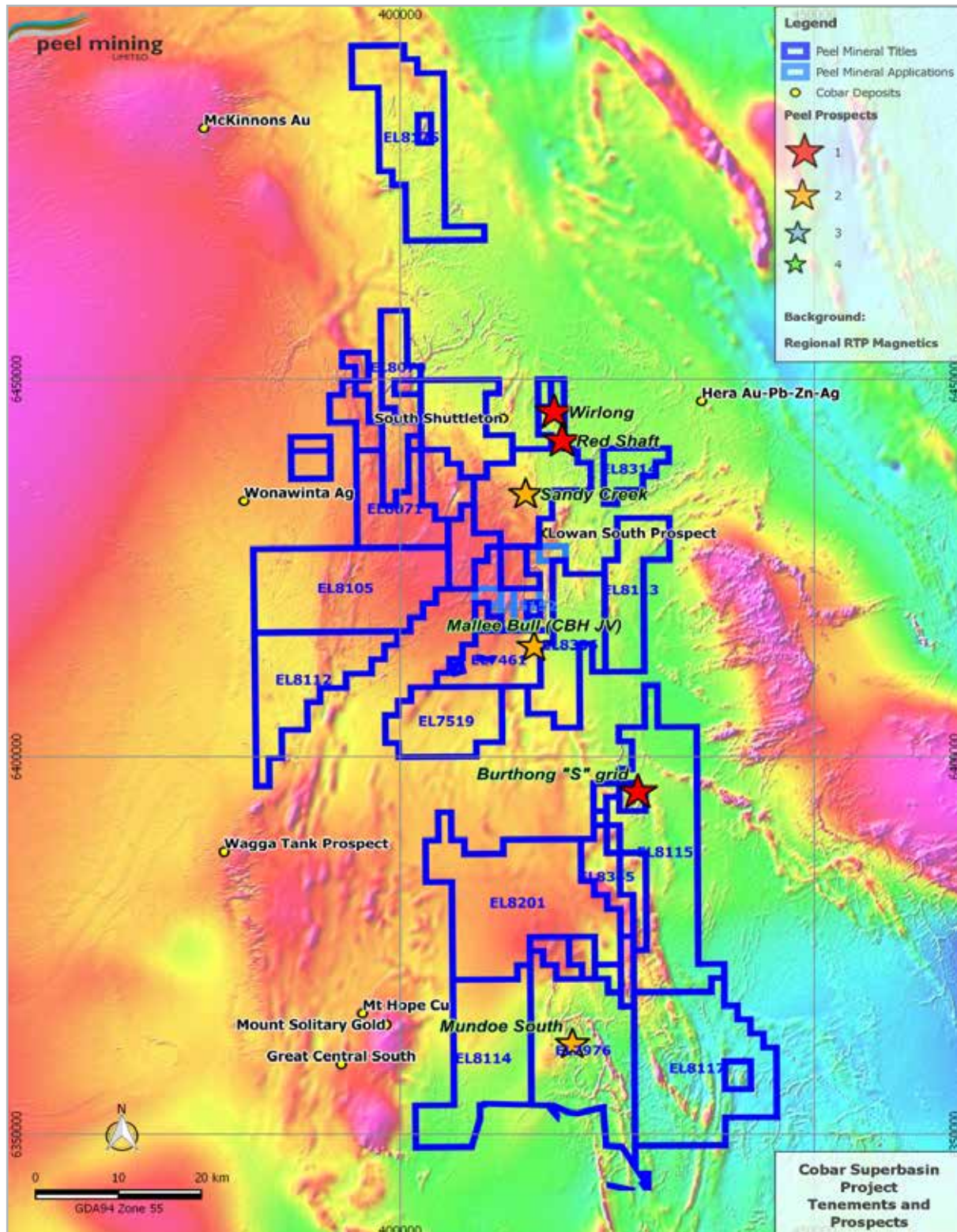


FIGURE 3: PEEL MINING COBAR SUPERBASIN TENURE

Sandy Creek

The Sandy Creek prospect lies directly along strike from the stratigraphic contact intersected at the Mallee Bull deposit and occupies the same geological unit. Historic drilling has yielded encouraging results, including 10.2m @ 1.6% Cu, 7.4% Pb, 68 g/t Ag from 521.8m at SCDD02, drilled in 2003 by Pasminco Limited.

Drilling at Sandy Creek was completed during the December and March quarters of the reporting period and comprised: 4 RC drillholes for 752m; 1 RC precollar with diamond tail drillhole for 308m RC and 208m diamond; and 1 diamond drillhole for 600m. A further 51 RAB drillholes for 1,786m were also completed. Drillholes PSCRCDD002 and PSCDD002 encountered encouraging mineralisation which continues to highlight the potential of the Sandy Creek prospect.

PSCRC001 (160m) and PSCRC003 (160m) were both designed to test shallow IP resistivity targets however no significant results were returned.

PSCRCDD002 (516m) was designed to test a strong chargeable IP anomaly at the Northern end of the Sandy Creek prospect. An RC pre-collar was completed to 308m which was then followed by a 208m diamond tail. PSCRCDD002 predominantly encountered fine-to-medium grained turbiditic sediments, with noticeable volcanoclastic components in places. Pyrrhotite and pyrite sulphide mineralisation occurs at deeper levels (below 350m downhole) and are interpreted as contributing to the IP response. In places, fine mudstone units are fractured with thin network-type veins and/or shearing in places. Several minor sphalerite/chalcopryrite/pyrrhotite/galena veins occur in fractures with anomalous but generally low base metal values returned from these zones. DHEM surveying of PSCRCDD002 show several on- and off-hole conductors, with offhole conductors positioned below the drillhole. Further downhole modelling is planned.

PSCRC004 (282m) and PSCRC005 (150m) were drilled in an attempt to target a strong chargeable IP and DHEM anomaly situated about 500m below surface in the central part of the main area of interest at Sandy Creek. Both holes were terminated after significant deviation from drillhole design.

PSCDD002 (600.2m) was designed to target the aforementioned anomaly unsuccessfully tested by PSCRC004 and PSCRC005. PSCDD002 predominantly encountered fine-to-medium grained turbiditic sediments. At about 490m, a 20m-wide zone of quartz-healed brecciated turbiditic sediments was encountered with several intervals of locally strong pyrrhotite-pyrite-sphalerite-chalcopryrite-galena mineralisation occurring in narrow massive veins and fracture fills with associated sericite and chlorite alteration. Significant results included 1m @ 82.3 g/t Ag, 1.48% Cu, 9.16% Pb, 5.36% Zn from 499m and 1m @ 25.4 g/t Ag, 3.65% Pb, 6.91% Zn from 502m. The results continue to highlight the potential of Sandy Creek to host economic mineralisation.

Wirlong

The Wirlong prospect lies within the Sandy Creek tenement EL7403 and is located approximately 11km to the north-east of the main Sandy Creek prospect. Geochemical sampling at Wirlong has identified significant Pb (>700ppm, 450m by 75m) and Cu (>100ppm, 750m by 125m) anomalies. HyMap airborne hyperspectral images over the area were acquired and processed; a distinct zone of anomalism along the eastern zone of the outcrop ridge at Wirlong was noted, where a change in sericite minerals and mineral chemistry was highlighted. Subsequent geological mapping outlined a strong sericite alteration zone running parallel to the aforementioned main lead anomaly located in sheared outcropping volcanics and sediments. Very high lead values (600-3000ppm) were found to be present over the entire sericite alteration zone, and rock chip samples were collected and submitted for analysis; results ranged from 1000-35000ppm lead.

During the year, Peel reported results from its maiden drill programme at Wirlong performed as part of the farm-in by JOGMEC; these results are considered highly encouraging particularly given the prospect's early-stage of exploration. In total, 6 RC drillholes were successfully completed at Wirlong – 3 drillholes (WLRC001, 003 and 004) were drilled to test chargeable IP geophysical anomalies and 3 drillholes (WLRC005, 006 and 007) were drilled to test geochemical anomalies. WLRC001, 003 and 004 all deviated from their planned trace and failed to test the targeted IP chargeable zones. WLRC002 was terminated early due to excessive lift.

All three drillholes targeting geochemical anomalies (WLRC005, 006 & 007) returned strong base metals mineralisation including:

- 4m @ 3.04% Cu, 12 g/t Ag, 0.19% Zn from 196m in WLRC005;
- 2m @ 2.99% Cu, 1.08 g/t Au, 16 g/t Ag, 0.41% Zn from 322m in WLRC006;
- 2m @ 2.30% Zn, 0.81% Pb, 4 g/t Ag from 139m in WLRC007.

WLRC005 (360m) was designed to test a strong surface lead geochemical anomaly with coincident shearing and sericite alteration, and a moderate chargeable IP anomaly. WLRC005 encountered several broad zones of highly anomalous base metals mineralisation within sheared sediments and felsic volcanic rocks. Sulphide minerals of note include pyrite, chalcopryrite, sphalerite and galena. A strong interval of chalcopryrite-rich mineralisation was recorded at 196-200m downhole – 4m @ 3.04% Cu, 12 g/t Ag, 0.19% Zn – which occurs in a down dip position from a moderate chargeable IP anomaly.

WLRC006 (360m) was designed to test a strong surface lead-copper geochemical anomaly with coincident shearing and alteration and a deep chargeable IP anomaly. WLRC006 was collared about 130m North of WLRC005 and encountered several broad zones of highly anomalous base metals mineralisation within sheared predominantly felsic volcanic rocks.

Sulphide minerals of note include pyrite, chalcopyrite, sphalerite and galena. A strong interval of chalcopyrite-rich mineralisation with associated moderate-strong chlorite alteration was recorded at 322-324m downhole – 2m @ 2.99% Cu, 1.06 g/t Au, 16 g/t Ag, 0.41% Zn.

WLRC007 (234m), located about 1.4km North of WLRC006 and 2.2km North of the historic Wirlong workings, was designed to test beneath WLRAB004 which returned 9m @ 2.19% Pb, 0.11% Zn from 1m and 6m @ 1.01% Pb from 13m. Broad intervals of highly anomalous base metals mineralisation were returned including 2m @ 2.30% Zn, 0.81% Pb, 4 g/t Ag from 139m.

Peel also completed 52 RAB drillholes at the Northern end of the Wirlong prospect, about 2km North of the historic Wirlong workings. The majority of these drillholes intersected highly anomalous base metals mineralisation including the aforementioned WLRAB004.

Results indicate that Wirlong represents a very large, mineralised, hydrothermal system, with a strike length of more than 2.5km, open to the North and South. Furthermore, the prospective stratigraphy that hosts mineralisation at Wirlong is traceable to the Red Shaft prospect, indicating a mineralised trend covering more than 6km of strike.

Red Shaft

Drilling at Red Shaft was completed during the December and March quarters and comprised 2 RC drillholes for 303m and 40 RAB drillholes for 1,953m. Strong base and precious metals mineralisation was returned from multiple drillholes. Red Shaft bares many similarities to Wirlong with mineralisation hosted within sheared felsic volcanics and sediments.

RSRC001 (189m) was designed to test a strong surface copper anomaly in close proximity to the main historic working at Red Shaft however only weak copper-zinc anomalism was returned.

RSRC002 (114m) was designed to test beneath significant gold-base metals mineralisation returned from RSRAB035: 15m @ 0.86 g/t Au from 7m. Highly anomalous base metal values were returned from several broad zones within RSRC002, however, only minor gold values were present.

Interpretation of Red Shaft results is continuing.

Burthong

At the Burthong prospect, strong coherent Pb, Zn, Cu and As soil anomalies have been defined by portable XRF sampling, with additional rock chip samples returning up to 50ppm Ag. An IP survey was completed during the December 2014, delineating a coincident low order chargeable/low resistivity anomaly 50-150m west of the As anomalous zone. To follow-up, 45 RAB holes were drilled during the February 2015 for a total 711m. Results are encouraging, with significant intercepts including 12m @ 3.3 g/t Ag, 0.50% Pb, 0.11% Zn from 0m to EOH in BTRAB020 and 24m @ 0.23% Zn from 0m to EOH in BTRAB021.

Mundoe

The Mundoe prospect, located approximately 50km south of the Mallee Bull deposit, is defined by a 2km long multi-element geochemical anomaly, first identified in the 1970s as a “bulls eye” magnetic anomaly. RC drilling by Peel in December 2012 returned significant results including 13m @ 28 g/t Ag, 0.76% Cu from MURC003 and 19m @ 0.33 g/t Au from 8m, 23m @ 25 g/t Ag and 0.4% Cu from 129m in MURC005.

As follow-up, 3 RC drill holes were completed during the December 2014, testing for northerly and southerly extensions to the existing base and precious metal mineralisation. Significant results include 26m @ 15.2 g/t Ag, 0.33% Cu from 97m including 7m @ 29.6 g/t Ag, 0.42% Cu from 97m and 1m @ 71 g/t Ag, 2.89% Cu from 165m in MURC011, which was drilled between holes MURC003 and MURC005; 8m @ 55.3 g/t Ag, 0.15% Cu from 205m including 1m @ 56 g/t Ag, 0.45% Cu from 205m and 2m @ 138 g/t Ag, 0.13% Cu from 209m in MURC012, potentially extending known mineralisation at Mundoe approximately 100m further south.

Apollo Hill

The Apollo Hill gold project is located 60km southeast of Leonora, Western Australia. Two main gold deposits define the Apollo Hill deposit; Apollo Hill Main Zone and the Ra Zone. Both deposits exhibit the hallmarks of a major mineralised Archean gold system, showing extensive and intense hydrothermal alteration and deformation. In June 2010, Peel entered into an option agreement with Hampton Hill Mining NL (ASX:HHM) to acquire the entire issued capital of Apollo Mining Pty Ltd, the 100%-owner of the Apollo Hill gold project in the North Eastern Goldfields of WA, and in November 2010 the option was exercised.

The key terms of the sale agreement saw Peel issue 11 million fully paid ordinary shares to HHM in consideration for Apollo Hill, and HHM granted a 5% gross overriding royalty on Apollo Hill gold production exceeding 1 million ounces. Since this time, Peel has continued to add to the Exploration Licences held consolidating Peel's WA landholding now to over 550km² of tenure, with multiple prospective targets now identified away from the main Apollo Hill resource.

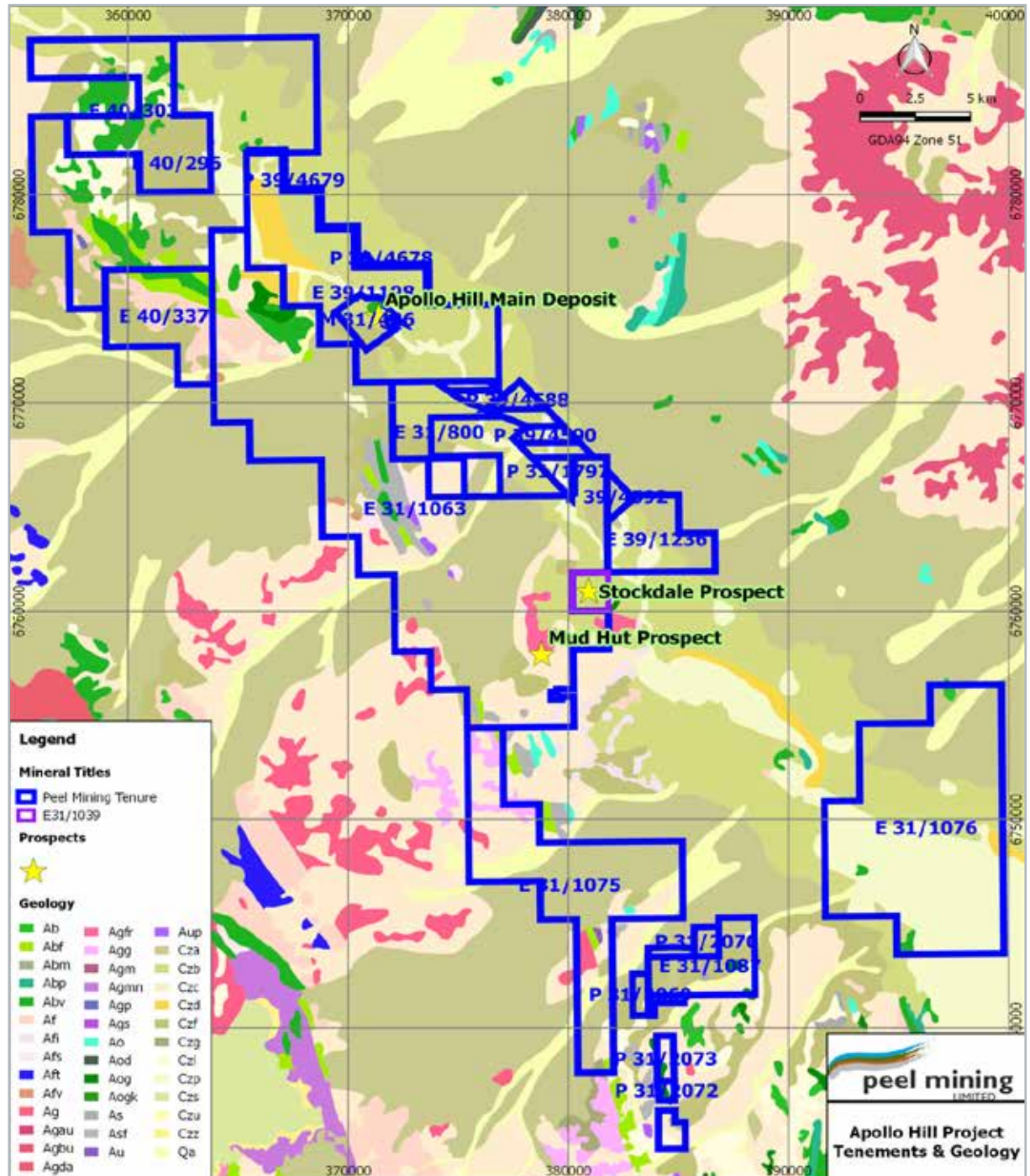


FIGURE 4: APOLLO HILL PROJECT TENEMENTS AND GEOLOGY

History and Geology

Apollo Hill was discovered in 1986 by Fimiston Mining Limited during a drill program aimed at finding the source of abundant eluvial gold at the base of a prominent hill in the area. Active drilling since then has outlined extensive gold mineralisation and alteration over a 1km strike length, which is up to 250m wide and dips 45-60 degrees to the east.

Multiple gold mineralisation events are interpreted to have occurred at Apollo Hill during a complex deformational history. Gold mineralisation is accompanied by quartz veins and carbonate-pyrite alteration associated with a mafic-felsic contact.

Review of Operations

The Apollo Hill gold project straddles a major shear zone, known as the Apollo shear zone, which is a component of the Keith Kilkenny Fault system. This shear zone is largely concealed beneath transported overburden, often associated with the Lake Raeside drainage system, and previous surface geochemical sampling and shallow RAB drilling has consequently been of limited effectiveness. Deeper drilling by previous explorers has largely focused on the only locality where this shear zone is exposed at surface, Apollo Hill itself, and also on a nearby parallel trend termed the Western trend (Ra deposit).

Apollo Hill Resource and Metallurgy

In December 2010, Peel reported a maiden resource estimate for the Apollo Hill and Ra deposits; 11.1 Mt at 1.0 g/t Au for 341,000 ounces of gold (using 0.5 g/t gold cut off), with the potential to increase resources with minimal further drilling. In line with this conclusion, Peel completed a programme of infill and extensional drilling from April to June 2011, comprising approximately 3,600m of RC and diamond drilling. The programme was designed to increase sample density to allow for the extension of the Apollo Hill resource model a further 200 metres (grid) south, and to a minimum depth of about 150 metres below surface. The drilling also provided representative gold-mineralised material for additional metallurgical testwork. Subsequently, in September 2011 Peel reported a 48 per cent increase in the resource estimate for Apollo Hill, to 505,000 ounces contained gold. The updated resource estimate – which was estimated by Hellman and Schofield Pty Ltd (H&S) and incorporated the results of drilling undertaken by Peel – totals 17.2 million tonnes at 0.9 g/t Au for 505,000oz of gold (using a 0.5 g/t gold cut-off) across the Apollo Hill and Ra deposits. The updated resource estimate at a range of gold cut-off grades is shown below:

Table 3: Apollo Hill Resource Estimates

SEPTEMBER 2011 APOLLO HILL INFERRED RESOURCE ESTIMATES TO 180M DEPTH (190MRL)									
CUT-OFF	RA			APOLLO HILL			TOTAL		
AU G/T	MT	AU G/T	KOZ	MT	AU G/T	KOZ	MT	AU G/T	KOZ
0.2	2.4	0.7	54	43	0.5	691	45.4	0.5	745
0.4	1.5	1	48	22	0.8	566	23.5	0.8	614
0.5	1.2	1.1	42	16	0.9	463	17.2	0.9	505
0.6	1	1.2	39	12	1.0	386	13	1.0	424
0.8	0.7	1.4	32	7	1.2	270	7.7	1.2	302
1	0.5	1.6	26	4	1.4	180	4.5	1.4	206
1.2	0.4	1.8	23	2	1.6	103	2.4	1.6	126

Note: The significant figures in above reflect the precision of estimates and include rounding errors.

Peel Mining believes that the shallow and extensive nature of mineralisation at the Apollo Hill gold project suggests that the project has reasonable prospects for eventual economic extraction.

Metallurgical testwork on Apollo Hill mineralisation confirmed that Apollo Hill gold mineralisation is readily amenable to gravity gold and cyanide leaching recovery techniques. The key outcomes from this testwork are:

- Head Assay Characteristics
 - Assays indicate clean, coarse-grained gold mineralisation with variable assay repeatability.
- Comminution Characteristics
 - SMC testwork indicates hard to very-hard rock strength of larger particle sizes (DWI average of 11.3 kWh/m³); HPGR should be considered.
 - Bond Ball Mill Work Index indicates medium hardness of smaller particle sizes (BWI average of 14.3 kWh/t).
 - Bond Abrasion Index indicates low abrasiveness of ore (BAI of 0.055 Ai); low steel ball consumption and low wear on crushing and grinding equipment, pipework, etc.
- Gold Extraction Characteristics
 - Excellent gravity gold extraction with 88% recovery at 75 µm; 68% recovery at 500 µm.
 - Excellent gravity plus cyanide leach gold extraction (48hrs) with 99% recovery at 75 µm; 96% recovery at 500 µm; moderate cyanide consumption, low lime consumption.
 - Moderate to good cyanide leach gold extraction at coarse grind/fine crush sizes: 86% at 2mm; 72% at 4mm; 73% at 6mm; moderate cyanide consumption, low lime consumption.

During the year, a 23-hole aircore (AC) drilling program was completed for a total 495m along strike from the main Apollo Hill deposits. The majority of holes were very shallow owing to difficulties in ground penetration, with the maximum hole depth at 63m. Four traverses of AC holes were drilled to test for a northern extension of the Ra Zone, whilst 7 AC holes were completed within M39/1198 to test for mineralisation to the south-east of the main Apollo Hill resource.

Encouragingly, the northern-most line of holes from the Ra Zone returned significant results, potentially extending mineralisation from the Ra Zone further to the north-west. These holes are amongst the deepest from the program and mineralisation occurs towards the ends of holes, indicating that any significant mineralisation present at depth is likely to have been missed by the shallow drilling. Results include:

- 5m @ 0.54 g/t Au from 30m in PAAC01,
- 11m @ 0.20 g/t Au from 35m to EOH in PAAC02 including 3m @ 0.23 g/t Au from 43m,
- 9m @ 0.25 g/t Au from 25m to EOH in PAAC003 including 5m @ 0.37 g/t Au
- 10m @ 0.21 g/t Au from 20m to EOH in PAAC04 including 5m @ 0.35 g/t Au from 20m.

All results reported are from 5m composite samples, or lesser when the EOH occurred on a metre depth in dividable by the composite width.

Samples from previous drilling completed by Peel at Apollo Hill were submitted for re-assay, utilising the ME-MS61 analytical method for its lower detection limit, and also for hyperspectral analysis. The multi-element and hyperspectral results were to be examined in an effort to better understand the mineral and alteration geochemistry present at Apollo Hill and to aid vestoring for future drill targeting.

The Wider Apollo Hill Project

In 2015, exploration work continued with geochemical sampling targeting potential mineralisation away from the main Apollo Hill deposit. Sampling was conducted predominantly on the newly applied-for E31/1063. From this the Mud Hut and 40G prospects were identified with results from rock chips returning anomalous gold values including 42.0 g/t Au, 10.9 g/t Au and 7.39 g/t Au. A follow small orientation auger survey was undertaken, with anomalous gold values returned including a 0.21 g/t Au sample north-northeast along the same strike trend as the aforementioned high grade Au samples.

In May, 37 shallow RAB holes were completed at Mud Hut/40G as follow-up with encouraging results returned, including:

- 2m @ 0.53 g/t Au from 9m in 40GRAB03
- 2m @ 1.32 g/t Au from 16m and 2m @ 2.11 g/t Au from 22m in 40GRAB12
- 1m @ 1.09 g/t Au from 18m in 40GRAB17
- 2m @ 0.60 g/t Au from 28m in 40GRAB020
- 2m @ 0.52 g/t Au from 18m to EOH in 40GRAB021

Additional auger sampling has subsequently extended coverage to the north, south and east of the RAB drilling, with anomalous gold values of up to 110ppb Au returned towards the east along an interpreted NE trending magnetic structural feature.

Approximately 15km south-east of the Apollo Hill resource and 3.5km NE of Mut Hut/40G, lies the Stockdale prospect (located on E31/1039), where Peel has an exclusive option for a period of up to 3 years, to purchase the tenement for total consideration of \$250,000 and a royalty. Limited historic exploration has been conducted in the area, however recent prospecting activities by the grantor of the option has shown the potential for primary gold mineralisation. As part of the Aircore drill program performed at the main Apollo Hill Deposit, a total 58 AC holes were completed at Stockdale. As at the Apollo Hill main zone, anomalous values were returned despite the termination of all holes at shallow depths. Significant results included 5m @ 0.26 g/t Au from 30m in PSAC008 and 5m @ 0.55 g/t Au from 40m in PSAC024. All results reported are from 5m composite samples, or lesser when the EOH occurred on a metre depth indivisible by the composite width. Also an auger sampling program was also undertaken at the prospect with anomalous gold values of up to 310ppb Au.

Attunga

Attunga is located about 20km north of Tamworth, NSW. Within the Attunga project, there are three specific areas of interest: the Attunga Tungsten Deposit and the Attunga Copper Mine prospect. The Attunga Project area is considered prospective for tungsten-molybdenum skarn-type mineralisation, base/precious metal skarn-type mineralisation, and gold (+/-tungsten) intrusive-related gold system type mineralisation.

Attunga Tungsten Deposit & Attunga Copper Mine

Peel completed multiple phases of exploration at the Attunga Tungsten Deposit including the completion of an independent JORC-compliant resource estimation in April 2008. A high-grade inferred tungsten-molybdenum resource was defined with results including 1.29 Mt at 0.61% WO₃ and 0.05% Mo for 9,400t contained WO₃ equivalent using a 0.2% WO₃ equivalent cut-off.

Review of Operations

An in-house conceptual study into development options for the Attunga Tungsten Deposit has indicated that a low capital expenditure operation could yield positive returns. Peel believes that the deposit's small, high grade nature and proximity to excellent infrastructure and services bodes well for its future advancement/potential development.

The Attunga Copper Mine, located about 800m north of the Attunga Tungsten Deposit was discovered in 1902 and worked over various periods up until World War 2. Total recorded production was about 1,600t ore grading ~6% copper, ~8 g/t gold and ~150 g/t silver. Other significant metals present include bismuth and molybdenum.

In May 2009, Peel completed a drilling programme targeting the historic Attunga Copper Mine workings and an EM anomaly. While thick clays prevented the effective testing of the EM anomaly, drilling to the south of the historic workings resulted in the discovery of polymetallic mineralisation. Drillhole ACM-004 returned 75m @ 1.02 g/t Au, 0.87% Cu, 0.09% Mo, 0.06% Bi, and 22 g/t Ag from 136m including 27m @ 1.60 g/t Au, 1.6% Cu, 0.18% Mo, 0.1% Bi, and 39 g/t Ag from 136m. The true width of the above intervals is construed to be approximately 25% of the down-hole intercepts. Further drilling was completed in 2010, where six diamond drillholes totaling 944m drilling that returned encouraging mineralisation up-dip of ACM-004 with an interval of 5.6m @ 0.44% Mo, 0.70 g/t Au, 12 g/t Ag, 0.45% Cu, 1.9 g/t Re from 48m and 1.4m @ 22.70 g/t Au, 13 g/t Ag, 0.72% Cu from 55m.

The results from the Attunga Copper Mine confirm the presence of significant molybdenum-gold-copper skarn mineralisation that remains open in several directions and provides encouragement that the Attunga skarn deposits are possibly part of a larger metalliferous system, perhaps including a porphyry/mineralised granite source.

Due to the work commitments at the Mallee Bull prospect and Cobar Superbasin Prospects no field work was completed at the Attunga Tungsten deposit or Attunga Copper Mine in 2015.

Orana

Subsequent to the year end Peel Mining Limited drilled its 100%-owned Orana prospect near Ivanhoe, western NSW (EL8216). The Orana prospect is defined by a strong, discrete magnetic anomaly (centred at 227800E 6375300N – MGA55 GDA94) and was previously identified by CRA Exploration on the basis that it might represent a shallowly buried Elura-type body in Devonian sediments. In 1983 CRAE attempted to drill the prospect, however drillhole RD83OR1 was abandoned at 127m following the collapse of PVC casing. RD83OR1 intersected Devonian acid porphyry from 93m to 127m, however the magnetic susceptibility of the acid porphyry was deemed insufficient to explain the magnetic anomaly. The Orana prospect was recently awarded co-operative drill funding of up \$55,000 under the New Frontiers Cooperative Drilling program. Peel completed a single diamond drillhole at Orana in late August, results from which are still pending.

Corporate

During the year, completed Peel completed adjustments to its 2011, 2013 and 2014 tax returns as part of the completion of Research & Development Tax Incentive application for activities undertaken by the Company during these years. Peel received tax refunds under the scheme of \$77k, \$1.37m and \$1.19m (including interest and before costs) respectively.

The Mallee Bull Maiden Resource Estimate, the Apollo Hill and Attunga Resource Estimates remained unchanged from the Resources Estimate as at 30 June 2014

Mineral Resource Estimation Governance Statement

Peel Mining Ltd has ensured that the Mineral Resource Estimates are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by independent external consultants who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken review of the quality and suitability of the underlying information used to generate the resource estimations. Additionally, Peel Mining Ltd carries out regular reviews and audits of internal processes and external contractors that have been engaged by the Company.

The Mineral Resources for Apollo Hill and Attunga were compiled and reported in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2004 Edition, whilst the Mallee Bull Resource Estimate was completed in accordance with the JORC Code 2012 Edition.

The tables below set out Mineral Resources comparatives for 2014 and 2015.

Mineral Resource Statement

MALLEE BULL MINERAL RESOURCE ESTIMATE BASED ON 1% COPPER EQUIVALENT (CUEQ) CUT-OFF GRADE										
	MINERAL RESOURCE – AS AT 30 JUNE 2015					MINERAL RESOURCE – AS AT 30 JUNE 2015				
CATEGORY	KT	CUEQ	CU %	AG G/T	AU G/T	KT	CUEQ	CU %	AG G/T	AU G/T
Indicated	620	2.22	1.73	29.0	0.54	620	2.22	1.73	29.0	0.54
Inferred	3,300	2.8	2.4	32	0.3	3,300	2.8	2.4	32	0.3
Total	3,920	2.7	2.3	32	0.3	3,920	2.7	2.3	32	0.3

Note: The figures in the above table are rounded to reflect the precision of the estimates and include rounding errors.

APOLLO HILL INFERRED MINERAL RESOURCE ESTIMATE BASED ON A 0.5 G/T AU CUT-OFF GRADE						
	MINERAL RESOURCE – AS AT 30 JUNE 2015			MINERAL RESOURCE – AS AT 30 JUNE 2014		
APOLLO HILL GOLD PROJECT	MT	AU G/T	KOZ	MT	AU G/T	KOZ
Ra Zone	1.2	1.1	42	1.2	1.1	42
Apollo Hill	16	0.9	463	16	0.9	463
Total	17.2	0.9	505	17.2	0.9	505

Note: The figures in the above table are rounded to reflect the precision of the estimates and include rounding errors.

ATTUNGA TUNGSTEN DEPOSIT INFERRED MINERAL RESOURCE ESTIMATE BASED ON A 0.2% WO ₃ EQUIVALENT CUT-OFF								
	MINERAL RESOURCE – AS AT 30 JUNE 2015				MINERAL RESOURCE – AS AT 30 JUNE 2015			
WO ₃ EQUIVALENT CUT-OFF	MT	WO ₃ EQ %	WO ₃ %	MO %	MT	WO ₃ EQ %	WO ₃ %	MO %
0.2	1.29	0.73	0.61	0.05	1.29	0.73	0.61	0.05

Note: The figures in the above table are rounded to reflect the precision of the estimates and include rounding errors.

Competent Persons Statements:

Mallee Bull

The information referred to in this announcement in relation to the Mallee Bull Resource Estimate is based on information compiled by Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. At the time of calculating the Resource Estimate Mr Abbott was a full time employee of MPR Geological Consultants Pty Ltd and is an independent consultant to Peel Mining Ltd. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code of Reporting of Mineral Resources and Ore Reserves'. Mr Abbott consented to the release of the matters based on his information in the form and context in which it appears.

Apollo Hill

The information in this report that relates to mineral resource estimation for Apollo Hill is based on work completed by Mr Jonathon Abbott who is a full time employee of Hellman and Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Hellman & Schofield was not required to review the quality or validity of the sampling data, as Peel Mining are accepting responsibility for these aspects of the estimates.

Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the validity/quality of the Apollo Hill sampling database and Apollo Hill exploration results, densities, cut off grades, potential for eventual economic extraction and comments on the resource estimates and project background is based on information compiled by Rob Tyson, who is a Member of The Australasian Institute of Mining and Metallurgy. Rob Tyson is a full-time employee of the company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Rob Tyson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Attunga Tungsten Deposit

The information referred to in this announcement in relation to the Attunga Resource Estimate is based on information compiled by Mr Murray Hutton, a Competent Person who is a Member of the Australian Institute of Geoscientists. At the time of calculating the Resource Estimate Mr Hutton was a full time employee of Geos Mining and was an independent consultant to Peel Mining Ltd. Mr Hutton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Mr Hutton consented to the inclusion of the matters based on his information in the form and context in which it appears.

Schedule of Tenements

NEW SOUTH WALES			
PROJECT	NUMBER	HOLDER	PEEL INTEREST
Attunga	EL8326	Peel Mining Ltd	100%
Ruby Silver	EL7711	Peel Mining Ltd	100%
Orana	EL8216	Peel Mining Ltd	100%
Gulf Creek	EL8247	Peel Mining Ltd	100%
Brambah	EL8336	Peel Mining Ltd	100%
Mayday	ML1361	Peel Mining Ltd	50%
Gilgunnia	EL7461	Peel Mining Ltd	50%
Gilgunnia South	EL7519	Peel Mining Ltd	100%
Mundoe	EL7976	Peel (CSP) Pty Ltd	100%
Tara	EL8070	Peel (CSP) Pty Ltd	100%
Manuka	EL8071	Peel (CSP) Pty Ltd	100%
Mirrabooka	EL8105	Peel (CSP) Pty Ltd	100%
Yackerboon	EL8112	Peel (CSP) Pty Ltd	100%
Iris Vale	EL8113	Peel (CSP) Pty Ltd	100%
Hillview Nth	EL8125	Peel (CSP) Pty Ltd	100%
Norma Vale	EL8126	Peel (CSP) Pty Ltd	100%
Yara	EL8114	Peel (CSP) Pty Ltd	100%
Burthong	EL8115	Peel (CSP) Pty Ltd	100%
Illewong	EL8117	Peel (CSP) Pty Ltd	100%
Mundoe North	EL8201	Peel (CSP) Pty Ltd	100%
Sandy Creek	EL8307	Peel (CSP) Pty Ltd	100%
Glenwood	EL8314	Peel (CSP) Pty Ltd	100%
Pine Ridge	EL8345	Peel (CSP) Pty Ltd	100%
WESTERN AUSTRALIA			
PROJECT	NUMBER	HOLDER	PEEL INTEREST
27 Well	E40/0296	Apollo Mining Pty Ltd	100%
Bulyairdie	E40/0303	Apollo Mining Pty Ltd	100%
Isis	M39/0296	Apollo Mining Pty Ltd	100%
Apollo Hill South	E31/1063	Apollo Mining Pty Ltd	100%
The Gap	E40/337	Apollo Mining Pty Ltd	100%
Yerilla	E31/1075	Apollo Mining Pty Ltd	100%
Mt Remarkable	E31/1076	Apollo Mining Pty Ltd	100%
Apollo Hill ML	M31/486	Apollo Mining Pty Ltd	100%
Rise Again	E31/1087	Apollo Mining Pty Ltd	100%
Rise Again	P31/2068	Apollo Mining Pty Ltd	100%
Rise Again	P31/2069	Apollo Mining Pty Ltd	100%
Rise Again	P31/2070	Apollo Mining Pty Ltd	100%
Rise Again	P31/2071	Apollo Mining Pty Ltd	100%
Rise Again	P31/2072	Apollo Mining Pty Ltd	100%
Rise Again	P31/2073	Apollo Mining Pty Ltd	100%
Apollo Hill	E39/1198	Apollo Mining Pty Ltd	100%
Apollo Hill	E39/1236	Apollo Mining Pty Ltd	100%
Apollo Hill	P31/1797	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4586	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4587	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4588	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4589	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4590	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4591	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4592	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4677	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4678	Apollo Mining Pty Ltd	100%
Apollo Hill	P39/4679	Apollo Mining Pty Ltd	100%

The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Tyson, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the '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 the information in the form and context in which it appears.

Directors' Report

Your directors present their report on the consolidated entity ("**Group**") comprising Peel Mining Limited ("**Company**") and the entities it controlled at the end of, or during the financial years ended 30 June 2015 and the comparative period.

Directors

The following persons were directors of Peel Mining Limited during the financial year and up to the date of this report.

S Hadfield
G Hardie
R Tyson

Directors' interests in shares and options

Directors' interests in shares and options as at the date of this report are set out in the table below.

DIRECTOR	SHARES DIRECTLY AND INDIRECTLY HELD	OPTIONS
Simon Hadfield	3,812,564	500,000
Graham Hardie	15,422,890	500,000
Robert Tyson	7,080,000	2,000,000

Principal activities

The principal activity of the Group is the exploration for economic deposits of minerals. For the period of this report, the emphasis has been on base and precious metals.

Results

The loss for the Group for the financial year after providing for income tax amounted to \$1,725,638 (2014: 1,086,568).

Dividends

No dividends were paid or proposed during the year.

Review of operations

A review of the operations of the Group during the financial year and the results of those operations are contained in pages 3 to 19 in this report.

Significant changes in the state of affairs

Contributed equity increased during the financial year by \$32,000 through the issue of:

- (i) 400,000 ordinary shares at \$0.08 each as part of the exercise of employee options as part of the company's employee share option plan.

Details of the changes in contributed equity are disclosed in note 13 to the financial statements.

The directors are not aware of any other significant changes in the state of affairs of the Group occurring during the financial year, other than disclosed in this report.

Events occurring after balance date

Peel (CSP) Pty Ltd (an 100% owned subsidiary of Peel Mining Limited) received a cash call from JOGMEC of \$470,309, as part of their Cobar Superbasin Project farm-in arrangement.

Other than the above, there were no events occurring after balance date requiring separate disclosure.

Likely developments and expected results

It is the Board's current intention that the group will seek to progress exploration on current projects. These activities are inherently risky and there are no certainties that the group will successfully achieve its objectives.

Information on directors

Simon Hadfield – Non-Executive Chairman

Mr Hadfield has more than 30 years company management experience and has held directorships in publicly-listed industrial and resource companies. Mr Hadfield is Managing Director of Resource Information Unit Pty Ltd and a director of RIU Conferences Pty Ltd. No other directorships were held in the past 3 years.

Mr Hadfield holds 3,812,564 shares in Peel Mining Limited and 500,000 share options with an exercise price of \$0.50.

Robert MacLaine Tyson B.App Sc(Geol).GradDip Applied Finance(SIA) – Managing Director

Mr Tyson is a geologist with more than 20 years resources industry experience having worked in exploration and mining-related roles for companies including Cyprus Exploration Pty Ltd, Queensland Metals Corporation NL, Murchison Zinc Pty Ltd, Normandy Mining Ltd and Equigold NL. Mr Tyson has more than five years of senior management experience. No other directorships were held in the past 3 years.

Mr Tyson holds 7,080,000 shares in Peel Mining Limited and 2,000,000 share options with 1,000,000 with an exercise price of \$0.50 and the remaining 1,000,000 with an exercise price of \$0.07.

Graham Hardie FCA – Non-Executive Director

Mr Hardie is the principal of Hardie Finance Corporation, a private Perth-based property development company, and is also the principal of Entertainment Enterprises, a private Perth-based hospitality company. He is a Fellow of the Institute of Chartered Accountants and a former partner in a leading Chartered Accounting firm. He has extensive commercial and financial experience and has held board positions on a number of public companies in the mining, media, transport and retail industries. No other directorships were held in the past 3 years.

Mr Hardie holds 15,422,890 shares in Peel Mining Limited and 500,000 share options with an exercise price of \$0.50.

David Lim – Company Secretary

Mr Lim has over 17 years of experience in the resources industry in the area of finance and company administration. During this time he has worked for several ASX listed companies operating in the oil and gas, and mining sectors with projects in Indonesia, USA, UK, Ivory Coast, Peru and Australia.

Mr Lim holds a Bachelor of Business from Curtin University in Western Australia, and is a CPA and Chartered Secretary.

Mr Lim was appointed Company Secretary of Peel Mining Ltd on 4 June 2014 and resigned on 7 January 2015.

Ryan Woodhouse – Company Secretary

Mr Woodhouse has 8 years of experience in the mining and energy industries in the area of accounting and governance. He holds a Bachelor of Commerce from Curtin University and is a member of the Institute of Chartered Accountants.

Mr Woodhouse was appointed Company Secretary on 7 January 2015.

Meetings of directors

Director's attendance at directors meetings are shown in the following table:

DIRECTOR	NUMBER HELD WHILST IN OFFICE	NUMBER ATTENDED
S Hadfield	10	10
G Hardie	10	10
R Tyson	10	10

Remuneration report (audited)

The remuneration report is set out under the following headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation and
- Additional information.

(a) Principles used to determine the nature and amount of remuneration

The objective of the remuneration framework of Peel Mining Limited is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage/alignment of executive compensation
- transparency
- capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's remuneration policy.

Board and senior management

Fees and payments to the directors and other key management personnel reflect the demands which are made on, and the responsibilities of, the directors and the senior management. Such fees and payments are determined by the board and reviewed annually.

Company policy in relation to issuing options and remunerating executives is that directors are entitled to remuneration out of the funds of the Company but the remuneration of the non-executive directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate fees of the non-executive directors has been fixed at a maximum of \$250,000 per annum to be apportioned among the non-executive directors in such a manner as they determine (refer below). Directors are also entitled to be paid reasonable travel, accommodation and other expenses incurred in consequence of their attendance at board meetings and otherwise in the execution of their duties as directors.

Remuneration is not linked to past Group performance but rather towards generating future shareholder wealth through share price performance. Peel Mining Limited listed on 11 May 2007 at 20c per share and the share price at 30 June 2015 was 27c (2014: 11c). The Company has recorded a loss each financial year to date, except for 2014 during which it recorded a gain on the partial disposal of the Mallee Bull Project. No dividends have been declared or paid during the reporting period.

(b) Details of remuneration

Details of the nature and amount of each element of the remuneration of each of the directors of Peel Mining Limited and other key management personnel of the Group during the year ended 30 June 2015 are set out in the following table.

Table 1: Director and Key Management Personnel remuneration

	SHORT-TERM EMPLOYMENT BENEFITS	POST- EMPLOYMENT	LONG-TERM BENEFITS	SHARE BASED PAYMENT		
	CASH SALARY AND FEES	SUPERANNUATION	LONG-SERVICE LEAVE	OPTIONS	TOTAL	PERFORMANCE RELATED
2015	\$	\$	\$	\$	\$	%
Directors						
R Tyson	200,000	19,000	-	22,044	241,044	0%
S Hadfield	50,000	4,750	-	-	54,750	0%
G Hardie	50,000	4,750	-	-	54,750	0%
Other Key Management Personnel						
R Woodhouse ¹	58,037	5,429	-	-	63,466	0%
D Lim ²	50,770	4,823	-	-	55,593	0%
Total	408,807	38,752	-	22,044	469,603	0%

1. Appointed as Company Secretary on 7th January 2015.

2. Ceased being Company Secretary on 7th January 2015

	SHORT-TERM EMPLOYMENT BENEFITS	POST- EMPLOYMENT	LONG-TERM BENEFITS	SHARE BASED PAYMENT		
	CASH SALARY AND FEES	SUPERANNUATION	LONG-SERVICE LEAVE	OPTIONS	TOTAL	PERFORMANCE RELATED
2014	\$	\$	\$	\$	\$	%
Directors						
R Tyson	200,000	18,500	-	-	218,500	0%
S Hadfield	50,000	4,625	-	-	54,625	0%
G Hardie	50,000	4,625	-	-	54,625	0%
Other Key Management Personnel						
D Lim ¹	5,267	487	-	-	5,754	0%
R Woodhouse ²	101,470	9,392	-	6,800	117,662	0%
Total	406,737	37,629	-	6,800	451,166	0%

1. Appointed as Company Secretary on 4th June 2014.

2. Ceased being Company Secretary on 4th June 2014.

(c) Service agreements

Remuneration and other terms of employment for the directors and key management personnel, except those of non-executive directors are formalised in Employment Agreements or Letters of Offer. Details of the employment conditions for directors and key management personnel are set out below:

S Hadfield (non-executive chairman)

Mr Hadfield was appointed a director of the Company on 20 April 2006. Mr Hadfield has not entered into a formal contract with the Company in respect to his appointment as a non-executive director. Mr Hadfield received payments and benefits totalling \$54,750 (2014: \$54,625) in his role as a non-executive director of the Company.

G Hardie (non-executive director)

Mr Hardie was appointed a director of the Company on 24 February 2010. Mr Hardie has not entered into a formal contract with the Company in respect to his appointment as a non-executive director. Mr Hardie received payments and benefits totalling \$54,750 (2014: \$54,625) in his role as a non-executive director of the Company.

R Tyson (managing director)

Mr Tyson was appointed a director of the Company on 20 April 2006. Mr Tyson is employed as the Managing Director of the Company under an ongoing contract. The terms of his contract state:

- The managing director receives fixed remuneration of \$200,000 per annum gross, plus statutory superannuation guarantee.
- Either the managing director or the Company may terminate the employment at any time by giving one month written notice.
- If the Company terminates the employment the managing director will receive payment of five weeks pay.
- The managing director may be invited to participate in the Company's Employee Share Option Plan.

D Lim (company secretary)

Mr Lim was appointed company secretary of the Company on 4 June 2014 and ceased his role with the company on 7 January 2015. Mr Lim was employed on a casual basis and as such is only paid for hours worked and does not accrue leave. Mr Lim's employment with the Company can be terminated with 1 days written notice. Mr Lim's contract doesn't provide for termination benefits.

R Woodhouse (company secretary)

Mr Woodhouse was appointed company secretary of the Company on 7 January 2015. Mr Woodhouse is employed under a letter of employment with the Company as their financial controller, the terms of which state:

- The employee receives fixed remuneration of \$110,000 per annum gross, plus statutory superannuation guarantee.
- Either the employee or the Company may terminate the employment at any time by giving one month written notice.

(d) Share-based compensation**Employees**

Options over shares in Peel Mining Limited may be granted under the Company's Employee Share Option Plan which was created in June 2008 and approved by shareholders at annual general meeting. The Employee Share Option Plan is designed to provide long-term incentives for employees to deliver long-term shareholder returns. Under the plan, participants are granted options 50% of which vest immediately and the remainder vest after twelve months provided the employee is still employed by the Company at the end of the vesting period. Participation in the plan is at the board's discretion.

Details of options over ordinary shares in the Company provided as remuneration to each director and key management personnel of Peel Mining Limited are set out below. When exercisable, each option is convertible into one ordinary share of Peel Mining Limited. Further information on the options is set out in note 24 to the financial statements.

NAME	VALUE GRANTED		NUMBER OF OPTIONS GRANTED DURING YEAR		NUMBER OF OPTIONS VESTED DURING YEAR	
	2015	2014	2015	2014	2015	2014
Directors						
Simon Hadfield	-	-	-	-	-	-
Graham Hardie	-	-	-	-	-	-
Rob Tyson	30,000	-	1,000,000	-	500,000	-
Ryan Woodhouse ²	-	6,800	-	40,000	20,000	120,000

1. Mr Woodhouse was appointed Company Secretary 7 January 2015.

Directors' Report

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date. Fair values at grant date have been determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, impact of dilution, share price at grant date, price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option.

The terms and conditions of each grant of options existing at reporting date is as follows:

GRANT DATE	DATE VESTED & EXERCISABLE	EXPIRY DATE	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE
5 December 2014	5 December 2014 (50%) 5 December 2015 (50%)	4 December 2017	7 cents	3 cents
12 September 2013	12 September 2013 (50%) 12 September 2014 (50%)	30 June 2015	50 cents	17 cents
11 July 2012	11 July 2012 (50%) 11 July 2013 (50%)	31 July 2014	8 cents	4 cents

No options were exercised by directors of Peel Mining Limited. Ryan Woodhouse exercised 200,000 options on the 31st July 2014 at 8 cents per share with a share based payment value of \$7,090.

(e) Option holdings of key management personnel (KMP)

30 JUNE 2015	BALANCE AT THE START OF THE YEAR	GRANTED AS COMPENSATION	EXPIRED DURING YEAR	EXERCISED	OTHER CHANGE ¹	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE	UNVESTED
Directors								
R Tyson	1,000,000	1,000,000	-	-	-	2,000,000	1,500,000	500,000
S Hadfield	500,000	-	-	-	-	500,000	500,000	-
G Hardie	500,000	-	-	-	-	500,000	500,000	-
KMP								
D Lim ¹	-	-	-	-	-	-	-	-
R Woodhouse ²	240,000	-	40,000	200,000	-	-	-	-

1. Mr Lim ceased to act as Company Secretary on the 7th January 2015).

2. Mr Woodhouse was appointed Company Secretary on the 7th January 2015.

3. Number held on reappointment as Company Secretary.

1. Holding at date Mr Woodhouse ceased to act as Company Secretary (4th June 2014).

2. Mr Lim was appointed Company Secretary on the 4th June 2014.

(f) Share holdings of directors and key management personnel – Shares in Peel Mining Limited (number)

30 JUNE 2015	BALANCE AT 1 JULY 2014	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT 30 JUNE 2015
Directors				
G Hardie	15,422,890	-	-	15,422,890
R Tyson	7,080,000	-	-	7,080,000
S Hadfield	3,812,564	-	-	3,812,564
KMP				
D Lim ¹	-	-	-	-
R Woodhouse ²	-	-	200,000	200,000

1. Holding at the date Mr Lim ceased to act as Company Secretary (7th January 2015).

2. Holding at the date Mr Woodhouse was appointed as Company Secretary (7th January 2015).

30 JUNE 2014	BALANCE AT 1 JULY 2013	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR
Directors			
G Hardie	15,322,890	-	100,000
R Tyson	7,000,000	-	80,000
S Hadfield ¹	4,812,564	-	(1,000,000)
KMP			
D Lim ³	-	-	-
R Woodhouse ²	-	-	-

1. Sale of 1,000,000 shares off market.

2. Holding at the date Mr Woodhouse ceased to act as Company Secretary (4th June 2014).

3. Holding at the date Mr Lim was appointed as Company Secretary (4th June 2014).

(g) Other transactions with directors and key management personnel

Simon Hadfield, is a director of Resource Information Unit Pty Ltd (RIU). RIU leases the Company office space and charges the Company lease fees on arm's length commercial terms on a monthly basis. Total fees charged to the Company by RIU for the year ended 30 June 2015 were \$59,760 (2014: \$59,670). During the year the Company participated in conferences organised by RIU Conferences Pty Ltd, to the value of \$17,380 (2014: \$22,550), a company of which Mr Hadfield is a director. These amounts are included in loss for the year within administration expenses and on the statement of financial position within trade and other payables at year end in relation to any unpaid amounts.

Aggregate amounts of each of the above types of "other transactions" with key management personnel of Peel Mining Limited:

	CONSOLIDATED	
	2015 \$	2014 \$
Amounts recognised as expense		
Management fees	59,760	59,670
Advertisements	-	-
Conferences	17,380	22,550
	77,140	82,220

(h) Additional information

Cash bonuses

No cash bonuses have been paid by the Company during the reporting period.

Share-based compensation: options

Other than options granted and exercised under the Employee Option Share Plan, as described in (d) above, there were no options issued to or exercised by directors of Peel Mining Limited or other key management personnel during the year.

Use of remuneration consultants

During the year ended 30 June 2015, the Group did not employ the services of a remuneration consultant to review its existing remuneration policies and to provide recommendations in respect of both executive short-term and long-term incentive plan design.

Voting and comments made at the Company's 2014 Annual General Meeting

Peel Mining Limited received more than 99% of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Audited Remuneration Report

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

DATE OPTIONS GRANTED	EXPIRY DATE	ISSUE PRICE OF SHARES	NUMBER UNDER OPTION
18 December 2012 (managing director)	28 November 2015	50 cents	1,000,000
18 December 2012 (non-executive directors)	28 November 2015	50 cents	1,500,000
3 December 2014 (managing director)	4 December 2017	7 cents	1,000,000

No option holder has any right under the options to participate in any other share issue of the Company.

Shares issued on the exercise of options

DATE OF EXERCISE	ISSUE PRICE OF SHARES		NUMBER OF SHARES ISSUED	
	2015 CENTS	2014 CENTS	2015 NUMBER	2014 NUMBER
31 July 2014	8	-	400,000	-

Indemnification and Insurance of Directors and Officers

During the financial year the Company paid a premium of \$13,594 (2014: \$13,568) to insure the directors and officers of the Group. The policy indemnifies each director and officer of the Group against certain liabilities arising in the course of their duties.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Environmental Regulation

The Group holds exploration licences and mining leases in Australia. These licences specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the respective jurisdiction's guidelines and standards. The Company is not aware of any significant breaches of the license condition.

Greenhouse Gas and Energy Data Reporting Requirements

The directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included at the end of this financial report.

Auditor

BDO Audit (WA) Pty Ltd continues in office under Division 6 of the Corporations Act 2001.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. Details of the fees paid to the auditor during the year can be found at note 15 of the notes to the consolidated financial statements.

This report is made in accordance with a resolution of the board of directors and signed for on behalf of the board by:

A handwritten signature in black ink, appearing to read 'RM Tyson', with a long horizontal flourish extending to the right.**Rob Tyson**

Managing Director
Perth, Western Australia
29th September 2015

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2015

	NOTE	CONSOLIDATED	
		2015	2014
		\$	\$
Interest Revenue		82,574	164,749
Other income		90,909	288,149
Revenue and other income	3	173,483	452,898
Share-based remuneration to employees	14	(22,044)	(42,110)
Depreciation expense	8	(88,015)	(83,938)
Employee and directors' benefit expenses		(468,672)	(488,112)
Exploration expenditure written off	9	(5,011)	(212,288)
Administration expenses		(688,150)	(713,018)
Profit/(loss) before income tax		(1,098,409)	(1,086,568)
Income tax expense	4	(627,229)	-
Profit/(loss) from continuing operations after income tax		(1,725,638)	(1,086,568)
Other comprehensive income		-	-
Total profit/(loss) and comprehensive income for the year attributable to the members of Peel Mining Limited		(1,725,638)	(1,086,568)
Basic Earnings/(loss) per share for the year attributable to the members of Peel Mining Ltd	23	(0.013)	(0.008)
Diluted earnings/(loss) per share for the year attributable to the members of Peel Mining Ltd	23	(0.013)	(0.008)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 30 June 2015

	NOTE	CONSOLIDATED	
		2015	2014
		\$	\$
Current Assets			
Cash and cash equivalents	5	2,974,741	3,114,744
Trade and other receivables	6	111,260	97,337
Total Current Assets		3,086,001	3,212,081
Non-Current Assets			
Security deposits	7	387,904	347,904
Property	8	840,487	840,487
Plant & equipment	8	188,323	220,789
Exploration assets	9	12,302,812	12,446,494
Total Non-Current Assets		13,719,526	13,855,674
Total Assets		16,805,527	17,067,755
Current Liabilities			
Trade and other payables	11	487,565	704,381
Total Current Liabilities		487,565	704,381
Non-Current Liabilities			
Deferred Income	12	1,000,567	-
Deferred Tax Liability	4	627,229	-
Total Non-Current Liabilities		1,627,796	-
Total Liabilities		2,115,361	704,381
Net Assets		14,690,166	16,363,374
Equity			
Contributed equity	13	17,942,191	17,911,805
Accumulated losses	14	(4,439,202)	(2,713,564)
Option reserve	14	1,187,177	1,165,133
Total Equity		14,690,166	16,363,374

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity for the year ended 30 June 2015

	NOTE	CONSOLIDATED			
		CONTRIBUTED EQUITY \$	ACCUMULATED LOSSES \$	RESERVES \$	TOTAL EQUITY \$
Balance at 1 July 2013		17,136,805	(1,626,996)	1,123,023	16,632,832
Loss for the year		-	(1,086,568)	-	(1,086,568)
Total comprehensive profit for the year		-	(1,086,568)	-	(1,086,568)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Issue of share capital		-	-	-	-
Share issue expenses		-	-	-	-
Share based payments		775,000	-	42,110	817,110
Balance at 30 June 2014		17,911,805	(2,713,564)	1,165,133	16,363,374
Loss for the year		-	(1,725,638)	-	(1,725,638)
Total comprehensive loss for the year		-	(1,725,638)	-	(1,725,638)
Issue of share capital		32,000	-	-	32,000
Share issue expenses		(1,614)	-	-	(1,614)
Share based payments		-	-	22,044	22,044
Balance at 30 June 2015		17,942,191	(4,439,202)	1,187,177	14,690,166

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows for the year ended 30 June 2015

	NOTE	CONSOLIDATED	
		2015 \$	2014 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,119,377)	(901,370)
Interest received		90,499	179,808
Net cash outflow from operating activities	21	(1,028,878)	(721,562)
Cash flows from investing activities			
Payment for exploration expenditure		(2,665,365)	(4,840,371)
Transfer to security deposits		(40,000)	(118,000)
Transfer from security deposits		-	-
Payment for purchase of property		-	(756,064)
Payments for purchase of plant and equipment		(55,549)	(139,932)
Research and Development Tax Incentive		2,618,835	-
Proceeds as part of E&E asset farm-out		1,000,567	3,330,000
Net cash inflow/(outflow) from investing activities		858,488	(2,524,367)
Cash flows from financing activities			
Proceeds from issue of shares		32,000	-
Transaction costs of issue of shares		(1,614)	-
Net cash inflow from financing activities		30,386	-
Net increase (decrease) in cash and cash equivalents		(140,003)	(3,245,929)
Cash and cash equivalents at the start of year		3,114,744	6,360,673
Cash and cash equivalents at the end of year	5	2,974,741	3,114,744

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the financial statements for the Group which comprises Peel Mining Limited and its controlled entities at the end of, or during the financial years ended 30 June 2015 and the comparative period

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Peel Mining Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Change in Accounting Treatment

The accounting policies adopted are consistent with those of the previous financial year, other than the adoption of the following standards and amendments; AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets, AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting Interpretation 21 Accounting for Levies, AASB 2014-1 Amendments to Australian Accounting Standards which came into effect for the annual reporting period commencing 1 July 2014. The adoption of these standards did not have any significant impact on the current period or any prior period and is not likely to affect future periods.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Peel Mining Limited (the parent entity) and entities controlled during the year and at reporting date (“**Group**”). A controlled entity is any entity that the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Information from the financial statements of the controlled entities is included from the date the parent company obtains control until such time as control ceases. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

Subsidiary acquisitions are accounted for using the acquisition method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-Group transactions, have been eliminated in full. Unrealised losses are eliminated except where costs cannot be recovered.

Investments in subsidiaries are carried at cost in the parent entity.

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

Peel Mining Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Details of joint operations are set out in note 26.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest income

Revenue is recognised as the interest accrues using the effective interest rate method.

(d) Income tax

The income tax expense (or benefit) for the period is the tax payable (or refundable) on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. A deferred income tax asset is not recognised where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit and loss for the year.

(e) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the asset.

Nil impairment losses (2014: \$nil) have been recognised for the year ending 30 June 2015.

(f) Cash and cash equivalents

For statement of cash flows preparation purposes, cash and cash equivalents includes cash on hand and deposits held at call (other than deposits used as cash backing for performance bonds) with financial institutions. Any bank overdrafts are shown within borrowings in the current liabilities on the statement of financial position.

(g) Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised initially at fair value and subsequently at amortised cost less an allowance for any potentially unrecoverable amounts. An allowance for doubtful debts is made when there is objective evidence that the Group may not be able to collect the debts. The allowance for bad debts is recognised in a separate account. Bad debts are written off when identified.

(h) Other financial assets – security deposits

The Group classifies its financial assets as loans and receivables. Management determines the classification at initial recognition and where applicable re-evaluates this designation at the end of each reporting period. Loans and receivables are carried at amortised cost using the effective interest method. The Group assesses at the end of each financial period whether a financial asset is impaired.

Security deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(i) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(j) Plant and equipment

All assets acquired, including plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives from the time the asset is held ready for use as follows:

- Plant 3-5 years
- Vehicles 3-5 years
- Office equipment 3-5 years
- Computer software 3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is impaired.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(k) Property (Land held at cost)

Property, being interests in freehold land, is held at historical cost and is not depreciated as per the accounting standard.

(l) Exploration and evaluation expenditure

All exploration and evaluation expenditure is capitalised under AASB 6 Exploration for and Evaluation of Mineral Resources. Mineral interest acquisition, exploration and evaluation expenditure incurred is accumulated and capitalised in relation to each identifiable area of interest. These costs are only carried forward to the extent that the Group's right to tenure to that area of interest are current and either the costs are expected to be recouped through successful development and exploitation of the area of interest (alternatively by sale) or where areas of interest have not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active, and significant operations are undertaken in relation to the area of interest.

Amortisation is not charged on costs carried forward in respect of areas of interest in the exploration and evaluation phase or develop phase until production commences.

This policy has resulted in exploration expenditure of \$5,011 (2014: \$212,288) being written off during the year.

(m) Accounting for farmouts

The Group may enter into transactions whereby a third party ("**Farmee**") may earn a right to acquire an interest in assets owned by the Group by meeting certain obligations agreed to by both parties. As the terms of farm-ins are not generic management assess each agreement on a transaction by transaction basis and determines the appropriate accounting treatment based on the terms of the agreement.

CBH Resources Ltd ("CBH") farm-in agreement

On 18 July 2012, CBH and Peel Mining Ltd ("**Peel**") executed a farm-in agreement ("**FIA**") pursuant to which CBH could earn up to a 50% interest in certain exploration tenements held by Peel. Under the terms of this agreement Peel incurred expenses in relation to the farm-in and CBH contributed to these expenses.

Based on the terms of the FIA Peel applied the following accounting policy during the current reporting period.

- Exploration expenditure incurred by Peel in relation to the FIA is capitalised in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.
- Contributions by CBH pursuant to the FIA, are initially classified as deferred income until such time as CBH fail to earn an interest in the tenements or elected to have an interest in the tenements vest. At this point in time the deferred income is considered earned and transferred to Other Income in the calculation of profit or loss for the period.
- Should CBH earn a vested interest in the tenements, Peel transfers to profit or loss a corresponding proportion of the costs capitalised by the Company over the life of the project, in order to calculate the gain or loss on the disposal that has occurred.

Japan Oil Gas and Metals National Corporation ("JOGMEC") farm-in agreement

On 30 September 2014, JOGMEC and Peel executed a Memorandum of Agreement ("**MoA**") pursuant to which JOGMEC could earn up to a 50% interest in certain exploration tenements held by Peel. Under the terms of this agreement a wholly owned subsidiary of Peel incurred expenses in relation to the farm-in and JOGMEC contributed to these expenses by way of cash call. Based on the terms of the agreement Peel, will account for the MoA as per its policy and the agreement with CBH.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually payable within 30 days of invoice. They are recognised initially at fair value and subsequently at amortised cost.

(o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity acquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) are recognised directly in equity.

(p) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements

(q) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the Lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the liability. Finance charges are charged directly to the statement of profit or loss and other comprehensive income.

Operating lease payments are recognised as an expense when incurred.

(r) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and leave entitlements that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to balance date and are measured at the amounts expected to be paid when the liabilities are settled.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable is included as a current asset in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from the taxation authority are classified as operating cash flows.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief decision maker has been identified as the board of directors.

(u) Share Based Payments

Share-based compensation benefits to directors, employees and consultants are provided at the discretion of the board.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipient becomes unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, share price at grant date expected price volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

(v) Research and Development tax Incentive Grant

Peel accounts for funds received from the ATO under the Research and Development (R&D) Tax Incentive Scheme as an offset to Exploration and Evaluation, where the initial expenses to which it relates were capitalised.

(w) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not yet been applied in the financial report. The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

AASB 9 Financial Instruments – (Effective date 1 July 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the financial instruments standard.

There will be no significant impact on the Group on the adoption of this standard.

AASB 15 Revenue from Contracts with Customers – (Effective date 1 July 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise any applicable transitional adjustments in retained earnings on the date of the initial application without restating the comparative period. Entities will only need to apply the new rules to contracts that are not completed as of the date of initial application.

Management is currently assessing the impact of the new rules. At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next 12 months.

AASB 2015-2 Amendments to Australian Accounting Standards

– Disclosure Initiative: Amendments to AASB 101 – (Effective date 1 July 2016)

This standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative Project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. The amendments also clarify that companies should use professional judgment in determining where and in what order information is to be presented in the financial disclosures.

There will be no significant impact on the Group on the adoption of this standard. The Group is currently conducting an exercise of reviewing financial report disclosures.

(x) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

The Company makes estimates and judgements in applying the accounting policies. Critical judgements in respect of accounting policies relate to exploration assets, where exploration expenditure is capitalised in certain circumstances. Recoverability of the carrying amount of any exploration assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Capitalisation and carrying amount of capitalised mining licence

Mining leases acquired are carried in the consolidated statement of financial position at cost. The directors have determined that the carrying value is appropriate.

Share-based payment transactions

The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined using a Black-Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Impairment of capitalised exploration and evaluation expenditure

It is the Group's policy to capitalise costs relating to exploration and evaluation activities. The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

Notes to the Consolidated Financial Statements

2. Financial Risk Management

Overview

The Company and Group have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The Group manages its credit risk on financial instruments, including cash, by only dealing with banks licensed to operate in Australia and credit ratings of AA.

Trade and other receivables

The Group operates in the mining exploration sector and does not have trade receivables from customers. It does however have credit risk arising from other receivables.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

CARRYING AMOUNTS	NOTE	CONSOLIDATED	
		2015 \$	2014 \$
Cash and cash equivalents	5	2,974,741	3,114,744
Trade and other receivables	6	111,260	97,337

Impairment losses

None of Group's other receivables are past due. At 30 June 2015 the Group does recognise an impairment on a receivable from its joint venture partner in relation to expenses paid for by the Company in relation to the Mallee Bull tenement.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically the Group ensures it has sufficient cash on hand to meet expected operational expenses for a period of 6 months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	CARRYING AMOUNT \$	CONTRACTUAL CASH FLOWS \$	6MTHS OR LESS \$
30 June 2015			
Trade and other payables	487,565	487,565	487,565
30 June 2014			
Trade and other payables	704,381	704,381	704,381

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of managing market risk is to manage and control market risk exposures to within acceptable limits, while optimising returns. The Group does not have any risks associated with foreign exchange rates or equity prices.

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates that will increase the costs of floating rate debt or opportunity losses that may arise on fixed rate borrowings in a falling interest rate environment. The Group does not have any borrowings and is, therefore, not exposed to interest rate risk in this area. Cash and cash equivalents at variable rates exposes the Group to cashflow interest rate risk. The Group is not exposed to fair value interest rate risk as all of its financial assets and liabilities are carried at amortised amount.

Notes to the Consolidated Financial Statements

Profile

At the reporting date the interest rate profile of the consolidated entity's interest-bearing financial instruments was:

VARIABLE RATE INSTRUMENTS	VARIABLE AVERAGE INTEREST RATE	CONSOLIDATED CARRYING AMOUNT	
		2015 \$	2014 \$
Short term cash deposits	2.76%	2,974,741	3,114,744

Cash flow sensitivity analysis for variable rate instruments of the consolidated entity

At 30 June 2015 if interest rates had changed +/- 100 basis points from year end rates with all other variables held constant, equity and post-tax loss would have been \$29,747 lower (2014: \$32,218).

Fair values

The carrying values of all financial assets and financial liabilities, as disclosed in the Statement of Financial Position, approximate their fair values.

	CONSOLIDATED	
	2015 \$	2014 \$
3. Revenue & Other Income		
Interest received	82,574	164,749
Operator management fee income	90,909	-
Gain on disposal of exploration and evaluation asset	-	288,149
Expenditure		
Loss before income taxes includes the following specific expenses:		
Superannuation	37,431	40,968
Operating lease payments	59,760	59,760
Directors fees	100,000	100,000
Employee costs	331,241	347,144

4. Income tax		
Income tax expense		
Current tax	-	-
Deferred tax	627,229	-
Numerical reconciliation of income tax to prima facie tax payable:		
Profit/(loss) from continuing operations before income tax	(1,098,410)	(1,086,568)
At the statutory income tax rate of 30% (2014: 30%)	(329,523)	(325,970)
Expenditure not allowed for income tax purposes:		
Non-deductible expenses	2,884	(10,125)
Reduced prior year tax losses from current year R&D refund	1,745,890	-
Benefit of tax losses and timing differences not previously recognised	(792,022)	-
Tax losses not brought to account	-	336,095
Income tax expense reported in the statement of profit and loss and other comprehensive income	627,229	-

The Group has carried forward tax losses arising in Australia of \$9,360,683 (2014: \$12,474,321) available for offset against future assessable income of the Group. The deferred tax asset in respect of these losses has been used to partially offset a deferred tax liability.

Deferred taxes: the balance comprises temporary differences attributable to:		
DTA – Tax losses	2,808,205	-
DTA – Deferred income	300,170	-
DTA – Employee benefits	5,885	-
DTL – Exploration asset	(3,690,844)	-
DTL – Other Timing Differences	(50,645)	-
	(627,229)	-

Notes to the Consolidated Financial Statements

	CONSOLIDATED	
	2015 \$	2014 \$
5. Cash and Cash Equivalents		
Cash at bank and in hand	124,741	14,744
Term deposits with financial institutions	2,850,000	3,100,000
	2,974,741	3,114,744

Refer to Note 2 for the policy on financial risk management.

6. Trade and other receivables		
Receivable from JV Partner	305,190	323,691
Provision for doubtful debt	(274,998)	(284,117)
GST recoverable from taxation authority	43,148	49,839
Interest accrued on term deposits	-	7,924
Prepayments	37,920	-
	111,260	97,337

Refer to Note 2 for the policy on financial risk management.

7. Receivables (non-current)		
Security deposits in relation to exploration tenements	387,904	347,904
	387,904	347,904

8. Property, Plant & Equipment		
<i>Property</i>		
Freehold land (at cost)	840,487	840,487
<i>Plant and equipment</i>		
Depreciating plant and equipment	509,199	453,650
Less accumulated depreciation	(320,876)	(232,861)
	188,323	220,789
Total property, plant and equipment	1,028,810	1,061,276
Reconciliation		
Carrying amount at beginning of year	1,061,276	228,090
Additions	55,549	917,124
Depreciation expense	(88,015)	(83,938)
Closing balance	1,028,810	1,061,276

9. Exploration assets		
At cost	12,302,812	12,446,494
Reconciliation		
Opening balance	12,446,494	10,007,188
Acquisition of exploration lease	-	775,000
Other exploration expenditure	2,480,164	5,002,869
Impairment Expense	(5,011)	(212,288)
Transfer of Wirchileba Property	-	(84,423)
Partial disposal of E&E asset interest (a)	-	(3,041,852)
Research and development tax incentive grant	(2,618,835)	-
Closing balance	12,302,812	12,446,494

(a) The disposal of E&E asset is the recognition of Peel Mining Limited's (Farmor) disposal of a share in tenements subject to the Mallee Bull farm-out arrangement. See note 1(m) for further information regarding accounting policy for this farm-out.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

Notes to the Consolidated Financial Statements

10. Subsidiary companies

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

NAME	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING	
			2015 %	2014 %
Peel Environmental Services Limited	Australia	Ordinary	100	100
Apollo Mining Pty Ltd	Australia	Ordinary	100	100
Peel (CSP) Pty Ltd	Australia	Ordinary	100	n/a

	CONSOLIDATED	
	2015 \$	2014 \$
11. Trade and other payables		
Trade payables	363,948	676,996
Accrued expenses & other payables	123,617	27,373
Finance Lease	-	12
	487,565	704,381
12. Deferred Income		
Funds from farm-out of asset to JOGMEC (a)	1,000,567	-
Total Deferred Income	1,000,567	-

During the period, Peel Mining Limited entered into a farm-in by Japanese Oil, Gas & Metals National Corporation (JOGMEC)) to the Group's Cobar Suberbasin Project (CSP) was commenced. This saw JOGMEC pay the Group \$1,000,567 for exploration on the project as part of their \$4,000,000 earn-in over 3 years to acquire a 40% of the project. Post this requirement being met, JOGMEC can spend an additional \$3,000,000 to earn another 10%, bringing them to 50% ownership of the project. These amounts have been included in the Group's Consolidated Statement of Cashflows and Consolidated Statement of Financial Position, however per the Group's accounting policy (see note 1(m)), the contributions are recorded as deferred income, which will offset the capitalised expenditure incurred resulting in no gain or loss recognised (net effect) until the point in which the interest is taken up. Currently cash held by Peel Mining Limited of \$62 is restricted to be used on the Cobar Superbasin Project under JOGMEC's farm-in arrangement.

13. Contributed Equity

	CONSOLIDATED AND PARENT ENTITY			
	2015		2014	
	NUMBER OF SHARES	\$	NUMBER OF SHARES	\$
(a) Share capital				
Ordinary shares fully paid	132,485,969	17,942,191	132,085,969	17,911,805
(b) Movements in ordinary share capital				
Opening balance, 1 July	132,085,969	17,911,805	129,871,683	17,136,805
Shares issued pursuant to placement			-	-
Shares issued pursuant to a 'Rights Issue'			-	-
Shares issued as consideration for the acquisition of a mining/exploration lease	-	-	2,214,286	775,000
Shares issued as result of exercise of options	400,000	32,000	-	-
Transaction costs on share issues	-	(1,614)	-	-
Closing balance, 30 June	132,485,969	17,942,191	132,085,969	17,911,805

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Options

Information relating to options issued during the year is set out in note 14.

(e) Capital risk management

In employing its capital the Company seeks to ensure that it will be able to continue as a going concern and in time provide value to shareholders by way of increased market capitalisation and/or dividends. In the current stage of its development, the Company has invested its available capital in acquiring and exploring mining tenements. As is appropriate at this stage, the Company is funded entirely by equity. As it moves forward to develop its tenements towards production, the Company will adjust its capital structure to support its operational and strategic objectives, by raising additional capital or taking on debt, as is seen to be appropriate from time to time given the overriding objective of creating shareholder value. In this regard, the board will consider each step forward in the development of the Company on its merits and in the context of the then capital markets, in deciding how to structure funding arrangements.

Notes to the Consolidated Financial Statements

	CONSOLIDATED	
	2015 \$	2014 RESTATED \$
14. Reserves and accumulated losses		
<i>(i) Accumulated losses</i>		
Opening balance, 1 July	(2,713,564)	(1,626,996)
Profit/(loss) for the year	(1,725,638)	(1,086,568)
Closing balance, 30 June	(4,439,202)	(2,713,564)
<i>(ii) Share-based payments reserve</i>		
Opening balance, 1 July	1,165,133	1,123,023
Option expenses (employee options)	22,044	42,110
Closing balance, 30 June	1,187,177	1,165,133

Nature and purpose of reserve

The share-based payment reserve represents the fair value of equity benefits provided to directors and employees as part of their remuneration for services provided to the Company paid for by the issue of equity.

Share options and reserve movements				
	2015		2014	
	OPTIONS	\$	OPTIONS	\$
Opening balance, 1 July	3,180,000	1,165,133	2,900,000	1,123,023
Expired during year	-	-	-	-
Issued to employees and contractors	1,000,000	22,044	320,000	48,126
Lapsed	(280,000)	-	(40,000)	(6,016)
Exercised	(400,000)	-	-	-
Closing balance, 30 June	3,500,000	1,187,177	3,180,000	1,165,133
Exercisable at 7 cents each on or before 4 December 2017	1,000,000			
Exercisable at 50 cents each on or before 28 November 2015	2,500,000		2,500,000	
Exercisable at 8 cents each on or before 31 July 2015	-		400,000	
Exercisable at 50 cents each on or before 30 June 2015	-		280,000	
	3,500,000		3,180,000	

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value (note 24)

15. Remuneration of Auditors		
	CONSOLIDATED	
	2015 \$	2014 \$
Amounts paid or due and payable to the auditors BDO Audit (WA) Pty Ltd:		
Auditing or reviewing financial reports	41,722	38,338
Non-assurance services *	12,224	5,659
	53,946	43,997

* Relates to review of farm-in expenditure during the current year.

16. Contingencies

The Group had no contingent assets or liabilities as at 30 June 2015 (2014: Nil).

17. Commitments and contingencies		
	CONSOLIDATED	
	2015 \$	2014 \$
Operating lease commitments		
Within one year	-	59,760
Later than a year but not later than five years	-	-
Later than five years	-	-

Operating lease commitments – Peel Mining Limited as lessee.

The Company has entered into a commercial property lease agreement for its Perth office. In 2014 the lease had 1 year remaining with an option to extend for 2 years. The lease is now on a month-by-month basis.

Notes to the Consolidated Financial Statements

Exploration commitments

Under the terms of mineral tenement licences held by the Group, minimum annual expenditure obligations are required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing. This expenditure may be subject to variation from time to time in accordance with the relevant state department's regulations. The Group may at any time relinquish tenements and as such avoid the requirement to meet applicable expenditure requirement, or may seek exemptions from the relevant authority.

Expenditure commitments at the reporting date but not recognised as liabilities are as follows:

	CONSOLIDATED	
	2015 \$	2014 \$
Within one year	1,576,140	1,807,990
Later than a year but not later than five years	-	-
Later than five years	-	-

18. Segment information

Management has determined that the Group has three reportable segments, being mineral exploration under its joint venture with CBH Resources Limited at its Mallee Bull prospect, mineral exploration under its farm-in agreement with JOGMEC and the other being all other mineral exploration within Australia. The Group is focused only on mineral exploration and the Board monitors the Group based on actual versus budgeted exploration expenditure incurred for these two areas. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date. Decisions regarding the Mallee Bull joint venture is also taken into account by the board, however exploration decisions are made by the Joint Venture committee, which is made up of members from both Peel Mining Limited and CBH Resources Limited.

	2015 \$ PEEL	2015 \$ CSP	2015 \$ MALLEE BULL	2014 \$ PEEL MINING	2014 \$ CSP	2014 \$ MALLEE BULL
Revenue from external sources	-	-	-	-	-	-
Reportable segment (loss)	(93,026)	-	-	(296,226)	-	288,149
Segment assets	8,367,096	1,000,567	3,688,962	7,803,956	-	5,703,814

Reconciliation of reportable segment (loss)

	CONSOLIDATED	
	2015 \$	2014 \$
Reportable segment (loss)	(93,026)	(8,077)
Other revenue	173,483	164,749
Corporate expenses	(1,806,095)	(1,243,230)
Profit/(loss) before tax	1,725,638	(1,086,568)

Reconciliation of reportable segment (assets)

Reportable segment assets	13,056,625	13,507,770
Cash	2,974,741	3,114,204
Corporate Segment Assets	774,161	445,241
Total Assets	(16,805,527)	17,067,755

19. Related Parties

	CONSOLIDATED	
	2015 \$	2014 \$
(a) Compensation of key management personnel		
Short-term employee benefits	408,807	406,737
Post-employment benefits	38,752	37,629
Long-term benefits	-	-
Share-based payments	22,044	6,800
	469,603	451,166

(b) Other transactions with key management personnel

Simon Hadfield, is a director of Resource Information Unit Pty Ltd (RIU) and RIU Conferences Pty Ltd. RIU leases office space to the Company and charges rental lease fees on arm's length commercial terms on a monthly basis. Total fees charged to the Company by RIU for the year ended 30 June 2015 were \$59,760 (2014: \$59,670). During the year the Company participated in conferences, to the value of \$17,380 (2014: \$22,550) organised by RIU Conferences Pty Limited. These amounts are included in losses for the year within administration expenses and on the statement of financial position within trade and other payables at year end.

Notes to the Consolidated Financial Statements

Aggregate amounts of each of the above types of "other transactions" with key management personnel of Peel Mining Limited:

	CONSOLIDATED	
	2015 \$	2014 \$
Amounts recognised as expense		
Management fees	59,760	59,670
Advertisements	-	-
Conferences	17,380	22,550
	77,140	82,220

20. Events after the reporting period

Peel (CSP) Pty Ltd (an 100% owned subsidiary of Peel Mining Limited) received a cash call from JOGMEC of \$470,309, as part of their Cobar Superbasin Project farm-in arrangement.

Other than above no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

21. Reconciliation of cash flows from operating activities to loss after income tax

	CONSOLIDATED	
	2015 \$	2014 RESTATED \$
Net cash outflow from operating activities	(1,028,878)	(721,562)
Share-based payments	(22,044)	(42,110)
Depreciation	(88,015)	(83,938)
Impairment	(5,011)	(212,288)
Doubtful Debt/(reversal of Doubtful Debt)	9,119	(284,117)
Gain on Disposal of Asset	-	288,149
Deferred Tax Liability	(627,229)	-
Change in operating assets and liabilities		
Decrease/(Increase) in receivables	23,304	(155,161)
Decrease/(increase) in payables	13,116	124,459
Profit/(loss) after income tax	(1,725,638)	(1,086,568)

22. Non-cash investing and financing activities

	CONSOLIDATED	
	2015	2014
Acquisition of an exploration lease by issue of 2,214,286 ordinary shares at 35 cents each	-	775,000

23. Earnings/(Loss) per share

	CONSOLIDATED	
	2015	2014
Earnings/(loss) from continuing operations attributable to the ordinary equity holders of the Company	(0.013)	(0.008)
Diluted earnings/(loss) per share		
Earnings/(loss) from continuing operations attributable to the ordinary equity holders of the Company	(0.013)	(0.008)
Reconciliation of profit/loss used in calculation of loss per share		
Profit/(loss) used in calculating basic loss per share	(1,725,638)	(1,086,568)

	CONSOLIDATED	
	2015 \$	2014 RESTATED \$
Weighted average number of shares used as the denominator		
Weighted average number of shares used in calculating basic earnings/loss per share	132,453,002	131,891,306
Adjustments for calculation of diluted earnings/loss per share		
Options	-	-

Effect of dilutive securities

Options on issue at reporting date could potentially dilute earnings per share in the future. The effect in the current year is to reduce the loss per share hence they are considered anti-dilutive. Accordingly the diluted loss per share has not been disclosed.

Notes to the Consolidated Financial Statements

24. Share-based payments

(a) Share-based payment expenses

During the year the Company has granted options to employees through its Employee share option plan (ESOP).

Total expenses arising from share-based payment transactions recognised in the profit and loss during the year were as follows:

	CONSOLIDATED			
	2015 NUMBER	2015 \$	2014 NUMBER	2014 \$
Options granted to employees	-	-	280,000	42,110

(b) Director options

Set out below are summaries of directors options granted

	CONSOLIDATED			
	2015 NUMBER	2015 \$	2014 NUMBER	2014 \$
Options granted to directors	1,000,000	22,044	-	-

30 June 2015

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	EXPIRED DURING THE YEAR	EXERCISED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
		\$	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
18 Dec'12	28 Nov'15	\$0.50	2,500,000	-	-	-	2,500,000	2,500,000
5 Dec'14	4 Dec'17	\$0.07	-	1,000,000	-	-	1,000,000	500,000

30 June 2014

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	EXPIRED DURING THE YEAR	EXERCISED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
		\$	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
18 Dec'12	28 Nov'15	\$0.50	2,500,000	-	-	-	2,500,000	2,500,000

Fair value of options granted

The assessed fair value at grant date of options granted to directors during the period ended 30 June 2015 was 3 cents per option. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2015 included:

	DIRECTOR OPTIONS
Options are granted for no consideration and vest accordingly	50% vest immediately 50% vest in one year from grant date
Exercise Price	7 cents
Grant Date	5 December 2014
Expiry Date	4 December 2017
Share Price at Grant Date	5 cents
Expected Price Volatility	100%
Expected Dividend Yield	0.00%
Risk-free interest rate	2.36%

Notes to the Consolidated Financial Statements

(c) Employee share option plan

An employee share option plan, designed to provide long-term incentives for senior employees to deliver long-term shareholder returns, was established in June 2008. The plan was approved by shareholders at annual general meeting. Under the plan, participants are granted options of which 50% are vested immediately and the remainder after 12 months employment with the Company.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share at an exercise price of 8 cents.

Set out below are summaries of options granted under the plan.

30 JUNE 2015								
GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	LAPSED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
		\$	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
12 Sept'13	30 Jun'15	\$0.50	280,000	-	-	(280,000)	-	-
11 Jul'12	31 Jul'14	\$0.08	400,000	-	400,000	-	-	-

Fair value of options granted

No options were granted during the period. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the years ended 30 June 2015 and 2014 included:

	EMPLOYEE OPTIONS	
	2015	2014
Options are granted for no consideration and vest accordingly	-	50% vest immediately, 50% vest in one year from grant date
Exercise Price	-	50 cents
Grant Date	-	12 September 2014
Expiry Date	-	30 June 2015
Share Price at Grant Date	-	38 cents
Expected price volatility	-	100%
Expected dividend yield	-	0.00%
Risk-free interest rate	-	2.70%

30 JUNE 2014								
GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	EXPIRED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
		\$	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
12 Sept'13	30 Jun'15	\$0.50	-	320,000	(40,000)	-	280,000	140,000
11 Jul'12	31 Jul'14	\$0.08	400,000	-	-	-	400,000	400,000

(d) Acquisition – Share based payment

Peel Mining Limited made no acquisitions using share based payments during the year.

(e) Weighted averages – Options

The weighted average exercise price \$0.45 (2014: \$0.45).

The weighted average fair value of options is \$0.19 (2014: \$0.19).

The weighted average remaining contractual life is 1.21 years (2014: 1.21 years).

Notes to the Consolidated Financial Statements

25. Parent entity information

	PARENT ENTITY	
	2015 \$	2014 \$
Statement of financial position		
Current assets	3,251,837	3,212,082
Total assets	14,864,164	16,144,472
Current liabilities	470,063	707,331
Total liabilities	473,013	707,331
Net assets	14,391,151	15,437,141
Equity		
Issued capital	17,942,191	17,911,805
Share option reserve	1,187,177	1,165,133
Accumulated losses	(4,738,217)	(3,639,797)
Total equity	14,391,151	15,437,141
Statement of profit or loss and other comprehensive income		
Revenue	173,483	164,749
Other income	-	288,148
Profit/(loss) for the year	(1,725,638)	(1,086,568)
Total comprehensive profit/(loss) for the year	(1,725,638)	(1,086,568)

Commitments for the parent entity are the same as those for the consolidated entity and are set out in note 17.

The parent entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at year end.

26. Interests in other entities

Peel Mining Limited has a 50% interest in a joint arrangement called the Mallee Bull Joint Venture which was formed after CBH Resources Limited completed their 50% earn-in to the Mallee Bull Project on 27th March 2015. The joint venture agreement in relation to the Mallee Bull Joint Venture require unanimous consent from all parties for all relevant activities. The two joint venture parties own the assets of the joint venture as tenants in common and their interest in assets and liabilities are several, separate and distinct.

This entity is therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

Directors' Declaration

The board of directors of Peel Mining Limited declares that:

- (a) the financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2015 and performance for the financial year ended on that date of the consolidated entity.
- (b) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (c) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (d) the board of directors have been given the declaration by the chief executive officer and chief financial officer required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:



Rob Tyson

Managing Director
Perth, Western Australia
29th September 2015

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF PEEL MINING LIMITED

As lead auditor of Peel Mining Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Peel Mining Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over a light blue horizontal line.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2015

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Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the members of Peel Mining Limited

Report on the Financial Report

We have audited the accompanying financial report of Peel Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Peel Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Peel Mining Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Peel Mining Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over a faint, light blue BDO logo.

Glyn O'Brien

Director

Perth, 29 September 2015

Additional ASX Information

ASX Best Practice Recommendations

This statement outlines the main corporate governance practices that were formally in place from 15 September 2014 onwards. These corporate governance practices comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

BOARD OF DIRECTORS

The Board operates in accordance with the broad principles set out in its charter, which is available from the corporate governance information section of the Company website at www.peelmining.com.au

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. This includes setting the strategic directions for the company, establishing goals for management and monitoring the achievement of these goals.

A summary of the key responsibilities of the Board include:

1. **Strategy** – Providing strategic guidance to the Company, including contributing to the development of and approving the corporate strategy;
2. **Financial performance** – Approving budgets, monitoring management and financial performance;
3. **Financial reporting and audits** – Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the external auditors;
4. **Leadership selection and performance** – Appointment, performance assessment and removal of the Managing Director. Ratifying the appointment and/or removal of other senior management, including the Company Secretary and other Board members;
5. **Remuneration** – Management of the remuneration and reward systems and structures for Executive management and staff;
6. **Risk management** – Ensuring that appropriate risk management systems and internal controls are in place; and
7. **Relationships with the exchanges, regulators and continuous disclosure** – Ensuring that the capital markets are kept informed of all relevant and material matters and ensuring effective communications with shareholders.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the board. All directors have direct access to the Company Secretary.

The Board has delegated to management responsibility for the day-to-day operation and administration of the Company is delegated by the board to the Managing Director. The Board ensures that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive directors.

The roles of Chairman and Managing Director are not combined. The Managing Director is accountable to the Board for all authority delegated to the position.

Whilst there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- Board approval and monitoring of a strategic plan;
- approval of annual and semi-annual budgets and monitoring actual performance against budget; and
- procedures are in place to incorporate presentations to each Board meeting by financial and operations management.

COMPOSITION OF THE BOARD

The names, skills, experiences and period of office of the Directors of the Company in office at the date of this Statement are set out in the Director's Report. A summary of these skills and experiences are provided in table 1.

The composition of the Board is determined using the following principles:

- Persons nominated as Non-executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter.
- The Chairperson should ideally be independent, but in any case be Non-executive and be elected by the Board based on his/her suitability for the position.
- The roles of Chairperson and Managing Director should not be held by the same individual.
- All Non-executive Directors are expected voluntarily to review their membership of the Board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company.
- The Company considers that the Board should have at least three Directors (minimum required under the Company's Constitution) and to have a majority of independent Directors but acknowledges that this may not be possible at all times due to the size of the Company. Currently the Board has three Directors, with only Mr Hadfield as independent. The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.

The Board has accepted the following definition of an independent Director:

An independent Director is a Director who is not a member of management (a Non-executive Director) and who:

- holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

TABLE 1: SKILLS AND EXPERIENCE MATRIX OF PEEL MINING LIMITED'S DIRECTORS	
AREA	COMPETENCE
Business and Finance	Accounting, Tax, Business Strategy, Corporate Financing, Financial Literacy, Agreements/Fiscal Terms and Risk Management
Leadership	Business Leadership, Executive Management and Mentoring, Public Listed Company Experience
Sustainability & Stakeholder	Community Relations, Corporate Governance, Environmental Issues, Government Affairs, Health & Safety, Human Resources, Industrial Relations and Remuneration
Industry Specific (Australia)	Precious Metals – Exploration & Production, Base Metals – Exploration & Production, Mining & Resources

The directors on the Board collectively have a combination of skills and experience in the competencies set out in the table above. These competencies are set out in the skills matrix that the Board uses to assess the skills and experience of each director and the combined capabilities of the Board. Where an existing or projected competency gap is identified, the Board will address those gaps. The Board does not currently consider that there are any existing or projected competency gaps.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

Each director has the right to seek independent professional advice on matters relating to his position as a director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

NOMINATION COMMITTEE/APPOINTMENT OF NEW DIRECTORS

Because of the size of the Company and the size of the Board, the Directors do not believe it is appropriate to establish a separate Nomination Committee. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the web.

The composition of the Board is reviewed on an annual basis to ensure the Board has the appropriate mix of expertise and experience. Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities and then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Non-executive directors do not have written agreements setting out the key terms and conditions of their appointment because the Company's constitution and the ASX Listing Rules govern the term of each director's appointment. Directors are required to retire by rotation. Common law and the Corporations Act govern the duties of directors and members are required to approve the maximum fees paid to non-executive directors. Executive directors enter into an employment agreement which governs the terms of their appointment.

The Board undertakes appropriate checks prior to nominating a director for election by shareholders. These checks include a police and reference checks. Shareholders are provided with all material information in its possession concerning a director standing for election or re-election in the relevant notice of meeting.

An informal induction is provided to all new directors, which includes meeting with technical and financial personnel to understand Peel Mining Limited's business, including strategies, risks, company policies and health and safety.

All directors are required to maintain professional development necessary to maintain their skills and knowledge needed to perform their duties. In addition to training provided by relevant professional affiliations of the directors, additional development is provided through attendance at seminars and provision of technical papers on industry related matters and developments offered by various professional organisations, such as accounting firms and legal advisors.

Term of Office

Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting, one third of the Directors (excluding the Managing Director) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.

Performance of Directors and Managing Director

The performance of all Directors, the Board as a whole and the Managing Director and Company Secretary is reviewed annually.

The Board meets once a year with the specific purpose of conducting a review of its composition and performance. This review includes:

- comparison of the performance of the Board against the requirements of the Board charter;
- assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- review the Board's interaction with management;
- identification of any particular goals and objectives of the Board for the next year;
- review the type and timing of information provided to the directors; and
- identification of any necessary or desirable improvements to Board or committee charters.

A review was undertaken during the reporting period.

Performance of Senior Executives

The Managing Director is responsible for assessing the performance of the key executives within the Company. This is to be performed through a formal process involving a formal meeting with each senior executive. The basis of evaluation of senior executives will be on agreed performance measures.

A review of senior executives was undertaken during the reporting period.

Conflict of Interest

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the item is considered. Details of Directors related entity transactions with the Company are set out in the related parties note in the financial statements.

Diversity

Peel Mining Limited recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

The Diversity Policy defines the initiatives which assist Peel Mining Limited with maintaining and improving the diversity of its workforce. A copy of the Diversity Policy can be found in the company's Corporate Governance Framework on the Company's website. The policy does not include a requirement also set Measurable Objectives for achieving gender diversity and monitor their achievement. Nor has the Board set measurable objectives for achieving gender diversity, given its current size and stage of development as an exploration company. However the board is striving to achieve the initiatives set out in the Policy.

The policy was formally adopted by the company on the 23 September 2015.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are set out in the table below:

PROPORTION OF WOMEN	
Organisation as a whole	2 out of 10 (20%)
Executive Management Team	0 out of 2 (0%)
Board	0 out of 3 (0%)

Remuneration

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre Executives;
- Link Executive rewards to shareholder value; and
- Establish appropriate performance hurdles in relation to variable Executive remuneration.

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and Executives in the current year is included in the remuneration report, which is contained within the Report of the Directors.

There are no schemes for retirement benefits for Non-executive Directors, other than superannuation.

Board Remuneration Committee

Once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish a Remuneration Committee. Until that time, the Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process is stringent and full details of remuneration policies and payments are provided to shareholders in the annual report and on the web.

Audit AND RISK Committee

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate audit committee is not considered appropriate. The Board assures integrity of the financial statements by:

- (a) reviewing the Company's statutory financial statements to ensure the reliability of the financial information presented and compliance with current laws, relevant regulations and accounting standards;
- (b) monitoring compliance of the accounting records and procedures in conjunctions with the Company's auditor, on matters overseen by the Australian Securities and Investments Commission, ASX and Australian Taxation Office;
- (c) ensuring that management reporting procedures, and the system of internal control, are of a sufficient standard to provide timely, accurate and relevant information as a sound basis for management of the Group's business;
- (d) reviewing audit reports and management letters to ensure prompt action is taken;
- (e) when required, nominating the external auditor and at least annually review the external auditor in terms of their independence and performance in relation to the adequacy of the scope and quality of the annual statutory audit and half-year review and the fees charged.

Risk Oversight and Management

The Board determines the Company's 'risk profile' and is responsible overseeing and approving risk management strategy and policies, internal compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

The Company has exposure to economic risks, including general economy wide economic risks and risks associated with the economic cycle which impact on the price and demand for minerals which affects the sentiment for investment in exploration companies.

There will a requirement in the future for the Company to raise additional funding to pursue its business objectives. The Company's ability to raise capital may be effected by these economic risks.

Company has in place risk management procedures and processes to identify, manage and minimise its exposure to these economic risks where appropriate.

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceed. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Board currently considers that the Company does not have any material exposure to social sustainability risk.

The Company's Corporate Code of Conduct outlines the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees when dealing with stakeholders.

The Board reviewed the Risk Management Framework, including the policies, procedures and the Company's Risks during the reporting period.

A summary of Peel Mining Limited's Risk Management review procedures can be found in the corporate governance information section of the Company website at www.peelmining.com.au

Considerable importance is placed on maintaining a strong control environment. The Board actively promotes a culture of quality and integrity.

Control procedures cover management accounting, financial reporting, compliance and other risk management issues.

No internal audit function is currently in place due to the size of the Company, however Board regularly assess the need for an internal audit function. The Board encourages management accountability for the Company's financial reports by ensuring ongoing financial reporting during the year to the Board. Half yearly, the Financial Controller (or equivalent) and the Managing Director are required to state in writing to the Board that in all material respects:

Declaration required under s295A of the Corporations Act 2001:

- the financial records of the Company for the financial period have been properly maintained;
- the financial statements and notes comply with the accounting standards;
- the financial statements and notes for the financial year give a true and fair view; and
- any other matters that are prescribed by the Corporations Act regulations as they relate to the financial statements and notes for the financial year are satisfied.

Additional declaration required as part of corporate governance:

- the risk management and internal compliance and control systems in relation to financial risks are sound, appropriate and operating efficiently and effectively.

These declarations were received for the June 2015 financial year.

Code of Conduct

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

The Code of Conduct embraces the values of:

- Integrity & Objectivity
- Excellence
- Commercial Discipline

The Board encourages all stakeholders to report unlawful/unethical behaviour and actively promotes ethical behaviour and protection for those who report potential violations in good faith.

Trading in Peel Mining Limited Securities by Directors, Officers and Employees

The Board has adopted a specific policy in relation to Directors and officers, employees and other potential insiders buying and selling shares.

Directors, officers, consultants, management and other employees are prohibited from trading in the Company's shares, options and other securities if they are in possession of price-sensitive information.

The Company's Security Trading Policy is provided to each new employee as part of their induction training.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

CONTINUOUS DISCLOSURE

The Board has a Market Disclosure Policy to ensure the compliance of the Company with the various laws and ASX Listing Rule obligations in relation to disclosure of information to the market. The Managing Director is responsible for ensuring that all employees are familiar with and comply with the policy.

The Company is committed to:

- (a) complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing rules;
- (b) preventing the selective or inadvertent disclosure of material price sensitive information;
- (c) ensuring shareholders and the market are provided with full and timely information about the Company's activities; and
- (d) ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

SHAREHOLDER COMMUNICATIONS STRATEGY

The Company recognises the value of providing current and relevant information to its shareholders. The Company has adopted a Shareholder Communications Strategy which can be accessed from Peel Mining Limited's website at <http://www.peelmining.com.au/wp-content/uploads/2014/09/Peel-Mining-Ltd-Corporate-Governance-Framework-board-approved-150914.pdf>

Information is communicated to shareholders through the annual and half yearly financial reports, quarterly reports on activities, announcements through the Australian Stock Exchange and the media, on the Company's web site and through the Chairman's address at the annual general meeting. After the Annual General Meeting, the Managing Director provides shareholders with a presentation. Afterwards all directors are available to meet with any shareholders and answer questions.

Shareholders are encouraged to contact the Company through the Contact Us section on Peel Mining Limited's website, to submit any questions via email, or call.

The Company's website provides communication details for its Share Registry, including an email address for shareholder enquiries direct to the Share Registry.

In addition, news announcements and other information are sent by email to all persons who have requested their name to be added to the email list. If requested, the Company will provide general information by email.

The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

The Company ensures that its external auditor is present at all Annual General Meetings to enable shareholders to ask questions relevant to the audit directly to the auditor.

Company Website

Peel Mining Limited has made available details of all its corporate governance principles, which can be found in the corporate governance information section of the Company website at www.peelmining.com.au



Shareholder Information

Information relating to shareholders at 14 September 2015

DISTRIBUTION OF SHAREHOLDERS			
RANGE	NO. OF HOLDERS	NO. ORD	
		SHARES	%
1 – 1,000	45	11,150	0.01
1,001 – 5,000	127	400,687	0.30
5,001 – 10,000	128	1,095,582	0.83
10,001 – 100,000	391	17,220,447	13.00
100,001 – 9,999,999,999	146	113,758,103	85.86
Total		132,485,969	100.00

TWENTY LARGEST SHAREHOLDERS		NO. ORD SHARES	%
1.	POINT NOMINEES PTY LTD	15,422,890	11.64
2.	HAMPTON HILL MINING NL	12,655,000	9.55
3.	PERTH CAPITAL PTY LTD	7,401,223	5.59
4.	ARIKI INVESTMENTS PTY LIMITED	5,542,211	4.18
5.	MR ROBERT MACLAINE TYSON	3,877,625	2.93
6.	MR MICHAEL HSIAU YUN LAN	3,551,227	2.68
7.	PERTH CAPITAL PTY LTD	3,549,165	2.68
8.	CATHOLIC CHURCH INSURANCE LIMITED	3,104,919	2.34
9.	MR RICHARD JOHN DUNN	2,508,312	1.89
10.	MR SIMON HADFIELD & MRS FIONA HADFIELD	2,195,560	1.66
11.	MR JONATHON TYSON & MR CHRIS TYSON & MR ROBERT TYSON	2,030,000	1.53
12.	ARIKI INVESTMENTS PTY LIMITED	2,000,000	1.51
13.	DGR GLOBAL LTD	2,000,000	1.51
14.	CITICORP NOMINEES PTY LIMITED	1,900,000	1.43
15.	ARIKI INVESTMENTS PTY LIMITED	1,650,000	1.25
16.	MR HUGH BROWN & MRS TANYA BROWN	1,555,887	1.17
17.	NALMOR PTY LTD JOHN CHAPPELL SUPER FUND A/C	1,300,000	0.98
18.	MR SIMON HADFIELD	1,250,000	0.94
19.	PETER J WOODFORD PTY LTD	1,022,000	0.77
20.	WALSEC PTY LTD	1,000,000	0.75
		75,516,019	57.75

SUBSTANTIAL SHAREHOLDERS		NO. ORD SHARES	%
1	HAMPTON HILL MINING NL AND ASSOCIATES	22,718,321	17.15
2	POINT NOMINEES PTY LTD	15,422,890	11.64
3	WILLIAM HODGSON AND ASSOCIATED COMPANIES	11,562,211	8.72
4	MR ROBERT TYSON	7,080,000	5.34

At the prevailing market price of \$0.185 per share there were 100 shareholders with less than a marketable parcel of shares at 14 September 2015.

At 14 September 2015 there were 837 holders of ordinary shares in the Company.

At the date of this report there were no shares or options restricted by the ASX.

Unquoted securities

At the date of this report the Company had 3,500,000 unlisted share options on issue.

Voting Rights

The voting rights attaching to the ordinary shares, set out in Clause 12.11 of the Company's Constitution are:

"Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at meetings of Shareholders or classes of Shareholders:

1. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
2. 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
3. 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 the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited)".



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