

~\$23M EQUITY RAISING FOR CONTINUED GROWTH OF SOUTH COBAR COPPER PROJECT

KEY POINTS

- Peel has received binding Placement commitments to raise \$21m via the issue of ~116.7m shares at an issue price of \$0.18 per share.
- The Placement will be completed in two tranches, Tranche 1 of 104,524,438 shares to be issued under the Company's ASX Listing Rules 7.1 and 7.1A placement capacities and Tranche 2, being 12,142,232 shares, including the participation of the directors of 4,722,223 shares, requiring shareholder approval.
- Experienced mining company director Mr Mark Okeby to be appointed Chairman and Mr Jim Simpson to be appointed CEO and Managing Director after completion of Tranche 1 of the Placement. Mr Okeby is subscribing for \$1m (5,555,556 shares) in Tranche 1.
- A Share Purchase Plan (**SPP**) will be offered to eligible shareholders to raise up to \$2.0m at the same issue price as the Placement, taking the total Equity Raising up to ~\$23m.
- The Equity Raising will be used towards continued growth of the South Cobar Copper Project's copper resources, permitting and to provide working capital, with the ultimate aim to advance towards development of a 10-year copper operation.

Equity Raising

Peel Mining (ASX: PEX) (**Peel** or the **Company**) is pleased to announce a total equity raising of up to ~\$23m, through the issue of up to ~127,777,781 new shares at an issue price of \$0.18 per share. (**Equity Raising**).

The Equity Raising comprises \$21m in a two tranche Placement and a SPP of up to \$2m.

Binding commitments have been received for the ~\$21m Placement. The placement is being cornerstoned with a \$3.6m investment from Mr Josh Pitt. Mr Pitt has a long history in mining having discovered the Golden Grove Zinc/Copper mine. He is also the founder and major shareholder in Red Hill Limited (ASX: RHI) who recently sold its Red Hill Iron Ore JV interest to Mineral Resources Limited (ASX: MRL) for >\$400m in cash milestone payments and royalties.

Tranche 1 of the Placement is to be issued under the Company's ASX Listing Rule 7.1 and 7.1A placement capacities. 62,714,663 Shares will be issued pursuant to ASX Listing Rule 7.1 and 41,809,775 Shares will be issued pursuant to ASX Listing Rule 7.1A.

The issue of all of the shares under Tranche 2 is subject to shareholder approval. 7,420,009 shares are to be issued subject to shareholder approval under Listing Rule 7.1 and 4,722,223 shares subject to shareholder approval under Listing Rule 10.11, the latter being proposed to be issued to Directors, Mr Simpson who is subscribing for \$500,000 (2,777,778 shares), Mr Graham Hardie who is subscribing for \$250,000 (1,388,889 shares) and Mr Simon Hadfield who is subscribing for \$100,000 (555,556 shares). A Notice of General Meeting will be prepared for the approval of the issue of these shares.

Based on Peel's closing share price as at 18 February 2022, the issue price for the Equity Raising represents:

- a 10% discount to the last traded price of Peel shares; and
- an 11% discount to the 5-day volume weighted average market price of Peel shares.

Use of Proceeds

The funds raised under the Placement and SPP are intended to be applied to:

- continued growth of the South Cobar Copper Project's high-grade copper resources;
- permitting; and
- provide working capital.

In particular, the Equity Raising will be used to expand and delineate the South Cobar Copper Project resource given a detailed technical review of South Cobar Copper Project that has highlighted the potential scale of project:

- geology is analogous to the CSA mine which sits approximately 100km from the project;
- outstanding length and grade of mineralisation has been consistently evident in Mallee Bull and Wirlong drilling;
- mineralisation is open at depth and along strike; and
- significant high-grade hits have been made outside current resource envelopes.

Peel is targeting a standalone 10-year copper operation with simple, clean metallurgy that produces premium copper concentrates.

Board and Management Appointments

Immediately after the completion of Tranche 1 of the Placement, Mr Okeby will be appointed Chairman, Mr Simpson will be appointed CEO and Managing Director, Mr Rob Tyson will transition from Managing Director to Executive Director – Technical, and Mr Hadfield will transition from Chairman to Non-Executive Director.

Mr Jim Simpson

Mr Simpson has been the Executive Director – Mining of Peel since September 2019 and will move to a full-time role as CEO and Managing Director. Mr Simpson has a wealth of experience in developing and operating underground base metal and gold mines and significant mining company board and management experience. Mr Simpson holds a Bachelor of Mining Engineering and a Diploma in Front Line Management.

Mr Simpson was the CEO and Managing Director of Aurelia Metals Ltd from 2016 to 2019, during which time Aurelia acquired the Peak gold mine and made the Federation and Dominion discoveries. Mr Simpson's earlier roles included COO of Peak Gold Limited, director of Goldcorp Asia Pacific, General Manager Mining Lead and Zinc at MIM Holdings and Mine Manager at Golden Grove for Normandy Mining Ltd.

Mr Simpson currently holds 4.76m shares, 2m options and 1.5m performance rights in Peel.

The material terms of Mr Simpson's appointment are attached at Appendix 1 to this announcement.

Mr Mark Okeby

Mr Okeby began his career in the resources industry in the 1980s. He has a Master of Law (LLM) and over 30 years' experience as a director of ASX listed mining and exploration companies.

He is currently a director of Capricorn Metals Limited (appointed in 2019) and Red Hill Iron Ltd (appointed in 2016) and previously has been a director of Regis Resources Ltd, Hill 50 Ltd, Abelle Ltd, Metals X Limited and Westgold Resources Ltd.

Mr Okeby has been a major contributor on the Capricorn board in transforming Capricorn from a small gold developer to one of Australia's newest gold producers. Mr Okeby played a similar board role at Regis Resources during which Regis was transformed into one of Australia's largest producers. Last year he was instrumental in the creation of substantial value to Red Hill Iron shareholders from the sale of their 40% interest in the Red Hill Iron Ore Joint Venture to Mineral Resources Ltd.

Mr Okeby has a deep knowledge of the Australian resources landscape and the regulatory regimes around mine development and operation. He also has significant experience in project development, financing and corporate transactions.

Mr Okeby currently holds 1.5m shares in Peel and is being appointed as a director in connection with the Placement, subscribing \$1,000,000 under Tranche 1 of the Placement (5,555,556 new shares) to be issued under Exception 12 of ASX Listing Rule 10.11.

The material terms of Mr Okeby's appointment are attached at Appendix 1 to this announcement.

SPP

The SPP will raise up to \$2.0 million and will provide all Peel shareholders (including retail shareholders) with registered addresses in Australia and New Zealand at 5.00pm (WST) on the Record Date of 22 February 2022 (**Eligible Shareholders**) with the opportunity to apply for new shares at the Placement price of \$0.18 per share. Eligible Shareholders will be offered the opportunity under the SPP to apply for up to \$30,000 worth of new shares (subject to scale back at the Company's absolute discretion). The Board reserves the right to close the SPP offer early once at least \$2.0 million of subscriptions have been received.

New shares issued under the SPP will rank equally with Peel's existing shares with effect from their issue. The offer price is free of brokerage and commission.

Participation in the SPP by Eligible Shareholders is entirely optional. The SPP is not underwritten.

The terms and conditions of the SPP will be set out in the SPP Offer Booklet.

Indicative Timetable

The indicative timetable for the Equity Raising is as follows:

Event	Date
Record date for eligibility to participate in SPP	22 February 2022
Announcement of firm commitments for the Placement	23 February 2022
Settlement of Tranche 1 Placement Shares	2 March 2022
Allotment of Tranche 1 Placement Shares	3 March 2022
Dispatch SPP Offer letter	3 March 2022
SPP Opening date	3 March 2022
Notice of meeting sent to Peel shareholders	9 March 2022
SPP Closing Date	16 March 2022
Announcement of SPP Participation Results	21 March 2022
Issue of SPP Shares	21 March 2022
Peel shareholder meeting to approve Tranche 2 Placement	Early-mid April
Settlement and Allotment of Tranche 2 Placement	Mid-late April

The timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

Ashanti Capital Pty Ltd acted as Sole Lead Manager to the Placement.

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

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Appendix 1

Mr Jim Simpson's appointment terms

The material terms of Mr Simpson's appointment as CEO and Managing Director are as follows:

- Full time, permanent employee, commencing on completion of the Tranche 1 Placement.
- Annual remuneration of \$450,000 per annum, including superannuation contributions.
- Continuation of his participation in the Company's Performance Rights and Option Plan, under which he currently holds 2,000,000 unlisted options and 1,500,000 performance rights.
- Subject to shareholder approval, Mr Simpson will be issued 6,000,000 unlisted options, exercisable at \$0.236 each, with an expiry date of 21 February 2025.

Mr Mark Okeby's appointment terms

The material terms of Mr Okeby's appointment as a Non-Executive Chairman are as follows:

- Annual remuneration of \$55,000 per annum, including superannuation contributions.
- Subject to shareholder approval, Mr Okeby will be issued 4,000,000 unlisted options, exercisable at \$0.236 each, with an expiry date of 21 February 2025.

Mr Rob Tyson's employment terms

The material terms of Mr Tyson's employment as Executive Director - Technical are as follows:

- Full time, permanent employee, commencing on completion of the Tranche 1 Placement.
- Annual remuneration of \$341,000 per annum, including superannuation contributions.
- Continuation of his participation in the Company's Performance Rights and Option Plan, under which he currently holds 2,000,000 unlisted options and 2,500,000 performance rights.
- Subject to shareholder approval, Mr Tyson will be issued 3,000,000 unlisted options, exercisable at \$0.236 each, with an expiry date of 21 February 2025.