

# Half Year Report

31 December 2022



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# Corporate Directory

## Directors

Mark Okeby	<i>Non-executive Chairman</i>
James Simpson	<i>CEO &amp; Managing Director</i>
Graham Hardie	<i>Non-executive Director</i>
Robert Tyson	<i>Executive Director – Technical</i>

## Company Secretary

Ryan Woodhouse

## Registered Office

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WEST PERTH, WA 6005  
Telephone: +61 (0)8 9382 3955  
Email: [info@peelmining.com.au](mailto:info@peelmining.com.au)

## Stock Exchange Listing

Securities of Peel Mining Limited are listed on the Australian Securities Exchange (ASX)

## ASX Code

PEX

## ACN

119 343 734

## Share Registry

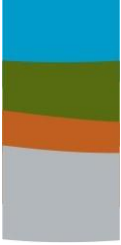
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PERTH, WA 6000  
Telephone +61 1300 554 474  
Facsimile: +61 (0)2 9287 0303  
Website: [www.linkmarketservices.com](http://www.linkmarketservices.com)

## Auditors

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Ernst & Young Building  
11 Mounts Bay Rd  
PERTH, WA 6000

## Website

[www.peelmining.com.au](http://www.peelmining.com.au)



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# Directors' Report

The directors present their report on the consolidated entity consisting of Peel Mining Limited ("the Company") and the entities it controlled ("the Group") at the end of the half-year ended 31 December 2022.

## Directors

The following persons held office as directors throughout the entire financial period and up to the date of this report, unless otherwise indicated:

Mark Okeby	Non-executive Chairman
James Simpson	CEO & Managing Director
Graham Hardie	Non-executive Director
Robert Tyson	Executive Director – Technical
Simon Hadfield	Non-executive Director (retired 24 November 2022)

## Company Secretary and Chief Financial Officer

Ryan Woodhouse

## Results

The loss of the Group for the half-year ended 31 December 2022 amounted to \$944,686 (2021: \$1,735,574).

## Review of Operations

Peel Mining Limited ("Peel" or "the Company") is a base and precious metals Company focused on developing its projects in the Cobar Region of New South Wales, Australia. The Company has been active in the Cobar Superbasin since March 2010, and since that time, has established a reputation as one of NSW's most successful minerals explorer, with the largest single company landholding of ~3,070km<sup>2</sup> in the Cobar Superbasin. The Company has made three major discoveries in this time; the Mallee Bull Copper dominant discovery, the Wirlong Copper discovery and the Wagga Tank-Southern Nights Lead-Zinc-Silver dominant discovery. These deposits, along with the May Day Gold dominant deposit, make up the South Cobar Project (SCP). The project is centred on establishing critical mass of high-quality copper dominant mineral resources to support a proposed central processing operation. The project is focused on a copper first strategy, where it will seek to develop its copper dominant projects of Mallee Bull and Wirlong first. These copper dominant deposits present an opportunity to take advantage of a strong copper market, simplifying the notional sequencing of the deposits and metallurgical processes, and allowing for the potential staging of capital.

During the half year, the Company completed resource infill and extensional diamond drilling at Wirlong with an additional 22 diamond drillholes for 10,244.8m drilled. The drilling program consisted of a total of 38 successful drillholes for ~20,813m of drilling completed utilising three drill rigs.

Highlights from diamond drilling assays returned and released to the market included:

- **16m @ 3.01% Cu, 5g/t Ag** from 613m in WLDD060W1
- **48m @ 1.4% Cu, 2g/t Ag** from 573m in WLDD061
- **23.05m @ 2.1% Cu, 8g/t Ag** from 267.95m including: **3.83m @ 6.01% Cu, 23g/t Ag** from 281.79m in WLDD063



- **40.75m @ 1.04% Cu, 4g/t Ag** from 266.25m including: **10m @ 2.93% Cu, 12g/t Ag** from 275m in WLDD063W1
- **3m @ 6.83% Cu, 21g/t Ag** from 473m in WLDD064W1
- **11m @ 2.51% Cu, 7g/t Ag** from 424m; and **67m @ 1.35% Cu, 3g/t Ag** from 478m including **15.15m @ 3.15% Cu, 6g/t Ag** from 502m; and **9m @ 2.01% Cu, 4g/t Ag** from 624m in WLDD074
- **82m @ 2.07% Cu, 5g/t Ag** from 425m including **20m @ 3.73% Cu, 9g/t Ag** from 438m and **8m @ 5.26% Cu, 12g/t Ag** from 476m; and **4m @ 3.65% Cu, 8g/t Ag** from 582m in WLDD077
- **23m @ 1.72% Cu, 4g/t Ag** from 368m including **6m @ 5.08% Cu, 10g/t Ag** from 379m in WLDD078
- **15m @ 6.79% Cu, 19g/t Ag** from 240m including **7m @ 13.36% Cu, 38g/t Ag** from 240m in WLDD079
- **70m @ 1.72% Cu, 8g/t Ag** from 308m including **7m @ 2.12% Cu, 12g/t Ag** from 319m and **12m @ 4.31% Cu, 18g/t Ag** from 351m; and **7m @ 2.13% Cu, 4g/t Ag** from 471m in WLDD082
- **62m @ 1.02% Cu, 5g/t Ag** from 312m; and **19m @ 2.71% Cu, 5g/t Ag** from 424m including **6.6m @ 5.82% Cu, 10g/t Ag** from 428.4m in WLDD084

These infill and extensional drilling results from Wirlong, and those from Mallee Bull in the prior period were incorporated into the updated Mineral Resource Estimate (MRE) model for the South Cobar Project, released 9 January 2023. *For full detail refer to Peel Mining's ASX Announcement dated 9 January 2023 – "20MT Resource Base for South Cobar Project".*

The MREs for the Mallee Bull, Wirlong, Southern Nights-Wagga Tank, and May Day deposits are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code (2012)).

The Company's resource endowment for the South Cobar Project across these deposits following this update comprises:

**Table 1 - South Cobar Project Copper Resource Estimate Summary**

Deposit	Resource Category	South Cobar Project Copper MREs as at January 2023 (\$A80/t NSR cut-off)										
		Tonnes (kt)	Cu (%)	Ag (g/t)	Zn (%)	Pb (%)	Au (g/t)	Cont Cu (kt)	Cont Ag (moz)	Cont Zn (kt)	Cont Pb (kt)	Cont Au (koz)
Mallee Bull	Ind	5,590	1.93	27	0.13	0.21	0.38	108	4.85	7.3	11.7	68
	Inf	750	1.87	21	0.04	0.08	0.11	14	0.51	0.3	0.6	2.7
	<b>Subtotal</b>	<b>6,340</b>	<b>1.92</b>	<b>26</b>	<b>0.12</b>	<b>0.19</b>	<b>0.35</b>	<b>122</b>	<b>5.36</b>	<b>7.6</b>	<b>12.3</b>	<b>71</b>
Wirlong	Ind	2,290	1.92	6	0.08	0.03	0.03	44	0.47	1.9	0.6	1.9
	Inf	2,010	1.54	6	0.07	0.01	0.03	31	0.37	1.4	0.3	1.7
	<b>Subtotal</b>	<b>4,300</b>	<b>1.75</b>	<b>6</b>	<b>0.08</b>	<b>0.02</b>	<b>0.03</b>	<b>75</b>	<b>0.84</b>	<b>3.3</b>	<b>0.9</b>	<b>3.6</b>
Combined	Ind	7,880	1.93	21	0.12	0.16	0.28	152	5.33	9.2	12.4	70
	Inf	2,760	1.63	10	0.06	0.03	0.05	45	0.87	1.7	0.9	4.4
	<b>Total</b>	<b>10,640</b>	<b>1.85</b>	<b>18</b>	<b>0.10</b>	<b>0.12</b>	<b>0.22</b>	<b>197</b>	<b>6.20</b>	<b>10.8</b>	<b>13.3</b>	<b>74</b>

**Table 2 - South Cobar Project Zinc-Lead Resource Estimate Summary**

Deposit	Resource Category	South Cobar Project Zinc-Lead MREs as at January 2023 (\$A80/t NSR cut-off)										
		Tonnes (kt)	Cu (%)	Ag (g/t)	Zn (%)	Pb (%)	Au (g/t)	Cont Cu (kt)	Cont Ag (moz)	Cont Zn (kt)	Cont Pb (kt)	Cont Au (koz)
Mallee Bull Zn-Pb	Ind	660	0.38	52	4.24	3.60	0.67	2.5	1.1	28	24	14
	Inf	10	0.22	22	2.16	1.23	0.46	0.0	0.01	0.2	0.1	0.2
	<b>Subtotal</b>	<b>670</b>	<b>0.38</b>	<b>52</b>	<b>4.21</b>	<b>3.56</b>	<b>0.67</b>	<b>2.5</b>	<b>1.1</b>	<b>28</b>	<b>24</b>	<b>14</b>
WT-SN	Ind	3,790	0.23	68	4.39	1.72	0.31	8.7	8.3	166	65	38
	Inf	3,040	0.26	55	3.34	1.28	0.28	7.9	5.4	102	39	27

	<b>Subtotal</b>	<b>6,830</b>	<b>0.24</b>	<b>62</b>	<b>3.92</b>	<b>1.52</b>	<b>0.30</b>	<b>16.4</b>	<b>13.6</b>	<b>268</b>	<b>104</b>	<b>66</b>
<b>Combined</b>	Ind	4,450	0.25	66	4.37	2.00	0.36	11.2	9.4	194	89	52
	Inf	3,050	0.26	55	3.34	1.28	0.28	7.9	5.4	102	39	28
	<b>Total</b>	<b>7,500</b>	<b>0.26</b>	<b>61</b>	<b>3.95</b>	<b>1.71</b>	<b>0.33</b>	<b>19.5</b>	<b>14.7</b>	<b>296</b>	<b>128</b>	<b>80</b>

**Table 3 - South Cobar Project Gold Resource Estimate Summary**

Deposit	Resource Category	South Cobar Project Gold MRE as at January 2023 (\$A40/50/80/t NSR cut-offs)										
		Tonnes (kt)	Cu (%)	Ag (g/t)	Zn (%)	Pb (%)	Au (g/t)	Cont Cu (kt)	Cont Ag (moz)	Cont Zn (kt)	Cont Pb (kt)	Cont Au (koz)
<b>May Day</b>	OP Ind	970	-	25	0.78	0.46	1.10	-	0.8	7.6	4.5	34
	UG Ind	590	-	27	1.20	0.89	0.77	-	0.5	7.1	5.3	15
	UG Inf	50	-	17	0.28	0.19	1.02	-	0.03	0.1	0.1	1.6
	<b>Total</b>	<b>1,610</b>	<b>-</b>	<b>25</b>	<b>0.92</b>	<b>0.61</b>	<b>0.98</b>	<b>-</b>	<b>1.3</b>	<b>14.8</b>	<b>9.8</b>	<b>51</b>

**Table 4 - South Cobar Project Global Resource Estimate Summary**

Deposit	Resource Category	South Cobar Project MRE as at January 2023 (\$A40/50/80/t NSR cut-offs)										
		Tonnes (kt)	Cu (%)	Ag (g/t)	Zn (%)	Pb (%)	Au (g/t)	Cont Cu (kt)	Cont Ag (moz)	Cont Zn (kt)	Cont Pb (kt)	Cont Au (koz)
<b>All</b>	Ind	13,890	1.17	36	1.57	0.80	0.38	163	16	218	111	170
	Inf	5,860	0.90	33	1.77	0.68	0.18	53	6.3	104	40	34
	<b>Total</b>	<b>19,750</b>	<b>1.09</b>	<b>35</b>	<b>1.63</b>	<b>0.76</b>	<b>0.32</b>	<b>216</b>	<b>22</b>	<b>322</b>	<b>151</b>	<b>204</b>

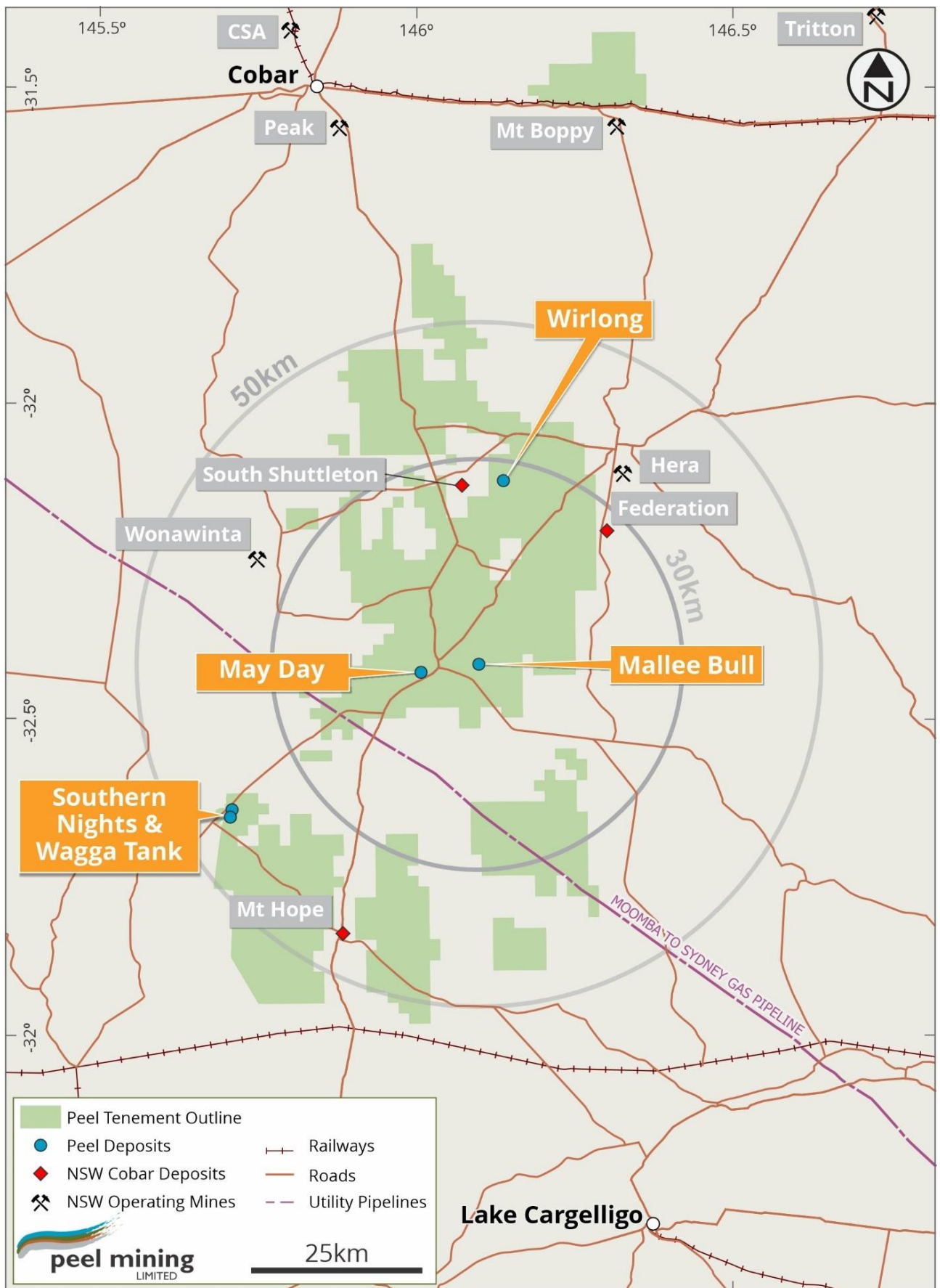
*Note: The South Cobar Project MREs utilises A\$80/tonne NSR cut-off mineable shapes, which include minimum mining widths and internal dilution except for May Day Open Pit which utilised \$40 and \$50/t NSR cut-offs for oxide and sulphide resources within an optimal pit respectively. Figures are rounded to reflect the precision of estimates and include rounding errors.*

The Company submitted the final Review of Environmental Factors (REF) for Mallee Bull to the Resource Regulator on 23 December 2022 for approval. It is anticipated that a determination will be made in the coming months. Furthermore, preliminary scoping works have commenced for the permitting processes for initial works at Wirlong and Southern Nights. REF's will be prepared for these projects and submitted as per the process with Mallee Bull.

During the half, the Company undertook extensive ore sorting trial testwork on Mallee Bull and Wirlong composite samples. The trials were conducted by materials sorting specialist TOMRA Sorting Pty Ltd (TOMRA), at their Sydney facility, on copper mineralised drillcore from Mallee Bull and Wirlong. The bulk composite samples were selected to represent potential Run of Mine (ROM) material from each deposit and comprised ~500kg each. The trials yielded excellent results on both samples yielding overall rejection rates of 25.8% for Mallee Bull and 72.5% Wirlong, whilst achieving high recoveries of 92% and 91.1% respectively. Ore sorting is being evaluated to assess the utilisation of bulk mining methods, reducing potential haulage volumes to a centralised plant and reducing capital in processing and tailing disposal.

In November 2022, Peel received confirmation that its application for \$500,000 of NSW Government Critical Minerals and High-Tech Metals Activation Fund (CMAF) Stream 1 grant funding was successful and Peel is in the process of completing all required documentation. The Company's application relates to undertaking Pre-Feasibility Study work (PFS) on the South Cobar Project (SCP). Peel plans to commence PFS work on the SCP in early FY2023 and will receive staged cash co-contributions from the CMAF grant as it meets deliverables associated with the project.

Figure 1 – South Cobar Project



## Corporate Activities

### CHANGES TO THE BOARD

Non-executive Director Mr Simon Hadfield retired from the Peel Mining Limited Board at the Company's Annual General Meeting (AGM) on 24 November 2022.

Mr Hadfield was a founding director of Peel Mining Limited in 2007 and served as the Company's Chairman from 2008 to February 2022.

### LAPSE OF OPTIONS

The following options lapsed unexercised during the period to 31 December 2022:

- 9 September 2022, 2,000,000 executive director options issued to James Simpson, with an exercise price of \$0.31.
- 29 November 2022, 2,000,000 director options issued to Robert Tyson, Simon Hadfield and Graham Hardie, with an exercise price of \$0.32.

### SALE OF LISTED SECURITIES

On 12 August 2022, the company sold its holding of 50,000,000 shares in Odin Metals Limited (ASX: ODM). The sale was completed at 1.8 cents per share for a total consideration of \$900,000 (before costs).

## Shares under options and performance rights

Grant Date	Date Vested & Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
13 July 2020	2,050,000 Employee Options 13 July 2020 (50%) 13 July 2021 (50%)	12 July 2023	27.5 cents	6.4 cents
26 November 2020	1,755,000 Executive Directors' Performance Rights Class A & B 31 December 2022 (100%)	26 May 2023	0.0 cents	22.0 cents
26 November 2020	945,000 Executive Directors' Performance Rights Class C 31 December 2022 (100%)	26 May 2023	0.0 cents	11.5 cents
23 December 2020	260,000 Employee Performance Rights Class A & B 31 December 2022 (100%)	23 June 2023	0.0 cents	26.5 cents
23 December 2020	140,000 Employee Performance Rights Class C 31 December 2022 (100%)	26 May 2023	0.0 cents	15.6 cents
29 November 2021	650,000 Executive Directors' Performance Rights Class D & E 31 December 2023 (100%)	31 December 2023	0.0 cents	22.5 cents
29 November 2021	650,000 Executive Directors' Performance Rights Class F 31 December 2023 (100%)	31 December 2023	0.0 cents	11.4 cents
29 November 2021	150,000 Employee Performance Rights Class D & E 31 December 2023 (100%)	31 December 2023	0.0 cents	22.5 cents

29 November 2021	150,000 Employee Performance Rights Class F 31 December 2023 (100%)	31 December 2023	0.0 cents	11.4 cents
22 February 2022	13,000,000 Director Options 22 February 2022 <sup>1</sup>	21 February 2025	23.6 cents	13.1 cents
4 November 2022	950,000 Employee Options 3 November 2023 (33.3%) 3 November 2024 (33.3%) 3 November 2025 (33.3%)	3 December 2025	0.0 cents	15.0 cents

## Events occurring after reporting period

Following the end of the period the performance conditions for the following performance rights were tested and it was concluded that they had not been met by the testing date (31 December 2022):

- 1,755,000 executive director performance rights (Class A & B) issued to Robert Tyson and James Simpson on 26 November 2020, with an exercise price of \$0.00.
- 945,000 executive director performance rights (Class C) issued to Robert Tyson and James Simpson on 26 November 2020, with an exercise price of \$0.00.
- 260,000 employee performance rights (Class A & B) issued to Ryan Woodhouse on 23 December 2020, with an exercise price of \$0.00.
- 140,000 employee performance rights (Class C) issued to Ryan Woodhouse on 23 December 2020, with an exercise price of \$0.00.

The performance rights are due to lapse within the current financial year.

The Company has no other events occurring after the reporting period to disclose.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 20.

Signed in accordance with a resolution of the directors and on behalf of the Board by:



J Simpson  
CEO & Managing Director  
Perth, Western Australia  
8th March 2023

## Competent Persons Statements

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

Past Exploration results and Mineral Resource Estimates reported in this announcement have been previously prepared and disclosed by Peel Mining Ltd in accordance with JORC 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in these market announcements. The Company confirms that the form and content in which the Competent Person's findings are presented here have not been materially modified from the original market announcement, and all material assumptions and technical parameters underpinning Mineral Resource Estimates in the relevant market announcement continue to apply and have not materially changed. Refer to [www.peelmining.com.au](http://www.peelmining.com.au) for details on past exploration results and Mineral Resource Estimates.

This release may include aspirational targets. These targets are based on management's expectations and beliefs concerning future events as of the time of the release of this document. Targets are necessarily subject to risks, uncertainties and other factors, some of which are outside the control of Peel Mining that could cause actual results to differ materially from such statements. Peel Mining makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.



# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2022

		Consolidated	
		31 Dec 2022	31 Dec 2021
	Note	\$	\$
Revenues and other income		8,100	-
Interest income		196,359	8,602
Net gain or loss on disposal of assets		5,573	-
<b>Revenue and other income</b>		<b>210,032</b>	<b>8,602</b>
Share-based remuneration to directors & employees	5	(220,734)	(155,374)
Depreciation expense		(73,739)	(66,382)
Employee and directors' benefit expenses		(535,363)	(432,754)
Administration expenses		(431,862)	(489,666)
Write-off of exploration expenditure	4	(138,970)	-
<b>(Loss)/profit before income tax</b>		<b>(1,190,636)</b>	<b>(1,135,574)</b>
Income tax benefit (expense)		-	-
<b>(Loss)/profit from continuing operations after income tax</b>		<b>(1,190,636)</b>	<b>(1,135,574)</b>
<i>Items that will not be classified to profit or loss</i>			
Changes in the fair value of equity assets at fair value through other comprehensive income	3	245,950	(600,000)
<b>Total comprehensive (loss)/income for the year attributable to the members of Peel Mining Limited</b>		<b>(944,686)</b>	<b>(1,735,574)</b>
Basic (loss)/earnings per share for the year attributable to the members of Peel Mining Limited		(0.002)	(0.007)
Diluted (loss)/earnings per share for the year attributable to the members of Peel Mining Limited		(0.002)	(0.007)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



## Condensed Consolidated Statement of Financial Position as at 31 December 2022

		Consolidated	
	Note	31 Dec 2022 \$	30 Jun 2022 \$
<b>Current Assets</b>			
Cash and cash equivalents		14,862,276	22,556,938
Trade and other receivables		124,602	297,374
<b>Total Current Assets</b>		<b>14,986,878</b>	<b>22,854,312</b>
<b>Non-Current Assets</b>			
Security deposits		577,990	597,990
Property		2,757,249	2,757,249
Plant & equipment		647,877	707,627
Investments in listed securities	3	-	650,000
Exploration assets	4	95,523,032	89,717,191
<b>Total Non-Current Assets</b>		<b>99,506,148</b>	<b>94,430,057</b>
<b>Total Assets</b>		<b>114,493,026</b>	<b>117,284,369</b>
<b>Current Liabilities</b>			
Trade and other payables		684,129	2,751,520
<b>Total Current Liabilities</b>		<b>684,129</b>	<b>2,751,520</b>
<b>Non-Current Liabilities</b>			
Deferred tax liability		1,553,495	1,553,495
<b>Total Non-Current Liabilities</b>		<b>1,553,495</b>	<b>1,553,495</b>
<b>Total Liabilities</b>		<b>2,237,624</b>	<b>4,305,015</b>
<b>Net Assets</b>		<b>112,255,402</b>	<b>112,979,354</b>
<b>Equity</b>			
Contributed equity		113,304,683	113,304,683
Accumulated loss		(7,727,436)	(5,682,750)
Share based payment reserve		6,678,155	6,457,421
Fair value reserve of financial assets at FVOCI		-	(1,100,000)
<b>Total Equity</b>		<b>112,255,402</b>	<b>112,979,354</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Changes in Equity for the half year ended 31 December 2022

Consolidated	Contributed Equity	Accumulated losses	Fair value reserve of financial assets at FVOCI	Share based payment Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>As at 1 July 2022</b>	<b>113,304,683</b>	<b>(5,682,750)</b>	<b>(1,100,000)</b>	<b>6,457,421</b>	<b>112,979,354</b>
(Loss)/profit for the year	-	(1,190,636)	-	-	(1,190,636)
Other comprehensive income - revaluation	-	-	245,950	-	245,950
Transfer of other comprehensive income reserve to accumulated loss	-	(854,050)	854,050	-	-
<b>Total comprehensive (loss)/ income</b>	<b>-</b>	<b>(2,044,686)</b>	<b>1,100,000</b>	<b>-</b>	<b>(944,686)</b>
Share based payments	-	-	-	220,734	220,734
<b>Balance at 31 December 2022</b>	<b>113,304,683</b>	<b>(7,727,436)</b>	<b>-</b>	<b>6,678,155</b>	<b>112,255,402</b>
<b>As at 1 July 2021</b>	<b>84,917,005</b>	<b>(2,260,826)</b>	<b>-</b>	<b>4,336,831</b>	<b>86,993,010</b>
(Loss)/profit for the year	-	(1,135,574)	-	-	(1,135,574)
Other comprehensive income - revaluation	-	-	(600,000)	-	(600,000)
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>(1,135,574)</b>	<b>(600,000)</b>	<b>-</b>	<b>(1,735,574)</b>
Share based payments	-	-	-	155,374	155,374
<b>Balance at 31 December 2021</b>	<b>84,917,005</b>	<b>(3,396,400)</b>	<b>(600,000)</b>	<b>4,492,205</b>	<b>85,412,810</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Cash Flows for the half year to 31 December 2022

	Note	Consolidated	
		31 Dec 2022	31 Dec 2021
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(797,253)	(777,250)
Interest received		146,809	8,602
<b>Net cash outflow from operating activities</b>		<b>(650,444)</b>	<b>(768,648)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration		(7,947,983)	(9,946,059)
Proceeds from sale of listed securities		895,950	-
Transfer to security deposits		20,000	29,800
Payments for purchase of property, plant and equipment		(12,185)	(496,320)
<b>Net cash outflow from investing activities</b>		<b>(7,044,218)</b>	<b>(10,412,579)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	-
Transaction costs of issue of shares		-	-
<b>Net cash inflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(7,694,662)</b>	<b>(11,181,227)</b>
Cash and cash equivalents at the start of year		22,556,938	16,796,149
<b>Cash and cash equivalents at the end of year</b>		<b>14,862,276</b>	<b>5,614,922</b>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

# Notes to the Condensed Consolidated Financial Statements

## 1. Basis of preparation of Half Year Financial Statements

These condensed consolidated financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statement. Accordingly, this interim financial statement is to be read in conjunction with the annual financial statement for the year ended 30 June 2022 and any public announcements made by Peel Mining Limited during the interim reporting period in accordance with continuous disclosure requirements.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, with the exception of the adoption of new and amended standards as set out below.

### **(a) New and amended standards adopted by the Company and standards issued but not yet effective**

Certain new accounting standards and interpretations have been published that are mandatory for the current reporting period. The Group has adopted all of these standards and they have not had a material impact on the Group's balances, transactions or disclosures reported in these condensed financial statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

## 2. Segment Reporting

Management has determined that the Group has only one reportable segment being mineral exploration and development in New South Wales.

The Group is focused on mineral exploration and development of the South Cobar Project, and the Board monitors the Group based on actual versus budgeted expenditure incurred. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration and development activities, while also taking into consideration the results of exploration work that has been performed. The Board will review its position on the Company's reportable segments as it progresses towards development.

### 3. Financial assets at fair value through comprehensive income

#### Classification of financial assets at fair value through other comprehensive income

##### Listed securities at fair value through other comprehensive income

Listed securities at FVOCI comprise the following individual investments:

	Consolidated	Consolidated
	31 Dec 2022	30 Jun 2022
	\$	\$
<b>Non-current assets</b>		
<i>Listed securities</i>		
Odin Metals Limited	-	650,000
	-	650,000

Amounts recognised in profit or loss and other comprehensive income. During the year, the following gains were recognised in profit and loss and other comprehensive income.

	Consolidated	Consolidated
	31 Dec 2022	31 Dec 2021
	\$	\$
Gain / (Loss) recognised in other comprehensive income related to equity investments	245,950	(600,000)

In August 2022 the Group sold its shares in Odin Metals Limited, realising a net gain of \$245,950 which was included in other comprehensive income. On disposal of the listed securities the related balance within the fair value reserve of financial assets at FVOCI of \$854,050 was reclassified to accumulated loss.

#### Recognised fair value measurements

##### Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows under the table.

Recurring fair value measurements as at 31 December 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets</b>				
Financial Assets at fair value through other comprehensive income (FVOCI)				
Listed securities	-	-	-	-
<b>Total financial assets</b>	-	-	-	-

Recurring fair value measurements as at 30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets</b>				
Financial Assets at fair value through other comprehensive income (FVOCI)				
Listed securities	650,000	-	-	650,000
<b>Total financial assets</b>	<b>650,000</b>	<b>-</b>	<b>-</b>	<b>650,000</b>

There were no transfers between the levels for recurring fair value measurements during the year. The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

#### Market Risk

The Group no longer has any exposure to equity security price risk as it no longer holds any equity securities.

## 4. Exploration Assets

	Consolidated 31 Dec 2022 \$	Consolidated 30 Jun 2022 \$
<b>At cost</b>	<b>95,523,032</b>	<b>89,717,191</b>
<b>Opening balance</b>	89,717,191	70,409,634
Exploration expenditure	5,944,811	19,367,768
Write-off of exploration expenditure	(138,970)	(60,211)
<b>Closing balance</b>	<b>95,523,032</b>	<b>89,717,191</b>

Recovery of the capitalised amount is dependent upon successful development and commercial exploitation, or alternatively, sale of the associated tenements.

## 5. Share based payments

During the period the Company granted 950,000 options to employees through its employee share option plan (ESOP).

The fair value of options at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, 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.

Total prorated expenses arising from share-based payments along with vesting of Director and employee options previously granted recognised in the profit and loss during the period were as follows:

	31 Dec 2022	31 Dec 2021
	\$	\$
Employee options expense	13,619	2,357
Employee performance rights expense	34,902	24,759
Director performance rights expense	172,213	128,258
	220,734	155,374

### (i) Employee Options

#### *Fair value of options granted*

The model inputs and the assessed fair value at grant date of options granted to employees during the period ending 31 December 2022 is tabled below.

Employee Options	
Options granted for nil consideration and vest accordingly	33.3% vest 3 November 2023 33.3% vest 3 November 2024 33.3% vest 3 November 2025
Number of rights granted	950,000
Exercise Price	Nil
Grant Date	4 November 2022
Expiry Date	3 December 2025
Share Price at Grant Date	15.0 cents
Expected Price Volatility	60%
Expected Dividend Yield	0.00%
Risk-free interest rate	3.27%
<b>Fair Value at Grant Date</b>	<b>15.0 cents</b>

### (ii) Director Options

There were no new share based payments made to Directors during the period ending 31 December 2022.



## 6. Related Parties

### Transactions with key management personnel

During the financial period the Group paid \$24,991 (2021: \$25,497) for head office rental and on charges to RIU Pty Ltd, and \$0 (2021: \$9,900) to RIU Conferences Pty Ltd, both companies controlled by Mr S Hadfield.

Mr Hadfield retired from the Peel Mining Limited Board at the Company's Annual General Meeting (AGM) on 24 November 2022. No transactions with RIU Pty Ltd or RIU Conferences Pty Ltd were considered to be related party transactions after 24 November 2022.

### Compensation of key management personnel

During the period, 460,000 options were granted to Ryan Woodhouse, the CFO/Company Secretary, through its employee share option plan (ESOP). These options were divided into three vesting periods, expiring on 3 December 2025.

It has been determined that the fair value of the options at grant date is \$0.15. The valuation was determined using a Black-Scholes option pricing model that takes into account the exercise price, 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. The total value of related party share-based payment transactions at grant date is \$69,000. The expense will be prorated over three years per the vesting conditions.

## 7. Events occurring after the Reporting date

Following the end of the period the performance conditions for the following performance rights were tested and it was concluded that they had not been met by the testing date (31 December 2022):

- 1,755,000 executive director performance rights (Class A & B) issued to Robert Tyson and James Simpson on 26 November 2020, with an exercise price of \$0.00.
- 945,000 executive director performance rights (Class C) issued to Robert Tyson and James Simpson on 26 November 2020, with an exercise price of \$0.00.
- 260,000 employee performance rights (Class A & B) issued to Ryan Woodhouse on 23 December 2020, with an exercise price of \$0.00.
- 140,000 employee performance rights (Class C) issued to Ryan Woodhouse on 23 December 2020, with an exercise price of \$0.00.

The performance rights are due to lapse within the current financial year.

The Company has no other events occurring after the reporting period to disclose.

## Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 18 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the period then ended; and
- (b) there are reasonable grounds to believe that Peel Mining Limited will be able to pay its debts as and when they become due and payable.

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



J Simpson  
CEO & Managing Director  
Perth, Western Australia  
8th March 2023



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## Auditor's independence declaration to the directors of Peel Mining Limited

As lead auditor for the review of the half-year financial report of Peel Mining Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Ernst & Young

Philip Teale  
Partner  
8 March 2023



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## **Independent auditor's review report to the members of Peel Mining Limited**

### **Conclusion**

We have reviewed the accompanying half-year financial report of Peel Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2022, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Directors' responsibilities for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

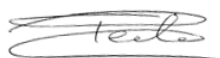
## Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young



Philip Teale  
Partner  
Perth  
8 March 2023