peel mining LIMITED

2021 Annual Report

CORPORATE DIRECTORY

DIRECTORS

Simon Hadfield	Non-executive Chairman
Rob Tyson	Managing Director
Graham Hardie	Non-executive Director
James Simpson	Executive Director Mining

COMPANY SECRETARY

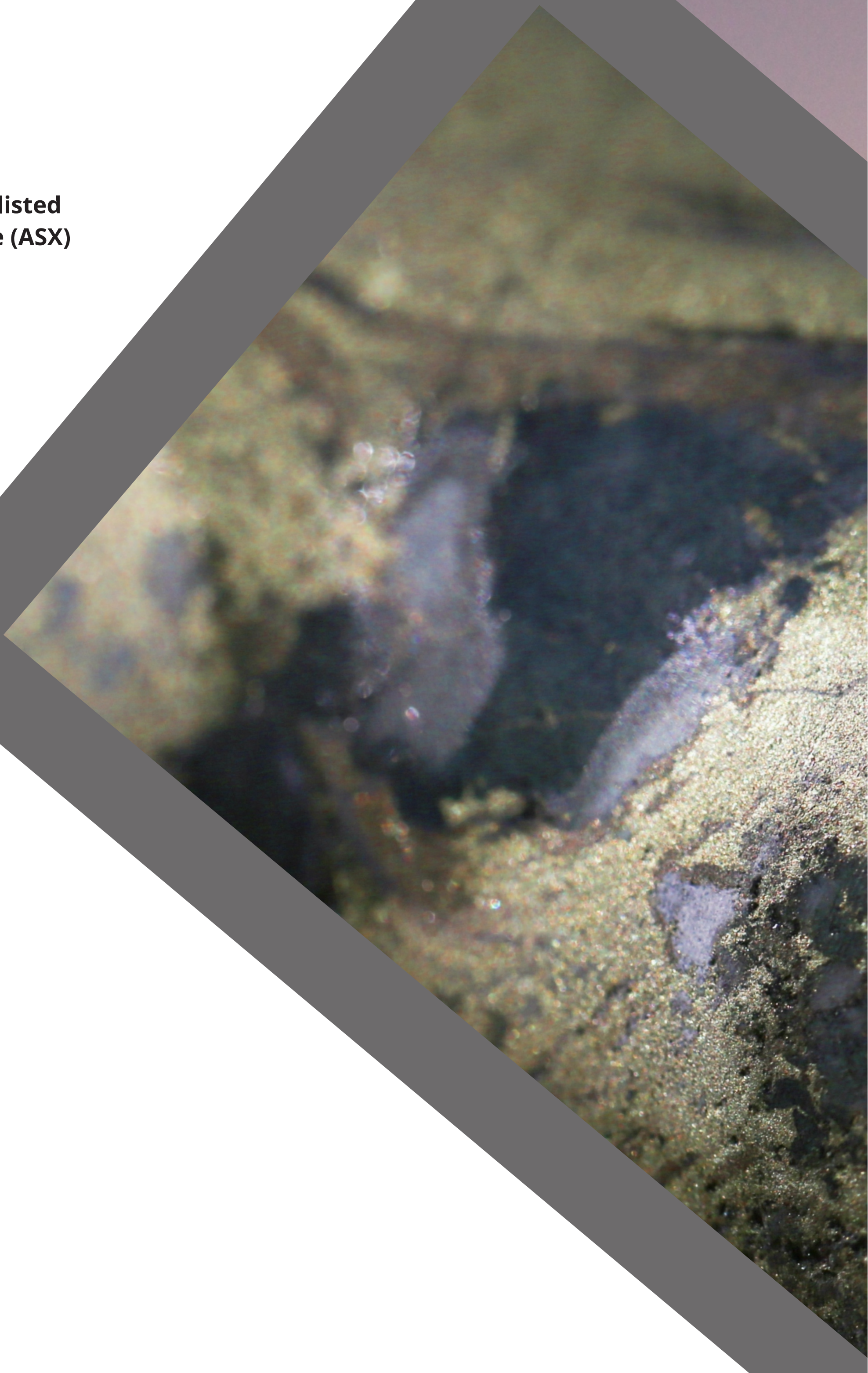
Ryan Woodhouse

REGISTERED OFFICE

Unit 1, 34 Kings Park Road
WEST PERTH WA 6005
T: +61 (0)8 9382 3955
E: info@peelmining.com.au

STOCK EXCHANGE LISTING

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



ASX CODE: PEX

ACN: 119343 734

SHARE REGISTRY

Link Market Services Limited
Level 12, 250 St Georges Terrace
PERTH WA 6000
T: +61 1300 554 474
F: +61 (0)2 9287 0303
www.linkmarketservices.com

AUDITORS

PricewaterhouseCoopers
Level 15, 125 St Georges Terrace
PERTH WA 6000

WEBSITE

www.peelmining.com.au

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Chairman's Letter

The past 12 months has seen the Company make strong headway in its quest to become **a major Australian copper producer**.

In January this year the Company finally regained 100% ownership of its primary Cobar Basin assets, with the dissolution of joint venutures over the Mallee Bull and Wirlong copper deposits and associated tenure.

The change of ownership followed a successful $17 million fund raising to exercise a pre-emptive right to buy out Toho Zinc's 50 per cent share of the Mallee Bull project and the subsequent return of JOGMEC's 50 percent share of Wirlong to Peel Mining at no cost.

The two projects plus the Company's 100%-owned Southern Nights zinc-rich polymetallic project, all in close proximity, were then rebadged as the South Cobar Project which Directors believed could provide sufficient critical mass to justify a new mining development for the Cobar Basin.

The consolidation and control of Mallee Bull and Wirlong **repositioned the focus of the Company to copper**, now one of the world's most highly sought-after metals, and Directors determined that initial work would be aimed at developing Wirlong and Mallee Bull under a "copper first" strategy.

In March this year the Company raised a further $20 million to **accelerate drilling and studies required to reach a development decision**.

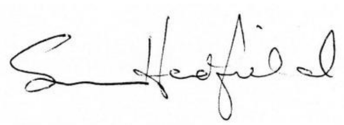
The Company has made substantial inroads into its drilling programme, during which it has had four rigs working double shifts despite the difficulties presented in NSW by the COVID-19 virus. The Directors would like to thank all our workers on site and the drilling crews who have battled on against adversity to maintain a very high output.

The **strong high-grade results from our drilling campaign have given us great confidence** that we will establish a critical mass of mining inventory sufficient to enable the Company to complete a scoping study and then a feasibility study to reach a final investment decision.

Our path to production continues to look very bright.

Finally, on behalf of all shareholders, I would like to thank our executive team, Managing Director Rob Tyson, Executive Director of Mining Jim Simpson, Exploration Manager NSW Mick Oates, Company Secretary Ryan Woodhouse and our field workers and office workers, for their great contributions over the past 12 months. I would also like to thank my fellow non-executive director Graham Hardie for all his excellent input.

Yours sincerely



Simon Hadfield
Chairman
September 2021

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 NSW's most successful minerals explorer, with the largest single company landholding of ~3,370km2 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). Peel is progressing the SCP to establish critical mass via the definition of high-quality mineral resources at each of its deposits. Drilling at the Mallee Bull and Wirlong copper deposits is part of the Company's copper first strategy, focusing on advancing the Mallee Bull and Wirlong copper assets as a priority.Pre-development activities

SOUTH COBAR PROJECT DEVELOPMENT STRATEGY

As mentioned above, the Company is seeking to establish critical mass via the definition of high-quality mineral resources at each of the Company's deposits to support a new mining operation of sufficient economy of scale and mine life. The Mallee Bull and Wirlong copper dominant deposits present an opportunity to take advantage of a strong copper market, simplify the sequencing of the deposits and metallurgical processes, and allows potential staging of capital expenditure. As a result of this, the Company is focused on developing the Mallee Bull and Wirlong copper assets as a priority.

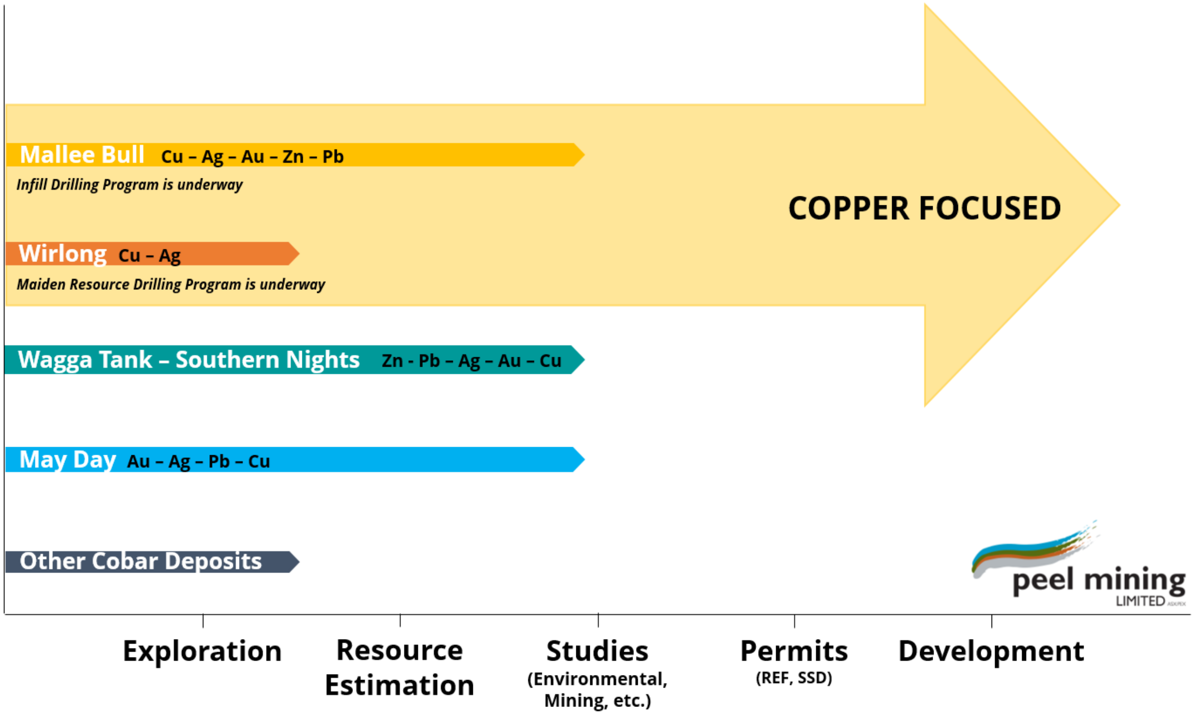


Figure 1: South Cobar Project (SCP) Roadmap & Strategy

Peel has begun the process of seeking regulatory approval to establish exploration declines at both Mallee Bull and Wirlong to enable future underground resource definition drilling and exploration of the deeper portions of the deposit.

The company has been focusing on completing baseline environmental field surveys and desktop data analysis for the exploration decline Review of Environment Factors (REF), including biodiversity, heritage, water, air and soils at Mallee Bull and Wirlong. Further, the Company has commissioned R.W Corkery & Co. Pty. Limited (RWC) to upgrade existing Review of Environmental Factors (REF) for the proposed Mallee Bull exploration decline and associated surface infrastructures. In addition, the company is seeking regulatory approval to develop an exploration decline and associated surface infrastructures at Wirlong. The company is currently undertaking work together with its consultants to complete environmental assessments based on the collected baseline field survey data and also to prepare and submit the Review of Environmental Factors (REF) for lodgement in the coming months.

Early in the year, the Company commissioned GR Engineering Services (GRES) to complete a conceptual polymetallic plant as part of the “Hub and Spoke” model, with the mill envisaged to be centrally located within Peel’s South Cobar Project.

GRES completed a preliminary process plant technical report for a conventional flowsheet and further completed an alternative flowsheet incorporating ore sorting technology based on the positive ore sorting testwork completed by twomaterials sorting experts – STEINERT tested a sample from the Southern Nights deposit and TOMRA tested samples from Mallee Bull deposit. The conventional flowsheet considers crushing, grinding, gravity, flotation, and cyanidation process stages for the recovery of gold, silver, copper, lead, and zinc relevant to the various mineralisation styles within Peel’s SCP deposits. The ore sorting flowsheet considers two stage crush, ore sort pre-concentration, grind, gravity, flotation, and cyanidation of the flotation tailing.

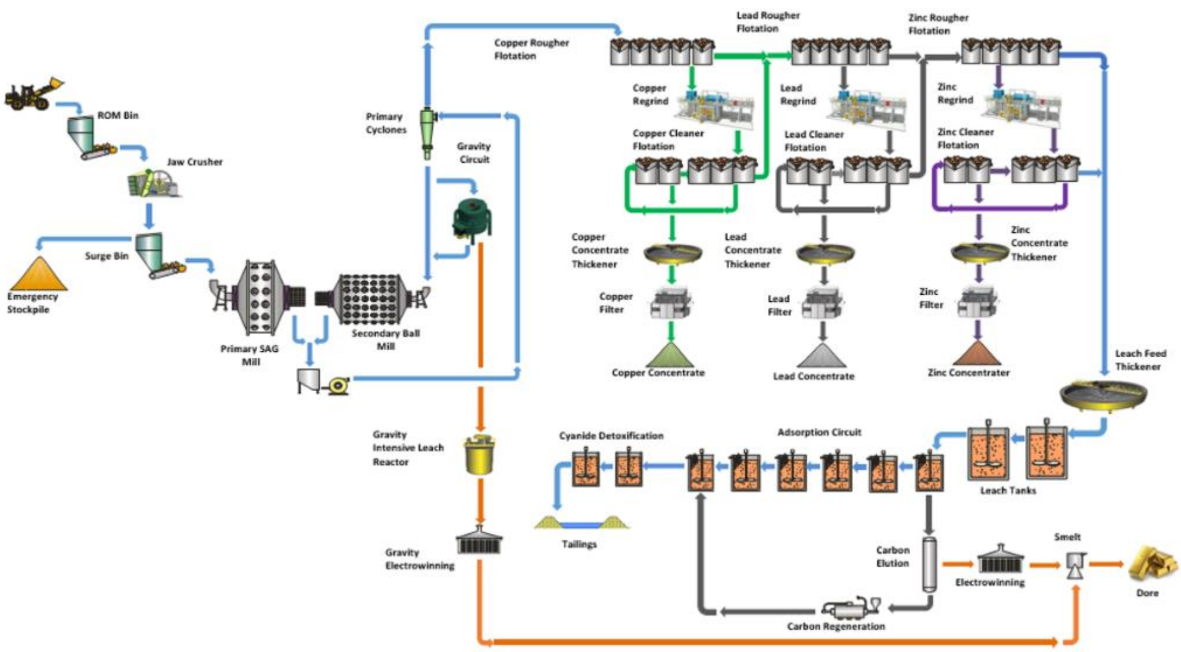


Figure 2: South Cobar Project Baseline Flowsheet

Following the completion of the preliminary process plant technical report, the company commenced metallurgical testwork on the Wirlong deposit to obtain initial baseline information on metallurgical characteristics of the mineralisation in line with the current resource definition drill program at Wirlong.

The first pass metallurgical testwork consisted of a preliminary batch flotation test on one composite sample from Wirlong drillhole WLDD009. The mineralised interval from 265m to 290m was selected for testwork with initial assaying yielding an average copper grade of 2.79% Cu. The interval encompasses several metres of hanging wall and footwall on each end of the high-grade stringer chalcopyrite mineralisation.

The testwork program was conducted by ALS Metallurgy Lab in Burnie, Tasmania, and was designed to assess recoverability of the Wirlong copper mineralisation into a flotation concentrate and to establish a preliminary flowsheet. Following initial grind establishment, a high-quality copper concentrate was generated via sequential flotation processes. The sample was then run through a sequential flotation process which returned highly encouraging results:

Table 1: Wirlong WLDD009 Flotation Results

Stage	Cu Recovery %	Cu Grade %	Ag Recovery %	Ag Grade g/t
Rougher	98.2	20.1	75.8	59
Cleaner 1	96.9	27.1	71.0	76
Cleaner 2	90.8	31.0	64.2	84

Following these results, the company has commenced further metallurgical testwork on Wirlong mineralisation to optimise the recovery process. Additionally, Peel has recently submitted samples from Mallee Bull and Wirlong projects to undergo ore-sorting trials at TOMRA's sorting facility in Sydney. A PQ hole from each project was designed and drilled later in the year to target the mineralised zones representative of their respective projects.

Exploration activities

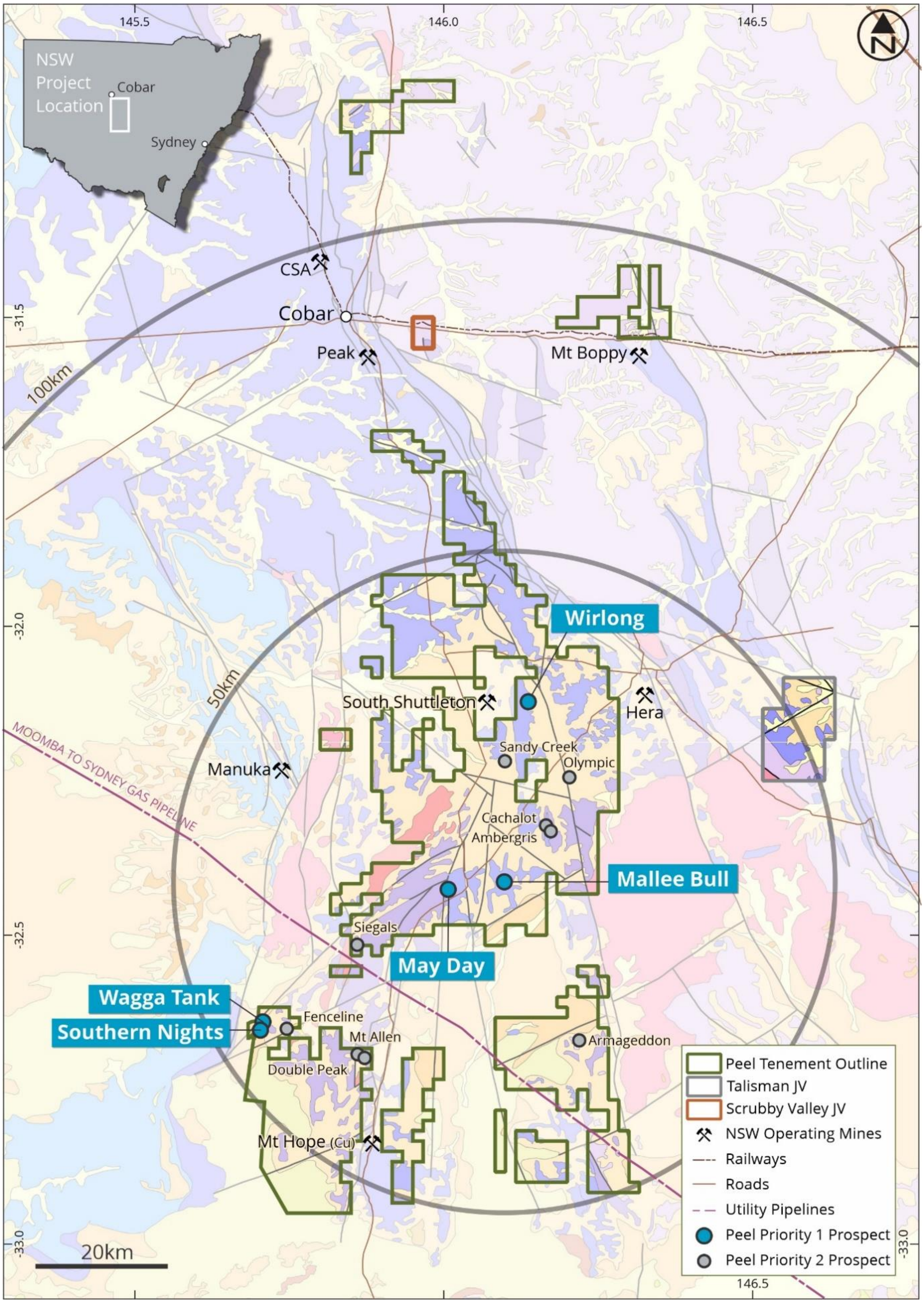


Figure 3: Map of Peel's Projects

<u>WIRLONG</u> - COPPER, SILVER; WESTERN NSW.

Wirlong is located ~75km south of Cobar or about 40km north of Mallee Bull. Wirlong represents a classic Cobar-style Cu-Ag deposit analogous to the CSA mine. Wirlong is defined by >2 km strike of sheared volcanics and sediments; large multi-element soil geochemical anomalies; and coincident/semi-coincident geophysical anomalies. Drilling commenced during the year as part of a resource definition programme to establish a Maiden copper-dominant resource at the Wirlong prospect. The resource definition program has been designed to drill test the upper ~300m of the Wirlong Central zone where high-grade copper (chalcopyrite) mineralisation is understood to be structurally controlled on a NW-SE orientation.

Drilling was initially planned to be completed utilising primarily RC drilling for a total of ~15,000m, however significant drillhole deviation saw the Company shift to diamond drilling to increase drill targeting effectiveness. Diamond drilling has also provided further structural knowledge, geotechnical information and metallurgical testwork material. The program has been updated to consist of ~25,000m of drilling and is anticipated to be completed in the September quarter of 2021.

22 RC drillholes were completed during the year (WLRC067-WLRC088) for a total of 5,879.5m as well as 31 diamond drillholes (WLDD006-WLDD036) for a total of 11,262.9m. An additional 6 diamond drillholes were completed post year end with diamond drilling ongoing at the time of reporting. Assay results have been returned for the entire RC drilling program and for 15 diamond drillholes (WLDD009-WLDD022, WLDD025).

Highlights from RC and diamond assays returned and released to the market so far include:

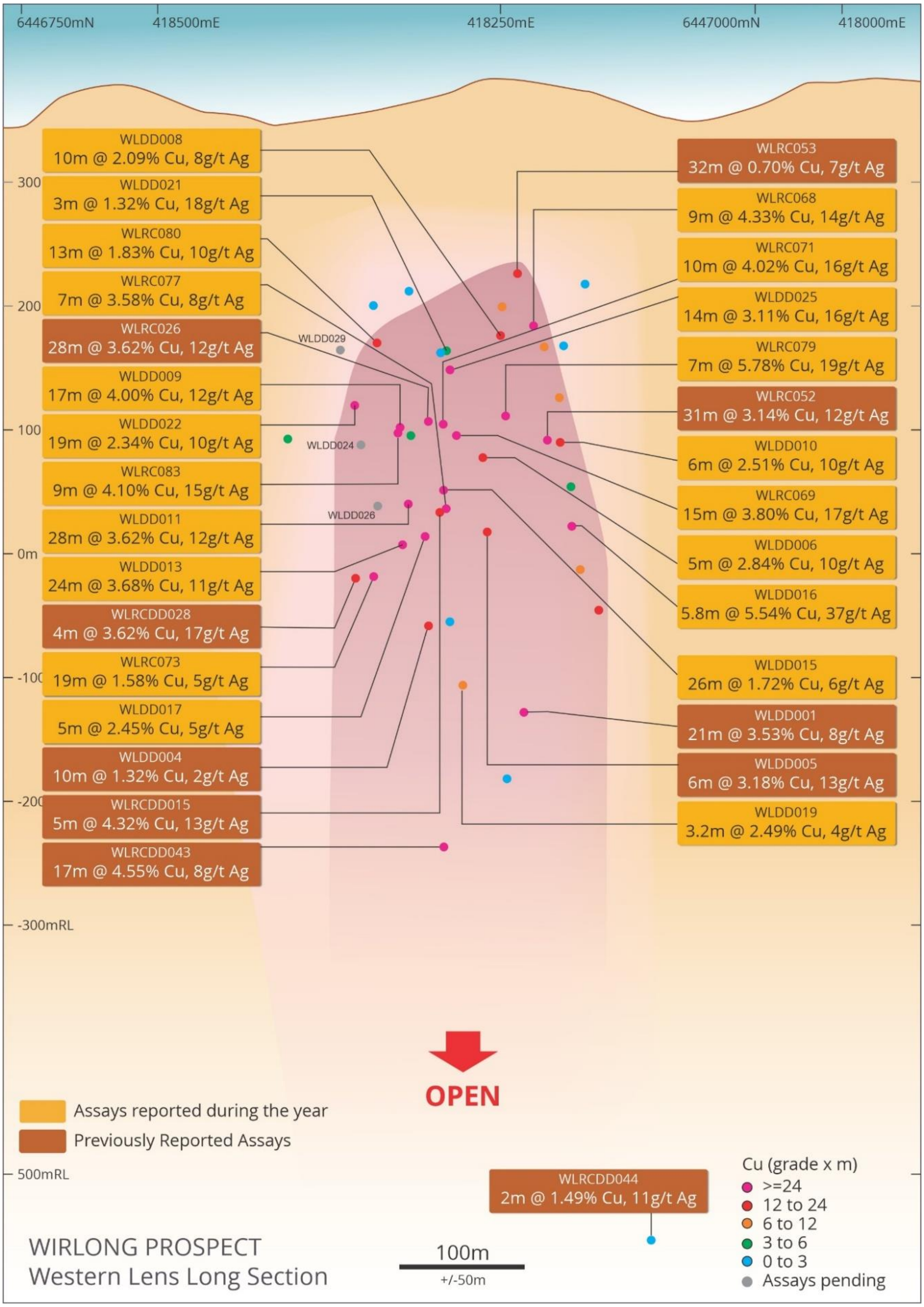
- **9m @ 4.33% Cu, 14g/t Ag**, 0.34g/t Au from 181m **within 51m @ 1.35% Cu, 6g/t Ag**, 0.11g/t Au from 177m in WLRC068
- **10m @ 4.02% Cu, 16g/t Ag** from 275m **within 28m @ 1.83% Cu, 8g/t Ag** from 263m in WLRC071
- **21m @ 2.00% Cu, 9g/t Ag** from 283m and **11m @ 1.73% Cu, 5g/t Ag** from 337m and **19m @ 1.58% Cu, 5g/t Ag** from 359m within 163m @ 1.08% Cu, 4g/t Ag from 233m in WLRC073
- **13m @ 1.83% Cu, 10g/t Ag** from 172m and **12m @ 1.70% Cu, 10g/t Ag** from 137m within **72m @ 1.01% Cu, 6g/t Ag** from 120m in WLRC080
- **11m @ 5.88% Cu, 17g/t Ag** from 271m **within 17m @ 4.00% Cu, 12 g/t Ag** from 269m in WLDD009
- **28m @ 3.62% Cu, 12g/t Ag** from 306m, and **4m @ 3.15% Cu, 13g/t Ag** from 81m in WLDD011
- **6.45m @ 5.01% Cu, 23g/t Ag** from 272.6m from 260m, and **3.15m @ 2.49% Cu, 4g/t Ag** from 494.55m in WLDD019

Full details of assay results returned can be found in announcements: "Very Strong Copper Intercepts at Wirlong" – 4th February 2021, "Broad and High-Grade Copper Hits Continue at Wirlong" – 5th March 2021, "High-Grade Copper at Wirlong Continues; Mallee Bull Copper Resource Upgrade Drilling underway" – 5th May 2021, "Exceptional New Copper Intercepts at Wirlong" – 20th May 2021 and "Peel Achieves More High-Grade Copper Hits at Wirlong" – 8th July 2021.

Assay results returned confirm significant copper mineralisation in multiple drillholes, including broad mineralised zones with higher-grade internal zones, and narrower mineralised zones including high-grade mineralisation. Significantly, mineralisation is consistent with a revised structural model supported by an electromagnetic conductor plate, further supporting Peel's geological and geophysical modelling.

Drilling will continue during the second half of 2021 in order to establish a maiden resource at the deposit. Further metallurgical testwork, as aforementioned, is planned along with resource modelling and estimation. This work will form part of the basis for a concept study on the South Cobar Project.

Figure 4: Wirlong Long Section

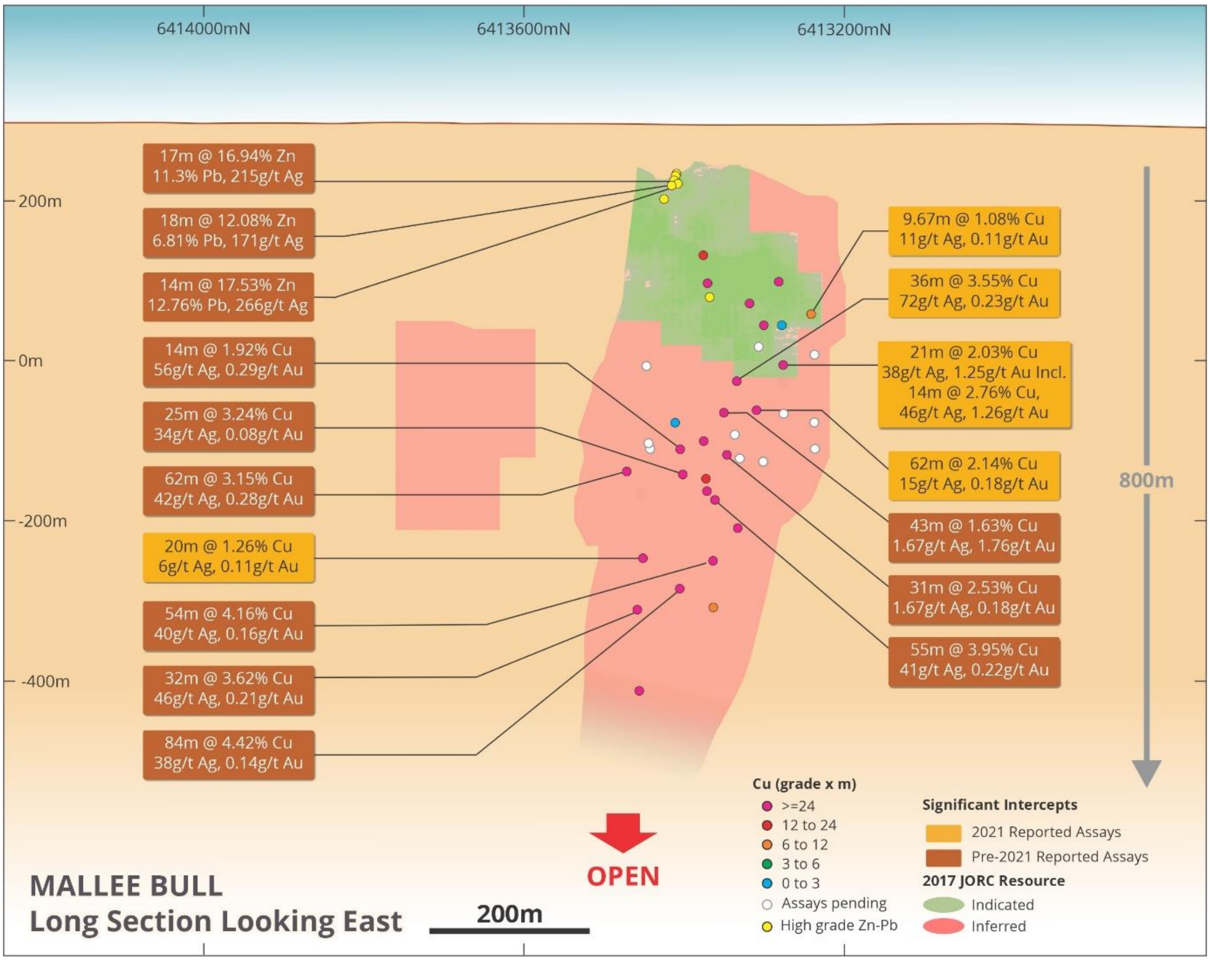


MALLEE BULL - COPPER, SILVER, GOLD, LEAD, ZINC; WESTERN NSW.

Mallee Bull represents one of Australia's highest grade undeveloped copper deposits and is located ~100km south of Cobar, NSW and ~40km south of Peel's Wirlong copper deposit. Mallee Bull is interpreted to be located in a high-stress structural environment on the "nose" of an anticline and occurs in a geological sequence of turbidite and volcaniclastic sediments believed 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 hydrothermal breccia-sulphide styles within a package of brecciated volcaniclastic and turbidite sediments comprising siltstones and mudstones and is interpreted to occur as a shoot/lens-like structure dipping steeply to the west. The deposit is split into three lenses or lodes: Silver Ray, Union, and Mallee Bull.

In 2017, Peel completed a resource estimate for Mallee Bull (See Mineral Resource Estimates) which comprised 6.76 Mt at 1.8% Cu, 31g/t Ag, 0.4g/t Au, 0.6% Pb, 0.6% Zn (2.6% CuEq) containing approximately 119,000t Cu, 6.6 Moz Ag, 83,000 oz Au, 38,000t Pb, 38,000t Zn) (using a 1% CuEq cut-off). Refer to 6th July 2017 announcement "Mallee Bull Resource Grows by 65% to 175,000t CuEq" for further details. The bulk of Mallee Bull's contained copper is located below ~350m below surface where resources are predominantly of an Inferred nature.

Figure 5: Mallee Bull Long Section



Peel is currently undertaking resource upgrade drilling at Mallee Bull as part of the Company's strategy to advance each of it's copper deposits to mineable resources in order to achieve critical mass for a new mining development. The program, comprising ~20,000m of diamond drilling, is primarily designed to convert Inferred classified resources to Indicated classification.

Drilling commenced late in April with 15 diamond drillholes completed before year end (MBDD033-MBDD047) and an additional 6 diamond drillholes completed by end of July 2021 (MBDD048-MBDD053) for a total of 9,779m or ~50% of the program.

Assay results have been returned for four drillholes with assays pending for the bulk of the drilling. Better results include:

- **25m @ 4.18% Cu, 24g/t Ag** from 361m **within 62m @ 2.14% Cu, 15g/t Ag** from 324m in MBDD037
- **3m @ 6.75% Cu, 75g/t Ag** from 346m and **14.4m @ 4.71% Cu, 103g/t Ag** from 359m and **3m @ 6.70% Cu, 88g/t Ag** from 377m **within 36m @ 3.55% Cu, 72g/t Ag** from 345m in MBDD038
- **3.46m @ 2.05% Cu, 21g/t Ag** from 270m **within 9.67m @ 1.08% Cu, 11g/t Ag** from 267.33m in MBDD043

Full details of assay results returned can be found in announcement "Impressive Infill Copper Hits at Peel's Mallee Bull" – 2nd August 2021.

Recent drilling continues to return visibly significant zones of strong copper mineralisation with processing and sampling as well as drilling ongoing at the time of reporting.

Resource infill drilling will continue with drilling anticipated to be completed in the December quarter and an updated Mineral Resource Estimate to be released shortly thereafter. Metallurgical testwork, geotechnical studies, and underground mining studies will be ongoing to assist the Company with collating and releasing the broader **South Cobar Project Concept Study**.

MAY DAY - GOLD, SILVER, ZINC, LEAD, COPPER; WESTERN NSW

Peel's maiden May Day Inferred Mineral Resource Estimate (MRE) was released on 16th December 2020 – "May Day Inferred Mineral Resource Estimate" was published in accordance with the JORC Code (2012 Edition). Drilling in the May Day area during the year comprised 45 RC holes, one diamond tail and 14 diamond holes for a combined 10,718.3m. The modelling dataset included only RC and diamond drilling by Peel and previous property owners. An updated resource was reported in March 2021 and was reported within an optimal pit shell, and optimised stope shapes generated at appropriate relevant NSR cut-offs. Full details of the resource can be found in the announcement released 31st March 2021 – "May Day Indicated Mineral Resource Estimate". Table 1 presents the estimates by oxidation zone.

COMBINED MAY DAY INDICATED MINERAL RESOURCE ESTIMATES (ROUNDED)							
		Cut off $NSR[1]	**Tonnes Kt**	**Au g/t**	**Ag g/t**	**Zn %**	**Pb %**
Open Pit	**Oxide**	$27/t	510	1.03	20.4	-	-
	Sulphide	$37/t	390	1.00	28.2	1.31	0.84
	Subtotal		900	1.02	23.8	0.57	0.36
Underground (Sulphide)		$80/t	170	1.03	39.4	1.67	1.21
Combined			**1,070**	**1.02**	**26.3**	**0.74**	**0.50**

The figures in this table are rounded to reflect the precision of the estimates and include rounding errors.
[1]NSR = (metal grades x expected metallurgical recoveries x expected payabilities x metal prices) – (deductions/penalties + transport + treatment/refining charges + royalties)

The Indicated MRE for the May Day deposit **is 1.07 Mt at 1.02 g/t Au, 26.3 g/t Ag, 0.74% Zn, 0.50% Pb containing 35,100 oz gold; 903,000 oz silver; 7,950 t zinc and 5,330 t lead**.

The May Day MRE was reported using an NSR cut-off value to determine the proportion of the deposit having reasonable prospects for eventual economic extraction. The NSR methodology is common practice at polymetallic mines and deposits and considers metallurgical recoveries for each of the product streams, along with metal prices, exchange rates, payabilities, deductions/penalties, transport, treatment/refining charges, and royalties.

Overall metal recoveries included in the NSR calculation are based on results of metallurgical test work on samples of May Day mineralisation, which were as follows: oxide mineralisation: - gold 90%, silver 20%; fresh mineralisation: - gold 80%, silver 60%, zinc 60%, and lead 50%. The NSR calculation also included estimates of metal payabilities and other offsite costs for the oxide and sulphide processing streams based on Peel's interpretation of potential processing routes.

Metallurgical testwork by Peel at ALS Burnie and NAGROM Perth, along with testwork completed by previous explorers, has guided the company's metallurgical assumptions for the May Day Mineral Resource Estimate. Work by Peel to date has been limited in nature with investigation of gravity precious metals recovery, cyanide leach and base metal flotation.

The NSR parameters and pit and stope shape optimisations underlying the MRE reflect a conceptual sequential processing flowsheet for the project comprising the following:

- Oxide mineralisation – gravity concentration and CIL extraction of gold and silver
- Fresh mineralisation – gravity concentration; bulk base metal float; and cyanide leach

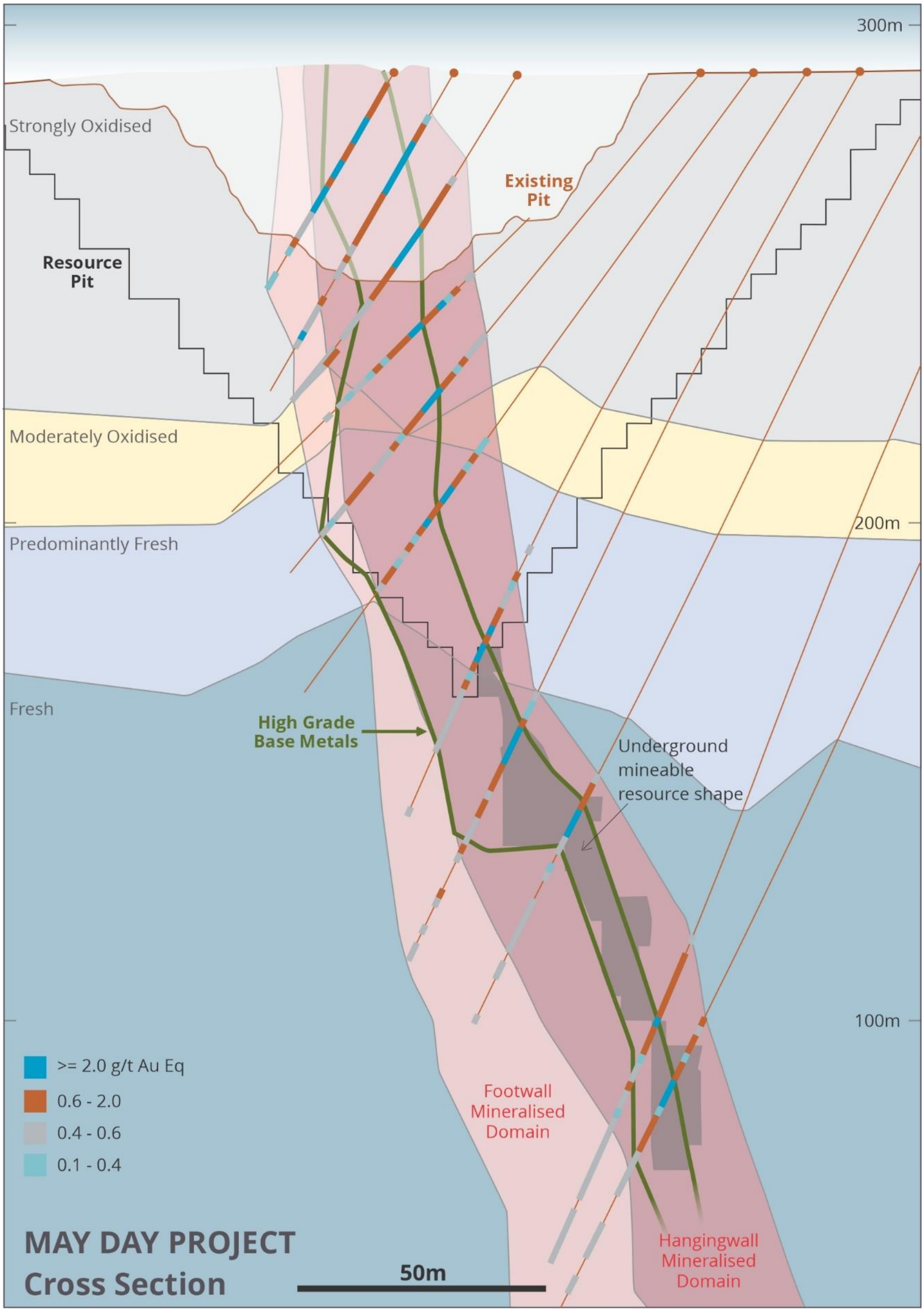
May Day mineralisation is shear-hosted/related with primary sulphides comprising pyrite-sphalerite-galena-chalcopyrite. Assays received during the year show strong, continuous, and wide gold-polymetallic intercepts, confirming substantial true width (~25m) at relatively shallow depths. A high-grade core proximal to the hanging wall is evident with an approximate true thickness of up to ~12m. Results generally confirm good down-dip continuity (minimum 180m down dip continuity from the base of the pit) of the May Day mineral system.

Limited highlights from drilling during the year include:

- **8.1m @ 1.24g/t Au, 34g/t Ag, 0.74% Zn, 1.84% Pb, 1.07% Cu** from 21m and **7.9m @ 2.09g/t Au, 31g/t Ag**, 0.88% Zn, 0.33% Pb, 0.09% Cu from 40.1m in MDDD004
- **23m @ 1.83g/t Au, 78g/t Ag, 2.23% Zn, 1.36% Pb**, 0.34% Cu from 21m in MDDD005
- **11m @ 1.70g/t Au, 62g/t Ag, 3.60% Zn, 2.63% Pb,** 0.84% Cu from 42m and **9.3m @ 3.35g/t Au, 46g/t Ag, 2.22% Zn, 2.16% Pb,** 0.15% Cu from 61m in MDDD006

Significantly, strong mineralisation remains open down dip of the deepest drillholes completed by Peel offering excellent future exploration potential.

Figure 6: May Day Cross Section



SOUTHERN NIGHTS - ZINC, LEAD, SILVER, COPPER, GOLD; WESTERN NSW (PEX 100%).

The Southern Nights deposit is located on the western edge of the Cobar Superbasin, ~130 km south of Cobar or ~30km northwest of Mount Hope and is host to the polymetallic VMS-type deposit. Mineralisation straddles a broad zone of intense tectonic brecciation and hydrothermal alteration (sericite-chlorite with local silicification) and occurs as sub-vertical elongate shoots/lenses. Drilling by the Company to date has focused on defining the geometry and extent of large-scale Zn-rich mineralisation at Southern Nights.

During the year drilling continued at Southern Nights to test for southerly extensions to the mineral system and to follow-up previously intersected gold-rich mineralisation seen in WTRCDD238. In the second half of calendar year 2020, 5 reverse circulation (RC) holes with diamond tails were completed (WTRCDD242-WTRCDD246) at the southern end of Southern Nights as well as 4 diamond tails on previously completed RC collars. The drillholes were designed to intercept downdip or along strike from the current resource model. Several drillholes returned substantial intercepts outside of the current resource model including high-grade precious metal mineralisation. Of relevance, drillhole WTRCDD234 was extended to test downdip of a previous high-grade gold intercept, intersecting a significant gold intercept ~50m immediately down dip of the intercept in WTRCDD161. This area remains open along strike and down dip.

Significant assay results included:

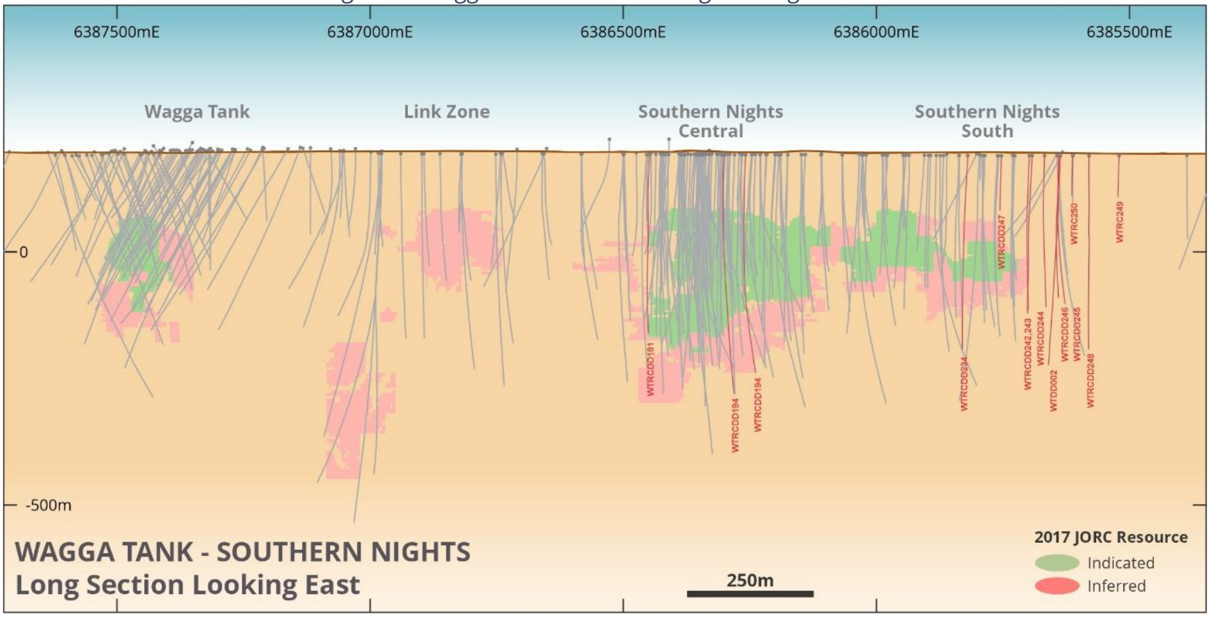
- 2m @ 3.65g/t Au, 654g/t Ag, 2.89% Zn, 1.52% Pb from 363.6m in WTRCDD181
- 3.5m @ 2.49% Cu, 0.86g/t Au, 6.03% Zn, 0.90% Pb, 22g/t Ag from 446m and 2.7m @ 2.71% Cu, 1.80g/t Au, 0.70% Zn, 0.57% Pb, 73g/t Ag from 465.4m in WTRCDD194
- 5.5m @ 6.62% Zn, 2.26% Pb, 216g/t Ag, 0.51% Cu, 0.3g/t Au from 436.6m in WTRCDD195
- 2.0m @ 10.45g/t Au, 0.42% Cu from 380m in WTRCDD234
- 4.6m @ 12.48% Zn, 4.22% Pb, 58g/t Ag, 0.36% Cu, 0.25g/t Au from 273.45m in WTRCDD243
- 8m @ 6.30% Zn, 2.74% Pb, 63 g/t Ag, 0.93% Cu, 0.27 g/t Au from 276m in WTRCDD244

Figure 7 - Massive sphalerite-galena-pyrite in WTRCDD248, 277m

Extensional drilling re-commenced in early April 2021 as part of a NSW Government funded New Frontiers Cooperative Drilling program to follow up previously returned results. Drilling was primarily designed as a step-out program to systematically test the prospective sediment-volcanic horizon for southern extensions to the high-grade massive sulphide mineralisation discovered in late 2019. 5 holes were drilled for a total of 1,209.15m and comprised two RC pre collars (WTRC249 & WTRC250), two RC pre collar with diamond tail holes (WTRCDD247 & WTRCDD248) and one diamond hole from surface (WTDD002). WTDD002 and WTRCDD248 successfully intersected the sediment-volcanic horizon which hosted disseminated to locally semi-massive sphalerite-pyrite-galena. WTRCDD248 intersected an approximately 30cm interval of massive sphalerite-galena-pyrite (Figure 7) stratigraphically above the sediment-volcanic horizon confirming the potential for economic mineralisation hosted in the hanging wall turbidite sequence. Assays from this core is still pending.

The company is planning for systematic step out drilling at Southern Nights South with the aim of extending the known mineralisation to the south. In addition to step out drilling, a significant IP anomaly at the west of Southern Nights South also remains to be drill tested.

Figure 8: Wagga Tank – Southern Nights Long Section



WAGGA TANK REGIONAL

Regional exploration drilling at the Wagga Tank-Southern Nights project began in May 2021 and comprised four RC holes (WTRC251 - WTRC254) for a total of 1029m. The holes were drilled as part of a NSW Government funded New Frontiers Cooperative Drilling program and were designed to test the prospective sediment-volcanic horizon that had been traced outside the project drilling by geological mapping. All holes successfully intersected the sediment-volcanic horizon, validating the Company's geological mapping. Of the four holes, WTRC252 returned the most intense hydrothermal alteration and elevated sulphide content possibly indicating proximity to heat/metal source. Infill and extensional IP surveying began in mid-June and data processing is underway.

The **Siegals Project** is located near the western edge of the Cobar Superbasin, ~110 km south of Cobar or ~35km north of Mount Hope and represents a polymetallic VMS-type target with historic workings, significant geophysical and geochemical anomalies, and significant historic drill intercepts. 6 reverse circulation (RC) holes were drilled for a total of 1,168m, in July and August 2020, to test the geophysical anomalies at the Siegals prospect. Drill progress was hampered by wet weather and issues with ground conditions. All drillholes intercepted variable sulphide mineralisation, however no significant economic assays were returned.

CORPORATE ACTIVITIES

ACQUISITION OF THE MALLEE BULL JOINT VENTURE INTEREST

In early August 2020, Peel exercised its pre-emptive right to acquire CBH Resources Limited's 50% share of the Mallee Bull Joint Venture, to take Peel to 100% ownership of the project, by matching a third party's unconditional cash offer of AUD$17 million. Peel and CBH Resources Limited subsequently executed a formal sale and purchase agreement for the Mallee Bull project, which contained the Mallee Bull and May Day deposits. The acquisition, settlement and subsequent termination of the JV, took place in December 2020 upon the final condition precedent of Ministerial approval for the transfer of title.

PEEL REGAINS 100% CONTROL OF COBAR SUPERBASIN ASSETS

During the year the Company received written notice from Japan Oil, Gas and Metals National Corporation (JOGMEC) of its decision to withdraw from the Cobar Superbasin Project (CSP), and to terminate the Memorandum of Agreement (MoA) between the two companies. The CSP joint venture was formed in September 2014 through the MoA. During the six years of the MoA, JOGMEC contributed more than $8 million of funding towards exploration, resulting in the discovery of the Wirlong copper deposit and the advancement of multiple other targets within the CSP tenure. JOGMEC's rights and interests in Wirlong and associated CSP tenure were returned to 100% Peel ownership at no cost. A Deed of Release was signed by both parties in October 2020 to finalise the arrangement.

EXERCISE OF PRE-EMPTIVE RIGHT TO PURCHASE WIRLONG ROYALTY

At the end of September 2020, the Company exercised its pre-emptive right to acquire Weddarla Pty Ltd's 1.5% Net Smelter Return (NSR) royalty over tenement EL8307, by matching a third party's unconditional cash offer of $1.2 million. Weddarla had notified Peel that it had received an offer from a Toronto Stock Exchange listed royalty streaming business to purchase the 1.5% NSR royalty associated with EL8307. Pursuant to Peel's first right of refusal under the Royalty Deed, Weddarla offered to sell the 1.5% NSR royalty to Peel for AUD$1.2 million (excluding GST) cash. In accordance with the terms of the Royalty Deed, Peel elected to exercise its right to acquire the royalty interest. Following the acquisition and JOGMEC's withdrawal from the Cobar Superbasin Project (mentioned above), Peel gained 100% unencumbered ownership of all its Cobar Basin tenements.

SALE OF SATURN METALS LIMITED INTEREST

In November 2020, the Company completed the sale of its remaining holding of 4,000,001 shares in Saturn Metals Limited (ASX: STN). The sale was primarily block traded to institutional investors. The sale proceeds of $2,921,756.93 (before costs) were utilised to continue advancing the development of its **Copper First Strategy at its South Cobar Project**.

SALE OF NON-CORE ASSETS

During the year, the company's 100% owned subsidiary, Peel Far West Pty Ltd ("PFW") entered into a binding sale agreement to sell its non-core Koonenberry Project exploration licences to Odin Metals Limited (ASX:ODM) ("Odin"). The Koonenberry Project exploration licences (EL8721, EL8722, EL8790, EL8791 and EL8909) are located East of Broken Hill, NSW and cover the under-explored Koonenberry Belt.

The consideration payable by Odin Metals Limited to PFW (or its nominee) to acquire a 100% ownership interest in the Licences was:

- the issue of 50,000,000 fully paid ordinary shares in Odin, subject to Odin first obtaining shareholder approval for the issue under Listing Rule 7.1, which has now been granted; and
- a 1% net smelter return royalty, payable quarterly from the date on which saleable mineral or metallic product is first produced from the Licences.

Odin Shareholders approved the deal at an extraordinary meeting held on the 8th April 2021. The Consideration Shares will be escrowed for 12 months from this date. The issue of 50,000,000 fully paid ordinary shares in Odin was made on the 30th June 2021 following the completion of the final condition precedent being approval under Section 121 of the Mining Act 1992 (NSW) to transfer the tenure.

RESEARCH AND DEVELOPMENT

In June 2021, the Company received a $332,545 Research and Development (R&D) Tax Incentive Refund for activities relating to the 2019/2020 year. The Company continued its R&D project during the current year.

COVID19

For the entire year, in response to the COVID-19 pandemic, the Company continued its precautionary measures as part of its OHS policies to ensure that risk around COVID-19 is minimised for all employees and contractors. These measures include increased testing regimes, restrictions on non-essential travel, social distancing and hygiene, cleanliness and awareness. The Company has been able to continue its field drilling programs utilising its NSW-based staff.

The Company will continue to monitor the situation in relation to COVID-19, especially in NSW where its operations are focused and will act in accordance with Government advice to ensure a safe working environment for all its staff.

CAPITAL RAISING

In July 2020, the Company successfully completed a placement of 60,000,000 shares at an issue price of $0.175 per share (Placement) to raise AUD$10.5 million (before costs). The placement was followed by a 1:8 pro-rata non-renounceable entitlement offer at an issue price of $0.175 per share (Rights Issue) to raise an additional AUD$6.6 million (before costs). The placement was issued to institutional, sophisticated and professional investors, with assistance from Cannaccord Genuity Limited, under its placement capacity per ASX Listing Rules 7.1 and 7.1A.

The entitlement issue was heavily supported by existing shareholders with an 82% take up, with the balance being placed with shareholders and to the underwriters of issue, Cannaccord Genuity Limited. Both the Placement and Rights Issue were heavily oversubscribed with strong support from new and existing shareholders.

In March 2021, the Company completed a capital raising via a placement and 1 for 8 entitlement offer to fund drilling and studies to reach a development decision for its copper-focused South Cobar Project. The placement component completed in the quarter saw 70,000,000 fully paid ordinary shares issued to institutional, sophisticated and professional investors at an issue price of $0.265 per Share ("Placement"), which raised $18.55 million (before costs). The pro-rata non-renounceable entitlement offer of one Share for every eight Shares held by eligible shareholders on the record date, closed post quarter end and raised a further $1.71M through the issue of 6,453,943 fully paid shares at an issue price of $0.265 per Share.

Mineral Resource Governance Statement

During the year, Peel Mining Limited released a mineral resource estimate for its May Day Project. The Mallee Bull and Wagga Tank Southern Nights Mineral Resource estimates were unchanged for the year, after being updated in July 2017 and March 2020 respectively. The Attunga Mineral Resource estimates remained unchanged from the Resources estimate as at 30 June 2014.

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 a 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 estimates for May Day, Mallee Bull and Wagga Tank-Southern Nights were compiled and reported in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition, whilst the Attunga Resource Estimate was completed in accordance with the JORC Code 2004 Edition.

The May Day and Wagga Tank Southern Nights Mineral Resource Estitmates were reported using an NSR cut-off value to determine the proportion of the deposit having reasonable prospects for eventual economic extraction. The NSR methodology is common practice at polymetallic mines and deposits and considers metallurgical recoveries for each of the product streams, along with metal prices, exchange rates, payabilities, deductions/penalties, transport, treatment/refining charges, and royalties.

COMBINED MAY DAY INDICATED MINERAL RESOURCE ESTIMATES (ROUNDED)

		Cut off $NSR[1]	Tonnes Kt	Au g/t	Ag g/t	Zn %	Pb %
Open Pit	Oxide	$27/t	510	1.03	20.4	-	-
	Sulphide	$37/t	390	1.00	28.2	1.31	0.84
	Subtotal		900	1.02	23.8	0.57	0.36
Underground (Sulphide)		$80/t	170	1.03	39.4	1.67	1.21
Combined			**1,070**	**1.02**	**26.3**	**0.74**	**0.50**

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

[1]NSR = (metal grades x expected metallurgical recoveries x expected payabilities x metal prices) – (deductions/penalties + transport + treatment/refining charges + royalties)

For further information see the announcement released 31st March 2021 – "May Day Indicated Mineral Resource Estimate".

The tables below set out Mineral Resource estimates for 2021, which are unchanged from 30 June 2020.

March 2020 Southern Nights Mineral Resource Estimate						
Resource Classification	**Tonnes (Kt)**	**Zn (%)**	**Pb (%)**	**Ag (g/t)**	**Cu (%)**	**Au (g/t)**
Indicated	2,540	5.90	2.30	88.9	0.19	0.33
Inferred	1,600	3.7	1.4	59	0.3	0.3
Total Resource	**4,140**	**5.0**	**2.0**	**77**	**0.2**	**0.3**
March 2020 Wagga Tank Mineral Resource Estimate						
Resource Classification	**Tonnes (Kt)**	**Zn (%)**	**Pb (%)**	**Ag (g/t)**	**Cu (%)**	**Au (g/t)**
Indicated	410	4.67	2.52	64.3	0.50	0.53
Inferred	400	5.3	2.3	98	0.3	0.5
Total Resource	**810**	**5.0**	**2.4**	**81**	**0.4**	**0.5**
March 2020 Combined Southern Nights-Wagga Tank Mineral Resource Estimate						
Resource Classification	**Tonnes (Kt)**	**Zn (%)**	**Pb (%)**	**Ag (g/t)**	**Cu (%)**	**Au (g/t)**
Indicated	2,950	5.73	2.33	85.5	0.23	0.36
Inferred	2,000	4.0	1.6	67	0.3	0.3
Total Resource	**4,950**	**5.0**	**2.0**	**78**	**0.3**	**0.4**

The March 2020 Wagga Tank Southern Nights Mineral Resource Estimate utilises AU$80/tonne NSR cut-off mineable shapes that include minimum mining widths and internal dilution.

July 2017 Mallee Bull Mineral Resource Estimate							
Category	**Kt**	**CuEq %**	**Cu %**	**Ag g/t**	**Au g/t**	**Pb %**	**Zn %**
Indicated	1,340	2.15	0.91	30	0.4	0.96	1.23
Inferred	5,420	2.7	2	31	0.4	0.5	0.4
Total	**6,760**	**2.6**	**1.8**	**31**	**0.4**	**0.6**	**0.6**

The figures in the above table are rounded to reflect the precision of the estimates and include rounding errors.
Mallee Bull Mineral Resource estimate at 30 June 2019 based on 1% copper equivalent (CuEq) cut-off grade.

April 2008 Attunga Mineral Resource Estimate					
Category	**WO3equivalent cut-off**	**Mt**	**WO3Eq %**	**WO3 %**	**Mo %**
Inferred	**0.2**	**1.29**	**0.73**	**0.61**	**0.05**

Attunga Tungsten Deposit Inferred Mineral Resource Estimate based on a 0.2% WO3 equivalent cut-off

Competent Persons Statements

WAGGA TANK SOUTHERN NIGHTS DEPOSITS

The information in this report that relates to data and geological modelling included in Mineral Resource estimates is based on information reviewed by Mr Jason McNamara who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr McNamara was a full time employee of Peel Mining and has sufficient experience which 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 for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr McNamara consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

The information in this report that relates to grade estimation and Mineral Resource estimates is based on information reviewed by Mr Jason McNamara, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr McNamara was a full time employee of Peel Mining 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 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr McNamara consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears. 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.

MALLEE BULL

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.

The information in this report that relates to the Mallee Bull Mineral Resource estimates, and reported by the Company in compliance with JORC 2012 is based on information compiled by Mr Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Abbott is 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 undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Abbott consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. As at the date of this report, there has been no material changes to the Mallee Bull Resource estimates.

MAY DAY

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.

ATTUNGA TUNGSTEN DEPOSIT

The information referred to in this report 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.

EXPLORATION RESULTS

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.

Schedule of Tenements

Project	Number	Holder	Peel Interest
Burthong	EL8534	Peel (CSP) Pty Ltd	100%
Gilgunnia South	EL7519	Peel (CSP) Pty Ltd	100%
Glenwood	EL8314	Peel (CSP) Pty Ltd	100%
Hillview	EL8125	Peel (CSP) Pty Ltd	100%
Illewong	EL8117	Peel (CSP) Pty Ltd	100%
Iris Vale	EL8113	Peel (CSP) Pty Ltd	100%
Manuka	EL8071	Peel (CSP) Pty Ltd	100%
Mirrabooka	EL8105	Peel (CSP) Pty Ltd	100%
Mundoe	EL7976	Peel (CSP) Pty Ltd	100%
Mundoe North	EL8201	Peel (CSP) Pty Ltd	100%
Norma Vale	EL8126	Peel (CSP) Pty Ltd	100%
Pine Ridge	EL8345	Peel (CSP) Pty Ltd	100%
Sandy Creek	EL8307	Peel (CSP) Pty Ltd	100%
Tara	EL8070	Peel (CSP) Pty Ltd	100%
Yackerboon	EL8112	Peel (CSP) Pty Ltd	100%
Yara	EL8114	Peel (CSP) Pty Ltd	100%
Attunga	EL8326	Peel Mining Ltd	100%
Ruby Silver	EL7711	Peel Mining Ltd	100%
Gilgunnia	EL7461	Peel Mining Ltd	100%
May Day	ML1361	Peel Mining Ltd	100%
Beanbah	EL8450	Peel Mining Ltd	100%
Brambah	EL8655	Peel Mining Ltd	100%
Linera	EL8447	Peel Mining Ltd	100%
Marigold	EL8656	Peel Mining Ltd	100%
Michelago	EL8451	Peel Mining Ltd	100%
Mt View	EL7484	Peel Mining Ltd	100%
Mt Walton	EL8414	Peel Mining Ltd	100%
Nombinnie	EL8751	Peel Mining Ltd	100%
Wagga Tank	EL6695	Peel Mining Ltd	100%
Wongawood	EL7226	Peel Mining Ltd	100%
Gromit	EL8872	Peel Mining Ltd	100%
Florida	EL8900	Peel Mining Ltd	100%
Thunderdome	EL8877	Peel Far West Pty Ltd	100%
Thunderdome South	EL9108	Peel Far West Pty Ltd	100%

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 year ended 30 June 2021 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.

Simon Hadfield

Graham Hardie

Robert Tyson

Jim Simpson

Directors' interest in shares, options and performance rights

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

Director	Number of Shares Directly and Indirectly Held	Number of Options	Number of Performance Rights
S Hadfield	5,050,490	1,000,000	-
G Hardie	19,365,095	1,000,000	-
R Tyson	8,019,514	2,000,000	1,700,000
J Simpson	4,556,698	2,000,000	1,000,000

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 copper, base, and precious metals.

Results

The profit for the Group for the financial year after providing for income tax amounted to $3,691,351 (2020: Profit of $3,610,070).

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 4 to 17 in this report.

Significant changes in the state of affairs

Covid19

For the entire year, in response to the COVID-19 pandemic, the Company continued its precautionary measures as part of its OHS policies to ensure that risk around COVID-19 is minimised for all employees and contractors. These measures include increased testing regimes, restrictions on non-essential travel, social distancing and hygiene awareness at all sites. The Company has been able to continue its field drilling programs utilising its NSW-based staff.

The Company will continue to monitor the situation in relation to COVID-19, especially in NSW where its operations are focused, and the government's advice around the pandemic. It will seek to act in accordance with this advice to ensure a safe working environment for all its staff.

Acquisition of Mallee Bull JV interest

In early August 2020, Peel exercised its pre-emptive right to acquire CBH Resources Limited's 50% share of the Mallee Bull Joint Venture, to take Peel to 100% ownership of the project, by matching a third party's unconditional cash offer of AUD$17,000,000. Peel and CBH Resources Limited executed a formal sale and purchase agreement for the Mallee Bull project, which contained the Mallee Bull and May Day deposits. The acquistion, settlement and subsequent termination of the JV, took place on 24 December 2020 upon the final condition precedent of Ministerial approval for the transfer of title took place.

Exercise of pre-emptive right to purchase Wirlong Royalty

At the end of September the Company exercised its pre-emptive right to acquire Weddarla Pty Ltd's 1.5% Net Smelter Return (NSR) royalty over tenement EL8307, by matching a third party's unconditional cash offer of $1.2 million.

Sale of Saturn Metals Limited interest

In mid-November, the Company completed the sale of its remaining holding of 4,000,001 shares in Saturn Metals Limited (ASX: STN). The sale was primarily block traded to institutional investors. The sale proceeds of $2,921,756.93 (before costs) are being utilised to continue advancing the development of its Copper First Strategy at its South Cobar Project.

Sale of non-core assets

During the year, the company's 100% owned subsidiary, Peel Far West Pty Ltd ("PFW") entered into a binding sale agreement to sell its non-core Koonenberry Project exploration licences to Odin Metals Limited (ASX:ODM) ("Odin"). The Koonenberry Project exploration licences consisted of EL8721, EL8722, EL8790, EL8791 and EL8909 and are located East of Broken Hill, NSW.

Odin Metals Limited paid consideration to PFW (or its nominee) of:

- 50,000,000 fully paid ordinary shares in Odin, which were issued to Peel Mining Limited on the 30th June 2021 ; and
- a 1% net smelter return royalty, payable quarterly from the date on which saleable mineral or metallic product is first produced from the Licences.

Contributed Equity

During the financial year, contributed equity increased by $35,451,902 through the issue of

(i) 60,000,000 new ordinary shares at $0.175 as part of a placement to new and existing shareholders in August 2020

(ii) 37,960,203 new ordinary shares at $0.175 as part of a rights entitlement offer to new and existing shareholders in September 2020

(iii) 70,000,000 new ordinary shares at $0.265 as part of a placement to new and existing shareholders in April 2021
(iv) 6,453,943 new ordinary shares at $0.265 as part of a rights entitlement offer to new and existing shareholders in September 2020
(v) 3,100,000 unlisted director and employee performance rights issued in December 2020
(vi) 2,050,000 unlisted employee options issued in July 2020

Details in changes in contributed equity are disclosed in note 12 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 as disclosed in this report.

Events occurring after balance date

There were no significant events that have occurred after balance date and prior to the date of this report.

Likely developments and expected results

It is the Board's intention to progress its copper focused projects, being Mallee Bull, Wirlong towards development. These activities are inherently risky and there are no certainties that the group will successfully achieve its objectives.

Information on key management personnel

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 a director of RIU Conferences Pty Ltd, Resource Information Unit, and Sensorum Pty Ltd. No other directorships were held in the past 3 years. Mr Hadfield is considered an independent director.
Mr Hadfield holds 5,050,490 shares and 1,000,000 share options in Peel Mining Limited.

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. Mr Hardie 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 is considered an independent director.
Mr Hardie holds 19,365,095 shares and 1,000,000 share options in Peel Mining Limited.

Robert 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 is also a non-executive director of Saturn Metals Limited. No other directorships were held in the past 3 years. Mr Tyson is not considered an independent director.
Mr Tyson holds 8,019,514 shares, 2,000,000 share options and 1,700,000 performance rights in Peel Mining Limited

James Simpson – Executive Director Mining

Mr Simpson is an experienced Mining Engineer with significant board and management experience. Mr Simpson was previously the Chief Executive Officer and Managing Director at Aurelia Metals Limited, Chief Operating Officer & Executive Vice President for Peak Gold Limited; General Manager & Director at Goldcorp

Asia Pacific; and General Manager Mining Lead Zinc at MIM Holdings, Mt Isa. Mr Simpson's experience ranges from mine development and management through to corporate and equity market participation. Mr Simpson is the non-executive director of Queensland Pacific Metals Limited (ASX:QPM). No other directorships were held in the past 3 years. Mr Simpson is not considered an independent director.
Mr Simpson holds 4,556,698 shares, 2,000,000 share options and 1,000,000 performance rights in Peel Mining Limited.

Ryan Woodhouse – Company Secretary

Mr Woodhouse has 15 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 currently holds the position of Company Secretary with Peel Mining Limited.
Mr Woodhouse was appointed Company Secretary on 7 January 2015.
Mr Woodhouse holds 700,000 shares, 800,000 options and 400,000 performance rights in Peel Mining Limited.

Meeting of Directors

Director	Number held whilst in office	Number attended
S Hadfield	11	11
G Hardie	11	11
R Tyson	11	11
J Simpson	11	11

Remuneration Report

The remuneration report is set out under the following headings:

a) Key Management Personnel (KMP) covered in this report
b) Remuneration policy and link to performance
c) Details of remuneration
d) Service agreements
e) Share-based compensation
f) Share holdings of directors
g) Other transactions with directors and key management personnel
h) Additional information

a) Key Management Personnel (KMP) covered in this report

Non-executive and executive directors

Non-executive Chairman	Simon Hadfield
Non-executive Director	Graham Hardie
Managing Director	Rob Tyson
Executive Director Mining	James Simpson (Jim Simpson)

Other key management personnel

Company Secretary & Financial Controller	Ryan Woodhouse

b) Remuneration policy and link to performance

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 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 of 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. 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. Senior management are paid based on applicable market rates.

Remuneration is not linked to past Group performance but rather towards generating future shareholder wealth through share price performance. The board and management are issued share based payments in the company on a periodic basis as a means to link executive rewards to shareholder value and the Company's strategic goals. The board reviews the share based remuneration granted to management on an annual basis.

Statutory performance indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the group's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Statutory Key Performance Indicator of the group over the last five years					
	2021	**2020**	**2019**	**2018**	**2017**
Profit or (loss) for the year attributable to owners of Peel Mining Limited ($)	3,691,351	3,610,070	(2,870,270)	(1,672,686)	(1,140,539)
Basic earnings per share ($)	0.010	0.015	(0.014)	(0.009)	(0.008)
Dividend payments	Nil	Nil	Nil	Nil	Nil
Increase/(decrease) in share price	+52%	-48%	-32%	+150%	+12%

c) 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 2021 and the prior year are set out in the following tables:

30 June 2021	Short term employment benefits Cash salary, bonus and fees	Post-employment Superannuation	Long-term benefits Annual & Long Service Leave	Share-based payments[1]	Total	Performance Related
	$	$	$	$	$	%
S Hadfield	50,004	4,750	-	-	54,754	0%
G Hardie	50,004	4,750	-	-	54,754	0%
R Tyson	312,690	84,456	26,517	87,960	511,623	18%
J Simpson	140,000	13,300	-	103,442	256,742	40%
R Woodhouse[2]	199,992	18,999	18,940	63,662	301,593	22%
Total	**752,690**	**126,255**	**45,457**	**255,064**	**1,179,466**	

1. Share Based Payment amounts are not cash payments made to directors. The amounts represent the value ascribed by an acceptable valuation method to options or performance rights granted. Further information about options and performance rights granted can be found within the annual report.

2. Given the increased responsibilities and control, it was determined that Mr R Woodhouse is a KMP for the financial year 2021 starting 1 July 2020.

30 June 2020	Short term employment benefits Cash salary, bonus and fees	Post-employment Superannuation	Long-term benefits Long service leave	Share-based payments[1]	Total	Performance Related
	$	$	$	$	$	%
S Hadfield	37,503	3,563	-	64,263	105,329	61%
G Hardie	37,503	3,563	-	64,263	105,329	61%
R Tyson	215,692	20,491	14,219	187,466	437,868	43%
J Simpson	77,000	7,315	-	199,913	284,228	70%
Total	**367,698**	**34,932**	**14,219**	**515,905**	**932,754**	

1. Share Based Payment amounts are not cash payments made to directors. The amounts represent the value ascribed by an acceptable valuation method to options or performance rights granted. Further information about options and performance rights granted can be found within the annual report.

d) 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:

Simon 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 Chairman. Mr Hadfield received cash payments and share options totalling $54,754 (2020: $105,329) in his role as Chairman of the Company.

Graham 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 cash payments and share options totalling $54,754 (2020: $105,329) in his role as a Non-executive Director of the Company.

Robert 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 $280,000 per annum gross, plus statutory superannuation guarantee.
- The Managing Director is required to give the Company 3 months' notice of resignation.
- Other than for serious misconduct, the Company is required to give Mr Tyson 3 months' notice of termination, plus 3 months' salary.
- The Managing Director may be invited to participate in the Company's Employee Share Option Plan.

Mr Tyson received cash payments, cash bonus, leave entitlements and share-based payments totalling $511,623 (2020 $437,868) in his role as Managing Director of the Company.

James Simpson - Executive Director Mining

Mr Simpson was appointed a Director of the Company on 9 September 2019. Mr Simpson is employed as the Executive Director Mining on a part time basis. The terms of his contract state:

- Salary of $140,000 per annum (plus statutory superannuation) based on 16 hours per week.
- Participation in the Company's Incentive Option Plan.
- Other than for serious misconduct, the Company is required to give Mr Simpson 3 months' notice of termination, plus 3 months' salary.
- Mr Simpson is required to give the Company 3 months' notice of resignation.

Mr Simpson received cash payments, leave entitlements and share-based payments totalling $256,742 (2020: $284,228) in his role as Executive Director Mining of the Company.

Ryan Woodhouse – Company Secretary & Financial Controller

Mr Woodhouse was appointed a Company Secretary on 7 January 2015 Mr Woodhouse is both the Financial Controller and Company Secretary of the company. The terms of his contract state:

- The Company Secretary and Financial Controller receives fixed remuneration of $200,000 per annum gross, plus statutory superannuation guarantee.
- The Company Secretary and Financial Controller or is required to give the Company 1 months' notice of resignation.

- Other than for serious misconduct, the Company is required to give Mr Woodhouse 1 months' notice of termination.
- The Company Secretary and Financial Controller may be invited to participate in the Company's Employee Share Option Plan.

Mr Woodhouse received cash payments, leave entitlements and share-based payments totalling $301,593 in his role as Company Secretary and Financial Controller of the Company.

e) Share-based compensation

Details of options and performance rights 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 or performance rights is convertible into one ordinary share of Peel Mining Limited. Further information on share-based payments is set out in note 22 to the financial statements.

Options

KMP	Fair value at grant date		Number of options granted during the year		Number of options vested during the year	
	2021	2020	2021	2020	2021	2020
	$	$	Number	Number	Number	Number
S Hadfield	-	64,263	-	500,000	-	500,000
G Hardie	-	64,263	-	500,000	-	500,000
R Tyson	-	128,526	-	1,000,000	-	1,500,000
J Simpson	-	251,615	-	2,000,000	1,000,000	1,000,000
R Woodhouse	25,823	-	400,000	-	200,000	-

Performance Rights

KMP	Fair value at grant date		Number of performance rights granted during the year		Number of performance rights vested during the year	
	2021	2020	2021	2020	2021	2020
	$	$	Number	Number	Number	Number
S Hadfield	-	-	-	-	-	-
G Hardie	-	-	-	-	-	-
R Tyson	311,525	-	1,700,000	-	-	-
J Simpson	183,250	-	1,000,000	-	-	-
R Woodhouse	90,740	-	400,000	-	-	-

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. Options over shares in Peel Mining Limited may be granted to Employees under the Company's Employee Share Option Plan, which was initially created in June 2008, and recently re-approved by shareholders at the annual general meeting held on 28 November 2019. 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.

Performance rights were granted to executive directors and employees during the year. The director performance rights were ratified at the company's AGM on 26 November 2020, whilst the employee performance rights fall under the Employee Share Plan. These performance rights were divided into three vesting classes and expire on 26 May 2023 (refer note 22).

It has been determined that the performance rights for Classes A & B are valued at $0.22 and the performance rights for Class C are valued at $0.115. This valuation was confirmed by an independent consultant. The total value of related party share based payment at grant date is $585,515, the expense will be prorated over two years per the vesting conditions. Please refer to note 22 for more details on the different classes and its fair value.

The terms and conditions of each grant of options or performance rights existing for both directors and employees at reporting date is as follows:

Grant Date	Date Vested & Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
7 December 2018	*2,000,000 Director Options* 7 December 2018 (75%) 7 December 2019 (25%)	7 December 2021	64.1 cents	27.0 cents
7 December 2018	*1,562,500 Employee Options*	7 December 2021	57.0 cents	28.0 cents
28 November 2019	*2,000,000 Director Options* 28 November 2019	29 November 2022	32.0 cents	12.9 cents
28 November 2019	*2,000,000 Executive Director Options under the ESOP* 28 November 2019 (50%) 28 November 2020 (50%)	9 September 2022	31.0 cents	12.6 cents
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 31 Dec 2022 (100%)	26 May 2023	0.0 cents	22.0 cents
26 November 2020	945,000 Executive Directors' Performance Rights 31 Dec 2022 (100%)	26 May 2023	0.0 cents	11.5 cents
23 Dec 2020	260,000 Employee Performance Rights 31 Dec 2022 (100%)	23 Jun 2023	0.0 cents	26.5 cents
23 Dec 2020	140,000 Employee Performance Rights 31 Dec 20221 (100%)	26 May 2023	0.0 cents	15.6 cents

Option holdings of key management personnel (KMP)

30 June 2021	Balance at the start of the year	Granted as compensation	Vested and Expired during the year	Exercised	Other Change	Balance at end of the year	Vested and exercisable	Unvested
S Hadfield	1,500,000	-	(500,000)	-	-	1,000,000	1,000,000	-
G Hardie	1,500,000	-	(500,000)	-	-	1,000,000	1,000,000	-
R Tyson	3,000,000	-	(1,000,000)	-	-	2,000,000	2,000,000	-
J Simpson	2,000,000	-	-	-	-	2,000,000	2,000,000	-
R Woodhouse	600,000	400,000	(200,000)	-	-	800,000	600,000	200,000

Performance rights holdings of key management personnel (KMP)

30 June 2021	Balance at the start of the year	Granted as compensation	Vested and Expired during the year	Exercised	Other Change	Balance at end of the year	Vested and exercisabl e	Unvested
S Hadfield	-	-	-	-	-	-	-	-
G Hardie	-	-	-	-	-	-	-	-
R Tyson	-	1,700,000	-	-	-	1,700,000	-	1,700,000
J Simpson	-	1,000,000	-	-	-	1,000,000	-	1,000,000
R Woodhouse	-	400,000	-	-	-	400,000	-	400,000

e) Shareholdings of Directors in Peel Mining Limited

30 June 2021	Balance at 1 July 2020	Received during the year on the exercise of options	Other changes during the year	Balance at 30 June 2021
S Hadfield	4,312,564	-	737,926	5,050,490
G Hardie	16,500,890	-	2,864,205	19,365,095
R Tyson	7,245,000	-	774,514	8,019,514
J Simpson	-	-	4,556,698	4,556,698
R Woodhouse	600,000	-	100,000	700,000

peel mining LIMITED

f) Other transactions with Directors and key management personnel (KMP)

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 2021 were $59,102 (2020: $65,556).

During the year the Company participated in conferences organised by RIU Conferences Pty Ltd, to the value of $26,950 (2020: $9,900), a company of which Mr Hadfield is a Director. These amounts are included in earnings 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	Consolidated
	2021	2020
Amounts recognised as expense	**$**	**$**
Rent and office management fees	59,102	65,556
Conferences	26,950	9,900
	86,052	**75,456**

h) Additional information

Year end result

Peel Mining Limited listed on 11 May 2007 at $0.20 per share and the share price at 30 June 2021 was $0.25 (2020: $0.165). The Company recorded a gain for the financial year due to the realisation of deferred income associated with the JOGMEC Farm-in withdrawal and the sale of its remaining holding in Saturn Metals Limited. As an advanced exploration company, it is accustomed for the Company to make losses until it reaches production. No dividends have been declared or paid during the reporting period.

Cash bonuses

During the year a $100,000 cash bonus was paid out to Rob Tyson, the Managing Director in recognition of securing funding for and the resultant acquisition of 50% of the Mallee Bull Joint Venture. The payment for this bonus was delayed until April 2021.

Share-based compensations – options and performance rights

Other than options granted and exercised under the Employee Option Share Plan, as described in (e) above, and performance rights ratified by the AGM on 26 November 2020, there were no options or performance rights 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 2021, 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 2020 Annual General Meeting

Peel Mining Limited received 99% of "yes" votes on its remuneration report for the 2020 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 or performance rights

Date options or performance right granted	Expiry date	Issue price of shares $	Number under option
7 December 2018	7 December 2021	0.641	2,000,000
7 December 2018	7 December 2021	0.570	1,562,500
28 November 2019	9 September 2022	0.310	2,000,000
28 November 2019	29 November 2022	0.320	2,000,000
13 July 2020	12 Jul 2023	0.43	2,050,000
26 November 2020	23 Jun 2023	nil	2,700,000
23 December 2021	26 May 2023	nil	400,000

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

Indemnification and Insurance of Directors and Officers

During the financial year the Company paid a premium of $53,284 (2020: of $56,242) 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 licence condition.

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.

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. The Board has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the auditor as set out below did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and,
- None of the services undermine the general principles relating to the auditor independence as set out in *APEX 110 Code of Ethics for Professional Accountants.*

Details of the fees paid to the auditor during the year can be found at note 23 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:

Robert Tyson
Managing Director

Perth, Western Australia
29th September 2021

Consolidated statement of profit or loss & other comprehensive income for the year ended 30 June 2021

		Consolidated	
		2021	**2020**
	Note	**$**	**$**
Revenues and other income	14 (i)	7,437,642	176,460
Interest income	14 (ii)	40,359	54,433
Net gain or loss on disposal of assets	14 (iii)	1,290,676	34,772
Gain on disposal of investment asset	14 (iv)	-	6,205,925
Revenue and other income		**8,768,677**	**6,471,590**
Share-based remuneration to directors & employees	22	(344,628)	(614,096)
Depreciation expense	8	(113,323)	(113,792)
Employee and directors' benefit expenses	15	(761,189)	(613,657)
Administration expenses	15	(821,128)	(1,193,254)
Loss attributable to associate		-	(326,721)
Impairment of exploration expenditure	6	(345,584)	-
Profit before income tax		**6,382,825**	**3,610,070**
Income tax benefit (expense)	16	(2,691,474)	-
Profit from continuing operations after income tax		**3,691,351**	**3,610,070**
Items that will not be classified to profit or loss			
Changes in the fair value of equity assets at fair value through other comprehensive income	9	61,756	860,000
Deferred tax charged through OCI	16	(16,027)	-
Total comprehensive income for the year attributable to the members of Peel Mining Limited		**3,737,080**	**4,470,070**
Basic Earnings per share for the year attributable to the members of Peel Mining Ltd	24	0.010	0.015
Diluted Earnings per share for the year attributable to the members of Peel Mining Ltd	24	0.010	0.013

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 2021

		Consolidated	
		2021	2020
	Note	$	$
Current Assets			
Cash and cash equivalents	5	16,796,149	8,199,092
Trade and other receivables	7	384,634	123,581
Total Current Assets		**17,180,783**	**8,322,673**
Non-Current Assets			
Security deposits	7	589,366	541,866
Property	8	840,487	840,487
Plant & equipment	8	513,609	386,034
Financial assets	9	1,750,000	2,860,001
Exploration assets	6	70,409,634	41,896,334
Total Non-Current Assets		**74,103,096**	**46,524,722**
Total Assets		**91,283,879**	**54,847,395**
Current Liabilities			
Trade and other payables	10	2,071,225	512,391
Total Current Liabilities		**2,071,225**	**512,391**
Non-Current Liabilities			
Deferred tax liability	16	2,219,644	-
Deferred Income	11	-	7,363,461
Total Non-Current Liabilities		**2,219,644**	**7,363,461**
Total Liabilities		**4,290,869**	**7,875,852**
Net Assets		**86,993,010**	**46,971,543**
Equity			
Contributed equity	12	84,917,005	48,977,246
Accumulated loss	13(i)	(2,260,826)	(6,857,906)
Share based payment reserve	13(ii)	4,336,831	3,992,203
Other reserves	13(iii)	-	860,000
Total Equity		**86,993,010**	**46,971,543**

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 2021

Consolidated		Contributed Equity	Accumulated losses	Other Reserves	Share based payment Reserve	Total Equity
		$	**$**	**$**	**$**	**$**
Balance at 30 June 2019		**48,774,396**	**(10,467,976)**	**-**	**3,378,107**	**41,684,527**
Profit for the year	13	-	3,610,070	-	-	3,610,070
Other comprehensive income - revaluation	13	-	-	860,000	-	860,000
Issue of share capital	12	202,850	-	-	-	202,850
Share issue expenses	12	-	-	-	-	-
Share based payments	22	-	-	-	614,096	614,096
Balance at 30 June 2020		**48,977,246**	**(6,857,906)**	**860,000**	**3,992,203**	**46,971,543**
Profit for the year	13	-	3,691,351	-	-	3,691,351
Other comprehensive income - revaluation	13	-	-	61,756	-	61,756
Deferred tax charge through OCI		-	-	(16,027)	-	(16,027)
Transfer of gain on disposal of equity investments at FVOCI to accumulated losses	13	-	921,756	(921,756)	-	-
Transfer of deferred tax charge to accumulated losses		-	(16,027)	16,027	-	-
Issue of share capital	12	37,403,329	-	-	-	37,403,329
Share issue expenses	12	(1,951,427)	-	-	-	(1,951,427)
Deferred tax charge to equity	16	(487,857)				
Share based payments	22	-	-	-	344,628	344,628
Balance at 30 June 2021		**84,917,005**	**(2,260,826)**	**-**	**4,336,831**	**86,993,010**

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

Consolidated statement of cashflows for the year ended 30 June 2021

		Consolidated	
		2021	2020
	Note	$	$
Cash flows from operating activities			
Payments to suppliers and employees		(1,546,183)	(1,876,062)
Government relief grants	14(i)	77,626	50,000
Management fee income	14(i)	13,010	126,460
Interest received	14(ii)	40,359	56,064
Net cash outflow from operating activities		**(1,415,188)**	**(1,643,538)**
Cash flows from investing activities			
Payments for exploration expenditure		(10,189,063)	(6,671,425)
Payment for Mallee Bull asset acquisition	2	(17,000,000)	-
Payment for Wedarla Royalty		(1,200,000)	-
Transfer to security deposits		(47,500)	(20,000)
Payments for purchase of plant and equipment		(228,178)	(40,079)
Proceeds from sale of financial asset		2,892,539	7,200,000
Research and Development Tax Incentive - E&E Asset		332,545	1,738,832
Proceeds as part of E&E asset farm-out		-	481,790
Net cash outflow from investing activities		**(25,439,657)**	**2,689,118**
Cash flows from financing activities			
Proceeds from issue of shares	12	37,403,329	202,850
Transaction costs of issue of shares	12	(1,951,427)	-
Net cash inflow from financing activities		**35,451,902**	**202,850**
Net increase/(decrease) in cash and cash equivalents		8,597,057	1,248,430
Cash and cash equivalents at the start of year		8,199,092	6,950,662
Cash and cash equivalents at the end of year	5	**16,796,149**	**8,199,092**

The above consolidated statement of cashflows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 26(b):

Name	Country of Incorporation	Class of Shares	Equity holding 2021	Equity holding 2020
			%	%
Peel Environmental Services Ltd	Australia	Ordinary	100.00	100.00
Apollo Mining Pty Ltd	Australia	Ordinary	100.00	100.00
Peel (CSP) Pty Ltd	Australia	Ordinary	100.00	100.00
Peel Far West Pty Ltd	Australia	Ordinary	100.00	100.00

2. Asset acquisition

Mallee Bull Asset Acquisition

Peel Mining Limited (Peel) and CBH Resources Limited (a wholly owned subsidiary of Toho Zinc Co. Ltd.) were in a 50:50 Joint Venture (unincorporated) over the Mallee Bull project tenements EL7461 and ML1361. In July 2020, the Company exercised its pre-emptive right to acquire CBH Resources Limited's 50% share giving it 100% control of the Mallee Bull Project. Consideration of $17,000,000 was paid and settled on 24 December 2020. Once settlement was reached on 24 December 2020, the joint venture was dissolved.

The acquisition was not accounted for as a business combination as the assets acquired did not meet the definition of a business as per AASB 3 Business combinations at the date of the acquisition. Namely, the assets do not constitute an integrated set of activities, and assets that are capable of being conducted and managed for a purpose of providing a return at the time of acquisition.

The fair value of the purchase consideration was allocated to the assets acquired and liabilities assumed at the date of the acquisition as per the table below:

	24-Dec 2020
Assets/Liabilities	**Value ($)**
Cash	17,965
Property, Plant & Equipment & Other Assets	22,350
Exploration and evaluation assets	16,989,248
Creditors and accruals	(29,563)
Net assets acquired and liabilities assumed	**17,000,000**

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values. No deferred tax is recognised in relation to the acquired assets and assumed liabilities as the initial cost is recognised for the deferred tax under AASB 112.

There was no contingent consideration arising from the acquisition.

3. Sale of Koonenberry Assets

On 18 February 2021, the Company's 100% owned subsidiary, Peel Far West, entered into a binding purchase agreement to sell its non-core Koonenberry Project exploration licences to Odin Metals Limited. The Koonenberry Project exploration licences (EL8721, EL8722, EL8790, EL8791 and EL8909) (together, the "Licences") are located East of Broken Hill, NSW.

The consideration paid by Odin Metals Limited to Peel, Peel Far West's nominee, to acquire a 100% ownership interest in the Licences was:

- 50,000,000 fully paid ordinary shares in Odin ("Consideration Shares"); and
- a 1% net smelter return royalty, payable quarterly from the date on which saleable mineral or metallic product is first produced from the Licences.

Odin Metals Limited issued the 50,000,000 fully paid ordinary shares to Peel on 30 June 2021 as consideration for the sale once the conditions precedent were met. The securities were issued and quoted on 30 June 2021. The closing price for the securities that day as AU$0.035. The fair value of the quoted available for sale financial assets is $1,750,000.

The transaction of the disposal is as follows:

		Consolidated
		2021
	Note	$
Investment in Odin Metals	9	1,750,000
Disposal of Koonenberry Assets	6	(453,536)
Gain on disposal of Koonenberry Assets		**1,296,464**

4. Segment information

Previously, the Group had three reportable segments, due to the different joint ventures and farm-in agreements, mentioned above. Since the consolidation of the Group's Cobar assets, 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

5. Cash and cash equivalents

		Consolidated	Consolidated
		2021	2020
		$	$
Cash at bank and in hand	18	16,796,149	8,199,092

Refer to Note 18 for the policy on financial risk management

6. Exploration and evaluation expenditure

All exploration and evaluation expenditure is capitalised under AASB 6 Exploration for and Evaluation of Mineral Resources. Mineral interest acquisition costs and 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 development phase until production commences.

Peel accounts for funds received from the ATO under the Research and Development (R&D) Tax Incentive Scheme as an offset to the Exploration and Evaluation asset, where the initial expenses to which it relates were capitalised. A portion of the R&D Tax Incentive Grant relates to corporate overheads, this portion has been recognised as other income. Refer to note 14(v) for portions that were recognised as other income.

		Consolidated	Consolidated
		2021	2020
	Note	$	$
At cost		**70,409,634**	**41,896,334**
Opening balance		41,896,334	37,128,536
Acquisition of assets		18,200,000	
Exploration expenditure		11,444,965	6,506,630
Disposal of Koonenberry Assets	3	(453,536)	
Research and development tax incentive grant		(332,545)	(1,738,832)
Impairment of exploration expenditure		(345,584)	-
Closing balance		**70,409,634**	**41,896,334**

Impairment assessment

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. 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 of disposal 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 of disposal 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. This policy has resulted in $345,584 exploration expenditure being written off during the year (2020: nil). Refer also note 26(j) for further details on critical accounting estimates and judgements.

7. Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Other current receivables and prepayments were previously presented together with trade receivables but are now presented as other financial assets at amortised cost (receivables) and other current assets (prepayments) in the balance sheet, to reflect their different nature.

In determining the recoverability of a trade or other receivable using the expected credit loss model, the Group performs a risk analysis considering the type and age of the outstanding receivables, the creditworthiness of the counterparty, contract provisions, letter of credit and timing of payment.

No material provision for credit losses was required to be recognised in the current period ending 30 June 2021.

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.

	Consolidated	Consolidated
	2021	**2020**
Receivables (Current)	**$**	**$**
Trade and other receivables	86,546	33,149
GST recoverable from taxation authority	241,550	28,130
Prepayments	56,538	62,302
	384,634	**123,581**

Refer to Note 18 for the policy on financial risk management

Receivables (Non-current)		
Security deposits in relation to exploration tenements	589,366	521,866
	589,366	**521,866**

Refer to Note 18 for the policy on financial risk management.

8. Property, plant and equipment

Property (land held at cost)

Property, being interests in freehold land, is held at historical cost and is not depreciated as per AASB 116 Property, Plant and Equipment.

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 3-10 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.

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 of disposal 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 of disposal 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.

No impairment loss has been recognised for the year ended 30 June 2021 (2020: $nil).

	Consolidated 2021 $	Consolidated 2020 $
Property		
Freehold land (at cost)	840,487	840,487
Plant and equipment		
Depreciating plant and equipment	1,054,205	889,020
Less accumulated depreciation	(540,596)	(502,986)
	513,609	386,034
Total property, plant and equipment	**1,354,096**	**1,226,521**
Reconciliation		
Carrying amount at beginning of year	1,226,521	1,300,235
Additions	269,648	40,078
Depreciation expense	(113,323)	(113,792)
Accumulated depreciation on disposals	84,626	16,512
Disposals	(113,376)	(16,512)
Closing balance	**1,354,096**	**1,226,521**

9. Financial assets at fair value through comprehensive income

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) held by the Group comprise of equity securities, which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant. On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings or accumulated losses, note 26 sets out the remaining accounting policies in relation to Financial Assets.

Equity investments at fair value through other comprehensive income

Equity investments at FVOCI comprise the following individual investments:

	Consolidated 2021 $	Consolidated 2020 $
Non-current assets		
Listed securities		
Saturn Metals Limited	-	2,860,001
Odin Metals Limited	1,750,000	-
	1,750,000	2,860,001

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
	2021	2020
	$	$
Gains recognised in other comprehensive income		
related to equity investments	61,756	860,000

Sales of Saturn Metals Limited security

In mid-November, the Company completed the sale of its remaining holding of 4,000,001 shares in Saturn Metals Limited for sale proceeds of $2,921,756.93 (before costs).

During the process of preparing the 30 June 2021 annual report, the Group discovered that the accounting for this transaction that was reflected in the interim financial statements for the 6-month period ended 31 December 2020 was incorrect. The error has been subsequently corrected in the second half of the financial year ended 30 June 2021.

Comparative figures in the 31 December 2021 interim financial report will be corrected by restating each of the affected financial statement line items as set out in the table below. No adjustments were required to 30 June 2020 balances.

	Consolidated		Consolidated
	31 December 2020 (As reported)	Increase / (Decrease)	31 December 2020 (Restated)
Statement of profit or loss and other comprehensive income (extract)	$	$	$
Profit on disposal of investment asset	921,756	(921,756)	-
Profit from continuing operations	7,414,230	(921,756)	6,492,474
Changes in the fair value of equity assets at fair value through other comprehensive income	-	61,756	61,756
Total comprehensive income for the 6 months ended 31 December 2020	7,414,230	(860,000)	6,554,230

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 30 June 2021	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial Assets				
Financial Assets at fair value through other comprehensive income (FVOCI)				
Equity securities – mining sector	1,750,000	-	-	1,750,000
Total financial assets	1,750,000	-	-	1,750,000

Recurring fair value measurements as at 30 June 2020	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial Assets				
Financial Assets at fair value through other comprehensive income (FVOCI)				
Equity securities – mining sector	2,860,001	-	-	2,860,001
Total financial assets	2,860,001	-	-	2,860,001

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.

All of the resulting fair value estimates for the year ended 30 June 2021 are included in level 1.

10. 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.

	Consolidated	Consolidated
	2021	**2020**
	$	**$**
Trade payables	1,641,258	214,865
Accrued expenses & other payables	429,967	297,526
	2,071,225	512,391

11. Deferred income

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 accounted for the MoA as per its policy and the agreement with JOGMEC, except the Management Fee of 10% on all expenditure, refer to note 14, which is accrued as cash calls are received.

Notification was received by Peel from JOGMEC on 14 August 2020 that it was withdrawing from the agreement. The withdrawal resulted in all rights and interests in the CSP tenure being transferred to Peel at no cost, resulting in Peel regaining 100% ownership through its subsidiary Peel CSP Pty Ltd. JOGMEC did not take up its 50% interest, thus the full amount of deferred income, being $7,347,006 following management fees and unused cash calls were returned, has been recognised as a gain in the profit or loss, refer to note 14.

	Consolidated	Consolidated
	2021	**2020**
	$	**$**
Funds from farm-out of asset to JOGMEC	-	7,363,461
	-	7,363,461

12. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, performance rights 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, performance rights 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.

a) Share Capital

	Consolidated and Parent entity			
	2021		2020	
	Number of Shares	$	Number of Shares	$
Authorised and issued, ordinary shares fully paid	418,097,757	84,917,005	243,683,611	48,977,246

b) Movements in ordinary share capital

	Consolidated and Parent entity			
	2021		2020	
	Number of shares	$	Number of shares	$
Opening balance, 1 July	243,683,611	48,977,246	242,733,611	48,774,396
Shares issued as a result of exercise of options	-	-	950,000	202,850
Shares issued as a result of share placements	130,000,000	29,050,000	-	-
Shares issued as a result of rights entitlement	44,414,146	8,353,329	-	-
Transaction costs on share issues	-	(1,951,427)	-	-
Deferred tax charged to equity	-	487,857	-	-
Closing balance, 30 June	418,097,757	84,917,005	243,683,611	48,977,246

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 provides an entitlement to one vote.

Ordinary shares have no par value, and the company does not have a limited amount of authorised capital.

d) Options

Information relating to options issued during the year is set out in note 22.

e) Performance rights

Information relating to performance rights issued during the year is set out in note 22.

f) 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.

13. Reserves and accumulated losses

	Consolidated	Consolidated
	2021	2020
	$	$
(i) Accumulated losses		
Opening balance	(6,857,906)	(10,467,976)
Profit for the year after tax	3,691,351	3,936,791
Reclassification of gain on disposal of equity instruments at FVOCI, net of tax	921,756	
Transfer of deferred tax charge to accumulated losses	(16,027)	
Loss attributable to associate	-	(326,721)
Closing balance	(2,260,826)	(6,857,906)
(ii) Share-based payment reserve		
Opening balance	3,992,203	3,378,107
Share based payment expenses	344,628	614,096
Closing balance	4,336,831	3,992,203
(iii) Other reserves		
Opening balance	860,000	-
Fair value movement on financial assets	61,756	
Deferred tax charge through OCI	(16,027)	-
Reclassification of gain on disposal of equity instruments at FVOCI, net of tax	(921,756)	860,000
Transfer of deferred tax charge to accumulated losses	16,027	
Closing balance	-	860,000

Nature and purpose of share-based payment 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. Refer note 22 for more details.

	Consolidated and parent entity			
	2021		2020	
	Number	$	Number	$
Opening balance	10,462,500	3,992,203	10,150,000	3,378,107
Options issued to directors, employees & contractors	2,050,000	181,688	4,000,000	614,096
Performance rights issued to directors & employees	3,100,000	162,940	-	-
Lapsed	(2,900,000)	-	(2,737,500)	-
Exercised	-	-	(950,000)	-
Closing balance	12,712,500	4,336,831	10,462,500	3,992,203
Options exercisable at $0.260 each on or before 15 August 2020	-	-	900,000	-
Options exercisable at $0.783 each on or before 30 November 2020	-	-	2,000,000	-
Option exercisable at $0.641 each on or before 7 December 2021	2,000,000	-	2,000,000	-
Options exercisable at $0.570 each on or before 7 December 2021	1,562,500	-	1,562,500	-
Options exercisable at $0.310 each on or before 9 September 2022	2,000,000	-	2,000,000	-
Options exercisable at $0.320 each on or before 29 November 2022	2,000,000	-	2,000,000	-
Options exercisable at $0.275 each on or before 12 July 2023	2,050,000			
Performance rights expiry 26 May 2023	3,100,000			
	12,712,500	-	10,462,500	-

Nature and purpose of financial assets at FVOCI reserve

The Group has elected to recognise the changes in the fair value of certain investments in equity securities in OCI, as explained in note 9. These changes are accumulated within the FVOCI reserve within equity. The group transfers amounts from this reserve to retained earnings or accumulated losses when the relevant equity securities are derecognised.

14. Revenues and other income

Income recognition

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

(i) Other income

	Note	Consolidated 2021 $	Consolidated 2020 $
Derecognition of deferred income[1]	11	7,347,006	-
Government relief grants[2]		77,626	50,000
Operator management fee[3]		13,010	126,460
		7,437,642	176,460

1. Notification was received by Peel from JOGMEC on 14 August 2020 that it was withdrawing from the agreement. The withdrawal resulted in all rights and interests in the CSP tenure being transferred to Peel at no cost, resulting in Peel regaining 100% ownership through its subsidiary Peel CSP Pty Ltd. JOGMEC did not take up its 50% interest, thus the full amount of deferred income, being $7,347,006, has been recognised as a gain in the profit or loss. Refer note 11 for more details.
2. Covid19 government assistances received. There are no unfulfilled conditions or other contingencies attaching to these grants. The government grants are recognised at their fair value.
3. Peel (CSP) Pty Ltd received 10% management fee on all exploration expenses as the operator of the CSP Project, under the JOGMEC farm-in arrangement. The income was accrued when expenditure was incurred. This revenue fell under the adoption of AASB 15 effective 1 July 2018 as it is identified to be a single performance obligation and separately identifiable from the deferred income. Refer note 11 for more details.

(ii) Interest income

Interest income is recognised as the interest accrues using the effective interest rate method.

	Consolidated 2021 $	Consolidated 2020 $
Interest income	40,359	54,433

(iii) Gain in disposal of assets

	Note	Consolidated 2021 $	Consolidated 2020 $
Gain on sale of Koonenberry Assets	3	1,296,464	-
(Loss) or gain on disposal of PPE		(5,788)	34,772
		1,290,676	34,772

(iv) Recognition of associate and gain on sale of shares

Peel has elected to apply the full gain recognition in accounting for the disposal of an asset to an associate. Under this method when control of a subsidiary is lost a gain or loss is recognised on both the retained interest in the entity and the portion no longer owned.

On 9 June 2020 Peel Mining Limited sold 16,000,000 shares in Saturn Metals Limited, leaving a balance of 4,000,001 shares held by Peel Mining Limited.

The sale of the shares resulted in a reduction in ownership interest to 4.54% which is no longer considered an associate interest. The remaining shares held by Peel Mining Limited were revalued to their fair value, based on the share price of Saturn Metals Limited at 30 June 2020 (refer to note 9 for detail). The gain on disposal of the investment in Saturn Metals Limited was calculated by taking into account the proceeds of the sale, the holding value of the asset to Peel Mining Limited and the losses attributable to the associate recognised over the course of the investment period.

All other items of income on the consolidated statement of profit or loss and other comprehensive income are listed below:

	Consolidated 2021 $	Consolidated 2020 $
Gain on disposal of investment in associate	-	6,205,925

(v) R&D Tax Incentive grant income

Peel accounts for funds received from the ATO under the Research and Development ("R&D") Tax Incentive Scheme as an offset to the Exploration and Evaluation asset, where the initial expenses to which it relates were capitalised. Where a portion of the R&D Tax Incentive Grant relates to corporate overheads, this portion has been recognised as other income (2021: nil, 2020: nil). Refer note 6 for portions that were offset against Exploration and Evaluation asset.

15. Expenses

	Consolidated 2021 $	Consolidated 2020 $
Loss before income taxes includes the following specific expenses:		
Employees and director's benefit expenses		
Employee costs	401,255	377,225
Directors' fees	134,741	101,067
Superannuation and oncosts	225,193	135,365
	761,189	613,657
Administration expenses		
Corporate	636,904	881,670
Consultants	184,225	311,584
	821,129	1,193,254

16. Deferred and income tax expense

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.

		Consolidated	**Consolidated**
		2021	**2020**
	Note	**$**	**$**
Current tax		-	-
Deferred tax recognised through profit or loss		2,691,474	-
Deferred tax recognised through OCI		16,027	-
Income Tax Expense		2,707,501	-

	Consolidated 2021	Consolidated 2020
Numerical reconciliation of income tax to prima facie tax payable:	$	$
Profit from continuing operations before income tax	6,382,825	3,610,070
At the statutory income tax rate of 26% (2020: 27.5%)	1,659,535	992,769
Expenditure/income not allowed for income tax purposes:		-
Share based payments	89,603	168,976
Sundry items	(4,729)	7,852
Benefit of temporary differences not previously recognised		(850,381)
Adjustment in respect to prior years	1,010,306	(229,203)
Effective tax rate change	(63,240)	(90,013)
Adjustments for fair value gains recognised in OCI	16,027	
Income Tax Expense	2,707,501	-

	Note	Consolidated 2021	Consolidated 2020
Deferred Tax Assets	**Note**	$	$
Tax Losses		10,575,912	8,002,707
Deferred Income		-	1,840,865
Other		605,705	1,150,136
Total DTA		11,181,617	10,993,708
Set-off of deferred tax liabilities pursuant to set-off provisions		(11,181,617)	(10,993,708)
Net deferred tax assets		-	-
Deferred Tax Liabilities			
Exploration Assets		13,401,261	10,278,708
Investments		-	715,000
Total DTL		13,401,261	10,993,708
Set-off of deferred tax assets pursuant to set-off provisions		(11,181,617)	(10,993,708)
Net deferred tax liabilities		2,219,644	-

	$
Net deferred tax liabilities at 1 July 2020	-
Charged/(credited)	
To profit or loss	2,691,474
To other comprehensive income	16,027
Directly to equity	(487,857)
Net deferred tax liabilities at 30 June 2021	**2,219,644**

17. Reconciliation of cash flows from operating activities to earnings after income tax

For statement of cash flows preparation purposes, cash and cash equivalents includes cash on hand and short-term 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.

	Consolidated	Consolidated
	2021	**2020**
	$	**$**
Net cash outflow from operating activities	(1,415,188)	(1,643,538)
Adjustments for		
Share-based payments	(344,628)	(614,096)
Depreciation	(113,323)	(113,792)
Gain/(loss) on disposal of assets	1,290,676	6,240,697
Loss of associate	-	(326,721)
Derecognition of deferred income	7,347,006	-
Impairment of exploration and evaluation asset	(345,584)	-
Income tax benefit (expense) through profit and loss	(2,691,474)	-
Change in operating assets and liabilities		
(Increase) / decrease in receivables	33,149	7,356
(Increase) / decrease in provisions	40,070	76,708
Increase / (decrease) in payables	(109,353)	(16,544)
Profit (Loss) after income tax	3,691,351	3,610,070

18. Financial risk management

Overview

The Group is exposed to financial risks through the normal course of its business operations. The key risks impacting the Group's financial instruments are considered to be, interest rate risk, liquidity risk, and credit risk. The Group's financial instruments exposed to these risks are cash and cash equivalents, security deposits, trade receivables, trade payables and other payables.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables. Management assesses the credit quality of the counterparties by taking into account its financial position, past experience and other factors. For banks and financial institutions, management considers independent ratings and only dealing with banks licensed to operate in Australia.

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

Tax receivables and prepayments do not meet the definition of financial assets.

Risk management

The Group limits its exposure to credit risk in relation to cash and cash equivalents and other financial assets by only utilising banks and financial institutions with acceptable credit ratings.

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.

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 ensuring there are appropriate plans in place to finance these future cash flows.

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

		Consolidated Carrying Amount	
		2021	**2020**
Financial obligations	**Note**	**$**	**$**
Trade and other payables	10	2,071,225	512,391

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates, 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.

Profile

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

	Consolidated Carrying Amount	
	2021	**2020**
Variable rate instruments	**$**	**$**
Security deposits	589,366	541,866

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

During the year the company did not hold short term cash deposits and therefore were not exposed to interest rate risk. In the prior year if interest rates had changed +/- 100 basis points from year end rates with all other variables held constant, equity and post-tax profit/(loss) would have been $38,456 lower/higher, based on a weighted average balance of short-term cash deposits held during the financial year.

Capital Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads.

The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group were as follows:

		Consolidated Carrying Amount	
		2021	2020
Variable rate instruments	**Note**	**$**	**$**
Cash and cash equivalents	5	16,796,149	8,199,092
Trade and other receivables	7	384,635	123,581
Trade and other payables	10	(2,071,225)	(512,391)
Working capital position		15,109,559	7,810,282

Fair values

The carrying values of all financial assets and financial liabilities, as disclosed in the Consolidated Statement of Financial Position, are the same as their fair values, due to their short-term nature.

19. Contingencies & Commitments

The Group had no contingent assets or liabilities as at 30 June 2021 (2020: $Nil).

Operating lease commitments – Peel Mining Limited as lessee

The Company has entered into a commercial property lease agreement for its Perth office, which has been on a month-by-month basis since July 2015.

The group had no other operating lease commitments within 12, before 60 or later than 60 months as at 30 June 2021.

Exploration commitments

Under the terms of mineral tenement licences held by the Group in New South Wales, there are no minimum annual expenditure obligations required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing.

Work programs are submitted on application and renewal which 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 avoid expenditure required on work programs, or may seek exemptions from the relevant authority. The Groups only commitments in relation to these tenements are the payment of annual rents which for the upcoming year total $150,897 (2020: $139,700).

20. Events after the reporting period

There were no significant events that have occurred after balance date and prior to the date of this report.

21. Related parties

(a) Compensation of key management personnel

	Consolidated	Consolidated
	2021	2020
	$	$
Short-term employee benefits	752,690	367,698
Post-employment benefits	126,255	34,932
Long-term benefits	45,457	14,219
Share-based payments	255,064	515,905
	1,179,466	932,754

(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 2021 were $59,102 (2020: $65,556).

During the year the Company participated in conferences, to the value of $26,950 (2020: $9,900) organised by RIU Conferences Pty Limited. These amounts are included in profit for the year within administration expenses.

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

	Consolidated	Consolidated
	2021	2020
Amounts recognised as expense	$	$
Rent and office management fees	59,102	65,556
Conferences	26,950	9,900
	86,052	75,456

(c) Transaction with Saturn Metals Limited

During the year, Peel Mining Limited (PEX) sold all Saturn Metals shareholdings (2020 : 4.5%). Rob Tyson was a non-executive director for Saturn Metals for the entire period. During the year, Saturn Metals Limited engaged Peel Mining Limited in a non-exclusive basis to perform and provide administrative services and facilities through a service agreement, this service ended on 31 May 2021.

	Consolidated	Consolidated
	2021	2020
	$	$
Proceeds from management services	183,502	163,499
Outstanding balances arising from sale of service to Saturn Metals Limited	-	9,023

Other than the above, the Group had no other transactions with related parties.

22. Share–based payments

Share-based compensation benefits to directors, employees and consultants are provided at the discretion of the board. The fair value of share-based payments granted re 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 share-based instrument.

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

	2021	2020
	$	$
Employee option expense	129,987	-
Direction option expense[1]	51,702	614,096
Employee performance rights expense	23,238	-
Director performance rights expense	139,701	-
	344,628	614,096

[1] Amounts in respect to 2021 director options are from prorated expenses from 2020 issue

(a) OPTIONS

(i) Employee share option plan

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

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

	Consolidated		Consolidated	
	2021		2020	
	Number of options	$	Number of options	$
Options granted to employees	2,050,000	129,987	-	-

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. Under the plan, participants are granted options of which 50% are vested immediately and the remainder after 12 months employment with the Company.

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

When exercisable, each employee option granted during the 30 June 2021 financial year, is convertible into one ordinary share at an exercise price of 27.5 cents. Set out below are summaries of options granted under the plan.

30 June 2021

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Vested and lapsed during the year	Balance at end of the year	Vested and exercisable at end of the year
		$	Number	Number	Number	Number	Number	Number
13 Jul 20	12 Jul 23	0.275	-	2,050,000	-	-	2,050,000	1,025,000
7 Dec 18	7 Dec 21	0.570	1,562,500	-	-	-	1,562,500	1,562,500
15 Aug 17	15 Aug 20	0.260	900,000	-	-	(900,000)	-	-

30 June 2020

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Vested and lapsed during the year	Balance at end of the year	Vested and exercisable at end of the year
		$	Number	Number	Number	Number	Number	Number
7 Dec 18	7 Dec 21	0.570	1,562,500	-	-	-	1,562,500	1,562,500
15 Aug 17	15 Aug 20	0.260	900,000	-	-	-	900,000	900,000
10 Oct 16	10 Oct 19	0.203	650,000	-	(450,000)	(200,000)	-	-

Fair value of options granted

The assessed fair value at grant date of options granted to employees during the period ended 30 June 2021 is tabled below. The model inputs for employee options granted during the financial year ended 30 June 2021 included:

	Employee Options	
	2021	**2020**
Options are granted for no consideration and vest accordingly	50% vest immediately 50% vest in one year from grant date	-
Exercise Price	$0.275	-
Grant Date	13 July 2020	-
Expiry Date	12 July 2023	-
Share Price at Grant Date	$0.184	-
Expected price volatility	70%	-
Expected dividend yield	0.00%	-
Risk-free interest rate	0.28%	-
Fair Value at Grant Date	**$0.064**	**-**

(ii) Director options

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

	Consolidated			
	2021	2021	2020	2020
	Number of options	$	Number of options	$
Options granted to directors	-	51,702	4,000,000	315,992

Set out below are summaries of director options granted.

30 June 2021

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
28 Nov 19	29 Nov 22	0.320	2,000,000	-	-	-	2,000,000	2,000,000
28 Nov 19	9 Sep 22	0.310	2,000,000	-	-	-	2,000,000	2,000,000
7 Dec 18	7 Dec 21	0.641	2,000,000	-	-	-	2,000,000	2,000,000
30 Nov 17	30 Nov 20	0.260	2,000,000	-	-	(2,000,000)	-	-

30 June 2020

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
28 Nov 19	29 Nov 22	0.320	-	2,000,000	-	-	2,000,000	1,000,000
28 Nov 19	9 Sep 22	0.310	-	2,000,000	-	-	2,000,000	1,000,000
7 Dec 18	7 Dec 21	0.641	2,000,000	-	-	-	2,000,000	2,000,000
30 Nov 17	30 Nov 20	0.783	2,000,000	-	-	-	2,000,000	2,000,000
28 Nov 16	28 Nov 19	0.223	3,000,000	-	(500,000)	(2,500,000)	-	-

There were no options granted to Directors during the financial year ended 30 June 2021. The assessed fair value at grant date of options granted to directors during the prior financial year ended 30 June 2020, including the model inputs is tabled below.

	Director Options		
	2021	2020	
Options are granted for no consideration and vest accordingly	Nil	2,000,000 vests immediately	50% vest immediately 50% vest in one year from grant date
Exercise Price	-	$0.320	$0.31
Grant Date	-	28 Nov 2019	28 Nov 2019
Expiry Date	-	29 Nov 2022	9 Sep 2022
Share Price at Grant Date	-	$0.270	$0.27
Expected price volatility	-	80%	80%
Expected dividend yield	-	80%	0.00%
Risk-free interest rate	-	0.77%	0.77%
Fair Value at Grant Date	**-**	**$0.13**	**$0.126**

(iii) Weighted averages –options

- The weighted average exercise price $0.42 (2020: $0.50).
- The weighted average fair value of share-based payments is $0.17 (2020: $0.21).
- The weighted average remaining contractual life is 1.14 years (2020: 1.46 years).

(b) PERFORMANCE RIGHTS

(i) Employee performance rights

During the financial year ended 30 June 2021 employees were granted performance rights (30 June 2020 : Nil).

30 June 2021

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
23 Dec 20	23 Jun 23	-	-	400,000	-	-	400,000	-

Fair value of performance rights granted.

The model inputs and the assessed fair value at grant date of performance rights granted to employees during the financial year ended 30 June 2021 is tabled below.

	Employee Performance Rights Class A[1] & B[2]	Employee Performance Rights Class C[3]
Performance rights are granted for no consideration and vest accordingly	Refer 1 & 2	Refer 3
Exercise Price	Nil	Nil
Grant Date	23 December 2020	23 December 2020
Expiry Date	26 May 2023	26 May 2023
Share Price at Grant Date	26.5 cents	26.5 cents
Expected Price Volatility	70%	70%
Expected Dividend Yield	0.00%	0.00%
Risk-free interest rate	0.09%	0.09%
Fair Value at Grant Date	**26.5 cents**	**15.6 cents**

1. The Class A Rights vest subject to the Company establishing a minimum of 10 million tonnes ('Mt') of Indicated Resources at the South Cobar Project and publishing a pre-feasibility study ('PFS') (as defined in the JORC Code) in relation to the South Cobar Project, which is based on a 1Mt per annum 10 year mine-life scenario.

2. The Class B Rights vest based on the lodgement of an Environmental Impact Statement for the South Cobar Project with the New South Wales ('NSW') Government Regulatory Body.

3. The Class C Rights vest based on the total shareholder return ('TSR') of Peel Mining over the period from 26 November 2020 to 31 December 2022, assessed against predetermined TSR hurdles. The TSR of Peel Mining is based on the 20-day volume weighted average price ('VWAP') of the Company's shares trading on the Australian Securities Exchange.

Total prorated expenses arising from employee performance rights recognised in the profit and loss during the year were as follows:

	2021	2021	2021	2020
	$	Number of instruments	$	Number of instruments
Employee performance rights expense	23,238	400,000	-	-

(ii) Director Performance Rights

During the financial year ended 30 June 2021 executive directors were granted performance rights (30 June 2020: Nil),

30 June 2021 – Performance Rights

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
26 Nov 20	26 May 23	-	-	2,700,000	-	-	2,700,000	-

Fair value of performance rights granted

The model inputs and assessed fair value at grant date of performance rights granted to directors during the period ended 30 June 2021 is tabled below.

	Executive Director Performance Rights Class A[1] & B[2]	Executive Director Performance Rights Class C[3]
Performance rights granted at nil consideration and vest accordingly	Refer 1 & 2	Refer 3
Exercise Price	Nil	Nil
Grant Date	26 November 2020	26 November 2020
Expiry Date	26 May 2023	26 May 2023
Share Price at Grant Date	22.0 cents	22.0 cents
Expected Price Volatility	70%	70%
Expected Dividend Yield	0.00%	0.00%
Risk-free interest rate	0.09%	0.09%
Fair Value at Grant Date	**22.0 cents**	**11.5 cents**

1. The Class A Rights vest subject to the Company establishing a minimum of 10 million tonnes ('Mt') of Indicated Resources at the South Cobar Project and publishing a pre-feasibility study ('PFS') (as defined in the JORC Code) in relation to the South Cobar Project, which is based on a 1Mt per annum 10 year mine-life scenario.

2. The Class B Rights vest based on the lodgement of an Environmental Impact Statement for the South Cobar Project with the New South Wales ('NSW') Government Regulatory Body.

3. The Class C Rights vest based on the total shareholder return ('TSR') of Peel Mining over the period from 26 November 2020 to 31 December 2022, assessed against predetermined TSR hurdles. The TSR of Peel Mining is based on the 20-day volume weighted average price ('VWAP') of the Company's shares trading on the Australian Securities Exchange.

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

Total prorated expenses arising from director performance rights recognised in the profit and loss during the year were as follows:

	2021	2021	2021	2020
	$	Number of instruments	$	Number of instruments
Director performance rights expense	139,701	2,700,000	-	-

(iii) Weighted averages – performance rights

- The weighted average fair value of share-based payments is $0.19 (2020: Nil).
- The weighted average remaining contractual life is 1.91 years (2020: Nil).

23. Remuneration of auditors

	Consolidated	Consolidated
	2021	**2020**
Amounts paid or due and payable to PricewaterhouseCoopers	**$**	**$**
Audit and review of financial reports	54,748	52,100
	54,748	52,100
Taxation services	8,415	11,388
Indirect taxation services	57,246	82,500
	65,661	93,888

24. 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 loss 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.

	Consolidated	Consolidated
	2021	**2020**
	$	**$**
Basic earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company	0.010	0.015
Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company	0.010	0.013
Reconciliation of earnings used in calculation of earnings per share		
Profit used in calculating basic profit per share	3,691,351	3,610,070

	Consolidated	Consolidated
	2021	2020
	Number of shares	Number of shares
Weighted average number of shares used as the denominator		
Weighted average number of shares used in calculating basic earnings per share	352,650,322	243,391,534
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	365,362,822	274,779,034

Effect of dilutive securities

Options and performance rights on issue at reporting date could potentially dilute earnings per share in the future.

25. Parent entity information

	Parent entity	
	2021	2020
	$	$
Statement of financial position		
Current assets	17,570,727	8,250,083
Total assets	83,110,933	47,457,390
Current liabilities	(897,748)	(485,847)
Total liabilities	(3,464,928)	(485,847)
Net assets	79,646,005	46,971,543
Issued capital	84,917,005	48,934,083
Share-based payment reserve	4,336,831	3,992,203
Financial Assets at FVOCI Reserve	-	860,000
Accumulated losses	(9,607,831)	(6,814,743)
Total equity	79,646,005	46,971,543
Statement of profit or loss and other comprehensive income		
Interest Revenue	40,359	54,433
Other revenue and income	2,303,069	6,417,157
Comprehensive loss for the year	(4,605,497)	(2,861,520)
Total comprehensive loss / (gain) for the year	(2,262,069)	3,610,070

Commitments for the parent entity are the same as those for the consolidated entity and are set out in note 19.

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

26. 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 2021 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. As at 30 June 2021, the Group made a net profit after tax of $3,691,351 (2020: $3,610,070). The ongoing capital requirements of the Group are dependent on the Group's ability to raise funds in the future.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the twelve-month period from the date of signing this financial report. Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the basis of preparation is appropriate.

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.

(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 previously recognised 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. At 30 June 2021, Peel Mining no longer was party to any arrangements that were considered joint operations.

(c) 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.

(d) 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.

(e) Leases

AASB 16 Leases eliminates the classifications of operating leases and finance leases for lessees. Except for short-term leases and leases of low-value assets, rights-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, while the lease liability is reduced by an allocation of each lease payment. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

As at 30 June 2021, the Group did not recognise any lease assets or lease liabilities on the balance sheet. During the prior period, the Group classified the lease for its office space as an operating lease with payments recognised as an expense as incurred. As the contract term is less than 12 months, and considered short-term, the Group elects to recognise the lease payments directly as an expense in profit or loss.

The Group has considered other significant contracts, such as those for drilling, and determined that there are no other contracts that meet the definition of a lease under AASB 16.

(f) Investments and other financial assets

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(g) 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.

(h) 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.

(i) New accounting standards and amendments

Certain new accounting standards and interpretations have been published that are mandatory for the 30 June 2021 reporting period and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(j) 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.

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 variety of financial models including hybrid and Black-Scholes models. 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.

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 consolidated financial position as at 30 June 2021 and of its performance for the financial year ended on that date of the consolidated entity.

(b) 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;

(c) 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:

Robert Tyson
Managing Director

Perth, Western Australia
29th September 2021

Auditor's Independence Declaration

As lead auditor for the audit of Peel Mining Limited for the year ended 30 June 2021, I declare that 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 audit, and

(b) 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.

Helen Bathurst

Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
29 September 2021

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Independent auditor's report

To the members of Peel Mining Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Peel Mining Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended, and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2021
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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 & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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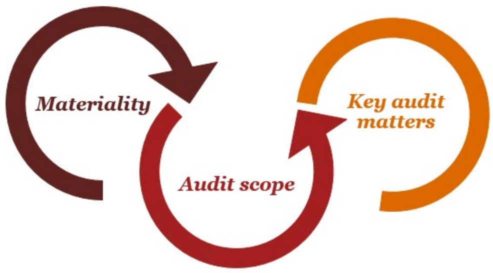
Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	***Audit scope***	***Key audit matters***
• For the purpose of our audit we used overall Group materiality of $916,000, which represents approximately 1% of the Group's total assets. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose total assets because, in our view, it is the benchmark against which the performance of the Company is most commonly measured whist in the exploration phase. • We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The Group's operational and financial processes are managed by a corporate function in Perth, where substantially all of our audit procedures were performed.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Basis of preparation of the financial report – Carrying value of exploration and evaluation assets • These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Basis of preparation of the financial report *Refer to note 26(a)* The financial statements have been prepared by the Group on a going concern basis, which contemplates that the Group will continue to meet its commitments, realise its assets and settle its liabilities in the normal course of business. The Group is in the exploration and evaluation phase. It relies on funding from its shareholders or other sources to continue as a going concern. These funds are to make acquisitions, meet expenditure requirements to maintain the good standing of the Group's tenements, progress project feasibility studies, and to cover corporate overheads and to fund the acquisition of projects. Assessing the appropriateness of the basis of preparation for the Group's financial report was a key audit matter due to its importance to the financial report and the judgement involved in forecasting future cash flows for a period of at least 12 months from the date of the financial report.	In assessing the appropriateness of the going concern basis of preparation for the Group's financial report, we performed the following procedures, amongst others: • Agreed the amounts received from capital raisings during the year to third party bank support. • Evaluated the appropriateness of the Group's assessment of its ability to continue as a going concern, including whether the period covered is at least 12 months from the date of the financial report and that relevant information of which we are aware as a result of the audit has been included. • Inquired of management and the directors whether they were aware of any events or conditions, including beyond the period of assessment that may cast significant doubt on the Group's ability to continue as a going concern. • Evaluated the Group's plans for future actions in relation to raising additional funds, whether the outcome is likely to improve the situation, and whether they are feasible in the circumstances. • Compared the key underlying data and assumptions in the Group's cash flow forecast to approved budgets and historical cash outflows, including an assessment of the reasonableness of exploration and evaluation expenditure

Key audit matter	How our audit addressed the key audit matter
	for the forecast period by comparing forecast expenditure to management's minimum committed spend. • Developed an understanding of what forecast expenditure in the cash flow forecast is committed and what could be considered discretionary. • Assessed management's historical accuracy of cash flow forecasting by comparing actual results to prior period forecasts. • Evaluated the adequacy of disclosures in light of the requirements of Australian Accounting Standards.
Carrying value of exploration and evaluation assets *Refer to note 6* As at 30 June 2021, the Group had capitalised exploration and evaluation assets of $70,409,634 relating to mining, exploration and prospecting licenses across New South Wales. Judgement was required by the Group to assess whether there were indicators of impairment of the capitalised exploration and evaluation assets due to the need to make estimates about future events and circumstances, such as whether the mineral resources may be economically viable to mine in the future. This was a key audit matter because of the relative size of the exploration and evaluation balance in the consolidated statement of financial position and the risk of impairment should the result of exploration activities not be positive, or the Group relinquish certain exploration licences as it continues to assess future viability.	We performed the following procedures, amongst others: • Evaluated the Group's assessment that there had been no indicators of impairment for its capitalised exploration and evaluation assets, including inquiries with management and directors to develop an understanding of the current status and future intentions for the Group's exploration projects. • For the full list of exploration licence areas, assessed whether the Group retained right of tenure for its exploration licence areas by obtaining licence status records from relevant government databases. • For a sample of additions to exploration and evaluation assets during the year inspected relevant supporting documentation, such as invoices, and compared the amounts to accounting records.

Key audit matter	How our audit addressed the key audit matter
	• Obtained management's exploration expenditure forecasts supporting their assessment of indicators of impairment and compared these to the approved budgets and future cash flow forecasts of the Group. • Inquired of management and directors as to the future planned expenditure on capitalised exploration and evaluation assets and assessed plans for future expenditure to meet minimum licence requirements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 27 to 35 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Peel Mining Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Helen Bathurst

Helen Bathurst
Partner

Perth
29 September 2021

Corporate Governance Statement

ASX best practice recommendations

This statement outlines the main corporate governance practices that were formally in place from 15 September 2014 onwards and were updated 11 August 2021. These corporate governance practices comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

Company values

The Company's culture is based on striving to achieve excellence in all we do through perseverance and teamwork. The core values we seek our board, management, staff, and contractors to commit to are:

Safety	undertaking all activities in a safe and responsible manner
Sustainability	undertaking our activities in an effort to create a better future for all stakeholders
Integrity	acting honestly and reliably in all actions and dealings
Respect	accepting others for who they are, and giving consideration to their opinions and rights
Excellence	striving to be the best that we can be and persisting when faced with challenges
Perseverance	persistence in undertaking our activities despite difficulty or challenges in achieving success

Board of directors

The Board operates in accordance with the broad principles set out in its' Corporate Governance Plan (Plan), 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:

Strategy	Providing strategic guidance to the Company, including contributing to the development of and approving the corporate strategy
Financial performance	Approving budgets, monitoring management and financial performance
Financial reporting and audits	Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the external auditors
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
Remuneration	Management of the remuneration and reward systems and structures for Executive management and staff
Risk management	Ensuring that appropriate risk management systems and internal controls are in place
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 four 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:

- does not hold more 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;
- is not, or has not been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- is not, or has not within the last three years been, a partner, director or senior employee of a provider of material professional services or a material consultant to the Company or any of its child entities

- is not, or has not been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- is not a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- does not have a material contractual relationship with the Company or its child entities other than as a Director;
- does not have close family ties with any person who falls within any of the categories described above; or
- has not been a Director of the Company for such a period that his or her independence may have been compromised.

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.

All Board Members receive performance-based remuneration as outlined in the Remuneration Report. However, the Board are of the opinion that these incentives are aligned with the Company's objectives and the quantum received do not compromise the independence of the individual director.

The Board recognises that it has 50% independent directors and not a majority. This is mainly due to the size of the Board and the composition of executive and non-executive directors. When the Board decides to appoint additional members, it will ensure that the majority of directors are independent.

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, Marketing
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 – Geology Exploration & Production, Base Metals – Geology Exploration & Production, Precious Metals – Mining Engineering, Base Metals – Mining Engineering, Mineral Economics

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 external professional advice as they considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

Nomination committee / appointment of new directors

Because of the size of the Group and the size of the Board, the Directors do not believe it is appropriate to establish a separate Nomination Committee. The board has adopted a Nomination Committee Charter and will act in accordance with the Charter and 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 internet. 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. The Board will approve and review continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.

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. Where standing for re-election as a Director, the term of office served by the Director and a statement of whether the Board considers the candidate to be independent and if the Board supports the re-election of the candidate will be provided to shareholders.

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 Corporate Governance Plan;
- 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 Company currently has a naturally diverse workplace in terms of gender, age, ethnicity and cultural background, and believes that currently meets the objectives of its policy. As such no formal measurable objectives have been required or set for achieving diversity. This will be monitored by the Board on an annual basis.

The policy was formally adopted by the Company on the 23 September 2015 and updated as at 1st September 2020.

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

Proportion of Women

	Proportion of women
Organisation as a whole	11 out of 37 (30%)
Executive management team	0 out of 2 (0%)
Board	0 out of 4 (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 quality Executives and Management;
- Design executive remuneration to attract, retain and motivate high quality senior executives;
- Link Executive rewards to shareholder value; and
- Establish appropriate performance hurdles in relation to variable Executive and Management 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 adopted a Remuneration Committee Charter and will act in accordance with the Charter. The full Board will hold special meetings or sessions as required to review any matters of significance affecting the remuneration of the Board and employees of the Company. 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 increased activity undertaken by the Company and growth of its operations and financial affairs, the Board has resolved to establish a separate audit and risk committee commencing in the 2022 financial year. At the current time all Board members will sit on the committee and will assure the 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 standard; monitoring compliance of the accounting records and procedures in conjunction with the Company's auditor, on matters overseen by the Australian Securities and Investments Commission, ASX and Australian Taxation Office;

i. 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;
ii. monitoring compliance of the accounting records and procedures in conjunction with the Company's auditor, on matters overseen by the Australian Securities and Investments Commission, ASX and Australian Taxation Office;
iii. 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;
iv. reviewing audit reports and management letters to ensure prompt action is taken;
v. 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

As mentioned above, the Board has resolved to established an Audit and Risk Committee to make recommendations to the Board in relation to determining the Company's 'risk profile' and for overseeing and implementing risk management strategy and policies, internal compliance and internal control systems. In summary, the Committee will ensure 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. To this point in time, the Board as a whole has taken on this responsibility.

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 be 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 affected by these economic risks.

The 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 the Board regularly assesses 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 2021 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 found in the Company's Corporate Governance Plan, and accessed from Peel Mining Limited's website at http://www.peelmining.com.au.

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.

All resolutions at shareholder meetings will be decided by a poll.

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 23 September 2021.

Distribution of shareholders

Range	Number of holders	Number of ordinary shares	%
1-1,000	101	22,516	0.01
1,001 - 5,000	224	1,840,431	0.44
5,001 - 10,000	317	963,216	0.23
10,001 - 100,000	358	381,247,352	91.19
100,001 – 999,999,999	818	34,024,242	8.14
Total	**1,818**	**418,097,757**	**100.00**

Substantial shareholders

	Number of ordinary shares	%
1. Hampton Hill	74,871,593	17.91
2. St Barbara Limited	41,537,109	9.93
3. Paradise Investment Management Pty Ltd	22,984,128	5.50

Twenty largest shareholders

Range	Number of holders	Number of ordinary shares	%
1.	ST BARBARA LTD	41,537,109	9.93
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	35,942,013	8.60
3.	PERTH CAPITAL PTY LTD	22,539,440	5.39
4.	PERTH CAPITAL PTY LTD	20,150,000	4.82
5.	POINT NOMINEES PTY LTD	18,000,751	4.31
6.	WINCHESTER INVESTMENTS GROUP PTY LIMITED	18,000,000	4.31
7.	BELGRAVIA STRATEGIC EQUITIES PTY LTD	15,550,000	3.72
8.	BNP PARIBAS NOMS PTY LTD	14,688,433	3.51
9.	HAMPTON HILL MINING NL	10,800,000	2.58
10.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,722,305	2.33
11.	JAYLEAF HOLDINGS PTY LTD	8,178,739	1.96
12.	GLYDE STREET NOMINEES PTY LTD	7,200,000	1.72
13.	WYTHENSHAWE PTY LTD	5,593,000	1.34
14.	TREASURY SERVICES GROUP PTY LTD	5,574,266	1.33
15.	CS FOURTH NOMINEES PTY LIMITED	4,857,736	1.16
16.	WYTHENSHAWE PTY LTD	4,498,750	1.08
17.	WARRAMBOO HOLDINGS PTY LTD	4,140,403	0.99
18.	KERONGA DEVELOPMENTS PTY LTD	3,507,399	0.84
19.	MR ROBERT MACLAINE TYSON	2,877,625	0.69
20.	MR ANDREW LENOX HEWITT	2,729,218	0.65
		256,087,187	61.25

At the prevailing market price of $0.23 per share there were 206 shareholders with less than a marketable parcel of shares at 23 September 2021.

At 23 September 2021 there were 1,818 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 12,712,500 unlisted securities on issue comprising of 9,612,500 share options on issue and 3,100,000 performance rights.

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)"

PEEL MINING LIMITED
ASX: PEX

Unit 1, 34 Kings Park Road
WEST PERTH WA 6005
T: +61 (0)8 9382 3955
E: info@peelmining.com.au

www.peelmining.com.au