

# Peel Mining Ltd

07:58 04 Dec 2019

## Peel Mining has a proven track record of making discoveries: Hartleys

Peel Mining Ltd (ASX:PEX) has three projects covering over 5,000 square kilometres of prospective exploration ground in the Cobar Basin of NSW.

The company has a strong track record of making discoveries, having uncovered 3 deposits in 7 years; the 100%-owned Wagga Tank-Southern Nights zinc-lead-silver discovery, the Mallee Bull copper discovery (JV with CBH Resources); and the Wirlong copper discovery (JV with JOGMEC).

Hartleys has initiated coverage of Peel with a Speculative Buy recommendation and a 12-month price target of 38 cents per share.

Following is an extract from Hartleys' initiation report:

### The flagship Wagga Tank-Southern Nights

At the Wagga Tank Project, Peel has drilled in excess of 80,000m since acquisition in 2016 and earlier this year, released a maiden resource of 3.8Mt @ 9.2% ZnEq. The system currently covers >2km of strike from Wagga Tank to Southern Nights and Peel sees similarities to the massive Roseberry deposit in Tasmania, which has operated continuously since 1936. Given Volcanogenic Massive Sulphide (VMS) deposits tend to cluster, we see excellent potential to grow the current Wagga Tank-Southern Nights resource. As seen with many similar deposits, notably Golden Grove in WA, post commencement of operations of a modest size, the mine life can extend and grow with subsequent discoveries.

At present, we view the current, robust Wagga Tank-Southern Nights resource as being half way to becoming the size to underpin a standalone operation capable of sustaining a base case scenario, 6-year mine life, producing >60ktpa of zinc equivalent metal. Therefore, resource growth is very much required and probable, given the success PEX has had to date across its portfolio. The 'Corridor Zone' linking Wagga Tank and Southern Nights is of particular interest to us, and we see likely discoveries emerging from this 1km zone of highly prospective ground. CY20 heralds an exciting period for Peel with the latest drill results from the 'Corridor Zone', and visuals (assays pending) for the southern end of Southern Nights, highlighting immediate resource growth potential.

### Potential pathway forward for Peel

Peel, alongside its JV partner (CBH) is currently seeking regulatory approvals for an exploration decline at Mallee Bull. The JV had considered a staged development using an exploration decline to de-risk and advance the project, and would potentially utilise CBH's Endeavor mill for processing under a "dig and truck" scenario. The landscape has recently changed with CBH announcing the pending closure of Endeavor, and a sale process of the mine is

**Price:** 0.205

**Market Cap:** \$49.96 m

#### 1 Year Share Price Graph



#### Share Information

**Code:** PEX

**Listing:** ASX

52 week	High	Low
	0.32	0.1

**Sector:** General mining & base metals

**Website:** [www.peelex.com.au](http://www.peelex.com.au)

#### Company Synopsis:

*Peel Mining Ltd (ASX:PEX) is an Australian company focused on exploring and developing precious, base and specialty metals resources in New South Wales and Western Australia.*

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now underway. Peel recently reported that internal scoping/option studies highlighted the potential for a combined Wagga Tank-Southern Nights and Mallee Bull project to offer a critical mass of mining inventory to support a new processing hub in the Southern Cobar Basin. We see this as a positive development and await further information from Peel.

### **Initiate coverage with a Speculative Buy**

We initiate coverage of Peel with a Speculative Buy recommendation and a 12-month price target of 38c/share. Peel has a strong technical footing and a proven track record of making discoveries. The Company is priced for success and while, in our view, the current resource base is not quite at a size and scale to underpin development of a standalone operation today, given the high calibre technical team and the multiple quality targets, we see strong potential for Peel to grow its resource base over time.

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