

MALLEE BULL UPDATE

Peel Mining (ASX:PEX) ("Peel" or the "Company") is pleased to provide an update on the Pre-Feasibility Study ("PFS") for the Company's 50%-owned Mallee Bull deposit, located near Cobar in western NSW.

PFS work completed to date at Mallee Bull has involved the refinement of the preferred PFS pathway. As previously reported, the aim of the study was to investigate the conceptual development of the Silver Ray lens (formerly T1) as a "dig and truck" operation, under which ore would be milled at CBH's Endeavor mine approximately 150km away, where surplus milling capacity exists. Peel and CBH believe the staged mining development of the Mallee Bull deposit could allow for a significant reduction in total capital expenditure.

PFS concepts have considered open pit and underground mining scenarios of the Silver Ray lens, followed by the development of an exploration decline to ~300m below surface to enable the underground drilling of the primary Mallee Bull copper mineralisation. Iterative work to date has shown an underground mining scenario to be the preferred route.

Additionally, a recently completed review of the upper part of the Mallee Bull mineral resource has identified good potential to add further mineralisation to the scope of the PFS, in particular a cluster of strong drill intercepts that lie between ~180m and ~300m below surface. The current drill spacing between many of these drillholes precludes the ability to estimate an indicated mineral resource for this area, and consequently, a decision to complete an in-fill drilling program has been made.

The proposed drill program comprises 11 RC pre-collar/diamond tail drillholes for about 3,300m. The primary aim of this drilling is to infill to a maximum of ~30m spacing between drill intercepts in the main zone of interest. Drilling will also provide additional geotechnical information, and material for further metallurgical testwork if required. Drilling is anticipated to start within the next fortnight and is anticipated to take ~4 weeks to complete. It is anticipated that this drilling will extend the timeframe for completion of the PFS to mid-year.

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