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EXPLORATION UPDATE - STRONG MINERALISATION AT WIRLONG, RED SHAFT, SANDY CREEK

- **Maiden Peel drill programme at Wirlong and Red Shaft returns strong base and precious metals mineralisation with better results including:**
  - **4m @ 3.04% Cu, 12 g/t Ag, 0.19% Zn from 196m in WLRC005**
  - **2m @ 2.99% Cu, 1.08 g/t Au, 16 g/t Ag, 0.41% Zn from 322m in WLRC006**
  - **2m @ 2.30% Zn, 0.81% Pb, 4 g/t Ag from 139m in WLRC007**
  - **9m @ 2.19% Pb, 0.11% Zn from 1m and 6m @ 1.01% Pb from 13m in WLRAB004**
  - **15m @ 0..86 g/t Au from 7m in RSRAB035**
- **Broad shear-related, sediments and felsic volcanics-hosted mineralisation at Wirlong, now defined over 2.5km strike; prospective stratigraphy defined over 6km strike from Red Shaft to Wirlong**
- **Diamond drillhole PSCDD002 at Sandy Creek intersects chlorite-altered, quartz-healed brecciated turbidite sediments with locally strong sulphide (pyrrhotite-pyrite-galena-sphalerite-chalcopyrite) mineralisation**
- **DHEM planned for WLRC005/006 and PSCDD002**
- **Innovative DC/IP/MT survey at Mallee Bull using State-of-the-art "Orion 3D" completed; results pending**

Peel Mining Limited (ASX: PEX) is pleased to announce that recent drilling at the Cobar Superbasin Project has returned strong base and precious metals mineralisation from the Wirlong, Red Shaft and Sandy Creek prospects. The Cobar Superbasin Project is subject to a Memorandum of Agreement with Japan Oil, Gas, and Metals National Corporation (JOGMEC), under which JOGMEC may earn up to 50% interest by funding up to $7m of exploration. Peel remains as Operator during the earn-in period. This initial exploration programme, which is now nearing completion, encompassed ~$1,000,000 of exploration expenditure comprising drilling (808m diamond, 4,080m RC, 6,214m RAB), geophysics (hi-resolution airborne magnetics/radiometrics, gravity, Induced Polarisation and downhole EM surveys) and other field activities.

Wirlong

Peel is greatly encouraged by the results received from its maiden drill programme at Wirlong, particularly given the prospect's early-stage of investigation. In total, 6 RC drillholes were successfully completed at Wirlong - 3 drillholes (WLRC001, 003 and 004) were drilled to test chargeable IP geophysical anomalies and 3 drillholes (WLRC005, 006 and 007) were drilled to test geochemical anomalies. WLRC002 was terminated early due to excessive lift. All three drillholes targeting geochemical anomalies returned strong base metals mineralisation including:

- **4m @ 3.04% Cu, 12 g/t Ag, 0.19% Zn from 196m in WLRC005;**
- **2m @ 2.99% Cu, 1.08 g/t Au, 16 g/t Ag, 0.41% Zn from 322m in WLRC006;**
- **2m @ 2.30% Zn, 0.81% Pb, 4 g/t Ag from 139m in WLRC007.**

WLRC001 (356m) was completed without encountering any explanation for the chargeable IP target, however it was noted that the drillhole steepened significantly from its planned trace, and as a result failed to properly test the chargeability anomaly.

WLRC002 (72m) was terminated early due to excessive lift.

WLRC003 (342m) was collared adjacent to WLRC002 and drilled at a steeper angle in an attempt to counter any excessive lift that might occur. Regardless, WLRC003 lifted significantly, and as a result failed to properly test the chargeable IP anomaly. Of note, several zones of anomalous base metal values occurred at downhole positions proximal to the assumed IP chargeable zones.

WLRC004 (300m) was completed without encountering any explanation for the chargeable IP target, however, similar to WLRC001, it was noted that the drillhole steepened significantly from the planned trace, and as a result failed to properly test the chargeable IP anomaly.

WLRC005 (360m) was designed to test a strong surface lead geochemical anomaly with coincident shearing and sericite alteration, and a moderate chargeable IP anomaly. WLRC005 encountered several broad zones of highly anomalous base metals mineralisation within sheared sediments and felsic volcanic rocks. Sulphide minerals of note include pyrite, chalcopyrite, sphalerite and galena. A strong interval of chalcopyrite-rich mineralisation was recorded at 196-200m downhole - **4m @ 3.04% Cu, 12 g/t Ag, 0.19% Zn -** which occurs in a down dip position from a moderate chargeable IP anomaly. A best individual metre (196m-197m) grade of 6.22% Cu indicates the potential of the mineralised system at Wirlong.

Figure 1 – WLRC005 RC drill chips showing chalcopyrite mineralisation within sheared felsic volcanic

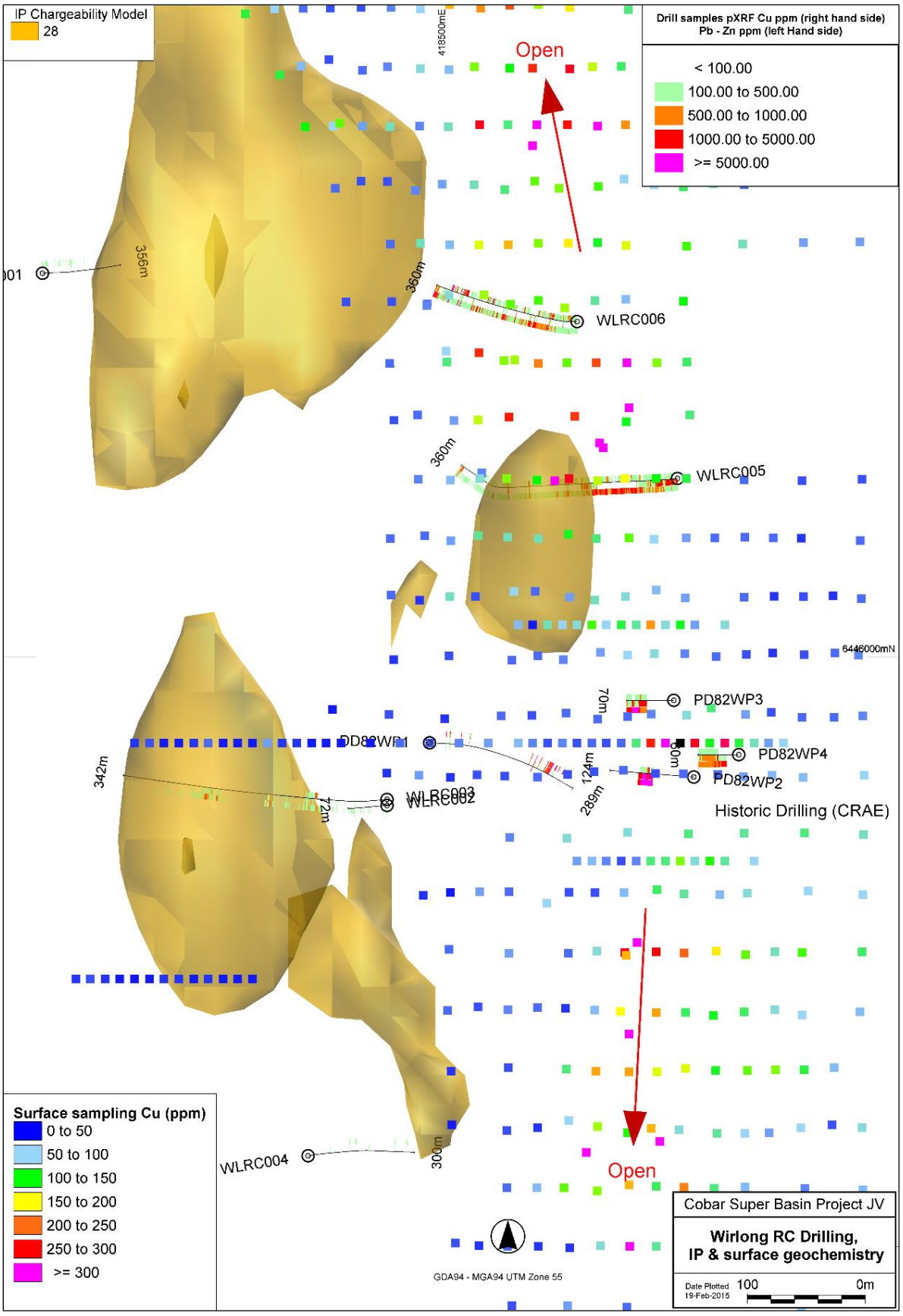

Figure 2 – Wirlong RC Drilling, IP and surface geochemistry

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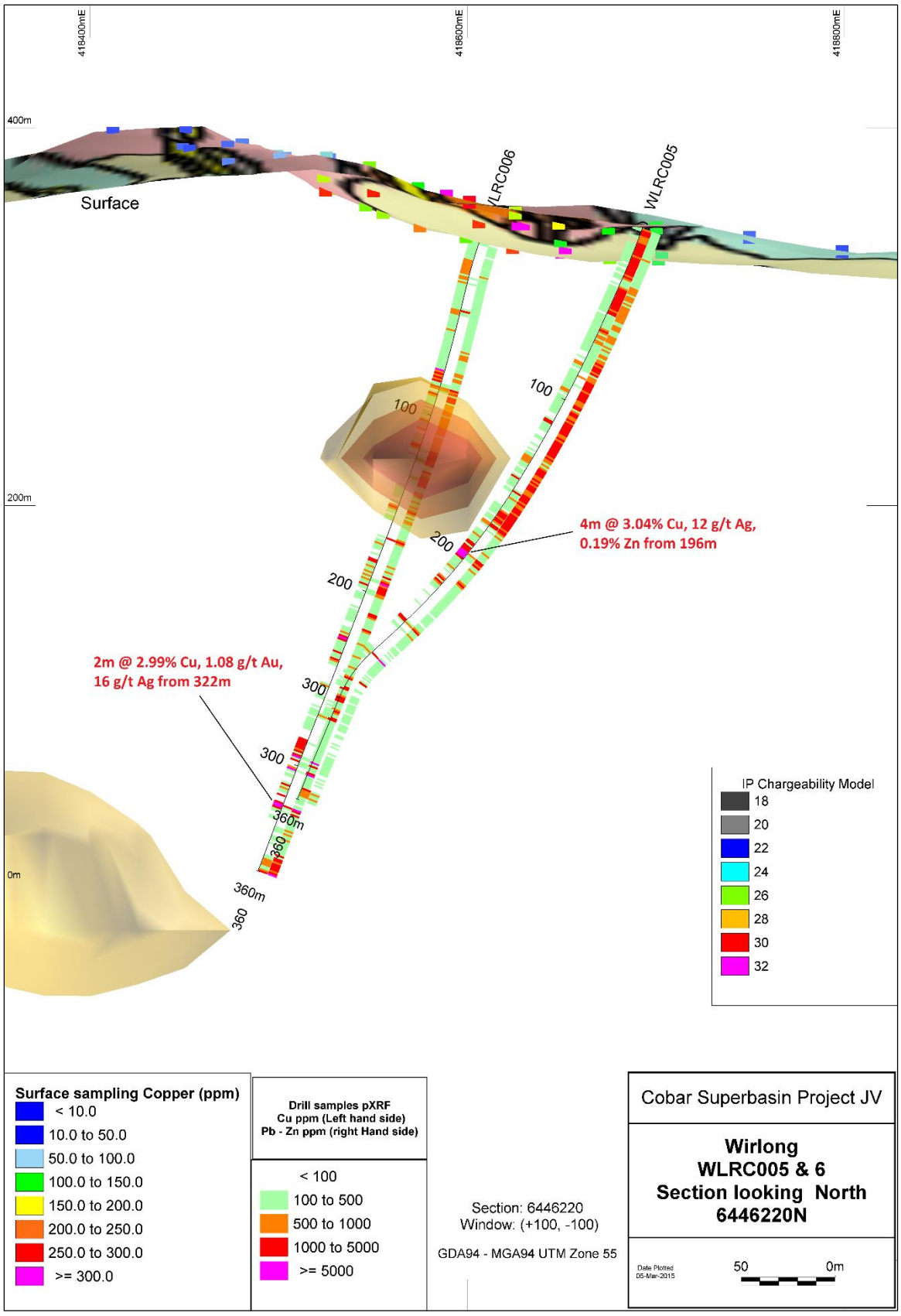

Figure 3 – 6446220N Section looking North – WLRC005 and WLRC006 with IP chargeable shells.

WLRC006 (360m) was designed to test a strong surface lead-copper geochemical anomaly with coincident shearing and alteration and a deep chargeable IP anomaly. WLRC006 was collared about 130m North of WLRC005 and encountered several broad zones of highly anomalous base metals mineralisation within sheared predominantly felsic volcanic rocks. Sulphide minerals of note include pyrite, chalcopyrite, sphalerite and galena. A strong interval of chalcopyrite-rich mineralisation with associated moderate-strong chlorite alteration was recorded at 322-324m downhole - **2m @ 2.99% Cu, 1.06 g/t Au, 16 g/t Ag, 0.41% Zn**.

WLRC007 (234m), located about 1.4km North of WLRC006 and 2.2km North of the historic Wirlong workings, was designed to test beneath WLRAB004 which returned **9m @ 2.19% Pb, 0.11% Zn from 1m and 6m @ 1.01% Pb from 13m**. Broad intervals of highly anomalous base metals mineralisation were returned including **2m @ 2.30% Zn, 0.81% Pb, 4 g/t Ag from 139m**.

Peel also completed 52 RAB drillholes at the Northern end of the Wirlong prospect, about 2 km North of the historic Wirlong workings. The majority of these drillholes intersected highly anomalous base metals mineralisation including the aforementioned WLRAB004.

Results indicate that Wirlong represents a very large, mineralised, hydrothermal system, with a strike length of more than 2.5km, open to the North and South. Furthermore, the prospective stratigraphy that hosts mineralisation at Wirlong is traceable to the Red Shaft prospect, indicating a mineralised trend covering more than 6km of strike. Wirlong shares many attributes similar to other Cobar-style deposits including the Shuttleton copper deposit (6km to the West) and the Peak/Perseverance gold-copper deposits with mineralisation being hosted in sheared felsic volcanics and sediments with strong sericite and chlorite alteration.

DHEM is planned for WLRC005 and WLRC006 with follow-up drill planning now underway.

Red Shaft

Drilling at Red Shaft comprised 2 RC drillholes for 303m and 40 RAB drillholes for 1,953m. Strong base and precious metals mineralisation was returned from multiple drillholes. Red Shaft bares many similarities to Wirlong with mineralisation hosted within sheared felsic volcanics and sediments.

RSRC001 (189m) was designed to test a strong surface copper anomaly in close proximity to the main historic working at Red Shaft however only weak copper-zinc anomalism was returned.

RSRC002 (114m) was designed to test beneath significant gold-base metals mineralisation returned from **RSRAB035: 15m @ 0.86 g/t Au from 7m**. Highly anomalous base metal values were returned from several broad zones within RSRC002, however, only minor gold values were present.

Interpretation of Red Shaft results is continuing.

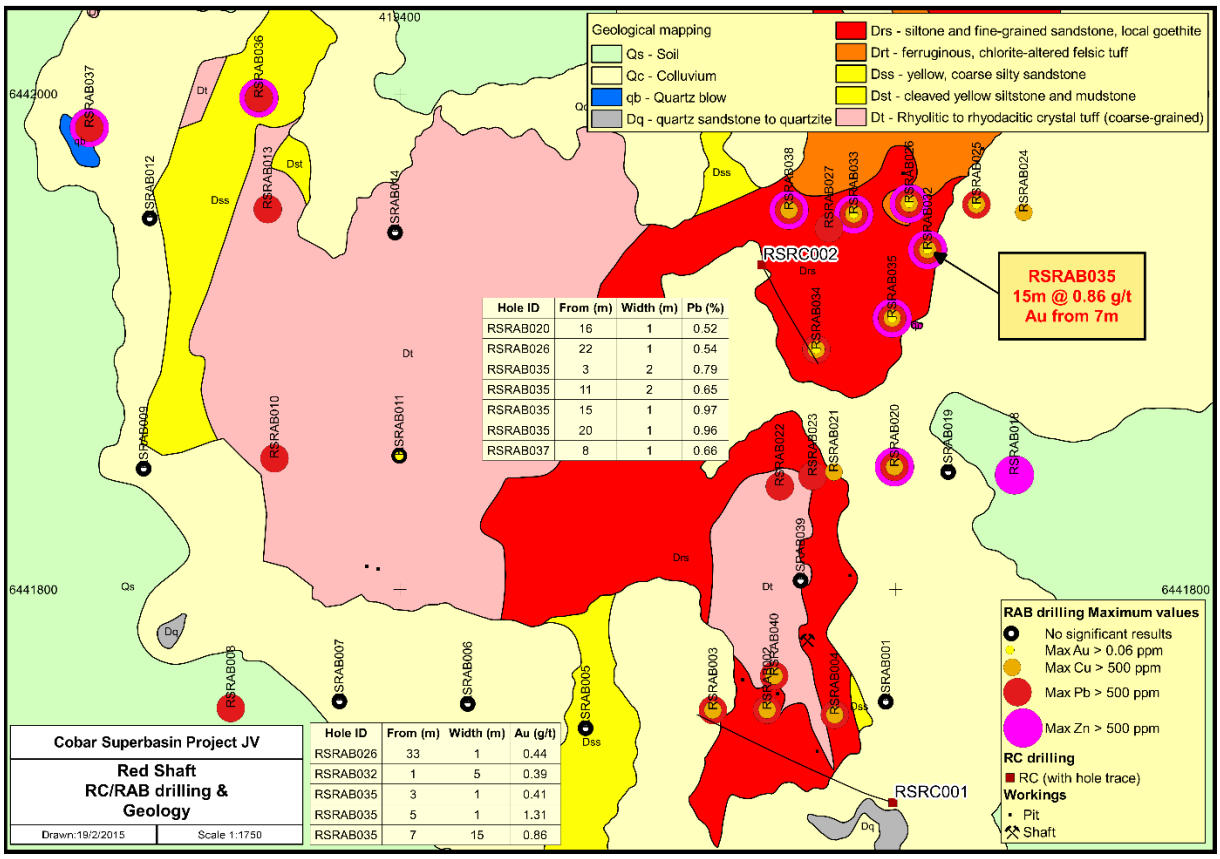

Figure 4 – Red Shaft RC/RAB Drilling and Geology

Sandy Creek

Drilling at Sandy Creek comprised 4 RC drillholes for 752m; 1 RC precollar with diamond tail drillhole for 308m RC, 208m diamond; and 1 diamond drillhole for 600m. A further 51 RAB drillholes for 1,786m were also completed. Drillholes PSCRCDD002 and PSCDD002 encountered encouraging mineralisation which continues to highlight the potential of the Sandy Creek prospect.

PSCRC001 (160m) and PSCRC003 (160m) were both designed to test shallow IP resistivity targets however no significant results were returned.

PSCRCDD002 (516m) was designed to test a strong chargeable IP anomaly at the Northern end of the Sandy Creek prospect. An RC pre-collar was completed to 308m which was then followed by a 208m diamond tail. PSCRCDD002 predominantly encountered fine-to-medium grained turbiditic sediments, with noticeable volcaniclastic components in places. Pyrrhotite and pyrite sulphide mineralisation occurs at deeper levels (below 350m downhole) and are interpreted as contributing to the IP response. In places, fine mudstone units are fractured with thin network-type veins and/or shearing in places. Several minor sphalerite/chalcopyrite/pyrrhotite/galena veins occur in fractures with anomalous but generally low base metal values returned from these zones. DHEM surveying of PSCRCDD002 show several on- and off-hole conductors, with offhole conductors positioned below the drillhole. Further downhole modelling is planned.

PSCRC004 (282m) and PSCRC005 (150m) were drilled in an attempt to target a strong chargeable IP and DHEM anomaly situated about 500m below surface in the central part of the main area of interest at Sandy Creek. PSCRC004 was terminated at 282m after significant deviation from drillhole design.

PSCRC005 was collared in a scissor position, however was also prematurely terminated following deviation from drillhole design and high water inflows.

PSCDD002 (600.2m) was designed to target the aforementioned anomaly unsuccessfully tested by PSCRC004 and PSCRC005. PSCDD002 predominantly encountered fine-to-medium grained turbiditic sediments. At about 490m, a 20m-wide zone of quartz-healed brecciated turbiditic sediments was encountered with several intervals of locally strong pyrrhotite-pyrite-sphalerite-chalcopyrite-galena mineralisation occurring in narrow massive veins and fracture fills with associated sericite and chlorite alteration. Assay results for PSCDD002 remain pending. DHEM surveying of PSCDD002 is planned.

Figure 5 – PSCDD002 sphalerite-galena-chalcopyrite-pyrrhotite vein at ~500m

Mallee Bull

During January and February, an "Orion 3D" DC/IP and MT survey covering about 5km2 was completed. Orion 3D is a cutting edge geophysical system and the results of the survey, which remain pending, are expected to guide the next phase of exploration at Mallee Bull including drilling over the coming months.

Corporate

Peel recently received a tax refund of $1.37m (before costs) for 2012/13 year in relation to Research & Development activities undertaken by the Company.

For further information, please contact Rob Tyson on +61 420 234 020.

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Sandy Creek, Red Shaft and Wirlong RC and Diamond Drill Collars

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)
PSCRC001	6435248	415156	90	-60	160
PSCRC003	6435393	415158	90	-60	160
PSCRC004	6434946	414962	86.16	-71.51	282
PSCRC005	6434921	415225	264.7	-76	150
PSCRCDD002	6435240	414991	87.5	-69.77	516
PSCDD002	6434943	414960	90	-65	600.2
RSRC001	6441714	419599	290	-64.2	189
RSRC002	6441931	419546	150	-70	114
WLRC001	6446325	418155	85.7	-79	356
WLRC002	6445874	418447	265	-67	72
WLRC003	6445879	418447	265	-75	342
WLRC004	6445577	418380	80	-65	300
WLRC005	6446151	418693	264.7	-70	360
WLRC006	6446284	418608	267.7	-70	360
WLRC007	6447710	418511	251.7	-60	234

Sandy Creek, Red Shaft and Wirlong RAB Drill Collars

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)
PSCRAB001	6434556	414650	0	-90	51
PSCRAB002	6434547	414598	0	-90	51
PSCRAB003	6434550	414549	0	-90	36
PSCRAB004	6434549	414496	0	-90	20
PSCRAB005	6434548	414449	0	-90	7
PSCRAB006	6434551	414399	0	-90	24
PSCRAB007	6434354	414600	0	-90	46
PSCRAB008	6434359	414549	0	-90	54
PSCRAB009	6434344	414497	0	-90	2
PSCRAB010	6434347	414457	0	-90	54
PSCRAB011	6433742	414354	0	-90	17
PSCRAB012	6433841	414338	0	-90	26
PSCRAB013	6433900	414337	0	-90	17
PSCRAB014	6433944	414357	0	-90	10
PSCRAB015	6434049	414247	0	-90	54
PSCRAB016	6433952	414249	0	-90	57
PSCRAB017	6433845	414254	0	-90	80
PSCRAB018	6433749	414252	0	-90	67
PSCRAB019	6433729	414180	0	-90	69
PSCRAB020	6433744	414150	0	-90	63
PSCRAB021	6433847	414155	0	-90	59
PSCRAB022	6433943	414155	0	-90	59
PSCRAB023	6434050	414148	0	-90	57
PSCRAB024	6433796	414343	0	-90	18
PSCRAB025	6433861	414302	0	-90	10
PSCRAB026	6433837	414410	0	-90	39
PSCRAB027	6433787	414421	0	-90	44
PSCRAB028	6433796	414383	0	-90	31
PSCRAB029	6433795	414359	0	-90	26
PSCRAB030	6433770	414348	0	-90	19
PSCRAB031	6433793	414311	0	-90	10
PSCRAB032	6433823	414344	0	-90	18
PSCRAB033	6433854	414321	0	-90	16

PSCRAB034	6433855	414386	0	-90	30
PSCRAB035	6433848	414440	0	-90	45
PSCRAB036	6433837	414479	0	-90	48
PSCRAB037	6433792	414452	0	-90	42
PSCRAB038	6434824	414936	0	-90	11
PSCRAB039	6434826	414895	0	-90	3
PSCRAB040	6434821	414874	0	-90	5
PSCRAB041	6434826	414854	0	-90	10
PSCRAB042	6434828	414815	0	-90	19
PSCRAB043	6434829	414780	0	-90	28
PSCRAB044	6434831	414736	0	-90	63
PSCRAB045	6434832	414696	0	-90	63
PSCRAB046	6434346	414411	0	-90	76
PSCRAB047	6433774	414388	0	-90	33
PSCRAB048	6433824	414379	0	-90	30
PSCRAB049	6433843	414367	0	-90	25
PSCRAB050	6433852	414338	0	-90	23
PSCRAB051	6433822	414361	0	-90	21
RSRAB001	6441755	419596	0	-90	22
RSRAB002	6441751	419548	0	-90	42
RSRAB003	6441751	419526	0	-90	27
RSRAB004	6441749	419576	0	-90	48
RSRAB005	6441744	419475	0	-90	42
RSRAB006	6441754	419427	0	-90	24
RSRAB007	6441755	419376	0	-90	43
RSRAB008	6441752	419332	0	-90	42
RSRAB009	6441849	419297	0	-90	30
RSRAB010	6441853	419349	0	-90	21
RSRAB011	6441854	419400	0	-90	35
RSRAB012	6441950	419299	0	-90	28
RSRAB013	6441954	419347	0	-90	15
RSRAB014	6441944	419398	0	-90	12
RSRAB015	6442055	419302	0	-90	30
RSRAB016	6442055	419351	0	-90	19
RSRAB017	6442051	419403	0	-90	17
RSRAB018	6441846	419648	0	-90	108
RSRAB019	6441847	419621	0	-90	102
RSRAB020	6441850	419600	0	-90	103
RSRAB021	6441847	419575	0	-90	5
RSRAB022	6441842	419553	0	-90	14
RSRAB023	6441846	419567	0	-90	16
RSRAB024	6441952	419652	0	-90	113
RSRAB025	6441955	419633	0	-90	120
RSRAB026	6441956	419606	0	-90	35
RSRAB027	6441946	419573	0	-90	28
RSRAB028	6442053	419703	0	-90	78
RSRAB029	6442055	419671	0	-90	62
RSRAB030	6442059	419656	0	-90	46
RSRAB031	6442054	419628	0	-90	82
RSRAB032	6441937	419613	0	-90	113
RSRAB033	6441952	419583	0	-90	75
RSRAB034	6441897	419568	0	-90	56
RSRAB035	6441910	419599	0	-90	61

RSRAB036	6441998	419343	0	-90	49
RSRAB037	6441986	419275	0	-90	43
RSRAB038	6441953	419557	0	-90	52
RSRAB039	6441804	419562	0	-90	55
RSRAB040	6441765	419551	0	-90	40
WLRAB001	6447704	418599	0	-90	30
WLRAB002	6447696	418552	0	-90	26
WLRAB003	6447706	418506	0	-90	46
WLRAB004	6447704	418453	0	-90	30
WLRAB005	6447694	418402	0	-90	23
WLRAB006	6447696	418357	0	-90	34
WLRAB007	6447600	418604	0	-90	32
WLRAB008	6447601	418558	0	-90	27
WLRAB009	6447604	418507	0	-90	27
WLRAB010	6447596	418455	0	-90	38
WLRAB011	6447596	418400	0	-90	28
WLRAB012	6447599	418355	0	-90	6
WLRAB013	6447600	418623	0	-90	28
WLRAB014	6447548	418623	0	-90	34
WLRAB015	6447498	418552	0	-90	26
WLRAB016	6447502	418501	0	-90	24
WLRAB017	6447496	418451	0	-90	24
WLRAB018	6447501	418357	0	-90	26
WLRAB019	6447500	418399	0	-90	4
WLRAB020	6447507	418534	0	-90	20
WLRAB021	6447485	418577	0	-90	25
WLRAB022	6447406	418552	0	-90	22
WLRAB023	6447396	418499	0	-90	25
WLRAB024	6447397	418452	0	-90	27
WLRAB025	6447401	418403	0	-90	28
WLRAB026	6447300	418550	0	-90	11
WLRAB027	6447299	418499	0	-90	25
WLRAB028	6447300	418450	0	-90	24
WLRAB029	6447301	418400	0	-90	31
WLRAB030	6447301	418350	0	-90	19
WLRAB031	6447905	418663	0	-90	13
WLRAB032	6447896	418592	0	-90	78
WLRAB033	6447892	418543	0	-90	52
WLRAB034	6447898	418502	0	-90	66
WLRAB035	6447905	418451	0	-90	58
WLRAB036	6447894	418399	0	-90	51
WLRAB037	6447897	418343	0	-90	72
WLRAB038	6447806	418602	0	-90	61
WLRAB039	6447788	418540	0	-90	43
WLRAB040	6447786	418493	0	-90	34
WLRAB041	6447802	418448	0	-90	29
WLRAB042	6447808	418388	0	-90	21
WLRAB043	6447847	418553	0	-90	63
WLRAB044	6448054	418680	0	-90	81
WLRAB045	6448124	418694	0	-90	39
WLRAB046	6448163	418656	0	-90	39
WLRAB047	6448189	418630	0	-90	48
WLRAB048	6448219	418593	0	-90	21

WLRAB049	6448221	418548	0	-90	30
WLRAB050	6448219	418492	0	-90	30
WLRAB051	6447977	418675	0	-90	40
WLRAB052	6447890	418525	0	-90	25

Mundoe RC Drill Collars

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)
MURC010	6361660	420858	270	-70	242
MURC011	6361863	420775	270	-70	195
MURC012	6361369	421035	270	-65	256

Sandy Creek, Red Shaft and Wirlong RAB Drilling pXRF Assays

Hole ID	From (m)	To (m)	Width (m)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
PSCRAB08	29	31	2	35.5	0.36	0.55	0.43
RSRAB020	16	17	1	NSA	0.09	0.52	0.01
RSRAB026	22	23	1	14	0.11	0.54	0.02
RSRAB035	3	5	2	NSA	0.13	0.79	0.06
	11	13	2	NSA	0.09	0.65	0.02
	15	16	1	NSA	0.18	0.97	0.06
	20	21	1	NSA	0.19	0.96	0.05
RSRAB037	8	9	1	NSA	0.03	0.66	0.04
WLRAB003	39	41	2	NSA	0.02	1.05	0.23
WLRAB004	1	2	1	NSA	0.02	0.55	0.04
	3	6	3	NSA	0.04	3.61	0.14
	7	8	1	NSA	0.05	2.55	0.12
	9	10	1	NSA	0.03	0.86	0.07
	13	18	5	1.4	0.03	1.62	0.07
WLRAB007	20	21	1	NSA	0.03	0.76	0.08
WLRAB008	23	24	1	NSA	0.08	0.98	0.23
WLRAB010	29	30	1	NSA	0.01	1.31	0.09
	31	32	1	NSA	0.01	0.69	0.08
WLRAB030	7	10	3	NSA	0.02	0.71	0.08
WLRAB036	23	24	1	NSA	0.01	0.57	0.11
	25	28	3	NSA	0.01	0.64	0.12
	30	31	1	NSA	0.01	0.63	0.11
	39	41	2	NSA	0.01	0.53	0.10
	44	45	1	NSA	0.02	0.52	0.07

Red Shaft RAB Drilling Au Assays

Hole ID	From (m)	To (m)	Width (m)	Au (g/t)
RSRAB026	33	34	1	0.44
RSRAB032	1	6	5	0.39
RSRAB035	3	4	1	0.41
RSRAB035	5	6	1	1.31
RSRAB035	7	22	15	0.86
including	7	8	1	1.56
	16	19	3	1.72

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Sandy Creek, Red Shaft and Wirlong RC Drilling pXRF Assays

Hole ID	From (m)	To (m)	Width (m)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
WLRC005	196	200	4	11	2.72	0.03	0.21
	269	270	1	NSA	0.02	0.36	0.96
WLRC006	75	76	1	NSA	0.53	0.00	0.05
	193	194	1	NSA	0.05	0.02	0.75
	227	228	1	NSA	0.74	0.00	0.08
	295	296	1	NSA	0.52	0.03	0.51
	302	303	1	NSA	0.59	0.02	0.60
	322	324	2	13	2.05	0.05	0.38
	359	360	1	9	0.01	0.31	0.74
WLRC007	52	53	1	10	0.04	0.78	0.20
	71	72	1	NSA	0.00	0.61	0.41
	102	103	1	NSA	0.00	0.21	0.76
	119	120	1	NSA	0.00	0.29	0.87
	128	130	2	NSA	0.01	0.03	0.97
	139	141	2	NSA	0.06	0.88	3.63
	143	145	2	3.5	0.01	0.31	0.92
	163	165	2	NSA	0.02	0.35	0.86
	167	169	2	NSA	0.05	0.66	1.25
	170	172	2	NSA	NSA	0.08	0.89
	185	186	1	NSA	0.07	0.31	0.82

Sandy Creek, Red Shaft and Wirlong RC Drilling ME MS61 Assays

Hole ID	From (m)	To (m)	Width (m)	Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)
WLRC005	196	200	4	12	NA	3.04	0.03	0.19
WLRC006	322	324	2	16	1.08	2.99	0.06	0.41
WLRC007	139	141	2	4	NA	0.05	0.81	2.30

Mundoe RC Drilling pXRF Assays

Hole ID	From (m)	To (m)	Width (m)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
MURC011	17	18	1	95	0.03	0.07	0.01
	97	99	2	39	0.67	0.01	0.05
	102	103	1	47	0.75	0.03	0.03
	107	108	1	35	0.67	0.02	0.02
	119	120	1	31	0.91	0.02	0.04
	122	123	1	32	0.94	0.02	0.06
	139	140	1	27	0.93	0.04	0.05
	153	154	1	14	0.03	0.21	0.67
	165	166	1	71	2.89	0.02	0.04
MURC012	205	213	8	55	0.15	0.11	0.10

Mundoe RC Drilling Au Assays

Hole ID	From (m)	To (m)	Width (m)	Au (g/t)
MURC011	72	78	6	0.34
MURC011	78	84	6	0.23
MURC012	204	210	6	0.59

Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by 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.

Table 1 - Section 1: Sampling Techniques and Data for Mallee Bull/Cobar Superbasin Project

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond, reverse circulation (RC) and Rotary Air Blast (RAB) drilling were used to obtain samples for geological logging and assaying. • Diamond core was cut and sampled at 1m intervals. RC and RAB drill holes were sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of 2-4kg to ensure sample representivity. • Multi-element readings were taken of the RC and RAB drill chips using an Olympus Delta Innov-X portable XRF tool. The portable XRF was calibrated against standards after every 30 readings.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling to date has been a combination of diamond, reverse circulation and rotary air blast. Reverse circulation drilling utilised a 5 1/2 inch diameter hammer. A blade bit was predominantly used for RAB drilling. NQ and HQ coring was used for diamond drilling.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recoveries are recorded by the drillers in the field at the time of drilling and checked by a geologist or technician. • RC and RAB samples are not weighed on a regular basis due to the exploration nature of drilling but no significant sample recovery issues have been encountered in drilling programs to date. • Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking and depths are

Criteria	JORC Code explanation	Commentary
		checked against the depths recorded on core blocks. Rod counts are routinely undertaken by drillers. • When poor sample recovery is encountered during drilling, the geologist and driller have endeavoured to rectify the problem to ensure maximum sample recovery. • Sample recoveries to date have generally been high. Insufficient data is available at present to determine if a relationship exists between recovery and grade. This will be assessed once a statistically valid amount of data is available to make a determination.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All core and drill chip samples are geologically logged. Core samples are orientated and logged for geotechnical information. Drill chip samples are logged at 1m intervals from surface to the bottom of each individual hole to a level that will support appropriate future Mineral Resource studies. • Logging of diamond core, RC and RAB samples records lithology, mineralogy, mineralisation, structure (DDH only), weathering, colour and other features of the samples. Core is photographed as both wet and dry. • All diamond, RC and RAB drill holes in the current program were geologically logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Drill core was cut with a core saw and half core taken. • The RC and RAB drilling rigs were equipped with an in-built cyclone and splitting system, which provided one bulk sample of approximately 20kg and a sub-sample of 2-4kg per metre drilled. • All samples were split using the system described above to maximise and maintain consistent representivity. The majority of samples were dry. • Bulk samples were placed in green plastic bags, with the sub-samples collected placed in calico sample bags. • Field duplicates were collected by re-splitting the bulk samples from large plastic bags. These duplicates were designed for lab checks. • Early stage exploration sees composite sampling completed for Au only analysis, with samples hand speared using a half round piece of pipe with samples collected

Criteria	JORC Code explanation	Commentary
		as 6m composites. Resampling is undertaken using split samples which are stored with the bulk samples at the time of drilling. • Where pXRF sampling indicates significant base metals mineralisation, 1m split samples for those intervals are collected and submitted for multi-element analysis. • A sample size of 2-4kg was collected and considered appropriate and representative for the grain size and style of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• ALS Laboratory (Orange) was used for Au analysis work carried out on the 6m composite samples and 1m split samples. The laboratory techniques below are for all samples submitted to ALS and are considered appropriate for the style of mineralisation defined at Mundoe, Sandy Creek, Wirlong and Red Shaft: ○ PUL-23 (Sample preparation code) ○ ME-MS61 multi-element ○ Or an appropriate Ore Grade base metal AA finish ○ Au-AA26 Ore Grade Au 50g FA AA Finish • Assaying of soil samples in the field was by portable XRF instrument Olympus Delta Innov-X Analyser. Reading time was 20 seconds per filter with a total 3 filters per sample. • The QA/QC data includes standards, duplicates and laboratory checks. Duplicates for drill core are collected by the lab every 30 samples after the core sample is pulverised. Duplicates for percussion drilling are collected directly from the drill rig or the metre sample bag using a half round section of pipe. In-house QA/QC tests are conducted by the lab on each batch of samples with standards supplied by the same companies that supply our own.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All geological logging and sampling information is completed in spreadsheets, which are then transferred to a database for validation and compilation at the Peel head office. Electronic copies of all information are backed up periodically. • No adjustments of assay data are considered necessary.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine*	• A Garmin hand-held GPS is used to define the location of the drillholes and /or

Criteria	JORC Code explanation	Commentary
	workings and other locations used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	samples. Standard practice is for the GPS to be left at the site of the collar for a period of 5 minutes to obtain a steady reading. Collars are picked up at a later date by DGPS. Down-hole surveys are conducted by the drill contractors using either a Reflex gyroscopic tool with readings every 10m after drill hole completion or a Reflex electronic multi-shot camera will be used with readings for dip and magnetic azimuth taken every 30m down-hole. QA/QC in the field involves calibration using a test stand. The instrument is positioned with a stainless steel drill rod so as not to affect the magnetic azimuth. • Grid system used is MGA 94 (Zone 55). All down-hole magnetic surveys were converted to MGA94 grid.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data/drill hole spacing is variable and appropriate to the geology and historical drilling. • 6m sample compositing has been applied to RC drilling at Red Shaft and Mundoe for gold assay, and to RAB drilling at Sandy Creek, Red Shaft and Wirlong.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Most drillholes are planned to intersect the interpreted mineralised structures/lodes as near to a perpendicular angle as possible (subject to access to the preferred collar position).
Sample security	• *The measures taken to ensure sample security.*	• The chain of custody is managed by the project geologist who places calico sample bags in polyweave sacks. Up to 5 calico sample bags are placed in each sack. Each sack is clearly labelled with: ○ Peel Mining Ltd ○ Address of Laboratory ○ Sample range • Detailed records are kept of all samples that are dispatched, including details of chain of custody.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data is validated when loading into the database. No formal external audit has been conducted.

Table 1 - Section 2 - Reporting of Exploration Results for Mallee Bull/Cobar Superbasin Project

Criteria	JORC Code explanation	Commentary
Mineral tenement and	• *Type, reference name/number, location and ownership including agreements or material issues*	• The Mallee Bull prospect is wholly located within Exploration Licence EL7461

Criteria	JORC Code explanation	Commentary
land tenure status	*with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	"Gilgunnia". The tenement is subject to a 50:50 Joint Venture with CBH Resources Ltd, a wholly owned subsidiary of Toho Zinc Co Ltd. • The following tenements of the Cobar Superbasin Project are reported on in this report and are subject to a Farm-in agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC): ○ EL8307 "Sandy Creek" ○ EL7976 "Mundoe" ○ EL8115 "Burthong" • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Work was completed in the area by former tenement holders Triako Resources between 2003 and 2009; it included diamond drilling, IP surveys, geological mapping and reconnaissance geochemical sampling around the historic Four Mile Goldfield area. Prior to Triako Resources, Pasminco Exploration explored the Cobar Basin area for a "Cobar-type" or "Elura-type" zinc-lead-silver or copper-gold-lead-zinc deposit.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The prospect area lies within the Cobar-Mt Hope Siluro-Devonian sedimentary and volcanic units. The northern Cobar region consists of predominantly sedimentary units with tuffaceous member, whilst the southern Mt Hope region consists of predominantly felsic volcanic rocks; the Mallee Bull prospect seems to be located in an area of overlap between these two regions. Mineralization at the Mallee Bull discovery features the Cobar-style attributes of short strike lengths (<200m), narrow widths (5-20m) and vertical continuity, and occurs as a shoot-like structure dipping moderately to the west.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly*	• All relevant information material to the understanding of exploration results has been included within the body of the announcement or as appendices. • No information has been excluded.

Criteria	JORC Code explanation	Commentary
	explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No length weighting or top-cuts have been applied. • No metal equivalent values are used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• True widths are generally estimated to be about 60% of the downhole width.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figures in the body of text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All results are reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other substantive exploration data are available.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work at Mallee Bull will include geophysical surveying and RC/diamond drilling to further define the extent of mineralization at the prospect. Down hole electromagnetic (DHEM) surveys will be used to identify potential conductive sources that may be related to mineralization. • Future work within the Cobar Superbasin tenements will involve geophysical surveying and RC/diamond drilling to target existing anomalies.