ASX ANNOUNCEMENT 23 JUNE 2015

FURTHER VERY HIGH-GRADE ZINC-LEAD-SILVER-GOLD HITS AT MALLEE BULL; MINERALISATION OPEN

- **Further very high-grade near surface zinc-lead-silver-gold mineralisation returned from T1 target at Mallee Bull with better intercepts including:**
    - **7m @ 21.39% Zn, 12.74% Pb, 203 g/t Ag and 0.58g/t Au from 71m including 5m @ 29.54% Zn, 17.52% Pb, 0.42% Cu, 280 g/t Ag, 0.80 g/t Au from 71m in MBRC028**
    - **3m @ 16.05% Zn, 7.48% Pb, 174 g/t Ag and 0.21 g/t Au from 77m in MBRC030**
    - **8m @ 2.13% Zn, 6.98% Pb, 130 g/t Ag and 0.49 g/t Au from 50m in MBRC034**
- **9 of 21 drillholes intercept high-grade Zn-Pb-Ag-Au mineralisation**
- **Mineralisation remains open in all directions; drilling to date has tested:**
    - **60m of 300m strike length at >50 mrads IP chargeability**
    - **60m of 300m strike length of modelled gravity high**
- **Follow-up drilling planned**

Peel Mining Limited (ASX: PEX) is pleased to advise that recent drilling at its 50%-owned flagship Mallee Bull project near Cobar in Western NSW, has intercepted additional very high grade near-surface zinc-lead-silver-gold mineralisation with drillhole MBRC028 returning **7m @ 21.39% Zn, 12.74% Pb, 203 g/t Ag and 0.58 g/t Au from 71m** including **5m @ 29.54% Zn, 17.52% Pb, 280 g/t Ag and 0.80 g/t Au from 71m**. MBRC028 lies updip from MBRC024 which returned an intercept of **12m @ 20.30% Zn, 14.81% Pb, 308 g/t Ag and 1.59 g/t Au from 83m** including **7m @ 31.44% Zn, 19.37% Pb, 440 g/t Ag and 2.53 g/t Au from 83m**.

T1 Results

Drillholes MBRC013 and MBRC016 to MBRC035 (21 RC drillholes for 3,787m) were drilled at the T1 geophysical target and were completed as part of a recent drilling program designed to test for new mineralisation, supplementary to the main Mallee Bull copper-silver-gold deposit (3.92Mt @ 2.7% CuEq – see ASX announcement "High Grade Copper Resource at Mallee Bull" – 27 May 2014).

T1 is one of several strong chargeable IP responses identified by the recently completed Orion 3D DCIP geophysical survey. T1 is a near-surface (starting at ~80m below surface), strong chargeable IP, low resistivity anomaly and is coincident with a gravity high. It is located in an area that has had limited previous drill testing.

As previously reported, all drillholes intersected zinc-lead-silver-gold mineralisation to varying degrees, with nine of the twenty-one drillholes intersecting high-grade mineralisation to within 50m of surface. Mineralisation comprises sphalerite-galena-pyrite sulphides in stringer to massive accumulations within fresh turbidite sediments of the Shume Formation, and is interpreted to pinch and swell as lenses and shoots, dipping at about 45 degrees to the west. Downhole widths are interpreted to approximate true widths.

Table 1: T1 – Summary of important drill results

Hole ID	From (m)	To (m)	Width (m)	Zn (%)	Pb (%)	Ag (ppm)	Au (ppm)
MBRC016	131	138	7	6.08	3.42	76	0.25
MBRC018	106	116	10	15.82	7.60	322	1.28
MBRC019	88	92	4	8.21	3.35	113	1.02
MBRC021	95	101	6	10.30	4.98	159	0.76
MBRC023	121	127	6	10.57	4.81	53	0.39
MBRC024	83	95	12	20.30	14.81	308	1.59
MBRC028	71	78	7	21.39	12.74	203	0.58
MBRC030	77	80	3	16.05	7.48	174	0.21
MBRC034	50	58	8	2.13	6.98	130	0.49

Mineralisation remains open in all directions with drilling to date having tested 60m of ~300m strike length at >50 mrads IP chargeability and 60m of ~300m strike length of modelled gravity high.

Previous drilling at Mallee Bull has intercepted substantial zinc-lead rich mineralisation, most notably on the northern end of the current resource model where it has been defined to more than 500m below surface, which remains open. This mineralisation may represent the downdip continuation to the mineralisation currently being intercepted at T1. No resource estimates have been made for zinc-lead mineralisation to date. T1 potentially offers a substantial lift to the quantum of this mineralisation.

The possibility also exists that supergene mineralisation may occur at Mallee Bull. Many polymetallic deposits host important supergene mineralisation including, for example, the Elura/Endeavor mine (owned by Peel's Mallee Bull JV partner CBH Resources), north of Cobar, host to ~100,000 tonnes of supergene mineralisation grading >3,000 g/t Ag and 8 g/t Au.

Next steps at Mallee Bull will see follow-up drilling commence upon receipt of relevant approvals.

Peel's Managing Director, Rob Tyson, commented:

"This exceptionally high-grade mineralisation so close to surface is a very important development for Mallee Bull. The innovative Orion 3D geophysical survey, in concert with recent magnetic and gravity modelling has helped deliver an excellent outcome and points to further exciting results to come. We look forward to recommencing drilling."

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

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.

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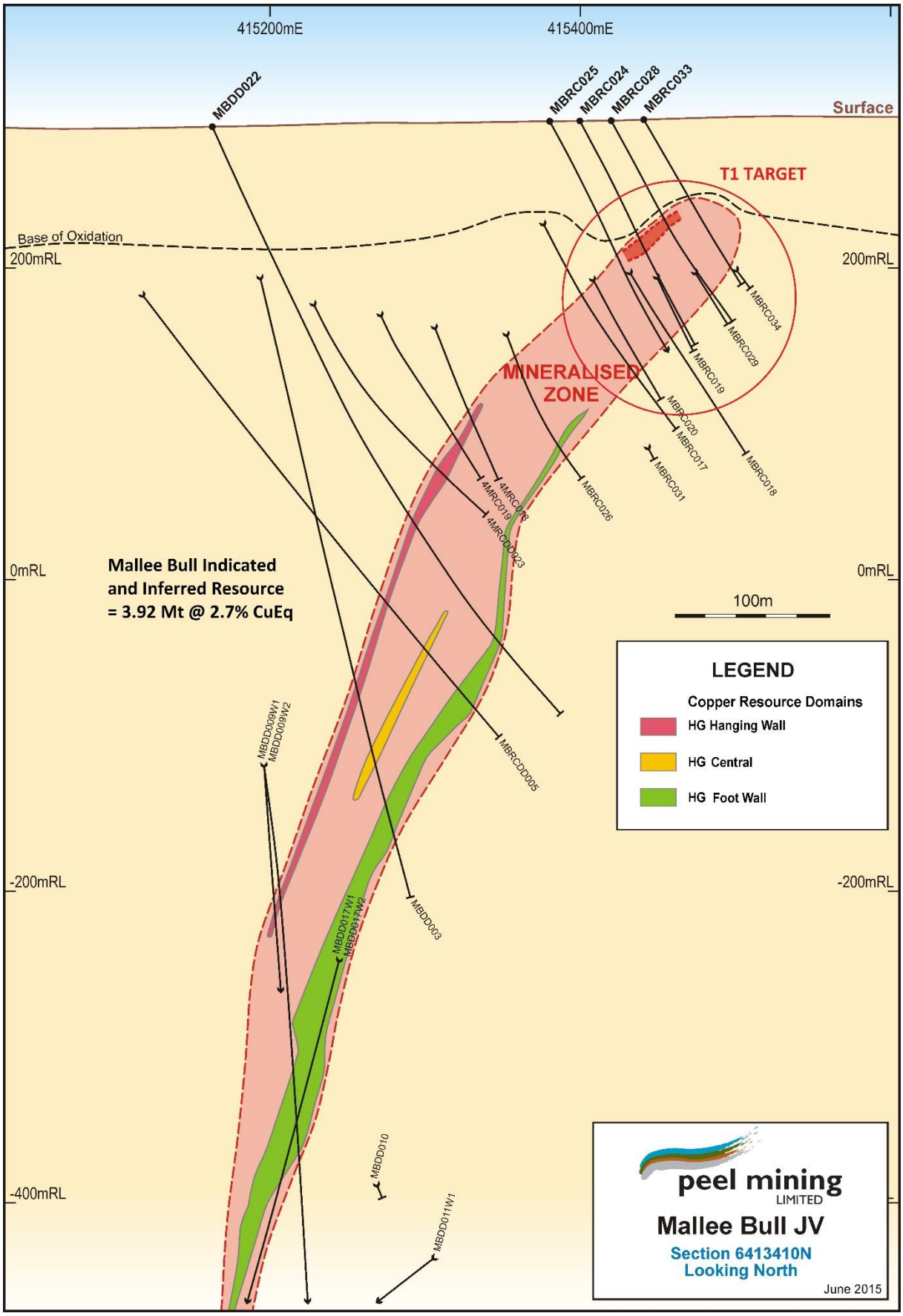

Peel Mining Limited ACN 119 343 734

Unit 1, 34 Kings Park Rd, West Perth, WA 6005. Ph: (08) 9382 3955. Fax (08) 9388 1025.
E:info@peelmining.com.au www.peelmining.com.au

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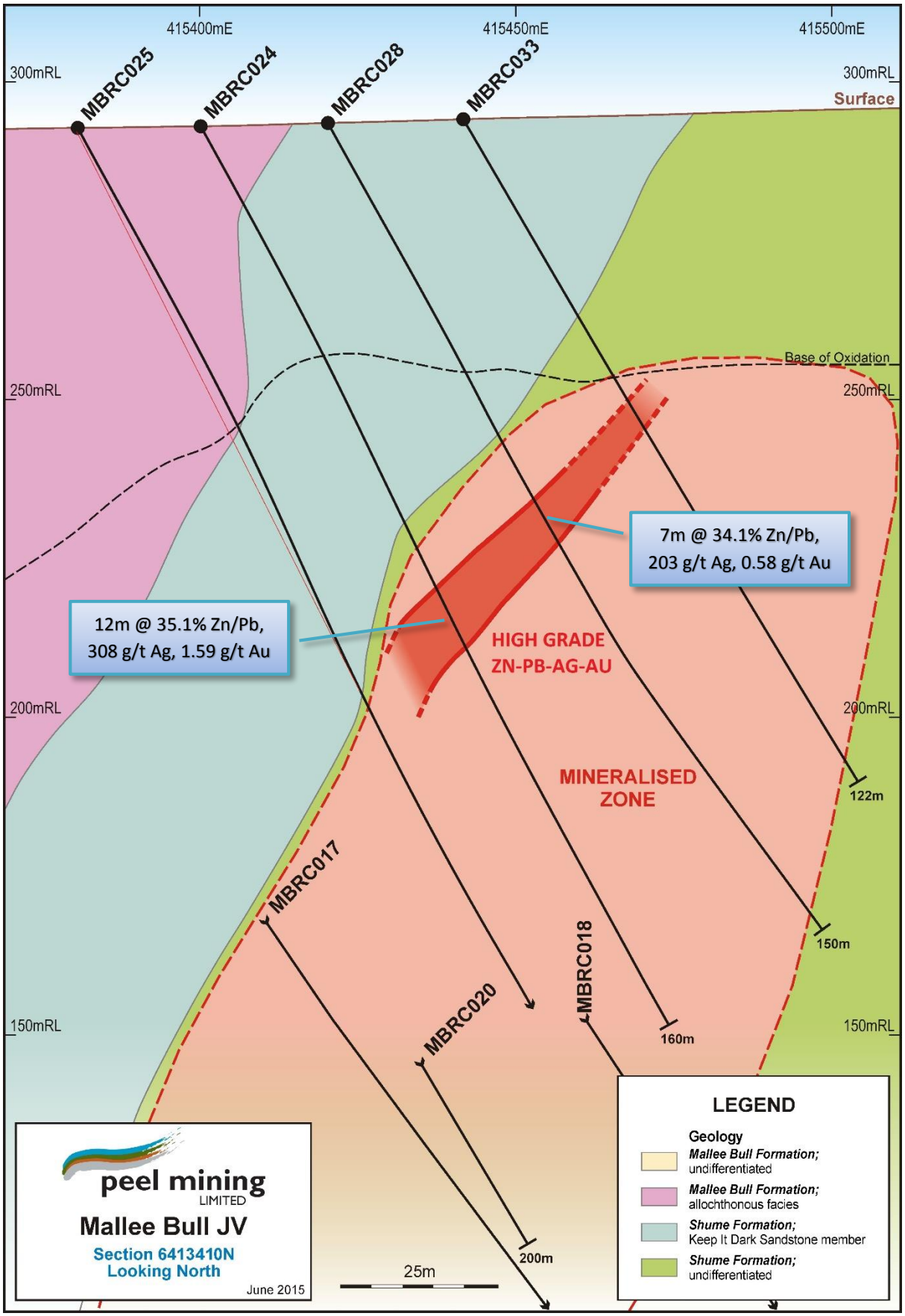

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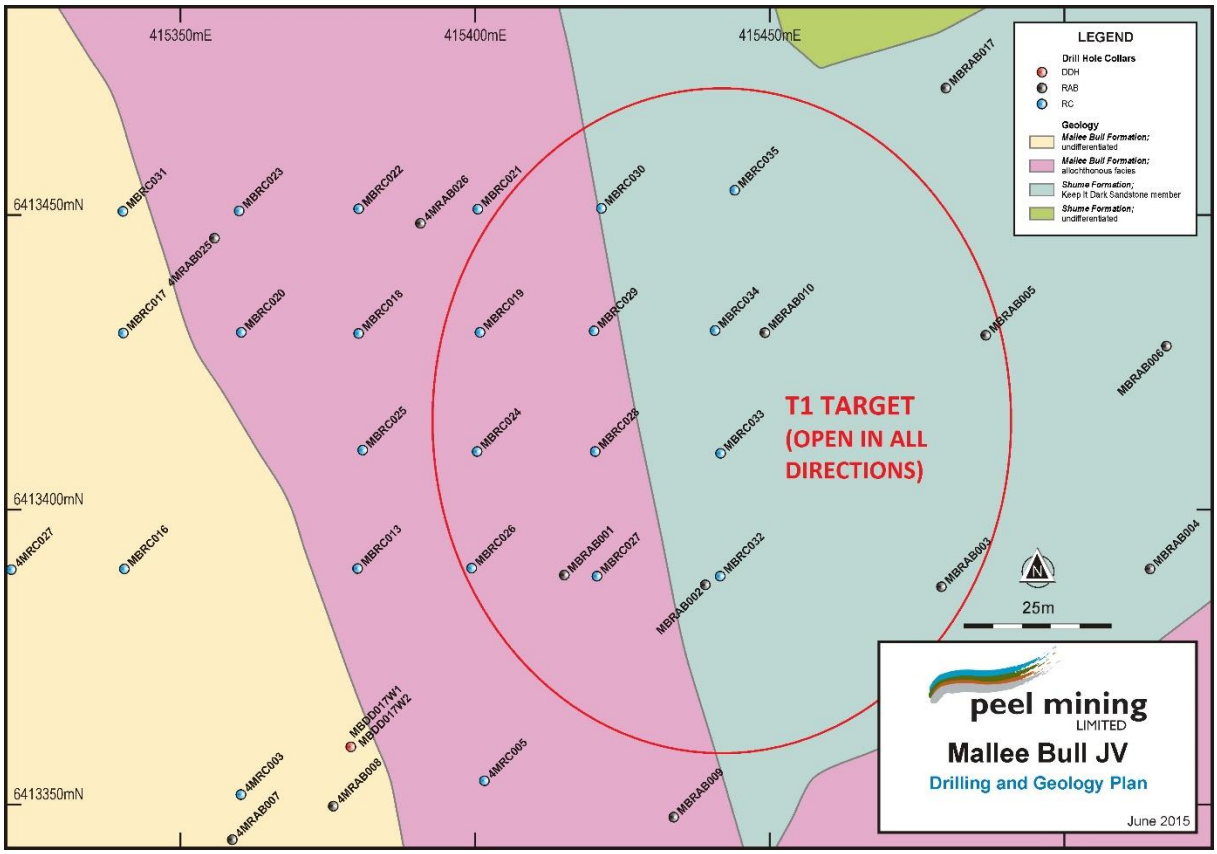

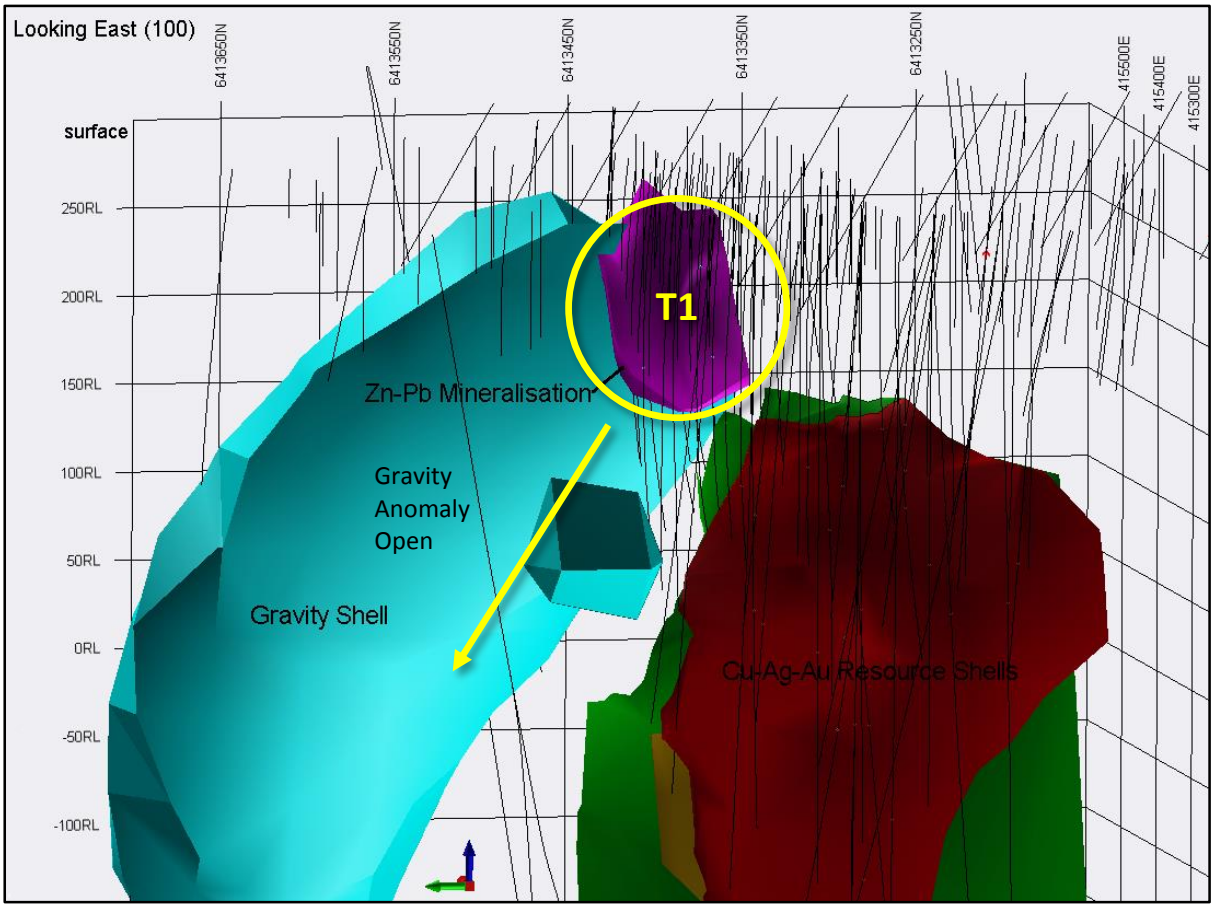

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Mallee Bull Drill Collars

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)
MBDD015	6413340	414888	81	-60.0	498.3
MBRC013	6413390	415380	90.07	-60.2	250
MBRC014	6413692	416573.3	265.83	-69.8	217
MBRC015	6413686	416521	271.81	-64.8	250
MBRC016	6413390	415340	83.74	-62.2	250
MBRC017	6413430	415340	89.88	-59.6	250
MBRC018	6413430	415380	87.04	-60.1	250
MBRC019	6413430	415400	90	-60.0	164
MBRC020	6413430	415360	90.8	-60.3	200
MBRC021	6413450	415400	90.8	-60.8	200
MBRC022	6413450	415380	90.8	-60.2	200
MBRC023	6413450	415360	90.8	-59.9	200
MBRC024	6413410	415400	90.8	-60.3	160
MBRC025	6413410	415380	90.8	-60.5	181
MBRC026	6413390	415400	91.8	-60.2	150
MBRC027	6413390	415420	90.8	-60.6	140
MBRC028	6413410	415420	90.8	-60.0	150
MBRC029	6413430	415420	90.8	-60.0	150
MBRC030	6413450	415420	91	-60.0	150
MBRC031	6413450	415340	91	-60.0	242
MBRC032	6413390	415440	91	-60.0	128
MBRC033	6413410	415440	91	-60.0	122
MBRC034	6413430	415440	91	-60.0	128
MBRC035	6413450	415440	91	-60.0	122

Mallee Bull T1 RC Drilling Significant Assay Results MBRC025 to MBRC035 (1m intervals)

Hole ID	From (m)	To (m)	Zn (%)	Pb (%)	Cu (%)	Ag (ppm)	Au (ppm)
MBRC025	111	112	0.12	1.70	0.07	17	0.01
MBRC025	123	124	1.91	1.29	0.29	21	0.09
MBRC025	125	126	3.37	1.35	0.11	20	0.08
MBRC026	115	116	3.12	1.62	0.19	68	0.06
MBRC026	116	117	2.40	2.12	0.15	35	0.04
MBRC026	117	118	4.50	3.97	0.20	59	0.05
MBRC026	118	119	1.58	0.83	0.10	16	0.03
MBRC026	119	120	1.81	1.71	0.12	27	0.09
MBRC026	120	121	1.54	1.32	0.15	30	0.02
MBRC026	121	122	2.74	2.88	0.23	71	0.13
MBRC026	122	123	2.23	2.49	0.42	49	0.1
MBRC026	123	124	0.98	1.39	0.13	26	0.13
MBRC026	124	125	4.60	4.09	0.48	98	0.21
MBRC026	129	130	1.74	0.84	0.08	14	0.11
MBRC026	133	134	7.37	6.22	0.73	129	0.7
MBRC026	134	135	2.99	3.28	0.15	60	0.05
MBRC027	104	105	4.53	3.64	0.89	80	0.86

Hole ID	From (m)	To (m)	Zn (%)	Pb (%)	Cu (%)	Ag (ppm)	Au (ppm)
MBRC027	107	108	0.39	0.08	0.02	3	0.58
MBRC027	111	112	0.25	0.12	0.05	6	0.53
MBRC027	112	113	4.60	2.92	0.80	58	2.42
MBRC027	126	127	1.27	0.18	0.00	8	0.07
MBRC028	71	72	29.80	14.20	0.06	272	0.22
MBRC028	72	73	39.20	20.40	1.26	393	1.77
MBRC028	73	74	27.10	21.60	0.09	246	1
MBRC028	74	75	16.00	12.50	0.32	166	0.34
MBRC028	75	76	35.60	18.90	0.34	359	0.67
MBRC028	76	77	1.06	0.70	0.02	10	0.03
MBRC028	77	78	0.60	0.70	0.03	7	0.06
MBRC028	79	80	0.61	0.33	0.01	3	0.77
MBRC028	116	117	3.18	5.19	2.13	129	0.38
MBRC028	117	118	1.65	0.87	0.22	22	0.03
MBRC028	119	120	1.01	0.66	0.11	13	0.01
MBRC028	121	122	0.81	1.76	0.16	26	0.19
MBRC028	123	124	1.73	1.06	0.03	18	0.39
MBRC028	124	125	7.15	8.41	0.41	115	0.2
MBRC028	126	127	2.13	0.68	0.04	9	0.14
MBRC028	131	132	1.65	0.94	0.05	17	0.18
MBRC028	144	145	8.54	8.38	0.58	159	0.24
MBRC028	145	146	1.43	1.40	0.05	24	0.13
MBRC029	68	69	3.26	1.95	0.05	34	0.29
MBRC029	69	70	3.19	2.38	0.04	36	0.39
MBRC029	70	71	2.25	1.99	0.03	53	0.06
MBRC029	71	72	2.52	2.28	0.04	38	0.06
MBRC029	72	73	0.59	1.04	0.04	17	0.04
MBRC029	86	87	1.46	0.80	0.07	11	0.19
MBRC029	112	113	0.25	0.17	0.02	11	1
MBRC029	115	116	1.19	0.55	0.06	21	0.09
MBRC029	118	119	1.02	0.44	0.14	19	0.07
MBRC029	128	129	0.08	0.55	0.07	22	0.02
MBRC029	129	130	2.03	2.86	0.72	78	0.12
MBRC029	132	133	1.86	2.41	1.05	69	0.08
MBRC029	139	140	4.70	1.85	0.34	60	0.06
MBRC029	140	141	4.54	1.68	0.41	39	0.12
MBRC029	141	142	5.46	2.15	0.21	74	0.05
MBRC029	143	144	1.33	0.20	0.06	4	0.02
MBRC030	77	78	7.34	3.90	0.05	106	0.27
MBRC030	78	79	37.80	16.75	0.97	388	0.32
MBRC030	79	80	3.01	1.79	0.04	28	0.05
MBRC030	82	83	1.08	0.41	0.02	11	0.08
MBRC030	83	84	1.05	0.49	0.02	10	0.11
MBRC030	84	85	1.45	0.72	0.03	9	0.19
MBRC030	96	97	2.67	1.43	1.25	34	0.45
MBRC030	124	125	1.35	0.57	0.28	13	0.03
MBRC030	128	129	1.30	0.30	0.01	15	0.03

Hole ID	From (m)	To (m)	Zn (%)	Pb (%)	Cu (%)	Ag (ppm)	Au (ppm)
MBRC030	129	130	2.20	0.52	0.02	29	0.78
MBRC030	138	139	0.43	2.01	0.70	70	0.32
MBRC030	139	140	0.22	1.47	0.36	51	0.06
MBRC030	142	143	0.23	1.21	0.36	46	0.13
MBRC030	143	144	0.50	2.31	1.00	80	0.17
MBRC031	133	134	1.26	0.87	0.02	39	0.02
MBRC031	134	135	3.10	1.43	0.04	14	0.18
MBRC031	135	136	2.11	1.39	0.04	13	0.08
MBRC031	136	137	2.94	1.53	0.05	24	0.08
MBRC031	137	138	1.66	0.81	0.02	21	0.09
MBRC031	142	143	2.14	1.08	0.04	15	0.04
MBRC031	143	144	1.54	1.00	0.03	11	0.02
MBRC031	144	145	1.93	0.99	0.03	9	0.07
MBRC031	188	189	1.85	0.22	0.06	4	0.47
MBRC031	189	190	0.93	0.13	0.02	2	0.53
MBRC031	196	197	0.51	2.27	0.95	50	0.11
MBRC032	50	51	0.07	0.10	0.03	45	0.02
MBRC032	51	52	0.06	0.12	0.13	52	0.04
MBRC032	63	64	1.32	0.19	0.20	9	0.05
MBRC032	83	84	1.18	0.40	0.05	11	0.09
MBRC032	96	97	0.62	0.56	0.02	14	0.51
MBRC032	100	101	0.15	0.22	0.20	18	0.64
MBRC032	104	105	0.52	0.72	0.06	33	0.1
MBRC032	109	110	1.07	0.50	0.01	9	0.18
MBRC032	114	115	1.24	0.51	0.01	6	0.07
MBRC032	115	116	2.14	0.67	0.01	8	0.12
MBRC033	52	53	0.06	1.47	0.02	1	0.02
MBRC033	53	54	0.13	4.55	0.07	2	0.31
MBRC033	54	55	0.23	2.40	0.07	2	0.07
MBRC033	55	56	0.18	2.61	0.05	1	0.05
MBRC033	56	57	0.12	1.15	0.08	54	0.04
MBRC033	57	58	0.09	1.42	0.03	11	0.03
MBRC033	62	63	1.61	0.06	0.01	14	0.01
MBRC034	50	51	0.16	0.92	0.20	220	0.24
MBRC034	51	52	2.01	15.25	0.07	41	0.59
MBRC034	52	53	5.97	16.60	0.17	17	0.53
MBRC034	53	54	1.90	2.88	0.45	247	0.24
MBRC034	54	55	0.20	2.13	0.08	19	0.52
MBRC034	55	56	0.42	3.00	0.24	68	0.45
MBRC034	56	57	1.33	7.67	0.10	104	0.62
MBRC034	57	58	5.02	7.40	0.40	328	0.73
MBRC034	58	59	1.16	0.67	0.03	14	0.14
MBRC034	60	61	1.31	1.10	0.03	19	0.05
MBRC034	61	62	0.76	1.93	0.05	24	0.09
MBRC034	69	70	2.26	0.16	0.02	3	0.01
MBRC034	70	71	2.61	0.35	0.02	3	0.02
MBRC034	114	115	0.19	0.25	0.11	9	1.49

Hole ID	From (m)	To (m)	Zn (%)	Pb (%)	Cu (%)	Ag (ppm)	Au (ppm)
MBRC034	117	118	10.45	7.78	1.03	126	1.88
MBRC034	118	119	1.23	1.17	0.19	22	0.49
MBRC034	119	120	1.08	0.20	0.02	5	0.2

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 (generally) 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 checked against the depths recorded on core blocks. Rod counts are routinely undertaken by drillers. • When poor sample recovery is

Criteria	JORC Code explanation	Commentary
		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 as 6m composites. Resampling is undertaken using split samples which are stored with the bulk samples at the time of drilling.

Criteria	JORC Code explanation	Commentary
		• 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 Services 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 or ME-ICP41 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 workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.*	• A Garmin hand-held GPS is used to define the location of the drillholes and /or 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

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	reading. Collars are picked up at a later date by DGPS. All collars at Mallee Bull have been picked up 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 land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title*	• The Mallee Bull prospect is wholly located within Exploration Licence EL7461 "Gilgunnia". The tenement is subject to a 50:50 Joint Venture with CBH Resources

Criteria	JORC Code explanation	Commentary
	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.*	Ltd, a wholly owned subsidiary of Toho Zinc Co Ltd. • 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 including 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 explain why this is the case.*	• 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.
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*	• No length weighting or top-cuts have been applied. • No metal equivalent values are used for reporting exploration results.

Criteria	JORC Code explanation	Commentary
	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.*	
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 90-100% of the downhole width unless otherwise indicated.
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.

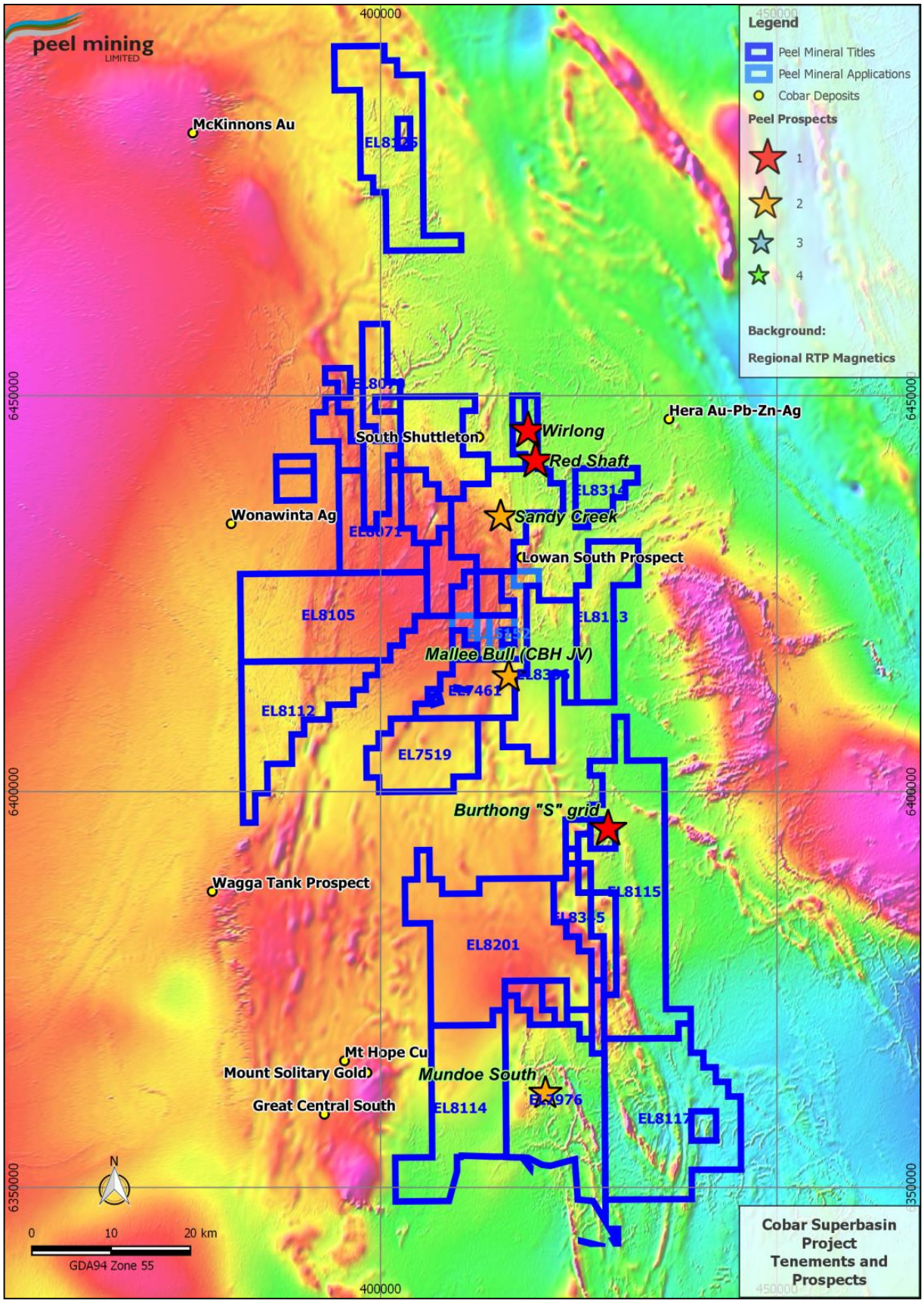

Figure 1 – Peel Mining Cobar Superbasin tenement map vs TMI