

EXPLORATION UPDATE – SIGNIFICANT NEW COPPER INTERCEPT AT MALLEE BULL; DRILLING CONTINUING

- Drillhole MBRCDD050 intercepts 60m zone of significant copper mineralisation on northern edge of current mineral resource boundary; mineralisation remains open
- Follow-up wedge diamond drillhole targeting for possible down-dip extension underway
- Exploration at Cobar Superbasin Project ongoing including commencement of ~6,000m RC and diamond drilling programme

Peel Mining Limited (ASX: PEX) is pleased to advise that extensional drilling at its 50%-owned flagship Mallee Bull project near Cobar in Western NSW, has returned a significant new copper mineralised intercept on the northern edge of the current mineral resource model. A follow-up wedge diamond drillhole targeting possible down dip extension (~80m down dip) is now underway. Exploration at Cobar Superbasin Project is also ongoing including the commencement of a 6,000m RC and diamond drilling programme. Further details can be found below.

Figure 1 – Strong chalcopyrite pyrrhotite mineralisation at ~485m in MBRCDD050



Mallee Bull

Drillholes MBRCDD049 to MBRCDD051 (for a total of 1,561.7m) were recently completed as part of a program designed to test for additional/extensional mineralisation at Mallee Bull. Substantial zinc-lead and copper-rich mineralisation occurs on the northern edge of the current mineral resource model where it has been defined to more than 500m below surface and remains open. MBRCDD049 to MBRCDD051 were designed to test along strike to the north from previously identified mineralisation.

MBRCDD049 was designed to test for mineralisation at between 300-400m below surface and about 120m further north than previous drilling. MBRCDD049 swung about 25m further south than originally planned and intercepted multiple intervals of quartz-sulphide (chalcopyrite-pyrrhotite) stringer/breccia style mineralisation commencing at about 350m downhole. Assays remain awaited, however it is expected that downhole intervals 371-376m, 392-396m, and 403-406m will contain significant copper mineralisation. The true width of these intervals is expected to be about 70% of downhole widths.

MBRCDD050 was designed to test for mineralisation at between 400-500m below surface and about 80m further north than previous drilling. MBRCDD050 intercepted a 60m downhole (40m true width) interval of significant quartz-sulphide (chalcopyrite-pyrrhotite) stringer/breccia style mineralisation



commencing at about 467m downhole which included a strongly mineralised 47m interval (31m true width) commencing from 475m (see MBRCCD050 drillcore photos in Appendix 1). Assays remain awaited however it is expected that significant copper results will be returned. The true widths of these intervals are significantly wider than the 3m footwall stringer interval previously modelled for this area. Mineralisation remains open to the north and down dip.

The nearest down dip mineralised interval is that contained within MBDD010 which returned 32m @ 3.62% Cu, 46 g/t Ag and 0.21 g/t Au from 634m downhole (~16m true width) which is located about 150m downdip and 30m south of MBRCCD050. Wedge diamond drillhole MBRCCD050W1 is now underway and is targeting ~80m down dip from the interval in MBDDRC050.

MBRCDD051 was designed to test for mineralisation at between 350-450m below surface and about 80m further north than previous drilling. MBRCCD051 intercepted multiple intervals of quartz-sulphide (chalcopyrite-pyrrhotite) stringer/breccia style mineralisation commencing at about 375m downhole. Assays remain awaited however it is expected that downhole intervals 385-390m, 396-402m, 461-467m, and 483-488m will contain significant copper mineralisation. The true width of these intervals is expected to be about 60% of downhole widths.

Peel is encouraged by the thicker than expected mineralised interval in MBRCCD050 which possibly indicates greater strike continuity of copper mineralisation than previously assumed. Further drilling along with downhole EM is planned to investigate this potential.

Cobar Superbasin Project

Field activities at the Cobar Superbasin Project, subject to a farm-in agreement with JOGMEC, are continuing. The second stage of exploration under the JOGMEC agreement comprises \$1.5 million expenditure. Ongoing and planned activities include high-resolution airborne magnetics, moving loop EM (MLEM), and downhole EM (DHEM) surveys, along with an approximate 6,000m RC and diamond drilling programme.

Drillholes WLRCDD010 and WLRC011 to WLRC015, all at Wirlong, have recently been completed or are still underway. These drillholes follow-on from WLRC008 and WLRC009 where strong base metal results were recently returned. Drill targets at Wirlong include geochemical and geophysical anomalies. No results are available at the time of reporting. Analysis of the geophysical data is also continuing.

RC and/or diamond drilling at the Red Shaft and Sandy Creek prospects is planned to follow on from Wirlong.

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

Competent Persons Statements

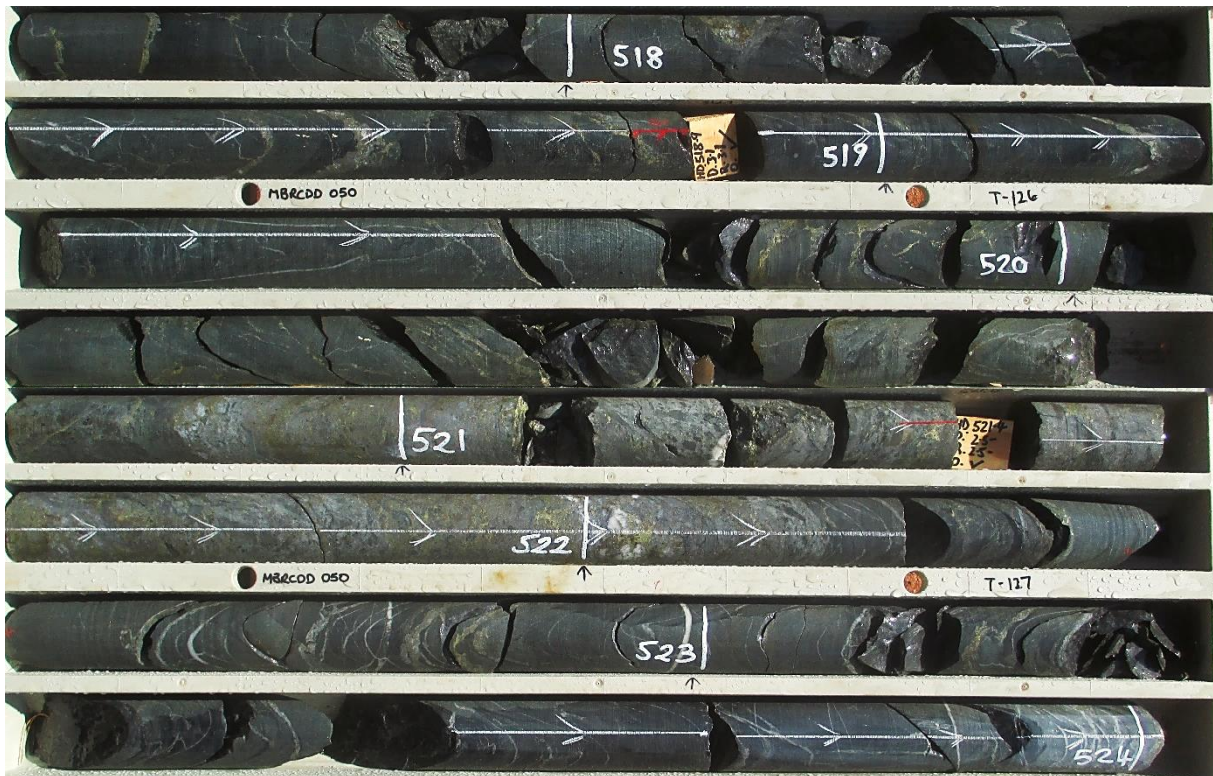
The information in this report that relates to Exploration Results is based on information compiled by Rob Tyson who is a fulltime employee of the company. Mr Tyson is a member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience of relevance to the styles of mineralisation 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.

Appendix 1 – MBRcDD050 significant sulphide interval









Mallee Bull Drill Collars

Hole ID	Northing	Easting	Azi (grid)	Dip	Final Depth (m)
MBRCDD049	6413520	415135	86	-68	447.1
MBRCDD050	6413480	415095	71	-73	600.8
MBRC050X	6413480	415095	86	-68	15 (abandoned)
MBRCDD050W1	6413480	415095	71	-73	Underway
MBRCDD051	6413480	415180	75	-75	513.8

Wirlong Drill Collars

Hole ID	Northing	Easting	Azi (grid)	Dip	Final Depth (m)
WLRC008	6445674	418744	265	-60	348
WLRC009	6445590	418707	263	-70	300
WLRC009X	6445587	418702	265	-65	25 (abandoned)
WLRCDD010	6446379	418827	259	-65	Underway
WLRC011	6446413	418673	264	-65	402
WLRC012	6447403	418647	270	-65	252
WLRC013	6447498	418688	270	-65	252
WLRC014	6447600	418643	270	-65	252
WLRC015	6446946	418552	259	-65	Underway

Figure 2 – Mallee Bull Drill Plan

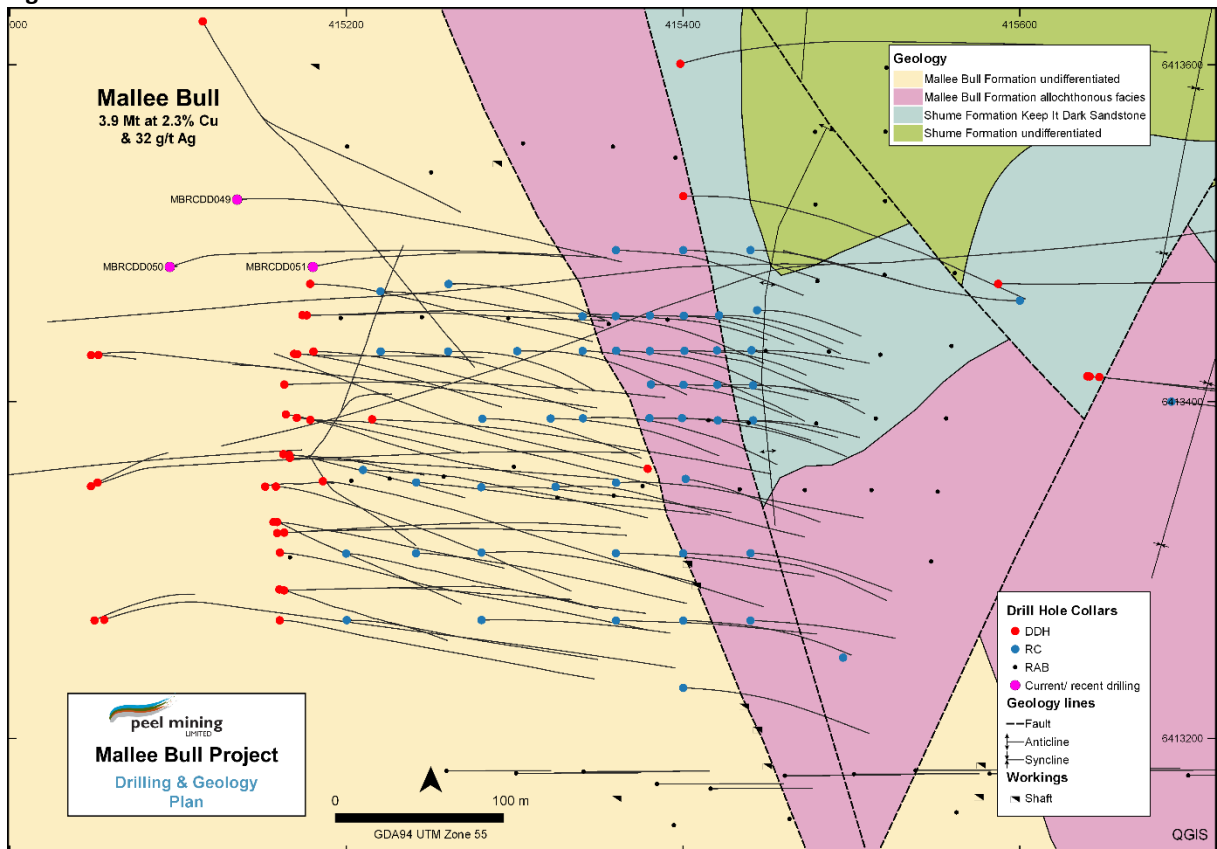


Figure 3 – Mallee Bull Section 6413480N

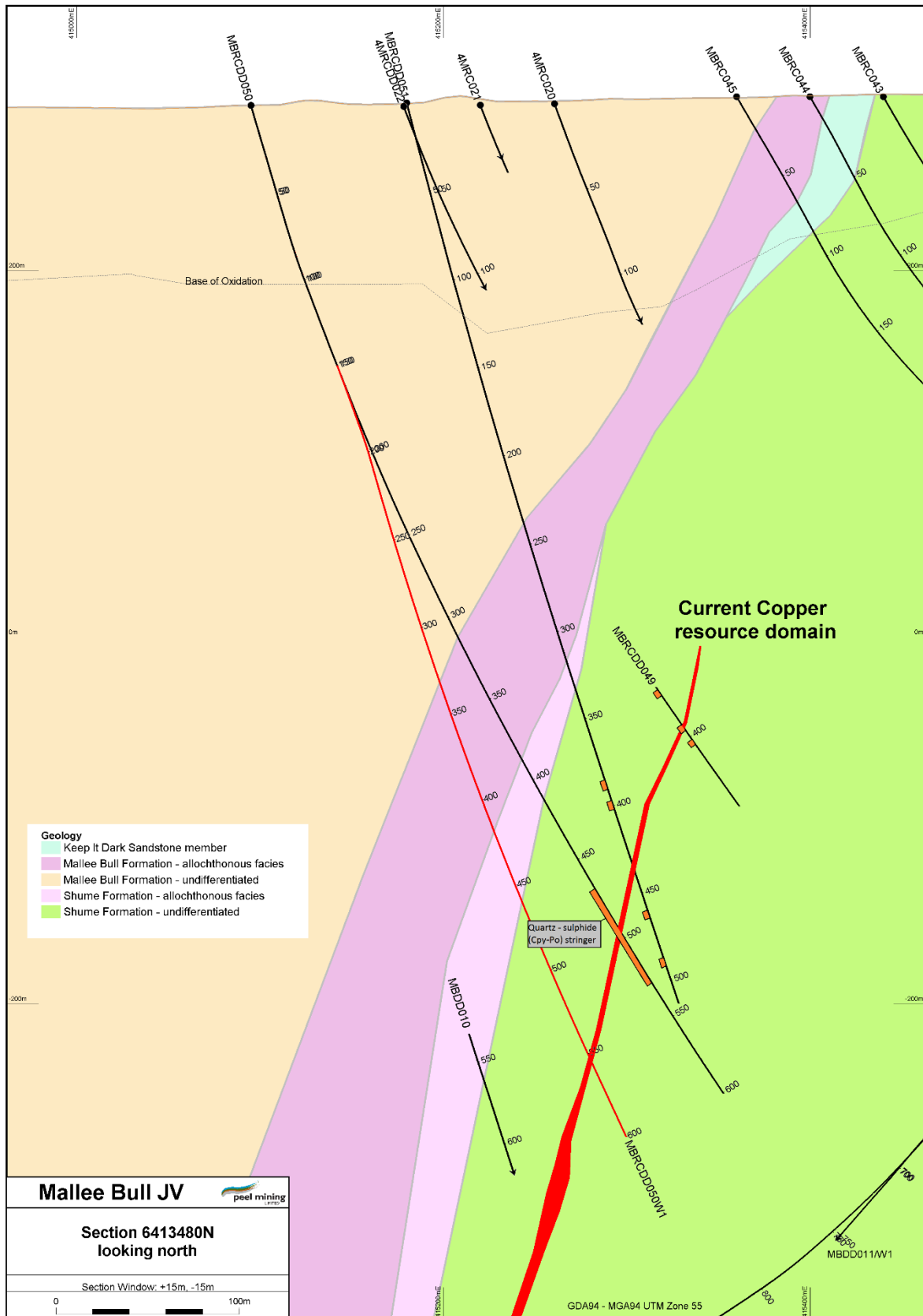


Figure 4 – Mallee Bull Long Section (looking east)

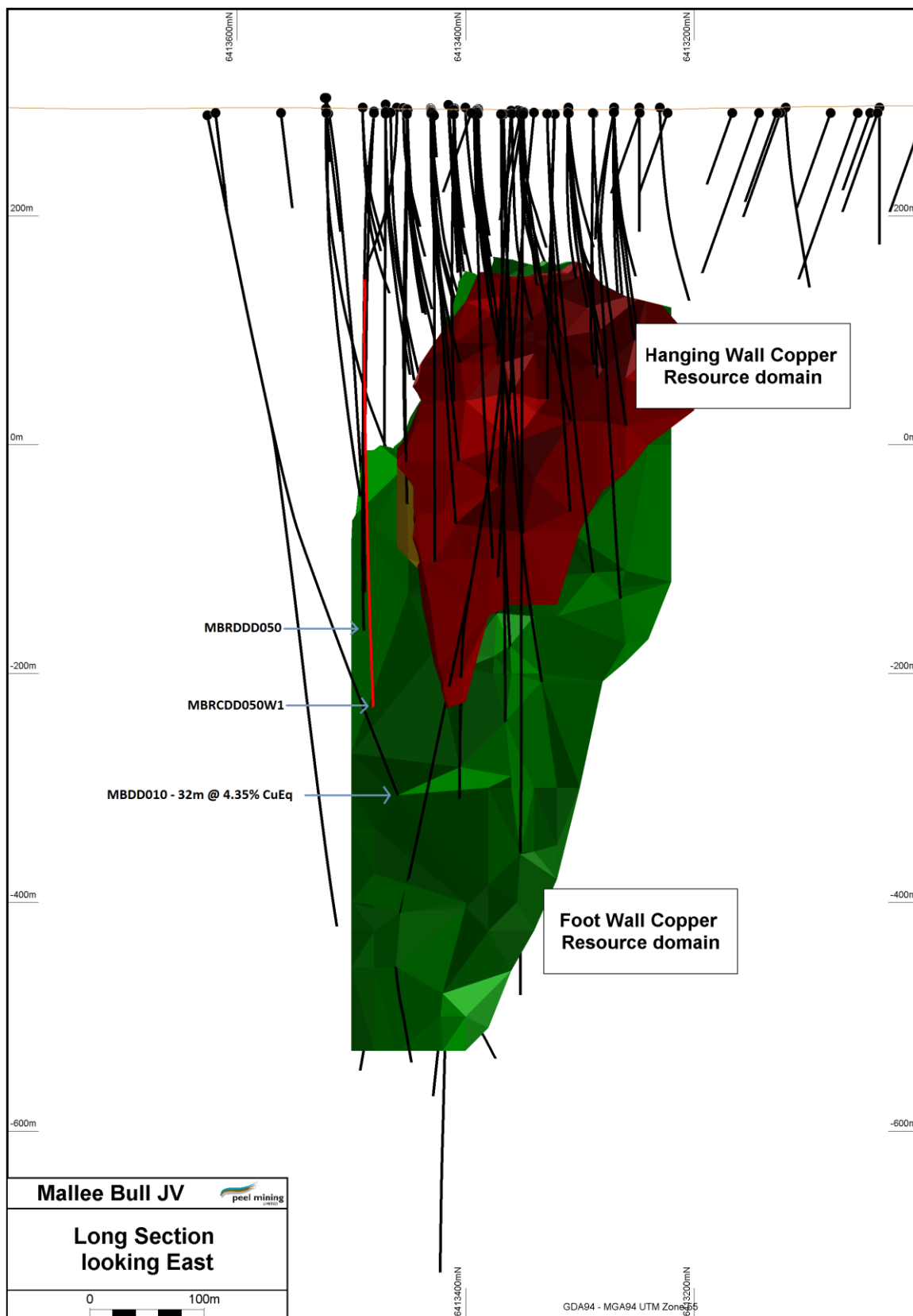


Table 1 - Section 1: Sampling Techniques and Data for Mallee Bull/Cobar Superbasin Project

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 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

Criteria	JORC Code explanation	Commentary
		exists between recovery and grade. This will be assessed once a statistically valid amount of data is available to make a determination.
<i>Logging</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • 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.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • 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. • 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

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<p>of mineralisation.</p> <ul style="list-style-type: none"> ALS Services was used for Au analysis work carried out on 5m or 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: <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> 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 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

Criteria	JORC Code explanation	Commentary
		<p>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.</p> <ul style="list-style-type: none"> • Grid system used is MGA 94 (Zone 55). All down-hole magnetic surveys were converted to MGA94 grid.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Data/drill hole spacing is variable and appropriate to the geology and historical drilling. • 5m or 6m sample compositing has been applied to RC drilling and RAB drilling for gold assay.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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).
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ Peel Mining Ltd ○ Address of Laboratory ○ Sample range • Detailed records are kept of all samples that are dispatched, including details of chain of custody.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • 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
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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 Ltd, a wholly owned subsidiary of Toho Zinc Co Ltd. • The Wirlong prospect is wholly located within Exploration Licence EL8307 "Sandy Creek", part of the Cobar Superbasin Project. The Cobar Superbasin Project is subject to a farm-in agreement with

Criteria	JORC Code explanation	Commentary
		<p>JOGMEC whereby JOGMEC can earn up to 50%.</p> <ul style="list-style-type: none"> The tenements are in good standing and no known impediments exist.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Work was completed in the area by several 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	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> No length weighting or top-cuts have been applied. No metal equivalent values are used for reporting exploration results.

Criteria	JORC Code explanation	Commentary
	<p><i>examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<ul style="list-style-type: none"> • True widths are generally estimated to be about 90-100% of the downhole width unless otherwise indicated.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Refer to Figures in the body of text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • All results are reported.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • No other substantive exploration data are available.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Future work at Mallee Bull and Cobar Superbasin Project 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.

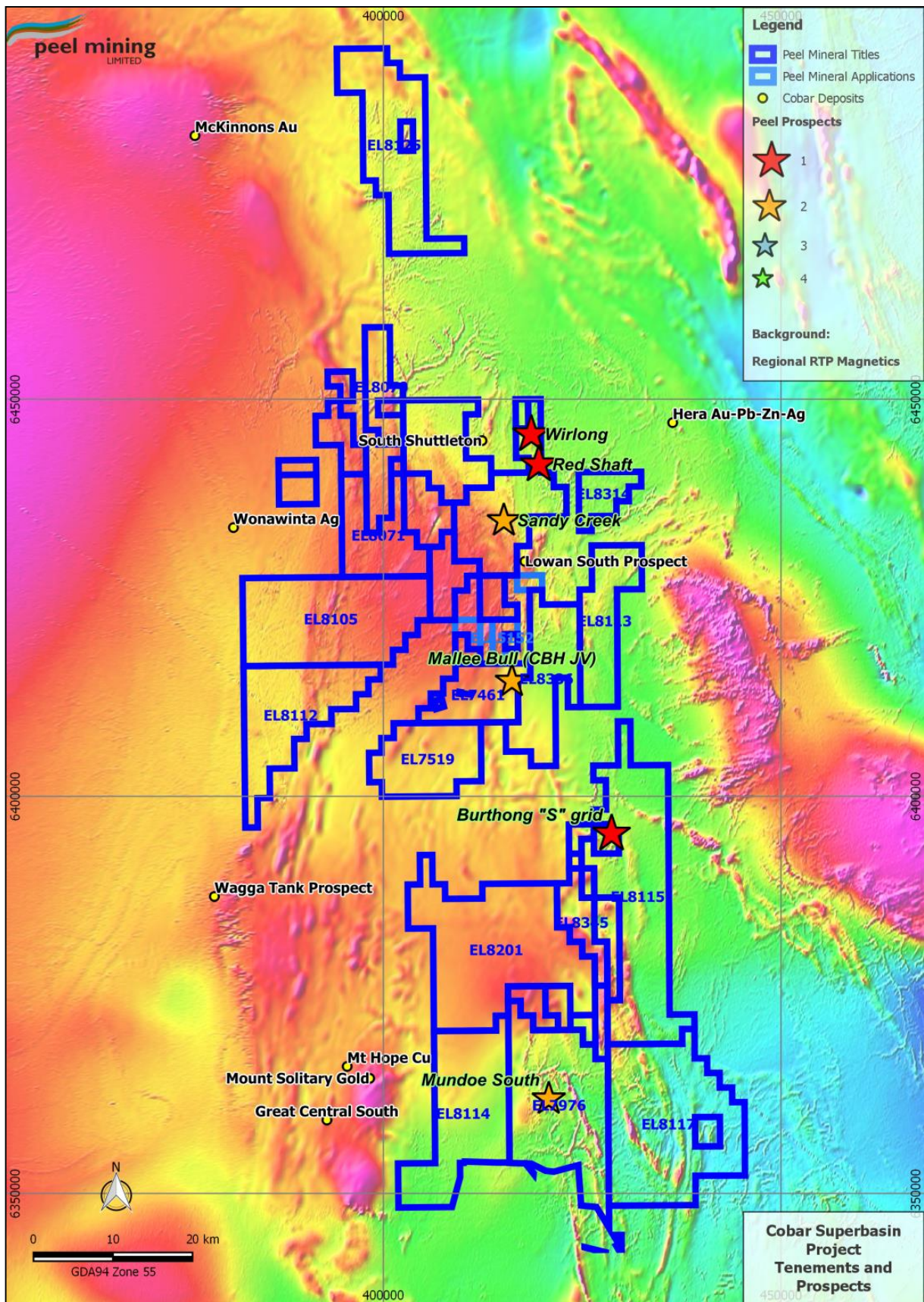


Figure 2 – Peel Mining Cobar Superbasin tenement map vs TMI