

DRILLING UNDERWAY AT APOLLO HILL GOLD PROJECT; WIRLONG UPDATE

Peel Mining Ltd is pleased to advise that drilling is now underway at its 100%-owned Apollo Hill gold project near Leonora, WA. The planned exploration programme comprises approximately 2,000m RC and has been designed to test for extensions to existing gold mineralisation.

Drilling is being completed to assess the potential to expand Apollo Hill's JORC inferred resource estimate of 17.2 million tonnes at 0.9 g/t Au for 505,000oz of gold (using a 0.5 g/t Au cut-off; see ASX release dated 9.9.2011 – "48% Jump in Apollo Hill gold resource to 505,000oz").

Only about 10% of drillholes completed to date at Apollo Hill are deeper than 200m and current planning will see 4-5 drillholes (covering ~450m of strike length) completed to ~320m depth, testing for down-dip extensions to the known Apollo Hill gold mineralisation. A further 4 drillholes are planned to test for extensions to the mineralisation along strike of the current resource - at the southern and northern ends. Drilling is expected to take about 2-3 weeks.

Drilling at Wirlong, as part of JOGMEC's Year 2 farm-in activities, has now been completed, in-line with the end of the Japanese fiscal year. Planning for Year 3 investigations is advanced and Peel anticipates activities at Wirlong resuming in April/May 2016. Follow-up of high grade copper mineralisation in WLDD001 and WLRCD015 will be the priority. Further details will be provided in the upcoming quarterly report.

Diamond drillhole WLDD002 commenced in late January and was designed to test the central part of the Wirlong prospect area at depth. WLDD002 was collared ~400m south of drillholes WLLDD001 and WLRCD015. WLDD002 was subsequently abandoned, prior to transecting the target zone, due to adverse ground conditions associated with a significant fault/shear zone.

As previously reported, recent drilling at Wirlong, funded via JOGMEC, intersected multiple significant mineralised intervals, confirming a new and potentially important high-grade copper discovery. Mineralisation intersected to date has the typical geochemical, geological and mineral/alteration assemblages of "Cobar-style" deposits.

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.