

DRILLING UNDERWAY AT WAGGA TANK

Highlights

- **Drilling now underway at Wagga Tank**
- **Wagga Tank represents a polymetallic VHMS-type deposit with many significant historic drill intercepts; last drilling was in 1989**
- **Initial work programme to comprise up to ~1,800m of confirmatory drilling aimed at intersecting oxide copper-gold mineralisation and primary massive sulphide zinc-lead-silver mineralisation**
- **Results of recent drilling at Mallee Bull pending**

Peel Mining (ASX:PEX) Ltd advises that drilling has now commenced at its 100%-owned Wagga Tank Prospect, near Cobar in western New South Wales.

The Wagga Tank Prospect is located on the western edge of the Cobar Superbasin, ~130 km south of Cobar or ~30km northwest of Mount Hope, and represents a polymetallic VHMS-type deposit with many significant historic drill intercepts; last drilling was in 1989.

The initial program, comprising ~1,800m of Reverse Circulation (RC) drilling in six drillholes, has been designed to confirm the presence of base and precious metal mineralisation originally identified at Wagga Tank in the 1970s and 80s.

The planned RC drilling is designed to gather further information with regards to the setting, tenor, mineralisation style and alteration of the Wagga Tank prospect. The proposed drill-hole locations have been sited to test for both shallow oxide copper-gold mineralisation and deeper, primary massive sulphide zinc-lead-silver mineralisation.

The Company will provide further information on the Wagga Tank program as results are received and analysed.

Drilling at Mallee Bull has currently paused, whilst work at Wagga Tank is completed. Assay results for the most recent drillholes completed at Mallee Bull remain pending, and will be released once received and analysed. Peel plans to complete further work at Mallee Bull prior to the end of the calendar year.

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.

About Wagga Tank

Wagga Tank, a volcanic-hosted massive sulphide (VHMS) deposit, is located ~130 km south of Cobar on the western edge of the Cobar Superbasin. The deposit is positioned at the western-most exposure of the Mt. Keenan Volcanics (Mt. Hope Group) where it is conformably overlain by a poorly outcropping, distal turbidite sequence of carbonaceous slate and siltstone. Mineralisation is hosted in a sequence of rhyodacitic volcanic and associated volcanoclastic rocks comprising polymictic conglomerate, sandstone, slate, crystal-lithic tuff and crystal tuff. This sequence faces northwest, strikes northeast-southwest and dips range from moderate westerly, to vertical, and locally overturned to the east. Mineralisation straddles the contact between the volcanoclastic facies and the siltstone-slate facies where there is a broad zone of intense tectonic brecciation and hydrothermal alteration (sericite-chlorite with local silicification).

Mineralisation comprises: a near surface oxide gold zone; a possible supergene-enriched copper-gold-silver-lead zone; and a primary zinc-lead-silver rich massive sulphide zone starting at the base of oxidation (~120m below surface). Historic drilling to date comprised 20 percussion drillholes and 22 diamond drillholes (some completed as percussion pre-collar/diamond tail combinations). All drillholes intersected mineralisation to some degree, with 24 intercepting significant values.

Polymetallic massive sulphide mineralisation occurs as sub-vertical elongate shoots/lenses within zones of brecciation and hydrothermal alteration, within an envelope of lower grade disseminated and anastomosing vein-type mineralisation. The massive sulphide mineralisation typically comprises, in order of abundance, pyrite, sphalerite, galena and chalcopyrite with sphalerite-galena ratios in the order of 2:1, chalcopyrite is accessory and there with silver assays typically ranging from 50-250g/t and gold from 0.1-0.5g/t.

No significant work has been completed at Wagga Tank since 1989.

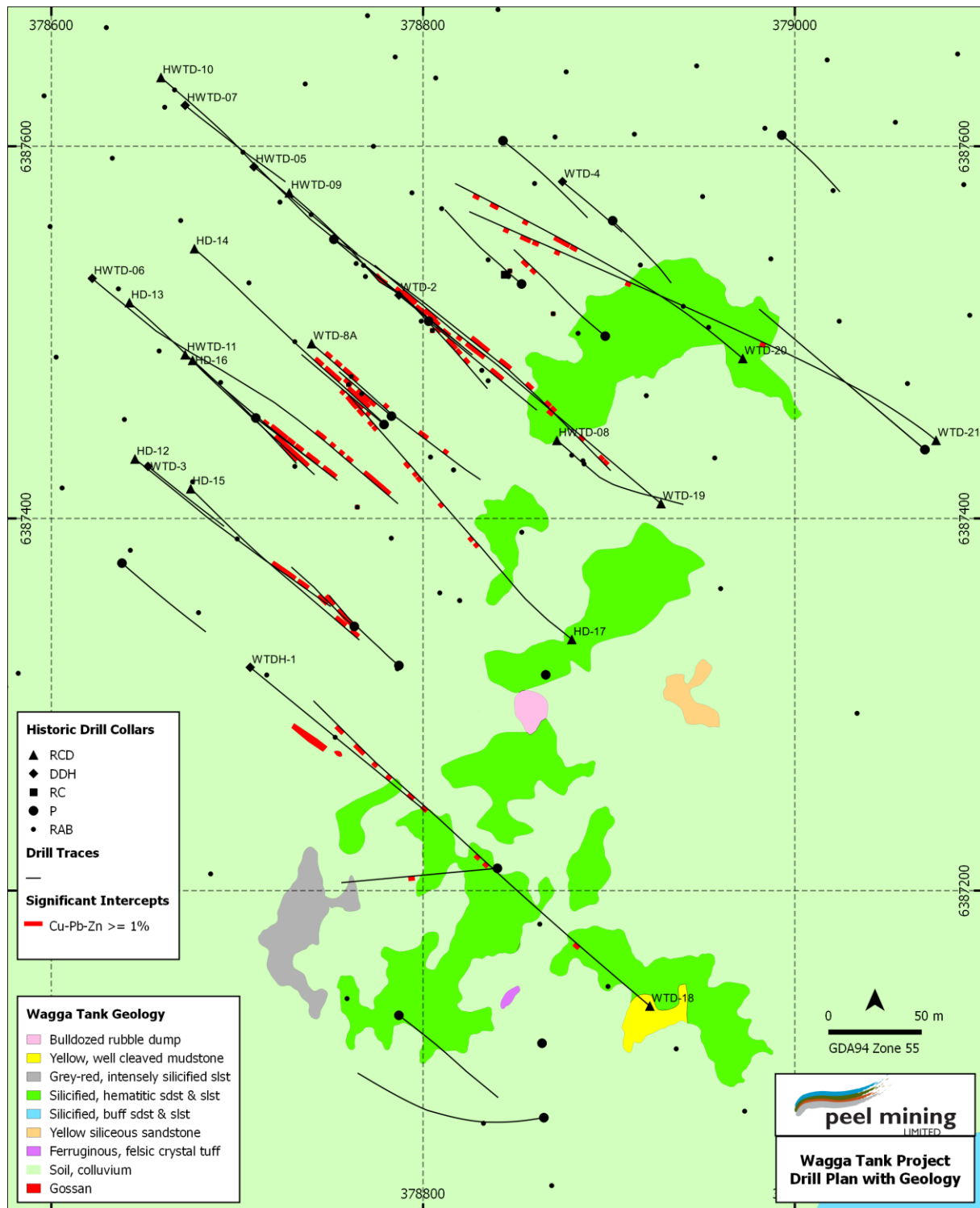


Figure 1 – Wagga Tank Historic Drilling with Geology

