

## STRONGEST COPPER INTERCEPT TO DATE AT MALLEE BULL

### Highlights:

- **MBDD003 extension returns strongest copper intercept to date with 22m @ 4.18% CuEq\* (3.62% Cu, 38 g/t Ag, 0.09 g/t Au, 40 g/t Co) from 444m including higher grade zone of:**
  - 11m @ 6.19% CuEq\* (5.40% Cu, 55 g/t Ag, 0.11 g/t Au, 39 g/t Co) from 453m
- **Cumulative intercept for MBDD003 is 58m @ 3.15% CuEq\* (2.36% Cu, 44 g/t Ag, 0.30 g/t Au, 97 g/t Co) comprising multiple zones of mineralisation (see ASX announcement 21.09.12)**
- **MBDD006 returns cumulative intercept of 51m @ 2.19% CuEq\* (1.45% Cu, 26 g/t Ag, 0.54 g/t Au, 162 g/t Co) comprising multiple zones of mineralisation:**
  - 7m @ 2.79% CuEq\* (1.09% Cu, 29 g/t Ag, 1.74 g/t Au, 520 g/t Co) from 396m
  - 13m @ 2.40% CuEq\* (1.91% Cu, 31 g/t Ag, 0.12 g/t Au, 44 g/t Co) from 405m
  - 31m @ 1.90% CuEq\* (1.61% Cu, 13 g/t Ag, 0.17 g/t Au, 52 g/t Co) from 444m
- **MBDD007, designed for DHEM geophysics and as a platform for wedge drilling, intersects strong alteration from ~580m below surface with minor mineralisation returned:**
  - 4m @ 26 g/t Ag, 0.11 g/t Au, 0.98% Pb, 1.58% Zn from 584m
  - 4m @ 75 g/t Ag, 0.91 g/t Au, 1.82% Pb from 617m
  - 4m @ 1.82% CuEq\* (1.55% Cu, 10 g/t Ag, 0.14 g/t Au, 132 g/t Co) from 647m
- **MBDD008 intersects 35m of semi-massive-to-massive sulphides from 374m followed by ~60m of weak-to-moderate stringer/breccia mineralisation from 442m**
- **MBDD009 targeting very strong conductor centred at ~500m below surface set to commence**

Peel Mining Limited (ASX: PEX) is pleased to advise that ongoing exploration at Mallee Bull continues to return highly encouraging results with an extension to drillhole MBDD003 returning 22m @ 4.18% CuEq\* (3.62% Cu, 38 g/t Ag, 0.09 g/t Au, 40 g/t Co) from 444m. This represents the strongest and deepest copper mineralisation seen to date at Mallee Bull, demonstrating the potential for increasingly strong mineralisation at greater depths. As a result of this extension, MBDD003 returned a cumulative intercept of 58m @ 3.15% CuEq\* (2.36% Cu, 44 g/t Ag, 0.30 g/t Au, 97 g/t Co).

MBDD003, located 60m north of MBDD002 and initially drilled to 438m, previously returned three zones of moderate-strong copper-dominant sulphide mineralisation. A review of MBDD003 indicated that the drillhole was terminated prematurely, and a depth extension to ~508m was subsequently completed. The extension returned a 22m interval of strong stringer/breccia mineralisation with individual metres grading up to 10% Cu and 250 g/t Ag. Peel is encouraged by this additional high-grade mineralisation which adds further weight to the possibility of a northerly plunging mineralised system.

MBDD006, located 20m north of MBDD002, intersected a 7m massive sulphide zone from 396m followed by a 13m stringer/breccia zone from 405m and a 31m stringer/breccia zone from 444m. The true width of mineralisation intercepted in MBDD003 and MBDD006 is estimated to be ~60% of the downhole widths.



MBDD007, located 20m south of MBDD002, was drilled vertically and was designed for downhole EM (DHEM) and to serve as a platform for wedging/navi-drilling of deeper targets. MBDD007 intersected a broad zone of moderate-to-strong alteration commencing at ~580m below surface with several intervals of minor stringer/breccia mineralisation returned. The true width of this mineralisation is estimated to be ~35% of the downhole widths.

DHEM surveying of MBDD007 produced extremely strong EM responses that are consistent with the known mineralised horizon at Mallee Bull and although only relatively minor mineralisation was returned in MBDD007, Peel is highly encouraged by the degree of alteration encountered at such deep levels within the Mallee Bull mineralised system.

MBDD008, located immediately west of MBDD003, has recently been completed and intersected a 35m semi-massive-to-massive sulphide zone from 374m followed by ~60m of variable stringer/breccia mineralisation from ~442m. Survey data indicates that MBDD008's drill trace remained relatively straight and therefore the mineralised zones within MBDD008 are located ~25-30m north of and ~15-35m down dip of those in MBDD003. Assay results will be available in several weeks time.

Drilling completed to date indicates that high-grade copper-dominant polymetallic sulphide mineralisation at Mallee Bull has a strike length of ~120m, comes to within 150m of surface, and now extends to at least 450m below surface and is open in multiple directions including at depth. Drillhole MBDD009, located immediately west of MBDD002, is set to commence over the coming days. MBDD009 is designed to test the very strong conductor (as identified by recent DHEM surveying – see ASX announcement 02.10.12) at a target depth of ~500m below surface.

### **Background on Mallee Bull copper-polymetallic discovery and CBH farm-in**

In March/April 2011, Peel began targeting a newly-recognised coincident EM and magnetic geophysical anomaly located within the historic 4-Mile goldfield. The 4-Mile goldfield comprises up to 60 shafts and workings spread over an area covering about 1,000m by 500m.

Initial drilling resulted in the discovery of significant silver-lead-zinc mineralisation. Follow-up drilling completed in July/August 2011 intersected massive sulphides containing strong Cu-Ag-Au-Pb-Zn-Co mineralisation within a broad zone of deformation and alteration.

The Mallee Bull prospect is located less than 10 kilometres east of the May Day gold-silver-lead-zinc deposit (ML1361), where drilling in 2010 confirmed the down-dip continuation of mineralisation to more than 200m below surface.

In May 2012, CBH Resources farmed-in to Mallee Bull whereby CBH has the right to earn an interest of up to 50% in the project over a three-year period through an \$8.33m spend. Peel remains responsible for exploration activities through this period. CBH Resources is an Australian-based mineral resources company producing zinc, lead and silver from the Endeavour Mine north of Cobar, and the Rasp mine in Broken Hill. The company, which is 100%-owned by Tokyo Stock Exchange-listed Toho Zinc, recently opened the Rasp underground zinc, lead and silver mine at Broken Hill.

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*The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Tyson, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the '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 his information in the form and context in which it appears.*

#### Information regarding drilling/assaying data

1. Drilling was completed as HQ or NQ diamond core.
2. Sample recoveries were considered adequate for all samples.
3. Drillcore has been logged in detail based on lithology, mineralisation, and alteration.
4. Samples for analysis were collected by sawing core in half.
5. Samples were submitted as 1m or 4m composite half-core intervals.
6. Samples were analysed at ALS Chemex utilising methods: Au-AA25 for Au (fire assay); ME-ICP41 for multi-element including Ag, Cu, Pb, Zn; Ag-OG46 for >100 g/t Ag; Cu-OG46 for >1% Cu; Pb-OG46 for >1% Pb; and Zn-OG46 for >1% Zn.
7. Drillhole collars were surveyed by DGPS (GDA94) and downhole gyroscopic surveys were run continuously.

#### \* Copper Equivalent Calculation Explanation:

The copper equivalent (CuEq) calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result, nor metallurgical flowsheet considerations. The copper equivalent calculation is intended as an indicative value only. No metallurgical testwork has been completed to date however it is the Company's opinion that all the elements included in the copper equivalent calculation have a reasonable potential to be recovered.

Copper equivalent conversion factors and long-term price assumptions used follow:  
Copper Equivalent Formula (CuEq) = (Cu (ppm) x 0.0075 + Ag (ppm) x 0.96 + Au (ppm) x 50.00 + Co (ppm) x 0.025)/0.0075;  
Price Assumptions - Cu (US\$7,500/t), Ag (US\$30/oz), Au (US\$1,500/oz), Co (US\$25,000/t).  
Pb and Zn have not been used in copper equivalent calculation.

**Table 1 – Significant Drill Assay Results**

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Co (g/t)	CuEq (%)	Pb (%)	Zn (%)				
MBDD001	6413290	415162	090	-81	489.9	431	436	5	0.85	9	0.62	248	1.47	0.09	0.05				
						447	450	3	1.07	30	2.09	49	2.86	0.46	0.37				
MBDD002	6413370	415167	090	-77	468.8	363	404	41	1.71	33	1.84	616	3.56	0.15	0.06				
						including				381	383	2	2.31	38	2.09	605	4.38	0.15	0.08
						and				391	404	13	3.11	52	1.59	829	5.11	0.18	0.08
										415	446	31	2.65	51	0.18	78	3.45	0.74	0.52
including					418	430	12	4.06	64	0.21	92	5.05	0.97	0.65					
and					433	439	6	3.35	100	0.38	79	4.90	1.41	0.93					
MBDD003	6413430	415172	090	-76	507.8	367	377	10	1.12	47	0.95	377	2.47	1.51	1.11				
										386	398	12	1.58	39	0.14	38	2.18	0.77	0.50
										409	423	14	1.92	56	0.30	37	2.85	0.10	0.04
										444	466	22	3.62	38	0.09	40	4.18	0.40	0.04
including					453	464	11	5.40	55	0.11	39	6.19	0.49	0.06					
MBDD004	6413330	415160	090	-76	453.9	356	398	42	1.01	23	0.91	250	1.99	0.20	0.10				
						including				384	398	14	2.53	30	0.38	265	3.26	0.16	0.08
MBDD005	6413330	415158	090	-81	474.8	414	419	5	1.75	31	0.21	110	2.33	0.10	0.10				
										421	426	5	1.44	68	0.34	46	2.56	0.11	0.42
MBDD006	6413394	415165	090	-83	486.9	396	403	7	1.09	29	1.74	520	2.79	0.19	0.10				
										405	418	13	1.91	31	0.12	44	2.40	0.25	0.15
										444	475	31	1.61	13	0.17	52	1.90	0.08	0.03
MBDD007	6413350	415162	090	-90	771.8	584	588	4	0.03	26	0.11	12	N.A.	0.98	1.58				
										617	621	4	0.07	75	0.91	24	N.A.	1.82	0.02
										647	651	4	1.55	10	0.14	132	1.82	0.07	0.03

\*Shaded green denotes new intercepts

Figure 1 - Cross Section 6413410N

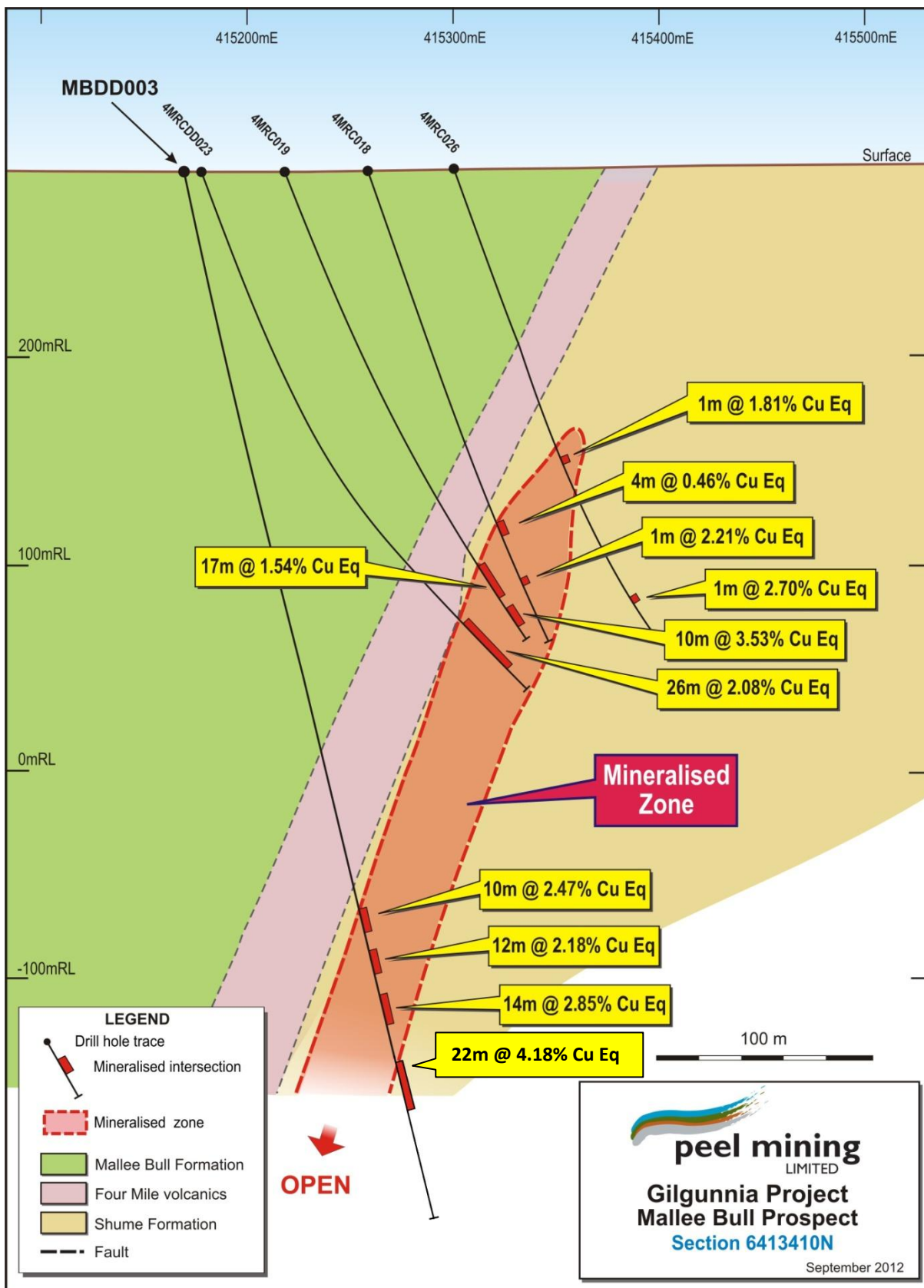
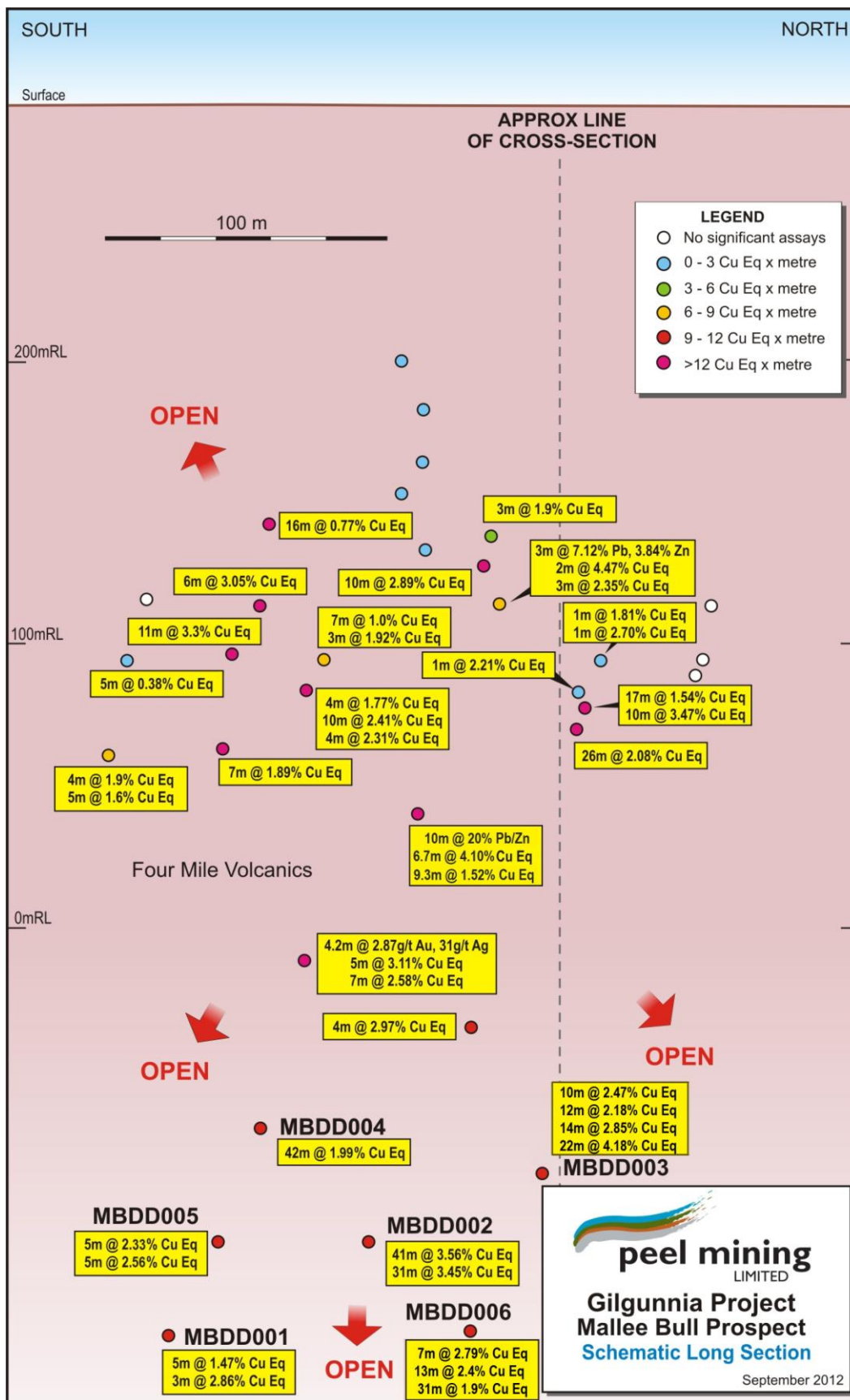


Figure 2 - Long Section





**Figure 3 – Drill Location Plan**

