

MUNDOE DRILLING CONFIRMS COPPER-POLYMETALLIC MINERALISATION

Highlights:

- 1,753m RC drilling programme at Mundoe copper-polymetallic prospect, part of Peel's 100%-owned Cobar Superbasin Project, completed.
- Encouraging results returned over 600m strike including:
 - 19m @ 0.3 g/t Au from 88m, 24m @ 15 g/t Ag, 0.29% Cu from 124m (incl. 5m @ 42 g/t Ag and 0.68% Cu from 140m) in MURC002;
 - 13m @ 28 g/t Ag, 0.76% Cu from 106m (incl. 6m @ 42 g/t Ag and 1.24% Cu from 112m) in MURC003;
 - 19m @ 0.33 g/t Au from 8m (incl. 5m @ 0.86 g/t Au from 22m), 23m @ 25 g/t Ag and 0.4% Cu from 129m (incl. 3m @ 180 g/t Ag and 2.07% Cu from 129m) in MURC005;
 - 23m @ 15 g/t Ag and 0.31% Cu from 153m (incl. 8m @ 19 g/t Ag and 0.57% Cu from 163m) in MURC007.
- Results confirm Mundoe as valid copper-polymetallic target.

Peel Mining Limited (ASX: PEX) is pleased to advise that RC drilling recently completed at the Mundoe copper-polymetallic prospect has returned encouraging results confirming it as a valid copper-polymetallic target. Mundoe is contained within EL7976, which covers 270 km² of highly prospective stratigraphy within the Rast Trough region, the southern extension of the Cobar Superbasin. Mundoe is part of Peel's 100%-owned Cobar Superbasin Project and is located about 90 km west of Condoblin in NSW, or about 50 km south of Mallee Bull.

The Mundoe prospect is currently defined by an open 2km long multi-element geochemical anomaly, coincident geophysical anomalies, and encouraging historic drill results including:

- 3m @ 2.90% Zn, 0.87% Pb, 30 g/t Ag and 0.4 g/t Au from 88m in MUD-1;
- 6m @ 1.66% Cu, 103 g/t Ag from 111m in MURP-2;
- 3m @ 122 g/t Ag, 0.3 g/t Au from 42m and 6m @ 0.42% Cu, 14 g/t Ag from 69m in MURP-3;
- 12m @ 1.09% Cu, 60 g/t Ag from 105m in MURP-4.

Results received from this round of drilling indicate that the sediment-hosted mineralisation is most likely easterly dipping meaning that downhole widths are close to true widths. Further drilling is required to confirm the geometry and true width of mineralisation.

Peel is highly encouraged by the results to date and further work is planned for first half 2013.

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

Information regarding drilling/assaying data

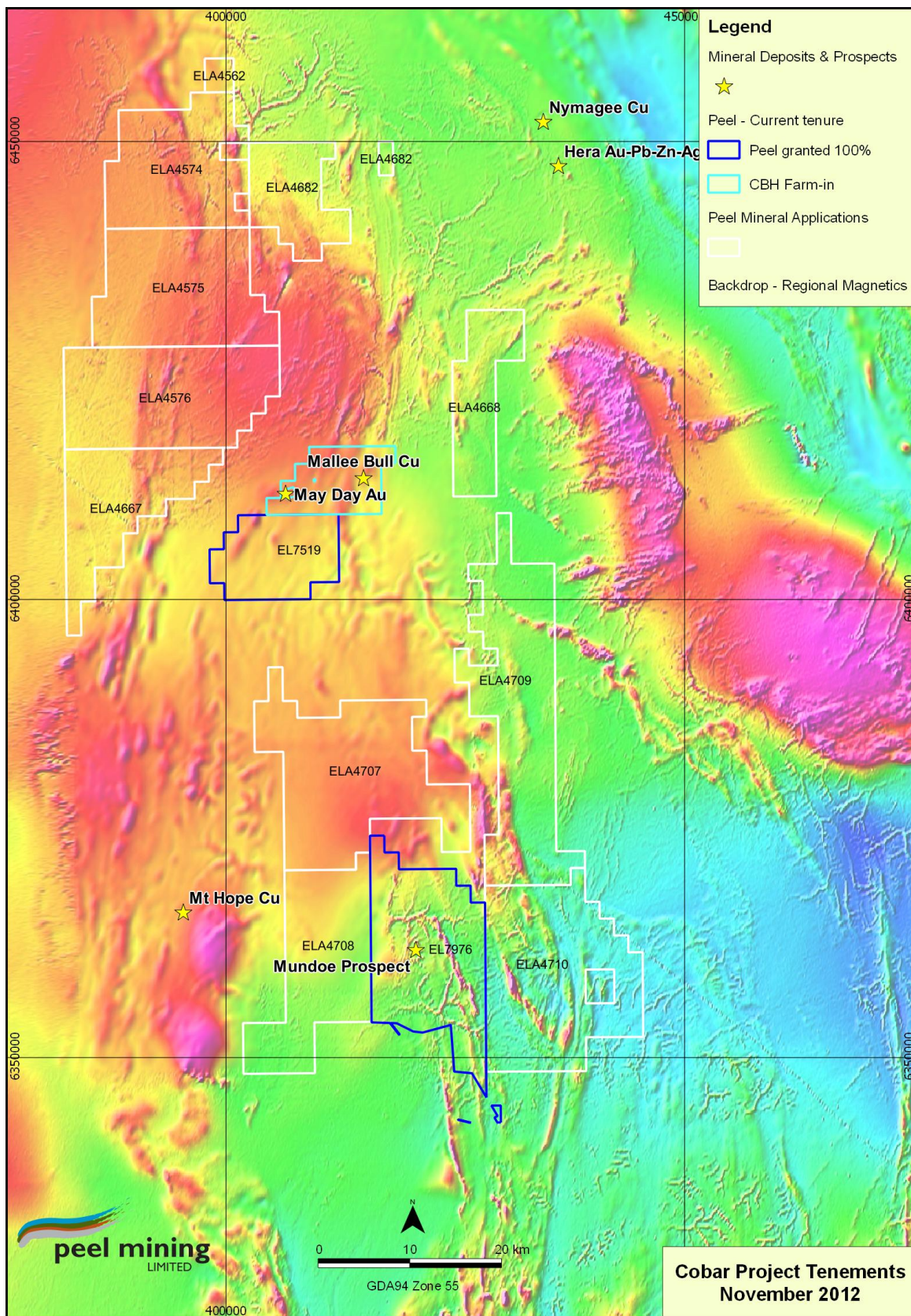
1. Drilling was completed as RC face sampling hammer.
2. Sample recoveries were considered adequate for all samples.
3. Drillcore has been logged in detail based on lithology, mineralisation, and alteration.
4. Samples for analysis were collected by cone splitter sampling, hand spearing or by sawing core in half.
5. Samples were submitted as 1m, 2m, 3m or 4m composite chip samples.
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 GPS (GDA94).

Table 1 – Phase 2 Significant Drill Assay Results

Hole ID	Northing	Easting	Azi	Dip	Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
MURC1	6361563	420900	265	-62	151	79	96	17	0.14	16	0.08	-	0.11
						109	111	2	-	69	0.25	0.55	0.23
						130	132	2	0.36	22	0.06	-	-
MURC2	6361565	420960	265	-62	202	54	56	2	-	-	1.27	-	-
						88	107	19	-	-	0.3	-	-
						124	148	24	0.29	15	-	-	-
including						140	145	5	0.68	42	0.09	-	-
MURC3	6361957	420760	265	-62	140	58	60	2	-	28	-	0.22	-
						106	119	13	0.73	28	-	-	-
including						112	118	6	1.24	42	-	-	-
MURC4	6361960	420800	270	-62	292	49	59	10	-	10	0.15	-	-
						79	80	1	-	63	0.18	0.77	1.27
						281	283	2	-	-	0.67	-	0.22
MURC5	6361763	420800	265	-65	274	8	27	19	-	-	0.33	-	-
including						22	27	5	-	-	0.86	0.15	-
						60	64	4	-	19	0.12	0.17	0.59
						78	80	2	0.29	22	-	-	-
						129	152	23	0.4	25	-	-	-
including						129	132	3	2.07	180	0.25	0.1	0.1
MURC6	6362242	420400	260	-65	196	-	-	-	-	-	-	-	-
MURC7	6361472	420960	265	-65	202	153	176	23	0.31	15	-	-	-
including						163	171	8	0.57	19	-	-	-
MURC8	6361467	420920	265	-65	148	111	112	1	-	63	0.39	0.13	0.22
MURC9	6362058	420720	265	-65	148	54	62	8	-	15	-	-	-
						101	103	2	-	20	0.12	-	-

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.

Figure 1 – Peel tenement location plan



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Figure 2 – Mundoe geochemical anomalism, IP chargeability and drillhole location

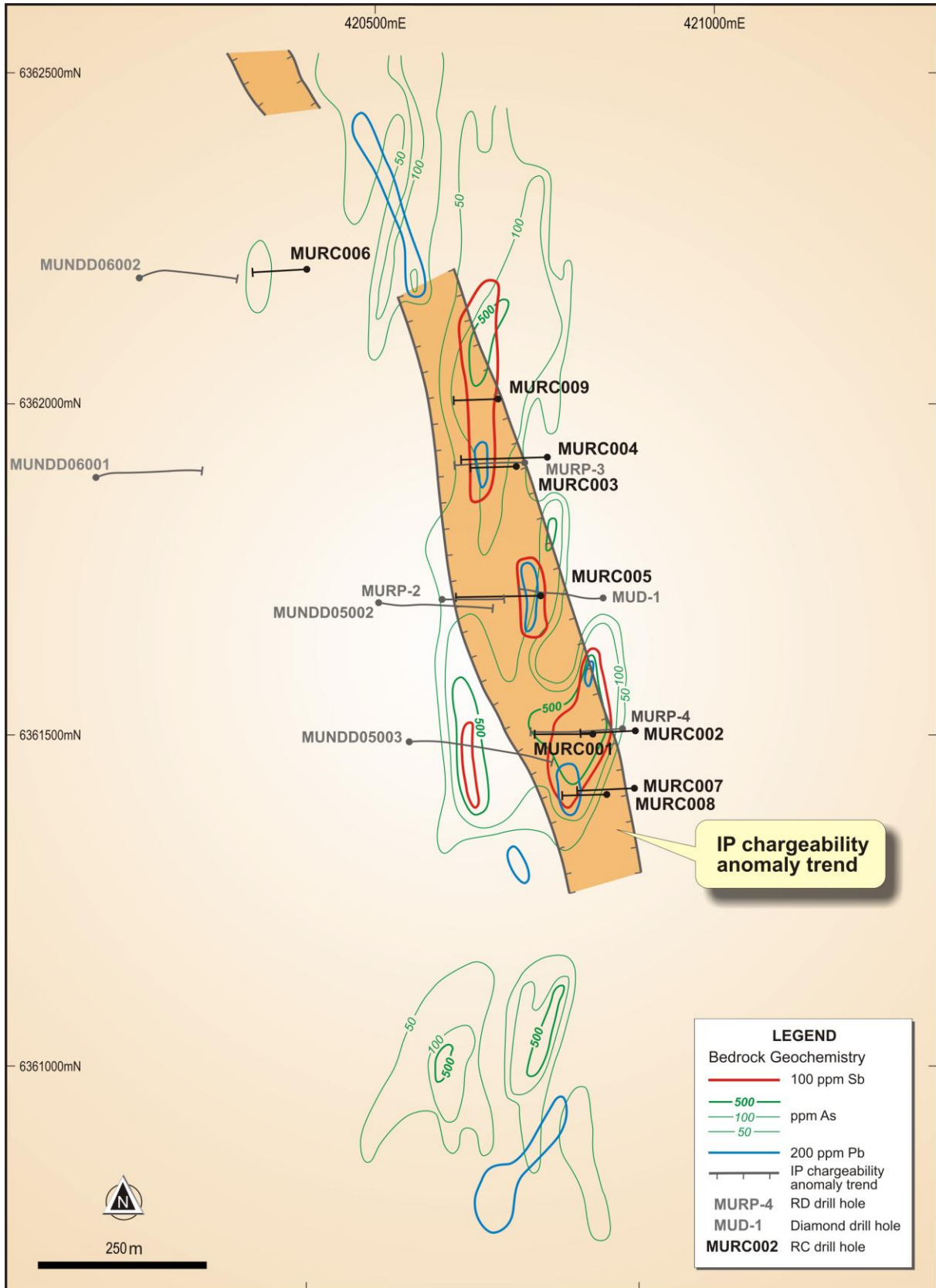


Figure 3 – Section 6361760N

