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EXPLORATION UPDATE - MALLEE BULL, COBAR SUPERBASIN

- **CBH Resources completes Farm-in at Mallee Bull/Gilgunnia with 50:50 JV now underway.**
- **Resource definition drilling at Mallee Bull to enable a maiden resource estimate by May 2014 returns many significant assay results with better results including:**
  - **20m @ 1.81% Cu, 26 g/t Ag, 0.74 g/t Au from 450m – MBRCDD005**
  - **16m @ 1.40% Cu, 11 g/t Ag, 0.07 g/t Au from 444m – MBRCDD011**
  - **19m @ 1.46% Cu, 20 g/t Ag, 0.13 g/t Au from 286m – MBDD019**
  - **28m @ 1.75% Cu, 29 g/t Ag, 1.13 g/t Au from 274m – MBDD021**
- **Metallurgical drillhole MBDD017 (and wedges) extends Mallee Bull mineralisation by more than 50m to greater than 800m below surface. As expected, given the down dip nature of the drillhole, extensive zones of mineralisation were intersected with better results including:**
  - **23m @ 3.49% Cu, 42 g/t Ag, 1.41 g/t Au from 224m**
  - **24m @ 2.14% Cu, 13 g/t Ag, 0.10 g/t Au from 392m**
  - **64m @ 2.12% Cu, 8 g/t Ag, 0.33 g/t Au from 440m**
  - **103m @ 2.30% Cu, 34 g/t Ag, 0.08 g/t Au from 617m**
  - **17m @ 1.78% Cu, 16 g/t Ag, 0.14 g/t Au from 810m**
- **Preliminary flotation testwork of potential copper recoveries at Mallee Bull are very encouraging; Stringer Sulphide style mineralisation returned up to 23.3% copper-in-concentrate at 95.4% recovery; Massive Sulphide style mineralisation returned up to 24.6% copper-in-concentrate at 85.3% recovery.**

Peel Mining is pleased to report that investigations at the Company's flagship Mallee Bull project continue to produce positive results. Resource definition drilling resumed at Mallee Bull in late 2013/early 2014 with the aim of completing a maiden resource estimate by May 2014. Other work included additional mineralogical and metallurgical testwork and initial QA/QC inspections preceding resource estimation work.

Mallee Bull/Gilgunnia Project

Recent activities at the Mallee Bull/Gilgunnia Project have comprised diamond drilling, downhole geophysical surveys, mineralogical and metallurgical studies, and QA/QC inspections preceding resource estimation work.

Mallee Bull 50:50 Joint Venture Commences

CBH Resources recently completed its final Farm-in payment in relation to the Mallee Bull Farm-in Agreement dated 10th July 2012. Consequently, CBH has earned an undivided 50% interest in the project and a 50:50 Joint Venture has now been formed. Planning for the next stage of exploration is well advanced and Peel looks forward to continuing to work positively with CBH.

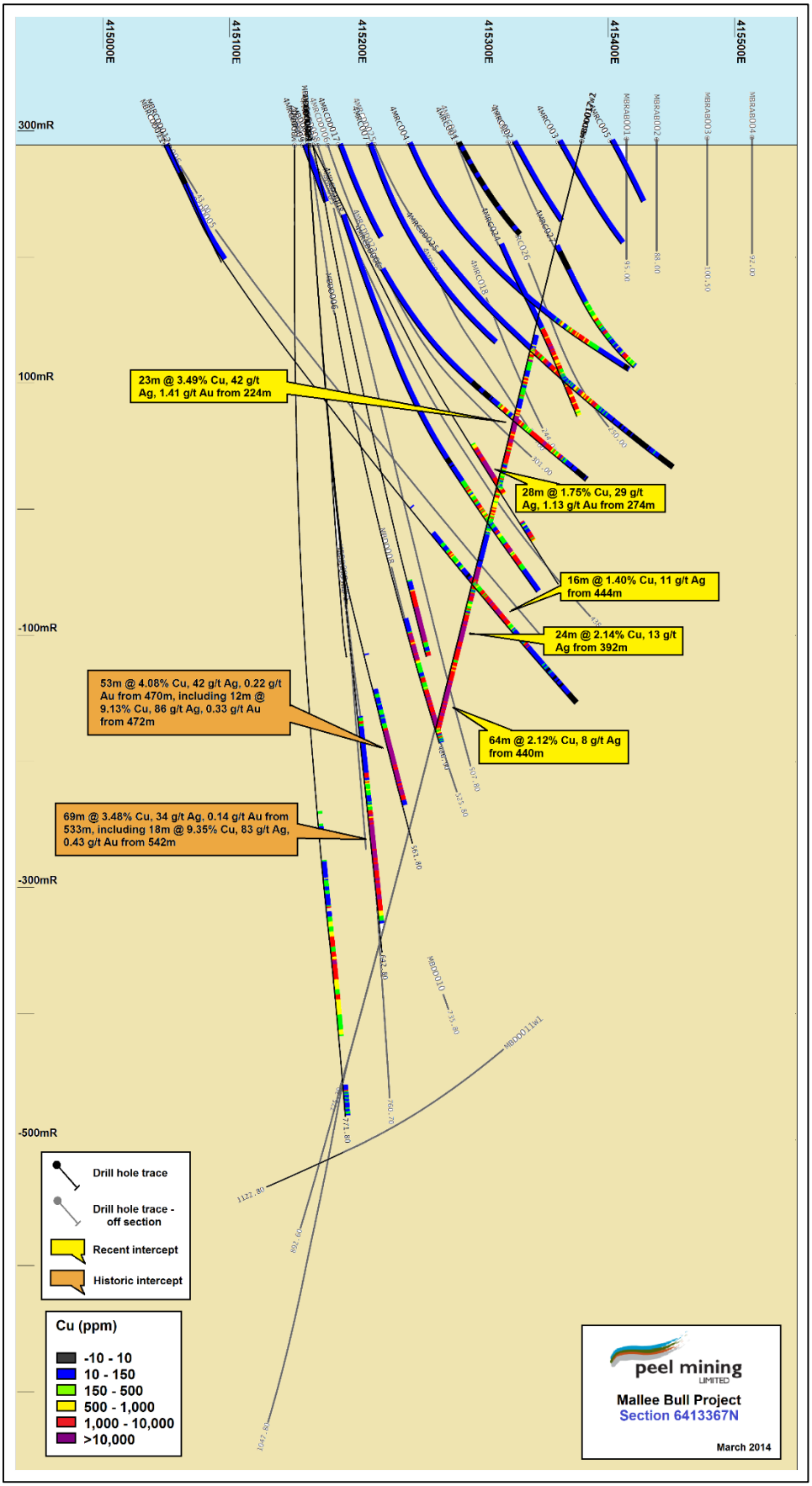

Figure 1 – Mallee Bull Section 6413367N

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Resource Definition Drilling

Resource definition drilling resumed at Mallee Bull in late 2013/early 2014 with the aim of completing a maiden resource estimate by May 2014. This drilling, which was completed at the end of CBH's Farm-in requirements in early March, was designed to fill some of the large areal gaps within the upper levels of the existing Mallee Bull drilling dataset. Interpretation and 3D modelling of the geological and structural data at Mallee Bull is currently underway, including the additional information that has been gathered through the infill drilling.

Resource definition drilling as part of Stage 3 of the CBH Farm-in agreement comprised 14 diamond holes for a total 4,982.3m, and assay results continue to substantiate the mineralisation at Mallee Bull. The bulk of results have been received, although 3 drillholes results remain pending at the time of reporting. Significant intercepts include:

- 20m @ 1.81% Cu, 26 g/t Ag, 0.74 g/t Au from 450m – MBRCDD005
- 5m @ 1.23% Cu, 46 g/t Ag, 1.75 g/t Au from 358m – MBRCDD010
- 16m @ 1.40% Cu, 11 g/t Ag, 0.07 g/t Au from 444m – MBRCDD011
- 3m @ 0.19% Cu, 46 g/t Ag, 0.24 g/t Au, 5.89% Pb, 9.03% Zn from 252m, and 10m @ 1.42% Cu, 28 g/t Ag, 0.37 g/t Au from 261m – MBDD018
- 19m @ 1.46% Cu, 20 g/t Ag, 0.13 g/t Au from 286m, and 5m @ 2.33% Cu, 22 g/t Ag, 0.18 g/t Au from 327m – MBDD019
- 9m @ 0.89% Cu, 39 g/t Ag, 0.41 g/t Au from 254m, and 4m @ 1.00% Cu, 25 g/t Ag, 0.47 g/t Au from 276m – MBDD020
- 28m @ 1.75% Cu, 29 g/t Ag, 1.13 g/t Au from 274m including 8m @ 3.00% Cu, 42 g/t Ag, 1.64 g/t Au from 293m – MBDD021

The true widths are estimated to be about 90% of the reported downhole widths.

Shallow, High-grade Copper

Of note is the identification of a zone of high grade copper mineralisation within the Massive Sulphide (hanging wall lode) zone as defined by drillholes 4MRCDD007 – 6.65m @ 3.1% Cu, 34 g/t Ag, 0.93 g/t Au from 267.35m, MBDD017 – 13m @ 5.5% Cu, 59 g/t Ag, 1.68 g/t Au from 225m (NB: drilled downdip) and MBDD021 – 26m @ 1.83% Cu, 30 g/t Ag, 1.18 g/t Au from 275m. Mineralisation appears to correlate well between these drillholes and several others, and importantly, this area appears relatively lightly drilled offering the potential to define an area of high-grade copper-rich mineralisation closer to surface.

MBDD017, MBDD017W1, MBDD017W2 Drillhole Summaries

Drillhole MBDD017 and wedges, drilled primarily to provide fresh material for additional metallurgical testwork purposes, was collared in an up-dip position above Mallee Bull and drilled down the dip of mineralisation at Mallee Bull. Extensive zones of mineralisation were intersected as expected, including zones of stringer-style chalcopyrite mineralisation to ~825m downhole, representing a greater than 50m increase in vertical extent of mineralisation. Significant results include:

- 23m @ 3.49% Cu, 42 g/t Ag, 1.41 g/t Au from 224m
- 10m @ 2.71% Cu, 50 g/t Ag, 0.16 g/t Au from 349m
- 24m @ 2.14% Cu, 13 g/t Ag, 0.1 g/t Au from 392m
- 64m @ 2.12% Cu, 8 g/t Ag, 0.33 g/t Au from 440m

- 103m @ 2.30% Cu, 34 g/t Ag, 0.08 g/t Au from 617m
- 16m @ 1.61% Cu, 44 g/t Ag, 0.39 g/t Au from 745m
- 17m @ 1.78% Cu, 16 g/t Ag, 0.14 g/t Au from 810m

As previously noted, no true width can be determined from these intercepts. Logging of MBDD017 suggests that its trajectory at deeper levels (i.e. from ~500m downhole) has "grazed" the footwall contact of the Stringer Sulphide (footwall lode) zone and that mineralisation pinches and swells along the way.

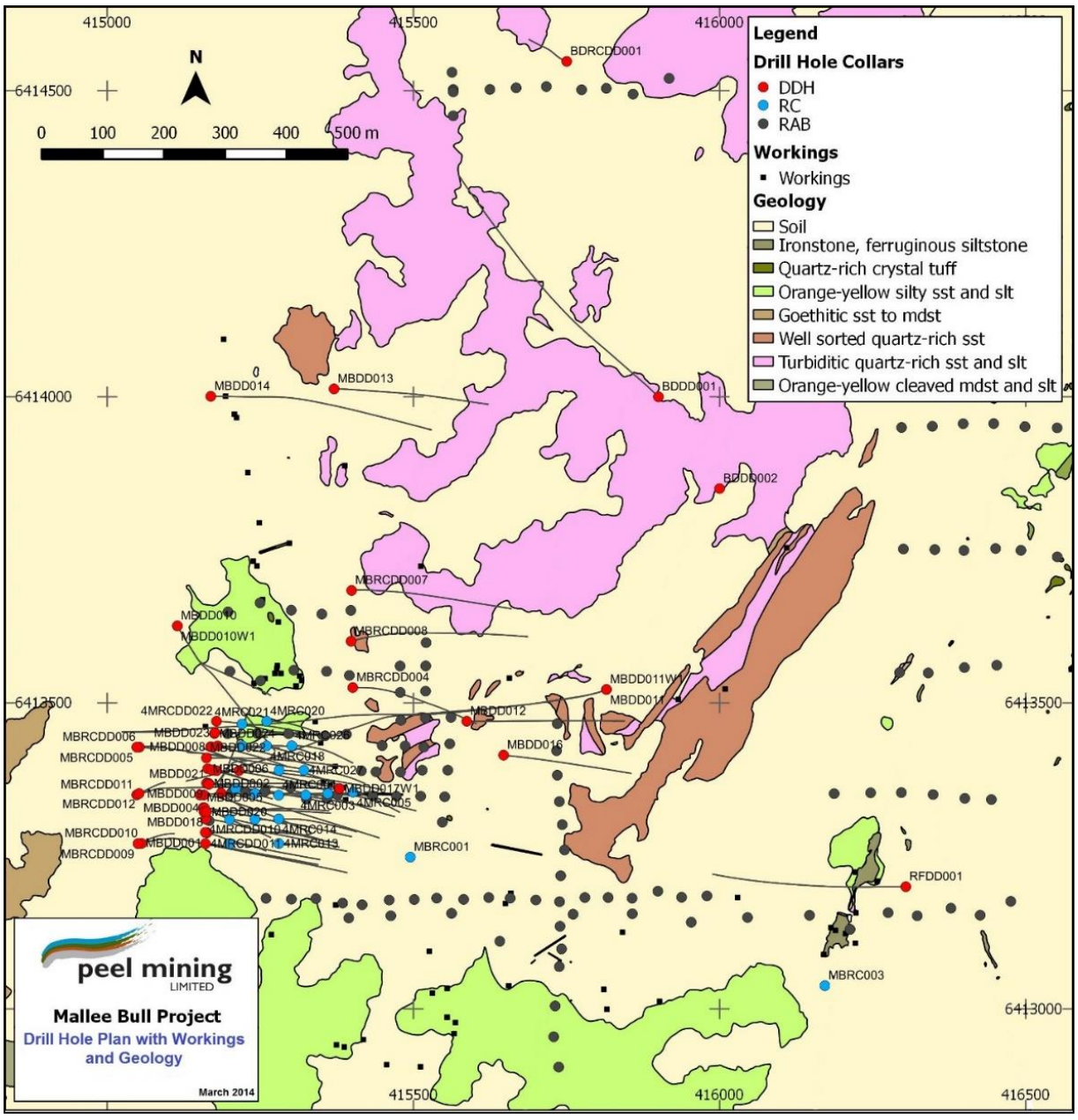

Figure 2 – Mallee Bull Drill Hole Plan with Geology

Metallurgy and Mineralogy

Recently, composite samples were sent to ALS Metallurgy, Tasmania for preliminary metallurgical assessments to determine mineralogical and flotation characteristics. The samples represented low

grade (Cu) Massive Sulphide, high grade (Cu) Massive Sulphide, and high grade (Cu) Stringer Sulphide, and initial assessments are very encouraging:

- Preliminary assessments of the low grade Massive Sulphide demonstrated a strong chalcopyrite-pyrite association to fine size. The mineralogical assessment was reflected in the flotation results, with a finer grind required and a low grade rougher concentrate produced, although the upgrade ratios to rougher concentrate were encouraging.
- The higher grade Massive Sulphide also demonstrated similar upgrade ratio to the low grade sample, with a resultant rougher concentrate of 7.3% Cu at 92% recovery achieved. This concentrate responded well to regrind and cleaning, yielding a 24.6% Cu grade concentrate at an overall recovery of 85.3%.
- The Stringer Sulphide, with more moderate chalcopyrite/pyrite associations and coarser grain size, had good liberation commencing at ~100µm. The flotation response was also significantly better with over 95.4% Cu recovery to a 23.3% Cu grade concentrate.

The final technical report is still pending, and further testwork is continuing, however Peel is highly encouraged by the preliminary results received to date.

Current and Upcoming Work

Drilling has commenced at the Butcher's Dog prospect, where DHEM surveying of diamond drillhole BDDD001 identified a new, very strong offhole anomaly (~170 millisecond time constant) beneath the hole's position. BDDD002 is designed to target the modelled conductor plate deemed responsible for the anomaly.

Planning for the next stage of exploration is well advanced however details are subject to final approval by the Joint Venture exploration committee.

Cobar Superbasin Project

Progress of Peel's 100%-owned Cobar Superbasin Project continued during the quarter with recent field activities comprising surface geochemical surveys and geological mapping.

An extensive review of historic data and preliminary field work has been undertaken on Peel's broader Cobar Superbasin Project, and this has resulted in the definition of many prospects that warrant closer investigation. To date, more than 10,000 multi-element portable XRF samples have been collected since exploration commenced.

At the Wirlong and Red Shaft prospects, reconnaissance field work identified copper-lead-zinc-arsenic anomalism in soils and rocks surrounding both prospects. Grab sampling at Wirlong confirmed this, returning values of up to 12% Cu and up to 97ppm Ag. Further follow-up at Wirlong has confirmed an extensive and untested Cu and Pb soil anomaly associated with sheared and outcropping Shuttleton volcanics and sediments, 570m north of the Wirlong shaft. A +100ppm Cu anomaly extends for 750m strike with a width of 125m; with an associated +700ppm Pb anomaly extending over 450m strike with a width of 75m. Zonation has been found to be present with the Pb offset to the west of the copper anomaly.

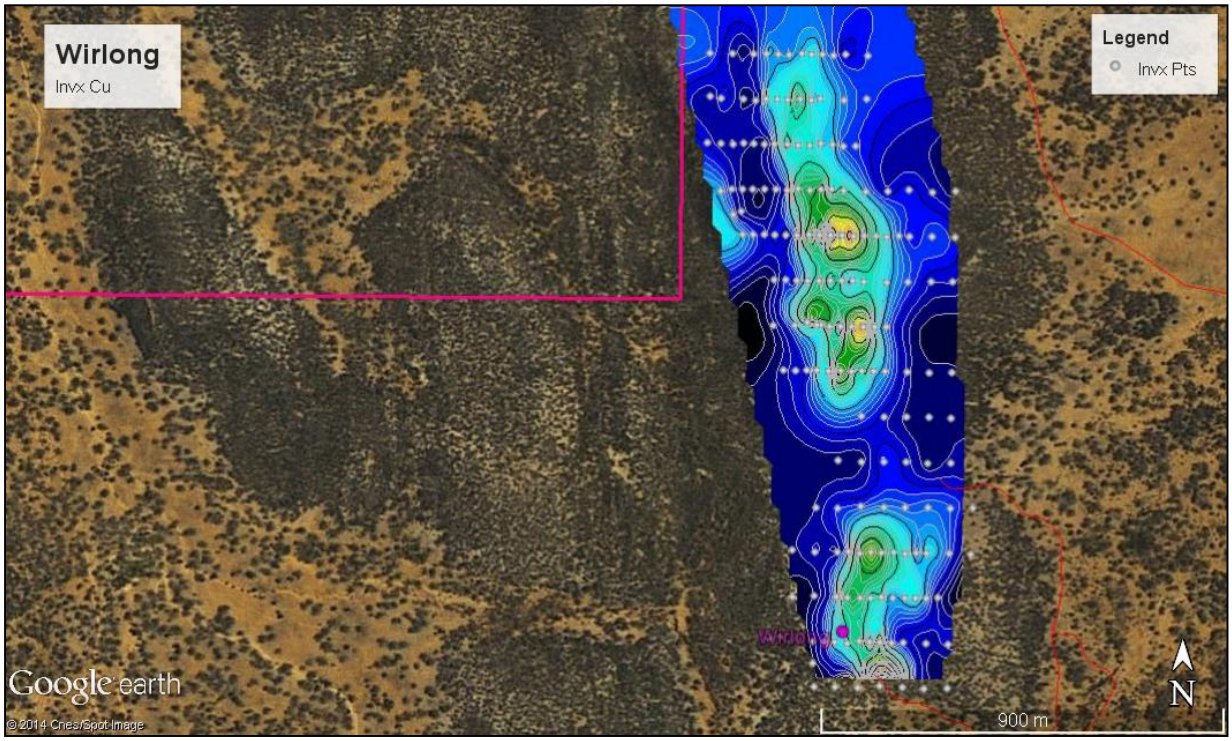

Figure 3 - Wirlong Prospect Cu anomaly

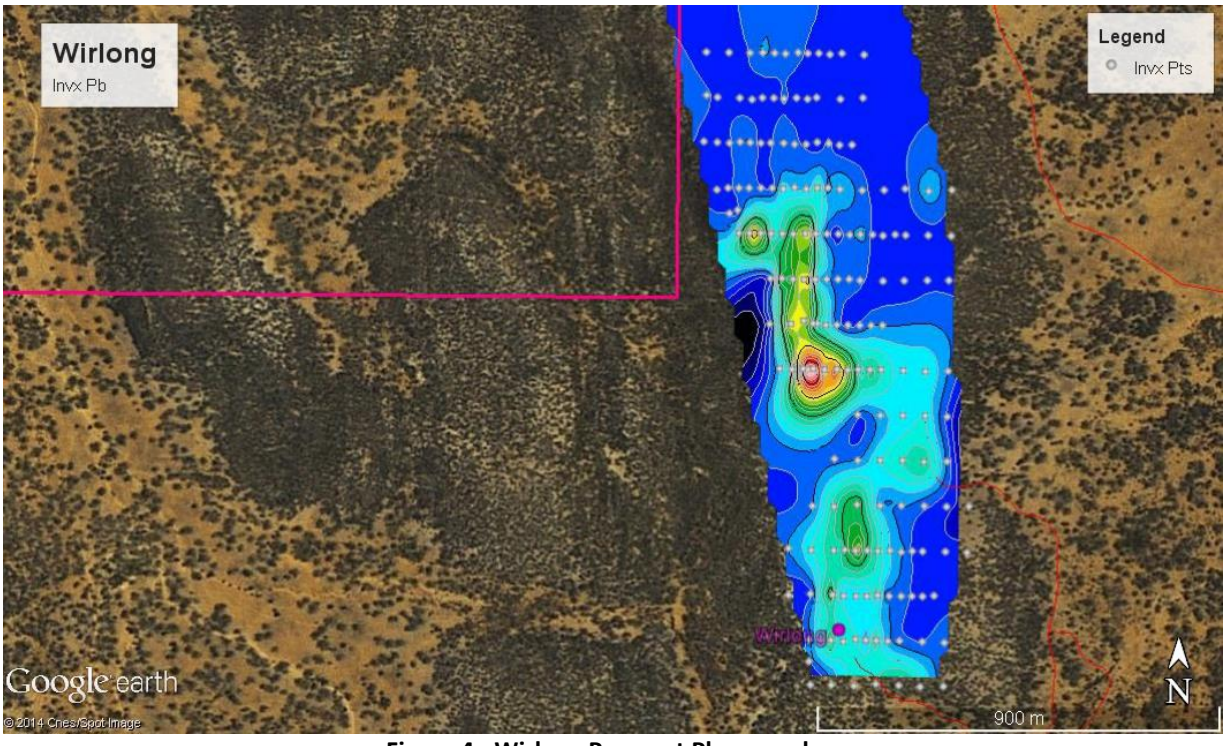

Figure 4 - Wirlong Prospect Pb anomaly

Preliminary rock chipping at Red Shaft has shown anomalous Cu, Au and Ag, as well as high arsenic values, and follow-up geochemical work has identified a 200m long +100ppm Cu anomaly and an offset 400m long +200ppm Pb anomaly; these strong anomalies occur at a sediment/volcanic contact on both sides of the prospect. Infill portable XRF work results show a very good correlation of Cu/As and the Pb/Zn.

At the Anomaly 3 prospect, which lies within "Tara" EL8070, a coincident gravity, magnetic, IP and AEM anomaly has been identified. Anomaly 3 is one of many prospects within the Cobar Superbasin Project in which gravity highs have been found to be coincident with magnetic and geochemical anomalies such as at Mallee Bull and the prospective Bedooba and Mundoe prospects. Rock chips taken from gossanous quartz veins located in close proximity to the gravity anomaly, striking north-south at Anomaly 3, have an average 3ppm Ag, 30ppm Bi and 500ppm As.

Future exploration activities will include geophysical work such as gravity and electromagnetic (EM) surveys to further investigate these promising targets.

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

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 is the Managing Director of Peel Mining Limited. 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 2012 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.

Table 1 - Mallee Bull Significant Drill Assay Results

Hole ID	Northing	Easting	Final Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
MBRCDD005	6413428	415048	492	418	422	4	1.86	24	0.06	0.2	0.25
				450	470	20	1.81	26	0.74	0.04	0.05
MBRCDD010	6413270	415056	510.4	358	363	5	1.23	46	1.75	1.00	0.28
MBRCDD011	6413350	415048	552.4	394	396	2	0.03	41	0.20	1.57	3.09
				423	426	3	1.43	29	0.12	0.34	0.99
				444	460	16	1.4	11	0.07	0.10	0.08
				463	466	3	0.94	6	0.06	0.02	0.03
MBDD017	6413360	415379	775.3	178	180	2	4.57	53	0.57	0.38	0.42
				224	247	23	3.49	42	1.41	0.18	0.20
				314	319	5	0.03	9	0.05	2.15	3.19
				349	359	10	2.71	50	0.16	0.73	1.05
				369	373	4	0.89	19	0.03	0.36	0.15
				392	416	24	2.14	13	0.10	0.15	0.03
				440	504	64	2.12	8	0.33	0.06	0.03
				617	720	103	2.30	34	0.08	0.10	0.04
				734	737	3	1.98	33	0.24	0.04	0.02
				745	761	16	1.61	44	0.39	0.03	0.03
MBDD017W1				810	827	17	1.78	16	0.14	0.15	0.03
MBDD017W2	6413360	415379	1047.8	751.4	756.8	5.4	3.36	74	0.31	0.20	0.06
MBDD018	6413288	415163	354.3	252	255	3	0.19	46	0.24	5.89	9.03
				261	271	10	1.42	28	0.37	0.5	0.27
MBDD019	6413322	415158	400.5	286	305	19	1.46	20	0.13	0.18	0.03
				327	332	5	2.33	22	0.18	0.07	0.03
MBDD020	6413322	415162	331.8	254	263	9	0.89	39	0.41	0.64	0.51
				276	280	4	1.00	25	0.47	0.66	0.10
				302	304	2	1.32	32	0.23	0.25	0.07
MBDD021	6413367	415166	399.4	274	302	28	1.75	29	1.13	0.11	0.07
Including				293	301	8	3.00	42	1.64	0.11	0.09
				312	313	1	0.26	36	0.09	8.47	5.29

Table 2 - Mallee Bull/Butcher's Dog Diamond Drilling Collar Details

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)
MBRCDD005	6413428	415048	81	-60	492
MBRCDD006	6413428	415053	93	-59	43
MBRCDD009	6413270	415050	64	-63	127
MBRCDD010	6413270	415056	71	-63	510.4
MBRCDD011	6413350	415048	71	-64	552.4
MBRCDD012	6413352	415052	64	-64	103
MBDD017	6413360	415379	281	-76	775.3
MBDD017W1	6413360	415379	281	-76	892.6
MBDD017W2	6413360	415379	281	-76	1047.8
MBDD018	6413288	415163	89	-59	354.3
MBDD018W1	6413288	415163	89	-59	330
MBDD019	6413322	415159	82	-60	400.5
MBDD020	6413322	415162	82	-54	331.8
MBDD021	6413367	415166	87	-64	399.4
MBDD022	6413410	415163	88	-64	438.1
MBDD023	6413451	415176	90	-68	405.7
MBDD024	6413451	415174	90	-72	494.7

Section 1 Sampling Techniques and Data for Mallee Bull/Gilgunnia Project

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• Diamond drilling and reverse circulation (RC) drilling were used to obtain samples for geological logging and assaying. • Diamond core was cut and sampled at 1m intervals. RC drill holes were sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of 2-4kg to ensure sample representivity.
Drilling techniques	• *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).*	• Drilling to date has been a combination of diamond and reverse circulation. Reverse circulation drilling utilized a 5 ½ inch diameter hammer. Diamond drilling ranged from PQ to NQ coring.
Drill sample recovery	• *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.*	• Core recoveries are recorded by the drillers in the field at the time of drilling and checked by a geologist. Overall core recoveries to date are >95% • RC 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 a drilling program 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 exists between recovery and grade. This will be assessed once a statistically valid amount of data is available to make a determination.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• 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 and RC sample records lithology, mineralogy, mineralisation, structural (DDH only), weathering, colour, and other feature of the samples. Core is photographed as both wet and dry. • All diamond and RAB drill holes in the current program were geologically logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Drill core was cut with a core saw and half core taken. • The RC drilling rig was 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 maximize

Criteria	JORC Code explanation	Commentary
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	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. • A sample size of 2-4kg was collected and considered appropriate and representative for the grain size and style of mineralization.
Quality of assay data and laboratory tests	• *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.*	• ALS Laboratory (Orange) was used for all analysis work carried out on the 1m drill chip samples and drill core samples. The laboratory techniques below are for all samples submitted to ALS and are considered appropriate for the style of mineralization defined at the Mallee Bull prospect: • PUL-23 and CRU-22 (Sample preparation codes) • ME-ICP41 35 Element Aqua Regia ICP-AES • Au-AA25 Ore Grade Au 30g FA AA finish • 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 pulverized. Duplicates for percussion drilling are collected directly from the drill rig or the meter 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	• *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.*	• 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	• *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.*	• A Garmin hand-held GPS is used to define the location of the drill hole collars. Standard practice is for the GPS to be left at the site of the collar for a period of 10 minutes to obtain a steady reading. Collars are picked up after by DGPS. Down hole surveys are conducted by the drill contractors using predominantly a Reflex gyroscopic tool with readings every 10m after drill hole completion. On occasion a Reflex 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. • Grid system used is MGA 94 (Zone 55). All downhole magnetic surveys were converted to MGA94 grid.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Data/drill hole spacing is variable and appropriate to the geology and historical drilling. • No sample compositing is used in this report; all results detailed are the product of 1m down hole sample intervals.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Most drillholes are planned to intersect the interpreted mineralized structures/lodes as near to a perpendicular angle as possible (subject to access to the preferred collar position). MBDD017, MBDD017W1, MBDD017W2 were drilled predominantly for metallurgical purposes, and were drilled down the plunge of the mineralisation, consistent with its overriding purpose.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• 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 labeled with: • Peel Mining Ltd • Address of laboratory • Sample range • Detailed records are kept of all samples that are dispatched, including details of chain of custody.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data is validated when loading into the database. No formal external audit has been conducted.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• The Mallee Bull prospect is wholly located within Exploration Licence EL7461 "Gilgunnia". The tenement is subject to a farm-in agreement (JV) with CBH Resources Ltd, a wholly owned subsidiary of Toho Zinc Co Ltd. Peel has a 50% interest in the tenement. • The tenement is in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Work was completed in the area by former tenement holders 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	• *Deposit type, geological setting and style of mineralisation.*	• 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	• *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:*
	  ○ *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.*
		• Refer to Table 2 in the body of text.

Data aggregation methods	• *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*	• No length weighting or top-cuts have been applied. • No metal equivalent values are used for reporting exploration results.

Criteria	JORC Code explanation	Commentary
	such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• True widths are generally estimated to be about 90% of the downhole width, except for MBDD017 where no true width is determinable because of the down-dip nature of the drillhole.
Diagrams	• *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.*	• Refer to Figures in the body of text.
Balanced reporting	• *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.*	• All results are reported.
Other substantive exploration data	• *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.*	• Metallurgical testwork results for MBDD017 drill core from the Mallee Bull prospect indicate that a sample of typical copper head grade Massive Sulphide has a 92% recovery for a rougher concentrate of 7.3%, which after a regrind and cleanse yields a 24.6% Cu grade concentrate at an overall recovery of 85.3%, and a sample of high grade Stringer Sulphide with good liberation commencing at 100µm has a 96% Cu recovery to a 21% Cu rougher concentrate.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work at Mallee Bull will include diamond drilling to further define the extent of mineralization at the prospect. Infill drilling has started and is planned to continue, with the aim of defining a JORC code compliant resource. Down hole Electromagnetic (DHEM) surveys will be used to identify potential conductive sources that may be related to mineralization.

Section 1 Sampling Techniques and Data for the Cobar Superbasin Project

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• Copper, lead and other multi-element analyses of soil samples were undertaken using a hand held portable XRF. • For rock chip sampling, efforts were made to collect similar sized rock chip fragments for each sample point and to take samples of a similar volume.
Drilling techniques	• *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).*	• Not applicable
Drill sample recovery	• *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.*	• Not applicable
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not applicable
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.*	• Rock chip samples were taken using a geological hammer. Efforts were made to collect even sized rocks. Samples were dry. • Shallow holes of equal size were dug in the ground using a geological hammer for consistency and better exposure of the soil when sampling with the portable XRF machines.

Criteria	JORC Code explanation	Commentary
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	• *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.*	• ALS Laboratory was used for all analysis work carried out on rock chip samples. The laboratory techniques below are for all samples submitted to ALS: • ME-MS61 Four Acid Near Total ICP AES ICPMS • Au-AA26 Ore Grade Au 30g FA AA finish • The portable XRF model used was the Olympus Innov-X Delta. • Results were verified using the supplied Innov-X XRF standards
Verification of sampling and assaying	• *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.*	• All 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.
Location of data points	• *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.*	• A hand-held GPS is used to locate workings and other sample locations. • Grid system used is MGA94 (Zone 55).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Samples were taken every 50m
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• PXRF sampling has been completed on a 100m x 25m grid with lines oriented in an E-W fashion perpendicular to the presumed geological strike.
Sample security	• *The measures taken to ensure sample security.*	• The chain of custody is managed by the project geologist who collects the samples, and detailed records are kept of all samples that are dispatched, including details of chain of custody.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data is validated when loading into the database. No formal external audit has been conducted.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *The security of the tenure held at the time of reporting along with any known impediments*	• The Wirlong and Red Shaft prospects are wholly located within Exploration Licence EL7403 "Sandy Creek". The Anomaly 3 prospect is wholly located with Exploration Licence EL8070 "Tara". Both tenements are 100% held by Peel Mining Ltd. • Both tenements are in good standing, and no known impediments exist.

Criteria	JORC Code explanation	Commentary
	to obtaining a licence to operate in the area.	
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Work was completed over Wirlong and Red Shaft by Triako Resources and CRA Exploration. An IP survey and bedrock sampling were conducted at Red Shaft. Work was more extensive at Wirlong, including an aeromagnetic survey, soil sampling, orientation gravity surveys, ground magnetic traverses, an IP survey, and diamond and RC drilling. • Work was completed over Tara by the Electrolytic Zinc Company, CRA Exploration, and Burdekin Resources, and included rock chip sampling and auger drilling
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Cobar Superbasin is one of several intracratonic basins developed in the Lachlan Orogen during the Silurian/Devonian. The location and geometry of mineral deposits are strongly influenced by strain intensity; the majority of Peel's tenements are laying in the high strain domain of the basin. • The Wirlong and Red Shaft prospects are located on the limbs of a broad sandstone dominated anticlinorium. In outcrop there is well-developed axial plane foliation, evidence of shearing and chlorite alteration, North-South trending massive bucky quartz veins and quartz stock work veining as evidence of a high strain environment. There are interbedded siltstone, sandstone and volcaniclastic units.

Drill hole Information	• *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:*
	  ○ *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.*
		• Not applicable

Data aggregation methods	• *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 examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Not applicable
Diagrams	• *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*	• Refer to Figures 3 & 4 in the body of text.

Criteria	JORC Code explanation	Commentary
	locations and appropriate sectional views.	
Balanced reporting	• *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.*	• All results are reported.
Other substantive exploration data	• *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.*	• No other substantive exploration data are available.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future activities at the Wirlong, Red Shaft and Anomaly 3 prospects ill include geophysical work such as gravity and electromagnetic (EM) surveys to further delineate existing targets as well as identify new ones, and drilling will be conducted if waranted.