



Exploring forgotten mineral fields

JUNE 2008 QUARTERLY REPORT

30 July 2008

Peel Exploration Limited

ASX code: PEX

ACN: 119 343 734

Level 1, 79 Hay St
Subiaco, WA 6008

Ph: (08) 9382 3955

Fax: (08) 9388 1025

E: info@peelex.com.au

Web: www.peelex.com.au

Contact:

Rob Tyson

Executive Director

rtyson@peelex.com.au

About Peel Exploration Limited

- The company has six 100%-owned projects covering approximately 950km² in the New England Fold Belt region of northern New South Wales.
- These projects comprise the Attunga, Dungowan, Barry, Waverley, and Armidale tenements and are host to numerous historic mines and workings.
- The project areas are under-explored with only minimal modern exploration reported.
- Peel believes its projects offer excellent potential for the discovery of economic precious, base and exotic metals mineralisation.
- The Company plans to conduct exploration in a logical and systematic manner with a focus on maximising the return for each dollar spent.

Highlights for June quarter 2008

- Independent JORC-compliant resource for Attunga Tungsten Deposit of 1.29 Mt grading 0.61% WO₃ (tungstic oxide) and 0.05% Mo (molybdenum) for 9,400t contained WO₃ equivalent using 0.2% WO₃ equivalent cutoff announced in April 2008.
- Commencement of RC drilling programme at Kensington and Attunga Tungsten Deposit.
- Partial results received for Kensington continue to confirm significant gold system.
- Lodgement of ELA covering historic Boorolong Molybdenum prospect.
- Final airborne geophysical data interpretation highlighting several high-order anomalies at Dungowan received subsequent to quarter's end.

Plans for September quarter 2008

- Attunga Tungsten Deposit mineralogy and metallurgical test work investigations.
- Investigation of known tungsten prospects in proximity of the Inlet Monzonite.
- Follow-up investigation of geophysical anomalies at Dungowan, Barry, and Waverley.
- Field visits to Boorolong and Armidale.



Exploring forgotten mineral fields

Exploration

Attunga Project: Gold, Tungsten, Molybdenum, Copper; NE NSW (PEX 100%).

Tenements: EL6883 (Mt Patterson), EL6884 (Attunga).

Targets: Intrusive-Related Gold System style gold-tungsten mineralisation; and skarn style tungsten-molybdenum mineralisation.

Peel was granted exploration licences covering the historic Attunga-Kensington gold-tungsten-molybdenum mineral fields in late 2007. The Attunga Project contains numerous historic mines, prospects and workings and investigations utilising historic exploration reports coupled with modern datasets indicate that the Attunga-Kensington mineralising structure bears the hallmarks of an Intrusive-Related Gold System (IRGS).

During and subsequent to the quarter, activity undertaken at the Attunga Project included:

- independent resource estimation of the Attunga Tungsten Deposit;
- RC drilling at Kensington and Attunga Tungsten Deposit;
- surface rock-chip and soil analysis with Niton XRF analyser; and
- GIS data capture and desktop studies.

Attunga Tungsten Deposit (also known as Attunga Scheelite Deposit, Attunga Prospect 1)

In April 2008, Peel announced the completion of a resource estimate by Geos Mining Mineral Consultants for the Attunga Tungsten Deposit. The resource estimate is a global resource estimate for tungsten and molybdenum mineralisation. Results include: **1.29 Mt grading 0.61% WO₃ and 0.05% Mo for 9,400t contained WO₃ equivalent using 0.2% WO₃ equivalent cutoff.**

Details regarding the Attunga Tungsten Deposit resource estimate were released to the ASX on 24th April 2008 (High-Grade Resource at Attunga Tungsten Deposit).

Subsequent to the quarter's end, two RC drill holes were completed at the Attunga Tungsten Deposit to provide sufficient mineralised material for initial metallurgical testwork and mineralogical investigation. Scheelite mineralisation was observed in both holes and assay results will be reported when available. Wet weather combined with rugged terrain and drill rig availability curtailed completion of the fully planned exploration and infill drilling programme at the Attunga Tungsten Deposit.

Peel plans to complete additional infill and exploration drilling at Attunga Tungsten Deposit subject to metallurgical test work results. Planned work for the coming quarter includes field exploration and investigation of other known tungsten prospects in proximity of the Inlet Monzonite.

Kensington Gold-Tungsten Prospect

The Kensington Gold-Tungsten Prospect located about 5km north-northwest of the Attunga Tungsten Deposit, represents a high-priority target within the Attunga Project area. Previous explorers have reported substantial gold and tungsten mineralisation at Kensington, including the delineation of historic tungsten resources.

During the quarter, an RC drilling programme at Kensington commenced and was concluded subsequent to the quarter's end. 10 holes for 1,229m were completed. At the time of reporting final assay results for many holes remained outstanding, however results received to date



Exploring forgotten mineral fields

continue to confirm that Kensington represents a significant gold-tungsten prospect. Noteworthy results returned to date are reported in Table 1 below.

Table 1: Summary June/July 2008 Kensington RC Drill Results

Hole No.	Northing	Easting	Azimuth (mag)	Dip	Final Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	Comment
KENRC-8	6582528	300849	40	-60	198	3	174	171	0.32	Bulked intersection
Incl.						29	44	15	0.93	>0.5 g/t Au
Incl.						58	60	2	0.77	>0.5 g/t Au
Incl.						81	83	2	0.91	>0.5 g/t Au
KENRC-11	6582711	300917	220	-50	77	24	38	14	0.78	Bulked intersection
KENRC-12	6582719	300348	40	-50	137	72	108	36	0.31	Bulked intersection
KENRC-15	6582733	300951	220	-50	143	94	143	49	0.32	Bulked intersection
KENRC-16	6582693	300928	220	-50	113	43	45	2	1.06	>0.5 g/t Au

Notes:

1. Samples were from split RC drill chips.
2. Samples were analysed at ALS Chemex utilising methods Au-AA25 (30g fire assay) for gold.
3. Bulk intersection's had no lower cutoff grade applied.
4. No estimate of true width has been made.

Although gold mineralisation encountered at Kensington to date can be regarded as sub-economic, drilling thus far has been relatively shallow and Peel believes that good potential exists for the discovery of an economic gold system. In addition to the above gold results, significant tungsten mineralisation in the form of scheelite was also identified via Niton XRF analyser and UV inspection. Some tungsten anomalous samples were sent for analysis at ALS Chemex with certain individual metre intervals returning up to 0.21% WO₃.

Geologically, the area at Kensington is complex, and more regionally, similarities between the Inlet Monzonite and the Cadia Hill Monzonite have been observed. Peel is encouraged by results received to date and additional drill results will be reported on receipt of final assay results.

Dungowan Project: Copper, Zinc, Gold, Silver; NE NSW (PEX 100%).

Tenement: EL6613.

Targets: Polymetallic VHMS mineralisation; syngenetic exhalative gold mineralisation; and epigenetic structurally-controlled gold mineralisation.

Final processing and interpretation of high-resolution airborne geophysical survey data was received subsequent to the quarter's end with several high-order anomalies identified for follow-up investigation.

Planned RC drilling at Trough Gully was postponed due to prioritisation of work at Kensington and Attunga Tungsten Deposit.

Peel's workplan at Dungowan for the coming quarter includes follow-up of geophysical targets.



Exploring forgotten mineral fields

Barry Project: Copper, Zinc, Gold, Silver; NE NSW (PEX 100%).

Tenement: EL6614.

Targets: Polymetallic VHMS mineralisation, intrusive-related precious/base metals mineralisation; and ultramafic-hosted nickel and PGEs.

Final processing and interpretation of high-resolution airborne geophysical survey data was received subsequent to the quarter's end.

Peel completed an investigation of the Cash (aka Back Barb) copper prospect with eight rock chip samples and 130 soil samples collected. No significant assay results were returned.

Peel's workplan at Barry for the coming quarter includes the investigation of several other copper prospects (subject to access).

Waverley Project: Silver, Lead, Zinc, Gold; NE NSW (PEX 100%).

Tenement: EL6719.

Targets: Intrusive-related precious-base metals mineralisation.

Final processing and interpretation of high-resolution airborne geophysical survey data was received subsequent to the quarter's end with several anomalies identified for follow-up investigation.

During the quarter, Peel completed an investigation of the Waverley silver prospect with six rock chip samples collected. Several silver-anomalous rock chips were returned including a best result from sample 52147 of 297 ppm silver and 2.02% zinc.

Peel's workplan at Waverley for the coming quarter includes follow-up of magnetic anomalies defined by the recent geophysical survey.

Armidale Project: Silver, Gold, Antimony, Tungsten; NE NSW (PEX 100%).

Tenement: EL6722.

Targets: Intrusive-related precious metals mineralisation.

During the quarter, Peel completed investigations of several prospects at Armidale including Taits Gully silver mine from which 11 rock chip samples were collected. Numerous low-level anomalous silver results were returned.

Further field investigation of Taits Gully is planned for the upcoming quarters.

Boorolong ELA: Molybdenum, Tin; NE NSW (PEX 100%).

Tenement: ELA3483.

Targets: Granite-hosted molybdenum and tin mineralisation.

During the quarter, Peel lodged ELA34833 covering the historic Boorolong molybdenum workings and the Sutton Gully tin workings. Initial literature searches indicate possible high-grade molybdenum resources (non-JORC) remain present at Boorolong with little modern exploration.

Corporate

During the March quarter, Peel issued 600,000 employee incentive options.

For further information, please contact:

Rob Tyson
Executive Director – Peel Exploration
Tel: 08 9382 3955

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 styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Persons 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 their information in the form and context in which it appears.

Figure 1: Peel Exploration June/July 2008 Kensington RC Drill Plan

