



Exploring forgotten mineral fields – the Attunga project

NSW Mineral Exploration & Investment Conference

Four Seasons Hotel Sydney – August 13, 2009

ASX: PEX

Managing Director – Rob Tyson

Disclaimer



The views expressed here other than historical fact constitute forward-looking statements. Forward-looking statements are based upon estimates and assumptions considered reasonable by the Company, albeit subject to uncertainties and contingencies of unknown factors that may cause variation in such forward-looking statements beyond the Company's ability to control or predict. Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

Competent Persons Statement

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 Managing Director of Peel Exploration Ltd. 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.

Peel Exploration Ltd (ASX: PEX)



Portfolio

- Skarn-style tungsten (scheelite) mineralisation
- Skarn-style copper-gold (polymetallic) mineralisation
- Stockwork/sheeted vein style gold mineralisation

Highlights

- Maiden resource for Attunga Tungsten Deposit and subsequent identification of metallurgical process route
- Copper-gold (polymetallic) discovery at Attunga Copper Mine
- Delineation of extensive gold mineralisation at Kensington

Future

- Expand/infill resources at Attunga Tungsten Deposit
- Test new copper-gold mineralisation at Attunga Copper Mine
- Test area between Attunga Tungsten Deposit and Attunga Copper Mine
- Test for porphyry feeder systems at Attunga, Kensington

Capital & Corporate



Capital Structure

- | | |
|-------------------------------------|---------------|
| • Market Capitalisation (@ 12 cps) | \$3.7 million |
| • Fully paid shares | 30.9 million |
| • Options (various exercise prices) | 30.5 million |
| • Top 20 | approx 60% |

PEX People

- Simon Hadfield – Chairman
- Craig McGown – Non-executive Director
- Rob Tyson – Managing Director
- David Hocking – Company Secretary
- Michael Oates – Project Geologist
- Steve Leggett – Field and Tenements Manager

Peel's Economic Attitude



Doing things differently

- Low admin & corporate costs from Day 1
- Part-time Co-Sec
- Flexible, affordable, experienced contract staff – day/hr rates
- \$7,000 Landcruiser
- \$70,000 Niton Field Portable XRF analyser
- Assay cost savings via XRF repaid capital cost in 2 drill programmes
- Contact locals and historic geos for data – anecdotal and physical
- Utilise DPI and UNE for cost-effective expertise

Tenements

Our assets – ~ 470 km²

- Attunga: tungsten-moly-gold-copper
- Dungowan: copper-zinc-silver-gold
- Armidale: gold-antimony-silver-lead-zinc
- Mt Tennyson East: moly-tungsten
- Yerranderie: silver-lead-gold

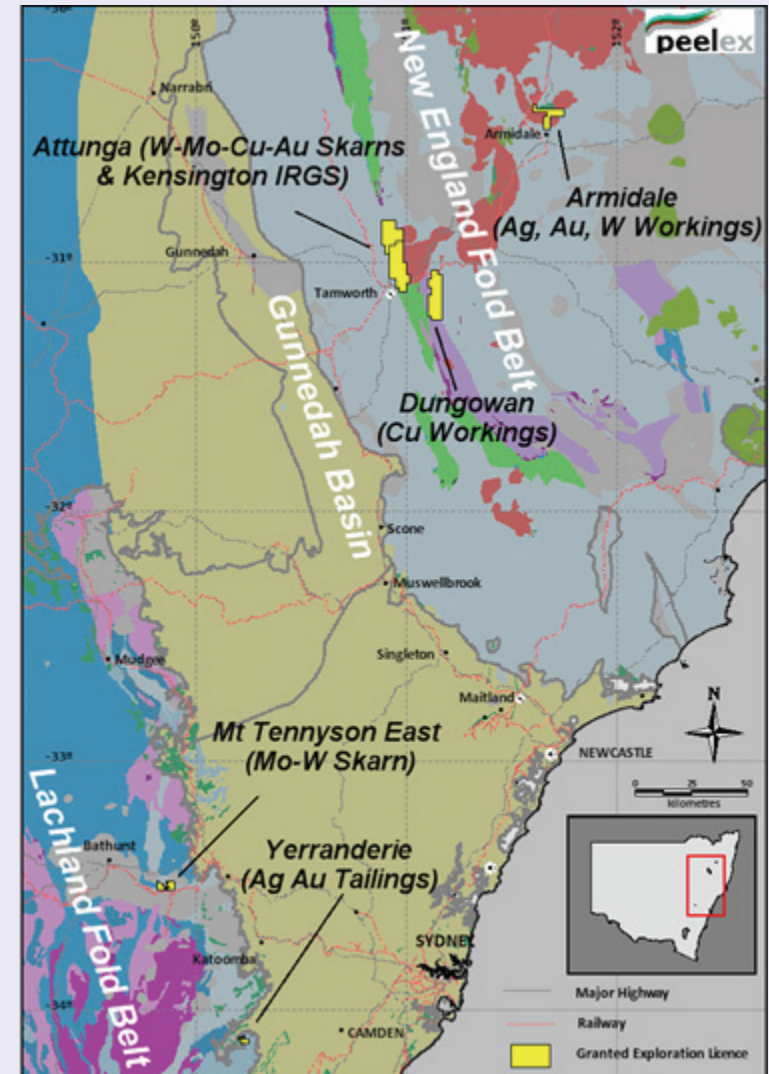
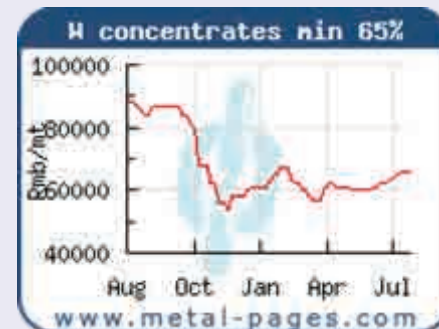
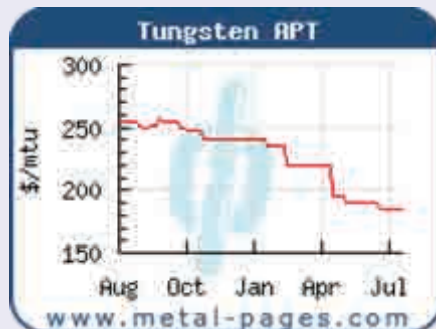


Fig 1. Peel Exploration Project Locations

Tungsten

An strategic metal:

- Tungsten's primary demands are hard metals (tungsten carbide) and steels/alloys used in manufacturing/construction/mining industries
- Global consumption ~90,000 tpa, doubled in decade
- China dominates global trade (supply ~85%, reserves ~60%), operations increasingly mature - lower grade, western users subject to China's stranglehold
- Western developments struggling due to Capex/technical issues
- July 2009: price remained relatively strong: ~US\$18,000/t APT, ~US\$14,000/t cons
- Future supply side shock?



Attunga – an excellent location

Key non-geological points

- 100% Peel Exploration Ltd
- 400 km north of Sydney, 20 km north of Tamworth
- Proximal to excellent infrastructure (road, rail, power & water)
- Proximal to skilled local workforce (Tamworth population ~42,000)
- Predominantly freehold landholders
- No native title issues
- Immediate land access and drilling agreements in-place



Fig 2. Tamworth's Golden Guitar

Attunga – Peel's perspective



Attunga Project Area

- 250km² - granted Sep 2007
- Intrusive-related gold system (IRGS) model
- Attunga Tungsten Deposit – amongst richest tungsten deposits in Australia
- Attunga Copper Mine – “new” copper-gold discovery
- Kensington – extensive gold-tungsten mineralisation
- Numerous other tungsten and gold prospects
- Minimal modern exploration
- Located 20 km North of Tamworth – excellent infrastructure and low-cost skilled labour

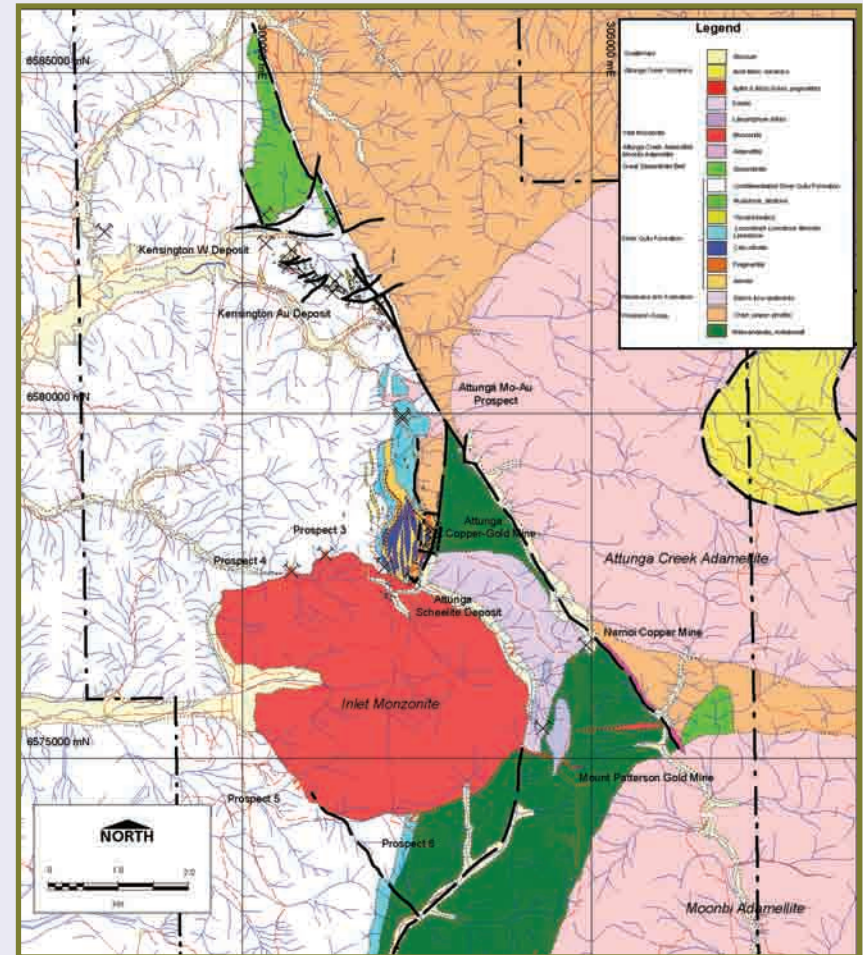


Fig 3. Attunga Project Geology & Tenements

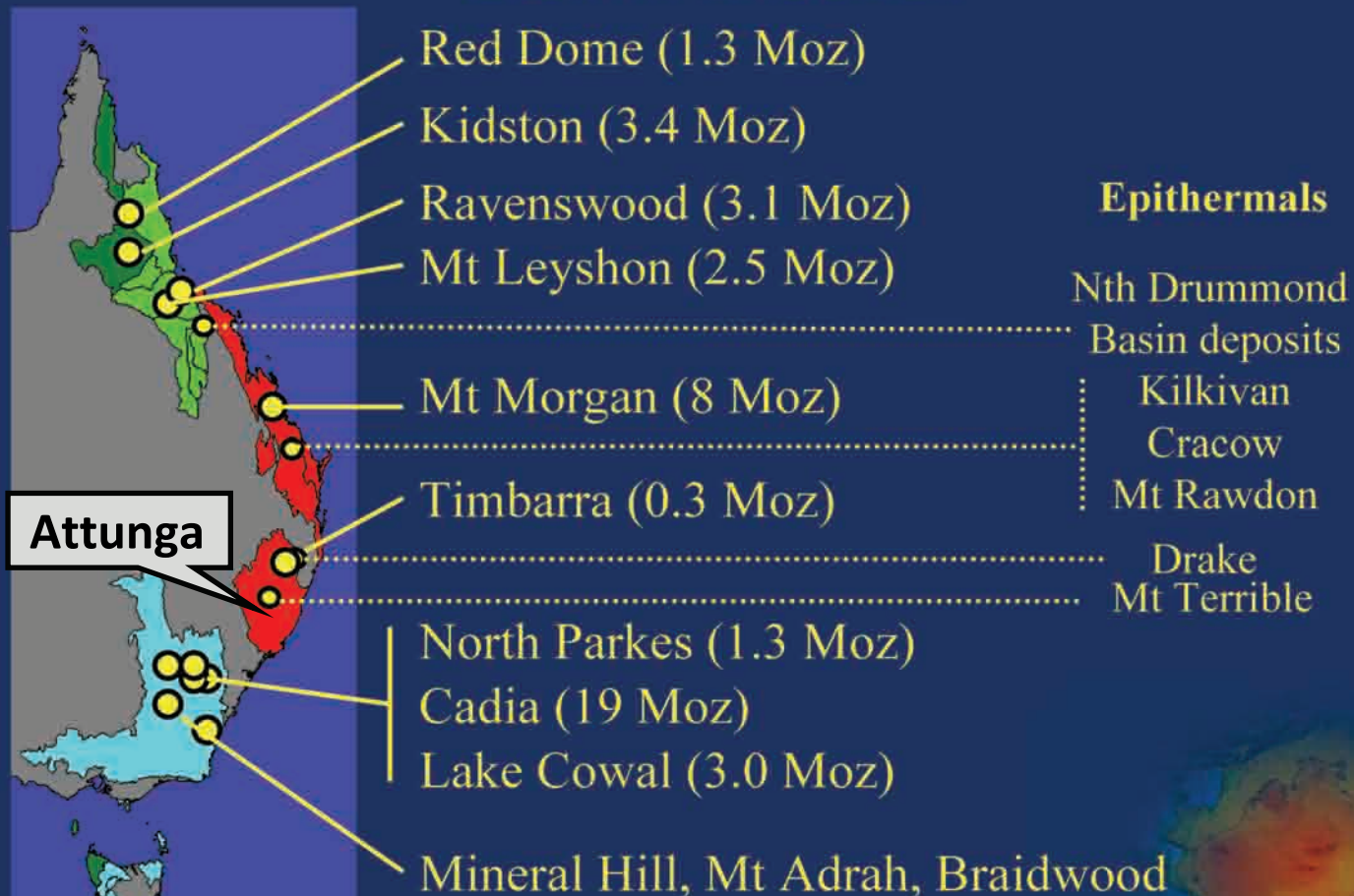
Attunga – an intrusion-related gold system

Key geological points

- IRGS model “readily applicable” – independent expert
- IRGS can be large
- Lithologically and structurally complicated area
- Intersection of major structures (Peel Fault, Bendemeer Lineament, Glen Dhu splay fault, Splinter splay fault)
- Associated with geochemically suitable major intrusives (Inlet Monzonite, Moonbi Adamellite and the Attunga Creek Adamellite)
- Chemically reactive wallrock packages - limestones, calc silicates , serpentinites and carbonaceous shales
- Wide variety of intrusion-related mineralisation styles and widespread gold mineralisation
- New England Orogen proven host for IRGS (Tooloom and Timbarra)

Attunga and IRGS environments

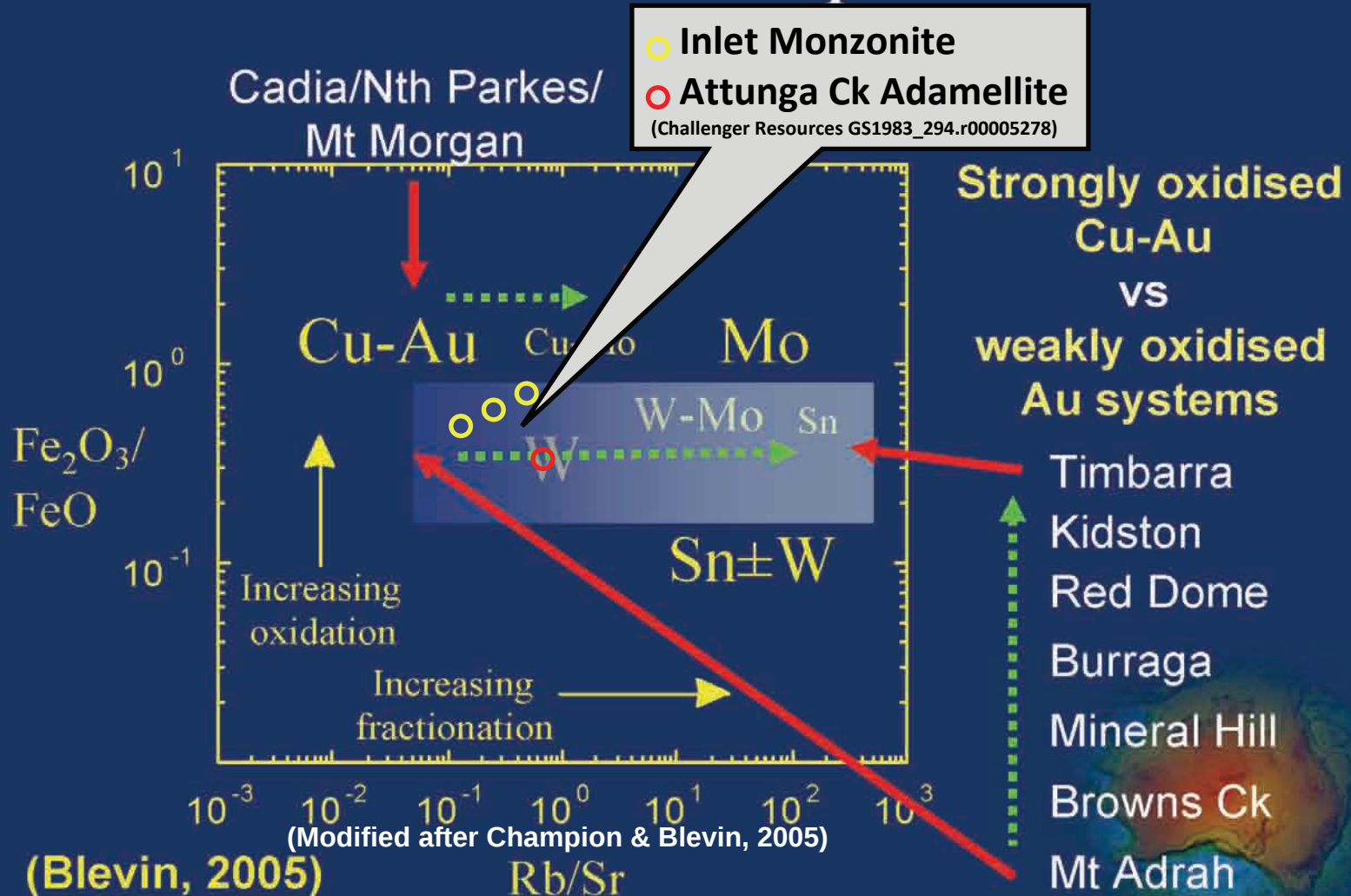
Some Au-rich intrusion associated systems of eastern Australia

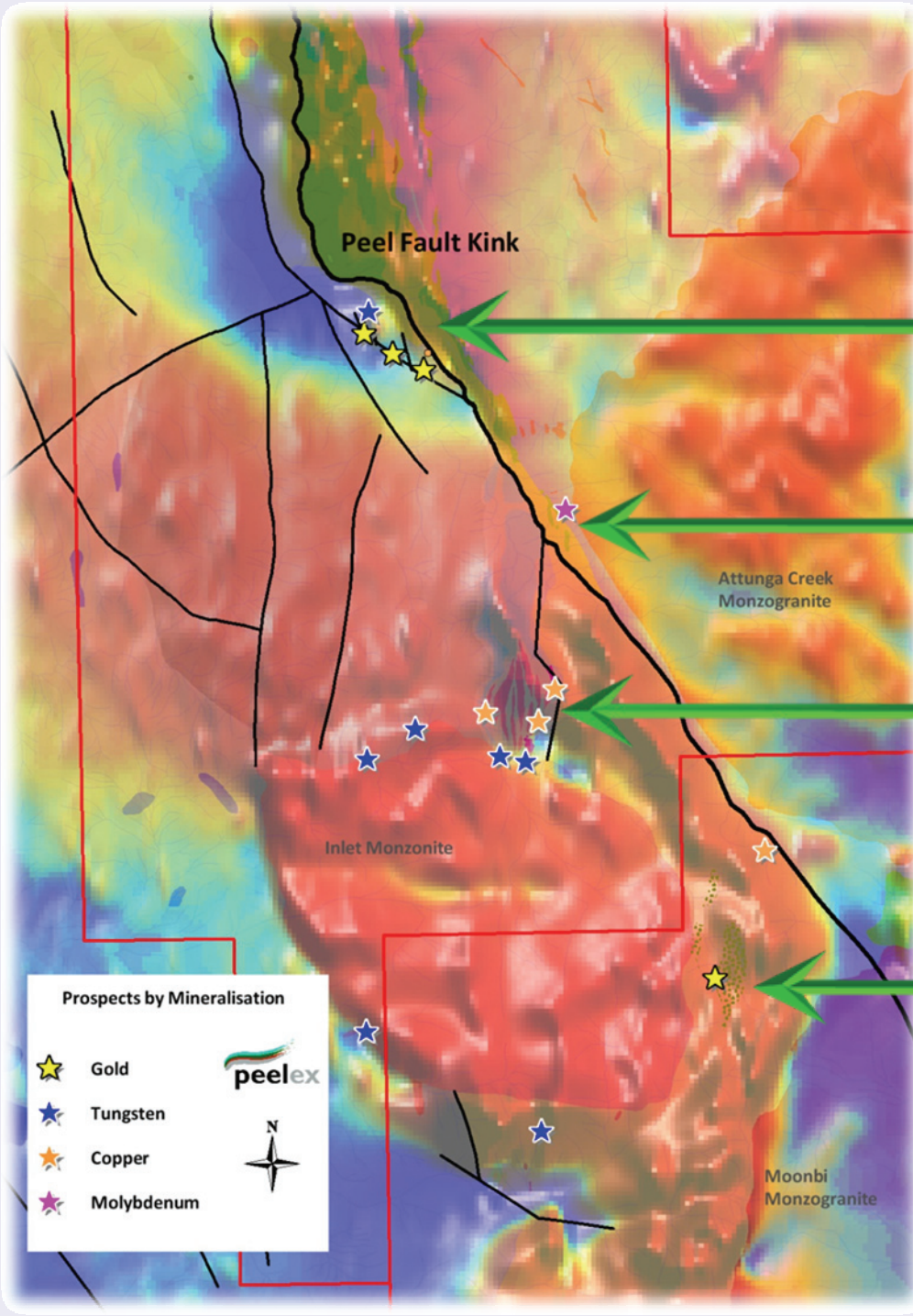


(Modified after Champion & Blevin, 2005)

Attunga and IRGS environments

Australian IRGs vs por Cu-Au



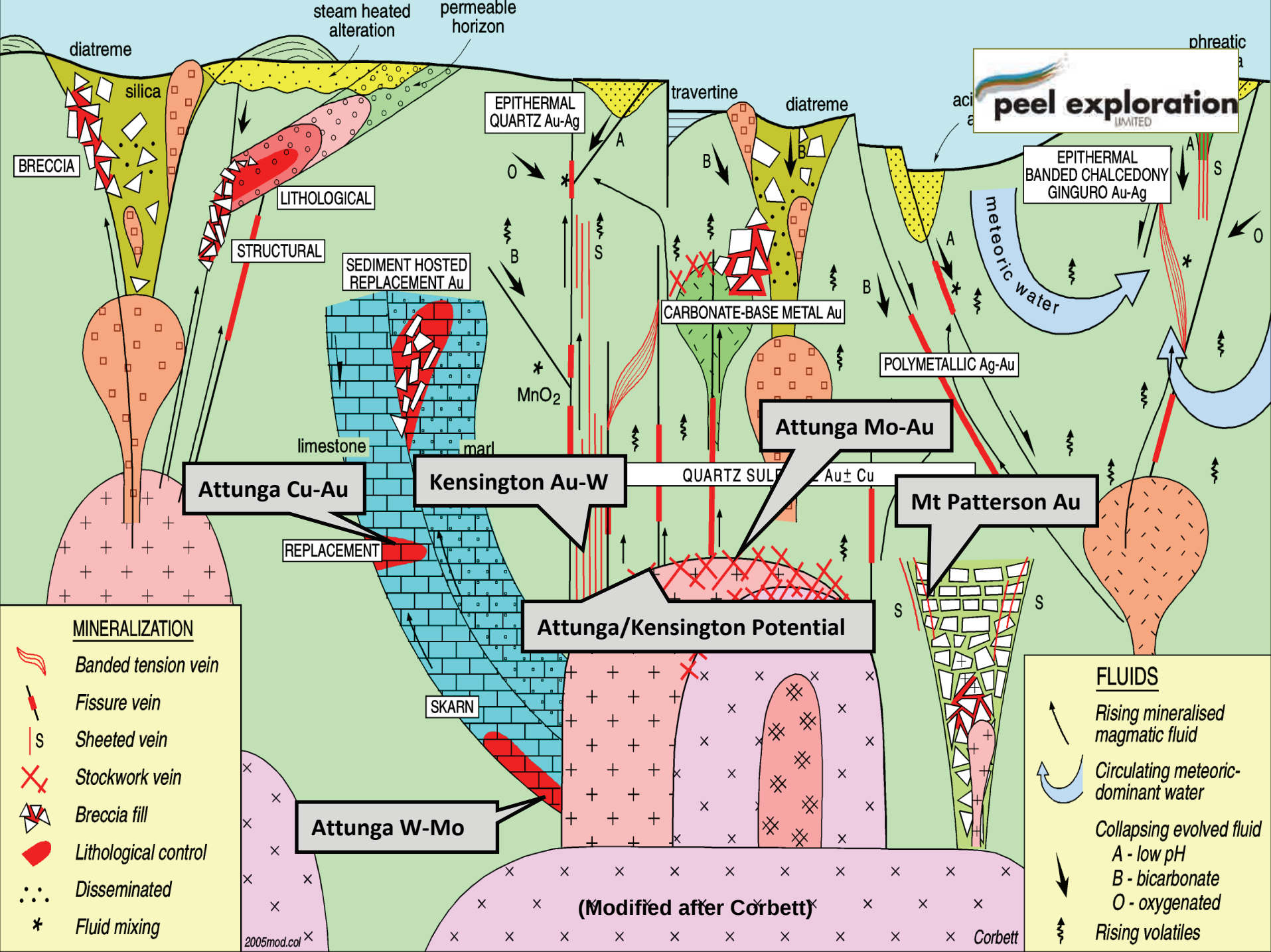


Fault-hosted, sheeted and stockwork vein systems: Kensington Au-W

Intrusion-hosted systems: Attunga Mo-Au

Skarn-hosted systems: Attunga Copper Mine and Attunga Tungsten Deposit

Hornfels-hosted breccia and vein systems: Mount Patterson Au



Attunga – a forgotten mineral field revisited

PROSPECTUS ATTUNGA COPPER & GOLD MINES, NO LIABILITY

Tamworth copper deposits

SYDNEY, Friday. — Attunga Mining Corporation expects to extract \$300,000 worth of ore a month from an abandoned copper mine, 13 miles from Tamworth.

The company, Australian-owned, has already stockpiled \$3 million worth of copper, gold and silver ore since it began exploration work 10 months ago.

Surface deposits are expected to have a working life of seven years.

The company is assembling a \$500,000 crushing plant in Sydney for the mine.

A spokesman said 29 acres was under lease title deed and another 10 squares miles had been staked out in the area.

Assay results have shown that content at the mine should exceed a million tons of copper ore carbonate with a copper content of more than 5 per cent.

The main ore reef has a copper content of more than 17 per cent.

11.2 p.c. assay

A spokesman said the workable load had been assayed at 11.2 per cent. Copper content assays had also indicated an average of 3 dwt. of gold and 50z. silver a ton of ore material.

"The ore body has been traced from the summit of the mountain to a depth of 45 feet," the spokesman said.

Endurance in tungsten deal with Peko

Endurance Mining and Peko Wallsend Ltd. have agreed to a deal for the exploration of tungsten in the Attunga area.

The deal provides that Peko will provide the capital for the exploration programme and erection of plant.

In return it would receive 50 per cent of the profits from the tungsten operations.

Endurance directors said the project will benefit from the experience of Peko-Wallsend in the mining and field operations of tungsten.

The agreement relates to the Attunga area and was announced earlier this month.

Changes on the board of the company were announced last week.

Endurance has a mining licence for the area and is expected to start work at once.

The deal is expected to be completed by the end of the year.

Further exploration will be needed before the tungsten operations can be started.

It is believed that the tungsten content of the ore could be as high as 10 per cent.

Plant for Attunga on way

SYDNEY, Wednesday. — The Attunga Mining Corp. Pty. Ltd., in which the G. Healing group has a 10 per cent. interest, will start crushing and concentration plant at its mine near Tamworth at the end of 1968.

Directors said today that A. G. Healing Ltd. had acquired a 10 per cent. shareholding in the company and that Mr. T. G. Edgar, Managing Director of A. G. Healing Ltd., had joined the board.

Attunga has contracted to buy crushing and concentration plant from two Heald Works Ltd. and Open.

The plant will be used to crush and concentrate the ore.

The plant is expected to be completed by the end of the year.

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Tamworth mine to start soon

SYDNEY, Tuesday. — Attunga Mining Corporation Pty. Ltd. will start full-scale mining and concentration operations at its open-cut copper, silver and gold mine at Attunga, 12 miles from Tamworth, toward the end of 1968.

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Peko cuts its ties with Endurance

Peko Wallsend Ltd. has cancelled its agreement with Endurance Mining Corporation NL on the Attunga (New England, N.S.W.) scheelite prospect.

In a letter to Endurance, Peko's chairman (Mr. J. S. Proud) says: "In our opinion the mineralization indicated by the scheelite prospect is not sufficient to support a decision to start a mining operation at this stage."

Summarising a long and detailed report by Mr. J. S. Proud, Peko's chairman, he says the Attunga scheelite prospect is not sufficient to support a decision to start a mining operation at this stage.

Time has not allowed for a complete examination of the area under consideration. He says that a report on the prospect is being prepared.

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Endurance in scheelite

Endurance Mining Corp. NL, Launceston, has taken up an option over a scheelite deposit in the Moonbi ranges of northern NSW, directors announced yesterday.

They say Endurance has paid \$50,000 dollars in cash and issued 100,000 fully paid 25c ordinary shares which may not be transferred for two months for the option.

An initial percussion drilling programme has been completed and diamond drilling of the ore body has begun.

The vendor was not disclosed.

DDH 1 was completed at a depth of 450ft after scheelite mineralisation had ceased at 412ft.

Assay results from a 10-ft core section revealed an average weighted grade from DDH 1 of 0.8 per cent scheelite from 0 to 412ft.

DDH 2, 100ft north of DDH 1, was drilled to 600ft after scheelite mineralisation ceased at 565ft. Assay results from this hole are not yet available.

DDH 3, 100ft north of DDH 2, was drilled to 600ft after scheelite mineralisation ceased at 565ft. Assay results from this hole are not yet available.

DDH 4, 100ft north of DDH 3, was drilled to 600ft after scheelite mineralisation ceased at 565ft. Assay results from this hole are not yet available.

DDH 5, 100ft north of DDH 4, was drilled to 600ft after scheelite mineralisation ceased at 565ft. Assay results from this hole are not yet available.

DDH 6, 100ft north of DDH 5, was drilled to 600ft after scheelite mineralisation ceased at 565ft. Assay results from this hole are not yet available.

DDH 7, 100ft north of DDH 6, was drilled to 600ft after scheelite mineralisation ceased at 565ft. Assay results from this hole are not yet available.

Area	Tons	Wolfram %	Molybdenum %
Hole 1-15	4000	2.15	0.181
2	2100	3.32	0.368
12-23	7200	3.02	0.216

By February 1 (the year) Peko's Peko, the ore body, contains, however, a rather high and difficult percentage of molybdenum.

See strains in the scheelite mineralization began to develop in early November, when a number of assays revealed a high percentage of molybdenum.

Peko then felt that a major economic strike did not exist at present. No. 1, although there is a possibility of a small strike, is not a major strike.

Mr. Proud said that Peko must still be in a position to be able to start a major strike, but he is not sure if it is a major strike.

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MR HARMANIS

One of the directors of Attunga Mining, Mr Louis Harmanis, said last night that part payment for the scheelite machinery would be made immediately and the remainder would be paid over a period of "normal commercial terms" as the mine progressed.

When interviewed about Attunga's prospects, Mr Harmanis replied: "We don't need a geologist to prove there's a million tons of ore under this hill—you can see it."

Mr Harmanis claimed that the mine, which was scheduled to open before the end of the year, had already stockpiled 25,000 tons of high-grade copper ore.

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Attunga – a forgotten mineral field revisited



Mining/exploration timeline

- Pre-1900 – Kensington gold workings
- 1902 – Attunga Copper Mine discovered, worked intermittently until WW2
- 1968/69 – Attunga Tungsten Deposit (ATD) discovered by Attunga Mining Corp, Peko farms-in, 25 diamond holes drilled for 4,236m
- 1970 – Peko withdraws from ATD, small very high-grade “reserve” defined, end of mining boom
- 1971 – Kensington tungsten prospect drilled, 55 shallow percussion holes drilled for 1,692m, extensive low-grade scheelite mineralisation defined
- 1980s – Challenger Mining explores area, substantial high-grade “resource” at ATD defined, drilling at Kensington identifies extensive low grade gold
- 1990s – Geoservices explores area, minimal new work completed
- 2000s – Goldrap explores area, small helimag survey, 4 RC holes
- 2007 – Peel granted ELs

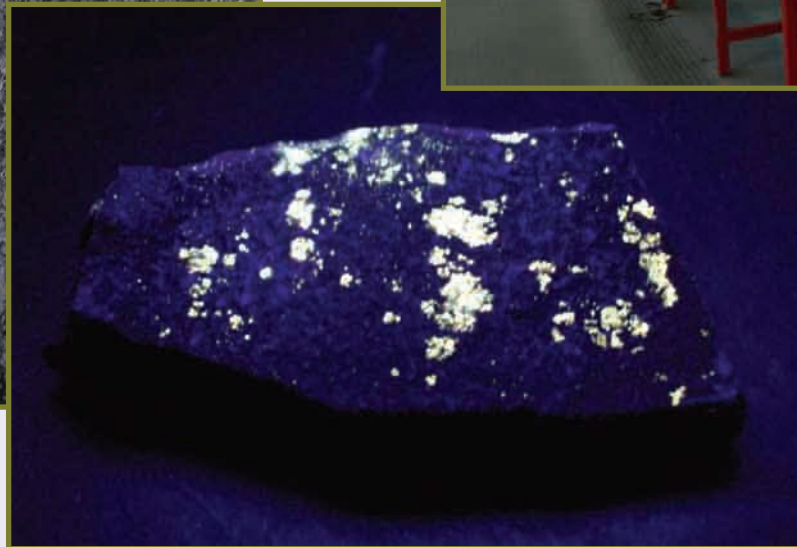
Attunga Tungsten Deposit



Michael Oates (Peelex)



Sue Border & Oliver Willetts
(Geos Mining)



Fluorescing scheelite (powellite)

Attunga Tungsten Deposit



Peel's activity

- Sep 2007 – EL6884 granted, resource modeling initiated
- Oct 2007 – resampling finds new high-grade intercept: 2.44m @ 4.3% WO₃ and 0.23% Mo
- Mar 2008 – resampling finds new high-grade intercept: 12m @ 0.65% WO₃ and 0.07% Mo
- Apr 2008 – independent (Geos Mining) JORC-compliant inferred resource: results include 1.29 Mt @ 0.61% WO₃ and 0.05% Mo
- Aug 2008 – Peel intercepts 42m @ 2.09% WO₃ and 0.17% Mo from 21m (incl. 2m @ 24.21% WO₃ and 1.71% Mo from 22m)
- Mar 2009 – initial met-testwork completed with process route identified, high grade WO₃ concentrates produced
- Sep 2007-current – historic data collection, geos across 40 years contacted
- May 2009 – Peel intercepts 27m @ 0.57% WO₃ and 0.06% Mo from 19m (incl. 2m @ 3.38% WO₃ and 0.27% Mo from 22m)

Attunga Tungsten Deposit is high-grade



Peer comparisons

Company	Project	Resource Mt	WO ₃ %	Contained WO ₃ equivalent
Paradigm Metals (PDM)	White Rock	0.26	0.70	2,015
King Island Scheelite (KIS)	King Island	13.40	0.64	85,760
Peel Exploration (PEX)	Attunga	1.26	0.61	9,379
Vital Metals (VML)	Watershed	15.10	0.46	69,300
Noah Resources (NOA)	Mount Paynter	0.25	0.45	1,433
Queensland Ores (QOL)	Wolfram Camp	0.95	0.41	5,660
Thor Mining (THR)	Molyhil	3.73	0.33	19,023
Heemskirk Consolidated (HSK)	Los Santos	5.24	0.25	13,002
Vital Metals (VML)	Mt Mulgine - Hill	5.10	0.24	12,240
Wolf Minerals (WLF)	Hemerdon Ball	97.40	0.22	225,481
Vital Metals (VML)	Mt Mulgine - Trench	84.00	0.19	159,180
Hazelwood Resources (HAZ)	Cookes Creek	8.97	0.17	15,530
Minemakers (MAK)	Moina	26.50	0.15	39,750
Icon Resources (III)	Mt Carbine	28.00	0.10	28,000

Attunga Tungsten Deposit cross section

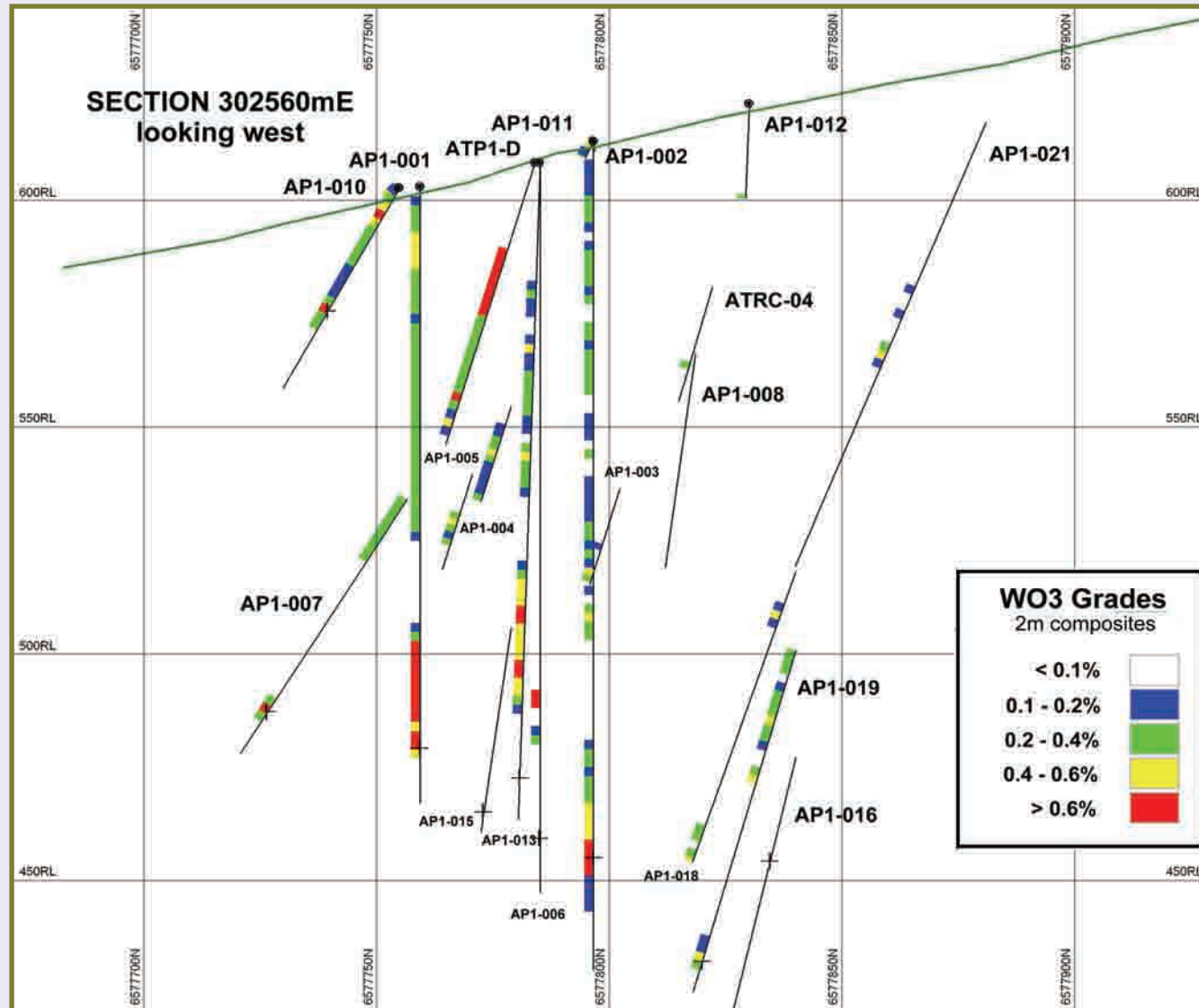


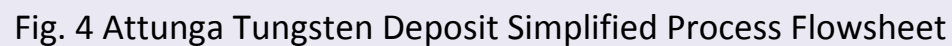
Fig. 3 Attunga Tungsten Deposit Section 302560mE

Attunga Tungsten Deposit met-testwork

Key points

- NAGROM completed phase 1 met-testwork
- Scheelite grain size predominantly +100 micron
- +75 to -125 micron grind sweetspot yielded 80% of WO_3 to 16% of circuit mass via spirals
- +75 to -125 micron spiral cons upgraded via magnets to 47% WO_3 grade cons with 79% recovery
- Flotation testwork on -75 micron tails/fines and spiral/magnetic cons yielded positive upgrade and recovery of WO_3 (approx 2x grade @ 95% recovery per cycle)
- Moly predominantly occurs as powellite

peel exploration
LIMITED



Attunga Copper Mine copper-gold discovery

Attunga Copper Mine

- 800m North of Attunga Tungsten Deposit – genetically-related
- Polymetallic skarn – historic production of 1,600t @ 6% Cu, 8 g/t Au, 150 g/t Ag
- Accessory metals include moly, bismuth, +/- tungsten, rhenium
- Unexplored - PEX first to drill (6 holes for 830m)
- ACM-004 – 76m @ 1.0 g/t Au, 0.86% Cu, 0.09% Mo, 0.06% Bi and 22 g/t Ag incl. 27m @ 1.6 g/t Au, 1.66% Cu, 0.18% Mo, 39 g/t Ag, and 0.1% Bi
- Anomalous mineralisation encountered in 4 of 6 holes (inc ACM-004)
- Sub-vertical mineralisation
- Mineralisation open
- Untested historic IP anomalies and unexplained EM anomaly
- Deeper source potential – mineralised granite/porphyry feeder?

peel exploration
LIMITED



Attunga skarn model

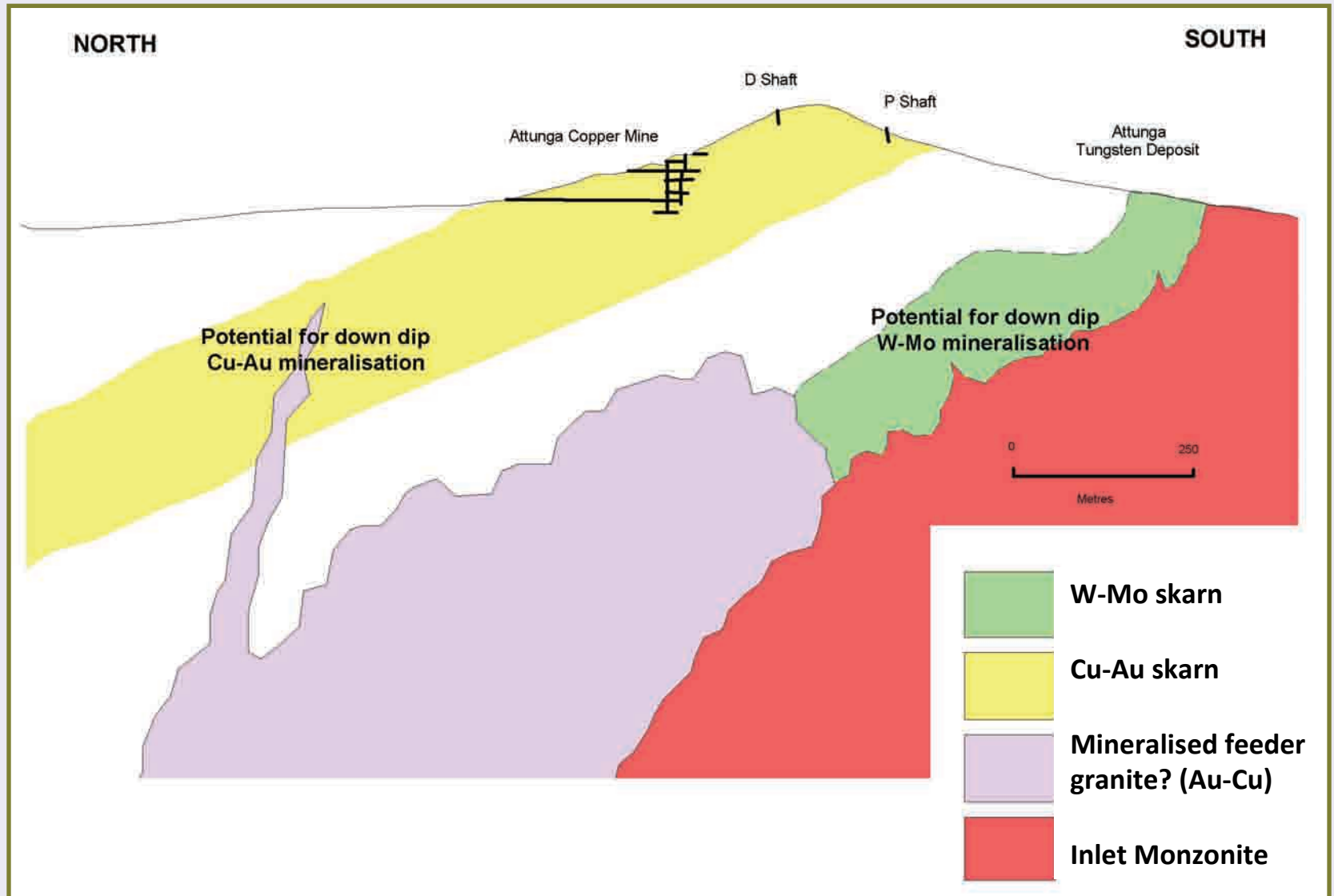


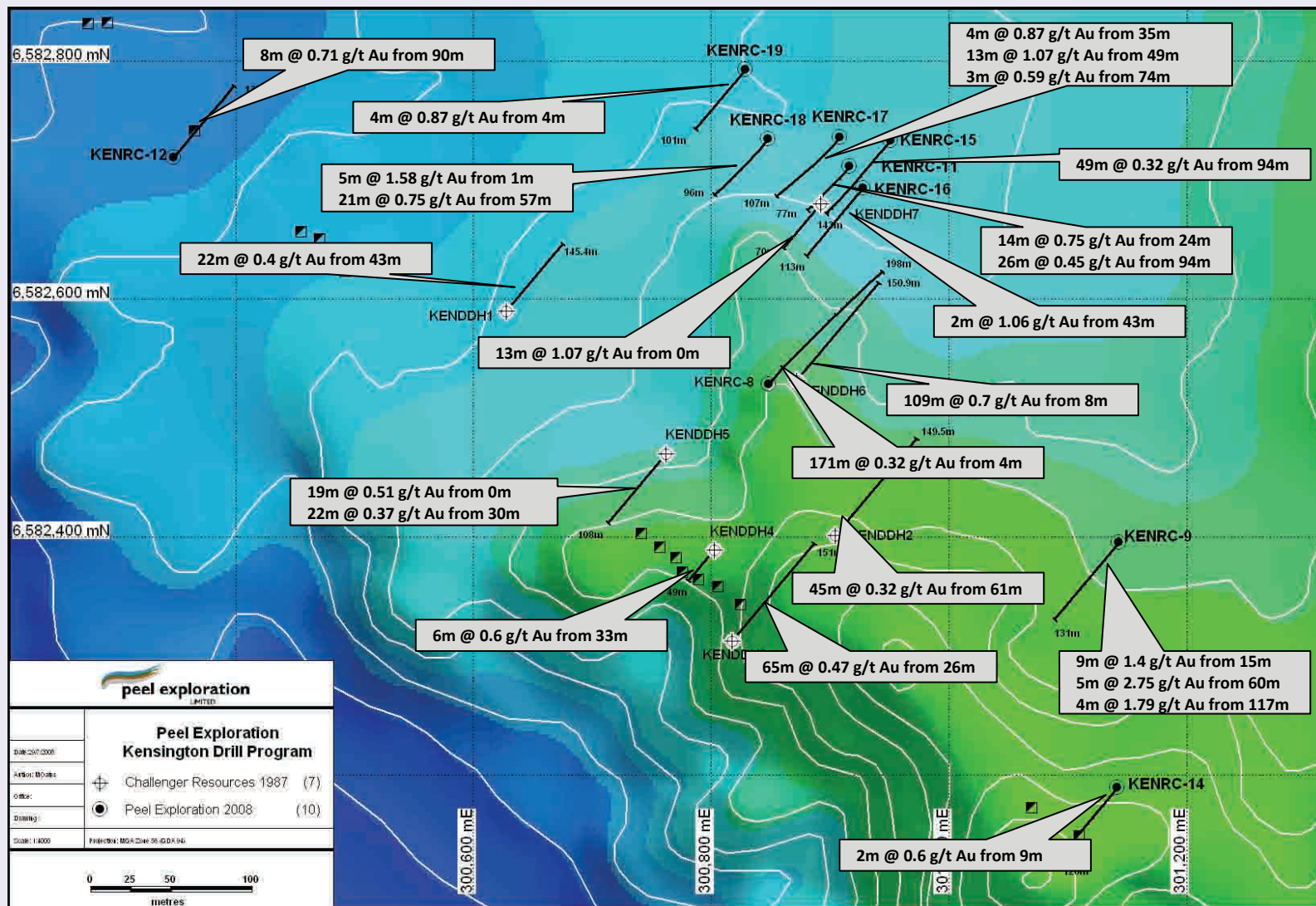
Fig. 5 Attunga skarn system model (after G Rabone 1998)

Kensington's extensive gold mineralisation

Stockwork/sheeted vein gold-tungsten system

- 5 km north of Attunga Skarn Deposits
- 1971: percussion drilling program defines extensive, shallow tungsten mineralisation – substantial low-grade tungsten resource subsequently reported
- 1987: ~800m diamond drilling program identifies widespread gold mineralisation, results include: 108m at 0.74 g/t Au (KEN-6) and 13m at 1.1 g/t Au (KEN-7)
- July 2008: ~1,200m RC drilling program confirms extensive gold mineralisation, every drillhole mineralised
- Mar 2009: 100m dipoles IP survey completed generating multiple chargeability anomalies, possible feeder structures identified
- May 2009: Drilling planned

Kensington – extensive gold mineralisation



Other Peel assets

Other Peel Exploration Project Areas

- Rationalisation underway – Attunga, early cashflow focus
- EL7272 – Mt Tennyson East contains historic moly-tungsten prospects, indications that tungsten-moly mineralisation is an extension to Moly Mines' Mt Tennyson molybdenum deposit
- EL6613 – Dungowan contains numerous historic copper mines/workings with high-grade copper mineralisation at Fishers copper mine (2,643t of ore at 13.4% Cu)
- EL6722 – Armidale contains several historic silver mines plus gold, antimony, tungsten and molybdenum workings, minimal modern exploration
- EL7356 – Yerranderie silver field, high grade tailings/dumps never retreated, possible low cost, cash flow

Programme Targets

12-18 months

- Measured/indicated resource at Attunga Tungsten Deposit
- Scoping study Attunga Tungsten Deposit
- Follow up drilling at Attunga Copper Mine
- Measured/indicated resource at Yerranderie

Work focus

- Diamond/RC drilling: Attunga Tungsten Deposit, Attunga Copper Mine, Kensington,
- Geophysics: IP at Attunga skarns
- Geological/structural mapping at Attunga skarns
- Auger sampling/met-testwork at Yerranderie