

APOLLO HILL RETURNS POSITIVE GOLD RESULTS

Highlights:

- Gold mineralisation intersected in all drillholes
- Better drill results include:
 - 13m at 3.19 g/t Au from 0m in PARC04
 - 13m at 2.37 g/t Au from 177m in PARC07
 - 7m at 2.22 g/t Au from 6m in PARC14
 - 12m at 1.37 g/t Au from 191m in PARC18
 - 4m at 5.84 g/t Au from 146m in PARC20
- Results will be used for a revised resource estimate planned for August 2011

Apollo Hill drilling

Peel Mining is pleased to report that recent drilling completed at its 100%-owned Apollo Hill gold project has returned numerous significant gold mineralised intercepts, with gold intersected in all drillholes. Significant drill results are listed in Table 1 appended to this announcement.

In April/May 2011, Peel completed an approximately 3,600 metre RC and diamond drilling programme that was designed to provide representative gold-mineralised material for additional metallurgical testwork; and to increase sample density to allow for the extension of the Apollo Hill resource model. Results contained herein are for the RC part of the drilling programme which represents the bulk of the drilling completed, with diamond drilling results still awaited.

The RC drilling component comprised 21 drillholes for 3,276 metres of drilling. This drilling was designed primarily to enable the extension of the existing Apollo Hill resource model a further 200 metres (grid) south, and to a minimum depth of about 150 metres below surface. Peel anticipates a revised resource estimate for Apollo Hill will be completed by August.

The diamond drilling component comprised 2 drillholes for 310 metres of HQ diamond core drilling. This drilling was designed primarily to provide sufficient material for further metallurgical testwork.

About Apollo Hill

In November 2010, Peel became the 100%-owner of the Apollo Hill gold project in the North Eastern Goldfields of Western Australia. The Apollo Hill gold project comprising about 120 km² of granted tenure and about 240 km² of tenure under applications, is located 60 kilometres southeast of Leonora, and is focused on the advanced Apollo Hill gold deposit, an extensively mineralised gold system.

In December 2010, Peel reported a maiden resource estimate for the Apollo Hill and Ra deposits. The highlights of this work were: an inferred resource at Apollo Hill and Ra deposits estimated at **11.1 Mt at 1.0 g/t Au for 341,000 ounces of gold** (using 0.5 g/t gold cut off); maximum depth of the resource estimate is 150m below surface; the Apollo Hill deposit extends to surface and remains unexploited;

Peel Mining Limited ACN 119 343 734

Unit 1, 34 Kings Park Rd, West Perth, WA 6005. Ph: (08) 9382 3955. Fax (08) 9388 1025.

E: rtyson@peelex.com.au

www.peelex.com.au



mineralisation at Apollo Hill and Ra deposits remains open at depth and along strike to the south of both deposits; and good potential exists to increase resources with minimal further drilling.

Apollo Hill and Ra Deposits

At Apollo Hill, two zones of mineralisation have been identified: West (or Main) Zone and the East Zone. The current resource extends for 600m in strike length and Peel expects to increase this to the south-east (grid south) with recently completed drilling. The gold mineralisation dips to the north-east at 45-60 degrees and is accompanied by quartz veins and carbonate-pyrite alteration associated with a structurally deformed mafic-felsic lithological contact. Mineralisation is present at surface.

The Ra gold deposit is covered by a layer of transported material, with mineralisation hosted by dolerite rock and dipping 30-60 degrees to the northeast. The current resource at Ra has a strike length of approximately 300m with mineralisation open along strike and at depth.

For further information, please contact Rob Tyson on 0420 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 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.

Table 1 – Drillhole collars

HOLE_ID	Easting	Northing	RL	Azi-Mag	Dip	Depth (m)	Hole-Type
PADD01	371059	6774417	361	45	-67	201.5	DDH
PADD02	371018	6774517	364	225	-60	108.4	DDH
PARC01	371409	6774002	356	225	-60	80	RC
PARC02	371451	6774047	363	225	-70	120	RC
PARC03	371494	6774092	364	225	-70	160	RC
PARC04	371374	6774097	359	225	-70	100	RC
PARC05	371417	6774139	360	225	-70	160	RC
PARC06	371459	6774182	356	225	-70	210	RC
PARC07	371416	6774225	359	225	-70	210	RC
PARC08	371326	6774139	364	225	-60	100	RC
PARC09	371376	6774185	365	225	-60	160	RC
PARC10	371219	6774196	361	225	-60	80	RC
PARC11	371256	6774236	369	225	-60	140	RC
PARC12	371299	6774191	371	225	-60	120	RC
PARC13	371344	6774243	371	225	-60	71	RC
PARC14	371304	6774279	379	225	-60	200	RC
PARC15	370968	6774604	366	225	-60	160	RC
PARC16	371339	6774238	372	225	-60	45	RC
PARC17	371349	6774250	370	225	-60	180	RC
PARC18	371324	6774333	377	225	-60	240	RC
PARC19	371215	6774370	368	225	-60	200	RC
PARC20	371315	6774379	383	225	-60	260	RC
PARC21	371297	6774438	384	225	-70	280	RC

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Unit 1, 34 Kings Park Rd, West Perth, WA 6005. Ph: (08) 9382 3955. Fax (08) 9388 1025.

E:rtyson@peelex.com.au

www.peelex.com.au

Table 2 – Significant assays (> 0.5 g/t Au)

Hole_ID	From	To	Interval	Au_ppm
PARC01	2	3	1	3.08
PARC01	41	43	2	1.5
PARC01	60	62	2	2.2
PARC01	70	71	1	1.21
PARC02	13	16	3	2.22
PARC02	23	24	1	1.38
PARC02	37	40	3	1.05
PARC02	41	42	1	2.11
PARC02	53	54	1	1.06
PARC02	62	65	3	1.02
PARC02	81	82	1	1.58
PARC02	89	90	1	2.68
PARC02	97	98	1	1.39
PARC02	100	103	3	1.79
PARC02	105	106	1	1.9
PARC03	10	11	1	0.78
PARC03	18	19	1	2.82
PARC03	29	30	1	1.35
PARC03	35	37	2	1.09
PARC03	52	53	1	1.16
PARC03	75	76	1	4.13
PARC03	78	80	2	2.25
PARC03	106	107	1	3.61
PARC03	118	119	1	1.6
PARC03	123	124	1	2.23
PARC03	134	135	1	2.02
PARC03	147	149	2	2.4
PARC03	154	155	1	1.62
PARC03	156	157	1	1.51
PARC03	159	160*	1	8.95
PARC04	0	13	13	3.19
PARC04	17	18	1	1.48
PARC04	56	57	1	0.82
PARC04	59	61	2	1.16
PARC04	63	64	1	2.5
PARC04	81	82	1	0.86
PARC04	88	89	1	1.09
PARC05	30	34	4	0.84
PARC05	38	39	1	0.55
PARC05	47	49	2	0.52
PARC05	82	83	1	0.63
PARC05	87	88	1	3.35
PARC05	93	94	1	1.24
PARC05	96	97	1	1.72
PARC05	123	124	1	9.63
PARC05	132	133	1	1.21
PARC05	143	145	2	0.95
PARC05	147	149	2	0.91
PARC06	5	6	1	2.15
PARC06	37	38	1	0.86
PARC06	69	71	2	2.36
PARC06	72	73	1	1.26
PARC06	75	76	1	2.28
PARC06	89	90	1	0.66

Hole_ID	From	To	Interval	Au_ppm
PARC06	91	92	1	0.93
PARC06	93	94	1	0.68
PARC06	103	104	1	2.8
PARC06	111	112	1	2.04
PARC06	132	133	1	2.63
PARC06	154	155	1	0.55
PARC06	167	168	1	1.1
PARC06	170	171	1	9.08
PARC06	179	180	1	1.67
PARC06	182	183	1	1.03
PARC06	204	205	1	1.6
PARC06	207	208	1	1.01
PARC07	36	37	1	0.54
PARC07	51	52	1	0.5
PARC07	55	58	3	3.38
PARC07	63	65	2	1.17
PARC07	89	91	2	3.42
PARC07	93	94	1	2.05
PARC07	102	103	1	0.69
PARC07	107	109	2	1.21
PARC07	110	111	1	0.68
PARC07	118	120	2	6.65
PARC07	135	136	1	0.79
PARC07	139	140	1	0.57
PARC07	166	167	1	0.85
PARC07	170	172	2	0.53
PARC07	175	176	1	0.52
PARC07	177	190	13	2.37
PARC07	192	194	2	1.53
PARC07	196	197	1	0.81
PARC07	202	204	2	2.28
PARC07	207	208	1	0.78
PARC08	0	1	1	1.52
PARC08	44	46	2	0.57
PARC08	51	53	2	2.48
PARC08	55	58	3	0.81
PARC08	62	64	2	1.5
PARC08	66	68	2	0.85
PARC08	71	72	1	0.7
PARC08	75	76	1	0.81
PARC08	78	80	2	1.55
PARC08	82	84	2	1.53
PARC08	91	92	1	9.59
PARC09	1	8	7	1.23
PARC09	11	13	2	1.36
PARC09	29	30	1	8.83
PARC09	41	42	1	1.14
PARC09	48	49	1	0.81
PARC09	71	72	1	0.76
PARC09	82	83	1	0.65
PARC09	88	90	2	1.3
PARC09	91	92	1	0.64
PARC09	98	100	2	0.92
PARC09	105	106	1	1.2
PARC09	110	111	1	0.5
PARC09	112	114	2	3.55

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Unit 1, 34 Kings Park Rd, West Perth, WA 6005. Ph: (08) 9382 3955. Fax (08) 9388 1025.

E:rtyson@peelex.com.au

www.peelex.com.au

Hole_ID	From	To	Interval	Au_ppm
PARC09	127	128	1	1.23
PARC09	130	131	1	5.76
PARC09	139	140	1	0.57
PARC09	141	143	2	3.72
PARC09	145	147	2	1.66
PARC09	155	156	1	1.72
PARC10	2	3	1	0.59
PARC10	4	6	2	6.53
PARC10	8	9	1	0.6
PARC10	21	23	2	0.78
PARC10	32	33	1	0.64
PARC10	41	42	1	10.6
PARC10	51	52	1	2.62
PARC11	13	14	1	0.52
PARC11	25	27	2	1.28
PARC11	31	32	1	1.28
PARC11	37	38	1	0.58
PARC11	40	42	2	1.34
PARC11	74	75	1	0.67
PARC11	78	83	5	1.59
PARC11	93	95	2	0.59
PARC11	97	99	2	0.86
PARC11	113	114	1	0.77
PARC11	136	137	1	5.1
PARC12	37	38	1	2.63
PARC12	39	41	2	4.15
PARC12	42	43	1	0.77
PARC12	62	64	2	1.41
PARC12	70	73	3	1.43
PARC12	75	76	1	1.73
PARC12	85	86	1	0.96
PARC12	95	96	1	0.9
PARC12	97	98	1	1.48
PARC12	107	110	3	1.21
PARC12	111	112	1	0.57
PARC12	114	115	1	0.71
PARC12	119	120*	1	1.42
PARC13	37	39	2	1.96
PARC13	53	54	1	0.93
PARC14	6	13	7	2.22
PARC14	16	17	1	1.88
PARC14	27	29	2	1.25
PARC14	105	107	2	1.39
PARC14	116	117	1	0.83
PARC14	121	122	1	0.84
PARC14	136	137	1	0.77
PARC14	144	148	4	2.3
PARC14	157	161	4	1.37
PARC14	165	171	6	1.65
PARC14	173	174	1	1.34
PARC14	175	176	1	2.62
PARC14	181	182	1	0.68
PARC15	21	22	1	1.39
PARC15	23	24	1	1.12
PARC15	61	63	2	1.27
PARC15	87	89	2	1.4

Hole_ID	From	To	Interval	Au_ppm
PARC15	119	120	1	2.04
PARC15	128	129	1	0.67
PARC15	132	133	1	1.28
PARC17	29	30	1	0.66
PARC17	31	32	1	1.15
PARC17	35	36	1	0.73
PARC17	58	59	1	6.92
PARC17	63	64	1	0.66
PARC17	67	68	1	0.6
PARC17	78	81	3	0.66
PARC17	84	87	3	1.29
PARC17	98	99	1	1.13
PARC17	120	121	1	0.89
PARC17	152	154	2	1.46
PARC17	157	158	1	1.48
PARC17	167	171	4	1.86
PARC17	177	179	2	6.48
PARC18	4	5	1	0.92
PARC18	28	29	1	0.51
PARC18	33	34	1	0.86
PARC18	65	66	1	0.82
PARC18	67	68	1	9.72
PARC18	69	71	2	0.54
PARC18	76	77	1	0.65
PARC18	113	114	1	0.63
PARC18	147	154	7	0.89
PARC18	178	182	4	0.94
PARC18	185	186	1	1.23
PARC18	188	189	1	0.55
PARC18	191	203	12	1.37
PARC18	209	210	1	1.38
PARC18	215	216	1	0.83
PARC18	217	218	1	0.82
PARC18	222	223	1	0.56
PARC19	18	19	1	1.54
PARC19	25	27	2	3.95
PARC19	41	42	1	0.59
PARC19	67	68	1	1.26
PARC19	69	71	2	1.45
PARC19	79	80	1	2.58
PARC19	85	86	1	0.51
PARC19	119	120	1	1.57
PARC19	126	128	2	1.55
PARC19	132	133	1	1.55
PARC19	135	136	1	3.84
PARC19	138	140	2	1.12
PARC19	143	144	1	2.24
PARC20	28	29	1	5.28
PARC20	58	60	2	0.57
PARC20	65	66	1	0.54
PARC20	67	68	1	0.95
PARC20	72	73	1	2.89
PARC20	83	84	1	1.18
PARC20	113	114	1	0.96
PARC20	121	122	1	0.6
PARC20	141	142	1	1.21

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Hole_ID	From	To	Interval	Au_ppm
PARC20	143	145	2	2.49
PARC20	146	150	4	5.84
PARC20	152	153	1	6.6
PARC20	164	165	1	0.86
PARC20	176	177	1	1.01
PARC20	188	190	2	0.8
PARC20	198	199	1	1.7
PARC20	209	210	1	0.67
PARC20	213	216	3	1.79
PARC20	218	220	2	0.56
PARC20	224	225	1	0.84
PARC20	226	227	1	1.06
PARC20	228	229	1	0.66
PARC20	242	243	1	5.48
PARC21	1	2	1	0.57
PARC21	11	12	1	0.51
PARC21	17	18	1	0.6

Hole_ID	From	To	Interval	Au_ppm
PARC21	69	70	1	1.5
PARC21	76	77	1	0.63
PARC21	92	94	2	0.57
PARC21	151	152	1	1.95
PARC21	188	189	1	1.17
PARC21	197	199	2	0.74
PARC21	205	206	1	0.53
PARC21	208	209	1	1.52
PARC21	223	224	1	3.03
PARC21	239	240	1	0.77
PARC21	250	251	1	0.75
PARC21	258	259	1	0.52
PARC21	261	262	1	0.53
PARC21	274	275	1	2.00

Notes

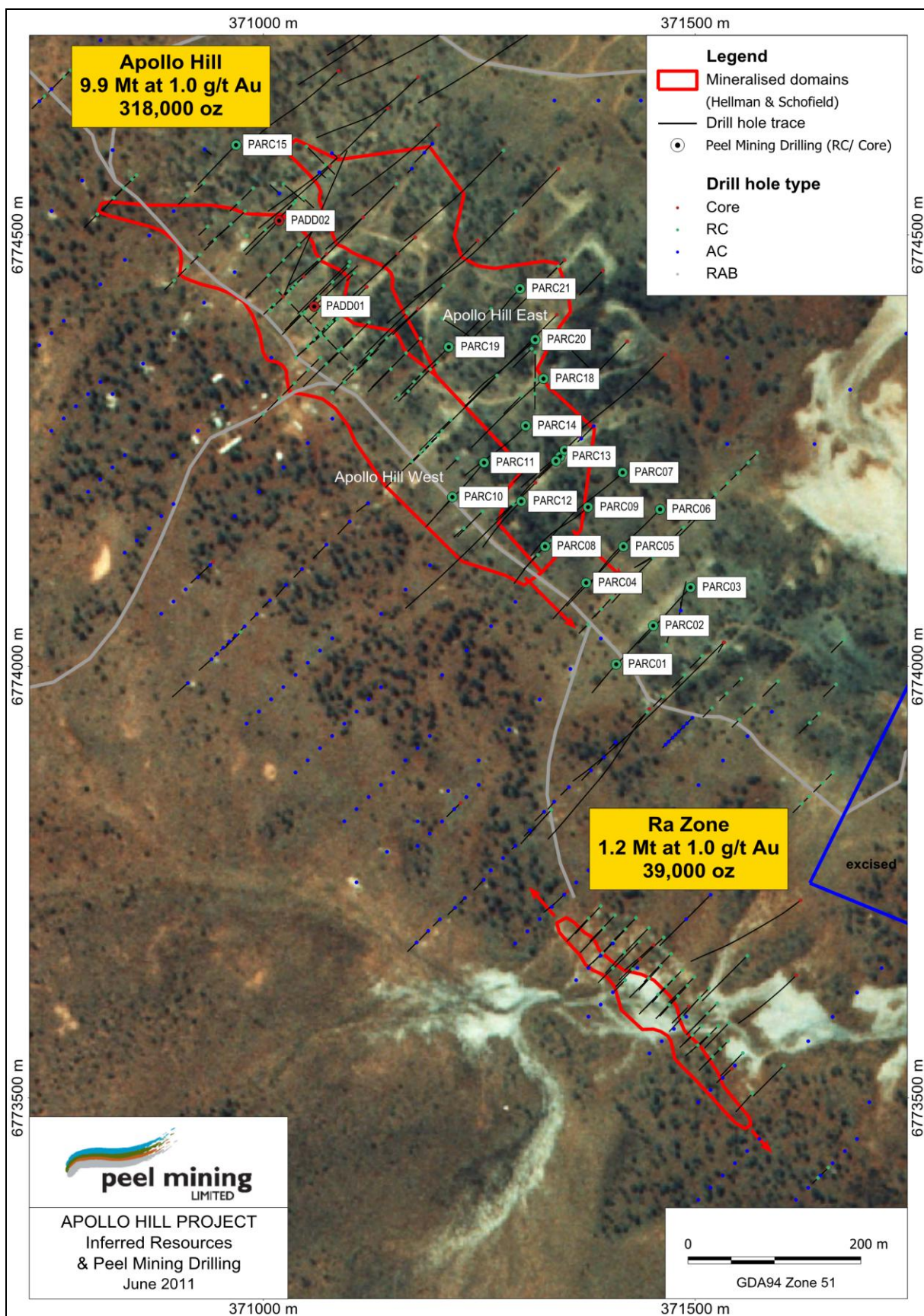
1. All drillholes listed above were drilled reverse circulation using 5.5" face sampling hammer.
2. Drill chips were collected in plastic bags at 1m intervals. Sample recoveries were considered adequate for all samples.
4. Samples for analysis were collected by splitting from rig mounted cyclone.
5. Samples were submitted as 1m intervals.
6. Samples were analysed at ALS Chemex utilising method Au-AA30 for Au (50g fire assay).
7. Standards for Au were routinely included (approximately 5% of all samples). Duplicates were also included (approximately 5% of all samples).
8. Drillhole collars were surveyed by DGPS (GDA94 Zone 51).
9. Downhole surveys were routinely run at approximately every 30m downhole and at the end of each hole.

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