

STRONG OFF-HOLE ANOMALY AT 4-MILE

Highlights:

- Strong off-hole electro-magnetic (EM) anomaly identified from down-hole geophysics survey
- Follow-up drilling planned; commencing next week

4-Mile down-hole electro-magnetic (DHEM) survey

Peel Mining is pleased to report the identification of a strong off-hole EM anomaly at its recent 4-Mile silver-lead-zinc discovery. 4-Mile is located within Peel's 100%-owned May Day-Gilgunnia project (EL7461), about 100km south of Cobar, NSW.

The DHEM survey was undertaken following the completion of a second round of RC drilling at 4-Mile. This RC drilling was designed to follow-up significant silver-lead-zinc-gold-copper mineralisation intersected in an initial round of drilling in March/April 2011 (see [ASX announcement](#) - 06.05.2011). The DHEM survey was carried out on drillhole 4MRC004 (6413351N; 415241E; -65° dip toward 090° true; final depth 255m). Assays for 4MRC004 and 4MRC005 remain outstanding.

The off-hole anomaly is interpreted to be caused by a flat-lying high conductance source, located about 40 metres northwest and about 190m downhole of 4MRC004. The estimated time constant of the conductor is about 13 milliseconds.

Peel is planning to undertake a third round of drill testing at 4-Mile commencing next week. Drilling will target the off-hole conductor.

About 4-Mile silver-lead-zinc discovery

4-Mile is located about 10 km east of Peel's May Day gold-silver-lead-zinc deposit. In March/April, Peel completed three RC drillholes at 40 metre spacing on an east-west line targeting a newly-recognised coincident EM and magnetic geophysical anomaly located within the historic 4-Mile goldfield. This drilling resulted in the discovery of significant silver-lead-zinc mineralisation with better assays including: 4MRC001 – 5m @ 21 g/t Ag, 0.15 g/t Au, 0.27 % Cu, 0.87% Pb, 1.88% Zn from 194m; 4MRC002 – 5m @ 11 g/t Ag 0.15 g/t Au, 1.28% Pb, 2.1% Zn from 138m; and 4MRC003 – 10m @ 24 g/t Ag, 0.09 g/t Au, 1.17% Pb, 2.2% Zn from 110m.

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.

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

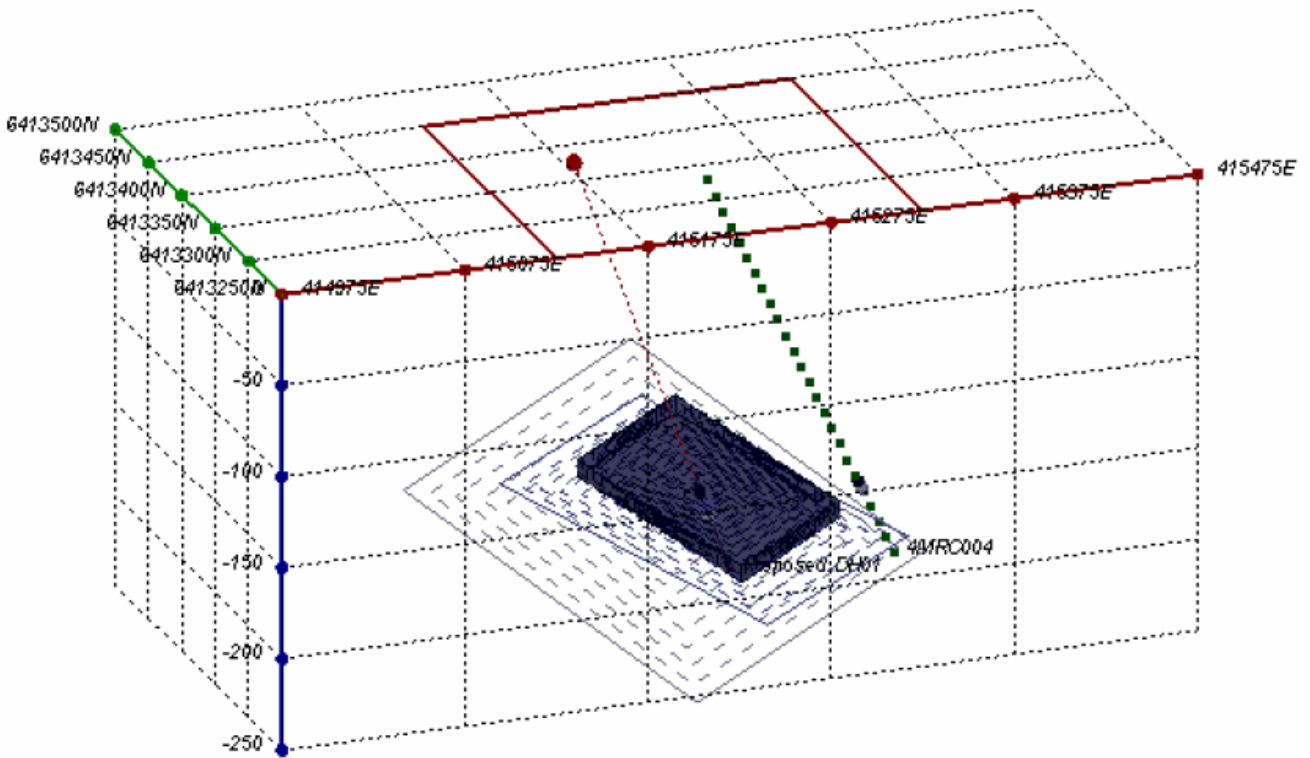


Figure 1 – 4-Mile perspective view of DHEM anomaly with proposed drillhole in red

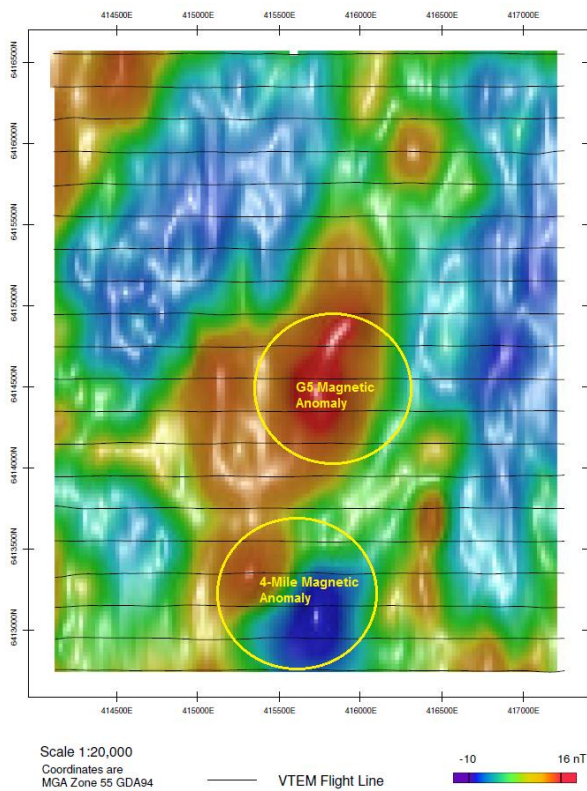


Figure 2 – 4-Mile RTP Magnetics

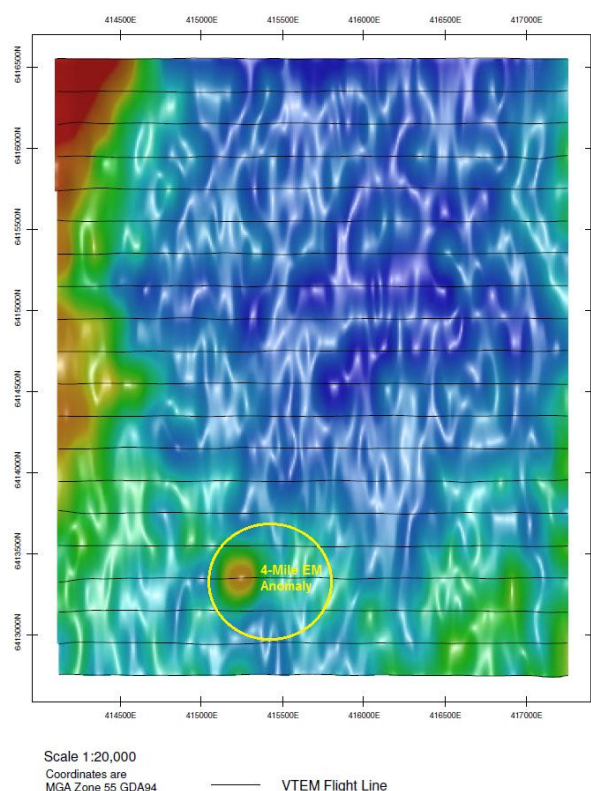


Figure 3 – 4-Mile VTEM late time (3-10 ms)

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