MARCH 2012 QUARTERLY REPORT 30 April 2012

Peel Mining Limited
ASX code: PEX
ACN: 119 343 734

Unit 1, 34 Kings Park Rd
West Perth, WA 6005

Ph: (08) 9382 3955
Fax: (08) 9388 1025
E: info@peelmining.com.au
Web: www.peelmining.com.au

Contact:

Rob Tyson
Managing Director
rtyson@peelmining.com.au

About Peel Mining Limited:

- The Company's six 100%-owned projects cover approximately 800 km^2 of highly prospective tenure in NSW and WA.
- Mallee Bull copper-polymetallic discovery at Gilgunnia project offers exciting exploration potential.
- The Apollo Hill gold project is a major, protruding, shear-hosted, gold mineralised system that remains open down dip and along strike.
- Ruby Silver project contains several historic high-grade silver mines with minimal modern exploration.
- Attunga Tungsten Deposit – a high grade tungsten deposit located near excellent infrastructure.
- 110 million shares on issue.
- $11 Market Cap at 30 April 2012.

Highlights for March quarter 2012

- **Mallee Bull confirmed as significant copper-polymetallic discovery.**

– **5,817m follow-up RC/diamond drilling programme completed February 2012.**

– **High-grade copper-polymetallic intercepts returned from multiple drillholes with better assays including:**

  - **4MRC009 – 5m @ 3.11% CuEq* (2.40% Cu, 28 g/t Ag, 0.60 g/t Au) from 302m and 7m @ 2.58% CuEq* (2.32% Cu, 14 g/t Ag, 0.15 g/t Au) from 336m;**
  - **4MRC015 – 6m @ 3.05% CuEq* (2.00% Cu, 64 g/t Ag, 0.43 g/t Au) from 208m;**
  - **4MRC016 – 11m @ 3.30% CuEq* (2.71% Cu, 36 g/t Ag, 0.26 g/t Au from 233m;**
  - **4MRC019 – 10m @ 3.47% CuEq* (2.66% Cu, 41 g/t Ag, 0.51 g/t Au) from 237m;**
  - **4MRC024 – 10m @ 2.89% CuEq* (2.22% Cu, 33 g/t Ag, 0.44 g/t Au) from 174m**

– **12-month option over Wirchilleba Station (Mallee Bull footprint) secured.**

– **New ELA pegged covering Mundoe prospect.**

- **RC drilling at Ruby Silver completed – assays awaited.**

Plans for June quarter 2012

- **Follow-up drilling and exploration at Mallee Bull.**
- **Attunga Tungsten Deposit review.**

* CuEq = Copper Equivalent (see Appendix 1 for details).

Exploration

Gilgunnia Project: Copper, Silver, Gold, Lead, Zinc; Western NSW (PEX 100%).
Targets: Cobar-style polymetallic mineralisation; Volcanogenic Massive Sulphide mineralisation.

Mallee Bull Cobar-style copper-polymetallic discovery

The Mallee Bull prospect, identified in early 2011 as a coincident electro-magnetic and magnetic geophysical anomaly, is located within the historic 4-Mile goldfield. Multiple phases of exploratory drilling culminated in the discovery of high-grade Cobar-style mineralisation in August 2011.

In February 2012, Peel completed a Phase 1 follow-up 5,817m RC/diamond drilling programme designed to test along strike and down dip of previously intersected mineralisation. Drilling was carried out on an approximate 40m by 40m grid pattern and comprised a series of RC and RC pre-collar/diamond tail drillholes.

Multiple drillholes intersected zones of polymetallic mineralisation comprising intervals of massive sulphide and/or stringer mineralisation, including visible chalcopyrite, sphalerite and galena with accessory sulphide minerals including pyrrhotite, pyrite, and arsenopyrite. See Table 1 for full drill assay results.

Drilling indicates that high-grade copper-dominant polymetallic mineralisation at Mallee Bull has a strike length of at least 120m, comes to within at least ~150m of surface, extends to at least ~310m below surface and is open in multiple directions including at depth. Peel notes that several strongly mineralised intercepts were recorded from deeper drillholes (4MRCDD008/009), and that Cobar-style deposits are typically short in strike length but long in the vertical plane.

Mineralisation occurs within a package of sheared and brecciated volcaniclastic sediments comprising siltstones and mudstones and is interpreted as occurring as a shoot-like structure dipping moderately to the west. Drill intercepts are construed as being close to true.

The Mallee Bull prospect is interpreted to be positioned in a favourable geological and structural position, sited on the “nose” of an anticline – a suitable high-stress environment, and occurring in a geological unit interpreted to be age equivalent of the Chesney and Great Cobar Slate Formations found in the immediate Cobar region.

Results to date show Mallee Bull to be a highly promising exploration target in a world-class mineral province and confirm the Mallee Bull prospect as a true “greenfields” copper-dominant discovery.

Follow-up exploration planning is now well advanced, with Phase 2 drilling proposed for later in the June 2012 quarter. Drilling will be designed to target the down dip and up dip extension to currently defined mineralisation.

Butcher’s Dog magnetic anomaly

Peel also completed one deep drillhole targeting a large magnetic anomaly, named the Butcher’s Dog prospect, located about 1 km north of Mallee Bull. Drillhole BDRCDD001 was drilled as a vertical hole to a depth of 680m. No satisfactory explanation for the magnetic anomaly was observed from geological logging or downhole geophysics. Further investigation is required.

Figure 1 – Schematic Cross Section 6413310N

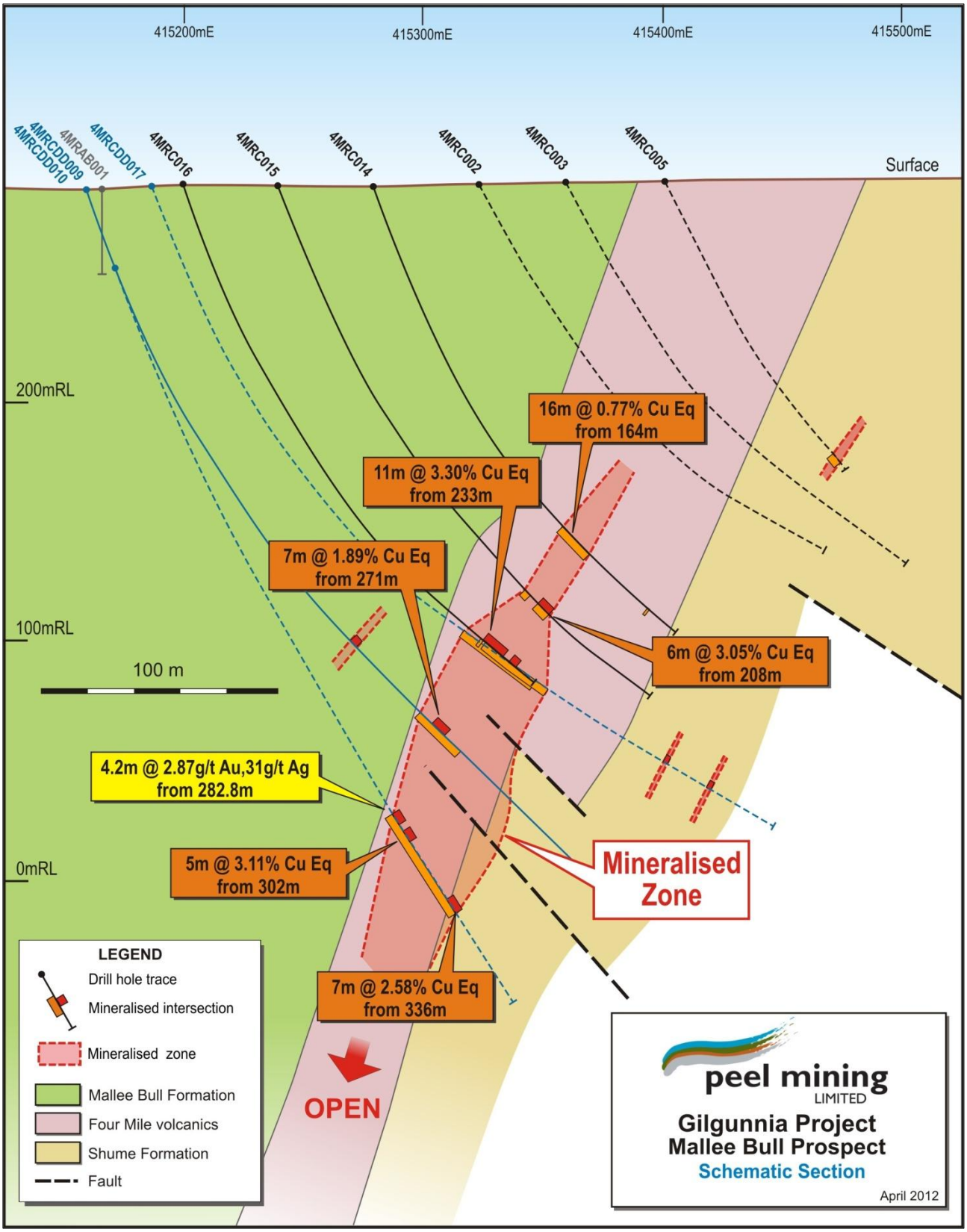


Figure 2 – Schematic Long Section

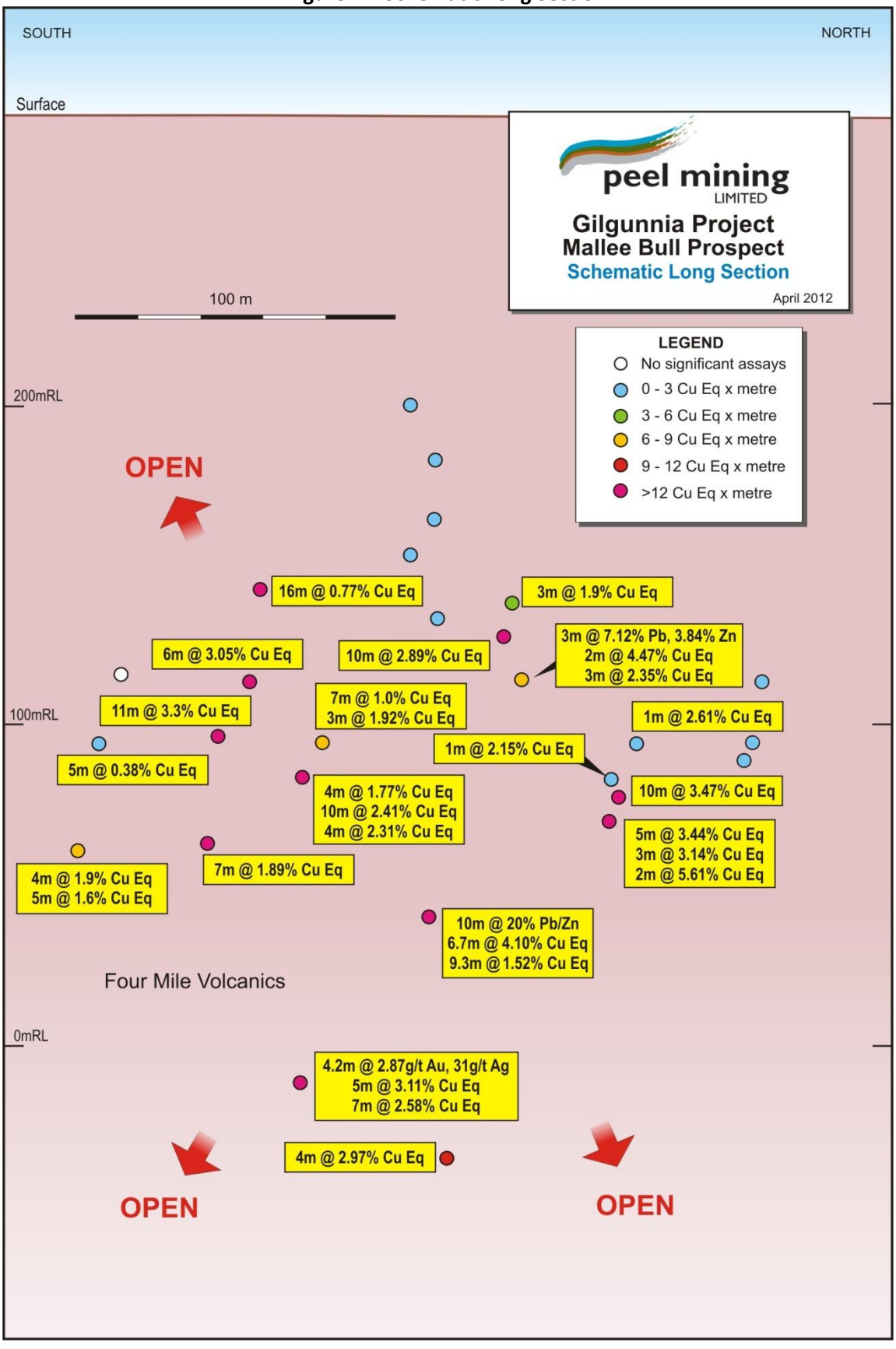


Figure 3 – Mallee Bull drill location and geology plan

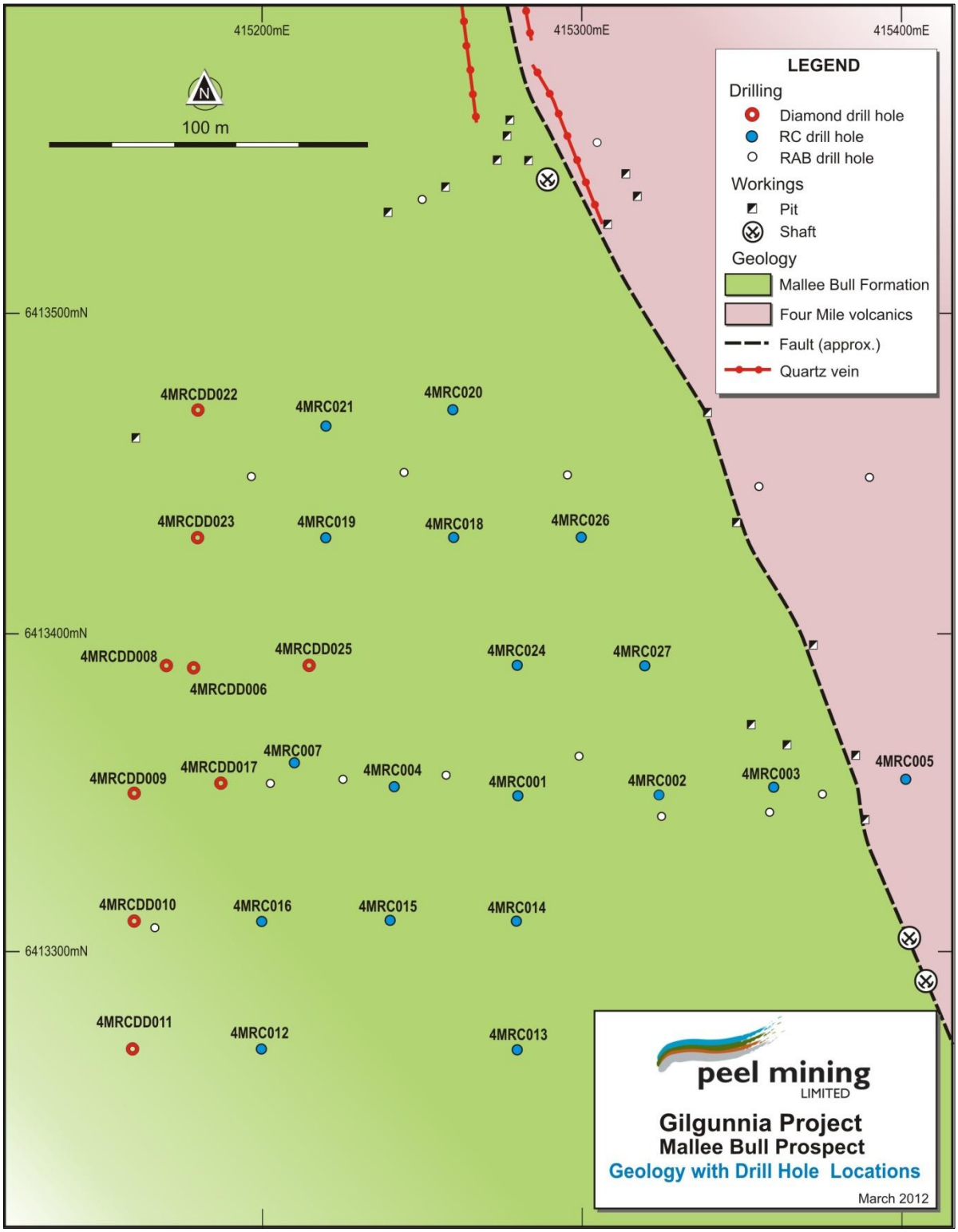


Table 1 – Mallee Bull Significant Drill Assay Results

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	CuEq (%)
4MRCDD008	6413390	415170	90	-72	399.7	295	298	3	0.03	16	1.39	0.21	0.11	N.A.
						299	300	1	0.17	36	0.35	0.84	0.11	N.A.
						301	303	2	0.43	14	0.21	0.5	0.93	0.73
						311	313	2	0.34	9	0.17	0.14	0.04	0.55
						317	318	2	0.76	21	0.17	0.05	0.14	1.12
						320	321	1	0.62	12	0.32	0.21	0.1	0.96
						322	323	1	0.33	8	0.23	0.12	0.03	0.57
						341	342	1	0.23	47	0.02	1.31	0.4	N.A.
						355	357	2	0.56	11	0.1	0.01	0.03	0.75
						358	**362**	**4**	**1.98**	**45**	**0.72**	**0.28**	**0.04**	**2.97**
						366	367	1	0.5	31	0.14	0.48	0.02	0.96
						368	373	5	0.73	8	0.07	0.11	0.05	0.87
4MRCDD009	6413350	415160	90	-70	388	**292.8**	**297**	**4.2**	**0.06**	**31**	**2.87**	**0.19**	**0.14**	**N.A.**
						302	**307**	**5**	**2.4**	**28**	**0.6**	**0.05**	**0.05**	**3.11**
						310	312	2	1.37	17	0.15	0.05	0.05	1.67
						315	316	1	0.86	12	0.09	0.11	0.04	1.06
						326	329	3	0.29	30	0.45	0.85	0.93	0.93
						336	**343**	**7**	**2.32**	**14**	**0.15**	**0.1**	**0.04**	**2.58**
4MRCDD010	6413310	415160	90	-70	372.6	222	226	4	0.02	184	0.12	0.003	0.01	N.A.
						264	265	1	0.17	16	0.12	0.47	0.8	N.A.
						266	267	1	0.71	12	0.17	0.1	0.13	0.96
						271	**278**	**7**	**1.31**	**19**	**0.56**	**0.12**	**0.14**	**1.89**
4MRCDD011	6413270	415160	90	-70	331	**262**	**266**	**4**	**1.34**	**11**	**0.69**	**0.05**	**0.05**	**1.90**
						270	271	1	0.52	5	0.03	0.05	0.03	0.60
						273	**278**	**5**	**1.42**	**12**	**0.05**	**0.07**	**0.04**	**1.60**
4MRC012	6413270	415200	90	-70	274	225	230	5	0.26	7	0.05	0.36	0.55	0.38
						233	234	1	0.5	5	0.08	0.04	0.04	0.61
4MRC013	6413270	415280	90	-70	229	-	-	-	-	-	-	-	-	
4MRC014	6413310	415280	90	-70	230	164	180	16	0.47	14	0.21	0.22	0.22	0.77
						214	215	1	-	-	3.05	-	-	N.A.
4MRC015	6413310	415240	90	-70	270	200	203	3	0.1	9	0.13	0.41	0.51	0.29
						208	**214**	**6**	**2.01**	**64**	**0.43**	**0.52**	**0.22**	**3.05**
4MRC016	6413310	415200	90	-70	259	**233**	**244**	**11**	**2.71**	**36**	**0.26**	**0.11**	**0.07**	**3.30**
						247	249	2	0.68	31	0.26	0.48	0.07	1.21
4MRCDD017	6413350	415188	90	-70	390.9	232.82	234	1.18	0.005	13	0.07	0.39	0.75	N.A.
						235	237	2	0.05	10	0.06	0.78	0.36	N.A.
						243	**244**	**1**	**1.92**	**15**	**0.07**	**0.05**	**0.12**	**2.14**
						245	246	1	0.49	18	0.2	0.41	0.83	0.83
						247	254	7	0.67	21	0.13	0.3	0.47	1.00
						258	**261**	**3**	**1.13**	**41**	**0.47**	**0.56**	**0.15**	**1.92**
						274	275	1	0.49	27	0.08	0.33	0.06	0.86
						276	278	2	0.34	33	0.12	0.46	0.83	N.A.

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	CuEq (%)
						336	338	2	0.07	10	0.04	0.67	1.6	N.A.
						358	360	2	0.05	8	0.43	0.51	0.75	N.A.
4MRC018	6413430	415260	90	-70	244	180	184	4	0.24	10	0.13	0.25	0.32	0.44
						207	208	1	0.13	20	0.15	0.63	1.02	0.46
						210	**211**	**1**	**1.43**	**33**	**0.52**	**0.44**	**0.93**	**2.15**
4MRC019	6413430	415220	90	-70	256	215	232	17	0.68	21	0.87	0.19	0.22	1.48
						237	**247**	**10**	**2.66**	**41**	**0.51**	**0.42**	**0.22**	**3.47**
						254	256	2	-	-	0.67	-	-	N.A.
4MRC020	6413470	415260	90	-70	250	184	198	14	-	3	0.05	0.34	0.38	N.A.
						202	217	15	-	2	-	0.47	0.46	N.A.
4MRC021	6413470	415220	90	-70	270	209	237	28	-	2	-	0.45	0.75	N.A.
4MRCDD022	6413470	415180	90	-70	300.9	239	243	4	-	4	-	0.36	0.45	N.A.
						255	263	8	-	-	-	0.36	0.78	N.A.
						271	275	4	-	-	-	0.42	0.4	N.A.
4MRCDD023	6413430	415180	90	-70	301	257	262	**5**	**2.14**	**41**	**1.29**	**0.23**	**0.54**	**3.44**
						264	267	**3**	**2.22**	**38**	**0.75**	**0.09**	**0.12**	**3.14**
						272	274	**2**	**1.75**	**26**	**0.63**	**0.1**	**0.05**	**2.46**
						277	279	**2**	**3.88**	**57**	**1.67**	**0.1**	**0.02**	**5.61**
						282	283	**1**	**3.28**	**33**	**0.29**	**0.15**	**0.17**	**3.86**
4MRC024	6413390	415280	90	-70	238	165	171	6	0.26	11	0.4	0.11	0.16	0.64
						174	**184**	**10**	**2.22**	**33**	**0.44**	**0.11**	**0.16**	**2.89**
						189	190	1	0.78	5	0.1	0.03	0.09	0.90
						216	218	2	0.61	38	0.21	0.07	0.07	1.20
						222	226	4	0.36	18	0.1	0.06	0.05	0.64
						228	231	3	0.58	24	0.1	0.63	0.94	0.93
4MRCDD025	6413390	415215	90	-70	354.5	207	208	1	0.07	17	0.05	1.65	2.35	N.A.
						210	**212**	**2**	**1.38**	**17**	**0.61**	**0.15**	**0.15**	**1.97**
						215	**218**	**3**	**0.13**	**23**	**0.25**	**7.12**	**3.84**	**N.A.**
						219	222	3	0.22	19	0.81	0.31	0.31	N.A.
						223	**225**	**2**	**3.48**	**40**	**0.82**	**0.13**	**0.3**	**4.47**
						227	229	2	0.38	5	0.45	0.06	0.18	0.72
						258	**261**	**3**	**1.84**	**36**	**0.13**	**1.4**	**0.5**	**2.35**
						266	267	1	0.75	24	0.22	0.14	0.18	1.18
						273	**275**	**2**	**0.94**	**37**	**0.4**	**0.78**	**0.75**	**1.63**
4MRC026					250	142	145	3	0.09	14	0.12	0.69	0.75	N.A.
						147	**148**	**1**	**1.57**	**14**	**0.09**	**0.06**	**0.38**	**1.79**
						152	153	1	0.62	47	0.06	0.91	0.75	1.22
						225	**226**	**1**	**1.47**	**67**	**0.54**	**2.07**	**1.65**	**2.61**
4MRC027					208	141	150	9	0.04	9	0.03	1.3	1.84	N.A.
						169	**172**	**3**	**1.39**	**36**	**0.12**	**0.82**	**1.3**	**1.90**
						196	199	3	0.44	10	0.07	0.43	0.9	0.60

Wirchilleba Station option

Subsequent to the quarter's end, Peel secured a 12-month option-to-purchase agreement over portions of Wirchilleba Station, which includes the immediate footprint of the Mallee Bull copper-polymetallic discovery. The material terms of the option agreement are:

The vendor has entered into an option agreement with Peel pursuant to which the vendor granted (12-month) options to Peel to purchase parts of the Wirchilleba property. The vendor has granted the following options to Peel:

1. an option to purchase the land comprised of Western Lands Lease 3456 (F/I 1339/762952) for a purchase price of $800,000 (First Option); and
2. an option to purchase the land comprised of Western Lands Lease 3458 (F/I 1341/762954); Lot 1 on Plan 750656; and Lot 1 on Plan 750710, for a purchase price of $890,467 (Second Option).

Peel has paid an option fee of $80,000 which will be considered as a deposit on the first option in the event that it is exercised. The exercise of the Second Option is conditional upon the exercise of the First Option. In the event that either of the options is exercised, the vendor and Peel shall enter into a formal contract for the sale of the relevant land.

This option will help to provide Peel with security of tenure and land access as exploration at Mallee Bull progresses.

Mundoe prospect – ELA4493

Also subsequent to the quarter's end, Peel reported the pegging of a new Exploration Licence Application (ELA) in close proximity to Mallee Bull. Located about 90 km west of Condoblin in NSW, ELA4493 covers about 300 km^2 of the Rast Trough region, the Southern extension of the Cobar Superbasin, and is centred on the Mundoe prospect, which is defined by a 2km long multi-element geochemical anomaly, coincident geophysical anomalies, and encouraging historic drill results.

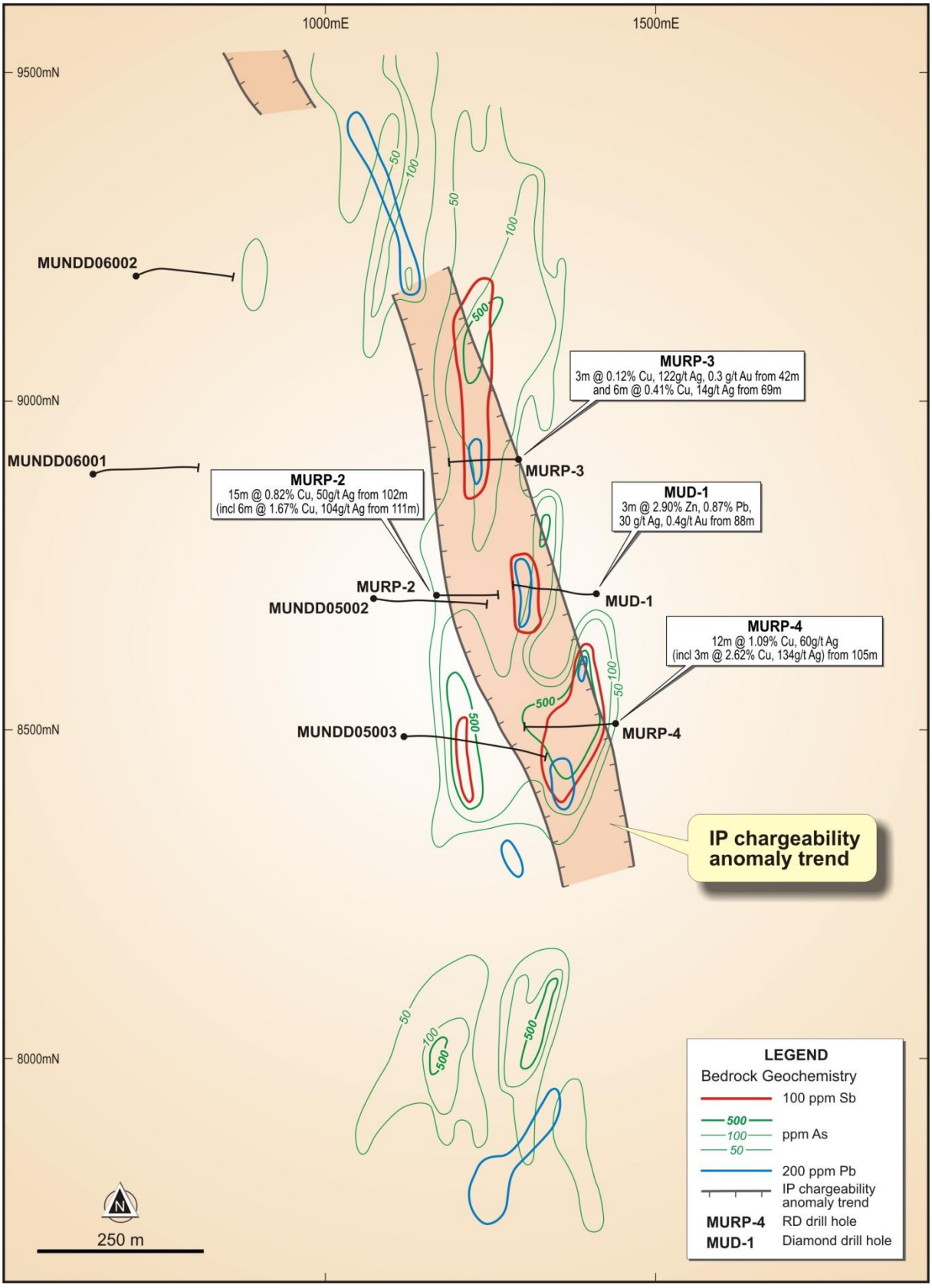
Mundoe was first identified in the 1970s as a "bulls-eye" magnetic anomaly. Follow-up exploration in early 1980s included geological mapping, RAB drilling, IP and gravity geophysical surveys, and a single diamond drillhole where a best result of **3m @ 2.90% Zn, 0.87% Zn, 30 g/t Ag and 0.4 g/t Au from 88m** was returned.

Exploration in the 1990s culminated in the discovery of strong copper-silver mineralisation in three separate drillholes covering 400m strike. Better results from this drilling included:

- **6m @ 1.66% Cu, 103 g/t Ag from 111m in MURP-2;**
- **3m @ 122 /t Ag, 0.3 g/t Au from 42m and 6m @ 0.42% Cu, 14 g/t Ag from 69m in MURP-3;**
- **12m @ 1.09% Cu, 60 g/t Ag in MURP-4.**

A small follow-up drilling programme in 2005 failed to return mineralisation. However, a data review by Peel indicates that mineralisation is likely to be dipping to the east presenting a significant possibility that this drilling (drilled from west to east) inadequately tested the previously intersected mineralisation. Accordingly, Peel has commenced exploration planning in anticipation of the granting of the Mundoe licence.

Figure 4 – Mundoe prospect drill location geochem/geophysics plan



Apollo Hill Project: Gold; Northeastern Goldfields WA (PEX 100%).
Targets: Archaean gold deposits.

Metallurgical testwork on Apollo Hill mineralisation is continuing. Results continue to confirm that Apollo Hill gold mineralisation is readily amenable to cyanide leaching techniques, even at relatively coarse grind sizes (~95% recovery at ~1mm grind size).

Subsequent to the quarter's end, Peel acquired mining licence M39/296 from Birimian Gold Limited for 750,000 ordinary Peel shares as consideration. M39/296 is immediately along strike (southeast) from the Apollo Hill resource and is considered to have good potential to host additional gold resources.

Subsequent to the quarter's end, Peel also completed a field reconnaissance trip to the Apollo Hill project with a particular focus on regional exploration. A number of prospects were identified for follow-up and a substantial geochemical survey has now been planned.

Ruby Silver Project: Silver, Gold; Northeastern NSW (PEX 100%).
Targets: Silver mineralisation associated with fracture-fill quartz-carbonate veining.

Late in the quarter, Peel commenced a maiden RC drilling programme designed to test IP chargeability anomalies, and to also test beneath historic workings. The drilling comprised 15 holes for 1,483m. Assay results remained outstanding at the time of reporting.

Attunga Project: Gold, Tungsten, Molybdenum, Copper; Northeastern NSW (PEX 100%).
Targets: Intrusive-Related Gold System and/or Orogenic gold mineralisation; skarn style tungsten-molybdenum mineralisation and skarn-style precious/base metals mineralisation.

No fieldwork was undertaken during the quarter, however, subsequent to the quarter's end a review of the Attunga Tungsten Deposit was initiated.

Yerranderie: Silver, Lead, Gold; Central NSW (PEX 100%).
Targets: Silver-lead-gold mineralisation in surface waste and tailings dumps.

No fieldwork was undertaken during the quarter.

Rise & Shine: Gold; Central Otago New Zealand (PEX 100%)
Targets: Orogenic gold mineralisation**.**

No fieldwork was undertaken during the quarter.

Morawa: Copper, Gold; Central West WA (PEX 100%)
Targets: Volcanogenic Massive Sulphide mineralisation.

Peel was recently granted a single exploration licence covering a small greenstone belt located about 20km north of Morawa. The area is considered to have potential to host VMS-style base-precious metals. Exploration planning has now commenced.

For further information, please contact Managing Director Rob Tyson on mobile 0420 234 020.

Competent Persons Statements

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.

Appendix 1

Information regarding drilling/assaying data

1. Drilling was completed using a RC face sampling hammer or HQ/NQ diamond core.
2. Sample recoveries were considered adequate for all samples.
3. Drillcore has been logged in detail based on lithology, mineralisation, and alteration.
4. Samples for analysis were collected by cone splitter sampling, hand spearing or by sawing core in half.
5. Samples were submitted as 4m composite chip samples, 1m chip samples or 1m half-core intervals unless a geological contact was used.
6. Samples were analysed at ALS Chemex utilising methods: Au-AA25 for Au (fire assay); ME-ICP61 for multi-element including Ag, Cu, Pb, Zn; Ag-OG62 for >100 g/t Ag; Cu-OG62 for >1% Cu; Pb-OG62 for >1% Pb; and Zn-OG62 for >1% Zn.
7. Drillhole collars were surveyed by DGPS.
8. Downhole gyroscopic surveys were run continuously.

* Copper Equivalent Calculation Explanation:

- Mineralisation at Mallee Bull consists of copper, silver, gold, lead, zinc and cobalt, but only copper, silver and gold are used for Copper Equivalent Calculation.
- Copper equivalent values have been calculated as (CuEq) = Cu% + Ag(ppm)x0.012 + Au(ppm)x0.625
- Copper Equivalent or "CuEq" is the contained copper, silver and gold that are converted to an equal amount of pure copper and summed (based on assays of mineralised rock and nominated metal prices). It is used to allow interpretation of the possible theoretical 'value' of mineralised rock, without consideration of the ultimate extractability of any of the metals.
- Cobar-style copper deposits such as Mallee Bull typically recover those metals subject to prevailing metal prices and metallurgical characteristics.
- The ASX requires a metallurgical recovery be specified for each metal, however, no testwork has ever been undertaken at Mallee Bull and recoveries can only be assumed to be typical for Cobar-style copper deposits
- It is the Company's opinion that each of the elements included in the metal equivalents calculation has reasonable potential to be recovered if the project proceeds to mining.
- Price Assumptions- Cu (US$8,000/t), Ag (US$30/oz), Au (US$1,500/oz).