



## Discovering Copper in the Cobar Superbasin

Rob Tyson, Managing  
Director

**Peel Mining Limited (ASX:PEX)**  
*Investor Presentation – September 2012*

[www.peelmining.com.au](http://www.peelmining.com.au)

# Disclaimer & Competent Persons Statement

- **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 Mining 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.*
- *The information in this report that relates to mineral resource estimation for Apollo Hill is based on work completed by Mr Jonathon Abbott who is a full time employee of Hellman and Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Hellman & Schofield was not required to review the quality or validity of the sampling data, as Peel Mining are accepting responsibility for these aspects of the estimates. Mr Abbott 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 Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*
- *The information in this report relating to the Attunga resources is based on information compiled by Mr Murray Hutton, who is a Member of the Australian Institute of Geoscientists and is employed by Geos Mining. He has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves.' Mr Hutton consents to the inclusion in this report of this information in the form and context in which it appears.*



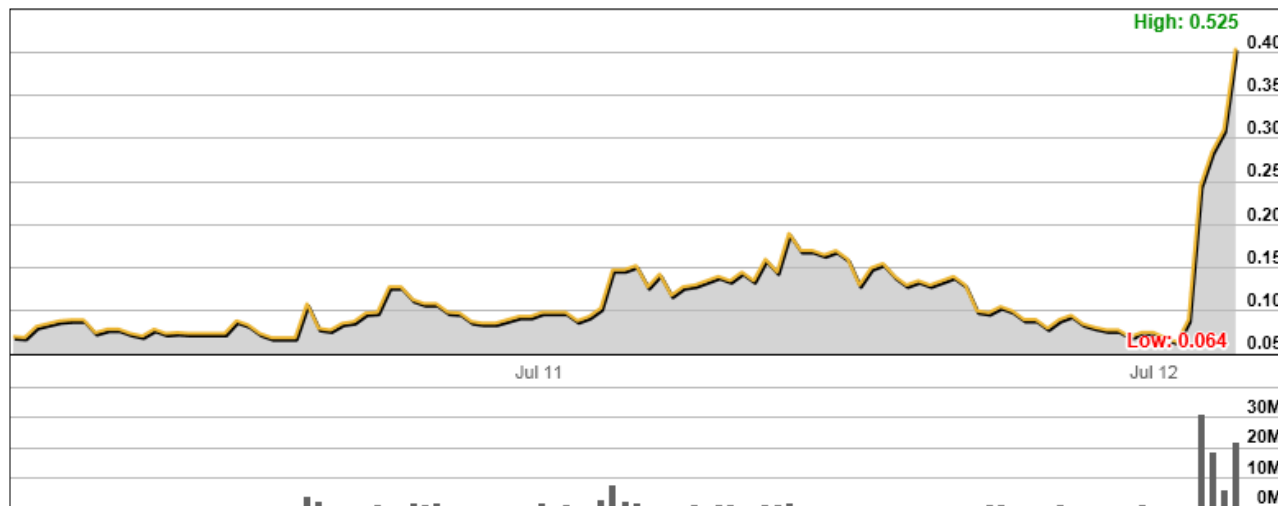
# Capital and Corporate

- **Capital structure**

|                                       |                                |
|---------------------------------------|--------------------------------|
| Fully paid shares: 110 million        | Enterprise value: \$37 million |
| Options: 0.8 million                  | Top 20 investors: ~60%         |
| Market cap (@ 35 cps): \$38.5 million | Directors' holding: ~26%       |

- **Business model**

- Identify and acquire undervalued/prospective mineral assets
- Add value through systematic exploration
- Monetise (through JV/sale/IPO) or take to production



# Board and Technical Team

Small leadership team with blend of technical and commercial backgrounds;  
focus on maximising returns

- **Board**

- Rob Tyson (Managing Director)
- Simon Hadfield (Chairman)
- Graham Hardie (Non-exec Director)
- Craig McGown (Non-exec Director)

- **Technical team**

- Michael Oates (Project Geologist)
- Steve Leggett (Operations Manager)
- Nancy Vickery (Consulting Geologist)
- Bob Brown (Consulting Geologist)

- **Maximising PEX's discovery potential:**

- Very low admin costs at <\$150K per quarter
- Small, efficient, skilled, technical/operations team
- High exploration success rate
- Focus on drill testing – only way to prove orebodies
- Maximising every dollar – money goes into the ground

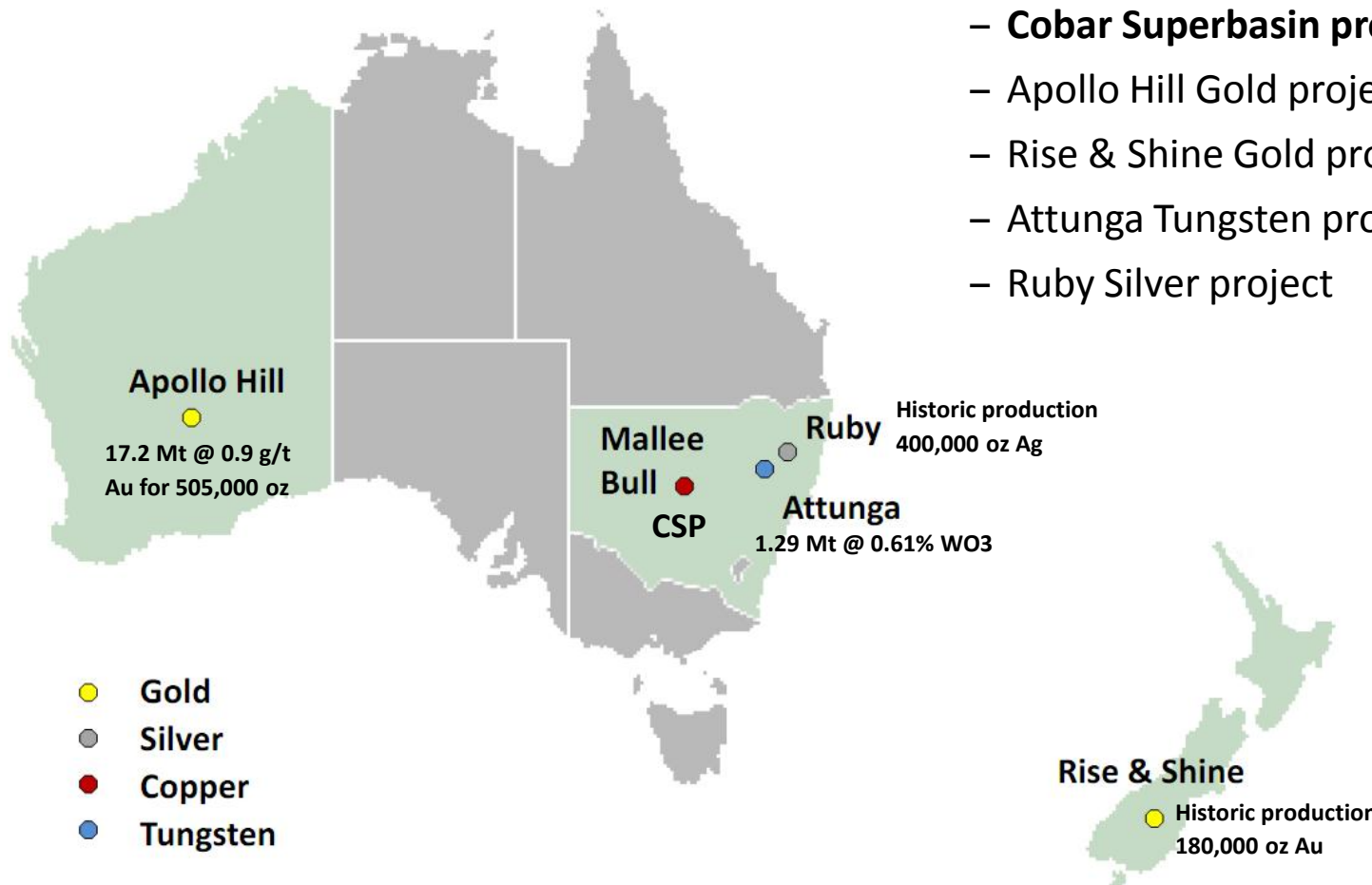


# Project Summary

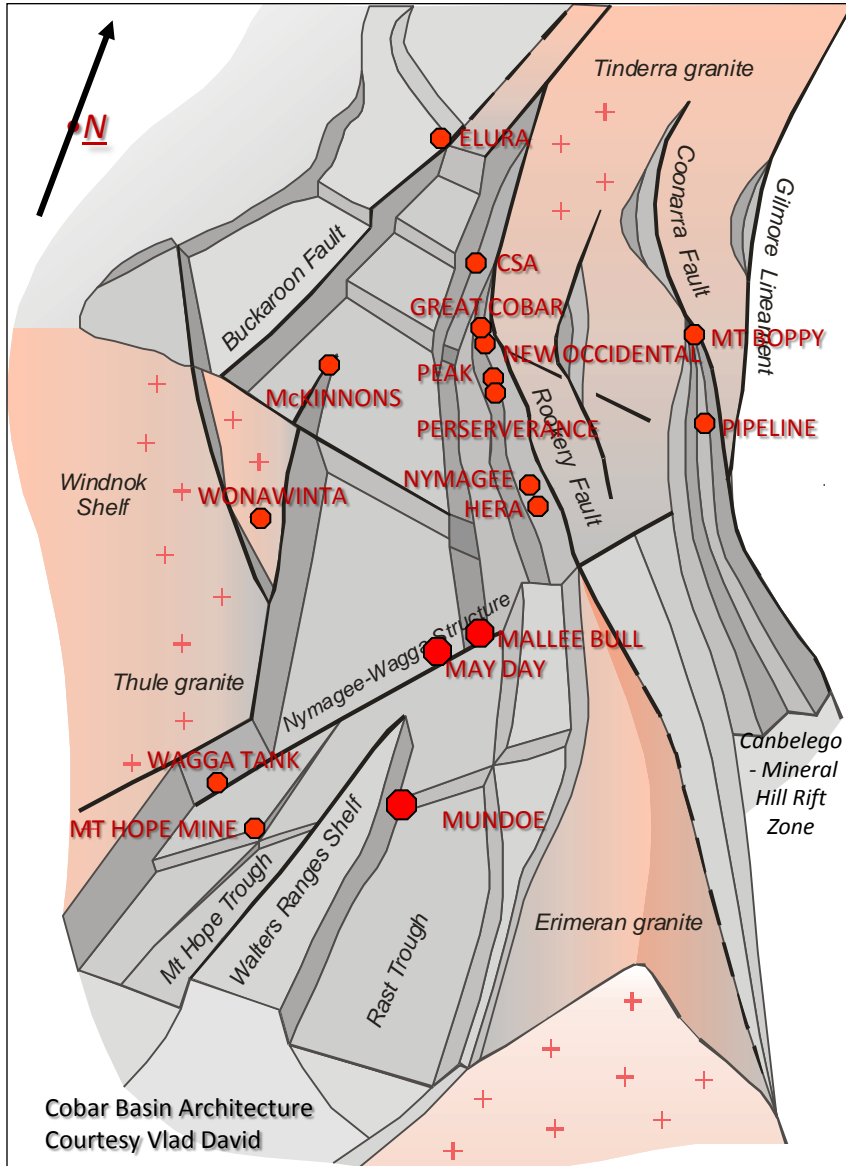
Growing precious-base metal resources company

- **Key assets:**

- Mallee Bull Copper-polymetallic Discovery
- Cobar Superbasin project (CSP)
- Apollo Hill Gold project
- Rise & Shine Gold project
- Attunga Tungsten project
- Ruby Silver project

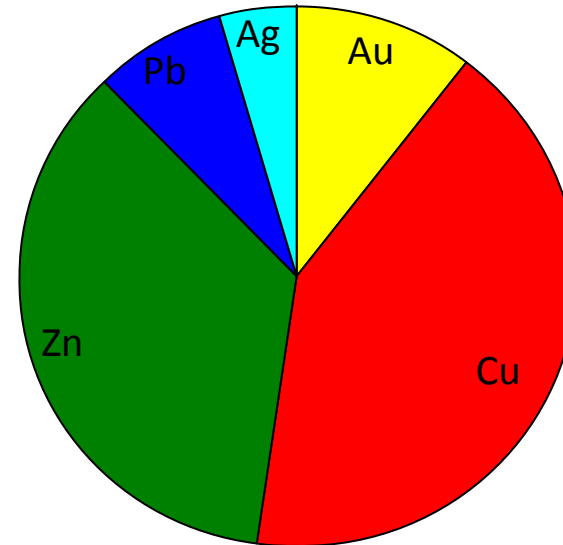


# Cobar Superbasin is worldclass mineral province

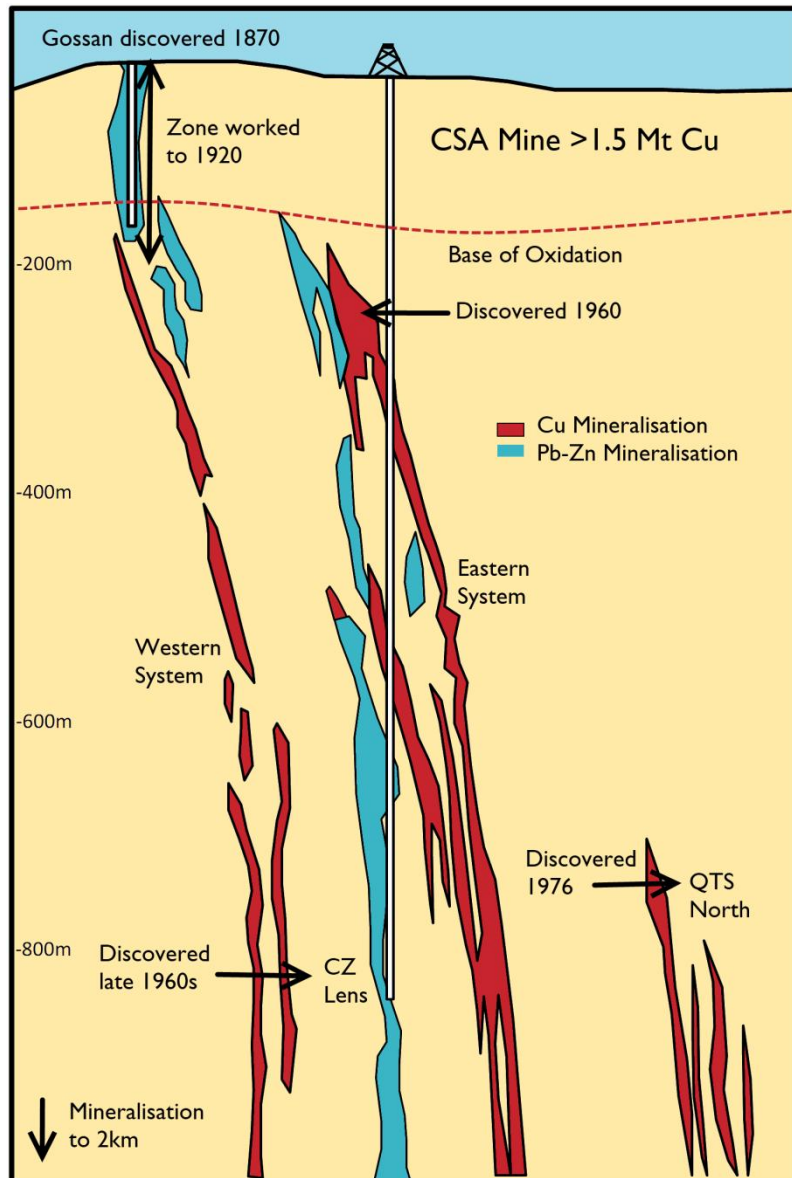


## • Cobar Superbasin pre-mining metal inventory:

- >2.2 Mt Cu = US\$18b
- >7 Moz Au = US\$12b
- >4.7 Mt Zn = US\$9.5b
- >2.8 Mt Pb = US\$5.5b
- >145 Moz Ag = US\$4.5b
- Total = US\$50b



# “Cobar–style” Deposits vs Mallee Bull Discovery



## Attribute

Polymetallic (Cu-Ag-Au-Pb-Zn)

Proximity to major structures (growth/transfer faults)

Shear-hosted

Strongly leached near surface

Chlorite and silica alteration

Facies and rock competency contrasts

Moderate to high strain zone

Short strike length (<200m)

Narrow widths (5-20m)

Vertical continuity (>400m)

Generally occur as clustered/stacked lenses

## Mallee Bull

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✓

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✓

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## Attracting CBH is testament to Mallee Bull's potential

- **Key Terms of Farm-in**

- Agreement covers EL7461 and ML1361 including Mallee Bull
- Peel remains operator
- Stage 1 sees CBH earn 15% interest by payment of \$1m to Peel as contribution to past expenditure (made) and by contributing \$1.5m to exploration within a 12 month period
- Stage 2 sees CBH (at its election) increase to 30% interest by contributing a further \$2.5m to exploration within a further 12 month period
- Stage 3 sees CBH (at its election) increase to 50% interest by contributing a further \$3.33m to exploration within a further 12 month period
- CBH may elect to form a joint venture at the end of any stage; parties can then elect to contribute on pro-rata basis or be diluted according to an industry-standard formula.



## Perseverance and methodical exploration lead to discovery

- **Location and tenure**
  - 100 km south of Cobar, NSW
  - 80 km<sup>2</sup> of granted leases (EL and ML)
- **Geology and Mineralisation**
  - Located in Silurian-Devonian Cobar Superbasin
  - Cobar-style polymetallic (Cu-Au-Ag-Pb-Zn) mineralisation
- **Mallee Bull Cu-Ag-Au-Pb-Zn-Co Discovery**
  - 8km east of May Day Au-Ag-Pb-Zn-Cu deposit; adjacent to historic 4-Mile goldfield
  - Coincident EM and magnetic geophysical anomalies
  - Favourable geological position in volcanoclastic turbidite sequence age equivalent of Great Cobar geology
  - Favourable structural position located on “nose” of anticline; high strain environment
  - Ease of access, 3 km off major road
  - Perseverance required; several rounds of drilling necessary
  - High-grade massive sulphides intercepted in July/August 2011



# Mallee Bull Discovery

## Phase 1 drilling confirms Mallee Bull as a “Cobar-style” discovery

- Mallee Bull Phase 1 better drill results include:

**10m @ 9.01% Pb, 11.00% Zn, 41 g/t Ag, 0.77 g/t Au**

**9.3m @ 1.20% Cu, 19 g/t Ag, 0.14 g/t Au**

**5m @ 2.40% Cu, 28 g/t Ag, 0.60 g/t Au**

**7m @ 1.31% Cu, 19 g/t Ag, 0.56 g/t Au**

**11m @ 2.71% Cu, 36 g/t Ag, 0.26 g/t Au**

**5m @ 2.14% Cu, 41 g/t Ag, 1.29 g/t Au**

**6.65m @ 3.10% Cu, 34 g/t Ag, 0.93 g/t Au**

**10m @ 1.70% Cu, 46 g/t Ag, 0.27 g/t Au**

**7m @ 2.32% Cu, 14 g/t Ag, 0.15 g/t Au**

**6m @ 2.01% Cu, 64 g/t Ag, 0.43 g/t Au**

**10m @ 2.66% Cu, 41 g/t Ag, 0.51 g/t Au**

**10m @ 2.22% Cu, 33 g/t Ag, 0.44 g/t Au**

- Strike of mineralisation = ~120m
- Shallowest intercept = ~150m below surface
- Deepest intercept = ~300m below surface
- Mineralisation open in multiple directions, including down-dip
- Option to purchase Wirchilleba Station (Mallee Bull “footprint”)



## Phase 2 drilling boosts Mallee Bull's potential

- **Mallee Bull Phase 2**

- Phase 2 drilling (~4,500m diamond) primarily designed to target down dip extensions
- Structural geology review/interpretation underway
- DHEM targeting Mallee Bull; MLEM and IP targeting 4-Mile anticline
- RAB drilling targeting oxide/supergene enrichment and prospective host unit
- Strike of mineralisation = ~120m
- Shallowest intercept = ~30m below surface (RAB drillhole)
- Deepest intercept = ~400m below surface
- MBDD002 returns broad, high-grade, copper dominant sulphide mineralisation
- Mineralisation open in multiple directions, including down-dip
- Drilling currently underway (down-dip from MBDD002) targeting ~600m below surface



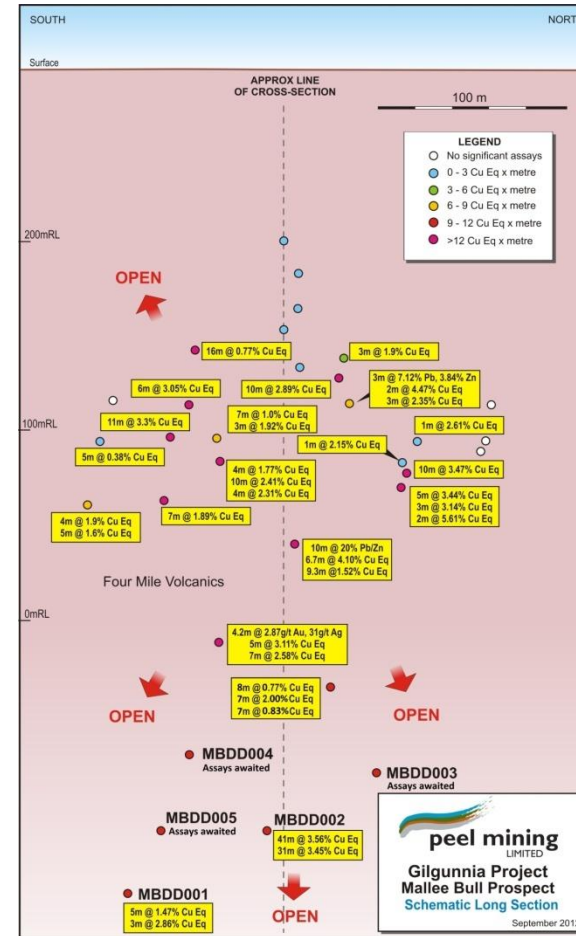
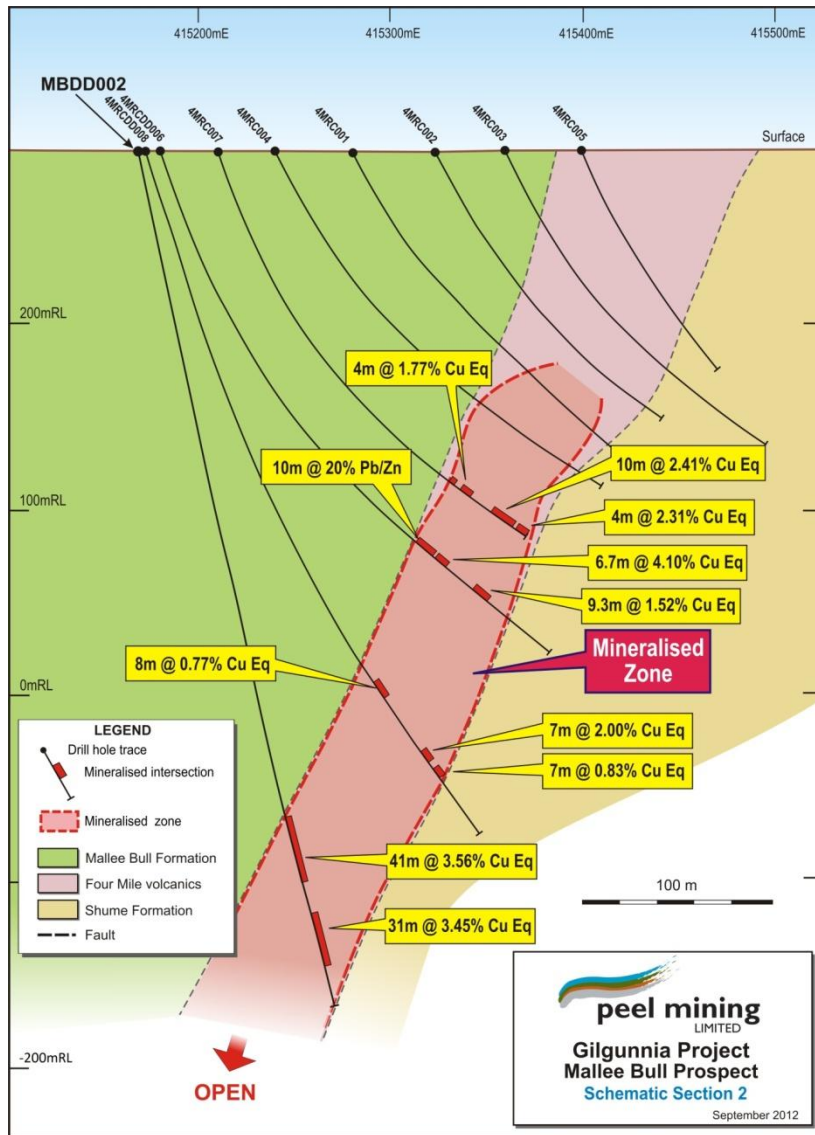
## MBDD002 intersects most significant mineralisation to date

- **MBDD002**

- MBDD002 returns cumulative intercept of 72m @ 3.51% CuEq\* (2.11% Cu, 41 g/t Ag, 1.13 g/t Au, 384 g/t Co) comprising two broad zones of high-grade, copper-dominant sulphide mineralisation:
  - Massive Sulphide Zone – 41m @ 3.56% CuEq\* (1.71% Cu, 33 g/t Ag, 1.84 g/t Au, 616 g/t Co) from 363m (true width 25m) including higher grade zones of:
    - 2m @ 2.31% Cu, 38 g/t Ag, 2.09 g/t Au, 605 g/t Co
    - 13m @ 3.11% Cu, 52 g/t Ag, 1.59 g/t Au, 828 g/t Co
  - Stringer Sulphide Zone – 31m @ 3.45% CuEq\* (2.65% Cu, 51 g/t Ag, 0.18 g/t Au, 78 g/t Co) from 415m (true width 19m) including higher grade zones of:
    - 12m @ 4.06% Cu, 64 g/t Ag, 0.21 g/t Au, 92 g/t Co, 0.97% Pb, 0.65% Zn
    - 6m @ 3.35% Cu, 100 g/t Ag, 0.38 g/t Au, 79 g/t Co, 1.41% Pb, 0.93% Zn



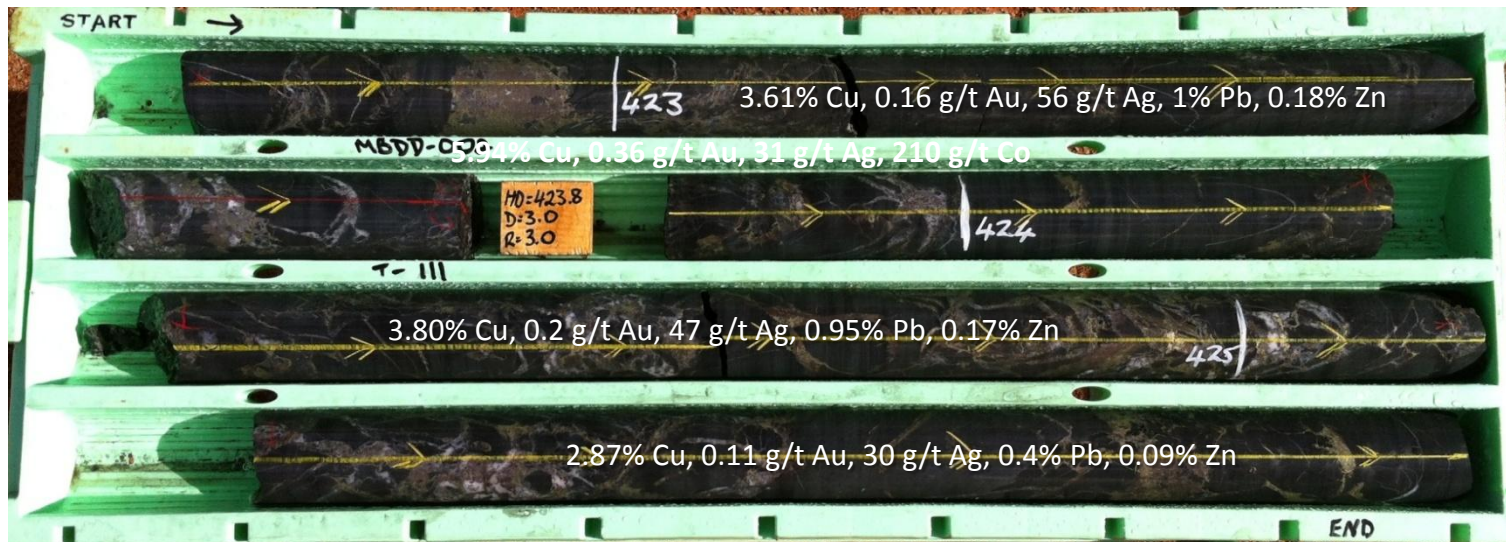
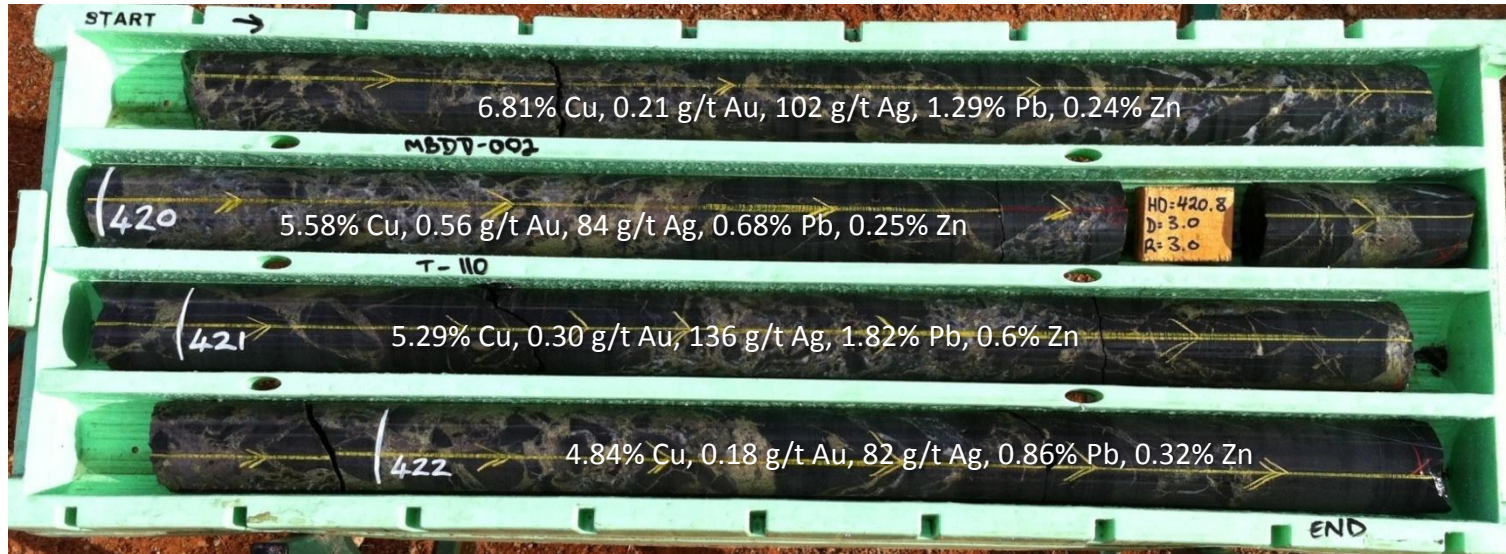
# MBDD002 – broad, high-grade, copper-polymetallic



# MBDD002 (Py-Po-Cpy MS Zone)



# MBDD002 (Py-Po-Cpy Stringer Zone)



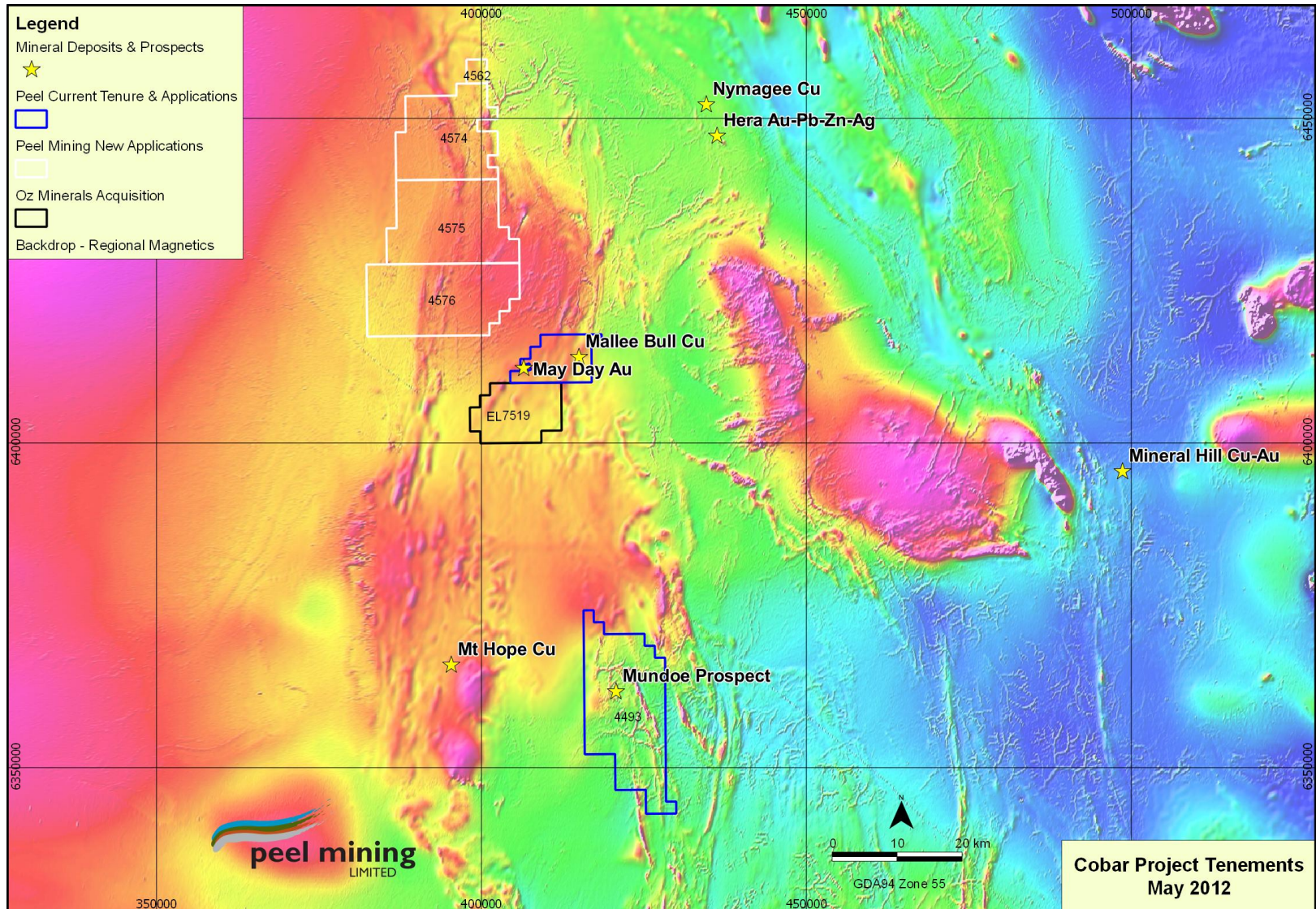
# May Day Deposit

- **May Day Au-Ag-Pb-Zn-Cu deposit**

- 8 km west of Mallee Bull discovery
- Granted 1km x 1km Mining Licence
- Shallow (40m) open pit oxide Au heap-leach operation in 1990s
- Structurally-controlled Au-Ag-Pb-Zn-Cu near-vertical deposit below pit
- Drilling by Peel in 2010 returned better results including:
  - 16m @ 1.78 g/t Au, 42 g/t Ag, 0.25% Cu, 0.95% Pb, 1.33% Zn from 159m**
  - 27m @ 2.12 g/t Au, 27 g/t Ag, 0.11% Cu, 0.43% Pb, 0.75% Zn from 120m**
  - 3m at 1.33 g/t Au, 98 g/t Ag, 0.92% Cu, 7.29% Pb, 8.19% Zn from 140m**
  - 10m at 2.15 g/t Au, 28 g/t Ag, 0.06% Cu, 0.34% Pb, 0.39% Zn from 213m**
- Mineralisation extends from base of pit to at least 200m below surface and open at depth
- Large untested magnetic anomaly below May Day
- Cobar-style precious/base metal system?
- May Day Deeps drilling planned



# Cobar Superbasin Project (CSP) – 100% PEX



# CSP – Mundoe: the next Mallee Bull?

- **Location**

- 50 km south of Mallee Bull

- **Key facts**

- 2 km long multi-element geochemical anomaly
- Coincident geophysical anomalies
- Strong historic drill results including:

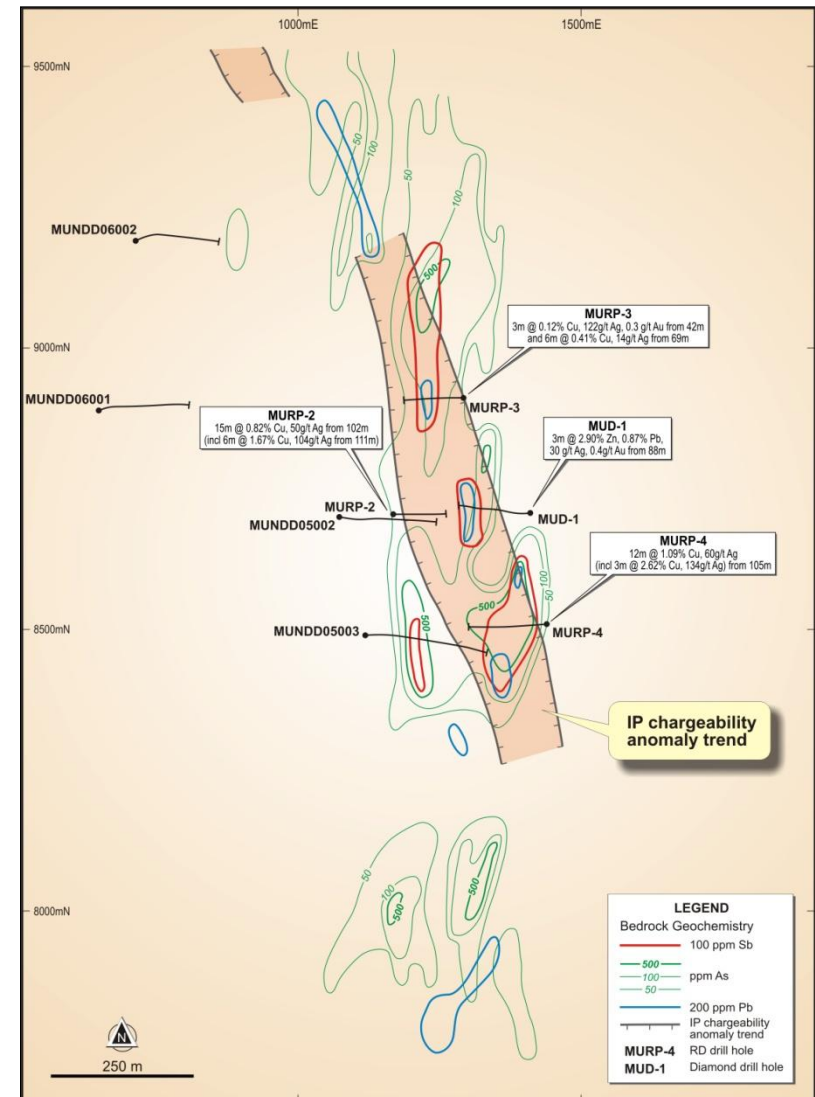
**3m @ 2.90% Zn, 0.87% Zn, 30 g/t Ag  
and 0.4 g/t Au**

**6m @ 1.66% Cu, 103 g/t Ag**

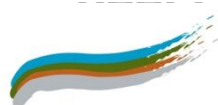
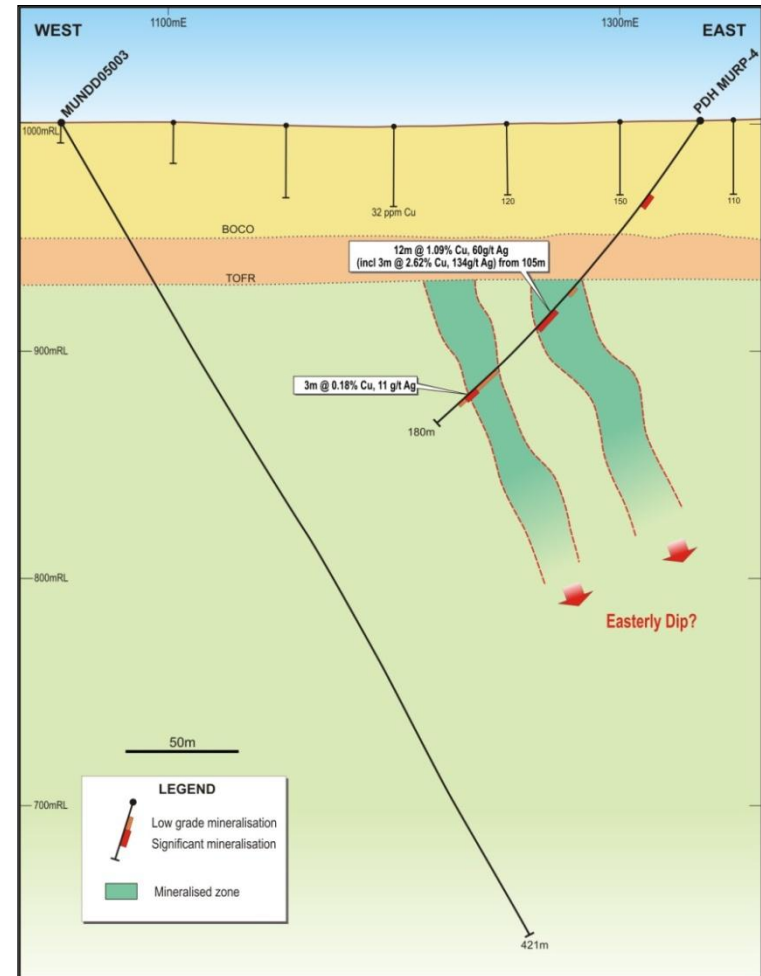
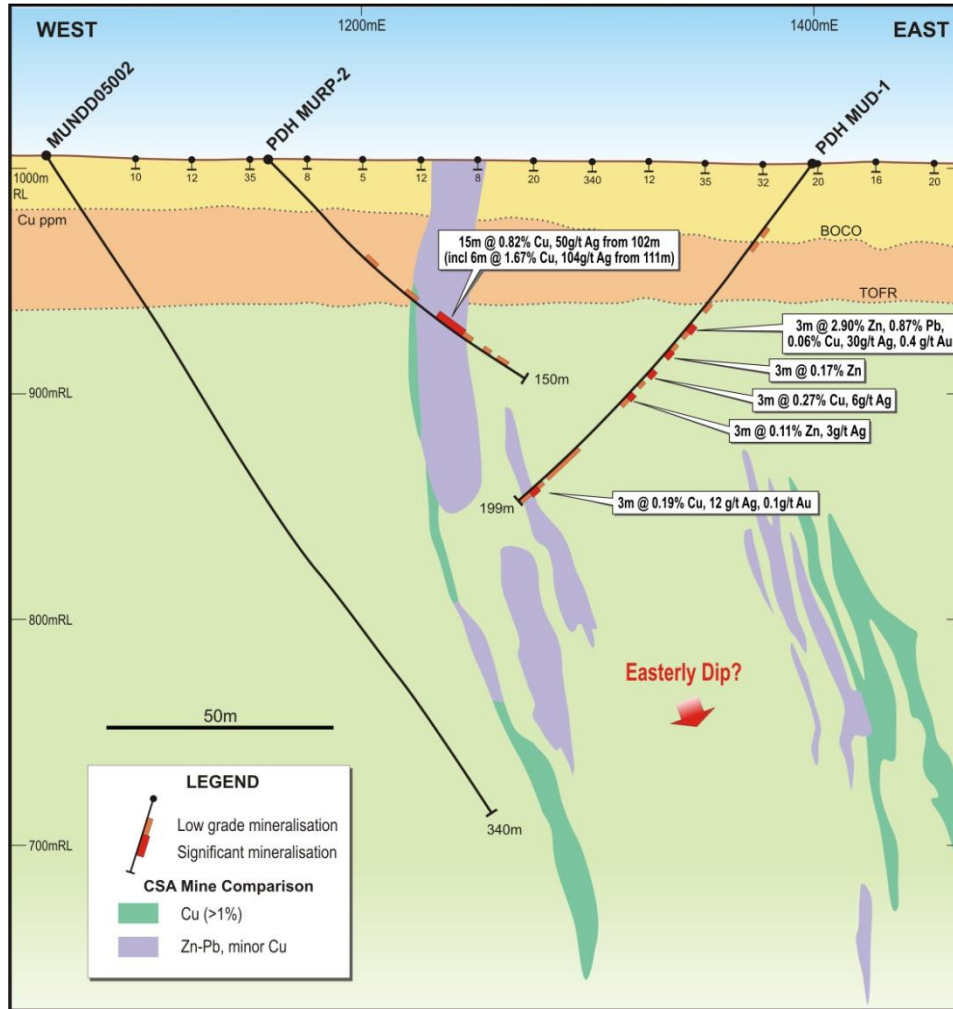
**3m @ 122 /t Ag, 0.3 g/t Au and 6m @  
0.42% Cu, 14 g/t Ag**

**12m @ 1.09% Cu and 60 g/t Ag**

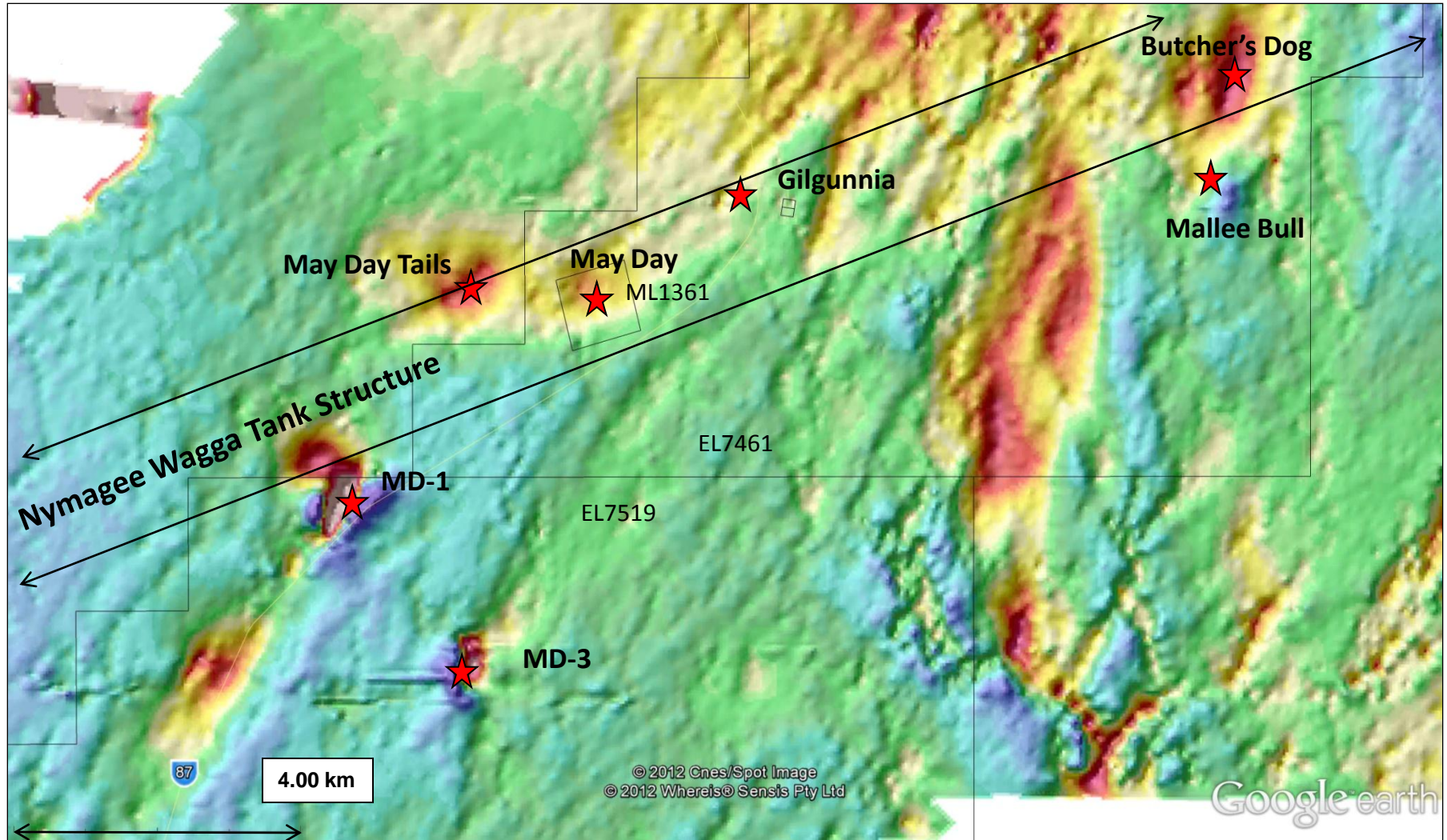
- Follow-up drilling in 2005 appears to have failed to adequately test previous mineralisation.



# CSP – Mundoe: the next Mallee Bull?



# CSP EL7519 magnetic targets – MD1, MD3



## Exploration planning well advanced

- **Mundoe**
  - Easterly-dipping exploration model RC drilling upon grant of tenure (Oct 2012?)
  - 6 RC drillholes for 1,200m
  - Broad-spaced RAB drilling
- **EL7519**
  - 320 line km Helitem survey this month
  - Targeting MD-1 and MD-3 magnetic anomalies
  - Deep diamond drilling (timing?)
- **ELA4562**
  - Tara mine area contains multiple geochem anomalies and gossans
  - Literature review underway
  - Surface geophysics (EM/IP) upon grant of tenure
  - RC/diamond drilling



# Investment Highlights

**1 Cobar-style polymetallic discovery at Mallee Bull, NSW**

**2 Mineralisation open at depth**

**3 Strong partnership following CBH Resources Farm-in**

**4 Strategic Cobar district landholding with exciting prospects**

**5 Small team but high exploration success rate**

**6 Maximising every dollar – money goes into the ground**



*Thank you*



***The Mallee Bull legend continues...***



## **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, or is still to be, 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-ICP41 for multi-element including Ag, Cu, Pb, Zn; Ag-OG46 for >100 g/t Ag; Cu-OG46 for >1% Cu; Pb-OG46 for >1% Pb; and Zn-OG46 for >1% Zn. Check sampling is being completed using 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 are being run continuously.**

## **Copper Equivalent Calculation Explanation:**

- The copper equivalent (CuEq) calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result, nor metallurgical flowsheet considerations. The copper equivalent calculation is intended as an indicative value only.**
- No metallurgical test work has been completed to date however it is the Company's opinion that all the elements included in the copper equivalent calculation have a reasonable potential to be recovered.**
- Copper equivalent conversion factors and long-term price assumptions used follow:  
Copper Equivalent Formula (CuEq) = (Cu (ppm) x 0.0075 + Ag (ppm) x 0.96 + Au (ppm) x 50.00 + Co (ppm) x 0.025)/0.0075;**
- Price Assumptions - Cu (US\$7,500/t), Ag (US\$30/oz), Au (US\$1,500/oz), Co (US\$25,000/t).**
- Pb and Zn have not been used in copper equivalent calculation.**





**For more information:**

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