

MUNDOE EXPLORATION LICENCE GRANTED

Highlights:

- **Mundoe licence (EL7976), part of Peel's 100%-owned Cobar Superbasin Project, granted**
- **Limited historic drilling at Mundoe copper-polymetallic prospect returned encouraging results including:**
 - **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.**
- **RC drilling planned for late November; awaiting regulatory approval**

Peel Mining Limited (ASX: PEX) is pleased to advise that exploration licence EL7976 - "Mundoe" - covering 270 km² of highly prospective stratigraphy within the Rast Trough region, the southern extension of the Cobar Superbasin, has been recently granted. Mundoe is part of Peel's 100%-owned Cobar Superbasin Project and is located about 90 km west of Condoblin in NSW, or about 50 km south of Mallee Bull.

EL7976 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% Pb, 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:

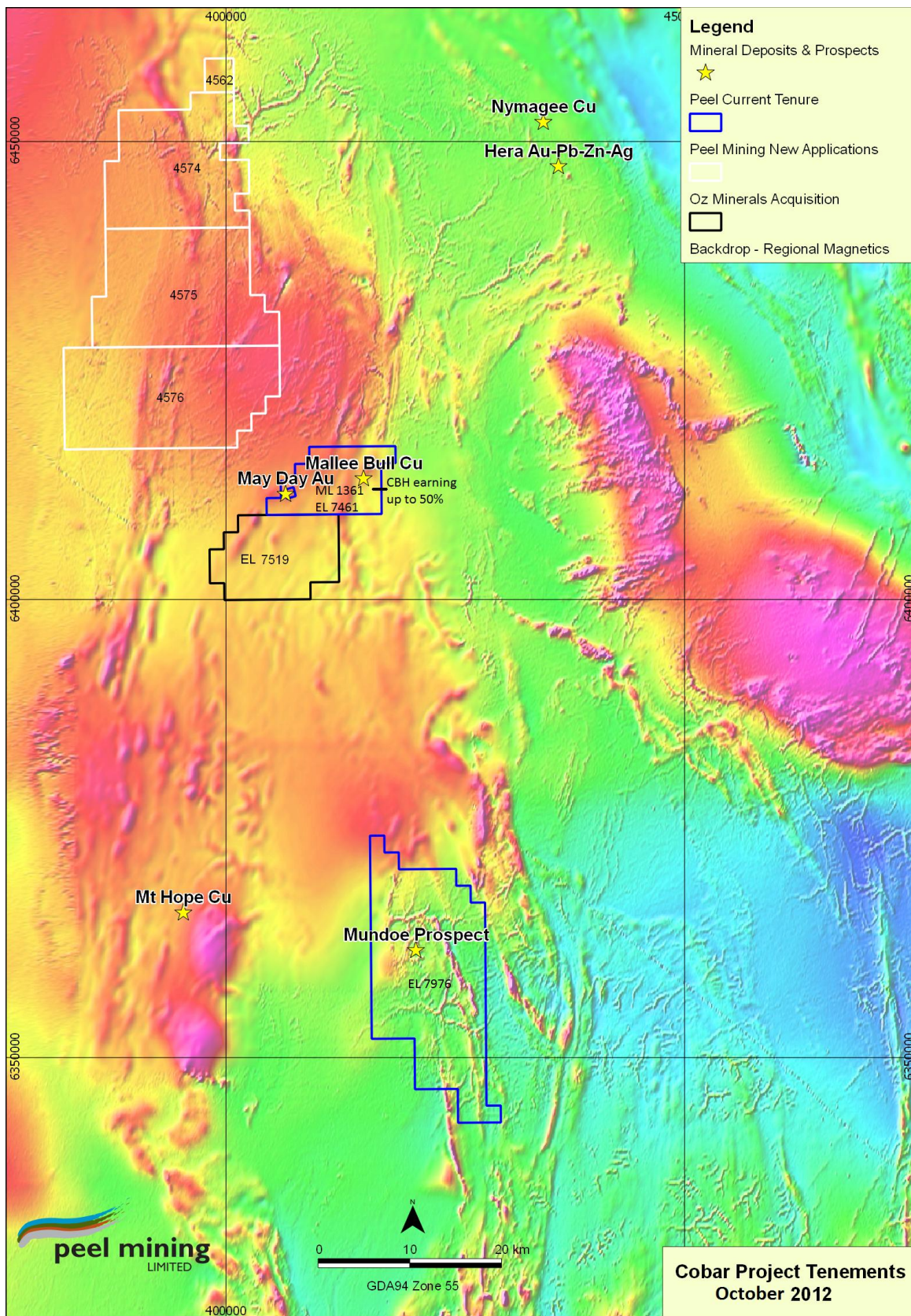
- **6m @ 1.66% Cu, 103 g/t Ag from 111m in MURP-2;**
- **3m @ 122 /t Ag, 0.3 g/t Au from 42m and 6m @ 0.42% Cu, 14 g/t Ag from 69m in MURP-3;**
- **12m @ 1.09% Cu, 60 g/t Ag in MURP-4.**

A 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, an RC drilling programme is planned for late November, subject to receiving regulatory approvals.

For further information, please contact Rob Tyson on +61 420 234 020.

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.

Figure 1 – Peel tenement location plan



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@peelmining.com.au www.peelmining.com.au

Figure 2 – Mundoe geochemical anomalism, IP chargeability and historic drilling

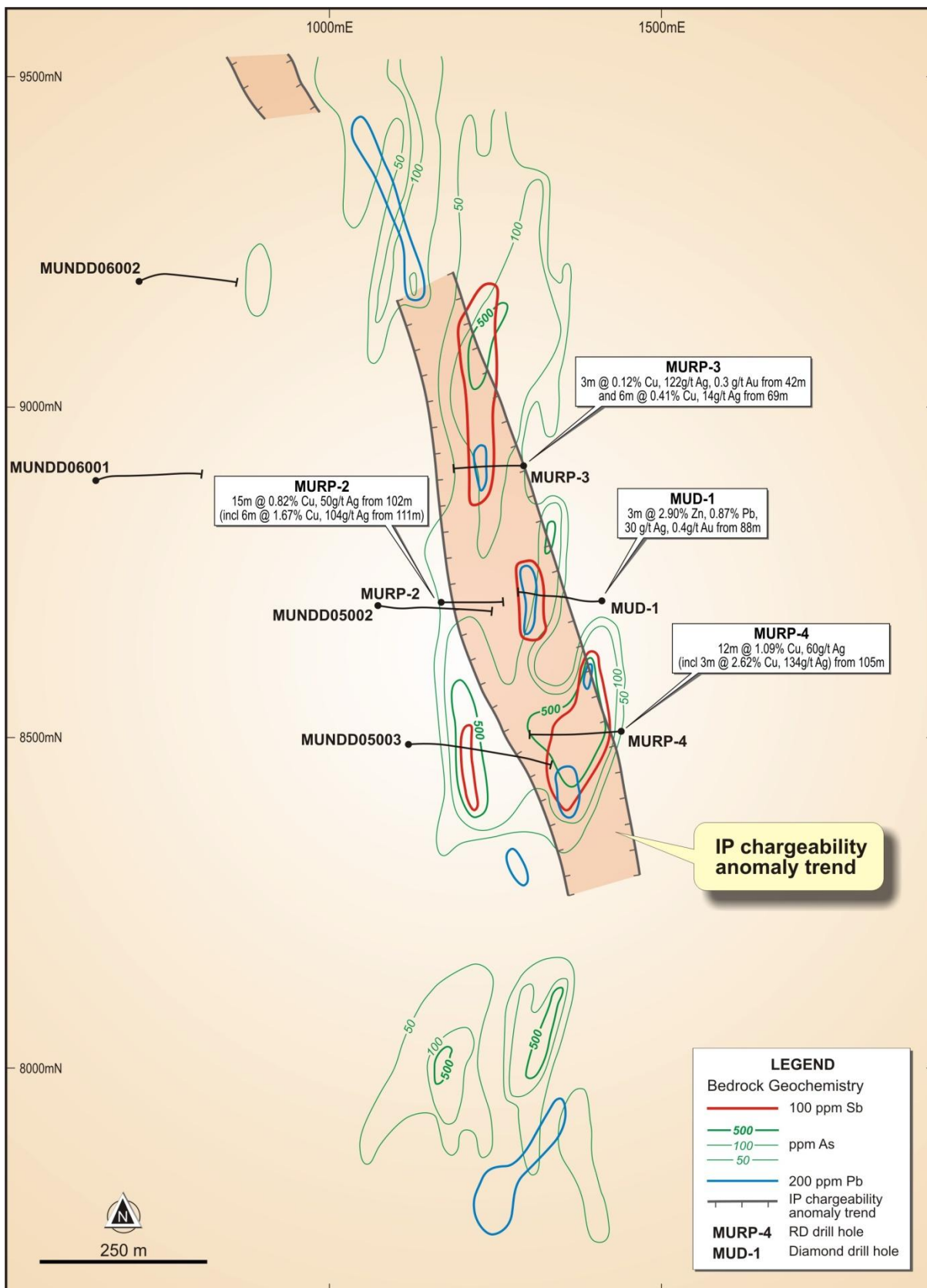


Figure 3 – Section 8700N (local grid)

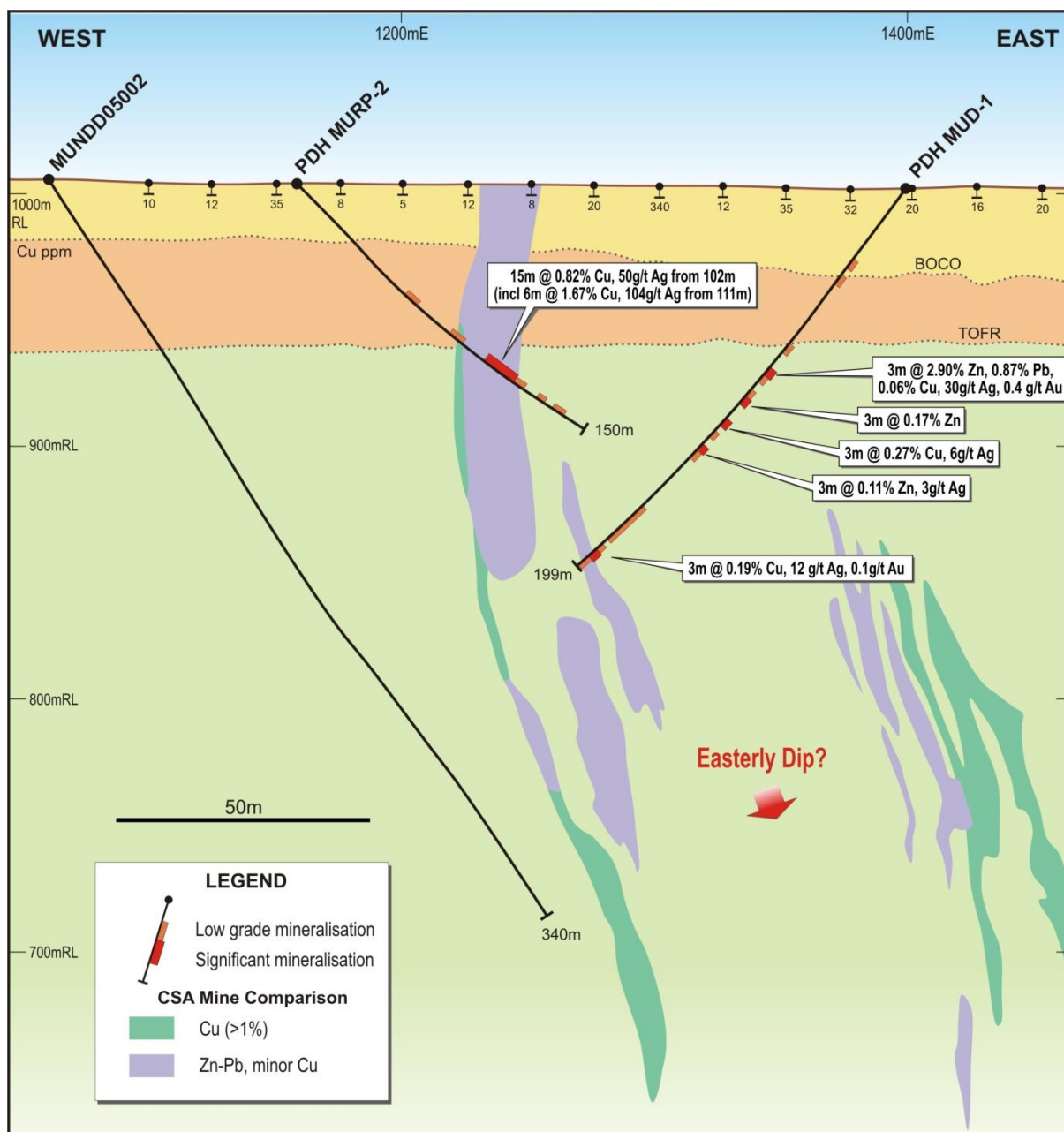


Figure 4 – Section 8500N (local grid)

