

## **New drilling at Mallee Bull returns 53m @ 4.08% copper**

**Continuity of high grade copper mineralisation at depth confirmed.**

### **Highlights:**

- **Drillhole MBDD009W1 returns 53m @ 4.08% Cu, 42 g/t Ag, 0.22 g/t Au (4.77% Cu Eq\*) from 470m including a higher grade zone of:**
  - **12m @ 9.13% Cu, 86 g/t Ag, 0.33 g/t Au (10.46% Cu Eq\*) from 472m.**
- **Drillhole MBDD009W2 intercepts several zones of significant mineralisation including the deepest to date at >700m below surface.**
- **DHEM survey of drillhole MBDD009W2 identifies new strong off-hole conductor centred at ~670m below surface.**
- **Open in multiple directions including downdip.**
- **Peel exercises option to purchase 20,000 acre portion of Wirchilleba Station which includes the immediate footprint of the Mallee Bull deposit.**

### **Drillhole MBDD009W1 summary**

Peel Mining Limited (ASX: PEX) is pleased to advise that drillhole MBDD009W1, the first diamond drillhole of Phase 3 drilling at Mallee Bull near Cobar NSW, has returned very strong copper mineralisation. This intercept was drilled as a wedge hole from hole MBDD009 and was designed to test a large gap in drillhole spacing, intersecting ~60m downdip from hole MBDD002. Hole MBDD009W1 confirms the continuation of high-grade copper mineralisation between holes MBDD002 and MBDD009 and implies a substantial volume of high grade material.

Assay results confirm important mineralisation in hole MBDD009W1 occurring as a 53m zone of variable stringer/breccia chalcopyrite-pyrrhotite sulphide mineralisation from 470m. Within the stringer/breccia zone is a 12m interval of intense chalcopyrite-rich sulphide mineralisation from 472m. The true width of the mineralised zones in hole MBDD009W1 is interpreted to be ~50% of the downhole intercepts.

### **Drillhole MBDD009W2 summary**

Hole MBDD009W2 was designed to test a strong DHEM response estimated to be centred ~50m to the north, and at about 570m downhole of hole MBDD009. Hole MBDD009W2 intersected several zones of mineralisation: a 7m zone of semi-massive pyrite-pyrrhotite-dominant sulphide mineralisation from 484m; a 26m zone of massive pyrite-pyrrhotite-dominant sulphide mineralisation from 494m; and a 32m zone of variable pyrrhotite-chalcopyrite stringer/breccia mineralisation from 706m. Assay results remain outstanding.

Whilst the intersection of stringer/breccia mineralisation occurred deeper than originally envisaged, Peel is encouraged as this intersection represents the deepest mineralised hit to date at more than 700m below surface. It should also be noted that hole MBDD009W2 intersected mineralisation at a more oblique angle than originally planned. The true width of the above mineralised zone is estimated to be ~40% of the downhole width.

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## **Geophysics**

DHEM surveying of hole MBDD009W2 identified three main anomalies: an off-hole anomaly centred at ~410m downhole; an on-hole anomaly located at ~510m downhole; and an on-hole anomaly centred at 720m downhole migrating up the hole to an off-hole anomaly centred at ~670m downhole. The deeper anomaly is considered a strong conductor and drill planning to test this anomaly is now underway.

## **Forward programme**

Hole MBDD010 is currently underway and is designed to test for a possible northerly plunge to mineralisation at >600m below surface. DHEM surveying of MBDD010 is planned to help refine the EM modelling in anticipation of deeper drilling.

## **Wirchilleba Station purchase**

Peel Mining is also pleased to advise that it has exercised its option to purchase part of Wirchilleba Station which includes the immediate footprint of the Mallee Bull deposit. Under the terms of the sale agreement Peel will purchase a 20,000 acre portion of the historic Wirchilleba Station for \$800,000. Peel originally paid a 12-month option fee of \$80,000 which now becomes part of the purchase price. This will provide Peel with security of tenure and land access as development of Mallee Bull progresses.

## **Background on Mallee Bull copper-polymetallic discovery and CBH farm-in**

In March/April 2011, Peel began targeting a newly-recognised coincident EM and magnetic geophysical anomaly located within the historic 4-Mile goldfield. The 4-Mile goldfield comprises up to 60 shafts and workings spread over an area covering about 1,000m by 500m.

Initial drilling resulted in the discovery of highly anomalous silver-lead-zinc mineralisation. Follow-up drilling completed in July/August 2011 intersected massive and stringer/breccia sulphide mineralisation containing strong Cu-Ag-Au-Pb-Zn-Co values within a broad zone of deformation and alteration. Phase 1 follow-up exploration was completed in early 2012 with many significant results returned confirming Mallee Bull as an important greenfields discovery.

In May 2012, CBH Resources farmed-in to Mallee Bull whereby CBH has the right to earn an interest of up to 50% in the project over a three-year period through an \$8.33m spend. Peel remains responsible for exploration activities through this period. CBH Resources is an Australian-based mineral resources company producing zinc, lead and silver from the Endeavour Mine north of Cobar, and the Rasp mine in Broken Hill. The company is 100%-owned by Tokyo Stock Exchange-listed Toho Zinc.

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

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*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.*

#### Information regarding drilling/assaying data

1. Drilling was completed as 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 sawing core in half.
5. Samples were submitted as 1m or 4m composite half-core intervals.
6. Samples were analysed at ALS Chemex utilising methods: Au-AA25 for Au (fire assay); ME-ICP41, ME-ICP61 or ME MS61 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.
7. Drillhole collars were surveyed by DGPS (GDA94) and downhole gyroscopic surveys were 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 testwork 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:  
Massive Sulphide Zone 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;

Stringer/Breccia Sulphide Zone Copper Equivalent Formula (CuEq) = (Cu (ppm) x 0.0075 + Ag (ppm) x 0.96 + Au (ppm) x 50.00)/0.0075;

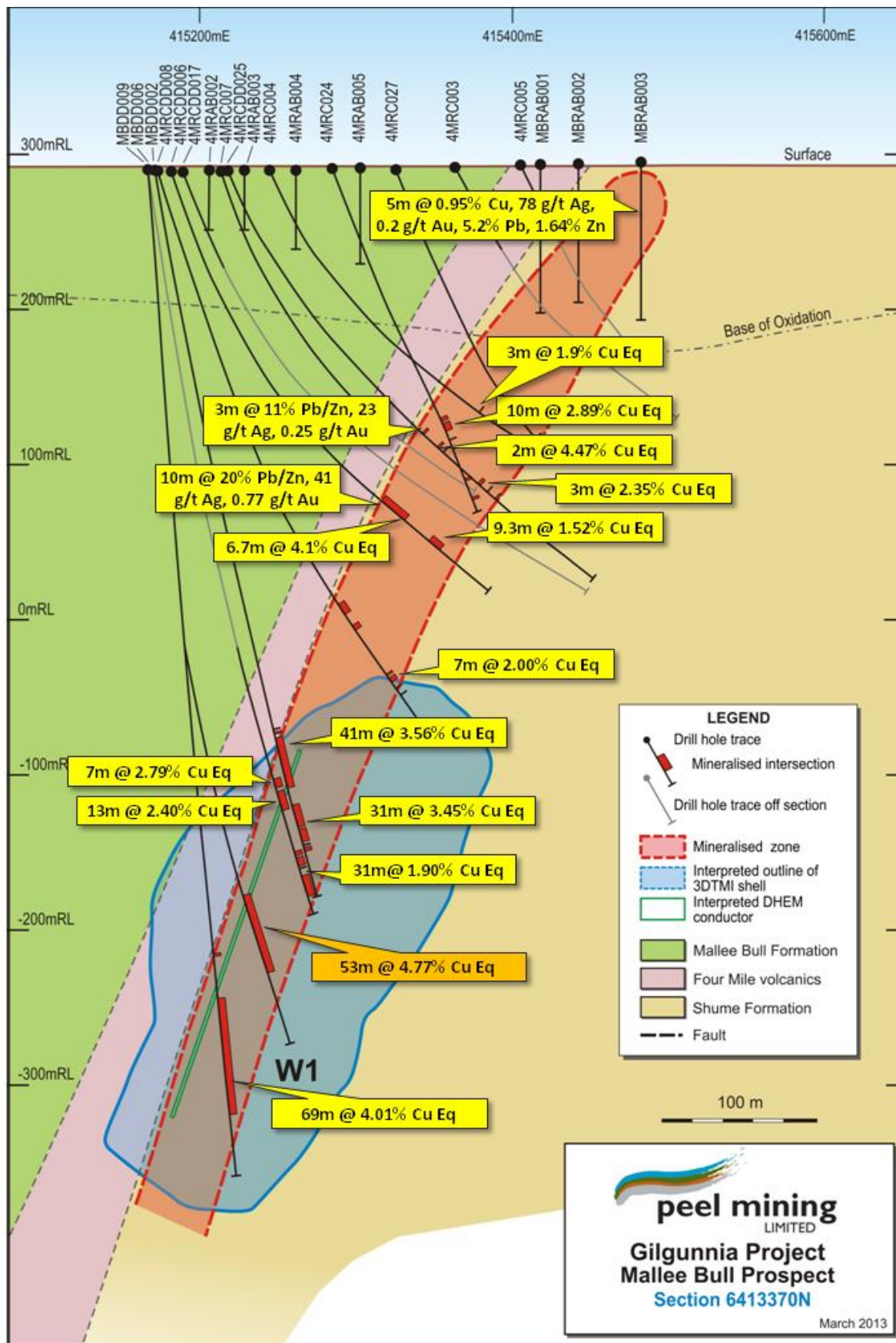
Price Assumptions - Cu (US\$7,500/t), Ag (US\$30/oz), Au (US\$1,500/oz), Co (US\$25,000/t).

Pb and Zn have not been used in copper equivalent calculation.

**Table 1 – Phase 3 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)	Co (g/t)	CuEq (%)	Pb (%)	Zn (%)
MBDD009W1	6413370	415163	090	-87	567.8	470	523	53	4.08	42	0.22	-	4.77	0.30	0.05
including						472	484	12	9.13	86	0.34	-	10.46	0.54	0.05

Figure 1 – Cross Section 6413370N



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Figure 2 – Drillhole Location Plan

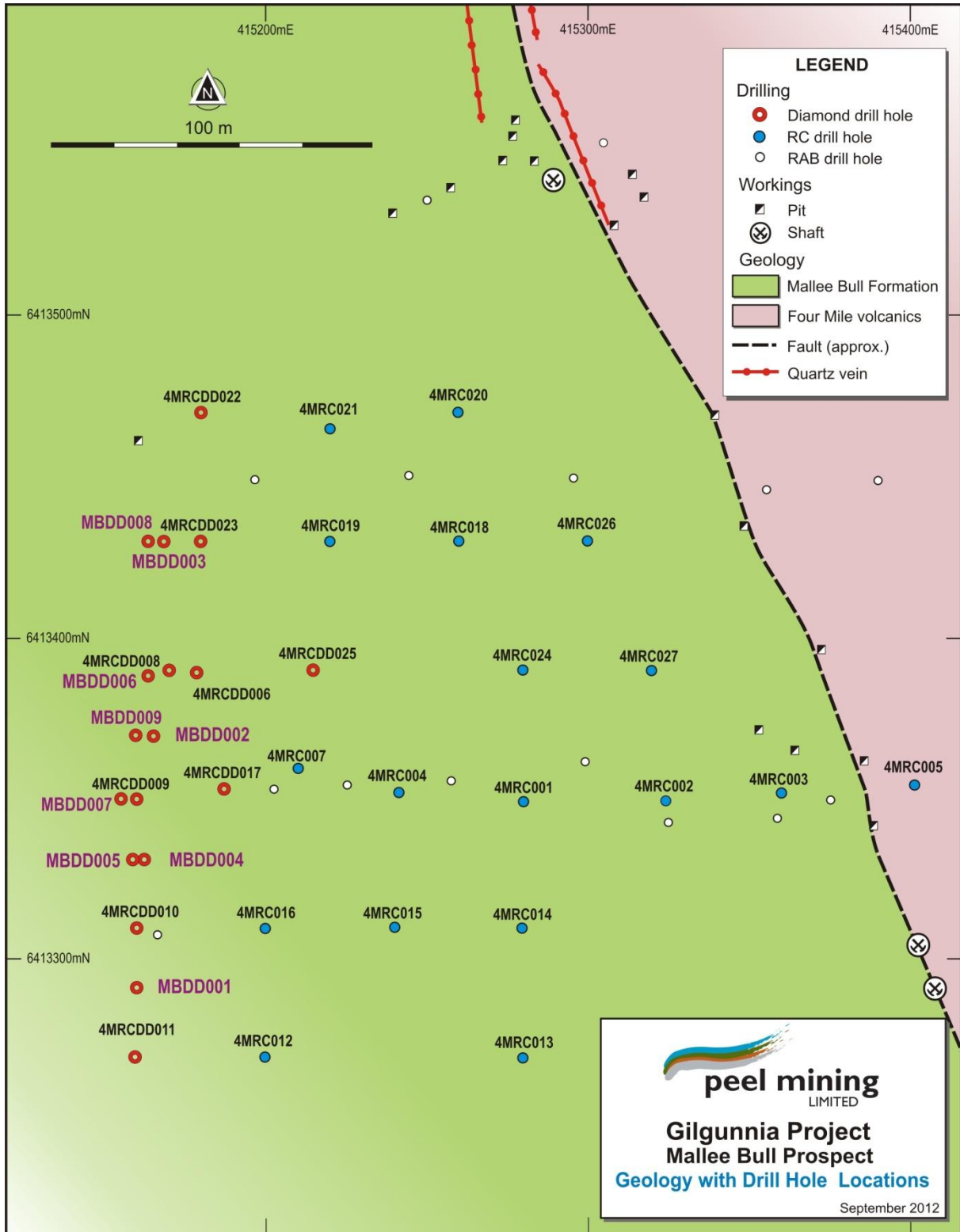


Figure 3 – Higher Grade Copper Zone MBDD009W1

