

FURTHER HIGH-GRADE ZINC-LEAD-SILVER AT T1 - MALLEE BULL

- **T1 (Mallee Bull) resource definition drilling returns further new high-grade Zn-Pb-Ag mineralisation with better results including:**
 - **9m @ 20.82% Zn, 10.64% Pb, 338 g/t Ag and 1.91 g/t Au from 88m in MBRC085**
 - **9m @ 10.80% Zn, 6.89% Pb, 337 g/t Ag and 0.45 g/t Au from 129m in MBRC089**
 - **3m @ 12.74% Zn, 6.93% Pb, 263 g/t Ag and 1.25 g/t Au from 119m in MBRC088**
 - **10m @ 7.10% Pb, 19 g/t Ag and 0.53 g/t Au from 46m in MBRC073**
 - **3m @ 5.98% Zn, 3.33% Pb, 54 g/t Ag from 77m in MBRC084**
- **T1 drilling now complete with resource modelling underway**
- **Metallurgical work continuing**
- **Prefeasibility study due for completion in September**

Peel Mining (ASX:PEX) ("Peel" or the "Company") is pleased to report further encouraging drilling results from the Company's 50%-owned Mallee Bull deposit, located near Cobar in western NSW. Drilling results relate to prefeasibility work into the development of the high-grade, near surface T1 zinc-lead-silver lens.

As previously reported, Peel is undertaking a pre-feasibility study on the high-grade, near-surface zinc-lead-silver-gold T1 lens at the Mallee Bull Project which is a joint venture with CBH Resources. The aim of the study is to investigate the conceptual development of T1 as a "dig and truck" operation, under which ore would be milled at CBH's Endeavor mine approximately 150km away, where surplus milling capacity exists. Prefeasibility concepts will consider open pit and underground mining scenarios, followed by the development of an exploration decline to ~300m below surface to enable the underground drilling of the primary Mallee Bull copper mineralisation. Peel and CBH believe this scenario could allow for a reduction in total capital expenditure and the staged mining development of the Mallee Bull deposit.

As part of the prefeasibility study, 39 RC/diamond drillholes were recently completed for 5,732.4m (4,927.6m RC and 803.8m diamond). The primary aim of this drilling was to infill to a maximum 20m by 20m drill spacing, and to define the limits of T1 mineralisation. The results, which have now all been received, are currently being included in an updated geological and resource model for T1, which will form the basis for prefeasibility economic modelling. The drilling has also provided material for ongoing metallurgical testwork, and for geotechnical review. Other recent activities at Mallee Bull/T1 include the completion of an initial environmental baseline study, and the establishment of environmental and groundwater monitoring systems.

The significant assay results highlighted above continue to provide encouragement for the establishment of a high-grade mining reserve at T1, and follow-on from other previously released significant results including:

- **13.5m @ 21.10% Zn, 14.10% Pb, 268 g/t Ag from 82m in MBDD028**
- **45m @ 3.00% Zn, 2.51% Pb, 29.3 g/t Ag, 0.15% Au from 57m; and 14m @ 5.16% Zn, 2.70% Pb, 84.9 g/t Ag, 0.67 g/t Au from 104m; and 5m @ 2.16% Zn, 1.13% Pb, 16.6 g/t Ag, 0.21 g/t Au from 145m in MBDD029 (down-plunge drillhole)**

- 3m @ 6.81% Zn, 7.64% Pb, 0.35% Cu, 29.4 g/t Ag, 0.55 g/t Au from 227m; and 9m @ 3.69% Cu, 0.61% Pb, 0.48% Zn, 42 g/t Ag, 0.64 g/t Au from 233m; and 7m @ 1.45% Cu, 0.44% Pb, 0.52% Zn, 35.8 g/t Ag, 0.23 g/t Au from 265m in MBRCDD064
- 16m @ 13.52% Zn, 7.61% Pb, 191 g/t Ag and 1.31 g/t Au from 74m in MBRCDD065
- 5m @ 5.47% Zn, 7.63% Pb, 102 g/t Ag and 0.14 g/t Au from 76m in MBRC066
- 3m @ 19.79% Pb, 53 g/t Ag and 0.36 g/t Au from 62m in MBRC067
- 4m @ 5.64% Zn, 3.29% Pb, 52 g/t Ag and 0.20 g/t Au from 64m in MBRC068
- 4m @ 6.76% Pb, 46 g/t Ag and 0.53 g/t Au from 62m in MBRC069

A site visit is to be conducted next week by Peel and joint venture partner CBH, with discussions focused on development scenarios and timelines. Economic modelling will be completed shortly after receipt of the updated geological and resource model for T1. Completion of the prefeasibility study is expected during September. A positive result will lead to the immediate commencement of a final feasibility study with an aim for completion by end December.

For further information, please contact:

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Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Rob Tyson who is a fulltime employee of the company. Mr Tyson is a member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) 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 information in the form and context in which it appears. Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures.

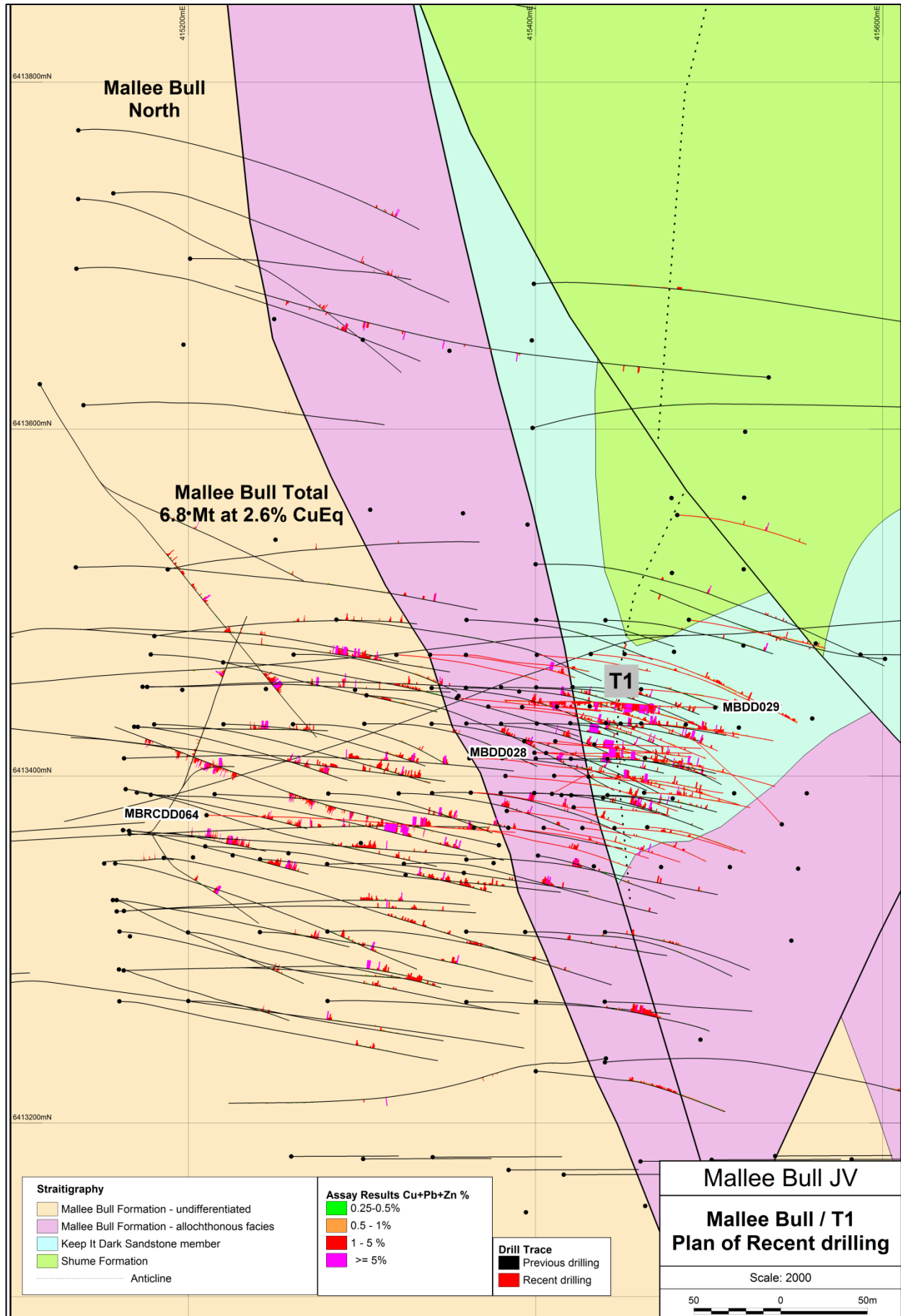


Figure 1: Mallee Bull (T1) Drill Plan

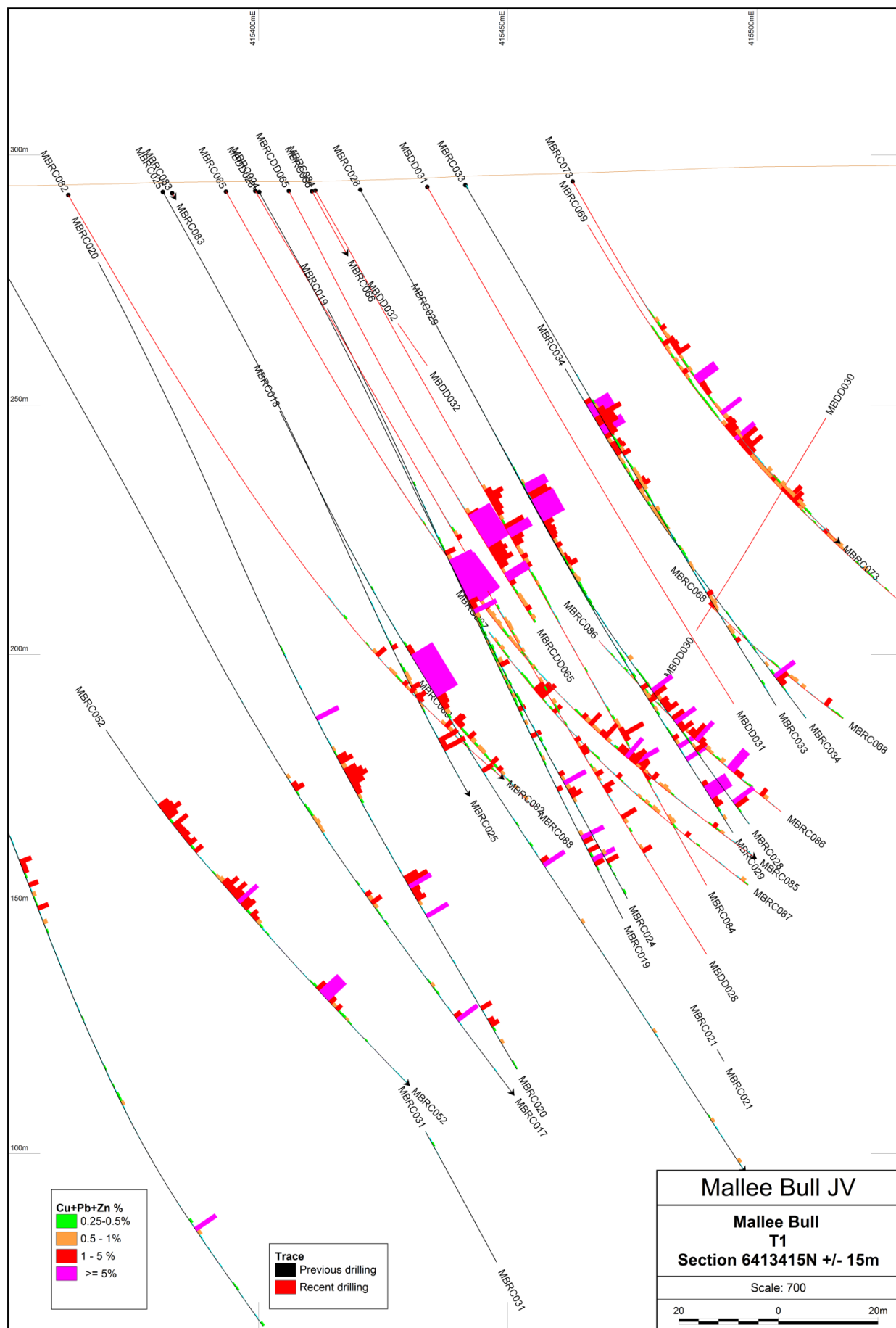


Figure 2: Mallee Bull Section 6413376N, looking North

Mallee Bull RC/Diamond Drill Collars

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)
MBDD028	6413413	415399	90.43	-60.13	177.8
MBDD029	6413440	415503	268.51	-53.79	201.7
MBRCDD064	6413377	415211	91.10	-72.05	303.7
MBRCDD065	6413413	415406	94.36	-61.15	99.7
MBRC066	6413400	415411	90.01	-60.92	157
MBRC067	6413400	415431	94.07	-61.09	140
MBRC068	6413440	415431	90.72	-60.25	140
MBRC069	6413430	415461	92.24	-59.16	120
MBRC070	6413450	415461	92.81	-59.2	120
MBRC071	6413470	415451	96.93	-60.34	157
MBRC072	6413470	415432	95.74	-61.34	157
MBRC073	6413410	415463	94.94	-60.82	120
MBRC074	6413390	415463	90.37	-64.81	120
MBRC075	6413370	415464	90.43	-60.28	110
MBRC076	6413370	415445	90.28	-59.95	120
MBRC077	6413370	415427	95.68	-60.35	130
MBRC078	6413370	415405	98.52	-60.1	140
MBRC079	6413370	415384	98.94	-59.85	150
MBRC080	6413370	415364	99.38	-59.68	160
MBRC081	6413390	415363	90.22	-59.88	180
MBRC082	6413410	415362	91.74	-59.83	180
MBRC083	6413400	415383	95.1	-58.89	180
MBRC084	6413420	415411	94.69	-60	160
MBRC085	6413420	415394	93.37	-60.57	180
MBRC086	6413440	415412	93.01	-60.46	160
MBRC087	6413440	415392	93.91	-59.96	180
MBRC088	6413440	415373	93.88	-59.5	150
MBRC089	6413470	415339	91.66	-59.3	152
MBRC090	6413470	415360	90.73	-59.85	140
MBRC091	6413382	415422	89.5	-59.81	100
MBRC092	6413380	415383	92.89	-59.34	120
MBRC093	6413470	415320	94.23	-60.27	162
MBRC094	6413470	415401	96.19	-60.43	120
MBRC095	6413445	415355	96.27	-59.82	162
MBRC096	6413490	415488	98.64	-59.2	150
MBRC097	6413550	415482	92.95	-60.06	150

Table 1 - Section 1: Sampling Techniques and Data for Mallee Bull/Cobar Superbasin/Wagga Tank Projects

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- Diamond and reverse circulation (RC) drilling were used to obtain samples for geological logging and assaying. - Diamond core was cut and sampled at 1m intervals. RC drill holes were sampled at 1m intervals and split using a cone splitter attached to the cyclone to generate a split of 2-4kg to ensure sample representivity. - Multi-element readings were taken of the diamond core and RC drill chips using an Olympus Delta Innov-X portable XRF machine or an Olympus Vanta portable XRF machine. Portable XRF machines are routinely serviced, calibrated and checked against blanks/standards.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Drilling to date has been a combination of diamond, reverse circulation and rotary air blast. Reverse circulation drilling utilised a 5 1/2 inch diameter hammer. A blade bit was predominantly used for RAB drilling. NQ and HQ coring was used for diamond drilling.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- Core recoveries are recorded by the drillers in the field at the time of drilling and checked by a geologist or technician - RC and RAB samples are not weighed on a regular basis due to the exploration nature of drilling but no significant sample recovery issues have been encountered in a drilling program to date. - Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking and depths are checked against the depths recorded on core blocks. Rod counts are routinely undertaken by drillers. - When poor sample recovery is encountered during drilling, the geologist and driller have endeavoured to rectify the problem to ensure maximum sample recovery. - Sample recoveries at Wirlong and Mallee Bull to date have generally been high. - Sample recoveries at Wagga Tank have been variable with broken ground occurring in places and poorer sample

Criteria	JORC Code explanation	Commentary
		recoveries encountered. Insufficient data is available at present to determine if a relationship exists between recovery and grade. This will be assessed once a statistically valid amount of data is available to make a determination.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- All core and drill chip samples are geologically logged. Core samples are orientated and logged for geotechnical information. Drill chip samples are logged at 1m intervals from surface to the bottom of each individual hole to a level that will support appropriate future Mineral Resource studies. - Logging of diamond core, RC and RAB samples records lithology, mineralogy, mineralisation, structure (DDH only), weathering, colour and other features of the samples. Core is photographed as both wet and dry. - All diamond, RC drill holes in the current program were geologically logged in full except at Wagga Tank where logging is still underway.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- Drill core was cut with a core saw and half core taken. - The RC drilling rigs were equipped with an in-built cyclone and splitting system, which provided one bulk sample of approximately 20kg and a sub-sample of 2-4kg per metre drilled. - All samples were split using the system described above to maximise and maintain consistent representivity. The majority of samples were dry. - Bulk samples were placed in green plastic bags, with the sub-samples collected placed in calico sample bags - Field duplicates were collected by re-splitting the bulk samples from large plastic bags. These duplicates were designed for lab checks. - A sample size of 2-4kg was collected and considered appropriate and representative for the grain size and style of mineralisation.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg	ALS Laboratory Services were used for Au and multi-element analysis work carried on out on 3m to 6m composite samples and 1m split samples. The laboratory techniques below are for all samples submitted to ALS and are considered appropriate for the style of mineralisation defined at Mallee Bull,

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	<i>standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Cobar Superbasin and Wagga Tank Projects: ○ PUL-23 (Sample preparation code) ○ Au-AA25 Ore Grade Au 30g FA AA Finish, Au-AA26 Ore Grade Au 50g FA AA Finish ○ ME-ICP41 35 element aqua regia ICP-AES, with an appropriate Ore Grade base metal AA finish ○ ME-ICP61 33 element 4 acid digest ICP-AES, with an appropriate Ore Grade base metal AA finish ○ ME-MS61 48 element 4 acid digest ICP-MS and ICP-AES, with an appropriate Ore Grade base metal AA finish • Assaying of samples in the field was by portable XRF instruments: Olympus Delta Innov-X or Olympus Vanta Analysers. Reading time for Innov-X was 20 seconds per reading with a total 3 readings per sample. Reading time for Vanta was 10 & 20 seconds per reading with 2 readings per sample. • The QA/QC data includes standards, duplicates and laboratory checks. Duplicates for drill core are collected by the lab every 30 samples after the core sample is pulverised. Duplicates for percussion drilling are collected directly from the drill rig or the metre sample bag using a half round section of pipe. In-house QA/QC tests are conducted by the lab on each batch of samples with standards supplied by the same companies that supply our own.
Verification of sampling and assaying	• <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i>	• All geological logging and sampling information is completed in spreadsheets, which are then transferred to a database for validation and compilation at the Peel head office. Electronic copies of all information are backed up periodically. • No adjustments of assay data are considered necessary.
Location of data points	• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i>	• A Garmin hand-held GPS is used to define the location of the samples. Standard practice is for the GPS to be left at the site of the collar for a period of 5 minutes to obtain a steady reading. Collars are routinely picked up after by DGPS. Down-hole surveys are conducted by the drill contractors using either a Reflex gyroscopic tool with readings every 10m

Criteria	JORC Code explanation	Commentary
		after drill hole completion or a Reflex electronic multi-shot camera will be used with readings for dip and magnetic azimuth taken every 30m down-hole. QA/QC in the field involves calibration using a test stand. The instrument is positioned with a stainless steel drill rod so as not to affect the magnetic azimuth. Grid system used is MGA 94 (Zone 55). All down-hole magnetic surveys were converted to MGA94 grid.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	- Data/drill hole spacing is variable and appropriate to the geology and historical drilling. 3m to 6m sample compositing has been applied to RC drilling at Mallee Bull for gold and/or multi-element assay.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Most drillholes are planned to intersect the interpreted mineralised structures/lodes as near to a perpendicular angle as possible (subject to access to the preferred collar position).
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	- The chain of custody is managed by the project geologist who places calico sample bags in polyweave sacks. Up to 5 calico sample bags are placed in each sack. Each sack is clearly labelled with: - Peel Mining Ltd - Address of Laboratory - Sample range - Detailed records are kept of all samples that are dispatched, including details of chain of custody.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Data is validated when loading into the database. No formal external audit has been conducted.

Table 1 - Section 2 - Reporting of Exploration Results for Mallee Bull/Cobar Superbasin/Wagga Tank Projects

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	- The Mallee Bull prospect is wholly located within Exploration Licence EL7461 "Gilgunnia". The tenement is subject to a 50:50 Joint Venture with CBH Resources Ltd, a wholly owned subsidiary of Toho Zinc Co Ltd. - The Cobar Superbasin Project comprises of multiple exploration licences that are subject to a farm-in agreement with JOGMEC whereby JOGMEC can earn up to 50%. - The Wagga Tank Project comprises of

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		EL6695, EL7226, EL7484 and EL7581 and are 100%-owned by Peel Mining Ltd, subject to 2% NSR royalty agreement with MMG Ltd. The tenements are in good standing and no known impediments exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- Work at Mallee Bull was completed in the area by several former tenement holders including Triako Resources between 2003 and 2009; it included diamond drilling, IP surveys, geological mapping and reconnaissance geochemical sampling around the historic Four Mile Goldfield area. Prior to Triako Resources, Pasminco Exploration explored the Cobar Basin area for a “Cobar-type” or “Elura-type” zinc-lead-silver or copper-gold-lead-zinc deposit. - Work at Wagga Tank was completed by multiple previous explorers including Newmont, Homestake, Amoco, Cyprus, Arimco, Golden Cross, Pasminco and MMG.
Geology	Deposit type, geological setting and style of mineralisation.	- The Mallee Bull prospect area lies within the Cobar-Mt Hope Siluro-Devonian sedimentary and volcanic units. The northern Cobar region consists of predominantly sedimentary units with tuffaceous member, whilst the southern Mt Hope region consists of predominantly felsic volcanic rocks; the Mallee Bull prospect seems to be located in an area of overlap between these two regions. Mineralization at the Mallee Bull discovery features the Cobar-style attributes of short strike lengths (<200m), narrow widths (5-20m) and vertical continuity, and occurs as a shoot-like structure dipping moderately to the west. - Wagga Tank, is believed to be a volcanic-hosted massive sulphide (VHMS) deposit, and is located ~130 km south of Cobar on the western edge of the Cobar Superbasin. The deposit is positioned at the western-most exposure of the Mt. Keenan Volcanics (Mt. Hope Group) where it is conformably overlain by a poorly-outcropping, distal turbidite sequence of carbonaceous slate and siltstone. Mineralisation is hosted in a sequence of rhyodacitic volcanic and associated volcanoclastic rocks comprising polymictic conglomerate, sandstone, slate, crystal-lithic tuff and crystal tuff. This sequence faces northwest, strikes northeast-southwest and dips range from moderate westerly, to vertical, and locally

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		overturned to the east. Mineralisation straddles the contact between the volcaniclastic facies and the siltstone-slate facies where there is a broad zone of intense tectonic brecciation and hydrothermal alteration (sericite-chlorite with local silicification).
<i>Drill hole Information</i>	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	- All relevant information material to the understanding of exploration results has been included within the body of the announcement or as appendices. - No information has been excluded.
<i>Data aggregation methods</i>	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- No length weighting or top-cuts have been applied. - No metal equivalent values are used for reporting exploration results.
<i>Relationship between mineralisation widths and intercept lengths</i>	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	True widths are generally estimated to be about 90-100% of the downhole width unless otherwise indicated.
<i>Diagrams</i>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures in the body of text.
<i>Balanced reporting</i>	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results are reported.

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<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	No other substantive exploration data are available.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	- Future work at Mallee Bull and Cobar Superbasin Project will include geophysical surveying and RC/diamond drilling to further define the extent of mineralisation at the prospects. Down hole electromagnetic (DHEM) surveys will be used to identify potential conductive sources that may be related to mineralisation. - Drilling at Wagga Tank is continuing and geophysical surveys are also planned.