

DRILLING UNDERWAY AT SIEGALS

Key Points

- ~2,000m RC drilling program now underway at Siegals
- Siegals represents a polymetallic VMS-type target, similar in style to Wagga Tank
- Siegals comprises historic workings, along with significant geochemical and geophysical anomalism
- Drilling by previous tenement holders intersected mineralisation including massive sulphides with locally significant gold, silver, copper, lead and zinc results
- Drilling by Peel is supported by NSW New Frontiers Cooperative Drilling grant of up to \$200k

Peel Mining (ASX:PEX) Ltd advises that drilling has now commenced at its 100%-owned Siegals Prospect, near Cobar in western New South Wales.

Siegals is located near the western edge of the Cobar Superbasin, ~110 km south of Cobar or ~35km north of Mount Hope, and represents a polymetallic VMS-type target with historic workings, significant geophysical and geochemical anomalies, and significant historic drill intercepts.

The program, comprising ~2,000m of Reverse Circulation (RC) drilling in up to 9 drillholes initially, has been designed primarily to test significant chargeable Induced Polarisation anomalies.

The planned RC drilling is also designed to gather further information with regards to the geological setting and alteration, and mineralisation style. The proposed drill-hole locations have been sited to test for the potential of massive sulphide-associated gold-zinc-lead-copper-silver mineralisation.

In support of the drilling at Siegals, Peel has been awarded up to \$200,000 via the NSW Government funded New Frontiers Cooperative Drilling program. Peel will be reimbursed for 50% of its direct in-ground drilling costs (subject to the execution of the funding deed and following the completion of drilling and associated reports).

The Company will provide further information on the Siegals program as results are received and analysed.

This announcement has been approved for release by the Managing Director of Peel Mining Limited.

For further information, please contact:

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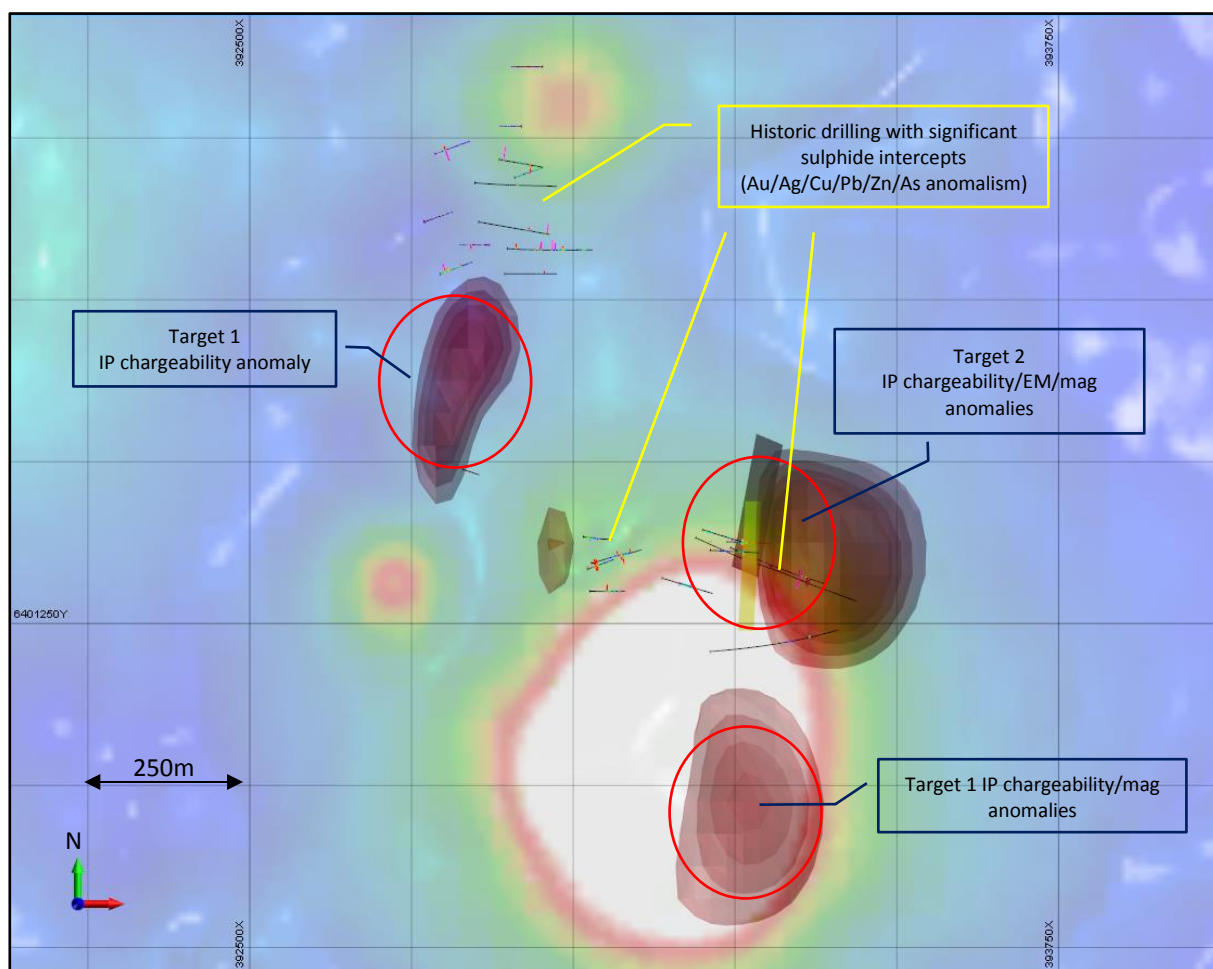


Figure 1 – Historic drilling with multi-element (Au/Ag/Cu/Pb/Zn) histogram on RTP TMI