



ASX / MEDIA RELEASE

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2012 ANNUAL GENERAL MEETING - CHAIRMAN'S ADDRESS

Good morning shareholders and supporters of Peel Mining Ltd.

Welcome to the 2012 Annual General Meeting of the company.

My name is Simon Hadfield and I am chairman of the company.

When I addressed you at last year's Annual General Meeting Peel Mining had recently made its Mallee Bull copper discovery in Cobar, New South Wales, and we were all very excited about its potential.

I am pleased to be able to tell you today that Mallee Bull has progressed significantly in the past 12 months and we are now even more excited about its potential.

Since our discovery hole in July last year we have gone on to do a farm-in with CBH Resources, a fully-owned subsidiary of Toho Zinc of Japan, who we have found to be excellent partners.

They agreed to put \$8.33 million in three tranches into the project. Of this \$7.33 million is going into the exploration of the project. The first tranche was \$2.5 million, of which \$1 million went to Peel as reimbursement of previous exploration and \$1.5 million has gone into drilling.

We recently completed the first programme with CBH, consisting of nearly 5,000 metres of diamond drilling and the results have been extremely encouraging.

So far we have spent about \$3.5 million (including the \$1.5 million from CBH) on exploration at Mallee Bull and believe we may have only just nicked the surface of this ore body.

The next \$5.8 million of exploration should give us a good idea of the true potential of Mallee Bull.

We have now identified a high grade copper dominant ore body from 150 metres below the surface down to 600 metres which is still open in all directions. The last hole (Hole 9) gave us our best result to date of 4 per cent copper equivalent over 69 metres, including 18 metres at 10 per cent with some individual metres going more than 20 per cent copper.

All indications are that Mallee Bull is getting richer as we go deeper. Certainly the feedback from our geophysicists is that this is an extraordinarily strong conductor for New South Wales and it has not finished yet.

Mallee Bull has now given us a positive response to every question we have asked of it and the expectation is that the ore body will continue to extend towards a very large magnetic anomaly about one kilometre away which we have called Butchers Dog.

It certainly shows potential to be a world class ore body and already it is seen as one of the best copper finds in Australia in recent times.

The Cobar Basin tends to sneak under the radar for many investors but this has been one of Australia's greatest mining districts over the past 140 years with many very successful copper, lead, zinc, gold and silver mines. The most famous of them is the CSA Mine at Cobar itself, now owned by mining giant Glencore, which until the start-up of mining at Sandfire's Degruusa, was the highest grade copper mine in Australia. It is expected to return to being the richest mine after initial mining at Degruusa is completed in a year or two.

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CSA has produced ore worth about \$7 billion at today's prices, with a further \$6 billion remaining in resources. Glencore is now mining at about 1600 metres and is spending nearly \$200 million deepening its current shaft.

CSA is very typical of the Cobar region where deposits tend to be deep pipe-like structures. And Mallee Bull appears to share many similarities with the CSA ore body.

So enough said about Mallee Bull, other than that we see it as a real company maker. Rob Tyson will give you more detail in his presentation shortly.

Rob will also talk about the Mundoe copper project, which is 100 per cent owned by Peel, and also in the Cobar region. We know from previous drilling that there's copper there, we've just got to find out how much.

We started a drilling campaign at Mundoe last week and look forward to learning more.

We expect to resume drilling at Mallee Bull in January.

In addition to Mallee Bull we also have two very exciting gold projects, Apollo Hill, just south of Leonora in WA, where we now have a resource of more than 500,000 ounces, and Rise and Shine, a very promising prospect in New Zealand.

Our high grade tungsten resource near Tamworth in New South Wales and the Ruby Silver prospect near Armidale in New South Wales also have excellent potential.

So I am pleased to report that the company is in very good shape with a major new discovery and other great projects in the pipeline. Our share price has seen a big rise in the past 12 months and I think we are just seeing the start of a very exciting future for the company.

I'd like to thank fellow non-executive directors Graham Hardie and Craig McGown for their contributions in the past 12 months and also our great staff, who make it happen out there in the field. Mick Oates, our exploration manager in NSW, who does a fantastic job running the drilling programmes, our logistics man Steve Leggett, who keeps the wheels turning and deals with issues such as health and safety, native title and environmental issues, and all the other staff and contractors who really are responsible for achieving the great results we have seen in the past 12 months.

Finally I want to sincerely thank our managing director Rob Tyson.

Josh Pitt is a major shareholder of Peel and he has a great and successful record discovering mines in Australia. He said to me the other day that in Australia there were probably 10,000 geologists give or take a few and between them they had discovered about 10 major mines in the past 10 years. So the odds are pretty slim, but I reckon Rob may have found another one and that puts him in a very exclusive club.

So thank you Rob for making the Mallee Bull discovery and let's hope that it turns into another CSA .

Simon Hadfield
Chairman

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