

CBH PROCEEDS TO STAGE 2 OF MALLEE BULL FARM-IN

Peel Mining Limited (ASX: PEX) is pleased to advise that following the completion of Stage 1 of the Mallee Bull farm-in agreement, CBH Resources Limited has elected to proceed with Stage 2 of the agreement. Stage 1 saw CBH pay Peel \$1 million and spend \$1.5 million on exploration to earn an initial interest of 15%. This exploration was completed late last month.

Stage 2 of the farm-in agreement will see CBH spend a further \$2.5 million on exploration at Mallee Bull to earn an additional 15%. Stage 3 of the farm-in agreement (assuming CBH elects to continue) will see CBH spend a further \$3.33 million on exploration for an additional 20%, taking CBH's total interest in Mallee Bull to 50%. Peel remains operator throughout the farm-in process.

Exploration planning for Stage 2 of the farm-in is advanced and field activities, including drilling, are anticipated to restart in January 2013.

Background on Mallee Bull copper-polymetallic deposit 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. 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 Limited 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, which is 100%-owned by Tokyo Stock Exchange-listed Toho Zinc, recently opened the Rasp underground zinc, lead and silver mine at Broken Hill.

Phase 2 drilling was completed in late November 2012 with many significant results returned. These results have now established that mineralisation at Mallee Bull shows vertical continuity from ~150m below surface to at least 600m below surface. Mallee Bull represents the most significant copper-polymetallic discovery in the Cobar district in recent times.

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.