

DRILLING INTERSECTS SIGNIFICANT MOLY-COPPER AT ATTUNGA PROJECT, NSW

VISIBLE MOLYBDENUM AND COPPER MINERALISATION INTERSECTED UP-DIP OF 2009 DRILL HOLE

Peel Exploration Ltd (ASX: **PEX**) is pleased to report that diamond drilling currently underway at its 100%-owned **Attunga Copper Mine** prospect in NSW has intersected **visible molybdenum** (molybdenite) and **copper** (chalcopyrite) mineralisation.

The Attunga Copper Mine is located approximately 800m north of Peel's high-grade Attunga Tungsten Deposit (1.29Mt at 0.61% WO₃) in the Tamworth region of NSW.

Recently completed drill hole ACMD-008, which was designed to test for up-dip (near-surface) extension to previously identified gold-copper-molybdenum mineralisation, intersected **approximately 30 metres** of cumulative skarn alteration in multiple zones.

Visible sulphide mineralisation was identified in various skarn and breccia zones, with an alteration zone recorded between about 46m and 54m downhole including encouraging chalcopyrite, and locally-strong molybdenite mineralisation (*see Figure 1*).



Figure 1 – Coarse-grained molybdenite with accessory chalcopyrite.

In May 2009, Peel reported that the nearby hole ACM-004 intersected **75m at 1.02 g/t gold, 0.87% copper, 0.09% molybdenum, 0.06% bismuth, and 22 g/t silver** from 136m including **27m at 1.60 g/t gold, 1.66% copper, 0.18% molybdenum, 0.1% bismuth, and 39 g/t silver** from 136m.

Visual estimation indicates an intersection of 0.5 metres from about 53m down hole in the order of 10-20% molybdenite (MoS₂) content (plus chalcopyrite) within a broader envelope of lower content molybdenite-copper mineralisation prevalent over the entire 8 metre downhole interval. The true width of the broader mineralised intercept is estimated to be about 3 metres.

It should be noted that molybdenite and chalcopyrite mineralisation was observed in other skarn and breccia zones. A Niton XLT field portable XRF instrument provided support of mineral recognition and identification.

The mineralisation intersected in ACMD-008 is interpreted to be approximately 20m along strike south and about 80m up-dip from that discovered in ACM-004. ACMD-008 is currently in the process of being geologically logged, cut and sampled with assays expected by early-mid May.

Encouragingly, ACMD-008 represents only the fourth drill hole ever completed in the immediate vicinity of the Attunga Copper Mine. The current drilling programme, which comprises five to six diamond drill holes, is designed to test for up and down-dip, and along strike extensions to the discovery reported in May 2009.

Peel is encouraged by the sparsely drilled nature of the prospect and the potentially significant level of molybdenum encountered at a relatively shallow depth and notes that the current price of molybdenum is approximately US\$41,000 per tonne or about five times the price of copper.

Alteration observed in ACMD-008 is also interpreted to indicate a possible proximal source to the mineralising system, supporting Peel's belief that the Attunga skarn deposits are part of a larger metalliferous system.

Supporting data

Hole No.	Northing (MGA94 Zone 56)	Easting (MGA94 Zone 56)	RL (m above sea level)	Azimuth (mag)	Dip	Final Depth (m)
ACM-004	6578510	302871	667	250	-70	222
ACMD-008	6578473	302835	672	0	-90	121

1. Coordinates and RL of ACM-004 was via DGPS.
2. Coordinates and RL of ACMD-008 was via Garmin handheld GPS72.

For further information, please contact Rob Tyson on 0420 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.