

## DRILLING UNDERWAY AT MAY DAY GOLD-LEAD-ZINC DEPOSIT

Peel Exploration Ltd (ASX:PEX) is pleased to announce that an approximately 2,000m RC/diamond drilling programme is now underway at the Company's May Day project, 100km south of Cobar in Upper Western NSW.

Drilling is focused on the historic **May Day** mine to test for depth extensions to previously identified mineralisation. May Day is contained within ML1361, which in-turn is covered by the 80 km<sup>2</sup> EL 7461, both 100%-owned by Peel Exploration.

Peel Exploration acquired the May Day gold-lead-zinc deposit in late 2009, and has since completed desktop studies (including preliminary deposit modeling), gravity, IP and magnetics geophysical surveys and modeling, and drillhole planning. Preliminary interpretation shows that a moderate-to-strong chargeable IP anomaly and a deep (greater than 400m depth) magnetic anomaly is associated with the May Day deposit.

Available data suggests that the May Day deposit, a structurally controlled-volcanogenic massive sulphide (VMS) system, is a classic analogue for Cobar-style precious and base metal mineralisation.

Diamond core drilling in the 1970s identified high-grade volcanogenic massive sulphides (VMS) with better results including: **1.8m at 9.1% Zn, 3.1% Pb, 0.5% Cu, 49 g/t Ag, 3.4 g/t Au** from 147.07m in MD-DDH2; **4.8m at 11.5% Zn, 9.4% Pb, 0.8% Cu, 179 g/t Ag, 1.9 g/t Au** from 138m in MD-DDH3; and **3m at 8.9% Zn, 4.9% Pb, 1.4% Cu, 235 g/t Ag, 6.2 g/t Au** from 282m MD-DDH3.

RC Drilling in the late 1980s focussed on the near-surface, oxidised portion of the May Day mineralised system. This drilling yielded multiple significant gold-base metal intercepts indicating that high-grade VMS mineralisation appears to be contained within a broader envelope of lower grade mineralisation.

**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.*