
PEEL EXPLORATION LIMITED

ABN 42 119 343 734

NOTICE OF GENERAL MEETING

TIME: 11 am (WST)

DATE: Wednesday, 6 October 2010

PLACE: The Vic Hotel
1st floor, 226 Hay Street
Subiaco WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+ 61 8) 9382 3955.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11 am (WST) on Wednesday, 6 October 2010 at:

The Vic Hotel, 1st floor, 226 Hay Street, Subiaco WA 6008.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Peel Exploration Limited, Level 1, 79 Hay street Subiaco, Western Australia 6008; or
- (b) facsimile to the Company on facsimile number (+61 8) 9388 1025,

so that it is received not later than 11 am (WST) on Monday, 4 October 2010.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 11 am (WST) on Wednesday, 6 October 2010 at The Vic Hotel, 1st floor, 226 Hay Street, Subiaco WA 6008.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5 pm (WST) on Monday, 4 October 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – ISSUE OF SHARES TO HAMPTON HILL MINING NL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 11,000,000 Shares to Hampton Hill Mining NL as consideration for the acquisition of Apollo Mining Pty Ltd on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES TO IMPERIAL CORPORATION LIMITED

To consider and, if thought fit, to pass with or without amendment, the following resolution, as an **ordinary resolution**:

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 2,750,000 Shares to Imperial Corporation Limited as consideration for the acquisition of the May Day mining lease on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 1 SEPTEMBER 2010

BY ORDER OF THE BOARD

**DAVID HOCKING
PEEL EXPLORATION LIMITED
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 11 am (WST) on Wednesday, 6 October 2010 at The Vic Hotel, 1st floor, 226 Hay Street, Subiaco WA 6008.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – ISSUE OF SHARES TO HAMPTON HILL MINING NL

1.1 Background

On 24 June 2010, the Company entered into call option deed with Hampton Hill Mining NL (**Call Option Deed**) pursuant to which Hampton Hill Mining NL granted the Company an option to acquire the entire issued share capital of Apollo Mining Pty Ltd (**Call Option**). Apollo Mining Pty Ltd owns the Apollo Hill Gold Project in the north-eastern goldfields of Western Australia.

The Company is seeking pre-approval from Shareholders to exercise the Call Option. The Call Option Deed contains the following material terms:

- (a) (**Expiration of Call Option**) If not exercised, the Call Option will lapse on 30 November 2010.
- (b) (**Aboriginal Heritage**) During the option period, the Company must use its best endeavours to negotiate the satisfactory resolution of any aboriginal heritage issues in connection with the Apollo Hill Gold Project.
- (c) (**Exercise of Option**) The Call Option may be exercised by delivery to Hampton Hill Mining NL of a notice of exercise of option and two executed copies of an agreed form share sale agreement relating to the purchase of the entire issued share capital of Apollo Mining Pty Ltd (**Contract**).
- (d) (**Contract**) The Contract comes into effect immediately upon the exercise of the Call Option.
- (e) (**Consideration**) The consideration payable by the Company to Hampton Hill Mining NL is 11,000,000 Shares (**Consideration Shares**).
- (f) (**Royalty**) The Company must pay Hampton Hill Mining NL a 5% gross overriding royalty on gold produced from the Apollo Hill Gold Project from the date production exceeds 1,000,000 ounces.

The Call Option Deed otherwise contains standard terms for an agreement of this nature, including warranties and indemnities given by both the Company and Hampton Hill Mining NL.

Resolution 1 seeks Shareholder approval for the allotment and issue of the Consideration Shares pursuant to the terms of the Contract.

The effect of Resolution 1 will be to allow the Directors to issue the Consideration Shares during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

1.2 Apollo Mining Gold Project

The Apollo Hill Gold Project exhibits the hallmarks of a major mineralised system, showing extensive and intense hydrothermal alteration and deformation. Two gold deposits, Apollo Hill and the Black (or Camp) deposit, have been identified to date and remain open in several directions. The Directors believe that excellent potential exists for the delineation of additional mineralisation.

Background and Geology

Fimiston Mining discovered Apollo Hill in December 1986, during a drill program aimed at finding the source of abundant eluvial gold at the base of a prominent hill in the area. Active drilling since then has outlined extensive gold mineralisation and alteration over a one kilometre strike length. Multiple gold mineralisation events are interpreted to have occurred at Apollo Hill during a complex deformational history. Gold mineralisation is accompanied by quartz veins and carbonate-pyrite alteration associated with a mafic-felsic contact.

The Apollo Hill gold project straddles a major shear zone, known as the Apollo shear zone, which is a component of the Keith Kilkenny Fault system. This shear zone is largely concealed beneath transported overburden, often associated with the Lake Raeside drainage system, and previous surface geochemical sampling and shallow RAB drilling has consequently been of limited effectiveness. Deeper drilling by previous explorers has largely focussed on the only locality where this shear zone is exposed at surface, Apollo Hill itself, and also on a nearby parallel trend termed the Western trend (Black deposit).

Resources and Targets

The main Apollo Hill deposit has been drilled by traverse sections spaced 20m to 100m apart. Gold mineralisation is open along strike and down dip on most sections. Preliminary mineral resource studies were undertaken by Fimiston in 1996 using a manual cross sectional polygonal method, however, no detailed report was prepared and hence the resource estimate calculated does not meet ASX JORC code reporting requirements. However, Peel has completed an in-depth systematic review of the Apollo Hill database and believes that meeting these requirements will be achievable with minimal additional exploration. Furthermore, it is also apparent that previous exploration has identified multiple gold geochemical anomalies away from the known gold deposits that require priority follow-up.

Competent Persons Statement

The information in this Explanatory Statement 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 Explanatory Statement of the matters based on his information in the form and context in which it appears.

1.3 Technical Information Required by Listing Rule 7.1

The following information is provided in relation to the issue of the Consideration Shares pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of Consideration Shares to be issued is 11,000,000;

- (b) the Consideration Shares will be issued for nil cash consideration;
- (c) the Consideration Shares will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the Consideration Shares will be issued to Hampton Hill Mining NL;
- (e) the Consideration Shares are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares; and
- (f) no funds will be raised as the Consideration Shares are being issued in consideration for the purchase of the entire issued share capital of Apollo Mining Pty Ltd.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES TO IMPERIAL CORPORATION LIMITED

2.1 General

On 20 November 2009, the Company announced the completion of the acquisition of the May Day gold-lead-zinc deposit and granted mining lease (ML1361) (**Acquisition**) and the issue of 2,750,000 Shares to Imperial Corporation Limited as consideration for the Acquisition. Imperial Corporation Limited is not a related party of the Company. Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares (**Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 2,750,000 Shares were allotted and issued to Imperial Corporation Limited;
- (b) the Shares were allotted and issued for nil cash consideration;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and rank equally with the Company's existing Shares; and
- (d) no funds will be raised as the Consideration Shares were issued in consideration for the purchase of the May Day gold-lead-zinc deposit and granted mining lease (ML1361).

3. ENQUIRIES

Please contact the Company Secretary, David Hocking on (+ 61 8) 9382 3955 if you have any queries in respect of the matters set out in this Notice of Meeting.

GLOSSARY

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the board of Directors of the Company;

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Peel Exploration Limited (ABN 42 119 343 734).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Resolution means the resolution set out in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

PROXY FORM

**APPOINTMENT OF PROXY
PEEL EXPLORATION LIMITED
ABN 42 119 343 734**

GENERAL MEETING

I/We

of

being a member of Peel Exploration Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 11 am (WST), on 6 October 2010 at The Vic Hotel, 1st Floor, 226 Hay Street, Subiaco, Western Australia and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

OR

Voting on Business of the General Meeting

Resolution 1 – Issue of Shares to Hampton Hill Mining NL

FOR

AGAINST

ABSTAIN

Resolution 2 – Ratification of Prior Issue of Shares to Imperial Corporation Limited

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

PEEL EXPLORATION LIMITED
ABN 42 119 343 734

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Peel Exploration Limited, 34 Kings Park Rd, West Perth, Western Australia 6005; or
 - (a) facsimile to the Company on facsimile number +61 8 (+61 8) 9388 1025,so that it is received not later than 11 am (WST) on 4 October 2010.

Proxy forms received later than this time will be invalid.