

Peel Mining Limited

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About Peel Mining Limited:

- The Company's six projects cover >2,500 km² of highly prospective tenure in NSW, WA and NZ.
- Mallee Bull is an exciting, free-carried copper-polymetallic discovery.
- New 100%-owned Cobar tenure offers highly-prospective greenfields exploration potential.
- Apollo Hill hosts a major, protruding, shear-hosted, gold mineralised system that remains open down dip and along strike.
- Ruby Silver project contains several historic high-grade silver mines.
- Attunga Tungsten Deposit is a high grade tungsten deposit.
- Rise and Shine project exhibits strong similarities to the multi-million ounce Macraes gold mine.
- 117 million shares on issue for \$70m Market Capitalisation at 30 April 2013.

Highlights for March quarter 2013

- Phase 3 exploration at Mallee Bull commenced in February with early drilling results returning strong copper mineralisation at deeper levels.
- MBDD009W1 returned 53m @ 4.08% Cu, 42 g/t Ag, 0.22 g/t Au (4.77% Cu Eq*) from 470m including a higher grade zone of:
 - 12m @ 9.13% Cu, 86 g/t Ag, 0.33 g/t Au (10.46% Cu Eq*) from 472m.
- Drillhole MBDD009W2W1 targeting new strong DHEM anomaly centred at ~670m below surface intercepts a broad zone of stringer/breccia mineralisation from ~575m to ~659m downhole including an intense zone of chalcopyrite-dominant mineralisation intercepted from ~626m to ~652m downhole.
- Mineralisation in MBDD009W2W1 is positioned ~40m north and ~80m down dip of mineralisation in MBDD009 (69m @ 3.48% Cu, 34 g/t Ag, 0.14 g/t Au [4.01% Cu Eq*])
- Drillhole MBDD009W2 intercepts the deepest mineralisation to date at >700m below surface.
- Mineralisation remains open in multiple directions including down-dip.
- Peel exercises option to purchase 20,000 acre portion of Wirchilleba Station which includes the immediate footprint of the Mallee Bull deposit.
- Cobar Superbasin Project exploration continuing with multiple new targets identified.

Plans for June quarter 2013

- Phase 3 Mallee Bull exploration to continue targeting down-dip below surface.
- Metallurgical testwork including flotation trials to commence.
- Cobar Superbasin Project exploration to continue with follow-up of new targets.

Exploration

Mallee Bull Project: Copper, Silver, Gold, Lead, Zinc; Western NSW (PEX 85%, CBH earning up to 50%).

Targets: Cobar-style polymetallic mineralisation; Volcanogenic Massive Sulphide mineralisation.

Phase 3 exploration

During the quarter, drilling and exploration continued at the Mallee Bull copper-polymetallic discovery, 100km south of Cobar in NSW. As previously announced, Mallee Bull is subject to an \$8.3m farm-in agreement with CBH Resources Ltd.

During the quarter, Stage 2 of the Mallee Bull farm-in agreement commenced. Stage 2 of the agreement will see CBH spend a further \$2.5 million on exploration to earn an additional 15% (for a total of 30%). 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.

Diamond drilling

Drillhole MBDD009W1 summary

During the quarter, Peel reported that drillhole MBDD009W1 returned very strong copper mineralisation. This intercept was drilled as a wedge hole from drillhole MBDD009 and was designed to test a large gap in drillhole spacing, intersecting ~60m downdip from drillhole MBDD002. Hole MBDD009W1 confirms the continuation of high-grade copper mineralisation between holes MBDD002 and MBDD009 and implies a substantial volume of high grade material.

Assay results confirm important mineralisation occurring as a broad zone of stringer/breccia chalcopyrite-pyrrhotite sulphide mineralisation returning 53m @ 4.08% Cu, 42 g/t Ag, 0.22 g/t Au (4.77% Cu Eq*) from 470m. Within the stringer/breccia zone is an interval of intense chalcopyrite-rich sulphide mineralisation that returned 12m @ 9.13% Cu, 86 g/t Ag, 0.33 g/t Au (10.46% Cu Eq*) from 472. The true width of the mineralised zones in drillhole MBDD009W1 is interpreted to be ~50% of the downhole intercepts.

Drillhole MBDD009W2 summary

Hole MBDD009W2 was designed to test a strong DHEM response estimated to be centred ~50m to the north, and about 570m downhole of drillhole MBDD009. Drillhole MBDD009W2 intersected several zones of mineralisation: a 7m zone of semi-massive pyrite-pyrrhotite-dominant sulphide mineralisation from 484m; a 26m zone of massive pyrite-pyrrhotite-dominant sulphide mineralisation from 494m; and a 32m zone of variable chalcopyrite-pyrrhotite stringer/breccia mineralisation from 706m. Assay results are pending.

Whilst the intersection of stringer/breccia mineralisation occurred deeper than originally envisaged, Peel is encouraged as this intersection represents the deepest mineralised hit to date at more than 700m below surface. It should also be noted that drillhole MBDD009W2 intersected mineralisation at a more oblique angle than originally planned. The true width of the above mineralised zone is estimated to be ~40% of the downhole width.

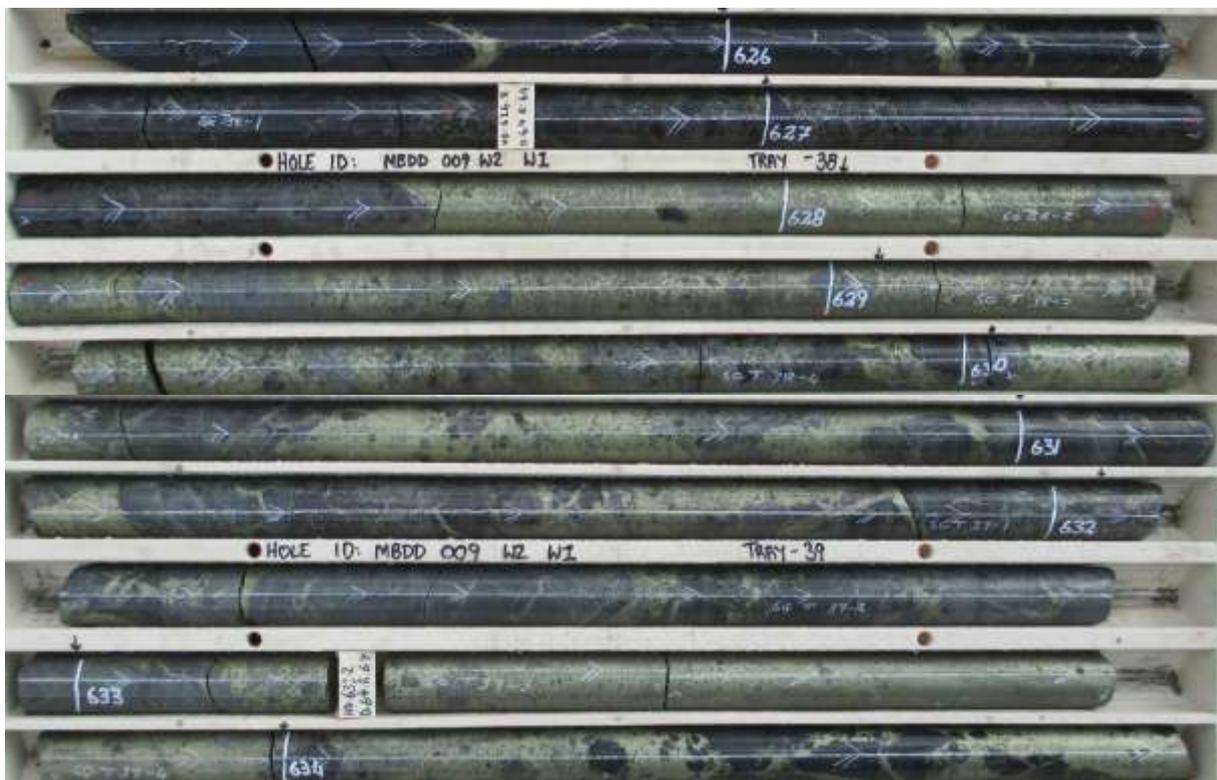
Drillhole MBDD009W2W1 summary

Drillhole MBDD009W2W1 was drilled as a new wedge drillhole from drillhole MBDD009W2 and was designed to test a new, strong DHEM conductor and the presumed down-dip position of mineralisation. Drillhole MBDD009W2W1 intersected several zones of important mineralisation including: a 10m zone of pyrite-pyrrhotite-rich massive sulphides from 496m; a broad zone of variable chalcopyrite-pyrrhotite stringer/breccia sulphide mineralisation from ~575m to ~659m (84m) including an approximate 26m zone of intense chalcopyrite-dominant mineralisation from 626m; and a zone of quartz-healed breccia with lesser chalcopyrite-pyrrhotite sulphide mineralisation from ~666m to ~695m. The true width of these intercepts is estimated at about 40% of the downhole intercept.

The important intercept from ~575m is positioned ~40m north and ~80m down dip of mineralisation in drillhole MBDD009 (69m @ 3.48% Cu, 34 g/t Ag, 0.14 g/t Au [4.08% Cu Eq*]) and confirms the continuation of high-grade copper mineralisation down-dip of drillhole MBDD009 adding further to the potential for Mallee Bull to host a substantial volume of high grade material. Drillhole MBDD009W2W1 also represents the deepest significant intercept to date at Mallee Bull and shows that copper-dominant sulphide mineralisation now extends from about 150m below surface to about 700m below surface. Importantly mineralisation remains open in multiple directions including down-dip.

Handheld XRF analysis and geological logging indicates the 26m zone from 626m to be strongly mineralised with chalcopyrite (copper). Comparable mineralisation seen in other drillholes has yielded individual metres grading up to 20% Cu and 250 g/t Ag. Assay results are pending.

Figure 1 – Higher Grade Copper Zone MBDD009W2W1





Drillhole MBDD010 summary

Drillhole MBDD010 was designed to test for a potential northerly plunge to the geometry of the Mallee Bull mineralised system. Drillhole MBDD010 intersected a 47m zone of variable pyrrhotite-chalcopyrite stringer/breccia mineralisation from ~622m containing a stronger zone of chalcopyrite-dominant breccia/stringer mineralisation intersected from ~633m to ~664m. The true width of the above mineralised zones is estimated to be ~55% of the downhole width. Assay results are pending.

The intersection of stringer/breccia mineralisation in drillhole MBDD010 is positioned ~80m north and ~60m down dip of mineralisation in drillhole MBDD009 and confirms the continuation of strong copper mineralisation along strike and down-dip of drillhole MBDD009.

MBDD010W1 summary

Drillhole MBDD010W1 was designed to test for a potentially shallower northerly plunge to the geometry of the Mallee Bull mineralised system. Drillhole MBDD010W1 intersected a structurally deformed and altered zone containing weak pyrrhotite-chalcopyrite stringer/breccia mineralisation from ~686m to ~715m. The true width of the above mineralised zones is estimated to be ~55% of the downhole width. Assay results are pending.

The intersection of the structurally deformed and altered zone in drillhole MBDD010W1 is positioned ~160m north and ~100m down-dip of mineralisation in drillhole MBDD009 and indicates that mineralisation at Mallee Bull is westerly dipping and sub-vertical with minimal plunge.

RC drilling

Subsequent to the quarter's end, a programme of 1,670m of RC drilling was completed. This drilling was directed at testing several chargeable newly identified IP anomalies and/or geochemical anomalies. Assay results remain pending at the time of reporting.

Geophysics

During the quarter DHEM surveying of drillholes MBDD009W2 and MBDD010W1 identified multiple offhole/onhole anomalies from ~400m downhole to ~700m downhole. The deeper anomalies' position is roughly coincident with the strong mineralisation returned from drillhole MBDD009W2W1 highlighting the importance of DHEM surveying.

Also during the quarter, an offset pole-dipole Induced Polarisation survey was completed across the Mallee Bull project area. A strong chargeable anomaly was identified in close proximity to Mallee Bull and drillhole MBDD011 was designed in part to test the source of this anomaly. Several lesser chargeable responses were identified and were to be followed up in due course.

Mineralogy/Metallurgy

Subsequent to the quarter's end, Peel received the results of a preliminary mineralogical investigation utilising QEMSCAN. Initial observations indicate that the gold and silver present in the massive sulphides is primarily occurring as an electrum alloy while the copper present in the stringer/breccia zone is primarily occurring as chalcopyrite. The liberation characteristics for copper present in the stringer zone are considered encouraging with ~80% of the contained copper free or liberated at a grind size 125 microns (P100).

Further metallurgical testwork is planned including initial flotation trials.

Forward programme

Drillhole MBDD011 (currently underway) is being drilled from a footwall position and is primarily designed to test for the down-dip continuation of Mallee Bull mineralisation. DHEM will be used as required to guide deeper drilling.

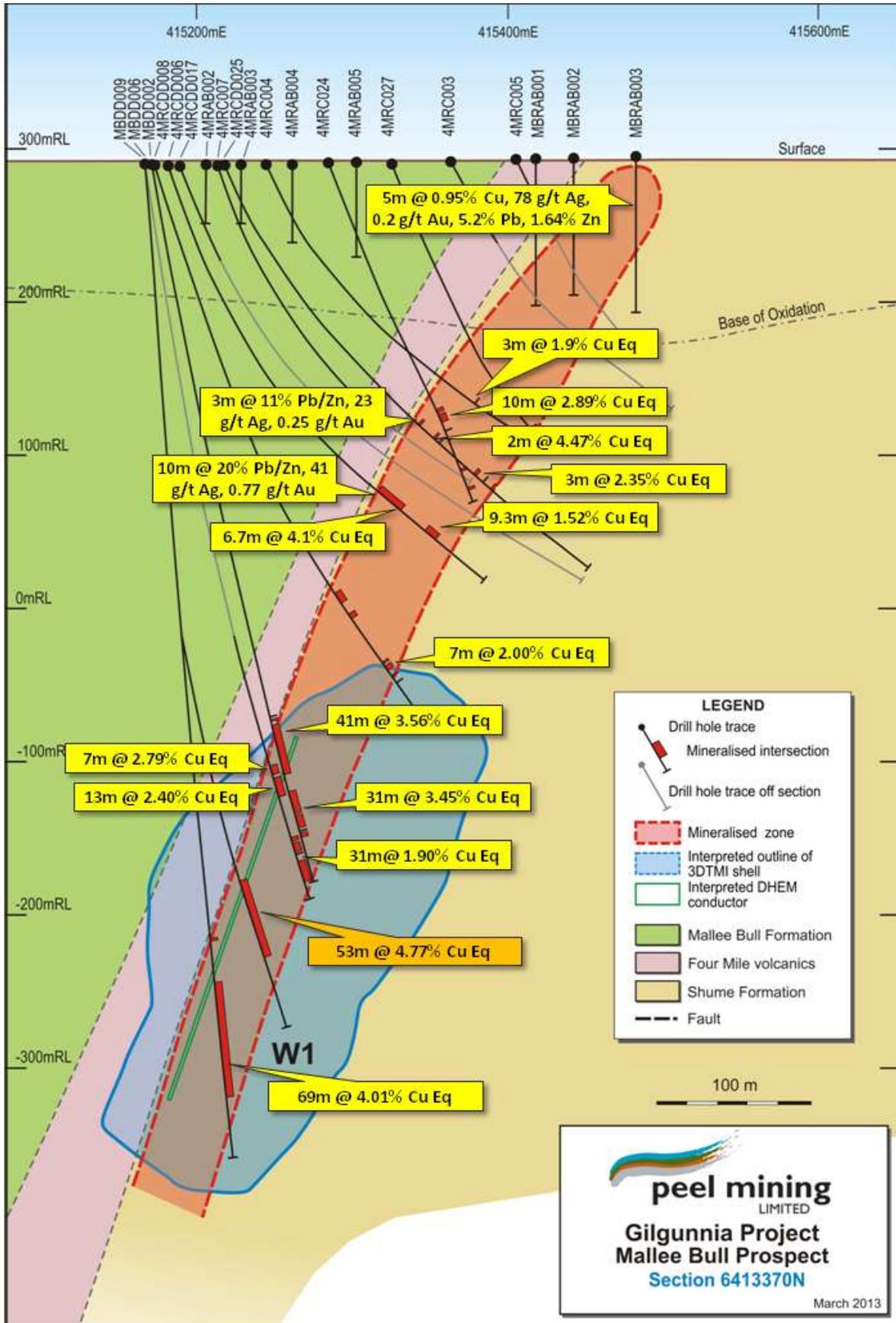
Wirchilleba Station purchase

Peel also advised during the quarter that it has exercised its option to purchase part of Wirchilleba Station which includes the immediate footprint of the Mallee Bull deposit. Under the terms of the sale agreement Peel will purchase a 20,000 acre portion of the historic Wirchilleba Station for \$800,000. Peel originally paid a 12-month option fee of \$80,000 which now becomes part of the purchase price. This will provide Peel with security of tenure and land access as development of Mallee Bull progresses.

Table 1 – Phase 3 Significant Drill Assay Results

Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Co (g/t)	CuEq (%)	Pb (%)	Zn (%)
MBDD009W1	6413370	415163	090	-87	567.8	470	523	53	4.08	42	0.22	-	4.77	0.30	0.05
including						472	484	12	9.13	86	0.34	-	10.46	0.54	0.05

Figure 2 – Cross Section 6413370N



Cobar Superbasin Project: Copper, Silver, Gold, Lead, Zinc; Western NSW (PEX 100%).

Targets: Cobar-style polymetallic mineralisation; Volcanogenic Massive Sulphide mineralisation.

During the quarter, Peel continued to advance its 100%-owned Cobar Superbasin Project. Peel now holds more than 2,500 km² of granted tenements and tenements under application in the southern portion of the Cobar Superbasin. These tenements contain numerous prospects considered to be high-order exploration targets.

Peel commenced a programme of target generation and review during the quarter with the goal of prioritising targets for future exploration. This programme, which includes desktop reviews and geochemical sampling and geological mapping has identified multiple new prospects that are considered high-order targets. In addition, follow-up exploration at Mundoe continued during the quarter including relogging of historic drillcore and DHEM surveying of several recently completed RC drillholes although no anomalies were detected. Exploration is continuing.

Apollo Hill Project: Gold; Northeastern Goldfields WA (PEX 100%).

Targets: Archaean gold deposits.

No fieldwork was undertaken during the quarter. A programme of work is planned for the June quarter 2013.

Rise & Shine: Gold; Central Otago New Zealand (PEX 100%)

Targets: Orogenic gold mineralisation.

No fieldwork was undertaken during the quarter.

Ruby Silver Project: Silver, Gold; Northeastern NSW (PEX 100%).

Targets: Silver mineralisation associated with fracture-fill quartz-carbonate veining.

No fieldwork was undertaken during the quarter.

Attunga Project: Gold, Tungsten, Molybdenum, Copper; Northeastern NSW (PEX 100%).

Targets: Intrusive-Related Gold System and/or Orogenic gold mineralisation; skarn style tungsten-molybdenum mineralisation and skarn-style precious/base metals mineralisation.

No fieldwork was undertaken during the quarter.

Yerranderie: Silver, Lead, Gold; Central NSW (PEX 100%).

Targets: Silver-lead-gold mineralisation in surface waste and tailings dumps.

No fieldwork was undertaken during the quarter.

Morawa: Copper, Gold; Central West WA (PEX 100%)

Targets: Volcanogenic Massive Sulphide mineralisation.

No fieldwork was undertaken during the quarter.

Corporate

Director resignation

Subsequent to the quarter's end, Peel advised that Mr Craig McGown tendered his resignation as Non-Executive Director of the Company. Peel acknowledges and appreciates the valuable contribution Craig has made to the Company and wishes him all the best for the future.

Joint Company Secretary retirement

The Company also wishes to advise the retirement of Mr David Hocking, Joint Company Secretary. Mr Hocking has been with the company from incorporation and his retirement comes as he wishes to step back from his professional duties. The company would like to thank David for his exceptional service to the Company and wishes him well for his retirement.

For further information, please contact Managing Director Rob Tyson on mobile (08) 9382 3955.

Competent Persons Statements

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.

Information regarding drilling/assaying data

1. Drilling was completed as HQ or NQ diamond core or as RC face sampling hammer.
2. Sample recoveries were considered adequate for all samples.
3. Drillcore has been logged in detail based on lithology, mineralisation, and alteration.
4. Samples for analysis were collected by sawing core in half or by cone splitter sampling or by hand spearing.
5. Samples were submitted as 1m or 4m composite half-core intervals or as 1m, 2m, 3m or 4m composite chip samples.
6. Samples were analysed at ALS Chemex utilising methods: Au-AA25 for Au (fire assay); ME-ICP41, ME-ICP61 or ME MS61 for multi-element including Ag, Cu, Pb, Zn; Ag-OG46 for >100 g/t Ag; Cu-OG46 for >1% Cu; Pb-OG46 for >1% Pb; and Zn-OG46 for >1% Zn.
7. Mallee Bull diamond drillhole collars were surveyed by DGPS (GDA94) and downhole gyroscopic surveys were run continuously. Mundoe drillhole collars were surveyed by GPS (GDA94).

*** Copper Equivalent Calculation Explanation:**

The copper equivalent (CuEq) calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result, nor metallurgical flowsheet considerations. The copper equivalent calculation is intended as an indicative value only. No metallurgical testwork has been completed to date however it is the Company's opinion that all the elements included in the copper equivalent calculation have a reasonable potential to be recovered.

Copper equivalent conversion factors and long-term price assumptions used follow:

Massive Sulphide Zone Copper Equivalent Formula (CuEq) = (Cu (ppm) x 0.0075 + Ag (ppm) x 0.96 + Au (ppm) x 50.00 + Co (ppm) x 0.025)/0.0075;

Stringer/Breccia Sulphide Zone Copper Equivalent Formula (CuEq) = (Cu (ppm) x 0.0075 + Ag (ppm) x 0.96 + Au (ppm) x 50.00)/0.0075;

Price Assumptions - Cu (US\$7,500/t), Ag (US\$30/oz), Au (US\$1,500/oz), Co (US\$25,000/t).

Pb and Zn have not been used in copper equivalent calculation.