



ASX / MEDIA RELEASE

24 JUNE 2013

CBH PROCEEDS TO STAGE 3 OF MALLEE BULL FARM-IN

Highlights:

- **CBH Resources to spend a further \$3.33m on exploration at Mallee Bull.**
- **Drillhole MBDD009W3 returns 10m @ 4.54% Cu, 31 g/t Ag, 0.13 g/t Au (5.02% Cu Eq*) from 502m.**
- **New high-priority DHEM anomaly identified at Butcher's Dog.**

CBH Farm-in

Peel Mining Limited (ASX: PEX) is pleased to advise that following the completion of Stage 2 of the Mallee Bull farm-in agreement, CBH Resources Limited has elected to proceed with Stage 3 of the agreement. Stages 1 and 2 have seen CBH pay Peel \$1 million and spend \$4 million on exploration to earn a 30% interest. Stage 2 exploration was completed late last month.

Stage 3 of the farm-in agreement will see CBH spend a further \$3.33 million on exploration at Mallee Bull to earn 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 3 of the farm-in is underway and field activities are expected to commence shortly with drilling expected to restart in August 2013.

Mallee Bull drilling update

Drillhole MBDD009W3 was designed to test for a southerly extension to mineralisation at ~500m below surface and intersected a 10m zone of strong mineralisation: **10m @ 4.54% Cu, 31 g/t Ag, 0.13 g/t Au from 502m**. Drillhole MBDD009W3 is located about 40m south of MBDD009W1 and the true width of the above mineralised zone is estimated to be ~6m.

Drillholes MBDD011 and MBDD011W1 were drilled from a footwall position and were designed to test a broad strong chargeability anomaly located to the east of Mallee Bull and to test for mineralisation at deeper levels within Mallee Bull.

Drillhole MBDD011 intersected a highly altered and sheared zone interpreted as a possible "feeder" structure at more than 750m below surface. Peel is encouraged by the presence of such a zone and notes that Cobar-style deposits typically "pinch and swell" and generally occur as clustered and stacked bodies.

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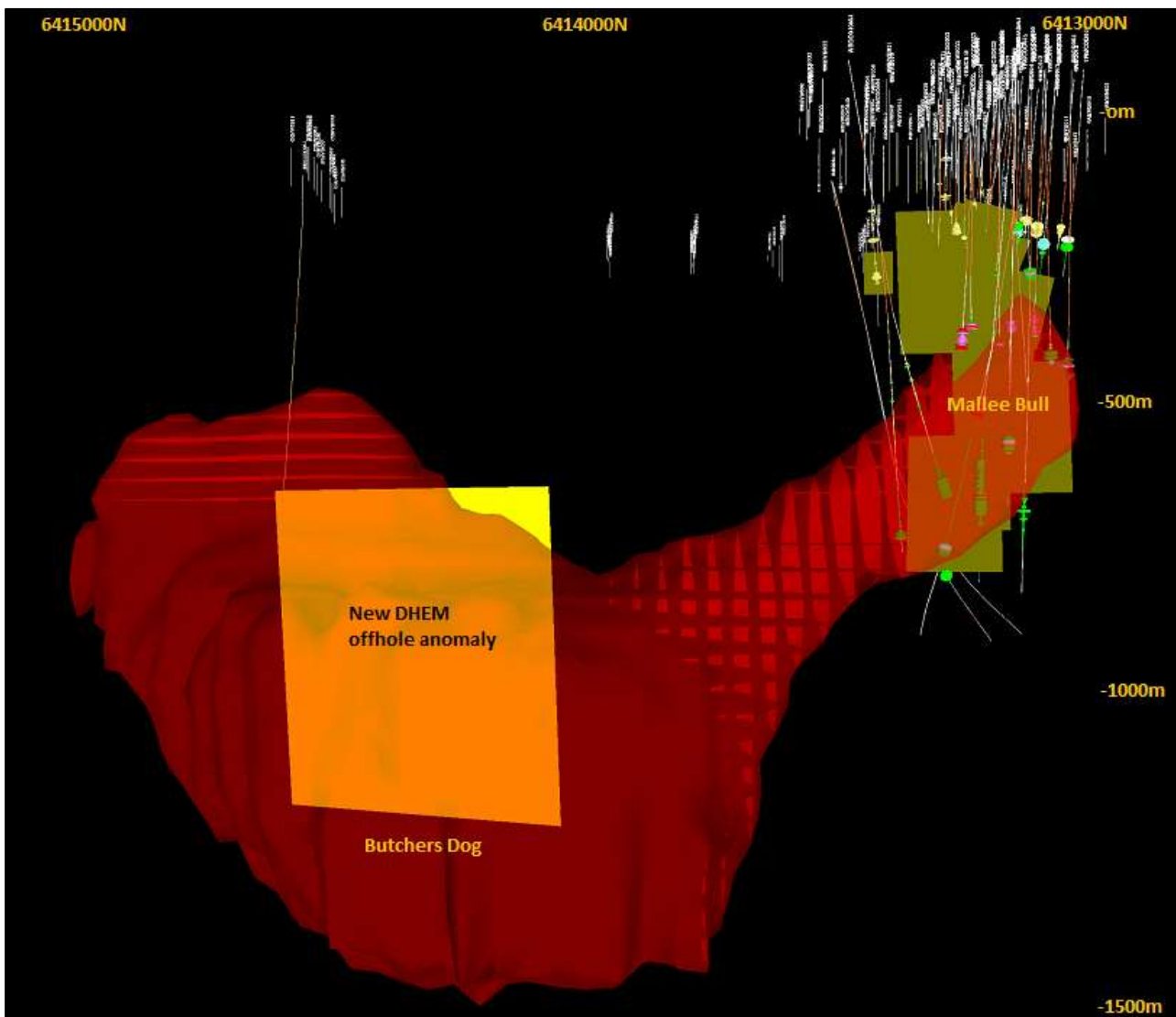
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Butchers Dog update

A recent re-appraisal of DHEM survey data of Butchers Dog drillhole has identified a moderate-to-strong offhole anomaly. BDRCDD001 was drilled early in 2012 and was designed to test the Butcher's Dog prospect which is defined by a very large magnetic anomaly centred about 1km north of Mallee Bull.

The newly identified offhole DHEM anomaly is thought to be located within 200m of the bottom of hole and correlates well with the trend of magnetic anomalism. Peel notes that mineralisation associated with Mallee Bull produces both magnetic and electromagnetic anomalism and that DHEM surveys have successfully guided exploration efforts at Mallee Bull. A follow-up DHEM survey is planned to refine the geometry of the offhole conductor prior to drill testing.

Figure 1 – Mallee Bull and Butchers Dog DHEM 3D model (looking East)





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 within a broad zone of deformation and alteration. 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 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 is 100%-owned by Tokyo Stock Exchange-listed Toho Zinc.

For further information, please contact Rob Tyson on +61 9382 3955.

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.
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.
5. Samples were submitted as 1m or 4m composite half-core intervals.
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. Drillhole collars were surveyed by DGPS (GDA94) and downhole gyroscopic surveys were run continuously.

* 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.

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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	6413369	415162	095	-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
MBDD009W2	6413369	415162	095	-87	852.7	484	487	3	0.08	18	0.85	257	N.A.	0.35	0.31
						494	518	24	0.39	33	1.39	310	1.83	0.32	0.22
						706	727	21	2.22	40	0.11	-	2.80	-	-
MBDD009W2W1	6413369	415162	095	-87	760.7	496	507	11	0.55	24	1.62	124	1.98	0.29	0.23
						575	659	84	4.42	38	0.14	-	5.00	0.1	-
including						626	652	26	11.39	80	0.20	-	12.54	0.11	-
						669	675	6	0.7	15	0.13	-	0.97	-	-
MBDD009W3	6413369	415162	095	-87	610.1	456	461	5	-	25	0.11	-	N.A.	0.8	1.60
						502	512	10	4.53	31	0.13	-	5.02	-	-
MBDD010	6413626	415115	151	-77	735.8	512	515	3	0.11	24	-	-	N.A.	2.21	5.42
						634	666	32	3.62	46	0.21	-	4.35	-	-
MBBDD010W1	6413626	415115	151	-77	736.3	709	714	5	1.12	10	-	-	1.25	-	-
MBDD011	6413522	415815	244	-65	1195.8	996	1000	4	0.43	6	0.13	-	0.59	-	-
MBDD011W1	6413522	415815	244	-65	1192.8	-	-	-	-	-	-	-	-	-	-

- Green shading denotes previously released results.