



ASX / MEDIA RELEASE

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EXPLORATION UNDERWAY AT MALLEE BULL, SANDY CREEK

Peel Mining Limited (ASX: PEX) is pleased to advise that exploration activities at Mallee Bull have resumed as part of Stage 3 of the farm-in agreement with CBH Resources Ltd. Exploration will involve various geophysical surveys including downhole electromagnetics (DHEM) at the Mallee Bull and Butchers Dog prospects, in preparation for diamond drilling expected to commence in August. RAB drilling targeting the 4-Mile goldfield historic workings is also expected to commence shortly.

In June 2013, CBH Resources elected to proceed with Stage 3 of the Mallee Bull farm-in agreement which will see CBH spend a further \$3.33 million on exploration at Mallee Bull to reach an ownership interest of 50%. Peel remains operator throughout the farm-in process.

Peel also advises that exploration activities of its 100%-owned Cobar Superbasin-tenure is continuing. This work involves geological mapping and geochemical surveys to assist in prioritisation of targets for future work programmes. Initial exploration of Peel's recently acquired Sandy Creek prospect has also been completed with a DHEM survey confirming the presence of a strong offhole anomaly that remains largely untested by drilling. Follow-up exploration including drilling is planned for the coming weeks.

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 +61 420 234 020.

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.

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