

Originally Published Wednesday, 27th May 2015

## HOLE OF THE DAY

PEX Price History



Code	PEX
Shares	132.5
Options	1.00 @ 7 cts
Price	\$ 0.105
Market Cap	\$ 14 m.
Cash (Est)	\$ 3 m.

Peel Mining has scooped the pool this week with some excellent work adjacent to its 50% owned, 3.9 mt Mallee Bull copper deposit, which contains 90Kt of copper and 4 moz of silver.

Drilling at the T1 prospect tested a recently identified strong, shallow IP geophysical target. Results indicate very high grade zinc-lead-silver mineralisation:

- 10m @ 15.8% Zn, 7.6% Pb, 322 g/t Ag and 1.28 g/t Au from 106m in MBRC018
- 7m @ 6.1% Zn, 3.4% Pb, 76 g/t Ag and 0.25 g/t Au from 131m in MBRC016

**Hole 18 has an impressive insitu value of ~A\$922 per tonne or \$9,220 metres per tonne.**

The company has followed up its excellent work with 17 additional RC holes on a 20m by 20m grid spacing to further test T1. Peel reports that **all of these drillholes have intersected varying degrees of zinc-lead-silver mineralisation with several drillholes intersecting sphalerite-galena-pyrite rich massive sulphide mineralisation up to 8m wide, and to within 60m of surface.**

(Continued on page 2)

### Indices and Prices

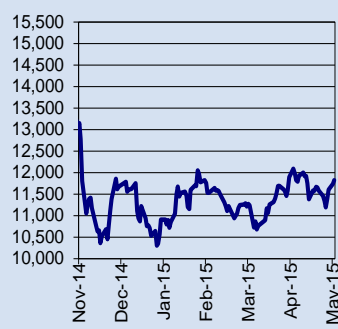
All Ordinaries	5,770.40
Energy Index	11,823.90
Brent AU\$/bbl	82.60
AUS\$/US\$	0.7736

As at Close May 26<sup>th</sup>, 2015

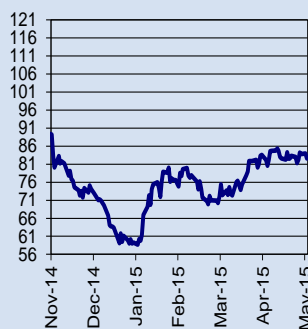
All Ordinaries



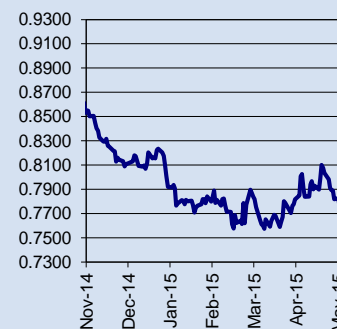
S&P ASX 200 Energy Index



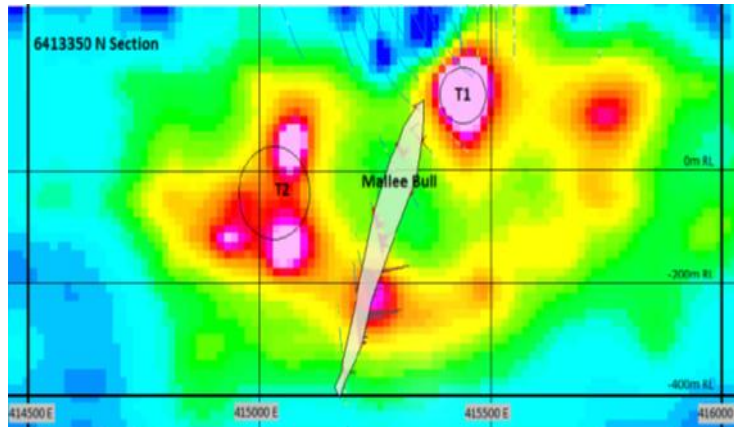
Brent Crude Oil \$A/barrel



A\$/US\$



## Geophysical map of Mallee Bull and surrounds



Source: Peel

StockAnalysis expects that this work will result in defining mineralisation that might form part of an open pit mining project. In VMS environments such as this, it is common for separate and discrete lead/zinc mineralisation to be found in association with copper/gold mineralisation. A lack of electrical conductivity by

lead and zinc sulphides can make these ore bodies more difficult to find, so reliance on gravity survey is required to 'see' these dense anomalies.

Value	\$m.	\$/shr
Mallee Bull	\$ 20	\$0.15
Apollo	\$ 4	\$0.03
Exploration	\$ 5	\$0.04
Cash	\$ 3	\$0.02
Corporate	-\$ 5	-\$0.04
	<u>\$ 27</u>	<u>\$0.21</u>

Source: Strachan Corporate

The T1 prospect is one of two strong chargeable IP anomalies identified by a recently completed innovative Orion 3D DCIP survey. T1 is defined as a shallow (~150m below surface), strong chargeable and low resistivity geophysical response and is located in an area that had seen limited previous drilling.

The company has outlined additional IP anomalies that will also form targets for additional drilling.

StockAnalysis thinks that Peel is at an early stage of outlining a base metal complex at and around Mallee Bull. Ultimately, development and processing of this mineralisation could be undertaken in conjunction with nearby infrastructure that would reduce capital costs associated with development.

**Recommendation:** *Peel is a speculative buy at 11 cents.*

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