



ASX / MEDIA RELEASE

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PEEL AWARDED RISE AND SHINE GOLD PROJECT, NZ

Highlights

- **Rise and Shine Shear Zone structurally similar to multi-million ounce Hyde Macraes Shear Zone**
- **Rise and Shine gold mineralisation occurs over a strike length of at least 4 km**
- **Potential for large-tonnage, low-grade gold deposits similar to Macraes Goldfield**
- **Bendigo Reefs production of at least 180,000 oz gold; minimal modern exploration**

Peel Mining Limited (ASX: PEX) is pleased to announce that it has been awarded EP 53088 and EP 53111 covering the Rise and Shine gold project. The Rise and Shine gold project, located about 20km northeast of Cromwell in Central Otago, New Zealand, hosts multiple historic gold workings with historic production estimated at more than 180,000 ounces gold.

EP 53111 was the subject of a competitive permit allocation process (NAA) by New Zealand Petroleum and Minerals initiated in late 2010 and encompasses the Rise and Shine Shear Zone and the Cromwell Lode within the historic Bendigo goldfield. EP 53088 surrounds EP 53111 and encompasses the strike extensions of the Rise and Shine Shear Zone, its inferred up-dip and down-dip extensions and other lodes within the Bendigo Goldfield. Gold mineralisation within the Rise and Shine Shear Zone is known to be associated with multiple lode and alluvial gold workings occurring over a strike length of at least 4 km. The historic Bendigo Goldfield comprise a series of sub-vertical lodes with workings up to 130m below surface.

The Rise and Shine Shear Zone appears to be structurally similar to the Hyde Macraes Shear Zone, host to the multi-million ounce Macraes gold mine, and is located in a similar position in the Otago Schist. The Rise and Shine Shear Zone represents a gold mineralised low-angle deformation zone formed in a compressional environment and comprises a zone of hydrothermally altered schist. Alteration comprises variable silicification, sericitisation, chloritisation and widespread carbonate alteration. The shear is about 50m thick and is traceable for at least 7 km, strikes 140 degrees, and dips to the northeast.

Substantial amounts of exploration have previously been completed at Rise and Shine, however the majority of work has been directed at historic workings sited at the base of the Rise and Shine Creek Valley. Peel believes that the Rise and Shine Shear Zone could possibly be "flatter" than previously assumed offering potential for large-tonnage, low-grade grade gold deposits extending up-dip from previously defined mineralisation. To that end, Peel plans to complete a programme of RC drilling aimed at testing this model.

Peel's Managing Director, Mr Rob Tyson, said the Company was very pleased to add Rise and Shine to its exploration portfolio.

"Peel was attracted to Rise and Shine because of its apparent similarities to Macraes and its large-scale potential if the Rise and Shine Shear Zone is flatter-lying than previously interpreted. It is a simple exploration model to test, offering Peel a potentially low-risk, high-return exploration scenario."

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Background on Rise and Shine Shear Zone and Bendigo goldfield

The Rise and Shine Shear Zone contains three prospects: Alluvials; Rise and Shine mine; and Come in Time mine. These are inferred to represent mineralised “shoots” possibly similar to the shoots at the Macraes goldfield. Potential mineralisation in the permit area comprises the possible up-dip extension of the Rise and Shine Shear Zone, along with potential for higher grade lenses of mineralisation down plunge within the shoots, similar to the higher grade lenses within the Hyde Macraes Shear Zone.

Better results from RC drilling along the Rise and Shine Shear Zone by the most recent tenement holder (2005-2010) included:

Hole	From (m)	To (m)	Interval (m)	Gold (g/t)
RCB19	37	42	5	2.76
RCB23	25	34	9	1.90
RCB24	56	64	8	2.03
RCB25	22	33	11	1.25
RCB26	16	34	18	0.85
RCB29	27	42	15	1.09
RCB31	39	57	18	1.58
RCB33	52	53	1	28.2
RCB37	31	34	3	8.98
RCB41	19	29	10	1.14

The bulk of the hard rock gold production came from the Bendigo goldfield. The Bendigo reefs comprise sub vertical lodes in psammitic or semi-psammitic schist. The geological relationship of the Bendigo Reefs to the Rise and Shine Shear Zone is uncertain. These lodes comprise a swarm of E-trending, narrow, vertical to sub-vertical shears composed of crushed schist, quartz veins, stringers, and puggy clay.

The reefs at the Bendigo Goldfield were mined from 1865 to 1913 and sporadically through to 1942. Historic gold production was at least 180,000 oz, of which about 150,000 oz was produced from the Cromwell Lode.

The Cromwell Lode was mined over a strike of 400m, and is reported to have been traced for another 1200m to the east. Thickness ranged from 0.6 – 1.8m, averaging 0.9m with an average grade of about 10 g/t gold. A previous explorer concluded that a drilling programme was required to assess gold potential beneath the worked lodes. Minimal modern exploration has been completed.

For further information, please contact Rob Tyson on 0420 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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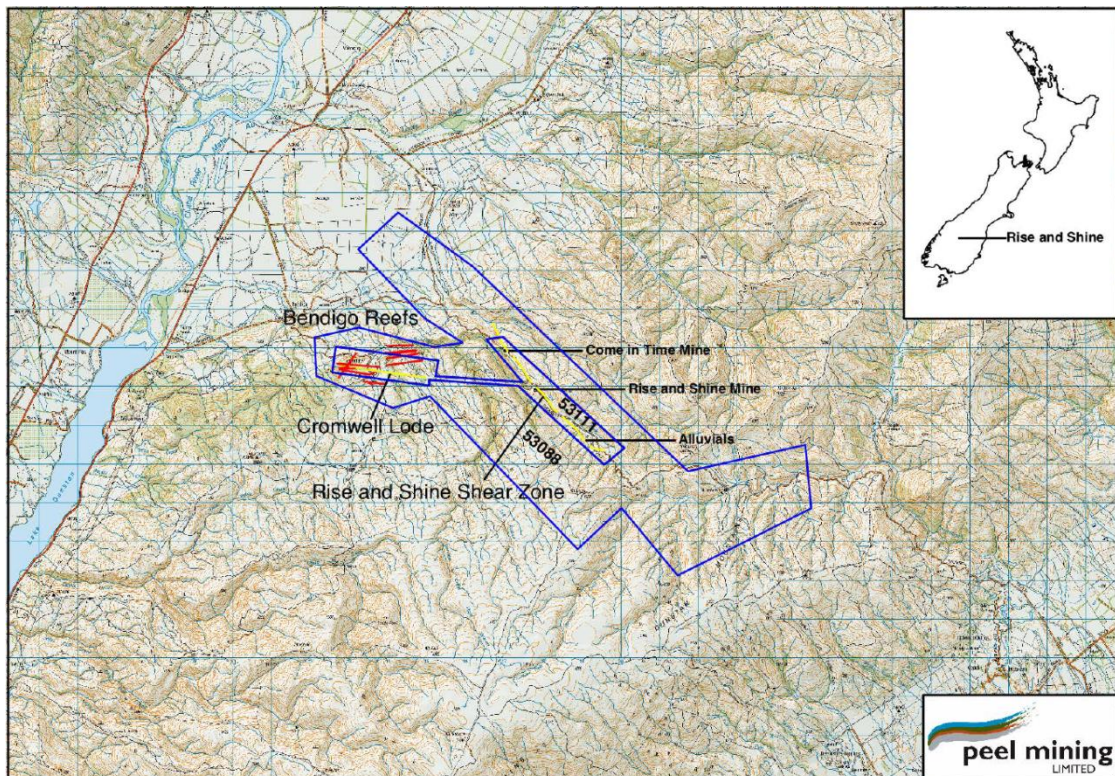


Figure 1: Rise and Shine gold project location

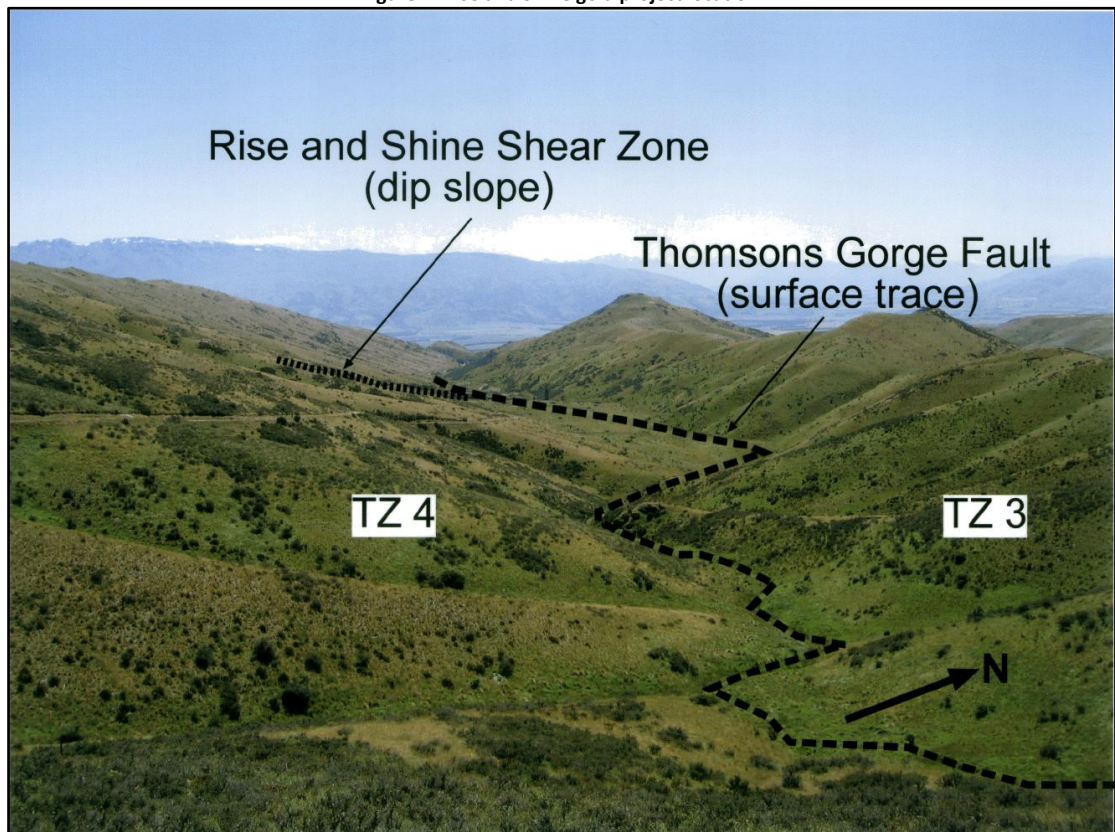


Figure 2: Looking NW along Rise and Shine Creek. The shear zone crops out on a gently dipping hillside that slopes 10-15 degrees NE parallel to the pervasive foliation. The shear zone is truncated above by the Thomsons Gorge Fault.

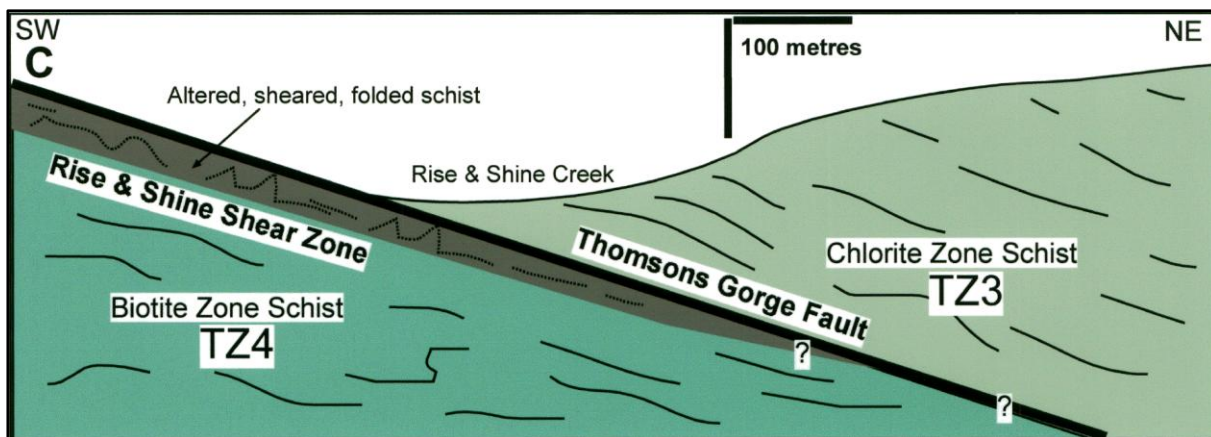


Figure 3: Schematic section showing the distributions of lithologies and intervening structures at the Rise and Shine Shear Zone.

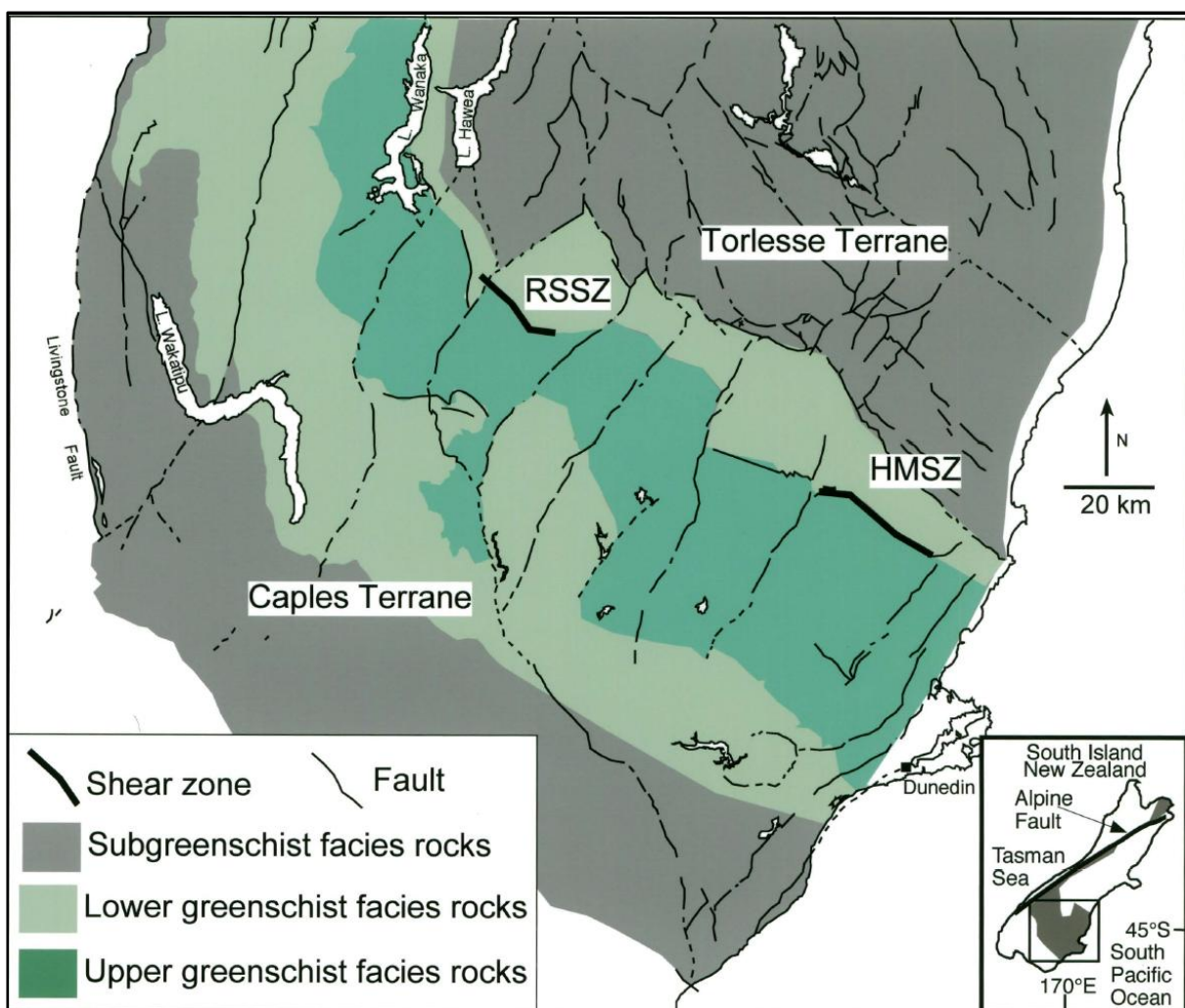


Figure 4: Metamorphic facies map of Otago, showing the location and structural setting of the Rise and Shine Shear Zone (RSSZ) and Hyde Macraes Shear Zone (HMSZ).

Images reference: D.J. MacKenzie, D. Craw, L. Cox, R.J. Norris 2005: "Mineralisation and Structural Setting of the Rise and Shine Shear Zone, Otago Schist: Comparisons to the Macraes Deposit" poster presentation to 2005 NZ Minerals Conference: Realising New Zealand's mineral potential, 13-16 November, Auckland: 374-379.

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