ASX / MEDIA RELEASE **15 MARCH 2012**

MALLEE BULL CONFIRMED AS SIGNIFICANT VIRGIN COPPER DISCOVERY

High-grade mineralisation remains open at depth offering excellent potential for Mallee Bull to grow into a major Cobar-style copper find

Highlights:

- **Latest assays continue to return new high-grade copper-dominant polymetallic mineralisation from multiple drillholes.**
- **Significant results include:**
  - ***4MRCDD009*** ***5m @ 3.11% CuEq* (2.40% Cu, 28 g/t Ag, 0.60g/t Au) from 302m***
    7m @ 2.58% CuEq* (2.32% Cu, 14 g/t Ag, 0.15 g/t Au) from 336m
  - ***4MRCDD010*** ***7m @ 1.89% CuEq* (1.31% Cu, 19 g/t Ag, 0.56 g/t Au) from 271m***
  - ***4MRCDD011*** ***4m @ 1.90% CuEq* (1.34% Cu, 11 g/t Ag, 0.69 g/t Au) from 262m***
    5m @ 1.60% CuEq* (1.42% Cu, 12 g/t Ag, 0.05 g/t Au) from 273m
  - ***4MRCDD023*** ***5m @ 3.44% CuEq* (2.14% Cu, 41 g/t Ag, 1.29 g/t Au) from 257m***
    3m @ 3.14% CuEq* (2.22% Cu, 38 g/t Ag, 0.75 g/t Au) from 264m
    2m @ 2.46% CuEq* (1.75% Cu, 26 g/t Ag, 0.63 g/t Au) from 272m
    2m @ 5.61% CuEq* (3.88% Cu, 57 g/t Ag, 1.67 g/t Au) from 277m
  - ***4MRCDD025*** ***2m @ 1.97% CuEq* (1.38% Cu, 17 g/t Ag, 0.61 g/t Au) from 210m***
    3m @ 7.12% Pb, 3.84% Zn, 23 g/t Ag, 0.25 g/t Au from 215m
    2m @ 4.47% CuEq* (3.48% Cu, 40 g/t Ag, 0.82 g/t Au) from 223m
    3m @ 2.35% CuEq* (1.84% Cu, 36 g/t Ag, 0.13 g/t Au) from 258m
  - ***4MRC027*** ***3m @ 1.90% CuEq* (1.39% Cu, 36 g/t Ag, 0.12 g/t Au) from 169m***
- **Mineralisation remains open in multiple directions including at depth.**
- **Downhole EM and follow-up exploration planning underway.**

Perth-based explorer Peel Mining Limited (ASX: PEX) is pleased to report that follow-up RC/diamond drilling at the **Mallee Bull prospect**, part of its 100%-owned May Day-Gilgunnia Project located about 100km south of Cobar in NSW, has intersected more **high-grade Cobar-style polymetallic mineralisation**.

Peel's Managing Director, Mr Rob Tyson, said the Company was pleased with the latest results which confirm Mallee Bull as a significant virgin copper discovery.

"These results confirm the Mallee Bull prospect as a true "greenfields" copper-dominant discovery. The grades and widths we are seeing are comparable to those found at other major deposits located in the Cobar district and with mineralisation open in multiple directions, including at depth, Mallee Bull has excellent potential to grow into a major copper find," Mr Tyson said.

Tyson added: "We believe that the potential being demonstrated at Mallee Bull is exciting for the broader Cobar region, which has come increasingly under the spotlight recently with Glencore's interest in YTC Resources, which is looking to develop its Cobar-style Nymagee and Hera deposits located about 45 km NE of Mallee Bull".

The results listed above are in addition to those reported previously, where highlights included:

- ***4MRCDD006*** ***10m @ 9.01% Pb, 11.00% Zn, 41 g/t Ag, 0.77 g/t Au from 253m***
  6.65m @ 4.09% CuEq* (3.1% Cu, 34 g/t Ag, 0.93 g/t Au) from 267.35m
- ***4MRC007*** ***10m @ 2.41% CuEq* (1.70% Cu, 46 g/t Ag, 0.27 g/t Au) from 248m***
  4m @ 2.31% CuEq* (1.49% Cu, 59 g/t Ag, 0.18 g/t Au) from 262m
- ***4MRCDD008*** ***4m @ 2.97% CuEq* (1.98% Cu, 45 g/t Ag, 0.72 g/t Au) from 358m***
- ***4MRC015*** ***6m @ 3.05% CuEq* (2.01% Cu,64 g/t Ag, 0.43 g/t Au) from 208m***
- ***4MRC016*** ***11m @ 3.30% CuEq* (2.71% Cu, 36 g/t Ag, 0.26 g/t Au) from 233m***
- ***4MRC019*** ***10m @ 3.47% CuEq*(2.66% Cu, 44 g/t Ag, 0.51 g/t Au) from 237m***
- ***4MRC024*** ***10m @ 2.89% CuEq* (2.22% Cu, 33 g/t Ag, 0.44 g/t Au) from 174m***

The follow-up RC/diamond drilling programme was designed to test along strike and down dip of previously intersected mineralisation. Drilling was carried out on an approximate 40m by 40m grid pattern and comprised a series of RC and RC pre-collar/diamond tail drillholes. Polymetallic mineralisation intersected consisted of intervals of massive sulphide and/or stringer mineralisation, including visible chalcopyrite, sphalerite and galena with accessory sulphide minerals including pyrrhotite, pyrite, and arsenopyrite.

Drilling to date indicates that high-grade copper-dominant polymetallic mineralisation at Mallee Bull has a strike length of at least 120m, comes to within at least ~150m of surface, extends to at least ~310m below surface and is open in multiple directions including at depth. Peel notes that several strongly mineralised intercepts were recorded from deeper drillholes (4MRCDD008/009), and that Cobar-style deposits are typically short in strike length but long in the vertical plane.

Mineralisation occurs within a package of sheared and brecciated volcaniclastic sediments comprising siltstones and mudstones and is interpreted as occurring as a shoot-like structure dipping moderately to the west. Drill intercepts are construed as being close to true.

The Mallee Bull prospect is interpreted to be positioned in a favourable geological and structural position, sited on the “nose” of an anticline – a suitable high-stress environment, and occurring in a geological unit interpreted to be age equivalent of the Chesney and Great Cobar Slate Formations found in the immediate Cobar region.

Background on Peel’s Mallee Bull discovery

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 significant silver-lead-zinc mineralisation. Follow-up drilling completed in July/August 2011 confirmed the discovery of Cobar-style copper-silver-gold-lead-zinc-cobalt mineralisation.

The Mallee Bull prospect is located less than 10 kilometres east of Peel’s 100%-owned May Day gold-silver-lead-zinc deposit (ML1361), where drilling in 2010 by Peel confirmed the down-dip continuation of mineralisation to more than 200m below surface.

For further information, please contact Rob Tyson on 0420 234 020.

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Table 1 – 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)	Pb (%)	Zn (%)	CuEq (%)	Comment
4MRCDD008	6413390	415170	90	-72	399.7	295	298	3	0.03	16	1.39	0.21	0.11	N.A.	Previously reported
						299	300	1	0.17	36	0.35	0.84	0.11	N.A.	
						301	303	2	0.43	14	0.21	0.5	0.93	0.73	
						311	313	2	0.34	9	0.17	0.14	0.04	0.55	
						317	318	2	0.76	21	0.17	0.05	0.14	1.12	
						320	321	1	0.62	12	0.32	0.21	0.1	0.96	
						322	323	1	0.33	8	0.23	0.12	0.03	0.57	
						341	342	1	0.23	47	0.02	1.31	0.4	N.A.	
						355	357	2	0.56	11	0.1	0.01	0.03	0.75	
						358	**362**	**4**	**1.98**	**45**	**0.72**	**0.28**	**0.04**	**2.97**	
						366	367	1	0.5	31	0.14	0.48	0.02	0.96	
						368	373	5	0.73	8	0.07	0.11	0.05	0.87	
4MRCDD009	6413350	415160	90	-70	388	292.8	297	4	0.06	31	2.87	0.19	0.14	N.A.	
						302	**307**	**5**	**2.4**	**28**	**0.6**	**0.05**	**0.05**	**3.11**	
						310	312	2	1.37	17	0.15	0.05	0.05	1.67	
						315	316	1	0.86	12	0.09	0.11	0.04	1.06	
						326	329	3	0.29	30	0.45	0.85	0.93	0.93	
						336	**343**	**7**	**2.32**	**14**	**0.15**	**0.1**	**0.04**	**2.58**	
4MRCDD010	6413310	415160	90	-70	372.6	222	226	4	0.02	184	0.12	0.003	0.01	N.A.	
						264	265	1	0.17	16	0.12	0.47	0.8	N.A.	
						266	267	1	0.71	12	0.17	0.1	0.13	0.96	
						271	**278**	**7**	**1.31**	**19**	**0.56**	**0.12**	**0.14**	**1.89**	
4MRCDD011	6413270	415160	90	-70	331	**262**	**266**	**4**	**1.34**	**11**	**0.69**	**0.05**	**0.05**	**1.90**	
						270	271	1	0.52	5	0.03	0.05	0.03	0.60	
						273	**278**	**5**	**1.42**	**12**	**0.05**	**0.07**	**0.04**	**1.60**	
4MRC012	6413270	415200	90	-70	274	225	230	5	0.26	7	0.05	0.36	0.55	0.38	Previously reported
						233	234	1	0.5	5	0.08	0.04	0.04	0.61	
4MRC013	6413270	415280	90	-70	229	-	-	-	-	-	-	-	-		Previously reported
4MRC014	6413310	415280	90	-70	230	164	180	16	0.47	14	0.21	0.22	0.22	0.77	Previously reported
						214	215	1	-	-	3.05	-	-	N.A.	
4MRC015	6413310	415240	90	-70	270	200	203	3	0.1	9	0.13	0.41	0.51	0.29	Previously reported
						208	**214**	**6**	**2.01**	**64**	**0.43**	**0.52**	**0.22**	**3.05**	
4MRC016	6413310	415200	90	-70	259	**233**	**244**	**11**	**2.71**	**36**	**0.26**	**0.11**	**0.07**	**3.30**	Previously reported
						247	249	2	0.68	31	0.26	0.48	0.07	1.21	
4MRCDD017	6413350	415188	90	-70	390.9	232.82	234	1.18	0.005	13	0.07	0.39	0.75	N.A.	
						235	237	2	0.05	10	0.06	0.78	0.36	N.A.	
						243	**244**	**1**	**1.92**	**15**	**0.07**	**0.05**	**0.12**	**2.14**	
						245	246	1	0.49	18	0.2	0.41	0.83	0.83	
						247	254	7	0.67	21	0.13	0.3	0.47	1.00	
						258	**261**	**3**	**1.13**	**41**	**0.47**	**0.56**	**0.15**	**1.92**	

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Hole ID	Northing	Easting	Azi	Dip	Final Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	CuEq (%)	Comment
						274	275	1	0.49	27	0.08	0.33	0.06	0.86	
						276	278	2	0.34	33	0.12	0.46	0.83	N.A.	
						336	338	2	0.07	10	0.04	0.67	1.6	N.A.	
						358	360	2	0.05	8	0.43	0.51	0.75	N.A.	
4MRC018	6413430	415260	90	-70	244	180	184	4	0.24	10	0.13	0.25	0.32	0.44	Previously reported
						207	208	1	0.13	20	0.15	0.63	1.02	0.46	
						210	**211**	**1**	**1.43**	**33**	**0.52**	**0.44**	**0.93**	**2.15**	
4MRC019	6413430	415220	90	-70	256	215	232	17	0.68	21	0.87	0.19	0.22	1.48	Previously reported
						237	**247**	**10**	**2.66**	**41**	**0.51**	**0.42**	**0.22**	**3.47**	
						254	256	2	-	-	0.67	-	-	N.A.	
4MRC020	6413470	415260	90	-70	250	184	198	14	-	3	0.05	0.34	0.38	N.A.	
						202	217	15	-	2	-	0.47	0.46	N.A.	
4MRC021	6413470	415220	90	-70	270	209	237	28	-	2	-	0.45	0.75	N.A.	
4MRCDD022	6413470	415180	90	-70	300.9	239	243	4	-	4	-	0.36	0.45	N.A.	
						255	263	8	-	-	-	0.36	0.78	N.A.	
						271	275	4	-	-	-	0.42	0.4	N.A.	
4MRCDD023	6413430	415180	90	-70	301	257	262	**5**	**2.14**	**41**	**1.29**	**0.23**	**0.54**	**3.44**	
						264	267	**3**	**2.22**	**38**	**0.75**	**0.09**	**0.12**	**3.14**	
						272	274	**2**	**1.75**	**26**	**0.63**	**0.1**	**0.05**	**2.46**	
						277	279	**2**	**3.88**	**57**	**1.67**	**0.1**	**0.02**	**5.61**	
						282	283	**1**	**3.28**	**33**	**0.29**	**0.15**	**0.17**	**3.86**	
4MRC024	6413390	415280	90	-70	238	165	171	6	0.26	11	0.4	0.11	0.16	0.64	Previously reported
						174	**184**	**10**	**2.22**	**33**	**0.44**	**0.11**	**0.16**	**2.89**	
						189	190	1	0.78	5	0.1	0.03	0.09	0.90	
						216	218	2	0.61	38	0.21	0.07	0.07	1.20	
						222	226	4	0.36	18	0.1	0.06	0.05	0.64	
						228	231	3	0.58	24	0.1	0.63	0.94	0.93	
4MRCDD025	6413390	415215	90	-70	354.5	207	208	1	0.07	17	0.05	1.65	2.35	N.A.	
						210	**212**	**2**	**1.38**	**17**	**0.61**	**0.15**	**0.15**	**1.97**	
						215	**218**	**3**	**0.13**	**23**	**0.25**	**7.12**	**3.84**	**N.A.**	
						219	222	3	0.22	19	0.81	0.31	0.31	N.A.	
						223	**225**	**2**	**3.48**	**40**	**0.82**	**0.13**	**0.3**	**4.47**	
						227	229	2	0.38	5	0.45	0.06	0.18	0.72	
						258	**261**	**3**	**1.84**	**36**	**0.13**	**1.4**	**0.5**	**2.35**	
						266	267	1	0.75	24	0.22	0.14	0.18	1.18	
						273	**275**	**2**	**0.94**	**37**	**0.4**	**0.78**	**0.75**	**1.63**	
4MRC026					250	142	145	3	0.09	14	0.12	0.69	0.75	N.A.	Composite
						147	**148**	**1**	**1.57**	**14**	**0.09**	**0.06**	**0.38**	**1.79**	
						152	153	1	0.62	47	0.06	0.91	0.75	1.22	
						225	**226**	**1**	**1.47**	**67**	**0.54**	**2.07**	**1.65**	**2.61**	
4MRC027					208	141	150	9	0.04	9	0.03	1.3	1.84	N.A.	
						169	**172**	**3**	**1.39**	**36**	**0.12**	**0.82**	**1.3**	**1.90**	
						196	199	3	0.44	10	0.07	0.43	0.9	0.60	

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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 using a RC face sampling hammer or HQ/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 cone splitter sampling, hand spearing or by sawing core in half.
5. Samples were submitted as 4m composite chip samples, 1m chip samples or 1m half-core intervals unless a geological contact was used.
6. Samples were analysed at ALS Chemex utilising methods: Au-AA25 for Au (fire assay); ME-ICP61 for multi-element including Ag, Cu, Pb, Zn; Ag-OG62 for >100 g/t Ag; Cu-OG62 for >1% Cu; Pb-OG62 for >1% Pb; and Zn-OG62 for >1% Zn.
7. Drillhole collars were surveyed by DGPS.
8. Downhole gyroscopic surveys were run continuously.

* Copper Equivalent Calculation Explanation:

- Mineralisation at Mallee Bull consists of copper, silver, gold, lead, zinc and cobalt, but only copper, silver and gold are used for Copper Equivalent Calculation.
- Copper equivalent values have been calculated as (CuEq) = Cu% + Ag(ppm)x0.012 + Au(ppm)x0.625
- Copper Equivalent or "CuEq" is the contained copper, silver and gold that are converted to an equal amount of pure copper and summed (based on assays of mineralised rock and nominated metal prices). It is used to allow interpretation of the possible theoretical 'value' of mineralised rock, without consideration of the ultimate extractability of any of the metals.
- Cobar-style copper deposits such as Mallee Bull typically recover those metals subject to prevailing metal prices and metallurgical characteristics.
- The ASX requires a metallurgical recovery be specified for each metal, however, no testwork has ever been undertaken at Mallee Bull and recoveries can only be assumed to be typical for Cobar-style copper deposits
- It is the Company's opinion that each of the elements included in the metal equivalents calculation has reasonable potential to be recovered if the project proceeds to mining.
- Price Assumptions- Cu (US$8,000/t), Ag (US$30/oz), Au (US$1,500/oz)

Figure 1 – Drill location and geology plan

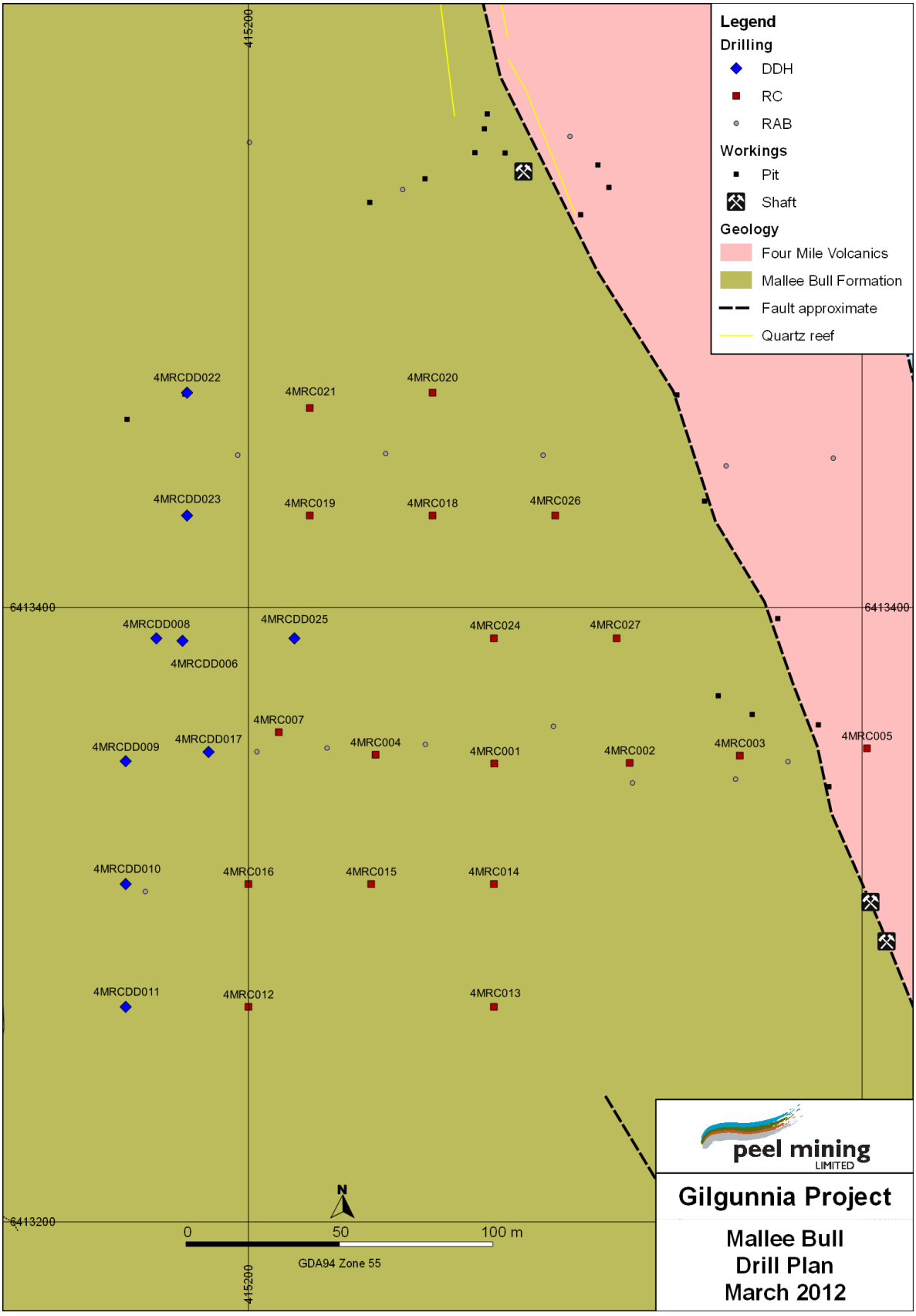

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Figure 2 – Cross section with significant intersections

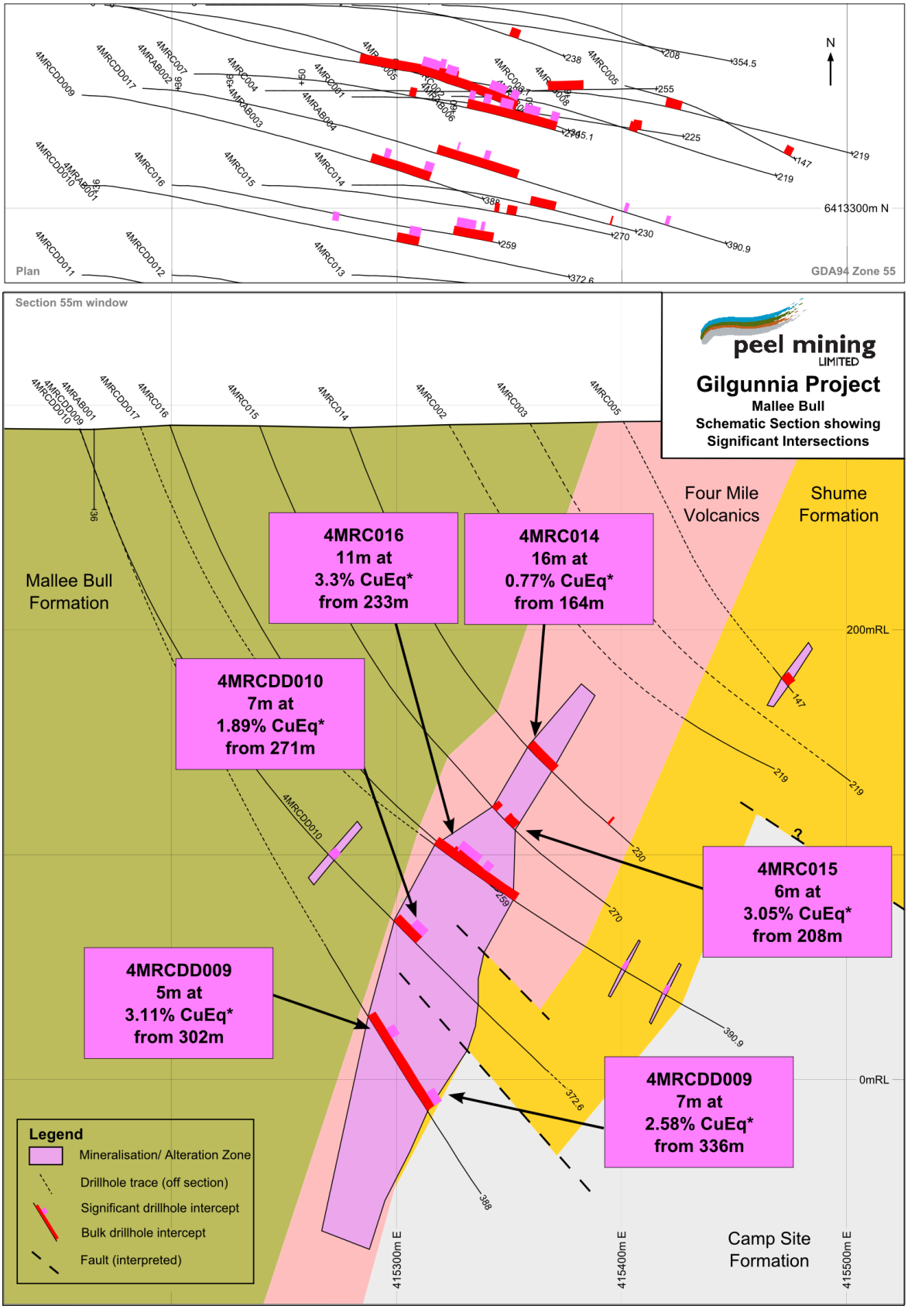

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Figure 2 – Long section with significant intersections