

DRILLING UNDERWAY AT RUBY SILVER

Highlights:

- **1,200m RC drilling programme now underway.**
- **Drilling targeting geophysical anomalies (IP chargeability) coincident with surface alteration, and beneath historic workings.**

Perth-based explorer Peel Mining Limited (ASX: PEX) is pleased to report that a maiden RC drilling programme has now commenced at the Company's 100%-owned Ruby Silver Project located about 30km east of Armidale in NSW. The programme is designed to test numerous IP chargeability anomalies that were identified following completion of an IP survey last year, and to also test beneath historic workings. The drilling comprises about 15 holes for 1,200m and is expected to take about 10 days.

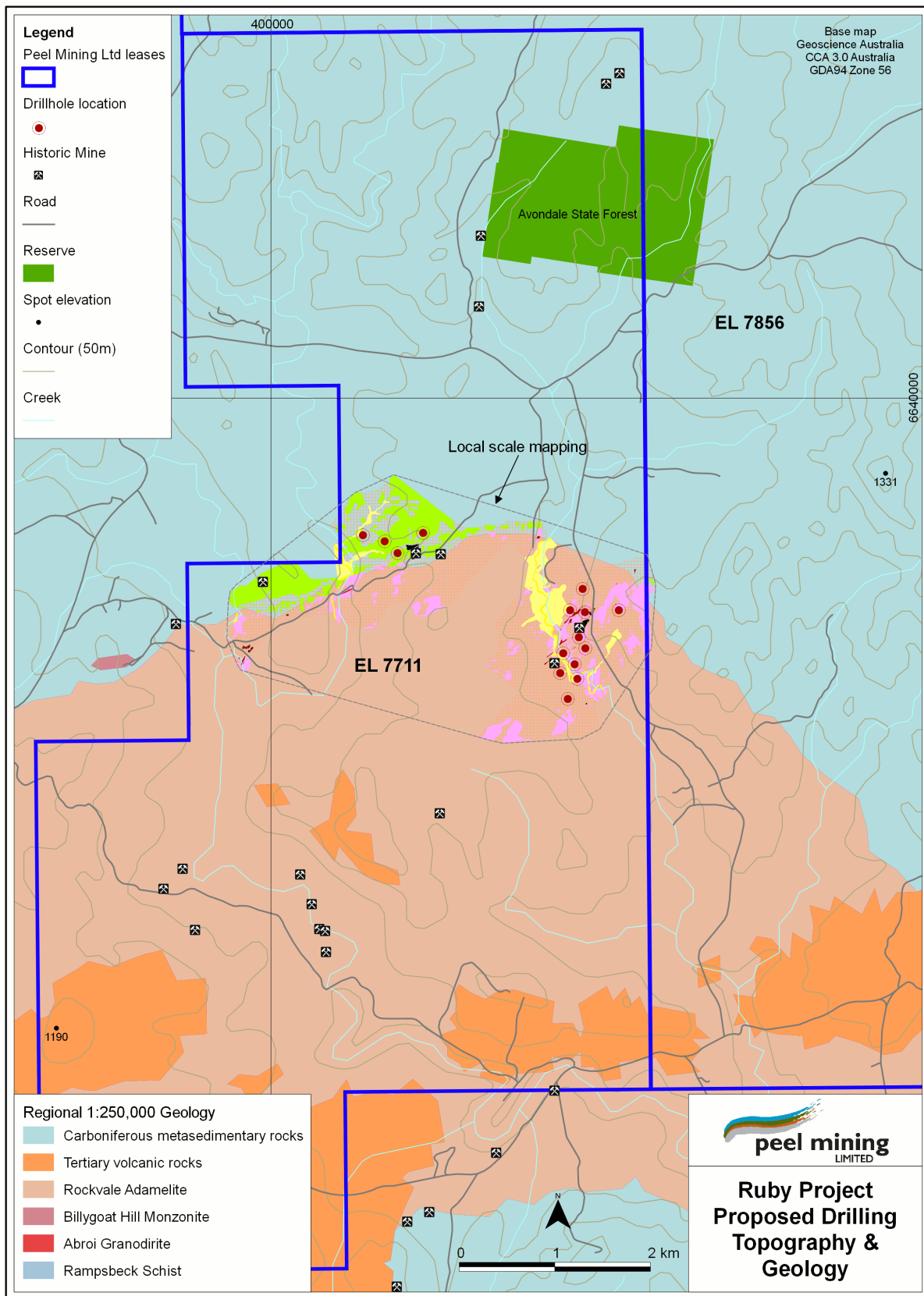
In April/May 2011, Peel completed an 18 line kilometre IP survey over the historic Tulloch silver mine and Rockvale arsenic mine areas. Multiple zones of strong shallow chargeable anomalism were identified, many of which are coincident or proximal to known historic workings. These chargeable IP responses are interpreted as areas of possibly concentrated sulphide mineralisation and are targeted by this round of drilling.

About Ruby Silver project

In February 2011, Peel was granted EL7711 covering the historic Ruby-Tulloch-Rockvale silverfield located approximately 30 km east of Armidale, New South Wales. The area contains numerous historic silver mines, workings and prospects including: the Ruby silver mine which produced 350,000 ounces silver at 620 g/t silver; and the Tulloch silver mine which produced 50,000 ounces silver at 6,200 g/t silver. The area has been subject to limited modern exploration and drilling.

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.

Figure 1 – Drill location and geology plan



Peel Mining Limited ACN 119 343 734

Unit 1, 34 Kings Park Rd, West Perth, WA 6005. Ph: (08) 9382 3955. Fax (08) 9388 1025.

E:rtyson@peelmining.com.au www.peelmining.com.au