

ST BARBARA TAKES 9.5% STAKE IN PEEL

- St Barbara has subscribed for \$3.28 million of Peel shares at 20.5 cents a share for 9.5% stake
- Funding will allow acceleration of Peel's upcoming Cobar work programmes
- Net cash position to increase to more than \$5.3 million
- Drilling continuing at Wirlong copper discovery
- Drilling also underway at the T1 prospect at Mallee Bull targeting zinc-lead-silver mineralisation for metallurgical testwork purposes

Peel Mining (ASX:PEX) ("Peel" or "the Company") is pleased to advise that established ASX-listed gold producer, St Barbara Limited has agreed to subscribe for \$3.28 million of Peel shares. The placement, at a subscription price of 20.5 cents per share, represents a premium to Peel's last traded share price, and recent volume-weighted average share price and will give St Barbara an approximate 9.5% stake in the Company.

Peel has been active in the Cobar Superbasin since 2010. In that time, Peel has grown to become NSW's predominant greenfield's explorer, gaining the largest single-company tenure holding in the Cobar Superbasin along with the discovery and definition of several important base and precious metal-rich deposits, including the high-grade Mallee Bull copper-polymetallic resource and the recent Wagga Tank gold-polymetallic and Wirlong copper discoveries.

The funds raised via the placement will allow for the acceleration of upcoming work programmes including further drilling at Peel's 100%-owned Wagga Tank VMS prospect. Drilling at Wagga Tank is scheduled to recommence in April. Elsewhere, drilling is continuing at the JOGMEC-funded Wirlong copper discovery, while drilling recommenced last week at the T1 prospect at Mallee Bull targeting very high-grade zinc-lead-silver mineralisation for metallurgical testwork purposes.

The placement comprises the issue of 16 million ordinary fully paid shares in Peel at a subscription price of 20.5 cents per share and is being made pursuant ASX Listing Rule 7.1A.

Mr Rob Tyson, Peel's Managing Director, said: "We are pleased to welcome a company of the calibre of St Barbara to the share register. St Barbara's funding commitment provides further validation of our strong belief in the mineral potential of the Cobar Superbasin. Furthermore, Peel will be able to draw on their extensive experience in deep, underground mining at Gwalia. This technical expertise is highly applicable to Cobar-style deposits, which typically show strong vertical continuity."

For further information, please contact:

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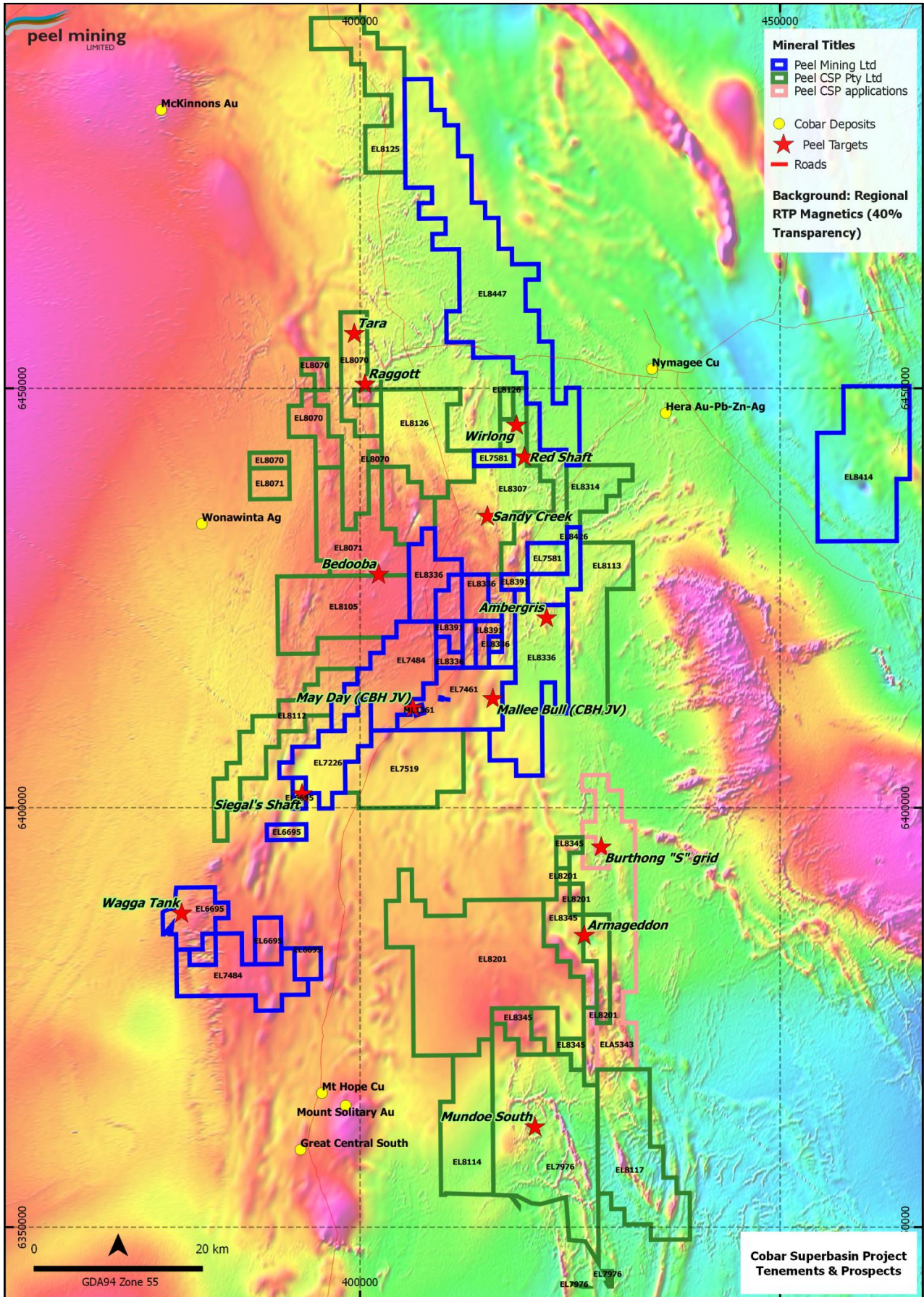


Figure 1 – Wagga Tank Project Tenement Map

Peel Mining Cobar Background

Peel Mining Ltd has been active in the Cobar Superbasin since March 2010. In that time, Peel has grown to become NSW's predominant greenfield's explorer, gaining the largest single company holding in the Cobar Superbasin.

The Mallee Bull Project/CBH JV (50% Peel) is centred on the namesake Mallee Bull copper deposit, discovered in August 2011. Mallee Bull represents one of the highest grade, undeveloped copper resources in Australia with a maiden resource estimate published in May 2014:

Cut off CuEq %	Category	Kt	Grade			
			CuEq	Cu %	Ag g/t	Au g/t
1.0	Indicated	620	2.22	1.73	29.0	0.54
	Inferred	3,300	2.8	2.4	32	0.3
	Total	3,920	2.7	2.3	32	0.3

Upcoming activities at Mallee Bull are to include T1 met-testwork and scoping; as well as a resource update. Drilling at T1 is now underway.

Peel (CSP) Pty Ltd/JOGMEC JV (Peel 60%; JOGMEC earning up to 50%) comprises 15 tenements covering ~2,500 sqkm. JOGMEC is earning up to 50% by up to \$7m expenditure. Investigations so far have resulted in the discovery of a significant copper mineralised system at the Wirlong prospect. Wirlong has received minimal modern exploration and is defined by >2 km strike of sheared volcanics and sediments; large multi-element soil geochemical anomalies; and coincident/semi-coincident geophysical anomalies (K/Th radiometric, magnetic, IP, EM, gravity).

Drill highlights to date include:

- 9m @ 8.0% Cu, 17 g/t Ag, 0.21 g/t Au from 616m (incl. 2.82m @ 21.85% Cu, 46 g/t Ag, 0.62 g/t Au from 619.68m) and 38m @ 1.18% Cu, 4g/t Ag from 450m in WLDD001
- 4.9m @ 4.3% Cu, 13g/t Ag from 402.1m (incl. 0.9m @ 19.5% Cu, 58 g/t Ag from 402.1m) and 22m @ 1.0% Cu, 4g/t Ag from 332m in WLRC015
- 26m @ 1.21% Cu, 5 g/t Ag from 227m and 10m @ 1.01% Cu, 4 g/t Ag from 288m in WLRCDD024
- 9m @ 3.29% Cu, 18 g/t Ag from 70m in WLRC035
- Drilling currently ongoing

Wagga Tank (Peel 100%) is located ~130 km S of Cobar, ~50 km SW of Malle Bull. Effectively "landbanked" by majors since last drilling in 1989. Mineralisation is defined as a reactivated VHMS sulphide deposit. Mineralisation straddles the contact between volcanoclastics and siltstone-slates; broad zone of intense tectonic brecciation and hydrothermal alteration. 42 historic drillholes; highlights include:

- 32m @ 3.00 g/t Au, 24 g/t Ag from 10m
- 20m @ 3.11 g/t Au, 63 g/t Ag from 28m
- 25.9m @ 8.74% Zn, 3.39% Pb, 82 g/t Ag from 141.6m
- 15.7m @ 10.39% Zn, 4.43% Pb, 69 g/t Ag from 215.6m
- 24m @ 2.73% Cu, 0.56 g/t Au, 13 g/t Ag from 86m
- 20.3m @ 2.17% Cu, 0.76 g/t Au, 9 g/t Ag from 184.4m

Peel's maiden 18-drillhole programme (7 drillholes require extension) targeting primary mineralisation confirms historic data; highlights include:

- 12m @ 3.09% Cu, 97 g/t Ag, 1.36 g/t Au from 92m
- 8m @ 8.54% Zn, 6.20% Pb, 134 g/t Ag, 1.45% Cu from 173m
- 27m @ 10% Zn, 6.41% Pb, 89 g/t Ag, 0.42 g/t Au, 0.21% Cu from 240m (eoh)
- 15m @ 8.5% Zn, 4.11% Pb, 114 g/t Ag, 1.57 g/t Au, 0.3% Cu from 280m
- 17m @ 2.65 g/t Au, 0.54% Cu, 11 g/t Ag from 211m (eoh)
- 16m @ 3.27 g/t Au, 0.35% Cu, 1.1% Zn, 0.57% Pb, 12 g/t Ag from 226m

Drilling and investigation at Wagga Tank to resume in the coming June quarter.

Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Rob Tyson who is a fulltime employee of the company. Mr Tyson is a member of the Australasian Institute of Mining and Metallurgy. Mr Tyson has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) 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 information in the form and context in which it appears. Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures.

The information in this report that relates to the Mallee Bull Mineral Resource estimates, and reported by the Company in compliance with JORC 2012 in a market release dated 27 May 2014 is based on information compiled by Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Jonathon Abbott is a full time employee of MPR Geological Consultants Pty Ltd and is an independent consultant to Peel Mining Ltd. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. Mr Abbott consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.