



Exploring forgotten mineral fields

ASX and Media Release

28 August 2008

2m at 24% WO₃ - Extraordinary tungsten grades at Attunga

Peel Exploration is pleased to announce that recent drilling at the Attunga Tungsten Deposit has encountered extremely high-grade tungsten-molybdenum mineralisation confirming historic results that indicate the deposit has numerous high-grade zones. The Attunga Tungsten Deposit is 100%-owned by Peel Exploration.

An interval of **2m at 24.21% WO₃ and 1.71% Mo** from 22m downhole was obtained from RC drillhole ATP1-D. This interval was part of a larger mineralised interval of **42m at 2.09% WO₃ and 0.17% Mo** from 21m downhole (calculated using a 0.1% WO₃ cutoff). Additional mineralisation was also encountered in RC drillhole ATP1-G returning **10m at 0.27% WO₃ and 0.04% Mo** downhole. Tungsten and molybdenum analyses were completed using pressed pellet XRF methodology by ALS Chemex. High-grade samples (>1.0% WO₃) were check analysed by fusion XRF methodology.

Drillholes ATP1-D and ATP1-G are the first drillholes that Peel has drilled into the Attunga Tungsten Deposit and were drilled to provide material for first-pass metallurgical testwork. Further infill and extensional drilling is planned.

The Attunga Tungsten Deposit was discovered in the late 1960s and with the exception of a single RC drillhole in 2006, which Peel subsequently discovered to be strongly mineralised, no noteworthy exploration has been completed since its discovery. In April 2008, Peel announced the completion of an independent resource estimate by Geos Mining Mineral Consultants for the Attunga Tungsten Deposit. An inferred resource of 1.29 Mt grading 0.61% WO₃ and 0.05% Mo for 9,400t contained WO₃ equivalent using 0.2% WO₃ equivalent cutoff was defined.

Mineralisation at the Attunga Tungsten Deposit consists of proximal skarns developed at the contact of a lime-rich sequence with the Inlet Monzonite. The deposit remains open in several directions and future exploration will comprise infill and extensional drilling. At least five other outcrops of tungsten mineralised skarn in contact with the Inlet Monzonite have been identified and Peel believes strong potential exists for the discovery of additional resources.

Peel has engaged NAGROM, metallurgical consultants, to complete metallurgical testwork and first-pass results are expected in 2-4 weeks. Peel then plans to use the results of the metallurgical testwork and additional drilling to undertake a scoping study into possible development scenarios for the deposit.

"To my knowledge, these results are some of the highest grade tungsten mineralisation reported anywhere in the world and give strong encouragement to the deposit's potential for future development", Peel Executive Director Rob Tyson commented.

Rob Tyson - Executive Director.

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Table 1: Summary of Attunga assay results

Hole No.	Northing	Easting	Azimuth (mag)	Dip	Final Depth (m)	From (m)	To (m)	Interval (m)	WO ₃ %	Mo %	Comment
ATP1-D	6577788	302566	202	-70	66	21	63	42	2.09	0.17	>0.1% WO ₃
incl						21	32	11	6.66	0.50	>1.0% WO ₃
incl						22	24	2	24.21	1.71	>20.0% WO ₃
ATP1-G	6577778	302537	180	-70	59	39	49	10	0.27	0.04	>0.1% WO ₃

Table 2: ATP1-D assay results – 1m splits

From	To	WO ₃ %	Mo %
21	22	8.35	0.54
22	23	24.78	1.73
23	24	23.64	1.69
24	25	1.88	0.13
25	26	4.07	0.45
26	27	3.46	0.37
27	28	1.08	0.11
28	29	1.35	0.13
29	30	2.23	0.13
30	31	1.30	0.09
31	32	1.08	0.11
32	33	0.66	0.07
33	34	0.68	0.07
34	35	0.71	0.07
35	36	0.84	0.08
36	37	0.33	0.01
37	38	0.43	0.02
38	39	0.29	0.03
39	40	0.49	0.04
40	41	0.37	0.05
41	42	0.30	0.04

From	To	WO ₃ %	Mo ppm
42	43	0.44	0.05
43	44	0.40	0.07
44	45	0.40	0.06
45	46	0.35	0.05
46	47	0.38	0.03
47	48	0.49	0.04
48	49	0.66	0.07
49	50	0.37	0.03
50	51	0.43	0.03
51	52	0.50	0.05
52	53	0.61	0.07
53	54	0.47	0.04
54	55	0.69	0.08
55	56	0.53	0.05
56	57	0.28	0.03
57	58	0.24	0.03
58	59	0.33	0.04
59	60	0.14	0.01
60	61	1.49	0.19
61	62	0.21	0.03
62	63	0.25	0.03

Notes:

1. Samples were from split RC drill cuttings.
2. Samples were analysed at ALS Chemex utilising method XRF07 (pressed pellet XRF) for W and Mo results. High-grade samples (>1.0% WO₃) were check analysed by method ME-XRF12 (fusion XRF).
3. WO₃ % was calculated using a 1.261 conversion factor.

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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Tungsten Factsheet

TUNGSTEN, from the Swedish *tung sten* meaning “heavy stone” or Wolfram as it is also known, is an extremely hard and very dense grey-white metal in its purest form. Tungsten has many unique properties including the highest melting point of all elements with the exception of carbon, the lowest coefficient of expansion and the lowest vapor pressure of any metal. With a density of approximately 19.25 g/cm³, tungsten is also among the heaviest metals. It is also corrosion resistant and does not break down or decompose. Due to its unique attributes tungsten has few, if any, replacements in a majority of its industrial applications.

HARDNESS - Tungsten Carbide is second in hardness to only diamond; Industrial applications include high speed cutting tools, heavy machinery and superalloys.

HEAT RESISTANCE - Highest melting point and lowest coefficient of expansion of all metals; industrial applications include jet turbine engines and light bulb filaments.

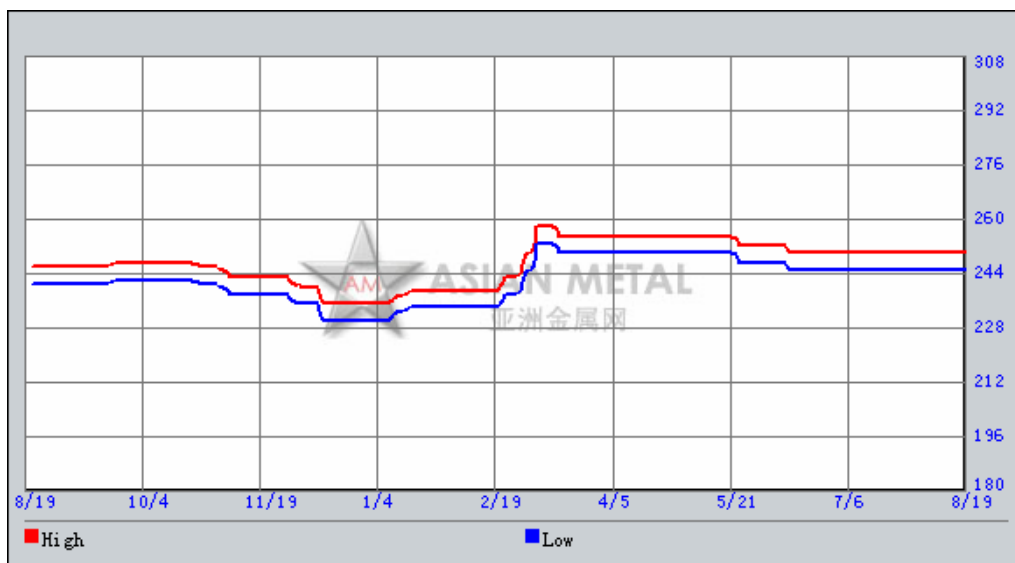
DENSITY - Greater than lead and uranium; applications include sporting goods (golf clubs, tennis racquets, darts), ballast, and military projectiles.

ENVIRONMENTALLY BENIGN - Does not break down or decompose, low toxicity; Industrial applications include sports fishing weights, shotgun shot and new applications are being developed as an alternative to lead.

SUPPLY/DEMAND - The current global consumption for Tungsten is approximately 80,000 metric tons per annum, with 60,000t coming from mines and the balance from recycled material. China is the largest producer and consumer with annual production estimated to be more than 45,000 tpa tungsten. Chinese consumption is estimated to be in the order of 24,000 tpa tungsten. Industry experts believe that growth for global tungsten demand has been around 8-10% pa.

PRICING – At August 2008, pure tungsten was worth about US\$28,000 per tonne. Tungsten pricing is dominated by trade in Ammonium Para-Tungstate (APT). APT is priced in Metric Tonne Units (MTU) whereby 1 MTU = 10 kgs WO₃ (1% of a metric tonne). The price of tungsten has risen significantly in recent years as supply out of China has tightened.

Tungsten APT 88.5%min FOB China USD/mtu (Asianmetal.com)



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About Peel Exploration Ltd

Peel Exploration is a specialty, precious and base metals explorer with six 100%-owned tenements covering about 950 km² in the New England Fold Belt region of northern New South Wales.

Peel Exploration believes the New England Fold Belt, particularly the portion located in northern NSW, represents a unique opportunity for exploration. The area has a rich mining history with numerous mineral discoveries including Mount Morgan, Gympie, Mount Rawdon, Cracow, Hillgrove, Timbarra and Twin Hills. Yet despite this rich mineral endowment, the Belt remains poorly explored with minimal modern exploration.

The Company's portfolio of 100% owned exploration licences comprises:

1. The Attunga Project (EL6883 & EL6884), containing numerous historic gold, tungsten and molybdenum prospects including the Attunga Tungsten Deposit and the Kensington Gold-Tungsten Prospect. The Attunga Project exhibits the hallmarks of an Intrusive-Related Gold System.
2. The Dungowan Project (EL6613), containing five historic copper mines and workings. High grade copper mineralisation was reported from the Fishers copper mine with 2,643 tonnes of ore extracted at an average grade of 13.4% copper.
3. The Barry Project (EL6614), centred on a cluster of copper and molybdenum workings. Exploration in the 1970's returned numerous copper values averaging some 1.7% and no follow-up work has ever been completed.
4. The Waverley Project (EL6719), centred on the historic Waverley silver-lead-zinc workings. Prospecting in the mid 1990's returned anomalous values of up to 739 ppm silver, 14.6% zinc and 9.4% lead.
5. The Armidale Project (EL6722), containing several historic silver mines along with numerous gold, antimony, tungsten and molybdenum workings.

The Company believes the prospects offer excellent potential for the discovery of economic tungsten, gold, molybdenum, copper, zinc, lead and silver, with most prospects being polymetallic in nature.

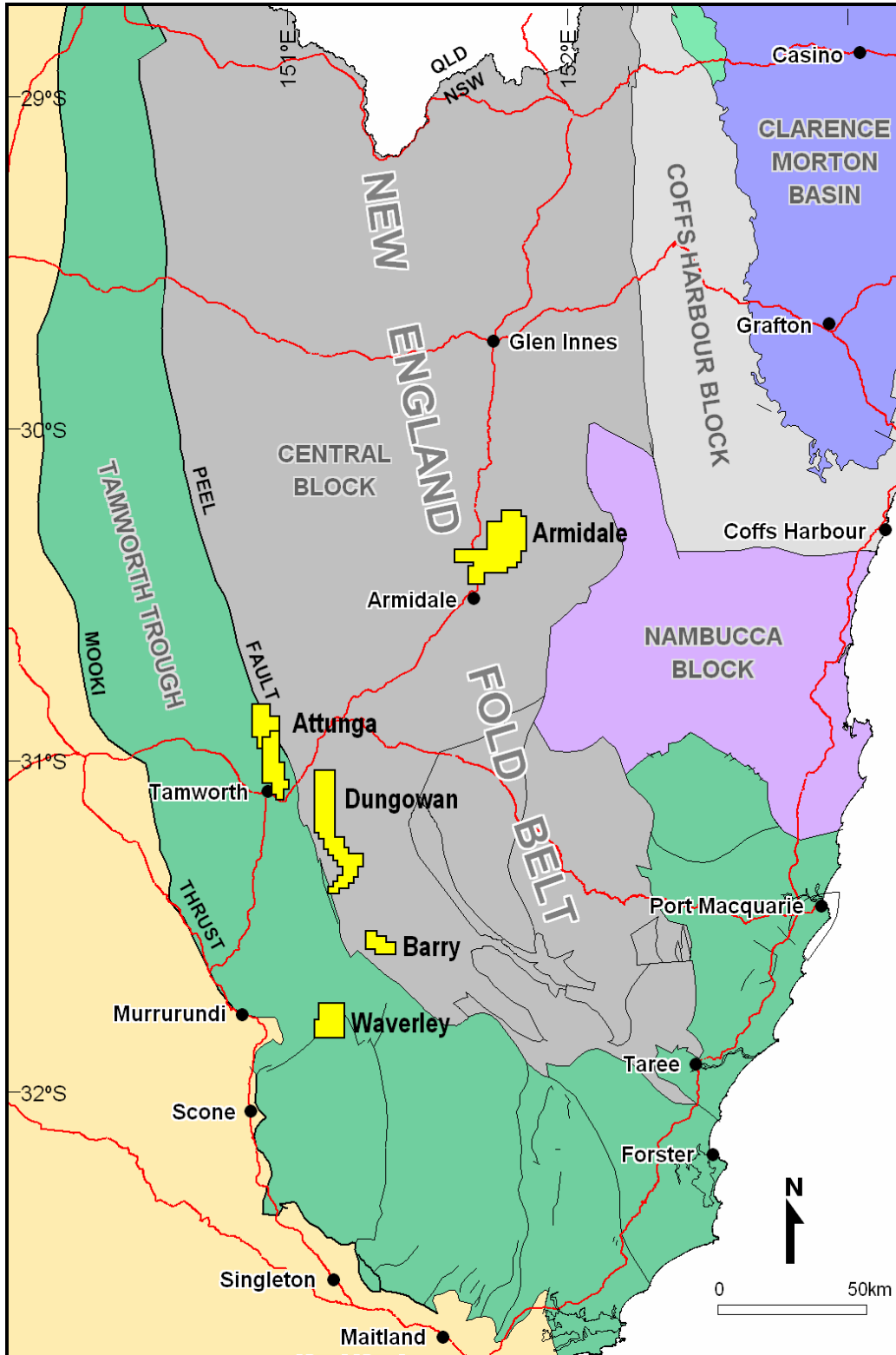
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Peel Exploration's Project Location Map



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