



[Address]

Dear Shareholder,

**Non-Renounceable Entitlement Issue**

Peel Mining Limited (**Company**) advises that it has announced to the Australian Securities Exchange a non-renounceable entitlement issue on the basis of one (1) Share for every four (4) Shares held by Shareholders at an issue price of 12 cents per Share to raise approximately \$2,632,720 before costs (**Offer**).

The Offer will result in the issue of approximately 21,939,329 new shares in the Company.

The Offer is not underwritten.

The Offer Document relating to this issue has been released to the ASX and is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) for inspection. The timetable and important dates for the Offer are set out below:

Event	Date
Announcement of Offer and Appendix 3B lodged on ASX	30 September 2011
Release of Offer Document and Cleansing Notice to ASX	6 October 2011
Notice sent to Security Holders	10 October 2011
Ex Date (date from which securities commence trading without the Entitlement to participate in the Rights Issue)	11 October 2011
Record Date 5pm (WST) (date for determining Entitlements of eligible Shareholders to participate in the Rights Issue)	17 October 2011
Offer Document Dispatched to Shareholders (expected date of dispatch of Offer Document, Entitlement and Acceptance Forms)	21 October 2011
Offer Opening Date	21 October 2011
Offer Closing Date* 5pm (WST)	11 November 2011
Securities quoted on a deferred settlement basis	14 November 2011
ASX notified of under subscriptions**	15 November 2011
Dispatch holding statements**	16 November 2011
Trading of New Shares expected to commence**	17 November 2011

\* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

\*\* These dates are indicative only.

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](mailto:rtyson@peelmining.com.au)



The purpose of the Offer is to raise \$2,632,720 (before costs) and the funds raised are planned to be used as follows:

Item	\$
May Day project (incl 4-Mile) drilling & exploration	\$1,700,000
Ruby Silver project drilling & exploration	\$300,000
Other projects exploration	\$350,000
Working Capital	\$250,000
Expenses of the Offer	\$32,720
<b>Total</b>	<b>\$2,632,720</b>

The capital structure of the Company on completion of the Offer will be as follows:

#### Shares

	Number
Shares currently on Issue	87,757,315
Shares offered pursuant to the Offer	21,939,329
<b>Total Shares on issue on completion of the Offer</b>	<b>109,696,644*</b>

\* Assumes the Offer is fully subscribed.

#### Options

	Number
Quoted exercisable at \$0.08 on or before 30 March 2013	300,000
Options offered pursuant to the Offer	Nil
<b>Total Options on issue after completion of the Offer</b>	<b>300,000</b>

In calculating entitlements under the Offer, fractions will be rounded up to the nearest whole number.

The Offer is made to Shareholders with registered addresses in Australia and New Zealand. Overseas shareholders should contact the Company Secretary with any queries.

Full details of the Offer will be contained in the Offer Document that will be mailed to all shareholders who are registered on the Record Date. Shareholders eligible to participate should read the Offer Document carefully.

Yours faithfully

**Mr Robert Tyson**  
**Managing Director**  
**Peel Mining Limited**

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