

ASX / MEDIA RELEASE

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STRONG IP ANOMALIES AT RUBY SILVER

Highlights:

- **Strong chargeable IP responses coincident with historic Rockvale and Tulloch mine workings**
- **Rockvale chargeable IP responses cover over 1km strike length and open to northeast**
- **Tulloch chargeable IP responses cover over 600m strike length and open to northeast**

Rockvale-Tulloch IP Survey

In April/May, Peel Mining undertook an 18 line kilometre IP survey over the historic Tulloch silver mine and Rockvale arsenic mine areas in preparation for an upcoming drill programme. Peel is pleased to report that multiple zones of strong shallow chargeable anomalism have been 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 will be high-priority targets for future drill programmes.

At Rockvale, eight 200m-spaced lines of IP were completed covering an area of about 1.8 km². Elevated chargeable IP responses were returned over a broad zone about 400m wide and over 1km in strike, with scattered strong chargeable responses also present. This area is also semi-coincident with a zone of lower resistivity, which is interpreted as possibly being associated with alteration and/or structural deformation. Many of the strongest IP responses appear to be very close to (less than 50m), or at surface.

Mapping by Peel at Rockvale has identified several, possibly intersecting, lines of lode that appear to be structurally-controlled, and the results of the IP survey appear to support the assumed positions of these lodes. Of note, the strongest IP response occurs on the northern-most line of the Rockvale survey, with anomalism remaining open in this direction.

At Tulloch, five 200m-spaced lines of IP were completed covering an area of about 1.1 km². Multiple moderate-strong zones of chargeable response were defined, and similar to Rockvale, these zones appear to represent intersecting structural features. The strongest IP trend runs almost east-west and is about 400m wide and 600m long. This trend remains open to the northeast. Encouragingly, the central IP responses, closest to the Tulloch workings, are coming from a depth of about 40m.

Commenting on the results Peel Managing Director Rob Tyson said: "These positive IP results will aid in our planning for upcoming drilling. The strength, length, and of the chargeable anomalies are greater than initial expectations and we now look forward to drill testing accordingly."

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.

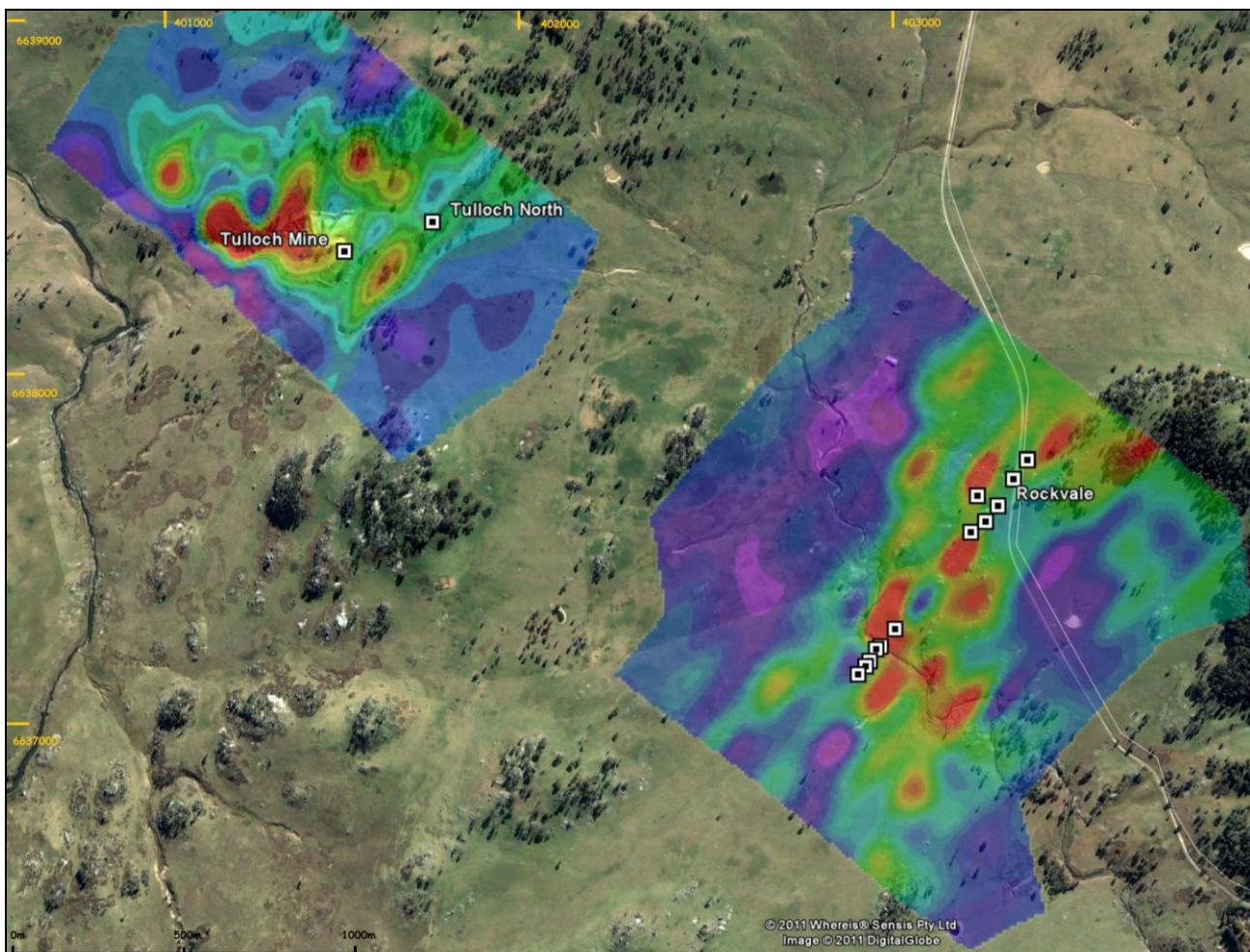


Figure 1 - Ruby IP chargeability - slice constant 60m below surface

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.