Peel Mining adds New Mineralisation to its Cobar Projects

Peel Mining has continued to deliver consistent drill results from the company’s Wagga Tank and Cobar Superbasin projects, both located near Cobar in New South Wales.

The company is rapidly advancing the Wagga Tank and Cobar Superbasin projects while it draws up plans to update the current Mineral Resources at its flagship Mallee Bull copper-polymetallic deposit.

The Cobar Superbasin project is subject to a Memorandum of Agreement with Japan Oil, Gas, and Metals National Corporation (JOGMEC).

JOGMEC may earn up to 50 per cent interest by funding up to $7 million of exploration.

Stage 1 expenditure commitments totalling $4 million were concluded in the September 2016 quarter, taking JOGMEC’s interest in the project to 40 per cent.

JOGMEC has commenced its Stage 2 commitments working towards an additional 10 per cent interest through the spending of a further $3 million, with activities recommencing in mid-January at the Wirlong prospect.

Wagga Tank is located on the western edge of the Cobar Superbasin, approximately 130 kilometres south of Cobar and around 45km southwest of the company’s Mallee Bull polymetallic discovery.

Wagga Tank is another Cobar-style polymetallic VHMS-type deposit where the presence of high-grade base and precious metal mineralisation was originally identified in the 1970s and 80s.

The project was subjected to substantial historical drilling, the last of which was conducted in 1989 that returned several significant drill intercepts.

Prior to Christmas, Peel undertook an initial drilling program at Wagga Tank, which was designed to confirm the presence of the high-grade intersections identified in the historic data.

The program consisted of eighteen RC drill holes, a number that may seem low at first, however their strike rate has been extremely high with many ending in mineralisation to the point where five were extended by diamond tail drilling and a further seven requiring extensions.
Subsequently Peel was able to do what the program was designed to - confirm the presence of high-grade zinc-lead-silver and gold-copper mineralisation at Wagga Tank, with latest results including:

**WTRC003** (pXRF results, assays pending)
11m at 11.7 per cent zinc, 6.5 per cent lead, 67 grams per tonne silver, 0.3 per cent copper from 253m;

**WTRCDD004**
15m at 8.49 per cent zinc, 4.11 per cent lead, 114g/t silver, 1.57g/t gold, 0.31 per cent copper from 280m;

**WTRC011**
7m at 3.15 g/t gold, 1.1 per cent copper from 190m;

**WTRC013**
17m at 2.65 g/t gold, 0.54 per cent copper, 11 g/t silver from 211m (to end of hole), including 9m at 4.30 g/t gold, 0.72 per cent copper, 14 g/t silver from 211m; and

**WTRCDD016**
6.5m at 4.9 per cent zinc, 1.79 per cent lead, 22 g/t silver, 0.21 g/t gold from 330m;

“The focus at this stage remains very much centred on the Wagga Tank project,” Peel Mining managing director Rob Tyson told *The Resources Roadhouse*.

“The recent drilling results confirmed for us that Wagga Tank is what we thought originally it could be, perhaps more.

“The historic data certainly indicated some very high-grade mineralisation and we are learning more and more about the system as we go.

“It certainly is a large system – we have encountered broad zones of alteration and mineralisation over 100 metres wide, but within that there are higher grade zones that are obviously of interest to us.

“That’s our focus initially – to chase the higher grades.”

Not to be outdone, Peel Mining’s other Cobar Superbasin target, the Wirlong prospect also returned extremely encouraging new near surface intercepts from a program designed to test for potential oxide/supergene copper mineralisation.

The Wirlong prospect is also developing into being a large, mineralised, hydrothermal system with a currently defined strike length of more than 2.5km.

Exploration carried out under the MoU has confirmed the area also hosts substantial high-grade copper mineralisation, which remains open both up- and down-dip and along strike.

A program of drilling recently completed at Wirlong, was designed to test for potential oxide/supergene copper mineralisation.

The drilling returned several new near surface intercepts from eight RC drill holes that were drilled to test up-dip from previously encountered mineralisation covering a strike extent of approximately 250m.

Importantly, all drill holes in this program intersected mineralisation.

Highlights from the latest round of drilling at Wirlong include:

**WLRC035**
8m at 3.63 per cent copper, 20g/t silver from 71m;

**WLRC033**
7m at 1.07 per cent copper, 4g/t silver from 99m;

**WLRC034**
6m at 0.97 per cent copper, 3g/t silver from 117m and 5m at 0.84 per cent copper, 4g/t silver from 144m; and

**WLRC032**
10m at 0.64 per cent copper, 3g/t silver from 106m.
Deeper drilling at Wirlong, designed to test for extensions to previously reported significant copper mineralisation, recommenced following the Christmas/New Year break.

The planned RC/diamond holes will focus on extending the known mineralisation as well as targeting potential higher grade structures.

“At the moment, most of our drilling is reasonably shallow by Cobar standards” Tyson said.

“The deepest hole also returned the highest-grade mineralisation, however we now have mineralisation defined over at least 250 metres strike and from near surface to approximately 500 metres below surface.”

Although there is a lot of effort being applied to Wagga Tank and Wirlong, Peel has not taken its eye of its main project, the Mallee Bull copper-silver-gold project – a 50:50 Joint Venture with CBH Resources.

A maiden JORC compliant Mineral Resource estimate for Mallee Bull was completed in May 2014, coming in at: 3.9 million tonnes at 2.3 per cent copper, 32g/t silver and 0.3g/t gold for 90,000 tonnes of contained copper, 4 million ounces contained silver and 43,000 ounces contained gold. The Mallee Bull JV program of work to be carried out during the year is expected to commence some pre-development activity with the objective being bolster the current mineral Resource.

“We published that resource estimate coming up three years ago, and since then we have achieved considerable success in terms of drilling extensional and additional mineralisation,” Tyson explained.

“We hope to be able to quantify that achievement and demonstrate to the market how busy and successful we have been.

“If we can do that and continue to return the sort of results from Wirlong and Wagga Tank that we have been, then that will underline the fact there is real substance to the company and that we have moved along way from being a greenfields exploration play.”