ASX ANNOUNCEMENT
25 June 2012

PEAK HILL IRON PROJECT – EXCITING NEW HEMATITE DISCOVERY

Highlights:

- **Recent reconnaissance mapping highlights new area of potential DSO mineralisation**
- **Rock chip samples demonstrate multiple high-grade hematite–goethite mineralised outcrops**
- **Highest grade sample of 62% Fe, 5.37% SiO_2, 1.37% Al_2O_3 and 0.034% P**
- **Evaluation programs to commence as part of next field campaign**

Padbury Mining and Aurium Resources ("the JV Partners") are pleased to announce highly encouraging results from recent regional exploration activities at the Peak Hill Iron Project ("PHIP" or "the project" (Figure 1).

The exploration and evaluation programs have been ongoing at the project since completion of drilling activities in March 2012, targeting additional mineralisation in areas surrounding Telecom Hill and Mount Padbury. The work has targeted areas with potential DSO mineralisation in the Robinson Range Formation and has included geological mapping, field portable XRF (FPXRF) analysis and rock chip sampling. A number of high grade mineralised zones were located during the process with the most encouraging results in an area approximately 3km northwest of the Mt Padbury DSO deposits targeted with drilling in late 2011 (Figure 2).

This new area is very satisfying as it was discovered using first pass exploration techniques in an area of previously unknown mineralisation. Six rock chip samples were collected all with highly encouraging results. All six rock chip samples have high grade iron and low deleterious element chemistry (Table 1).

Table 1. Rock Chip summary table

Sample ID	Fe %	SiO2 %	Al2O3 %	P %	LOI 1000
RC01001	60.02	5.54	2.73	0.056	4.72
RC01002	62.7	2.93	1.3	0.072	4.99
RC01003	59.52	5.24	4.02	0.073	4.43
RC01004	62	3.59	3.28	0.051	3.82
RC01005	62.81	5.37	1.37	0.034	2.43
RC01006	62.71	2.1	2.12	0.076	4.64

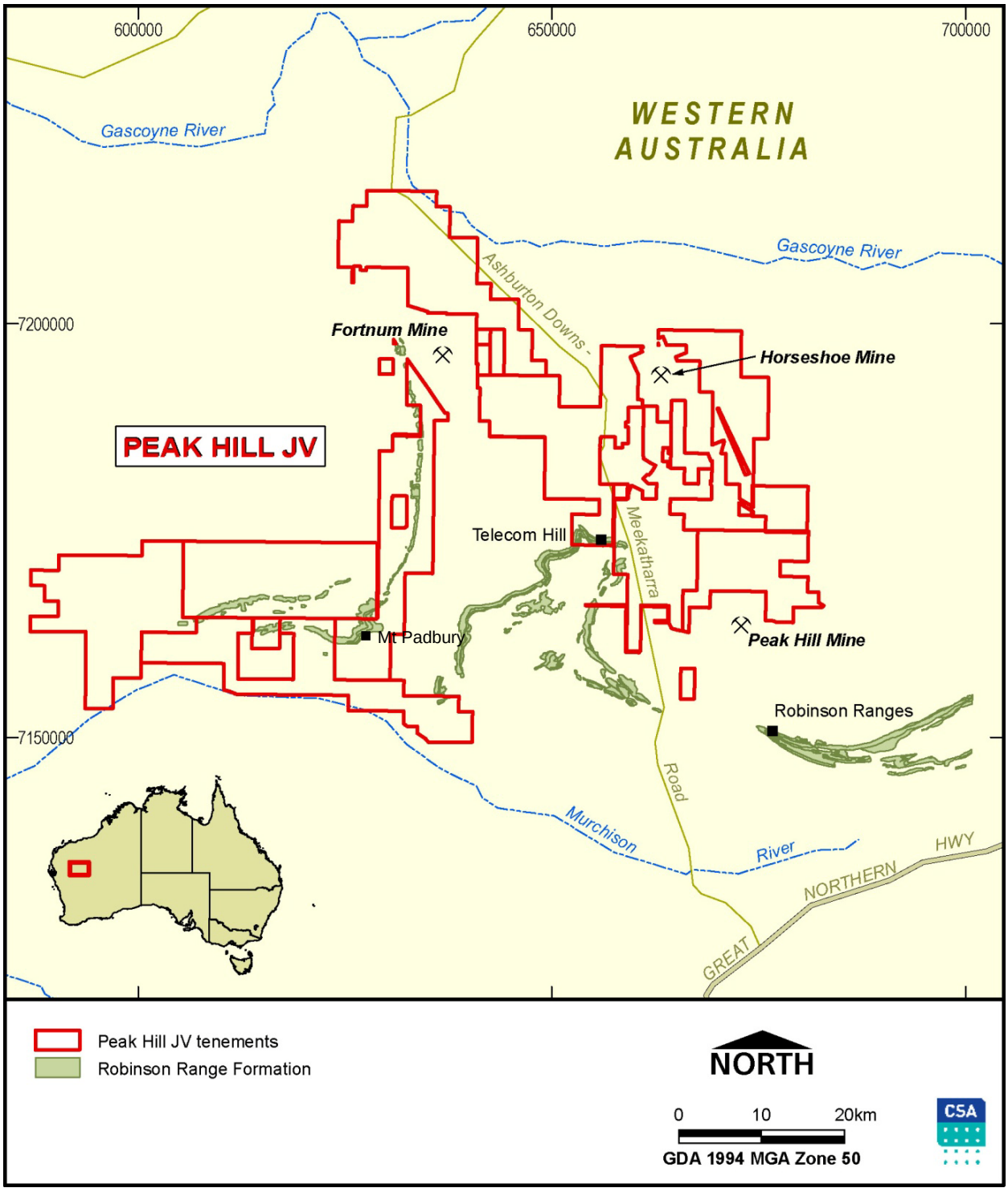

Figure 1. Project location plan

The Hematite outcrops are relatively small and occur on the margins of highly magnetic units recognised from the detailed aeromagnetic survey flown last year. In an attempt to ground truth the magnetic anomaly, the exploration team visited one of the few outcrops and were pleased to locate a number of hematite rich outcrops on the edges of a magnetic quartzite unit. There is very little outcrop in this area and additional potential exists for buried mineralisation concealed below the transported cover. The area will be assessed in more detail and drilling programs developed to test the potential.

Initial FPXRF work indicated the mineralisation was high grade and was immediately followed up with six rock chip samples which were sent for fused disc XRF analysis at ALS Laboratories in Perth. The samples were collected from hematite and goethite outcrops (Photos 1 and 2) which occur over a 200m x 300m area (Figure 3). The outcrops occur in areas of sparse outcrop in an area of mostly transported cover sediments which will need to be further tested with drilling.

Photo 1. Hematite-goethite mineralisation at new DSO location (MT Padbury in the background)

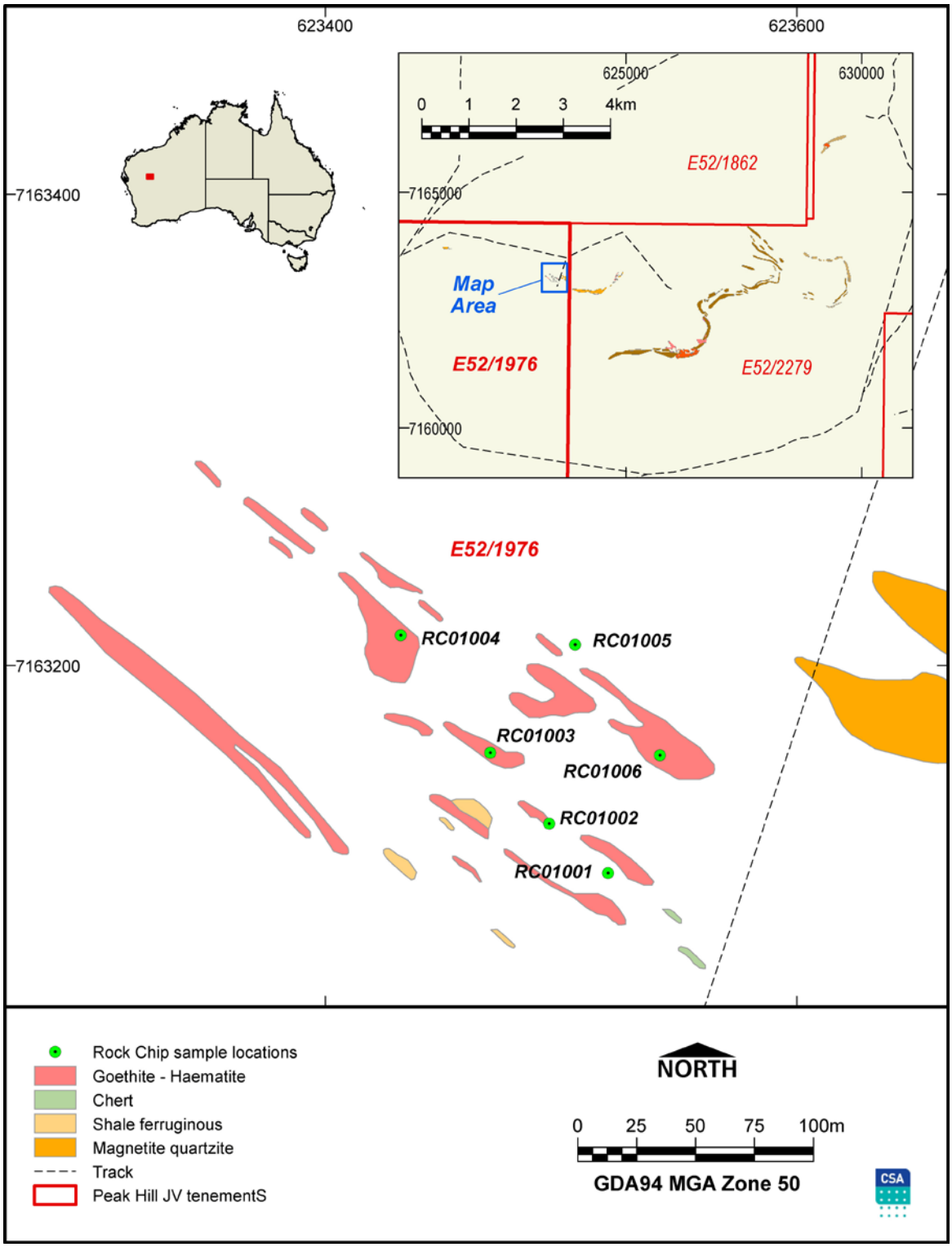

Figure 2. Rock chip sample location plan, with mapped geology.

Photo 2. Outcrop of haematitic BIF Mt Padbury area.

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Peak Hill Iron Project History

In 2009, the Peak Hill Project JV partners recognised the potential of the Peak Hill Iron Project to host significant iron ore deposits. The Telecom Hill prospect was recognised as source of large tonnages of magnetite beneficiation feed ore (BFO), and since then they have undertaken a number of exploration programs to increase understanding of the deposits. In addition to the magnetite potential at Telecom Hill, a number of DSO deposits have been investigated to compliment the magnetite project as well as more recent DSO discoveries at Mt Padbury 30km to the west.

The JV partners have committed to the rapid evaluation of the project, which to date has included surface geological mapping, rock chip sampling, aeromagnetic surveys, evaluation drilling programs and metallurgical studies – all with positive results.

The main focus of the Peak Hill Iron project is magnetite and hematite goethite deposits hosted in the Robinson Range Iron Formation; a sequence of interbedded BIF, granular iron formation (GIF), siltstone and shale. The iron formation stratigraphy forms a prominent east–west ridge at Telecom Hill and Mt Padbury.

Drilling at the Telecom Hill Prospect to date has tested just 6km of the identified 10km strike length of the targeted area of iron mineralisation. Exploration data indicates substantial potential for delineation of additional mineralisation.

Competent Person's Statement

The Exploration Results and exploration target estimates discussed in this report were prepared under the supervision of Mr Daniel Wholley BAppSc MAIG, who is a Director and full time employee of CSA Global Pty Ltd and is a competent person as defined by the Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition. Mr Wholley 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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