High Grade RC Results - Peak Hill Iron Ore JV Project

Peak Hill Iron Ore Project represents a Joint Venture between Padbury Mining (ASX:PDY) 70% and Aurium Resources (ASX:AGU) 30%.

**Highlights**

- Significant thicknesses of Direct Shipping Ore (DSO) type material intersected; results verify high grade rock chip results with correspondent low contaminant levels

<table>
<thead>
<tr>
<th>From (m)</th>
<th>To (m)</th>
<th>Intercept</th>
<th>Fe%</th>
<th>SiO2%</th>
<th>Al2O3%</th>
<th>P%</th>
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<tbody>
<tr>
<td>HRC1</td>
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<td>40</td>
<td>15</td>
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<td>149</td>
<td>6</td>
<td>60.57</td>
<td>9.20</td>
<td>1.207</td>
<td>0.213</td>
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- Wide zones of possible Beneficiation Feed Ore (BFO); HRC2 - 120m @ 48.26% Fe
- Metallurgical samples submitted for Davis Tube Testwork
- Follow up mapping, rock chip sampling and drilling campaign planned
- DSO and BFO tonnage target evaluation commenced
Results:

<table>
<thead>
<tr>
<th>Hole</th>
<th>From (m)</th>
<th>To (m)</th>
<th>Intercept</th>
<th>Fe%</th>
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<td>75</td>
<td>75</td>
<td>47.05</td>
<td>BFO</td>
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<td><strong>15</strong></td>
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<td><strong>45</strong></td>
<td><strong>7</strong></td>
<td><strong>60.25</strong></td>
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<td><strong>63.47</strong></td>
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<tr>
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<td>6</td>
<td>59.5</td>
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*Table 1: Significant RC Results*

High Grade DSO:

Five main target areas were drilled across the 70 km prospective strike length of two different Banded Iron Formations (BIF), namely, Telecom Hill (Padbury Formation BIF), Peak Hill, Mt Beazley, Horseshoe and Fortnum (Horseshoe Formation BIF). Results have indicated significant thicknesses of Direct Shipping Ore (DSO) grade material at Telecom Hill. Drilling has confirmed high grade nature of mineralisation as suggested by the previous round of rock chip samples.

Telecom Hill was included in the company's programme of works due to the prominent outcropping iron enriched BIF grading up to 66% Fe with low phosphorous and alumina. The indigenous owners are supplying a local language name for Telecom Hill.

Further enriched hematite material has been identified in the Mt Padbury area and the area has been cleared for heritage and will be drilled with the forthcoming planned program at Peak Hill.
Primary Beneficiation Feed Ore (BFO):

Potentially BFO material grading in the high forties (>45%) Fe content was also intersected over substantial intervals. Refer to Figure 2: Cross Section through Telecom Hill, which displays wide intervals of beneficiable material. Furthermore additional magnetite material has also been identified just east of Fortnum and will be tested in the near future as well as additional mapping and rock chip sampling over the Horseshoe Formation.

The BFO material may be upgraded by means of magnetic separation or heavy media separation (HMS) plant similar to that which is used at Tom Price and Mt Whaleback mines in the Pilbara. The latter produces direct shipping grade lump and fines materials. Samples have been submitted to the laboratory for metallurgical testwork to determine the amenability to conventional methods of processing.

Mineralisation assemblage comprises of Martite (oxidised magnetite in a hematite form), magnetite and goethite. In effect this will mean that the protore (mineralisation prior to being enriched) is likely to be high grade magnetite.

Figure 1: Drill Hole Location Diagram
Future Activity:

Based upon the highly encouraging results received from this round of drilling, the joint venture partners will initiate the scheduled drilling campaign to test further targets and extensions to identified mineralisation.

Luke Innes
Chairman

Padbury Mining (ASX:PDY) is an emerging Iron Ore explorer dedicated to the development of the Peak Hill Iron Ore Project, 140km NE of Meekatharra, in the Mid West region of Western Australia. At present 70km of highly prospective strike length has been identified. Together with Aurium Resources (ASX:AGU 30% participating interest), Padbury seeks to rapidly develop the Peak Hill Iron Ore Project from an exploration status to become an emerging producer.

Information in this report that relates to Exploration Results is based on information compiled by Peter Schwann, CP (Geol), who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Schwann is a Consultant to the Peak Hill Joint Venture and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australian Code for Reporting of Mineral Resources and Ore Reserves”. Mr Schwann consents to the inclusion in this report of the matters based on information in the form and context in which it appears.