

## ASX Announcement

23 May 2011

### Concept Mining Study underway for Padbury Mining's flagship iron ore project

#### Highlights

- **CSA Global appointed to undertake concept study on flagship Peak Hill Iron JV in Western Australia's Mid West region.**
- **Study will provide baseline assessment of capital and operating expenditure**
- **Propose methods for mining, processing, transport and sale of products**

Padbury Mining (ASX: PDY, "The Company") and its joint venture partner Aurium Resources (ASX: AGU) have appointed contract geologists CSA Global to undertake a concept study on the Company's highly prospective Peak Hill Iron Joint Venture in Western Australia's Mid West region.

The study will assess the mining potential of Peak Hill's magnetite ore resource and assist in defining future stages of project development.

The appointment of CSA Global follows the Company's April announcement of an 850Mt maiden inferred JORC resource at 27.3% Fe. An extended drilling program, approved recently by the Department of Mines and Petroleum, will be undertaken in coming weeks to further define this source.

Managing Director Gary Stokes said the concept study was an important next step in the Peak Hill Project development.

"After delineating a positive initial JORC resource, it is important we start to model our project scope to continue driving development forward," he said.

"A successful conceptual mining study will be a key marketing driver for the project and for attracting future investment.

"The results of this study will give us a solid platform on which to base our future project work."

The study will include:

- Assessment of most suitable mining and processing methods
- Assessment of infrastructure required to get ore to market
- Proposed methods for mining, processing, transport and sale of products
- Assessment of marketability and sale-ability of the products
- Estimate of capital and operating expenditure (based on available data and level of study)

The study is expected to be completed in the September 2011 quarter.

The Peak Hill Iron Ore Project is on track with all Year One development targets, with a comprehensive program of work defined for future development.

The work program for the remainder of 2011 includes

- Drilling to further define the magnetite resource
- Initial drilling of potential hematite-goethite mineralisation at the Company's Mt Padbury deposit
- Further baseline studies (environmental, hydrogeology)

Heritage surveys have been undertaken at all proposed drill sites.

### **About Padbury**

Padbury Mining Limited is a Perth-based ASX-listed mineral exploration company focussed on the development of its significant iron ore assets in Western Australia's Mid West Region.

The company's flagship project is the Peak Hill Iron Joint Venture, a highly prospective iron ore project with an initial 850Mt JORC compliant magnetite resource located 750km north east of Perth, Peak Hill is in the same mineralised region as a range of other major Mid West miners at various stages of project development. These include Sinosteel Midwest Corporation, Crossland Resources and Atlas Iron.

Padbury is targeting 2015 for production.

For more information, visit [www.padburymining.com.au](http://www.padburymining.com.au)

### **Media contact**

**Tamatha Smith**

**Purple Communications**

**0433 569 701, (08) 6314 6300.**

### **Competent Persons 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.*