

PEAK HILL IRON PROJECT DRILLING UPDATE

Padbury Mining Limited (ASX: PDY) and joint venture partner Aurum Resources Limited (ASX: AGU) are preparing to start a \$5.5 million drilling program at their flagship Peak Hill Iron Project.

The programs at the Telecom Hill deposit will include RC infill and extension drilling of the magnetite asset, the first diamond drilling program to enable detailed metallurgical testing of the ore body and an RC program targeting the recently announced hematite find on Telecom Hill.

This work should facilitate the expansion and upgrading of the existing 850mt (at 27.3%Fe) Inferred JORC resource and better define the hematite prospects at the deposit.

The Department of Mines and Petroleum has approved the Program of Work and the final heritage survey required before drilling can start will be undertaken next week. It is expected that line clearing and drilling will commence soon thereafter, subject to receiving the appropriate clearances.

Drilling at the Mt Padbury deposit has been delayed by a referral of the POW to the Department of Environment and Conservation (DEC) for advice, given that the work involves a new remote site that is part of a banded ironstone formation. The JV partners have just received DEC's advice and are working through its recommendations, which are standard practice for this type of program.

The joint venturers have engaged GHD to undertake baseline flora and fauna studies, as announced recently. This spring survey is a necessary component of approvals for Padbury's drill program at the Mt Padbury tenement.

All drill programs are fully funded.

For more information, visit www.padburymining.com.au

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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.