

Drilling Program Recommences

Padbury Mining Ltd (ASX: PDY) and JV partner Aurium Resources Ltd (ASX: AGU) are pleased to advise that diamond core drilling has recommenced at the Peak Hill Iron Project's Telecom Hill prospect following the Christmas holiday break.

The collected diamond core is progressively logged geologically and rock quality designation (RQD) is measured, oriented and core photographed. Density measurements will be recorded and a fine slither of core assayed for correlation with the RC drilling results. The remainder of the core is reserved for future metallurgical test work to evaluate crushing and milling parameters for plant design and economic considerations.

The completion of the current core drilling program and reporting of resulting technical work will further substantiate the inferred magnetite resource at Telecom Hill, which stands at 850Mt at 27.3%Fe (JORC compliant).

Recommencement of RC drill testing of potential Direct Shipping Ore material at the project's Mt Padbury site is scheduled to restart later this month, weather permitting, after tracks dry out following the recent heavy rain from cyclone Heidi.

This DSO program was initiated following geological mapping at the Mt Padbury prospect which identified iron ore targets with potentially significant hematite-goethite mineralisation. Mt Padbury has a hematite exploration target¹ of 20–28Mt at 55–60% Fe.

This combined drilling program is the largest undertaken by Padbury and is part of a focused strategy to build the Peak Hill Iron Project base.

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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¹ NOTE: This potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.