PADBURY MINING LIMITED

ASX ANNOUNCEMENT
5 February 2014

ACQUISITION OF NEW TENEMENT

With reference to the announcement made on the 29th January 2014, please kindly find an updated announcement relating to the acquisition of the new tenement E52/2993.

The new tenement E52/2993, (formerly E52/1851, E52/2163 & E52/2412), consisting of 18 sub blocks is located in close proximity to its current holdings in the Peak Hill mining district. Padbury Mining Limited has acquired all mineral rights to the tenement.

The Peak Hill district forms part of the inland Gascoyne region that surrounds the historic Peak Hill goldfields. It is an area that has become the focus of exploration activity for iron ore by Padbury Mining Ltd and the tenement is contiguous to its existing holdings.

The decision to proceed with the acquisition follows a comprehensive review and assessment of geological data held by Meteoric Resources, a former owner of the tenement.

A key strategy within the company's three year Business Plan is the diversification and growth of the company's project opportunities through extensive exploration and acquisition of new tenements/projects with a view to positioning itself as a key participant in the development of iron ore projects in the Mid-West region of Western Australia.

The acquisition of this tenement falls clearly within that strategy particularly given its proximity to Padbury's existing tenements and its alignment with the Mt Padbury exploration target areas as can be seen in Figure 1.

Padbury believes the tenement is highly prospective for iron mineralisation. The tenement is approximately 15 km from the settlement of Peak Hill and 114 km north of the town of Meekatharra in the Mid-West region of Western Australia. The rocks of the area include the Palaeoproterozoic Bryah and Padbury Groups in the west and the Yerrida Group to the east and southeast. The iron-rich rocks of the Padbury Group form a prominent magnetic anomaly.

The project covers the eastern limb and fold hinge area of the Millidie Syncline, including the Robinson Range Formation (see Figure 1), which is a Proterozoic sequence of banded iron formation, siltstone and haematitic shale. The tenement covers a cumulative strike length of about 13 km of iron formations.

Studies of remote sensing images and aeromagnetic data, together with the historical sampling results (see Figure 1 and Appendix 1), have outlined several areas of potential haematite and/or goethite enrichment, providing attractive targets for initial exploration.

Meteoric Resources conducted a reconnaissance visit to E52/1851 in February 2010 during which 12 reconnaissance rock chip samples were taken and sample sites photographed. The iron results varied from 28 to 66% Fe (see Table 1) and are considered encouraging for the potential of the BIFs to host iron mineralisation.

Table 1. Meteoric Rock chip results

Sample number	MGA N	MGA E	Description	Fe %
RR001	7157562	656925	Quartz–hematite ironstone, weakly bedded	28.25
RR002	7157813	657611	Massive, weakly bedded goethite–hematite ironstone	64.65
RR003	7157820	657600	Massive black ironstone	57.91
RR005	7157798	657565	Cherty, bedded BIF, weakly magnetic	43.39
RR007	7157817	657313	Weakly bedded dark-brown hematite replacing shale. Minor vughy quartz. Duplicate	58.11
RR008	7157051	657325	Massive dark-brown ironstone	59.43
RR009	7157890	657347	38 m ironstone chip sample, massive, dark brown, some shale replacement	43.37
RR010	7157965	657404	42 m ironstone chip sample, chocolate brown, massive	42.71
RR011	7157985	657424	30 m ironstone chip sample, dark brown, massive to weakly bedded. Duplicate	58.16
RR012	7156777	657040	Cherty BIF on ridge top. Duplicate	31.99
RR013	7157324	656885	Dark-brown shaly ironstone rubble	59.59

The haematite and goethite occurrences are interpreted to result from alteration and enrichment of the magnetite-bearing BIF, particularly in areas of complex folding. Significantly, mapping by GSWA has already confirmed the presence of haematite and goethite deposits on the tenement.

As consideration for the acquisition of the tenement and geological data, Padbury Mining Ltd will issue fifty three million fully paid ordinary Padbury Mining shares to the recipients listed hereunder;

1. Glen Shivlock 45 million shares
2. Meteoric Resources Ltd 8 million shares

The acquisition of the tenement, with associated data, will improve the company's asset base as it moves towards the monetisation of its core iron ore assets.

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Competent Persons statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Graham Jeffress who is a member of the Australian Institute of Geoscientists and a Registered Professional Geoscientist. Mr Jeffress is a consultant to Padbury Mining Limited and is employed by CSA Global Pty Ltd. Mr Jeffress has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking as a competent person as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration results, Mineral Resources and Ore Reserves". Mr Jeffress consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

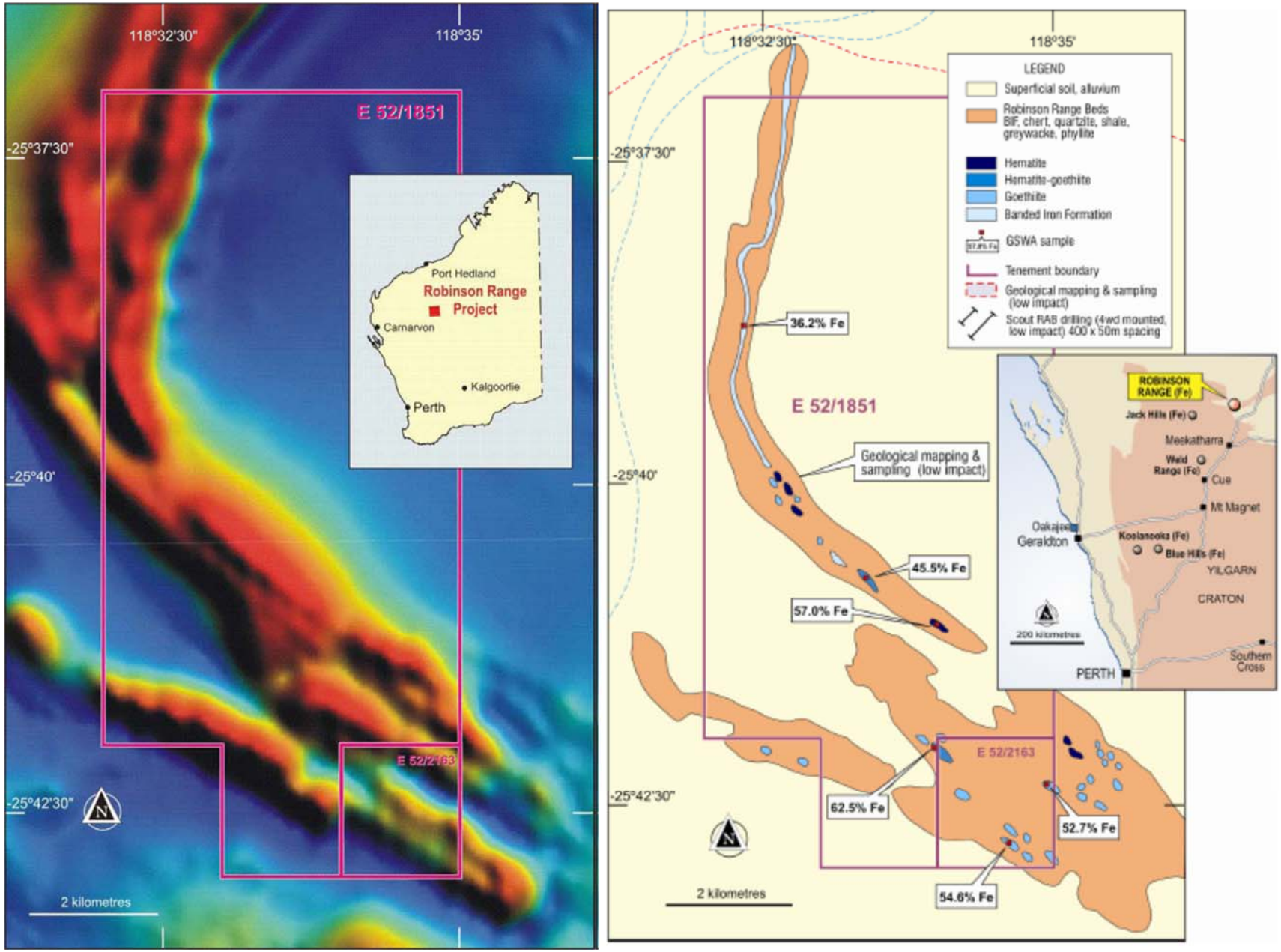

Figure 1. Robinson Range E52/1851 TMI image (LHS) and Simplified Geology (from Meteoric Resources) and rock sample locations (RHS)

Appendix 1: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock chip sampling was undertaken by a previous tenement holder and details are from their annual report. • Rock samples were a combination grab samples or linear rock chip samples as noted in Table 1 of the release above. • No details beyond those presented in Table 1 above are available.
Drilling techniques	• ~~*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*~~	• No drilling
Drill sample recovery	• ~~*Method of recording and assessing core and chip sample recoveries and results assessed.*~~ • ~~*Measures taken to maximise sample recovery and ensure representative nature of the samples.*~~ • ~~*Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*~~	• No drilling
Logging	• ~~*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*~~ • ~~*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*~~ • ~~*The total length and percentage of the relevant intersections logged.*~~	• Summary descriptions of rock samples are presented in Table 1 above
Sub-sampling techniques and sample preparation	• ~~*If core, whether cut or sawn and whether quarter, half or all core taken.*~~ • ~~*If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*~~ • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• No field subsampling was reported. • No details available from the annual report on sample preparation – it is assumed to the standard Ultratrace procedure • No field QC is reported, laboratory QA is assumed

Criteria	JORC Code explanation	Commentary
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No commentary is provided in the Meteoric report on measured taken to ensure sample representativity • No data on field sample sizes is available
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • ~~*For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*~~ • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The samples were assayed for Al2O3, Ba, Cr, Fe, Mn, P, Pb, SiO2, V, and Zn by x-ray fluorescence at Ultratrace Analytical Laboratories in Perth. • This analytical method and element suite is considered appropriate for reconnaissance iron exploration • No specific detail is provided in the Meteoric report on QC procedures
Verification of sampling and assaying	• ~~*The verification of significant intersections by either independent or alternative company personnel.*~~ • ~~*The use of twinned holes.*~~ • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No verification of the reconnaissance results has yet been completed • No information is available on the primary documentation for the samples – the Meteoric Annual Report is the data source • No adjustment to results is reported
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Locations are from handheld GPS, with approximat3 5m accuracy • GDA94, MGA Zone 50
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • ~~*Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*~~ • ~~*Whether sample compositing has been applied.*~~	• Data locations are shown on the accompanying map •
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • ~~*If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*~~	• No data is provided about the orientation of rock chip sample traverses
Sample security	• *The measures taken to ensure sample security.*	• No data was provided in the Meteoric report about Chain of Custody provisions
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been completed

Only surface rock samples have been collected and assayed. No drilling results are being reported for the licence. Consequently there are no material drill holes, and therefore no data on the easting and northing of drill hole collars; elevations or RLs of drill hole collars; drip and azimuth of holes; down hole lengths and interception depths or hole lengths.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Robinson Range tenement E52/1851 was granted to Meteoric Resources NL on 1 July 2005 and comprises 16 graticular blocks (50 km2). The tenement is about 15 km from the settlement of Peak Hill and 114 km north of the town of Meekatharra in the Mid West region. • Access is from the Great Northern Highway north via the Ashburton Downs – Meekatharra road. The Yulga Jinna Community is on the northern edge of the tenement (Fig. 1) at the foot of the Robinson Range. • A heritage agreement was signed in March 2009 with the Jidi Jidi Aboriginal Corporation (JJAC) paving the way for carrying out heritage surveys and gaining access to the tenement. The heritage agreement is part of the Nharnuwangga Wajarri Ngarlawangga (NWN) Indigenous Land Use Agreement (ILUA), signed by the NWN and the State Government, which the JJAC (which represents the NWN) signed in December 2008. • Negotiations are continuing with the JJAC regarding the terms of the heritage survey and other ongoing costs.E52/1852
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• As discussed above the tenement has previously been explored by the GSWA and Meteoric Resources
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Haematite and/or goethite BIF hosted iron mineralisation, as well as magnetite in BIF are the exploration targets
~~***Drill hole Information***~~	• ~~*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*~~ ~~o *easting and northing of the drill hole collar*~~ ~~o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*~~ ~~o *dip and azimuth of the hole*~~ ~~o *down hole length and interception depth*~~ ~~o *hole length.*~~ • ~~*If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*~~	• No drilling completed
~~***Data aggregation methods***~~	• ~~*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*~~ • ~~*Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such*~~	• Only single rockchip results reported – i.e. no data aggregation

Criteria	JORC Code explanation	Commentary
	~~*aggregation should be stated and some typical examples of such aggregations should be shown in detail.*~~ • ~~*The assumptions used for any reporting of metal equivalent values should be clearly stated.*~~	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The orientation and location of rock samples with respect to BIF strike is not not from the Meteoric Report
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Geology and rock sample locations are shown in Figure 1 above
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All rock samples have been reported. No other work is known in the EL
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other data is available
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Padbury are proposing to undertake further mapping, rock sampling, structural interpretation and scout drilling to assess the potential for iron mineralisation