



Mid-West Investment Opportunity

August 2014



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This presentation contains certain forecasts and forward looking statements. The words "believe", "anticipate", "expect", "project", "forecast", "estimate", "potential", "could", "may", "target", "consider", and "will" and other similar expressions are intended to identify forward looking statements.

There are a number of risks, both specific to Padbury, and of a general nature which may affect the future operating and financial performance of Padbury and the value of an investment in Padbury including but not limited to; economic conditions, stock market fluctuations, iron ore demand and price movements, timing of access to infrastructure, timing of environmental approvals, regulatory risks, operational risks, reliance on key personnel, reserve and resource estimations, native title and title risks, foreign currency fluctuations, and mining development, construction and commissioning risk.

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Competent Person Statement

The geological modelling and estimation of the Exploration Target for Padbury's Peak Hill Project was completed under the overall supervision of Mr. Daniel (Stan) Wholley BAppSc, MAIG, who is a full time employee of CSA Global Pty Ltd and is a Competent Person as defined by the Australasian Code for the Reporting of Mineral Resources and Ore Reserves (JORC Code) 2012 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.

The information in this report that relates to Mineral Resources is based on information compiled by Dr Bielin Shi, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Dr Shi has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Dr Shi consents to the inclusion of such information in this report in the form and context in which it appears.



Peak Hill Iron Ore Project Overview



- ④ 2000sqkm area - targeting hematite (Direct Shipping Ore – DSO) and magnetite
- ④ 11.5Mt DSO Inferred JORC resource @ 58.55% Fe
- ④ 925Mt Magnetite Inferred JORC resource @ 27.2% Fe
- ④ 251Mt Magnetite Indicated JORC resource @ 29.6% Fe
- ④ *Exploration Targets
 - DSO 12-55Mt @58-60% Fe
 - Magnetite 3.5-5Bt @ 25-35% Fe

**The potential quantity and grade of the Peak Hill iron project 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.*

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Padbury's Investment Proposition



- We are seeking a partner that:
 - Shares our strategic vision
 - Wants to build a major infrastructure project in Western Australia
 - Is prepared to contribute financially for an exclusive right
 - Can act now



A Huge Resource Base



- **The Mid-West resource base is 21Bt**
 - 1Bt Hematite, 20Bt Magnetite
- Potential to produce 75-100Mpta long term
- Potential resource of 50Bt within the region

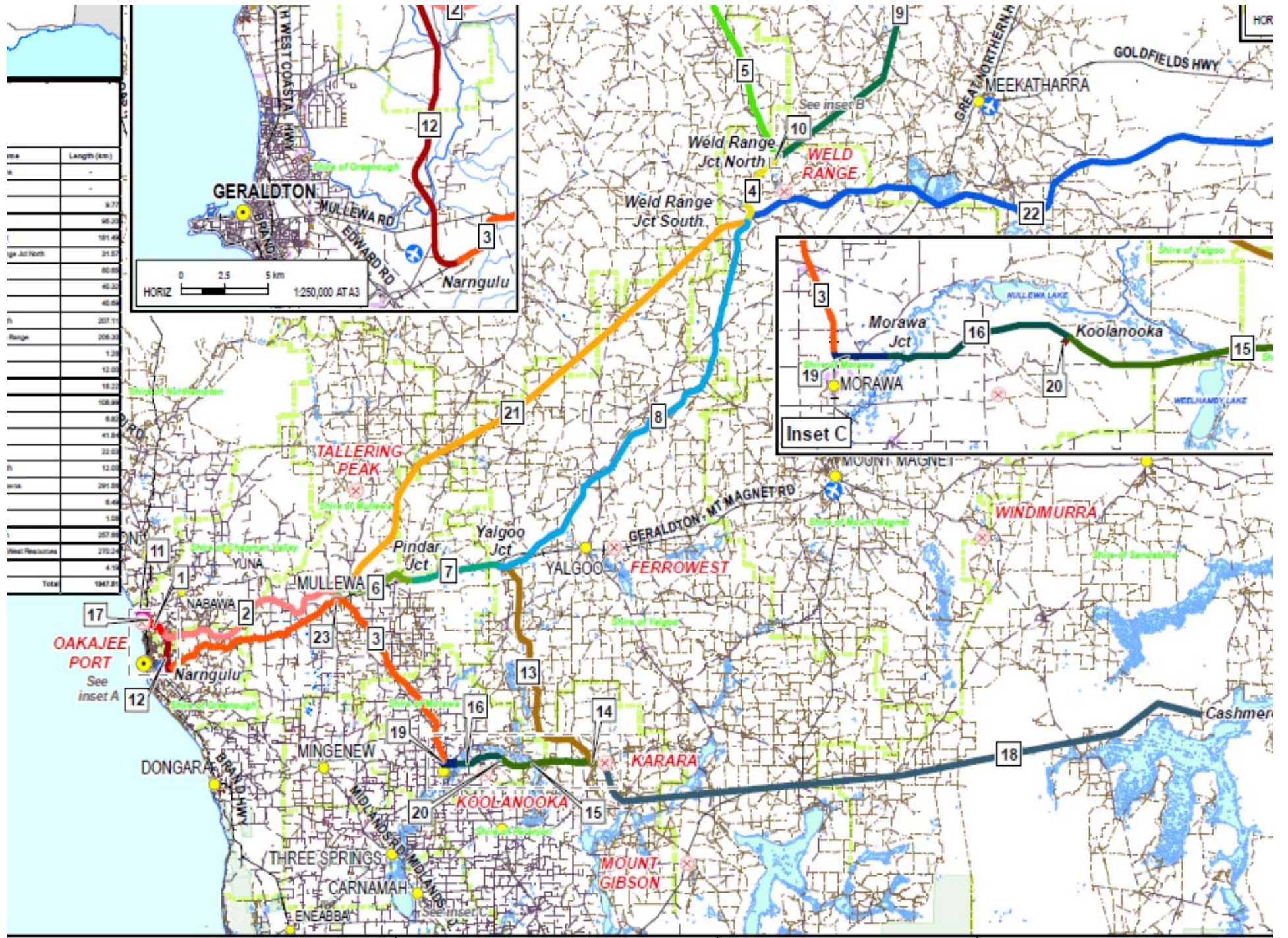
North hub – Hematite & Magnetite

- -Midwest-Sinosteel – 100% Chinese owned
- -Golden West Resources – Chinese interest
- -Peak Hill – Padbury Mining

South hub - Magnetite

- -Gindalbie – Ansteel major shareholder
- -Asia Iron – Chongqing/Sinom
- -Mt Gibson



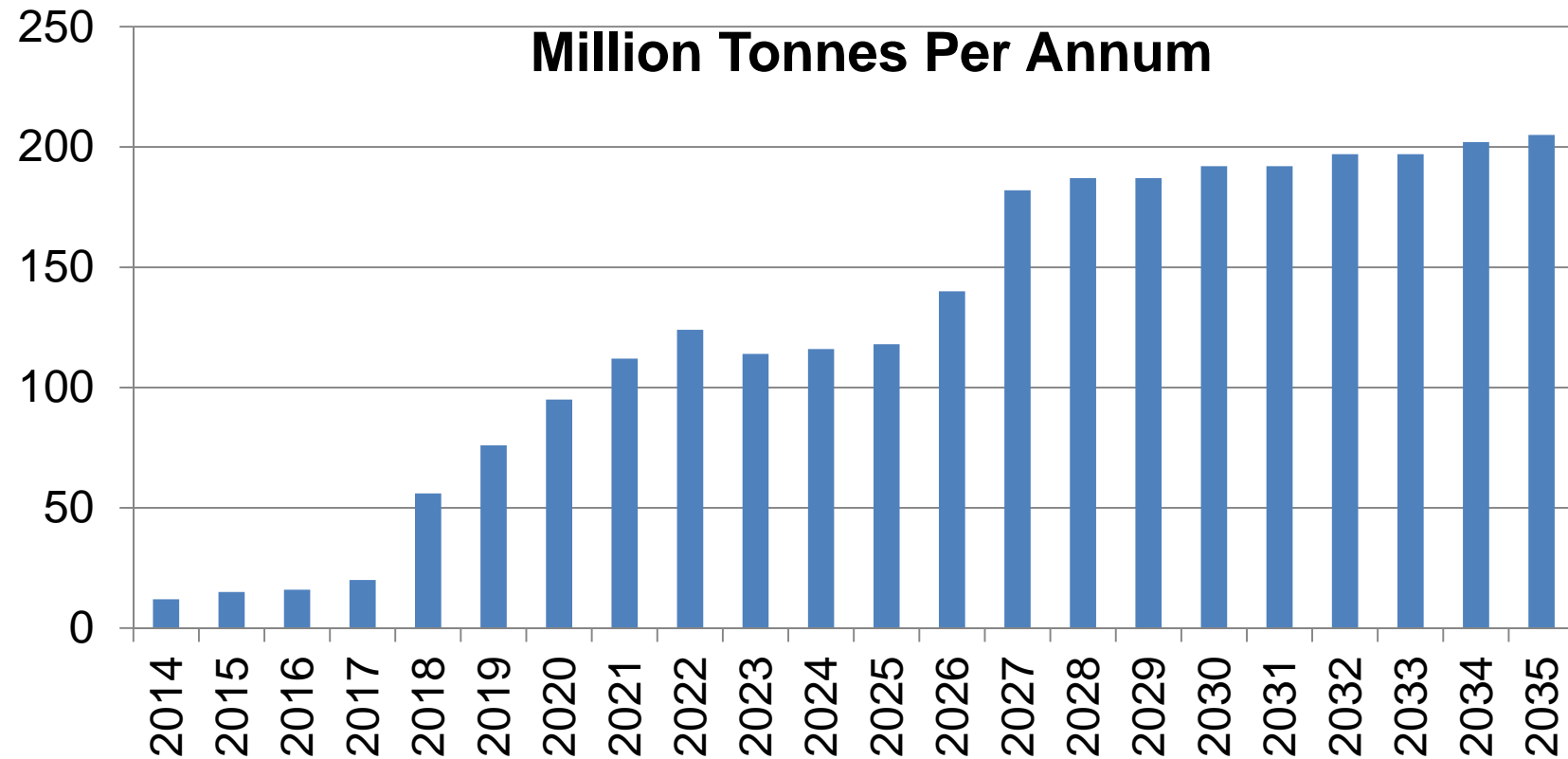


Our Advantage



- The mines are in place.
- 35Mtpa throughput can be sustained
- Padbury owns the IP for infrastructure development
- Demand for magnetite remains strong
- Mid West to rival the Pilbara for iron ore production

Potential Mid West Iron Ore Production



Midwest Infrastructure Ltd



- ④ Fully-owned subsidiary of Padbury Mining Ltd
 - ④ Owns all the infrastructure IP developed by Yilgarn Infrastructure including
 - ④ detailed engineering studies,
 - ④ project definition documents,
 - ④ financial modelling and
 - ④ associated legal documentation
- ④ Updated financial models and Capex/Opex
- ④ Offers a viable model for transporting iron ore to Oakajee.



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The Oakajee Option



- The Oakajee Option requires:
 - a consortium of foundation mines,
 - Government & Community Support
 - Infrastructure investors



Rail

- Initially 600 kms of line
- Single line with passing loops
- 4400 HP diesel electric locos
- 37 tonne axle load
- 3 locos plus 180 wagons per train
- 21,600 tonnes per trip



Port

- Long breakwater, 2 handling berths
- Cape-size vessel capacity
- 18M draft
- Unloading rate of 8400tph at car dumper
- 1 ship loader
- Initially 45tpa growing to 70tpa and then to 100tpa
- 3 different products – DSO (lump and fines) and magnetite concentrate



Investment Opportunity



- Opportunity to develop a new iron ore province in Western Australia
- Modest infrastructure investment to generate sustainable returns
- Project enjoys strong government, industry & community support
- Gain strategic control of the Midwest region





THANK YOU

