



30 September 2014

PADBURY MINING LIMITED PRESENTATION - CHINA

Padbury Mining Limited (ASX PDY) is pleased to advise that it is continuing to meet with potential investors in China on its roadshow and has been invited to make the same presentation that it made previously to new potential investors in Shanghai this week.

A copy of the presentation has been placed on the ASX platform and the company's website.

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Mid-West Investment Opportunity

August 2014





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 Production target of 2018
- ④ Significant Exploration Targets estimated for DSO and magnetite mineralisation

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



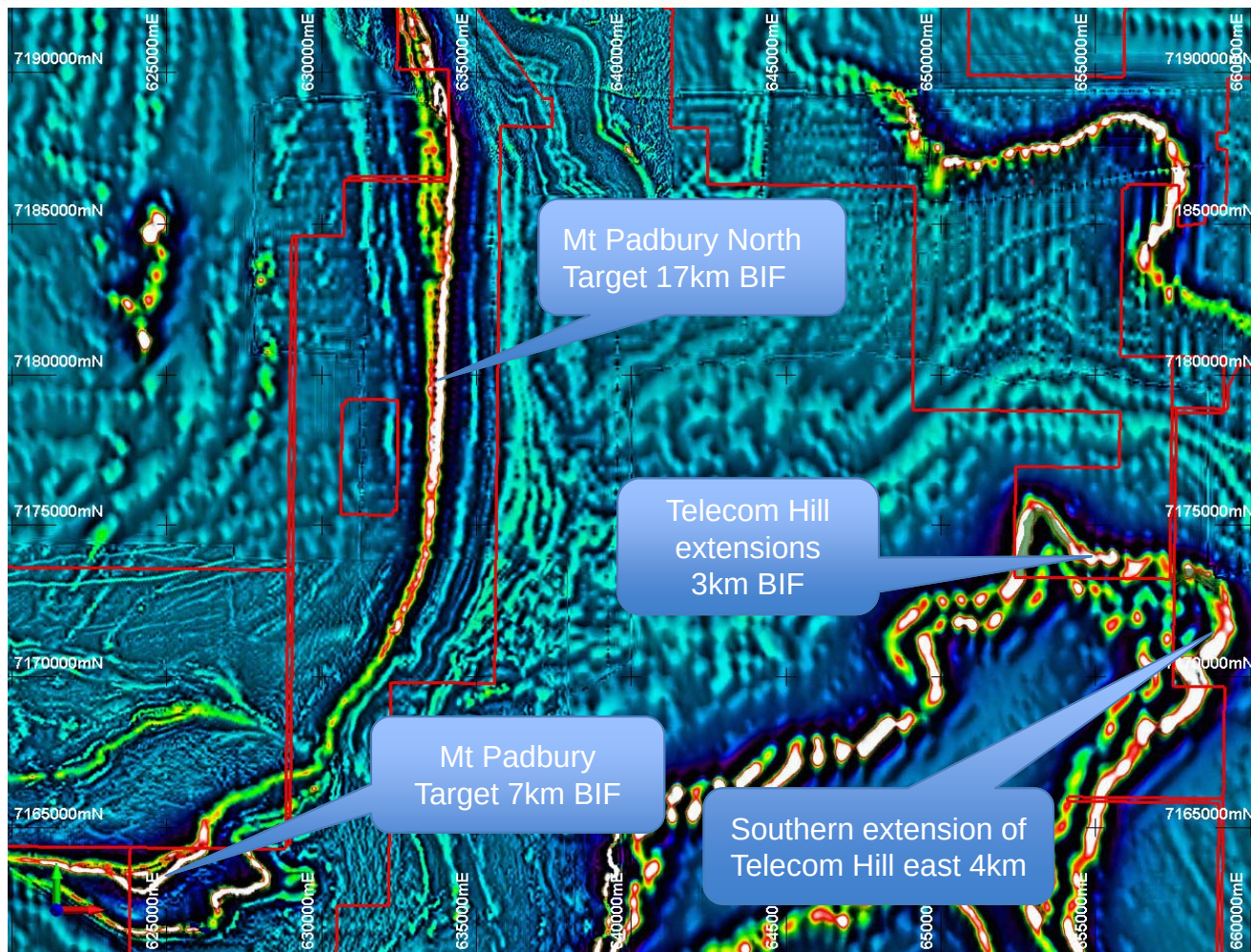
Padbury's Exploration Targets



- A magnetite Exploration Target of 3.5Bt to 5Bt at 25% Fe to 35% Fe is based on 32km of Robinson Range BIF within the tenement package which is yet to be tested with drilling. Drill testing at Telecom Hill indicate the BIF extends to at least 300m and has a density in the range of 2.8-3.2 g/cm³. The BIF has been geologically mapped and has undergone aeromagnetic survey which indicate widths of 75m to 250m.
- The BIF target areas have been tested with field portable XRF and rock chip samples which demonstrate iron grades between 25% Fe and 50% Fe, which are comparable to grades in the Mineral Resources estimated at Telecom Hill.
- The next phase is to complete more detailed aeromagnetic surveys to locate the best target areas and then test these with RC percussions drilling to establish the grade and thickness of the BIF units. This process will happen over the next three years.
- The Exploration Target for magnetite is conceptual in nature and insufficient exploration has been completed to define Mineral Resources and it is not certain if additional exploration will result in defining Mineral Resources.

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Padbury's Exploration Targets



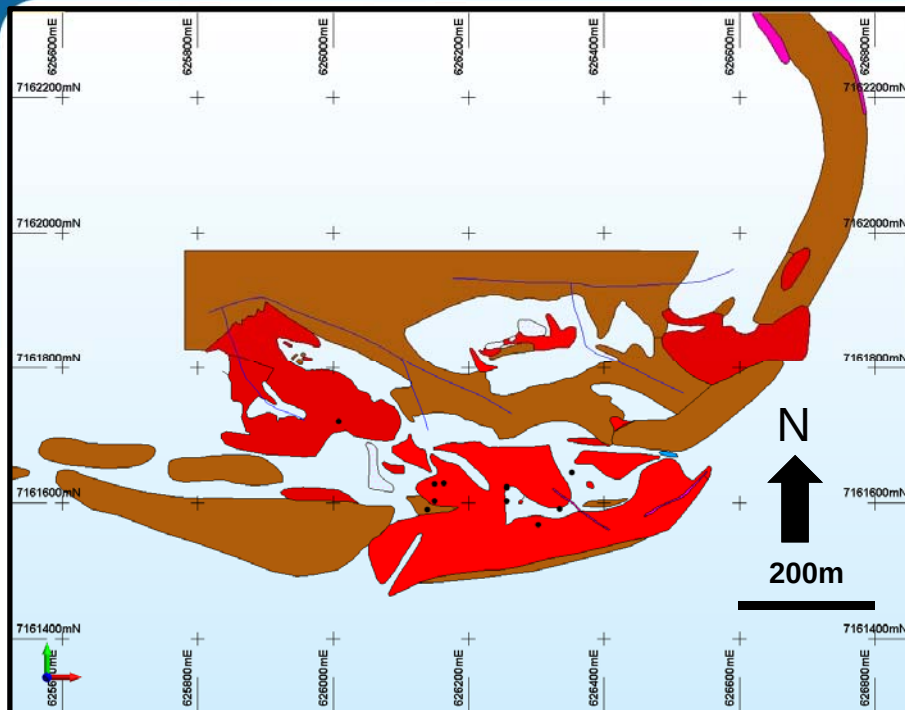
- Aeromagnetic image
- Areas in white denote areas of BIF
- All areas have been mapped and are known to contain magnetite

Padbury's Exploration Targets



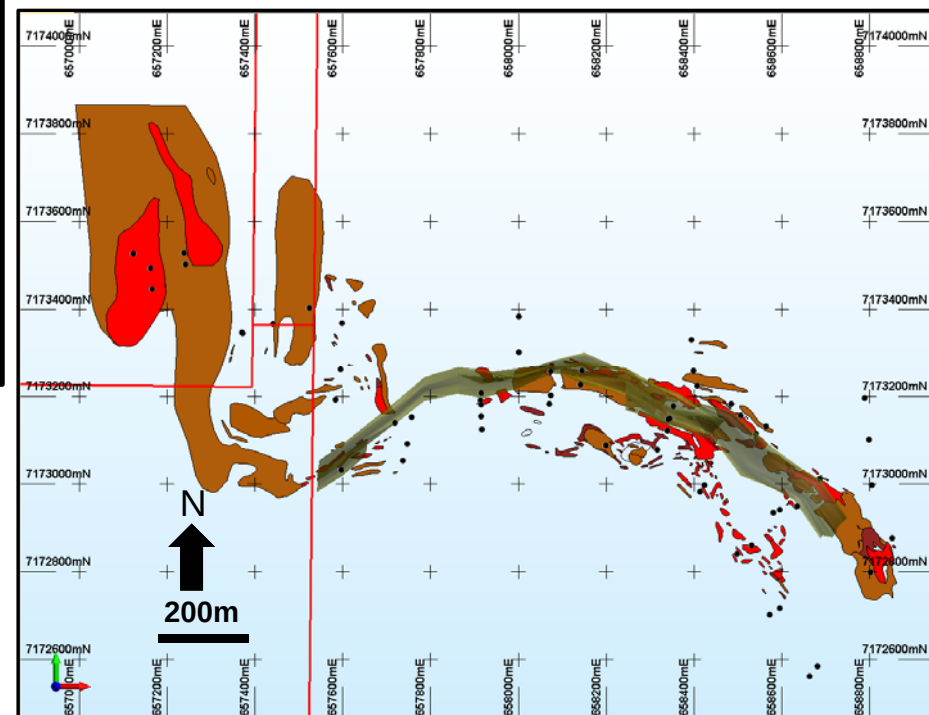
- A DSO Exploration Target of 20Mt to 40Mt at 50% Fe to 58% Fe is based on several areas of hematite and goethite enrichment of BIF which have been mapped at Telecom Hill, Mt Padbury and Mt Padbury North. Drill testing at Telecom Hill and Mt Padbury indicate the BIF extends to 50-100m below surface and has a density in the range of 2.6-3.0 g/cm³. The main target areas at Telecom Hill and Mt Padbury have a combined strike extent of 1.2km and widths ranging from 50-200m.
- The BIF has been geologically mapped and the target areas have been tested with field portable XRF and rock chip samples. Limited RC percussion drilling has been completed which demonstrate iron grades between 48% Fe and 66% Fe, similar to the grades in the Mineral Resources estimated at Telecom Hill East.
- The next phase is to complete more detailed exploration and evaluation RC percussions drilling to establish the grade and thickness of the enriched BIF units. This process will happen over the next three years.
- The Exploration Target DSO is conceptual in nature and insufficient exploration has been completed to define Mineral Resources and it is not certain if additional exploration will result in defining Mineral Resources. padburymining.com.au

Padbury's Exploration Targets



- Mt Padbury DSO target geology plan
- BIF is in brown and hematite enrichment in Red
- Black dots are drill holes

- Telecom Hill East DSO target geology plan
- BIF is in brown and hematite enrichment in Red
- Black dots are drill holes
- Resource wireframe in Olive



A Huge Resource Base



- **The Mid-West resource base is 21Bt**
 - 1Bt Hematite, 20Bt Magnetite

North hub – Hematite & Magnetite

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

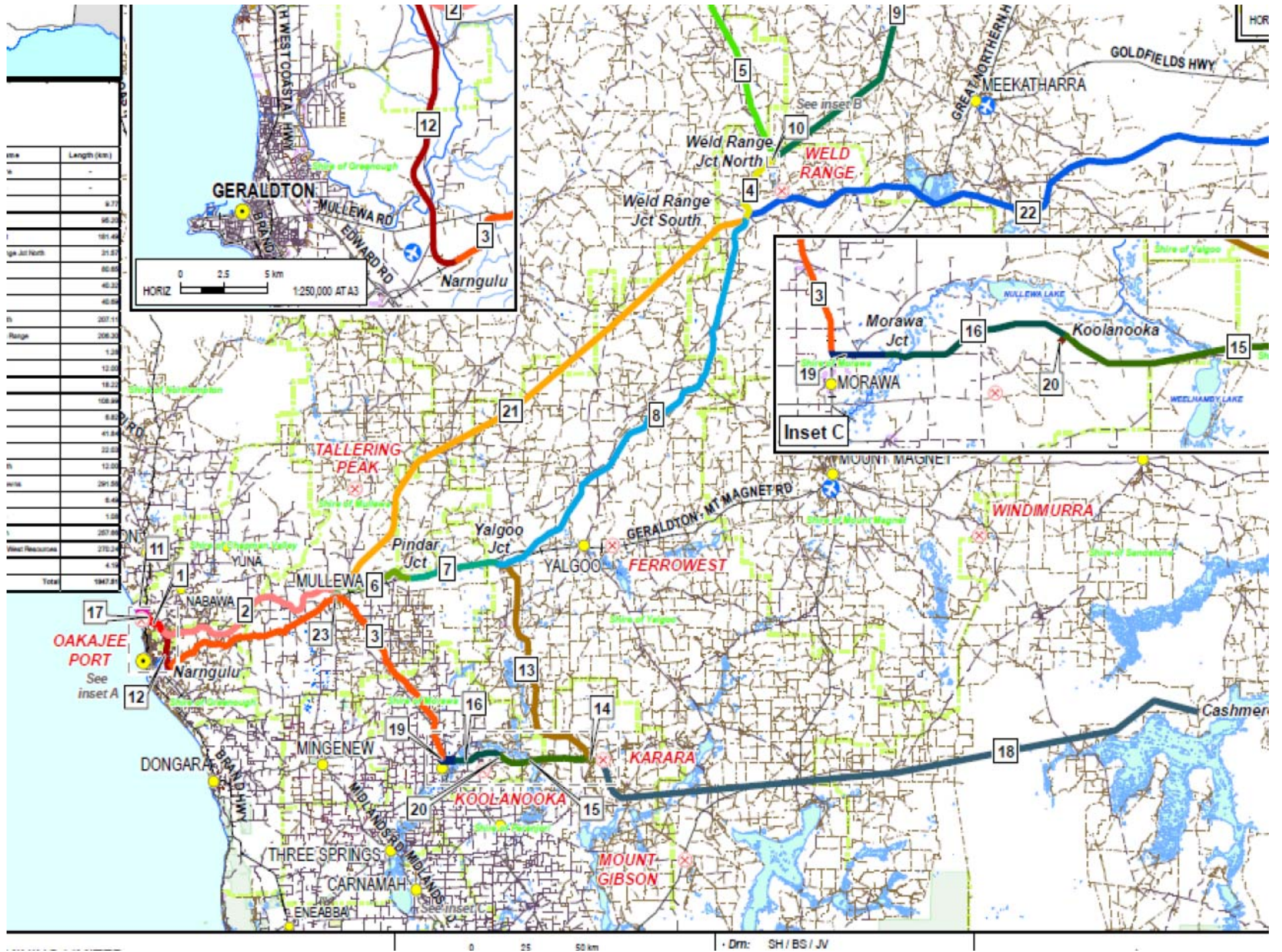


South hub - Magnetite

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



(The resource base refers to the mid-west region and not Padbury alone)

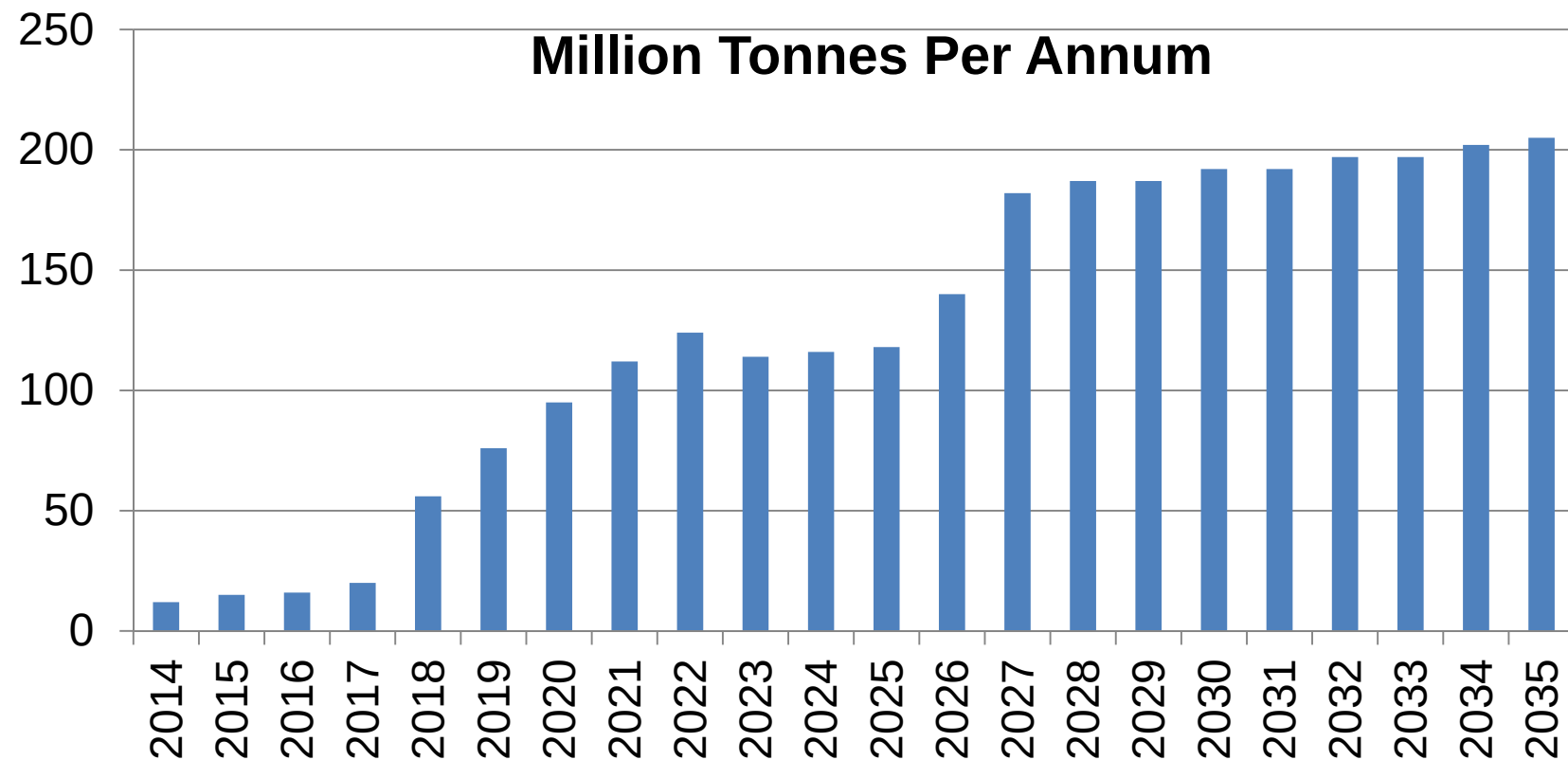


Our Advantage



- 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



- ⦿ Fully-owned subsidiary of Padbury Mining Ltd
 - ⦿ Owns all the infrastructure IP developed by Yilgarn Infrastructure including
 - ⦿ detailed engineering studies,
 - ⦿ project definition documents,
 - ⦿ financial modelling and
 - ⦿ associated legal documentation
- ⦿ Updated financial models and Capex/Opex
- ⦿ 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 45Mtpa growing to 70Mtpa and then to 100Mtpa
- 3 different products – DSO (lump and fines) and magnetite concentrate



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Project Costs



Total Development Costs	Total Development Costs	Finance & Capitalised Interest	Total Costs To Fund
Preliminary DFS, BFS, pre construction costs	235		235
Port – CUI – Development costs	1,000		1,000
Port – PUI – Development costs	1,520	141	1,661
Port – CUI/PUI – Total Development Costs to be funded	2,755	141	2,896
Rail – North & South – Development Costs	2,729	218	2,947
Rail – North & South – Rolling Stock	228		228
Rail – North & South – Total Development Costs to be Funded	2,957	218	3,175
Total Development Costs to be Funded	5,712	359	6,071

Projected Cashflows

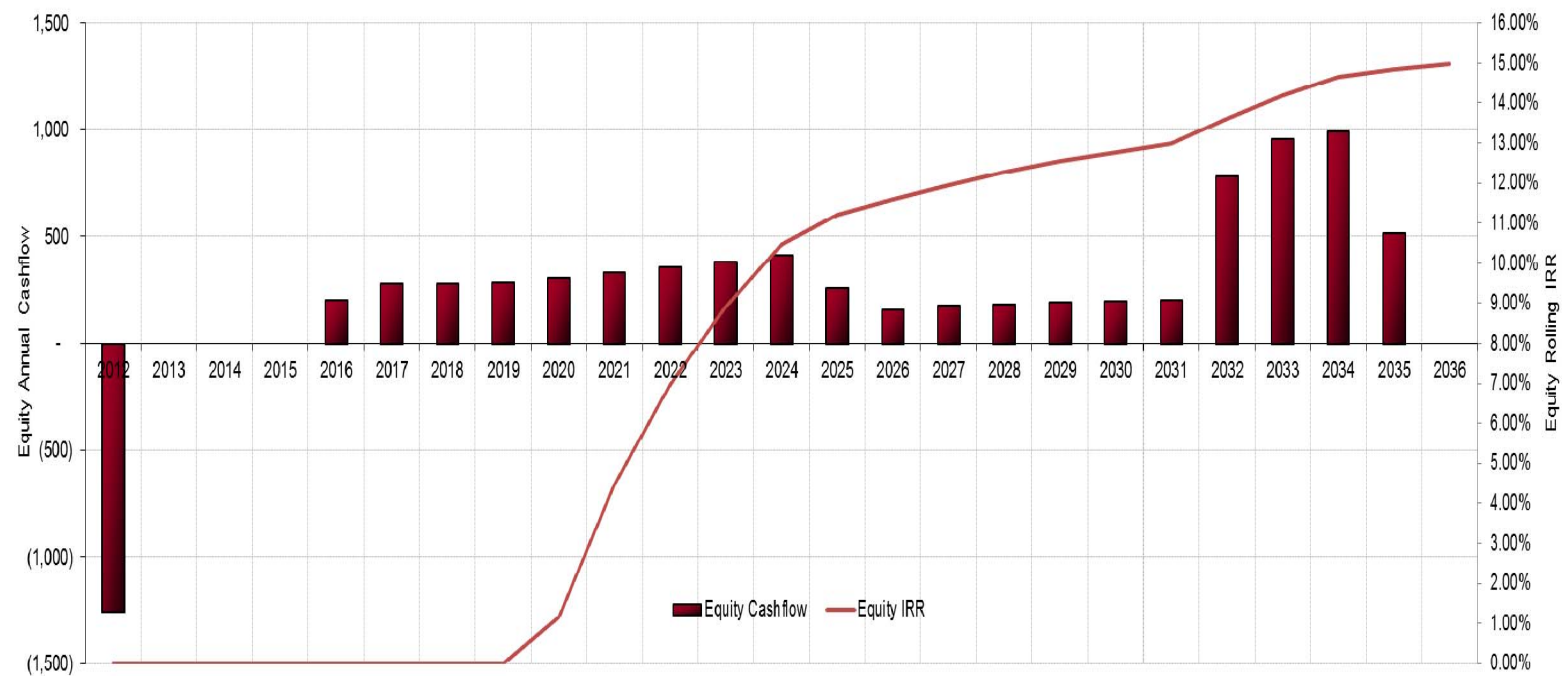


	32TAL	37TAL
Cashflows	Total AUD M	Total AUD M
Net Company Revenue		
PUI	5,908.81	5,908.81
Rail	9,465.91	9,569.14
Total	15,374.72	15,477.95
Debt Repayment & Interest		
PUI	(2,966.33)	(2,966.33)
Rail	(4,937.69)	(4,993.73)
Total	(7,904.02)	(7,960.06)
Cashflow Available for Equity		
PUI	2,942.48	2,942.48
Rail	4,528.21	4,575.41
Total	7,470.69	7,517.89

Return On Investment



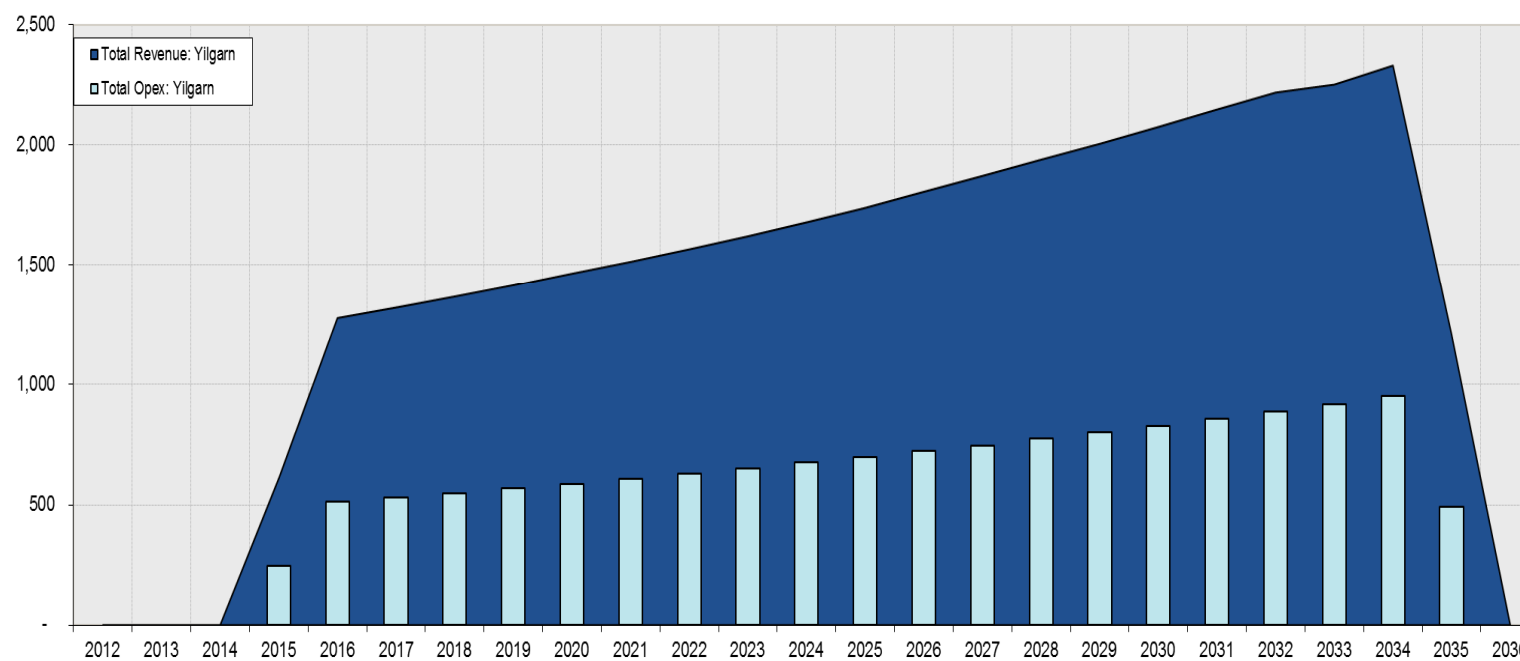
Equity Return Cashflow (AUD M)



Revenue & Opex



Revenue & Opex (AUD M)



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



DISCLAIMER



This document contains general information about the activities of Padbury Mining Ltd ('Padbury' or the "Company") current as at the date of this presentation. It is information in a summary form only and does not contain all the information necessary to fully evaluate any transaction or investment. It should be read in conjunction with Padbury's other periodic and continuous disclosure announcements to the ASX available at asx.com.au.

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. 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.

You should not act or refrain from acting in reliance on this presentation material. This overview of Padbury does not purport to be all inclusive to contain all information which its recipients may require in order to make an informed assessment of Padbury's prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

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.



THANK YOU

