

11 January 2017

Mr James Rowe  
Manager, Listings Compliance  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

By email: james.rowe@asx.com.au

Dear Mr Rowe

**Response to ASX aware letter**

Padbury Mining Limited (**Company**) refers to your letter dated 4 January 2017 and its response released to ASX earlier today.

The Company wishes to clarify and amend its response to question 6 as follows.

6. Yes. The Company lodged an Appendix 3B with ASX relating to the Tranche I Shares on 1 September 2016 after issuing the Tranche I Shares on 31 August 2016. The Appendix 3B was not released to the market by ASX. The Appendix 3B was intended to seek quotation of the Tranche I Shares and disclose their issue. The Company sought to announce the Tranche I Shares at this time due to the concerns noted in its response to question 2. The Company provided a draft announcement to ASX regarding the Tranche 1 Shares on 10 October 2016. Further, the Company lodged an announcement with ASX regarding the Tranche 1 Shares on 20 December 2016 which was not released to the market by ASX. After obtaining legal advice, the Company acknowledges that it ought to have disclosed the proposed issue of the Tranche I Shares immediately upon executing the Subscription Agreement on 14 June 2016.

The Company notes that since entering into the Subscription Agreement, it has made significant changes to its board of directors with Michael Keemink and Edward Saunders replacing 2 outgoing directors with effect on 19 August 2016. Further, the Company has engaged legal counsel to assist with managing its continuous disclosure obligations as required from time to time.

For and on behalf of the Board



Edward Saunders  
Chairman