

Tenement Acquisition and Market Update

Padbury Mining Limited (Padbury) is pleased to announce that it has signed an option agreement to acquire outright Ferrowest Limited's Yogi Mine Project located in the Midwest.

As the Yogi Mine Project is a significant part of Ferrowest's business undertakings, the transaction is conditional on Ferrowest receiving shareholder approval for the sale. Ferrowest will be calling a General Meeting of the company shortly to vote on Padbury's proposal.

The Ferrowest Yogi Mine Project aimed to mine magnetite iron ore and concentrate it at site. Refer to past ASX announcements made by Ferrowest in relation to the Yogi Mine Project.

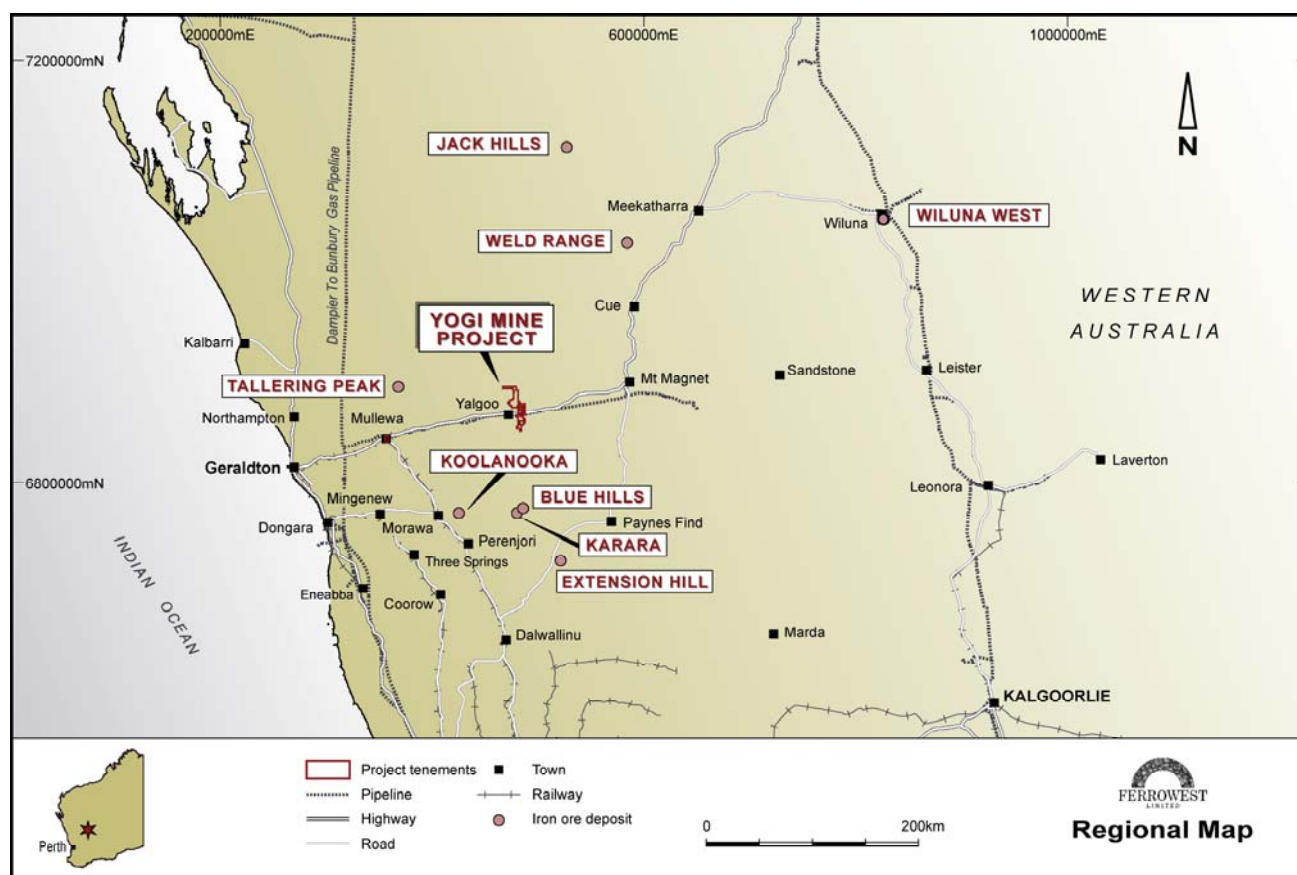


Figure 1: Location of Yogi Mine Project

The Yogi magnetite mineralisation consists of a 30km long strike of magnetite banded iron formation trending north-south, 14km due east of Yalgoo.

The iron mineralisation straddles the Geraldton to Mount Magnet highway and is serviced by excellent existing infrastructure including natural gas, road, water and the existing port.

A Preliminary Feasibility Study has been completed and some work undertaken on a Bankable Feasibility Study. The majority of the long lead items for the feasibility studies have been completed and Ferrowest has identified no significant issues with flora, fauna or heritage studies undertaken to date. The Yogi mine site is not in an environmentally sensitive area.

The tenements to be acquired are:

- (a) Mining leases 59/525, 59/634, 59/635, 59/636, 59/637 and 59/740.
- (b) Exploration licences 59/1348 and 59/1097.
- (c) Prospecting licence 59/2028;
- (d) Miscellaneous Licence 59/119.

The Option does not include any intellectual property relating to Ferrowest's proposed MPI plant at Eradu.

The total payment for the Yogi Mine Project is \$750,000 if the option is exercised. A non-refundable option fee of \$20,000 was paid at the time of signing.

Padbury is currently in the process of completing a capital raising to fund the acquisition of the Yogi Mine Project.

Deregistration of Padbury Subsidiaries

The following subsidiaries have been deregistered under section 601 AA(4) of the Corporations Act as part of a rationalisation program:

1. Haven Resources Pty Ltd	ACN 113 162 744	30 November 2014
2. Murraba Resources Pty Ltd	ACN 123 823 307	30 November 2014
3. Jarra Resources Pty Ltd	ACN 123 898 386	30 November 2014

Further inquiries:

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