

Quarterly Activities Report Quarter ended March 31, 2016

Padbury Mining Limited (Padbury) is pleased to present its quarterly activities report ended 31 March 2016.

Corporate

During the quarter Padbury executed a Share Subscription Agreement with Du Yong Yi to subscribe for 200 million ordinary shares in PDY at \$0.01 per share for a total amount of \$2 million. Mr Du is a private Chinese investor who is the Managing Director and major shareholder of Sunten LKE Power LLC. He also has property interests in China and Dubai.

The Share Subscription Agreement is irrevocable and binding but issue of the shares is subject to payment of the total subscription price being received into Padbury's Australian bank account. The securities will be issued using the Company's existing 15% placement capacity so that shareholder approval will not be sought for the issue.

The shares will be held in escrow for twelve months and a holding lock will be applied. Proceeds from the placement will enable the Company to maintain its tenements and working capital. Subject to finalisation of the Company's capital raising Padbury will remain in suspension.

Geological

The company holds a Mining Lease which is a major step forward with its Peak Hill project. The Project is located approximately 80km north of Meekatharra in Western Australia (Figure 1), targeting iron mineralisation in the Robinson Renge Formation; a sequence of interbedded banded iron formation ("BIF"), granular iron formation, *siltstone* and shale.

Over the last four years Padbury has completed multiple exploration and evaluation programs, which have included detailed geological mapping, reverse circulation and diamond core drilling, aeromagnetic surveys, heritage surveys and Mineral Resource estimation. This work has seen the project advance from an exploration concept through to a substantial development project.

During this process Padbury has delineated significant JORC mineral deposits at Telecom Hill East, Telecom Hill West for magnetite and a DSO mineral deposit at Telecom Hill East. A summary of the Mineral Resources are provided in Tables 1 & 2 below.

The location of the Telecom Hill Mining Lease application is shown in Figure 2.

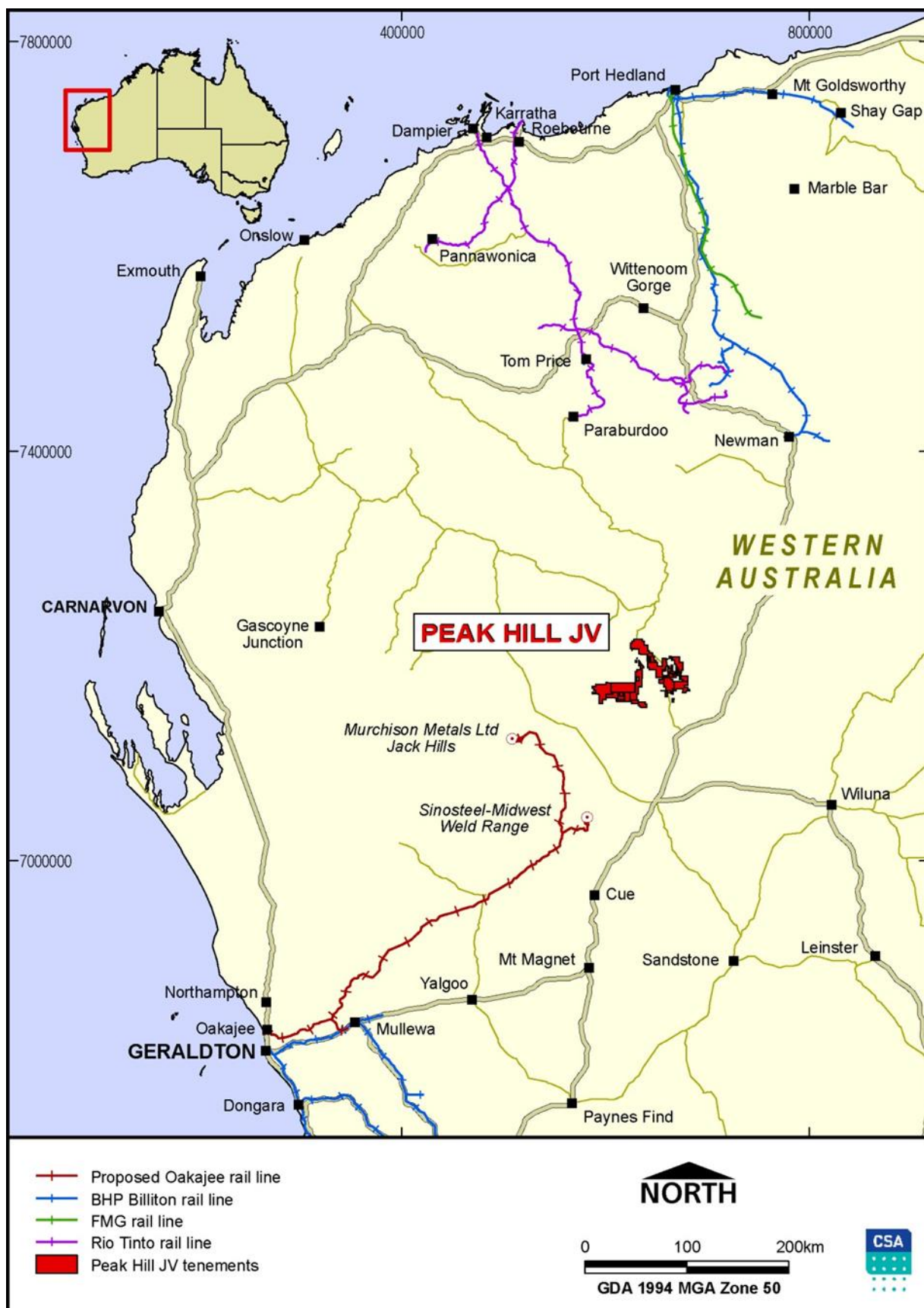


Figure 1: Project Location

Table 1. Telecom Hill Resource summary

Telecom Hill Mineral Resources Grade Tonnage Reported above a Cut-off Grade of 20% Fe; above 300mRL and below the Bottom of Oxide Surface									
BIF	Category	Million Tonnes	Fe HEAD (%)	SiO ₂ HEAD (%)	Al ₂ O ₃ HEAD (%)	MgO HEAD (%)	P HEAD (%)	S HEAD (%)	LOI HEAD
BIF 1	Indicated	251	29.55	45.72	1.78	2.21	0.18	0.05	5.80
	Inferred	288	27.99	45.93	3.08	2.39	0.16	0.04	6.06
BIF 2	Inferred	197	23.84	49.22	5.70	2.28	0.18	0.03	5.72
BIF 4	Inferred	190	26.47	45.98	4.24	1.75	0.39	0.04	4.55
Total	Indicated	251	29.55	45.72	1.78	2.21	0.18	0.05	5.80
	Inferred	675	26.35	46.90	4.17	2.17	0.23	0.03	5.53
	Total	925	27.22	46.58	3.52	2.18	0.22	0.04	5.61

Note: These Resources in Table 1 were originally reported under the JORC Code 2004. Padbury is not aware of any new information or data that materially affects the information included in the Announcement to the ASX on the 4th October 2012 titled “JORC Upgraded Resource at Peak Hill Iron Project”. In the case of the Mineral Resources the company can confirm the assumptions and the technical parameters underpinning the estimates continue to apply and have not materially changed. The form and context of the Competent Person’s findings as presented in the announcement have not materially changed.

Table 2. DSO Mineral Resource Summary

Telecom Hill East DSO Mineral Resources								
LODE	Category	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI 1000
Total	Inferred	11.5	58.55	9.64	2.29	0.21	0.02	3.12

Note: These Resources were originally reported under the JORC Code 2004. Padbury is not aware of any new information or data that materially affects the information included in the Announcement to the ASX on the 28th June 2012 titled “Peak Hill Iron Project – Maiden DSO Inferred Mineral Resource”. In the case of the Mineral Resources the company can confirm the assumptions and the technical parameters underpinning the estimates continue to apply and have not materially changed. The form and context of the Competent Person’s findings as presented in the announcement have not materially changed.

In addition to the exploration and evaluation programs Padbury has completed a number of associated studies for base line environmental, metallurgy, mining and Infrastructure. This work was used to establish the project parameters required for the Mining Lease application. The Mining Lease covers parts of Exploration Licences 52/1860 and 52/1557 together with Prospecting Licence 52/1329. The proposed operations and layout of associated infrastructure requirements for the Mining Lease area are shown in Figure 3.

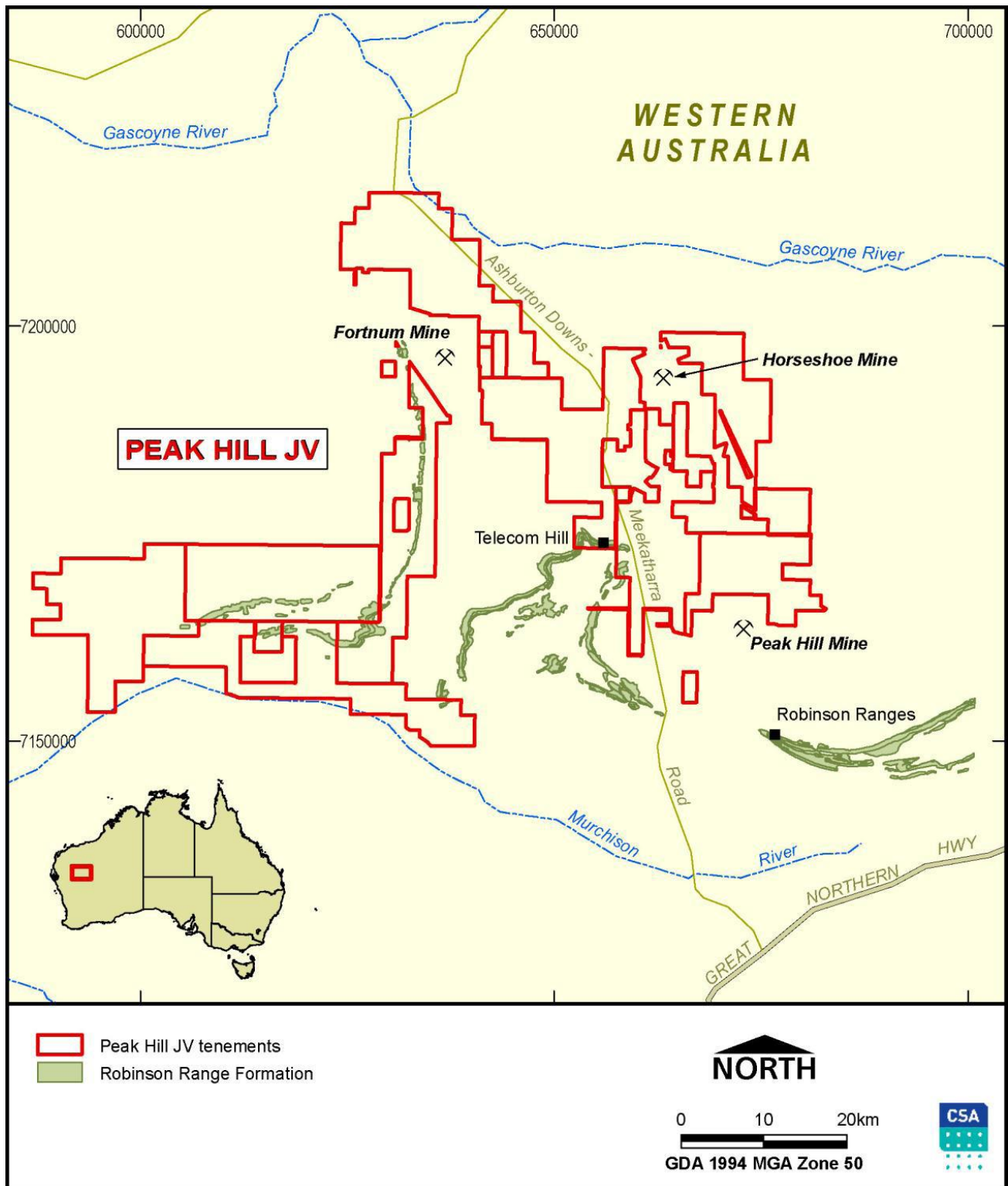


Figure 2. Peak Hill Iron Project Tenements

In addition to the already-defined mineral deposits there is substantial upside potential to locate additional mineralisation. The prominent ridge line of the Robinson Range Formation that extends between the Telecom Hill East and Telecom Hill West mineral deposit areas (Figure 3) is an excellent target that has strong potential to increase the deposits already defined. This area is yet to be tested by drilling but geological mapping and aeromagnetic survey data indicate BIF of similar

qualities to those present in the mineral deposit areas. This will be the focus of further exploration during 2016.

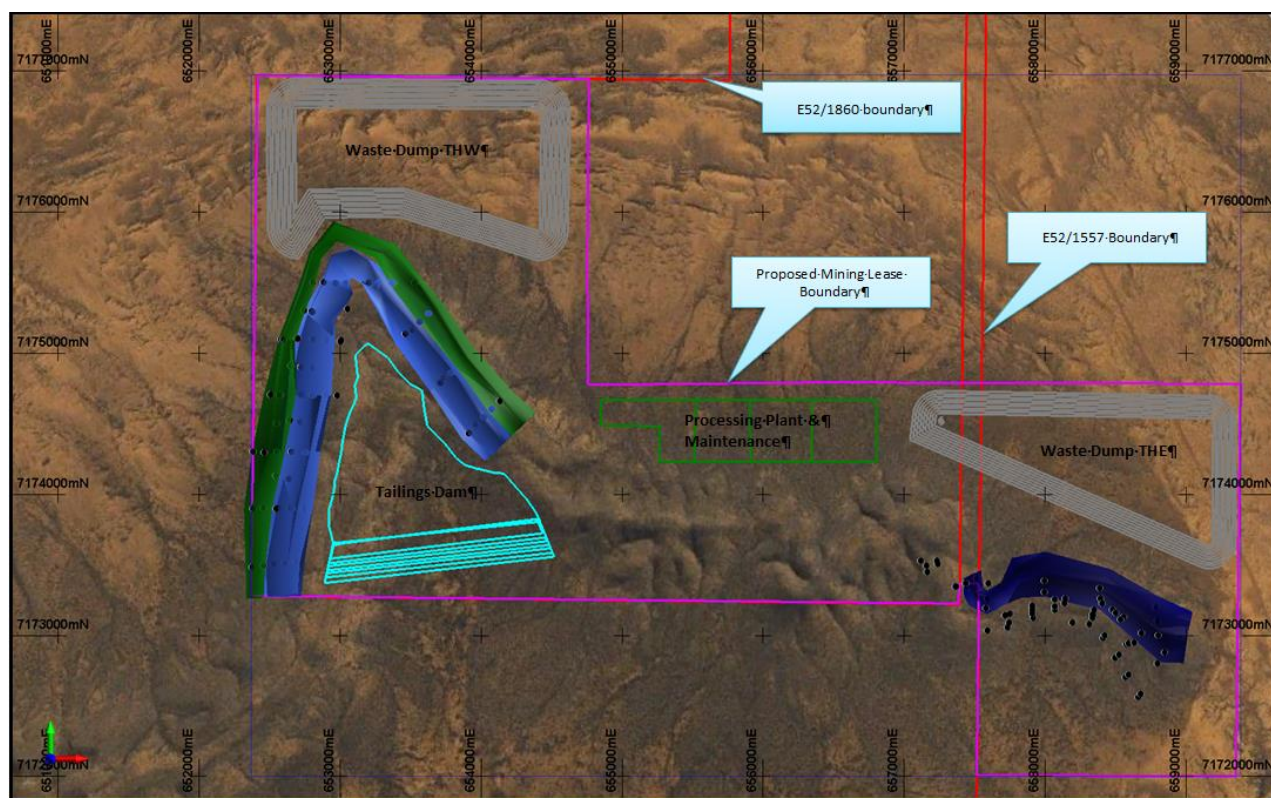


Figure 3. Mining lease location (magnetite deposits shown in blue and green)

Tenement Management

Following is the schedule of Padbury Mining Limited tenements as at 31 March 2016.

Area of Interest	Tenement Reference	Interest
Western Australia		
Peak Hill	E 52/1557	100%
Peak Hill	E 52/1860	100%
Peak Hill	E 52/2368	100%
Peak Hill	E 52/2993	100%
Peak Hill	P 52/1329	100%
Peak Hill	P 52/1332	100%
Peak Hill	P 52/1333	100%
Peak Hill	M52/1068	100%
Mt Padbury	E 52/1862	100%
Mt Padbury	E 52/1976	100%
Mt Padbury	E 52/2279	100%
Mt Padbury	P 52/1330	100%
Mt Padbury	P 52/1331	100%
Mt Padbury	P 52/1342	100%

Competent Persons Statement

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. Dr Shi is not aware of any conflict of interest relating to this work.

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