



**PADBURY**  
MINING LIMITED  
A.C.N. 009 076 242

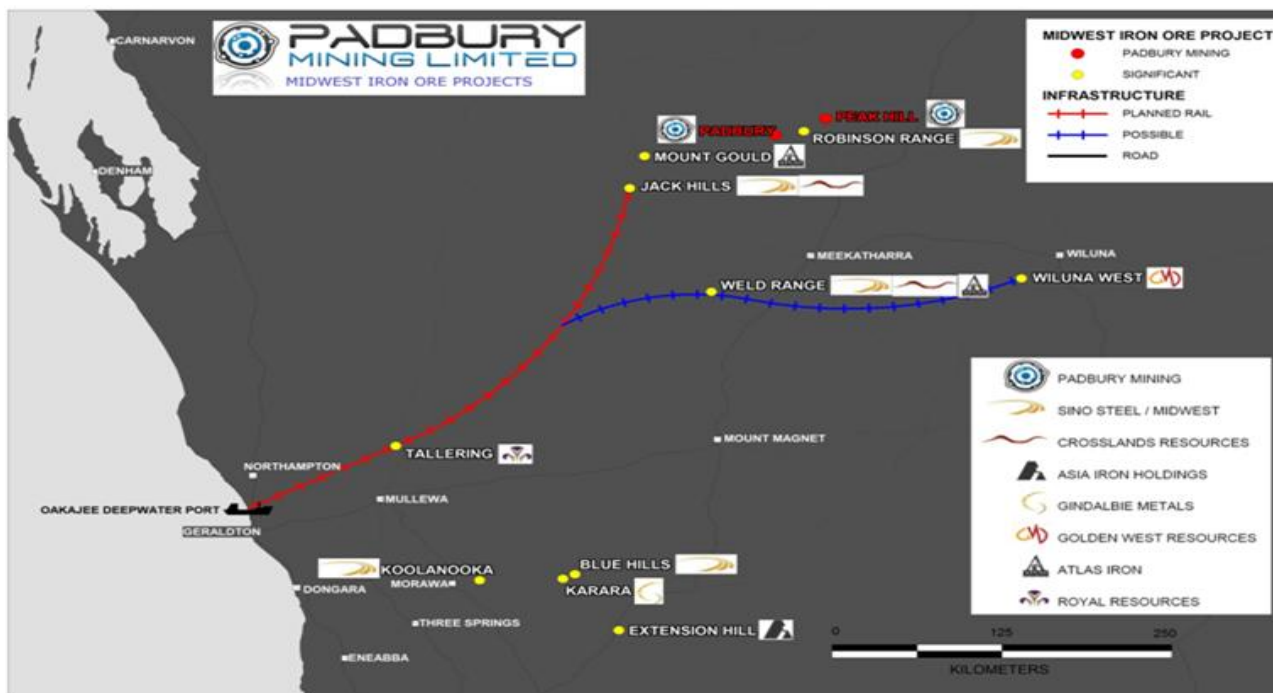


## PEAK HILL IRON JV- EXPLORATION UPDATE GRAVITY SURVEY COMMISSIONED

### HIGHLIGHTS:

- Highly competitive (30-40% Fe) magnetite exploration target announced yesterday.
- Gravity survey now commissioned to identify near surface DSO (Hematite/Detrital) targets over 26 Km<sup>2</sup>
- Hematite exploration target expected mid January 2010
- Extensive rock chip sampling and mapping commencing next week to refine drill targets
- Drilling planned to commence Q1 2010

Padbury Mining is commencing an aggressive exploration campaign of its tenements which are located within close proximity to the proposed Oakajee Port and Rail project and are alongside major iron ore developments within the MidWest region of Western Australia as indicated on the map below.



## SUMMARY

Padbury Mining (ASX:PDY) is pleased to announce the commencement of a ground based gravity survey across the Peak Hill Iron project in the Midwest region of Western Australia. The survey will focus on the highly prospective Telecom Hill prospect whereby high grade hematite mineralisation has been identified in both drilling and rock chip sampling. Results from the survey will be intergrated into geological model for the region and will be used to aid drill targeting. Drilling of the prospect is planned to commence Q1, 2010.

Unlike magnetite which typically becomes economic at around 25% Fe (usually then concentrated to around 64%), hematite iron is typically more rare but has been the dominant ore produced in Western Australia to date, particularly in the Pilbara region of the State.

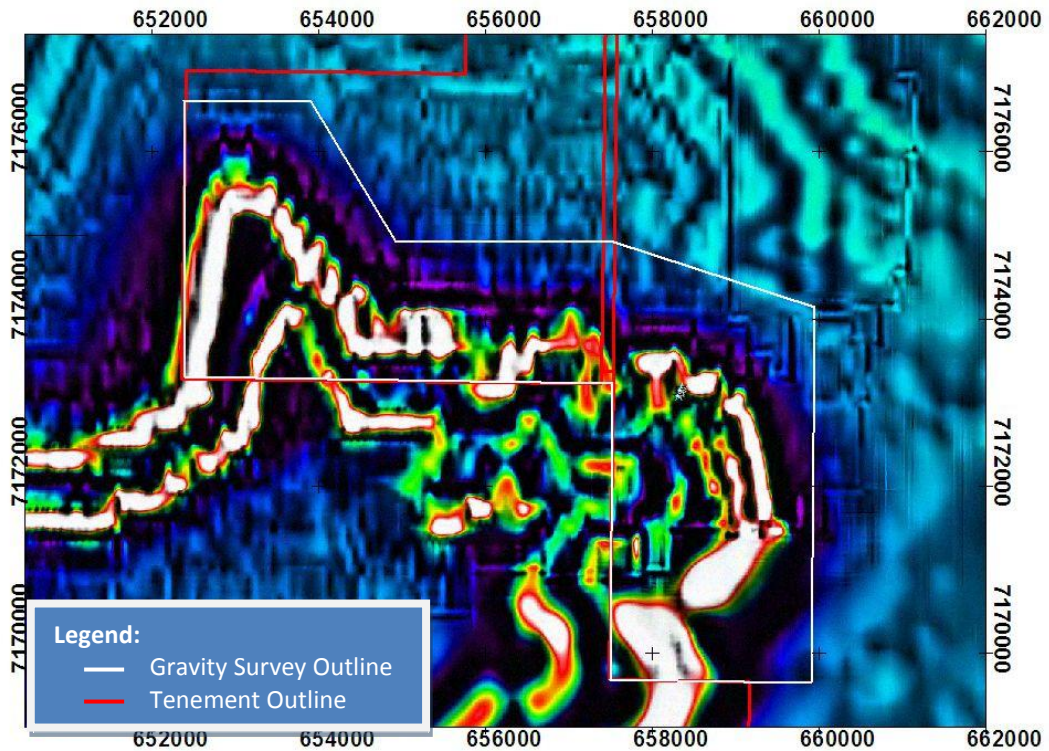
Padbury is extremely fortunate to have discovered both types of mineralisation within its tenements and as part of its forward looking strategy the commissioning of the gravity survey will provide an exploration target for its hematite that can be aggressively exploited.

## GRAVITY SURVEY

Padbury Mining has commissioned the gravity survey to enhance its knowledge of the extent of mineralisation and geological structures within its tenements with a view to providing greater focus for its drilling programs that are to commence in Q1 2010. The gravity survey will consist of 50m stations collected on 200m spaced lines for approximately 2347 stations covering 26 Km<sup>2</sup>

The survey results will also provide the basis for an exploration target for hematite and it is expected that these results will be received by mid January 2010.

Figure 1: Extent of Gravity Survey

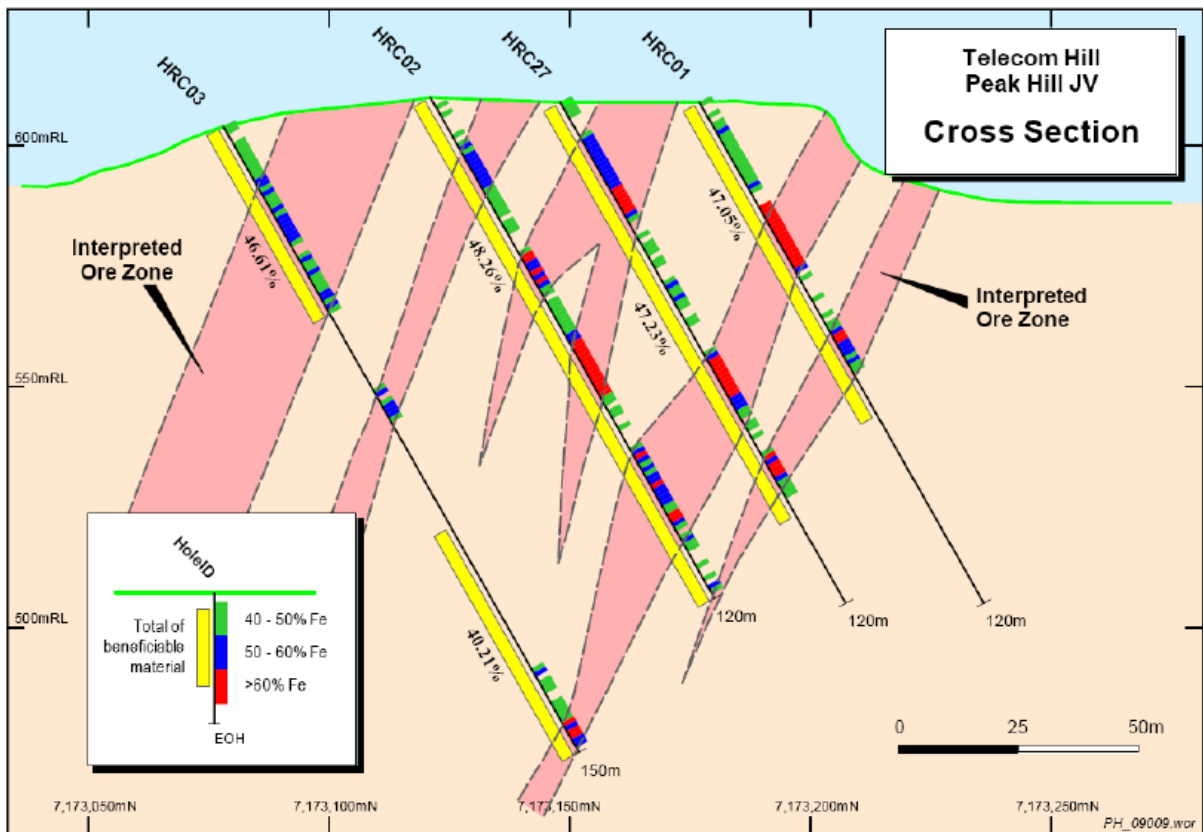


#### PROJECT GEOLOGY:

The hematite horizon that has been targeted is hosted within the Robinson Range Iron Formation. This unit crops out extensively through Padbury's tenure and forms a prominent ridge at Telecom Hill, Peak Hill and Old Mt Padbury. Historical work by Sofoulis, J, 1970, *Iron Deposits of the Robinson Range, Peak Hill Goldfields, WA* (GSWA Record 1970/60), observed that iron formations (comprising of varying amounts of Hematite, Magnetite, Quartz, Biotite & Actinolite) range up to 30m or more in thickness. Furthermore the presence of Hematite, Hematite-Goethite and Goethite enrichments was noted in numerous localities.



Figure 2: Telecom Hill- Looking West and outcropping



Padbury Mining's Managing Director, Gary Stokes stated "The JV partners are totally committed to aggressively achieving JORC compliant resource estimates. The gravity survey is one of many necessary steps being undertaken over the coming weeks by the company's aggressive approach to the commercial exploitation of its holdings."

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