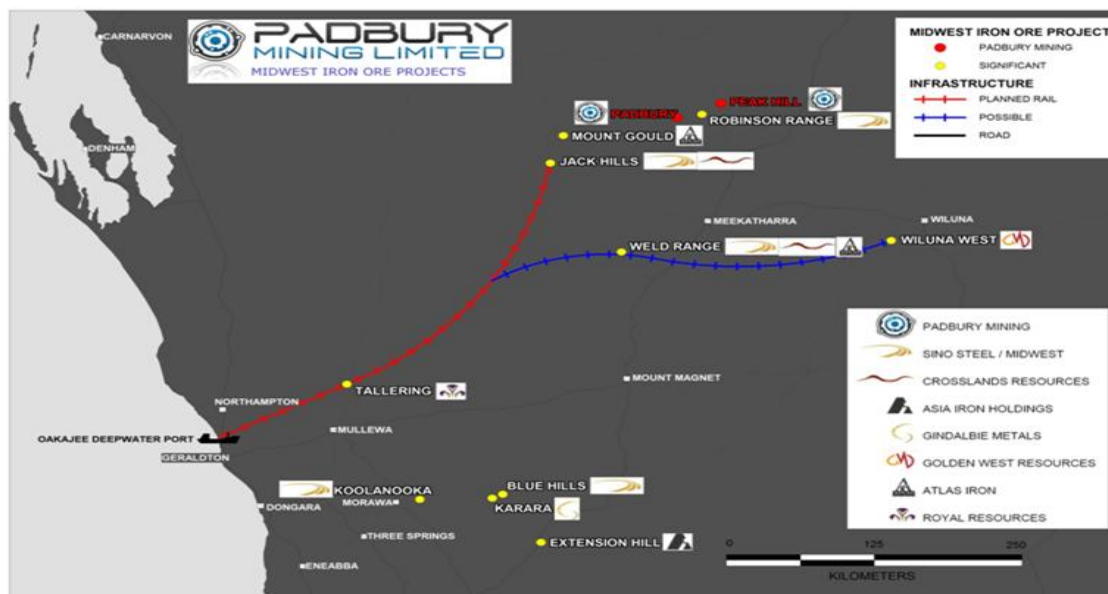


PEAK HILL IRON JV-- MAGNETITE EXPLORATION TARGET

5.5- 6.5 Billion Tonnes¹ @ 30-40% Fe

HIGHLIGHTS:

- Substantial magnetite iron ore potential estimated to range between **5,500 - 6,500 Mt¹** at an **expected grade between 30-40% Fe** at the Peak Hill Iron JV, located in the MidWest Iron Ore District of Western Australia
- Several magnetic anomalies have been identified across the project area, potential for 57.5 Km cumulative strike length
- Exploration target potential for magnetite iron ore confirmed by Independent Geological Consultants
- Iron mineralisation hosted within the Robinson Range Iron Formation, host to substantial quantities of hematite-martite-goethite-magnetite mineralisation styles



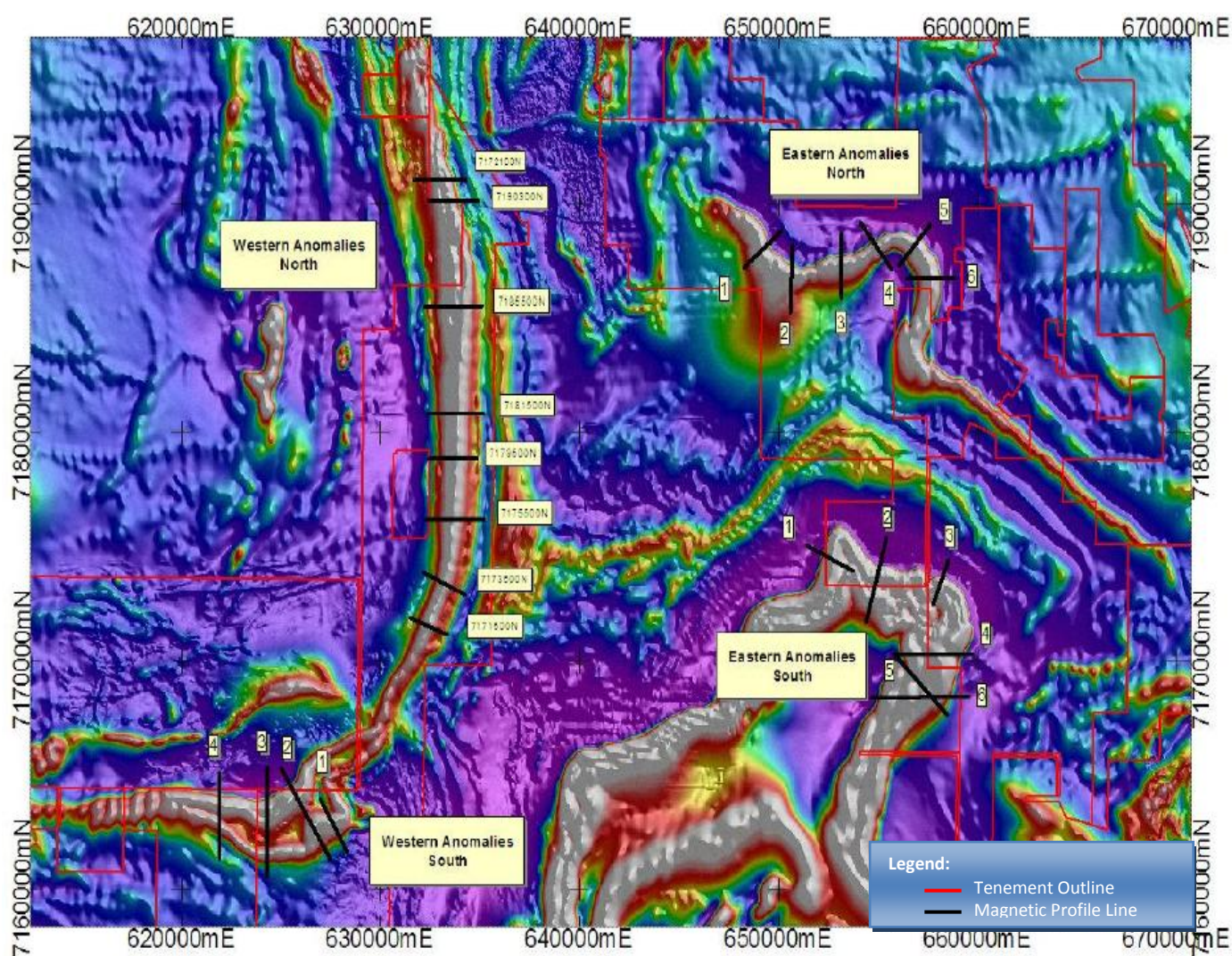
¹The potential quantity and grade of the Peak Hill Iron JV project is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

SUMMARY

Padbury Mining Limited ("Padbury") is pleased to announce the completion of the recent desktop analysis which has resulted in the estimation of a substantial magnetite iron ore target of 5,500 - 6,500 Mt² at an expected grade of between 30-40% Fe. Prior drilling of the target magnetite-enriched horizons has shown intersection widths and grades comparable to those used to support the estimate.

These results justify an aggressive approach to further exploration to determine the potential of economic magnetite iron ore production in the project area. A planned work program will determine the depth and grade of mineralisation.

Figure 1: Magnetic Modeling Traverses



²The potential quantity and grade of the Peak Hill Iron Ore Project is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource

GLOBAL IRON MINERALISATION:



The estimate was calculated by Resource Potentials and requested by Salient Group: both independent consultancies engaged by Padbury to assist with the development of its assets at Peak Hill.

The table below illustrates the target tonnage of the Peak Hill Iron Project. This estimate is conceptual in nature and is not an indication of a mineral resource compliant with the JORC Code.

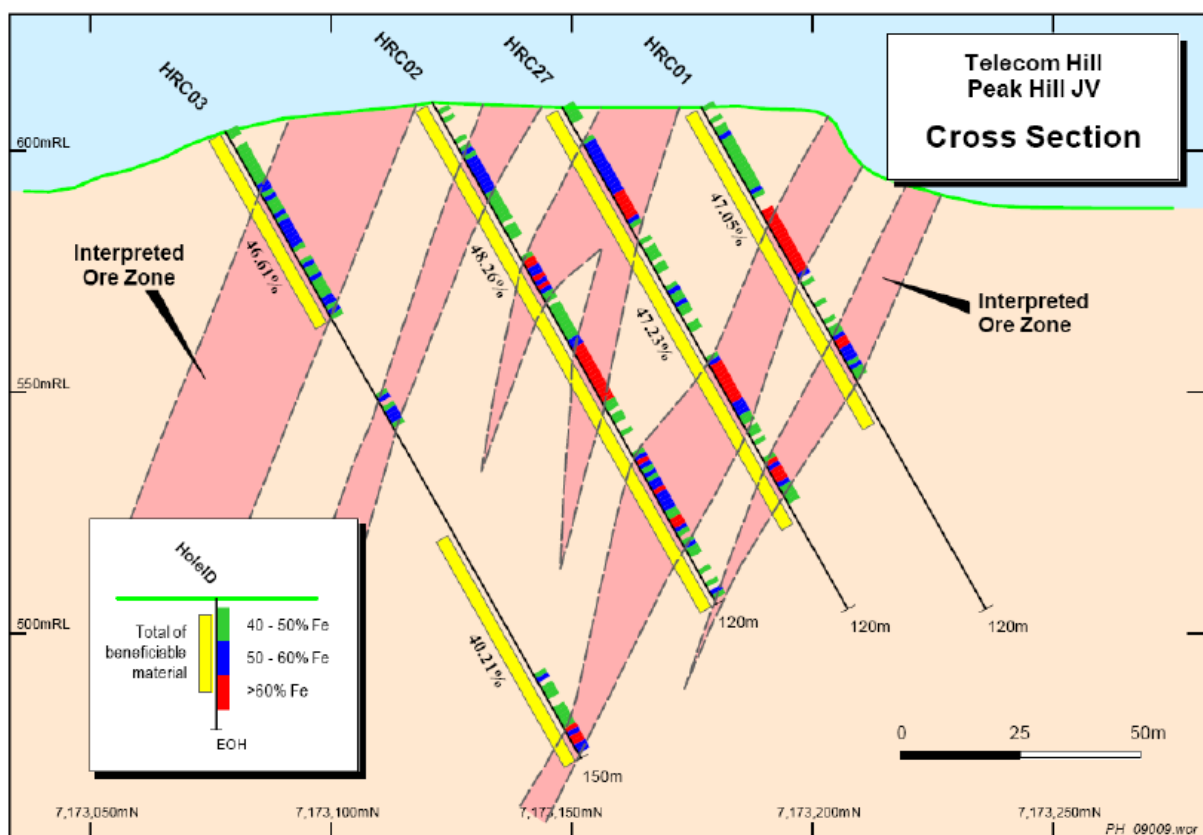
Table 1: Global Iron Mineralisation

Anomaly	Depth to Top (m)	Width (m)	Length (m)	Depth Extent (m)	Volume ('000 m ³)	S.G	Tonnes (Mt)
E52/2279 East	50-200	200	14000	200	560,000	3.3	1,848
E52/2279 Central	50-200	100	7000	200	140,000	3.3	462
E52/2279 West	50-200	100	3000	200	60,000	3.3	198
E52/2279:1976 NorthA	50-150	75	1500	200	22,500	3.3	74
E52/2279:1976 NorthB	50-150	75	1000	200	15,000	3.3	50
E52/2279:1976 NorthC	50-150	100	3500	200	70,000	3.3	231
E52/2279:1976 SouthA	50-150	100	6000	200	120,000	3.3	396
E52/1860 North	50-200	200	9000	200	360,000	3.3	1,188
E52/1860 South	50-200	200	8000	200	320,000	3.3	1,056
E52/1557	50-200	200	4500	200	180,000	3.3	594
				TOTAL	1,847,500		6,097

PROJECT GEOLOGY:

The magnetite 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



The joint venture partners are extremely encouraged and excited by the analysis provided by our independent consultants and are looking forward to following this up with further work which will be announced as it is commissioned.

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Technical information in this report has been prepared under the supervision of Mr Jonathon King, a director of Weston Consultancy Group Pty Ltd, and a member of the Australian Institute of Geoscientists (AIG).

Mr King has sufficient experience which is relevant to the style of mineralisation 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 Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr King consents to the inclusion in this report of the information, in the form and context in which it appears.