

18 June 2009

Companies Announcement Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

IRON ORE POTENTIAL FURTHER DEFINED AT PEAK HILL

Padbury Mining Limited (ASX Code: PDY) continues to be very active at Peak Hill which is located in the highly sought after Mid West area of Western Australia. The Company has successfully carried out a rock chip sampling exercise over the previously untested Banded Iron Formation ("BIF") on the area known as Telecom Hill. Assay results from the rock chip samples over the main target area are outlined below together with Mudderwearie Area (Line 13) and Ravelstone Area (Line 17).

New assay results for the follow up rock chip sampling demonstrates high iron values and low impurity levels.

DESCRIPTION SAMPLE	Iron Fe%	Alumina Al₂O₃%	Silica SiO₂%	Titanium TiO₂%	Phosphorous P%
Dense banded hematite (BIF)	65.0	0.8	2	0.04	0.145
Biscuity hematite (BIF)	65.1	1.7	2.7	0.04	0.085
Goethitic hematite (BIF)	63.9	0.7	1.2	0.03	0.391
Massive hematite (BIF)	66.3	1.1	1.4	0.04	0.11
Massive hematite (BIF)	65.5	0.8	2.5	0.02	0.075
Line 13 Granular Iron Formation	30.9	4.5	26.3	0.2	0.079
Line 17 Goethitic Hematite	56.1	2.9	2.2	0.1	0.87
Line 17 Goethitic Hematite	51.3	2.3	19.8	0.09	0.153

The significant results above show that there is both highly enriched BIF at Telecom Hill as well as medium grade leached Horseshoe style BIF with varying silica and low alumina and phosphorous levels.

The Telecom Hill target is considered to be very favourable to host good quality hematite direct shipping ore ("DSO"). The recently commenced reverse circulation drilling program has intersected significant intersections of enriched BIF to a down hole depth of 150m (60 degree angle holes) and the company has submitted the first three holes drilled on Telecom Hill for assay. These are expected within the next 4 to 6 weeks.

The most prospective samples previously reported at Peak Hill in the announcement of 23 December 2008 was the Horseshoe Formation delineated in magenta below in Figure 1. Subsequently another area was defined in the Telecom Hill location shown on Figure 1 in blue.

The assays are from various sampling points and were released in previous announcements.

SAMPLE DESCRIPTION	Fe%	Al ₂ O ₃ %	SiO ₂ %	TiO ₂ %	P%
Hematite Mt Beasley	66.5	0.85	0.88	0.05	0.085
Fortnum Syncline	59.7	2.15	4.92	0.08	0.025
Horseshoe Well	55.6	2.01	5.77	0.09	0.973

As also previously announced the company has commenced drilling on the twelve sections of the prospective Horseshoe and Robinson Range BIF. The majority of these drill targets are on existing tracks and should be accessible with a minimum of clearing or disturbance.

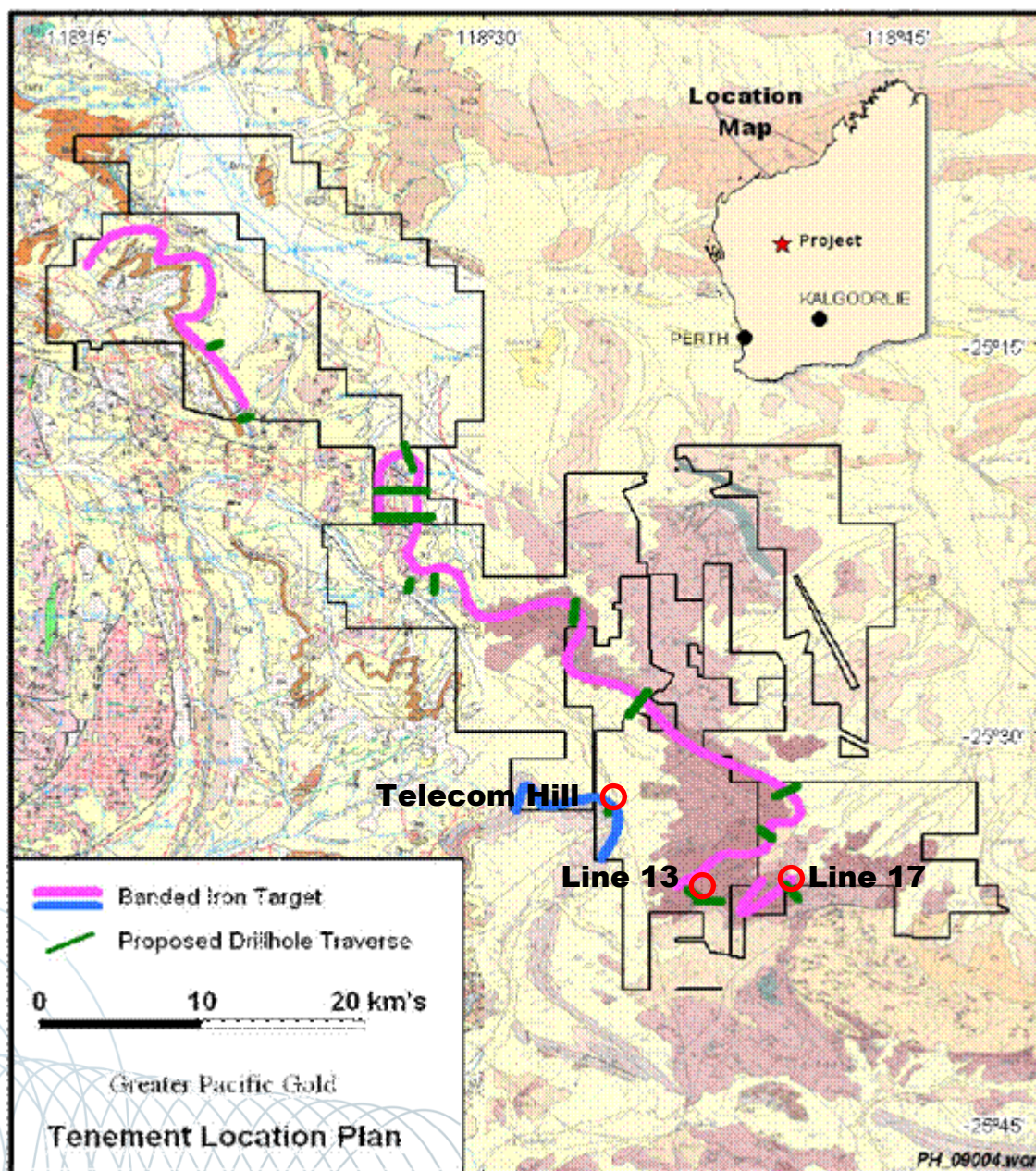


Figure 1 : Sample Locations at Peak Hill Iron Project area

The programme of works and heritage clearance survey for the Mt Padbury area is also underway and approvals are expected in the coming month.

The testing of the targets identified by the Hyvista hyperspectral airborne survey and rock chip sampling work at the Mt Padbury area will be completed when all access clearances are completed.

The Mt Padbury area which is located approximately 40 kilometres west of the Peak Hill area has the potential to significantly increase the iron mineralisation, with a number already identified banded iron formation and goethite hematite Hyvista targets in this area.

The Peak Hill area forms part of the Peak Hill Joint Venture in which Padbury Mining Limited has an interest of 70% and Aurium Resources Limited (ASX Code: AGU) has the remaining 30% interest.

The company is continuing its commitment to develop and seek wealth creating opportunities for the benefit of its shareholders.

N J Bassett
Company Secretary

COMPETENT PERSON STATEMENT

Information in this report that relates to exploration results is based on information compiled by Peter Schwann, CP (Geol), who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Schwann is a consultant to Padbury Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves. Mr Schwann consents to the inclusion in this report of the matters based on information in the form and context in which they appear.