

Peak Hill Iron Project Drilling Update

The Boards and Management of Padbury Mining Limited (ASX:PDY) and its Joint Venture partner Aurium Resources Limited (ASX:AGU) are pleased to provide the following progress report on the major drilling program underway at the flagship Peak Hill Iron Joint Venture.

- **Twelve drill holes now completed**
- **Pre-collaring commenced for diamond drilling**
- **Metallurgical testing to be undertaken on drill core**
- **Rehabilitation work continuing**

Padbury Mining Limited (ASX: PDY) and joint venture partner Aurium Resources Limited (ASX: AGU) advise that excellent progress continues to be made with the latest drilling program at Telecom Hill.

Telecom Hill holes TH104 to TH112 have now been drilled to a depth of 60-100 metres. Padbury Managing Director Gary Stokes said drilling was proceeding well despite there being some extreme weather conditions at site.

“This program is the first significant step of a focused strategy to add to the Peak Hill Iron Project base by identifying a DSO source that could lead to early cashflow for the Peak Hill project,” he said.

“Another important aspect of this drill will be metallurgical testing of core samples from the magnetite Banded Iron Formation (BIF) at Telecom Hill **West**. This will provide valuable data about the nature of the magnetite deposit and represents another major milestone for the development of Peak Hill.”

Drilling at Telecom Hill is targeting DSO and is aimed at the JV’s exploration target of 10-55Mt at 55-58% Fe’. Additional DSO drilling will commence at the company’s Mt Padbury tenement once its Program of Work approval is received from the Department of Mines and Petroleum.

The recently completed baseline flora and fauna survey undertaken as part of this approval process has been submitted to the Departments of the Environment and Conservation and Mines and Petroleum.

‘NOTE: This potential quantity and grade 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.



Drill In Action

The initial holes TH101 to TH103, targeting a magnetite Banded Iron Formation, were drilled to about 300 metres. The next phase of work starts this week at Telecom Hill West to pre-collar for diamond drilling. Pre-collaring maximises cost savings by using the diamond rig for depths where only magnetite is present. Under this process, pre-collaring will vary from 50-100 metres, before the diamond drill is utilised.

The diamond drill rig arrived at site yesterday and a new camp has been established at Telecom Hill.

A sample archive is being established and rehabilitation work has commenced with the assistance of the JidiJidi community and local contractors. Part of this process will include samples being collected for dispatch to China for further testing by interested investors.

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Drill Rig on Site at Telecom Hill

Health and Safety

Padbury has advised the Department of Mines and Petroleum (DMP) of an accident at the Peak Hill project site last week.

The incident involved a field hand whose 4WD vehicle collided with a stationary loader. The contractor was air-lifted to hospital for treatment for non-life threatening injuries.

Padbury has commenced an investigation into the accident in compliance with mine safety requirements and a DMP inspector will also visit the site today.

Padbury promotes a 'zero-harm' workplace culture and has full induction, health and safety procedures in place and operational for all site workers and visitors.

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Telecom Hill East Site Just Below The Tower

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Competent Person's Statement

The Exploration Results and exploration target estimates discussed in this report were prepared under the supervision of Mr Daniel Wholley BAppSc MAIG, who is a Director and full time employee of CSA Global Pty Ltd and is a competent person as defined by the Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition. Mr Wholley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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