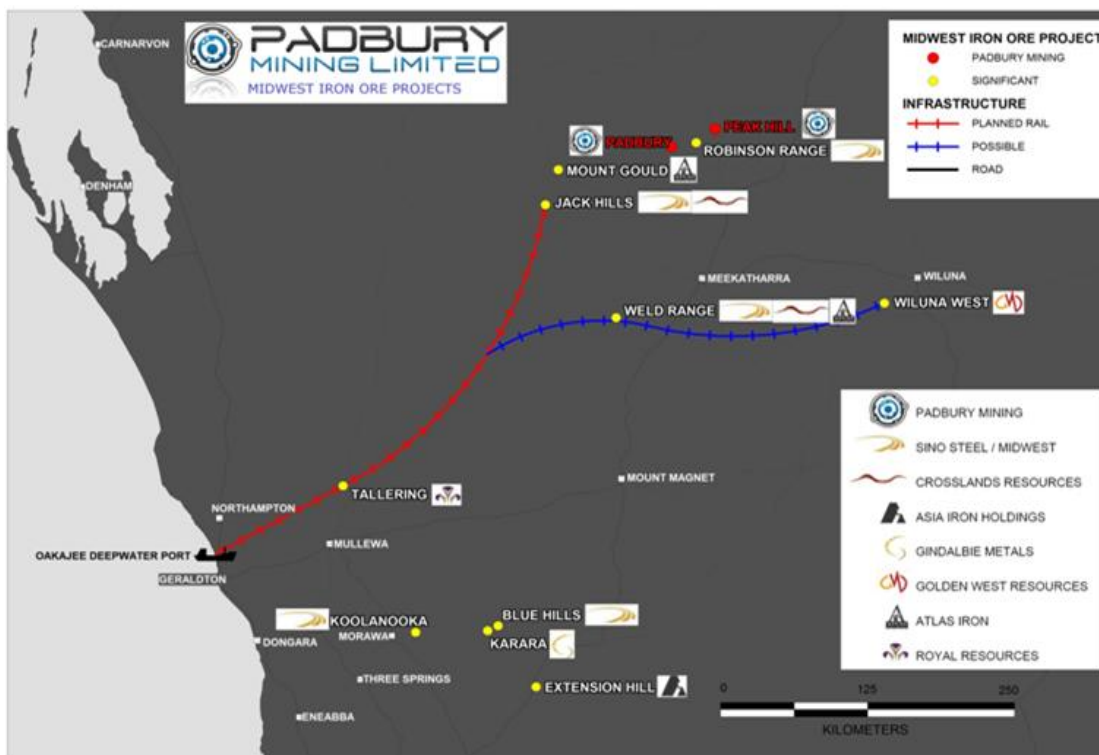


# Padbury Mining Undertakes Further Evaluation of Peak Hill Project

## Highlights:

- Padbury Mining and its JV Partner Aurum Resources, engages CSA Global to undertake detailed mapping of Telecom Hill
- Further Davis Tube Recovery work to be undertaken by Spectrolab
- Results will crystallise the next drilling program which is planned to commence during the next quarter

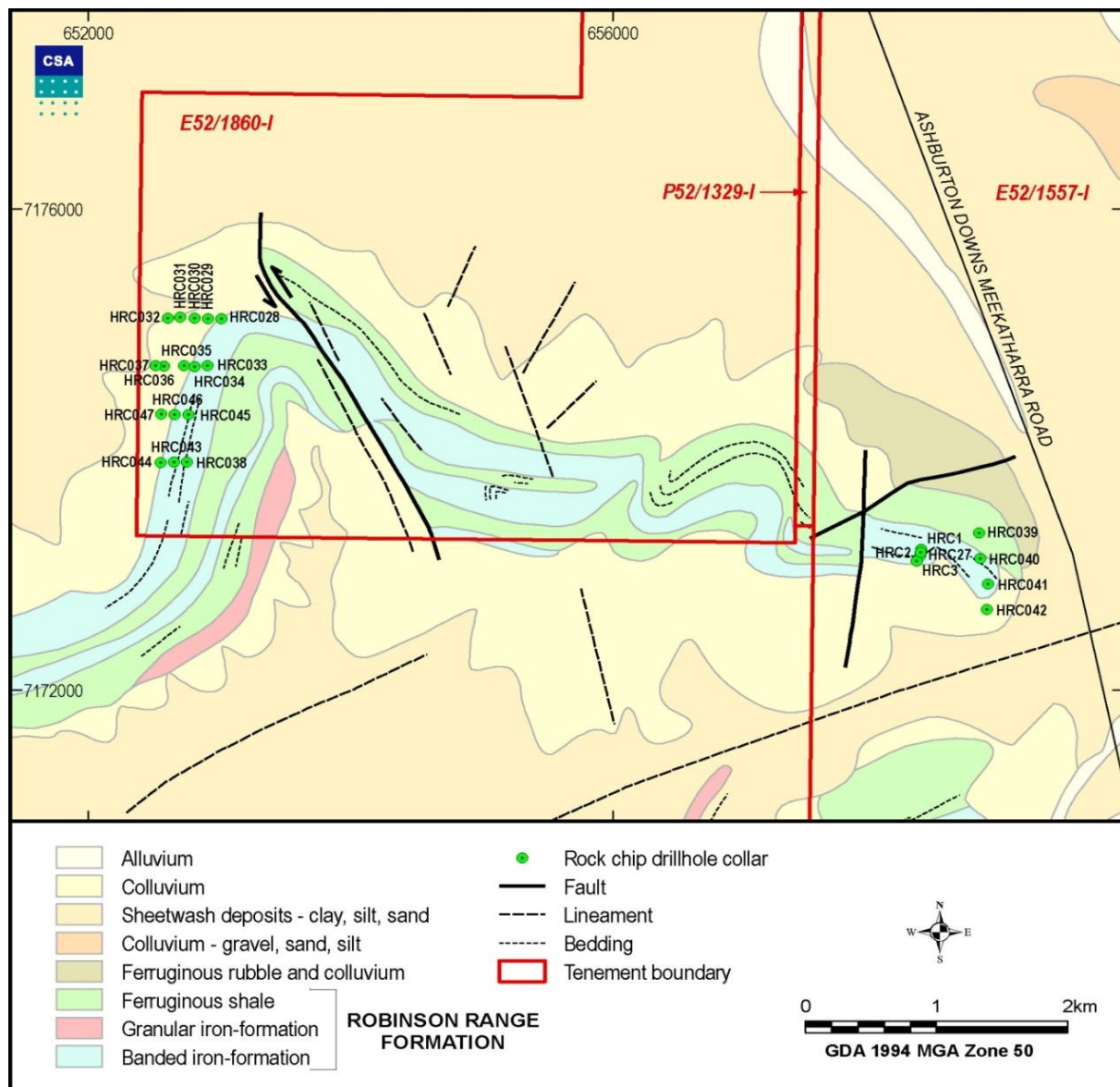


Padbury Mining, and its JV partner Aurium Resources, are pleased to announce that in line with the Company's ongoing commitment to achieving a JORC compliant resource by the end of 2010, has engaged CSA Global to conduct a 1:5000 geological mapping of Telecom Hill.

The mapping program commenced 22 June 2010.

The results from the mapping will provide further detail on the geology and structures present and, in combination with the results of previous drilling at Telecom Hill, will be used to develop a detailed drill hole plan for a significant drilling program to delineate a JORC compliant resource by the end of 2010.

The JV partners have also engaged Spectrolab to conduct Davis Tube Recovery analysis on samples from the most recent drilling program in order to get an assessment of recovery rates and grind requirements for the beneficiation process.



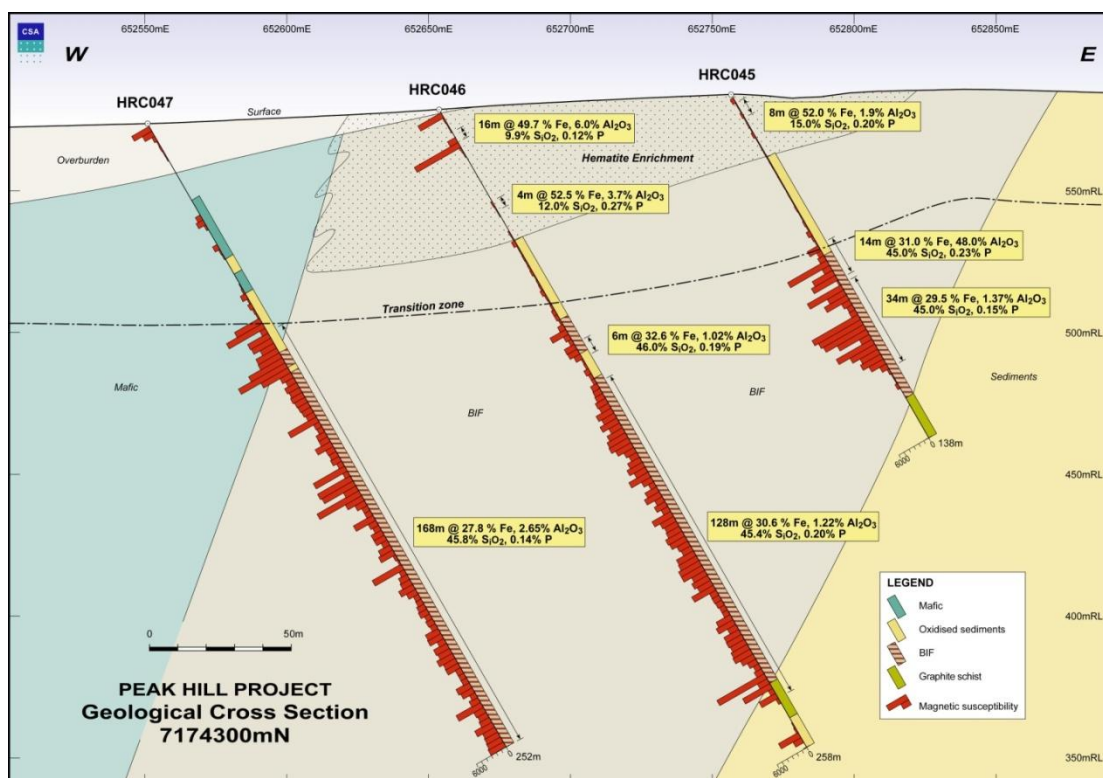
**Figure 1 Collar Locations Previous Drill Programs**

## Background

The Peak Hill Iron Ore Joint Venture represents a strategic relationship between Padbury Mining Limited ("Padbury") and Aurium Resources Limited ("Aurium"). A total land area in excess of 2,000 km<sup>2</sup> is covered by the Joint Venture (70% Padbury, 30% Aurium).

The project is located in the Mid West region of Western Australia, 140km North of Meekatharra.

The project area lies adjacent to Sino Steel Midwest's Robinson Range Project. Substantial ground positions are held by Cliffs Asia Pacific, Atlas Iron and FMG within close proximity to the Peak Hill Iron Project.



**Figure 2. Schematic Cross-section through the Western Flank target**

The recently completed drilling program supported the JV partners' view that the project has significant potential for magnetite.

The thickness and continuity of magnetite mineralisation intersected during drilling has confirmed the strong potential for large magnetite deposits within the project. Given the potential size of these deposits future exploration will be focused on gaining an understanding of the extent of the magnetite mineralisation. The JV Partners are looking at several other DSO targets and these will be assessed in more detail as the project develops.

The next part of the process to establish a JORC compliant resource will be a substantial drilling program which will be commenced in Q3 of this year.

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