



**PADBURY**  
MINING LIMITED

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Investor Presentation April 2011



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## Competent Person Statement

- The geological modelling and estimation of the Exploration Target1 for Padbury's Peak Hill Project was completed under the overall supervision of Mr. Daniel (Stan) Wholley BAppSc,MAIG, who is a full time employee of CSA Global Pty Ltd and is a Competent Person as defined by the Australasian Code for the Reporting of 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.
- The information in this report that relates to Mineral Resources is based on information compiled by Dr Bielin Shi, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Dr Shi has sufficient experience relevant to the style of mineralisation and type of deposit 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 Mineral Resources and Ore Reserves". Dr Shi consents to the inclusion of such information in this report in the form and context in which it appears.



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4/11/2011



# Corporate Information

- ASX code: PDY
- Issued capital:
  - shares: 1.58B
  - Options 1.82B
- Market Cap \$38.12M  
(as at 4 April 2011)
- Debt: Nil
- Top 20 shareholders 28.3%  
(held as at 4 April 2011)
- Stakes in ASX listed Companies:
  - Aurium 35M shares
- Board:
  - Dr John Saunders – Chairman
  - Gary Stokes - Managing Director
  - Luke Innes – Non-Executive Director
  - Colin Stirling - Non-Executive Director





# PADBURY MINING LIMITED



## PADBURY MINING LIMITED

MIDWEST IRON ORE PROJECTS

### MIDWEST IRON ORE PROJECT

- PADBURY MINING
- SIGNIFICANT

### INFRASTRUCTURE

- + + PLANNED RAIL
- + + POSSIBLE
- ROAD



PADBURY MINING



SINO STEEL / MIDWEST



CROSSLANDS RESOURCES



ASIA IRON HOLDINGS



GINDALBIE METALS



GOLDEN WEST RESOURCES



ATLAS IRON



ROYAL RESOURCES

CARNARVON

DENHAM



PADBURY

PEAK HILL



ROBINSON RANGE

MOUNT GOULD



JACK HILLS



MEEKATHARRA

WILUNA

WELD RANGE



WILUNA WEST



NORTHAMPTON

TALLERING



MOUNT MAGNET

OAKAJEE DEEPWATER PORT

GERALDTON

MULLEWA

KOOLANOOKA

MORAWA

DONGARA

BLUE HILLS

KARARA



THREE SPRINGS

EXTENSION HILL



ENEABBA

0

125

250

KILOMETERS

## Impacts of Current Economic Cycle

- Big economies underpinned by resources~4% growth  
(Canada, Russia, Australia; Brazil; South Africa ~10% of world GDP, 440M people)
- Third Wave of SE Asian economies~6% growth  
(First wave, China; Second wave India – Malaysia, Indonesia, Sri Lanka ~ 5% world GDP, 1 billion people)
- China able to maintain 8% growth~13% world GDP  
(1.3 billion people)
- India expected to grow at around 8%~ 5% world GDP  
(1.1 billion people)
- Urbanisation leading to increased steel demand  
(India<30%; China~42%; USA ~80%)



## China's 12<sup>th</sup> Five Year Plan

- China plans to:
  - Build up to 10 million low income housing units in 2011, up 72.4%
  - Invest around \$106 billion in railroad construction projects in 2011
  - Build 20 million new motor vehicles
- Urbanisation will continue to grow especially in the west
- Relatively high cost of China's domestic iron ore supply will support the long term price of iron ore
- If China builds planned 500mtpa of additional steel capacity by 2015 there will be a shortfall in supply

## Iron Ore Demand

- Iron ore demand over next four years to equal volumes provided by Australian suppliers to date” (Albanese, RioTinto CEO)
- Price for concentrate product around US\$150/tonne
- 80% of iron ore used in US steel mills – magnetite
- Magnetite sold as concentrate at 67-68% Fe
- Chinese steel demand to reach 1,000-1,290Mtpa by 2015 -- currently 665mt
- Forward price prediction: US\$150/t FOB for 2Q11 trending down to US\$116/t 4Q2013, still well above forecast production costs - *The Royal Bank of Scotland, Australia Strategy 24 November 2010*



## Padbury Overview

- Leading emerging iron ore junior with significant project in mid-west region of Western Australia
- JORC Resource of 850Mt @ 27.3% Fe
- Focus – creation of shareholder wealth
- Flagship Peak Hill JV project has the potential to rival the significant deposits of the region
- Peak Hill overall exploration target of 3.5-5Bt @ 25-35% Fe<sup>1</sup>
- DSO target of 55Mt @55-60% Fe'
- Similar position to Gindalbie prior to Ansteel involvement
- Planning to be producing 2015/16

*<sup>1</sup>The 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.*

## Peak Hill Iron Ore JV

- JV between Padbury and Aurium
- Detailed mapping of Mt Padbury completed December 2010, hematite targets for drilling 2Q2011
- Further drilling on Telecom Hill to increase volume and JORC categorisation
- Strong vision for the project - regionally significant magnetite concentrate production facility, serviced by heavy haul railway and the deepwater port at Oakajee

*<sup>1</sup>The 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.*



## Geology

- Exploration target<sup>1</sup> of 3.5-5Bt grading 25-35% Fe in 3 areas within tenements
- Best preliminary Davis Tube Recovery test work demonstrated mineralisation grading 30% Fe was upgraded to 67.7% Fe at grind size of 38 micron with mass recovery of 21.5% to concentrate.
- Similar results at 45 micron grind.

*<sup>1</sup>The 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.*

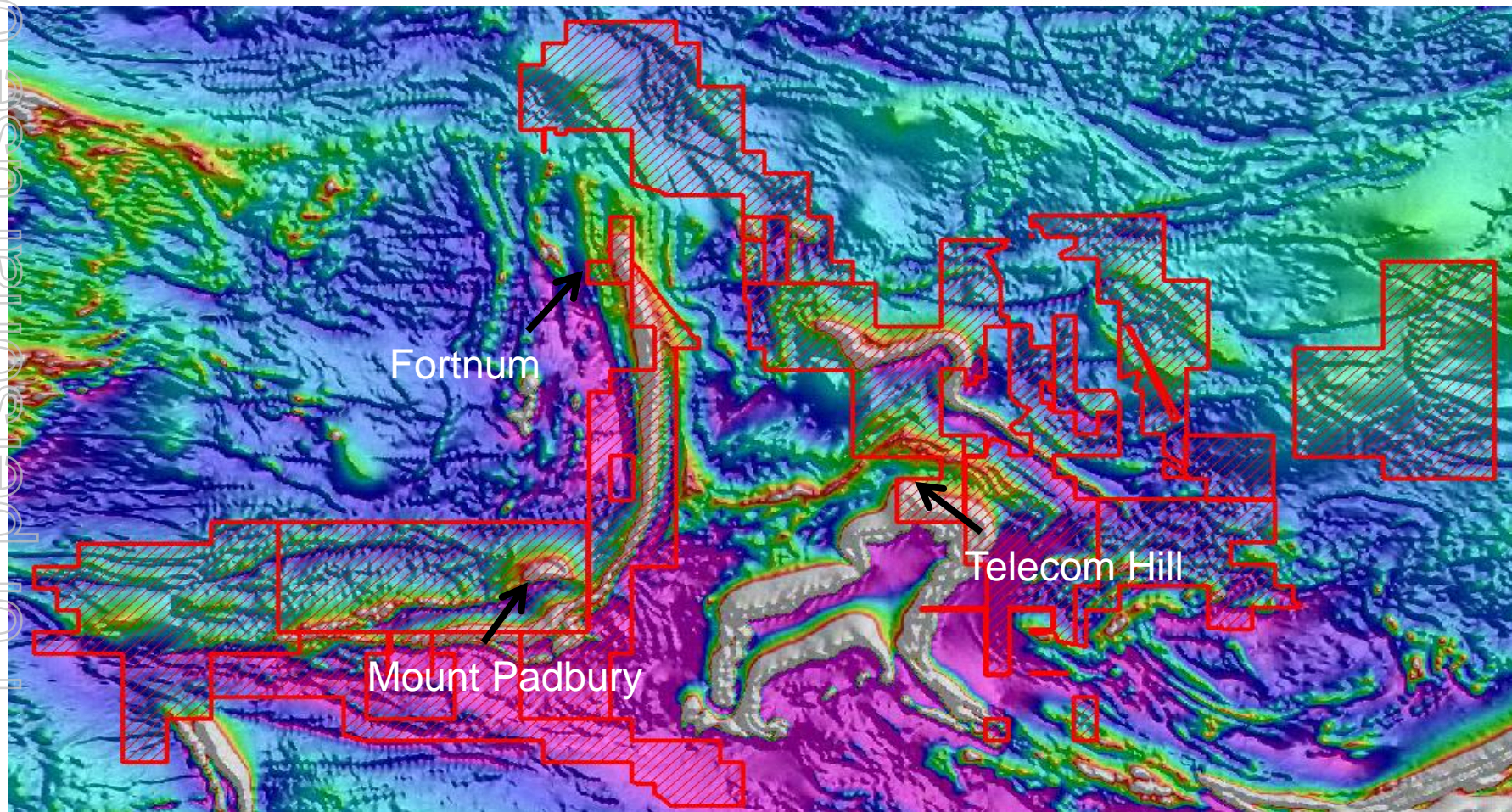




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## Regional Magnetics



## December 2010 Magnetite Drill Results – Largest Intercepts

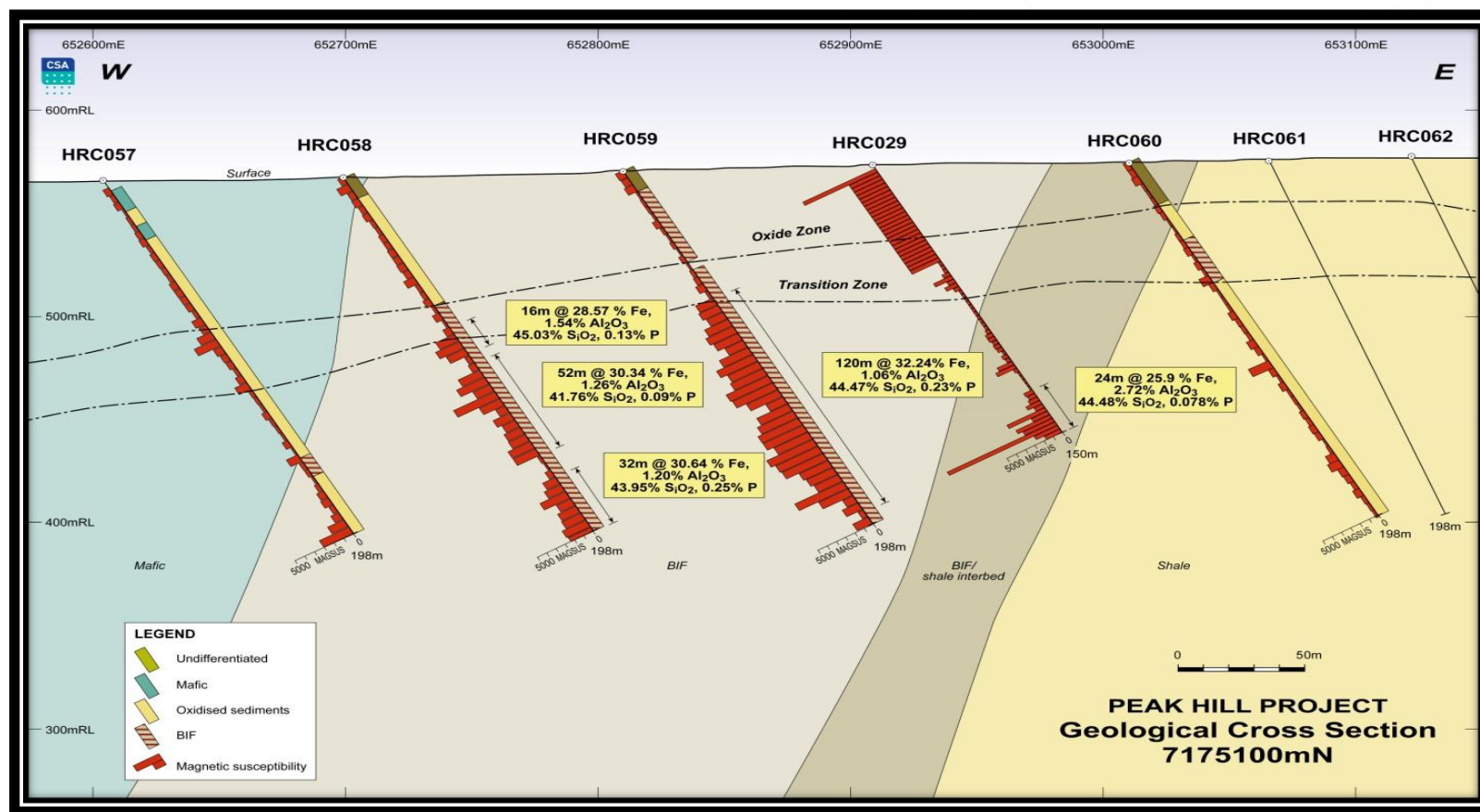
	From (m)	To (m)	Intercept (m)	Fe%
HRC61	0	198	198	34.2
HRC64	0	198	198	31.2
HRC65	0	176	176	31.4
HRC62	28	153	125	34.3
HRC70	24	172	148	30.7
HRC63	0	96	96	33.7



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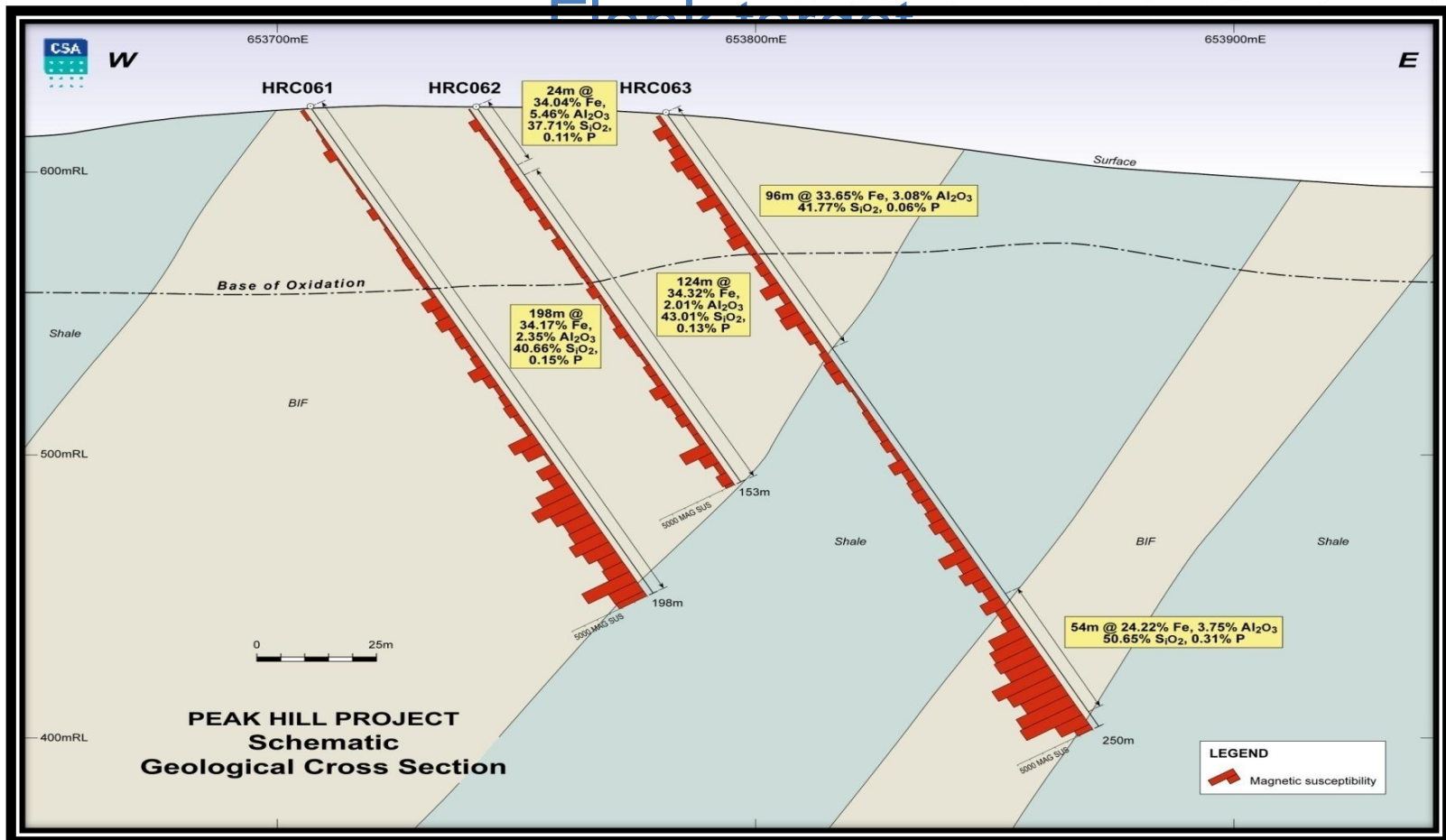
# Schematic Cross-section through the Western Flank target



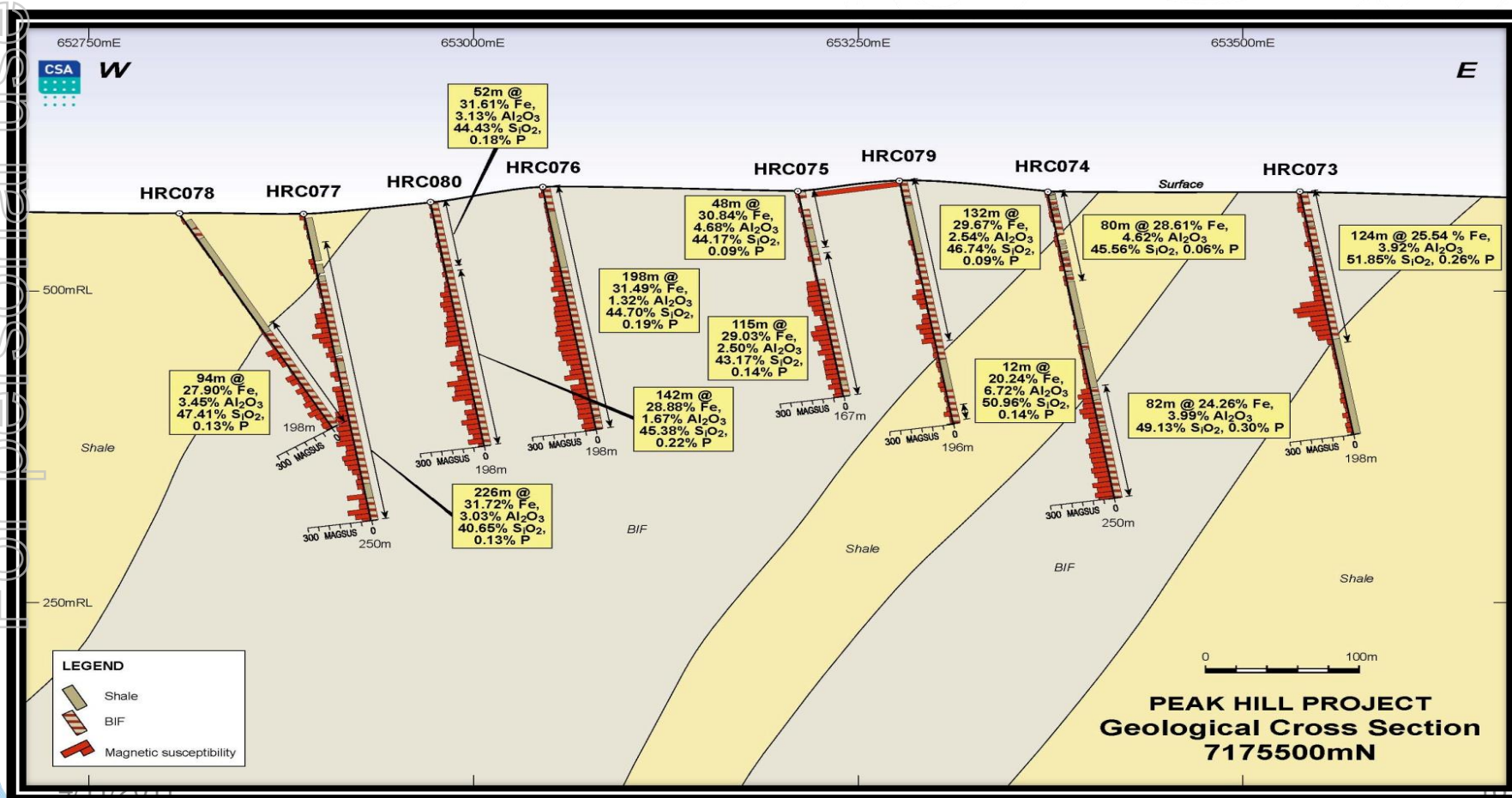




# Schematic Cross-section through the Western



# Schematic Cross-section through the Western Flank







## Project Strengths

- Extensive potential strike length
  - ▶ 10 Km Robinson Range
  - ▶ 6 Km Horseshoe formation
- Oakagee port and rail expected to commence 2015
- Within 100kms of Crosslands proposed rail head
- Within 100kms of Goldfields gas pipeline
- Established mining camps and culture within the area

## Magnetite Project Comparison

Company	Project	Market Capitalisation	Resource	Target
Atlas	Ridley	\$1,712M	2.5Bt@36.5%	
Crossland Resources	Jack Hills	n/a	991Mt@34.1%	3Bt
Gindalbie	Karara	\$1,037M	2.5Bt@35.9%	
Grange Resources	Southdown	\$853M	650Mt@36.5%	
<b>Padbury</b>	<b>Peak Hill</b>	<b>\$38M</b>	<b>850Mt @27.3%</b>	<b>3.5-5Bt @25-35%</b>



# Magnetite Project Comparison

Company	Category	Tonnage	Fe %	SiO2%	Al2O3%	P%	LOI%
Venus Metals	Inferred	444	30.29	47.91	1.79	0.047	0.94
<b>Padbury Mining Ltd</b>	<b>Inferred</b>	<b>850</b>	<b>27.3</b>	<b>46.2</b>	<b>3.4</b>	<b>0.14</b>	<b>6.52</b>
Emergent Resources	Inferred	561	27.5	49.9	4.1	0.1	2.51
Royal Resources	Inferred	277	25.9	41.4	6.7	0.2	
Iron Road	Ind/Inf	1235	16.8	52.6	12.3	0.09	1.1

## Oakagee Port - Infrastructure

- Port 30km north of Geraldton targeted to be operational 2015 – cape sized ships
- \$700M committed by State/Federal governments
- Premier Barnett fully committed to project claiming it to be most important for economic development of the state over the next 50 years
- Peak Hill located within 100kms of initial railworks
- Padbury acquired IP from Yilgarn Infrastructure as Plan B to ensure access to suitable infrastructure



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## Where To?

Year One	Jul-10 Aug-10 Sep-10 Oct-10 Nov-10 Dec-10 Jan-11 Feb-11 Mar-11 Apr-11 May-11 Jun-11
<b>Review project geology.</b>	
<b>Confirm iron ore resource potential</b>	
<b>Delineate maiden resource (~500Mt Inferred)</b>	
Complete a conceptual mining study	
Commence baseline studies (hydro, Enviro, permitting)	
Year Two	Jul-11 Aug-11 Sep-11 Oct-11 Nov-11 Dec-11 Jan-12 Feb-12 Mar-12 Apr-12 May-12 Jun-12
Improve strength of management team	
Upgrade to >1Bt Indicated and Inferred Resource	
Review and select preferred infrastructure partner	
Commence PFS	
Commence approvals process and EIA	
Diversify project pipeline	
Year Three	Jul-12 Aug-12 Sep-12 Oct-12 Nov-12 Dec-12 Jan-13 Feb-13 Mar-13 Apr-13 May-13 Jun-13
Complete PFS	
Commence negotiations for project construction funding	
Commence detailed evaluation programs for DFS	
Commence mine permitting process.	



## Conclusion

- Leading emerging iron ore junior with 850Mt JORC compliant resource in the mid-west region of Western Australia
- Compelling valuation vs. peers over medium term
- Flagship Peak Hill JV project has the potential to rival the significant deposits of the region
- Strong vision for the project - regionally significant magnetite concentrate production facility, serviced by heavy haul railway and the deepwater port at Oakajee
- Similar position to Gindalbie prior to Ansteel involvement

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