

28 April 2011

Company Announcements Office  
ASX Limited  
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SYDNEY NSW 2000

**Chinese offer follows maiden JORC results; highlights Padbury's iron ore prospects**

**Key Points**

- **Sichuan Taifeng Group Co Ltd (Taifeng) offers 19.9 % placement in Padbury at 3.3 cents per share, to be maintained at a fully diluted level**
- **Subject to the agreement of Padbury's shareholders, Taifeng is seeking a one-year option to increase its shareholding to 30% of the fully diluted share capital, with options exercisable at 5 cents per share.**
- **Acquisition of 50-60% of the Peak Hill Iron Ore project at an agreed price on completion of a Bankable Feasibility Study of the project.**
- **Offer follows Padbury's Maiden JORC compliant announcement of an Inferred Resource of 850Mt at 27.3% Fe and a hematite exploration target of up to 28Mt at 55-60%Fe.**

Padbury Mining Ltd (ASX:PDY, "the Company") is pleased to advise that it has received a non-binding offer from China's Taifeng Group Co Ltd (Taifeng) to take a significant stake in the Company.

The offer is subject to due diligence, which will start with a six-member delegation visit by Taifeng led by Chairman Mr Song Yuangang, to the Company's tenements in May.

Taifeng will submit a binding offer within 10 days of the successful completion of these investigations.

If approved by Padbury shareholders, the deal will then require the consent of the Foreign Investment Review Board.

Padbury Chairman Dr John Saunders said he was looking forward to meeting Mr Song to discuss the offer further.

“I am pleased to see interest in Padbury growing following the release of our maiden JORC magnetite resource and our haematite exploration target. I expect this to be one of several expressions of interest to come from Asia,” he said.

Managing Director Gary Stokes said the interest was a vote of confidence in Padbury’s iron ore resource at its flagship Peak Hill project in Western Australia’s Mid West Region.

Padbury is in the process of appointing its advisers on the offer by Taifeng and looks forward to welcoming the Chairman and his team in early May.

Taifeng’s complete offer includes:

- A 19.9% placement in Padbury at 3.3 cents per share. This level is to be maintained at a fully diluted level.
- Subject to the agreement of Padbury’s shareholders Taifeng is seeking a one year option to increase its shareholding to 30% of the fully diluted share capital with the options exercisable at 5 cents per share.
- Acquisition of 50-60% of the Peak Hill Iron Ore project at an agreed price upon completion of a Bankable Feasibility Study of the project.
- A pre-emptive right to subscribe to Padbury shares from any future equity placements in order to maintain its equity undiluted.
- A seat on Padbury’s Board following the acquisition of the initial 19.9% stake being sought.

## About Padbury

Padbury Mining Limited is an ASX-listed mineral exploration company focussed on its significant iron ore assets in Western Australia’s Mid West Region.

The company’s flagship development is the Peak Hill Iron Joint Venture, a highly prospective iron ore project with an initial 850Mt JORC compliant magnetite resource and a haematite (Direct Shipping Ore – DSO) exploration target<sup>1</sup> of 28Mt at 60 %Fe.

<sup>1</sup> 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

Padbury has a comprehensive program of work planned for the Peak Hill project during 2011, including a drilling program and environmental and heritage studies.

Yours faithfully,

Gary Stokes  
Managing Director

*Competent Persons 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.*