

**HD** Oakajee dumped, heat's on Padbury

**CR** The Australian

**WC** 458 words

**PD** 1 May 2014

**ET** 00:00

**SN** theAustralian.com.au

**SC** NLAUSW

**LA** English

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**LP**

PADBURY **Mining** has abandoned its widely ridiculed plan to revive the \$6.5 **billion** Oakajee port and rail project.

The Perth-based junior explorer said yesterday it had torn up an April 8 funding agreement with companies connected to colourful Sydney entrepreneur Roland Frank Bleyer, who told The Australian last week he would find the \$6.5bn in the Cayman Islands.

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But Padbury has yet to answer a string of concerns raised about its disclosure by the Australian Securities & Investments Commission and the Australian Securities Exchange.

It is understood that shares in Padbury — which soared when the Oakajee deal was announced to the market — will remain suspended until it satisfies the ASX that it is complying with its disclosure obligations.

ASIC is also understood to be conducting an investigation into whether Padbury's deal with Mr Bleyer was genuine and whether the market was misled.

Padbury managing director Gary Stokes did not return calls last night.

Sources in the Perth **iron ore** industry said Mr Stokes's decision to go into business with a figure such as Mr Bleyer had destroyed his credibility.

Padbury said that Mr Stokes had withdrawn from a **mining** conference he was scheduled to attend today.

Mr Stokes said he was "greatly encouraged" by comments by West Australian Premier Colin Barnett about the renewed interest of **Chinese** companies in developing the Oakajee project.

Mr Barnett said yesterday it took him "about 30 seconds" to work out that Padbury's plan was unrealistic and he was backing cashed-up **Chinese** companies to fund the infrastructure.

Padbury said on April 11 that it had raised 100 per cent of the **equity** needed to build Oakajee through an agreement with an unnamed entity, later revealed to be a **company** controlled by Mr Bleyer.

But after being quizzed by the ASX and ASIC over the bona fides of the deal, Padbury went into a trading halt and was never able to disclose the ultimate source of the funding or whether any security arrangements were in place.

The Padbury announcement sparked scrutiny of Mr Bleyer's past business dealings amid revelations of a string of failed business deals as well as civil and criminal cases brought against him in the US.

Padbury said yesterday it had signed a deed of termination agreement with companies linked to Mr Bleyer.

It said the effect of the deed was to release and discharge the parties from any claims arising under the agreement or its termination.

"Padbury will continue to actively explore all available opportunities to exploit its existing intellectual property with respect to the Oakajee project," it said.

The Oakajee infrastructure has been promised in vain by various parties over 30 years.

**CO** rivgol : Padbury Mining Limited

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**AN** Document NLAUSW0020140430ea4u000mg