

HD Padbury abandons Oakajee plan

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PADBURY **Mining** has been forced to quit its botched plan to revive the \$6.5 **billion** Oakajee port and rail project.

The Perth-based junior explorer told the market 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 colourful Sydney business identity Roland Frank Bleyer.

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Demand for Oakajee answers

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.

Mr Bleyer told The Australian last week he would find the money from a bank in the Cayman Islands.

This morning, West Australian Premier Colin Barnett said he had spent "about 30 seconds" considering Padbury's plan to revive the long-stalled Oakajee project before dismissing it as unrealistic.

Late today, in a highly embarrassing backdown, Padbury said it had signed a deed of termination with Mr Bleyer's **company** Superkite Pty Ltd.

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 – which has been promised in vain by various parties over the past 30 years – would service the mines of the mid-west and open up a new **iron ore** export province for Australia.

Japanese corporate giant Mitsubishi last year abandoned its plan to build the Oakajee port and rail network, citing weaker **iron ore** prices and an inability to entice **China** to invest **billions** of dollars in the region.

Padbury's announcement on April 11 sent its share price up as much as 170 per cent during the day, with about 200 **million** shares trading hands.

Padbury **Mining** chief executive Gary Stokes told The Australian on the day of announcement that the **company**'s plans were genuine.

"We wouldn't have made an announcement on the ASX if it wasn't," he said.

"We've been working on this for quite some time – this is not new.

"We have been very much about under-announcing and over-delivering. There is a lot of cynicism there – some of it healthy, some of it not so healthy."

It is understood the ASX is still demanding answers from Padbury about whether it was in compliance with its disclosure obligations on April 11.

CO rivgol : Padbury Mining Limited

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