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 HD **Padbury receives interest to revive Oakajee project**

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**Iron ore mining** minnow Padbury **Mining** said Tuesday it had received strong interest from **Chinese**, Middle East and South Korean companies about reviving plans to develop the \$6 **billion** Oakajee port and rail project in Western Australia's Mid West region.

In April Padbury said it had secured the funding needed to develop Oakajee's port with capacity to export 35 **million**-45 **million** mt/year and a connecting 570 km of rail network, from a group of private **equity** investors. But a week later the deal was scrapped.

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Since the termination of the deal, investment interest in Padbury has come from **China**, the Middle East and South Korea and Padbury expects to visit **China** and South Korea in early July to progress discussions further, the **company** said in a statement. The **Chinese** interest is from a **company** originally involved in the creation of the intellectual property which Padbury holds for Oakajee and through an existing Mid West investor, Padbury said, without providing any names.

The Middle East investor is looking for "long term returns and its key interest is in infrastructure projects such as port and rail," the **company** said.

Oakajee was originally meant to be built by Japan's Mitsubishi Corp., but the project was suspended in late 2012 due to the then uncertain economic environment

Padbury is developing the Peak Hill **iron ore** project in the Mid West region, which could potentially produce as much as 10 **million** mt/year of **iron ore**. However, its development is dependent on the Oakajee port and rail project being built. Padbury said Tuesday both the Western Australian Premier Colin Barnett and **Chinese** officials were still keen to see the Mid West region developed to tap the area's 21 **billion** of **iron ore** resources.

**China**, in particular, is interested in the region as it is attempting to increase magnetite concentrate production from 8 **million**-9 **million** mt/year to 50 **million** mt/year to use in more sophisticated and higher-value steelmaking, which consumes less **energy** and causes less pollution, Padbury said.

"Padbury will continue to pursue development of Oakajee, and to progress its strategy which will involve continued engagement with international firms that have expressed an interest in developing the project," the **company** said.

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CO rivgol : Padbury Mining Limited

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