



3 November 2010

Company Announcements Office
ASX Limited

ANNOUNCEMENT BY PREMIUM EXPLORATION INC.

" Premium Exploration Drills 1.1 g/t Gold Over 41.5 Meters and 1.2 g/t Gold Over 81.1 Meters in PFR2010_14; Continues to Encounter Gold Mineralization in 100% of Phase-Three Drilling"

Ausmon Resources Limited (Ausmon) attach a recent public announcement made by Premium Exploration Inc which is listed on TSX Venture Exchange of Canada (TSX-V:PEM). Ausmon has a strategic stake of 5,750,000 shares and 5,750,000 warrants in Premium Exploration Inc. (Premium).

John Wang
Executive Director/Secretary



Premium Exploration Drills 1.1 g/t Gold Over 41.5 Meters and 1.2 g/t Gold Over 81.1 Meters in PFR2010_14; Continues to Encounter Gold Mineralization in 100% of Phase-Three Drilling

VANCOUVER, BRITISH COLUMBIA, Nov. 2, 2010 (Marketwire) -- Premium Exploration Inc. (TSX VENTURE:PEM) ("Premium" or "the Company") is pleased to announce continued gold mineralization in 100% of drilling in the 10,000 meter Phase-Three program at the Friday-Petsite Gold Project in Central Idaho, USA.

PFR2010_14 was drilled in the Main Zone and **returned 1.1 g/t Gold over 41.5 meters from 89.3 to 130.8 meters. At 130.8 meters it intercepted the post-mineralized Dacite Dyke and then continued to return 1.2 g/t Gold over 81.1 meters, advancing the development of the Lower Block.** Drilling is designed to develop the Lower Block mineralization directly adjacent to and beneath the initially modelled deposit size at the Friday-Petsite while stepping out and developing, both the initially modelled deposit (North, Main and South Zones) and Lower Block, along strike.

PFR2010_14 was drilled east at a -50 dip and successfully located the Friday Fault at depth in the southern end of the Main Zone between PFR2009_11 and 12 and further confirmed the geometry and development of the Lower Block located directly adjacent to and beneath the initially modelled deposit. **PFR2010_11 and 12** were drilled to the west and **returned 2.9 g/t gold over 73.5 meters including 10.6 g/t gold over 17.2 meters and 1.0 g/t gold over 83.4 meters including 3.5 g/t gold over 2.2 meters respectively.** PFR2010_14 extended the reach of the Friday-Petsite mineralization beyond the initially modelled deposit approximately double the down dip extent.

The hole was completed at 353 metres down-hole depth and encountered 1.1 g/t gold from 89.3 to 130.8 meters and 1.2 g/t gold from 189.6 to 270.7 meters, terminating in the footwall of the Friday Fault. Characteristic sulphide mineralization and alteration was encountered, remains open to the north, south, and at depth, and is interpreted to be contiguous to gold-rich holes drilled in all other directions.

PFR2010_15 was drilled from the same collar as PFR2010_14 and was drilled east at a -65 dip to also locate the Friday Fault at depth in the southern end of the Main Zone between PFR2009_11 and 12, validating the geometry, and furthering the development of the Lower Block. The hole was completed at 378.9 metres and visually encountered favourable alteration/mineralization from 200 to 275 metres down-hole depth; Based on detailed drill-core logging it is anticipated that the gold mineralization in PFR2010_15 will extend contiguously past the partial interval. Assays are still pending due to metallic screening.

See attached figures for the Cross Section for PFR2010_14 & 15 and for the updated Long Section.

The Phase-Three Friday-Petsite diamond drill program continues to execute its mandate as it successfully maintains geological control of the gold-bearing horizons to define the limits of the known gold mineralization; to date only the eastern boundary of mineralization has been defined while the deposit remains open to the north, south and at depth.

Previously released PFR2010_16 & 17 made a substantial positive impact towards endorsing the modelled upside of the Friday-Petsite Main Zone being continuous to the North Zone.

Should the Friday-Petsite Main Zone connect to the North Zone, and eventually the South Zone, the potential is to approximately at least double the initial pre-drilling model size long strike and at depth.

See attached figure for the updated Plan View Map with Drill Results to Date. The 3D Model and sections can also be viewed on the company's website.

Friday-Petsite Development

The 30-km Airborne Geophysical Image reveals the strong regional extent of the zone of conductivity interpreted to represent the Orogrande Shear Zone, linking all five contiguous projects and the two known gold deposits located at either end, which resulted in Premium increasing its land position by 200%.

Premium has currently drill-validated 1 km of strike length at the Friday-Petsite. Mineralization is associated with the Friday Fault, the east bounding fault of the Orogrande Shear Zone. Drilling is focused on the eastern boundary of a 3.0 km gold-in-soil anomaly and a 3.0 km ground magnetic geophysical anomaly interpreted to be 3.0 km's of the Friday Fault.

Upon the release of the airborne geophysical image October 18th, 2010, geologists observed that the airborne geophysical anomaly correlates with the gold-in-soil anomaly, ground magnetic geophysical anomaly, and drilling at the Friday-Petsite, **outlining 30 km's of structure for exploration.**

Quality Assurance

The Company has implemented a rigorous QA/QC program using best industry practices at the Friday-Petsite Property. As described in the Company's News Releases of July 9th, 2009 and December 29th, 2009 the program includes chain of custody of samples, drill core sawn in half and shipped in sealed bags, blind duplicates, blank samples and certified standards are inserted in the sample stream. The samples are then boxed and couriered to Acme Analytical Laboratories of Vancouver, B.C., a lab certified for the provision of assays and geochemical analyses (ISO 9001:2008). In Phase-Three, as with Phase-Two and Phase-One, samples with gold values greater than 10 g/t are re-analyzed via the metallic screen procedure. Samples with visible gold were also analyzed initially using the metallic screen analysis, as were the samples immediately preceding and following the sample with visible gold.

Qualified Person

The 2010 Phase-Three exploration program is being directed by Michael Ostenson, P.Geo., VP Exploration of Premium Exploration Inc. Mr. Ostenson is a Qualified Person as defined by NI 43-101. Mr. Ostenson prepared, and approves of the content in this release.

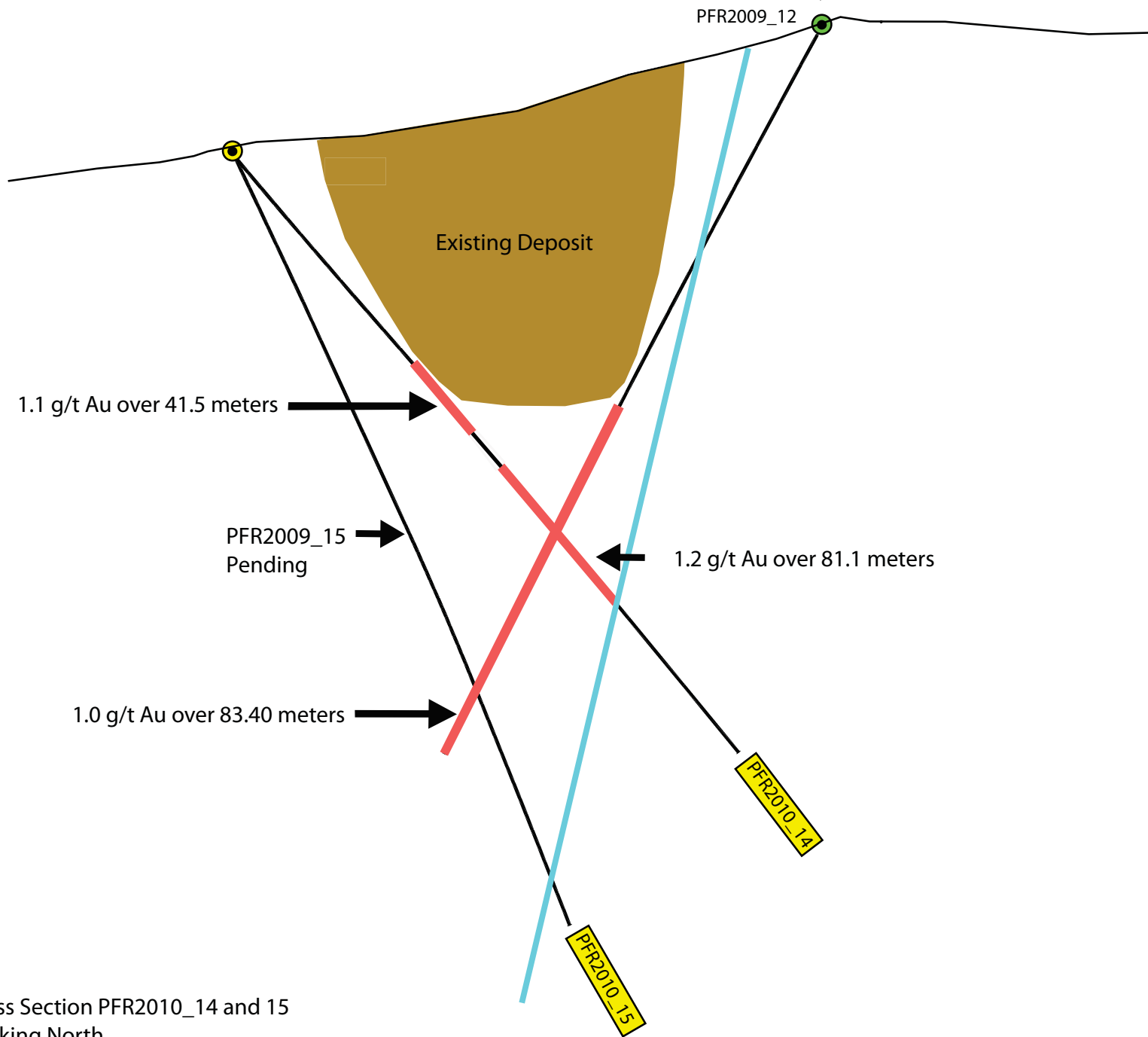
About Premium Exploration Inc.

Premium is focused on the exploration and development of its district-sized Orogrande Shear Zone "OSZ" to fulfill its vision of developing a new mining district in North America. The OSZ is a 30 km-plus regionally-significant trending structure that correlates with multiple known zones of mineralization and has structural control to its gold mineralization, characteristics similar to many large gold belts, such as the Carlin Trend of Nevada. Development is ongoing at the bulk-tonnage Friday-Petsite Project, the most advanced of several known mineralized zones located along the OSZ and represents 4% of the OSZ under Premium's control.

This press release contains certain "Forward-Looking Statements" within the meaning of Section 21E of the United States Security Exchange Act of 1934, and involves a number of risks and uncertainties. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time with the TSX Venture Exchange and the British Columbia Securities Commission. All statements, other than of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Cross Section PFR2010_14 and 15
 Looking North
 Phase III Drilling
 Friday - Petsite Project
 Orogrande Shear Zone
 Idaho, USA

- 2010 Phase 3 DH Reported This Release
- 2009 Phase 2 DH

— Fault

0 50 meters
 Scale 1:2500

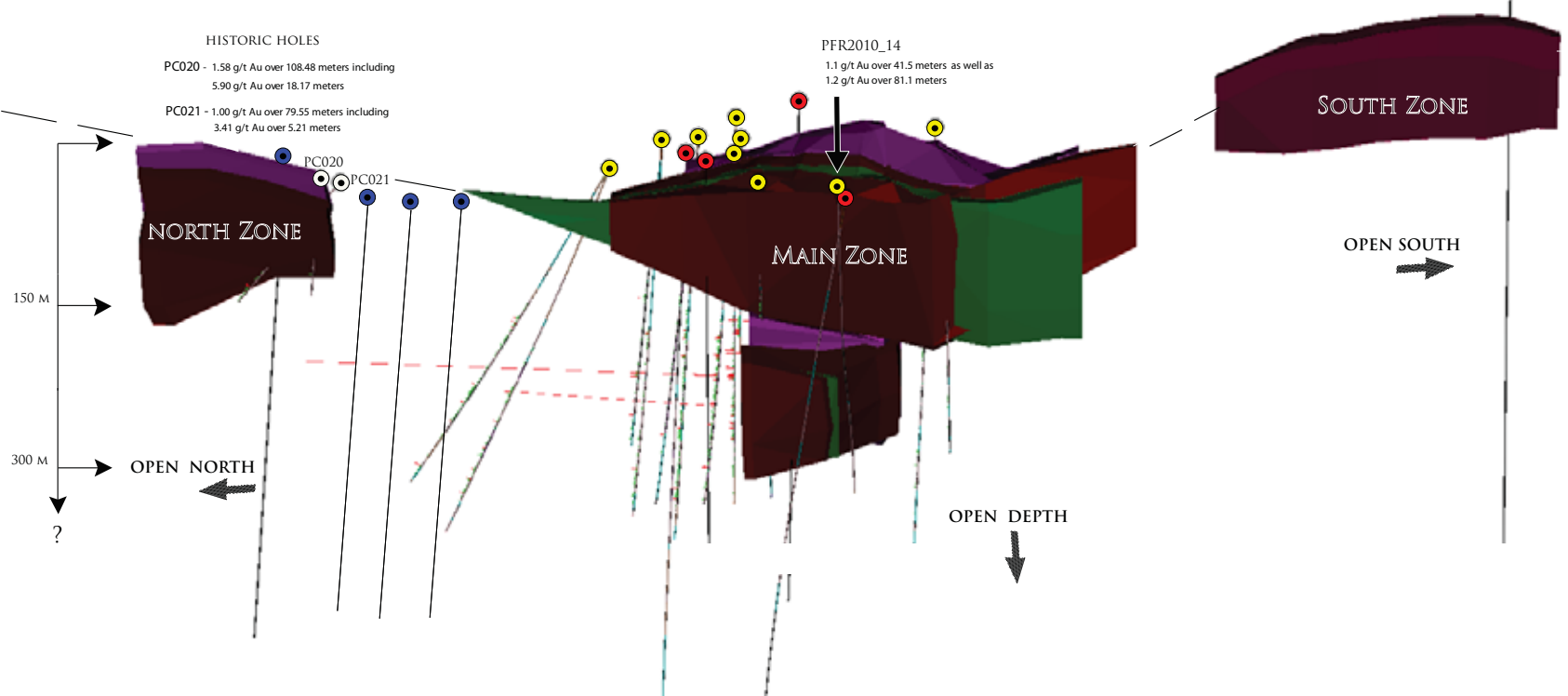


3D MODEL

1,000 METERS OF STRIKE LENGTH DRILLED TO DATE

HISTORIC HOLES
 PC020 - 1.58 g/t Au over 108.48 meters including
 5.90 g/t Au over 18.17 meters
 PC021 - 1.00 g/t Au over 79.55 meters including
 3.41 g/t Au over 5.21 meters

PFER2010_14
 1.1 g/t Au over 41.5 meters as well as
 1.2 g/t Au over 81.1 meters



150 M
 300 M
 ?

OPEN NORTH

OPEN SOUTH

OPEN DEPTH

~ 500 METERS OF STRIKE DEVELOPMENT OF LOWER BLOCK DEVELOPMENT TO DATE

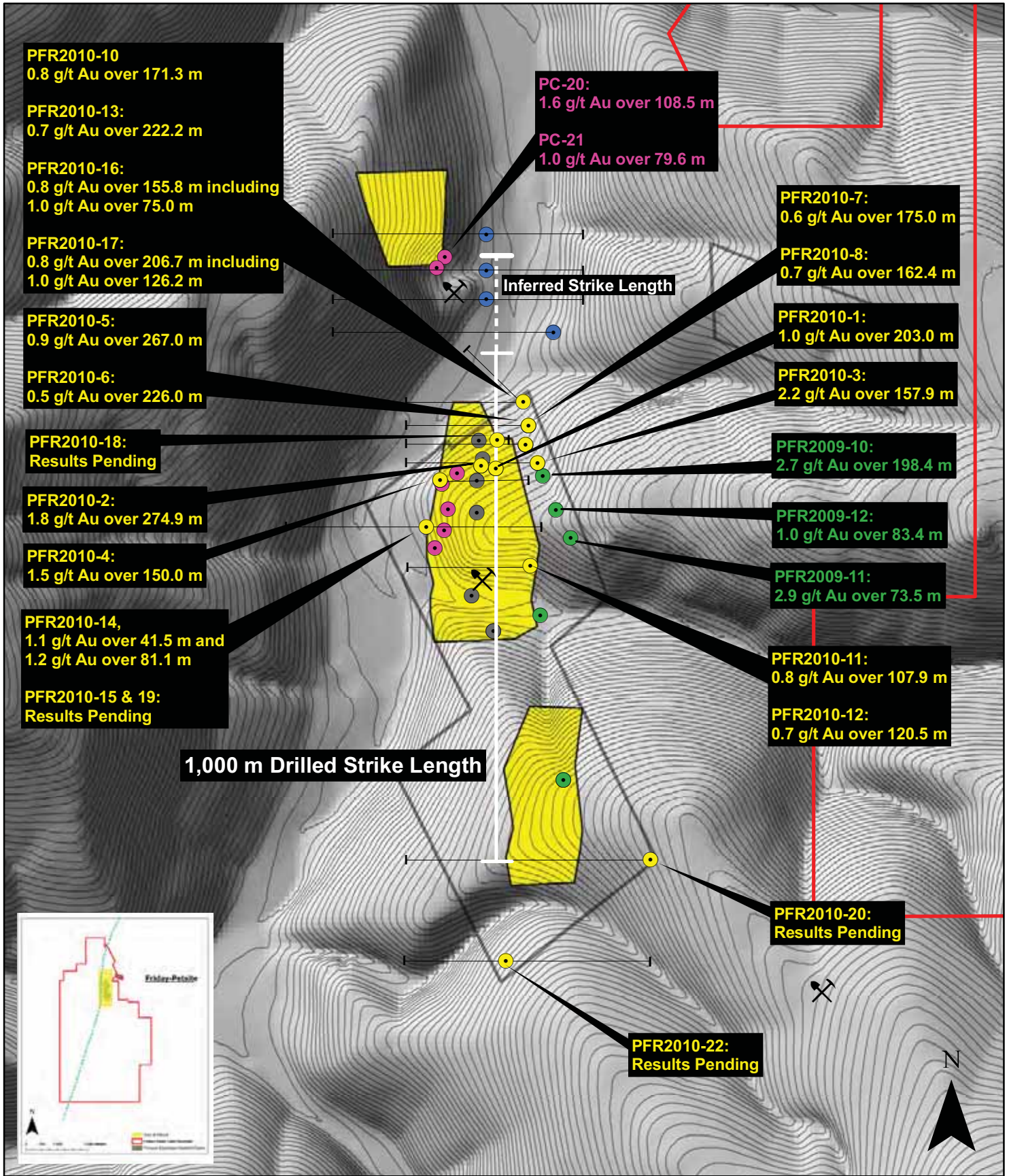
**PREMIUM EXPLORATION
 3D MODEL**

- PRIMARY SHEAR (DOMAIN 1)
- SECONDARY SHEAR (DOMAIN 2)
- SOUTHERN SHEAR SPLAY (DOMAIN 3)
- DACITE DIKE
- HISTORIC HOLES
- 2010 RELEASED HOLES
- 2010 PENDING HOLES
- 2010 PLANNED STEP-OUT HOLES

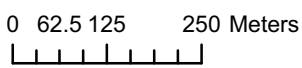
100 M



Phase Three Drilling - Long Section
 Looking East
 Friday-Petsite Project
 Orogrande Shear Zone
 Idaho, USA.



**Phase-3: Drilling
Friday-Petsite Project
Orogrande Shear Zone
Idaho, USA**



- 2010 Phase 3 DH Completed - In Progress
- 2010 Phase 3 DH Planned
- 2009 Phase 2 DH
- 2009 Phase 1 DH
- Friday Historic Highlight DH
- Premium Exploration Patented Claims
- Friday Petsite Claim Boundary
- 3D Model

