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Company Announcements Office  
ASX Limited

**ANNOUNCEMENT BY PREMIUM EXPLORATION INC.**

**"Premium Exploration: 30-km Airborne Survey Results in Expanded Phase-Three Exploration Program; Phase-Four Preparation Underway"**

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: 30-km Airborne Survey Results in Expanded Phase-Three Exploration Program; Phase-Four Preparation Underway**

VANCOUVER, BRITISH COLUMBIA, Nov. 8, 2010 (Marketwire) -- Premium Exploration Inc. (TSX VENTURE:PEM) is focused on systematically exploring and developing targets identified along strike of the Orogrande Shear Zone for potential district development, in central Idaho, USA. To follow up on the strong regional zone of conductivity potentially representing the Orogrande Shear Zone, the Company has initiated additional exploration to obtain data that will help refine the best targets to make new discoveries in the Phase-Four program of 2011.

To date the Company has:

- Completed a 1.5-km Ground Magnetic Geophysical Survey over the Buffalo Gulch Project - interpretation is anticipated shortly.
- Completed two 1.5 km IP Dipole-Dipole Surveys over priority targets in the Deadwood and Buffalo Gulch Projects - interpretations anticipated early Q1-2011.
- Initiated a 7,500 Soil Sampling Campaign with the intent of taking 5,000 samples before the snow flies at priority targets in the Deadwood and Aurum Projects with 1,500 samples (30%) completed to date - results anticipated early Q1-2011.
- Initiated the complete interpretation of the Magnetic and all three EM frequencies of the Airborne Geophysical Survey - results anticipated Q1-2011.
- Initiated Drill-Site Permitting for up to 75 drill sites along the entire length of Premium controlled OSZ.
- Secured commitment of four drills for the Phase-Four program, anticipated to begin by the end of Q1-2011 (the Company is well funded to get Phase-Four underway).

The Company is systematically applying its methodology along the OSZ in preparation for its Phase-Four program. Premium will employ the methodology which has drill-validated 1-km of the mineralized target, the east bounding fault of the OSZ known as the Friday Fault, along the balance of the 30-km's of the OSZ under Premium's control.

Premium's exploration methodology has resulted in 100% drill-target intercept success in the Phase-One, Two, and Three drill programs at the Friday-Petsite. Upon the release of the airborne geophysical image, geologists observed that the airborne geophysical anomaly correlates with the 3.0-km gold-in-soil anomaly, 3.0-km ground magnetic geophysical anomaly, and the 1.0-km of drilling along the Friday Fault at the Friday-Petsite project, and may well outline 30 km's of structure along the Orogrande Shear Zone for immediate exploration and Phase-Four drilling.

Important to note is the existing historic soil geochemical and geophysical work already completed along the Orogrande Shear Zone between the Buffalo Gulch and Friday-Petsite projects. The historic data correlates with the recently released Airborne Geophysical Image, which Premium will utilize when refining drill targets early in Q1-2010. The details of the Phase-Four program will be announced upon obtaining results of Premium's current expanded exploration program.

### **Buffalo Gulch (Northern-Most Project):**

- Defined by a 4 km north-south trending gold in historic soil geochemical anomaly with only a small portion of the geochemical anomaly being drill tested by previous operators.
- 1.5 km's and 1.5 km's of IP and Ground Magnetic Geophysics reveal a potential structure interpreted

to be the OSZ.

- The existing oxide deposit, as delineated by previous operators, is open along strike and at depth into sulphide mineralization.
- To date, no drilling at depth beyond 150 meters has been conducted to test high-grade sulphide potential.
- Both the soil geochemical and geophysical anomalies correlate with the recently released airborne geophysical image.

#### **Deadwood Project:**

- Defined by a 5,000 meter geochemical soil anomaly along strike.
- Premium has recently acquired a historic geophysical IP survey that is currently undergoing interpretation.
- Limited historic shallow RC drilling (down to 30 meters) encountered oxide mineralization, however, just as at the Buffalo Gulch and Friday-Petsite project, previous drill programs were not designed to target high-grade sulfide potential at depth.
- Both the soil geochemical and geophysical anomalies correlate with the recently released airborne geophysical image.

#### **Aurum Project:**

- Is a grassroots project along the OSZ. Although no modern exploration has been conducted over Aurum, 3.5-km of the Crooked River aligns with the entire Aurum project from north to south and was extensively placer mined in the early 1900's utilizing a Bucket-Line Dredge. Dredging concluded at the northern end of the Friday-Petsite project, a few meters from where Premium is drilling today. Dredging was a major operation for that period of time.

#### **Friday-Petsite Phase-Three Drill Program Update:**

Drilling is designed to develop the Lower Block mineralization directly beneath the initial modeled deposit at the Friday-Petsite while stepping out and developing both the initial modeled deposit (North and Main Zones) and Lower Block, along strike.

**PFR2010\_22:** Is the first step-out outside the initial deposit model and could extend the 1.0-km drill-validated strike length by 200 meters south. It is located 200 meters south of the South Zone and PFR2010\_20. It is being drilled west at a -55 degree to test for down-dip mineralization of the Lower Block and is the most southern drill-hole in Phase-Three to date.

**PFR2010\_24:** Is being drilled west at a -80 dip to test mineralization interpreted to be contiguous to mineralization encountered by PFR2010\_11 & PFR2010\_12 and beneath the initial deposit model by locating the Friday Fault at depth, further developing the Lower Block in the southern-end of the Main Zone. It is located 50 meters south of previously released drill-holes PFR2010\_11 & 12 and could increase the strike length of the Lower Block by 50 meters to 550 meters.

#### **Drill Holes Pending Assays:**

- PFR2010\_15 is an infill drillhole that was drilled from the same collar of recently released PFR2010\_14 in the southern end of the Main Zone. It was drilled east at a -65 dip to test for

mineralization beneath and contiguous to mineralization encountered by PFR2009\_11 & 12 by locating the Friday Fault at depth. The total down-hole depth was 378.9 metres and visually encountered favourable alteration/sulphide mineralization.

- PFR2010\_18 is an infill hole drilled steeply to the west at a -75 dip to provide structural information and to test mineralization located directly beneath the initial deposit model. The total down-hole depth is 545 meters and encountered sulphide mineralization/alteration characteristic of the OSZ.
- PFR2010\_19 was drilled to the west and is Premium's first pure exploration hole in 2010. It is a 649 meter drill-hole designed to intercept the inferred west-bounding fault of the OSZ known as the Monday Fault. Encountering gold mineralization in PFR2010\_19 would make it a discovery hole, expanding the potential east-west width of the Main Zone by 200 meters and opening up the western side of the OSZ for additional exploration. PFR2010\_19 visually encountered sulphide mineralization/ alteration characteristic of the OSZ.
- PFR2010\_20 is a step-out south, located 150 meters south of PFR2009\_8 & 9 in the South Zone, which returned 0.6 g/t Au over 124.1 m and 1.0 g/t Au over 11.6 m, respectively. This drill hole is designed to test for interpreted contiguous mineralization encountered by PFR2009\_8 & 9, at depth. The total down-hole depth is 698 meters and intercepted sulphide mineralization/alteration characteristic of the OSZ.
- PFR2010\_21 is a infill hole drilled east at a -80 dip designed to test for mineralization interpreted to be contiguous to PFR2010\_4 and PFR2009\_3 at depth, developing the Lower Block in the northern-end of the Main Zone. It is located 25 meters north of PFR2010\_4 and 25 meters south of PFR2009\_3. The total down-hole depth is 425 metres and visually encountered favourable alteration/sulphide mineralization.
- PFR2010\_23 is an infill hole drilled west at a -70 dip to test for mineralization interpreted to be contiguous to PFR2009\_12 and PFR2009\_10, developing the Lower Block in the southern-end of the Main Zone. It is located 25 meters north of PFR2009\_12 and 40 meters south of PFR2009-10. The drill-hole was completed at 359 meters down-hole depth and visually encountered characteristic mineralization/sulphide alteration.

### **Planned Drilling for Phase-Three:**

PFR2010\_25 to PFR2010\_28 are designed to delineate the remaining 200 meters between the Main and North Zones while developing the Upper and Lower Blocks and confirming continuity of mineralization.

- PFR2010\_25 will be a step-out north and could extend Premium's current mineralized 1.0-km meter strike length an additional 200 meters. It is 50 meters north of historic Kinross core holes PC-20 and PC-21. This hole will be drilled west to test for down-dip mineralization in the Lower Block. It is the furthest drill hole permitted to the north at this time.
- PFR2010\_26 will be located and drilled directly beneath historic Kinross core holes PC-20/PC-21 and drilled to the west to test the down-dip mineralization potential.
- PFR2010-27 will be located 50 meters south of historic Kinross core holes PC-20/PC-21 to tie the mineralization of the North and Main Zones together.
- PFR2010-28 will be located 100 meters south of historic Kinross core holes PC-20/PC-21 and will also be targeted to tie the mineralization of the North and Main Zones together.

## **District 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%.

Since the exploration and development began along the OSZ on June 14th 2009, Premium focused on the Friday-Petsite, the largest and most advanced asset along the OSZ, the company has;

### **Completed an 850-meter Phase-One Drill Program (June-09 to July-09);**

- Confirmed the new geological model: mineralization is associated with the Friday Fault of the OSZ and dips east.
- Phase-One drill highlight: 5. g/t Au over 17.92 meters with mineralization starting at surface.

### **Completed an 1830 meter Phase-Two Drill Program (Oct-09 to Dec-09);**

- Discovered high-grade mineralization double the down dip extent (Lower Block) directly beneath existing modeled deposit (Upper Block).
- Increased the strike length of the existing modeled deposit (Upper Block) by 120% to 775 meters

Initiated the 10,000 meter Phase-Three Drill Program (April 2010 - Present) to potentially double the existing deposit model by connecting the Main and North Zones, initiated metallurgical test work and successfully identified new target zones for exploration & development along the Orogrande Shear Zone:

- All released drill holes (Phase-1, 2, & 3 = 27 holes) have encountered gold mineralization to date.
- Drilling has increased the Mineralized Strike Length of the Friday-Petsite to 1,000 meters (PFR2010\_17 on the north and PFR2010\_20 to the south), has reached depths up to 300 meters, reached a minimum mineralization width of a 100 meters, and remains open along strike and at depth.
- Lower Block development has reached 500 meters of strike length between PFR2010\_17 and previously released drill hole PFR2010\_12, potentially doubling the down dip extend of the initial modeled deposit.
- 22 of approx. 28 planned drill holes are completed in 9,167 meters with assays pending for 6 of the completed holes.
- Initiated metallurgical test work - results are pending and anticipated by early December-2010.

## **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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