



22 July 2010

Company Announcements Office  
ASX Limited

**ANNOUNCEMENT BY PREMIUM EXPLORATION INC.**

**Premium Exploration Drills 2.23 g/t Gold Over 158 Meters and 5.74 g/t Gold Over 76 Meters Increasing Strike Length of Recently Discovered High-Grade "Lower Block" by 200%**

Ausmon Resources Limited (Ausmon) is pleased to attach a public announcement made by Premium Exploration Inc which is listed on TSX Venture Exchange of Canada (TSX-V:PEM). As announced on 27 October 2009 Ausmon has invested approximately A\$1.2 million for a strategic stake of 5,750,000 shares in Premium Exploration Inc. (Premium).

John Wang  
Executive Director/Secretary



## **Premium Exploration Drills 2.23 g/t Gold Over 158 Meters and 5.74 g/t Gold Over 76 Meters Increasing Strike Length of Recently Discovered High-Grade "Lower Block" by 200%**

4:00 PM ET, July 21, 2010

VANCOUVER, BRITISH COLUMBIA, Jul 21, 2010 (Marketwire via COMTEX) -- Premium Exploration Inc. ([PEM](#)) (the "Company") is pleased to announce assay results for the first three holes of the ongoing 10,000 meter Phase-Three drill program at the Friday-Petsite project located in central Idaho, USA. These holes have added 200 meters of strike length to the high-grade mineralization now referred to as the "Lower Block" recently discovered down-dip, directly beneath, and not included in the existing bulk-tonnage 531,890 oz inferred gold resource (NI 43-101).

### **Highlights Include:**

#### **PFR2010-1: 0.98 g/t gold over 203.0 meters including**

2.61 g/t gold over 21.03 meters

#### **PFR2010-2: 1.84 g/t gold over 274.9 meters including**

5.74 g/t gold over 76.2 meters including

22.18 g/t gold over 14.94 meters

#### **PFR2010-3: 2.23 g/t gold over 157.9 meters including**

3.65 g/t gold over 74.37 meters

"Resource growth at the Friday-Petsite property should expand rapidly with the addition of 300 meters of strike length in the new "Lower Block" to the existing 350 meters of strike length in the 531,890 oz, "Upper Block", inferred gold resource. With mineralization open at depth and the high-grade aspect of the "Lower Block", the potential for quickly adding ounces with two drills onsite is outstanding," stated Michael Ostenson, Premium's VP of Exploration.

The geometry of the deeper high-grade mineralization discovered in Phase-Two drilling led Premium's geologists to propose a new "Lower Block", offset horizontally and slightly vertically from the upper block, which hosts the 531,890 oz at-surface resource, by a shallow dipping thrust fault. The existence of the new "Lower Block" has now been confirmed and is the target of development in the early stages of the 10,000 meter Phase-Three drill program. See Page 5 for the PFR2010-1, 2, 3 Cross-Section and Page 6 for the "Strike Length and Section Plan" map.

With the high-grade component of the newly discovered "Lower Block", addition of ounces and overall resource growth at the Friday-Petsite inferred gold resource is expected to proceed at a rapid pace; PFR2010-11 was drilled 50 meters to the south of **PFR2009-11 which returned 2.94 g/t gold over 73.5 meters, including 10.57 g/t gold over 17.2 meters in Phase-Two**, and encountered similar alteration and mineralization, adding 50 meters of the "Lower Block's" strike length south. An additional five drill holes have been drilled along 150 meters of strike to the north of PFR2009-10 and have encountered similar alteration and mineralization as encountered in PFR2010-3 and PFR2009-10 increasing the "Lower Block's" total strike length by 200% within Premium's patented claim boundary.

A second drill is now onsite and is currently drilling PFR2010-12, a step-out hole in the "Lower Block" 50 meters along strike to the south of PFR2009-11. The second rig will drill along strike to the south and be utilized for a limited number of infill definition holes while the first drill will continue to explore north along strike.

Drill-1 has completed 3,452 meters of drilling and Drill-2 has completed 533 meters of drilling for a total of 3,985 meters of HQ size core drilled in 12 holes. To date, PFR2010-11 is the deepest hole drilled in the Phase-Three program, reaching 430 meters.

See Page 7 for the Phase-3 Drill Plan & Mag Geophysics Map.

The first two holes of the program, PFR2010-1 and PFR2010-2, were vertical holes designed to intercept key structural and geological features crucial to the efficient development and expansion of the "Lower Block". The holes provide essential three dimensional data such as the orientation of the thrust fault, extent of offset, and the "Friday Fault" contact, being the main bounding fault of mineralization to the east.

Hole three, PFR2010-3, was drilled 25 meters north and on the same direction and dip as **PFR2009-10 drilled during Phase-Two. PFR2009-10 returned 2.66 g/t gold over 198.4 meters (including 3.81 g/t gold over 121.1 meters, including 9.16 g/t gold over 25.3 meters, and 30.60 g/t gold over 1.8 meters.**

PFR2010-3 is the first step-out to the north of PFR2009-10 and was specifically designed to test continuity of mineralization along strike in the newly discovered "Lower Block" to the north.

| Hole ID          | From M       | To M         | Length M     | Au g/t      |
|------------------|--------------|--------------|--------------|-------------|
| <b>PFR2010-1</b> | <b>0.0</b>   | <b>203.0</b> | <b>203.0</b> | <b>0.98</b> |
|                  | 182.0        | 203.0        | 21.0         | 2.61        |
| <b>PFR2010-2</b> | <b>14.6</b>  | <b>289.6</b> | <b>275.0</b> | <b>1.84</b> |
|                  | 213.4        | 289.6        | 76.2         | 5.74        |
|                  | 213.4        | 228.3        | 14.9         | 22.18       |
| <b>PFR2010-3</b> | <b>221.0</b> | <b>378.9</b> | <b>157.9</b> | <b>2.23</b> |
|                  | 221.0        | 295.4        | 74.4         | 3.65        |

- The gold grade calculation is a weighted mean with no top cut, and no bottom cut. The grade calculation includes internal waste and low grade sections.

- True Widths are estimated to be between 50% and 75% of the drilled interval.

**PFR2010-1 returned 0.98 g/t gold over 203.0 meters, including 2.61 g/t gold over 21.0 meters.**

PFR2010-1 was a 219 meter vertical hole located 100 meters west and 15 meters north from PFR2009-10. PFR2010-1 encountered identical sulphides and geology as encountered in PFR2009-10; altered quartz monzonite and muscovite schist with moderate to intense sericite alteration and bottomed in 16.1 meters of Trachyte, a post-mineral dike. Hole one of Phase-Three was located slightly too far east and intercepted a limited portion of the "Lower Block".

**PFR2010-2 returned 1.84 g/t gold over 274.9 meters, including 5.74 g/t gold over 76.2 meters, including 22.18 g/t gold over 14.94 meters.**

This hole was a 349.3 meter vertical hole located 120 meters west and 20 meters north of PFR2009-10. PFR2010-2 also encountered identical sulphides and geology as encountered in PFR2009-10. The collar location for this hole was accurately placed to intercept the thrust fault, drill through a large portion of the high-grade mineralization, locate the position of the offset Dacite Dike at depth and finally pass through the "Friday Fault" and terminate in un-mineralized country rock.

**PFR2010-3 returned 2.23 g/t gold over 157.9 meters, including 3.65 g/t gold over 74.4 meters.**

The collar for this hole is located 25 meters along strike to the north of PFR2009-10 and was drilled to the west at a -65 degree dip, the identical direction and dip to PFR2009-10. PFR2010-3 was a 392.9 meter hole that also encountered identical sulphides and geology as encountered in PFR2009-10 and terminated in mineralization. With the structural and geological data provided by PFR2010-1&2 this hole was successful in expanding the strike of the "Lower Block" to the north by 25 meters.

The existing Friday-Petsite 531,890 oz inferred gold resource is hosted in 15.17 million tonnes averaging 1.1 g/t gold at a cut-off grade of 0.5 g/t.

### **Airborne Geophysics and Drill Plan**

Due to the presence of sulfides, magnetite, and hematite in the mineralized Shear Zone, a limited ground magnetic geophysical program has been conducted on the Friday-Petsite property.

Magnetic data correlates exceptionally well with soil geochemistry and effectively delineates the Shear Zone and specifically, the location of the Friday Fault along the eastern boundary of the Shear Zone. A sharp magnetic high/low signature is present along the Friday Fault, being the main bounding fault between mineralization and un-mineralized country rock (see map). **This sharp high/low signature exists along strike to the north and to the south which will benefit in drill-hole placement where soil geochemistry is absent or unobtainable and suggests approx.3,000 meters of potential additional strike length, open for immediate exploration.**

The success of the ground magnetic geophysics has also led Premium geologists to plan a large helicopter born Magnetic/EM survey along the entire length of the Orogrande Shear Zone.

### **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. and a Qualified Person as defined by NI 43-101. Mr. Ostenson prepared, and approves of the content in this release.

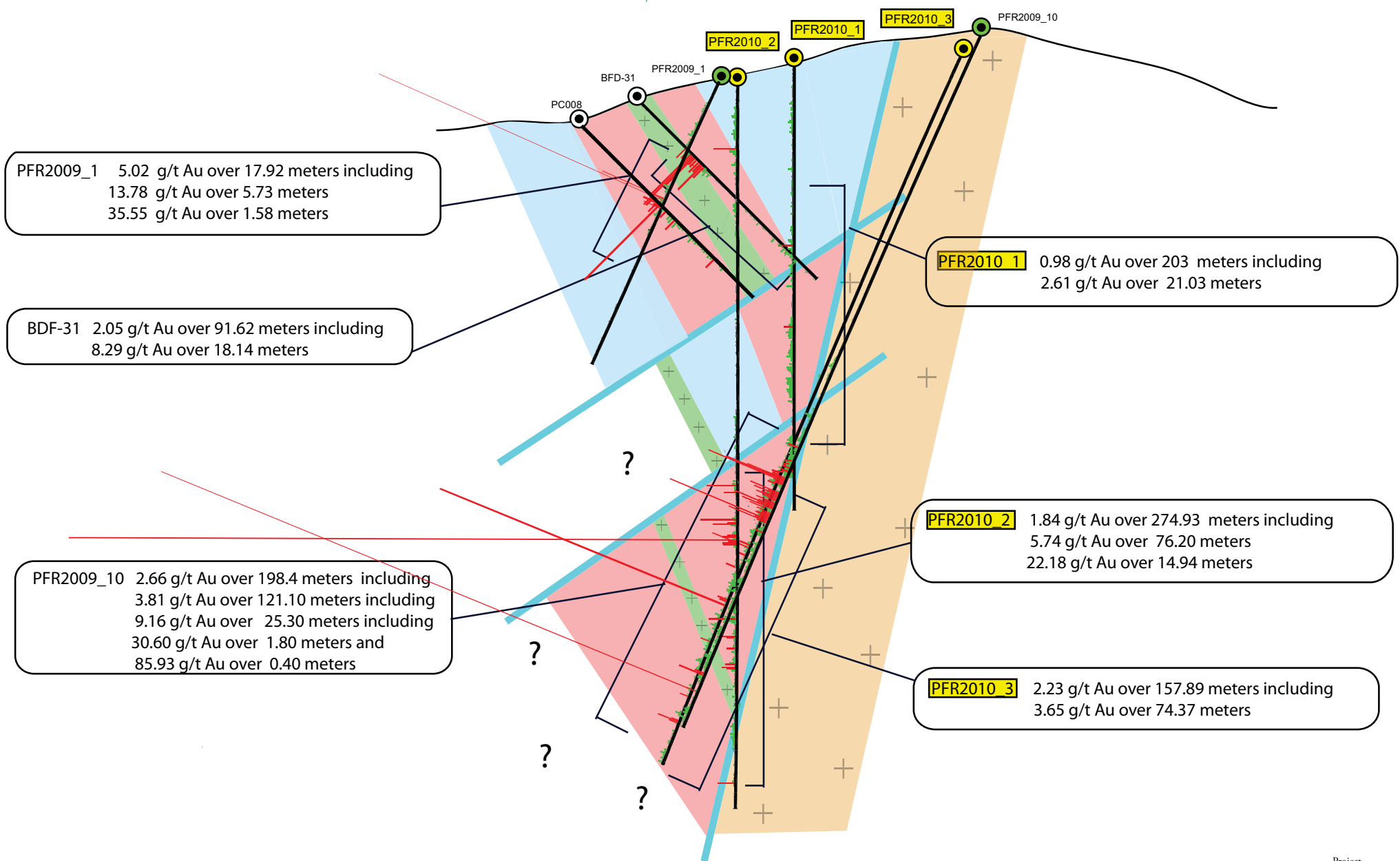
### **About Premium Exploration Inc.**

Premium Exploration Inc. ([PEM](#)) explores and develops North American gold, silver, Platinum and Palladium. Our team is committed to unlocking mineral wealth for our shareholders by discovering, developing, and permitting precious metals assets to production. The Company's portfolio includes one of the largest land packages in Idaho which includes an the Friday-Petsite NI 43-101 inferred gold resource hosted in 15.17 million tonnes averaging 1.1 g/t gold at a cut-off grade of 0.5 g/t, as well as a PGM exploration project in Montana.

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.

### **For more information, please contact:**

Premium Exploration Inc.  
Mr. Del Steiner  
President & Chief Executive Officer  
(604) 682-0243  
(604) 682-2499 (FAX)  
dsteiner@premiumexploration.com



Cross Section 5062260 Looking North  
Phase III Drilling  
Friday - Petsite Project  
Orogrande Shear Zone  
Idaho, USA

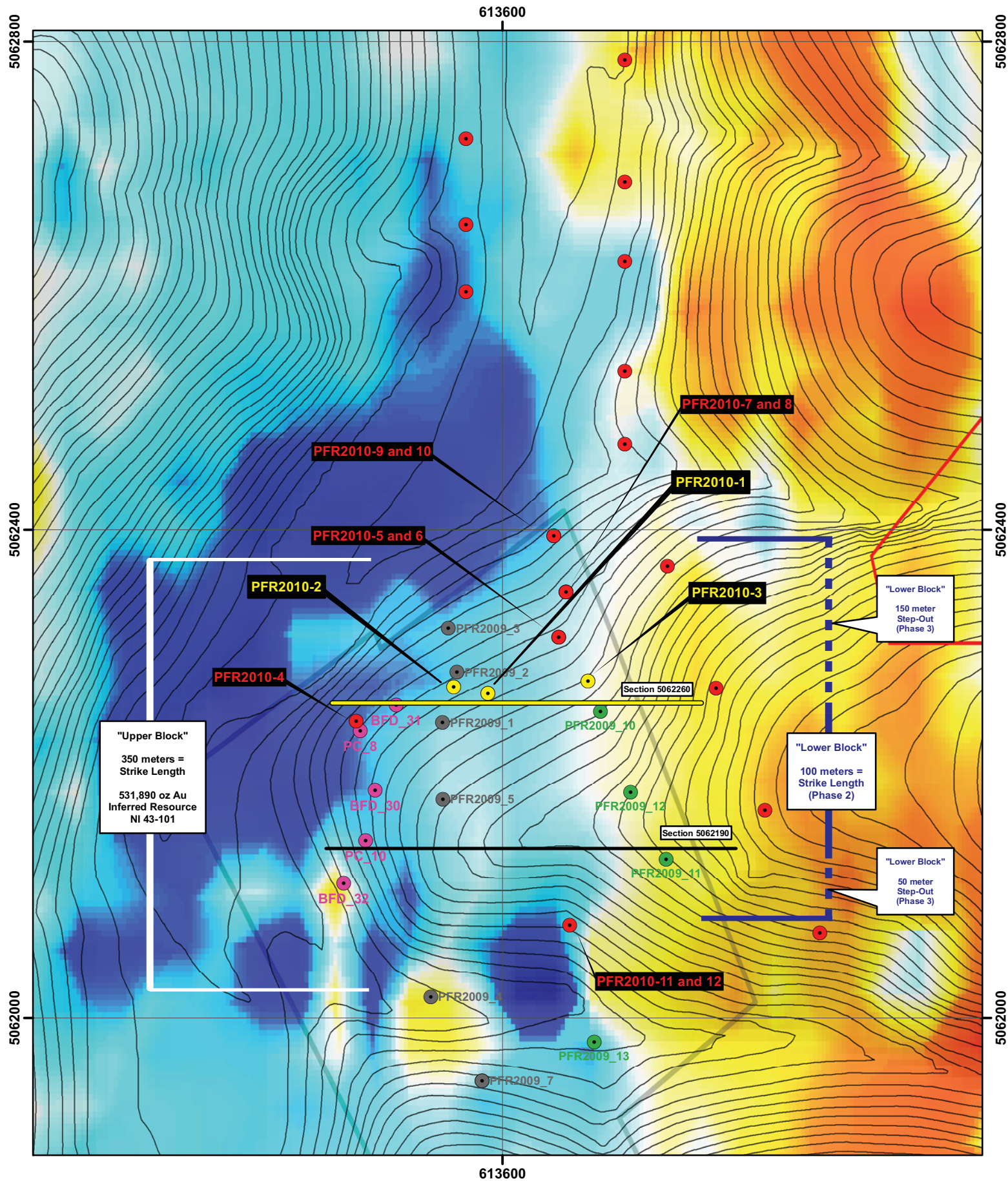
- 2010 Drill Program
- 2009 Drill Program
- Historic Drill Hole

- Low Grade > 1 g/t
- High Grade > 3.5 g/t
- Dacite Dike
- Trachyte

0 50 meters  
Scale 1:2500







**Magnetic Geophysics**

- Mag High
- Mag Mid
- Mag Low

- 2010 Phase 3 DH Completed
- 2010 Phase 3 DH Completed/Planned
- 2009 Phase 2 DH - Previously Released
- 2009 Phase 1 DH
- Friday Historic Core DH
- Premium Exploration Patented Claims
- Premium Exploration Claim Block





