



13 October 2010

Company Announcements Office  
ASX Limited

**ANNOUNCEMENT BY PREMIUM EXPLORATION INC.**

**"Premium Exploration Increases District-Sized Land Package by  
200% upon Additional Review of Airborne Geophysics;  
Phase-Three Drilling & Scoping Study Update"**

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 Increases District-Sized Land Package by 200% upon Additional Review of Airborne Geophysics; Phase-Three Drilling & Scoping Study Update

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October 12, 2010

October 12, 2010, Vancouver, British Columbia: Premium Exploration Inc. (TSX-V:PEM) ("Premium" or "the Company") is pleased to announce upon further review of raw geophysical data previously discussed Sept 20, 2010; Premium has expanded its already district-sized land package by 200% to encompass newly discovered geophysical anomalies along the Orogrande Shear Zone ("OSZ"), in Central Idaho.

- Added 774 new claims, totalling 1168 claims over the "OSZ"
- District-sized land package now covers 9,454 hectares (94.5 sq km)
- Comprised of 5 contiguous projects with the addition of "Project X"
- 30 km strike length of the "OSZ" is now controlled

The preliminary raw geophysical data confirms the strong regional extent of the Orogrande Shear Zone, which extends over 30 km's, and links the Buffalo Gulch, Deadwood, Aurum, and Friday-Petsite Projects.

Premium has not released the raw or post-processed geophysical data which is expected shortly and will be released upon receipt.

## Friday-Petsite 10,000 Meter Drill Program Update

The ongoing Phase-Three 10,000 meter drill program is now focused on step-out drilling to combine the three mineralized zones that comprise the Friday-Petsite Project.

Mineralization starts at surface and Premium's intent is to expand the project strike length to 1500 meters in Phase-Three, ranging from 150 meters to 300 meters in depth; characteristics of bulk-minable deposits.

### To Date:

- The Mineralized Strike Length has reached 1000 meters (PFR2010\_16 & 17 on the north and PFR2010\_20 to the south), has reached depths up to 300 meters, is minimum 100 meters wide and remains open along strike and at depth.
- Lower Block development has reached 500 meters of strike length between PFR2010\_17 (results pending) and previously released drill hole PFR2010\_12.
- All released drill holes (Phase-1, 2, & 3 = 25 holes) have encountered ore-grade mineralization

- 18 of ~25 planned drill holes are completed in 7,405 meters with assays pending for 6 of the completed holes.
- Three major step outs are planned:
  - PFR2010\_23-North will be a 200 meter step-out north from Premium's current 1,000 meter strike length (325 meter step-out from the most northern boundary of the Main Zone) and 50 meters north from historic Kinross core holes PC-20 and PC-21 which returned 1.6 g/t Au over 108.5 meters and 1.0 g/t Au over 79.6 meters respectively. This hole will be drilled west to test for down-dip mineralization of the Lower Block. It is the furthest drill hole permitted to the north at this time.
  - PFR2010\_24-North will be located at the same collar as PFR2010\_23-North and drilled east, designed to locate the Friday Fault along the eastern boundary of the OSZ.
  - PFR2010\_22-South will be a 200 meter step-out south from Premium's current 1,000 meter strike length, a 600 meter step-out south of the Main Zone and a 200 meter step-out south from PFR2010\_20. This hole will test the most southern extent of the Friday Fault to date.

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

- PFR2010\_14 & 15 are drilled to the east from the same collar and designed to intercept the hanging wall mineralization of the Friday-Fault. Both drill holes were drilled from the same collar and located at the southern end of the Main Zone. Both have visually encountered intercepted sulphide mineralization and characteristic alteration in the interpreted Lower Block.
- PFR2010\_16 & 17 are both drilled from the same collar and oriented to the northwest to test an interpreted "dilutant structure", a high-grade feature commonly associated with shear zones. These are the northern-most drill holes to date in the 10,000 meter program and are located between historic holes PC-20/21 and PFR2010\_10/13 and between the North Zone and Main Zone.
- PFR2010\_18 is an infill resource definition hole drilled to the east providing structural and mineralization data.
- PFR2010\_19 was drilled to the west and is Premium's first pure exploration hole in 2010; designed to intercept the inferred west-bounding fault of the OSZ known as the Monday fault. It has visually encountered sulphide mineralization and characteristic alteration in the interpreted Lower Block.
- PFR2010-20 is the southernmost drill hole, located 150 meters south of PFR2009\_8 & 9 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 has intercepted characteristic sulphide mineralization and characteristic alteration in the interpreted Lower Block.

#### **Scoping Study Update:**

- One oxide and 2 sulphide metallurgical samples from Friday-Petsite are being prepared for bottle roll and column leach testing.

- The Baseline water sampling program has been initiated.
- Air quality monitoring will be initiated once the most appropriate location and instrument are identified.

### **District Development Overview:**

Premium is focused on the exploration and development of its district-sized Orogrande Shear Zone to fulfill its vision of developing a new mining district in North America. The OSZ is a 30 km-plus regionally-significant north-south trending structure that has structural control to its Eocene aged gold mineralization, all characteristics shared with the Carlin Trend of Nevada. Development has begun with the bulk-tonnage Friday-Petsite Project, the most advanced of several known mineralized zones and newly identified targets identified located along the OSZ, and represents 4% of the OSZ under Premium's control.

The Friday-Petsite Zone is located along the east-bounding fault of the OSZ. Drilling at the Friday-Petsite is co-incident with a 3.0 km long by 800 meter wide gold-in-soil anomaly and a correlating ground magnetic geophysical survey outlining 3,000 meters of immediate local structure.

Premium has had 100% drill target intercept success in conjunction with ground-magnetic geophysics and soil sampling at the Friday-Petsite Project. Intercepts have ranged from lows of 0.5 g/t Au to highs of 2.6 g/t Au, in some cases over +100 meter intervals, like PFR2009\_10: 2.6 g/t Au over 198 meters including 3.8 g/t Au over 121 meters and 5 g/t over 75 meters.

Premium intends to utilize the same methodology to refine targets for a much larger Phase-Four exploration program along the Orogrande Shear Zone in Q1-2011.

### **Qualified Person**

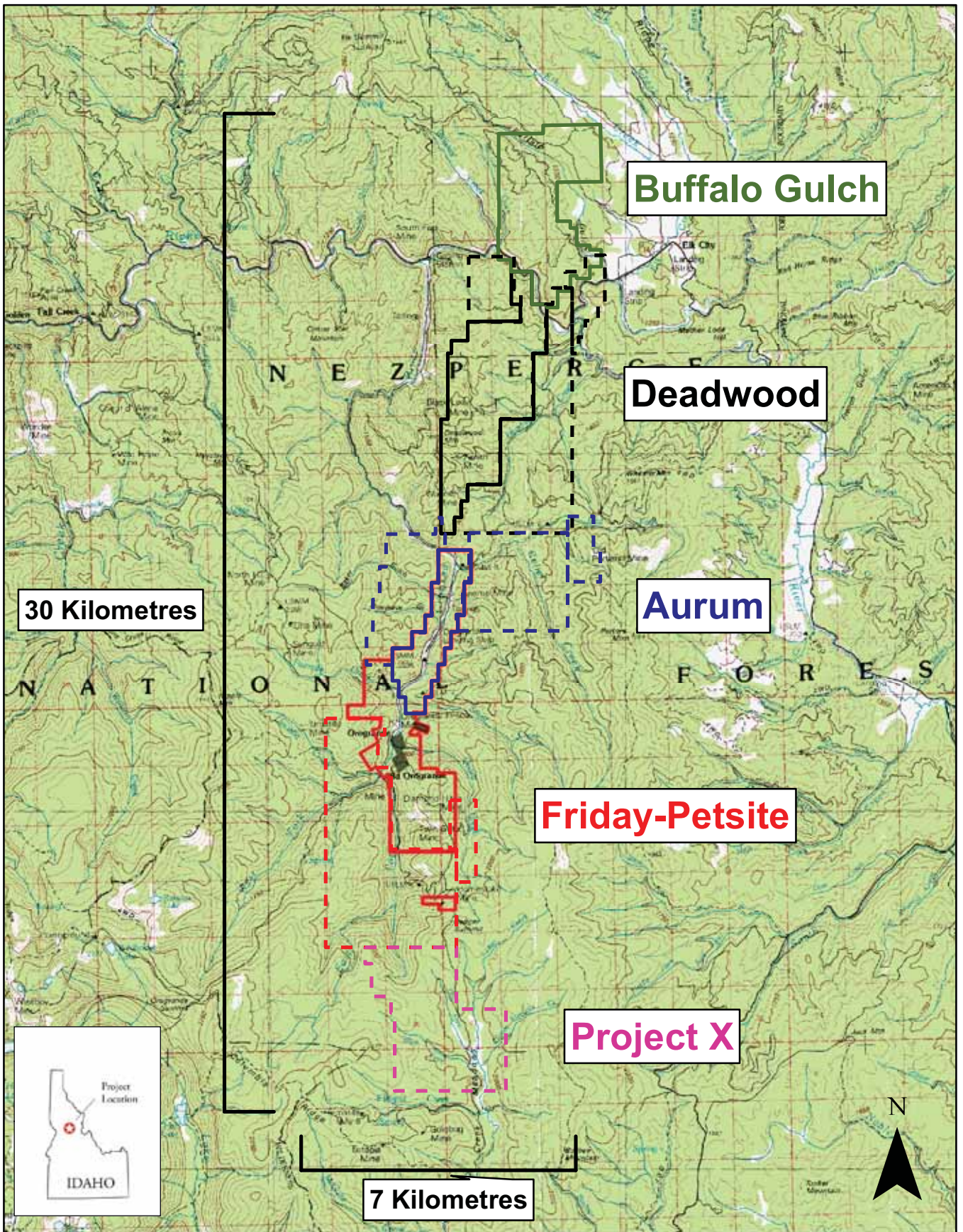
The 2010 Phase-Three exploration program is being directed by Michael Ostenson, P.Geo., VP Exploration of Premium Exploration Inc. Mr. Ostenson is a Qualified Person as defined by NI 43-101. Mr. Ostenson prepared, and approves of the content in this release.

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

Premium Exploration Inc. (TSX-V: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 the Friday-Petsite project, 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. 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.



30 Kilometres

Buffalo Gulch

Deadwood

Aurum

Friday-Petsite

Project X

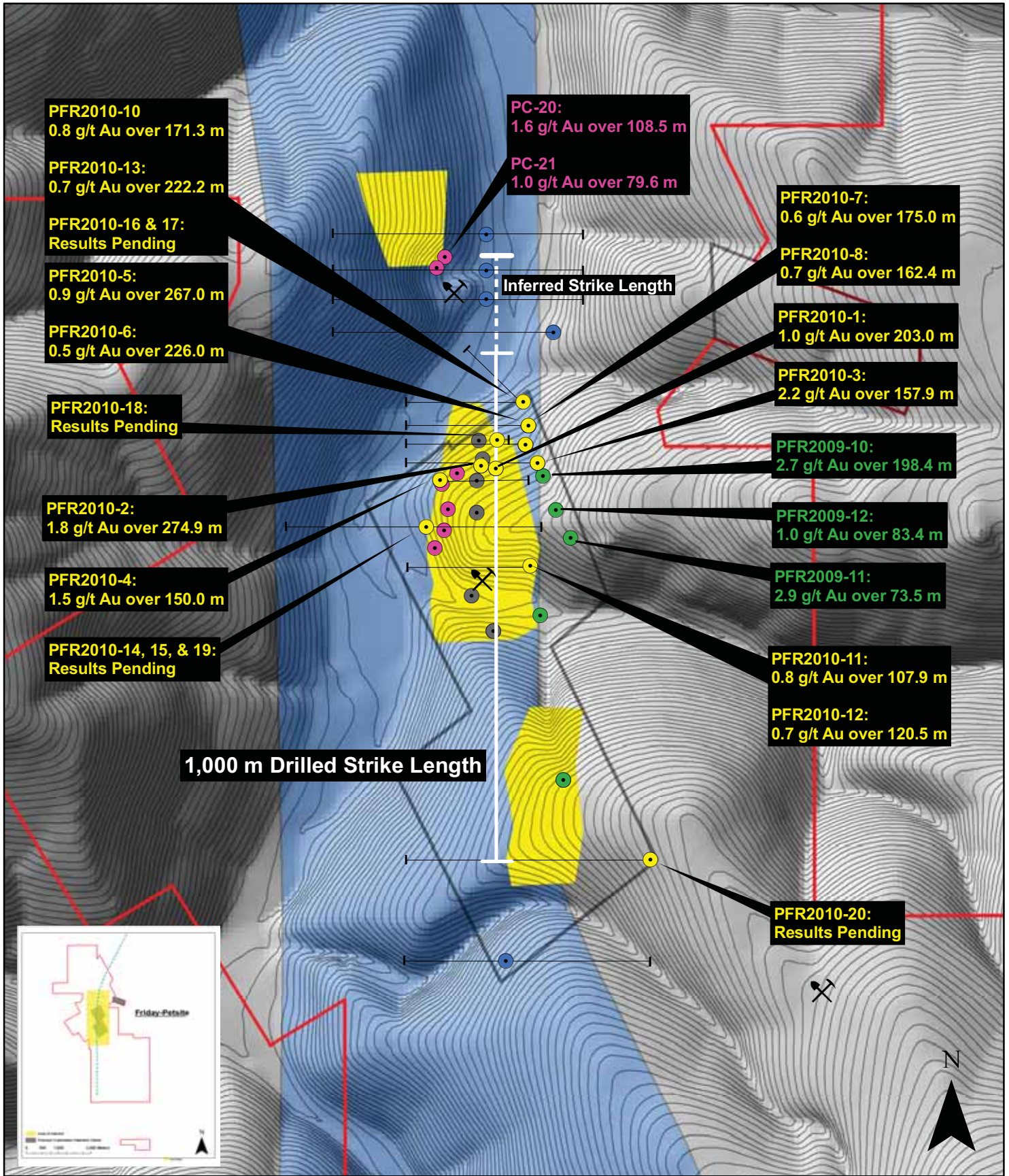
7 Kilometres



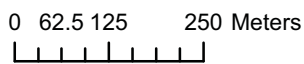
**Gold Projects - Claim Boundaries  
Orogrande Shear Zone  
Idaho, USA**

0 1,250 2,500 5,000 Meters

- Deadwood Claims - New
- Aurum Claims - New
- Friday-Petsite Claims - New
- Project X Claims - New
- Buffalo Gulch Claim Boundary
- Deadwood Claim Boundary
- Aurum Claim Boundary
- Friday-Petsite Claim Boundary
- Premium Exploration Patented Claims



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

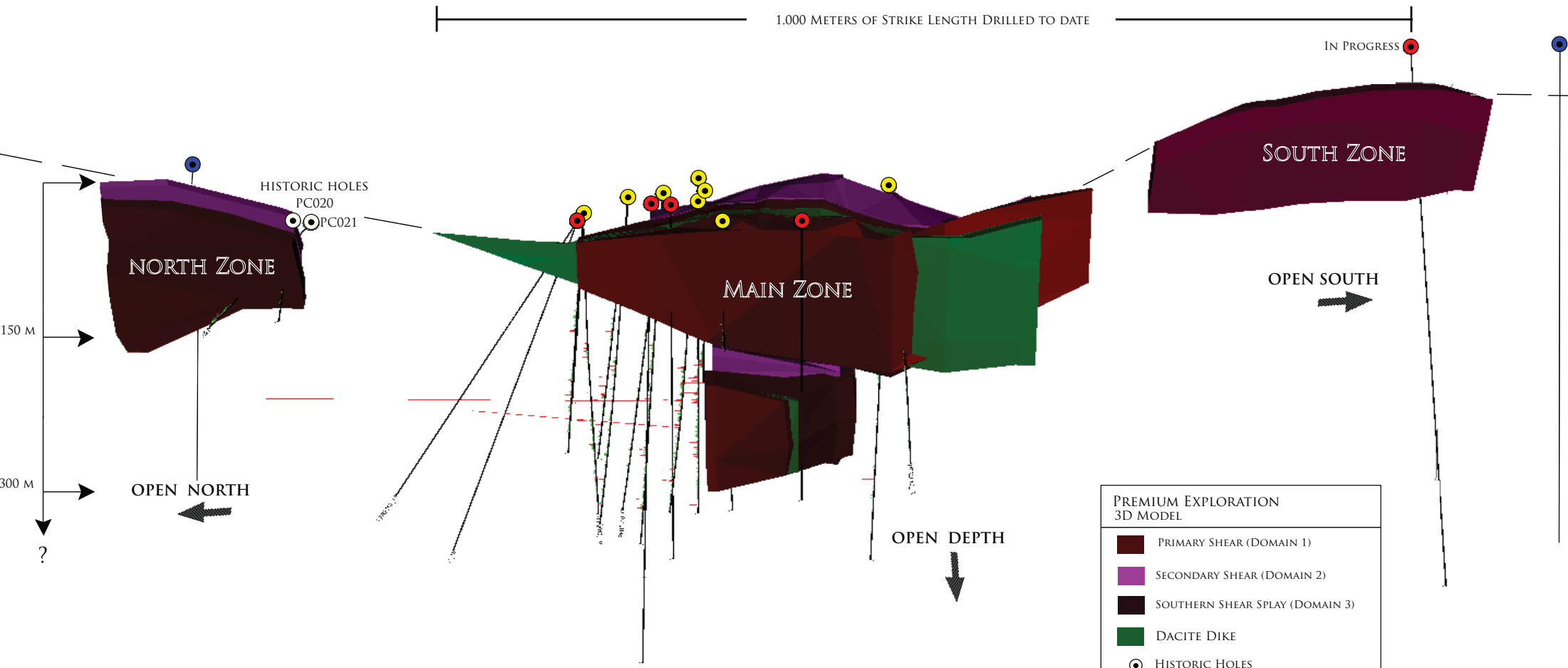


- 2010 Phase 3 DH Completed - In Progress
- 2010 Phase 3 Planned DH
- 2009 Phase 1 DH
- 2009 Phase 2 DH
- Friday Historic Highlight DH
- Premium Exploration Patented Claims
- Friday-Petsite Claim Boundary
- 3D Model
- Interpreted Orogrande Shear Zone



3D MODEL

1,000 METERS OF STRIKE LENGTH DRILLED TO DATE



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

~ 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

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