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Company Announcements Office  
ASX Limited

## **Premium Exploration Commences Scoping Upon Encouraging Resource Model and Estimate Revision at Friday-Petsite Gold Project and Engages Snowden as Independent Consultant**

Ausmon Resources Limited (Ausmon) is pleased to attach a recent 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 Commences Scoping Upon Encouraging Resource Model and Estimate Revision at Friday-Petsite Gold Project and Engages Snowden as Independent Consultant

7:18 PM ET, March 23, 2010

VANCOUVER, BRITISH COLUMBIA, Mar 23, 2010 (MARKETWIRE via COMTEX) -- Premium Exploration Inc. ([PEM](#)) (Premium) is pleased to announce that the existing NI43-101 inferred resource has been updated to conform with the revised geological and structural model at the Friday-Petsite gold project located along the Orogrande Shear Zone in Central Idaho. With the encouraging data and understanding gained from the process, Premium has initiated a scoping (preliminary assessment) study in preparation for a future prefeasibility study. Snowden Mining Industry Consultants (Snowden) was retained and involved in revising the geological model for the resource estimate, utilizing their engineering and geological expertise, in order to model the deposit applying the best industry practices that will benefit Premium as the project progresses.

The revised estimate conforms well to the 2008 NI43-101 compliant inferred resource estimate (the NI43-101 Technical Report was filed on SEDAR under Premium's Company Profile on January 29, 2008); ounces have increased due to a slight increase in grade and a slight decrease in tonnage at a 0.5 g/t cut-off. Based on the drilling conducted last year and the revised model, the geologic potential for mineralization to the north, south and at depth has been confirmed indicating the deposit remains open in those directions and presents an exciting target for the next phase of drilling. Due to the rigorous requirements for resource definition the geologic potential is not reflected in the current estimate and additional drilling will be required to define additional mineral resources.

Upcoming exploration will target the Orogrande Shear Zone directly adjacent to the modeled inferred resource (on strike to north and south and down dip). The target may contain 15,000,000 to 25,000,000 tonnes of mineralized material grading from 0.7 to 1.2 gram/tonne. The target may contain from 337,000 to 964,000 ounces if intercepted by future exploration. The target tonnage and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource (Please go to Premium website for a conceptual long-section through Premium's new 3D Block Model illustrating the targets for future exploration).

The target tonnage and grade has been estimated by projecting potential mineralization to the north and south along strike and to the depth of the deepest intercepts in core drilling. The boundary of the potential mineralization is 100 meters north of the northern most modeled block of mineralization (as shown in Premium's 3D block model below) and 100 meters south of the southern most block; the projections are in areas where drilling has intercepted mineralization but there is insufficient density of data to be included in the Premium's new model. The grade is estimated based on the average grade calculated during construction of three domains developed during the modeling utilizing a 0.5 g/t cutoff. Domain-One has an estimated average grade of 1.24 g/t Au, while Domain-Two averages 1.13 g/t Au and

Domain-Three averages 0.74 g/t Au. Please go to Premium website for a conceptual long-section through Premium's new 3D Block Model illustrating each Domain.

Planning for additional drilling is currently underway. The drill contract has been awarded and once drills are available, Premium will commence drilling. Approximately 2/3rds of the drilling will be step-out drilling, targeting areas that demonstrate potential for defining additional mineralization along strike and at depth while 1/3rd will focus on in-fill drilling: improving the confidence in known zones of mineralization.

In addition to drilling, scoping has commenced to determine development parameters for a potential mine. This includes metallurgical test work on representative samples to provide a preliminary assessment of potential methods for efficient economic extraction of the gold and water baseline studies.

"It has been exciting to have modified the geological model that the inferred resource estimate was based upon, and apply tighter geological and structural constraints which culminated in a better defined and robust estimate. I give a lot of credit to Premium's experienced geological team which assimilated a tremendous volume of historic data, developed a new geologic concept which culminated in 100% success rate for gold intersections in last years drill holes. The recent detailed modeling work incorporating geostatistical tools validates the revised geologic model and clearly defines the best areas for additional drilling to test potential expansions to the recent estimate. Our excellent in-house geologic staff has enjoyed working with Snowden consultants which will simplify future modifications to estimates," stated Wilf Struck, P.Eng, CEO of Premium Exploration.

The in-house modeling of geology, structures and mineralization defined three domains used for the estimation and provided tight constraints for the estimation procedure. The internal estimate was completed with the objective of quantifying gold ounces within the target area as well as highlighting areas for the next phase of drilling. Based on the internal revision, the deposit is estimated to contain an inferred resource with approximately 17,000 kilograms (549,000 ounces) of gold in 15 million tonnes at an average grade of 1.13 g/t at a cutoff grade of 0.50 g/t.

The estimation was prepared by in-house geological personnel in collaboration with Mr. George Gilchrist, (Consultant with Snowden) who provided technical assistance to the Premium staff during the evaluation. Snowden is a highly regarded consulting firm providing a wide variety of mining and technical geologic services to a wide variety of global clients.

Premium engaged Snowden to conduct an independent assessment of the in-house estimate on the Friday-Petsite project to meet the requirements for an independent Technical Report when reporting mineral resources for a project. The assessment will require a property visit and validation of the data used for the in-house estimate. Contingent on site conditions, the independent review may be completed by Q3 of 2010. The resource estimate is based on historic and current data generated on the Friday-Petsite project by Premium Exploration and previous operators. The mineralization is oriented in a north-south direction and is associated with a major regional structure known as the Orogrande Shear Zone (OSZ). In the project area the OSZ is bounded by the Monday fault to the west and the Friday fault to the east and is in excess of 100 meters in width hosting multiple episodes of shearing and gold mineralization. Strong mineralization has been encountered to a depth of 475 meters below the surface, but the majority of the holes used in the estimation procedure went to a depth of

150 meters below the surface. Numerous drill holes terminated in mineralization and deeper holes will be drilled to further delineate the down dip extension of the gold mineralization.

### Modeling Parameters

126 drill hole intercepts were used to develop the geologic model and define the 3 primary domains out of a total of 195 holes drilled on the project, which consisted of 150 reverse circulation holes and 45 core holes. Additional data used to develop the model included surface geologic maps, geochemical maps and topographic maps.

In preparation for the estimate, the drill hole collar data, geologic data, survey data and assay data were compiled and cross-checked to existing original data. A specialized mineral modeling program (GEMCOM) was used for evaluation and interpolation of the data and is instrumental in the development of the model. The solid model was developed by constructing a wire frame model on a section by section basis with ongoing review by the geologists. A grade shell model was then developed and intersected with the geologic model to define the domain shape. Preliminary geostatistical evaluation was used to define three separate domains with distinct geologic or mineralization characteristics. All samples within a domain were composite to be as close to a 1.5 meter length as possible without the creation or deletion of residual samples. Statistical analysis of the composite data in the different domains indicated the presence of extreme gold grades that could result in local grade bias. A top cut (grade capping) analysis of the composite data to determine appropriate top cuts for each domain was conducted. The top cut for Domain-One is 14.53 g/t, for Domain-Two is 13.97 g/t and for Domain-Three is 5.62 g/t. The top cut for Domain-Three is much lower due to the lack of a sufficient number of sample points.

For each domain, variograms were calculated using the top-cut composite data. Mineralization continuity was modeled in three dimensions, with the major and semi-major directions modeled orthogonal to each other within the plane of mineralization, whilst the minor direction was modeled orthogonal to the plane of mineralization. Mineralization continuity was observed to follow interpreted structural controls. Search parameters for the interpolation were based on the continuity observed in the experimental variograms. Grade interpolation into the block model was undertaken using ordinary kriging, with each domain being interpolated individually based on its own set of parameters. The estimate was validated against the input drill hole data and by re-running the estimate using an inverse distance squared estimation technique, which gave comparable answers.

Please go to Premium website for a Table of the Resource Estimate.

Mr. Wilf Struck, P.Eng., CEO of Premium Exploration, Inc. is a Qualified Person as defined by NI 43-101 and prepared, and approves of the content of 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 NI 43-101 gold resource, as well as 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.

Contacts:

Premium Exploration Inc.

Mr. Wilf Struck, P.Eng.

Chief Executive Officer

(604) 682-0243

(604) 682-2499 (FAX)

wstruck@premiumexploration.com or

info@premiumexploration.com