

Peak Hill JV

Aurium Resources Limited and Padbury Mining Ltd

Excellent Results confirm the substantial potential of the project.

Highlights:

- The source evaluation drilling program at Peak Hill is 60% complete and is on schedule for completion at the end of November 2010.
- The drilling program is designed to assess the iron ore potential of approximately one third of the 1.5–2.0 billion tonne exploration target¹, grading 25%–35% Fe, interpreted to be present at the Telecom Hill Prospect.
- Drill holes to date have intersected significant thicknesses and strike extent of magnetite-bearing BIF in the Robinson Range Formation, continuing to confirm the substantial potential of the project.
- The analyses from the first 12 drill holes have returned very encouraging results with several excellent magnetite intercepts. The best intercept from this program received this far is 120m at 32% Fe in hole HRC59 starting from a depth 70m downhole.

Evaluation Drilling Program

To evaluate the iron ore potential of the Telecom Hill Prospect a 10,500m, 50-hole, RC percussion drilling program was designed to test a 4km segment of the Robinson Range Formation BIF. The drill holes are positioned at 80m-centres on drill lines spaced 400m apart. The drill lines are oriented perpendicular to the BIF stratigraphy (see Figures 1) and the holes are angled at -60° to intersect the BIF at an oblique angle. The holes will range in depth from approximately 200–250m depth.

¹ NOTE: This potential quantity 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 determination of a Mineral Resource.

The holes are targeting the western end of the Telecom Hill ridge, following-up the excellent results achieved in this area during drilling earlier in 2010.

The previous drilling intersected magnetite-bearing BIF within the Robinson Range Formation (see Figure 1 and Figure 2) and achieved a best intercept of 168m at 27.8% Fe downhole from 84m depth.

The current program has re-entered several of the previous, shallow, holes in this area to better understand the distribution of magnetite and the location of the base of oxidation. This area has been chosen for initial evaluation as it is in an area of known mineralisation with demonstrated continuity from mapping, a strong aeromagnetic signature and a low level of structural complexity.

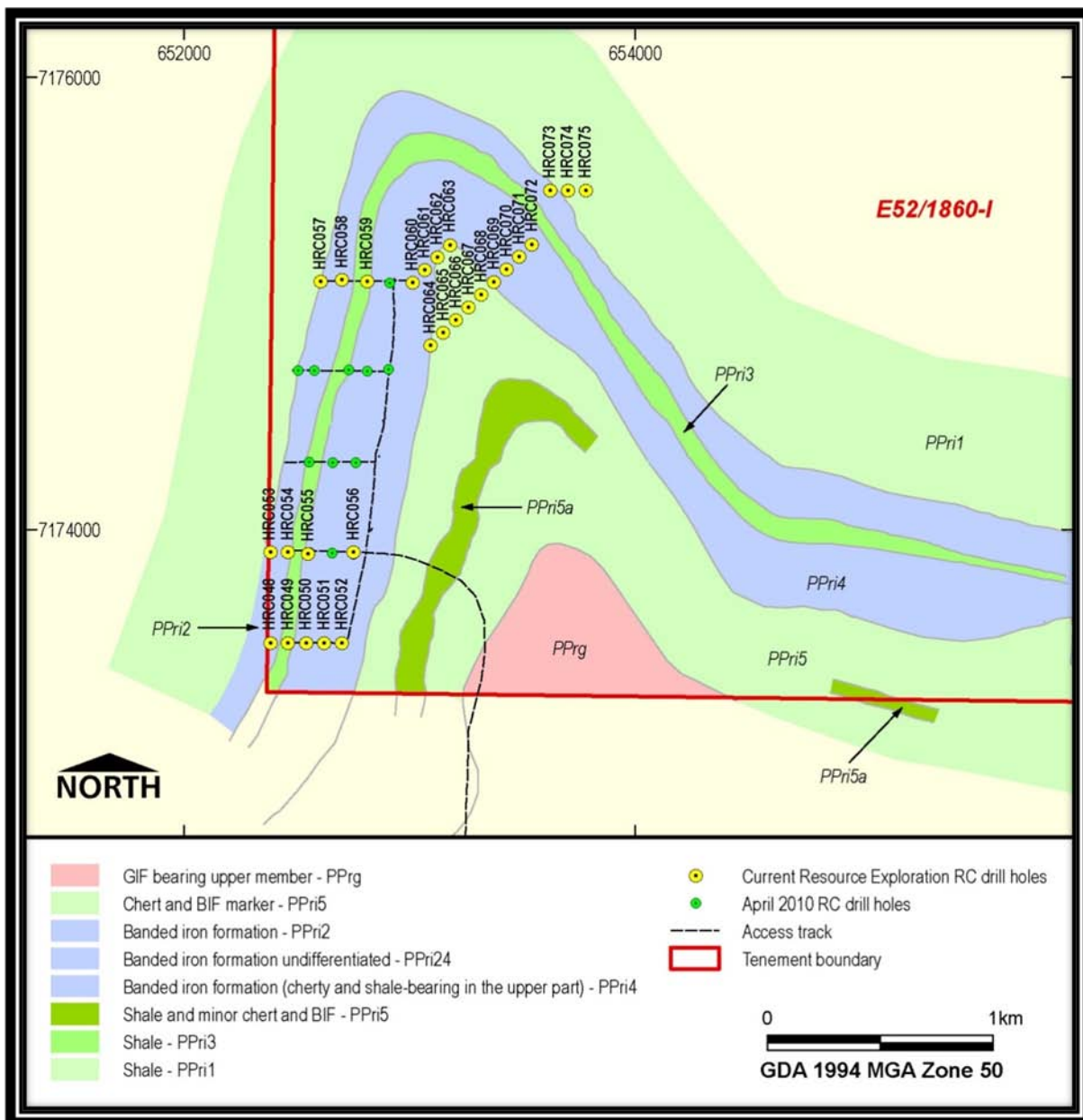


Figure 1. Collar location plan showing recent and historic drilling

Drilling Program Results to Date

As at the 17th November, 34 of the 50 planned drill holes have been completed for a total of 6804m. Drilling so far has tested the southern and northern end of the target area (see Figure 1) with very encouraging results. Drilling is continuing in the central section of the target area.

The holes drilled to date have confirmed the Robinson Range BIF stratigraphy is continuous along strike and at depth. The target unit appears to maintain a consistent thickness along the tested strike length. The main target BIF unit is consistently some 250m in true thickness with relatively uniform iron grades in the magnetite-bearing sections (see Figure 3). The average grade for the BIF samples returned to date is 30.1% Fe, 43.8% SiO₂, 1.94% Al₂O₃ and 0.16% P. The phosphorus in these samples is somewhat elevated; however, preliminary Davis Tube Recovery (DTR) testwork completed in the earlier program demonstrates this is removed to an acceptable level during magnetic separation.

The results of the first twelve holes HRC48 to HRC59 have been received from Spectrolabs Laboratories in Geraldton. The best result was in hole HRC059 with 120m at 32% Fe (see Figure 3). Many of the other holes had similar results, the better of which are shown in Table 1 below.

Table 1. Significant intersections from current resource evaluation drill program

Hole	From	To	Interval	Fe %	Al ₂ O ₃ %	SiO ₂ %	P %
HRC048	132	156	24	28.84	3.35	45.57	0.16
	168	180	12	25.93	3.23	46.92	0.12
HRC049	96	202	106	29.34	1.52	45.25	0.17
HRC050	64	104	40	29.98	1.13	46.14	0.20
	108	192	84	30.62	1.22	45.53	0.21
HRC053	176	196	20	24.61	6.20	48.63	0.15
HRC054	104	128	24	29.13	4.47	45.35	0.01
	164	188	24	29.96	1.78	41.23	0.08
HRC055	68	76	8	34.86	1.72	42.13	0.05
	96	200	104	31.42	1.20	43.74	0.18

Hole	From	To	Interval	Fe %	Al ₂ O ₃ %	SiO ₂ %	P %
HRC056	52	68	16	26.61	3.19	49.87	0.08
	84	92	8	27.70	2.61	44.89	0.12
	116	124	8	25.97	2.43	45.68	0.11
HRC057	76	102	26	22.87	4.97	53.65	0.13
	110	118	8	23.02	4.95	52.61	0.19
	186	198	12	21.06	8.03	50.39	0.13
HRC058	40	60	20	27.50	3.36	50.98	0.07
	84	100	16	28.57	1.54	45.03	0.13
	104	156	52	30.34	1.26	41.76	0.09
	168	200	32	30.64	1.20	43.95	0.25
HRC059	70	190	120	32.24	1.06	44.47	0.23
HRC060	64	72	8	27.50	2.33	49.16	0.10
	112	120	8	28.28	1.99	43.69	0.10

NB Results from first 12 holes analysed from current drilling programme

These results are very encouraging – so far all of the holes designed to intersect mineralisation have done so and the holes without mineralisation are those planned to locate the footwall and hanging wall contacts of the BIF unit.

The samples were analysed by fused disc XRF for a standard iron suite of elements (Fe, SiO₂, Al₂O₃, P, Mn, S, MgO, CaO, TiO₂, Zn and LOI). Based on the magnetic susceptibility and iron grade a number of samples have been chosen for further analysis by DTR to assess the extent to which the magnetite can be recovered from the BIF.

Telecom Hill Prospect

In 2009 the Peak Hill Project JV partners recognised the potential of the Telecom Hill Prospect area to host significant tonnages of magnetite beneficiation feed ore (BFO), and since then they have undertaken a number of exploration programs to better understand the deposits.

To date, the JV partners have completed surface rockchip sampling; first pass RC percussion drilling programs, and a detailed mapping exercise – all with positive results.

The Telecom Hill Prospect lies within Exploration Licence E52/1860. The principal target within the tenement is the Robinson Range Iron Formation, a sequence of interbedded BIF, granular iron formation (GIF), siltstone and shale. The iron formation stratigraphy forms a prominent ridge (Telecom Hill) that strikes approximately east-west within the tenement.

The initial RC percussion drilling program demonstrated that significant thicknesses of magnetite-bearing BIF and GIF are present, as announced previously. Within the Robinson Range Iron Formation the best results occurred at the western end of the Telecom Hill range with wide intercepts of magnetite-bearing BIF, up to 168m wide downhole, intersected by the drilling.

To better define the resource potential of the BIF stratigraphy the JV partners have committed to the current RC drilling evaluation program and a number of additional studies aimed at delineating a maiden JORC compliant resource for the project early in 2011.

ENDS-

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Competent Persons Statement

The Exploration Results discussed in this report were prepared under the supervision of Mr Daniel Wholley BAppSc MAIG, who is a Director and full time employee of CSA Global Pty Ltd and is a competent person as defined by the Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition. Mr Wholley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

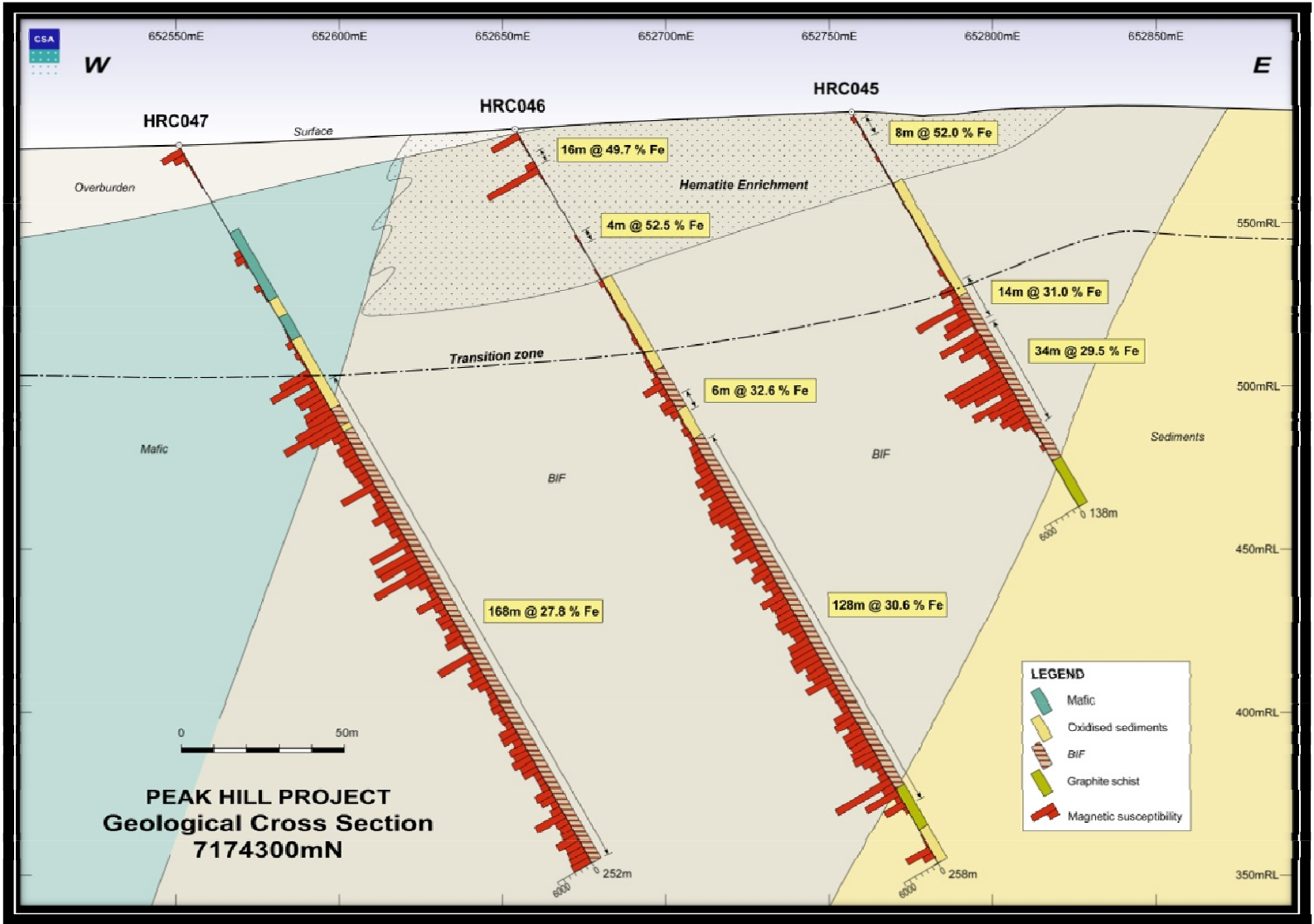


Figure 2. Schematic cross section 7174300mN from earlier 2010 drilling

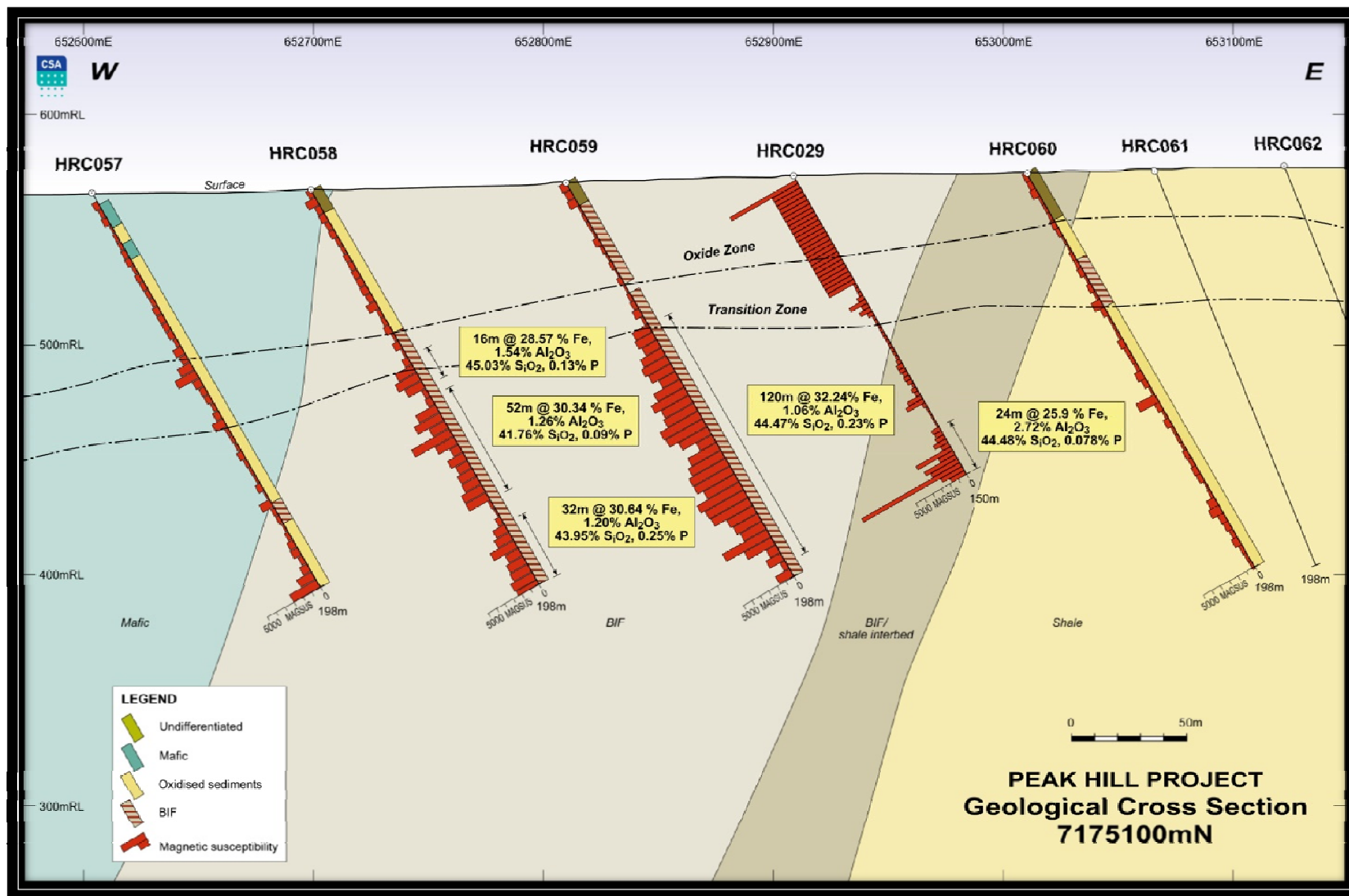


Figure 3. Schematic cross section 7175100mN