

Quarterly Activities Report

Quarter ended 31 March 2011

Highlights:

- **Maiden Inferred Mineral Resource of 850Mt grading 27.3% Fe estimated at the Telecom Hill Deposit, including 425 Mt grading 29.9% Fe in BIF 1.**
- **The Mineral Resource is defined from only 4km of the known 10km strike length of the Robinson Range Formation BIF at the Telecom Hill Deposit.**
- **Three BIF units are present, ranging in thickness from 50m–320m, separated by thin (5m–15m) shale beds.**
- **The BIF has excellent continuity at surface, and this continuity was confirmed in the subsurface by drilling (up to 250m below surface).**
- **Initial Davis Tube Recovery (DTR) test work shows the magnetite-bearing BIFs can produce high-grade concentrates.**
- **Additional resource tonnages are expected from new drilling programs scheduled for the second quarter of calendar 2011.**
- **This adds to the highly successful geological mapping near Mt Padbury which delineated a number of new iron ore targets with potentially significant platy.**
- **Hematite-goethite mineralisation discovered with grades up to 63.2% Fe and an exploration target¹ potential of 20-28 million tonnes at 55-60% Fe.**
- **Further upgrades expected following next phase of drilling with planning already underway.**

The JV partners, Aurium Resources Limited (“Aurium”) and Padbury Mining Limited (“Padbury”) (ASX Code: PDY), are pleased to announce the successful completion of evaluation drilling at the Telecom Hill prospect, part of the Peak Hill Iron Project. The drilling program was designed to assess the 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. The principle aim of the program was to collect enough data to allow estimation of a maiden Mineral Resource.

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 program has returned excellent results, confirming the presence of continuous high-grade magnetite mineralisation over the entire 4km section tested by drilling. The drilling has delineated two continuous BIF units. The larger unit has true thickness ranging from 200m to 250m thick and is separated from a thinner BIF averaging 80m thickness by a 50m thick band of shale. The units are folded into a large overturned synclinal structure which dips at ~65° to the southwest (see Figure 1).

All XRF analytical data for the drilling program has been received and resource modelling has commenced.

Based on the drilling results, field mapping and geophysics the main BIF units are interpreted to continue along strike to the east through the remainder of the Telecom Hill prospect area.

Peak Hill Project

The results from the highly successful geological mapping program conducted on the **Peak Hill** project near Mt Padbury within exploration licence E52/2279 (See Figure 1).

The mapping was completed by independent geological consultants CSA Global Pty Ltd as part of the ongoing assessment of the Peak Hill Project, and has highlighted significant additional iron ore potential within the project.

Mapping in the southern part of the tenement near Mt Padbury, has delineated two deposits of high grade haematite-goethite mineralisation (see Figures 2 and 3). The largest pod has a strike extent of 700m and rockchip samples taken during mapping have returned many high-grade iron results (See Table 1) The larger of the two haematite pods has an exploration target² potential of 20 to 25 million tonnes at a grade of 55–60% Fe. The smaller pod, located to the north of Mt Padbury, has an exploration target² potential of 2-3 million tonnes at 55–60%.

The haematitic mineralisation is well developed at surface and was observed to extend to at least 20m depth in an incised valley within the pod. The mineralisation is interpreted to be the result of hydrothermal or metasomatic alteration. This type of mineralisation is the optimum type to find since it is likely that it will extend to depth, rather than being only a surficial feature. The JV partners plan to follow-up this mineralisation with drilling at the earliest opportunity.

CSA's mapping also located an area with potential for a large magnetite deposit to the northeast of Mt Padbury. The target in this area is interpreted to be a thick (100–150m) magnetic BIF similar to those seen at Telecom Hill. The area has a strong aeromagnetic response and mapping demonstrates that magnetite-bearing BIF is present, although poorly exposed. This discovery potentially provides significant upside to the 1.5–2.0 billion tonne exploration target², grading 25%–35% Fe interpreted to be present at the Telecom Hill Prospect.

² 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.

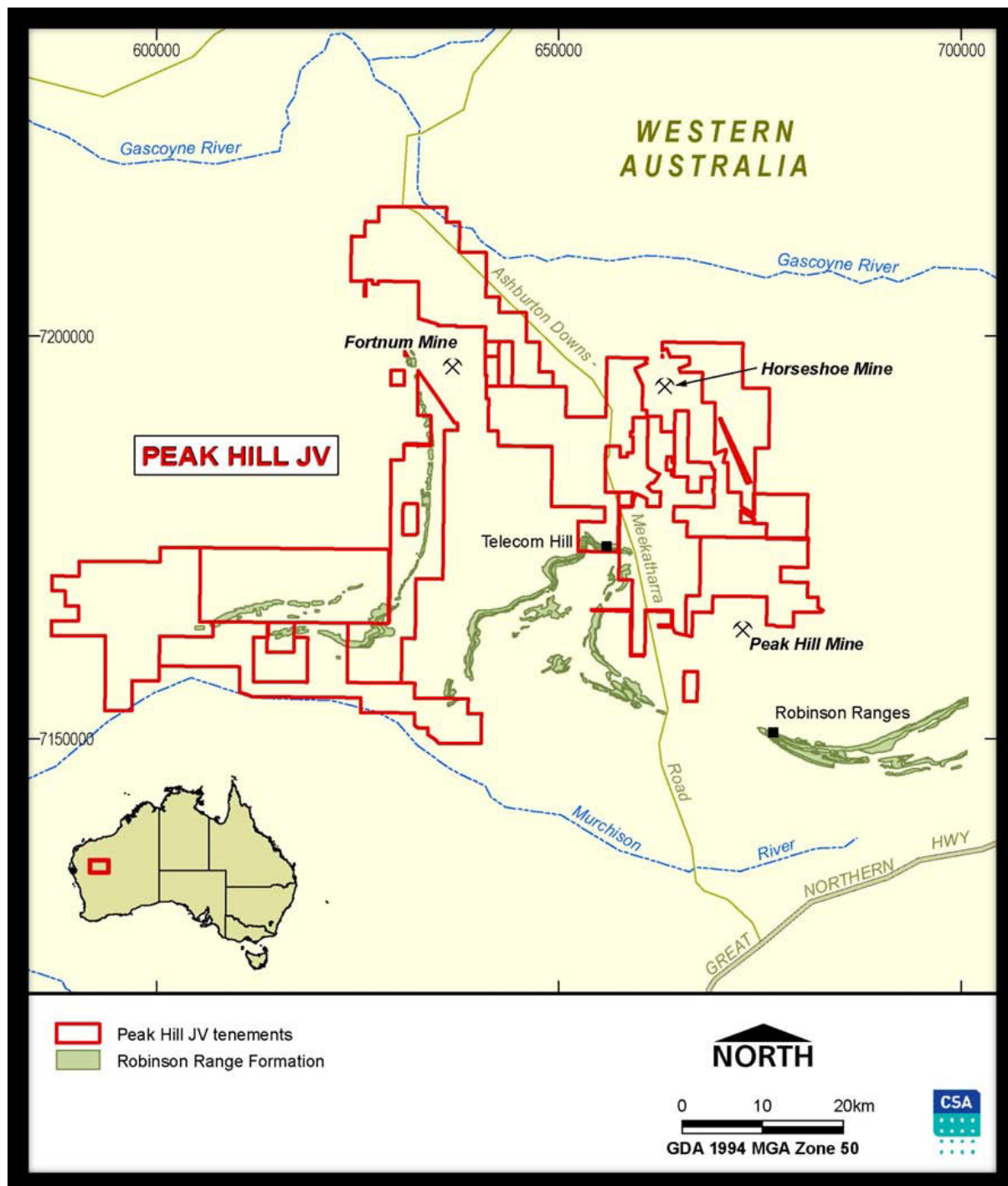


Figure 1. Tenement location plan

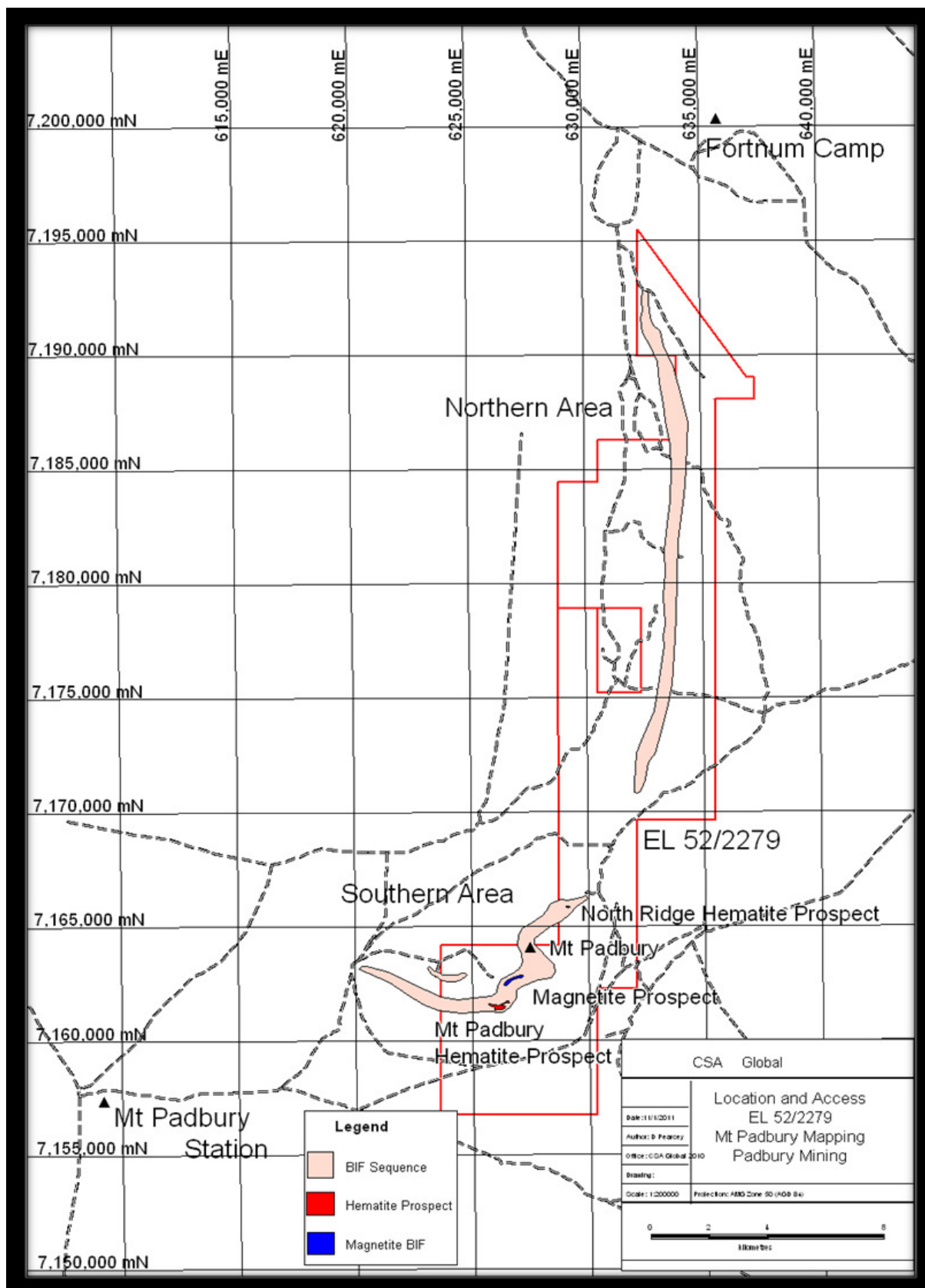


Figure 2. Mapped areas within Tenement E52/2279

Mapping Results

The mapping program was very successful, delineating the Banded Iron Formation (BIF) stratigraphy within the tenure and identifying a number of new iron mineralisation targets.

Geological fact mapping was completed at a scale of 1:5000 scale within tenement E52/2279 to better define the extent and thickness of the BIF stratigraphy present and assess the potential for iron ore mineralisation within the tenure. In areas of particular interest, such as the haematite pods the mapping scale was changed to 1:1000 scale. The data was collected on to gridded paper and transposed into MapInfo GIS for compilation.

The mapping has shown that three main BIF units are present within the Robinson Range Formation within E52/2279. There are two distinct geological domains; the southern and northern domains (see Figure 2). The southern area has been folded into a series of open regional-scale folds. This folding has resulted in thickening of the BIF units in the fold hinge areas. The northern area is quite different, with the stratigraphy in this area attenuated into a narrow, linear, belt with very little folding. The mapping shows that the BIF units in the southern area are thicker, better developed, and have a stronger magnetic response than those in the northern area. These characteristics point to the southern domain being more prospective and this area should be the focus of future exploration.

In detail, the BIF stratigraphy in both areas comprises three main BIF units:

- The basal BIF is 50–150m thick and forms topographic ridges but with poorly developed banding and with a high lithic content.
- The central magnetic BIF unit is thinner, but quite variable in thickness, ranging from 20–150m thick and may contain significant magnetite potential. The middle BIF unit was found to contain small quantities of magnetite at surface in the southern area and has the strongest magnetic signature on the publically available aeromagnetic survey data.
- The upper BIF unit is generally less than 50m thick and is often missing.

New Iron Ore Prospects

The mapping identified two potentially significant haematite prospects near Mt Padbury. A total of 22 surface rock chip samples were taken at the haematite outcrops and these samples gave iron grades ranging from 51.8–63.2% Fe (see Figures 3 and 4), with low silica and alumina but with elevated phosphorous (see Table 1). The elevated phosphorous is not ideal for this style of mineralisation but may be a result of surface enrichment. To assess if the phosphorus is also elevated at depth a number of RC drill holes will be required.

The larger of the two haematite occurrences has an exploration target potential of **20 to 25 million tonnes at a grade of 55–60% Fe**. The smaller pod, located north of Mt Padbury, has exploration target potential of 2–3 million tonnes at 55–60% Fe.

The exploration targets are predicated on the observed surface mineralisation extending to a depth of 80m with a density of 3.00g/cm³. The exploration targets discussed are not Mineral Resources and are conceptual in nature. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

The haematite mineralisation is well developed and continuous along strike over 700m. The mineralisation is coincident with a distinct area of interpreted magnetite destruction seen in the aeromagnetic data. The haematite mineralisation is seen to extend to at least 20m depth in an incised gully on the side of the ridge demonstrating the deposits are more than just thin veneer of surface enrichment.

The platy style of the haematite mineralisation and size of the deposit suggest either a metasomatic or hydrothermal origin rather than surface enrichment, which makes this a more attractive target.

The magnetite potential within the tenure is restricted to the southern area where the BIF units are thicker and have a higher magnetic response. In the north the BIF units are poorly developed with significant interbeds of non magnetic shale, metapelite and chert.

In the southern area, the most prospective area occurs on an east-west trending fold limb with a high magnetic response (see Figure 5). The magnetic unit outcrops poorly in this area, but sub-crop indicates the unit is 100-150m in width. Due to the poor exposures in this area no exploration target estimate could be made. However, this zone does appear to be a good target to explore in conjunction with larger Telecom hill magnetite prospects further east.





Figure 4. Hematite outcrop at the Mt Padbury Hematite prospect

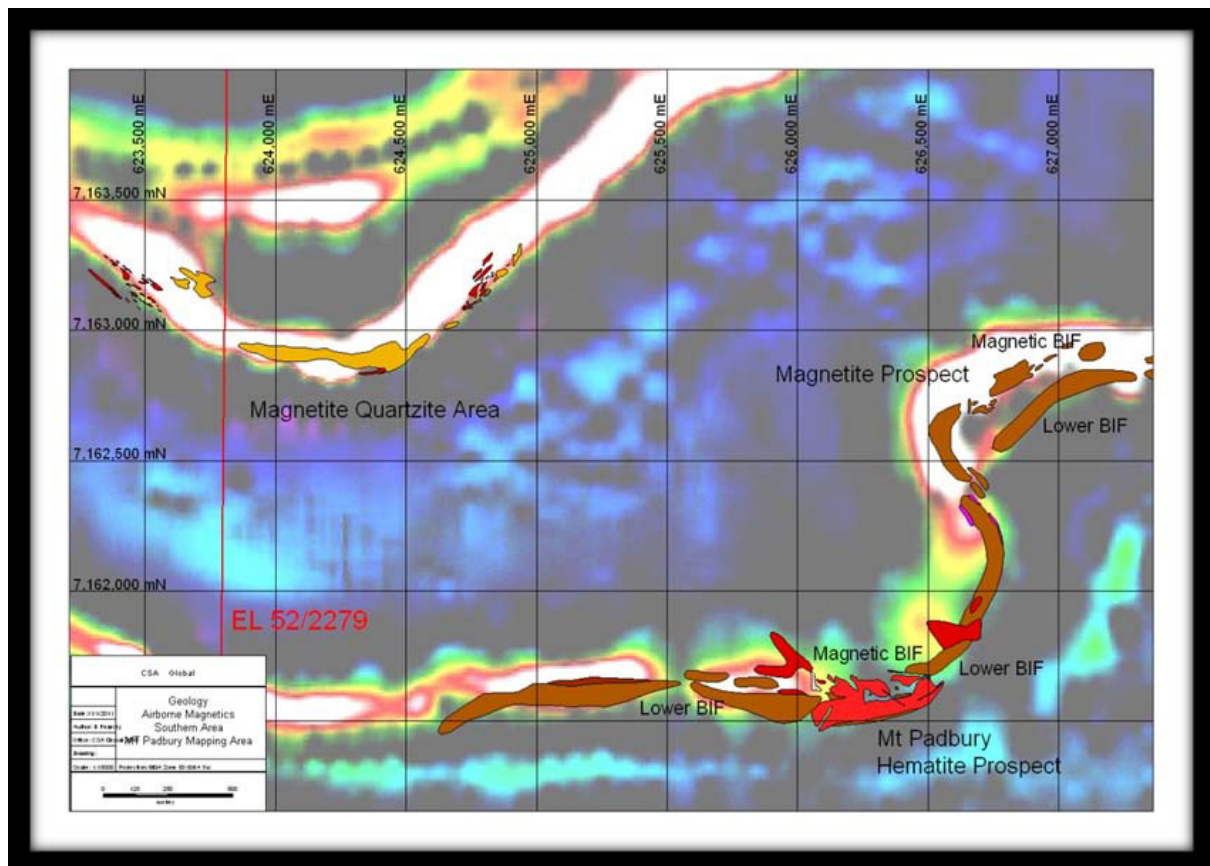


Figure 5. Mapped geology over total magnetic intensity image

A JORC compliant resource establishes a significant milestone and building block for the company moving forward. The next rounds of drilling at Telecom Hill and Mt Padbury will expand the volume of magnetite, move the JORC classification higher and will better define the hematite at Mt Padbury.

“The last 15 months of progress have been significant and now that a maiden JORC has been achieved, more significant progress will occur over the coming month.”

For further details please contact:

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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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Aurium Resources Limited

ABN

63 123 821 929

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(4)	(674)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(192)	(925)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	14	70
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST paid to be recouped)	44	(9)
Net Operating Cash Flows		(138)	(1,538)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	446	696
1.12	Other (provide details if material)	-	-
Net investing cash flows		446	696
1.13	Total operating and investing cash flows (carried forward)	308	(842)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	308	(842)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	149	149
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	149	149
	Net increase (decrease) in cash held	457	(693)
1.20	Cash at beginning of quarter/year to date	2,327	3,477
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,784	2,784

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	101
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and associates were on normal commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	523	80
5.2 Deposits at call	2,261	2,247
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,784	2,327

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

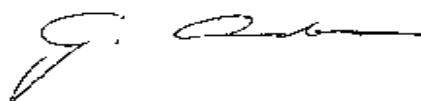
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	301,800,002 70,000,000	301,800,002	\$0.02	Fully Paid Partly Paid \$0.0001
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,250,000	4,250,000	\$0.035	Fully Paid
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	108,800,000 5,333,333 5,333,333 5,333,334	108,800,000	<i>Exercise price</i> \$0.035 \$0.05 \$0.08 \$0.11	<i>Expiry date</i> 30 September 2012 1 September 2011 1 September 2012 1 September 2013
7.8 Issued during quarter				
7.9 Exercised during quarter	4,250,000	4,250,000	\$0.035	30 September 2012
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here: Date: 28 April 2011
Company secretary

Print name: GRAHAM DOUGLAS ANDERSON

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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