

12 August 2010

Company Announcements Office
ASX Limited

CLARIFICATION ON DTR ANNOUNCEMENT

The ASX has sought clarification with respect to Clause 18 of the JORC code as it relates to the Company's Peak Hill Joint Venture announcement dated 10 August 2010 concerning its recent Davis Tube Results.

An updated announcement is attached which has removed the "target statement" for the drilling program in the highlights and has added a paragraph concerning the Company's previously announced targets with the appropriate disclaimer.

Yours faithfully,

Aurium Resources Limited
Terry Quinn
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POSITIVE RESULTS FOR DAVIS TUBE RECOVERY TESTWORK

PEAK HILL JOINT VENTURE

Highlights:

- **Davis Tube Recovery (DTR) test work was completed on a series of eight composite samples collected during the most recent drilling campaign.**
- **The best result was in hole HRC030 where the sample from 70-78m upgraded from 29.66% Fe up to 67.67% Fe with excellent low deleterious element chemistry at a 38µm (micron) grind size.**
- **The results demonstrate that the Robinson Range BIF can produce a high quality concentrate and confirms the significant potential of the Telecom Hill Prospect to host a large magnetite-bearing beneficiation feed ore (BFO) deposit.**
- **The positive results validate the board decision to fast track a detailed drilling program aimed at better defining the previously announced exploration target of 1.5 – 2.0 billion tonnes and 25% -35% Fe ¹.**

Telecom Hill Prospect

The boards of Padbury and Aurium are pleased to announce the positive results of DTR test work on samples taken from the drilling program completed in April 2010 at the Telecom Hill Prospect.

The results demonstrate that the magnetite mineralisation intersected to date at the project has the potential to be significantly upgraded to a high-grade concentrate with excellent low deleterious element chemistry. The best result from the test work highlights the potential quality of the material, with an 8m composite taken from 70m–78m in hole HRC030 upgrading from 29.66% Fe to 67.67% Fe.

The work is the direct result of the JV partners recognising the potential of the Telecom Hill Prospect area to host significant tonnages of BFO and to undertake a number of exploration programs to better understand these deposits.

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 JV partners have, to date, completed surface rock chip sampling, first pass RC percussion drilling programs, and most recently, a detailed mapping exercise – all with positive results.

The Telecom Hill Prospect lies within Exploration License E52/1860. The principal target within the tenement is the Robinson Range Iron Formation, a sequence of interbedded banded iron formation (BIF), granular iron formation (GIF), siltstone and shale. The iron formation package 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 (see Figure 1) with wide intercepts of magnetite-bearing BIF, up to 168m thick down hole, intersected by the drilling.

The thickness and continuity demonstrated during mapping have significantly upgraded the exploration target potential at Telecom Hill. Using an estimate of the average true thickness figure for each BIF unit and extrapolating it to a depth of 250m over the 10km mapped strike length results in an exploration target in the a range of 1.5–2.0 billion tonnes (excluding the upper 50m due to weathering effects). Based on the results of existing drill holes that have intersected the mapped BIF units, this exploration target could have a grade in the range of 25% to 35% iron. However, the potential quantity and grade ranges for this exploration target are conceptual in nature and there is insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource

Davis Tube Recovery Test work Program

To improve the understanding of the magnetite mineralisation present at the Telecom Hill Prospect, eight 8m composite samples were selected from the most recent drilling campaign for DTR test work. The samples were taken from five drill holes (HRC030, 035, 045, 046 and 047) from the western end of Telecom Hill (see Figure 1). All samples were taken from Robinson Range Iron Formation BIF material as reported in previous announcements.

The aim of the DTR test work program was to gain an understanding of the magnetite liberation characteristics and grade of potential concentrates for the project.

The 8m composites were chosen to reflect a range of BIF grades intersected in the most recent drilling. This methodology was chosen to give representative and conservative results for the test work program. The head grades for these samples ranged from 27% Fe up to 32% Fe, representing the likely grade range of the material being targeted in the upcoming drilling campaign.

Each 8m composite sample was subdivided into four subsamples, which were then ground to 38µm, 45µm, 75µm and 106µm respectively, to gain a preliminary understanding of the grind size to most effectively upgrade the material.

Each subsample was analysed by DTR and fused disc XRF spectrometry to assess the yield and grade of the magnetic concentrate.

All of the test work and analyses was completed by Spectrolab's Laboratories in Geraldton and are presented in Table 2 at the end of this announcement.

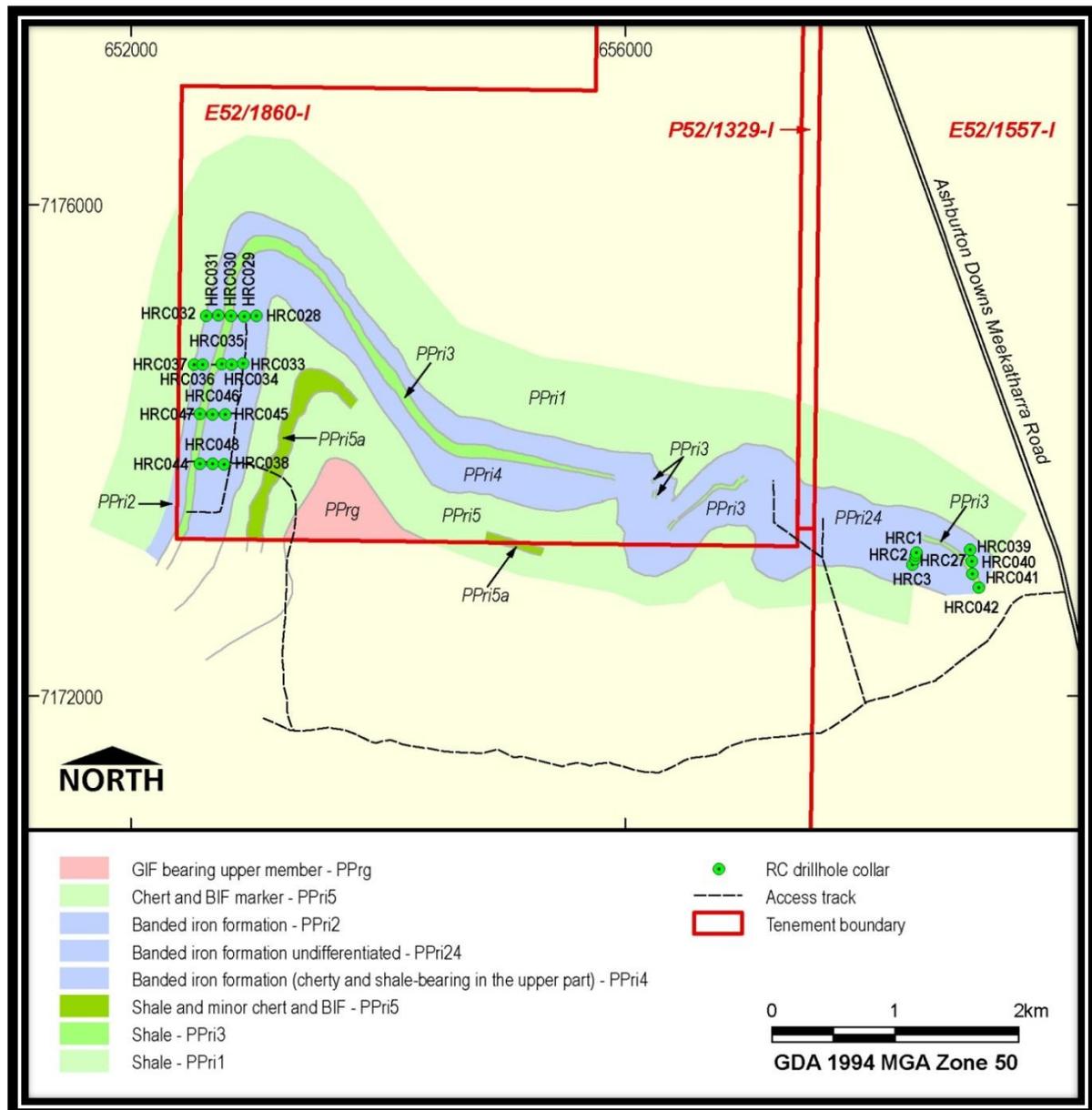


Figure 1. Telecom Hill Prospect geological map showing drill hole locations.

Davis Tube Recovery Results

The results of the test work are very encouraging and demonstrate the potential to produce a high quality concentrate from the Robinson Range Iron Formation BIF. Given the significant strike length and thickness of this unit at the prospect (as discussed in previous announcements), the test work further enhances the project's potential to host a large magnetite BFO resource.

As expected, the best results were recorded from the finest grind size of 38µm, however, good results were also recorded at the 45µm grind size (see Figure 2 and Table 2). More detailed metallurgical test work is required to assess the optimal grind size and this will be conducted following the upcoming drilling program.

The best DTR result was from sample 10001 from 70-78m in hole HRC 30 at the 38µm grind size, which upgraded from 29.66% Fe to 67.65% Fe with excellent deleterious element chemistry and a mass recovery of 21% (see Table 2). High quality results were also recorded at the coarser grind size of 45µm, with sample 10008 from 206-214m in hole HRC047 upgrading from 29.67% Fe to 66.56% Fe with 21.5% mass recovery. A full set of results is presented in Table 2 below.

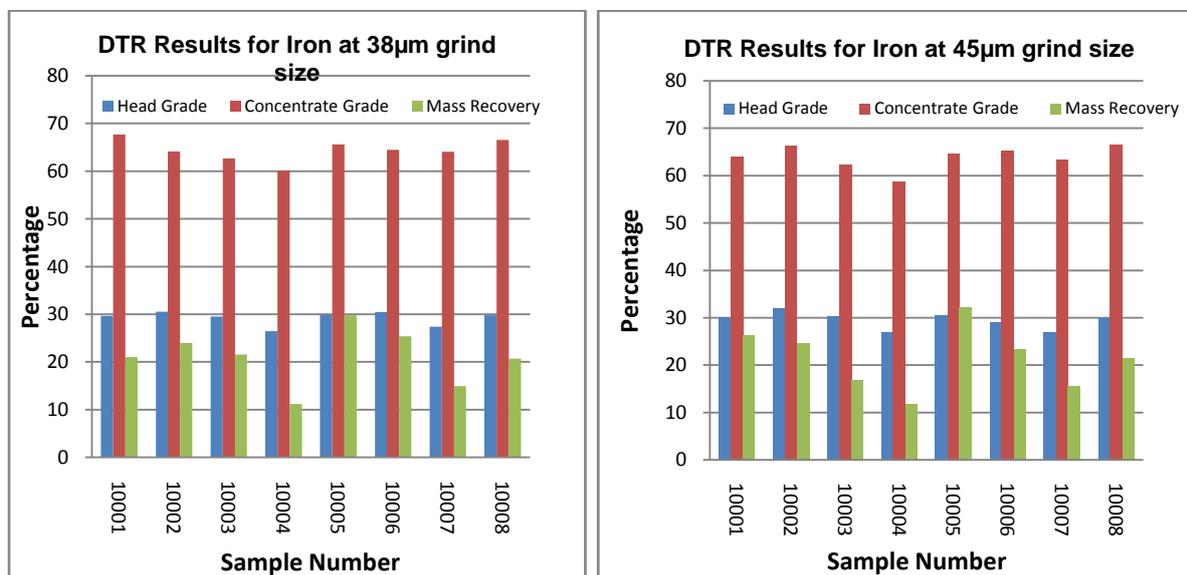


Figure 2. Comparison of Iron grade upgrade from DTR at 38µm and 45µm

Based on the average results for all samples, the 38µm grind size results yielded the best concentrate grades (see Table 1) with an average concentrate grade of 64% Fe, 7.91% SiO₂, 0.24% Al₂O₃, 0.05% P. Results from the 45µm samples were similar for iron grades, but with slightly higher deleterious element chemistry.

These results indicate the magnetite present in the Robinson range BIF material is fine-grained but liberates well between 38µm to 45µm and can yield a high quality concentrate with a mass recovery between 21–22%. The average grades presented in Table 1 include all samples sent for test work including the low-grade samples. By being more selective and excluding the values generated from the low-grade samples considerably better results can be achieved.

Grind Size (µm)	Description	Fe %	SiO₂ %	Al₂O₃ %	P %	S %	LOI %	Mass Rec %
38	average head grade	29.21	46.23	1.67	0.16	0.04	5.52	
	average concentrate grade	64.42	7.91	0.24	0.05	0.03	-0.96	21.06
45	average head grade	29.40	46.05	1.70	0.16	0.04	5.22	
	average concentrate grade	63.84	8.49	0.25	0.06	0.03	-0.84	21.48
75	average head grade	28.78	46.67	1.69	0.16	0.04	5.26	
	average concentrate grade	60.69	12.16	0.45	0.07	0.03	-0.32	22.81
106	average head grade	28.85	46.54	1.77	0.16	0.04	5.39	
	average concentrate grade	58.13	14.96	0.61	0.08	0.03	0.11	24.42

As part of the next stage of investigation more detailed bench-scale studies will be undertaken to assess the optimum grind size for the Robinson Range BIF material and the best method for beneficiation. It is hoped this work will further refine the parameters to deliver a high quality concentrate from the project.

The highly encouraging results from this preliminary test work have further enhanced the exploration potential of the Telecom Hill Prospect and validate the board's decision to fast track a drilling program to delineate the maiden resource at the project.

The key focus for the planned drilling and evaluation programs will be to delineate a substantial Inferred Resource and examine the distribution and metallurgical characteristics of the magnetite-bearing BIF at the Telecom Hill Prospect.

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Competent Person's 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 has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code).

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

Table 1. Complete results from recent DTR test work

Hole ID and sample depth	Sample Number	Grind Size	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %	Mass Rec %
HRC030 70-78m	10001	106µm head	30.73	43.40	1.07	0.18	0.05	7.27	-
	10001	106µm conc	63.30	10.09	0.20	0.06	0.04	-0.14	24.95
	10001	38µm head	29.66	44.66	1.03	0.17	0.05	6.88	-
	10001	38µm conc	67.65	5.27	0.11	0.04	0.04	-1.55	21.04
	10001	45µm head	30.05	44.77	1.06	0.16	0.05	6.59	-
	10001	45µm conc	63.91	8.40	0.15	0.05	0.05	-0.81	24.69
	10001	75µm head	29.43	45.04	1.02	0.16	0.05	6.75	-
	10001	75µm conc	64.20	8.34	0.16	0.06	0.04	-0.74	22.74
HRC035 72-80m	10002	106µm head	30.33	45.35	1.01	0.21	0.08	4.80	-
	10002	106µm conc	60.94	12.75	0.24	0.09	0.04	-0.57	26.95
	10002	38µm head	30.53	45.66	0.99	0.18	0.08	5.60	-
	10002	38µm conc	64.15	7.98	0.18	0.05	0.03	-1.04	23.94
	10002	45µm head	31.94	44.90	1.00	0.19	0.06	4.15	-
	10002	45µm conc	66.27	6.04	0.13	0.05	0.03	-1.43	26.30
	10002	75µm head	30.67	45.55	1.00	0.22	0.06	4.45	-
	10002	75µm conc	61.54	12.18	0.22	0.09	0.03	-0.76	26.40
HRC045 86-94m	10003	106µm head	29.75	47.39	1.12	0.20	0.04	5.57	-
	10003	106µm conc	56.93	16.52	0.38	0.14	0.03	1.50	26.44
	10003	38µm head	29.55	46.01	1.15	0.18	0.03	6.23	-
	10003	38µm conc	62.68	8.63	0.20	0.07	0.01	0.43	21.54

Hole ID and sample depth	Sample Number	Grind Size	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %	Mass Rec %
HRC045 94-102m	10003	45µm head	30.25	45.24	1.06	0.19	0.03	5.82	-
	10003	45µm conc	62.20	10.04	0.22	0.09	0.02	0.86	16.70
	10003	75µm head	28.99	47.23	1.12	0.17	0.03	5.65	-
	10003	75µm conc	59.69	11.16	0.25	0.09	0.02	0.88	23.89
	10004	106µm head	26.71	47.90	1.66	0.14	0.06	6.76	-
	10004	106µm conc	55.46	16.07	0.46	0.08	0.03	2.35	13.95
	10004	38µm head	26.47	48.85	1.61	0.14	0.07	7.04	-
	10004	38µm conc	60.09	10.74	0.33	0.07	0.05	1.72	11.15
	10004	45µm head	26.90	48.39	1.71	0.15	0.05	7.15	-
	10004	45µm conc	58.79	12.18	0.35	0.07	0.03	1.40	11.65
	10004	75µm head	26.28	49.10	1.79	0.13	0.08	6.84	-
	10004	75µm conc	56.10	15.07	0.49	0.08	0.06	2.20	12.85
	10005	106µm head	29.40	45.52	0.99	0.20	0.01	4.92	-
	10005	106µm conc	59.73	12.33	0.32	0.10	0.01	-0.98	30.95
	10005	38µm head	29.83	45.69	0.90	0.19	0.02	4.33	-
	10005	38µm conc	65.64	7.35	0.20	0.06	0.01	-1.94	29.80
HRC046 130-138m	10005	45µm head	30.40	45.04	0.89	0.20	0.01	4.17	-
10005	45µm conc	64.51	8.65	0.21	0.08	0.01	-1.51	32.20	
10005	75µm head	29.03	45.95	0.95	0.19	0.01	4.75	-	
10005	75µm conc	62.18	11.03	0.29	0.09	0.01	-1.35	30.70	
HRC046	10006	106µm head	28.73	48.34	1.34	0.17	0.03	4.90	-

Hole ID and sample depth	Sample Number	Grind Size	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %	Mass Rec %	
208-216m	10006	106µm conc	62.48	10.35	0.28	0.09	0.02	-1.24	22.85	
	10006	38µm head	30.47	46.32	1.27	0.19	0.03	4.87	-	
	10006	38µm conc	64.50	8.53	0.22	0.08	0.02	-1.92	25.35	
	10006	45µm head	29.06	46.55	1.30	0.18	0.06	5.11	-	
	10006	45µm conc	65.14	7.31	0.21	0.07	0.02	-1.93	23.34	
	10006	75µm head	29.24	47.39	1.24	0.18	0.04	4.72	-	
	10006	75µm conc	64.10	9.91	0.24	0.09	0.03	-1.56	24.23	
	10007	106µm head	26.20	48.82	5.80	0.02	0.01	3.00	-	
	10007	106µm conc	42.51	32.24	2.67	0.02	0.01	1.05	27.80	
	10007	38µm head	27.38	47.73	5.17	0.03	0.01	3.21	-	
	HRC047	10007	38µm conc	64.10	8.88	0.49	0.01	0.01	-1.35	14.94
	92-100m	10007	45µm head	26.85	49.21	5.40	0.03	0.01	3.08	-
10007		45µm conc	63.32	9.80	0.57	0.01	0.01	-1.12	15.55	
10007		75µm head	26.85	48.29	5.21	0.03	0.01	3.17	-	
10007		75µm conc	52.38	21.53	1.64	0.02	0.01	0.39	19.45	
10008		106µm head	28.91	45.61	1.20	0.20	0.05	5.88	-	
10008		106µm conc	63.70	9.34	0.33	0.07	0.07	-1.12	21.50	
HRC047	10008	38µm head	29.81	44.95	1.21	0.20	0.04	5.98	-	
206-214m	10008	38µm conc	66.55	5.88	0.21	0.05	0.06	-2.04	20.69	
	10008	45µm head	29.78	44.32	1.15	0.20	0.04	5.70	-	
	10008	45µm conc	66.56	5.51	0.19	0.05	0.05	-2.20	21.44	

Hole ID and sample depth	Sample Number	Grind Size	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %	Mass Rec %
	10008	75µm head	29.75	44.84	1.15	0.21	0.04	5.78	-
	10008	75µm conc	65.32	8.04	0.28	0.07	0.05	-1.62	22.20