

Quarterly Activities Report

Quarter ended 31 December 2010

Highlights:

- A 10,500m RC percussion resource evaluation drilling program commenced at the Telecom Hill Prospect on 3 October 2010.
- The drilling program was 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.
- The program has tested a 4km section of the 10km Telecom Hill exploration target area and demonstrates magnetite mineralisation is continuous over 4km strike length and some 250m thickness.
- Analyses from the first 12 drill holes returned very encouraging results with several excellent magnetite intercepts. The best intercept from first results was 120m at 32% Fe in hole HRC59 starting from 70m downhole.
- Latest results in the quarter from holes HRC61–HRC75 have returned further encouraging results with many excellent magnetite intercepts, for example 198m @ 34.2% Fe, 40.7% SiO₂, 2.35% Al₂O₃ and 0.15%P from surface in hole HRC61.
- A number of the holes in the northern area of the program have intersected magnetite in the oxidised near-surface zone (<30m), with intercepts such as 24m @ 34.0% Fe, 5.47% Al₂O₃, 37.7% SiO₂, and 0.11% P from hole HRC062.
- Estimation work will commence as soon as all results are received.

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.

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Evaluation Drilling Program

To evaluate the potential of the Telecom Hill Prospect a 10,500m, 50-hole, RC percussion drilling program designed to test a 4km segment of the Robinson Range Formation BIF commenced on 3 October 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 target², grading 25%–35% Fe, interpreted to be present at the Telecom Hill Prospect.

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 Figure 1) and the holes are angled at -60° to intersect the BIF at an oblique angle. The holes range in depth from approximately 200–250m depth.

The program is 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 down hole 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 resource 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.

Drilling Program Results to Date

The drilling program has been highly successful at achieving its goal and has delineated a large continuous magnetite deposit within the Robinson Range at Telecom Hill. To date the drilling has only tested 4km of the potential 10km strike length indicating substantial upside exists to further expand the deposits. As soon as all the field data has been compiled and the analyses are received the JV partners will undertake estimation work to determine the size and specification parameters of the deposit.

Drilling so far has tested the majority 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 during the earlier program demonstrates this is removed to an acceptable level during magnetic separation.

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.

During the quarter, results for holes HRC48 to HRC75 have been received from Spectrolabs Laboratories in Geraldton. The best result was in hole HRC061 with 198m at 34% Fe (see Figure 3). Many of the other holes had similar results, the better of which are shown in Table 1 below.

Interestingly a number of the holes in the northern area of the program have intersected magnetite in the oxidised near-surface zone. DTR test work on these samples will indicate what percentage of the iron can be recovered in these samples.

Table 1. Significant intersections from current resource evaluation drill program

Hole_ID	From (m)	To (m)	Interval (m)	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
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
HRC061	0	198	198	34.170	2.353	40.659	0.151
HRC062	0	24	24	34.038	5.465	37.708	0.111
	28	153	125	34.324	2.007	43.008	0.128
HRC063	0	96	96	33.648	3.082	41.770	0.055
	196	244	48	24.220	3.750	50.652	0.306

HRC064	0	198	198	31.164	3.146	42.219	0.155
HRC065	0	176	176	31.428	3.544	41.671	0.164
HRC066	0	104	104	30.627	3.603	45.947	0.093
HRC069	0	76	76	35.031	5.835	34.499	0.129
	88	232	144	27.819	2.378	47.475	0.162
HRC070	0	20	20	24.888	7.338	47.477	0.068
	24	172	148	30.684	2.353	46.507	0.171
HRC071	0	88	88	28.302	2.828	50.548	0.098
HRC072	32	144	112	24.515	4.986	51.389	0.266
HRC073	0	124	124	25.537	3.924	51.854	0.264
HRC074	0	80	80	28.608	4.618	46.559	0.064
	168	250	82	24.263	3.990	49.134	0.296
HRC075	0	48	48	30.844	4.682	44.168	0.088
	52	167	115	29.034	2.502	43.711	0.142

NB: intercepts based four-metre composites, 20%Fe cut-off with up to 2 samples of internal dilution

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 – Background

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 increase understanding of 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 resource for the project early in 2011.

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.

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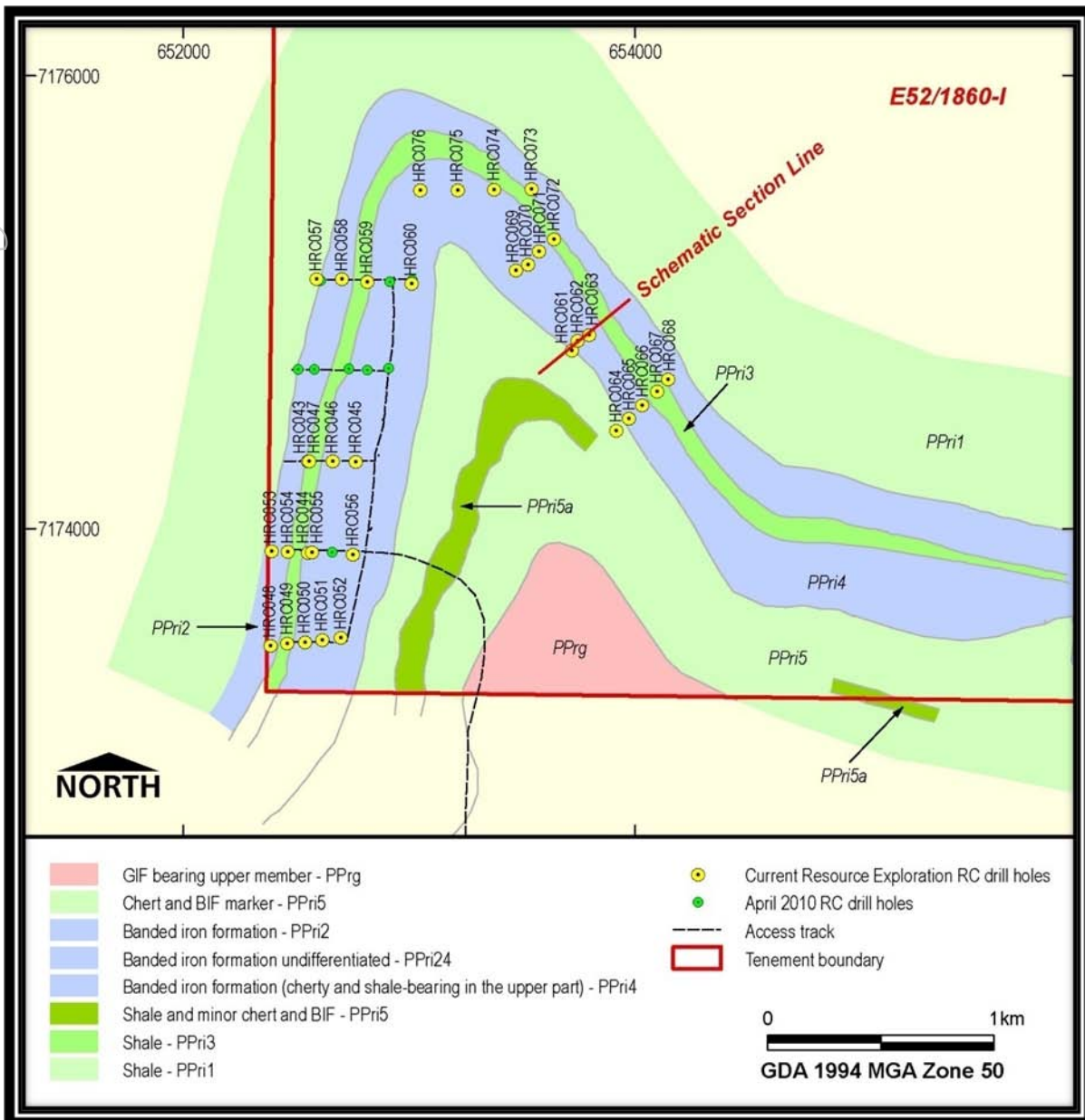


Figure 1. Collar location plan showing recent and historic drilling

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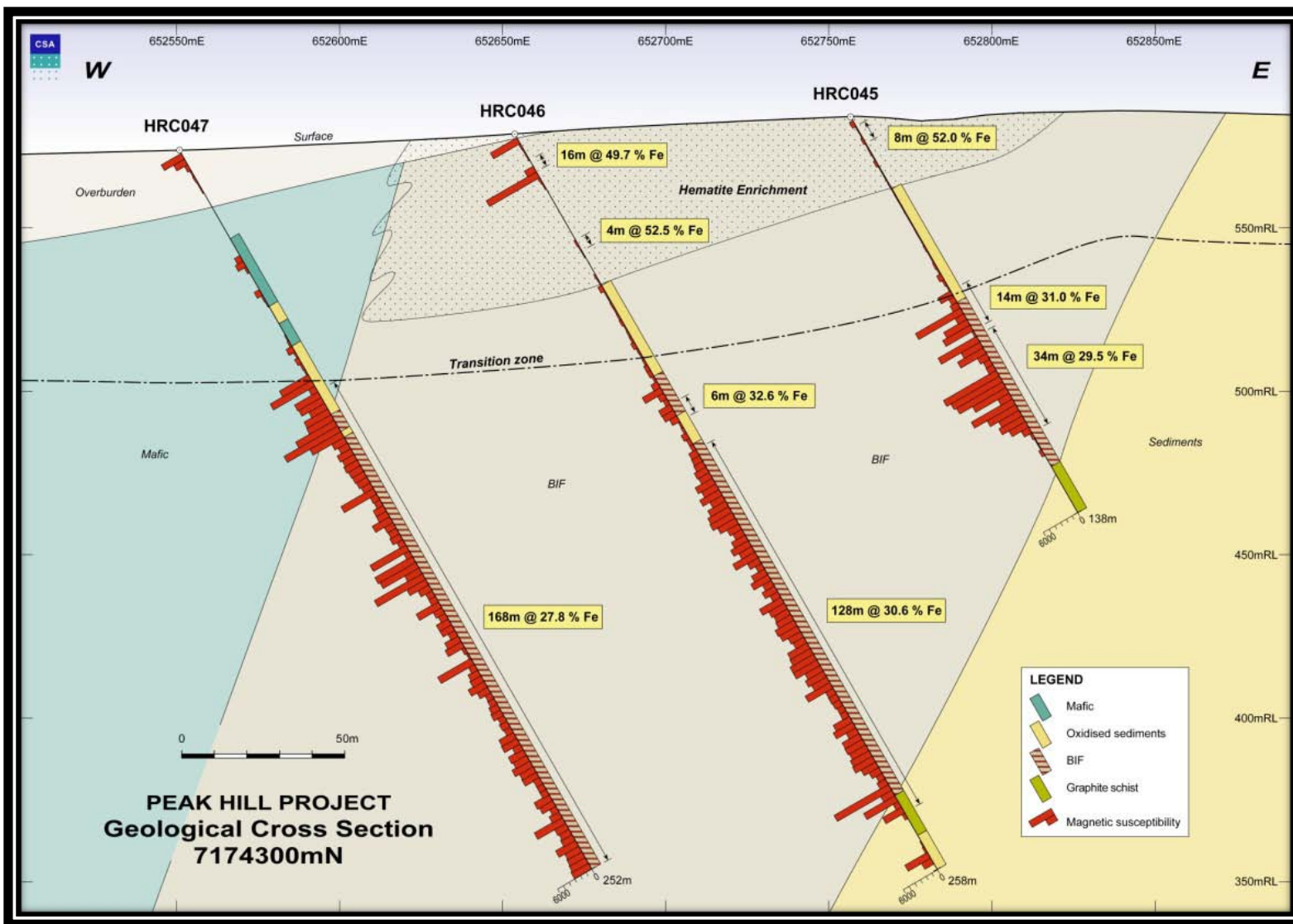


Figure 2. Schematic cross section 7174300mN from earlier 2010 drilling

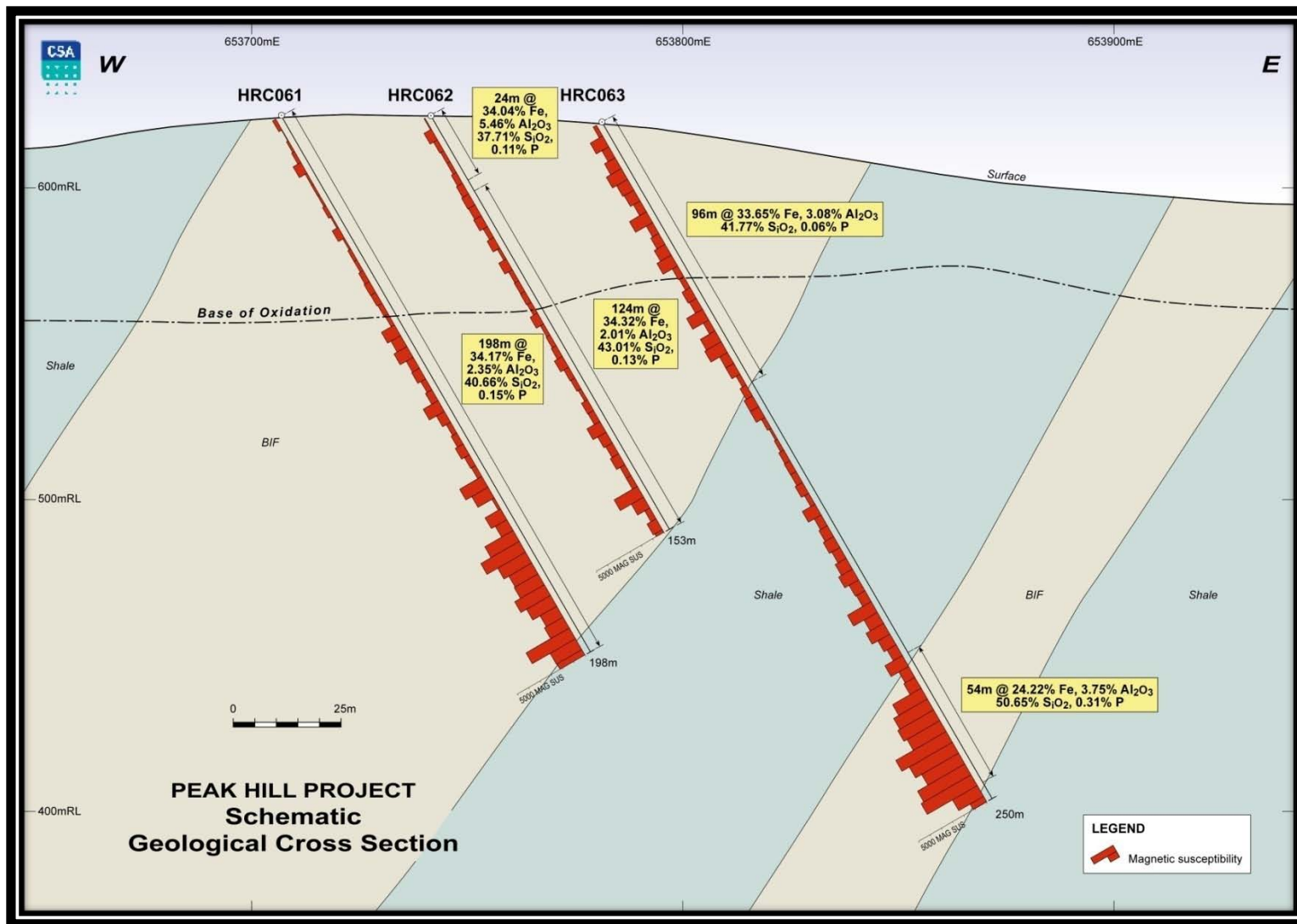


Figure 3. Schematic cross section 7175100mN

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 December 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(447)	(670)
(b) development	-	-
(c) production	-	-
(d) administration	(239)	(733)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	42	56
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST paid to be recouped)	10	(53)
Net Operating Cash Flows	(634)	(1,400)
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	-	250
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	250
1.13 Total operating and investing cash flows (carried forward)	(634)	(1,150)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(634)	(1,150)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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	-	-
	Net increase (decrease) in cash held	(634)	(1,150)
1.20	Cash at beginning of quarter/year to date	2,961	3,477
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,327	2,327

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	80
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

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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	750
4.2 Development	-
4.3 Production	-
4.4 Administration	225
Total	975

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	80	327
5.2 Deposits at call	2,247	2,634
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,327	2,961

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	297,550,002 70,000,000	297,550,002	\$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				
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>	113,050,000 5,333,333 5,333,333 5,333,334	113,050,000	<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				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

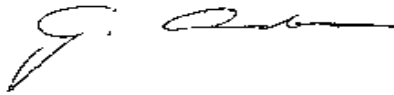
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7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

- 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: 31 January 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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