

Palladon Ventures Ltd. CML Update

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VANCOUVER, 11/09/12 - [Palladon Ventures Ltd.](#) ("Palladon" or the "Company") (TSX VENTURE: PLL) announces the following update from CML Holdings, Inc.

CML Holdings Shareholder Update November 9, 2012

Dear Shareholder,

We are pleased to provide you with the following shareholder update regarding CML Holdings, Inc. ("CML" or "the Company").

Capital Structure

On September 28, 2012, the Company made an unscheduled \$40 million principal payment that paid off in full the Company's remaining outstanding balance under its term debt facility. The Company originally entered into the \$45 million debt facility in February 2011 to finance the construction of the concentrate plant. The facility has now been cancelled by the Company and CML has no outstanding debt and cash on its balance sheet.

Repayment was made primarily through the liquidation of a portion of CML's iron ore forward contracts, which had gained significantly in value due to the decline in iron ore prices in the August/September time period. During the final weeks of August and the initial weeks of September, during which time the spot price of iron ore ranged from approximately \$86 per ton to \$100 per ton, CML opportunistically liquidated forward contracts covering 995,000 tons of iron ore, generating cash proceeds of approximately \$38.8 million, or approximately \$39 per ton. The remainder of the \$40 million bank debt repayment was made with cash on hand. Currently the Company has forward contracts in place for approximately 490,000 tons of iron ore at strike prices ranging from \$128 to \$140 per ton that will settle in varying amounts between now and the middle of 2014.

Operations

CML completed construction of the concentrate plant in early 2012 and then started the process of bringing the plant on line in February. Shortly after introducing iron ore into the plant, CML began to experience performance issues relating to certain de-watering equipment (the "filter presses"). The filter presses experienced frequent mechanical breakdowns resulting in a product with too much moisture. In addition, other equipment issues were created within the concentrate plant due to the problems encountered with the filter presses. The net result of the filter press issues was lower production, greater water usage and material inefficiencies within the plant operations.

Given ongoing issues with the filter presses and with the decline in iron ore prices in August, CML decided to take the plant offline and suspend further shipments. This down time allowed CML to make important modifications to the plant in late August and September. As a result of CML's modifications to the existing filter presses, additional belt presses, and an additional water source, CML brought the concentrate plant back online in early October and is now producing a concentrate averaging approximately 64% Fe at nearly 100,000 tons per month. CML believes with steady state production it will be able to further improve the grade of its concentrate to an approximate 66% - 67% Fe level. Additionally, after an exhaustive search, CML believes it has now identified the optimal long term solution to the dewatering issues which will involve the replacement of some current equipment and the installation of some new equipment. These changes will take place as the requisite equipment becomes available and is integrated into the production process. The equipment changes will allow CML to steadily improve its production performance toward reaching the initial goal of a 2 million ton annual production rate. In conjunction with the plant modifications and the recent recovery in the price of iron ore, CML has resumed production and shipment of iron ore concentrate. The Company expects a ship to leave the west coast today.

Resource Development

CML has completed the drilling of nine twin holes to a maximum depth of approximately 1,200 feet in the Rex deposit for purposes of verifying the historic resource. The Company believes that the drilling results will be consistent with historical data. CML is also conducting a feasibility study on the Rex deposit, which is expected to be completed in the first half of 2013.

Summary

CML is now debt free and has resumed the production and shipment of iron ore concentrate. CML expects production levels of concentrate to continue to increase throughout the coming months to reach the original 2 million tons per annum run rate. CML is continuing to invest time and money in growing production beyond those levels.

CML Holdings, Inc.

This update includes "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such statements may include, but are not limited to, statements relating the current and future expected production capacity of the concentrate plant, the iron ore content of the concentrate produced by the concentrate plant, the efficacy of modifications made to the concentrate plant in response to failures of the filter presses, future shipments of product, and other statements that are not historical facts. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits CML will obtain from them. Such statements are based upon the current beliefs, estimates, expectations and assumptions of CML management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. A number of risks and uncertainties could cause actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) continuing economic difficulties domestically and internationally, (2) the inherent uncertainties and speculative nature associated with mineral exploration and production, (3) a decreased demand for minerals, (4) any delay or cessation of exploration and development of CML's property interests, such as environmental liabilities, weather, mechanical failures, safety concerns and labor problems; (5) the inability of CML to execute its business plan, (6) the inability of CML to retain key employees, (7) the inability of CML to finance operations and growth, and (8) other factors beyond CML's control. These forward-looking statements are made as of the date of this update and, except as required by law, CML assumes no obligation to update these forward-looking statements, or to update the reasons why actual results differed from those projected in the forward-looking statements.

John Cutler, CEO of Palladon, commented: "We are very impressed that CML has repaid all of its debt. We are encouraged by their progress in dealing with start-up issues at the plant. We look forward to future updates confirming initial production goals and other initiatives."

About Palladon Ventures Ltd.

Palladon owns a significant minority interest in CML, which is focused on advancing the Iron Mountain project, an iron ore mine located west of Cedar City, Utah.

Disclaimer for Forward-Looking Information: Certain statements in this release are forward-looking statements, which reflect the expectations of management. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions in North America and internationally, (2) the inherent uncertainties and speculative nature associated with mineral exploration and production, (3) a decreased demand for minerals, (4) any number of events or causes which may delay or cease exploration and development of the Company's property interests, such as environmental liabilities, weather, mechanical failures, safety concerns and labor problems; (5) the risk that the Company does not execute its business plan, (6) inability to retain key employees, (7) inability to finance operations and growth, and (8) other factors beyond the Company's control. These forward-looking statements are made as of the date of this news release and, except as

required by law, the Company assumes no obligation to update these forward-looking statements, or to update the reasons why actual results differed from those projected in the forward-looking statement.

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