PALLADON VENTURES: IRON MOUNTAIN PROJECT UPDATE

Salt Lake City, Utah, October 11, 2006. Palladon Ventures Ltd. (TSX.V: PLL) (Frankfurt: PV-1) is pleased to provide the following update on the status of developments at the Iron Mountain project near Cedar City, Utah.

Business Model: Phase one of operations at Iron Mountain will be the mining, processing, and direct shipment of magnetite iron ore concentrates. The Company intends to mine the Comstock/Mountain Lion open pit and process iron ore by crushing, grinding and upgrading by magnetic separation to a 68% iron concentrate. Iron concentrates will be shipped by rail and sold FOB at a west coast port. The Company is focused on developing sales channels for iron concentrates in the Asian steel industry.

Progress to Date: A processing plant has been designed, and engineering is underway to build a concentrator with an initial annual production capacity of two million metric tonnes. Metallurgical design and test work, process flow diagrams, and ball mill foundation drawings have been completed. The refurbishment of a ball mill purchased in April, 2006, is scheduled for completion by the end of November, and the Company continues to optimize engineering and economic parameters for mineral processing. The following is a summary of current project status:

Rail & Port: Authorization has been granted by the United States Surface Transportation Board for the operation of the newly-named Iron Bull Railroad, the 14-mile short line running between the Iron Mountain minesite and interchange tracks in Iron Springs, Utah. Mike Root and the Albany Eastern Railroad have also been authorized as the operator of the Iron Bull Railroad. Palladon Iron Corp. is the lessee. Construction of interchange tracks at Iron Springs was completed in April, 2006.

Geology: Throughout the summer of 2006, the Company’s geology department continued to analyze historic drilling data on the Comstock/Mountain Lion iron mine, which contains a current iron resource of 33,233,554 tons grading 47% Fe (see news release dated June 27, 2006). Drilling data generated through 1995 was compiled for a preliminary 3-D block model of the Comstock/Mountain Lion ore body. The drill data was based on logs from 438 historic holes drilled by the Columbia Iron Mining Company, US Steel, and Geneva Steel. The Company will use the findings of this study to guide future drilling and exploration work on the property.

Water Rights: Palladon has verified that its 2,000 acre-feet of water rights are secure and in good standing with the state of Utah. The property has sufficient water resources for functions such as drilling, processing, tailings disposal and dust control.

Other Studies: Studies performed over the last eighteen months also include reviews on historic exploration and engineering data, metallurgical studies, historic drilling studies, mine modeling studies, a rail transport and port loading study, operating and capital cost studies, and iron ore and cement industry market studies. The Company also confirmed permitting status for the resumption of mining activities.

Revised Work Schedule: In May of 2006, the Company outlined a series of development milestones for the construction of production facilities at the Comstock/Mountain Lion iron mine. Although significant progress has been made in engineering and logistics, the Company has not mobilized for project
construction in accordance with that schedule as anticipated, due to pending funding requirements. Consequently, the Company is revising its schedule for pouring concrete and the start of plant construction. Over the summer, the Company continued its work at making final arrangements for port and rail agreements and for the execution of a sales contract with steel companies in China. Upon the completion of the major port, rail and sales agreements, the Company will then finalize financial arrangements and will advance with plant construction.

Don Foot, CEO of Palladon Ventures stated. “The time it has taken to finalize the financing of the processing plant has allowed us to improve the economics of the process through further development of the flowsheet and securing of more favorable routing and costing for transportation. In a robust minerals market, timelines can be difficult to predict, but we have continued to move forward on every aspect of this project in anticipation of completion upon funding.”

On Behalf of the Board of Directors,
**Donald G. Foot, Jr.**
President & Chief Operating Officer

About Palladon
Palladon Ventures Ltd. is a junior resource company focused on the exploration and development of mineral resource projects worldwide. Development stage projects include the Iron Mountain project near Cedar City, Utah, in addition to copper and gold exploration projects in Nevada, Utah, and Argentina.

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