



Press Release

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**PREMIER PROVIDES RED LAKE UPDATE-DRILLING INTERSECTS HIGH GRADE GOLD
(21.78g/t Au ACROSS 3.0 METRES AND PROLIFIC “MINE HORIZON” CORRIDOR**

PREMIER GOLD MINES LIMITED (TSX:PG) is pleased to announce that drilling on the Rahill-Bonanza Joint Venture Property in Red Lake has intersected significant gold grades down-dip from the Bonanza Deposit, and a geologically important discoveries have been made on the west end of the project area, and adjacent to the Red Lake Gold Mines complex. The Rahill-Bonanza Property is located in the heart of the Red Lake Mining District in Northwestern Ontario and is being explored under a joint venture with Red Lake Gold Mines Limited (“RLGM”), an affiliate of Goldcorp Inc.

BONANZA DEPOSIT DEPTH EXTENSION

Drilling in the current phase of exploration at the Rahill-Bonanza Project, operated by RLGM, is testing several key target areas with 4 drills. **At the Bonanza deposit, which is host to a resource exceeding 900,000 ounces of gold, extension drilling at depth continues to intersect the horizon with initial results that include 6.56g/t Au across 5.0 metres and 21.78g/t Au across 3.0 metres in hole PG08046.** Additional drilling has intersected this horizon further at depth and the on-strike CP-Zone where visible gold has been noted in several holes (assays pending). The current program consists of in-fill drilling, in support of potential “advanced” underground exploration in the future, and extension drilling aimed at growing the current gold resource at Bonanza.

PROLIFIC “MINE HORIZON” NEAR WILMAR GOLD MINE

At Wilmar, drilling is testing below, and in the vicinity of the workings of the past-producing Wilmar Gold Mine where, over a period of four years, 203,256 tons of ore was mined at an average grade of 0.30 oz/ton Au (10.3g/t Au). The deposit remained open at depth when the mine shutdown and drilling performed down-dip of the mine workings by the joint venture in 2007 returned numerous significant intersections including 18.1g/t Au over 2.0 metres and 14.2g/t Au over 5.0 metres.

A recent deep hole that veered away from its intended target, the Wilmar Mine host horizon at depth, has made a significant geological discovery. This hole has intersected the prolific “Mine Horizon” approximately 3 kilometres from the western-most occurrence of this deformation corridor at the RLGM complex. The RLGM has produced more than 18 Million ounces of gold, discovered nearly 10 Million additional ounces of resources, and is widely considered to be the world’s richest gold mine. The “Mine Horizon” consists of a series of variably deformed, altered and veined rocks. This deformation was encountered over a core length of approximately 500 metres and has an estimated true width of 300-350 metres. Several intensely veined intervals hosting minor amounts of pyrite and pyrrhotite, with traces of arsenopyrite and chalcopyrite were intersected returning highly anomalous gold values. A wedge hole has again intersected this horizon with assays pending.

This discovery suggests that this deformation corridor is untested at depth for several kilometres towards the Red Lake Gold Mines complex and has the potential to host significant deposits. Wedging off of the initial hole has been completed to provide additional information regarding the character and geometry of this horizon. Additional drilling will be performed, aimed at intersecting potential cross-cutting structures that could host high-grade gold mineralization.

41 LEVEL DRILLING

Drilling onto the Joint Venture project from the Campbell Complex of Red Lake Gold Mines, which is located immediately east of the property, has now been completed. This hole, collared on the 41 Level (some 1875 metres or 6150 feet below surface) of the Red Lake Gold Mines complex, successfully intersected the primary target opening up significant exploration potential along strike from the mine onto the joint venture project. An important “black line fault” was identified followed by altered mafic and ultramafic rock units, identical to those that host the main zones at the mine. Assays are pending for this zone, however prior to reaching the main target area, a narrow gold-bearing zone was intersected returning an assay of 6.80 gpt Au (0.20 oz/ton) over 1.0 metre. Drilling at the mine is now being completed to test the area between the mine zones and this intersection.

The Rahill-Bonanza Project covers several kilometres of the main Red Lake “Mine Trend” that is host to the world class Red Lake Gold Mines to the east, and Gold Eagle’s “Bruce Channel” discovery to the west of the Joint Venture Property.

Stephen McGibbon, P. Geo., is the Qualified Person for the information contained in this press release and is a Qualified Person within the meaning of National Instrument 43-101. Core from Rahill-Bonanza is sent to Accurassay Laboratories, an accredited mineral analysis laboratory in Thunder Bay, Ontario, for preparation and analysis utilizing both fire assay and screen metallic methods.

Premier Gold Mines Limited is a well financed Canadian-based mineral exploration and development company with several projects and deposits in Northwestern Ontario and a joint venture in Mexico. In the Red Lake gold mining camp, two of these are operated in joint venture with Red Lake Gold Mines. The company also owns a strategic project located on the main Musselwhite Gold Mine trend.

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