



Press Release

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**PREMIER - RED LAKE JOINT VENTURE TO PARTICIPATE IN MAJOR UNDERGROUND DEVELOPMENT PROJECT – DISCOVERS NEW GOLD HORIZON**

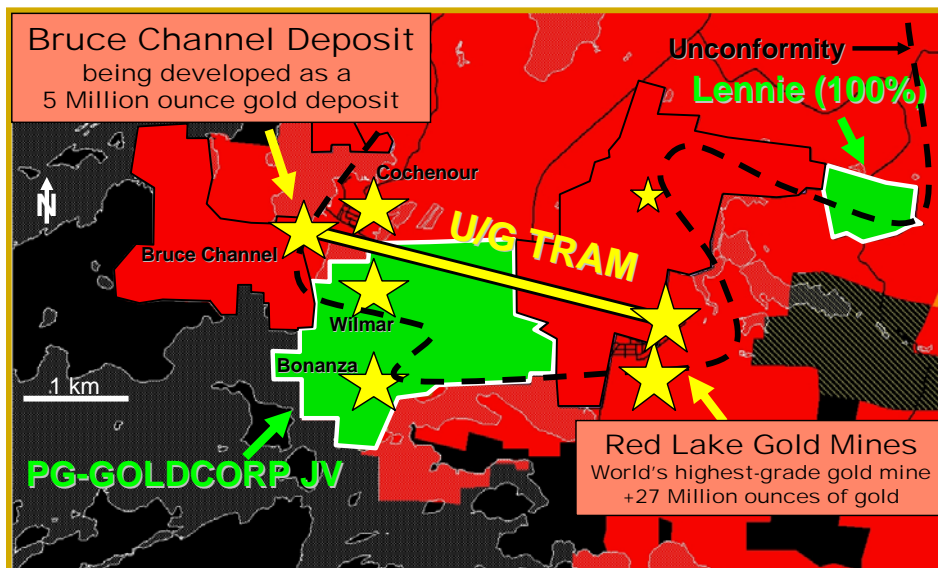
**PREMIER GOLD MINES LIMITED (TSX:PG)** is pleased to announce that the Rahill-Bonanza Project joint venture, a joint venture between Premier and Red Lake Gold Mines Partnership ("RLGM"), a partnership between Goldcorp Inc. and Goldcorp Canada Ltd., is in discussions with RLGM to participate in a major underground development program that Goldcorp expects to undertake at the Red Lake Gold Mines mine complex.

*High-Speed Tram*

Goldcorp has announced that a trade-off study has indicated that the construction of a high-speed tram to connect the Red Lake Gold Mines complex and the Cochenour (Bruce Channel) Mine complex is the favoured method to develop its Cochenour deposit. A portion of this tram may pass through, or in close proximity to, the joint venture project providing an excellent exploration platform. This tram will intersect several kilometres of some of the highest potential and untested geology along the main Red Lake "Mine Trend". The Red Lake Gold Mine is considered to be one of the world's richest gold mines with production of more than 18 million ounces of gold and nearly 10 million ounces of resources.

repetitive It is expected that the joint venture, of which Premier holds a 49% interest, will fund drill bays on the south side of the tram, that could be used to drill test high potential areas, and switches that could be built in the event of possible development of the Wilmar, West Granodiorite, and Bonanza deposits located on the Rahill-Bonanza Project.

"Once completed, this plan would open up several kilometres of highly prospective geology in one of the world's most prolific high-grade gold districts" stated Ewan Downie, President and Chief Executive Officer of Premier. "Given this huge area has seen little to no previous deep exploration drilling, we are excited by the opportunity to test a number of potential geologic targets."



## New Gold Horizon

Recent drilling performed by the joint venture that tested geological targets to the Bruce Channel Deposit (BCD), that is currently being developed by Goldcorp, has intersected high-grade gold in a new horizon as well as the depth and strike extension of the West Granodiorite Zone (WGZ) on the joint venture.

Drill hole PG09070 was drilled to a total depth of 1,040 metres and successfully intersected several gold-bearing zones including the WGZ and a new deep zone associated with an ultramafic rock unit. Highlights from this new hole include:

- **Near-surface shear zones assayed 3.99 grams per tonne (g/t) gold (Au) across 1.0 metres (m) and 2.19g/t Au across 1.0m.**
- **The WGZ was intersected with assays of 2.15 g/t across 6.0 m including 6.85 g/t Au across 1.0 m.**
- **A new visible gold-bearing mineralized shear zone proximal to a key ultramafic rock unit returned a highlight assay of 11.44 g/t Au across 1.5m.**

The mineralized zone has been discovered proximal to a Komatiitic Basalt (Ultramafic) rock unit with quartz-carbonate veining, and mineralization consisting of pyrite, arsenopyrite and visible gold. This geologic setting is similar to that at the Red Lake Gold Mines. **This zone returned 6.78 g/t Au across 3.0m including 11.44g/t Au across 1.5m in an area that has seen almost no previous exploration and is open in all directions.** This part of the joint venture Property has been previously tested by one drill hole, which also intersected gold in a similar setting. An aggressive winter drill program is being planned for 2010 to test this new horizon in addition to several other target areas on the Property including the WGZ and Bonanza Deposits that have excellent depth potential.

Recent work immediately north of the Rahill-Bonanza Project suggests that Goldcorp's Bruce Channel Deposit is hosted within a North-South fault structure that could cross onto the joint venture property. Hole PG09070 tested the northwestern portion of the Property, potentially along strike and up-dip from the projected location of the Bruce Channel Deposit. Drilling in 2010 from the ice will test this target area at depth.

The WGZ is a zone that could host significant bulk-tonnage, and/or high-grade style, gold resources south of the Cochenour mine workings. In the 1970's, the WGZ was successfully test mined on the 1300-foot Level with a grade of 3.45 g/t over widths of up to 21.3 metres. An earlier hole (PG09068A) that tested the depth potential of the WGZ also intersected high-grade gold mineralization with assays as high as 12.5 grams per tonne gold (g/t Au) across 4.5 metres (m) approximately 500 metres below the 1300 Foot Level and 250 metres below the intercept in PG09070 suggesting excellent expansion potential to this zone.

The Rahill-Bonanza joint venture property covers several kilometers of the prolific "Mine Horizon" between the Cochenour (Bruce Channel) complex to the west and the prolific RLGM complex to the east.

Pursuant to its press release dated November 4, 2009, Goldcorp discussed on its earnings conference call the Cochenour access plan. At Goldcorp's 100%-owned Cochenour deposit de-watering of the historic mine workings has started for the potential development of the Bruce Channel Deposit.

Premier remains one of the sectors most active exploration companies, with one of the largest exploration budgets in Canada. The Company will continue to define mineralization on multiple projects with approximately \$20 Million to be spent over the next 15 months, an effort that is expected to result in at least one NI43-101 compliant gold resource estimate by year-end Exploration in Red Lake includes drilling on both the Rahill-Bonanza joint venture and the 100% held Lennie Project. These projects are host to some of the Red Lake District's most prospective targets.

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 active drill programs at its Hardrock Project and PQ North Project that is strategically located on the main Musselwhite Gold Mine trend.

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