



Press Release

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**PREMIER PROVIDES 2010 EXPLORATION UPDATE – 5 MAJOR DRILL PROGRAMS
TOTTALLING APPROXIMATELY 100,000 METRES DRILLING**

PREMIER GOLD MINES LIMITED (TSX:PG) provided today an update of the Company's major 2010 exploration plans for its Northwestern Ontario projects. Drill programs are planned for the Hardrock, Rahill-Bonanza, Lennie, East Bay and PQ-North Properties. Highlights for the upcoming year include:

- **Actively drilling on 5 properties (Q1), establishing Premier as one of Canada's most active gold explorers**
- **Some 100,000 metres of diamond drilling.**
- **NI43-101 resource estimate for Hardrock to be released during Q1**
- **Red Lake underground initiative will open up huge exploration potential**
- **Follow-up drilling at PQ North gold discovery zones**

Ewan Downie, President and CEO of Premier said, "Premier had spectacular exploration success during 2009. Multiple new high-grade gold discoveries demand aggressive follow-up, resulting in what will be one of the industry's largest exploration and development budgets in 2010. In particular, our success at the Hardrock Project has led to the delineation of what is possibly one of Canada's most exciting new gold projects."

Hardrock Project – Building on 2009 Successes

The Hardrock Project, operated under a joint venture with Goldstone Resources Inc. (TSX:GRC) (Premier holds a 70% interest), will remain the Company's most active project with more than 70,000 metres of drilling planned. In 2009, more than 90,000 metres of drilling was completed at Hardrock, successfully identifying multiple open pit and underground style gold zones with the following highlights:

- **Discovery of the High Grade North Zone: 1,141.5 g/t Au across 2.0 metres (33.3 oz/ton across 6.6 feet).**
- **The EP (open pit) Zone was defined over a strike length of more than 1 kilometre and remains open for expansion.**
- **Discovery of the NN Zone (open pit) along strike from EP – recent drill intersections that define this zone include 6.91 g/t Au across 18.7 m (0.20 oz/ton across 61.3 feet), 5.69 g/t Au across 24.2 m (0.17 oz/ton across 79.4 feet) and 52.90 g/t Au across 7.9 m (1.54 oz/ton across 25.9 feet).**
- **Late in 2009, initial drilling in a new target area returned high-grade results including 121.00 g/t Au across 1.5 m (3.53 oz/ton across 4.9 feet).**

The Hardrock Project is host to several past-producing mines which collectively produced more than 3.0 million ounces of gold, primarily from shallow depths within 2,000 feet (600 metres) of surface. The mined zones remained wide open at depth at the time mining ceased and resources were left in place within the existing mine workings.

In 2009, drilling focused on confirming both open pit and underground mineralization with the goal of identifying a potentially multi-million ounce gold resource that can be moved quickly towards development. The Project offers development advantages with the Trans-Canada Highway, Trans-Canada Pipeline, and major power lines running through the centre of the property. Significant potential for developing resources has been identified in several areas including: 1) Open pit-style mineralization proximal to the main zones previously mined by underground methods; 2) Discoveries including bonanza-style gold zones; 3) Down-plunge of historically mined zones including the SP and North Zones; and, 4) Mineralization along strike from historically mined zones in the NN and North Zone areas.

Red Lake Projects – 3 Active Drill Programs

In 2010, Premier will have active exploration programs on the Rahill-Bonanza and East Bay Joint Venture Projects, both operated by Red Lake Gold Mines Limited (“RLGM”), an affiliate of Goldcorp Inc., in addition to the Company’s 100% held Lennie Project.

The **Rahill-Bonanza Project** (PG:49%) is strategically located in the heart of the world class Red Lake gold mining district between the prolific Red Lake Gold Mines complex to the east, and the Cochenour (Bruce Channel) complex to the west. The 2009 exploration program was successful in extending the West Granodiorite Deposit (WGD) at depth as well as discovering new gold mineralization associated with a favourable ultramafic rock unit in the final drill hole of the program. The 2010 program will focus on testing this new discovery that is located in close proximity to the Bruce Channel Deposit (BCD) currently being developed by RLGM. This drilling will also test for major structures including the potential southern extension of the BCD. Additional drilling on the Project will test the down-dip potential of the Bonanza Deposit that is host to a NI43-101 compliant inferred mineral resource of some 1,589,000 tonnes at an average grade of 7.60 g/t Au within 500 metres of surface at a gold price of US\$750. Drilling will also be conducted to test the down-dip potential of the WGD.

Late in 2009, Goldcorp announced plans to construct a high speed tram to connect the Red Lake Gold Mines complex and the Cochenour (Bruce Channel) Mine complex in order to develop its Cochenour deposit. Planning and development are underway. A portion of this tram is expected to 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.

The **East Bay Project** (PG 35%) is located on the East Bay ultramafic trend along strike to the north of Rubicon Mineral’s Phoenix Gold Project and is host to the GAZ gold deposit. Drilling is expected to begin in the coming weeks and will focus on testing structures similar to those at the F2 Zone that is currently being explored by Rubicon.

The **Lennie Project** is located immediately north of the RLGM complex. Drilling in 2009 intersected rock units similar to those that host the primary gold zones in Red Lake, in addition to favourable veining, alteration and mineralization. Several gold-bearing structures have been identified and follow-up drilling is underway.

PQ-North Project – Delineating Gold Zones

Premier’s 100%-owned PQ North Property is strategically located on the PQ limb of the key iron formation that is host to Goldcorp's Musselwhite Gold Mine. Drilling at PQ North in 2009 intersected a similar geological setting to Musselwhite . Two gold zones, PQL and Upper IF, were discovered with grades and widths comparable to those at the mine.

Initial drilling in 2010 will follow-up the Upper IF discovery that was tested by two holes last winter and highlighted by an intersection of 10.25 g/t Au across 5.1 m. This compares favourably with the grades at Musselwhite which averages approximately 5.50 g/t Au. The Musselwhite Mine had produced more than 2.0 million ounces of gold and has reserves and resources in excess of 3.0 million ounces at the end of 2008.

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. Assay results are from core samples sent to Activation Laboratories, an accredited mineral analysis laboratory in Ancaster, Ontario, or 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 and recently signed an agreement to acquire mineral properties in Geraldton area from Barrick Gold.

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The statements made in this Press Release may contain forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from the Company's expectations and projections.