

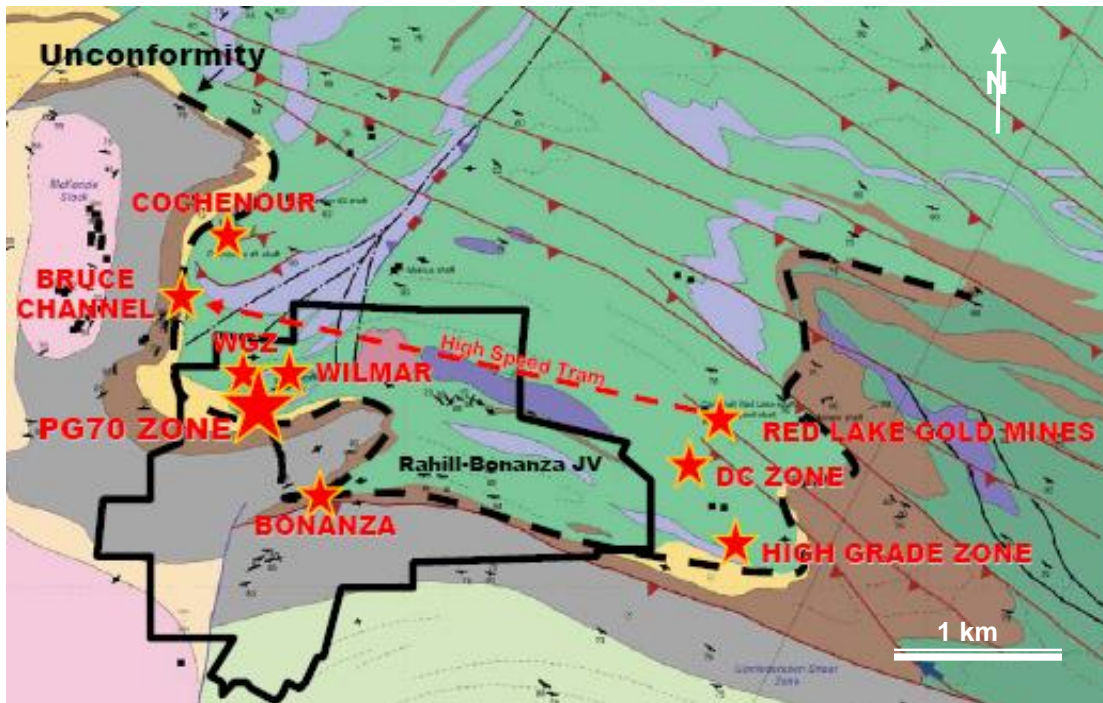
PREMIER RED LAKE DRILLING RETURNS MULTIPLE HIGH GRADE INTERCEPTS AT NEW DISCOVERY AREA

PREMIER GOLD MINES LIMITED (TSX:PG) is pleased to announce that drilling at the Rahill-Bonanza joint venture Project has intersected multiple high grade gold zones in follow-up exploration on a new gold discovery made in the final hole of the 2009 drill program. The Rahill-Bonanza Project (PG:49%) is strategically located in the heart of the prolific Red Lake gold mining district between the world class Red Lake Gold Mines complex to the east, and the Cochenour (Bruce Channel) complex to the west and is being explored with joint venture partner Red Lake Gold Mines Limited (“RLGM”), an affiliate of Goldcorp Inc.

The 2010 program is focused on testing a new mineralized zone intersected in the final hole of the 2009 program. The new gold zone, the PG70 Zone, is associated with a favourable ultramafic rock unit similar to, and in close proximity to, the Bruce Channel Deposit that is currently being developed by RLGM (See *Figure 1* below). PG10071 intersected the PG70 Zone approximately 125 m along strike from the discovery hole that returned 6.78 grams per tonne gold (g/t Au) across 3.0 metres (m). Highlights from holes PG10071 and 71A include:

- 23.70 g/t Au across 2.0 m (0.69 oz/ton across 6.6 feet) from 736.0 m to 738.0 m (PG70 Zone)
- 24.59 g/t Au across 1.0 m (0.72 oz/ton across 3.3 feet) from 765.0 m to 766.0 m (PG70 Zone)
- 10.34 g/t Au across 3.0 m (0.30 oz/ton across 9.8 feet) from 786.0 m to 789.0 m (PG70 Zone)
- 8.64 g/t Au across 1.7 m (0.25 oz/ton across 5.6 feet) from 965.5 m to 967.2m (New Zone - X)
- 2.53 g/t Au across 19.0 m (0.07 oz/ton across 62.3 feet) from 1253.5 m to 1272.5 m (WGZ)

Figure 1



Recent follow-up drilling has intersected the PG70 Zone approximately 350 metres down-dip of holes 070 and 071. Visible gold was noted in several places within the zone (Assays Pending). This intersection demonstrates the potential to expand this new horizon which remains open in all directions.

The following table, which includes a broad intercept within the West Granodiorite Zone (WGZ), provides a summary of results from hole PG10071 (and 71A, a wedge hole drilled when 71 had to be abandoned due to drilling problems):

Table 1: Results from holes PG10071 and PG10071A

| Hole-ID | UTM Coordinates (m) NAD 27 | Dip/Azimuth (degrees) | From (m) | To (m) | Interval (m) | Grade (g/tonne) | Interval (ft) | Grade (oz/ton) | Zone |
|-----------------------|----------------------------|-----------------------|----------|--------|--------------|-----------------|---------------|----------------|------|
| PG10071 | 5656569 N 443617 E | -67/279 | 736.0 | 738.0 | 2.0 | 23.70 | 6.6 | 0.69 | PG70 |
| | | | 754.6 | 755.4 | 0.8 | 4.51 | 2.5 | 0.13 | PG70 |
| | | | 765.0 | 766.0 | 1.0 | 24.59 | 3.3 | 0.72 | PG70 |
| | | | 786.0 | 789.0 | 3.0 | 10.34 | 9.8 | 0.30 | PG70 |
| | | | 982.0 | 983.0 | 1.0 | 6.66 | 3.3 | 0.19 | X |
| PG10071A including | 5656569 N 443617 E | -67/279 | 965.5 | 967.2 | 1.7 | 8.64 | 5.6 | 0.25 | X |
| | | | 1253.5 | 1272.5 | 19.0 | 2.53 | 62.3 | 0.07 | WGZ |
| | | | 1257.0 | 1257.4 | 0.5 | 39.13 | 1.5 | 1.14 | |

* True widths estimated at 40-60% of intersection width

The West Granodiorite Zone (WGZ) intercept is the deepest ever in this zone, several hundred metres below the known WGZ Deposit. The WGZ is a large, near-surface, bulk-tonnage deposit that shares similarities to the Goldex Deposit, a profitable low-grade bulk mineable gold deposit with favourable cash costs that was recently brought into production by Agnico-Eagle in Northwestern Quebec. Previous work at the WGZ included test mining on the 1300 foot Level of the Cochenour-Wilmar Mine (average grade mined - 3.42 g/t Au) where the deposit remained open both along strike and at depth. The new drill intercept demonstrates the potential to increase the size of the WGZ deposit.

Stephen McGibbon, Vice-President and COO of Premier, said, "With increased grades and appreciable visible gold, the PG70 Zone is taking on characteristics of other nearby high-grade zones. This area is wide open for expansion and potential additional discoveries as it is completely untested by previous drilling. The potential for the WGZ to host a large gold resource is demonstrated by the impressive intersection in the deepest-ever intercept into this prospective zone."

Drilling in 2010 will also 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, containing nearly 400,000 ounces of gold within 500 metres of surface. Indications are that at depth, the Bonanza Deposit is trending into a more favourable geologic environment for hosting bonanza-grade mineralization. Additional drilling will attempt to confirm potential for a significant gold resource within the nearby West Granodiorite Zone and expand mineralization down-plunge.

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. It was recently announced that the tram has now been completed over a distance of some 420 metres. 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" between the two operations. 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 mineral resources.

In addition to the joint venture projects, Premier holds several highly prospective projects that will be subject to major exploration programs in 2010. Drilling has recently been completed on the East Bay Project (PG 35%) in Red Lake that is located on the East Bay ultramafic trend along strike to the north of Rubicon's F2 Zone discovery at its Phoenix Gold Project. This drilling tested several major structures believed to have potential to host mineralization similar to the F2 Zone. Five drills will be active throughout the year on the Company's

Hardrock Project (Premier holds a 70% interest) where approximately 70,000 metres of drilling is planned. In 2009, drilling at Hardrock successfully identified multiple open pit and underground style gold zones including the **discovery of the High-Grade North Zone with intercepts as high as 1,141.5 g/t Au (33.3 oz/ton) across 2.0 metres (6.6 feet)**. Premier recently announced a NI43-101 compliant resource estimate relating to the near-surface (open pit) zones at Hardrock and expects a revised resource estimate for both the near-surface and underground zones following the completion of the current drill program. Drilling was recently completed on the Company's 100% owned PQ North Property that 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 discovered mineralization with grades and widths comparable to those at Musselwhite, within a near-identical geological setting. Results from 2010 drilling, where numerous mineralized zones have been intersected, are expected in the near future.

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. Initial assays reported here are primarily from fire assay methods with an AA finish – some intercepts listed in this release will also be run with 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 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 holds a 70% interest in the Hardrock Project.

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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.