



Press Release

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## **PREMIER ENTERS INTO DEFINITIVE AGREEMENT FOR STRATEGIC CARLIN TREND ACQUISITION**

**PREMIER GOLD MINES LIMITED (TSX:PG) (“Premier”)** is pleased to announce that it has entered into a definitive acquisition agreement and plan of merger dated June 4, 2010 with, among others, Saddle Gold Inc. (“Saddle Gold”), pursuant to which Premier will indirectly acquire all of the outstanding securities of Saddle Gold. Saddle Gold owns, among other things, the mineral rights in respect of a majority portion of the Saddle/NW Tess Gold Deposit (“Saddle Deposit”) and a 1.5% production royalty on the Emigrant Springs Deposit, both in the Rain sub-district, and within the Carlin Trend, in Elko County, Nevada (See Figure 1).

Up to 80% of the Saddle Deposit is located on the property in which Saddle Gold has a 100% mineral interest. The Saddle Deposit is host to a historic (Source: Rain Sub-district Abstract dated 2002 by Longo, Thompson, Harlan) mineral resource estimate of some 3.99 million tons (3.62 million tonnes) at a grade of 0.37 oz/ton (12.69 g/t) gold for 1,455,000 ounces of gold. *(Readers are cautioned that while the resource estimate and analysis were undertaken by competent professionals, a qualified person has not done sufficient work to classify the historical estimate as a current mineral resource. While viewed as relevant, Premier is not treating the historical estimate as current mineral resource and the historical estimate should not be relied upon.)* The Saddle Deposit is one of several deposits discovered by Newmont Mining Corporation (“Newmont”) during the 1990’s to the northwest of, and down plunge from, its Rain Gold Mine (“Rain”).

The acquisition of Saddle Gold represents a new chapter in Premier’s strategy to build a significant presence in proven, accessible and low-risk jurisdictions that offer opportunities for the discovery of high grade gold deposits. Premier was attracted to the Saddle Gold opportunity for a number of reasons including:

- **Premier would be the only company with core land packages and existing gold deposits, within Nevada’s “Carlin Trend” and Red Lake’s “Mine Trend”, two of the world’s most prolific and high grade gold mining districts.**
- **The Saddle Deposit ranks as a potentially significant high-grade gold deposit that remains open for expansion and is located proximal to existing surface and underground infrastructure.**
- **There is potential for additional discoveries, similar to the Saddle Deposit, to be made.**
- **Through the royalty in the Emigrant Springs Deposit, Premier would participate in one of Newmont’s potential future mine development projects.**
- **US-based assets would be beneficial to Premier if the price of gold rises as a result of a relative decrease in the value of the US dollar.**

Newmont’s Rain Gold Mine was previously mined by open pit and underground methods, is host to a portion of the Saddle Deposit and has significant underground infrastructure proximal to the Saddle deposit.

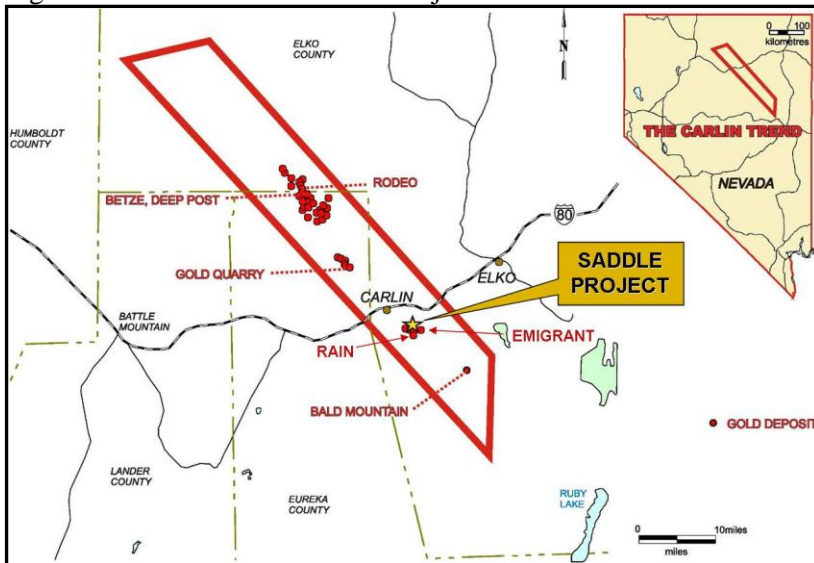
With the acquisition of Saddle Gold, Premier is poised to benefit from, and possibly consolidate, the high-grade underground potential in the area. The Saddle Deposit is not subject to any “NSR” royalty obligations.

The Emigrant Springs royalty consists of a 1.5% production royalty in Newmont’s Emigrant Springs Deposit.

Emigrant Springs is an advanced-stage project host to 1.2 million ounces (Source: Newmont Mining Corporation 2009 Annual Report, page 33, footnote (4)) of undeveloped reserves that represent a portion of Newmont’s potential future production within its Carlin operations and is located only 1.5 miles east of Saddle. The Emigrant Springs royalty, when coupled with Premier’s existing royalty in PC Gold’s Pickle Crow Project, provides the opportunity for Premier to consider growing a “Royalty Division” with potential multiple income streams.

“Saddle Gold represents everything we were looking for in a US-based exploration opportunity. The Carlin Trend represents North America’s most productive accumulation of gold deposits and the Saddle Deposit is located in the heart of the Rain Mine Trend,” commented Ewan Downie, President and CEO of Premier Gold Mines Ltd. “Nevada a favourable mining jurisdiction, with security of land ownership. The Saddle Gold opportunity is consistent with Premier’s acquisition focus: It has grade, safety and upside, and once again positions Premier in the heart of a proven gold mining district, representing a truly accretive opportunity for shareholders.”

Figure 1: Location of the Saddle Project



Total consideration for the acquisition is approximately US\$36 million, including Saddle Gold’s debt in the amount of US\$12 million (which is repayable over seven years). In consideration for the purchase of all of the outstanding securities of Saddle Gold, Premier will pay an aggregate of US\$3.1 million in cash and issue an aggregate of 5,442,357 common shares of Premier to the shareholders of Saddle Gold.

The transaction is subject to conditions normal for a transaction of its nature, including the approval of the Toronto Stock Exchange, and is scheduled to close within two business days after such approval.

Stonecap Securities acted as Premier’s exclusive Financial Advisor with respect to the Saddle Gold acquisition.

## OTHER PROJECTS

Premier holds several projects that are the subject of exploration programs in 2010. Recent drilling in Red Lake has resulted in two new gold discoveries including a new gold zone on the Rahill-Bonanza Project (PG 49% and Red Lake Gold Mines 51%) in close proximity to Goldcorp’s Red Lake Gold Mines infrastructure, and a new gold horizon on the East Bay Project (PG 35% and 50% - JV with RLG) 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. Up to five drills will be active throughout the year on Premier’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.

## ANNUAL GENERAL MEETING

Premier Gold Mines Limited will be hosting its Annual General Meeting of shareholders on Tuesday, June 8, 2010 at 4:00pm EDT at the Toronto Board of Trade located at 1 First Canadian Place, Toronto, Ontario.

After this meeting, at 4:15pm, Management will be giving an updated presentation profiling the company, its projects and future milestones, including the Saddle acquisition. In addition, there will be a webcast of the event which can be listened to via a link from Premier's website.

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 for Hardrock 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 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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This Press Release contains certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements about strategic plans, including the establishment of a royalties division, future operations, future work programs, capital expenditures, discovery and production of minerals, price of gold and currency exchange rates, timing of geological reports, corporate and technical objectives and closing of the acquisition of Saddle Gold. Forward-looking information is necessarily based upon a number of assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including the risk that regulatory approvals for the acquisition of Saddle Gold will not be obtained, risks inherent to the mining industry, adverse economic and market developments and the risks identified in Premier's annual information form under the heading "Risk Factors". There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. Premier disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.