



Press Release

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## **PREMIER GOLD REPORTS UPDATED NI 43-101 RESOURCE FOR HARDROCK PROJECT**

**Premier Gold Mines Limited (TSX-PG)** is very pleased to announce that an updated National Instrument (NI) 43-101 compliant mineral resource estimate has been completed by Micon International Limited for its 70%-owned Hardrock Project, located near Geraldton in Northwestern Ontario. The estimate reports a significant increase in all categories, including the use of a measured category for the first time and is summarized in Table 1. All final data available as of February 28, 2011 were used in completing the estimate. In 2010, there were 114,000 metres of drilling at Hardrock on multiple near surface and deeper zones. Many of these remain open for expansion and are the subject of an ongoing drill program in 2011.

Highlights of Micon's new mineral resource estimate include:

- **A 269% increase in Measured and Indicated resources to 2.5 million ounces.**
- **A 164% increase in Inferred resources to 1.1 million ounces.**
- **A 30% increase in the "potential open pit" Measured and Indicated resource grade to 2.37 grams per tonne gold (g/t Au).**
- **A 37% increase in the "potential open pit" Inferred resource grade to 2.48 g/t Au.**
- **Some 40% of the Measured and Indicated resource ounces are categorized as "Measured."**
- **A "Whittle-Pit" analysis suggesting a strip ratio on potential open pit mineral resources of 2.1 to 1.**
- **The Kailey ("potential open pit") Deposit resource is included and contains 127,000 ounces of Measured and Indicated Resources at 1.57 g/t Au and 10,000 ounces of Inferred resources at 1.48 g/t Au.**

Premier President & CEO, Ewan Downie states "This robust mineral resource estimate at Hardrock is the result of a great team effort and 24 months of aggressive exploration. This resource estimate is in line with our goal of developing a significant deposit, potentially capable of mid-tier gold production. With 8 drills currently active on the Property and several zones still open for expansion, we continue to see considerable upside in this resource."

In 2011, more than 70,000 metres of drilling is planned to continue to expand and upgrade these resources. Additionally, regional exploration in the search of the "next one" in the Hardrock area is underway. The near-term goal is to secure permits for Advanced Exploration, which will include de-watering of the historic mine workings and the construction of an Exploration Ramp. The ramp will allow underground drilling to be completed in support of a preliminary economic assessment to evaluate the potential for a future mining operation to be established at Hardrock.

The mineral resources estimated for the Hardrock project (both the Hardrock and Kailey Deposits) are set out in Table 1 below. They have been subdivided into potentially underground or open pit mineable resources and reported using different cutoff grades.

**Table 1- Hardrock Project Indicated & Inferred Mineral Resources**

Material	Classification	Cut-off (au g/t)	Grade Estimate (Au g/t)	Resource Tonnes	Contained Au Ozs
Open Pit	Measured	0.83	2.446	6,865,000	540,000
Open Pit	Indicated	0.83	2.280	5,833,000	427,500
Open Pit	Measured + Indicated	0.83	2.370	12,698,000	967,500
Open Pit	Inferred	0.83	2.483	615,000	49,200
Underground	Measured	2.80	5.993	2,312,000	445,800
Underground	Indicated	2.80	5.827	5,757,000	1,078,500
Underground	Measured + Indicated	2.80	5.875	8,069,000	1,524,300
Underground	Inferred	2.80	5.397	6,187,000	1,073,500
OP + UG	Measured	---	3.340	9,177,000	985,800
OP + UG	Indicated	---	4.042	11,590,000	1,506,000
OP + UG	Measured + Indicated	---	3.732	20,767,000	2,491,800
OP + UG	Inferred	---	5.133	6,802,000	1,122,700

(i) Figures may not sum due to rounding

- (1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues.
- (2) The mineral resources were estimated using a block model with parent blocks of 25x30x10 sub-blocked to a minimum size of 5x3x2 and using Inverse Distance Cubed methods for grade estimation. A total of 12 individual mineralized domains were identified and estimated using an average top cut of 48 g/t Au. For a “potential open pit” mineral resource a cut-off grade of 0.83 g/t Au is based on a Whittle optimized pit shell and a mining recovery of 100%. For potential underground mineral resources a cut-off grade of 2.80 g/t Au and an assumed mining recovery of 100% outside of the potential open pit mining areas was used.
- (3) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
- (4) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council November 27, 2010.

Tables 3 and 4 below, present the tonnes and grades from the block model used for the Mineral Resource estimate at a range of cut-off grades in order to demonstrate the sensitivity of the estimates. The cut-off value of 0.83 g/t Au for “potential open pit” and 2.80 g/t Au for deeper, potential underground mineralization, was derived using the parameters listed in Table 2 below.

**Table 2 – Assumed operating costs, metal pricing, and metallurgical recovery used to determine cut-off grades for the Hardrock Mineral Resource Estimate.**

Item	Units	Cost
Open Pit Mining Cost	CAN\$/All Material Tonne	\$3.00
Underground Mining Cost	CAN\$/Ore Tonne	\$60.00
Processing Cost	CAN\$/Ore Tonne	\$20.00
G&A Cost	CAN\$/Ore Tonne	\$1.00
Gold Price	US\$/Troy Ounce	\$1,000.00
Mill Recovery	Percent	90%
Exchange Rate	US\$ to CAN\$	1.000

**Table 3 - Sensitivity of the “Potential Open Pit” Resource Estimates at Various Cutoff Grades**

*Measured and Indicated Resources*

<b>Cutoff (Au g/t)</b>	<b>Au (g/t)</b>	<b>Resource Tonnes</b>	<b>Contained Au Ozs</b>
0.5	1.848	18,201,000	1,081,500
0.8	2.327	13,055,000	976,900
1.0	2.611	10,896,000	914,600
1.5	3.422	6,871,000	756,100
2.0	4.181	4,744,000	637,800
2.5	4.890	3,480,000	547,200
3.0	5.591	2,626,000	472,200
3.5	6.269	2,040,000	411,100
4.0	6.961	1,601,000	358,500
4.5	7.703	1,259,000	311,800
5.0	8.456	1,004,000	273,000

*Inferred Resources*

<b>Cutoff (Au g/t)</b>	<b>Au (g/t)</b>	<b>Resource Tonnes</b>	<b>Contained Au Ozs</b>
0.5	1.848	937,000	55,700
0.8	2.437	633,000	49,600
1.0	2.681	547,000	47,100
1.5	3.629	328,000	38,300
2.0	4.969	193,000	30,800
2.5	6.745	117,000	25,400
3.0	8.792	78,000	22,000
3.5	11.318	53,000	19,500
4.0	13.473	42,000	18,000
4.5	16.179	32,000	16,800
5.0	18.646	27,000	15,900

**Table 4 - Sensitivity of the Potential Underground Resource Estimates at Various Cutoff Grades***Measured and Indicated Resources*

<b>Cutoff (Au g/t)</b>	<b>Au (g/t)</b>	<b>Resource Tonnes</b>	<b>Contained Au Ozs</b>
2.0	4.567	12,848,000	1,886,500
2.5	5.389	9,497,000	1,645,700
3.0	6.222	7,226,000	1,445,700
3.5	7.074	5,623,000	1,278,900
4.0	7.864	4,547,000	1,149,600
4.5	8.719	3,678,000	1,031,300
5.0	9.548	3,044,000	934,500

*Inferred Resources*

<b>Cutoff (Au g/t)</b>	<b>Au (g/t)</b>	<b>Resource Tonnes</b>	<b>Contained Au Ozs</b>
2.0	4.410	9,145,000	1,296,600
2.5	5.080	6,989,000	1,141,500
3.0	5.690	5,533,000	1,012,500
3.5	6.302	4,428,000	897,400
4.0	6.904	3,588,000	796,600
4.5	7.698	2,763,000	683,800
5.0	8.342	2,272,000	609,400

**Hardrock Deposit**

The Hardrock Project is located approximately 4 kilometres south of the town of Geraldton, Ontario and is host to several past-producing mines which collectively produced more than 3 million ounces of gold from depths primarily within 600 metres of surface between 1938 and 1968. Underground resources are located proximal to and below the historic mine workings. New discoveries including the High-Grade North Zone and the F2 East Zone will be the focus of the planned underground drill program. The current Mineral Resource estimate uses 11 identified mineralized domains to develop a combination potential open pit and underground mineral resource. The Hardrock Project benefits from development advantages with the Trans-Canada Highway, Trans-Canada Pipeline, and major power lines running through, or in close proximity to, the Project site. Significant services and a skilled labour pool exist with several communities located within 30 kilometres. The Hardrock Project is operated under a joint venture with Goldstone Resources Inc. (TSX:GRC).

**Kailey Deposit**

The Kailey deposit is located about 2 km north of the Hardrock deposit at the location of the former historically operated Little Long Lac gold mine. The Kailey mineralized zone is a small lower-grade potential open pit mineral resource.

**Resource Statement**

The mineral resource estimates in this press release use the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by CIM Standing Committee on Reserve Definitions and adopted by CIM Council on November 27, 2010. The mineral resource estimates provided in this report are classified as “measured”, “indicated”, or “inferred” as defined by CIM.

According to the CIM definitions, a Mineral Resource must be potentially economic in that it must be “in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction”. For the

Hardrock deposit, a gold cut-off grade was assigned based on economic assumptions and was used in the resource estimations. Table 2 above shows the economic parameters used in the gold cut-off grade calculation.

The estimated costs for the Hardrock deposit, mined as an open pit, are  $\$3.00 + \$20.00 + \$1.00 = \$24.00/\text{t}$  milled which works out to an estimated gold cut-off of 0.83 g/t. The estimated costs for the Hardrock deposit, mined as an underground, are  $\$60.00 + \$20.00 + \$1.00 = \$81.00/\text{t}$  milled which works out to an estimated gold cut-off of 2.80 g/t. Resources reported in this press release use an estimated potential open pit gold cut-off of 0.83 g/t and for a potential underground use 2.80 g/t.

The mineral resource estimate presented in Table 1 is effective as of 5 April 2011. The mineral resources listed in Table 1 were estimated by Sam J. Shoemaker, Jr., M.AusIMM, and Registered Member-SME. Mr. Shoemaker is a QP as defined in NI 43-101 and is independent of Premier Gold.

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.

**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 strategic projects located in the heart of the Carlin Trend, Nevada, 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.