



Press Release

Thunder Bay: October 22, 2008  
Shares Issued: 69,348,742

## **PREMIER TO ACQUIRE BARRICK'S INTEREST IN GERALDTON DISTRICT**

**PREMIER GOLD MINES LIMITED (TSX:PG)** is very pleased to announce that it has entered into a definitive purchase agreement with Lac Properties Inc. ("Lac"), a wholly-owned subsidiary of **BARRICK GOLD CORPORATION (TSX, NYSE:ABX)**, to acquire, among other things, Lac's interest in all of the mining claims commonly known as the Geraldton, Ozone Creek and Eva Summers properties located in the Geraldton district in the Province of Ontario (collectively the "G-L Property"), together with certain equipment and other assets related thereto (the "Purchased Assets").

**The G-L Property is host to several past-producing mines which collectively produced more than 2.0 Million ounces of gold from the same deposits to relatively shallow depths of approximately 2000 feet (600 metres) from 1938-1968. The mined zones remained wide open at depth at the time mining ceased.**

In consideration for Lac's interest in the Purchased Assets, Premier will (i) issue to Lac 500,000 common shares of Premier, (ii) make a cash payment to Lac of \$1,000,000, (iii) deposit \$1,000,000 in an environmental reclamation trust fund in the connection with G-L Property, (iv) grant to Lac a 3.0% net smelter return royalty (the "NSR Royalty") on production from the G-L Property, and (v) assume certain liabilities and obligations of Lac in respect of the Purchased Assets. The claims subject to the NSR Royalty including on the Little Long Lac claims which are currently held under option by Premier (This results in a reduction from the current 5% NSR payable on the Little Long Lac claims).

Immediately prior to the end of the mining on the G-L Property, new development workings were built on a substantial extension of the "F-Zone" of the G-L Property approximately 700 metres of the down-plunge from the area mined to a depth of 800 metres (2621 foot level) Highlight results from drilling into this area (approximately true widths) include:

- **10.25g/t Au (0.30 oz/ton) over 17.1 m (56 feet)**
- **8.43g/t Au (0.25 oz/ton) over 17.1m (56 feet)**
- **6.03g/t Au (0.18 oz/ton) over 23.2m (76 feet)**

The mined zones remain open at depth highlighted by intersections of 13.75g/t Au over 6.4m down-dip beneath the mine workings in the "F-Zone" and 18.41g/t Au over 5.1m down-dip beneath the mine workings in the "North Zone" of the G-L Property. In addition to the depth potential of the mined zones, significant potential exists for developing resources in several areas including: 1) Open pit-style mineralization at the site of the original discovery where a resource containing several hundred thousand ounces of gold was partially drilled off by previous operators; 2) Several newer high-grade discoveries have been made throughout this large property package that have received little to no follow-up; and, 3) Significant resources are reported to remain within the mine workings.

"This acquisition represents the culmination of a decade's worth of effort to secure what I consider to be one of the most prospective exploration/development projects in Canada" stated Ewan Downie, President of Premier. "The Geraldton district is perhaps the most under-explored of the major greenstone belts in Ontario and we intend

to implement a major exploration program immediately".

Premier will transfer an interest in the G-L Property so that it will form part of the existing Geraldton Project which is operated under a joint venture between Premier (earning a 70% interest) and Roxmark Mines Limited (TSX-V:RMK). Recent discoveries on the existing Project include open pit-style mineralization in the Kailey Zone and high-grade veins located proximal to the historic Little Long Lac Gold Mine. As previously released by Premier, results to date from drilling in the recently discovered Kailey Zone include 39.64g/t Au (1.16 oz/ton) across 2.0 metres contained within a wider zone of mineralization which returned 5.87g/t Au across 16.0 metres, and 2.01g/t Au across 101.0 metres.

The Geraldton Joint Venture Project is located in the heart of the Beardmore-Geraldton greenstone belt, a highly prospective high-grade gold district that has seen relatively little exploration over the past several decades. The Project area covers approximately 15 kilometres of some of the most prospective geology in the region and is host to several past-producing mines and numerous exploration targets in a district that has seen historic production of more than 4.1 Million ounces of gold. Slides of the Project area can be viewed on the Premier Gold Mines Limited website, [www.premiergoldmines.com](http://www.premiergoldmines.com).

The closing of the Acquisition transaction is scheduled to close on the fifth business day after Premier and Lac have obtained the all of the regulatory approvals required under the Purchase Agreement (including the approval of the Toronto Stock Exchange and the Ontario Ministry of Northern Development and Mines), which is expected to be in December 2008.

#### **Other Projects – Red Lake & Santa Teresa**

In addition to the Geraldton District, Premier is active in several other highly prospective gold districts. In Red Lake, drilling continues at the Rahill-Bonanza Project, a joint venture with Red Lake Gold Mines Limited, in addition to Premier's participation in a dewatering project that will lead to an underground drill program in 2009. At PQ North, located adjacent to Goldcorp's Musselwhite Gold Mine, exploration is underway with a drill program planned for early 2009. Ongoing drilling at the Santa Teresa Project in Mexico, a joint venture between Premier and Sutter Gold Mining Inc. (TSX-V:SGM), has intersected numerous high-grade quartz vein zones along strike the past-producing Princessa Gold Mine (Historical data indicates that mined grades within the district average better than 1.00 ounce gold per ton).

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 Geraldton 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 fully 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. A strategic project is also located on the main Musselwhite Gold Mine trend.

For further information, please contact:

Ewan Downie, President & CEO

E-mail: [info@premiergoldmines.com](mailto:info@premiergoldmines.com)

Phone: 807-346-1390

Fax: 807-346-0100

Web Site: <http://www.premiergoldmines.com>

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.