



Press Release

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PREMIER RAMPS UP MAJOR 2011 EXPLORATION INITIATIVE

PREMIER GOLD MINES LIMITED (TSX:PG) is pleased to provide an update on planned activities for the Company's 2011 exploration campaign, including seven currently active or mobilizing drill programs. Drilling is now underway at Premier's wholly-owned Saddle Project in Nevada, and at the Hardrock Project in Ontario. In the near future, Ontario drilling will also commence at the PQ North (Musselwhite District), Rahill-Bonanza (Red Lake), East Bay (Red Lake), Newman-Madsen (Red Lake) and the Redgold (Red Lake) Project. Highlights for 2011 include:

- **More than 120,000 metres of planned drilling.**
- **Premier has begun a new chapter in its growth with three drill rigs activated at Saddle. Additional projects have also been acquired in Nevada.**
- **An updated NI43-101 resource estimate for the Hardrock Project is expected late Q1 2011.**
- **Drilling in Red Lake will focus on delineating new high-grade gold discoveries made at the Rahill-Bonanza and East Bay joint venture projects in 2010.**
- **Goldcorp's high-speed tram could reach the Rahill-Bonanza Joint Venture ground by late 2011, with drilling expected mid-year.**
- **PQ North drilling will test for mineralization along strike from the new Lynx Zone discovery at Goldcorp's Musselwhite Gold Mine.**
- **Premier enters 2011 with more than \$50 million in cash.**

Ewan Downie, President and CEO of Premier said, "Premier experienced unprecedented growth in 2010, highlighted by ongoing exploration successes and new high-grade gold discoveries. This resulted in strong share price performance throughout the year. We expect 2011 to be no different and have approved the largest exploration budget in Company history. Our strategy to maximize shareholder value by growing gold resources on numerous projects is supported by no less than five active drill programs in the first quarter".

Hardrock Project

The Hardrock Project, operated under a joint venture with Goldstone Resources Inc. (TSX:GRC) (Premier holds a 70% interest in the project), saw more than 110,000 metres of drilling in 2010. This drilling was successful in identifying and delineating multiple open pit and underground style gold zones with the following highlights:

- **Early in 2010, a large NI43-101 compliant open pit resource was announced. It is anticipated that this resource will be updated in latter portion of Q1 2011 and include all drilling to the end of 2010.**
- **Drilling has expanded the footprint of the North Zone, which hosted an historic production grade of 7.54 grams per tonne of gold (g/t Au) or 0.22 ounces per short ton (oz/ton) more than 600 metres down-plunge below the bottom level of the Hardrock Mine where it remains wide open for expansion.**
- **Drilling successfully delineated and expanded the F-Zone deposit with intersections such as 7.92 g/t Au across 114.5 metres (m) (0.23 oz/t across 375.6 feet) including 23.56 g/t Au across 31.0 m (0.69 oz/ton across 101.7 feet) within the historic F-Zone resource area and 18.49 g/t Au across 20.5 m**

(0.54 oz/t across 67.2 feet) in step-out drilling approximately 400 metres west of the limits of previous exploration.

- **New discoveries were made including the K-Zone, located just below the F-Zone. A full summary of results will be released in the near future.**
- **Permit submittals will be made for Advanced Exploration (de-watering and ramp construction).**

In 2011, eight drills will be active, further delineating resources at Hardrock. 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 of 2000 feet or less (600 metres). The mined zones remained wide open at depth at the time mining ceased. Additionally, developed but unmined historic resources were left in place within the existing mine workings.

Red Lake Projects – 4 Drill Programs

In 2011, all four of Premier's Red Lake area projects will be active. The two primary projects, the Rahill-Bonanza and East Bay Joint Ventures, are both operated by Red Lake Gold Mines Limited ("RLGM"), an affiliate of Goldcorp Inc.

The **Rahill-Bonanza Project** (PG:49%) is strategically located in the heart of the prolific Red Lake gold mining district between the Red Lake Gold Mines complex to the east, and the Cochenour (Bruce Channel) complex to the west. The **East Bay Project** (PG 35%) is located on the East Bay ultramafic trend along strike to the north of Rubicon's Phoenix Gold Project with 2010 drilling having focused on testing structures similar to those at the F2 Deposit that is currently being developed by Rubicon. Highlights for 2011 include:

- **Follow-up drilling at the PG70 Zone discovery at Rahill-Bonanza proximal to new mine infrastructure being developed by Goldcorp at Cochenour (Bruce Channel).**
- **Delineation drilling proximal to a 200 metre step-out hole drilled down-plunge of the past-producing Wilmar Gold Mine that returned 68.87 g/t Au across 3.5 m (2.01 oz/t across 11.5 feet), including 207.43 g/t across 1.15 m (6.06 oz/t across 3.8 feet) in hole PG10082.**
- **Delineation drilling at a new high-grade gold zone discovered at East Bay with drill results as high as 297.61 g/t Au across 1.0 m (8.68 oz/ton across 3.3 feet).**
- **Possible drilling onto the Rahill-Bonanza JV from a high-speed tram that is being constructed to connect the Red Lake Gold Mines complex and the Cochenour (Bruce Channel) Mine complex. A portion of this tram is expected to pass through, or come 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.**

Saddle Project

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. Highlights for Saddle exploration will include:

- **Three drill rigs currently active focused on expansion and confirmation drilling of the Saddle deposit**
- **Drill test targets generated by a recently completed gravity geophysical survey at Saddle. This survey has confirmed the potential for additional discoveries, similar to the Saddle Deposit, to be made.**

The Saddle Project is located proximal to Newmont's Rain Gold Mine, which was previously mined by open pit

and underground methods, and Newmont's Emigrant Springs deposit (where Premier holds a 1.5% production royalty). Emigrant Springs is an advanced-stage open pit project host to 1.5 million ounces of gold. Importantly, the Bureau of Land Management recently released the final EIS (Environmental Impact Statement) on Emigrant, which could potentially pave the way for development of the mine to begin in 2011.

PQ North Project

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. In 2010, Goldcorp announced a new discovery at Musselwhite (the Lynx Zone) where early indications suggest that it could be the largest and highest grade deposit discovered at Musselwhite.

To date, Premier has discovered several gold zones in a geological setting nearly identical to that at Musselwhite but has yet to test the deeper portions of the host iron formation where the more significant gold deposits are located at Musselwhite. In 2011, two drills will be active at PQ North further delineating existing zones and focusing on testing the deeper portions of the host iron formation. The Musselwhite Mine has produced more than 2.0 million ounces of gold and has reserves and resources totalling in excess of 3.0 Million ounces.

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 Nevada. In the Red Lake gold mining camp, two of these are operated in joint venture with Red Lake Gold Mines.

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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.