



Press Release

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## **PREMIER PROVIDES HARDROCK EXPLORATION UPDATE**

**PREMIER GOLD MINES LIMITED (TSX:PG)** is pleased to provide a summary of the Company's 2010 Hardrock exploration program and an update on the 2011 exploration campaign. With more than 114,000 metres of drilling completed in 2010, it was a year that included many highlights.

Since the acquisition of the core part of the Project late in 2008, numerous successes have been realized including new discoveries and the delineation of significant mineralization in both open pit and underground style gold zones. Highlights include:

- **Early in 2010, a large resource was announced based solely on open pit style mineralization. This resource is currently being updated, including underground style mineralization and is expected to be completed in late Q1 2011.**
- **Drilling has expanded the footprint of the North Zone (historic production grade of 0.22 oz/ton (7.54g/t Au)) more than 300 metres below the bottom level of the Hardrock Mine where it remains wide open for expansion.**
- **Drilling has successfully delineated and expanded the F-Zone with intersections up to 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**
- **Drilling intersected mineralization in the SP Zone over a plunge length of more than 3.5 kilometres.**

The Hardrock Project, operated under a joint venture with Goldstone Resources Inc. (TSX:GRC) (Premier holds a 70% interest in the project), is host to several past-producing mines which collectively produced more than 3.0 Million ounces of gold, from shallow depths within 2000 feet (600 metres) of surface. The mined zones remained wide open at depth at the time mining ceased and developed historic resources were left in place within the existing mine workings.

In March of 2010, an initial NI43-101 compliant Mineral Resource estimate was completed following one year of extensive drilling at Hardrock. This resource, calculated solely from mineralization contained within conceptual open pit shells, is presented in Table 1 below.

Table 1 – Initial Resource Estimate

### **Indicated Resources**

Cut-off Grade	Tonnes (Millions)	Grade gpt Au (cut)	Grams Au Cut (Millions)	Ounces Au Cut	Grade gpt Au (uncut)	Grams Au uncut (Millions)	Ounces Au Uncut
0.6 gpt Au	22.9	1.30	29.7	955,000	1.65	37.8	1,215,000
0.8 gpt Au	16.1	1.56	25.0	805,000	2.03	32.5	1,045,000
<b>1.0 gpt Au</b>	<b>11.6</b>	<b>1.82</b>	<b>21.1</b>	<b>675,000</b>	<b>2.43</b>	<b>28.1</b>	<b>905,000</b>
1.2 gpt Au	8.5	2.08	17.7	570,000	2.86	24.3	780,000
1.4 gpt Au	6.3	2.35	14.9	475,000	3.33	21.0	675,000

## Inferred Resources

Cut-off Grade	Tonnes (M)	Grade gpt Au (cut)	Grams Au Cut (Millions)	Ounces Au Cut	Grade gpt Au (uncut)	Grams Au uncut (Millions)	Ounces Au Uncut
0.6 gpt Au	<b>16.1</b>	<b>1.25</b>	<b>20.1</b>	<b>645,000</b>	<b>2.39</b>	<b>38.4</b>	<b>1,085,000</b>
0.8 gpt Au	<b>11.0</b>	<b>1.51</b>	<b>16.5</b>	<b>530,000</b>	<b>3.03</b>	<b>33.1</b>	<b>955,000</b>
1.0 gpt Au	7.4	1.81	13.2	425,000	3.92	28.8	830,000
1.2 gpt Au	<b>4.9</b>	<b>2.15</b>	<b>10.6</b>	<b>340,000</b>	<b>5.06</b>	<b>24.9</b>	<b>730,000</b>
1.4 gpt Au	<b>3.3</b>	<b>2.57</b>	<b>8.6</b>	<b>275,000</b>	<b>6.49</b>	<b>21.7</b>	<b>640,000</b>

1. The above table includes an adjustment to account for excavation voids by subtracting 975,000 T @ 1.8 gpt (1.1M grams) from the Indicated material reported and by subtracting 625,000 T @ 1.8 gpt (1.7 M grams) from the Inferred material reported. All drilling used for the estimate was done subsequent to mining and there are no drillhole intervals used for the estimates that are from mined out areas.

In 2010, 114,611 metres of drilling was completed at Hardrock. This drilling was focused on further defining open pit style resource in addition to defining underground style resources in preparation for an updated resource estimate that is in the process of being completed and is expected to be released late in Q1 2011.

The primary focus of the 2010 drilling campaign, and the ongoing program, was to delineate significant underground resources in preparation for advanced exploration including underground definition drilling. Mineralization is being defined in multiple zones including below the historic mine workings. Since the acquisition, several new discoveries have been made including the recent discovery of the K Zone.

The **K Zone** represents a new discovery in an area that has no previous drilling below, and parallel to, the historic F Zone. Early indications suggest mineralization over a plunge length of some 750 metres and the zone is open both up and down dip. Highlights from drilling to-date include **13.59 g/t Au across 3.0 metres (m) (0.40 oz/t across 9.8 feet) and 10.92 g/t Au across 5.8 m (0.32 oz/ton across 19.0 feet)**. Further K Zone results are presented in Table 2.

**Table 2 – Selected Recent K Zone Results**

Hole-ID	UTM Coordinates (m)	Dip/Azimuth (degrees)	From (m)	To (m)	Interval (m)	Grade (g/tonne)	Interval (ft)	Grade (oz/ton)	Zone
MM179D	5502965 N 502300 E	-82/360	783.7	790.0	6.3	4.87	20.7	0.14	K
MM184	5502950 N 502100 E	-80/360	844.8	847.8	3.0	13.59	9.8	0.40	K
MM184B	5502950 N 502100 E	-80/360	882.0	886.0	4.0	6.34	13.1	0.19	K
MM187E	5502945 N 502000E	-81/360	881.4	887.2	5.8	10.92	19.0	0.32	K
MM192C	5502957 N 502200 E	-75/360	857.0	861.0	4.0	6.19	13.1	0.18	K

\* True widths are estimated at approximately 60-70% of intersection widths

The **SP Zone** was partially mined in the upper levels at Hardrock with 264,354 tonnes (291,428 tons) of ore extracted at an average grade of 8.37g/t Au (0.244 oz/t). Recent drilling has intersected multiple lenses down-plunge from this, with highlights including **55.80 g/t Au across 4.5 meters (1.63 oz/ton across 14.8 feet) and 6.14 g/t Au across 12.0 meters (0.18 oz/ton across 39.4 feet)**. Table 3 details some previously unreleased intercepts from the SP Zone.

**Table 3 – Selected Recent SP Zone Results**

Hole-ID	UTM Coordinates (m)	Dip/Azimuth (degrees)	From (m)	To (m)	Interval (m)	Grade (g/tonne)	Interval (ft)	Grade (oz/ton)	Zone
MM182C	5502790 N 503430 E	-80/360	522.0	526.3	4.3	7.42	14.1	0.22	SP
MM184C	5502949 N 502100 E	-78/360	651.5	656.0	4.5	55.80	14.8	1.63	SP
MM189C	5502941 N 501900 E	-80/360	738.0	747.0	9.0	5.47	29.5	0.16	SP
MM192F	5502957 N 502200 E	-75/360	659.9	668.4	8.5	6.04	27.9	0.18	SP
MM192G	5502957 N 502200 E	-75/360	629.0	641.0	12.0	6.14	39.4	0.18	SP

\* True widths are estimated at approximately 60-70% of intersection widths

The **F-Zone** was the most prolific of the past-producing mine zones at Hardrock with more than 1.4 million ounces produced utilizing bulk underground mining methods with widths often exceeding 30 metres (100 feet). Importantly, when the mine closed in 1960's, a 600-metre plunge length of ore was left unmined. Numerous holes have been drilled to confirm this mineralization and upgrade it to NI43-101 resource standards. Highlight results from recent drilling include **8.43g/t Au across 22.5 meters (0.25 oz/ton across 73.8 feet) and 4.22 g/t Au across 62.8 meters (0.12 oz/ton across 206.0 feet) including 6.22 g/t across 27.2 meters (0.18 oz/ton across 89.2 feet)**. Table 4 provides selected, previously unreleased results from the F Zone.

**Table 4 – Selected Recent F Zone Results**

Hole-ID	UTM Coordinates (m)	Dip/Azimuth (degrees)	From (m)	To (m)	Interval (m)	Grade (g/tonne)	Interval (ft)	Grade (oz/ton)	Zone
MM182D including	5502790 N 503430 E	-80/360	750.0	772.5	22.5	8.43	73.8	0.25	F
			768.0	772.5	4.5	28.09	14.8	0.82	
MM187D	5502945 N 502000 E	-80/360	805.0	814.0	9.0	4.23	29.5	0.12	F
MM189G	5502941 N 501900 E	-80/360	737.5	759.0	21.5	5.53	70.5	0.16	F
MM192D including	5502957 N 502200 E	-75/360	727.5	745.5	18.0	3.56	59.0	0.10	F
			727.5	730.0	2.5	16.79	8.2	0.49	
MM192F including including	5502957 N 502200 E	-75/360	698.8	761.6	62.8	4.22	206.0	0.12	F
			698.8	726.0	27.2	6.22	89.2	0.18	
			714.8	719.0	4.2	23.30	13.8	0.68	

\* True widths are estimated at approximately 60-70% of intersection widths

The **North Zone** was previously mined to a depth of 610 metres (2,000 feet) with production of 2.97 million tons at a recovered grade of 0.22 oz/ton (7.54g/t Au). The 2010 drilling has demonstrated that the North Zone continues up to 300 meters below the historical mine workings, intersecting mineralization over a strike length of 700 meters down plunge. This zone remains wide open at depth for expansion. Recent highlights include **6.97g/t Au across 22.5 meters (0.20 oz/ton across 73.8 feet)**. Table 5 provides selected, previously unreleased results from the North Zone.

**Table 5 – Selected Recent North Zone Results**

Hole-ID	UTM Coordinates (m)	Dip/Azimuth (degrees)	From (m)	To (m)	Interval (m)	Grade (g/tonne)	Interval (ft)	Grade (oz/ton)	Zone
MM164F	5503409 N 503289 E	-82/180	838.5	843.0	4.5	9.09	14.8	0.27	North
MM171A	5503400 N 503430 E	-82/180	1017.0	1021.5	4.5	10.10	14.8	0.29	North
MM175E	5503388 N 503357 E	-83/180	811.0	814.0	3.0	11.75	9.8	0.34	North

Hole-ID	UTM Coordinates (m)	Dip/Azimuth (degrees)	From (m)	To (m)	Interval (m)	Grade (g/tonne)	Interval (ft)	Grade (oz/ton)	Zone
MM182D	5502790 N 503430 E	-80/360	845.0	867.5	22.5	6.97	73.8	0.20	North
MM190A	5503400 N 503430 E	-79/180	896.2	903.0	6.8	4.99	22.3	0.15	North

\* True widths are estimated at approximately 60-70% of intersection widths

Drilling continues to intersect narrow, high-grade vein zones as highlighted in drill hole MM192G that intersected **199.0 g/t Au across 1.0 m (5.80 oz/ton across 3.3 feet)** and hole MM204 that intersected **251.0 g/t Au across 1.0m (7.32 oz/ton across 3.3 feet)**. Full results from 2010 drilling can be seen on the Company's website [www.premiergoldmines.com](http://www.premiergoldmines.com).

In addition to Hardrock, Premier will be actively exploring on six of the Company's projects in North America including all four projects in the Red Lake District, the PQ North Property strategically located on the PQ limb of the key iron formation that is host to Goldcorp's Musselwhite Gold Mine, and the Saddle Gold Project located in the heart of the prolific Carlin Trend.

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 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.