



Press Release

Thunder Bay: June 14, 2012

Shares Issued: 138,352,462

PREMIER COMPLETES ACQUISITION OF COVE GOLD PROJECT

THUNDER BAY, ON, June 14, 2012 /CNW/ – Further to its news release dated June 6, 2012, **PREMIER GOLD MINES LIMITED (PG:TSX)** ("Premier") is pleased to announce that it has closed its previously announced acquisition (the "Acquisition") of the Cove Gold Project (the "Cove Project"), located within the Eureka-Battle Mountain Trend of Nevada, of Victoria Gold Corp (TSX-V:VIT) ("Victoria").

In connection with the closing of the Acquisition, Premier paid an aggregate of \$8 million (the "Closing Payment"), \$4 million of which was paid in cash and \$4 million of which was satisfied by the issuance of an aggregate of 892,857 common shares of Premier to a wholly-owned subsidiary of Victoria. In addition, Premier reimbursed Victoria in the amount of US\$1,145,190, representing 90% of the estimated costs incurred by Victoria in respect of the exploration and related activities conducted on the Cove Project by Victoria between March 15, 2012 and the closing of the Acquisition. Within 60 days of closing, Premier will pay to Victoria any balance in excess of US\$1,145,190 in respect of the actual exploration costs incurred by Victoria between March 15, 2012 and closing of the Acquisition.

The aggregate consideration payable for the Acquisition is \$28 million payable over a two-year term, inclusive of the Closing Payment. In the event of production from the Cove Project, Premier will pay Victoria an additional \$20 million (with Premier having the option to satisfy up to one half of such amount in common shares of Premier) payable in four instalments of \$5.0 million each upon the cumulative production, to Premier's account, of 250,000, 500,000, 750,000 and 1,000,000 troy ounces of gold from the Cove Project.

Premier Gold Mines Limited is one of North America's leading exploration companies with a high-quality pipeline of projects focused in proven, safe and accessible mining jurisdictions in Canada and the United States. The Company's portfolio includes significant assets in world class gold mining districts such as Red Lake, Musselwhite and Geraldton in Ontario and the Carlin Trend in Nevada.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: 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, strategic plans, future operations, future work programs, capital expenditures, discovery and production of minerals, price of gold and currency exchange rates, timing of geological reports, mineral resource estimates and corporate and technical objectives. 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 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.