



Press Release

Thunder Bay: June 28, 2012
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PREMIER INTERSECTS HIGH-GRADE GOLD AT COVE GOLD PROJECT IN NEVADA

PREMIER GOLD MINES LIMITED (TSX:PG) (“Premier”) is pleased to announce encouraging drill results from an initial drill program at the Helen Zone on the Company’s 100% newly-owned Cove Gold Project, located in the Eureka-Battle Mountain Trend in Nevada.

The Helen Zone deposit represents one of the highest-grade undeveloped gold deposits in Nevada and remains open for expansion. The current drill program is designed to confirm and expand mineralization within both the Upper and Lower Helen Zones. To-date, eleven (11) holes have been completed and a twelfth is in progress with assays having been received for the first ten holes. Impressive high-grade gold has been intersected in multiple holes. Highlights include:

- **23.48 g/t Au across 19.81 m – or 0.69 ounces per ton (oz/t) across 65.0 feet and 17.35 g/t Au across 4.57 m (0.51 oz/t across 15.0 feet) and in hole AX-8.**
- **14.42 g/t Au across 12.19 m (0.42 oz/t across 40.0 feet) in hole AX-9.**
- **16.29 g/t Au across 10.70 m (0.48 oz/t across 35.0 feet) in hole AX-3.**
- **12.38 g/t Au across 6.10 m (0.36 oz/t across 20.0 feet) in hole AX-4.**
- **15.66 g/t Au across 3.35 m (0.46 oz/t across 11.0 feet) in hole AX-10.**

“The initial drill results support our belief that the Helen Zone, within the Cove Project, has the potential to host a high-grade Carlin style gold deposit” stated Brian Morris, Vice-President Exploration for Premier. “Drilling continues to confirm the expansion potential of the Helen Zone horizon along strike of the Cove anticline within favorable host rocks which are stratigraphically deeper than historic mine production in the Cove pit. The favourable anticline structure within the deeper host rocks remains almost entirely untested outside of the core area. This will be the focus of future drilling as we expand mineralization”.

Nevada is one of the world’s most favourable jurisdictions for mine development and the Cove Project offers substantial upside in the existing resource areas in addition to opportunities for the discovery of new high-grade gold deposits within the district. The Cove deposit was mined (primarily by open pit) between 1988 and 2001, a period of comparatively low metal prices, producing approximately 2.3 million ounces of Gold, and more than 100 million ounces of silver. Table 1 provides a summary of highlight assay results received from the ongoing program.

Holes AX-1 to AX-9 were drilled with reverse-circulation while hole AX-10 was drilled using core. All future holes at Helen will be drilled core from surface. Hole AX-8 cut strong mineralization, however, the profile of initial assay results below 622 m (2,040 feet) downhole suggest groundwater encountered at and below that depth may have lead to erroneous results being returned. As such, assays below 622 m (2,040 feet) will not be reported until Premier completes a wedge out of hole AX-8 (twinned hole) with core in order to gain a more verifiable result for this portion of the previously drilled hole. It is important to note that hole AX-8 is located within 25 feet and 125 feet of previously drilled core holes NW-13C-A and NW-6-A, respectively. Hole NW-13C-A intersected 27.33 g/t Au across 14.6m (0.80 oz/ton across 47.9 feet) and NW-6C-A that returned an intersection of 19.77g/t Au across 9.1m (0.58 oz/t across 30.0 feet) at a depth which may correlate to the portion of the hole planned to be redrilled.

Premier's management team believes that the Cove Project represents one of the most under-explored projects in Nevada. It is located in the Eureka-Battle Mountain Trend that is host to numerous multi-million ounce producing and past-producing mines. The property is located in close proximity to excellent infrastructure (including paved roads & power) and some work has progressed such that permitting for underground access can be advanced.

Table 1 – Select assay results for Helen Zone drilling

Hole-ID	UTM Co-ord (m)	Dip/Az (degrees)	From (m)	To (m)	Interval (m)	Grade (g/t)	From (ft)	To (ft)	Interval (ft)	Grade (oz/ton)	Zone
AX-1	2036665N/ 347758E	-68/030	413.00	420.62	7.62	3.28	1355.0	1380.0	25.0	0.10	upper
			413.00	414.53	1.52	7.93	1355.0	1360.0	5.0	0.23	upper
AX-2	2037469N/ 346888E	-85/071	364.24	367.28	3.05	3.67	1195.0	1205.0	10.0	0.11	upper
			455.68	457.20	1.52	4.33	1495.0	1500.0	5.0	0.13	upper
AX-3	2036463N/ 347413E	-60/019	376.43	377.95	1.52	3.87	1235.0	1240.0	5.0	0.11	upper
			390.14	400.81	10.7	16.29	1280.0	1315.0	35.0	0.48	upper
			390.14	393.19	3.05	48.36	1280.0	1290.0	10.0	1.41	upper
AX-4	2037456N/ 346878E	-61/107	414.53	420.62	6.10	12.38	1360.0	1380.0	20.0	0.36	upper
			440.44	446.53	4.57	5.58	1445.0	1465.0	20.0	0.16	upper
			574.55	576.07	1.52	3.93	1885.0	1890.0	5.0	0.12	lower
			579.12	580.64	1.52	4.33	1900.0	1905.0	5.0	0.13	lower
			583.69	585.22	1.52	3.93	1915.0	1920.0	5.0	0.12	lower
			609.60	621.79	1.52	3.83	2000.0	2040.0	40.0	0.11	lower
AX-5	2036466N/ 347419E	-59/005	385.57	388.62	1.52	9.44	1265.0	1275.0	10.0	0.28	upper
			397.76	402.34	3.05	14.74	1305.0	1320.0	15.0	0.43	upper
			431.29	432.82	1.52	6.96	1415.0	1420.0	5.0	0.20	upper
			457.20	458.72	1.52	14.00	1500.0	1505.0	5.0	0.41	mid
AX-6	2036678N/ 347751E	-57/012	387.10	388.62	1.52	5.51	1270.0	1275.0	5.0	0.16	upper
			402.34	420.62	18.29	2.25	1320.0	1380.0	60.0	0.07	upper
AX-7	2037466N/ 346875E	-70/085	400.81	402.34	1.52	3.51	1315.0	1320.0	5.0	0.10	upper
			492.25	493.78	1.52	2.68	1615.0	1620.0	5.0	0.08	upper
AX-8	2036658N/ 347755E	-58/358	576.07	583.69	7.62	12.74	1890.0	1915.0	25.0	0.37	lower
			579.12	583.69	4.57	17.35	1900.0	1915.0	15.0	0.51	lower
			601.98	621.79	19.81	23.48	1975.0	2040.0	65.0	0.69	lower
AX-9	2036678N/ 347745E	-62/015	397.76	405.38	7.62	2.95	1305.0	1330.0	25.0	0.09	upper
			537.97	550.16	12.19	14.42	1765.0	1805.0	40.0	0.42	lower
			539.50	548.64	9.14	17.65	1770.0	1800.0	30.0	0.52	lower
			585.22	678.18	92.96	1.78	1920.0	2225.0	305.0	0.05	deep
AX-10C	2037472N/ 346878E	-68/094	633.98	678.18	44.20	2.27	2080.0	2225.0	145.0	0.07	deep
			479.00	481.30	2.30	6.20	1571.5	1579.1	7.5	0.18	upper
AX-10C	2037472N/ 346878E	-68/094	553.82	555.19	1.37	9.51	1817.0	1821.5	4.5	0.29	lower
			607.16	610.52	3.35	15.66	1992.0	2003.0	11.0	0.46	lower
			629.41	634.75	5.33	6.73	2065.0	2082.5	17.5	0.20	lower
			647.55	649.53	1.98	8.80	2124.5	2131.0	6.5	0.26	lower
			684.58	686.87	2.29	7.14	2246.0	2253.5	7.5	0.21	lower
			693.73	695.40	1.68	14.18	2276.0	2281.5	5.5	0.41	lower
AX-11C	2037482N/ 346888E	-77/082				pending					
AX-12C	2036673N/ 347752E	-67/045				pending					

- gravimetric assays used when available

*True widths are estimated to be 85% to 95%

Drilling continues to expand mineralization along strike to the northwest (hole AX-11 – assays pending) and to the southeast towards the historic cove open pit (hole AX-12 – assays pending). In addition to the Helen Zone, Premier intends to evaluate the entire property, including numerous untested and favourable structural intersections and the possible existence of skarn deposits located within ground controlled by Premier.

Total consideration for the acquisition is approximately \$28 million, payable over a three year term including \$8 million on closing (half of all payments are payable in shares). Upon delivering a positive feasibility study containing a minimum of 500,000 ounces of gold or gold equivalent on the property, Newmont McCoy Cove Limited, a wholly owned subsidiary of Newmont Mining (NYSE:NEM), holds an option to enter into a joint venture by paying 250% of the sum of expenditures made on the property since March 2006 for a 51% interest.

OTHER PROJECTS

Premier holds several projects that are the subject of exploration programs in 2012. Recently, the haulage drift in Red Lake has crossed onto the Rahill-Bonanza Project (PG 49% and Red Lake Gold Mines 51%) that is located in close proximity to Goldcorp's Red Lake Gold Mines infrastructure. A new gold horizon is being defined on the East Bay Project (PG 35% and 50% - JV with RLGGM) is located on the same structural trend along strike from Rubicon Mineral's F2 Zone deposit on its Phoenix Gold Project. Several drills are active on the 100%-owned Trans-Canada Project, which is host to several deposits. A revised resource estimate is anticipated from three separate deposits in the near future.

Premier continues to work towards the potential consolidation of the Saddle and Rain projects within the Rain Sub-district of Nevada's prolific Carlin Trend.

The acquisition of Cove and the Saddle/Rain projects represent two of several opportunities Premier is evaluating in the United States having near-term development potential and long-term exploration upside. Premier views the US as a geologically and politically attractive vehicle for future growth.

ANNUAL GENERAL MEETING

Premier Gold Mines Limited cordially invites all shareholders to its Annual General Meeting of Shareholders, Thursday, June 28, 2012 at 4:00pm, at the Toronto Board of Trade. Following the formal meeting, a presentation will be given at 4:30pm by key management personnel, providing a comprehensive corporate exploration and development update. This presentation will highlight your Company's substantial recent successes and will provide guidance on Premier's future plans and initiatives. For those that are not able to attend in person, the presentation portion of the event will be webcast live from the homepage of the Company's website (www.premiergoldmines.com)

CHANGE OF ADDRESS

Effective immediately, the new contact address for the main office of Premier Gold Mines is 1100 Russell Street, Thunder Bay, Ontario, Canada, P7B 5N2.

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 for RC drill samples were sent to American Assay Laboratories located in Elko, Nevada prep facility and analysis was performed at their Sparks, Nevada analytical facility utilizing 30 gram fire assay with an AA finish. Core samples were analyzed by Inspectorate laboratory facility located in Sparks, Nevada and analysis was done using 30 gram fire assay with AA finish and ICP-MS 30 element scan from 4-acid digestion. .

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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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, statements about strategic plans, including future operations, future work programs, capital expenditures, discovery and production of minerals, price of gold and currency exchange rates, timing of geological reports 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 the 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.