



Press Release

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Shares Issued: 77,565,179

## **PREMIER CLOSES GERALDTON ACQUISITION**

**PREMIER GOLD MINES LIMITED (TSX:PG)** is pleased to announce that it has closed the acquisition of 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").

Premier acquired the G-L Properties from Lac Properties Inc. ("Lac"), a wholly-owned subsidiary of **BARRICK GOLD CORPORATION (TSX, NYSE: ABX)** by (i) issuing to Lac 500,000 common shares of Premier, (ii) making a cash payment to Lac of \$1,000,000, (iii) depositing \$1,000,000 in an environmental reclamation trust fund in the connection with G-L Property, (iv) granting to Lac a 3.0% net smelter return royalty (the "NSR Royalty") on production from the G-L Property, and (v) assuming 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).

**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 and resources were left in place within the existing mine workings. 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" deposit and 18.41g/t Au over 5.1m down-dip beneath the mine workings in the "North Zone" deposit.**

When combined with the existing Geraldton Project which is operated under a joint venture with Roxmark Mines Limited (TSX-V:RMK), Premier (earning a 70% interest) now controls more than 15km of strike of the most prospective geology in the belt. These properties will collectively be referred to as the "Hardrock Project".

In 2009, Premier will conduct a major \$8 Million exploration program on the Hardrock Project with the goal of defining a multi-million ounce gold resource that can be moved quickly towards development. The Project offers development advantages with the Trans-Canada highway, Trans-Canada pipeline, and major power lines running through the center of the property. 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; 3) Resource blocks reported to remain within the mine workings; and, 4) The main mined zones which remain open below the 600m Level.

The Hardrock 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 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.

## **Financial Position**

Premier is in a strong financial position with finances sufficient for several years and a 2009 exploration budget of approximately \$14 Million. "Because of our strong financial position, Premier will be one of the mining sector's most significant explorers with active programs on three properties" stated Ewan Downie, President of Premier. "The Hardrock Project will be the primary focus of Premier's efforts in the coming year as the Geraldton district is perhaps the most under-explored of the major gold-bearing greenstone belts of Ontario. We intend to advance this project at an accelerated pace".

## **Other Projects – Red Lake & PQ-North**

Premier will have active exploration programs in other highly prospective gold districts. In Red Lake, drilling will continue to define and expand gold mineralization at the Rahill-Bonanza Project, a joint venture with Red Lake Gold Mines Limited, an affiliate of Goldcorp Inc. This large project is located immediately adjacent to the prolific Red Lake Gold Mine, to the east, and the Bruce Channel deposit, to the northwest. Ongoing drilling is testing the primary target area on the project, with visible gold recently identified within the Wilmar horizon. In a cash conservation measure, the joint venture will focus its efforts by drilling from surface in lieu of a dewatering project in 2009.

Early in 2009, Premier will initiate a major drill program on the PQ North Project. PQ North is located adjacent to, and along strike from, Goldcorp's Musselwhite Gold Mine. This program will test major, previously untested, structures identified from a recently completed airborne geophysical survey.

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.

**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.

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