

Premier Gold Resources plc

("Premier Gold" or the "Company")

Premier Gold raises £260,000 to support 2014 field work

Premier Gold (AIM: PGR), the Central Asia-focused gold exploration and development company, is pleased to announce that it has raised gross funds of £260,000 by way of a subscription (the "Subscription") with an existing institutional shareholder for a total of 200,000,000 new ordinary shares of 0.1 pence each ("Ordinary Shares") at a price of 0.13 pence per share (the "Subscription Shares").

Use of Proceeds

It is Premier Gold's intention that field work will recommence at the Cholokkaindy prospect as early as weather permits in 2014 (spring) and subject to the re-establishment of an uninhibited working environment (pursuant to the Company's announcement of 4 October 2013). Premier Gold believes that the additional funds provided through the Subscription, together with existing cash reserves and funds already due to the Company, will allow it to undertake sufficient drilling on certain prospects to enable the Company to greatly advance an initial independent assessment of the gold resource at Cholokkaindy.

The Company's geological team, led by Garth Earls, will continue throughout the winter to refine geological data obtained from surface work to date in order to prioritise drilling targets for the forthcoming field season. Further details of the drilling targets and wider exploration objectives for the 2014 field season (expected to include additional surface work) will be provided in advance of the commencement of field operations.

Details of the Subscription

Lanstead Capital L.P. ("Lanstead"), an institutional investor and existing shareholder of the Company, has subscribed for the Subscription Shares for an aggregate consideration of £260,000. In addition, the Company has entered into an Equity Swap Agreement with Lanstead which allows the Company to retain much of the economic interest in the Subscription Shares.

The Equity Swap Agreement provides that the Company's economic interest will be determined and payable in twenty-four monthly settlement tranches as measured against a benchmark price of 0.17333p per share ("the Benchmark Price"). If the measured share price exceeds the Benchmark Price, for that month, the Company will receive more than 100 per cent of the monthly settlement due on a pro rata basis. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements. Should the measured share price be below the Benchmark Price, the Company will receive less than 100 per cent of the expected monthly settlement on a pro rata basis. In no case would a decline in the Company's share price result in any increase in the number of ordinary shares received by Lanstead or any other advantage accruing to Lanstead.

The Company has agreed to make a value payment to Lanstead of 20,000,000 Ordinary Shares (the "Value Shares") in consideration for the Equity Swap Agreement. The Equity Swap Agreement allows the Company to secure much of the potential upside arising from near-term news flow.

The mid-market price of the Company's existing ordinary shares at the close of business on 12 December 2013 (being the latest business day prior to the publication of this announcement) was 0.15 pence. The Subscription is conditional upon the admission of the Subscription Shares and Value Shares (together the "New Ordinary Shares") to trading on AIM, which is expected to become effective today. The New Ordinary Shares will rank *pari passu* with the existing ordinary shares of the Company. Following the admission of the New Ordinary Shares the enlarged issued share capital of the Company will be 1,346,435,975 ordinary shares. Shareholders may use this number when calculating their percentage holding in the Company.

Richard Nolan, Chief Executive, commented:

"Notwithstanding the regional interference experienced by Premier Gold recently in the Kyrgyz Republic, we are delighted that the Company's largest shareholder continues to recognise the potential of the Cholokkaindy asset which demonstrates key geological similarities to other large gold deposits on the northern Tien Shan belt. We look forward to making further progress towards quantifying Cholokkaindy's potential."

Contacts:

Premier Gold Resources plc

Richard Nolan, CEO

020 7953 4028

Sanlam Securities UK Limited (Nominated Adviser and Broker)

Lindsay Mair / Richard Goldsmith / Catherine Miles

020 7628 2200

Vigo Communications

Ben Simons / Chris McMahon

020 7016 9574

About Premier Gold Resources plc

Premier Gold Resources plc (AIM:PGR) is a gold exploration and development company listed on the London Stock Exchange. Premier Gold is focused on gold opportunities in Central Asia, in particular the Kyrgyz Republic, where the Company's current project, Cholokkaindy, is located.

Cholokkaindy is a 32 square kilometre licence area located in the northern Tien Shan, 20 kilometres south of Kara Balta and 80 kilometres southwest of Bishkek. Geological results from Premier Gold's work programme to date support the view that Cholokkaindy is part of a large mineralising system, displaying several key indicators associated with other large gold deposits in the northern Tien Shan metallogenic belt.

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www.premiergoldresources.com