

Premier Gold Resources plc

("Premier Gold" or the "Company")

Half yearly results for the six months ended 30 June 2013

Premier Gold (AIM: PGR), the Central Asia-focused gold exploration and development company, announces its half yearly results for the six months ended 30 June 2013.

Chairman's Statement

A number of material developments occurred during the period under review which add to the strength and prospects of the Company's Cholokkaindy gold licence in the Kyrgyz Republic.

In February 2013, Premier Gold was successful in achieving a licence extension on Cholokkaindy through to 31 December 2017. A few months later, in May 2013, the Company announced the sanctioning of an 8 square kilometre extension of the licence boundary, into an area in which the Company believes the mineralised zone further extends. This has an obvious beneficial impact on the size of the future potential resource at Cholokkaindy.

Exploration work to date at Cholokkaindy has produced highly encouraging results. Geological results support the view that Cholokkaindy is one large mineralising system, displaying several key indicators associated with other large gold deposits in the northern Tien Shan metallogenic belt. Central to the Company's ability to prove up this view is its capacity to fund further exploration work. It was therefore pleasing to be able to announce, on 2 July 2013 (immediately after the period under review), a further funding package which provides the Company with an additional £1 million by way of a convertible loan receivable in four quarterly tranches. The first £250,000 was received by the Company on [30] June 2013.

Financial Results

Premier Gold is an early-stage exploration company and, as such, has no revenues. Its expenditure relates primarily to activities in respect of the exploration and analysis of the Cholokkaindy licence. The Company recorded a loss before tax for the period of £807,930 (H12012: £669,008).

Outlook

With the benefit of the funding, the Company plans to upgrade and extend the areas of known mineralisation and to undertake a drilling programme to allow a three dimensional picture of the mineralisation to be assessed. The Company looks forward to reporting operational developments in respect of these objectives as soon as it is in a position to do so.

Colonel Robert Stewart DSO MP

Chairman

25 September 2013

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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 undergoing extensive exploration and analysis.

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 one large mineralising system, displaying several key indicators associated with other large gold deposits in the northern Tien Shan metallogenic belt.

For further information please visit: www.premiergoldresources.com

Premier Gold Resources Plc

Interim results

For the six months ended 30 June 2013

Consolidated statement of comprehensive income

	Six months ended 30 June	Six months ended 30 June	Year ended 31 December
	2013	2012	2012
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
	£	£	£
Revenue	-	-	-
Cost of sales	-	-	-
Gross profit	-	-	-
Administrative expenses	(401,553)	(639,309)	(1,232,234)
Share based payments	(12,333)	(34,453)	(69,655)
Operating loss	(413,886)	(673,762)	(1,301,889)
Finance income	141	4,754	1,802
Fair value loss on derivative financial assets	(394,185)	-	(193,750)
Finance expense	-	-	(34,523)
Loss before income taxation	(807,930)	(669,008)	(1,528,360)
Income tax expense	-	(1,588)	-
Loss for the period and total comprehensive income attributable to owners of the parent	(807,930)	(670,596)	(1,528,360)
Non-controlling interests	22,411	27,719	54,618
Loss for the period	(785,519)	(642,877)	(1,473,742)
Loss per share - Basic and diluted	(0.08)p	(0.11)p	(0.22)p

Consolidated statement of financial position

As at 30 June 2013

30 June	30 June	31 December
2013	2012	2012

<i>Unaudited</i>								
Balance at 1								
January 2013	1,951,415	5,932,983	(6,268,359)	26,230	43,333	2,416,667	59,080	4,692,349
Total comprehensive income for the period	-	-	(785,519)	-	-	-	(22,411)	(807,930)
Equity settled share based payment	-	-	12,333	-	-	-	-	12,333
Currency translation differences on foreign currency net investments	-	-	(2,220)	(25,785)	-	-	(2,193)	(30,198)
Balance at 30 June 2013	<u>1,951,415</u>	<u>5,932,983</u>	<u>(7,043,765)</u>	<u>445</u>	<u>43,333</u>	<u>2,416,667</u>	<u>56,476</u>	<u>3,866,554</u>
<i>Unaudited</i>								
Balance at 1								
January 2012	1,471,207	4,821,530	(4,864,272)	-	43,333	-	-	1,471,798
Total comprehensive income for the period	-	-	(642,877)	-	-	-	(27,719)	(670,596)
Issue of shares	153,333	280,000	-	-	-	-	-	433,333
Costs in respect of shares issued	-	(16,500)	-	-	-	-	-	(16,500)
On acquisition of subsidiaries	-	-	-	-	-	2,416,667	(7,698)	2,408,969
Equity settled share based payment	-	-	34,453	-	-	-	-	34,453
Balance at 30 June 2012	<u>1,624,540</u>	<u>5,085,030</u>	<u>(5,472,696)</u>	<u>-</u>	<u>43,333</u>	<u>2,416,667</u>	<u>(35,417)</u>	<u>3,661,457</u>

<i>Audited</i>								
Balance at 1								
January 2012	1,471,207	4,821,530	(4,864,272)	-	43,333	-	-	1,471,798
Total comprehensive income for the year	-	-	(1,473,742)	-	-	-	(54,618)	(1,528,360)
On acquisition of subsidiaries	-	-	-	-	-	-	64,2950	642,950
Issue of shares	480,208	1,260,625	-	-	-	-	-	1,740,833
Costs in respect of shares issued	-	(149,172)	-	-	-	-	-	(149,172)
On acquisition of subsidiaries	-	-	-	-	-	2,416,667	-	2,416,667
Equity settled share based payment	-	-	69,655	-	-	-	-	69,655
Currency translation differences on foreign currency net investments	-	-	-	26,230	-	-	1,748	27,978
Balance at 31 December 2012	<u>1,951,415</u>	<u>5,932,983</u>	<u>(6,268,359)</u>	<u>26,230</u>	<u>4,333</u>	<u>2,416,667</u>	<u>59,080</u>	<u>4,692,349</u>

Cash flow statement

For the six months ended 30 June 2013

	Six months ended 30 June 2013 (unaudited) £	Six months ended 30 June 2012 (unaudited) £	Year ended 31 December 2012 (audited) £
Operating activities			
Operating loss	(413,886)	(673,762)	(1,301,889)
Depreciation of property plant and equipment	4,685	3,965	8,334
Amortisation of intangible assets	45	-	-
Loss on disposal of property, plant and equipment	35	-	-

(Increase)/decrease in inventory	(2,607)	698	4,700
Decrease in trade and other receivables	53,573	21,733	659,899
Increase/(decrease) in trade and other payables within one year	203,933	(128,003)	(551,141)
Equity-settled share based payment	12,333	34,453	69,655
Income tax paid	-	(1,176)	-
Other movement	(42,932)	-	39,093
Cash outflows from operating activities	(184,821)	(742,092)	(1,071,349)
Investing activities			
Finance income	141	4,754	1,802
Finance expense	-	-	(34,523)
Net generated from/(cash used in) investing activities	141	4,754	(32,721)
Capital expenditure			
Payments to acquire intangible assets	(52,602)	(83,695)	(154,613)
Payments to acquire property, plant and equipment	-	(7,073)	(5,805)
Net cash outflow for capital expenditure	(52,602)	(90,768)	(160,418)
Acquisitions and disposals			
Purchase of subsidiary undertakings	-	(3,170)	(3,170)
Cash acquired on acquisition of subsidiary undertaking	-	21,760	21,760
Net cash generated from acquisitions and disposals	-	18,590	18,590
Financing activities			
Issue of share capital	100,346	350,000	557,500
Costs in respect of share issue	-	(16,500)	(49,172)
Net cash generated from financing activities	100,346	333,500	508,328
Net decrease cash and cash equivalents	(136,936)	(476,016)	(737,570)
Cash and cash equivalents at start of period	181,857	919,427	919,427
Cash and cash equivalents at end of period	44,921	443,411	181,857

Notes to the interim financial statements

1 General information

Premier Gold Resources Plc is a company incorporated in the United Kingdom, which is listed on the Alternative Investment Market of the London Stock Exchange Plc. The address of its registered office is Stonebridge House, Chelmsford Road, Hatfield Heath, Essex CM22 7BD. The Group is primarily involved in the exploration for gold.

2 Financial information

The interim financial information for the six months ended 30 June 2013 has not been audited or reviewed and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative financial information for the year ended 31 December 2012 has

been derived from the audited financial statements for that period. A copy of those statutory financial statements for the year ended 31 December 2012 has been delivered to the Registrar of Companies. The report of the independent auditors on those financial statements was unqualified and did not contain a statement under Sections 498 (2) or (3) of the Companies Act 2006.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS and under the historical cost convention. They have also been on a basis consistent with the accounting policies expected to be applied for the year ending 31 December 2013 and which are also consistent with those set out in the statutory accounts of the Company for the year ended 31 December 2012, except for the adoption of new standards and interpretations.

3 Taxation

On the basis of these accounts there is no tax charge for the period.

4 Earnings per share

The earnings and number of shares used in the calculation of earnings per share are as follows:

	Six months ended 30 June	Six months ended 30 June	Year ended 31 December
	2013	2012	2012
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Basic and diluted			
Loss for the financial period	(807,930)	(669,008)	(1,528,360)
Weighted average number of shares	1,008,953,458	616,488,833	658,129,232
Loss per share	<u>(0.08)p</u>	<u>(0.11)p</u>	<u>(0.23)p</u>

There was no dilutive effect in respect of the share options and warrants outstanding during the period.

5 Dividends

The directors do not propose to declare a dividend for the period.

6 Derivative financial assets

In December 2012, the Company issued 250 million new shares of 0.1p per share at a price of 0.4p per share to Lanstead Capital L.P. ('Lanstead') with a notional value of £1 million. The Company entered into an equity swap price mechanism with Lanstead for a notional 75% of these shares with a notional reference price of 0.5333p per share. Lanstead have hedged the consideration they pay for shares in the Company against the performance of the Company's share price over a 24 month period. All 250 million shares were allotted with full rights on the date of the transaction.

To the extent that the share price is greater or lower than the reference price at each swap settlement, the Company will receive greater or lower consideration calculated on pro-rata basis i.e. share price / reference price multiplied by the monthly transfer amount. The valuation for each settlement is determined to be the average share price for the preceding 5 trading days up to settlement date.

As the amount of the consideration receivable by the Company from Lanstead will vary subject to the change in the Company's share price and will be settled in the future, the receivable is treated as a derivative financial asset and has been designated at fair value through profit or loss.

The Company also issued 25 million shares to Lanstead as a value payment in connection with the equity swap agreement.

The fair value of the derivative financial assets has been determined by reference to the Company's share price and has been estimated as follows:

	<i>Share price</i>	<i>Notional number of outstanding shares</i> Number	<i>Fair value</i> £
<i>Unaudited</i>			
Value of derivative at 1 January 2013		187,500,000	806,250
Consideration received		<u>(39,062,500)</u>	<u>(100,346)</u>
		<u>148,437,500</u>	705,904
Loss on revaluation of derivative financial asset			<u>(394,185)</u>
Value of derivative financial assets at 30 June 2013	0.21p		<u>311,719</u>
Due within one year		93,750,000	196,875
Due after more than one year		<u>54,687,500</u>	<u>114,844</u>
		<u>148,437,500</u>	<u>311,719</u>

Unaudited

There are no comparative figures for the six months ended 30 June 2012 as the derivative financial assets were only acquired in December 2012.

