

Premier Gold Resources plc

("Premier Gold" or the "Company")

Financial results for the year ended 31 December 2012

2012 Highlights

- Acquisition of Central Asia Resources delivered the Cholokkaindy gold licence in the Kyrgyz Republic
- Board and management strengthened with appointments of Colonel Bob Stewart DSO MP as Non-executive Chairman, Richard Nolan as Chief Executive Officer and Garth Earls as Chief Operating Officer
- Gross funds raised in 2012 of £1.55 million to fund exploration activities
- Highly successful exploration season, results of which support the view that Cholokkaindy is one large mineralising system open in all directions

Post Year-End Highlights

- Five year licence extension announced to 31 December 2017
- Licence area extended by 8 square kilometres adding to potential future resource

Chairman's Statement

2012 marked Premier Gold's first year as an operational gold explorer and the achievement of a number of operational and corporate successes.

On 30 March 2012, following the acquisition of Central Asia Resources Ltd, Premier Gold began trading on the AIM market of the London Stock Exchange. The acquisition delivered the Cholokkaindy licence in the Kyrgyz Republic, held through an 80%-owned subsidiary, within which four significant gold prospects had been identified. The geology of the Kyrgyz Republic is dominated by the Tien Shan gold belt which is highly prospective and host to several world class deposits. Cholokkaindy is situated in the Northern Tien Shan, 20 kilometres south of Kara Balta and 80 kilometres southwest of the capital, Bishkek. There are several key indicators found at Cholokkaindy which are associated with other large gold deposits in the northern Tien Shan metallogenic belt.

Operational Developments

Exploration activities in the Tien Shan typically take place outside of the winter months, when the snow has melted. Premier Gold's exploration programme in 2012 began in May and produced highly encouraging results. Where Premier Gold had previously identified a strike length in one of the four identified prospects of 1,200 metres and a width of 400 metres, the newly acquired data depicts a significantly larger mineralising system with two trends of a minimum of 3.5 kilometres in length and totalling over five square kilometres (open in all directions) thereby linking all four prospects. Highlights included trench samples of 3.7 grammes per tonne of gold (g/t Au) over 8 metres and a 64 g/t Au grab sample. Significant progress towards establishing an access route for a drilling rig on the lower slopes of the Talbaital prospect area has been made in preparation for the drilling planned for this year.

In February 2013, after the period under review, Premier Gold was successful in achieving a licence extension on Cholokkaindy through to 31 December 2017. This was an excellent outcome for the Company and indicative of Premier Gold's standing with the Kyrgyz Government at both a local and national ministerial level. The length of the extension is also demonstrative of the efforts being made by the Kyrgyz Government to make its mining sector increasingly attractive to outside investors.

In May 2013 Premier Gold also announced the sanctioning of an 8 square kilometre extension of the Cholokkaindy licence boundary, into an area in which we believe the mineralised zone further extends. This has obvious beneficial impacts on the size of the future potential resource at Cholokkaindy.

National and Regional Engagement

Deep engagement and alignment with the local communities lies at the heart of any successful exploration and development programme. This is a priority for Premier Gold. The Company has strong local support and is intent upon maintaining this for the long term benefit of the project.

During 2012 our local management engaged in an intensive local community relations programme to improve knowledge and understanding among the local communities and wider areas about Premier Gold and its objectives at Cholokkaindy.

In August 2012 I travelled to Bishkek to meet senior Kyrgyz Government ministers, including the Prime Minister, Deputy Prime Minister and the Governor of Chuy Valley, the county in which Premier Gold's Cholokkaindy licence is located. Each of them offered their unequivocal support of Premier Gold's activities.

Kyrgyz Republic

I have repeatedly been struck by just what potential exists in the Kyrgyz Republic. To start with it has genuine elections where the people actually do choose who governs them. Their choice is then put into practice in Government. This approach is fantastic in a region that too often pays scant attention to democracy. Such politics is tremendous for business. I have met many members of the current Government in the Kyrgyz Republic and they have impressed me with their determination to make the economy thrive. They definitely want western investment and expertise and have asked me repeatedly to encourage British businessmen and missions to come and see the opportunities for themselves. New mining laws have encouraged foreign investment by increasing transparency and easing the acquisition and maintenance of exploration licences by both local and foreign investors. I was delighted to observe that these improvements were being recognised by the international mining industry when in March the Kyrgyz Republic was named as the "Mining Country of the Year" in the 2013 Asia Mining Awards.

With huge mineral potential and politics which both encourages and guarantees support for the long run, the mining opportunities in the Kyrgyz Republic are among the best in the world at the moment.

Corporate Developments

Key to the success of Premier Gold is the quality of its board and management which, I believe, is befitting of a larger, more advanced mining company. I was extremely pleased to be appointed in May 2012 as Non-executive Chairman of Premier Gold.

In November 2012 Richard Nolan was promoted to the position of Chief Executive Officer, following his previous role as Chief Operating Officer. Since joining the Company in September 2011 Richard has led the Company from both an operational and executive level.

Garth Earls, previously Head of Exploration, was appointed to the board as Chief Operating Officer in November 2012. Garth joined Premier Gold in May 2012 with significant experience of exploration and development of gold, silver and base metal deposits. He is highly thought of within the industry having received numerous awards and is a Member of the Institute of Mining, Materials and Metallurgy, a Member of the Society of Economic Geologists and a Member of the Society for Geology Applied to Mineral Deposits.

I believe we have an effective blend of relevant experience, from my own in politics and international relations to Richard Nolan's ability to manage the project and interface with the investment community, Dr Reza Tabrizi's extensive knowledge of the Kyrgyz Republic, Gerry Desler's financial acumen, Christian Schaffalitzky's wealth of experience on the boards of exploration mining companies and Garth Earls' previous geological track record of taking projects from exploration through to production.

Gross funds of £1.55 million were invested in Premier Gold, in two issues during 2012 (May and December), to advance its exploration programme as described above. The most significant of these investments came from Lanstead Capital L.P., an institutional investor which, following an investment of £1 million in December 2012 by way of an Equity Swap Agreement, became Premier Gold's largest shareholder. I am delighted to welcome them to the shareholder register and grateful for their support

of Premier Gold's strategy to develop what we believe is the potential for a world class gold deposit. Perhaps the strongest indication of the board's own belief in this potential is illustrated in the investments made by every board member in the company's December 2012 subscription.

Financial Results

Premier Gold is an early-stage exploration company and, as such, has no revenues. The Company's expenditure relates predominantly to the exploration, development and analysis work on the Cholokkaindy gold project. The Company recorded a loss before tax for the period of £1,473,742 (2011: £892,651). The Company had cash and cash equivalents at 31 December 2012 of £181,857(2011: £919,427).

Outlook

The Company's operational focus is now to test the bedrock mineralisation by drilling at the Talbaital prospect within the Cholokkaindy licence and to upgrade and extend, through further trenching work and soil sampling, the known mineralisation in the area. The drilling will allow a three dimensional picture of the mineralisation to be assessed and will facilitate Premier Gold's establishment of a maiden gold resource at Cholokkaindy. This will be an important milestone in the Company's development and the board looks forward to updating shareholders on progress towards this goal.

Colonel Robert Stewart DSO MP

Chairman

31 May 2013

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For further information please visit: www.premiergoldresources.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
FOR THE YEAR ENDED 31 DECEMBER 2012					
			Year		11 Months
			ended		ended
			31		31 December
			December		31 December
			2012		2011
			£		£
Administrative expenses			(1,232,234)		(931,970)
Share based payments			(69,655)		5,034
			<u> </u>		<u> </u>
Operating loss			(1,301,889)		(926,936)
Finance income			1,802		34,285
Fair value loss on derivative financial assets			(193,750)		-
Finance expense			(34,523)		-
			<u> </u>		<u> </u>
Loss before income taxation			(1,528,360)		(892,651)
Income tax expense			-		-
			<u> </u>		<u> </u>
Loss on ordinary activities after taxation			(1,528,360)		(892,651)
Non-controlling interests			54,618		-
			<u> </u>		<u> </u>
Loss for the year and total comprehensive income attributable to owners of the parent			(1,473,742)		(892,651)
			<u> </u>		<u> </u>
Loss per share - basic and diluted					
From continuing operations			(0.22)p		(0.17)p
			<u> </u>		<u> </u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

			2012		2011
			£		£
ASSETS					
Fixed assets					
Intangible assets			3,780,831		-
Tangible assets			23,789		-
Derivative financial assets			436,719		-
			<u>4,241,339</u>		<u>-</u>
Current assets					
Inventories		68		-	
Trade and other receivables		117,699		727,287	
Derivative financial assets		369,531		-	
Cash and cash equivalents		181,857		919,427	
		<u>669,155</u>		<u>1,646,714</u>	
LIABILITIES					
Current liabilities					
Trade and other payables		(218,145)		(174,916)	
		<u>451,010</u>		<u>1,471,798</u>	
Net current assets			451,010		1,471,798
			<u>4,692,349</u>		<u>1,471,798</u>
Net assets			<u>4,692,349</u>		<u>1,471,798</u>
EQUITY					
Share capital			1,951,415		1,471,207
Share premium account			5,932,983		4,821,530
Capital redemption reserve			43,333		43,333
Merger reserve			2,416,667		-
Profit and loss account			(6,268,359)		(4,864,272)
Foreign currency reserve			26,230		-
			<u>4,102,269</u>		<u>1,471,798</u>
Non-controlling interests			590,080		-
			<u>4,692,349</u>		<u>1,471,798</u>
Total equity			<u>4,692,349</u>		<u>1,471,798</u>

COMPANY STATEMENT OF FINANCIAL POSITION					
AS AT 31 DECEMBER 2012					
		2012		2011	
		£	£	£	£
ASSETS					
Fixed Assets					
Investments			2,503,170		-
Derivative financial assets			436,719		
			<u> </u>		<u> </u>
			2,939,889		-
Current Assets					
Trade and other receivables		1,099,789		<i>727,287</i>	
Derivative financial assets		369,531		-	
Cash and cash equivalents		170,304		919,427	
		<u> </u>		<u> </u>	
		1,639,624		1,646,714	
LIABILITIES					
Current liabilities					
Trade and other payables		(199,956)		(174,916)	
		<u> </u>		<u> </u>	
Net current assets			1,439,668		1,471,798
			<u> </u>		<u> </u>
Net assets			4,379,557		1,471,798
			<u> </u>		<u> </u>
EQUITY					
Share capital			1,951,415		1,471,207
Share premium account			5,932,983		4,821,530
Capital redemption reserve			43,333		43,333
Merger reserve			2,416,667		-
Profit and loss account			(5,964,841)		(4,864,272)
			<u> </u>		<u> </u>
Total shareholders' equity			4,379,557		1,471,798
			<u> </u>		<u> </u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
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FOR THE YEAR ENDED 31 DECEMBER 2012

	Share capital	Share premium	Retained earnings	Foreign currency reserve	Capital redemption reserve	Merger reserve	Non controlling interests	Total
	£	£	£	£	£	£	£	£
Balance at 1 February 2011	1,385,640	2,649,906	(3,966,587)	-	43,333	-	-	112,292
Changes in equity for 2011								
Total comprehensive income for the year	-	-	(892,651)	-	-	-	-	(892,651)
Issue of shares	85,567	2,263,100	-	-	-	-	-	2,348,667
Costs in respect of shares issued	-	(91,476)	-	-	-	-	-	(91,476)
Equity-settled share-based payments	-	-	(5,034)	-	-	-	-	(5,034)
Balance at 31 December 2011	1,471,207	4,821,530	(4,864,272)	-	43,333	-	-	1,471,798
Changes in equity in 2012								
Total comprehensive income for the year	-	-	(1,473,742)	-	-	-	(54,618)	(1,528,360)
On acquisition of subsidiaries	-	-	-	-	-	-	642,950	642,950

Issue of shares	480,208	1,260,625	-	-	-	-	-	1,740,833
Costs in respect of shares issued	-	(149,172)	-	-	-	-	-	(149,172)
On issue of shares for acquisition of Central Asia Resources Limited	-	-	-	-	-	2,416,667	-	2,416,667
Equity-settled share-based payments	-	-	69,655	-	-	-	-	69,655
Currency translation differences on foreign currency net investments	-	-	-	26,230	-	-	1,748	27,978
Balance at 31 December 2012	1,951,415	5,932,983	(6,268,359)	26,230	43,333	2,416,667	590,080	4,692,349

Merger reserve

The merger reserve has been created as a result of the acquisition of the whole of the issued share capital of Central Asia Resources Limited ('CAR') by the Company in exchange for shares in the Company and the nominal value. It represents the difference between the fair value of the share capital issued by the Company and the nominal value.

COMPANY STATEMENT OF CHANGES IN EQUITY								
FOR THE YEAR ENDED 31 DECEMBER 2012								
			Share capital	Share premium	Retained earnings	Capital redemption reserve	Merger reserve	Total
			£	£	£	£	£	£
Balance at 1 February 2011			1,385,640	2,649,906	(3,966,587)	43,333	-	112,292

			2012		2011
		£	£	£	£
Cash flows from operating activities					
Operating loss			(1,301,889)		(926,936)
Depreciation			8,334		-
Decrease in inventories			4,700		-
(Decrease)/increase in trade and other receivables					
			659,899		(462,689)
Increase/(decrease) in trade and other payables					
			(551,141)		45,314
Equity-settled share based payments			69,655		(5,034)
Other movement			39,093		-
Net cash used in operating activities			(1,071,349)		(1,349,345)
Investing activities					
Finance income		1,802		2,916	
Finance expense		(34,523)		-	
Net cash generated from/(used in) investing activities			(32,721)		2,916
Capital expenditure					
Payments to acquire intangible assets		(154,613)		-	
Payments to acquire tangible assets		(5,805)		-	
Net cash outflow for capital expenditure			(160,418)		-
Acquisitions and disposals					
Purchase of subsidiary undertakings		(3,170)			
Cash acquired on acquisition of subsidiary undertakings		21,760			
Net cash outflow for acquisitions and disposals			18,590		-

Net cash outflow for acquisitions and disposals			(3,170)		-
Financing activities					
Issue of share capital		557,500		2,348,667	
Cost of share issue		(49,172)		(91,476)	
Net cash generated from financing activities			508,328		2,257,191
Net (decrease)/increase in cash in the year			(749,123)		910,762
Cash and cash equivalents at beginning of the year			919,427		8,665
Cash and cash equivalents at end of the year			170,304		919,427

Annual Report and Accounts

Copies of the Annual Report and Accounts, together with a notice of the annual general meeting, are being posted to all shareholders today and will be available on the Company's website www.premiergoldresources.com

Annual General Meeting

The annual general meeting of the Company will be held at the offices of Nabarro LLP, Lacon House, 84 Theobald's Road, London WC1X 8RW at 10 a.m. on 28 June 2013.