

**Premier Gold Resources plc**

("Premier Gold" or the "Company")

**Preliminary Results for the Eleven Months Ended 31 December 2011**

**Highlights**

- Completed acquisition of Central Asia Resources
- Developing the Company's first gold project on Tien Shan gold belt in Kyrgyzstan
- Four prospects identified
- Most advanced prospect showing multiple attractive zones of gold bearing rock with economic grades
- Further project acquisition strategy underway
- Loss for the period £892,651
- Cash at year end of £919,427
- Placing post year-end in May 2012 raising £350,000 to advance exploration work

**Gerry Desler, Chairman, commented,**

"Premier Gold has become a fully operational gold exploration and development company with experienced management and excellent local partners. We are currently prospect testing at our Cholokkaindy licence in Kyrgyzstan where our geologists have identified attractive semi-continuous gold mineralised zones with economic grades."

**Enquiries:**

**Premier Management Holdings Plc**

Gerry Desler, Chairman  
**Libertas Capital Corporate Finance Limited -**

Tel: +44 (0) 1279 731037

**Nominated Adviser**

Thilo Hoffmann / Sandy Jamieson  
**Rivington Street Corporate Finance -**

Tel: +44 (0) 20 7569 9650

**Broker**

Jon Levinson

Tel: +44 (0) 20 7562 3357

## **M: Communications**

Ben Simons / Matthew Neal

Tel: +44 (0) 20 7920 2340

## **Chairman's Statement**

Our major focus during the eleven month period leading up to the end of 2011 was on concluding our first transaction: the acquisition of Central Asia Resources Limited ("CAR"). This was successfully concluded post year-end, on 30 March 2012, delivering the Company's first gold project and transforming it from an investment company into an operational gold exploration and development company.

In parallel with this transformation the Company was rebranded as Premier Gold Resources plc. A new corporate identity and website [www.premiergoldresources.com](http://www.premiergoldresources.com) was established. I hope investors will find this both functional and informative and I encourage existing and prospective investors to register to receive news updates from the Company through our alert service on the new website.

## **Strategy**

Premier Gold's long term strategy is to identify, acquire, explore and develop gold deposits in Central Asia. Our particular focus is on Kyrgyzstan which is well known for possessing world class gold deposits and for being under explored. Kyrgyzstan is the number three gold producer of the Commonwealth of Independent States ("CIS") countries and it has a well-developed mining industry with good support services.

Foreign investment in the country is encouraged and gold mining is a leading industry sector. The Tien Shan gold belt, where our Cholokkaindy project is located, hosts a number of world-class gold deposits and producing mines.

One of the the key strengths of Premier Gold is the quality of its personnel. The team, whilst lean, bears an impressive cross-section of expertise from geology on-the-ground through to local political knowledge and corporate finance experience.

## **Cholokkaindy and Uzunbulak projects**

Cholokkaindy is our first gold project. The licensed area covers 2,400 hectares (24km<sup>2</sup>) and endured extensive research throughout 2011. Work on Cholokkaindy last year was financially supported by Premier Gold during the period prior to the completion of the acquisition of Central Asia Resources. The benefits of which resulted in a highly successful exploration campaign in 2011. Four significant gold prospects have been identified. The most advanced of these prospects are Talbaital, where attractive semi-continuous gold mineralised zones showing economic grades have been identified, and Jarkonush.

Two periods of sampling in 2010-11, by a specialist Kyrgyz crew, have built a picture of a significant gold target in Talbaital, possibly extending southwards to Jarkonush, which will undergo further detailed exploration in 2012, including drilling. At Talbaital, the initial trenches pointed at a single structure but the second sampling programme has demonstrated that it is much wider, at 400 metres in the central area, than previously thought and therefore of even greater potential.

The other licence acquired as part of the acquisition of Central Asia Resources is the Uzunbulak lithium project, also in Kryrgyzstan. The project has been assessed by the board as non-core and will be divested in the near future.

### **Local management**

Premier Gold's joint management committee has been supervising local experienced professionals and the strength of the local team has proved invaluable. We are committed to the welfare of all those working on the project most of whom are Kyrgyz and, as much as possible, we aim to source Kyrgyz materials and contractors.

Chynarbek Tegizbekov is an executive director of our Kyrgyz subsidiary and a highly experienced geologist in the region. He has served in senior geological positions for Kyrgyz mining companies for over thirty years. Chynarbek is joined by Sagyn Kulzhigitov, the Chief Geologist of our Kyrgyz subsidiary, with a similar track record of Kyrgyz exploration.

Among my fellow board members is Dr Reza Tabrizi who has been involved in project finance in Central Asian natural resources for eighteen years. He has worked closely with the government ministers in Azerbaijan, Turkmenistan, Russia and Kyrgyzstan. As the founder and president of both the Anglo Kyrgyz and Anglo Turkmen societies he has enhanced political connections and influence in the region.

### **Financial results**

The Company changed the date of its financial year-end from 31 January to 31 December to align with that of our subsidiary company. The period under review is therefore an eleven month period from 1 February to 31 December 2011. Premier Gold was still an investing company during the period under review, prior to concluding the acquisition of CAR. As such the Company had no revenues. The Company recorded a loss before tax of £892,651.

During the eleven months Premier Gold not only funded the reverse takeover of CAR, the costs were approximately £360,000, but also financially supported the ongoing mining operations of CAR prior to the conclusion of the acquisition. The Company's general and administrative costs were approximately £440,000 as we geared up to becoming an operational gold exploration and development company, bringing in additional management and external advisers. Remaining costs related to the funding of CAR's mining activity during the period prior to the completion of the acquisition and, in addition, the Company advanced circa £432,952 in loans towards this activity during the period.

### **Outlook**

In May the Company raised additional funds of £350,000, predominantly with institutional investors, which will be utilised on an exploration programme on the Cholokkaindy licence which moves into its second full exploration season this month. The 2012 work programme will include continued trenching at the Talbaital and Jarkonush prospects, to further constrain mineralisation. We expect to drill 1,500m of core on these prospects concentrating on targets highlighted by analysis of geophysics profiles, lithochemical sampling and soil geochemistry. Trenching will also extend to cover the Aksai and Torsai mineralised zones in the east and north east of the licence.

Whilst the current focus is firmly on Cholokkaindy we are investigating a number of other licences on the Tien Shan gold belt as we look to expand our portfolio of Kyrgyz gold projects.

I believe the combined strengths of local geological expertise, in-country relationships, the diverse skill set of the board and our timing positions Premier Gold uniquely well to take advantage of this significant opportunity in a country which is under-explored but capable of becoming one of the world's leading gold producers.

**Gerry Desler FCA**

**Chairman**

24 May 2012

## STATEMENT OF COMPREHENSIVE INCOME

	11 Months ended 31 December 2011	Year ended 31 January 2011
	£	£
<b>Revenue</b>		
Continuing operations	-	-
Discontinued activities	44,642	
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	-	44,642
Cost of sales	-	(5,453)
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<b>Gross profit</b>	-	39,189
Administrative expenses	(931,970)	(116,013)
Share based payments	5,034	(3,554,097)
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<b>Operating loss</b>		
Continuing operations	(926,936)	(3,661,473)
Discontinued activities	-	30,552
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	(926,936)	(3,630,921)
Debenture loan waived	-	1,428,196
Loss on disposal of football business	-	(4,146)
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<b>Loss on ordinary activities after exceptional items and before interest</b>	(926,936)	(2,206,871)
Finance income	34,285	1,958
Finance expense	-	(786)
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<b>Loss before income taxation</b>	(892,651)	(2,205,699)
Income tax expense	-	(411)
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<b>Loss for the period and total comprehensive income</b>	(892,651)	(2,206,110)
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<b>Earnings per share</b>	<b>Pence</b>	<b>Pence</b>
Basic and diluted earnings per share		
- Continuing operations - loss per share	(0.17)	(2.05)
- Discontinued operations - earnings per share		

-

0.81

## STATEMENT OF FINANCIAL POSITION

	31 December	31 January
	2011	2011
	£	£
<b>ASSETS</b>		
<b>Current assets</b>		
Trade and other receivables	727,287	233,229
Cash and cash equivalents	919,427	8,665
<b>Total assets</b>	<u>1,646,714</u>	<u>241,894</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	(174,916)	(129,602)
<b>Net assets</b>	<u>1,471,798</u>	<u>112,292</u>
<b>EQUITY</b>		
Share capital	1,471,207	1,385,640
Share premium account	4,821,530	2,649,906
Other reserves	43,333	43,333
Profit and loss account	(4,864,272)	(3,966,587)
<b>Total shareholders' equity</b>	<u>1,471,798</u>	<u>112,292</u>

Approved by the Board and authorised for issue on 24 May 2012

Gerry Desler FCA

**Director**

## STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share premium £	Retained earnings £	Capital redemption reserve £	Total £
Balance at 1 February 2010	1,047,180	2,649,906	(5,314,574)	43,333	(1,574,155)
Total comprehensive income for the year	-	-	(2,206,110)	-	(2,206,110)
Issue of shares	116,282	-	-	-	116,282
Conversion of loan stock into ordinary shares	151,744	-	-	-	151,744
Conversion of debentures into ordinary shares	70,434	-	-	-	70,434
Equity-settled share-based payments	-	-	3,554,097	-	3,554,097
Balance at 31 January 2011	1,385,640	2,649,906	(3,966,587)	43,333	112,292
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

## STATEMENT OF CASH FLOWS

	11 Months ended 31 December		Year ended 31 January
£	2011 £	£	2011 £
<b>Cash flows from operating activities</b>			
Operating loss	(926,936)		(3,630,921)
Increase in trade and other receivables	(462,689)		(105,071)
Increase/(decrease) in trade and other payables	45,314		(20,216)
Equity-settled share based payments	(5,034)		3,554,097
Loss on disposal of football business	-		(4,146)
<b>Net cash used in operating activities</b>	(1,349,345)		(206,257)
<b>Investing activities</b>			
Finance income	2,916	16	
Finance expense	-	(786)	
<b>Net cash generated from/(used in) investing activities</b>	2,916		(770)
<b>Financing activities</b>			
Issue of share capital	2,348,667	116,282	
Costs in respect of share issue	(91,476)	-	
New Convertible Unsecured loan notes	-	151,744	
Repayment of debenture loans	-	(54,371)	
<b>Net cash generated from financing activities</b>	2,257,191		213,655
<b>Net increase in cash in period</b>	910,762		6,628
Cash and cash equivalents at beginning of the year	8,665		2,037
<b>Cash and cash equivalents at end of the year</b>	919,427		8,665

**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](http://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 21 June 2012.