



June 2008

Dear Fellow Shareholder:

In January 2008 I provided you with a list of accomplishments and highlights for Premium's first full year of operation. I am now providing a six month update of those accomplishments (see our website at [www.premiumexploration.com](http://www.premiumexploration.com) for the previous Presidents' Message). I am using a slightly different format for this update based on the three geological areas we are currently exploring; Mexico, Idaho and Montana.

**Mexico:**

1. Four project geologists working with a revised management team.
2. Significant management changes in Mexico to emphasize exploration, consisting of a VP Mining Development and a new head geologist.
3. Our own drill and contractor is continuing to drill on Nueva Galicia with a second drill in operation by a contractor provided by IRM, our exclusive Mexico prospect mining advisors. Due to the nature of the rock, drilling is very slow to increase core recovery in challenging ground.
4. New techniques have been employed to ensure all mineralized material is being assayed.
5. Ten recognized ore shoots on four structures.
6. A second set of results on a second ore shoot ("La Cholita"), has advanced the Nueva Galicia project in the following drill holes:
  - a. Hole Number 13: 8.79 g/t Au and 1,309 g/t Ag over 1.52 meters
  - b. Hole Number 12: 10.2 g/t Au and 309 g/t Ag over 2.8 meters
7. The first set of results from ore shoot "Buenos Aires" had the following results:
  - a. NG-07-001: 7.84 g/t Au, 814 g/t Ag over 2.6m starting 24.70m depth
  - b. NG-07-002: 2.32 g/t Au, 226 g/t Ag over 4.0m starting at 37.12m depth

***For comparison purposes, Gold Corp's San Dimas/Luisman (in 2007 produced) 163,300 oz Au + 6.9M oz Ag with grades of 5.58 – 6.43 g/t Au and 297 – 337 g/t Ag over an average width of 2m.***

8. A new zone on a third ore shoot (Alacran) has been intercepted on the property between 90.53m and 100.87m down hole below the principle structure targeted at 36.73m - 40.2m in DDH-NG-08-015. The project geological staff is very encouraged by the core.
9. 100 core samples are in the lab from Nueva Galicia.
10. The completion of the 2,000m drill program may provide enough data for a resource and start a 43-101.
11. 625m of trenching from the Rosamorada property has been completed and is in the lab. The target is 800,000 to 1,000,000 oz Au Eq low grade heap leach material averaging 1.75 g/t Au.
12. The first phase of geological reports and recommendations have been completed on the Bonanza property which hosts potential for 50,000,000 tonnes at grades of 1.3 g/t Au Eq. Work is scheduled to start July 1<sup>st</sup> on Phase II to target drill holes.
13. The San Pedro Analco property, a past silver producer from the mid 1980's, has been examined and the historic workings mapped and sampled. Premium is very encouraged by the results and a new phase of work will commence July 1<sup>st</sup>. Premium is also in possession of an historic independent engineering report by Pinrock, Allen & Holt Inc. from 1988. The report reviews the past production plus the exploration and drilling by the operator after production was halted due to low silver prices.

14. A new project has been added in Durango with a Letter of Intent on the La Lupe project. 37,000 additional hectares have been staked and a four-week, two geo surface and old workings survey, consisting of approximately 800 samples, has been completed. The highlight was a 1 meter sample across the ceiling of an old adit of 8.3 g/t Au and 5,337 g/t Ag, 2.9% lead and 3.9 % zinc.

#### IDAHO

1. Permitting for production on Buffalo Gulch has successfully advanced through several stages of development with various government entities.
2. The environmental engineering firm of Brown and Caldwell has been retained to work for Premium on both the Buffalo Gulch project and the Petsite/Friday drill permitting application.
3. Two soil sample campaigns have been mapped, advancing both Buffalo Gulch and the Petsite/Friday target size.
4. Premium completed and filed an NI 43-101 on 531,890 oz of Au on Petsite/Friday.
5. The soils taken together with previous drilling has given rise to a \$4,000,000 drill program announced and scheduled to start once a contractor is hired and financing completed to test the high grade Orogrande Shear Zone. Grades of 9 g/t Au over 21m including 74 g/t over 1.5m is the highest grade on the 26km long structure with very limited drilling on only the southern part of the Petsite/Friday inferred resource. The shear zone is thought to be the conduit for the gold mineralization in the Orogrande area.
6. Completed the land package with targeted staking of an additional 106 claims in the central part of the Orogrande Shear Zone with Buffalo Gulch on the North end and Petsite/Friday on the south end of the 26km structure.

#### MONTANA

1. Drill results from 2007 continued to advance the world class exploration target on the Platinum Group Metals Chrome Mountain JV project.
2. Permitting has been obtained for 45 more drill sites.
3. The chromitite component on the property was looked at with very favourable results. There are historic grades up to 47.1% chromitite from the Chrome Mountain property.
4. The 2008, 10,000ft drill program has been announced and will start when the snow melt allows access, target date is the second week of July 2008.
5. The Rhodium component of the PGM bearing rock has been re-assayed due to a conflict in results between labs and is set to be favourably re-released soon.
6. Identified previously unknown mineralization suggesting South African style PGM mineralization.

Corporate Communications has been assessed and an aggressive new approach is being implemented for a July 1<sup>st</sup> start.

As you can readily see, the Company is developing at a feverish pace. Premium will be a power in the Junior Exploration world. Premium is an explorer with an attitude. We continue to fast track exploration on several properties simultaneously to increase shareholder value.

Sincerely,



Del Steiner  
President & CEO