



October 27, 2008

Dear Fellow Shareholder:

Your Company started planning for a potential market and business down turn in late August. Today, the TSX-V is off over 70% and is not an environment in which it makes sense to do business as usual.

As a result, your Company implemented conservative measures to protect you, the Shareholder:

- Shifted focus and completed work on projects with near-term production to maximize market positioning
- Secured drill permitting for Idaho and Mexico
- Cut back personnel and expenditures without jeopardizing any of our properties
- Sustained a level of cost we can maintain for the foreseeable future

The implementation of these strategies occurred once management was confident it could reengage full operations on short notice.

Moving forward, Premium has accumulated enough data to remodel resources using the Company's Gemcom software, a sophisticated 3-D modelling technology. Performed in-house, the aim is to increase ounces and grade of our resources, along with adding additional drill results not calculated in the last geological modelling phase.

The implementation of the strategies mentioned above, the remodelling of our resources, and engaging in conservative measures, provides us with the ability to engage in a well thought-out plan and jump-start the Company into the forefront of market recovery, once it is on the horizon.

We thank our shareholders and supporters and ask them to be patient and ride out this down turn with us.

Sincerely,

A handwritten signature in black ink, appearing to read "Del Steiner", with a stylized flourish at the end.

Del Steiner  
President & CEO