

THUNDER BAY, ON, Oct. 18, 2016 /CNW/ - [Premier Gold Mines Ltd.](#) ("Premier" or "The Company") (TSX:PG) is pleased to announce third quarter ("Q3/16") production results from its 40% ownership in the South Arturo Mine located in Carlin, Nevada. The mine is a joint venture between Premier and [Barrick Gold Corp.](#)'s wholly-owned subsidiary Barrick Gold Exploration Inc. ("Barrick"), and has delivered solid operating results since achieving commercial production on August 1, 2016.

The following table provides Q3/16 production statistics for South Arturo:

Table 1: South Arturo Q3/16 Operational Statistics (100% Basis)

| OPERATIONAL STATISTICS | Q3/16 ACTUAL |
|--------------------------------|--------------|
| Total Gold Production (ounces) | 75,570 |
| PROCESSING | |
| Tons Processed | 322,614 |
| Contained Ounces | 83,605 |
| Ounces Produced | 75,570 |
| Grade Processed (oz/t) | 0.259 |
| Recovery Rate | 90.4% |

Attributable to Premier on a 40% basis, a total of approximately 129,000 tons of ore was processed at South Arturo during Q3/16 producing 30,228 ounces of gold. The South Arturo Mine, which was brought into production on time and under budget, has exceeded Q3/16 production guidance by approximately 50% YTD owing to revised scheduling of ore through the roaster. Recoveries have also been slightly higher (90.4% actual vs. 86.4% budget) due to grade processed. The Company is currently targeting between 100,000 and 110,000 ounces of gold production for 2016 from its operations at South Arturo and the recently acquired Mercedes Mine in Sonora, Mexico. Approximately 80% of targeted production is anticipated during the fourth quarter.

"We are extremely pleased with the performance achieved to date by Barrick, the operator of our joint venture at South Arturo" stated Ewan Downie, President and CEO of Premier, in the company's C-Suite Blog <https://www.premiergoldmines.com/news/c-suite-blog/all>, "South Arturo is one of the highest grade open pit operations brought into production in 2016 and based on the strong initial performance achieved, we remain on track to meet or exceed our production guidance for the year".

Also at South Arturo, the joint venture is advancing two additional mining opportunities on the property: the El Nino underground project and the Dee pit expansion project (Phases 1&3). A Plan of Operations for the construction of a ramp at El Nino to access high-grade mineralization down-dip of the current pit has been submitted for approval with Nevada regulatory authorities. Drilling in H1 2017 will focus on the further definition of the ore zones from surface to infill previous surface exploration programs.

Drilling and bulk sampling are in process for the Dee pit expansion, a potential run-of-mine heap leach operation located to the west of the current Phase 2 pit. Updated metallurgical recoveries and optimized capital and operating assumptions will be used for a revised economic assessment for this potential second pit operation prior to making a construction decision.

In Mexico, our Mercedes Mine is also expected to produce 90,000 to 100,000 ounces of silver during the fourth quarter. Production estimates for 2016 are derived from life of mine operating plans prepared on the basis of mineral reserves associated with each property. Material factors and assumptions underlying 2016 gold production estimates for South Arturo and Mercedes, as derived from the respective mine plans are as follows: (1) a realized gold price of \$1,100; (2) average cash costs of \$429 and \$672 per ounce; and (3) all in sustaining costs of \$444 and \$819 per ounce. Material factors and assumptions underlying 2016 silver production estimates for Mercedes are: (1) a realized silver price of \$17.00; (2) average cash costs of \$8.80 per ounce; and (3) all in sustaining costs of \$9.05 per ounce.

Stephen McGibbon, P. Geo., is the Qualified Person for the information contained in this press release and is a Qualified Person within the meaning of National Instrument 43-101.

Premier Gold Mines Limited is a gold producer and respected exploration and development company with a high-quality pipeline of precious metal projects in proven, accessible and safe mining jurisdictions in Canada, the United States, and Mexico.

Forward Looking Information

This Press Release contains certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements about the estimation of mineral resources and mineral reserves, strategic plans, including future operations, future work programs, capital expenditures, discovery and production of minerals, price of gold and currency exchange rates, timing of geological reports and corporate and technical objectives. Forward-looking information is necessarily based upon a number of assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including the risks inherent to the mining industry, adverse economic and market developments and the risks identified in Premier's annual information form under the heading "Risk Factors". There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. Premier disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

SOURCE [Premier Gold Mines Ltd.](#)

Contact

Ewan Downie, President & CEO, e-mail: Info@premiergoldmines.com, Phone: 807-346-1390, Web Site: www.premiergoldmines.com