

Exposure to new high grade discoveries in Nevada and Mexico

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THUNDER BAY, ON, Oct. 26, 2016 /CNW/ - [Premier Gold Mines Ltd.](#) (TSX:PG) ("Premier", "the Company") is pleased to announce that it has entered into two separate and definitive agreements with [Goldcorp Inc.](#) (TSX:G, NYSE:GG) ("Goldcorp") and [Kinross Gold Corp.](#) (TSX:K, NYSE:KGC) ("Kinross") to acquire highly prospective exploration projects in Nevada and Mexico. The projects have had recent exploration work that identified high-grade mineralization where both could represent significant new discoveries for Premier.

#### Goldbanks Project &ndash; Nevada (Kinross Deal)

The Option Agreement with Kinross Gold USA, Inc. ("Kinross"), a wholly-owned subsidiary of [Kinross Gold Corp.](#), grants Premier the right to earn a 50% interest in the Goldbanks Project ("Goldbanks") located in Pershing County, Nevada, 50 kilometres south of Winnemucca. Goldbanks is comprised of 875 Claims totalling approximately 16,000 acres with several significant targets on the property including the high-grade Golden Devil discovery and the Main Zone and KW open pit deposits.

The Golden Devil discovery is the primary target where drilling has already commenced to test a high grade epithermal vein discovery beneath the known low grade near surface deposits. Initial results are expected in early November. The discovery resulted from a new geological interpretation by Kinross in 2013 that resulted in the drilling of three deep holes (see Table 1 below) that intersected gold mineralization including a high grade intercept of 192.00 g/t Au and 10,850.00 g/t Ag over 1.1m (5.61 oz/t Au and 316.46 oz/t Ag over 3.7 ft).

Table 1 &ndash; Highlight results from 2013 Kinross drilling at the Golden Devil target

| Hole ID | Coordinates <sup>(1)</sup><br>(ft.) | Azimuth/Dip From To<br>(Degrees) | (m)   | (m)   | Core Length <sup>(2)</sup><br>(m) | Au<br>(g/t) | Ag<br>(g/t) | Core Length <sup>(2)</sup><br>(ft) | Au<br>(oz/t) | Ag<br>(oz/t) | Comment      |
|---------|-------------------------------------|----------------------------------|-------|-------|-----------------------------------|-------------|-------------|------------------------------------|--------------|--------------|--------------|
| GB13-07 | 15210356N/2873880E                  | 285/-60                          | 657.8 | 660.8 | 3.0                               | 5.57        | 3.09        | 9.9                                | 0.16         | 0.09         |              |
|         |                                     |                                  | 698.1 | 699.2 | 1.1                               | 192.50      | 10850.00    | 3.7                                | 5.61         | 316.46       | Visible Gold |
| GB13-15 | 15210360N/2873864E                  | 290/-58                          | 636.8 | 637.9 | 1.1                               | 27.90       | 17.10       | 3.7                                | 0.81         | 0.50         | Visible Gold |
|         |                                     |                                  | 688.8 | 689.5 | 0.6                               | 126.50      | 25.00       | 2.1                                | 3.69         | 0.73         | Visible Gold |
|         |                                     |                                  | 705.1 | 706.9 | 1.9                               | 5.06        | 9.95        | 6.1                                | 0.15         | 0.29         |              |
| GB13-16 | 15211419N/2873743E                  | 225/-50                          | 722.5 | 723.4 | 0.9                               | 4.52        | 16.90       | 2.9                                | 0.13         | 0.49         |              |

1) 2701 NAD83 State Plane 2) True widths of drill intercepts are unknown

All abbreviations used in this press release are available by following this link ([click here](#)).

The geologic model at Goldbanks is interpreted to be similar to the Midas and Sleeper Mines in Nevada that both produced gold early in their production history from ore in excess of one ounce per ton. It is believed that the Kinross drilling intersected "splay" veins proximal to a primary ore bearing structure and drilling will focus on stepping out along the high grade Golden Devil trend as well as testing the projected location of a highly prospective basin-bounding fault zone.

The high grade epithermal vein targets at depth are geologically connected to the property's near-surface deposits (90% oxide and 10% sulphide) that host an inferred mineral resource estimate of 556,700 ounces of gold contained within 25.7M tonnes @ 0.7 g/t Au (28.3M tons 0.02 oz/t Au). The estimate was completed in 2006 by Mine Development Associates of Reno, Nevada on behalf of

[Desert Gold Ventures Inc.](#), an earlier partner on the project. Other prospective targets on the property will be prioritized for future programs.

To earn a 50% interest in the project, Premier is required to spend US\$20 Million in exploration on the property over five years including a firm commitment of US\$3.5 Million during the first 18 months. Premier will be the operator of exploration programs on

the property. Kinross may elect to become the operator following Premier having earned a 50% interest.

#### Alto-Cristina Project &ndash; Mexico (Goldcorp Deal)

The Alto-Cristina Project is located in southwest part of Chihuahua State, Mexico. Premier has secured an option pursuant to an agreement with Minas de la Alta Pimeria, S.A. de C.V., a subsidiary of Goldcorp, to acquire up to a 100% interest by making payments of US\$1.5 Million on each of the date of execution of the agreement; on the 12 month anniversary date; and on completion of a resource estimate on the property. A final payment of US\$2.5 Million is required at commercial production. Goldcorp will retain a 2.0% Net Smelter Returns Royalty ("NSR"), half of which can be purchased by Premier for the sum of US\$1.5 Million for a period of three years from the acquisition date.

Between 2013 and 2015 60 holes were drilled at Alto-Cristina that resulted in the two high grade polymetallic vein discoveries of Alto and Guadalupe. Quartz veins and quartz stockwork occur within an area of approximately eight square kilometers where individual vein zones have been traced over a distance of up to two kilometers. The epithermal to mesothermal vein mineralization contains gold, silver and base metals similar in nature to the Tayoltita/San Dimas district (located to the south) where 3.5 million gold equivalent ounces have been produced. The drilling was completed on wide-spaced intervals, typically 100-200 metres and Premier hopes that tighter drilling may define multiple high-grade shoots or lenses.

A drill has been mobilized to test the Alto/Bajo vein structure with initial results expected by year-end. Previous drilling intersected high-grade poly-metallic mineralization proximal to a strong soil anomaly. Two of those intersections (on the discovery section) are shown below and include:

- CRD15-53:

- CRD15-60:

"These prospective high grade opportunities will further bolster Premier's pipeline of exciting projects and both agreements adhere to our strategy of gaining access to projects with the potential of high-margin production and minimal upfront risk and costs. We consider these targets to be some of the most attractive that the Company has identified over the past several years," stated Ewan Downie, President & CEO of Premier on the Company's C-Suite Blog (<http://www.premiergoldmines.com/news/c-suite-blog>).

Premier remains focused on building its mining business towards a mid-tier producer status with two gold producing mines, South Arturo and Mercedes, and the ongoing permitting for future mine development at Hardrock in Ontario (Trans-Canada JV) and McCoy-Cove in Nevada. Advanced exploration continues in Red Lake and further work on the newly acquired projects will assist to prioritize the next tier of development projects and the future growth of the Company.

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. Drill samples from Alto-Cristina were sent to ALS Laboratories in Hermosillo, Mexico for analysis by fire assay with AA finish. Drill samples from Goldbanks were sent to ALS Laboratories in Reno, Nevada for analysis with the analytical facility utilizing fire assay with an AA finish for RC samples and fire assay with AA finish and ICP-MS 30 element scan from 4-acid digestion for Core samples. Samples containing visible gold are submitted for screen metallic analysis and all over-limit samples receive an automatic gravimetric finish.

[Premier Gold Mines Ltd.](#) 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.

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 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.](#)

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