

Shares Issued: 201,313,187

THUNDER BAY, ON, Jan. 11, 2017 /CNW/ - [Premier Gold Mines Ltd.](#) ("Premier" or "The Company") (TSX:PG) is pleased to provide an update on the Company's 2016 exploration programs and final results from its multiple projects in Mexico and Nevada. Premier remains focused on driving shareholder value by leveraging the potential of its current asset base. Success in exploration is fundamental to value creation.

Exploration highlights for 2016 include:

- Positive results from multiple targets at the Mercedes mine with potential to expand mineral reserves and extend the mine life
- The discovery of the CSD Gap Zone at the McCoy-Cove Property, that will result in an updated mineral resource estimate, PEA and potential underground development in 2017
- Premier's joint venture opportunity with Kinross at Goldbanks is poised to add to the Company's strong track record of discovery success in Nevada.

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

"Premier Gold has a long-standing commitment to exploration that has resulted in several significant discoveries" commented Premier President & CEO Ewan Downie on the Company's C-Suite Blog (<http://www.premiergoldmines.com/news/c-suite-blog>). "This commitment will continue during 2017 where we expect our largest annual exploration budget in company history with no less than US\$18.5 million being spent on programs expected to have a direct, near-term impact on future production and on our peer-best development pipeline."

Mercedes Mine, Sonora State, Mexico

Drilling at the Company's 100%-owned Mercedes Mine, located in the State of Sonora, Mexico, focused on defining and expanding mineralization in the existing gold horizons and exploring for new veins on the property. In addition to surface exploration, the 2016 program utilized underground drilling from existing mine workings resulting in several new discoveries. Premier intends to continue the program in 2017 with a proposed US\$4.7 million, 23,000 metre drill campaign, utilizing rigs for both the surface and underground. Recent highlights include:

- Exploration drilling for mineralization parallel to the Barrancas/Lagunas mining area has identified parallel horizons and vein spurs that could represent new vein systems with intercepts of up to 11.94 g/t Au and 81.60 g/t Ag across 8.2 m in hole MUG16-140D. Horizontal exploration was not previously contemplated on the project and Premier views this drilling as a potential near term opportunity to extend mine life.
- Infill and step-out drilling in the Diluvio area continues to define high-grade mineralization with intercepts of up to 16.06 g/t Au & 13.60 g/t Ag across 12.5 m and 29.23 g/t Au & 49.00 g/t Ag across 4.5 m in hole L16-266D and 17.19 g/t Au & 31.10 g/t Ag across 13.5 m in hole L16-278D.
- Testing for open pit and underground mineralization at Rey de Oro (infill/step out drilling) has returned assays as high as 68.43 g/t Au & 71.80 g/t Ag across 4.6 m in hole R16-133D and 3.68 g/t Au & 21.60 g/t Ag across 13.7 m in hole R16-124D.

In 2016, a total of was 27,442 metres in 135 core holes was completed in a combined surface and underground program. The drill program is testing for extensions to the known vein systems in addition to exploration to discover new mineralized horizons. The primary target areas are as follows (see Figure 1):

1. Mineralization proximal to the main Mercedes/Barrancas/Lagunas trend;
2. Confirming resource/reserve potential at Diluvio;
3. Defining the open pit and underground opportunity at Rey de Oro; and
4. Surface exploration to explore for new target areas on the property.

Mercedes Mine Trend

Drilling is testing the potential for mineralization parallel to the Mercedes, Barrancas and Lagunas mine area, including the first-ever flat holes from underground at Mercedes. This program has successfully intersected horizons of alteration and gold/silver bearing vein systems both NE and SW from the Mercedes Mine trend including 7.35 g/t Au and 259.90 g/t Ag across 0.9m in hole MUG16-144D. Table 1 and Figure 2 highlight results to-date. Additional drilling is being completed to focus on defining resources proximal to the current workings.

Table 1 - Highlight assays from flat hole drilling at Mercedes/Barrancas/Lagunas

Hole	Area	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
MUG16-140D	LG South	0.1	8.3	8.2	11.94	81.60
		21.3	24.3	3.0	4.98	75.00
MUG16-144D	CDO	101.0	101.4	0.9	7.35	259.90

*2g/t AuEq cutoff, * True widths are 85% to 100% of core length

Mercedes Diluvio Target Area

Diluvio is included in the 2016 mineral resource statement at Mercedes, but is not yet in reserves and is not included in the current life-of-mine (LOM) plan. The 2017 exploration plan for Diluvio will include surface and underground drilling, completing an exploration drift, and bulk sampling. Table 2 provides a summary of key intercepts from the current drill program and Figure 3 is a surface plan of the Target.

Table 2 - Selected highlight assay results from drilling at Diluvio

Hole	Area	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
L16-266D	Diluvio Central	215.5	228.0	12.5	16.06	13.60
		321.0	325.5	4.5	29.23	49.00
L16-267D	Diluvio Central	291.5	312.5	21.0	3.24	21.50
L16-269D	Diluvio West	335.0	339.5	4.5	9.47	20.60
L16-271D	Diluvio Central	317.0	318.5	1.5	11.95	14.00
L16-273D	Diluvio Central	265.0	290.5	25.0	3.12	7.00
		Including	265.0	275.5	10.5	5.41
L16-275D	Diluvio Central	259.2	273.5	14.3	3.58	9.20
		Including	263.0	269.0	6.0	6.31
L16-276D	Diluvio Central	269.9	295.9	26.0	3.01	9.50
		Including	277.5	280.4	2.9	7.84
L16-277D	Diluvio Central	234.5	236.0	1.5	10.70	10.00
		246.5	249.5	3.0	6.16	5.50
L16-278D	Diluvio Central	268.2	281.7	13.5	17.19	33.10
		296.7	311.7	15.0	4.72	7.80
		363.7	373.2	9.6	4.14	15.10
L16-280D	Diluvio Central	277.0	279.7	2.7	7.72	19.00
L16-283D	Diluvio Central	173.3	234.8	61.6	3.66	10.70
		Including	186.8	198.8	12.0	7.81

* True widths are 85% to 100% of core length

Mineralization at Diluvio is distinct from other Mercedes deposits in that it consists of two or more gently-dipping "Manto" type ore bodies that could be amenable to bulk underground mining or higher grade narrow vein mining.

Mercedes Rey de Oro Target

Rey de Oro is immediately adjacent to the Klondike mine workings and represents one of the higher priority exploration targets at Mercedes. Current drilling is testing both near-surface (open pit) mineralization and deeper high-grade veining.

Based on positive results from the ongoing program, drilling will continue to focus on three main veins (Cuerpo 1, Cuerpo 2 and Cuerpo 3). Highlight intercepts in the potential open pit deposit contained assays of up to 3.68 g/t Au and 23.50 g/t Ag across 21.7 m. Drilling in the deeper high-grade gold vein system cut intercepts of up to 68.43 g/t Au and 71.80 g/t Ag over 4.6 m.

Table 3 provides a summary of recent highlight results from drilling at Rey de Oro and Figure 4 exhibits a long-section view of the open pit and underground targets:

Table 3 Highlight results from drilling at Rey de Oro

Hole	Area	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
R16-121D	Cuerpo 1	0.0	7.9	7.9	1.05	10.50
R16-124D	Cuerpo 1	0.9	14.6	13.7	3.68	21.60
	Including	11.6	14.6	3.1	8.59	8.50
R16-126D	Cuerpo 1	0.8	10.8	10.0	1.94	36.20
	Including	9.7	10.8	1.1	6.92	73.10
R16-127D	Cuerpo 1	7.0	11.6	4.6	2.90	81.30
R16-128D	Cuerpo 1	0.0	6.7	6.7	4.18	36.80
R16-129D	Cuerpo 1 & 2	33.3	50.9	17.6	1.39	48.80
R16-131D	Cuerpo 1	20.7	22.3	1.5	10.05	3.00
R16-132D	Cuerpo 1	5.2	6.7	1.5	4.96	5.00
		14.3	17.4	3.0	5.81	5.00
R16-133D	Cuerpo 1	20.4	25.0	4.6	68.43	71.80
R16-134D	Cuerpo 3	44.4	46.6	2.3	88.28	11.30
R16-136D	Cuerpo 1	4.5	25.8	21.7	3.68	23.50
R16-137D	Cuerpo 2	160.4	173.6	13.2	5.17	126.10
R16-139D	Cuerpo 1	3.5	12.5	9.0	3.10	9.40
R16-141D	Cuerpo 1 & 2	237.2	251.1	13.9	9.86	122.70
	Including	238.6	247.1	8.5	15.24	148.20

* True widths are 85% to 100% of core length

McCoy-Cove Project, Nevada

Ongoing exploration at the Company's 100%-owned McCoy-Cove Gold Project, situated along the Battle Mountain-Eureka Trend in Nevada, continues to delineate high grade mineralization within the CSD Gap and Helen Zone deposits.

The 2016 drill program was focused on select infill holes to better define continuity as well as multiple step-out holes along the

margins of the deposits to test the expansion potential of the Carlin-style gold and silver system. Results continue to confirm substantial grade and thickness continuity across the core of the deposit. Highlight results, as presented in Figure 5 and Table 4 below, demonstrate that both deposits remain open for expansion in multiple directions. An updated resource estimate is expected to be complete in Q1 2017.

Highlights of the recent results include:

- PG16-23: 6.30 g/t Au and 0.47 g/t Ag over 25.2m at 558.4m (0.18 oz/t Au and 0.01 oz/t Ag over 101.7 ft.) including 7.64 g/t Au and 0.31 g/t Ag over 6.9m at 567.3m (0.22 oz/t Au and 0.01 oz/t Ag over 22.8 ft.)
- PG16-25: 10.18 g/t Au and 2.08 g/t Ag over 4.9m at 390.8m (0.30 oz/t Au and 0.06 oz/t Ag over 16 ft.)
- PG16-28: 6.18 g/t Au and 6.23 g/t Ag over 40.2m at 611.4m (0.18 oz/t Au and 0.18 oz/t Ag over 132.0 ft.) including 16.10 g/t Au and 8.90 g/t Ag over 4.0m at 611.4m (0.47 oz/t Au and 0.26 oz/t Ag over 13.0 ft.)

Table 4: Select Q4 2016, CSD Gap and Helen exploration drill program results

Hole ID	Area	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
PG16-18	CSD Gap	425.8	426.3	0.5	8.37	84.60
		435.9	436.5	0.6	16.55	94.60
PG16-19	CSD Gap	441.4	442.4	1.1	9.70	1.60
PG16-23	Upper Helen	453.2	457.5	4.3	7.81	2.23
		467.0	470.0	3.0	7.16	4.80
	Lower Helen	558.4	583.6	25.2	6.30	0.47
	including	567.3	574.2	6.9	7.64	0.31
	Lower Helen	577.0	579.7	2.7	8.65	0.63
	including	581.6	583.6	2.0	10.15	1.33
PG16-25	Lower Helen	390.8	395.6	4.9	10.18	2.08
PG16-27	CSD Gap	456.6	459.8	3.2	5.78	3.29
		480.5	481.7	1.2	13.70	4.30
PG16-28	CSD Gap	611.4	651.7	40.2	6.18	6.23
	including	611.4	615.4	4.0	16.10	8.9
	and	633.7	637.3	3.7	14.89	3.65

*True widths are estimated to be 80 to 90% of core length

South Arturo Project, Nevada

The South Arturo Project, located in the Carlin Trend of Nevada, is a joint venture between Premier (40%) and Barrick Gold (60%). In 2016, little exploration was completed at South Arturo owing to mine development.

Exploration will ramp up in 2017 to test several key targets, including the El Nino deposit that is currently subject to a permit submission for potential underground mine development. A US\$1.1M program of definition drilling is planned in the upper portion of the El Nino deposit in preparation for mining. In addition, a US\$1.8M program of drilling is planned in the Phase 1 and Phase 3 deposit areas, which together represent a second potential open pit under consideration on the property. Also, several holes are planned to test new exploration targets on the property including the "Ardent" target that shares many geological similarities to the area currently being mined.

Goldbanks Project, Nevada

Premier entered into a joint venture earn-in agreement with Kinross in 2016 to acquire 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 1,600 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 initial drilling completed in late 2016 consisted of two deep core holes designed to investigate structural targets and potential controls on mineralization in the Golden Devil discovery area in order to better define the controls on high grade mineralization. The primary target, a proposed basin bounding fault, was intersected in both GB16-01 and GB16-02. Premier is encouraged by the intensity of alteration and anomalous Au/Ag values associated with this structure and intends on testing this fault both up-dip and along strike in 2017. The highest grade intercept from the first two holes was in GB16-02 that assayed 0.44 g/t Au, 12,492.5 g/t Ag and 4.41% Cu over 0.3m at 552.6m (0.01 oz/t Au and 364.38 oz/t Ag over 1.0 ft). Further drilling is planned in several target areas in 2017.

Investor Day

Premier will be hosting an Investor Day presentation at the Toronto Board of Trade (4th floor, rooms A/B), 1 First Canadian Place, Toronto, Ontario at 10:00am (EST) on Thursday, January 12, 2017. The Company invites all current and future shareholders to attend this event.

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. Mercedes assay results are from core samples sent to ALS Canada LTD, an accredited mineral analysis laboratory in Vancouver, British Columbia. Mercedes and McCoy Cove drill samples were sent to ALS Laboratories in Reno, Nevada for analysis with the analytical facility utilizing 30-gram fire assay with an AA finish for RC samples and 30-gram fire assay with AA finish and ICP-MS 30 element scan from 4-acid digestion for core samples. Over-limit samples receive an automatic gravimetric finish.

Premier Gold Mines Limited is a respected production, exploration and development company with a high-quality pipeline of gold projects focused in proven, safe, and accessible 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 completion of the Financing, 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.](http://www.premiergoldmines.com)

Contact

Ewan Downie, President & CEO, Phone: 807-346-1390, Fax: 807-346-1381, e-mail: Info@premiergoldmines.com, Web Site: www.premiergoldmines.com