

Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars.

THUNDER BAY, ON, Aug. 8, 2017 /CNW/ - [Premier Gold Mines Ltd.](#) (TSX:PG) ("Premier", "the Company") is pleased to announce its operational and financial results for the second quarter ended June 30, 2017. The Company previously released on July 18, 2017 its gold production results of 37,617 ounces for the second quarter. Operating results for the second quarter contributed to an EBITDA of \$31.4 million (US\$23.5 million) and net income of \$14.6 million (US\$10.9 million) or \$0.07/share (US\$0.05/share).

#### 2017 Second Quarter Consolidated Highlights

- Production of 37,617 ounces of gold and 89,474 ounces of silver
- Gold sales of 43,212 ounces at an average realized price<sup>(i)</sup> of \$1,677 (US\$1,256) per ounce
- Co-product cash costs<sup>(i)</sup> of US\$481 per ounce of gold
- Co-product all-in sustaining costs ("AISC")<sup>(i)</sup> of US\$607 per ounce of gold
- Revenue of \$74.6 million (US\$55.9 million)
- Operating income of \$28.7 million (US\$21.5 million)
- Net income of \$14.6 million (US\$10.9 million)
- Quarter end cash balance of \$156.8 million (US\$120.9 million)
- Cash flow from operating activities of \$17.8 million (US\$13.4 million) or \$0.09/share (US\$0.07/share)
- Free cash flow of \$10.1 million (US\$7.5million) or \$0.05/share (US\$0.04/share), after investing \$10.7 million (US\$ 8.0 million) in exploration and pre-development programs and \$7.1 million (US\$5.5 million) in capital expenditures.

(i) See "Non-IFRS Measures" section. A cautionary note and further information regarding Non-IFRS financial metrics is included in the "Non-IFRS Measures" section of the Q2-2017 Management's Discussion and Analysis

#### Consolidated Financial Highlights – For the three months ended June 30, 2017

The continued strong performance at both operations contributed to record quarterly earnings. Gold production at South Arturo during the quarter has resulted in an increase in full year production guidance, while cost reduction initiatives and an increased mining rate at the Mercedes Mine continued to strengthen operations quarter on quarter. The Company remains on track to meet its 2017 full-year gold production guidance of 130,000-140,000 ounces.

Capital expenditures during the second quarter were \$7.1 million (US\$5.5 million). Exploration, evaluation and pre-development costs were \$10.7 million (US\$8.0 million). Positive operating results continue to contribute to the Company's strong financial position with a \$9.5 million (US\$7.4 million) increase in cash and equivalents to \$156.8 million (US\$120.9 million) and precious metals inventories of 17,176 ounces of gold and 47,348 ounces of silver as at June 30, 2017.

Millions CA\$, except for earnings/(loss) per share	Three months ended June 30, 2017	Six months ended June 30, 2017	Millions US\$, except for earnings/(loss) per share	Three months ended June 30, 2017	Six months ended June 30, 2017
Revenue	74.6	159.9	Revenue	55.9	119.9
Mine Operating Income	28.7	57.2	Mine Operating Income	21.5	42.8
EBITDA (i)	31.4	76.0	EBITDA (i)	23.5	56.9
Net income \ (loss)	14.6	21.3	Net income \ (loss)	10.9	16.0
Earnings \ (loss) per share	0.07	0.10	Earnings \ (loss) per share	0.05	0.08
Change in cash	9.5	37.1	Change in cash	7.4	28.6

Millions CA\$	Six months ended June 30, 2017	Six months ended June 30, 2016	Millions US\$	Six months ended June 30, 2017	Six months ended June 30, 2016
EBITDA (i)	76.0	(19.7)	EBITDA (i)	56.9	(14.8)
Cash flow from operating activities	55.7	(14.6)	Cash flow from operating activities	41.7	(11.0)
Cash and cash equivalents	156.8	46.9	Cash and cash equivalents	120.9	36.3

(i) Earnings before interest, tax, depreciation and amortization

Operational Highlights – For the three months ended June 30, 2017

Mercedes Mine - Sonora State, Mexico

Second quarter co-product cash costs were US\$577 per ounce of gold sold and AISC were US\$707 per ounce of gold (2017 guidance is US\$680-\$710 and US\$810-\$840 per ounce respectively). Cost reduction initiatives continued to be a focus during the quarter and a plan has been put in place to reach and maintain a mill throughput of 2,000 tonnes per day. Throughput at the mill was steady with daily processing averaging 1,954 tonnes per day with production during the second quarter of 21,893 ounces of gold and 89,474 ounces of silver.

To achieve future throughput and stockpile targets, the Mercedes mine team continues to develop additional mine workings including the Diluvio deposit, where ore has now been accessed at Level 1, and the Rey De Oro deposit where access is expected during the third quarter.

Capital expenditures during the quarter totaled \$6.8 million (US\$5.2 million), including \$1.3 million (US\$1.0 million) in underground sustaining development, \$1.7 million (US\$1.3 million) in equipment and building infrastructure, \$1.9 million (US\$1.5 million) in expansion development and \$1.3 million (US\$1.0 million) in exploration.

Exploration and development drilling steadily ramped up during the quarter with nine drill rigs now active on the site.

Mercedes Operational Results		Three months ended June 30, 2017	Six months ended June 30, 2017
in CA\$, unless otherwise stated			
Ore milled	tonnes	177,883	344,673
Gold produced	ounces	21,893	44,057
Silver produced	ounces	89,474	178,046
Gold sold	ounces	26,379	43,273
Silver sold	ounces	97,356	171,190
Average gold grade	grams/tonne	4.03	4.18
Average silver grade	grams/tonne	36.47	40.07
Average gold recovery rate	%	94.9	95.2
Average silver recovery rate	%	43.0	40.2
Revenues and Realized Prices			
Gold revenue	000s	44,176	71,066
Silver revenue	000s	2,199	3,882
Total revenues	000s	46,375	74,948
Average realized gold price (i,ii)	\$/oz	1,675	1,642
Average realized silver price (i,ii)	\$/oz	23	23
Non-IFRS Performance Measures			
Co-product cash costs per ounce of gold sold (i,ii)	US\$/oz	577	613
Co-product all in sustaining costs per ounce of gold sold (i,ii)	US\$/oz	707	735
Co-product cash costs per ounce of silver sold (i,ii)	US\$/oz	10	9
Co-product all in sustaining costs per ounce of silver sold (i,ii)	US\$/oz	12	10
By-product cash costs per ounce of gold sold (i,ii)	US\$/oz	550	580
By-product all in sustaining costs per ounce of gold sold (i,ii)	US\$/oz	688	709

(i) See "Non-IFRS Measures" section. A cautionary note regarding Non-IFRS metrics is included in the "Non-IFRS Measures" section of the Q2-2017 Management's Discussion and Analysis

(ii) Cash costs, all-in sustaining costs as well as average realized gold price per ounce are Non-IFRS metrics and discussed in the "Non-IFRS Measures" section of the Q2-2017 Management's Discussion and Analysis

South Arturo Mine – Carlin Trend, Nevada

Owned 40% by Premier and operated by joint venture partner Barrick Gold, the mine was brought into production in Q3-2016

and continues to operate at industry-low production costs.

Second quarter production, attributable to Premier, was 15,724 ounces of gold. Mining of the Phase 2 pit is now complete, and stockpiled ore will continue to be processed at the Goldstrike facility throughout the remainder of 2017 and into 2018. Production guidance for South Arturo has been increased to 45,000-50,000 ounces for 2017 to account for the higher than expected grades and revised pit slope designs that led to the extension of mining operations and resultant increase in ore extracted from the Phase 2 pit.

#### South Arturo Operating Results

in CAD \$, unless otherwise stated

Three months ended June 30, 2017      Six months ended June 30, 2017

Ore milled	tonnes	112,466	266,519
Gold produced	ounces	15,724	44,539
Gold sold	ounces	16,833	51,533
Average gold grade	grams/tonne	5.01	5.90
Average gold recovery rate	%	86.7	88.1

#### Revenues and Realized Prices

Gold revenue	000s	28,271	84,989
Average realized gold price (i,ii)	\$/oz	1,679	1,649

#### Non-IFRS Performance Measures

Co-product cash costs per ounce of gold sold (i,ii)	US\$/oz	332	272
Co-product all in sustaining costs per ounce of gold sold (i,ii)	US\$/oz	451	322
By-product cash costs per ounce of gold sold (i,ii,iii)	US\$/oz	332	272
By-product all in sustaining costs per ounce of gold sold (i,ii,iii)	US\$/oz	451	322

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(ii) Cash costs, all-in sustaining costs as well as average realized gold price per ounce are Non-IFRS metrics and discussed in the "Non-IFRS Measures" section of the Q2-2017 Management's Discussion and Analysis

(iii) South Arturo had no silver related by-product credits

There were no material capital expenditures at South Arturo during the second quarter.

The joint venture continues to assess additional open pit and underground mining opportunities on the project for future development. Phase 1 open pit development has been moved into Barrick's draft plan for detailed review and, if approved, development could begin in early 2019. Drilling to complete additional metallurgical and geotechnical characterization is underway at both the Phase 1 pit and the potential future Phase 3 pit. Drilling of the El Nino deposit from within the Phase 2 pit is expected to begin in Q3-2017.

#### McCoy-Cove – Battle Mountain Trend, Nevada

Drilling during the second quarter was comprised primarily of infill core holes in advance of underground development. Development activities on the property included finalizing the construction of a 2400-metre pipeline and a 16-acre rapid

infiltration basin (RIB) prior to a hydrologic flow test expected during the third quarter. Results from the flow test, updated mineral resource estimate, metallurgical test work, and engineering data will be included in a Preliminary Economic Assessment (PEA) that is expected to be completed by year end. As part of the underground permitting process, Premier is working closely with community stakeholders as well as State and Federal agencies. A total of \$5.3 million (US\$4.0 million) was spent on exploration and development on the project during the quarter.

## Greenstone Gold Mines ("GGM") – Ontario, Canada

Environmental and community and aboriginal engagement activities were the primary focus during the quarter as the GGM team prepared to submit the Hardrock Project Environmental Impact Statement / Environmental Assessment (EIS/EA) to the Canadian Environmental Assessment Agency (CEAA) and the Ministry of the Environment and Climate Change (MOECC) to initiate the formal environmental review part of the permitting process. The final EIS/EA was submitted in July. Progress also continues with feasibility study optimization initiatives as part of a project de-risking mandate. A total of \$3.8 million (US\$2.9 million) was spent by Greenstone Gold during the quarter, and all project expenditures will continue to be funded 100% by our joint venture partner [Centerra Gold Inc.](#) until the remaining development commitment of \$123.4 million (US\$92.5 million) has been spent.

## CEO Commentary

Ewan Downie, President and CEO stated, "We continue to realize strong production performance and record earnings since the beginning of our mining operations. The resulting cash flow allows us to aggressively pursue multiple development opportunities within the Company's portfolio of advanced projects without additional financing".

## 2017 Guidance

On July 18, 2017 the Company increased its full-year production guidance to 130,000 to 140,000 ounces of gold and 340,000 to 365,000 ounces of silver.

Production estimates for 2017 are derived from life of mine operating plans prepared on the basis of mineral reserves associated with each property. The underlying assumptions for the estimates are presented in the table below.

Gold	Guidance 2017			
USD, unless otherwise noted Mine	Production ounces	Realized Gold Price per ounce (i)	Cash Cost per ounce (i)	AISC per ounce (i)
South Arturo	45,000 - 50,000	\$1,250	\$440 - \$470	\$450 - \$480
Mercedes	85,000 - 90,000	\$1,250	\$680 - \$710	\$810 - \$840
Consolidated	130,000 - 140,000	\$1,250	\$580 - \$610	\$660 - \$690

(i) See "Non-IFRS Measures" section. A cautionary note regarding Non-IFRS metrics is included in the "Non-IFRS Measures" section of the Q2-2017 Management's Discussion and Analysis

## Premier Gold Mines Second Quarter 2017 Results - Conference Call

Premier executives will host a conference call and webcast to discuss the results on Wednesday, August 9, 2017 at 10:00 am EDT. To access the call please follow the instructions below or visit the Company's website at [www.premiergoldmines.com](http://www.premiergoldmines.com).

## Second Quarter 2017 Results Conference Call Information

Toll Free (North America): 1-888-231-8191  
International: 1-647-427-7450  
Conference ID: 51433191

## Webcast Link

<https://event.on24.com/wcc/r/1462788/43C04AF1A6ADB2FC1838FA89106895A2>

Conference Call Replay  
Toll Free Replay Call (North America): 1-855-859-2056  
International Replay Call: 1-416-849-0833  
Passcode: 51433191

A recording of the conference call and webcast replay will be available 1:00pm EDT on August 9, 2017 until 11:59 pm EST on August 16, 2017.

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. Premier remains focused on creating a low-cost, mid-tier gold producer through its two producing gold mines; South Arturo and Mercedes, and through future mine development opportunities at McCoy-Cove in Nevada and Hardrock in Ontario (Greenstone Gold JV) where permitting and development initiatives are ongoing.

#### Exchange Rates

Exchange rates used are sourced from The Bank of Canada, <http://www.bankofcanada.ca/rates/exchange/>. The balance sheet closing rate at June 30, 2017 was \$1.2977 and the income statement year to date weighted average closing rate used at June 30, 2017 was \$1.3343.

#### Non-IFRS Measures

The Company has included certain terms or performance measures commonly used in the mining industry that are not defined under International Financial Reporting Standards ("IFRS") in this document. These include: cash cost per ounce sold, all in sustaining cost ("AISC") per ounce sold and average realized price per ounce. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore, they may not be comparable to similar measures employed by other companies. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and should be read in conjunction with the Company's consolidated financial statements. Readers should refer to the Company's Management Discussion and Analysis under the heading "Non-IFRS Measures" for a more detailed discussion of how such measures are calculated.

#### Forward Looking Statement

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, earnings estimates, discovery and production of minerals, price of gold and currency exchange rates, timing of geological reports, economic studies (including timing of the McCoy-Cove PEA) 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.

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