

Premier Gold Mines Reports 2018 Third Quarter Results

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Effective January 1, 2018, the Company has changed its presentation currency to U.S. dollars. This change is applied retroactively to restate comparative financial statements. Unless otherwise stated, all amounts discussed herein are denominated in U.S. dollars ⁽²⁾

THUNDER BAY, Nov. 6, 2018 - [Premier Gold Mines Ltd.](#) (TSX: PG) ("Premier", "the Company") is pleased to announce operating results for the three months ended September 30, 2018. The Company previously released its production results for the third quarter in a news release dated October 16, 2018.

Premier is a gold-producer and respected exploration and development company with high-quality precious metal projects in proven, accessible and safe mining jurisdictions in Canada, the United States, and Mexico. Premier's team is focused on creating a low-cost, mid-tier gold-producer from its two producing gold mines and two advanced-stage, multi-million ounce, development projects.

2018 Third Quarter Highlights

- Consolidated production of 20,100 ounces of gold and 89,512 ounces of silver
- Cash costs¹ of \$858 per ounce of gold sold
- AISC¹ of \$1,008 per ounce of gold sold
- Revenue of \$27.3 million
- Mine operating income of \$2.0 million
- Net loss of \$1.8 million
- Cash balance of \$56.4 million
- Construction underway of two new mining centers at South Arturo
- High-grade gold discovery at the McCoy-Cove joint venture property

2018 Financial Highlights – Three months ended September 30, 2018

A total of 20,100 ounces of gold and 89,512 ounces of silver was produced during Q3 2018 compared to 26,677 ounces of gold and 85,431 ounces of silver during Q3 2017. Co-product cash costs⁽¹⁾ during the period were \$858 and AISC⁽¹⁾ were \$1,008 per ounce of gold sold.

The Company reported \$27.3 million in revenue during the third quarter compared to \$50.0 million during Q3 2017. The reduction in revenue and operating income, when compared to Q3 2017, is a result of decreased production from South Arturo where mining of the Phase 2 pit was completed in 2017 and adjustments to stope designs in a new mining zone at Mercedes. This redesign at Mercedes resulted in a development-intensive first half of the year and increased unit operating costs so far in 2018. With adjustments complete, production at Mercedes will be favorably weighted to the second half of 2018.

In keeping with its longer-term objective of increased annual production over the next several years, the Company invested \$5.2 million in exploration and pre-development initiatives. This expense when factored with the reduction in mine operating income during the period contributed to the net loss of \$1.8 million. Capital expenditures during the quarter totaled \$8.5 million, which includes the construction of two new mining projects that have been initiated at South Arturo.

The Company closed the quarter with cash and cash equivalents of \$56.4 million and inventory of 2,555 ounces of gold and 19,988 ounces of silver.

Consolidated quarter and year to date operating results are provided in Table 1 below.

Table 1: Selected Consolidated Operational and Financial Information

		Three months ended September 30		Nine months ended September 30	
(in millions of U.S. dollars, unless otherwise stated) ^(iv)		2018	2017	2018	2017
Ore milled	tonnes	180,942	235,881	672,613	847,073
Gold produced	ounces	20,100	26,677	66,657	115,273
Silver produced	ounces	89,512	85,431	201,084	280,819
Gold sold	ounces	21,466	37,920	71,383	132,726
Silver sold	ounces	85,376	90,545	209,684	261,735
Realized Price (2017 as restated) ⁽ⁱⁱⁱ⁾					
Average realized gold price ^(i,ii)	\$/ounce	1,209	1,282	1,268	1,252
Average realized silver price ^(i,ii)	\$/ounce	15	17	16	17
Non-IFRS Performance Measures					
Co-product cash costs per ounce of gold sold ^(i,ii)	\$/ounce	858	646	826	496
Co-product all-in sustaining costs per ounce of gold sold ^(i,ii)	\$/ounce	1,008	782	956	595
Co-product cash costs per ounce of silver sold ^(i,ii)	\$/ounce	10	10	11	9
Co-product all-in sustaining costs per ounce of silver sold ^(i,ii)	\$/ounce	12	13	13	11
By-product cash costs per ounce of gold sold ^(i,ii)	\$/ounce	840	632	810	481
By-product all-in sustaining costs per ounce of gold sold ^(i,ii)	\$/ounce	997	776	946	584
Financial Measures (2017 as restated) ⁽ⁱⁱⁱ⁾					
Gold revenue	m \$	25.8	48.5	90.2	165.7
Silver revenue	m \$	1.5	1.5	3.8	4.4
Total revenue	m \$	27.3	50.0	94.0	170.1
Mine operating income	m \$	2.0	13.8	10.5	56.8
Net income / (loss)	m \$	(1.8)	2.3	(11.5)	19.8
Earnings / (loss) per share	/share	(0.01)	0.01	(0.06)	0.10
EBITDA ^(i,ii)	m \$	4.9	16.1	14.7	74.7
Cash & cash equivalents balance	m \$	56.4	137.6	56.4	137.6
Cash flow from operations	m \$	(2.8)	22.7	(3.2)	64.1
Free cash flow ^(i,ii)	m \$	(11.3)	15.3	(23.0)	47.8
Exploration, evaluation & pre-development expense	m \$	5.2	5.6	17.8	20.5
Total capital expenditures ⁽ⁱⁱⁱ⁾	m \$	8.5	7.4	19.9	16.3

Capital expenditures - sustaining ^(i,ii)	m \$	1.9	4.0	5.5	8.2
Capital expenditures - expansionary ^(i,ii)	m \$	6.6	3.4	14.4	8.1

- (i) A cautionary note regarding Non-IFRS financial metrics is included in the "Non-IFRS Measures" section of the Q3 2018 Management's Discussion and Analysis.
- (ii) Cash costs, all-in sustaining costs, free cash flow, EBITDA, sustaining and expansionary capital expenditures as well as average realized gold/silver price per ounce are Non-IFRS metrics and discussed in the section "Non-IFRS Measures" of the Q3 2018 Management's Discussion and Analysis.
- (iii) 2017 restated for the presentation currency change as discussed in the "Critical Accounting Judgements and Estimates, Policies and Changes" section of this Management's Discussion and Analysis.
- (iv) May not add due to rounding.

South Arturo

The South Arturo Mine in Nevada, a joint venture operated by [Barrick Gold Corp.](#) ("Barrick"), continued to over perform during the quarter. Processing of stockpiled ore from the Phase 2 open pit during the third quarter contributed to gold production in excess of initial 2018 guidance with a total of 20,403 ounces delivered to Premier year-to-date.

Construction at two new mining centers at South Arturo has commenced with stripping of the Phase 1 open pit and development of the El Nino underground mine.

Quarter and year to date operating results are provided in Table 2 below.

Table 2: South Arturo Selected Financial and Operating Results

		Three months ended September 30		Nine months ended September 30	
(in millions of U.S. dollars, unless otherwise stated) ^(v)		2018	2017	2018	2017
Ore & Metals					
Ore milled	tonnes	21,334	79,479	190,249	345,998
Gold produced	ounces	2,635	8,113	20,403	52,652
Gold sold	ounces	1,932	13,026	19,996	64,559
Silver produced	ounces	1,122	2,575	10,958	19,918
Average gold grade	grams/t	4.48	3.79	3.96	5.42
Average gold recovery rate	%	85.7	83.8	84.2	87.4
Realized Price (2017 as restated) ^(iv)					
Average realized gold price ^(i,ii)	\$/ounce	1,200	1,264	1,306	1,249
Non-IFRS Performance Measures					
Co-product cash costs per ounce of gold sold ^(i,ii)	\$/ounce	396	363	421	295
Co-product all-in sustaining costs per ounce of gold sold ^(i,ii)	\$/ounce	498	371	465	336
By-product cash costs per ounce of gold sold ^(i,ii,iii)	\$/ounce	396	363	421	295
By-product all-in sustaining costs per ounce of gold sold ^(i,ii,iii)	\$/ounce	498	371	465	336
Financial Measures (2017 as restated) ^(iv)					
Gold revenue	m \$	2.3	16.5	26.1	80.6
Mine operating income	m \$	1.0	6.7	11.7	30.2
Exploration, evaluation & pre-development expense	m \$	0.4	0.4	1.1	0.5
Total capital expenditures ^(iv)	m \$	2.8	0.5	4.8	0.6
Capital expenditures - sustaining ^(i,ii)	m \$	-	-	-	0.1
Capital expenditures - expansionary ^(i,ii)	m \$	2.8	0.5	4.8	0.5

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(ii) Cash costs, all-in sustaining costs, sustaining and expansionary capital expenditures as well as average realized gold/silver price per ounce are Non-IFRS metrics and discussed in the section "Non-IFRS Measures" of the Q3 2018 Management's Discussion and Analysis.

(iii) Given the small nature and timing of South Arturo silver output, no silver by-product credits are reported.

(iv) 2017 restated for the presentation currency change as discussed in the "Critical Accounting Judgements and Estimates, Policies and Changes" section of this Management's Discussion and Analysis.

(v) May not add due to rounding.

South Arturo produced a total of 2,635 ounces of gold during the third quarter compared to 8,113 ounces during the corresponding period last year. This was expected, as the source of Phase 2 production transitioned to lower grade stockpiled ore. Processing of lower grade Phase 2 ore is expected to continue on a limited basis for the remainder of the year. El Nino underground development and Phase 1 open pit stripping continue to ramp up in anticipation of production in 2019. Cash costs⁽¹⁾ for Q3 2018 were \$396 and AISC⁽¹⁾ were \$498 per ounce of gold sold.

Capital expenditures of \$2.8 million were mainly related to stripping for the Phase 1 open pit, along with exploration at El Nino. Both portals are now collared at El Nino and stripping of the Phase 1 pit has proceeded to several benches utilizing a fully-autonomous trucking fleet. Stockpiling of potential heap leach material has started.

Drilling in 2018 will continue to focus on near-pit delineation, underground expansion, and testing of additional prospective target areas.

Mercedes

The Mercedes Mine is 150 kilometers northeast of the city of Hermosillo in the state of Sonora, Mexico. Operations are exploiting low-sulfidation quartz veins and quartz veinlet stockwork for gold and silver utilizing underground modified overhand cut-and-fill and longhole mining methods at an ore extraction rate targeting 2,000 tonnes per day.

Quarter and year to date operating results are provided in Table 3 below.

Table 3: Mercedes Selected Financial and Operating Results

		Three months ended September 30		Nine months ended September 30	
(in millions of U.S. dollars, unless otherwise stated) ^(iv)		2018	2017	2018	2017
Ore milled	tonnes	159,608	156,402	482,364	501,075
Gold produced	ounces	17,465	18,564	46,254	62,621
Silver produced	ounces	88,390	82,856	190,126	260,902
Gold sold	ounces	19,534	24,894	51,387	68,167
Silver sold	ounces	85,376	90,545	209,684	261,735
Average gold grade	grams/t	3.52	3.88	3.11	4.09
Average silver grade	grams/t	39.40	36.50	31.75	38.97
Average gold recovery rate	%	96.6	95.4	95.9	95.3
Average silver recovery rate	%	43.7	45.2	38.6	41.6
Realized Price (2017 as restated) ⁽ⁱⁱⁱ⁾					
Average realized gold price ^(i,ii)	\$/ounce	1,210	1,292	1,253	1,254
Average realized silver price ^(i,ii)	\$/ounce	15	17	16	17
Non-IFRS Performance Measures					
Co-product cash costs per ounce of gold sold ^(i,ii)	\$/ounce	904	793	983	687
Co-product all-in sustaining costs per ounce of gold sold ^(i,ii)	\$/ounce	1,059	998	1,147	839
Co-product cash costs per ounce of silver sold ^(i,ii)	\$/ounce	10	10	11	9
Co-product all-in sustaining costs per ounce of silver sold ^(i,ii)	\$/ounce	12	13	13	11
By-product cash costs per ounce of gold sold ^(i,ii)	\$/ounce	884	772	962	658
By-product all-in sustaining costs per ounce of gold sold ^(i,ii)	\$/ounce	1,046	988	1,134	818
Financial Measures (2017 as restated) ⁽ⁱⁱⁱ⁾					
Gold revenue	m \$	23.5	32.0	64.1	85.0
Silver revenue	m \$	1.5	1.5	3.8	4.4
Total revenue	m \$	25.0	33.5	67.9	89.4
Mine operating income / (loss)	m \$	1.0	7.0	(1.3)	26.6
Exploration, evaluation & pre-development expense	m \$	0.6	0.3	1.3	0.8
Total capital expenditures ⁽ⁱⁱⁱ⁾	m \$	5.5	6.5	14.2	15.2
Capital expenditures - sustaining ^(i,ii)	m \$	1.9	4.0	5.4	8.1
Capital expenditures - expansionary ^(i,ii)	m \$	3.6	2.5	8.8	7.1

- (i) A cautionary note regarding Non-IFRS financial metrics is included in the "Non-IFRS Measures" section of the Q3 2018 Management's Discussion and Analysis.
- (ii) Cash costs, all-in sustaining costs, sustaining and expansionary capital expenditures as well as average realized gold/silver price per ounce are Non-IFRS metrics and discussed in the section "Non-IFRS Measures" of the Q3 2018 Management's Discussion and Analysis.
- (iii) 2017 restated for the presentation currency change as discussed in the "Critical Accounting Judgements and Estimates, Policies and Changes" section of this Management's Discussion and Analysis.
- (iv) May not add due to rounding.

Mercedes production for Q3 2018 was 17,465 ounces of gold and 88,390 ounces of silver compared to 18,564 and 82,856 respectively in Q3 2017. Co-product cash costs⁽¹⁾ during the period were \$904 and AISC⁽¹⁾ were \$1,059 per ounce of gold sold. Year to date production levels and unit operating costs at Mercedes have been impacted primarily by stope design adjustments in the new Diluvio zone. While the Company began to see the positive impact of these adjustments during the third quarter, these adjustments did result in additional delineation drilling and lower processed grades from the mining of more development ore and less stope ore during the first three quarters of 2018. Third quarter gold production, however, increased by 27% over that of the second quarter. This is in line with the Company's revised forecast where planned production levels are weighted toward the second half of 2018. Production in October totaled 7,918 ounces of gold, representing the best month so far in 2018.

Initiatives to improve grade include increased drilling and blasting quality control in ore headings, and optimization of ground support systems. These initiatives will capitalize on production opportunities in narrow vein zones and improve advance rates in more difficult rock conditions.

Exploration drilling continued during the third quarter with 12,993 meters completed for a total drilling of 38,748 meters for the year. Drilling continued to target the Diluvio, Marianas and Barrancas veins with a focus on replacing reserves, supporting mine production, testing extensions of the main mine trends and new geological targets.

Capital expenditures of \$5.5 million were incurred for mine development in support of expanded mining operations and increased production including the construction of a new tailings facility at the mine.

Cove and McCoy-Cove

During the quarter, 5,167 meters were drilled at the joint-venture, concentrating on the top two priority target areas of Lake Side and Windy Point with a focus on vectoring towards the most favorable geologic controls. The drilling was split between the Windy point and Lake side east extension areas, both with encouraging results.

During the quarter, Premier announced the discovery of high-grade gold mineralization in hole HE-18-02, a piezometer hole drilled to support Premier's hydrology modeling at Cove. This hole is the first drilled in this target area and intersected Carlin-style mineralization approximately 320 meters south of the main deposit on the joint venture property, returning an impressive 12.69 g/t Au across 4.6 meters (15 feet). More recently, a second piezometer hole drilled approximately 300 meters to the southwest of Hole HE-18-02, on Premier's 100% held property, intersected similar mineralization in the same host rock unit returning 8.04 g/t Au across 3.0 meters (10 feet). Follow-up drilling on both the Joint venture and Premier 100% lands will be completed during the current quarter.

A Preliminary Economic Assessment ("PEA") was completed in the first half of 2018 on the Cove project, including designs for underground exploration, development and drilling, preliminary engineering, dewatering, environmental baseline studies, and a life of mine plan. Underground advanced-exploration development is now expected to begin in the second half of 2019. Dewatering simulations, including a pump

test of the proposed underground advanced exploration areas around the Helen Zone, were conducted during 2017. During the third quarter, spending focused on pre-development initiatives including engineering design changes for the portal and power line locations and the waste rock stockpile. In addition, drilling and installation of several piezometers began and pump test wells were designed to further characterize the groundwater model. Well drilling and updating of the groundwater model will begin in the fourth quarter of 2018 and are expected to be completed in the first quarter of 2019.

Greenstone Gold Mines

The Greenstone Gold Mines Partnership (the "Partnership") continued to progress toward near term environmental, community and aboriginal engagement milestones during the quarter. The Partnership previously submitted its Environmental Impact Statement and Environmental Assessment ("EIS/EA") to the Canadian Environmental Assessment Agency ("CEAA") and the Ministry of the Environment and Climate Change ("MOECC") in July 2017. Each of these submissions has progressed through its regulated comment period and is now in the final stage of evaluation.

Progress with community and aboriginal engagement activities is now evident as the first of three anticipated Long Term Relationship Agreements was signed with Long Lake #58 First Nation in June 2018 that outlines provisions for environmental monitoring, employment, training, business and contracting opportunities, along with a framework for regulatory permitting that extends not only to the Hardrock open pit, but to all properties within the Partnership's regional portfolio that lie within the traditional territory of Long Lake #58 First Nation.

The Partnership continues to pursue optimization opportunities related to the previously released Feasibility Study (see November 16, 2016 press release), including a Reverse Circulation Drill Program designed to refine the resource, better assess dilution and further de-risk the project. A total of \$4.9 million was spent by the Partnership during the third quarter (\$2.0 million in Q3 2017). All project expenditures will continue to be funded 100% by our joint venture partner [Centerra Gold Inc.](#) until the remaining development commitment of \$75.5 million (C\$97.3 million) has been drawn down.

Hasaga

A total of 1,268 meters of drilling was completed at Hasaga during the third quarter for a total of 19,529 meters year to date. The drilling sought to infill and expand mineralization within the C-Zone and to test and define the D-Zone. A follow-up drilling program is being considered in 2019 based on excellent assay results on the C and D-Zones and also as result of the better understanding of the structural controls. The 1.6 km gap west of Hasaga zones to the Buffalo zone provides for significant potential for additional new discoveries.

CEO Commentary

"Improved operating performance at Mercedes during the third quarter combined with continued outperformance at South Arturo puts us on track to meet 2018 annual consolidated gold production guidance" stated Ewan Downie, President and CEO of Premier. "Our strong cash position will continue to fund near-term development, including the construction of two new mining centers at South Arturo and the Cove Gold Project in Nevada".

2018 Guidance

Production estimates for 2018 were derived from life of mine operating plans prepared on the basis of mineral reserves associated with each property. The Company maintains its full-year consolidated gold production guidance of 90,000 - 100,000 ounces with an increase in production from South Arturo and a decrease from Mercedes. Additionally, cash costs and all-in sustaining costs are expected to be lower than previously guided at South Arturo and higher at Mercedes. The following table represents the assumptions and guidance for 2018.

Table 4: 2018 Production and Cost Guidance

	Gold Guidance 2018		
Mine	Production ounces	Cash Cost per ounce ⁽¹⁾	All-in Sustaining Cost per ounce ⁽¹⁾
South Arturo	20,000 – 25,000	\$425 - \$475	\$475 - \$525
Mercedes	70,000 – 75,000	\$875 - \$925	\$1000 - \$1050
Consolidated	90,000 - 100,000	\$775 - \$825	\$900 - \$950

Updated Mercedes mine silver forecast of 225,000 - 250,000 oz for 2018.

Subsequent Event

Premier has been advised that Republic Metals Corporation ("RMC") filed for chapter 11 bankruptcy protection in the Southern District of New York's Federal Bankruptcy Court on November 2, 2018. RMC processes gold and silver doré ("material") produced from Premier's Mercedes Mine, located in Sonora, State of Mexico under a toll arrangement and is currently processing approximately 7,000 ounces of Premier's material. Premier is working with its counsel to assert its legal rights for the return of its material and is assessing alternative processing arrangements with respect to the Mercedes mine.

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

Third Quarter Results - Conference Call

A conference call with senior management to discuss the financial results for the three months ended September 30, 2018 will be held at 10:00 am EDT, on November 7, 2018.

Details for the conference call and webcast can be found below and will be accessible on the Company's website at www.premiergoldmines.com.

Toll Free (North America): 1-888-390-0605
International: 1-416-764-8609
Conference ID: 50238865

Webcast Link

<https://event.on24.com/wcc/r/1858478/C813B379017A7F3EA0F16252ED176A8F>

Conference Call Replay

The conference call replay will be available from 1:00 pm ET on November 7, 2018 until 11:59 pm ET on November 14, 2018.

Toll Free Replay Call (North America): 1-888-390-0541
International Replay Call: 1-416-764-8677
Passcode: 238865#

1. A cautionary note regarding Non-IFRS financial metrics is included in the "Non-IFRS Measures" section of the Q3 2018 Management Discussion and Analysis.
2. Accounting policy change is discussed in Note 2(c) to the September 30, 2018 unaudited condensed consolidated interim financial statements of the Company.

Non-IFRS Measures

The Company has included certain terms and performance measures commonly used in the mining industry that are not defined under International Financial Reporting Standards ("IFRS") within this document. These include: cash cost per ounce sold, all in sustaining cost ("AISC") per ounce sold, earnings before interest, tax, depreciation and amortization ("EBITDA"), free cash flow, capital expenditures (expansionary), capital expenditures (sustaining) 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.

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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 regarding the Company's achievement of the full-year projections for ounce production, production costs AISC costs per ounce, cash cost per ounce and realized gold/silver price per ounce, the Company's ability to meet annual operations estimates, and statements about strategic plans, including future operations, future work programs, capital expenditures, discovery and production of minerals, price of

gold and currency exchange rates 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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