

Premier Gold Mines Reports Q3 2019 Results

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ALL AMOUNTS DISCUSSED HEREIN ARE DENOMINATED IN U.S. DOLLARS

THUNDER BAY, Nov. 13, 2019 - Premier Gold Mines Limited ("Premier" or "The Company") (TSX:PG) (OTCPK: PIRG) pleased to report operating results for the three months ended September 30, 2019. The Company previously released quarter production results on October 30, 2019.

Premier is a growth-oriented, Canadian-based mining company involved in the exploration, development and production of gold and silver deposits in Canada, the United States and Mexico. The company manages a high-quality pipeline of precious metal projects in safe, proven, and accessible mining jurisdictions and is focused on profitable low-cost production from its two gold mines and the ongoing development of several advanced-stage, multi-million ounce gold deposits.

Consolidated Highlights

	Third Quarter	Year to date
• Gold Production	16,484 ounces	50,547 ounces
• Silver Production	37,856 ounces	147,328 ounces
• Cash costs ¹	\$1,095 / oz gold sold	\$961 / oz gold sold
• AISC ¹	\$1,354 / oz gold sold	\$1,218 / oz gold sold
• Revenue	\$18.7 million	\$64.9 million
• Mine operating Income (loss)	(\$0.4 million)	\$2.6 million
• 953 ounces of pre-production gold recovered at South Arturo		
• Commercial production at El Nino achieved in September 2019		

CEO Commentary

"We are excited to see the addition of South Arturo to the Company's production profile, which is expected to positively impact our fourth quarter", stated Ewan Downie, President & CEO. "We continue to advance multiple improvements at Mercedes and are focused on increasing production and reducing costs. Ongoing permitting initiatives at the Cove and Hardrock projects provide a positive organic growth profile that is further complemented by a portfolio of high-potential exploration-stage assets".

Three Months Ended September 30, 2019

Consolidated production during Q3 2019 was 16,484 ounces of gold and 37,856 ounces of silver compared to 20,100 ounces of gold and 89,512 ounces of silver during Q3 2018. The Company reported total revenue of \$18.7 million and a mine operating loss of \$0.4 million during the quarter compared to revenue of \$27.3 million and mine operating income of \$2.0 million during the corresponding period in 2018.

The decrease in production when compared to Q3 2018 is due primarily to lower than predicted grades realised in certain

production stopes at Mercedes. Mine performance during the period was also impacted by several unexpected operational challenges including a delay in the completion of key ventilation infrastructure caused by poor ground conditions which changes in stope sequencing, and the discovery of a large natural void that removed ounces from the mine plan. In response to these challenges considerable effort has gone into revising geological interpretations and statistical models for all deposits at the mine. In addition, numerous changes have been made to support the development of a strong plan for the coming year. At Arturo, attention is focused on construction of the Phase 1 open pit and continued development of the El Nino underground where commercial production was declared during the quarter.

The Company continues to focus on near-term exploration and pre-development initiatives that will support its longer-term objective of achieving increased annual production over the next several years. A total of \$6.5 million in exploration and pre-development expenses were incurred during Q3 2019. These expenses, when factored with a mine operating loss of \$1.5 million, general and administrative expense of \$2.2 million and a gain of \$6 million from the sale of royalties resulted in a net expense for the period of \$3.9 million. A total of \$12.6 million in capital expenditures were incurred during the quarter, including \$8.3 million for mine development and construction at South Arturo and \$3.9 million for sustaining and expansion related activities at Mercedes with the remainder for development at McCoy-Cove.

Nine months ended September 30, 2019

A total of 50,547 ounces of gold and 147,328 ounces of silver were produced during the nine months ended September 30, 2019, compared to 66,657 ounces of gold and 201,084 ounces of silver for the prior year period.

The Company reported total revenue of \$64.9 million and mine operating income of \$2.6 million for the nine months ended September 30, 2019, compared to revenue of \$94 million and mine operating income of \$10.5 million for the prior year period. The reduction in production, revenue, and operating income, when compared to the prior period, is due primarily to the hiatus in production at South Arturo during the first half of 2019.

A total of \$18 million in exploration and pre-development expenses were incurred during the nine months ended September 30, 2019. These expenses, when factored with mine operating income, other income of \$13.5 million (including the Greens Creek mines development gain and the royalty sale) and finance expenses of \$2 million contributed to a loss before income taxes of \$14.7 million reported year to date. A total of \$38.4 million in capital expenditures were incurred during the period, including \$18.8 million for mine development and construction at South Arturo, \$14.4 million for sustaining and expansion related activities at Mercedes, and \$5.2 million for development at McCoy-Cove.

The Company closed the quarter with cash and cash equivalents of \$33.1 million, inventory of 5,020 ounces of gold and 10,000 ounces of silver and an undrawn \$42.5 million credit facility in place. A total of \$7.5 million was drawn from the credit facility during the quarter for working capital purposes.

Consolidated operating results are provided in Table 1 below.

Table 1: Selected Consolidated Operational and Financial Information

		Three months ended		Nine months ended	
		September 30	September 30	September 30	September 30
(in millions of U.S. dollars, unless otherwise stated) ⁽ⁱⁱⁱ⁾		2019	2018	2019	2018
Ore milled	tonnes	174,285	180,942	529,091	672,613
Gold produced	ounces	16,484	20,100	50,547	66,657
Silver produced	ounces	37,856	89,512	147,328	201,084
Gold sold	ounces	13,187	21,466	48,065	71,383
Silver sold	ounces	35,587	85,376	154,651	209,684

Realized Price

Average realized gold price ^(i,ii)	\$/ounce	1,382	1,209	1,306	1,268
Average realized silver price ^(i,ii)	\$/ounce	17	15	16	16

Non-IFRS Performance Measures

Co-product cash costs per ounce of gold sold ^(i,ii)	\$/ounce	1,095	858	961	826
Co-product all-in sustaining costs per ounce of gold sold ^(i,ii)	\$/ounce	1,354	1,008	1,218	956
Co-product cash costs per ounce of silver sold ^(i,ii)	\$/ounce	14	10	12	11
Co-product all-in sustaining costs per ounce of silver sold ^(i,ii)	\$/ounce	17	12	15	13
By-product cash costs per ounce of gold sold ^(i,ii)	\$/ounce	1,086	840	948	810
By-product all-in sustaining costs per ounce of gold sold ^(i,ii)	\$/ounce	1,353	997	1,214	946

Financial Measures

Gold revenue	m \$	18.1	25.8	62.4	90.2
Silver revenue	m \$	0.6	1.5	2.4	3.8
Total revenue	m \$	18.7	27.3	64.9	94.0
Mine operating income / (loss)	m \$	(0.4)	2.0	2.6	10.5
Net income / (loss)	m \$	(4.1)	(1.8)	(15.1)	(11.5)
Earnings / (loss) per share	/share	(0.02)	(0.01)	(0.07)	(0.06)
EBITDA ^(i,ii)	m \$	1.1	4.9	1.9	14.7
Cash & cash equivalents balance	m \$	33.1	56.4	33.1	56.4
Cash flow from operations	m \$	8.6	(2.8)	0.5	(3.2)
Free cash flow ^(i,ii)	m \$	(3.9)	(11.3)	(37.9)	(23.0)
Exploration, evaluation & pre-development expense	m \$	6.5	5.2	18.0	17.8
Capital					
Total capital expenditures	m \$	12.6	8.5	38.4	19.9
Capital expenditures - sustaining ^(i,ii)	m \$	1.9	1.9	8.6	5.4
Capital expenditures - expansionary ^(i,ii)	m \$	10.6	6.6	29.8	14.4

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

The Mercedes Mine is 150 km 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 with an ore extraction rate targeting 2,000 tons per day. Quarter and year to date operating results are provided in Table 2 below.

Table 2: Mercedes Selected Financial and Operating Results

		Three months ended		Nine months ended	
		September 30	September 30	September 30	September 30
(in millions of U.S. dollars, unless otherwise stated) ⁽ⁱⁱⁱ⁾		2019	2018	2019	2018
Ore & Metals					
Ore milled	tonnes	159,450	159,608	505,809	482,364
Gold produced	ounces	14,481	17,465	47,627	46,254
Silver produced	ounces	37,462	88,390	146,496	190,126
Gold sold	ounces	13,187	19,534	47,147	51,387
Silver sold	ounces	35,587	85,376	154,651	209,684
Average gold grade	grams/t	2.94	3.52	3.05	3.11
Average silver grade	grams/t	22.60	39.40	25.80	31.75
Average gold recovery rate	%	95.9	96.6	96.0	95.9
Average silver recovery rate	%	32.3	43.7	34.9	38.6
Realized Price					
Average realized gold price ^(i,ii)	\$/ounce	1,382	1,210	1,306	1,253
Average realized silver price ^(i,ii)	\$/ounce	17	15	16	16
Non-IFRS Performance Measures					
Co-product cash costs per ounce of gold sold ^(i,ii)	\$/ounce	1,095	904	973	983
Co-product all-in sustaining costs per ounce of gold sold ^(i,ii)	\$/ounce	1,354	1,059	1,226	1,147
Co-product cash costs per ounce of silver sold ^(i,ii)	\$/ounce	14	10	12	11
Co-product all-in sustaining costs per ounce of silver sold ^(i,ii)	\$/ounce	17	12	15	13
By-product cash costs per ounce of gold sold ^(i,ii)	\$/ounce	1,086	884	960	962
By-product all-in sustaining costs per ounce of gold sold ^(i,ii)	\$/ounce	1,353	1,046	1,223	1,134
Financial Measures					
Gold revenue	m \$	18.1	23.5	61.3	64.1
Silver revenue	m \$	0.6	1.5	2.4	3.8
Total revenue	m \$	18.7	25.0	63.7	67.9
Mine operating income / (loss)	m \$	(0.4)	1.0	1.9	(1.3)
Exploration, evaluation & pre-development expense	m \$	0.6	0.6	1.3	1.3
Capital					
Total capital expenditures	m \$	3.9	5.5	14.4	14.3

Capital expenditures - sustaining ^(i,ii)	m \$	1.9	1.9	8.6	5.4
Capital expenditures - expansionary ^(i,ii)	m \$	1.9	3.6	5.9	8.8

(i) A cautionary note regarding Non-IFRS financial metrics is included in the "Non-IFRS Measures" section of this 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 this Management's Discussion and Analysis. Q3 2019 was 14,481 ounces of gold and 37,462 ounces of silver compared to 17,465 ounces of gold and 88,390 ounces of silver during Q3 2018. Year to date, mine production totalled 47,627 ounces of gold and 146,496 ounces of silver compared to 46,254 ounces of gold and 190,126 ounces of silver in the prior year period. The increase in year to date gold ounces produced compared to the prior year period is primarily due to higher tonnes mined and milled. Silver production was down as a result of lower grade. Unit operating costs at Mercedes during the period, on a co-product basis, were cash costs⁽¹⁾ of \$1,095 and all-in sustaining costs (AISC)⁽¹⁾ of \$1,354 per ounce of gold sold and year to date, on a co-product basis, cash costs⁽¹⁾ of \$973 and all-in sustaining costs (AISC)⁽¹⁾ of \$1,226 per ounce of gold sold. To date, sustaining capital costs at Mercedes are \$8.6 million.

During Q4 2019, production at Mercedes will come largely from Diluvio, Lupita and Rey de Oro, with some early production also anticipated from Marianas. Production from Mercedes continues to trend below and unit costs consequently above guidance. South Arturo, having reached commercial production a full quarter ahead of schedule, is expected to compensate for operational challenges experienced at Mercedes and we anticipate that full year consolidated production and related unit costs will reflect this.

Exploration activities continued during the quarter with a total of 12,694 m of drilling at Lupita Extension, San Martin, and Marianas veins to replace reserves, support mine production, test extensions of the main mine trends, and to investigate new geological targets. Highlights of the ongoing program include the continued success in expanding mineralization at Lupita Extension and at the recent San Martin discovery where drilling is demonstrating the potential for significant mineral resources at grades in excess of the current mine reserve grade.

Capital expenditures were primarily required for exploration and underground mine development to support transition to the new mining zones. In Q3 2019, total capital expenditures at Mercedes were \$3.9 million which includes \$1.9 million of sustaining capital, \$1.4 million of exploration capital and \$0.5 million of expansionary capital. Capital spending in Q3 2018 was \$5.5 million.

South Arturo

The South Arturo Mine in Nevada is a joint venture operated by Nevada Gold Mines Limited (with Barrick Gold Corporation ("Barrick") as operator). Mine development is underway at two new mining centers: the El Nino underground mine and the Phase 1 open pit. El Nino has now declared commercial production, ahead of schedule, and is expected to contribute positively to the Company's production profile, with the fourth quarter being the first full quarter of production from this new operation. Stripping of the Phase 1 open pit is ongoing with an expectation that ore will be accessed in late 2020.

Table 3: South Arturo Selected Financial and Operating Results

		Three months ended September 30	
		2019	2018
(in millions of U.S. dollars, unless otherwise stated) ^(iv)			
Ore & Metals			
Ore milled	tonnes	14,835	21,334
Gold produced	ounces	2,003	2,635
Gold sold	ounces	-	1,932
Silver produced	ounces	394	1,122
Average gold grade	grams/t	5.09	4.48
Average gold recovery rate	%	82.4	85.7
Realized Price			
Average realized gold price ^(i,ii)	\$/ounce	-	1,200
Non-IFRS Performance Measures			
Co-product cash costs per ounce of gold sold ^(i,ii)	\$/ounce	-	396
Co-product all-in sustaining costs per ounce of gold sold ^(i,ii)	\$/ounce	-	498
By-product cash costs per ounce of gold sold ^(i,ii,iii)	\$/ounce	-	396
By-product all-in sustaining costs per ounce of gold sold ^(i,ii,iii)	\$/ounce	-	498
Financial Measures			
Gold revenue	m \$	-	2.3
Mine operating income	m \$	-	1.0
Exploration, evaluation & pre-development expense	m \$	-	0.4
Capital			
Total capital expenditures	m \$	8.3	2.8
Capital expenditures - sustaining ^(i,ii)	m \$	-	-
Capital expenditures - expansionary ^(i,ii)	m \$	8.3	2.8

(i) A cautionary note regarding Non-IFRS metrics is included in the "Non IFRS Measures" section of this 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 this 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) May not add due to rounding.

Mine development at El Nino has advanced ahead of schedule with processing of ore now underway, resulting in 562 gold ounces of pre-production and 1,130 gold ounces post commercial production during the quarter. Additionally, processing of the Phase 2 stockpile continued with 873 gold ounces produced in Q3 2019 and 1,790 year to date.

Capital expenditures of \$8.3 million were incurred during the third quarter, and \$18.8 million year to date, primarily for stripping for the Phase 1 open pit and underground mine development at El Nino.

Exploration activities are focused on opportunities near existing mine infrastructure, including further refinement of a potential heap leach operation, and resource definition and expansion drilling from underground drill stations located within El Nino underground workings. Underground drilling at El Nino has returned numerous high-grade intercepts, including 20.60 g/t Au across 24.4 m in hole SEC19010 and 11.13 g/t Au across 51.8 m, suggesting excellent potential for expansion.

Cove and McCoy-Cove

A Preliminary Economic Assessment ("PEA") was completed for the Cove Helen-Gap deposits in the first half of 2018, including designs for underground exploration development and drilling, preliminary engineering, dewatering, environmental baseline studies, and a life of mine plan. During Q3 2019, work on the ground water modeling continued. Pump test results were obtained from the first of two wells drilled, and the second pump test is underway that is expected to be completed before the end of the year. The power line to the planned portal location was completed and commissioned. This work, as well as the construction of an underground exploration ramp to complete infill drilling, will provide critical inputs for a feasibility study.

Greenstone Gold Mines

The Greenstone Gold property is located in northern Ontario, Canada approximately 275 km northeast of Thunder Bay, Ontario. Premier has a 50% partnership interest in the Greenstone Partnership, which owns the Greenstone Gold development property, including the Hardrock deposit that hosts mineral reserves of 4.65 million ounces of gold. Hardrock has received both Federal and Provincial EA (Environmental Assessment) approvals for the project and recently completed a two-phase drilling campaign designed to validate and de-risk the 2016 Feasibility Study block model.

During the third quarter, the Greenstone Partnership completed the update of the Hardrock open pit resource model using the results from drilling campaigns completed in 2018 and 2019. The drill campaigns consisted of 38,000 m drilled on the principal zones in the initial mine plan. The Greenstone Partnership has obtained provincial and federal environmental assessment and is in the process of submitting applications for permits. All expected Long Term Relationship Agreements with First Nations are nearing completion.

The Greenstone Partnership spent \$8.4 million during the quarter and \$21.9 million year to date, mainly on advancing detailed engineering on infrastructure programs, on a core and reverse circulation drilling program (completed in May) and incorporating drilling results into an updated resource model, on permitting activities, and on advancing the agreements with potentially affected Indigenous groups. As at September 30, 2019, Centerra's contribution toward its C\$185 million commitment in the Greenstone Partnership totalled C\$125 million (\$95 million).

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

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.

Q3 financial results and conference call details:

Senior management will be hosting a conference call to discuss these results at 10:00 a.m. EST on

November 13, 2019.

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

Toll Free (North America): (+1) 888-390-0605

International: (+1) 416-764-8609

Conference ID: 04117197

Webcast Link: <https://event.on24.com/wcc/r/2121292/6207C243C68E718C853E843EC337B798>

Conference Call Replay

The conference call replay will be available from 1:00 p.m. EST on November 13, 2019, until 11:59 p.m. EST on November 20, 2019.

Toll Free Replay Call (North America): (+1) 888 390 0541

International Replay Call: (+1) 416 764 8677

Passcode: 117197 #

A cautionary note regarding Non-IFRS financial metrics is included in the "Non-IFRS Measures" section of the September 30, 2019, Management Discussion and Analysis.

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"), adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA"), adjusted earnings / (loss) per share, 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.

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.

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