

Premier Gold Mines USA, Inc. to Acquire the Getchell Project in Nevada

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THUNDER BAY, Aug. 10, 2020 - [Premier Gold Mines Ltd.](#) ("Premier" or the "Company") (TSX: PG) (OTCPK: PIRGF) is pleased to announce that, together with its wholly-owned Delaware subsidiary Premier Gold Mines USA, Inc. ("PG USA"), it has entered into a definitive purchase agreement with affiliates of Waterton Global Resource Management, Inc. ("Waterton") to acquire from Waterton all of the outstanding membership interests of Osgood Mining Company LLC ("Osgood"). Osgood is the owner of the Getchell Project in the Getchell gold belt near Winnemucca, Nevada ("Getchell" or the "Getchell Project") for consideration consisting of US\$50 million in cash and common shares, plus contingent value rights and warrants as described in more detail below (the "Transaction").

The Getchell Project is located at the intersection of the Getchell gold belt and the Battle Mountain-Eureka trend immediately south of Nevada Gold Mines' Turquoise Ridge operation. Open pit mining occurred on the property between 1980 and 1999. Subsequent to that, underground test mining (the Pinson Mine) was conducted in the early 2010s. The mine has been in care and maintenance since 2015.

Upon completion of the Transaction, Getchell will be 100% held by PG USA and become one of its core Nevada assets. As previously announced, the Company is contemplating corporate reorganization options that may include a spin-out of PG USA to Premier's shareholders. The Company has not yet made any determination regarding a corporate reorganization, and there can be no assurance that it will proceed with the spin-out or any other form of corporate reorganization.

Ewan Downie, President & CEO of Premier, commented: "We are very excited to add the Getchell Project to our already strong base of Nevada assets. The property has a long track record of successful gold production and we believe that the open pit and underground gold historical resources at Getchell were amongst the highest-grade in North America based on historical work completed on the property and the property will form an integral part of our US-based activities."

Under the Transaction, the consideration to Waterton will consist of (i) US\$23,000,000 in cash on closing, (ii) 13,777,098 common shares of Premier, (iii) warrants to purchase 12,756,572 common shares of Premier, with an exercise price C\$3.67 per warrant, for a period of 36 months following the closing date, and (iv) contingent value rights pursuant to which Waterton will be entitled to receive an additional US\$5,000,000 upon the public announcement of a positive production decision related to the Getchell Project (underground or open pit), and another US\$5,000,000 upon production of the first ounce of gold (excluding ordinary testing and bulk sampling programs) following a 60 consecutive day period where gold prices have exceeded US\$2,000 per ounce. In the event that Premier determines to proceed with a spin-out transaction of PG USA, and such spin-out transaction is completed prior to the completion of the Transaction, the consideration package will be modified in accordance with the terms of the definitive agreement to provide for Waterton's equity and contingent value exposure to continue with PG USA.

The Transaction is subject to a number of conditions precedent, including the receipt of certain regulatory and third-party approvals, including the approval of the Toronto Stock Exchange, and other conditions customary for a transaction of this nature. The Transaction is expected to close in Q4 2020. If Premier determines to proceed with a corporate reorganization transaction, such transaction would be subject to additional regulatory and third-party approvals.

Premier has also agreed to terms to purchase additional properties adjacent to the Getchell Project.

The securities to be issued in the proposed transactions have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States unless such securities are registered under the Securities Act or exempt from the registration requirements of the Securities Act. This press release does not constitute an offer to sell, nor is it a solicitation of an offer to buy securities in the United States, nor shall there be any sale of securities in any state or province in which such offer, solicitation or sale would be unlawful.

[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. 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 Hardrock in Ontario (Greenstone Gold JV) and at the McCoy-Cove Project in Nevada. Premier is currently evaluating opportunities to enhance shareholder value through a potential reorganization of its portfolio of mineral properties that may include a spin-out of its Nevada-based assets into a new, stand-alone, US-domiciled, publicly listed gold company.

Stephen McGibbon, P. Geo., Executive Vice-President, Corporate and Project Development at Premier has reviewed the scientific and technical information contained in this press release and is a Qualified Person within the meaning of National Instrument 43-101.

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 Transaction, prospects and outlook for the Getchell Project, reorganization options including the spin-out of its Nevada assets, potential acquisitions of properties adjacent to the Getchell Project, strategic plans, including future operations, future work programs, capital expenditures, discovery and production of minerals, price of gold and currency exchange rates, mineral resource and mineral reserve estimates 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 regulatory and third-party approvals required to complete the Transaction, completion of definitive agreements relating to, and acquisition of, additional properties adjacent to the Getchell Project, the benefits to be derived from the acquisitions or any corporate reorganization, if Premier determines to proceed with the spin-out, regulatory and third-party approvals required to complete the spin-out, 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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