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## Premier Gold Mines Reports Q2 2019 Results

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

Thunder Bay, August 6, 2019 – Premier Gold Mines Limited (“Premier” or “The Company”) (TSX:PG) is pleased to report operating results for the three months ended June 30, 2019. The Company previously released second quarter production results on July 17, 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 producing gold mines and the ongoing development of multiple advanced-stage, multi-million ounce gold deposits.

### Highlights

- Production of 16,450 ounces of gold and 51,792 ounces of silver for the quarter, 34,064 ounces of gold and 109,473 ounces of silver year to date
- Cash costs<sup>1</sup> of \$1,014 per ounce of gold sold for the quarter, \$910 per ounce of gold sold year to date
- AISC<sup>1</sup> of \$1,228 per ounce of gold sold for the quarter, \$1,166 per ounce of gold sold year to date
- Revenue of \$23.0 million for the quarter, \$46.1 million year to date
- Mine operating loss of \$0.7 million for the quarter, mine operating income of \$3.0 million year to date
- Mine development at El Nino continues to advance ahead of schedule

### CEO Commentary

“With stronger production expected during the second half of the year at Mercedes, and near-term production from the ongoing construction of the El Nino and Phase I projects at South Arturo, we look to a future highlighted by growing production and cash flow” stated Ewan Downie, President & CEO. “Ongoing permitting initiatives at the Cove and Hardrock projects provide a peer-best organic growth profile complemented by a portfolio of high-potential exploration-stage assets”.

### Three months ended June 30, 2019

Q2 2019 consolidated production is 16,450 gold ounces and 51,792 silver ounces, comparable to Q2 2018.

The Company reported total revenue of \$23.0 million and a mine operating loss of \$0.7 million during Q2 2019 compared to revenue of \$27.5 million and a mine operating loss of \$1.2 million during Q2 2018.

The slight increase in Q2 2019 production when compared to Q2 2018 is due to the improvement in Mercedes gold production from 13,780 to 15,532 ounces offset by the reduction in South Arturo ounces related to the planned transition from operations to development over the past year. South Arturo operations continue to transition from Phase 2 open pit mining to Phase 1 open pit and El Nino underground operations where development is under way and production is expected in the second half of 2019.

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 \$5.4 million in

exploration and pre-development expenses were incurred during Q2 2019. These expenses, when factored with the mine operating loss and non-cash expenses of \$2.4 million, contributed to a loss of \$10.1 million reported for the quarter. A total of \$12.4 million in capital expenditures were incurred during the quarter, including \$5.9 million for mine development and construction at South Arturo, \$1.8 million for development at McCoy-Cove, and the balance for sustaining and expansion related activities at Mercedes.

### **Six months ended June 30, 2019**

A total of 34,064 ounces of gold and 109,473 ounces of silver were produced for the six months ended June 30, 2019 compared to 46,557 ounces of gold and 111,572 ounces of silver for the prior year period.

The Company reported total revenue of \$46.1 million and mine operating income of \$3.0 million for the six months ended June 30, 2019 compared to revenue of \$66.6 million and mine operating income of \$8.4 million for the prior year period. The reduction in production, revenue and operating income, when compared to the prior year period, is due to the hiatus in production at South Arturo.

A total of \$11.5 million in exploration and pre-development expenses were incurred during the six months ended June 30, 2019. These expenses, when factored with the mine operating income, contributed to a net loss of \$10.7 million reported for the year to date. A total of \$25.8 million in capital expenditures were incurred during the period, including \$10.6 million for mine development and construction at South Arturo, \$4.5 million for development at McCoy-Cove, and the balance for sustaining and expansion related activities at Mercedes.

The Company closed the quarter with cash and cash equivalents of \$26.4 million, inventory of 1,353 ounces of gold and 4,588 ounces of silver and an undrawn \$50 million credit facility in place.

Consolidated operating results are provided in Table 1 below.

Table 1: Selected Consolidated Operational and Financial Information

		Three months ended June 30		Six months ended June 30	
<i>(in millions of U.S. dollars, unless otherwise stated) <sup>(iii)</sup></i>		2019	2018	2019	2018
Ore milled	<i>tonnes</i>	176,035	177,821	354,806	491,671
Gold produced	<i>ounces</i>	16,450	16,007	34,064	46,557
Silver produced	<i>ounces</i>	51,792	51,746	109,473	111,572
Gold sold	<i>ounces</i>	17,358	20,642	34,878	49,917
Silver sold	<i>ounces</i>	56,484	58,098	119,065	124,308
<b>Realized Price</b>					
Average realized gold price <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,283	1,283	1,277	1,293
Average realized silver price <sup>(i,ii)</sup>	<i>\$/ounce</i>	15	16	15	16
<b>Non-IFRS Performance Measures</b>					
Co-product cash costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,014	963	910	811
Co-product all-in sustaining costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,228	1,088	1,166	934
Co-product cash costs per ounce of silver sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	12	12	11	11
Co-product all-in sustaining costs per ounce of silver sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	15	13	14	13
By-product cash costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,005	949	895	798
By-product all-in sustaining costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,227	1,079	1,162	924
<b>Financial Measures</b>					
Gold revenue	<i>m \$</i>	22.2	26.4	44.3	64.4
Silver revenue	<i>m \$</i>	0.8	1.1	1.8	2.3
Total revenue	<i>m \$</i>	23.0	27.5	46.1	66.6
Mine operating income / (loss)	<i>m \$</i>	(0.7)	(1.2)	3.0	8.4
Net loss	<i>m \$</i>	(10.1)	(7.7)	(11.0)	(9.7)
Earnings / (loss) per share	<i>/share</i>	(0.05)	(0.04)	(0.05)	(0.05)
EBITDA <sup>(i,ii)</sup>	<i>m \$</i>	(3.7)	0.4	0.8	9.8
Cash & cash equivalents balance	<i>m \$</i>	26.4	67.8	26.4	67.8
Cash flow from operations	<i>m \$</i>	(3.4)	(0.7)	(8.2)	(0.4)
Free cash flow <sup>(i,ii)</sup>	<i>m \$</i>	(15.9)	(6.8)	(34.0)	(11.7)
Exploration, evaluation & pre-development expense	<i>m \$</i>	5.4	6.2	11.5	12.6
<b>Capital</b>					
Total capital expenditures	<i>m \$</i>	12.4	6.1	25.8	11.4
Capital expenditures - sustaining <sup>(i,ii)</sup>	<i>m \$</i>	2.4	1.8	6.6	3.6
Capital expenditures - expansionary <sup>(i,ii)</sup>	<i>m \$</i>	10.0	4.3	19.2	7.8

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

<sup>(ii)</sup> 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.

<sup>(iii)</sup> May not add due to rounding.

## Mercedes

The Mercedes Mine is 150 kilometres 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 tonnes 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 June 30		Six months ended June 30	
<i>(in millions of U.S. dollars, unless otherwise stated) <sup>(iii)</sup></i>		2019	2018	2019	2018
<b>Ore &amp; Metals</b>					
Ore milled	<i>tonnes</i>	167,588	154,442	346,359	322,756
Gold produced	<i>ounces</i>	15,532	13,780	33,146	28,789
Silver produced	<i>ounces</i>	51,354	44,366	109,035	101,736
Gold sold	<i>ounces</i>	16,440	14,673	33,960	31,853
Silver sold	<i>ounces</i>	56,484	58,098	119,065	124,308
Average gold grade	<i>grams/t</i>	3.00	2.90	3.10	2.91
Average silver grade	<i>grams/t</i>	27.24	23.82	27.28	27.97
Average gold recovery rate	<i>%</i>	95.9	95.8	96.1	95.50
Average silver recovery rate	<i>%</i>	35.0	37.5	35.9	35.10
<b>Realized Price</b>					
Average realized gold price <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,283	1,269	1,277	1,279
Average realized silver price <sup>(i,ii)</sup>	<i>\$/ounce</i>	15	16	15	17
<b>Non-IFRS Performance Measures</b>					
Co-product cash costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,053	1,161	926	1,031
Co-product all-in sustaining costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,254	1,325	1,177	1,201
Co-product cash costs per ounce of silver sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	12	12	11	11
Co-product all-in sustaining costs per ounce of silver sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	15	13	14	13
By-product cash costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,044	1,142	911	1,010
By-product all-in sustaining costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,252	1,312	1,173	1,187
<b>Financial Measures</b>					
Gold revenue	<i>m \$</i>	21.0	18.5	43.1	40.6
Silver revenue	<i>m \$</i>	0.8	1.1	1.8	2.3
Total revenue	<i>m \$</i>	21.8	19.6	44.9	42.8
Mine operating income / (loss)	<i>m \$</i>	(1.3)	(4.7)	2.4	(2.3)
Exploration, evaluation & pre-development expense	<i>m \$</i>	0.1	0.0	0.7	0.7
<b>Capital</b>					
Total capital expenditures	<i>m \$</i>	4.5	4.4	10.6	8.8
Capital expenditures - sustaining <sup>(i,ii)</sup>	<i>m \$</i>	2.4	1.8	6.6	3.6
Capital expenditures - expansionary <sup>(i,ii)</sup>	<i>m \$</i>	2.0	2.6	4.0	5.2

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

<sup>(ii)</sup> 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.

<sup>(iii)</sup> May not add due to rounding.

Mine production at Mercedes during Q2 2019 was 15,532 ounces of gold and 51,354 ounces of silver compared to 13,780 ounces of gold and 44,366 ounces of silver during the Q2 2018. Year to date, mine production totalled 33,146 ounces of gold and 109,035 ounces of silver compared to 28,789 ounces of gold and 101,736 ounces of silver in the prior year to date. The increased gold production is the result of higher mined grades upon transitioning to the new Rey de Oro and Lupita zones as well as consistent stope production from the Diluvio zone. Unit operating costs at Mercedes during the period, on a co-product basis, were cash costs <sup>(1)</sup> of \$1,053 and all-in sustaining costs (AISC) <sup>(1)</sup> of \$1,254 per ounce of gold sold and year to date, on a co-product basis, cash costs <sup>(1)</sup> of \$926 and all-in sustaining costs (AISC) <sup>(1)</sup> of \$1,177 per ounce of gold sold. To date, sustaining capital costs at Mercedes are \$6.6 million.

Although production from Mercedes in 2019 is weighted to the second half with increased output from Diluvio planned to account for approximately half of the gold ounces produced, it is trending towards the low end of guidance and the high-end of projected costs. Mining during the second half of the year will draw more heavily on the Rey de Oro and Lupita zones where grades are higher which should help to bring down costs.

Exploration activities continued during the quarter with a total of 11,281 meters of drilling targeting Diluvio, Marianas and Barrancas veins to replace reserves, support mine production, test extensions of the main mine trends and to test new geological targets.

Capital expenditures were primarily required for exploration and underground mine development to support transition to the new mining zones. For Q2 2019, total capital expenditures at Mercedes were \$4.5 million which includes \$2.4 million of sustaining capital, \$1.2 million of exploration capital and \$0.7 million of expansionary capital. Capital spending in the Q2 2018 was \$4.4 million.

### **South Arturo**

The South Arturo Mine in Nevada is a joint venture operated by Barrick Gold Corporation (“Barrick”), where mining of the Phase 2 open pit has concluded and construction is underway on two new mining centers; the El Nino underground operations and the Phase 1 open pit which are expected to ramp up production in 2019 and 2020, respectively. Capital expenditures of \$5.9 million were incurred during the second quarter, \$10.6 million year to date, primarily for stripping for the Phase 1 open pit and underground ramp development at El Nino.

Mine development at El Nino is advancing ahead of schedule with processing of ore now expected to begin during the current quarter.

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.

Table 3: South Arturo Selected Financial and Operating Results

		Three months ended June 30		Six months ended June 30	
		2019	2018	2019	2018
<i>(in millions of U.S. dollars, unless otherwise stated) <sup>(iv)</sup></i>					
<b>Ore &amp; Metals</b>					
Ore milled	<i>tonnes</i>	8,447	23,379	8,447	168,915
Gold produced	<i>ounces</i>	918	2,227	918	17,767
Gold sold	<i>ounces</i>	918	5,969	918	18,064
Silver produced	<i>ounces</i>	438	7,380	438	9,836
Average gold grade	<i>grams/t</i>	4.52	3.58	4.52	3.90
Average gold recovery rate	<i>%</i>	82.5	82.8	82.5	83.9
<b>Realized Price</b>					
Average realized gold price <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,271	1,318	1,271	1,318
<b>Non-IFRS Performance Measures</b>					
Co-product cash costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	308	475	308	424
Co-product all-in sustaining costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	768	506	768	461
By-product cash costs per ounce of gold sold <sup>(i,ii,iii)</sup>	<i>\$/ounce</i>	308	475	308	424
By-product all-in sustaining costs per ounce of gold sold <sup>(i,ii,iii)</sup>	<i>\$/ounce</i>	768	506	768	461
<b>Financial Measures</b>					
Gold revenue	<i>m \$</i>	1.2	7.9	1.2	23.8
Mine operating income	<i>m \$</i>	0.7	3.5	0.7	10.7
Exploration, evaluation & pre-development expense	<i>m \$</i>	0.1	0.6	0.1	0.7
<b>Capital</b>					
Total capital expenditures	<i>m \$</i>	5.9	1.6	10.6	2.0
Capital expenditures - sustaining <sup>(i,ii)</sup>	<i>m \$</i>	0.0	0.0	0.0	0.0
Capital expenditures - expansionary <sup>(i,ii)</sup>	<i>m \$</i>	5.9	1.6	10.6	2.0

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

<sup>(ii)</sup> 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.

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

<sup>(iv)</sup> May not add due to rounding.

## 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 the second quarter of 2019, drilling the first of two new water wells required for groundwater modelling were completed. Pump tests, interpretation of results, and groundwater modeling will be completed in the second half of the year. This work, as well as an underground exploration ramp and infill drilling, will provide critical inputs for a feasibility study.

On the ground surrounding the Cove Project, Barrick continues to explore and earn-in to the McCoy-Cove joint venture. Several regional targets were identified, and 1,977 meters of drilling was completed. Ongoing drilling is focused on testing for mineralization in the Favret and Dixie Valley rock formations that host the deposits on the carve-out lands 100% owned by Premier. Drilling has intersected mineralization and alteration at several target areas including Antenna, Lighthouse, Alpha, and Windy Point.

## Greenstone Gold Mines

The Greenstone Gold property is located in northern Ontario, Canada approximately 275 kilometres 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 second quarter, the Greenstone Partnership continued to work towards updating the Hardrock open pit resource model using the results from drilling campaigns completed in 2018 and 2019, which consisted of 38,000 metres drilled on the principal zones of the initial mine plan. The Greenstone Partnership has obtained provincial and federal environmental assessment and is in the process of submitting applications for permits.

During the second quarter and first half of 2019, the Greenstone Partnership spent \$8.0 million and \$14.8 million respectively, 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 June 30, 2019, Centerra's funding towards its C\$185 million commitment in the Greenstone Partnership totalled C\$110 million (\$84.9 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. Assay samples were sent to ALS Laboratories prep facilities located in Elko, Nevada and Reno, Nevada and analysis was performed at their Vancouver, Canada analytical facility utilizing 30-gram fire assay with an AA finish for Au and ICP-MS 48 elements scan from 4-acid digestion for RC and Core samples. For a complete description of Premier's sample preparation, analytical methods and QA/QC procedures refer to the technical report dated June 29, 2018 (effective date March 31, 2018), entitled "Preliminary Economic Assessment for the Cove Project, Lander County, Nevada" located on Premier's website and at [www.sedar.com](http://www.sedar.com).

### Q2 financial results and conference call details:

Senior management will be hosting a conference call to discuss these results at 10:00am EST on August 7, 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: 61236542

### Webcast Link

<https://event.on24.com/wcc/r/2048664/19E82578B099665BFCD580E9828E4B74>

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## Conference Call Replay

The conference call replay will be available from 1:00pm EST on August 7, 2019 until 11:59pm EST on August 14, 2019.

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

International Replay Call: (+1) 416 764 8677

Passcode: 236542#

1. A cautionary note regarding Non-IFRS financial metrics is included in the “Non-IFRS Measures” section of the June 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 (expansory), 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.

**For further information, please contact:**

Ewan Downie, President & CEO

1.888.346.1390

Info@premiergoldmines.com

[www.premiergoldmines.com](http://www.premiergoldmines.com)

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.