



Premier Gold Mines Reports 2017 Fourth Quarter and Full-Year Results

Includes year-end cash & cash equivalent balance of \$129.3 million (US\$103.1 million)

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

THUNDER BAY, ON, March 26, 2018 /CNW/ - **PREMIER GOLD MINES LIMITED (TSX: PG) ("Premier", "the Company")** is pleased to announce its operational and financial results for the three and twelve months ended December 31, 2017. The Company previously released its production results for the fourth quarter and full year in its news release dated January 17, 2018.

2017 Full Year Highlights

- Production of 139,658 ounces of gold and 357,901 ounces of silver
- Gold sales of 155,727 ounces at an average realized price⁽ⁱ⁾ of \$1,631 (US\$1,254) per ounce
- Co-product cash costs⁽ⁱ⁾⁽ⁱⁱ⁾ of US\$524 per ounce of gold and US\$9 per ounce of silver sold
- Co-product AISC⁽ⁱ⁾⁽ⁱⁱ⁾ of US\$627 per ounce of gold and US\$11 per ounce of silver sold
- Revenue of \$260.8 million (US\$200.9 million)
- Operating income of \$83.8 million (US\$64.5 million)
- Net income of \$23.2 million (US\$17.9 million) or \$0.11/share (US\$.09/share)
- Cash balance of \$129.3 million (US\$103.1 million)
- Cash flow from operating activities of \$77.2 million (US\$59.5 million) or \$0.37/share (US\$.29/share)
- Free cash flow⁽ⁱ⁾ of \$49.6 million (US\$38.2 million) or \$0.24/share (US\$0.18/share) after an investment of \$34.1 million (US\$26.3 million) in exploration and pre-development programs and \$27.6 million (US\$22.0 million) in capital expenditures

2017 Fourth Quarter Highlights

- Production of 24,385 ounces of gold and 77,082 ounces of silver
- Revenue of \$36.9 million (US\$28.5 million) on sales of 23,000 ounces at an average realized price of \$1,616 (US\$1,265) per ounce
- Co-product cash costs⁽ⁱ⁾⁽ⁱⁱ⁾ of US\$665 per ounce of gold sold and US\$10 per ounce of silver sold
- Co-product AISC⁽ⁱ⁾⁽ⁱⁱ⁾ of US\$792 per ounce of gold sold and US\$11 per ounce of silver sold
- Net loss for the quarter of \$2.0 million (US\$1.5 million)
- Debt payment of \$31.9 million (US\$25 million) reducing debt to \$25.2 million (US\$20.0 million)

(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) Exchange rates used are sourced from The Bank of Canada, <http://www.bankofcanada.ca/rates/exchange/>. The balance sheet closing rate at December 31, 2017 was \$1.255 and the income statement year to date weighted average closing rate used at December 31, 2017 was \$1.298.

2017 Financial Highlights – For the three and twelve months ended December 31, 2017

The Company exceeded its annual production guidance for a second consecutive year with 24,385 ounces of gold and 77,082 ounces of silver produced during the fourth quarter and 139,658 ounces of gold and 357,901 ounces of silver produced for the full year. Metal sales were 23,000 of gold and 77,096 ounces of silver for the fourth quarter and 155,727 ounces of gold and 338,831 ounces of silver for the full year.

Revenue from mining operations was \$38.5 million for the fourth quarter and \$260.8 million for the full year, with higher than forecasted production levels combined with low operating costs resulting in EBITDA of \$9.5 million for the quarter and \$105.4 million for the year.

The Company reported net income of \$23.2 million or \$0.11 per share for the full year after taking into account \$34.1 million or \$0.16 per share in exploration and development expense and a non-recurring charge during the fourth quarter of \$1.8 million or \$0.01 per share for amortization of deferred finance costs relating to the repayment of \$31.9 million in debt during the fourth quarter.

In addition to the \$34.1 million invested in exploration and development and the \$27.6 million invested in capital, the Company repaid a total of \$34.6 million in debt during the year and paid \$8.3 million in tax installments, \$4.9 million of which will be refunded early in 2018.

Overall the company reported cash flow from operations of \$77.2 million or \$0.37 per share and free cash flow of \$49.6 million or \$0.24 per share and closed the year in a strong financial position with cash and cash equivalents of \$129.3 million, metal inventories of \$10.2 million (US\$8.2 million) and \$14.8 million (US\$11.8 million) in receivables.

Table 1: Financial Information

Millions CA\$, except for earnings/(loss) per share	Three months ended December 31, 2017	Twelve months ended December 31, 2017	Millions US\$, except for earnings/(loss) per share	Three months ended December 31, 2017	Twelve months ended December 31, 2017
Net revenue	38.5	260.8	Net revenue	29.7	200.9
Mine operating income	9.6	83.8	Mine operating income	7.4	64.5
EBITDA (i)	9.5	105.4	EBITDA (i)	7.3	81.2
Net income (loss)	(2.0)	23.2	Net income (loss)	(1.5)	17.9
Earnings (loss) per share	(0.01)	0.11	Earnings (loss) per share	(0.01)	0.09
Millions CA\$, except for earnings/(loss) per share	Twelve months ended December 31, 2017	Twelve months ended December 31, 2016	Millions US\$, except for earnings/(loss) per share	Twelve months ended December 31, 2017	Twelve months ended December 31, 2016
EBITDA (i)	105.4	77.1	EBITDA (i)	81.2	58.2
Cash flow from operating activities	77.2	57.9	Cash flow from operating activities	59.5	43.7
Cash and cash equivalents	129.3	119.7	Cash and cash equivalents	103.1	89.2
Net revenue	260.8	150.5	Net revenue	200.9	113.6
Net income (loss)	23.2	(0.7)	Net income (loss)	17.9	(0.5)
Free cash flow	49.6	8.1	Free cash flow	38.2	6.0

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

2017 Financial Highlights – For the three and twelve months ended December 31, 2017

South Arturo

Premier owns a 40% interest in the South Arturo mine which is operated by joint venture partner Barrick Gold. The mine has been a solid performer with industry-low production costs since it was brought into production and exceeded annual production guidance for the second consecutive year.

Table 2: South Arturo Operating Results

in CA \$, unless otherwise stated	Three months ended December 31, 2017	Twelve months ended December 31, 2017

Ore milled	<i>tonnes</i>	44,883	390,881
Gold produced	<i>ounces</i>	4,472	57,124
Gold sold	<i>ounces</i>	5,882	70,442
Silver produced	<i>ounces</i>	-	19,918
Average gold grade	<i>grams/tonne</i>	3.75	5.22
Average gold recovery rate	<i>%</i>	82.7	87.0

Net Revenue and Realized Prices

Net gold revenue	<i>\$ 000s</i>	9,563	115,248
Average realized gold price (i,ii)	<i>\$/ounce</i>	1,639	1,635
Average realized gold price (i,ii)	<i>US\$/ounce</i>	1,287	1,253

Non-IFRS Performance Measures

Co-product cash costs per ounce of gold sold (i,ii)	<i>US\$/ounce</i>	386	304
Co-product all in sustaining costs per ounce of gold sold (i,ii)	<i>US\$/ounce</i>	497	351
By-product cash costs per ounce of gold sold (i,ii,iii)	<i>US\$/ounce</i>	386	304
By-product all in sustaining costs per ounce of gold sold (i,ii,iii)	<i>US\$/ounce</i>	497	351

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

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

Gold production attributed to Premier for the full year was 57,124 ounces with 4,472 ounces attributed during the fourth quarter.

A total of \$1.5 million (US\$1.2 million) in capital expenditures were incurred at South Arturo during 2017 including \$0.7 million (US\$0.6 million) occurred during the fourth quarter in development work associated with the El Nino deposit. El Nino is the down plunge of the Phase 2 pit, where back-filling of the pit to the portal level and definition drilling was completed. A mineral resource and reserve estimate for El Nino was released in February 2018 and development of the El Nino mine is planned for H2-2018.

Development work in relation to the Phase 1 pit continued throughout 2017 and culminated in the decision to commence construction during 2018.

Mercedes

The Mercedes mine is located 150 kilometres north-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 narrow-vein longitudinal longhole mining methods at an ore extraction rate of approximately 2,000 tonnes per day.

Table 3: Mercedes Operating Results

in CA \$, unless otherwise stated

		Three months ended December 31, 2017	Twelve months ended December 31, 2017
Ore milled	<i>tonnes</i>	182,470	683,545
Gold produced	<i>ounces</i>	19,913	82,534
Silver produced	<i>ounces</i>	77,082	337,983
Gold sold	<i>ounces</i>	17,119	85,285
Silver sold	<i>ounces</i>	77,096	338,831
Average gold grade	<i>grams/tonne</i>	3.52	3.93

Average silver grade	grams/tonne	33.95	37.63
Average gold recovery rate	%	96.5	95.6
Average silver recovery rate	%	38.7	40.9

Net Revenue and Realized Prices

Net gold revenue	\$ 000s	27,369	138,140
Net silver revenue	\$ 000s	1,590	7,367
Total net revenues	\$ 000s	28,958	145,506
Average realized gold price (i,ii)	\$/ounce	1,608	1,627
Average realized silver price (i,ii)	\$/ounce	21	22
Average realized gold price (i,ii)	US\$/ounce	1,258	1,254
Average realized silver price (i,ii)	US\$/ounce	16	17

Non-IFRS Performance Measures

Co-product cash costs per ounce of gold sold (i,ii)	US\$/ounce	760	706
Co-product AISC per ounce of gold sold (i,ii)	US\$/ounce	894	854
Co-product cash costs per ounce of silver sold (i,ii)	US\$/ounce	10	9
Co-product AISC per ounce of silver sold (i,ii)	US\$/ounce	11	11
By-product cash costs per ounce of gold sold (i,ii)	US\$/ounce	731	676
By-product AISC per ounce of gold sold (i,ii)	US\$/ounce	871	832

(i) A cautionary note regarding Non-IFRS financial metrics is included in the "Non-IFRS Measures" section of the 2017 year-end Management Discussion and Analysis.

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

Gold production for the full year totaled 82,534 ounces with 19,913 ounces produced during the fourth quarter.

A total of \$22.4 million (US\$17.9 million) in capital expenditures, including \$11.5 million (US\$9.2 million) in sustaining capital, \$4.9 million (US\$3.9 million) in expansion capital and \$6.0 (US\$4.8 million) in exploration capital were incurred at Mercedes during 2017. Of the \$22.4 million, \$3.4 million (US\$2.7 million) was incurred during the fourth quarter where key expenditures include \$0.9 million (US\$0.7 million) in relation to underground mine development and \$1.7 million (US\$1.4 million) in capitalized exploration.

Drilling during the year generated a total of 45,676 metres in 349 holes with a focus on Diluvio-Lupita, Casa Blanca, and Barrancas to replace resources and reserves. An updated mineral resource and reserve estimate for Mercedes was released in March 2018.

Exploration in 2018 will focus on expanding resource close to existing workings to support mine planning and production and to identify extensions to mineralization along strike of the main mine trend, and test new geological targets.

McCoy-Cove

A total of 886 metres of drilling was completed on the McCoy-Cove property during the fourth quarter included in a total of 14,599 metres of drilling completed during the year.

The Company is working toward completing a Preliminary Economic Assessment ("PEA") in the first half of 2018. Preliminary engineering, dewatering studies and baseline studies have been initiated to advance an underground exploration program planned in the second half of 2018. Dewatering simulations, including a pump test of the proposed underground advanced exploration areas around the Helen Zone were completed during 2017 and further optimization and validation of the dewatering scenario is ongoing.

Greenstone Gold Mines

Environmental, community and aboriginal engagement activities were the primary focus during the quarter. The GGM team submitted 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 in July. Progress also continues with the optimization of the feasibility study as part of a mandate to further de-risk the project. A total of \$3.5 million (US\$2.7 million) was spent by Greenstone Gold during the quarter. All project expenditures will continue to be funded 100% by our joint venture partner Centerra Gold Inc. until the remaining development commitment of \$116.9 million (US\$93.2 million) has been spent.

Hasaga

A total of 2,782 metres of drilling was completed at Hasaga during the fourth quarter, bringing the year to date total to 21,714 metres. An initial mineral resource estimate (see Table 6 below) was released in January of 2017. The focus of ongoing drilling is to define higher grade mineralization within the "C-Zone" target.

Goldbanks

Two holes were drilled for a total of 1,973 metres on the Goldbanks property during the fourth quarter totaling 7,342 meters for the year. Initial high-grade results from the 2017 drill program include grading 7.15 oz/t gold and 7 oz/t silver (245.27 g/t Au and 251 g/t Ag) along a core interval of 11.0 feet. This intercept is currently being followed up to determine the extent of this opportunity.

CEO Commentary

"Successful mining operations during 2017 generated substantial cash flow from operations and appreciable earnings per share" stated Ewan Downie, President and CEO of Premier. "Our strong cash position has enabled us to begin the development of three additional deposits from within our project portfolio, the first of which is the Phase 1 pit at South Arturo, where the use of autonomous haul technology is expected to reduce costs and demonstrate the potential for improved project economics across the South Arturo JV".

2018 Guidance

The Company is currently guiding consolidated production for 2018 of 85,000 to 95,000 ounces of gold, cash operating costs⁽ⁱ⁾ of \$690 to \$740 and AISC⁽ⁱ⁾ of \$800 to \$850 per ounce of gold.

Table 4: 2018 production and cost guidance

Gold Mine	Guidance 2018		
	Production ounces	Cash Cost per ounce (i)	AISC per ounce (i)
South Arturo	5,000 - 10,000	\$600 - \$650	\$620 - \$670
Mercedes	80,000 - 85,000	\$700 - \$750	\$820 - \$870
Consolidated	85,000 - 95,000	\$690 - \$740	\$800 - \$850

Mercedes mine is forecasting 300,000 - 325,000 oz silver for 2018.

(i) Cash costs and all in sustaining costs ("AISC") are Non-IFRS metrics which are defined and discussed in the "Non-IFRS Measures" section of the 2017 year-end Management Discussion and Analysis.

Table 5: Global Mineral Reserves

PROPERTY	GOLD (Au)			PROVEN RESERVES			PROBABLE RESERVES			PROVEN+PROBABLE RESERVES		
	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (000's)	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (000's)	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (000's)	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (000's)
Greenstone (Hardrock)*	-	-	-	70.85	1.02	2,324	70.85	1.02	2,324			
Mercedes**	0.24	5.10	40	3.05	3.85	378	3.29	3.94	417			
South Arturo (O/P)**	1.51	3.27	159	1.04	2.52	84	2.55	2.97	243			
South Arturo (U/G)**	<0.01	12.85	1	0.08	9.57	25	0.09	9.70	27			
TOTAL	1.75	3.55	200	75.02	1.17	2,810	76.77	1.22	3,010			

PROPERTY	SILVER (Ag)			PROVEN RESERVES			PROBABLE RESERVES			PROVEN+PROBABLE RESERVES		
	Tonnes (Mt)	Grade (g/t Ag)	Ag Ounces (000's)	Tonnes (Mt)	Grade (g/t Ag)	Ag Ounces (000's)	Tonnes (Mt)	Grade (g/t Ag)	Ag Ounces (000's)	Tonnes (Mt)	Grade (g/t Ag)	Ag Ounces (000's)
Greenstone (Hardrock)*	-	-	-	-	-	-	-	-	-	-	-	-
Mercedes**	0.24	26.05	202	3.05	24.01	2,354	3.29	24.16	2,556			
South Arturo (O/P)**	-	-	-	-	-	-	-	-	-			
South Arturo (U/G)**	-	-	-	-	-	-	-	-	-			
TOTAL	0.24	26.05	201.767	3.05	24.01	2,354	3.29	24.16	2,556			

* Reflects reserves reported at November 16, 2016

** Reflects reserves reported at December 31, 2017

Differences in table due to rounding

Table 6: Global Mineral Resources

PROPERTY	GOLD (Au)			MEASURED RESOURCES			INDICATED RESOURCES			MEASURED+INDICATED RESOURCES			INFERRED RESOURCES		
	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (000's)	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (000's)	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (000's)	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (000's)	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (000's)
Greenstone*	2.03	1.07	70	18.38	2.27	1,340	20.41	2.15	1,410	13.68	3.1	1,360			
Mercedes**	1.08	5.73	200	2.60	3.73	311	3.68	4.32	511	1.63	4.2	222			
South Arturo (OP)**	1.95	1.19	74	5.58	1.12	201	7.53	1.14	275	0.50	0.5	7			
South Arturo (U/G)**	<0.01	9.99	1	0.04	9.19	10	0.04	9.24	11	0.08	9.4	24			
McCoy-Cove***	-	-	-	0.61	11.57	228	0.61	11.55	228	3.38	12.2	1,322			
Hasaga****	-	-	-	42.29	0.83	1,124	42.29	0.83	1,124	25.14	0.8	631			
Rahill-Bonanza*****	-	-	-	-	-	-	-	-	-	0.00	0.00	-			
TOTAL	5.07	2.12	345	69.50	1.44	3,215	74.57	1.48	3,559	44.41	2.5	3,566			

PROPERTY	SILVER (Ag)			MEASURED RESOURCES			INDICATED RESOURCES			MEASURED+INDICATED RESOURCES			INFERRED RESOURCES		
	Tonnes (Mt)	Grade (g/t Ag)	Ag Ounces (000's)	Tonnes (Mt)	Grade (g/t Ag)	Ag Ounces (000's)	Tonnes (Mt)	Grade (g/t Ag)	Ag Ounces (000's)	Tonnes (Mt)	Grade (g/t Ag)	Ag Ounces (000's)	Tonnes (Mt)	Grade (g/t Ag)	Ag Ounces (000's)
Greenstone*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mercedes**	1.08	60.66	2,115	2.60	36.65	3,063	3.68	43.72	5,178	1.63	34.0	1,783			
South Arturo (O/P)**	1.95	6.93	434	5.58	6.14	1,102	7.53	6.35	1,537	0.50	3.8	61			
South Arturo (U/G)**	-	-	-	-	-	-	-	-	-	-	-	-			
McCoy-Cove***	-	-	-	-	-	-	-	-	-	-	-	-			
Hasaga****	-	-	-	-	-	-	-	-	-	-	-	-			
Rahill-Bonanza*****	-	-	-	-	-	-	-	-	-	-	-	-			
TOTAL	3.03	26.13	2,549	8.18	15.84	4,165	11.21	18.63	6,715	2.13	27.0	1,845			

- * Reflects resources reported at November 16, 2016
- ** Reflects resources reported at December 31, 2017
- *** Reflects resources reported at March 21, 2017
- **** Reflects resources reported at January 11, 2017
- ***** Reflects resources reported at February 6, 2008

Mineral resources are not mineral reserves and do not have demonstrated economic viability

Differences in table due to rounding

Mineral resources are reported exclusive of mineral reserves

Premier Gold Mines Fourth Quarter and Full-Year 2017 Results - Conference Call

The Company will host the Fourth Quarter and Full-Year 2017 financial results conference call and webcast, March 27, 2018 at 10:00 am EDT.

Q4 and Full-Year 2017 Results Conference Call Information

Toll Free (North America): 1-888-231-8191

International: 1-647-427-7450

Conference ID: 3047738

Webcast Link

<https://event.on24.com/wcc/r/1596903/48CF813BCDED1384FB57C001042E9B7F>

The webcast replay will be available 1:00pm EDT on March 27, 2018 until 11:59 pm EST on April 3, 2018.

Conference Call Replay

Toll Free Replay Call (North America): 1-855-859-2056

International Replay Call: 1-416-849-0833

Passcode: 3047738

The conference call replay will be available from 1:00pm EDT on March 27, 2018 until 11:59 pm EST on April 3, 2018.

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.

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

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's team is focused on creating a low-cost, mid-tier gold producer through its two producing gold mines and two advanced stage multi-million ounce development projects where permitting and pre-construction initiatives are currently in progress.

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 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 regarding the Company's achievement of the full-year projections for ounce production, production costs, ASIC 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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For further information: Ewan Downie, President & CEO, Phone: 807-346-1390, e-mail: Info@premiergoldmines.com, Web Site: www.premiergoldmines.com

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