

Premier Gold 2018 Mineral Reserves & Resources

THUNDER BAY, ON, Feb. 25, 2019 /CNW/ - Premier Gold Mines Limited ("Premier" or "The Company") (TSX:PG) is pleased to provide mineral reserves and resources (MRMR) as of December 31, 2018 including updated statements from the Mercedes Mine (100%-owned) and South Arturo Property (40%-owned). All tables reflect tonnes and ounces attributable to Premier, and mining depletion from 2018. Exploration success is continuing to support the replacement of mined reserves at Mercedes and South Arturo.

2018 MRMR Highlights

- Replacement of 80% of mined production within Proven and Probable Reserves in 2018
- Replacement and increase of gold Reserves at South Arturo
- 8% growth in Measured and Indicated resource ounces at South Arturo (exclusive of reserves)
- Cove delivers robust PEA that includes a 50% increase in Indicated resources of gold

Table 1: Comparison of 2018 and 2017 Proven and Probable Gold Reserves

GOLD (Au) PROPERTY	2018			2017		
	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's
Greenstone	70.85	1.02	2,324	70.85	1.02	2,324
Mercedes	3.38	3.63	395	3.29	3.94	417
South Arturo	2.84	3.01	275	2.64	3.18	270
TOTAL	77.08	1.21	2,994	76.78	1.22	3,012

Table 2: Summary of 2018 Proven and Probable Reserves for Gold and Silver

GOLD (Au) PROPERTY	PROVEN RESERVES			PROBABLE RESERVES			PROVEN+PROBABLE RESERVES		
	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's
Greenstone (Hardrock) ⁽¹⁾	-	-	-	70.85	1.02	2,324	70.85	1.02	2,324
Mercedes ⁽²⁾	0.19	9.01	56	3.19	3.31	339	3.38	3.63	395
South Arturo ⁽³⁾	1.51	3.20	155	1.34	2.79	120	2.84	3.01	275
TOTAL	1.70	3.87	211	75.38	1.15	2,783	77.08	1.21	2,994

SILVER (Ag) PROPERTY	PROVEN RESERVES			PROBABLE RESERVES			PROVEN+PROBABLE RESERVES		
	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's
Greenstone (Hardrock) ⁽¹⁾	-	-	-	-	-	-	-	-	-
Mercedes ⁽²⁾	0.19	80.97	503	3.19	21.67	2,222	3.38	25.05	2,725
South Arturo ⁽³⁾	-	-	-	-	-	-	-	-	-
TOTAL	0.19	80.97	503	3.19	21.67	2,222	3.38	25.05	2,725

Table 3: Summary of 2018 Mineral Resources for Gold and Silver (exclusive of mineral reserves)

GOLD (Au) PROPERTY	MEASURED RESOURCES			INDICATED RESOURCES			M+H RESOURCES			INFERRED RESOURCES		
	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's
Greenstone ⁽¹⁾	2.03	1.07	70	18.38	2.27	1,340	20.41	2.15	1,410	13.68	3.09	1,360
Mercedes ⁽²⁾	0.25	3.32	27	3.00	3.41	329	3.25	3.40	356	1.72	4.18	231
South Arturo ⁽³⁾	2.40	1.06	81	6.82	1.03	228	9.22	1.03	309	0.76	1.30	32
McCoy-Cove ⁽⁴⁾	-	-	-	0.95	11.22	342	0.95	11.22	342	3.66	11.24	1,322
Hasaga ⁽⁵⁾	-	-	-	42.29	0.83	1,124	42.29	0.83	1,124	25.14	0.78	631
TOTAL	4.68	1.18	178	71.44	1.46	3,363	76.12	1.45	3,541	44.96	2.47	3,576

SILVER (Ag) PROPERTY	MEASURED RESOURCES			INDICATED RESOURCES			M+H RESOURCES			INFERRED RESOURCES		
	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's
Greenstone ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-
Mercedes ⁽²⁾	0.25	51.23	417	3.00	36.94	3,564	3.25	38.05	3,981	1.72	36.11	1,997
South Arturo ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-
McCoy-Cove ⁽⁴⁾	-	-	-	0.95	29.53	900	0.95	29.53	900	3.66	20.89	2,457
Hasaga ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	0.25	51.23	417	3.95	35.16	4,464	4.20	36.13	4,881	5.38	25.76	4,454

Pricing assumptions for gold and silver and other parameters are summarized in the "End Notes" at the end of this release. Note that any discrepancies in tables are due to rounding. A detailed MRMR statement of all Premier's properties is highlighted in Table 2 for Mineral Reserves and in Table 3 for Mineral Resources (exclusive of reserves).

"Premier has maintained a solid reserve and resource base in 2018 including updated statements at three of its property interests. We remain committed to the advancement of our portfolio through sustained exploration and a long-term strategic vision of growing production" commented Ewan Downie, President and Chief Executive Officer.

Operating Mines

Premier's two operating assets include Mercedes (100%) located in Sonora State in Mexico and South Arturo (40%) within the Carlin Trend in northern Nevada.

Mercedes Mine

Premier has owned Mercedes since October 1st, 2016. Mineral reserves at the mine stood at some 404,000 ounces of gold with an effective date of June 30, 2016. Since then, a total of 197,000 ounces of gold have been produced at Mercedes, of which 174,000 ounces of production is attributable to Premier. Proven and Probable reserves have been reduced by only 2.2% for 2.5 years of mining to some 395,000 ounces of gold. During 2019, Premier anticipates delineation drilling at Marianas to provide much of the resource to reserve conversion at Mercedes.

Tables 4 and 5 are detailed summaries of mineral reserves and mineral resources (exclusive of reserves) respectively on a "per ore zone" basis. Importantly, the Diluvio ore zone represents 52% of current mineral reserves at Mercedes and 38% of remaining measured and indicated resources. Mining at Diluvio represents a similar weighting in the mine plan for 2019 having efficiently transitioned to primarily longhole mining methods. An important component to replacing mined reserves at Mercedes in 2019 will be the successful delineation of the Marianas deposit that is located along the significant Mercedes ore trend. The Company has planned for 22,000 metres of delineation drilling at Marianas in 2019, which are coordinated with an extensive underground development program.

The mineral resources summarized in Table 5 represent a comprehensive review of 2018 results that imposed a stringent depletion of the resource. Removing sterilized areas from the mineral resources explains most of the tonnage or grade reductions as compared to 2017.

Table 4: Detailed 2018 Mineral Reserves for Gold and Silver at Mercedes Mine ⁽²⁾

GOLD (Au) OREZONE	PROVEN RESERVES			PROBABLE RESERVES			PROVEN+PROBABLE RESERVES		
	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's
Mercedes	20.09	7.53	5	74.06	2.79	7	94.15	3.80	12
Aida	-	-	-	120.44	3.84	15	120.44	3.84	15
Lupita	45.43	7.95	12	283.56	3.85	35	328.99	4.42	47
Rey de Oro	31.36	8.43	8	342.51	3.80	42	373.87	4.19	50
Barrancas	96.32	10.01	31	314.87	3.54	36	411.19	5.06	67
Diluvio	-	-	-	2,054.79	3.10	205	2,054.79	3.10	205
TOTAL	193.20	9.01	56	3,190.22	3.31	339	3,383.42	3.63	395

SILVER (Ag) OREZONE	PROVEN RESERVES			PROBABLE RESERVES			PROVEN+PROBABLE RESERVES		
	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's
Mercedes	20.09	89.84	58	74.06	21.71	52	94.15	36.25	110
Aida	-	-	-	120.44	22.36	87	120.44	22.36	87
Lupita	45.43	43.51	64	283.56	22.33	204	328.99	25.26	267
Rey de Oro	31.36	119.66	121	342.51	39.82	438	373.87	46.51	559
Barrancas	96.32	84.18	261	314.87	34.72	352	411.19	46.31	612
Diluvio	-	-	-	2,054.79	16.50	1,090	2,054.79	16.50	1,090
TOTAL	193.20	80.97	503	3,190.22	21.66	2,222	3,383.42	25.05	2,725

Table 5: Detailed 2018 Mineral Resources for Gold and Silver at Mercedes Mine ⁽²⁾

GOLD (Au) OREZONE	MEASURED RESOURCES			INDICATED RESOURCES			M+I RESOURCES			INFERRED RESOURCES		
	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's
Marianas	-	-	-	21.45	18.39	13	21.45	18.39	13	644.84	4.46	92

Klondike	2.66	4.70	0	45.42	3.36	5	48.08	3.44	5	27.88	3.26	3
Lupita	41.30	2.59	3	355.31	3.63	41	396.62	3.52	45	59.45	6.76	13
Barrancas	87.52	1.18	3	407.03	3.23	42	494.56	2.87	46	197.10	4.47	28
Rey de Oro	32.72	8.07	8	477.71	2.75	42	510.43	3.09	51	194.80	4.13	26
Mercedes	89.18	4.00	11	422.74	3.65	50	511.92	3.71	61	240.02	3.69	28
Diluvio	-	-	-	1,272.59	3.33	136	1,272.59	3.33	136	356.09	3.50	40
TOTAL	253.39	3.33	27	3,001.26	3.41	329	3,254.65	3.41	356	1,720.17	4.18	231

SILVER (Ag) ORE ZONE	MEASURED RESOURCES			INDICATED RESOURCES			M+I RESOURCES			INFERRED RESOURCES		
	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's	Tonnes kt	Grade g/t	Ounces 000's
Marianas	-	-	-	21.45	10.50	7	21.45	10.50	7	644.84	26.99	560
Klondike	2.66	52.29	4	45.42	39.77	58	48.08	40.46	63	27.88	23.47	21
Lupita	41.30	21.65	29	355.31	32.61	373	396.62	31.46	401	59.45	51.23	98
Barrancas	87.52	36.53	103	407.03	53.57	701	494.56	50.56	804	197.10	51.87	329
Rey de Oro	32.72	128.03	135	477.71	54.79	842	510.43	59.48	976	194.80	29.12	182
Mercedes	89.18	51.16	147	422.74	47.14	641	511.92	47.84	787	240.02	50.39	389
Diluvio	-	-	-	1,272.59	23.06	943	1,272.59	23.06	943	356.09	36.59	419
TOTAL	253.39	51.23	417	3,001.26	36.93	3,564	3,254.65	38.05	3,982	1,720.17	36.11	1,997

South Arturo Mine

Premier purchased its interest in the South Arturo property in mid-2015 with first production on August 1, 2016. At that time, the property hosted a mineral reserve (contained entirely within the Phase 2 pit) of 155,000 ounces of gold. Between 2016 and 2018, the Phase 2 pit realized total production attributable to Premier of some 167,000 ounces of gold and Premier estimates that some 11,000 ounces of gold currently remain stockpiled (ARSO and/or roaster) at Goldstrike from Phase 2 mining. Overall, this represents approximately 15% more ounces of production versus the original reserve estimate. Some 86% of current mineral reserves reside in the Phase 1 open pit that is currently under construction.

Table 6: Detailed 2018 Mineral Reserve for Gold for South Arturo ⁽³⁾

GOLD (Au) ORE LOCATION	PROVEN RESERVES			PROBABLE RESERVES			PROVEN+PROBABLE RESERVES		
	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's
Stockpiles	0.18	1.98	11	-	-	-	0.18	1.98	11
Open Pit	1.32	3.32	141	1.27	2.33	95	2.59	2.84	236
Underground	0.01	13.61	2	0.07	11.08	25	0.08	11.24	27
TOTAL	1.51	3.19	154	1.34	2.79	120	2.84	3.01	275

Table 7: Detailed 2018 Mineral Resources for Gold (exclusive of mineral reserves) for South Arturo ⁽³⁾

GOLD (Au) ORE LOCATION	MEASURED RESOURCES			INDICATED RESOURCES			M+I RESOURCES			INFERRED RESOURCES		
	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's	Tonnes Mt	Grade g/t	Ounces 000's
Stockpile	0.12	0.97	4	-	-	-	0.12	0.97	4	-	-	-
Open Pit	2.28	1.05	77	6.78	0.99	217	9.06	1.01	294	0.69	0.44	10
Underground	0.002	12.11	1	0.03	10.04	11	0.04	10.16	12	0.07	9.73	22
TOTAL	2.40	1.06	82	6.82	1.04	228	9.22	1.05	310	0.76	1.30	32

Underground mineral reserves and resources currently reside entirely within the El Niño area which remains open for expansion. Drilling at El Niño in 2019, from surface and underground, will focus on expanding reserves and resources. Attractive exploration targets such as East Dee, where delineation drilling will be completed in 2019, and several other target areas offer potential for further MRMR growth.

Advanced Exploration

Premier's two advanced exploration properties include Greenstone Gold (50%) located in the Geraldton-Beardmore Greenstone Belt, in Ontario and the McCoy-Cove Property in the Battle Mountain-Eureka Trend in northern Nevada. Only McCoy-Cove property is updated in this release.

McCoy-Cove Property

In May 2018, Premier released a Preliminary Economic Assessment ("PEA") on the 100%-owned portion of the McCoy-Cove Property now referred to as the Cove Property. The PEA highlighted an NPV5 of US\$143 million and an after-tax IRR of 48% for an underground mining plan of the Helen and Gap Zones. Included in the PEA was an updated MRMR statement that contains some 342,000 ounces of gold grading 11.22 g/t in the combined Measured and Indicated category. This represents

a 50% increase in gold ounces versus the 2017 mineral resource estimate as a result of additional delineation drilling. In addition, some 1,322,000 ounces of gold grading 11.24 g/t has been estimated in Inferred resources. The remaining portion of the McCoy-Cove property currently contains no mineral resource. However, it is being actively explored by Barrick Gold Corporation under the terms of an Earn-in agreement which could see Barrick spend some US\$22.5M to earn a 60% interest in the property. Since the beginning of 2018, exploration results from the McCoy-Cove joint venture and Cove Property highlighted a greater than 4 km footprint of Carlin-style chemistry that remains open at McCoy-Cove. Also, the Favret formation, a highly receptive limestone host of high-grade Carlin-style mineralization, remains largely untested on a property-wide basis.

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.

Premier Gold Mines Limited is a gold-producer with a respected exploration and development pipeline of high-quality 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 - as well as mine development opportunities at McCoy-Cove in Nevada and Hardrock in Ontario.

End Notes

- (1) **GREENSTONE GOLD:** Mineral reserves and resources were calculated at a gold price of US\$1250 and US\$1320 respectively. The current independent technical report on the property, dated December 21, 2016, is entitled "Hardrock Project, Ontario, Canada" was completed by G Mining Services Inc.
- (2) **MERCEDES:** For 2018, mineral reserves and mineral resources were calculated under the supervision of Stephen McGibbon, Executive Vice-President of Project & Corporate Development at Premier Gold Mines Ltd at gold prices of US\$1200 and US\$1400 and silver prices of US\$16.50 and US\$19.25 respectively. The independent technical report on the property dated April 18, 2018, entitled "TECHNICAL REPORT ON THE MERCEDES GOLD-SILVER MINE, SONORA STATE, MEXICO" provides detail on resource estimate methodologies and assumptions.
- (3) **SOUTH ARTURO:** Calculations have been prepared by employees of Barrick under the supervision of Rick Sims, Vice President, Resources and Reserves, of Barrick, Geoffrey Locke, Manager, Metallurgy, of Barrick and Mike Tsafaras, P. Eng., Manager, Value Realization of Barrick. Except as noted below, reserves have been estimated based on an assumed gold price of US\$1,200 per ounce, an assumed silver price of US\$16.50 per ounce
- (4) **MCCOY-COVE:** Mineral resources at Cove were estimated using a gold price of US\$1400 per ounce. One ounce of gold is equivalent to 140 ounces of silver. The current independent technical report on the property, dated June 29, 2018, is entitled "PRELIMINARY ECONOMIC ASSESSMENT FOR THE COVE PROJECT, LANDER COUNTY, NEVADA" and was completed by Practical Mining LLC
- (5) **HASAGA:** Mineral resources at Hasaga were estimated using a gold price of US\$1400 per ounce. The current independent technical report on the property, dated February 24, 2017, is entitled "NATIONAL INSTRUMENT 43-101 TECHNICAL REPORT: HASAGA PROJECT, RED LAKE MINING DISTRICT, ONTARIO, CANADA, NTS MAP SHEETS 52K/13 AND 52 N04" and was completed by MRB and Associates.

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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