

Premier Announces Positive Re-start at Mercedes Mine

Thunder Bay, August 20, 2020- PREMIER GOLD MINES LIMITED (“Premier”, “the Company”) (TSX:PG) (OTCPK: PIRGF) is pleased to announce that since restarting operations in June at the Company’s 100%-owned Mercedes Mine, located in the State of Sonora, Mexico, the mine is generating positive cash flow under its revised production plan.

Following a two-month suspension of operations due to the COVID-19 pandemic, mine operations resumed under a new simplified production plan developed by the Mercedes team. The revised production strategy was fully implemented in July, focused on improved operating margins and positive cash flow. Based on the success to date, priorities are the continued development and mining of the Diluvio, Lupita and Lupita Extension zones.

During the first half of Q3, Mercedes has delivered improved operating results and operating cash flow supported by higher than planned gold production and lower unit operating costs. While this is a successful initial step forward, our objective is to achieve stronger and predictable long-term performance and operating margins.

“During the temporary suspension of the operations during the second quarter, the Mercedes team developed a solid re-start strategy with a more focused mine plan, including reduced mill through-put resulting in lower costs and positive cash flow”, stated Peter van Alphen, Chief Operating Officer of Premier. “With continued exploration success, our goal is to gradually increase mill through-put back to the plant capacity of 2,000 tons per day.”

Ongoing exploration at Mercedes has returned positive results and is prioritized on extending mine life through the growth of reserves in proximity to existing mine workings and the delineation of future resources at the San Martin and Marianas zones. Results to-date have been positive.

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.

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.

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