

Successful Delineation at Mercedes Mine

Lupita and Diluvio Drill Results Include 30.4 m of 6.43 g/t Au

Thunder Bay, May 14, 2019- Premier Gold Mines Limited (TSX: PG) (“Premier”, “the Company”) is pleased to announce multiple new and high-grade intercepts from the expansion and delineation program active at the Company’s 100%-owned Mercedes Mine, located in the State of Sonora, Mexico.

Highlights of this ongoing drill program include:

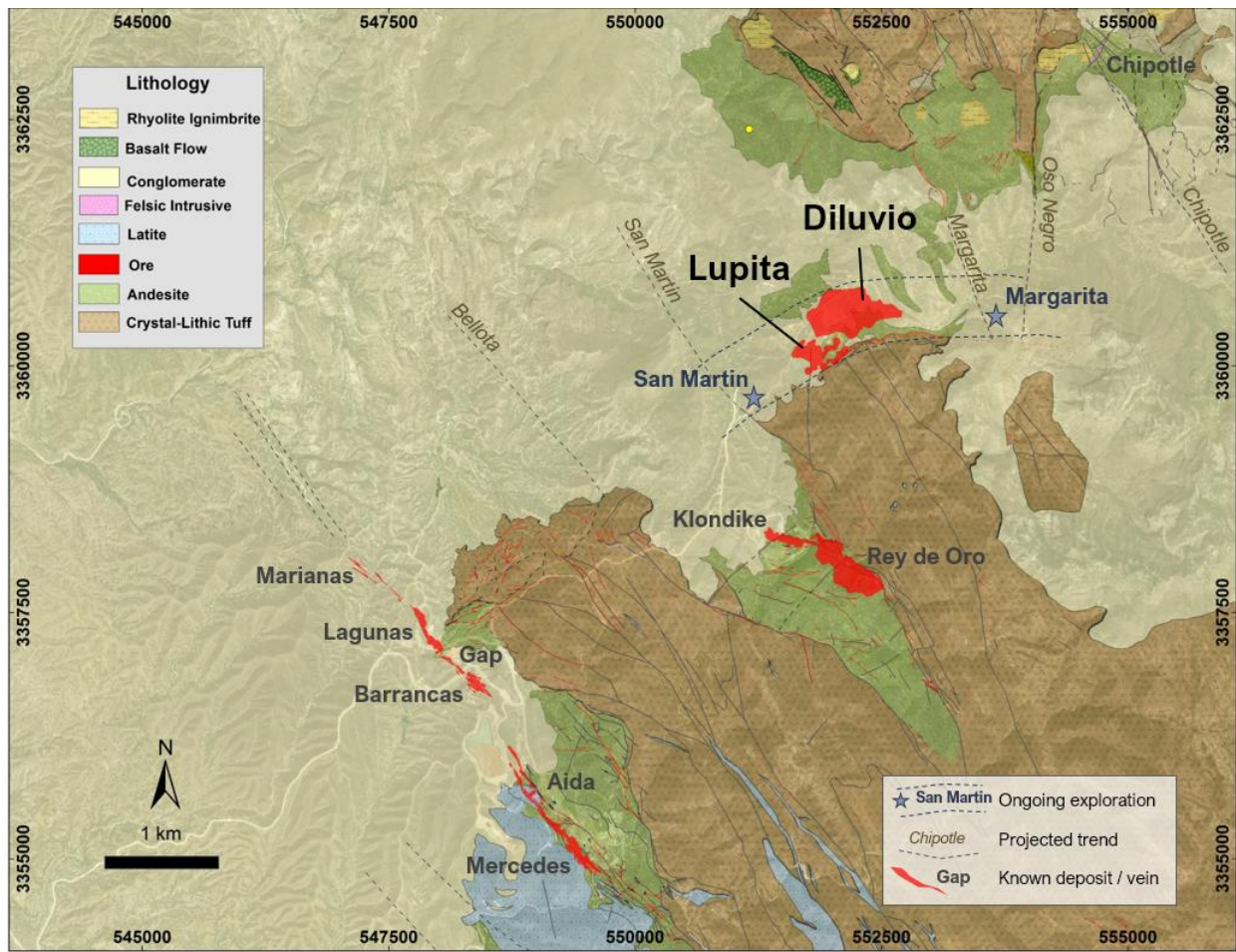
- **New mineralized veins have been discovered at San Martin and Margarita, outlining a 3 km corridor with high potential for future discoveries** (Figure 1)
- **Lupita vein extension drilling returned multiple intercepts including 3.9 m of 5.99 g/t Au & 40.75 g/t Ag and 2.9 m of 5.70 g/t Au & 56.00 g/t Ag** (LP19-392D and LP19-390D)
- **Ongoing delineation program at Lupita intersected high-grade intercepts including 1.2 m of 10.75 g/t Au & 89.31 g/t Ag** (UG-LP19-016)
- **Diluvio West delineation returns 30.4 m of 6.43 g/t Au & 11.91 g/t Ag including 4.4 m of 13.79 g/t Au & 21.93 g/t Ag** (UG-DI19-056)

“Premier is very encouraged by the expansion of the Lupita – Diluvio resource areas, and the 3 km corridor that step-out exploration has identified”, commented Stephen McGibbon, Executive Vice-President. “A high-grade intercept from the delineation program at Diluvio West validates our current resource model”.

Mercedes is an underground gold and silver mine that exploits quartz veins and quartz-carbonate stockworks within a low-sulphidation epithermal system. The Mercedes trend is host to a series of high-grade sub-vertical veins with production to-date (2011-2018) of some 687,000 recovered ounces of gold (Figure 1). Four kilometres east of this main trend is an under-explored basin that hosts both the Lupita and Diluvio deposits. This corridor is attractive for future discoveries. The Lupita deposit has a 2018 P+P mineral reserve of 329 kt @ 4.42 g/t Au for 47 koz and the Diluvio deposit has a 2018 P+P mineral reserve is 2,055 kt @ 3.10 g/t Au for 205 koz. It is the Company’s goal to convert a portion of Lupita and Diluvio resources to mineral reserves during the balance of 2019 and successfully explore for potential resource extensions.

Drilling has recently discovered favourable veining and mineralization in newly tested areas proximal to the Lupita – Diluvio deposits, to the west at San Martin and to the east at Margarita (Figure 1). An exploration campaign is currently testing both San Martin (600 m to the west) and Margarita (1.2 km to the east) where drill holes have recently discovered mineralized veins at a similar Lupita Vein host contact with assays pending on multiple holes. The two areas are approximately 3 km apart, and the target is still open to the east and west. The consistent intersection of the mineralized vein along the Lupita fault contact to the west of the Lupita resource makes this area a focus for continued exploration.

Figure 1 – Geological Map of Mercedes Mine



The Lupita discovery outcrop hosts a 3 m wide silicified vein of typical low-sulphidation epithermal textures and diagnostic green quartz. Lupita differs from the conventional sub-vertical veins found on the property by its flatter geometry along a north-dipping listric fault (25-45 degrees).

The Lupita Extension drill program, designed to expand the Lupita resource, was started early in 2019 to test the continuity of the vein to the west (Figure 2). The planned Phase 1 program included 18 drill holes with a 60 m spacing of which eight drill holes are now completed. Assay results presented in Table 1 show that the mineralized Lupita vein has been repeatedly crossed, with grades ranging from 1.09 g/t Au over 0.9 m at the periphery to 5.99 g/t Au over 3.9 m. A second phase of 6,000 m drilling will infill to a 30 m spacing, supporting the creation of Indicated mineral resources.

In addition, an underground Lupita Delineation program is focused on upgrading ounces of gold from the current resource. Highlights presented in Table 1 include high-grade intercepts that improved the grade x thickness of the zone (Figure 2). A portion of the underground program plan will also drill directly to the east of Lupita ore body.

Figure 2 – Grade x Thickness Map of Lupita Deposit

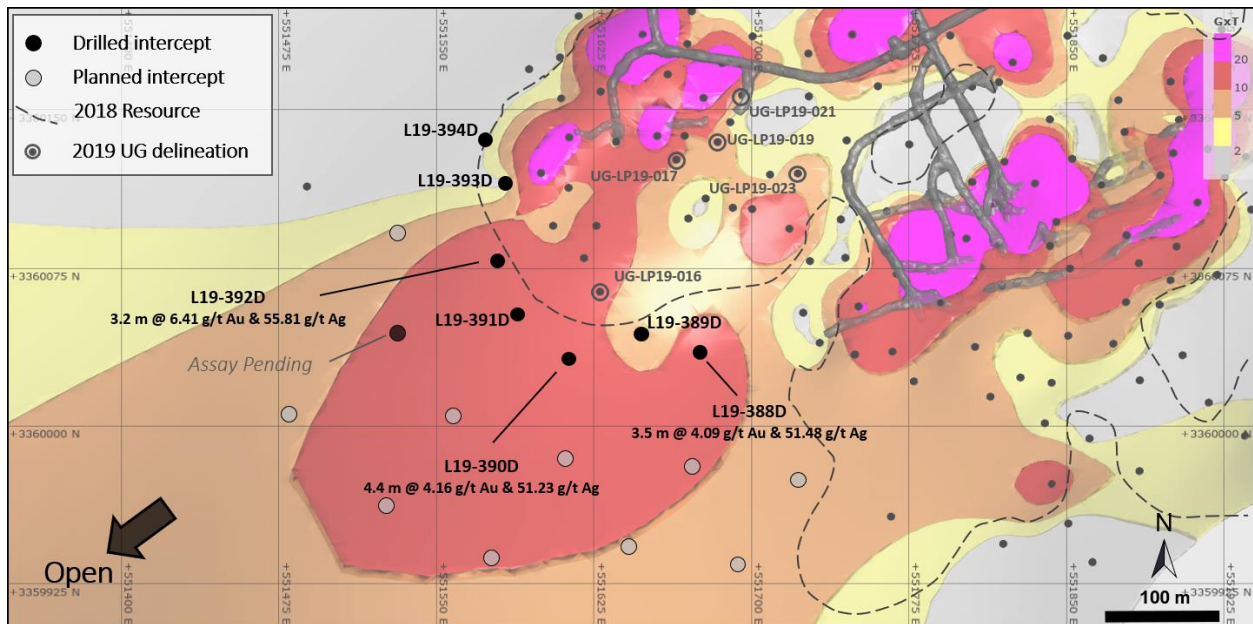


Table 1 also summarizes results from the Diluvio underground delineation program. The ore at Diluvio is found within a stockwork system that is a unique host environment on the property. Recent structural compilation work and additional infill drilling has led to a more refined resource model and subsequent infill drilling remains very positive.

Five drill holes were part of an underground delineation program on the western part of Diluvio. UG-DI19-056, located within the heart of the zone, intersected a thick high-grade interval of 30.4 m of 6.43 g/t Au & 11.91 g/t Ag including 4.4 m of 13.79 g/t Au & 21.93 g/t Ag and 5.0 m of 12.58 g/t Au & 8.99 g/t Ag. This interval supports confidence in the high-grade core of Diluvio West. The other four drill holes tested the edge of the zone, and are still returning high-grade intercepts, including 8.7 m of 3.48 g/t Au and 188.82 g/t Ag (UG-DI19-055) and 1.3 m of 5.94 g/t Au and 327.00 g/t Ag (UG-DI19-054). The ongoing delineation program is designed to upgrade and possibly expand the mineral resource.

Table 1 – Highlights Intercepts

Hole ID	Target	From m	To m	Length m	True Width m	Au g/t	Ag g/t
LUPITA EXTENSION							
L19-388D	Lupita Extension	197.7	200.2	2.6	2.4	4.96	62.59
L19-389D	Lupita Extension	185.6	186.6	1.0	1.0	3.28	42.00
L19-390D	Lupita Extension	176.6	179.6	3.0	2.9	5.70	56.00
L19-391D	Lupita Extension	178.7	180.7	2.0	2.0	5.01	58.00
L19-392D	Lupita Extension	181.8	185.8	4.0	3.9	5.99	40.75
<i>Including</i>	Lupita Extension	184.2	185.8	1.6	1.5	12.41	90.25
L19-393D	Lupita Extension	198.0	199.0	1.0	0.9	1.02	15.00
L19-394D	Lupita Extension	198.5	202.0	2.6	2.4	1.12	12.25

Hole ID	Target	From m	To m	Length m	True Width m	Au g/t	Ag g/t
LUPITA DELINEATION							
UG-LP19-016	Lupita Delineation	118.0	136.3	18.3	1.2	10.75	89.31
UG-LP19-017	Lupita Delineation	45.4	60.8	19.2	4.7	2.87	45.75
<i>Including</i>	Lupita Delineation	45.4	50.2	4.8	2.2	6.20	118.31
UG-LP19-019	Lupita Delineation	26.8	29.7	2.9	1.6	5.50	70.05
UG-LP19-023	Lupita Delineation	44.0	56.2	12.2	2.1	4.28	42.63
<i>Including</i>	Lupita Delineation	47.1	50.1	3.1	0.9	8.64	75.43
DILUVIO DELINEATION							
UG-DI19-052	Diluvio West	130.8	132.3	1.5	-	3.15	89.00
UG-DI19-053	Diluvio West	23.9	25.2	1.3	-	5.94	327.00
UG-DI19-054	Diluvio West	11.9	15.0	3.1	-	3.84	34.73
UG-DI19-055	Diluvio West	31.8	40.5	8.7	-	3.48	188.82
UG-DI19-056	Diluvio West	65.9	71.8	5.8	-	8.06	13.49
	Diluvio West	94.1	124.5	30.4	-	6.43	11.91
<i>Including</i>	Diluvio West	98.3	102.7	4.4	-	13.79	21.93
<i>And</i>	Diluvio West	118.0	123.0	5.0	-	12.58	8.99

Julie-Anaïs Debreil, Ph.D., 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. Mercedes assay results are from core samples sent to ALS Chemex, an accredited mineral analysis laboratory in Lima (Peru) or Vancouver (Canada), for preparation and analysis utilizing both fire assay and ICP methods. For a complete description of Mercedes's sample preparation, analytical methods and QA/QC procedures refer to the technical report for the Mercedes Mine dated April 18, 2018 (effective date December 31, 2017), entitled "Technical Report on the Mercedes Gold-Silver Mine, Sonora State, Mexico."

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.

Table 2 – Collar coordinates

UTM	Project	Hole ID	North m	East m	Elevation m	Azimuth	Dip
NAD 27 ZONE 12	Mercedes	L19-388D	551625	3360094	1304	136	-66
	Mercedes	L19-389D	551626	3360094	1304	155	-72
	Mercedes	L19-390D	551626	3360094	1304	190	-68
	Mercedes	L19-391D	551587	3360126	1294	177	-65
	Mercedes	L19-392D	551587	3360126	1294	187	-75
	Mercedes	UG-LP18-016	551695	3360158	1104	216	6
	Mercedes	UG-LP18-017	551696	3360158	1104	225	-1
	Mercedes	UG-LP18-019	551695	3360158	1104	208	-11
	Mercedes	UG-LP18-023	551700	3360158	1105	150	-1
	Mercedes	UG-DI19-053	552017	3360622	1051	187	-63
	Mercedes	UG-DI19-054	552017	3360622	1051	170	-44
	Mercedes	UG-DI19-055	552017	3360622	1051	155	-63
	Mercedes	UG-DI19-056	552016	3360624	1050	213	-53

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