

Premier Gold Mines Reports 2019 Q1 Results

All amounts discussed herein are denominated in U.S. dollars

Thunder Bay, May 8, 2019 – Premier Gold Mines Limited (“Premier” or “The Company”) (TSX:PG) is pleased to report operating results for the three months ended March 31, 2019. The Company previously released first quarter production results on April 30, 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 development of two advanced-stage, multi-million ounce gold deposits.

2019 First Quarter Highlights

- Production of 17,614 ounces of gold and 57,681 ounces of silver
- Cash costs¹ of \$806 per ounce of gold sold
- AISC¹ of \$1,105 per ounce of gold sold
- Revenue of \$23.1 million
- Mine operating income of \$3.7 million

CEO Commentary

“With the next two phases of production under construction at South Arturo, and better grades expected in the first half of the year at Mercedes, the Company’s is well positioned to return to higher levels of production and reduced costs in the near future” stated Ewan Downie, President & CEO. “The ongoing permitting initiatives at the Cove and Hardrock Projects and the recent high-grade gold discoveries by Barrick as they earn-in to our property around Cove, provide Premier with one of the best and highly leveraged organic growth profiles amongst its peers”.

Three months ended March 31, 2019

A total of 17,614 ounces of gold and 57,681 ounces of silver were produced during Q1 2019 compared to 30,550 ounces of gold and 59,826 ounces of silver during Q1 2018.

The Company reported total revenue of \$23.1 million and mine operating income of \$3.7 million during the first quarter compared to revenue of \$39.2 million and mine operating income of \$9.6 million during Q1 2018. The reduction in first quarter production, revenue and operating income when compared to the prior year period, is due to a hiatus in production at South Arturo. South Arturo operations have transitioned from Phase 2 open pit mining to Phase 1 open pit and El Nino underground operations where development is underway and production is expected by early 2020.

The Company continues to focus on near term exploration and pre-development initiatives that will support its longer-term objective of increased annual production over the next several years. A total of \$6.2 million in exploration and pre-development expenses were incurred during the quarter. These expenses, when factored with the reduction

in mine operating income, contributed to a net loss of \$0.9 million reported for the quarter. A total of \$13.4 million in capital expenditures were incurred during the quarter, including \$4.6 million for mine development and construction at South Arturo, \$2.6 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 \$43.5 million, and inventory of 2,304 ounces of gold and 9,902 ounces of silver.

Consolidated quarter operating results are provided in Table 1 below.

Table 1- Selected Consolidated Operational and Financial Information

		Three months ended March 31	
<i>(in millions of U.S. dollars, unless otherwise stated) ⁽ⁱⁱⁱ⁾</i>		2019	2018
Ore milled	<i>tonnes</i>	178,771	313,850
Gold produced	<i>ounces</i>	17,614	30,550
Silver produced	<i>ounces</i>	57,681	59,826
Gold sold	<i>ounces</i>	17,520	29,275
Silver sold	<i>ounces</i>	62,581	66,210
Realized Price			
Average realized gold price ^(i,ii)	<i>\$/ounce</i>	1,271	1,300
Average realized silver price ^(i,ii)	<i>\$/ounce</i>	16	17
Non-IFRS Performance Measures			
Co-product cash costs per ounce of gold sold ^(i,ii)	<i>\$/ounce</i>	806	705
Co-product all-in sustaining costs per ounce of gold sold ^(i,ii)	<i>\$/ounce</i>	1,105	824
Co-product cash costs per ounce of silver sold ^(i,ii)	<i>\$/ounce</i>	10	11
Co-product all-in sustaining costs per ounce of silver sold ^(i,ii)	<i>\$/ounce</i>	13	13
By-product cash costs per ounce of gold sold ^(i,ii)	<i>\$/ounce</i>	786	691
By-product all-in sustaining costs per ounce of gold sold ^(i,ii)	<i>\$/ounce</i>	1,098	816
Financial Measures			
Gold revenue	<i>m \$</i>	22.2	37.9
Silver revenue	<i>m \$</i>	1.0	1.2
Total revenue	<i>m \$</i>	23.1	39.2
Mine operating income	<i>m \$</i>	3.7	9.6
Net loss	<i>m \$</i>	(0.9)	(2.0)
Loss per share	<i>/share</i>	-	(0.01)
EBITDA ^(i,ii)	<i>m \$</i>	4.4	9.4
Cash & cash equivalents balance	<i>m \$</i>	43.5	98.4
Cash flow from operations	<i>m \$</i>	(4.7)	0.4
Exploration, evaluation & pre-development expense	<i>m \$</i>	6.2	6.4
Capital			
Total capital expenditures	<i>m \$</i>	13.4	5.3
Capital expenditures - sustaining ^(i,ii)	<i>m \$</i>	4.2	1.8
Capital expenditures - expansionary ^(i,ii)	<i>m \$</i>	9.2	3.5

⁽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⁾ Cash costs, all-in sustaining costs, 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 the Q1 2019 Management's Discussion and Analysis.

⁽ⁱⁱⁱ⁾ May not add due to rounding.

Mercedes

The Mercedes Mine is 150 kilometers 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 March 31	
<i>(in millions of U.S. dollars, unless otherwise stated) ⁽ⁱⁱⁱ⁾</i>		2019	2018
Ore & Metals			
Ore milled	<i>tonnes</i>	178,771	168,314
Gold produced	<i>ounces</i>	17,614	15,009
Silver produced	<i>ounces</i>	57,681	57,370
Gold sold	<i>ounces</i>	17,520	17,180
Silver sold	<i>ounces</i>	62,581	66,210
Average gold grade	<i>grams/t</i>	3.18	2.91
Average silver grade	<i>grams/t</i>	27.31	31.78
Average gold recovery rate	<i>%</i>	96.2	95.2
Average silver recovery rate	<i>%</i>	36.8	33.4
Realized Price			
Average realized gold price ^(i,ii)	<i>\$/ounce</i>	1,271	1,287
Average realized silver price ^(i,ii)	<i>\$/ounce</i>	16	17
Non-IFRS Performance Measures			
Co-product cash costs per ounce of gold sold ^(i,ii)	<i>\$/ounce</i>	806	921
Co-product all-in sustaining costs per ounce of gold sold ^(i,ii)	<i>\$/ounce</i>	1,105	1,096
Co-product cash costs per ounce of silver sold ^(i,ii)	<i>\$/ounce</i>	10	11
Co-product all-in sustaining costs per ounce of silver sold ^(i,ii)	<i>\$/ounce</i>	13	13
By-product cash costs per ounce of gold sold ^(i,ii)	<i>\$/ounce</i>	786	897
By-product all-in sustaining costs per ounce of gold sold ^(i,ii)	<i>\$/ounce</i>	1,098	1,081
Financial Measures			
Gold revenue	<i>m \$</i>	22.2	22.0
Silver revenue	<i>m \$</i>	1.0	1.2
Total revenue	<i>m \$</i>	23.1	23.2
Mine operating income / (loss)	<i>m \$</i>	3.7	2.4
Exploration, evaluation & pre-development expense	<i>m \$</i>	0.6	0.6
Capital			
Total capital expenditures	<i>m \$</i>	6.1	4.4
Capital expenditures - sustaining ^(i,ii)	<i>m \$</i>	4.2	1.8
Capital expenditures - expansionary ^(i,ii)	<i>m \$</i>	1.9	2.6

⁽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⁾ 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 the Q1 2019 Management's Discussion and Analysis.

⁽ⁱⁱⁱ⁾ May not add due to rounding.

Mine production at Mercedes during Q1 2019 was 17,614 ounces of gold and 57,681 ounces of silver compared to 15,009 ounces of gold and 57,370 ounces of silver during Q1 of the prior year. The increased gold production is the result of higher mined grades realized upon transitioning to the new Rey de Oro and Lupita zones as well as consistent stope production from within the Diluvio zone. Unit operating costs at Mercedes during the period, on a co-product basis, were cash costs ⁽¹⁾ of \$806 and all-in sustaining costs (AISC) ⁽¹⁾ of \$1,105 per ounce of gold sold. While AISC

reported by Mercedes for this first quarter exceed annual guidance, AISC is tracking to the 2019 mine plan where mine development is weighted heavily toward the first half of 2019 and gold production toward the second half. During the first quarter the Company incurred capital sustaining costs of \$4.2 million, representing over 40% of the annual capital sustaining cost budget for Mercedes in 2019. With gold production and unit operating costs at Mercedes tracking in line with the mine plan, the Company is currently on pace to meet its annual production and unit operating cost guidance.

Exploration activities continued during the quarter with a total of 7,659 feet 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.

In addition to the \$4.2 million in sustaining capital expenditures incurred during the quarter, the Company capitalized another \$1.9 million in expansionary mine development and exploration related costs.

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 well underway on two new mining centers; the Phase 1 open pit and the El Nino underground operations which are expected to ramp-up production in 2019 and 2020. Capital expenditures of \$4.6 million were incurred during the first quarter for stripping for the Phase 1 open pit and underground ramp development at El Nino.

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.

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. Development of a ramp and underground exploration drill stations is planned to start in the third quarter of 2019. During the first quarter of 2019, drilling the first of two new water wells required for groundwater modelling was completed and drilling of the second well is underway. Pump tests, interpretation of results and groundwater modeling will be completed in the third quarter as part of the work required for an eventual feasibility study for the project.

On the ground surrounding the Cove Project, Barrick continues to explore and earn-in to the McCoy-Cove joint venture with positive results. 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 Lighthouse, Alpha, Windy Point and more recently at Antenna where a new discovery was recently announced with an intercept of 118.9 meters of 4.12 g/t gold in hole PB19-03R. Higher grade intervals within the intercept include 6.1 meters of 15.74 g/t gold beginning at 606.6 meters. On a grade-thickness basis, this drill intercept represents one of the most significant ever drilled on the property and the hole terminated still in high grade mineralization.

Greenstone Gold Mines

On March 26, 2019, the Provincial Environmental Assessment (“EA”) for the Hardrock Project was approved by the Minister of Environment, Conservation & Parks of Ontario.

A total of \$6.5 million in expenditures were incurred during the quarter on a range of project activities including definition drilling to further validate and potentially upgrade the resource block model, detailed engineering, project permitting and First Nations consultation. Centerra Gold Inc. (“Centerra”) continues to fund 100% of expenditures incurred at the project. As at March 31, 2019 Centerra had contributed \$76.5 million toward its funding obligation to the Greenstone Partnership.

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.

Q1 financial results and conference call details:

Full financial results for the three months ended March 31, 2019, will be released before market open on May 8, 2019 and a conference call with senior management will be held at 10:00am EST.

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: 90889716

Webcast Link

<https://event.on24.com/wcc/r/1989861/7E60C55C7426BC143258EA66DA8C6155>

Conference Call Replay

The conference call replay will be available from 1:00pm EST on May 8, 2019 until 11:59pm EST on May 15, 2019.

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

International Replay Call: (+1) 416 764 8677

Passcode: 889716 #

1. A cautionary note regarding Non-IFRS financial metrics is included in the “Non-IFRS Measures” section of the March 31, 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 (expansionary), 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

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.