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Drill intercepts include 1.8m of 21.0 g/t Au and 679.00 g/t Ag

THUNDER BAY, ON, Jan. 19, 2016 /CNW/ - [Premier Gold Mines Ltd.](#) (TSX:PG) ("Premier", "the Company") is pleased to announce that ongoing drilling continues to identify high-grade mineralization in multiple horizons at the Company's McCoy-Cove Project, located along the Battle Mountain-Eureka Trend in Nevada. Drill results from the 2015 exploration program have confirmed expansion potential within the historic UPC Zone and intersected multiple intercepts of Au-Ag±Cu skarn and polymetallic mineralization at depth beneath the historic McCoy pit. Two new mineralized zones were also intersected at previously undrilled depths, while testing the "Deep IP" target between the McCoy and Cove pits. Highlights from recent drilling include:

- UPC Zone & New Discovery assay results
 - PM15-09:
 - 1.4 metres (m) of 15.95 grams per tonne gold (g/t Au), 7.37 g/t silver (Ag), or 16.04 g/t gold equivalent (AuEq)
 - 4.3 m of 12.81 g/t Au, 25.56 g/t Ag, or 13.14 g/t AuEq
 - PM15-10
 - 4.3 m of 7.20 g/t Au, 14.39 g/t Ag, or 7.38 g/t AuEq
 - PM15-13:
 - 3.5 m of 7.72 g/t Au, 26.78 g/t Ag, or 8.06 g/t AuEq
 - 1.5 m of 9.83 g/t Au, 130.00 g/t Ag, or 11.49 g/t AuEq
 - PM15-16A:
 - 1.2m of 0.05 g/t Au, 874.00 g/t Ag, or 11.31 g/t AuEq
 - 1.8 m of 21.00 g/t Au, 679.00 g/t Ag, or 29.67 g/t AuEq
 - PM15-17
 - 2.8 m of 14.35 g/t Au, 7.17 g/t Ag, or 14.44 g/t AuEq

McCoy Open Pit & Underground

Initial drilling of the UPC zone has confirmed historic mineralization as well as identified additional expansion potential along the Gold Dome fault. Continued drilling 300 m beneath the UPC Zone with drill-hole PM15-09 discovered new mineralization hosted within the hanging wall of the McCoy Thrust fault. The McCoy Thrust created a similar thrust-dominated structural fabric to the Cove pit and its associated deposits with mineralization consisting of sulfidic skarn alteration and mineralization at the thrust contact with the Dixie Valley conglomerate and Favret limestone. The McCoy thrust is also cut by several cross-cutting "feeder" structures including the Gold Dome and Bay faults, which were historically mined at both the Cove and McCoy open pit and underground operations. Step-out drilling 200m along strike of PM15-09 intersected similar alteration and mineralization associated with the McCoy thrust in PM15-11A. Structural similarities to the thrust fault-hosted 2201 Zone beneath the Cove pit, as well as lateral continuity suggested by initial drilling, confirms Premier's belief that significant infill and expansion potential exists within the McCoy Thrust horizon and warrants additional drilling in 2016.

Table 1 – Select assay results for McCoy open pit and underground drilling program

Hole-ID	UTM Coordinates (m)	Dip/Azimuth (degrees)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq (g/t)	Target
PM15-09	480739E/4464010N	-90/000	47.2	57.9	10.7	0.43	7.18	0.52	West Contact
			449.6	451.0	1.4	15.95	7.37	16.04	UPC
			889.1	893.4	4.3	12.81	25.56	13.14	McCoy Thrust
			932.5	934.5	2.0	3.32	68.35	4.19	McCoy Thrust
PM15-10	480875E/4464034N	-83/112	61.0	74.7	13.7	1.57	6.05	1.65	West Contact
			445.3	446.2	0.9	15.35	4.00	15.40	UPC
			493.9	498.3	4.3	7.20	14.39	7.38	UPC
PM15-11	480687E/4463991N	-72/127	51.8	62.5	10.7	0.70	18.66	0.94	West Contact
PM15-11A	480687E/4463991N	-72/127	882.4	885.5	3.1	1.14	7.39	1.23	McCoy Thrust
			939.7	941.5	1.8	3.60	11.65	3.75	McCoy Thrust
PM15-12	480892E/4463891N	-90/000	31.9	36.4	4.5	0.81	1.20	0.83	West Contact
PM15-13	480805E/4464026N	-67/123	89.0	160.1	71.1	0.69	2.58	0.72	West Contact
		Including	141.3	144.8	3.5	7.72	26.78	8.06	West Contact
			488.0	489.5	1.5	9.83	130.00	11.49	UPC
PM15-14	480870E/4464061N	-72/117	397.3	400.9	3.6	4.34	8.06	4.44	UPC
		Including	397.3	398.4	1.1	7.15	20.00	7.41	UPC
PM15-15	481029E/4464129N	-76/167	140.2	146.3	6.1	0.46	1.47	0.48	West Contact
PM15-16A	480654E/4464185N	-70/087	418.8	420.0	1.2	0.05	874.00	11.20	NE-1 Fault
			556.0	557.8	1.8	21.00	679.00	29.67	UPC

- AuEq ratio 78:1 (Ag:Au)

- Assays provided are uncapped

- True width estimated at 70-95%

Deep IP Target

The Deep IP target horizon is located between the McCoy and Cove open pits, with the strongest anomaly associated with the Gold Dome and Bay faults at previously untested depths of 400 metres or more. Initial testing of the Deep IP anomaly with drill-hole PM15-17 intersected multiple intervals of Carlin-type and polymetallic mineralization at previously undrilled depths. Figure 2 and Table 2 provides a summary of initial results.

Table 2 – Select assay results for the Deep IP target

Hole-ID	UTM Coordinates (m)	Dip/Azimuth (degrees)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq (g/t)	Target
PM15-17	481298E/4464625N	-83/130	510.2	514.7	4.5	5.80	2.71	5.83	Deep IP
			899.6	902.4	2.8	14.35	7.17	14.44	Deep IP

- AuEq ratio 78:1 (Ag:Au)

- Assays provided are uncapped

- True width estimated at 80-90%

"Intercepts from the 2015 drilling program highlight the potential size of the McCoy-Cove system and demonstrate our confidence to expand high grade gold and silver mineralization within the UPC, Deep IP and McCoy Thrust target horizons," stated Chad Peters, Premier's Nevada Exploration Manager on the Company's C-Suite Blog today

(<http://www.premiergoldmines.com/news/c-suite-blog>). "Planned 2016 drilling will focus on infill and expansion of multiple high grade targets with a property-wide resource update planned for year-end."

The McCoy-Cove Project is located along the Battle Mountain-Eureka Trend (See Figure 3) that is host to numerous multi-million ounce producing and past-producing mines. The McCoy and Cove deposits were mined (primarily by open pit) between 1986 and 2001, a period of comparatively low metal prices, producing approximately 3.3 million ounces of gold and more than 110 million ounces of silver. The property is located in close proximity to excellent infrastructure (including paved roads & power) and is permitted for an expanded surface drill campaign and underground access.

Stephen McGibbon, P. Geo., is the Qualified Person for and approved the scientific and technical information contained in this press release and is a Qualified Person within the meaning of National Instrument 43-101. Assay results were sent to ALS Laboratories prep facility located in Elko, Nevada and analysis was performed at their Sparks, Nevada analytical facility utilizing 30 gram fire assay with an AA finish for RC samples and 30 gram fire assay with AA and automatic gravimetric finish on over-limit samples. ICP-MS 30 element scan from 4-acid digestion is also utilized for core samples.

Premier Gold Mines Limited is one of North America's leading exploration and development companies with a high quality pipeline of gold projects focused in proven, safe and accessible mining jurisdictions in Canada and the United States. The Company is well-financed with a portfolio of advanced-stage assets in world class gold mining districts such as Red Lake and Geraldton in Ontario and the most prolific gold trends in Nevada.

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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