Shares Issued: 170,692,322

THUNDER BAY, ON, July 28, 2015 /CNW/ - Premier Gold Mines Ltd. ("Premier" or "The Company") (TSX:PG) is pleased to provide an update of ongoing development activities at the Company's 40%-owned South Arturo Mine in Nevada. The South Arturo Mine is a joint venture between Premier and Barrick Gold Corp.'s wholly-owned subsidiary Barrick Gold Exploration Inc. ("Barrick").

As initial guidance for the Phase 2 mining project at South Arturo, Premier provides the following (100% basis):

- 2015 Capital - US$100M (Premier is funded to the end of September)
- 2016 Gold Production - 200,000+ ounces
- 2016 Free Cash Flow - US$85M+ (assuming a gold price of US$1,200/oz)
- Cash Cost per ounce sold ~US$400
- All-in Cost per ounce sold ~US$730

Current work includes a capitalized pre-stripping program and associated site preparation for mining the Phase 2 open pit. Initial gold production is expected to ramp up by mid-2016, with an approximate 50% increase in overall ore tons to 1.7M tons mined during 2016 versus the original 2015 budget. Some 27 million tons of pre-stripping is being deferred to 2016 versus the original 2015 budget due to the late start in 2015. Pre-stripping will accelerate in late Q1 2016.

Based on current budget planning, Premier expects to end 2015 with approximately Cdn$75M in cash and investments, and to end 2016 with approximately Cdn$100M.

"We are extremely pleased with the work of our joint venture partner" stated Ewan Downie. "Their operating expertise and experience is evident in the efficiency of the work that they do. We are confident that the South Arturo project will benefit from the cost control and optimization opportunities they have identified and we anticipate that these opportunities will translate into positive variances as we progress through the construction phase and into production."

Several cost saving measures being adopted include deferral of drilling on the Hinge, East Dee/Jerry underground targets and some of the condemnation drilling related to the Phase 1 & 3 pits. Surface drilling on the NE Button Hill underground target is ongoing.

Stephen McGibbon, P. Geo., Executive Vice-President Corporate & Project Development of Premier, is a Qualified Person within the meaning of National Instrument 43-101 and has reviewed and approved the technical information contained in this press release.

Premier Gold Mines Limited is one of North America's leading exploration and development companies with a high-quality pipeline of projects focused in proven, safe and accessible mining jurisdictions in Canada and the United States that includes world class gold mining districts such as Red Lake and Geraldton in Ontario and the Carlin and Eureka-Battle Mountain Trends in Nevada.

Forward Looking Information

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 the estimation of mineral resources and mineral reserves, 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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