

Shares Issued: 176,251,661

THUNDER BAY, ON, May 11, 2016 /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, located in the Carlin Trend, Nevada. The South Arturo Mine is a joint venture between Premier and [Barrick Gold Corp.](#)'s wholly-owned subsidiary, Barrick Gold Exploration Inc. ("Barrick"). Barrick is the operator of South Arturo and will process its ore at their Goldstrike Mine processing facility located 5 kilometres to the south.

Development of the mine, including a capitalized pre-stripping program and associated site preparation for the Phase 2 open pit, remains on schedule. Initial ore mining will ramp up in Q3 with Premier attributable gold production estimated at 80,000 ounces in 2016.

At the end of Q1, the Arturo open pit had reached the 5440 elevation, with 32.3 million tons of pre-stripping remaining to be completed to reach the 5200 elevation, which has been established as the boundary between pre-stripping and ore production. Mining costs decreased 6.3% in the quarter from \$1.42/ton budgeted to \$1.33/ton, mostly due to favourable consumables costs and a company-wide cost savings program that is being implemented by Barrick. Figure 1 is an image of recent operations at the project.

South Arturo will be cash flow positive (net of capital) for the 2016 calendar year.

"We are extremely pleased with the progress being made at the South Arturo Project and the excellent performance being realized by our joint venture partner" stated Ewan Downie on the Company's C-Suite Blog (<http://www.premiergoldmines.com/news/c-suite-blog>). "Barrick is bringing its world-class mining expertise to South Arturo. It is a pleasure working with the professional team at Goldstrike"

Additional production opportunities include the potential future development of another open pit and possibly an underground mine on the Property. Barrick is currently seeking to optimize a possible heap leach mining scenario proximal to the historic Dee pit. Cubex drilling and bulk sampling from targeted areas around the existing Dee pit and the underground portal at the historic Storm mine will be used to complete more detailed metallurgical testwork in 2016.

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. The Company is on track for initial gold production from its South Arturo joint venture in Nevada Q3 2016 and expects to end the year with approximately \$75M.

#### 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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