Drill intercepts include 38.6m at 7.75 g/t Au and 3.92 g/t Ag

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THUNDER BAY, ON, Aug. 31, 2016 /CNW/ - Premier Gold Mines Ltd. (TSX:PG) ("Premier", "the Company") is pleased to announce results from five additional step-out holes within the CSD Gap, located between the Helen Zone and historic Cove South Deep (CSD) underground deposit, has confirmed the extension of high-grade mineralization across substantial widths at the Company's 100%-owned McCoy-Cove Gold Project, situated along the Battle Mountain-Eureka Trend in Nevada.

The focus of the ongoing 15,000-metre, 23-hole drill program is to test for continuity and expansion of the Carlin-style gold and silver system within the CSD Gap, as shown in Figures 1 and 2. Results from drill-hole PG16-09, a 100-metre step-out along strike from hole PG16-06 extends high-grade mineralization towards the Helen Zone and remains open for expansion along strike to the northwest. Following conclusion of the drill program Premier anticipates completing a property-wide mineral resource estimate.

Highlights of the recent results include:

- PG16-07: 5.77 g/t Au and 689.00 g/t Ag over 2.4m (0.17 oz/t Au and 20.10 oz/t Ag over 8.0 ft.) at 502.3m and 9.80 g/t Au and 42.46 g/t Ag over 3.4m at 513.6m (0.29 oz/t Au and 1.24 oz/t Ag over 11.0 ft.)
- PG16-08: 7.79 g/t Au and 3.58 g/t Ag over 20.4m (0.23 oz/t Au and 0.10 oz/t Ag over 67.0 ft.) at 635.8m including 12.14 g/t Au and 4.97 g/t Ag over 10.2m (0.35 oz/t Au and 0.14 oz/t Ag over 33.5 ft.)
- PG16-09: 7.75 g/t Au and 3.92 g/t Ag over 38.6m (0.23 oz/t Au and 0.11oz/t Ag over 126.5 ft.) at 637.3m including 16.01 g/t Au and 7.92 g/t Ag over 11.9m (0.47oz/t Au and 0.23 oz/t Ag over 39.2 ft.)
- PG16-10: 10.87 g/t Au and 15.23 g/t Ag over 17.4m (0.32 oz/t Au and 0.44 oz/t Ag over 57.0 ft.) at 632.9m
- PG16-11: 9.63 g/t Au and 3.31 g/t Ag over 11.6m (0.28 oz/t Au and 0.10oz/t Ag over 38.0 ft.) at 553.7m and 9.69 g/t Au and 17.48 g/t Ag over 19.2m (0.28 oz/t Au and 0.51 oz/t Ag over 63.0 ft.) at 629.1m

"The CSD Gap is characterized by high grade intercepts with exceptional continuity as we infill the Gap horizon towards the Helen Zone to the northwest" stated Chad Peters, Nevada Exploration Manager for Premier on the Company's C-Suite Blog (http://www.premiergoldmines.com/news/c-suite-blog). "The remainder of the 2016 program will consist of additional core holes to broadly infill the remaining CSD Gap area and further test the geometry of this rapidly growing deposit."

The Cove geologic model proposes that the most robust gold and silver mineralization in the Helen, CSD and 2201 Zone deposits are closely associated with the deep-seated Cove thrust fault and its associated splays, which acted as both primary structural controls and fluid conduits for all known Cove deposits (Figure 2). 2016 drilling results confirm the aforementioned model as well as highlight multiple, high-grade silver intercepts outside of the defined CSD Gap horizon. These intercepts are directly adjacent to the Cove thrust and historically untested CT-1 through CT-3 splays and suggests additional potential remains to define both gold and exceptionally high grade silver mineralization such as the results seen in holes PG16-05 and PG16-07. As a result, select infill drilling through the end of the 2016 program will also target mineralization hosted within the hanging wall of the CT-1 through CT-3 splays.

All abbreviations used in this press release are available by following this link (click here).

Supplementary images complementing this press release can be viewed by following this link (click here).

Table 1: CSD Gap exploration drill program results

Hole ID	Coordinates[1]	Dip/Azimuth (Degrees)	From	To	Core Length[2]	Au (g/t)	Ag (g/t)	Core Length[2]	Au (oz/t)	Ag (oz/t)	Comment
	(m)		(m)	(m)	(m)			(ft)			
PG16-07	4465563N/481906E	-52/057	502.3	525.0	22.7	3.40	86.59	74.5	0.10	2.53	CSD Gap
			502.3	504.7	2.4	5.77	689.00	8.0	0.17	20.10	including
			513.6	516.9	3.4	9.80	42.46	11.0	0.29	1.24	including
PG16-08	4465563N/481906E	-52/060	602.0	605.4	3.4	4.41	0.73	11.3	0.13	0.02	CSD Gap
			635.8	656.2	20.4	7.79	3.58	67.0	0.23	0.10	CSD Gap
			646.0	656.2	10.2	12.14	4.97	33.5	0.35	0.14	including
PG16-09	4465563N/481906E	-51/068	637.3	675.9	38.6	7.75	3.92	126.5	0.23	0.11	CSD Gap
			644.0	646.5	2.4	18.32	6.01	8.0	0.53	0.18	including
			661.6	673.5	11.9	16.01	7.92	39.2	0.47	0.23	including
PG16-10	4465389N/481988E	-57/056	569.9	575.8	5.9	6.93	2.49	19.3	0.20	0.07	CSD Gap
			632.9	650.3	17.4	10.87	15.23	57.0	0.32	0.44	CSD Gap
PG16-11	4465432N/481977E	-55/057	553.7	565.3	11.6	9.63	3.31	38.0	0.28	0.10	CSD Gap
			553.7	559.6	5.9	15.95	4.79	19.5	0.47	0.14	including
			629.1	648.3	19.2	9.69	17.48	63.0	0.28	0.51	CSD Gap
			643.1	648.3	5.2	19.37	55.37	17.0	0.56	1.61	including

1) UTM NAD83, Zone 11
2) True widths are estimated to be 80 to 90% of core length

The McCoy-Cove Property is located along the prolific Battle Mountain-Eureka Trend that is host to numerous multi-million ounce producing and past-producing including the McCoy and Cove open pits and underground operations, which produced a combined 3.3 million ounces of gold and 110 million ounces of silver between 1986 and 2003. The property is located in close proximity to excellent infrastructure (including paved roads & power) and all permits are in place for an advanced surface drilling campaign.

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. Drill samples were sent to ALS Laboratories in Reno, Nevada for analysis with the analytical facility utilizing 30 gram fire assay with an AA finish for RC samples and 30 gram fire assay with AA finish and ICP-MS 30 element scan from 4-acid digestion for core samples. Over-limit samples receive an automatic gravimetric finish.

Premier Gold Mines Limited is one of North America's leading junior producing 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.

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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