

Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars.

Shares Issued: 201,313,187

THUNDER BAY, ON, Nov. 14, 2016 /CNW/ - [Premier Gold Mines Ltd.](#) (TSX:PG) ("Premier", "the Company") is pleased to announce its operating results for the three months ended September 30, 2016 the first production quarter in the history of the Company. This release should be read in conjunction with the Company's third quarter 2016 financial statements and MD&A report on the Company's website, www.premiergoldmines.com, in the "Financials" section under "Investors", or on the SEDAR website at www.sedar.com.

Third Quarter 2016 Highlights

- Mercedes Mine acquisition completed September 30, 2016
- Commercial production at South Arturo achieved August 1, 2016 on time and under budget
- Attributable Gold production at South Arturo of 30,228 ounces during the quarter
- Average processed gold grade of ore from South Arturo pit of 0.259 Oz/t
- Gold sales at South Arturo of 8,075 ounces during the quarter for proceeds of \$13,912,088
- Realized gold price of \$1,723 (US\$1,303)
- Average Cash Costs of \$477 (US\$361) per ounce for South Arturo
- Average AISC of \$494 (US\$374) per ounce for South Arturo
- Closing cash balance at September 30, 2016 of \$42,079,070
- Precious metals inventory of \$27,982,275
- Mineralized material in stockpile of \$24,473,108

Third Quarter 2016 Financial Results

As at September 30, 2016, the Company remained in a strong financial position with cash and cash equivalents of \$42,079,070 (excluding inventory) compared to cash and cash equivalents of \$73,056,817 at December 31, 2015.

Financial Data (in millions except for earnings (loss) per share)	3 months ended September 30, 2016
Revenue	\$13.9
Gross profit (loss)	\$3.4
Net income (loss)	(\$5.1)
Earnings (loss) per share – basic and diluted	(\$0.03)
Cash flow from operating activities before changes in non-cash operating working capital and other items	(\$7.4)
Cash and cash equivalents	\$42.1

Third Quarter 2016 Operational Results

Gold production from the in the third quarter of 2016, Premier's first as a gold producer, was 83,605 ounces, of which 30,228 ounces are attributable to Premier, approximately 50% above budget. The South Arturo Mine was brought into production on time and under budget and has been achieving excellent performance since the start of production on Aug. 1, 2016. Owing to the excellent start at South Arturo, and owing to higher grades being processed, 2016 annual production guidance has been increased to between 100,000 to 110,000 ounces of gold.

Gold Production and Cost Data	3 months ended September 30, 2016
Tons Processed ⁽¹⁾	322,614
Contained Ounces ⁽¹⁾	83,605
Ounces Produced ⁽²⁾	30,228
Grade Processed (oz/t)	0.259
Recovery Rate	90.4%
Realized gold price	\$1,723
Average cash cost per gold ounce	\$477
Average all-in sustaining cost per gold ounce	\$494

(1) South Arturo - 100% (2) South Arturo – 40% attributable to Premier

2016 Q3 and Recent Company Highlights

South Arturo

The South Arturo Mine was brought into production on time and under budget during the third quarter. The mine, which achieved commercial production on August 1, 2016, has exceeded production guidance by approximately 50% YTD owing to revised scheduling of ore through the roaster. Realized recoveries have also been slightly higher than budget (90.4% actual vs. 86.4% budget) due to grade processed.

Operational statistics for South Arturo on a 100% project basis are as follows:

OPERATIONAL STATISTICS	3 months ending September 30, 2016	9 months ending September 30, 2016
MINING		
Tons Mined	12,717,404	61,751,136
Tons of Ore	987,492	1,006,939
Grade	0.166	0.164
Contained Ounces	164,124	165,371
Operating Waste	5,788,143	5,788,143
Capitalized Tons Waste	5,941,769	54,956,054
Tons Waste	11,729,912	60,744,197
Tons Moved	12,717,404	61,751,136
PROCESSING		
Tons Processed	322,614	322,614
Contained Ounces	83,605	83,605
Ounces Produced	75,570	75,570
Grade Processed	0.259	0.259
Recovery Rate	90.4%	90.4%
FINANCIAL STATISTICS		
Mining Cost Per Ton (\$USD)	\$1.70	\$1.33
Processing Cost Per Ton (\$USD)	\$24.02	\$24.02

On a 100% project basis, South Arturo mined a total 12,717,404 short tons of material during the third quarter, including 987,492 short tons of ore at a grade of 0.166 ounces per ton and containing 164,124 ounces of gold. South Arturo began processing ore during Q3 2016 where a total of 322,614 tons of ore grading 0.259 ounces per ton was processed through the roaster recovering a total of 75,570 ounces of gold at a recovery rate of 90.4%. Premier's (40%) share of the gold ounces processed at South Arturo during the quarter totaled 30,228.

The joint venture is also advancing two additional mining opportunities on the property: the El Nino underground project and the Dee pit expansion project (Phases 1&3).

A Plan of Operations for the construction of a ramp at El Nino to access high grade mineralization down dip of the current pit has been submitted for approval with Nevada regulatory authorities. Drilling in H1 2017 will focus on the further definition of the ore zones from surface to infill previous surface exploration programs.

Drilling and bulk sampling are in process for the Dee pit expansion, a potential run of mine heap leach operation located to the west of the current Phase 2 pit. Updated metallurgical recoveries and optimized capital and operating assumptions will be used for a revised economic assessment for this potential second pit operation prior to making a construction decision.

Mercedes

The acquisition of the Mercedes Mine located in Sonora, Mexico closed on September 30, 2016. For the nine months ended September 30, 2016 under Yamana's ownership and control, the Mercedes Mine produced 70,274 ounces of gold and 326,876

ounces of silver at average all-in sustaining cost of US\$807 per ounce of gold and US\$9.03 per ounce of silver (see table below).

In October, the first month of operations under Premier ownership, Mercedes produced 7,548 ounces of gold and 34,888 ounces of silver with all in sustaining costs ("AISC") of US\$725 per ounce of gold and US\$10.56 per ounce of silver.

Production and Cost Data	9 months ended September 30, 2016
Tons Processed	513,279
Ounces Produced Gold	70,274
Ounces Produced Silver	326,876
Gold Grade Processed (g/t)	4.52
Silver Grade Processed (g/t)	48.38
Recovery Rate Gold	94.26%
Recovery Rate Silver	40.90%
Average cash cost per gold ounce (US\$)	\$687
Average cash cost per Silver ounce (US\$)	\$9.03
Average all-in sustaining cost per gold ounce (US\$)	\$807
Average all-in sustaining cost per Silver ounce (US\$)	\$10.60

In total, 137 metres of primary development and 139 metres of expansionary development were completed in the month and the mine is on track to meet its production and cost guidance (as per Yamana Press Release dated 01/13/2016) for the fourth quarter. Drilling continued with three surface rigs and two underground rigs completing 22 core holes for a total of 4,223 metres of infill, extension and exploration focused drilling.

In October, the site achieved one year without a Long Term Injury. Management would like to congratulate the mines management, employees and contractors on this important milestone.

Greenstone Gold Mines

During the third quarter of 2016, Greenstone Gold spent \$6,692,662 on project development activities (\$21,591,862, cumulative to September 30, 2016) as work continued on the feasibility study for the Hardrock Project. The primary focus during the quarter was finalizing the optimization of key feasibility inputs supported by the results of extensive peer reviews and the continuation of consultation with local communities in parallel with the ongoing regulatory review of the Hardrock environmental assessment. Finalization of the feasibility study is expected during Q4 of 2016. A comprehensive review of historical geological, geophysical and geochemical datasets and an IP geophysical study to supplement and upgrade existing data is ongoing.

Exploration activity during the third quarter at Greenstone Gold included various orientation till sampling programs as well as line cutting, core re logging and orientation geophysical surveys. Diamond drilling originally planned for Q3 2016 has been deferred until 2017.

McCoy-Cove

A total of 6,389 metres of drilling was completed on the McCoy Cove property in the third quarter, including 4,067 metres of core drilling. Drilling costs on a YTD basis are \$65.83 per metre.

Premier made multiple press releases of significant drilling results including PG16-09 that graded 7.75 g/t Au and 3.92 g/t Ag over 38.6m. These results were supported by additional favourable results including PG16-06 grading 7.96 g/t Au and 4.68 g/t Ag over 38.0m. The success of the drilling program to date continues to demonstrate the potential to delineate a significant high grade gold and silver mineral resource at McCoy Cove in horizons that had seen previously very limited testing.

The company is working towards a mineral resource estimate expected in H1-2017 and followed by a PEA in H2-2017. The Cove-Helen Underground Exploration Plan of Operations (PoO) was approved in 2013 granting Premier the option of pursuing an underground exploratory drill program as well as test mining in the Helen Zone. A supplementary 2016 budget has led Premier to initiate preliminary engineering, dewatering and baseline studies required to advance the underground exploration PoO towards development. Dewatering was an important aspect of historic mine operations at Cove and as a result, the installation of vibrating wire piezometers in select exploration drill holes commenced in Q2 in order to monitor groundwater in the vicinity of the Helen and CSD Gap deposits. Preliminary dewatering simulations of the proposed test mining scenario are now complete and results indicate that the potential dewatering outflow levels for the test mining scenario would fall within the currently permitted PoO. Further optimization and validation of the dewatering scenario is ongoing including a pump test that is planned for Q1 2017 to confirm dewatering rates prior to initiating a PEA in H2 2017.

Hasaga

A total of 15,477 metres of drilling was completed at Hasaga during the third quarter, bringing the year to date total to 45,223 metres. Drilling continues to delineate wide lower grade mineralization in the Central Zone area as well as at the historic Buffalo Mine area at the southwest corner of the property. One of the best intersections being HMP136 that graded 3.66 g/t Au over 67.0m beginning at 170.0m downhole (and includes 7.17 g/t Au across 20.0m).

The drilling was divided between the Buffalo Horizon (23 holes) and the Central Zone in (19 holes). The summer program of bulldozer stripping, mapping and channel sampling was continuing at the end of quarter. The metallurgical test work to investigate the heap leach potential of the Hasaga mineralized material suggested recoveries of less than 50% could be anticipated for grind sizes not finer than ¼ inch.

Other Exploration

In Red Lake a total of 1,907 metres were drilled in the quarter focusing on defining the extent of and expanding the "Fold Target" discovery that was made in 2015. The Company expects to meet with Goldcorp in the Q4 to discuss exploration plans for 2017.

During the fourth quarter, exploration activities commenced on the Goldbanks and Alto-Cristina Properties.

CEO Commentary

Ewan Downie, President and CEO stated, "It is with great pleasure that we announce the operational and financial results relating to Premier's first quarter as a producing company. A fluid ramp-up at the Arturo JV with Barrick, including higher than budgeted mine grades, combined with solid performance realized at Mercedes has allowed the Company to increase its 2016 production guidance to between 100,000 and 110,000 ounces of gold". The transition of Mercedes is progressing very well as we continue to integrate the operation into Premier. Exploration intended to increase mine life on the project is underway and early results have been positive in several key target areas. A full exploration update for the Company's portfolio of projects is planned later in the current quarter".

Financial Results – Third Quarter 2016

Loss for the three months ended September 30, 2016 was \$5,057,525 compared to income of \$5,341,819 for the same period of 2015 for a negative variance of \$10,399,344. \$15,384,240 of the variance was from a reduction in other income and expense offset by a positive variance of \$5,676,971 from a decrease in operating loss.

Operating loss for the three months ended September 30, 2016 was \$7,641,932 compared to a loss of \$13,318,903 for the same period of 2015 for a positive variance of \$5,676,971 mainly due to:

- \$3,208,933 in mine operating income from the start of gold production at the South Arturo project
- a reduction in share based payments of \$2,742,654 due to timing of option grants

The operating variances for the period are:

For the three months ended September 30,	2016	2015	Variance
	\$	\$	\$
Revenue	13,912,088	-	13,912,088
Cost of sales	(10,467,275)	-	(10,467,275)
Mine operating income	3,444,813	-	3,444,813

EXPENSES

Exploration, evaluation, and pre-development	8,750,479	8,196,852	553,627
Property maintenance	141,892	225,198	(83,306)
General and administrative	2,194,499	1,592,016	602,483
Share-based payments	357,956	3,100,610	(2,742,654)
Depreciation on property, plant and equipment	47,511	27,035	20,476
Long term debt accretion	299,017	153,569	145,448
Environmental rehabilitation accretion	27,584	23,623	3,961
Remeasurement of environmental rehabilitation	(732,193)	-	(732,193)
Operating loss	(7,641,932)	(13,318,903)	5,676,971

- increase of \$553,627 in exploration, evaluation and pre development which includes a reduction of \$451,968 for feasibility related spending at the 50% owned Hardrock and Brookbank properties, a decrease of \$1,009,517 at the 100% Hasaga property in Red Lake and an increase of \$2,014,989 at the 100% owned McCoy Cove property in Nevada
- increase in general and administration of \$602,483
 - \$271,713 related to Premier's share of project administration costs for the Greenstone Gold joint arrangement and the South Arturo co ownership, agreements entered into during 2015
 - \$207,608 increase in corporate salaries and benefits
- \$732,193 was recorded in 2016 for remeasurement of environmental rehabilitation liabilities on non-core properties that have been previously fully impaired based on an updated assessment of the properties, mainly the Faymar Deloro property

Other income for the three months ended September 30, 2016 was \$977,071 compared to \$16,361,311 for the same period of 2015 for a negative variance of \$15,384,240 which was mainly due to the settlement of contingent consideration on the Greenstone Gold divestment during this period of 2015 of \$10,970,081 and due to expensed legal and advisory fees related to the Mercedes Mine purchase on September 30, 2016 of \$3,488,371.

The components of other income and expense are:

For the three months ended September 30,	2016	2015	Variance
	\$	\$	\$
Investment gains / (losses)			
Investment and other income	13,232	103,918	(90,686)
Unrealized net gain on investments	1,764,350	318,513	1,445,837
Realized net loss on sale of investments	(300,485)	(358,515)	(58,030)
Derivative gains / (losses)			
Unrealized gain on derivatives	810,193	-	810,193
Realized loss on derivatives	(1,312,295)	-	(1,312,295)
Foreign exchange gains / (losses)			
Unrealized foreign exchange gain	289,195	1,466,387	(1,177,192)
Realized foreign exchange gain / (loss)	(145,770)	14,806	(160,576)
Gains / (losses) attributable to property, plant and equipment			
Gain on disposal of equipment	692	-	692
Gain on divestment of mineral property interest	-	10,970,081	(10,970,081)
Transaction costs on the acquisition of Mercedes Mine	(3,488,371)	-	(3,488,371)
Gain attributable to Greenstone Gold development commitment	3,346,330	3,846,121	(499,791)
Total other income	977,071	16,361,311	(15,384,240)

Other significant variances are due to:

- increase in unrealized net gains on investments of \$1,445,858 due to the recognition of a fair value gain on warrants of \$367,759 and mark to market gains on Canadian equities held of \$1,078,099
- unrealized gain on derivatives of \$810,193 includes
 - reversal of the unrealized loss on put options that settled during the quarter of \$965,119 (offset by the actual loss of \$1,312,295 included in realized loss on derivatives)
 - an unrealized loss for the recognition of losses on forward contracts of \$529,000
 - a net unrealized gain of \$374,074 on the change in the valuation of the offtake obligation recorded in the second quarter Orion financing
- realized loss on derivatives is the loss on options that settled (expired) during the quarter

2016 Guidance

The Corporation is currently targeting between 100,000 and 110,000 ounces of gold production for 2016 from its operations at South Arturo and the recently acquired Mercedes Mine in Sonora, Mexico. Approximately 70% of targeted production is anticipated during the fourth quarter. In Mexico, our Mercedes Mine is also expected to produce 90,000 to 100,000 ounces of silver during the fourth quarter.

Production estimates for 2016 are derived from life of mine operating plans prepared on the basis of mineral reserves associated with each property. Assumptions underlying 2016 gold and silver production estimates for South Arturo and Mercedes are presented in the tables below.

Gold	Production ounces	Realized Gold Price per ounce	Cash Cost per ounce	ASIC per ounce
South Arturo	80,000 - 88,000	US\$1,100	US\$361	US\$374
Mercedes	20,000 - 22,000	US\$1,100	US\$706	US\$815
Consolidated	100,000 - 110,000	US\$1,100	US\$451	US\$489
Silver				
Mercedes	90,000 - 100,000	US\$17.00	US\$9.45	US\$10.91
Consolidated	90,000 - 100,001	US\$17.00	US\$9.45	US\$10.91

Premier Gold Mines Third Quarter 2016 Results - Conference Call

The Company will host the Q3 financial results conference call and webcast today, November 14, 2016 at 10:00 am EDT.

Q3 Conference Call Information

Toll Free (North America): 1-888-231-8191
 International: 1-647-427-7450
 Conference ID: 15481005

Webcast Link

Webcast URL (EN): <http://event.on24.com/r.htm?e=1308442&s=1&k=1427664CC71E3342925F314F82C7EA42>

The webcast replay will be available 1:00pm EDT on November 14, 2016 until 11:59 pm EST on December 14, 2016.

Q3 Conference Call Replay

Toll Free Replay Call (North America): 1-855-859-2056
 International Replay Call: 1-416-849-0833
 Passcode:15481005

The conference call replay will be available from 1:00pm EDT on November 14, 2016 until 11:59 pm EST on November 21, 2016.

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 results from Hasaga are from core samples sent to either Accurassay Laboratories or Activation Labs, both accredited mineral analysis laboratories in Thunder Bay, Ontario, for preparation and analysis utilizing both fire assay and screen metallic methods. Drill samples from McCoy-Cove 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 a gold producer and respected exploration and development company with a high-quality pipeline of precious metal projects in proven, accessible and safe mining jurisdictions in Canada, the United States, and Mexico.

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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