

Shares Issued: 201,313,187

THUNDER BAY, ON, Nov. 16, 2016 /CNW/ - [Premier Gold Mines Ltd.](#) (TSX:PG) ("Premier", "the Company") wishes to augment the Feasibility Study results for the Hardrock Project, that was completed by Greenstone Gold Mines, with additional information relevant to current shareholders and potential investors. As per the Feasibility Study, the Partners (Premier and [Centerra Gold Inc.](#)) are able to calculate independent post-tax IRR subject to their respective tax situations. This additional information includes:

- The impact of Premier's existing tax assets; and
- The impact of the balance of Centerra's C\$185 million funding commitment

Highlights of the impact of this additional information on project economics specific to Premier, on a 50% basis, include:

- Pre-tax IRR of 21.1%; After-tax IRR of 17.5%
- Pre-tax NPV(5%) of \$607 million; After-tax NPV(5%) of \$414 million

The Feasibility Study was prepared by G Mining Services Inc. ("GMS"), in collaboration with various consulting firms including Micon International Limited ("Micon"), Stantec Consulting Limited ("Stantec"), WSP Canada Inc. ("WSP"), Soutex Inc. ("Soutex"), TBT Engineering Limited ("TBTE"), Amec Foster Wheeler Environment and Infrastructure, ("Amec") and Golder Associates Ltd. ("Golder"). The Project after-tax NPV at a discount rate of 5% is estimated to be \$709 million. This study assumes the company is a standalone taxable Canadian entity and does not reflect the potential upside value of either partner's specific circumstances such as tax positions. The after-tax Project cash flow results in a 4.5-year payback period from the commencement of commercial operations with an after-tax IRR of 14.4% (after-tax and pre-financing basis). The total after-tax cash flow over the Project life is estimated to be \$1,636 million.

"We believe it is critical that investors understand the difference between the stated Feasibility Study results and how those results are reflected within Premier," stated Ewan Downie, President & CEO of Premier Gold Mines on the company's C-Suite Blog, <https://www.premiergoldmines.com/news/c-suite-blog/all>. "Hardrock is a robust deposit located in a favourable mining jurisdiction and we are excited to be advancing this project to what we hope will be a production decision upon receipt of permits."

A technical teach-in session for the Hardrock Project on will be held today, Wednesday, November 16, 2016 at 5:00pm at the Toronto Board of Trade &#8211; Ridout Room

At this event, members of the Greenstone Gold Mines team, the Company formed for the 50/50 partnership for the joint ownership and development of the Trans-Canada Property, will provide a detailed update of the Hardrock project. As well, several senior members of the Centerra and Premier Executive team will be in attendance to discuss the project's future.

For those that are unable to attend in person, a conference call and webcast will also be available. You may access the call by dialing the operator at 1-647-427-7450 or toll free at 1-888-231-8191 prior to the scheduled start time or you may listen to the call via webcast by clicking the following link <http://event.on24.com/r.htm?e=1308017&s=1&k=781CC2E1C111E0B6BDBAB7DBA0951279>. A playback version of the call will be available for one month at 1-416-849-0833 or toll free at 1-855-859-2056 (passcode: 15469730). The webcast can also be found on Premier's website.

#### Centerra Funding Commitment

As contemplated in the Partnership Agreement entered into in March 2015, Centerra agreed to make capital contributions to the Partnership in the aggregate amount of \$185 million, half of which is paid on behalf of Premier. The \$185 million is subject to the satisfaction of certain feasibility study results and project advancement criteria. Centerra has contributed approximately \$47.2 million in capital contributions to the Partnership as of November 3, 2016, a portion of which has been used to fund the completion of the Feasibility Study. Once Centerra has funded the full amount of \$185 million, future contributions will be on a 50/50 basis with Premier, pursuant to approved annual programs and budgets. The Partners expect to further review the Feasibility Study and no development or construction decision is made on the Project at this time.

#### Qualified Person & QA/QC

The Feasibility Study was completed by G Mining Services Inc. with the assistance of several external consultants. Mineral Reserve and Mineral Resource estimates, LOM plan, and other scientific and technical information in this news release were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 &#8211; Standards of Disclosure for Mineral Projects ("NI 43-101") and were prepared or supervised by Mr. Réjean Sirois, Vice-President of Geology and Resources for G Mining Services Inc., and Mr. Louis-Pierre Gignac, Co-President of G Mining Services Inc., both of whom are "Qualified Person" as defined by National Instrument 43-101 &#8211; Standards of Disclosure for Mineral Projects ("NI 43-101"). Sample preparation, analytical techniques, laboratories used and quality

assurance-quality control protocols used during the exploration drilling programs on the Hardrock Project have been done consistent with industry standards and independent certified assay labs have been used. Available quality control data indicates that the gold assay data used for resource estimation are reliable.

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.

#### Cautionary Note Regarding Forward-looking Information

Information contained in this news release and the documents referred to herein which are not statements of historical facts, may be "forward-looking information" for the purposes of Canadian securities laws. Such forward looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward looking information. The words "expect", "target", "estimate", "may", "will", and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things, mineral reserve and resource estimates, grades and recoveries, the evaluation of programs to minimize the risk profile of the Project including the submission of the final EA/EIA to regulators in support of mining continued consultations with community and First Nations stakeholders and advancing discussions relating to project financing; development plans, mining methods and metrics including strip ratio, recovery process and the expected performance of the HPGR, mining and production expectations including expected cash flows, capital cost estimates and expected LOM operating costs, the expected payback period, receipt of government approvals and licenses including the timing for submitting a response to the EA/EIA, time frame for construction, financial forecasts including net present value and internal rate of return estimates, tax and royalty rates, expected costs relating to the relocation of certain existing infrastructure, opportunities to improve the LOM average grade from processing material from other Greenstone Gold Property, including Brookbank and the Hardrock underground; and the possibility of any benefit of historical tax positions held by Centerra or Premier.

Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Managing Partner, Centerra and Premier, are inherently subject to significant political, business, economic and competitive uncertainties and contingencies. There may be factors that cause results, assumptions, performance, achievements, prospects or opportunities in future periods not to be as anticipated, estimated or intended. These factors include the following risks relating to the Hardrock Project, Centerra and/or Premier: (A) strategic, legal, planning and other risks, including the risks for disagreement between the partners on how to explore, develop, operate and finance the Project, political risk, risks relating to aboriginal claims and consultation issues; resource nationalism including the management of external stakeholder expectations; the impact of changes in, or to the more aggressive enforcement of laws, regulations and government practices; the impact of changes to, the increased enforcement of, environmental laws and regulations; potential defects of title to the property that are not known as of the date hereof; the inability of the Partnership and its partners to enforce their respective legal rights in certain circumstances; risks related to anti-corruption legislation; potential risks related to kidnapping or acts of terrorism; (B) risks relating to financial matters, including the ability of the partners to provide funding to the Partnership in accordance with the terms of the Partnership Agreement; sensitivity of the business to the volatility of gold prices; the imprecision of mineral reserves and resources estimates; and the assumptions they rely on; the accuracy of the production and cost estimates; the ability to obtain financing for the Partnership or by either partner; the impact of global financial conditions, the impact of currency fluctuations, the effect of market conditions on short-term investments, the ability of the partners including Centerra to make payments to the Partnership depends on the cash flow of its subsidiaries; and (C) risks related to operational matters and geotechnical issues; the success of the Partnership's future exploration and development activities, including the financial and political risks inherent in carrying out exploration activities; inherent risks associated with the use of sodium cyanide in the mining operations; the adequacy of insurance to mitigate operational risks; mechanical breakdowns; the occurrence of any labour unrest or disturbance; the ability to accurately predict decommissioning and reclamation costs, including closure costs; the ability to attract and retain qualified personnel; the ability to manage projects effectively and to mitigate the potential lack of availability of contractors; budget and timing overruns and project resources; potential delays in the issuance of permits; potential opposition to the Hardrock Project by local communities or civil groups related; potential material increases in project development or operation costs due to increases in key consumables, inflation, imposed demands for infrastructure development or regulatory changes; the planning, design and costing of the key project infrastructure such as power, water and access.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially, from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained herein or incorporated by reference. Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra/Premier, and prospective investors should not place undue reliance on forward-looking information. Forward-looking information is as of November 16, 2016. Centerra/Premier assumes no obligation to update or revise forward-looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward looking information, except as required by applicable law.

SOURCE [Premier Gold Mines Ltd.](http://Premier Gold Mines Ltd.)

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