Highlights include 46 m at 2.87 g/t Au in drill hole HMP141

THUNDER BAY, ON, Dec. 20, 2016 /CNW/ - Premier Gold Mines Ltd. (TSX-PG) is pleased to provide results from the remainder of the 2016 surface drilling program and metallurgical test work completed on the Company's 100%-owned Hasaga Project (the Property) in the Red Lake gold mining district of Northwestern Ontario. The program was primarily focused on the in-fill drilling of near surface mineralization in key target areas in advance of a maiden mineral resource estimate that is expected to be released early in Q1 2017.

Premier's largest 2016 exploration program was completed at Hasaga that included 50,000 metres of drilling. The resource estimate that will focus on the open pit potential of the Hasaga, Central and Buffalo Zones will also include an additional 60,000 metres of drilling that was completed in 2015.

Highlights from the final batch of the 2016 drill hole results include the following:

- HMP141 intersected 2.87 g/t Au across 46.0 m beginning at 185.0 m, including 4.28 g/t Au across 28.0 m
- HMP145 intersected 1.67 g/t Au across 70.0 m beginning at 89.0 m
- HMP147 intersected 2.22 g/t Au across 42.0 m beginning at 142.0 m
- HLD073 intersected 3.88 g/t Au across 32.0 m beginning at 308.0 m, including 55.70 g/t Au across 2.0 m
- Metallurgical results demonstrate gold recoveries of between 94% and 97%

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

The Hasaga Property (See Figure 1) is host to the past-producing Hasaga, Buffalo and Gold Shore Mines and is being evaluated for the potential for both lower grade open-pit mining scenarios and higher grade mineralization that may occur at depth. Premier regards Hasaga as having exploration potential similar to other historic mining camps in Ontario, where gold resources have been discovered at the site of past-producing mines. Open pit mining has not made a significant contribution to the Red Lake area's past production however, Premier believes this is an opportunity that has largely been overlooked.

"Having acquired the majority of the Hasaga land package through an exchange of some non-core assets, the drilling has been able to demonstrate a significant increase in value from organic growth in our portfolio," commented Stephen McGibbon, Premier's Executive Vice-President on the Company's C-Suite Blog (http://www.premiergoldmines.com/news/c-suite-blog). "These final drill results are the culmination of an aggressive two year exploration campaign at Hasaga and the maiden mineral resource estimate is expected to reflect some of that value addition."

Central Zone

The drill hole intercepts of HLD069 through to HLD075 (See Table 1 and Figure 2) represent new results from the infill drill program within the Central Zone that was undertaken to demonstrate continuity of mineralization. The Central Zone is characterized by widespread persistent mineralization associated with silicification, weakly disseminated sulphides and variably distributed quartz veinlets within the Dome Stock that begins at surface and remains open at depth. The additional drilling conducted at this target has validated results reported in earlier campaigns and helped provide better understanding of the internal variability of higher grade material and its continuity. The Central Zone remains open at depth and west of the property boundary.

During 2017, Premier may conduct a limited amount of additional drilling on the margins of the deposit to further evaluate its extent. Follow up drilling on the high grade intercept of hole HLD073 and other holes will target intersecting structures that also controlled the ore mined at Gold Shore Mine.

Table 1: Highlight results from recent drilling at the Central Zone target

Hole ID	Coordinates (m)	Azimuth/Dip	Elevation (m)	From (m)	To (m)	Intercept (m)	Au (g/t)	Intercept (ft)	Au (oz/t)	Comment/ Zone
HLD069	440931 E / 5652000 N	-46 / 217	369	46.0	52.0	6.0	0.98	19.7	0.03	
				109.0	161.0	52.0	0.93	170.6	0.03	
				124.0	127.0	3.0	7.57	9.8	0.22	Including; VG
HLD070	440931 E / 5652078 N	-81 / 217	369	59.0	149.0	90.0	0.70	295.2	0.02	
				119.0	149.0	30.0	1.01	98.4	0.03	Including
				228.0	238.0	10.0	1.07	32.8	0.03	
HLD071	441001 E / 5652156 N	-82 / 215	375	53.0	136.0	83.0	0.79	272.2	0.02	
				102.0	126.0	24.0	1.39	78.7	0.04	Including
				202.0	227.0	25.0	0.76	82.0	0.02	
HLD072	441146 E / 5652357 N	-75 / 207	366	227.0	309.0	82.0	0.94	269.0	0.03	
				228.0	231.0	3.0	5.32	9.8	0.16	Including; VG
				326.0	355.0	29.0	0.91	95.1	0.03	VG
HLD073	441137 E / 5652356 N	-46 / 91	366	308.0	340.0	32.0	3.88	105.0	0.11	
				318.0	320.0	2.0	55.70	6.6	1.63	Including; VG
HLD074	441137 E / 5652356 N	-54 / 179	367	223.0	235.0	12.0	0.71	39.4	0.02	
				316.0	372.0	56.0	1.14	183.7	0.03	
				318.0	341.0	23.0	2.26	75.4	0.07	Including
HLD075	441216 E / 5652360 N	-46 / 209	367	122.0	131.0	9.0	2.17	29.5	0.06	
				491.0	564.0	73.0	1.25	239.4	0.04	
				528.0	531.0	3.0	11.99	9.8	0.35	Including; VG
HLD076	441036 E / 5651931 N	-52 / 55	379	6.6	66.0	59.4	0.88	194.8	0.03	
				23.0	26.0	3.0	7.30	9.8	0.21	Including; VG
				132.0	145.0	13.0	1.14	42.6	0.03	
				233.0	241.0	8.0	1.41	26.2	0.04	
HLD078	440810 E / 5652525 N	-64 / 150	360	315.0	321.0	6.0	0.70	19.7	0.02	
HLD079	440721 E / 5652300 N	-66 / 152	367	361.0	364.0	3.0	1.89	9.8	0.06	
HLD080	440817 E / 5652338 N	-60 / 153	359	148.0	196.0	48.0	0.84	157.4	0.02	
				235.0	238.0	3.0	3.00	9.8	0.09	
HLD081	441173 E / 5651796 N	-36 / 29	378	62.0	63.0	1.0	5.97	3.3	0.17	
HLD082	440933 E / 5652418 N	-66 / 152	366	150.0	188.0	38.0	1.22	124.6	0.04	
				200.0	308.0	108.0	0.80	354.2	0.02	
				203.0	207.0	4.0	4.29	13.1	0.13	Including
				346.0	400.0	54.0	1.01	177.1	0.03	
HLD084										

441044 E / 5652505 N

			60.0	68.0	8.0	1.31	26.2	0.04	VG
			101.0	122.0	21.0	0.80	68.9	0.02	
HLD085	441269 E / 5651870 N	-38 / 48	372	42.0	45.0	3.0	6.94	9.8	0.20	VG
HLD086	441039 E / 5652502 N	-35 / 89	362	20.0	25.0	5.0	0.90	16.4	0.03	
				133.0	136.0	3.0	4.52	9.8	0.13	
				248.0	249.0	1.0	10.20	3.3	0.30	
				453.0	469.0	16.0	0.70	52.5	0.02	
HLD087	441254 E / 5651818 N	-35 / 91	379	48.0	50.0	2.0	27.53	6.6	0.80	VG
HLD088	440811 E / 5652525 N	-35 / 274	360	233.0	238.0	5.0	4.04	16.4	0.12	VG
HLD089	441221 E / 5652366 N	-35 / 48	367	294.0	302.0	8.0	0.81	26.2	0.02	
HLD090	440857 E / 5652421 N	-66 / 154	362	384.0	418.0	34.0	1.18	111.5	0.03	
HLD091	441219 E / 5652363 N	-36 / 137	367	186.0	196.0	10.0	1.27	32.8	0.04	
HLD092	441143 E / 5652354 N	-37 / 42	366	256.0	260.0	4.0	2.60	13.1	0.08	
				366.0	374.0	8.0	0.99	26.2	0.03	
				606.0	609.0	3.0	3.83	9.8	0.11	
HLD093	440801 E / 5652262 N	-60 / 152	368	158.0	160.0	2.0	18.49	6.6	0.54	
				187.0	240.0	53.0	1.13	173.8	0.03	VG
				313.0	325.0	12.0	3.03	39.4	0.09	
				397.0	424.0	27.0	0.82	88.6	0.02	
HLD094	440934 E / 5652418 N	-35 / 333	366	287.0	290.0	3.0	18.71	9.8	0.55	VG
HLD095	440933 E / 5652417 N	-35 / 3	366	206.0	212.0	6.0	1.68	19.7	0.05	VG
HLD096	441263 E / 5651848 N	-35 / 80	374	268.0	285.0	17.0	0.97	55.8	0.03	
				297.0	306.0	9.0	0.77	29.5	0.02	

UTM NAD83, Zone 15, - True widths are estimated to be 35 to 60% of core length

Buffalo Zone

The Buffalo Mine target occurs within the Dome Stock at surface and remains open at depth. The Buffalo Zone characterized by widespread persistent mineralization associated with silicification, weakly disseminated sulphides and variably distributed quartz veinlets containing tourmaline and visible gold. Drilling conducted at this target has validated historic results and helped provide better understanding of the internal variability of higher grade material and its continuity. Hole HMP 141, which returned 46.0 metres of 2.87 g/t Au, was the deepest planned hole that confirms mineralization is open at a depth exceeding 200 metres down plunge. Figure 3 is plan view of the Buffalo Zone showing the new intercepts. The geology on Figure 3 is simplified and does not show the complexity of mafic volcanics-granodiorite contact.

During 1980-82, Wilanour Resources completed 6,600 metres of surface drilling at Buffalo and processed a bulk sample consisting of some 29,000 tonnes (31,986 short tons) of mineralization from an open pit and underground ramp that graded 2.19 g/t Au (0.064 oz/ton Au). The Buffalo Mine area has largely remained idle since the Wilanour exploration and development campaign, which was limited in scope. Premier believes the evaluation of this target area remains incomplete.

During the upcoming 2017 exploration campaign, Premier anticipates further evaluation of the Buffalo target area as well as drilling at depth on the Hasaga Porphyry target, which occurs to the northeast of the Buffalo area (see Figure 1).

Table 2: Highlight results from recent drilling at the Buffalo Zone

Hole ID	Coordinates (m)	Azimuth/Dip	Elevation (m)	From (m)	To (m)	Intercept (m)	Au (g/t)	Intercept (ft)	Au (oz/t)	Comment/ Zone
HMP141	439925 E / 5650714 N	-70 / 330	367	185.0	231.0	46.0	2.87	150.9	0.08	
				192.0	220.0	28.0	4.28	91.8	0.12	Including; VG
HMP142	439883 E / 5650770 N	-35 / 0	364	43.0	86.0	43.0	1.20	141.0	0.04	
				64.0	66.0	2.0	12.6	6.6	0.37	Including; VG
HMP143	439830 E / 5650798 N	-35 / 0	364	45.0	74.0	29.0	2.23	95.1	0.07	
HMP144	439799 E / 5650754 N	-62 / 16	360	152.0	162.0	10.0	1.02	32.8	0.03	
				169.0	174.0	5.0	1.35	16.4	0.04	
HMP145	439799 E / 5650754 N	-51 / 21	360	89.0	159.0	70.0	1.67	229.6	0.05	VG
HMP146	439840 E / 5650718 N	-45 / 25	360	106.0	154.0	48.0	1.44	157.4	0.04	
				167.0	178.0	11.0	5.05	36.1	0.15	
				196.0	204.0	8.0	0.81	26.2	0.02	
HMP147	439840 E / 5650718 N	-60 / 26	360	142.0	184.0	42.0	2.22	137.8	0.06	
				166.0	170.0	4.0	10.26	13.1	0.30	Including; VG
HMP149	439762 E / 5650784 N	-76 / 12	363	13.0	25.0	12.0	0.83	39.4	0.02	
				39.0	50.0	11.0	0.99	36.1	0.03	
				63.0	67.0	4.0	1.41	13.1	0.04	
				142.0	159.0	17.0	1.21	55.8	0.04	
HMP150	439925 E / 5650713 N	-76 / 18	367	178.0	179.0	1.0	3.09	3.3	0.09	

UTM NAD83, Zone 15, - True widths are estimated to be 35 to 60% of core length

Metallurgical Results

Premier has recently completed a metallurgical scoping program on samples from the Hasaga, Central and Buffalo Zones with the intent to characterize the lithological and mineralization domains of the project areas, and to complement the planned mineral resource estimates. Although bottle roll tests utilizing coarser crush sample composites (¼", ½", ¾" crush sizes) does not support the potential for heap leach processing, the baseline bottle roll cyanidation study indicated very good recoveries for all grade ranges (See Table 4) with metallurgical results of between 94% and 97% when grinding to 80% passing 200 mesh. The three zones sampled also appear to be amenable to gravity recovery with results ranging from 21.7% to 77.3%. Table 3 summarizes the sampling conditions for the bottle roll tests. Coarse crush cyanidation tests returned less than 50% recovery rates.

Table 3: Bottle roll test sampling conditions

Parameter	Value
Target Grind - P_{80}	74?m
Slurry Density	40% solids w/w
Slurry pH	10.5 to 11.0
NaCN concentration	0.5 g/l
Total Leach Duration	48 hours
Sampling Periods	2,8,24,32 & 48 hours

Table 4: Detailed Metallurgical results (48 hour Leach time)

Comp	Zone	Feed Size P_{80}, ?m	Head Grade (g/t)		Residue (g/t)	Au % Recovery CN (Unit)	Reagent Consumption Kg/t of CN Feed	
			Calc	Direct		48 h	NaCN	CaO
1	Hasaga	72.0	0.90	0.76	0.07	92.8	0.64	0.28
2	Hasaga	76.0	1.38	1.42	0.06	95.8	0.64	0.29
3	Hasaga	72.0	0.65	0.96	0.04	93.8	0.63	0.24
4	Hasaga	80.0	1.54	1.45	0.11	93.2	0.55	0.28
5	Hasaga	70.0	1.07	1.19	0.03	97.7	0.68	0.27
6	Hasaga	75.0	0.99	1.08	0.10	89.5	0.72	0.30
Averages	Hasaga	74.2	1.09	1.14	0.07	93.8	0.64	0.28
7	Central	71.0	4.59	2.95	0.05	98.9	0.68	0.21
8	Central	72.0	1.86	1.66	0.06	96.8	0.71	0.25
9	Central	76.0	3.03	3.13	0.20	93.4	0.09	0.32
10	Central	72.0	0.49	0.60	0.02	95.9	0.62	0.21
11	Central	71.0	1.48	2.31	0.07	95.3	0.7	0.19
12	Central	74.0	0.55	0.61	0.02	96.4	0.55	0.19
13	Central	79.0	1.10	1.54	0.05	95.8	0.64	0.27
14	Central	74.0	1.08	1.05	0.06	94.8	0.61	0.41
15	Central	77.0	0.31	0.25	0.04	87.5	0.58	0.24
16	Central	78.0	1.02	0.97	0.05	94.7	0.69	0.27
Averages	Central	74.4	1.55	1.51	0.06	95.0	0.59	0.26
17	Buffalo	73.0	2.51	2.16	0.09	96.2	0.38	0.39

Premier remains focused on building its mining business towards mid-tier gold producer status. In addition to its two producing mines, South Arturo and Mercedes, the Company is beginning to plan for future operations with a potential underground plan for the 100%-owned McCoy-Cove Property in Nevada and the ongoing permitting for future development at Hardrock in Ontario (Trans-Canada JV). Premier also remains focused on organic growth initiatives in the company and is actively exploring several prospective projects.

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 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. Metallurgical results are from core samples sent to SGS Minerals Services in Lakefield, accredited to the requirements of ISO/IEC 17025 for specific tests including Mineralogical Tests for QEMSCAN, XRD and Precious Metal Studies, Diamond and Indicator Mineral Studies as listed in their scope of accreditation.

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.

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