Premier Reports Third Quarter Results with $17.1 million in Free Cash Flow or $0.08 per share

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THUNDER BAY, ON, Nov. 7, 2017 /CNW/ - Premier Gold Mines Ltd. (TSX:PG) ("Premier", "the Company") is pleased
its operating results for the third quarter ended September 30, 2017.

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

2017 Third Quarter Consolidated Highlights

- Production of 26,677 ounces of gold and 82,856 ounces of silver
- Gold sales of 37,920 ounces at an average realized price(i) of $1,604 (US$1,282) per ounce
- Co-product cash costs(i) of US$646 per ounce of gold (ii)
- Co-product all-in sustaining costs ("AISC")(i) of US$782 per ounce of gold
- Net revenue of $62.3 million (US$47.7 million)
- Operating income of $17.0 million (US$13.0 million)
- Net income of $3.9 million (US$3.0 million)
- Quarter end cash balance of $171.8 million (US$137.6 million) plus inventory of 5,933 ounces of gold and 39,659 silver
- Cash flow from operating activities of $25.6 million (US$19.6 million) or $0.12/share (US$.09/share)
- Free cash flow(i) of $17.1 million (US$13.1 million) or $0.08/share (US$0.06/share) after an investment of $6.9 mi million) in exploration and pre-development programs and $8.4 million (US$6.4 million) in capital expenditures.

(i) See "Non-IFRS Measures" section. A Cautionary note and further information regarding Non-IFRS financial metrics is included in the "Non-IFRS Measures" section of the Q3-2017 Management's Discussion and Analysis
(ii) Cash costs, all-in sustaining costs, free cash flow, EBIDTA, as well as average realized gold price per ounce are Non-IFRS metrics and discussed in the "Non-IFRS Measures" section of the Q3-2017 Management's Discussion and Analysis

"Strong operating cash flows since establishing production just over one year ago have brought strength to our balance continue to be the sole source of funding for project development initiatives across the Company," stated Steve Filipovi Premier. "This has allowed us to reduce short term debt while continuing to build value across our portfolio of advanced projects."

Consolidated Financial Highlights – For the three months ended September 30, 2017

Mining operations during the third quarter generated earnings before interest, taxes, depreciation and amortization ("EB $20.4 million (US$15.6 million), and net income of $3.9 million (US$3.0 million) or $0.02/share (US$0.01/share). This re record quarter-end cash balance of $171.8 million (US$137.6 million). Production from South Arturo continues to surpa budget, and with targeted mining initiatives at Mercedes we remain on track to meet 2017 full-year gold production guid 130,000-140,000 ounces.

The Company remains focused on aggressively pursuing its portfolio of advanced stage development projects. Explora evaluation and pre-development costs expensed during the quarter totalled $6.9 million (US$5.3 million). Despite this s investment, the Company generated earnings per share of $0.02 during the quarter. After taking into account this inves the $8.4 million (US$6.4 million) in capital expenditures the Company generated free cash flow of $17.1 million (US$13 during the quarter. Strong operating results have enabled the Company to continue to build its balance sheet while add its development portfolio.

Millions CA$, except for earnings per share	Three months ended September 30, 2017	Nine months ended September 30, 2017	Millions US$, except for earnings per share	Three months ended September 30, 2017	Nine months ended September 30, 2017
Net revenue	62.3	222.2	Net revenue	47.7	170.1
Mine operating Income	17.0	74.2	Mine operating Income	13.0	56.8
EBITDA (i)	20.4	96.0	EBITDA (i)	15.6	73.4
Net income	3.9	25.2	Net income	3.0	19.3
Earnings per share	0.02	0.12	Earnings per share	0.01	0.09
Change in cash	15.0	52.1	Change in cash	12.0	41.7

	Nine months ended September 30, 2017	Nine months ended September 30, 2016		Nine months ended September 30, 2017	Nine months ended September 30, 2016
EBITDA (i)	96.0	(19.7)	EBITDA (i)	73.4	(14.9)
Cash flow from operating activities	81.2	(38.9)	Cash flow from operating activities	62.2	(29.4)
Cash and cash equivalents	171.8	42.1	Cash and cash equivalents	137.6	32.1

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Operational Highlights – For the three months ended September 30, 2017

Mercedes Mine - Sonora State, Mexico

Third quarter co-product cash costs were US$793 per ounce of gold sold and AISC were US$998 per ounce of gold. Production during the third quarter was 18,564 ounces of gold and 82,856 ounces of silver, which is slightly below budget due to the mine site team assisting the local community in suppressing forest and grass fires in the area over a two week period as well as adjustments to the mining sequence to address localized ground conditions.

To achieve future throughput and stockpile targets, the Mercedes mine team continues to develop additional mine workings including the Diluvio deposit, which will be fully operational in the fourth quarter, and the Rey De Oro deposit where access was gained late in the third quarter.

Key capitalized expenditures during the quarter included $2.4 million (US$1.9 million) in exploration, $2.8 million (US$2.2 million) in equipment and building infrastructure, and $2.2 million (US$1.8 million) in underground mine development.

The 2017 exploration program, targeting the conversion of resources to reserves and drilling near-mine resource opportunities, will continue for the remainder of 2017. The focus remains on new mineralization

close to existing workings to supplement production, extensions to mineralization along strike of the main mine trend and testing new geological targets. During the third quarter up to ten underground and surface drill rigs were active on the property.

Mercedes Operational Results		Three months ended September 30, 2017	Nine months ended September 30, 2017
Ore milled	Tonnes	156,402	501,075
Gold produced	Ounces	18,564	62,621
Silver produced	Ounces	82,856	260,902
Gold sold	Ounces	24,894	68,167
Silver sold	Ounces	90,545	261,735
Average gold grade	grams/tonne	3.88	4.09
Average silver grade	grams/tonne	36.50	38.97
Average gold recovery rate	%	95.4	95.3
Average silver recovery rate	%	45.2	41.6
Average realized gold price (i,ii)	US$/ounce	1,292	1,254
Average realized silver price (i,ii)	US$/ounce	16.91	16.98
Co-product cash costs per ounce of gold sold (i,ii)	US$/ounce	793	687
Co-product all-in sustaining costs per ounce of gold sold (i,ii)	US$/ounce	998	839
Co-product cash costs per ounce of silver sold (i,ii)	US$/ounce	10.35	9.34
Co-product all-in sustaining costs per ounce of silver sold (i,ii)	US$/ounce	13.49	11.49

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(ii) Cash costs, all-in sustaining costs as well as average realized gold price per ounce are Non-IFRS metrics and discussed in the "Non-IFRS Measures" section of the Q3-2017 Management's Discussion and Analysis

South Arturo Mine – Carlin Trend, Nevada

The South Arturo Mine is a joint venture between Premier and Barrick Gold Corp.'s wholly-owned subsidiary of Barrick Gold Exploration Inc. ("Barrick"). The mining of the Phase 2 pit continues to exceed production forecasts and has resulted in a substantial stockpile that remains to be processed.

South Arturo Operating Results		Three months ended September 30, 2017	Nine months ended September 30, 2017
Ore milled	Tonnes	79,479	345,998
Gold produced	ounces	8,113	52,652
Gold sold	ounces	13,026	64,559
Average gold grade	grams/tonne	3.79	5.42
Average gold recovery rate	%	83.8	87.4
Average realized gold price (i,ii)	US$/ounce	1,264	1,249
Co-product cash costs per ounce of gold sold (i,ii,iii)	US$/ounce	363	295
Co-product all-in sustaining costs per ounce of gold sold (i,ii,iii)	US$/ounce	371	336

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(iii) South Arturo had no silver related by-product credits

Third quarter production, attributable to Premier, was 8,113 ounces of gold with co-product cash costs of US$363 per ounce and AISC of US$371 per ounce of gold sold.

Primary mining of the Phase 2 pit was completed early in the third quarter and ore from the related stockpile will continue to be processed at Barrick's Goldstrike facility for the balance of the year. Drilling from the Phase 2 pit into the underlying El Nino deposit identified additional mineralization proximal to the existing pit and it is expected that some additional mining will occur prior to year-end. Backfilling of the Phase 2 pit was completed in the third quarter of 2017 and drilling of the El Nino deposit from within the pit is underway. Additional activities during the quarter included ongoing evaluation of the Phase 1 and Phase 3 open pit opportunities and exploration on the Ardent Anticline and South Hinge targets.

Work continues to advance the proposed El Nino underground and Phase 1 open pit scenarios. If approved, development could begin in 2018. Drilling to complete additional metallurgical and geotechnical characterization is underway at the Phase 1 pit including bottle roll and column leach testing to assess the potential of processing run-of-mine (ROM) material from Phase 1. This work is being advanced ahead of schedule. Drilling is underway to further define the El Nino underground deposit down plunge of the current Phase 2 pit. More than 1,200 metres of core drilling and 3,000 metres of RC drilling in the Upper Zone are designed to increase confidence in the geological model and to support additional metallurgical work. More than 2,000 metres of Cubex drilling is also planned from the elevation of proposed underground portals to infill gaps in the Upper Zone, delineate potential voids, and condemn areas around the potential underground development.

In an effort to advance the Phase 3 pit project into future mine planning, drilling and metallurgical work is being performed. The program is targeting the higher-grade mineralized breccia in the main zone as well as the potential ROM material in the upper parts of the deposit. Future drilling will continue to fill significant gaps in the model and extend the breccia zone in an effort to increase contained ounces.

Exploration efforts on greenfields targets at South Arturo were accelerated during the third quarter. Three drill holes will soon be completed on the Ardent anticline, a higher priority target consisting of favourable structure and geochemistry with the potential to host Carlin-style mineralization. North-south trending faults, a favorable characteristic of Carlin deposits are present in the area and associated with pronounced soil and rock chip geochemistry. Drilling at the South Hinge target, characterized by Carlin-style mineralization located adjacent to the Phase 3 pit target, will test large gaps in previous drilling with the potential to expand the breccia target. Results from the 2017 drill program are expected to be released at year-end.

McCoy-Cove – Battle Mountain Trend, Nevada

Construction of a 2,400-metre pipeline and a 16-acre rapid infiltration basin (RIB) were completed during the quarter. In addition, primary and monitoring wells were drilled to complete a hydrologic flow test to determine expected water flows during the underground development planned for 2018. Additionally, full metallurgical studies and detailed engineering work have been initiated in advance of an updated resource estimate and a Preliminary Economic Assessment (PEA) that is expected to be completed during the fourth quarter. As part of the underground permitting process, Premier is working closely with community stakeholders as well as State and Federal agencies. A total of $2.2 million (US$1.7 million) was spent on exploration and development during the quarter.

Greenstone Gold Mines ("GGM") – Ontario, Canada

Environmental and community and aboriginal engagement activities were the primary focus during the quarter. The GGM team prepared to submit the Hardrock Project Environmental Impact Statement / Environmental Assessment (EIS/EA) to the Canadian Environmental Assessment Agency (CEAA) and the Ministry of the Environment and Climate Change (MOECC) to initiate the formal environmental review part of the permitting process. The final EIS/EA was submitted in July. Progress also continues with the optimization of the feasibility study as part of a mandate to further de-risk the project. A total of $2.4 million (US$1.9 million) was spent by Greenstone Gold during the quarter. All project expenditures will continue to be funded 100% by our joint venture partner Centerra Gold Inc. until the remaining development commitment of $121.0 million (US$96.9 million) has been spent.

2017 Guidance

On July 18, 2017 the Company increased its full-year production guidance to 130,000 to 140,000 ounces of gold and 340,000 to 365,000 ounces of silver.

Production estimates for 2017 are derived from life of mine operating plans prepared on the basis of mineral reserves associated with each property. The underlying assumptions for the estimates are presented in the table below.

Gold Production US$ unless otherwise noted	Production ounces Guidance Year 2017	Realized Gold Price per ounce (i) Guidance Year 2017	Cash Cost per ounce (i) Guidance Year 2017	AISC per ounce (i) Guidance Year 2017
South Arturo	45,000 - 50,000	$1,250	$440 - $470	$450 - $480
Mercedes	85,000 - 90,000	$1,250	$680 - $710	$810 - $840
Consolidated	130,000 - 140,000	$1,250	$580 - $610	$660 - $690
Actual YTD (Consolidated)	115,273	$1,252	$496	$595

(i) See "Non-IFRS Measures" section. A cautionary note regarding Non-IFRS metrics is included in the "Non-IFRS Measures" section of the Q3-2017 Management's Discussion and Analysis

Conference Call – November 8, 2017 10:00 am

Premier executives will host a conference call and webcast to discuss the above results on Wednesday, November 8, 2017 at 10:00 am EST. To access the call please follow the instructions below or visit the Company's website at www.premiergoldmines.com.

Toll Free (North America): 1-888-231-8191
International: 1-647-427-7450
Conference ID: 2083912

Webcast Link

https://event.on24.com/wcc/r/1529551/12B3E661E06B0DF86F1EB97A1D59FF2D

Conference Call Replay

A recording of the conference call and webcast replay will be available 1:00pm EST on November 8, 2017 until 11:59 pm EST on November 15, 2017.

Toll Free Replay Call (North America): 1-855-859-2056
International Replay Call: 1-416-849-0833
Passcode: 2083912

The technical information contained in this press release has been reviewed by Stephen McGibbon, P. Geo., (Executive VP Corporate and Project Development) and a Qualified Person within the meaning of National Instrument 43-101.

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

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. Premier's team is focused on creating a low-cost, mid-tier gold producer through its two producing gold mines; and two advanced multi-million ounce development projects where permitting and pre-construction initiatives are in progress.

Non-IFRS Measures

The Company has included certain terms or performance measures commonly used in the mining industry that are not defined under International Financial Reporting Standards ("IFRS") in this document. These include: cash cost per ounce sold, all-in sustaining cost ("AISC") per ounce sold, free cash flow, EBIDTA, and average realized price per ounce. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore, they may not be comparable to similar measures employed by other companies. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS and should be read in conjunction with the Company's consolidated financial statements. Readers should refer to the Company's Management Discussion and Analysis under the heading "Non-IFRS Measures" for a more detailed discussion of how such measures and are calculated.

Forward Looking Statement

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, earnings estimates, discovery and production of minerals, price of gold and currency exchange rates, timing of geological reports, economic studies (including timing of the McCoy-Cove PEA) 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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