

# Premier reports production results for 2017 and guidance for 2018

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Consolidated gold production of 139,658 ounces for 2017

THUNDER BAY, ON, Jan. 17, 2018 /CNW/ - [Premier Gold Mines Ltd.](#) (TSX:PG) ("Premier", "the Company") is pleased to announce fourth quarter and full-year 2017 production results as well as consolidated production and cost guidance for 2018.

All dollar figures are in United States dollars unless otherwise indicated.

2017 Fourth Quarter Highlights:

- Gold production of 24,385 ounces
- Silver production of 77,082 ounces

2017 Full-Year Highlights:

- Gold production of 139,658 ounces
- Silver production of 357,901 ounces
- Commenced work on El Nino underground project and advanced the Phase 1 pit project
- New resource estimates released for the McCoy-Cove (Nevada) and Hasaga (Ontario) projects

2018 Production and Cost Guidance:

- Gold production of between 85,000 to 95,000 ounces
- Silver production of between 300,000 to 325,000 ounces
- Forecast cash operating costs of between \$690 to \$740 per ounce of gold<sup>(i)</sup>
- Forecast all-in sustaining costs (AISC) of between \$800 and \$850 per ounce of gold<sup>(i)</sup>

2017 Operating Results

Premier's two producing mines, South Arturo in Nevada and Mercedes in Mexico, had consolidated gold production of 139,658 ounces of gold.

Table 1: Gold production in the fourth quarter and full-year 2017

Mine	Q4 2017 Production (ounces)	Full-year 2017 Production (ounces)
South Arturo, Nevada	4,472	57,124
Mercedes, Mexico	19,913	82,534
Premier Consolidated	24,385	139,658

The Mercedes Mine has performed well since it was acquired in 2016. For the full-year and the fourth quarter of 2017 the Mercedes Mine produced 82,534 and 19,913 ounces of gold and 337,983 and 77,082 ounces of silver respectively. Some of the factors that impacted production included lower grades than modeled in some stoping areas, difficult ground conditions requiring changes to the mining sequence, and a nearby forest fire in the third quarter, during which manpower and machinery were deployed to the mine site to help fight the fire and protect the Mercedes property.

2018 Production Outlook and Cost Guidance

Consolidated production for 2018 is expected to be between 85,000 to 95,000 ounces of gold, compared to 139,658 ounces of gold produced in 2017, as a result of the completion of the Phase 2 open pit mine at South Arturo. The partnership is now working towards the construction of an underground mine (El Nino) and the next phase of open pit mining (Phase 1). In 2018, gold production will be realized from both Mercedes and South Arturo. Cash operating costs are projected to be \$690 to \$740 per ounce of gold.

of gold<sup>(i)</sup>, and consolidated all-in sustaining costs are expected to be between \$800 and \$850 per ounce of gold. <sup>(i)</sup>

Table 2: 2018 production and cost guidance

Mine	Guidance 2018		
	Production ounces	Cash Cost per ounce (i)	AISC per ounce (i)
South Arturo	5,000 - 10,000	\$600 - \$650	\$620 - \$670
Mercedes	80,000 - 85,000	\$700 - \$750	\$820 - \$870
Consolidated	85,000 - 95,000	\$690 - \$740	\$800 - \$850

The Mercedes mine is forecasting 300,000 - 325,000 oz silver for 2018.

#### South Arturo Mine, Nevada

The South Arturo Mine is forecast to produce between 5,000 to 10,000 ounces of gold in 2018 compared to 57,124 ounces in 2017. Cash operating costs are forecast to range between \$600 and \$650 per ounce based on projected annual throughput and projected grades to be processed. <sup>(i)</sup> All-in sustaining costs are forecast to range between \$620 and \$670 per ounce. <sup>(i)</sup> Silver production from South Arturo for 2017 is 19,918 ounces.

Two additional mine developments have been approved. Stripping of the Phase 1 pit will commence mid-year and development of the El Nino underground is scheduled to begin in the second half of the year. Mineral resource/reserve estimates for both are expected in February.

Metallurgical characterization to assess the potential of processing run-of-mine (ROM) material is being completed at the Phase 1 pit. Planned 2017 definition drilling to increase confidence in the geological model and to support additional metallurgical testing has been completed at the El Nino underground deposit. El Nino is located down-plunge of the previously mined Phase 2 pit. Metallurgical planning for development that is scheduled to begin in the third quarter of 2018 is now underway.

Future mine planning for the potential Phase 3 pit project is also being supported by exploration and geotechnical drilling and metallurgical characterization work in 2018. Higher-grade mineralized breccia is being targeted in the main Phase 3 ore body in addition to potential ROM grade ore in the upper parts of the deposit. Highlight results from initial drilling in the main zone include 177.8 feet grading 0.23 oz/t Au (54.2 m grading 7.90 g/t) in hole ART17-01C and 261.6 feet grading 0.15 oz/t Au (79.7 m grading 5.20 g/t) in hole ART17-04C. Future drilling will continue to target gaps in the model.

For 2018, Premier's portion of capital expenditures at the El Nino and Phase 1 mines are estimated at \$9.2 million. The budget for South Arturo in 2018 is \$1.2 million, which is planned to include over 8,000 metres of drilling on the Phase 3 and El Nino targets.

#### Mercedes Mine, Mexico

The Mercedes Mine is forecast to produce between 80,000 to 85,000 ounces of gold in 2018 compared to 82,534 ounces in 2017.

in 2017. Cash operating costs are forecast to range between \$700 and \$750 per ounce.<sup>(i)</sup> All-in sustaining costs are forecast to range between \$820 and \$870 per ounce.<sup>(i)</sup>

In 2017, more than 45,000 metres of drilling was completed at Mercedes and a revised mineral resource and reserve estimate is planned for release in February.

For 2018, sustaining capital at the Mercedes Mine is estimated at \$6.8 million, which includes \$3.8 million in primary development.

The total exploration budget is \$6.0 million with a plan of 40,000 drilling metres, including 15,000 metres on Marianas, 10,000 metres on Axis-Sharbat, 5,000 metres on Lupita-Diluvio and 4,000 metres on Klondike-Rey de Oro.

"During 2018 Premier will advance several development projects financed entirely from company's treasury and cash flow," said Ewan Downie, President & CEO of Premier. "In addition to the current mining operations, we continue to advance two major development opportunities at South Arturo and also plan to initiate an underground program at McCoy-Cove."

Premier remains focused on building a mid-tier gold producer with two producing mines, South Arturo and Mercedes, and ongoing permitting for future mine development at Hardrock in Ontario (Greenstone JV) and McCoy-Cove in Nevada. Discovery exploration continues along the Deep Hasaga target in Red Lake.

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

The statements contained herein reflect the views of [Premier Gold Mines Ltd.](#) and may not reflect the views of Barrick Gold Corporation or its Affiliates.

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 from Arturo were sent to ALS USA Inc. in Reno, Nevada for analysis by fire assay with AA finish of a 30 gram sample.

Premier Gold Mines Limited is a gold producer and respected exploration and development company with a high-quality portfolio of precious metal projects in proven, accessible and safe mining jurisdictions in Canada, the United States, and Mexico. The 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.

## 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 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 on 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 the information will prove to be accurate, as actual results and future events could differ materially from those anticipated in the forward-looking 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 is subject to change. Forward-looking information available to management as at the date hereof. Premier disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

## 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 and average realized price per ounce. Non-IFRS measures do not have any specific 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 financial statements 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 are calculated.

SOURCE [Premier Gold Mines Ltd.](#)

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