

Premier Gold Provides Nevada Development Update

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Three Development Programs Expected to Significantly Increase Future Production

THUNDER BAY, ON, June 25, 2019 /CNW/ - [Premier Gold Mines Ltd.](#) (TSX:PG) ("Premier", "the Company") is pleased to provide an update of ongoing development initiatives at the Company's South Arturo and Cove properties in Nevada. Construction of the El Nino underground and Phase 1 open pit mines are progressing, and the Company's advanced-exploration program has commenced at the 100%-owned Cove Property.

- El Nino decline construction is proceeding ahead of schedule at South Arturo
- Phase 1 open pit construction is proceeding on schedule at South Arturo
- Advanced-exploration program has been initiated at Cove with construction of main power line underway in advance of portal and underground development

"The programs at South Arturo and Cove are aimed at materially increasing the Company's future production profile", stated Ewan Downie, President & CEO of Premier. "Nevada-based exploration will be a primary focus for the remainder of 2019 as well."

South Arturo Property (40% PG)

The Company's South Arturo Property is operated by Barrick Gold (60%). Construction of the El Nino underground operation is proceeding ahead of schedule and some ore has now been intersected in the decline. Ramp connection is expected in the next two weeks and development of production level access is anticipated to start July 1st with ore development commencing during the third quarter followed by mining.

Phase 1 open pit construction is proceeding on schedule with more than 5.7 million tons moved year to-date. Stripping is expected to ramp up in the second half of the year with up to 16 trucks operating on the property. The main ore zone is expected to be accessed in the second half of 2020.

Stockpiling of potential heap leach material continues at Phase 1 and ongoing work suggests some upside in terms of recoveries. Processing options, which include either constructing a facility on site or utilizing a facility operated by the Nevada Gold Joint Venture, are being assessed.

Exploration drilling at the El Niño, the Phase 3 pit project, and at East Dee will accelerate in the second half of the year with the goal of increasing reserves and resources.

Cove Property (100% PG)

At the Company's Cove Property, the first phase of the advanced-exploration program is now underway. This work includes a hydrology study with pump test wells and the construction of a power line into the proposed portal site. Construction of the portal and proposed underground ramp is scheduled to commence in Q3-2019.

The Cove deposit represents one of the highest-grade undeveloped gold deposits in the USA. The advanced-exploration program will be followed by underground delineation drilling in advance of completing additional economic work on the property, a full Feasibility Study, and potentially a bulk sampling program in advance of full mine development.

A Preliminary Economic Assessment (PEA) was completed for the Cove (Carve-Out) Project (read May 15,

2018 press release), setting Premier on a path toward its advanced-exploration program. Highlights of the PEA include: Indicated mineral resources of 1,045,000 tons at 0.327 oz/t Au & 0.861 oz/t Ag (948,000 tonnes at 11.22 g/t Au & 29.53 g/t Ag) for 342,000 ounces of gold & 900,000 ounces of silver and Inferred mineral resources of 4,037,000 tons at 0.327 oz/t Au & 0.609 oz/t Ag (3,662,000 tonnes at 11.24 g/t Au & 20.89 g/t Ag) for 1,322,000 ounces of gold & 2,457,000 ounces of silver. Based on assumptions made in the PEA, an 8-year mining operation recovering some 740,000 ounces of gold has the potential to host robust economics (after-tax NPV5 of \$142.0 million, and an after-tax internal rate of return of 48%) with low pre-production capital costs. Encouraged by these positive results, additional permitting is being completed to gain approvals for future mining at Cove.

McCoy-Cove JV Exploration Update

On April 29, 2019, Premier reported drill results from hole PB19-03R, a reverse circulation (RC) hole drilled into the Antenna Target on the McCoy-Cove Property. Results from this first RC hole at Antenna were deemed significant and warranted twinning of the hole with core for further validation and to explore through both the entire Favret and the Dixie Valley lithologies. Given the nature of RC versus core drilling and the variability inherent in structural-controlled deposits, some differences were anticipated between the original and twinned holes. The core hole twin, PB19-09D, intersected a mineralized zone that was significantly narrower than the RC hole. The joint venture team is now assessing the results and determining how best to continue evaluating the Antenna target.

In January 2018, Premier entered into an agreement with several wholly-owned subsidiaries of Barrick Gold Corporation whereby Barrick would hold an option to earn a 60% interest in the exploration portion of the McCoy-Cove Project (the "Joint Venture Property") by spending US\$22.5 million in exploration prior to June 30, 2022.

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.

Premier Gold Annual General Meeting of Shareholders

The Company would also like to invite shareholders and investors to meet its senior management and board of directors at its Annual and General Meeting to be held at 4:00 pm EST on June 25, 2019 at the Board of Trade, 1 First Canadian Place, Toronto, Ontario. The AGM will be followed by a corporate presentation and comprehensive project update beginning at 4:30 pm EST (with webcast from the company's website www.premiergoldmines.com) and a reception.

The presentation will include highlights of the Company's production, development and exploration initiatives.

Conference Call and Webcast Information

Details for the conference call and webcast can be found below and will be accessible on the Company's website.

Toll Free (North America): 1-888-231-8191

International: 1-647-427-7450

Conference ID: 9782067

Webcast Link

Webcast URL: <https://event.on24.com/wcc/r/2029304/66AB57A3F40E906CFF8C6A00302D0573>

Conference Call Replay

Toll Free Replay Call (North America): 1-855-859-2056

International Replay Call: 1-416-849-0833

Passcode: 9782067

