



Press Release

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## **PREMIER PROVIDES UPDATE OF CURRENT RESERVES & RESOURCES AT MERCEDES**

**PREMIER GOLD MINES LIMITED** (“Premier” or “The Company”) (TSX:PG) is pleased to confirm a current Mineral Reserve and Resource estimate for the Company’s 100%-owned Mercedes Mine, located in the State of Sonora, Mexico, some sixty-five (65) kilometres southeast of Magdalena de Kino. The estimate, completed by the Mercedes Mine personnel (with an effective date of June 30, 2016) is documented in an independent technical report completed on behalf of Premier by Roscoe Postle Associates Inc. (RPA).

Table 1 provides a summary of the Mineral Reserves at the Mercedes Mine, while Table 2 provides a summary of Mineral Resources.

Highlights of the June 30, 2016 Mercedes estimate include:

- **Proven & Probable Reserves exceed 400,000 ounces gold, a 21% increase from 2015 net of depletion**
- **Proven Reserve grade exceeds 6.00 g/t Au**
- **Measured & Indicated Resources of 382,000 ounces gold and 4.4 million ounces of silver**
- **Measured & Indicated Resource grade has increased 23% to 4.14 g/t Au**

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

“A renewed focus on reserve and resource definition at Mercedes has resulted in a 20% increase in Proven and Probable reserves between December and June. This is a result of excellent work by the professional Management team at site” commented Premier President & CEO Ewan Downie. “Premier is now in place as a fully-engaged mine operator and we will continue to seek to grow reserves and resources by maintaining an aggressive exploration and development effort.”

**Table 1 – 2016 Mercedes Mine Mineral Reserve Summary – June 30, 2016**

Deposit	Category/ Process Type	Tonnes ('000 t)	Gold (Au) Grade (g/t)	Contained Au ('000 oz)	Silver (Ag) Grade (g/t)	Contained Ag ('000 oz)
Mercedes	Proven	509	6.02	99	51.5	842
	Probable (UG)	2,174	4.13	289	33.9	2,369
	Probable (OP)	229	2.15	16	17.4	128
	Probable (Total)	2,404	3.95	305	32.3	2,497
	Proven + Probable	2,913	4.31	403	35.7	3,339

1 CIM definitions were followed for Mineral Reserves

2 Mineral Reserves are estimated at a cut-off grade of 3.0 g/t Au for underground reserves and 1.55 g/t Au for open pit reserves

3 Mineral Reserves were estimated using an average gold price of US\$1,150 per ounce and a silver price of US\$18.00 per ounce

4 A minimum mining width of 2.5 m was used

5 Bulk density is 2.42 t/m<sup>3</sup> for ore and 2.44 t/m<sup>3</sup> for waste

6 Number may not add due to rounding

**Table 2 - 2016 Mineral Resource Estimate Exclusive of Mineral Reserves (June 30, 2016)**

Deposit	Resource Category	Tonnes ('000t)	Gold (Au) Grade (g/t)	Contained Au ('000 oz)	Silver (Ag) Grade (g/t)	Contained Ag ('000 oz)
Mercedes	Measured	522	4.98	83.6	65	1,085
	Indicated	2,344	3.96	298.3	45	3,355
	Measured + Indicated (Total)	2,866	4.14	381.9	48	4,440
	Total Inferred	1,220	4.6	180	33	1,300

- 1 CIM definitions were followed for Mineral Resources
- 2 Mineral Resources are estimated at a cut-off grade of 2.0 g/t gold equivalent (AuEq) for underground resources and 0.40 AuEq for open pit resources
- 3 AuEq based on 1.0 g Au = 140.0 g Ag
- 4 Mineral Resources were estimated using an average gold price of US\$1600 per ounce
- 5 No minimum mining width was used
- 6 Bulk density is 2.42 t/m<sup>3</sup> for ore and 2.44 t/m<sup>3</sup> for waste
- 7 Mineral Resources are exclusive of Mineral Reserves
- 8 Number may not add due to rounding

The Mineral Reserve and Resource estimate used the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Definition Standards for Mineral Resources and Mineral Reserves, Definitions and Guidelines prepared by CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014. The mineral resource estimate is classified as “measured”, “indicated”, or “inferred” as defined by CIM.

The report, “TECHNICAL REPORT ON THE MERCEDES GOLD-SILVER MINE, SONORA STATE, MEXICO” was completed by Qualified Persons Kathleen A. Altman, P.E., Stuart E. Collins, P.E., and Chester M. Moore, P.Eng. and has been filed on SEDAR and on the Company's website. The key assumptions and parameters used in the estimate of the Mineral Reserves and Mineral Resources presented in this press release are set out in such technical report.

Chester M. Moore is the independent Qualified Person who has reviewed and approved the contents of this press release for the purposes of National Instrument 43-101.

**Premier Gold Mines Limited** is a respected production, exploration and development company with a high-quality pipeline of gold projects focused in proven, safe, and accessible mining jurisdictions in Canada, the United States, and Mexico. Anticipated gold production in excess of 100,000 ounces during the final quarter of 2016 will come from its interest in the South Arturo Mine in Nevada, and the recently acquired Mercedes Mine in Mexico. For further information, please contact:

Ewan Downie, President & CEO      Phone: 807-346-1390      Fax: 807-346-0100  
 e-mail: [Info@premiergoldmines.com](mailto:Info@premiergoldmines.com)      Web Site: [www.premiergoldmines.com](http://www.premiergoldmines.com)

**Forward Looking Information**

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 the estimation of mineral resources and mineral reserves, strategic plans, including future 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 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.