Press Release

Thunder Bay: September 19, 2016
Shares Issued: 183,448,004

HASAGA PROJECT DELIVERS POSITIVE DRILL RESULTS AT BUFFALO

(Including 67.0 metres of 3.66 g/t Au in HMP136)

Premier Gold Mines Limited (TSX-PG) is pleased to provide an update of assays from the summer surface drilling program on the Company's 100%-owned Hasaga Project (Buffalo target) in the Red Lake gold mining district of Northwestern Ontario. These exceptional results support Premier's confidence in continued exploration at the Buffalo target in 2016.

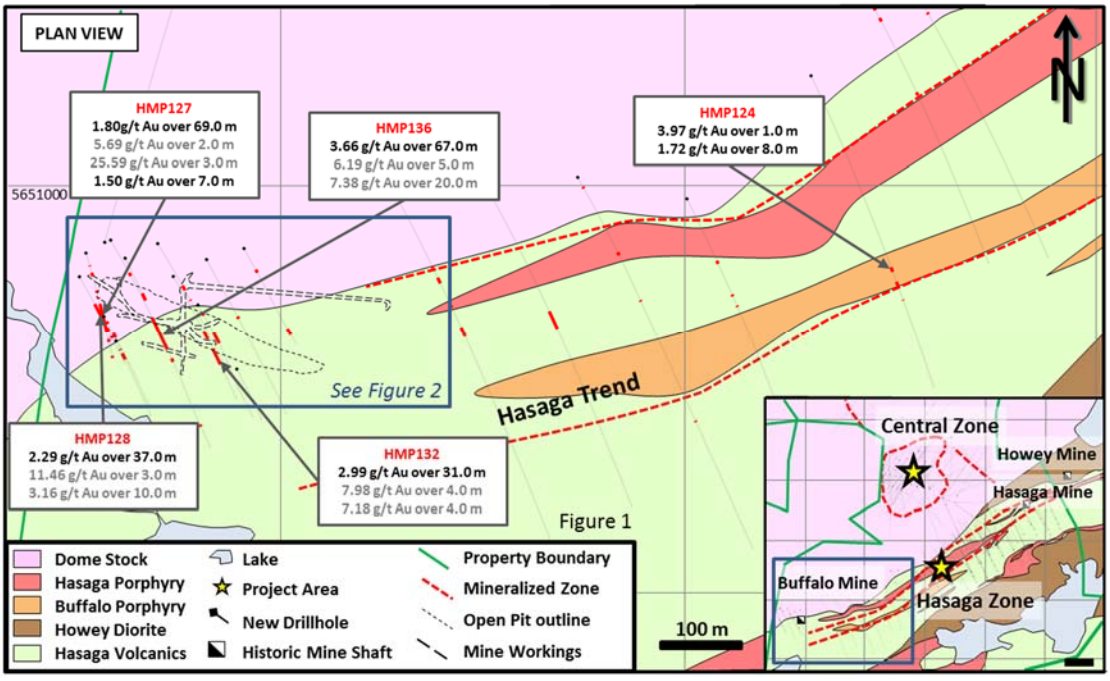
The Hasaga Property is Premier's largest exploration program being conducted in Canada in 2016. The 50,000 metre drilling campaign and $7.0 million overall project budget comes on the heels of more than 60,000 metres of drilling that was conducted in 2015. To date, some 45,000 metres of drilling has been completed in 2016.

Highlights from the Buffalo target area include the following:

- **HMP127 intersected 69.0m of 1.80 g/t Au beginning at 126.0m, including 3.0m of 25.59 g/t Au beginning at 192.0m.**
- **HMP128 intersected 37.0m of 2.29 g/t Au beginning at 77.0m, including 3.0m of 11.46 g/t Au beginning at 90.0m.**
- **HMP132 intersected 31.0m of 2.99 g/t Au beginning at 156.0m, including 4.0m of 7.98 g/t Au beginning at 158.0m and 4.0m of 7.18 g/t Au beginning at 173.0m.**
- **HMP136 intersected 67.0m of 3.66 g/t Au beginning at 170.0m, including 20.0m of 7.18 g/t Au beginning at 199.0m.**

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

Figure 1: Plan View of the Buffalo and West Hasaga Target Area.



The Hasaga Property is host to the past-producing Hasaga, Buffalo and Gold Shore Mines and is being evaluated for both lower grade open-pit mineable potential as well as higher grade mineralization that may occur at depth (See Figures 1 and 2). Premier regards the Hasaga Property as having exploration potential similar to the company's Hardrock Project, where a multi-million ounce gold resource exists at the site of a past-producing underground mine. Open pit mining has not made a significant contribution to the Red Lake area's past production. Premier believes this is an opportunity that has largely been overlooked.

"The initial results at Buffalo have given us confidence to extent the drilling program" commented Stephen McGibbon, Executive Vice-President at Premier Gold Mines on the Company's C-Suite Blog (http://www.premiergoldmines.com/news/c-suite-blog). "A limited number of well-placed holes will help validate the historic drilling results and further assess exploration potential at this target area."

Table 1 provides a comprehensive summary of highlight results from additional holes drilled at Buffalo.

Table 1: Highlight Results of Buffalo Target Area

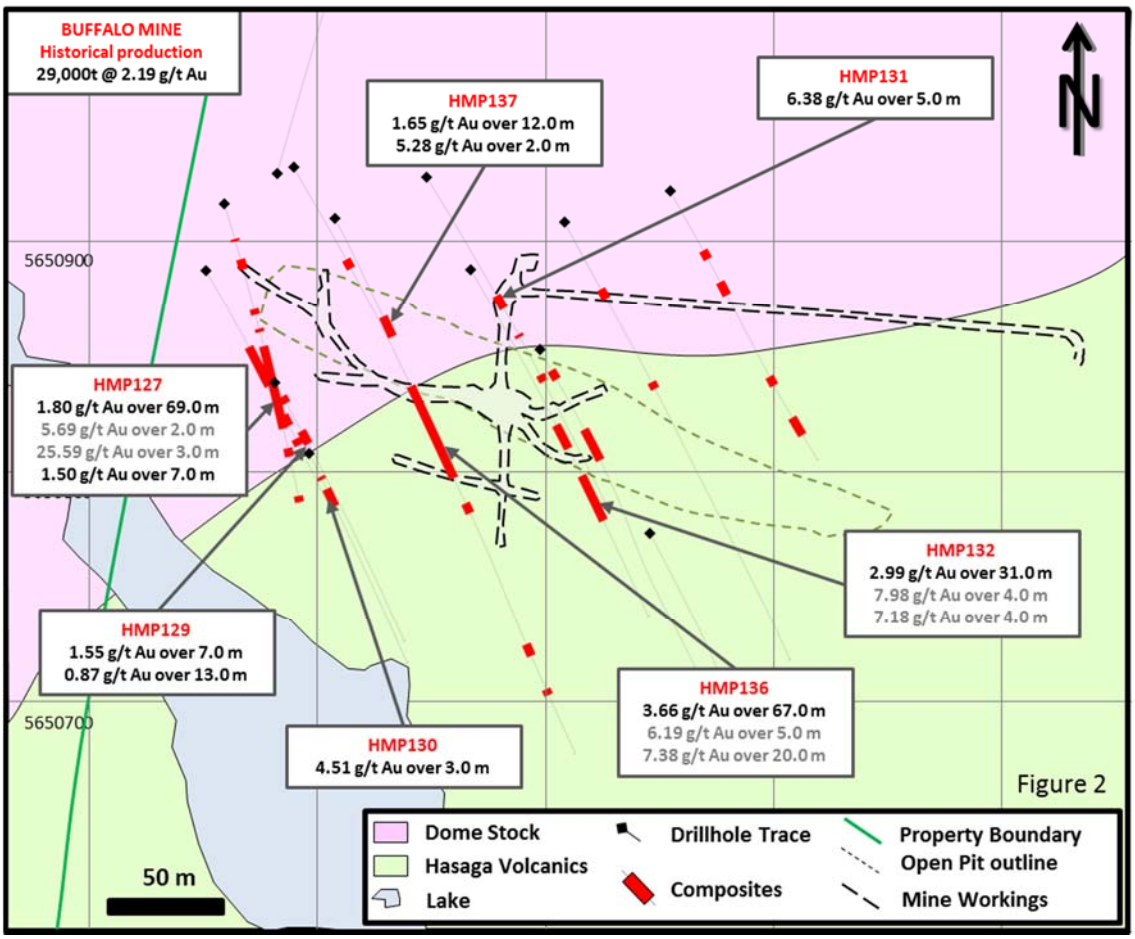
Hole ID	Coordinates[1] (m)	Azimuth/Dip	Elevation (m)	Section	From (m)	To (m)	Intercept [2] (m)	Au (g/t)	Intercept[2] (ft)	Au (oz/t)	Comment/ Zone
HMP127	439759E/5650917N	160 / -60	367	9600	32.0	34.0	2.0	17.23	6.6	0.50	VG
					126.0	195.0	69.0	1.80	226.3	0.05	
					141.0	143.0	2.0	5.69	6.6	0.17	Including; VG
					192.0	195.0	3.0	25.59	9.8	0.75	and; VG
					211.0	218.0	7.0	1.50	23.0	0.04	
HMP128	439751E/5650888N	150 / -60	363	9600	77.0	114.0	37.0	2.29	121.4	0.07	
					90.0	93.0	3.0	11.46	9.8	0.33	Including; VG
					104.0	114.0	10.0	3.16	32.8	0.09	and; VG
					141.0	151.0	10.0	1.91	32.8	0.06	
					163.0	169.0	6.0	1.19	19.7	0.03	
HMP129	439782E/5650838N	150 / -60	362	9600	14.0	21.0	7.0	1.55	23.0	0.05	VG
					49.0	62.0	13.0	0.87	42.6	0.03	
HMP130	439796E/5650808N	156 / -60	364	9600	23.0	26.0	3.0	4.51	9.8	0.13	VG
					35.0	52.0	17.0	0.52	55.8	0.02	
HMP131	439848E/5650928E	149 / -50	369	9800	93.0	103.0	10.0	0.59	32.8	0.02	
					123.0	125.0	2.0	2.23	6.6	0.07	
					153.0	158.0	5.0	6.38	16.4	0.19	VG
HMP132	439867E/5650888N	149 / -51	365	9800	120.0	137.0	17.0	0.56	55.8	0.02	
					156.0	187.0	31.0	2.99	101.7	0.09	
					158.0	162.0	4.0	7.98	13.1	0.23	Including; VG
					173.0	177.0	4.0	7.18	13.1	0.21	and; VG
HMP133	439897E/5650853N	152 / -50	364	9800	16.0	23.0	7.0	0.67	23.0	0.02	
					61.0	84.0	23.0	0.66	75.4	0.02	
HMP136	439790E/5650933N	152 / -50	358	9650	73.0	80.0	7.0	2.90	23.0	0.08	
					170.0	237.0	67.0	3.66	219.8	0.11	
					186.0	191.0	5.0	6.19	16.4	0.18	Including; VG
					199.0	219.0	20.0	7.38	65.6	0.22	and; VG
					255.0	262.0	7.0	1.24	23.0	0.04	
HMP137	439808E/5650910N	152 / -37	363	9650	60.0	72.0	12.0	1.65	39.4	0.05	VG
					70.0	72.0	2.0	5.28	6.6	0.15	Including; EOH@72m,drift

1) UTM NAD83, Zone 15 2) True widths are estimated to be 35 to 65% of core length

Buffalo Mine Area

The intercepts listed for HMP127 through HMP137 (See Figures 1 & 2) represent new results that have tested the historic Buffalo Mine area. The Buffalo Mine target is characterized by widespread persistent mineralization associated with silicification, weakly disseminated sulphides and variably distributed quartz veinlets containing tourmaline and visible gold within the Dome Stock that begins at surface and remains open at depth. 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. Figure 2 is a close up of the Buffalo Mine showing the new high grade intercepts drilled mainly below the old mine workings. The geology on Figure 2 is simplified and does not show the complexity of mafic volcanics-granodiorite contact.

Figure 2: Plan View of the Buffalo Mine Target Area



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). Premier believes the evaluation of this target area remains incomplete.

Hasaga Trend

Drilling conducted west of the Hasaga Mine during 2016 sought to outline a strong trend of mineralization occurring proximal to the regional unconformity that separates Balmer-aged rocks from those of the Confederation assemblage. This unconformity is recognized throughout the Red Lake camp as an important marker for areas having higher prospectivity and potential for discovery of important mineralization. The unconformity extends southwest to the Madsen Mine area and beyond.

Drilling on lands acquired in late 2015, has successfully traced the Hasaga Porphyry Zone some 600 metres west onto the Buffalo property and recent wide spaced drilling has intersected anomalous mineralization and alteration that extends the Hasaga Horizon west to the Buffalo Zone. The Hasaga Zone now extends more than 2.5 kilometres from the workings of the past-producing Hasaga Mine and remains open depth. Premier regards the potential for higher grade mineralization (possibly amenable to bulk mineable underground methods) as a primary target that remains to be tested along this historic trend.

Table 2 summarizes highlights of the final series of drillholes (HMP120 to HMP126) that were completed to test the western extent of mineralization along the Hasaga Porphyry zone. These results confirm that while the grades and width are diminished versus those drilled further to the east, mineralization still appears open.

Table 2: Highlights of Western Extension Holes on Hasaga Porphyry Target.

Hole ID	Coordinates[1] (m)	Azimuth/Dip	Elevation (m)	Section	From (m)	To (m)	Intercept [2] (m)	Au (g/t)	Intercept[2] (ft)	Au (oz/t)	Comment/ Zone
HMP124	440652E/5651134N	154 / -35	380	10500	323.0	331.0	8.0	1.72	26.2	0.05	Hasaga Zone
					350.0	351.0	1.0	3.97	3.3	0.12	Hasaga Zone
HMP126	440713E/5651249N	150 / -35	380	10600	42.0	47.0	5.0	2.32	16.4	0.07	Hasaga Zone

1) UTM NAD83, Zone 15 2) True widths are estimated to be 80 to 90% of core length

Premier has completed its program on the western extension of the Hasaga Porphyry target for 2016. Future drilling will likely test the depth potential in areas where mineralization was most robust.

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.

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 its South Arturo Mine in Nevada and the recently announced purchase of the Mercedes Mine (expected to close in early October) in Mexico.

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