

**PREMIER PROVIDES SOUTH ARTURO PROJECT UPDATE**

**PREMIER GOLD MINES LIMITED (“Premier” or “The Company”) (TSX:PG)** is pleased to announce that ore from the Company’s 40%-owned South Arturo Mine is now being processed at Barrick’s Goldstrike Mine processing facility. South Arturo is located in the Carlin Trend, Nevada and is a joint venture between Premier and Barrick Gold Corporation’s wholly-owned subsidiary Barrick Gold Exploration Inc. (“**Barrick**”) with Barrick as operator.

The mine was developed on-time and on-budget. Initial gold production is expected to ramp up during Q3-2016 with attributable gold production to Premier estimated at 80,000 ounces during the current calendar year. Premier expects South Arturo will be cash flow positive for the year net of capital.

**Figure 1: Status of mining operations as at mid-July.**

“South Arturo is the first producing asset in Premier’s portfolio” stated Ewan Downie on the Company’s C-Suite Blog (<http://www.premiergoldmines.com/news/c-suite-blog>). “We are extremely pleased with Barrick’s ability to deliver this project on schedule and budget. Their performance to-date confirms their world-class miner status”.

In the third quarter, drilling will resume to continue the delineation of the potential future underground opportunity on the Property. Drilling from the Arturo pit will be completed to further define the El Nino underground deposit situated down plunge of the current Phase 2 pit. Permitting work associated with a potential underground ramp to be driven from the pit is currently underway. Bulk samples from the underground portal at the historic Storm mine

as well as additional planned drilling will be used to complete more detailed metallurgical testwork to refine the economic opportunity of a second open pit on the Property.

Stephen McGibbon, P. Geo., Executive Vice-President Corporate & Project Development of Premier, is a Qualified Person within the meaning of National Instrument 43-101 and has reviewed and approved the technical information contained in this press release.

**Premier Gold Mines Limited** is one of North America's leading exploration and development companies with a high-quality pipeline of projects focused in proven, safe and accessible mining jurisdictions in Canada and the United States that includes world class gold mining districts such as Red Lake and Geraldton in Ontario and the Carlin and Eureka-Battle Mountain Trends in Nevada.

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.