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## Premier Gold Mines Reports 2020 Q3 Results

ALL AMOUNTS DISCUSSED ARE DENOMINATED IN U.S. DOLLARS

Thunder Bay, November 4, 2020 – Premier Gold Mines Limited (“Premier” or “The Company”) (TSX:PG) (OTCPK: PIRGF) is pleased to report operating and financial results for the three months ended September 30, 2020. Significantly improved production costs at Mercedes were realized, and when combined with continued strong production from South Arturo, has resulted in the Company’s best operational quarter in 2020. The Company previously released third quarter production results on October 14, 2020.

### 2020 Third Quarter Highlights

- 50% reduction in Mercedes mine cash cost and all-in sustaining cost (US\$885/oz) compared to Q1 2020
- 19,278 ozs gold production
- \$30.5 million in revenue
- \$13.9 million mine operating income and a net income of \$1.6 million for the quarter
- \$51.9 million in cash and cash equivalents

### CEO Commentary

“With a focus on achieving operating margins, the revised mine plan implemented at Mercedes has exceeded our expectations since the mine resumed operations late in the second quarter”, stated Ewan Downie, President & CEO. “In addition, Nevada Gold Mines continues to over-deliver at South Arturo with year-to-date production now having surpassed the annual production plan, and the strong drill results from El Nino at depth suggest further potential to expand resources and mine life.”

### Three months ended September 30, 2020

A total of 19,278 ounces of gold and 50,576 ounces of silver were produced in the quarter, a significant increase compared Q3 2019 when 16,484 ounces of gold and 37,856 ounces of silver were produced.

The Company reported total revenue of \$30.5 million and significantly improved mine operating income of \$13.9 million during the third quarter compared to revenue of \$18.7 million and mine operating loss of \$0.4 million during Q3 2019. The increase in Q3 revenue when compared to the same period in 2019 is attributed to the impact of the increased production and related revenue generated from the South Arturo and Mercedes operations and an increase in the average realized selling price of gold. The average realized gold price was \$1,876 per ounce, an increase of \$494 per ounce when compared to Q3 2019.

Total mine operating income of \$13.9 million for Q3 2020 compared to a loss of \$0.4 million in Q3 2019 is the result of the increased production, higher gold selling price, a 34% reduction in the cash costs per ounce of gold sold to \$724 for Q3 2020 compared from \$1,095 for Q3 2019, and a 29% reduction in the all-in-sustaining costs per ounce of gold sold to \$965 for Q3 2020 compared from \$1,354 for Q3 2019. Improvements in production and costs at the Mercedes mine were the primary contributors to the reduced unit cost for the period. A total of \$6.2 million in exploration and pre-development expenditures were incurred during the quarter.

## Nine months ended September 30, 2020

A total of 42,359 ounces of gold and 103,974 ounces of silver were produced for the nine months ended September 30, 2020 compared to 50,547 ounces of gold and 147,328 ounces of silver for the prior year period.

The Company reported total revenue of \$68 million and mine operating income of \$15.6 million for the nine months ended September 30, 2020 compared to revenue of \$64.9 million and mine operating income of \$2.6 million for the prior year period. The reduction in production, when compared to the prior year period is due to the impact of the COVID-19 pandemic which resulted in no gold produced at Mercedes during the second quarter due to a government mandate that suspended all mining operations. The increase in revenue and mine operating income during the quarter is attributable to the increase in the average gold selling price of \$345 per ounce of gold sold and the reduction of operating unit costs at the Mercedes mine in Q3 2020.

Table 1: Selected Consolidated Operational and Financial Information

		Three months ended September 30		Nine months ended September 30	
<i>(in millions of U.S. dollars, unless otherwise stated) <sup>(iii)</sup></i>		2020	2019	2020	2019
Ore milled	<i>tonnes</i>	147,167	174,285	354,608	529,091
Gold produced	<i>ounces</i>	19,278	16,484	42,359	50,547
Silver produced	<i>ounces</i>	50,576	37,856	103,974	147,328
Gold sold	<i>ounces</i>	15,665	13,187	40,039	48,065
Silver sold	<i>ounces</i>	45,269	35,587	101,810	154,651
<b>Realized Price</b>					
Average realized gold price <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,876	1,382	1,651	1,306
Average realized silver price <sup>(i,ii)</sup>	<i>\$/ounce</i>	26	17	20	16
<b>Non-IFRS Performance Measures</b>					
Co-product cash costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	724	1,095	965	961
Co-product all-in sustaining costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	965	1,354	1,253	1,218
Co-product cash costs per ounce of silver sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	8	14	11	12
Co-product all-in sustaining costs per ounce of silver sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	12	17	16	15
By-product cash costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	673	1,086	942	948
By-product all-in sustaining costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	925	1,353	1,243	1,214
<b>Financial Measures</b>					
Gold revenue	<i>m \$</i>	29.3	18.1	65.9	62.4
Silver revenue	<i>m \$</i>	1.2	0.6	2.1	2.4
Total revenue	<i>m \$</i>	30.5	18.7	68.0	64.9
Mine operating income / (loss)	<i>m \$</i>	13.9	(0.4)	15.6	2.6
Net income / (loss)	<i>m \$</i>	1.6	(4.1)	(24.4)	(15.1)
Gain / (loss) per share	<i>/share</i>	0.01	(0.02)	(0.11)	(0.07)
EBITDA <sup>(i,ii)</sup>	<i>m \$</i>	7.8	1.1	(6.4)	1.9
Cash & cash equivalents balance	<i>m \$</i>	51.9	33.1	51.9	33.1
Cash flow from operations	<i>m \$</i>	3.1	8.6	(36.6)	0.5
Free cash flow <sup>(i,ii)</sup>	<i>m \$</i>	0.4	(3.9)	(46.6)	(37.9)
Exploration, evaluation & pre-development expense	<i>m \$</i>	6.2	6.5	13.9	18.0
<b>Capital</b>					
Total capital expenditures	<i>m \$</i>	2.3	12.6	8.6	38.4
Capital expenditures - sustaining <sup>(i,ii)</sup>	<i>m \$</i>	1.5	1.9	6.9	8.6
Capital expenditures - expansionary <sup>(i,ii)</sup>	<i>m \$</i>	0.8	10.6	1.6	29.8

<sup>(i)</sup> A cautionary note regarding Non-IFRS financial metrics is included in the "Non-IFRS Measures" section of this Management's Discussion and Analysis.

<sup>(ii)</sup> Cash costs, all-in sustaining costs, free cash flow, EBITDA, sustaining and expansionary capital expenditures as well as average realized gold/silver price per ounce are Non-IFRS metrics and discussed in the section "Non-IFRS Measures" of this Management's Discussion and Analysis.

<sup>(iii)</sup> May not add due to rounding.

A total of \$13.9 million in exploration and pre-development expenses were incurred during the nine months ended September 30, 2020. These expenditures along with the care and maintenance costs incurred on the shut down at Mercedes mine of \$5.1 million and restructuring costs of \$1.9 million, contributed to a net loss of \$24.4 million reported for the year to date period.

A total of \$8.6 million in capital expenditures were incurred during the period, including \$7.9 million for mine development and equipment at Mercedes. The Company closed the quarter with cash and cash equivalents of \$51.9 million, an increase from the previous quarter.

## Mercedes

The Mercedes mine is located 150 kilometres northeast of the city of Hermosillo in the state of Sonora, Mexico. Significant progress has been made with respect to cost reduction initiatives at the mine primarily due to lower unit mining costs resulting from a reduction in fixed costs for labour and contractors as the workforce was downsized to align with the new mine plan. The result was co-product cash costs per ounce of gold sold of \$608 (a 44% reduction vs Q3 2019) and co-product all-in sustaining costs per ounce of gold sold of \$885 in Q3 (a 35% reduction vs Q3 2019), the lowest cost quarter of 2020. Although the grade had a positive impact on the cost per ounce, the primary driver of the overall improvement was the reduction in mine unit cost per tonne processed.

As previously announced, Mercedes was placed into care and maintenance during the second quarter as mandated to help protect the health of our employees, their families, and neighbouring communities from the growing threat of the COVID-19 pandemic. Extensive technical work was carried out during the two-month shutdown to assess alternative mine plans with renewed attention to increasing profit margins. As a result, a new simplified operating plan with a more focused mining and development strategy was implemented when operations resumed late in the second quarter. The outcome is enhanced productivity and reduced costs, which is ensuring the mine's ability to reliably deliver cash flow.

A phased re-start of the mine in June began with limited mining activities and the stockpiling of ore to ensure the safe and successful implementation of the plan and meet sanitation requirements necessitated by our COVID-19 protocols. Processing commenced on a batch milling basis in early July. The initial focus of the phased approach prioritizes completion of key access ramps to the Diluvio West and Lupita Extension stoping areas, delineation/definition drilling at Marianas and Diluvio West, and San Martin delineation drilling. During the third quarter operations were not affected by the pandemic and were executed according to the revised plan.

Mercedes mined a total of 106,597 tonnes during Q3 as compared to 163,030 tonnes during the prior year period as a result of focusing all mining activities on two production areas (Diluvio and Lupita) instead of six areas previously. This change had a several positive impact, with a considerable reduction waste tonnage, a 15% increase in the average gold grade from 2.94 g/t in Q3 2019 to 3.37 g/t, and a significant decrease in the costs per ounce sold.

The quarterly operating results are summarized in Table 2 below.

Table 2: Mercedes Selected Financial and Operating Results

		Three months ended September 30		Nine months ended September 30	
		2020	2019	2020	2019
<i>(in millions of U.S. dollars, unless otherwise stated) <sup>(iii)</sup></i>					
<b>Ore &amp; Metals</b>					
Ore milled	<i>tonnes</i>	117,751	159,450	280,159	505,809
Gold produced	<i>ounces</i>	12,183	14,481	23,770	47,627
Silver produced	<i>ounces</i>	49,975	37,462	102,182	146,496
Gold sold	<i>ounces</i>	10,882	13,187	23,628	47,147
Silver sold	<i>ounces</i>	45,269	35,587	101,810	154,651
Average gold grade	<i>grams/t</i>	3.37	2.94	2.78	3.05
Average silver grade	<i>grams/t</i>	32.34	22.60	29.23	25.80
Average gold recovery rate	<i>%</i>	95.6	95.9	94.8	96.0
Average silver recovery rate	<i>%</i>	40.8	32.3	38.8	34.9
<b>Realized Price</b>					
Average realized gold price <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,875	1,382	1,640	1,306
Average realized silver price <sup>(i,ii)</sup>	<i>\$/ounce</i>	26	17	20	16
<b>Non-IFRS Performance Measures</b>					
Co-product cash costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	608	1,095	952	973
Co-product all-in sustaining costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	885	1,354	1,384	1,226
Co-product cash costs per ounce of silver sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	8	14	11	12
Co-product all-in sustaining costs per ounce of silver sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	12	17	16	15
By-product cash costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	535	1,086	913	960
By-product all-in sustaining costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	827	1,353	1,367	1,223
<b>Financial Measures</b>					
Gold revenue	<i>m \$</i>	20.3	18.1	38.6	61.3
Silver revenue	<i>m \$</i>	1.2	0.6	2.1	2.4
Total revenue	<i>m \$</i>	21.5	18.7	40.6	63.7
Mine operating income / (loss)	<i>m \$</i>	10.4	(0.4)	8.0	1.9
Exploration, evaluation & pre-development expense	<i>m \$</i>	0.5	0.6	1.2	1.3
<b>Capital</b>					
Total capital expenditures	<i>m \$</i>	2.0	3.9	7.9	14.4
Capital expenditures - sustaining <sup>(i,ii)</sup>	<i>m \$</i>	1.5	1.9	6.9	8.6
Capital expenditures - expansionary <sup>(i,ii)</sup>	<i>m \$</i>	0.5	1.9	1.0	5.9

<sup>(i)</sup> A cautionary note regarding Non-IFRS financial metrics is included in the "Non-IFRS Measures" section of this Management's Discussion and Analysis.

<sup>(ii)</sup> Cash costs, all-in sustaining costs, sustaining and expansionary capital expenditures as well as average realized gold/silver price per ounce are Non-IFRS metrics and discussed in the section "Non-IFRS Measures" of this Management's Discussion and Analysis.

<sup>(iii)</sup> May not add due to rounding.

## South Arturo

The South Arturo mine in Nevada is a joint venture with Nevada Gold Mines LLC, operated by Barrick Gold Corporation (“Barrick”). Several opportunities exist on the property including the recently developed El Nino underground mine that represents the second operation developed at South Arturo and has delivered consistent production results since being put into production in the second half of 2019.

For Q3 2020, South Arturo produced 7,095 ounces of gold and 601 ounces of silver from El Nino. Ore production and the average grade were both above plan for the period. To-date there has been no material impact on the operations at South Arturo due to the COVID-19 pandemic as measures have been successfully implemented by the operator to control the risk to the employees and communities.

Co-product cash cost per ounce of gold sold was \$987 and all-in sustaining cost per ounce of gold sold was \$1,148 during the quarter.

Expansion drill results previously announced from the El Nino underground program were announced with highlight results of 39.6 m of 17.11 g/t Au, including 21.3 m of 24.75 g/t Au (SER20019) and 100.6 m of 5.73 g/t Au, including 13.7 m of 8.52 g/t Au (SER20018). The partners continue to advance additional development opportunities, including the Phase 1 and Phase 3 open-pit projects, and are assessing the potential for an on-site heap leach facility. Surface drilling in the vicinity of these proposed future pit projects commenced during the third quarter and the Company is in the final stages of completing a Preliminary Feasibility Study for South Arturo.

Table 3: South Arturo Selected Financial and Operating Results

		Three months ended September 30		Nine months ended September 30	
		2020	2019	2020	2019
<i>(in millions of U.S. dollars, unless otherwise stated) <sup>(iv)</sup></i>					
<b>Ore &amp; Metals</b>					
Ore milled	<i>tonnes</i>	29,416	14,835	74,448	23,282
Gold produced	<i>ounces</i>	7,095	2,003	18,589	2,920
Silver produced	<i>ounces</i>	601	394	1,793	832
Gold sold	<i>ounces</i>	4,783	-	16,411	918
Average gold grade	<i>grams/t</i>	8.83	5.09	8.86	4.73
Average gold recovery rate	<i>%</i>	85.0	82.4	87.6	82.4
<b>Realized Price</b>					
Average realized gold price <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,879	-	1,666	1,271
<b>Non-IFRS Performance Measures</b>					
Co-product cash costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	987	-	984	308
Co-product all-in sustaining costs per ounce of gold sold <sup>(i,ii)</sup>	<i>\$/ounce</i>	1,148	-	1,065	768
By-product cash costs per ounce of gold sold <sup>(i,ii,iii)</sup>	<i>\$/ounce</i>	987	-	984	308
By-product all-in sustaining costs per ounce of gold sold <sup>(i,ii,iii)</sup>	<i>\$/ounce</i>	1,148	-	1,065	768
<b>Financial Measures</b>					
Gold revenue	<i>m \$</i>	9.0	-	27.3	1.2
Mine operating income	<i>m \$</i>	3.5	-	7.6	0.7
Exploration, evaluation & pre-development expense	<i>m \$</i>	0.3	-	0.3	0.1
<b>Capital</b>					
Total capital expenditures	<i>m \$</i>	0.2	8.3	0.3	18.8
Capital expenditures - sustaining <sup>(i,ii)</sup>	<i>m \$</i>	-	-	-	0.0
Capital expenditures - expansionary <sup>(i,ii)</sup>	<i>m \$</i>	0.2	8.3	0.3	18.8

<sup>(i)</sup> A cautionary note regarding Non-IFRS metrics is included in the “Non IFRS Measures” section of this Management’s Discussion and Analysis.

<sup>(ii)</sup> Cash costs, all-in sustaining costs, sustaining and expansionary capital expenditures as well as average realized gold/silver price per ounce are Non-IFRS metrics and discussed in the section “Non-IFRS Measures” of this Management’s Discussion and Analysis.

<sup>(iii)</sup> Given the small nature and timing of South Arturo silver output, no silver by-product credits are reported.

<sup>(iv)</sup> May not add due to rounding.

## Greenstone Gold Mines

The Company owns a 50% interest in the Greenstone Gold Mines Partnership (“GGM”). GGM’s principal asset is the Hardrock Mine Project (“Hardrock”) located on the Trans-Canada Highway near Geraldton, Ontario, Canada that represents one of the most significant large-scale, permitted mine development projects in North America.

Operations at Greenstone were not directly impacted by COVID-19. Greenstone management is closely monitoring the situation and were able to progressively reopen its offices and the project site during the period.

Spending at Hardrock during the quarter totaled \$5.7 million (CAD\$7.7 million) and \$14.5 million (CAD\$19.7 million) year-to-date. Key activities include further advancement of detailed engineering work for key infrastructure items, permitting, continued implementation of indigenous agreements, water management modelling and renewed exploration testing several targets outside of the Hardrock deposit.

Since inception of GGM in 2015, \$120.8 million (CAD\$158.9 million) has been expended on initiatives designed to de-risk and further optimize the economic model associated with the project. Premier disclosed a revised resource estimate in late 2019 that was prepared by G-Mining, the Independent Qualified Person (“QP”) for the project. Significant detailed engineering work was also completed during that time to further refine project design and increase the level of confidence associated with costs included in the economic model. Late in 2019, the QP prepared an updated economic model which incorporated the cumulative results of each of the comprehensive work programs over the past three years. The updated economic model, which was delivered to GGM in December of 2019, indicated significantly enhanced economics. The Company has commissioned the preparation of an updated technical report to accompany the economic model presented to the partners in late December 2019 and expects to have it completed in the near future.

## Q3 2020 Financial Results and Conference Call Details

Full financial results for the quarter ended September 30, 2020 will be released before market open on November 4th, followed by a conference call with senior management being held at 10:00am EST.

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) 888 390 0605

International: (+1) 416 764 8609

Webcast Link: [https://produceredition.webcasts.com/starthere.jsp?ei=1385431&tp\\_key=ca1ecfd77a](https://produceredition.webcasts.com/starthere.jsp?ei=1385431&tp_key=ca1ecfd77a)

## Conference Call Replay

The conference call replay will be available from 1:00pm EDT on November 4, 2020 until 11:59pm EDT on November 11, 2020.

Toll Free Replay Call (North America): (+1) 888 390 0541

International Replay Call: (+1) 416 764 8677

Passcode: 423039#

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## Qualified Person

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

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

## Non-IFRS Measures

The Company has included certain terms and performance measures commonly used in the mining industry that are not defined under International Financial Reporting Standards (“IFRS”) within this document. These include: cash cost per ounce sold, all in sustaining cost (“AISC”) per ounce sold, earnings before interest, tax, depreciation and amortization (“EBITDA”), adjusted earnings before interest, tax, depreciation and amortization (“Adjusted EBITDA”), adjusted earnings / (loss) per share, free cash flow, capital expenditures (expansionary), capital expenditures (sustaining) and average realized price per ounce. Non-IFRS measures do not have any standardized 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 measures 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.

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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 future operations, future work programs, strategies to enhance productivity, capital expenditures, cost reduction, the ability to deliver free cash-flow, discovery and production of minerals, price of gold and currency exchange rates, timing of technical 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.