




Mercedes Mine Acquisition, Mexico





PREMIER
Gold Mines Limited

July 28, 2016

DISCLAIMER

This presentation may contain "forward looking information" within the meaning of Canadian securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking information. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry, the risk of commodity price and foreign exchange rate fluctuations, the ability of Premier to fund the capital and operating expenses necessary to achieve the business objectives of Premier, as well as those risks described in public disclosure documents filed by Premier. Due to the risks, uncertainties and assumptions inherent in forward-looking information, prospective investors in securities of Premier should not place undue reliance on these forward-looking information.

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The Acquisition is subject to customary closing conditions including receipt of the required Mexican anti-trust approval and the approval of Toronto Stock Exchange.

Stephen McGibbon, P. Geo., (Executive VP Corporate and Project Development) is the Qualified Person for the information contained in this presentation and is a Qualified Person within the meaning of National Instrument 43-101.

For further information on the technical data provided in this presentation, including the key assumptions underlying the mineral resource herein, refer to the Sedar filings as listed below:

Note	Project/Property Tech Report	Company	Date
(1)	Hardrock Mineral Resource	Premier Gold Mines Limited	August 22, 2014
(2)	Trans-Canada PEA	Premier Gold Mines Limited	February 5, 2015
(3)	Hardrock (Trans-Canada)	Premier Gold Mines Limited	December 13, 2013
(4)	Bonanza	Premier Gold Mines Limited	September 17, 2009
(5)	Helen (Cove)	Premier Gold Mines Limited	January 2, 2014
(6)	South Arturo	Premier Gold Mines Limited	July 15, 2015
(7)	Mercedes	Yamana Gold Inc.	March 30, 2016

A WORLD OF OPPORTUNITY

Our business model leads to exploration discoveries while reducing shareholders' exposure to risk by focusing on:

- **PROVEN MANAGEMENT**
- **WORLD-CLASS DISTRICTS**
- **SAFE JURISDICTIONS**
- **SENSIBLE PARTNERSHIPS**

At Premier Gold Mines Limited, "A World of Opportunity" embodies the Purpose, Strategy, and Values critical to the success of our organization and to the well- being of our employees, their families, and the local communities in which we work.

It's an opportunity we wake up to everyday.

OUR ASSETS

PRODUCTION



ADVANCED EXPL.





EXPLORATION





- **SAFE JURISDICTIONS**: North American-Focused (Canada - USA - Mexico)
- **PROJECT PIPELINE**: Advancing multiple organic growth opportunities

TRANSFORMATIVE ACQUISITION

Acquisition Highlights

- **Transformational Acquisition Creating a Diversified Gold Producer**
  - Combined 2017E production of ~138koz(1)
  - Diversified asset portfolio reduces risk while providing for more growth opportunities
- **High Quality, Low Cost Operating Mine in Prolific Mining District**
  - Annual production of ~86Koz (2016-2018 average) with 2016E AISC of ~$935/oz(2)
  - Mining and politically favorable jurisdiction of Mexico
- **Unique Opportunity to Surface Additional Value**
  - Mercedes is a small component of Yamana's portfolio and has been under-explored
  - Clear potential to extend mine life beyond known reserves
- **Significant Exploration Potential**
  - Multiple opportunities to potentially increase mineral resource and mineral reserve estimates
  - Large land package located in the highly-prospective Sonora state
- **Increased Financial Flexibility**
  - Anticipated cash flow from Mercedes combined with that of South Arturo will help fund Hardrock development
  - Debt component minimizes equity dilution
- **Accretive Transaction**
  - Accretive transaction on key metrics, including:
    - NAVPS
    - Resources per share
    - Reserves per share
    - Production per share

ESTABLISHES A DIVERSIFIED GOLD PRODUCER WITH ATTRACTIVE EXPLORATION ASSETS

(1) Includes full year Mercedes production based on Yamana's 2017 guidance, as per January 13, 2016 press release and Premier guidance for South Arturo
(2) Based on Yamana's guidance assuming mid-point of 2016E guidance

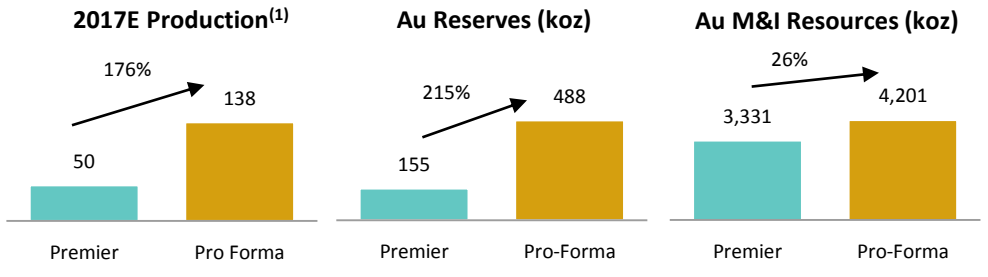
TRANSACTION OVERVIEW

Transaction Summary	▪ Premier has agreed to acquire all shares of Yamana's wholly-owned subsidiary, which indirectly owns all interests in the Mercedes Mine for a combination of cash and Premier shares ▪ Yamana pro-forma ownership of ~3.0%
Consideration to Yamana	▪ Total purchase price of US$140.0 million (based on closing price of Premier's shares on July 5th, 2016, the date of signing the non-binding letter of intent to acquire Mercedes with Yamana) consisting of: - US$122.5 million in cash - 6 million Premier common shares - 3 million Premier common share purchase warrants (term of 24 months, strike price of C$4.75/share)
Transaction Structure	▪ Share purchase agreement
Approvals	▪ Mexican anti-trust approvals and stock exchange approvals
Timing	▪ Expected to close September 30, 2016
Other	▪ The company intends to fund the cash component of the purchase price from sources of capital available to it and expects in due course to confirm the details of such financing

TRANSFORMATIVE ACQUISITION

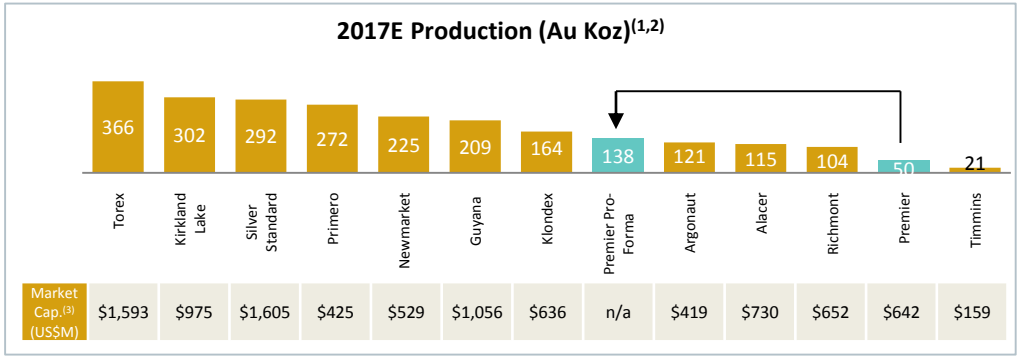
Enhanced Asset Base and Growth Profile

- Gold reserve and M&I resource growth of 215% and 26%, respectfully
- Fills production gap between South Arturo and Hardrock



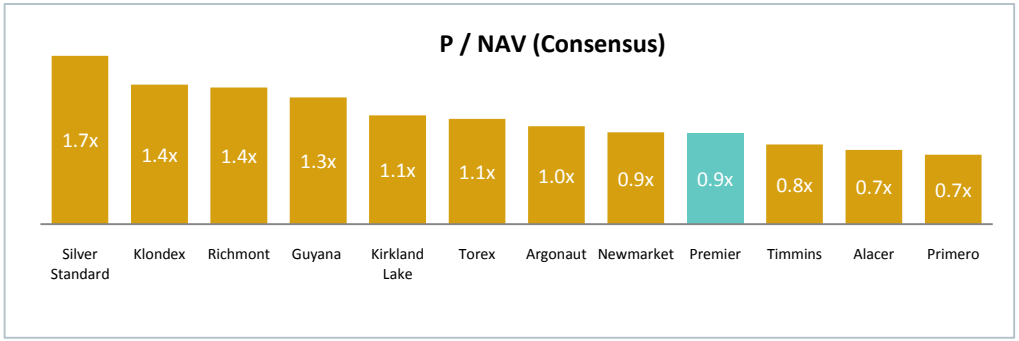
Improved Positioning Relative to Peers

- Pro-forma production profile in-line with Tier III peers



Re-Rating Potential

- Potential for producer re-rating given current value gap based on production profile



(1) Premier pro-forma includes full year Mercedes production based on Yamana's 2017 guidance as per January 13, 2016 press release and Premier guidance for South Arturo
(2) Peers based on broker consensus estimates, as per Bloomberg
(3) Source: S&P Capital IQ

STRONGER PRO-FORMA COMPANY

Strong Financial Foundation

- Premier's pro-forma financial leverage is in-line with its debt peers

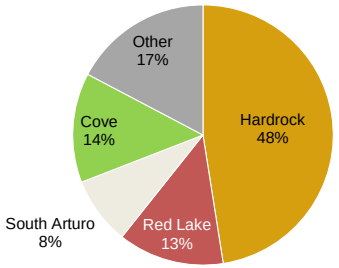
Debt Metrics In-line with Peers

Positive Long-Term Contributor to Cash Flow

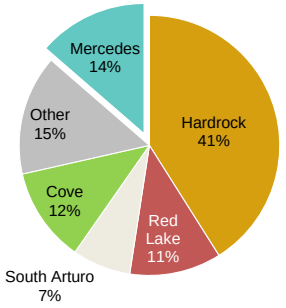
Portfolio Diversification

- Mercedes represents 14% of pro-forma operating net asset value
- Provides stable production base as Premier delivers on portfolio of growth projects

Premier Current Net Asset Value (1)



Premier Pro-Forma Net Asset Value (1)



Accretive Transaction

- Transaction accretive on key operating and financial metrics

NAVPS Accretive

~16% M&I Resource Per Share Accretion

~188% Reserve per Share Accretion

~153% 2017 Prod. Per Share Accretion(2)

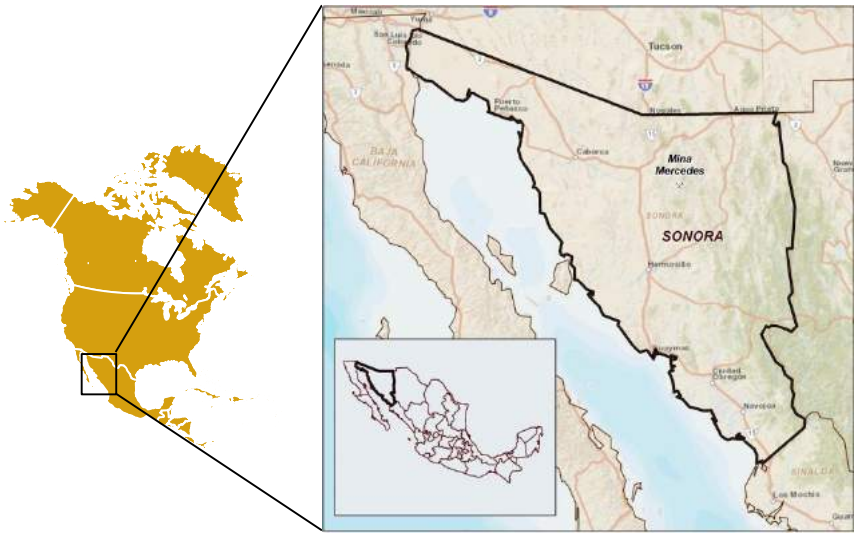
(1) Consensus NAV estimates
(2) Includes full year Mercedes production based on Yamana's 2017 guidance, as per January 13, 2016 press release and Premier guidance for South Arturo

MERCEDES ASSET OVERVIEW

Overview

- Located in Sonora state in northwestern Mexico
- Entered into production in late 2011 and is currently mining 3 UG deposits
  - 3 additional UG deposits and one pit are in the planning stage
- Currently advancing measures to improve dilution control and cost structure
  - Recent production and cash cost improvements
- Recent efforts have shifted from cost cutting to exploration
  - Advancing definition drilling and testing promising near-mine target

Located in a Prolific Mining District



Key Metrics

Stage	Producing
Mine Type	Underground
Processing	Leaching / Decantation / Merrill-Crowe
Plant Throughput Capacity	2,000 tpd
Company Guidance[1]	
2016E Production	85-90 koz Au / 345-365 koz Ag
2017E Production	88 koz Au / 355 koz Ag
2018E Production	82 koz Au / 335 koz Ag
2016E Cash Cost[2]	US$750/oz Au
2016E AISC[2]	US$935/oz Au
H1 2016 Actual[2,3]	47koz Au @ US$808/oz AISC

Reserves and Resources (December 2015)[4]

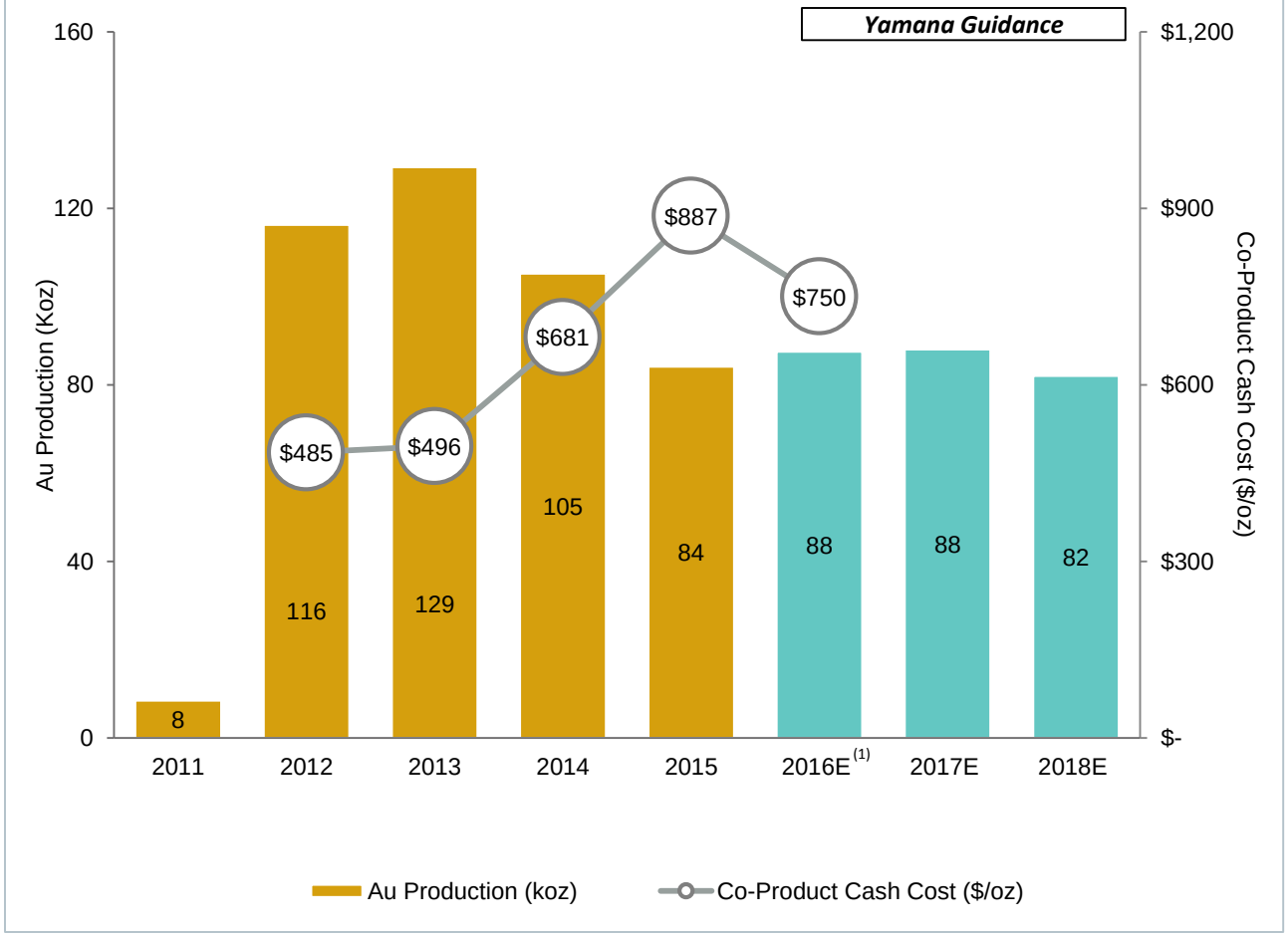
Yamana Reported R&R Dec. 31, 2015	Gold	Silver
Total Reserves (Ounces / Grade)	333 koz / 4.33 g/t	3.75 Moz / 48.8 g/t
Measured & Indicated (Ounces / Grade)	537 koz / 3.36 g/t	5.82 Moz / 36.5 g/t
Inferred (Ounces / Grade)	239 koz / 3.45 g/t	2.00 Moz / 28.9 g/t

(1) Based on Yamana's guidance, as per January 13, 2016 press release
(2) Gold cash cost and AISC on a co-product basis
(3) Based on Yamana Q2 2016 financial results
(4) Based on Yamana's public disclosure

HIGH QUALITY, LOW COST OPERATING MINE WITH PROVEN PRODUCTION PROFILE

- Proven operation with production averaging ~109koz gold over the last 4 years
- Yamana production guidance for Mercedes of 82-88koz of gold and from 2016-2018E
- Cash cost reductions driven by several cost control initiatives, local currency devaluation and reduction in mining dilution
- Premier expected to provide guidance post-closing of the transaction

Historical and Forecast Production and Cash Costs



Source: Yamana company filings including 2016 guidance (as per January 13, 2016 press release)
(1) 2016 guidance of 85,000-90,000 oz gold mid-point of guidance shown

SIGNIFICANT EXPLORATION POTENTIAL

Exploration History

- Exploration between 2005 and 2015 defined ten Au-Ag resource areas in four epithermal low-sulfidation vein zones
- Drilling focused in an area totaling ~9.5 km of strike length in and around four vein zones
- Three significant blind discoveries have been made to date
  - Barrancas, Laguna, and Diluvio

Exploration Opportunity

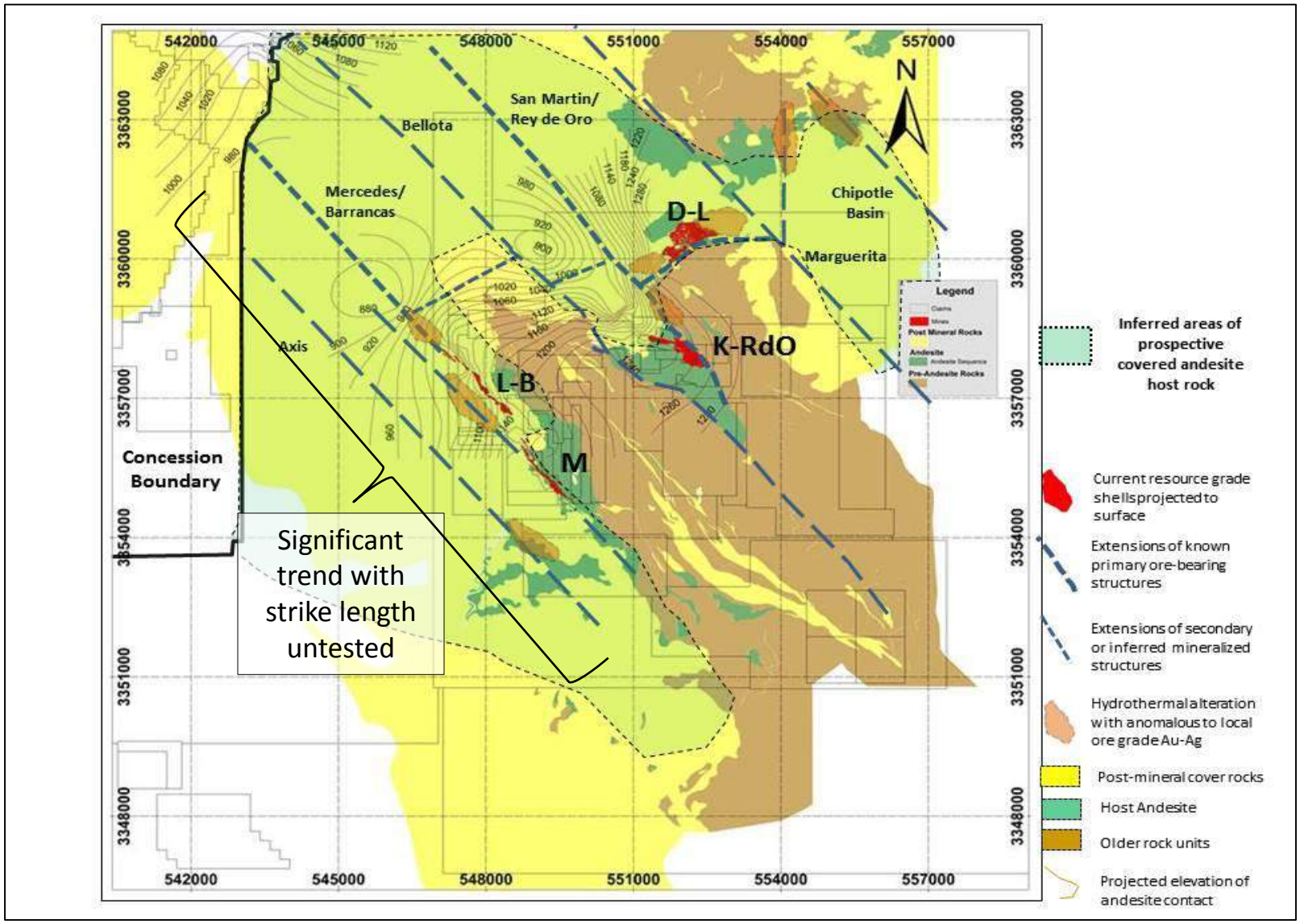
- District-wide exploration target studies completed in 2015 have identified ~45 km of untested structures
  - Limited drilling completed outside of existing resource areas
  - Clear potential for district to host additional, undiscovered vein systems

Key Targets

Mercedes Priority Exploration Targets

- Existing resource areas
  - Potential for near-term reserve additions and production
- Near-mine exploration areas
  - Numerous well-defined targets that may utilize existing mine infrastructure
- Property targets / new discoveries
  - Potential to discover new veins within Mercedes district
- District targets
  - High-grade prospects in region offer potential custom mill feed

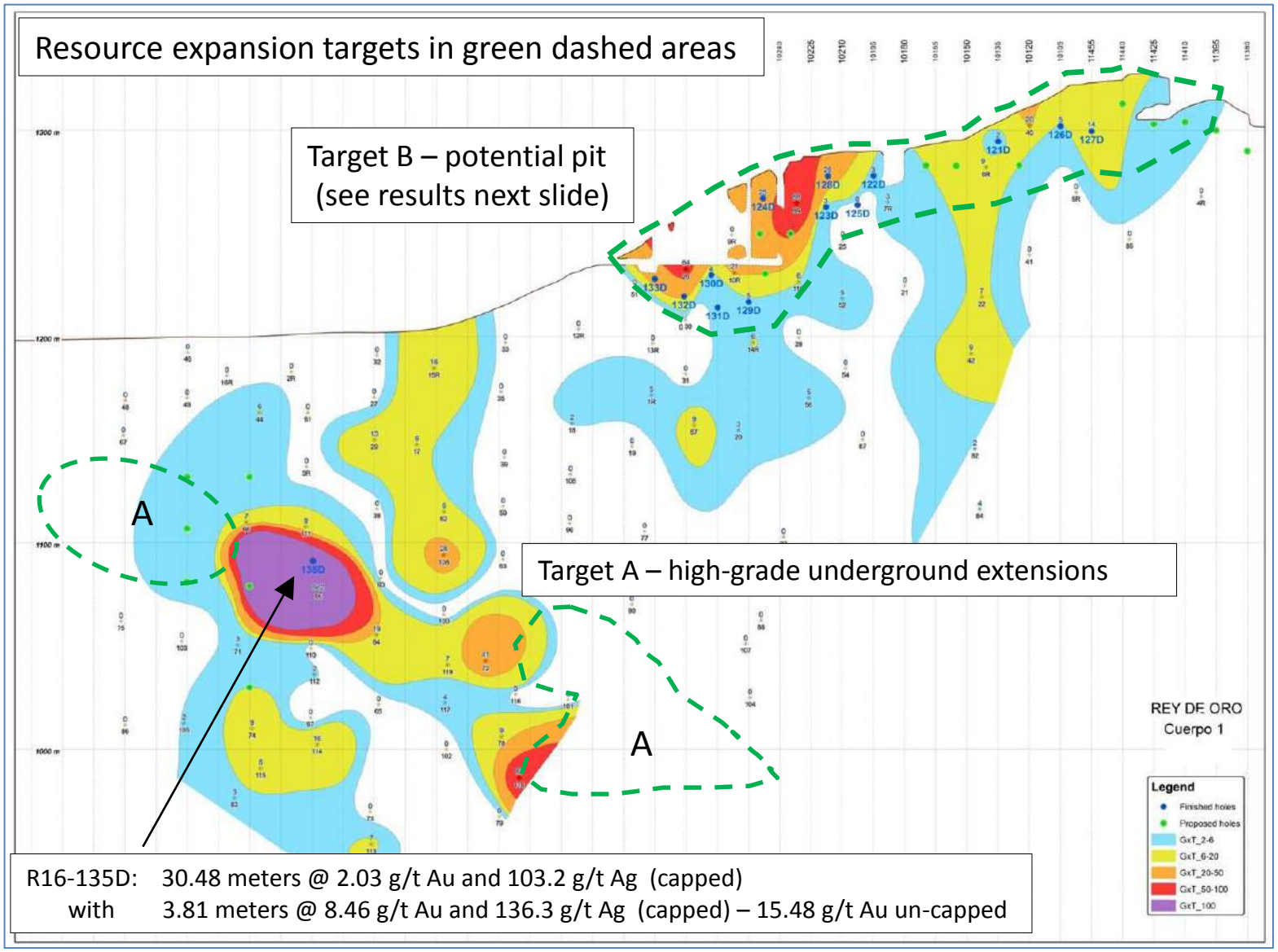
EXPLORATION UPSIDE



EXPLORATION UPSIDE – REY DE ORO TARGET

- 2015 YE P+P Reserves: 39K oz Au (Open Pit and Underground)
- 2015 YE M+I Resource: 55K oz Au; Inferred Resource: 16K oz Au
- Potential UG access from Klondike
- Exploration Plan
  - Q2 2016: Drill limited number of near surface holes to test continuity and grade of open pit resource (15 holes, 700 meters)
  - Q2 2016: Drill limited number of holes to test open extensions of key high-grade ore shoots (6 holes, 1300 meters)
    - Add holes if warranted by success
  - Q3 2016: Create new grade shells using new geologic interpretation and drill data
  - Q4 2016: Update resource estimate for use in reserve calculation and potential mine planning

EXPLORATION UPSIDE – REY DE ORO TARGET



R16-135D: 30.48 meters @ 2.03 g/t Au and 103.2 g/t Ag (capped)
with 3.81 meters @ 8.46 g/t Au and 136.3 g/t Ag (capped) – 15.48 g/t Au un-capped

EXPLORATION POTENTIAL – OPEN PIT

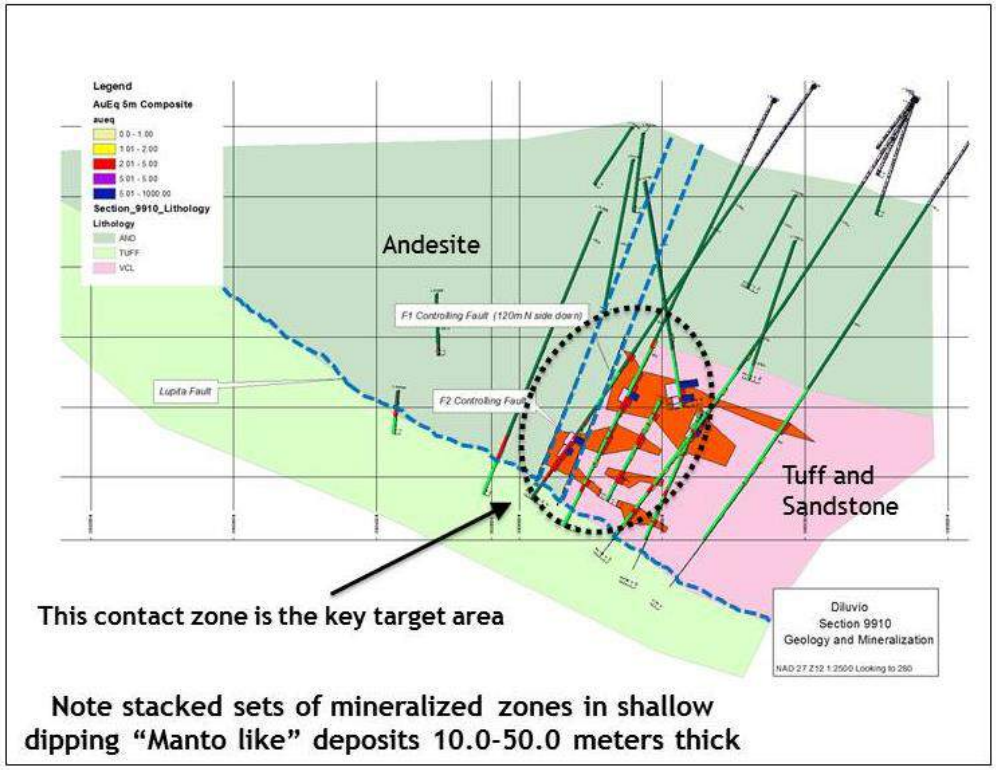
Hole	Area	From (m)	To (m)	Cutoff		Interval (m)	Au g/t	Ag g/t	AuEq g/t (140:1)	cap to 30 g/t Au
R16-121D		0.00	7.92	1.0	or	**7.92**	1.05	10.5	1.13	
R16-124D	**Cuerpo 1**	0.90	14.63	1.0		**13.73**	3.68	21.6	3.84	
		1.67	3.96	2.0	with	2.29	3.75	39.0	4.03	
		5.49	7.01	2.0	and	1.52	4.24	17.0	4.36	
		11.58	14.63	2.0	and	3.05	8.59	8.5	**8.65**	
R16-126D	**Cuerpo 1**	0.80	10.82	1.0		**10.02**	1.94	36.2	2.20	
		9.74	10.82	2.0	with	1.08	6.92	73.1	**7.44**	
R16-127D	**Cuerpo 1**	0.80	2.44	1.0		1.64	0.98	33.0	1.21	
	RDO-CPO1	7.01	11.58	1.0	and	**4.57**	2.90	81.3	3.47	
R16-128D	**Cuerpo 1**	0.00	6.71	1.0		**6.71**	4.18	36.8	4.45	
		0.00	5.18	2.0	with	**5.18**	5.15	45.6	**5.48**	
R16-129D	**Cuerpo and 2**	33.30	50.90	1.0		**17.6**	1.39	48.8	1.74	
		33.30	35.10	2.0	with	1.8	2.21	135.7	3.18	
		40.23	43.28	2.0	and	3.05	2.27	36.0	2.53	
		47.85	49.38	2.0	and	1.53	3.19	49.0	3.54	
R16-131D	**Cuerpo 1**	20.73	22.25	2.0		1.52	10.05	3.0	**10.07**	
R16-132D	**Cuerpo 1**	5.18	6.71	2.0		1.53	4.96	5.0	4.99	
		9.75	11.28	1.0	and	1.53	1.66	5.0	1.69	
		14.33	17.37	2.0	and	3.04	5.81	5.0	**5.87**	
R16-133D	**Cuerpo 1**	20.42	24.99	1.0		**4.57**	68.43	71.8	**68.94**	
		20.42	24.99	1.0	or	**4.57**	5.73	71.8	**6.25**	cut to 30 g/t
		20.42	21.18	2.0	with	0.76	407.00	211.0	**408.57**	
		20.42	21.18	2.0	or	0.76	30.00	211.0	**31.51**	cut to 30 g/t
R16-134D	**Cuerpo 3**	44.35	46.63	2.0		**2.28**	88.28	11.3	**88.36**	
		44.35	46.63	2.0	or	**2.28**	21.25	11.3	**21.33**	cut to 30 g/t

EXPLORATION UPSIDE – DILUVIO TARGET

- No current reserves in LOM Plan
- 2015 YE M+I Resource: 205K oz Au; Inferred Resource: 94K oz Au.
- Access ramp is permitted (300-400 meters from main zone).
- Exploration Plan:
  - Q3-Q4 2016: Complete exploration drift; concurrent bulk sample and UG drilling as access advances
  - Q4 2016-Q1 2017: Conduct 9,000 meters UG + surface drilling to bring drill density to 15 x 30 meters (minimum needed to define limits of economic Au-Ag in complex breccia/vein/stockwork zone)
  - Q2 2017: Calculate new resource based on revised geologic interpretation and new grade shell:
  - End of Q2 2017. Estimated new resource for reserve calculations and mine plan

EXPLORATION UPSIDE – DILUVIO TARGET

- Diluvio morphology is distinct from other Mercedes district deposits

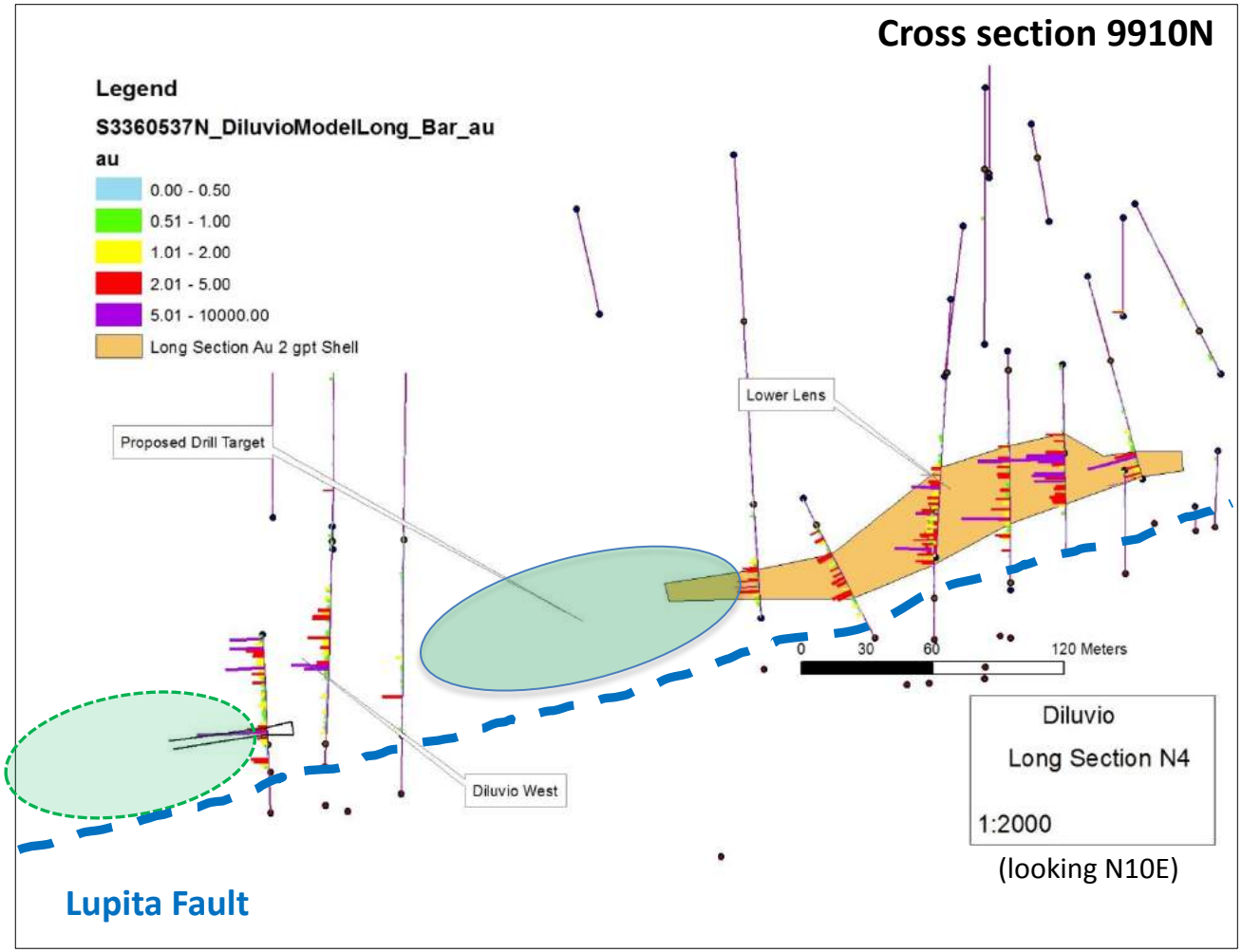


- The deposit could be considered in the sense of two principal gently dipping "Manto" type ore bodies 10-50 meters thick hosted within volcanoclastic sediments/sandstone
- It is not a high angle planar vein, but a series of irregularly stacked low angle (35-50 degree) vein breccia zones with linking high angle tensional veins (65 to 85 degrees) and surrounding stockwork

- The geometry is complex but also provides potential for bulk mining on a scale not possible in narrow vein structures.

EXPLORATION UPSIDE – DILUVIO TARGET

- Potential to add ounces down-dip from resource areas



PREMIER Gold Mines Limited

ACQUISITION HIGHLIGHTS

Transformational Acquisition Creating a Diversified Gold Producer	**High Quality, Low Cost Operating mine in Prolific Mining District**	**Unique Opportunity to Surface Additional Value**
Significant Exploration Potential	**Increased Financial Flexibility**	**Accretive Transaction**






APPENDIX





PREMIER
Gold Mines Limited

July 28, 2016

MERCEDES MINERAL RESERVES & RESOURCES

		Gold		Silver	
Category	**Tonnes**	**Grade**	**Contained**	**Grade**	**Contained**
	000's	*g/t*	*koz*	*g/t*	*koz*
Reserves					
Proven	415	6.07	81	60.2	803
Probable	1,976	3.97	252	46.4	2,947
Total Proven & Probable	**2,390**	**4.33**	**333**	**48.8**	**3,750**
Resources (Exclusive of Reserves)					
Measured	583	5.53	104	65.6	1,229
Indicated	4,379	3.08	433	32.6	4,588
Total Measured & indicated	**4,961**	**3.36**	**537**	**36.5**	**5,817**
Inferred	**2,157**	**3.45**	**239**	**28.9**	**2,001**

As of December 31, 2015, as per Yamana Gold Inc.'s Annual Information for, as filed on SEDAR March 30, 2016

KEY CONTACTS



Ewan Downie — **(807) 346-1390**
President & CEO

John Begeman — **(605) 484-3701**
Executive Chairman

Stephen McGibbon — **(613) 376-6782**
Executive Vice-President
Corporate & Project Development

Matthew Gollat — **(807) 346-1397**
Corporate Development
Investor Relations

A World of Opportunity

PROVEN MANAGEMENT – WORLD-CLASS DISTRICTS – SAFE JURISDICTIONS-SENSIBLE PARTNERSHIPS -

Symbol: PG **Exchange: TSX**

OUR LEADERSHIP

John Begeman: Executive Chairman

Over 35 years experience in mining - Former VP western operations for Goldcorp, COO Wolfden Resources, President of Avion Gold Corp and is currently a director of Yamana Gold Inc. and director of Aberdeen International

Ewan Downie: CEO, President and Director

Over 25 years experience in the exploration and mining industry - Founder of Wolfden Resources - recipient of the PDAC “Bill Dennis Prospector Of The Year” award and several Exploration and Development awards from the Northwestern Ontario Prospectors Association

Stephen McGibbon: Executive Vice-President Corporate & Project Development

Over 30 years of exploration, mine production and management experience - Former Chief Geologist and Exploration Manager at the Red Lake Mine (Goldcorp) and senior member of the team that discovered the “High Grade Zone”

Steve Filipovic: Chief Financial Officer

More than fourteen years of finance experience, the last eleven with publicly traded resource companies - Former Vice President, Finance with Wolfden Resources Inc. and then Director and Chief Financial Officer of Zinifex Canada Inc.

Tony Makuch, Director

More than 20 years of direct mining experience - formerly Executive Vice President / President of Canadian Operations of Tahoe Resources Inc., President and CEO of Lake Shore Gold Corp. - currently President and CEO of Kirkland Lake Gold

Claude Lemasson: Director

More than 20 years of mining and development experience - Previously held senior mine development and operational roles with Goldcorp Inc. - formerly President and CEO Guyana Goldfileds Inc. - currently President and CEO of Eastmain Resources

Ron Little: Director

More than 30 years experience in the mining industry - Currently President and CEO of Orezone Gold Corporation

John Seaman: Director

Former CFO of Premier Gold Mines and Wolfden Resources Inc. - Currently President and CEO of a large private security Company

Mike Vitton: Director

Over 30 years experience in the mining finance industry - Formerly Executive Managing Director, Head, US Equity Sales, BMO Capital Markets, Seat Holder, NYSE; and President, New York Society of Metals Analysts.

PREMIER PERFORMANCE

Total Shares I/O:	183,131,604
Stock Options:	12,483,966 (1)
Warrants:	2,000,000(1)
Fully Diluted:	197,615,570 (1)
Cash/Investments:	~C$47 Million(1)

(1) As at June 30, 2016

***52 week range:**	C$4.63 - C$1.865
***Close:**	C$4.63
***Market Cap:**	C$848 Million

as at July 27, 2016

1 Year Share Price Performance



Research Coverage

CIBC RBC TD Scotiabank CANACCORD Genuity CORMARK CANTOR Fitzgerald BEACON PI FINANCIAL PeariTree