MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2015

The following Management's Discussion and Analysis (“MD&A”) of Premier Gold Mines Limited (the “Corporation” or “Premier”) should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2015 and 2014 and the notes thereto. The Corporation’s audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of March 28, 2016 and all information is current as of such date. Readers are encouraged to read the Corporation’s public information filings on SEDAR at www.sedar.com.

This discussion provides management's analysis of Premier’s historical financial and operating results and provides estimates of Premier’s future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Cautionary Statement on Forward-Looking Statements

Certain information set forth in this MD&A, including management's assessment of the Corporation's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Corporation’s control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of resource estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, reliance should not be placed on forward-looking statements. Premier’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, if any, that Premier will derive there from. Premier disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable law.

Company Overview

Premier is a Canadian-based mineral exploration company, focused on exploring for and developing gold deposits within Canada and the United States of America. Premier has a diverse portfolio of advanced-stage gold exploration properties located in Northwestern Ontario - Canada and Nevada - USA.

Canada

In Canada, Premier has properties in two districts; and the Beardmore-Geraldton Greenstone Belt and the Red Lake Mining District.

Beardmore-Geraldton Greenstone Belt

This highly prospective high-grade gold district boasts more than 4.1 Million ounces of historic gold production that, prior to Premier’s sustained exploration and development focus, had seen relatively little exploration over the past several decades.

The Hardrock and Brookbank Projects are located in the heart of this district, host to several past-producing mines and covering some of the most strategic ground in the region.

Since late 2007, Premier has completed in excess of 650,000 metres of diamond drilling at the property, which concluded with NI 43-101 mineral resource estimate reports being completed on four deposits. In early 2014, Preliminary Economic Assessments (PEA) were completed at Hardrock and Brookbank with continuing progress towards feasibility during 2015.

Greenstone Gold Property, Northwestern Ontario

On March 9, 2015 Centerra Gold Inc. ("Centerra") and Premier announced the formation of a 50/50 partnership (TCP GP Corporation and TCP Limited Partnership) for the purpose of the joint ownership, exploration and development of the Trans-Canada Property including the Hardrock Gold Project located in the Geraldton-Beardmore Greenstone belt in Ontario, Canada. On July 20, 2015, the Board of the general managing partner (TCP GP Corporation) approved a name change of the corporation and the partnership (TCP Limited Partnership) to Greenstone Gold Mines GP Inc. and Greenstone Gold Mines LP respectively, collectively to be referred to as Greenstone Gold Mines "Greenstone Gold".

Premier, through a wholly-owned subsidiary, contributed all property, assets and rights it held in respect of the Greenstone Gold Property to the partnership and Centerra: (i) in return for a 50% limited partnership interest, has made an initial cash contribution to the partnership in the amount of $85 million (Premier withdrew $85 million from the partnership in return for its contribution); and (ii) has agreed to make capital contributions to the partnership in the aggregate amount of $185 million to be used to complete a comprehensive technical and economic feasibility study including an updated mineral resource calculation for the Hardrock Project at the Greenstone Gold Property and for further development of the project. The $185 million is subject to the satisfaction of certain feasibility study results and project advancement criteria.

As part of the transaction Centerra agreed to make an additional contingent payment to Premier not to exceed $30 million based on the results of an updated mineral resource study in respect of the Greenstone Gold Property which was settled at $19 million in the third quarter.

Centerra and Premier have formed a joint board of directors to oversee future exploration, development and operations by the partnership at the Greenstone Gold Property.

Red Lake Mining District

World renowned for high-grade gold, the mines of Red Lake Mining District have produced tens of millions of ounces of gold, making it one of the world's most prolific gold districts. In the heart of the district lies Goldcorp's Red Lake Gold Mine (RLGM), considered to be one of the highest grade producing gold mines in the world.

Premier's flagship project in Red Lake is the Rahill-Bonanza Property (44% Premier) located immediately adjacent to, and along strike from, Goldcorp's RLGM complex and is a joint venture with Goldcorp Inc.'s affiliate, Red Lake Gold Mine. The Rahill-Bonanza joint venture includes the Broulan Reef Property purchased by Premier in 2013, which is immediately adjacent to Goldcorp's Bruce Channel deposit and Cochenour Mine complex.

Early in 2015, Premier entered into a property swap agreement with Goldcorp that saw Premier transfer to Goldcorp its 35% interest in the East Bay Property as well as its 100% interest in the PQ North property. Premier retains a 2% NSR in the PQ North Property. In return, Premier received from Goldcorp, a 100% interest in the Hasaga Property in Red Lake. This non-financial transaction helps streamline Premier's property interests in the district and puts greater control over exploration in the Company's hands. Hasaga was last explored in 1996 and has a production history which (when combined with the Howey Mine) exceeds 650,000 ounces of gold.

United States of America

In the United States of America, Premier is focused on its McCoy-Cove Property as well as the recently acquired South Arturo Property in the Eureka-Battle Mountain Trend in Nevada, where ongoing exploration and development activities are focused on advancing both open pit and underground deposit opportunities.

Early in Q2, Premier announced that it had entered into an agreement to purchase from Goldcorp Inc. its 40% interest in the South Arturo property located 5 kilometres northwest of Barrick Gold's Goldstrike Mine. Barrick Gold is the 60% joint venture partner and operator of the joint venture and the deal was completed on June 2, 2015. The acquisition provided key benefits to Premier including:

- Reasonable gold purchase price for total resource ounces being acquired at South Arturo.
- The Phase 2 open pit mine project is fully-permitted and in construction.
- Upside could be realized through further exploration drilling for potential underground resources.
- Meets Premier's criteria of establishing an exploration and development project portfolio within world class districts and safe mining jurisdictions.
- The partnership model has been an important part of Premier's past and recent successes.

Premier continues to evaluate other high quality Americas based gold projects in proven pro mining districts with the belief that "*A World of Opportunity*" lies before it. Premier believes that an aggressive exploration strategy complimented by mine operating and building capability will repeatedly reward our shareholders.

Results of Operations

Development

South Arturo Property, Nevada, USA

Premier closed its acquisition of the South Arturo Property on June 2, 2015. Pursuant to the terms of the acquisition, Premier has paid US$20 million, has transferred to Goldcorp a 5% interest in the Rahill-Bonanza Joint Venture in Red Lake and has granted Goldcorp a right of first refusal for a period of three years on any proposed sale or joint venture transaction by Premier of the McCoy-Cove project located in Nevada.

In connection with the acquisition, Premier also reimbursed Goldcorp $16.6 million USD for costs and contributions paid by Goldcorp with respect to the South Arturo mine project since March 16, 2015. In addition, Goldcorp has contributed $12.5 million to Premier in a financing that was completed in June.

Current work included a capitalized pre-stripping program of some 43.5 million tons versus a budget of 60.7 million tons. Initial gold production is expected to ramp up by mid-2016, with an approximate 50% increase in overall ore tons to 1.7M tons mined during 2016 versus the original 2015 budget. Some 17 million tons of pre-stripping was deferred to 2016 versus the original 2015 budget due to the late start in 2015 resulting in a capital stripping improvement of –$31.5 million USD versus budget. Pre-stripping has accelerated in late Q1 2016.

Minex-related expenditures included surface drilling on the Dee Capital program that included completing 40,710 feet of drilling in 38 holes at a cost of some $2.9 million USD; all costs are under budget.

Several cost saving measures being adopted include deferral of drilling on the Hinge, East Dee/Jerry underground targets and some of the condemnation drilling related to the Phase 1 & 3 pits.
On October 19, 2015 Premier released to the public the results and guidance of work completed to date that included:

- Development work continues to advance open pit operations with first gold production expected in 2016
- Drilling to test the continuity and expansion of the NE Button Hill underground target confirms high-grade gold mineralization with intercepts as high as 0.75 ounces per ton gold (oz/t Au) across 90 feet (25.7 grams per tonne (g/t) Au across 27.4 metres (m)).
- 2016 gold production projected to be in excess of 200,000 ounces of gold (>80,000 to Premier) from some 2.5 million tons of ore.

Exploration, evaluation and pre-development

Greenstone Gold Property (formerly Trans-Canada Property), Northwestern Ontario Canada

Planned expenditures of approximately $26.5 million were budgeted for the Greenstone Gold Property during 2015. The expenditures included technical studies, environmental and social impact assessments, project support and costs associated with securing certain properties for future project development (collectively, $20.5 million) and

$4.0 million for drilling and exploration related costs, consisting of $1.6 million for resource drilling to further define the Hardrock deposit, along with site preparation of $1.8 million for condemnation drilling and geotechnical studies. The remaining $2 million was to be spent on the Brookbank deposit ($.7 million) and general and administration ($1.3 million).

Pursuant to the 50/50 partnership agreement with Centerra, exploration and project development work including completion of the feasibility study will be funded via capital contributions to the partnership in the aggregate amount of $185 million, which obligation is subject to certain feasibility study results and project advancement criteria, as such planned expenditures for 2015 were fully-funded by Centerra and 2016 planned expenditures will also be full funded by Centerra.

On September 17, 2015 Premier confirmed that it had received the contingent payment of $11,009,680 from Centerra Gold Inc., pursuant to the terms of the agreement signed earlier in 2015.

Exploration

Rahill-Bonanza Joint Venture

Diamond drilling of 11,432 metres was completed in 23 holes from surface and underground on the Rahill-Bonanza project during 2015.

The Rahill-Bonanza project (44% Premier & 56% RLGM) covers approximately 4.5 kilometres of the main Red Lake "Mine Trend" between the Red Lake Gold Mines complex to the east, and the Cochenour Complex to the west. The haulage drift was excavated from the 5400 foot Level of Red Lake Gold Mines and intersected several kilometres of some of the highest potential and untested geology in the heart of the Red Lake camp.

Underground diamond drilling at Rahill-Bonanza began in early March after completion of a revised budget proposal that will see drilling focused on a greater range of targets during 2015. During 2015, targets tested were those expanding on the “folded ultramafic area” where intriguing results require additional drilling. The final expenditures for 2015 for this project were slightly below the budget of approximately $2 million.

In early December Premier released to the public an update of new intercepts and developments that included:

- Drilling continued testing a favourable geological setting to the south of the tram that shares similarities with the Red Lake Gold Mines complex including favourable alteration and mineralization proximal to an ultramafic rock unit.
- Hole D36987 grades 15.79 g/t Au across 2.1m contained within a mineralized alteration zone grading 6.58 g/t Au across 6.3m.
- Hole D36994 contains 18.20 g/t Au across 3.4m.
- Hole D36999 grades 36.30 g/t Au across 1.7m & 11.0 g/t Au across 2.5m.
- Hole D361036 with 46.00 g/t Au across 11.0 m (1.34 oz/ton Au across 36.0 feet) including 121.20g/t Au across 3.8 m (3.54 oz/ton Au across 12.3 feet); one of the deepest holes drilled to test this horizon to-date.

It is expected that some $899,000 will be spent by Premier during 2016 at Rahill-Bonanza to maintain its 46% interest in the project.

Hasaga Property

Premier acquired a 100% interest in the past-producing Hasaga Property, located in Red Lake, Ontario, from Goldcorp in February, 2015. A property swap assigned to Goldcorp Premier’s 35% participating interest in the East Bay Property (Red Lake) and its 100% interest in the PQ-North Property located near Goldcorp’s Musselwhite Mine in Ontario. Exploration drilling was activated on May 1, 2015. Three drills have completed some 60,000 metres of drilling in three target areas that included the Hasaga Porphyry, Central Zone and North Gate areas.

A summary of accomplishments during the 2015 program included:

- Drilling identified two prospective areas containing wide-spread gold mineralization with intercepts up to 0.98 g/t Au over 126.0 m including 2.04 g/t Au across 49.0 m in the Hasaga Porphyry Zone and 0.94 g/t Au over 305.5 m including 1.61 g/t Au across 122.5 m in the Central Zone.
- The 2016 exploration program at Hasaga is budgeted at $6.8 million will include approximately 50,000 metres of additional drilling, designed to support an initial mineral resource estimate in H2-2016.
- Late in 2015, Premier entered into an agreement to acquire a 100% interest in a 513-hectare land package located immediately west of, and contiguous with, the Hasaga Property from Pure Gold Mining Inc. (See Figure 2). This acquisition was completed on December 29, 2015.

The Central Zone Target encompasses a series of conjugate structures occurring within the Dome Stock, a large granitic intrusive unit in the heart of the Red Lake camp. A historic hole drilled in the target area by Lac Minerals in the 1980's reporting widespread mineralization (HRL87-05, 0.75 g/t Au/218.0m) was never followed up until the current program. The Dome and nearby McKenzie stocks are host to several mines having historic gold production exceeding 1,000,000 ounces

McCoy-Cove Gold Project, Battle Mountain-Eureka District, Nevada, USA

Exploration in 2015 saw a focus on the McCoy portion of the McCoy-Cove property.

The McCoy-Cove Gold Mines have produced some 3.3 million ounces of gold and 110.0 million ounces of silver between 1986 and 2006; a 20-year period of historically low gold and silver prices. While the ores mined at Cove and McCoy occurred in different rock units, the two mines are believed to have a close genetic relationship through their association with the same fault/feeder structures. These feeder structures have seen only limited previous exploration and represent a priority future exploration target.

A summary of activity at McCoy-Cove in 2015 includes:

- Several exploration and development initiatives are being advanced at the McCoy-Cove Project including reprocessing opportunities, open pit drill targets, and drilling for prospective high-grade structures in deeper areas previously untested on the property.
- Exploration drilling resulted in new discoveries and the identification of multiple favourable structures in several areas.
- Some 1450 McCoy drill holes were compiled into a database, leaving some 500 holes remaining to be completed.
- Exploration in 2016 will see continued drilling that will support a revised mineral resource estimate for the property in the second half of the year. Permitting initiatives will ensure flexibility of both surface and underground opportunities to be developed in the future.
- The 2016 exploration program at McCoy-Cove is set at $6.5 million.

Drill results from the 2015 exploration program have confirmed expansion potential within the historic UPC Zone and intersected multiple intercepts of Au-Ag±Cu skarn and polymetallic mineralization at depth beneath the historic McCoy pit. Two new mineralized zones were also intersected at previously undrilled depths, while testing the "Deep IP" target between the McCoy and Cove pits.

Selected Financial Data

The following table provides selected financial information and should be read in conjunction with the Corporation's audited consolidated financial statements for the periods below:

	Year ended December 31, 2015	Year ended December 31, 2014 (i)	Year ended December 31, 2013 *
	$	$	$
Operations			
Investment and other income	485,211	589,253	778,440
Loss for the year:		(ii)	
From continuing operations	24,789,599	(63,373,442)	(60,132,947)
From discontinued operations	-	-	(82,230)
	24,789,599	(63,373,442)	(60,215,177)
Basic and diluted loss per share			
Continuing operations	0.15	(0.41)	(0.19)
Discontinued operations	-	-	-
	0.15	(0.41)	(0.19)
Comprehensive loss for the year:			
From continuing operations	37,888,149	(61,280,895)	(57,721,157)
From discontinued operations	-	-	(82,230)
	37,888,149	(61,280,895)	(57,803,387)
Comprehensive loss for the year attributable to:			
Non-controlling interest	-	-	(29,018)
Owners of the parent	37,888,149	(61,280,895)	(57,774,369)
	37,888,149	(61,280,895)	(57,803,387)
Balance Sheet			
Working capital	66,044,868	33,295,761	58,884,838
Total assets	313,182,570	224,899,008	263,614,450
Total liabilities	32,867,112	22,698,563	23,693,435

(i) as restated for change in accounting described in Note 2(e) to the audited consolidated financial statements, 2013 includes an estimate of exploration, evaluation and pre-development expense impact based on 2013 mineral property additions

(ii) previously reported 2014 as $63,593,848 on this schedule, no change to comprehensive loss for period other than for rounding

The Corporation prepares its consolidated annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Quarterly Information

The following is a summary of selected financial information of the Corporation for the quarterly periods indicated.

Quarter	2015 Fourth $	2015 Third $	2015 Second $	2015 First $	2014 (i) Fourth $	2014 (i) Third $	2014 (i) Second $	2014 (i) First $
Investment and other income	76,384	103,918	194,174	110,735	107,238	135,834	168,500	177,681
Other significant income / (loss):								
Unrealized gain / (loss) on investments	(338,621)	318,513	649,312	56,660	(883,069)	(1,334,361)	2,683,333	19,549,913
Realized loss on sale of investments	-	(358,515)	(1,047,564)	-	-	(1,031,472)	(976,583)	(13,954,677)
Gain on divestment of mineral property interests	(7,709,060)	10,970,081	2,848,261	39,777,374	-	-	-	-
Gain attributable to Greenstone Gold development commitment	2,924,234	3,846,121	4,020,786	1,852,479	-	-	-	-
	(8,047,681)	14,776,200	6,470,795	41,686,513	(883,069)	(2,365,833)	1,706,750	5,595,236
Net income / (loss) for the period	(17,651,485)	5,341,819	(976,554)	38,075,819	(ii) (8,862,540)	(18,983,304)	(34,238,569)	(1,289,029)
Basic and diluted income / (loss) per common share	(0.11)	0.03	(0.01)	0.24	(0.06)	(0.12)	(0.23)	(0.01)
Comprehensive income / (loss) for the period:	(12,116,769)	10,857,812	(989,395)	40,136,501	(9,374,092)	(16,982,278)	(34,240,235)	(684,290)
Total long-term liabilities	17,893,606	11,901,056	11,890,304	12,154,908	18,378,633	17,280,594	11,018,159	11,705,585
Cash dividends	-	-	-	-	-	-	-	-

(i) As restated to reflect change in accounting policy to expense exploration, evaluation and pre-development expenditures.

(ii) Previously reported Q4 2014 as $9,082,947 on this schedule, no change to comprehensive loss for period other than for rounding

Change in Accounting Policy

As of January 1, 2015, the Corporation changed its accounting policy for property, plant and equipment and in particular to exploration and evaluation expenditures. The new policy expenses exploration and evaluation expenditures that were previously capitalized in order to provide more relevant information in comparison to our peers as well as to align our policy with strategic partners. This change is fully disclosed in Note 2(e) of the audited consolidated financial statements for the year ended December 31, 2015.

It was determined that certain costs previously recorded as deferred exploration and evaluation assets should have been classified as acquisition costs as a result of the Goldstone transaction that took place in 2011. As a result, exploration, evaluation and pre-development expense for purposes of the restated January 1, 2014 opening balances in the amount of $15,450,192 were adjusted on the audited consolidated financial statements to property, plant and equipment and removed from the December 31, 2013 opening deficit. As these assets were subsequently sold in 2015 (see divestment of 50% interest in the Greenstone Gold property disclosed in Note 8 of the audited consolidated financial statements for the year ending December 31, 2015), the gain on disposal of mineral interest was adjusted by 50% of this amount or $7,725,096 in the fourth quarter of 2015 and is included in the gain on divestment of mineral property interests. There was no change to the restated 2014 income statement as a result of this adjustment.

Total assets as originally reported in the December 31, 2014 audited financial statements were $384,214,839, reduced by $159,315,831 to $224,899,008 as a result of the restatement of mineral property costs to exclude capitalized exploration as per the change in accounting policy discussed in note 2(e) of December 31, 2015 audited financial statements.

The total restatement of $159,315,831 affected exploration, evaluation and pre-development expense, impairment on mineral properties and loss of disposal of mineral properties due to the effect of removing capitalized exploration costs. The effect on 2013 and earlier was $144,877,846 and $14,437,985 for 2014. The breakdown of the restatement by property is:

At December 31, 2014	**As originally reported**	**Cumulative Restatement**	**Restated**
	$	$	$
Mineral Properties			
Rahill Bonanza, Ontario	36,694,091	16,795,479	19,898,612
East Bay, Ontario	8,111,139	1,802,760	6,308,379
PQ North, Ontario	12,675,013	11,085,540	1,589,473
Hardrock, Ontario	191,722,382	107,003,264	84,719,118
Brookbank, Ontario	16,666,516	1,669,532	14,996,984
McCoy-Cove, Nevada	75,955,639	20,959,256	54,996,383
	341,824,780	159,315,831	182,508,949
Other property, plant & equipment	779,378	-	779,378
	342,604,158	159,315,831	183,288,327

2013 and earlier restatement:

At January 1, 2014	**As originally reported**	**Cumulative Restatement**	**Restated**
	$	$	$
Mineral Properties			
Rahill Bonanza, Ontario	35,837,625	15,939,013	19,898,612
East Bay, Ontario	7,893,540	1,585,406	6,308,134
PQ North, Ontario	12,674,857	11,085,384	1,589,473
Hardrock, Ontario	173,944,156	89,228,498	84,715,658
Brookbank, Ontario	16,639,298	1,642,314	14,996,984
McCoy-Cove, Nevada	39,928,245	12,163,280	27,764,965
Saddle, Nevada	40,126,726	13,229,303	26,897,423
Other areas	2,658,635	4,650	2,653,985
	329,703,082	144,877,848	184,825,234
Other property, plant & equipment	3,247,546	-	3,247,546
	332,950,628	144,877,848	188,072,780

PREMIER Gold Mines Limited

Overall performance

Three months ended December 31, 2015 and 2014

Loss for the three months ended December 31, 2015 was $17,651,485 compared to a restated loss of $8,862,540 for the same period of the previous year for a variance of $8,788,945.

The variances for the three months ended December 31, 2015 compared to the same period of 2014 are:

	2015 Q4 $	2014 Q4 As restated $	Increase (Decrease) $
EXPENSES			
Depreciation and impairment loss on property, plant and equipment	181,826	190,324	(8,498)
Share-based payments	377,862	71,710	306,152
General and administrative	4,163,437	1,484,924	2,678,513
Exploration, evaluation and pre-development	7,742,137	7,503,596	238,541
Property maintenance	114,465	146,311	(31,846)
Long term debt accretion	156,231	136,443	19,788
Environmental rehabilitation accretion	13,111	14,231	(1,120)
Loss from operating activities	12,749,069	9,547,539	3,201,530
Investment and other income	76,384	107,238	(30,854)
Unrealized loss on investments	(338,621)	(883,069)	544,448
Unrealized foreign exchange gain/(loss)	(1,365,797)	61,277	(1,427,074)
Realized foreign exchange gain / (loss)	72,930	(51,512)	124,442
Loss on sale of investments	-	-	-
Gain on divestment of mineral property interests	(7,709,060)	-	(7,709,060)
Gain attributable to Greenstone Gold development commitment	2,924,234	-	2,924,234
Other income	(6,339,930)	(766,066)	(5,573,864)
Loss before income taxes	(19,088,999)	(10,313,605)	(8,775,394)
Current tax recovery / (expense)	997,716	(547)	998,263
Deferred tax recovery	439,798	1,451,612	(1,011,814)
Loss for the period	(17,651,485)	(8,862,540)	(8,788,945)
Exchange difference on translation of foreign operations	6,553,363	1,677,211	4,876,152
Deferred tax expense	(1,018,647)	(2,188,764)	1,170,117
Other comprehensive income / (loss)	5,534,716	(511,553)	6,046,269
Comprehensive loss for the period	(12,116,769)	(9,374,093)	(2,742,676)

The significant items with variances comparing the three months ending December 31, 2015 to the three months ending December 31, 2014 include:

- Increase in general and administrative costs of $2,678,513 due to the additional general and administrative costs associated with Premier's portion of costs for the Greenstone Gold and the South Arturo partnerships and an increase in professional fees due to legal fees incurred as a result of the lawsuit discussed in Note 21 to the audited consolidated financial statements for activity during the quarter. Flow through interest penalty and professional fees have been reclassified to general and administrative expense.

- Increase in exploration, evaluation and pre-development of $238,541 as follows:

For the three months ended December 31,	**2015**	2014	Variance
	$	$	$
Rahill Bonanza, Ontario	**386,001**	170,615	215,386
East Bay, Ontario	**-**	13,101	(13,101)
Hasaga, Ontario	**2,512,888**	-	2,512,888
Greenstone Gold, Ontario	**2,655,607**	6,564,777	(3,909,170)
McCoy-Cove, Nevada	**1,460,599**	755,103	705,496
South Arturo, Nevada	**727,042**	-	727,042
	7,742,137	**7,503,596**	**238,541**

Hasaga spending for the three months ended December 31, 2015 was $2,512,888. The property was acquired in the first quarter of 2015 and expenditures during the period include:

- $1,722,866 for approximately 20,000 meters of drilling related costs
- $114,986 in geological costs for exploration including wages and salaries
- $392,062 in analytical and sampling costs
- $282,974 in operations support and property work including wages and salaries

The decrease in spending is due to only 50% of Greenstone Gold expenditures for this quarter versus 100% of Hardrock and Brookbank for this quarter in 2014. 100% of the expenditures for Greenstone Gold in this period of $5,531,104 include:

- $469,805 in exploration
- $1,769,322 in environmental permitting and social impact assessment
- $595,674 in geology, mine development and metallurgy feasibility test work
- $1,445,351 in pre-development infrastructure
- $1,250,952 in pre-development management and administration

McCoy-Cove spending for the period ended December 31, 2015 was $1,460,599, and includes:

- $610,667 in drilling related costs
- $295,037 in geological costs including wages and salaries
- $100,460 in analytical and sampling costs
- $252,750 in operations support including wages and salaries
- $201,685 in pre-development and environmental permitting costs

The negative variance relating to unrealized foreign exchange gains (losses) of $1,427,074 is due to the reversal of unrealized exchange gains from the previous quarter in relation to the utilization of cash for US operations.

A negative variance on gain on disposal of mineral property interests of $7,709,060 is due to the fourth quarter adjustment to the acquisition cost of mineral properties related to the change in accounting policy. On reclassifying deferred exploration costs to acquisition costs for the 2014 opening balances, the gain in 2015 was affected by 50% of the cost of the properties disposed in the Greenstone Gold partnership arrangement.

A positive variance on the gain attributable to the Greenstone Gold development commitment of $2,924,234 related to Premier's 50% of exploration, evaluation and pre-development and project related general and administration expenditures funded by Centerra on behalf of Premier.

A decrease in current tax of $998,263 due to the reversal of income tax booked in a previous quarter related to the divestment of the 5% interest in the Rahill Bonanza property. The liability reversed in the fourth quarter due to the acquisition of the Pure Gold mineral interests, effectively eliminating the taxable gain.

A decrease in deferred income tax recovery of $1,011,814 as the recovery related to the provision included with the exchange difference on the translation of foreign operations in comprehensive income was booked in this quarter last year whereas this year, it was booked throughout the year and required less of an adjustment for this quarter.

Other comprehensive income (loss)

Included in the comprehensive loss for the three months ended December 31, 2015 is an exchange gain on the translation of foreign operations of $6,553,363 compared to a gain of $1,677,211 for the same period of 2014. The U.S dollar strengthened approximately 4 basis points during both quarters however the increase in mineral interests in US subsidiaries with a functional currency of US dollars contributed to the significance of the change.

Year ended December 31, 2015 and 2014

Income for the year ended December 31, 2015 was $24,789,599 compared to a restated loss of $63,373,442 for 2014 for a variance of $88,163,041.

The variances for the year ended December 31, 2015 compared to 2014 are:

	2015 YTD Q4 $	2014 YTD Q4 As restated $	Increase (Decrease) $
EXPENSES			
Depreciation and impairment loss on property, plant and equipment	265,178	32,501,775	(32,236,597)
Share-based payments	3,717,277	3,331,875	385,402
General and administrative	8,090,492	4,381,438	3,709,054
Exploration, evaluation and pre-development	27,144,627	26,283,201	861,426
Property maintenance	724,024	503,140	220,884
Long term debt accretion	601,521	617,355	(15,834)
Environmental rehabilitation accretion	76,132	82,760	(6,628)
Loss from operating activities	40,619,251	67,701,544	(27,082,293)
Investment and other income	485,211	589,253	(104,042)
Unrealized gain on investments	685,864	20,015,816	(19,329,952)
Unrealized foreign exchange gain	268,942	-	268,942
Realized foreign exchange gain / (loss)	1,518,599	(51,512)	1,570,111
Loss on sale of investments	(1,406,079)	(15,962,732)	14,556,653
Gain on divestment of mineral property interests	45,886,656	-	45,886,656
Gain attributable to Greenstone Gold development commitment	12,643,620	-	12,643,620
Other income	60,082,813	4,590,825	55,491,988
Income / (loss) before income taxes	19,463,562	(63,110,719)	82,574,281
Current tax expense	-	(608)	608
Deferred tax recovery / (expense)	5,326,037	(262,115)	5,588,152
Income / (loss) for the year	24,789,599	(63,373,442)	88,163,041
Exchange difference on translation of foreign operations	18,445,332	4,281,310	14,164,022
Deferred tax expense	(5,346,782)	(2,188,764)	(3,158,018)
Other comprehensive income	13,098,550	2,092,546	11,006,004
Comprehensive income / (loss) for the year	37,888,149	(61,280,896)	99,169,045

The significant items with variances include:

- A decrease of $32,236,597 in depreciation and impairment loss on property, plant and equipment
- A restated impairment of $29,473,463 was taken in 2014 due to the transfer of the Saddle and Blue Sage properties in Nevada as part of the acquisition of the McCoy-Cove property as described in Note 8 to the audited consolidated financial statements. The original impairment of $42,908,371 was restated to reflect the reduced book value of the properties as a result of the change in accounting policy to expense rather than capitalize exploration expenditures.
- An impairment of $500,000 was taken in 2014 to write down the balance on non-core assets.

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- An impairment of $2,409,171 was taken in 2014 to write down the Northern Empire mill.

- Impairment assessments for 2015 indicate that the remaining mineral property and other assets have no indicators of impairment requiring an adjustment.

- For 2014 and 2015 the flow through interest penalty and professional fees previously shown separately in the statement of income / (loss) have been reclassified to general and administration costs. The increase in general and administrative expense of $3,709,055 mainly due to the administrative costs associated with Premier's share of South Arturo for $1,727,534 and of the Greenstone Gold partnership of $524,068. In addition, 2015 includes an increase in professional fees of $911,199 for legal fees incurred as a result of the lawsuit discussed in Note 21 to the audited consolidated financial statements.

- An increase in exploration, evaluation and pre-development expenditures for this year compared to the restated amounts for 2014 of $861,426

For the year ended December 31,	**2015**	2014	Variance
	$	$	$
Rahill Bonanza, Ontario	**921,601**	856,466	65,135
East Bay, Ontario	**19,765**	217,354	(197,589)
Hasaga, Ontario	**6,995,050**	-	6,995,050
Greenstone Gold, Ontario	**13,657,426**	18,062,204	(4,404,778)
McCoy-Cove, Nevada	**4,809,160**	7,080,994	(2,271,834)
Saddle, Nevada	**-**	13,164	(13,164)
South Arturo, Nevada	**727,042**	-	727,042
Other areas	**14,583**	53,019	(38,436)
	27,144,627	**26,283,201**	**861,426**

Hasaga spending for the year ended December 31, 2015 was $6,995,050. The property was acquired in the first quarter of 2015 and expenditures since that time include:

- $5,135,106 for approximately 58,000 meters of drilling related costs
- $385,158 in geological costs for exploration including wages and salaries
- $807,519 in analytical and sampling costs
- $667,267 in operations support and property work including wages and salaries

Attributable Greenstone Gold expenditures (50%) relating to the Hardrock and Brookbank projects prior to the partnership are $13,657,426 for the year. Expenditures include:

- $38,019 in drilling related costs
- $42,606 in geological costs including wages and salaries
- $178,946 in analytical and sampling costs
- $98,302 in operations support including wages and salaries
- $1,051,153 in pre-development costs, mainly feasibility test work

Greenstone Gold pre-development expenditures post partnership for the year were $12,248,400 (50% of $24,496,799) from the agreed date of February 5, 2015 recorded by Premier. Total expenditures (100%) in this period include:

- $3,086,083 in pre-development drilling
- $1,437,646 in exploration
- $6,763,845 in environmental permitting and social impact assessment
- $2,665,346 in geology, mine development and metallurgy feasibility test work
- $8,278,030 in pre-development infrastructure

- $2,265,849 in pre-development management and administration

McCoy-Cove spending for the year ended December 31, 2015 was $4,809,160, a $2,271,834 reduction from last year and are generally related to the reduction in drilling by 9,658 meters this year compared to last year.

Expenditures for the year include:

- $2,355,825 in drilling related costs
- $975,959 in geological costs including wages and salaries
- $325,218 in analytical and sampling costs
- $772,324 in operations support including wages and salaries
- $379,834 in pre-development and environmental permitting costs

A combined increase in the total realized and unrealized net investment losses for this year compared to last year of $4,773,299. 2013 included the sale of Premier Royalty and resulting unrealized losses on the subsequent investment, during 2014, the investment was being liquidated (approximately 84% to date), and the unrealized losses reversed and were replaced with realized losses for a positive net gain, volume in 2015 was significantly decreased as a result. The increase in deferred tax recoveries of $5,588,152 is due to:

- $3,158,018 of the increase is due to a reversal of temporary timing differences related to loss carryforwards applied to the exchange gain included in other comprehensive income in the amount of $5,346,782 in 2015 versus $2,188,784 in 2014.

- A deferred tax recovery of $2,487,518 was recorded in 2014 on the utilization of losses as a result of the completion of a tax reorganization whereby tax benefit moved to the Canadian Development Expenditure pool from loss carry forwards offset by $2,544,661 of the recovery charged to equity rather than operations related to share issue costs included in the losses used. As the deferred tax recovery was eliminated as a result of the restatement of 2014 timing differences, the share issue cost reallocation to equity remained.

Other comprehensive income (loss)

Included in the comprehensive loss for the year ended December 31, 2015 is an exchange gain on the translation of foreign operations of $18,445,332, compared to $4,281,310 for the year ended December 31, 2014 as a result of the strengthening of the U.S. dollar by an average of 17 basis points during the year. The increase in mineral interests in US subsidiaries with a functional currency of US dollars contributed to the significance of the change. The exchange gain has been offset by a related deferred tax expense of $5,346,782 where the use of operating losses would be utilized to offset the gain.

Financial position at December 31, 2015 and 2014

Total assets increased by $88,283,562 to $313,182,570 from $224,899,008 for the period December 31, 2015 to December 31, 2014 as restated:

Current assets increased by $43,402,683 due to:

- An increase in cash and cash equivalents of $40,915,804 (see "Liquidity and Capital Resources").

- Restricted cash and cash equivalents increased $249,642, due to additional bond security required during the year for the McCoy-Cove project as well as exchange rate differences on restricted cash held in the US.

Property, plant and equipment, as restated to include mineral property acquisition and mine development costs, increased by $44,631,237 including:

- $129,771 increase in the Rahill-Bonanza property for the acquisition of additional claims.
- $49,858,051 decrease related to the 50% divestment of the Hardrock and Brookbank properties.
- $80,942,965 increase for the acquisition of the 40% interest in the South Arturo property, $28,188,464 for mineral property assets initially acquired and $41,067,215 for mine development costs, $5,031,380 for

capitalized reclamation liability costs and $6,655,906 in currency adjustments.
- $12,644,363 acquisition costs on the Hasaga mineral interest acquired as a result of a swap of properties and $4,500,000 for the purchase of additional claims, offset by a decrease of $7,897,852 in the East Bay and PQ North mineral properties exchanged in the swap.
- $10,616,020 increase due to a foreign currency exchange difference on the McCoy-Cove property.
- The balance relates to additional legal costs incurred on the Hasaga property swap in 2015 and the McCoy acquisition in 2014.

Total liabilities increased by $10,168,549 including $2,051,960 increase in payables due to introduction of the South Arturo operation, $1,770,378 related to exchange differences and accretion on the McCoy-Cove debt and $5,031,380 increase in the provision for addition of the South Arturo asset retirement obligation.

Liquidity and capital resources

At December 31, 2015, the Corporation had cash and cash equivalents of $73,056,817 ($32,141,013 at December 31, 2014). The change in cash and cash equivalents of $40,915,804 from the period ended December 31, 2014 was due to the following:

- $19,611,652 cash used in operating activities.

- $96,009,681 cash received for the divestment of a 50% interest in the Greenstone Gold property less related costs of $3,119,688.

- $64,810,882 of cash used for property, plant and equipment including:

    - 40% interest in the South Arturo property which includes cash of $14,876,394 included in acquisition cost of the mineral interest ($11,969,348 USD)

    - 40% of mine development costs including $16,147,710 of construction in progress ($12,827,353 USD) and $33,262,375 of capitalized mine development costs ($26,006,548 USD)

    - $2,000,000 cash the Buffalo claims purchased from Pure Gold added to the Hasaga mineral property

    - $119,141 for equipment and software additions

$27,130,677 in cash was received from the private placement financing in June and $7,799,724 from the flow-through share financing completed in December.

Premier is funding the current exploration, evaluation, pre-development and development expenditures through financings and liquidation of investments. The Corporation anticipates that it will have sufficient funds to manage current projects through 2016 and is actively managing the ongoing pre-development activities at the Greenstone Gold property through its partnership agreement with Centerra. The South Arturo project will be funded with existing cash until production commences during 2016.

The Corporation also funds a portion of its Canadian exploration activities via flow-through share issuances. Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share issuances are renounced to investors in accordance with income tax legislation. A flow through financing for $7,799,724 was completed on December 4, 2015 of which $7,062,214 remains to be spent on exploration activities during 2016.

As at December 31, 2015 the financial instruments of the Corporation consisted of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities and long term debt.

The Corporation is authorized to issue an unlimited number of common shares of which 175,589,161 were outstanding as of March 28, 2016. As at March 28, 2016 the Corporation had outstanding options to purchase an aggregate of 13,350,967 common shares under its share incentive plan with exercise prices ranging from $1.40 to $7.45 per share, and expiry dates ranging from June 24, 2016 to March 21, 2021. As of December 31, 2015 there were 595,000 unvested stock options.

As at December 31, 2015 the Corporation had no warrants outstanding.

Commitments

Contractual Obligations

The following is a summary of the commitments of the Corporation as at December 31, 2015:

	2016	2017	2018	Total
	$	$	$	$
Promissary notes	8,373,200	69,200	69,200	8,511,600
Contracts and operating leases	345,978	193,669	64,715	604,362
Exploration expenditure commitment from the issuance of flow through shares	7,062,214	-	-	7,062,214

Surety Bonds

At December 31, 2015, the corporation has outstanding surety bonds in the amount of US$4,417,691 in favour of the United States Department of the Interior, Bureau of Land Management (BLM) as financial support for environmental reclamation and exploration permitting. The surety bonds are secured by a US$250,000 deposit and are subject to fees competitively determined in the market place. The obligations associated with these instruments are generally related to performance requirements that the Corporation addresses through its ongoing operations. As specific requirements are met, the BLM as beneficiary of the instrument will return the instrument to the issuing entity. As these instruments are associated with operating sites with long-lived assets, they will remain outstanding until closure.

Environmental rehabilitation provision

The Corporation has four environmental rehabilitation obligations related to properties acquired as a result of the 2011 Goldstone acquisition, the McCoy-Cove acquisition in 2014 and the more recent South Arturo acquisition in 2015 as follows:

	December 31, 2015	December 31, 2014
	$	$
Northern Empire Mill, Ontario	**2,473,590**	2,430,402
Faymar-Deloro, Ontario	**1,419,447**	1,388,561
McCoy-Cove, Nevada	**1,195,140**	1,011,539
South Arturo, Nevada	**5,031,380**	-
	10,119,557	4,830,502

The new obligation recorded in 2015 related to the purchase of the 40% interest in the South Arturo property as discussed in Note 8 to the audited consolidated financial statements. As the obligation formed part of the consideration for the property, it was recorded as acquisition cost on the property. Additional details on activity for the year are discussed in Note 10 to the audited consolidated financial statements.

Transactions with related parties

Transactions are as disclosed in Note 17 to the December 31, 2015 audited consolidated financial statements with no significant changes for the quarter or the year.

Contingency

The contingency is as disclosed in Note 21 to the December 31, 2015 audited consolidated financial statements with no significant changes for the quarter or the year.

Subsequent events

On March 21, 2016, the Corporation granted options to purchase up to 1,625,800 common shares of the Corporation at an exercise price of $3.18 per share and expiring on March 21, 2021.

Financial instruments and related risks

For full details on the financial instruments and related risks affecting the Corporation, please refer to the Corporation's audited annual consolidated financial statements and notes and annual information form for the year ended December 31, 2015.

Management of capital

The Corporation manages its share capital, equity settled employee benefits reserve, warrant reserve and contributed capital as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going-concern in order to pursue the exploration and development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, acquire or dispose of assets or acquire new debt.

In order to maximize ongoing exploration and development efforts, the Corporation does not pay out dividends. The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short-term maturities, selected with regard to the expected timing of expenditures from continuing operations.

The Corporation expects its current capital resources will be sufficient to carry out its exploration and development plans and operations through 2016.

Off-Balance Sheet Arrangements

The Corporation has not participated in any off-balance sheet or income statement arrangements other than the surety bonds discussed on page 16.

Changes in Internal Control Over Financial Reporting ("ICFR")

No changes occurred in the current period of the Corporation's ICFR that have materially affected, or are reasonably likely to materially affect the Corporation's ICFR.

Controls and Procedures

In accordance with the requirements of *National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings*, the Corporation's management, including Chief Executive Officer (CEO) and Chief Financial Officer (CFO), have evaluated the operating effectiveness of the Corporation's internal control over financial reporting. Management of the Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under, the supervision of, the CEO and CFO and effected by management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with international financial reporting standards. Management assessed the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2015. Based on this assessment, management believes that, as of December 31, 2015, the Corporation's internal control over financial reporting is designed and is operating effectively.

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding annual and interim financial statement disclosure. Management believes these disclosure controls and procedures have been effective during the year ended December 31, 2015.

Additional Information

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com, or on the Corporation's web-site at www.premiergoldmines.com.

"Steve Filipovic"

(Signed) Steve Filipovic
Chief Financial Officer

Thunder Bay, Canada
March 28, 2016