MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 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 unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015 and 2014 and the notes thereto. The Corporation's unaudited condensed consolidated interim 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 May 11, 2015 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 the Americas. Premier has a diverse portfolio of advanced-stage gold exploration properties located in Northwestern Ontario - Canada and Nevada - USA.

Canada

In Canada, Premier is active in two districts; 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 Trans-Canada Property, which is located in the heart of this district, is host to several past-producing mines and covers some of the most strategic ground in the region. While the property is host to numerous exploration targets and several deposits, its two principal projects are the Hardrock and Brookbank Projects.

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.

Trans-Canada Property, Northwestern Ontario

On March 9, 2015 Centerra Gold Inc. ("Centerra") and Premier announced the formation of a 50/50 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.

Premier, through a wholly-owned subsidiary, has contributed all property, assets and rights it held in respect of the Trans-Canada 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 Trans-Canada Property and for further development of the project. The C$185 million is subject to the satisfaction of certain feasibility study results and project advancement criteria.

Centerra has also agreed to make an additional contingent payment to Premier not to exceed C$30 million based on the results of an updated mineral resource study in respect of the Trans-Canada Property.

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

Red Lake Mining District (including Musselwhite Area)

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 is involved in two projects in the Red Lake Mining District.

Premier's flagship project in Red Lake is the Rahill-Bonanza Property (49% 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 will include the Broulan Reef Property purchased by Premier in 2013, which is immediately adjacent to Goldcorp's Bruce Channel deposit and Cochenour Mine complex.

The East Bay Property is located largely beneath East Bay in Red Lake and is operated by RLGM.

The PQ North Property, strategically located just north of, and along strike from, Goldcorp's Musselwhite Gold Mine, encompasses a major fold structure that lies along strike from and within the main rock unit that hosts Musselwhite's gold-bearing ore zones.

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 small NSR in the PQ North Property. In return, Premier received from Goldcorp, a 100% interest in the Hasaga Property. 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 its McCoy-Cove Gold Property in the Eureka-Battle Mountain trend in Nevada, where ongoing exploration activities are focused on advancing both open pit and underground deposit opportunities.

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

CANADA

Exploration, evaluation and pre-development

Trans-Canada Property, Northwestern Ontario

Planned expenditures of approximately $20.3 million have been budgeted for the Trans-Canada Property during 2015. The expenditures include technical studies, environmental and social impact assessments, project support and costs associated with securing certain properties for future project development (collectively, $16.3 million) and $4.0 million for exploration. Trans-Canada exploration consists 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 $0.6 million is to be spent on the Brookbank deposit.

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 C$185 million, which obligation is subject to certain feasibility study results and project advancement criteria.

Planned expenditures for 2015 will be fully funded by Centerra.

Up to three diamond drills were active during the quarter with a total of 21,011 metres completed on the Trans-Canada Property in 99 holes. The primary purpose of this drilling was two-fold; to test remaining high grade portions of the orebody in order to reduce estimation risk and to conduct condemnation drilling for future development purposes.

It is anticipated that the additional drilling in Q1 would be integrated into a revised mineral resource estimate prior to the completion of the feasibility study in the latter half of 2015.

Exploration

Red Lake Mining District, Northwestern Ontario

Diamond drilling of 495 metres was completed in two holes on the Rahill-Bonanza Joint Venture during Q1 of 2015.

The Rahill-Bonanza Project (49% Premier & 51% 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. In Q1, initial targets being tested are those expanding on the "folded ultramafic area" where intriguing results require additional drilling. In addition, existing holes will be extended where possible in order to better test areas immediately proximal to the regional unconformity. The planned expenditures for 2015 for this project are approximately $2 million.

The East Bay Project was not active during Q1 2015 prior to it being swapped to Goldcorp as part of the Hasaga transaction mentioned earlier.

UNITED STATES OF AMERICA

Exploration

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

Exploration in 2015 will see a focus on the McCoy portion of the McCoy-Cove property, following conclusion of the McCoy transaction with Newmont.

The Cove-McCoy 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.

Some 1,804 metres of drilling was completed in 8 holes by Premier at the McCoy-Cove Gold Project during Q1 2015. Significant progress will be made on the property in 2015 as a result of an aggressive exploration program including:

- Drilling to test the potential for oxide mineralization to exist within the past-producing McCoy open pit.
- Further test the Windy Point target area with drilling and trenching.
- Drill test beneath the historic McCoy Pit (UPC holes) as well as selectively test exploration targets defined by geophysics.

No press release of exploration results were made during Q1. Planned expenditures for 2015 are approximately $3.6 million USD.

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, 2014 *	Year ended December 31, 2013	Year ended December 31, 2012
	$	$	$
Operations			
Investment and other income	589,253	778,440	829,351
Loss for the year:			
From continuing operations	(63,593,848)	(29,244,473)	(21,418,662)
From discontinued operations	-	(82,230)	(19,472,853)
	(63,593,848)	(29,326,703)	(40,891,515)
Basic and diluted loss per share			
Continuing operations	(0.41)	(0.19)	(0.15)
Discontinued operations	-	-	(0.14)
	(0.41)	(0.19)	(0.29)
Comprehensive loss for the year:			
From continuing operations	(61,280,904)	(26,832,683)	(22,720,903)
From discontinued operations	-	(82,230)	(19,472,853)
	(61,280,904)	(26,914,913)	(42,193,756)
Comprehensive loss for the year attributable to:			
Non-controlling interest	-	(29,018)	(8,779,849)
Owners of the parent	(61,280,904)	(26,885,895)	(33,413,907)
	(61,280,904)	(26,914,913)	(42,193,756)
Balance Sheet			
Working capital	33,151,483	58,749,981	72,650,601
Total assets	209,448,816	408,492,298	480,411,927
Total liabilities	22,698,563	50,690,531	65,977,643

* as restated for change in accounting described in Note 2(c) to the condensed consolidated interim financial statements

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 First $	2014 * Fourth $	2014 * Third $	2014 * Second $	2014 * First $	2013 Fourth $	2013 Third $	2013 Second $
Investment and other income	110,735	107,238	135,834	168,500	177,681	148,464	168,625	238,999
Other significant income / (loss):								
Unrealized gain (loss) on investments	56,660	(883,069)	(1,334,361)	2,683,333	19,549,913	7,756	3,669,875	(19,842,302)
Realized gain (loss) on sale of investments	-	-	(1,031,472)	(976,583)	(13,954,677)	(4,056,851)	(5,289,129)	(687,491)
Gain on divestment of 50% interest in mineral properties	39,777,374	-	-	-	-	-	-	-
Gain attributable to Trans-Canada development commitment	1,852,479							
	41,686,513	(883,069)	(2,365,833)	1,706,750	5,595,236	(4,049,095)	(1,619,254)	(20,529,793)
Net income (loss) for the period	38,075,819	(9,082,947)	(18,983,303)	(34,238,569)	(1,289,029)	(12,703,459)	(7,544,891)	(29,130,087)
Basic and diluted income / (loss) per common share	0.24	(0.06)	(0.12)	(0.23)	(0.01)	(0.09)	(0.05)	(0.19)
Comprehensive income / (loss) for the period:	40,136,501	(9,374,101)	(16,982,278)	(34,240,235)	(684,290)	(12,311,555)	(8,653,943)	(27,154,677)
Total long-term liabilities	12,154,908	18,378,633	17,280,594	11,018,159	11,705,585	37,968,971	42,093,606	38,746,497
Cash dividends	-	-	-	-	-	-	-	-

* Restated for the change in accounting policy referenced in note 2(c) of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015.

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 will expense 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(c) of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015.

Overall performance

Three months ended March 31, 2015 and 2014

Income for the three months ended March 31, 2015 was $38,075,819 compared to a loss of $1,289,029 for the three months ended March 31, 2014 for a positive variance of $36,786,790.

The significant items for the quarter include:

- Gain of $39,777,374 on divestment of 50% of the Hardrock and Brookbank properties to the Trans-Canada partnership; $85,000,000 in cash proceeds less 50% of mineral property cost and transaction costs related to the divestment.

- Gain attributable to the Trans-Canada development commitment of $1,852,479 for the 50% of exploration, evaluation and pre-development funded by Centerra on behalf of Premier.

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

	2015 YTD Q1 $	2014 YTD Q1 $	Increase (Decrease) $
EXPENSES			
Depreciation and impairment loss on property, plant and equipment	29,818	28,919	899
Share-based payments	93,045	304,810	(211,765)
Flow-through interest penalty	11,779	5,635	6,144
General and administrative	950,321	940,825	9,496
Professional fees	202,517	126,003	76,514
Exploration, evaluation and pre-development	4,764,742	5,500,684	(735,942)
Property maintenance	188,443	93,174	95,269
Long term debt accretion	146,554	250,201	(103,647)
Environmental rehabilitation accretion	25,370	22,843	2,527
Loss from operating activities	6,412,589	7,273,094	(860,505)
Investment and other income	110,735	177,681	(66,946)
Unrealized gain (loss) on investments	56,660	19,549,913	(19,493,253)
Loss on sale of investments	-	(13,954,677)	13,954,677
Foreign exchange gain (loss)	(23,426)	212,217	(235,643)
Gain on divestment of 50% interest in mineral properties	39,777,374	-	39,777,374
Gain attributable to Trans-Canada development commitment	1,852,479	-	1,852,479
Other income	41,773,822	5,985,134	35,788,688
Income (loss) before income taxes	35,361,233	(1,287,960)	36,649,193
Current tax expense	-	(19)	19
Deferred tax recovery (expense)	2,714,586	(1,050)	2,715,636
Income (loss) for the period	38,075,819	(1,289,029)	39,364,848
Exchange difference on translation of foreign operations	4,686,108	1,305,929	3,380,179
Deferred tax expense	(2,625,426)	(701,190)	(1,924,236)
Other comprehensive income	2,060,682	604,739	1,455,943
Comprehensive income (loss) for the period	40,136,501	(684,290)	40,820,791

The significant items with variances include:

- A decrease in share-based payments of $211,765 related to the decrease in options granted and related vesting in 2014.
- A decrease of $735,942 in exploration, evaluation and pre-development expenditures for this quarter compared to the same period of 2014 (previously included in exploration and evaluation assets prior to change in accounting policy January 1, 2015).

PREMIER Gold Mines Limited

- Summary of expenditures by property:

For the three months ended March 31,	**2015**	2014	Variance
	$	$	$
Rahill Bonanza, Ontario	**99,998**	193,769	(93,771)
Hasaga, Ontario	**15,215**	-	15,215
East Bay, Ontario	**12,097**	157,455	(145,358)
Hardrock, Ontario	**1,659,271**	2,665,144	(1,005,873)
Brookbank, Ontario	**-**	6,199	(6,199)
Trans-Canada, Ontario	**1,852,479**	-	1,852,479
McCoy-Cove, Nevada	**1,125,219**	2,432,634	(1,307,415)
Other areas	**463**	45,483	(45,020)
	4,764,742	**5,500,684**	**(735,942)**

- Hardrock project spending for the period was $1,659,271 and was $1,005,873 less than this period last year:
  - Reduction in spending is a result of the divestment of a 50% interest in the project (more fully described in note 7 to the unaudited condensed consolidated interim financial statements) on March 9, 2015, with spending from February 5, 2015 included in the joint operation
  - Expenditures in this period include:
    - $38,019 in drilling related costs
    - $42,606 in geological costs for exploration including wages and salaries
    - $178,946 in analytical and sampling costs
    - $114,245 in operations support including wages and salaries
    - $1,285,455 in pre-development costs, mainly feasibility studies
- Trans-Canada project spending (which now includes Hardrock and Brookbank) for the period was a total of $3,704,958 in expenditures from the agreed date of February 5, 2015, 50% of these expenditures or $1,852,479 recorded by Premier.
  - 100% of expenditures has been fully funded by Centerra Gold Inc. (joint operator) under the terms of the agreement.
  - 50% of expenditures or $1,852,479 recorded by Premier with the offset included in the gain attributable to the Trans-Canada development commitment for funding supplied by Centerra
  - Total expenditures in this period include:
    - $1,354,767 in exploration and drilling related costs
    - $1,326,151 in environmental permitting and social impact assessment
    - $806,011 in geology, mine development and metallurgy feasibility studies
    - $218,029 in management and administration pre-development costs

- McCoy-Cove spending for the three months ended March 31, 2015 was $1,125,219, $1,307,415 less than this period last year:

    - Reduction in spending is a result of drilling 5,925 meters less this period versus this period last year in order to complete the analysis of McCoy data.

    - Expenditures in this period include:

        - $659,167 in drilling related costs
        - $204,777 in geological costs for exploration including wages and salaries
        - $61,709 in analytical and sampling costs
        - $147,323 in operations support including wages and salaries
        - $52,243 in pre-development costs, mainly advanced property work

- A decrease in net investment gains of $5,538,576 for this quarter compared to this quarter last year as the result of a decrease in activity related to the divesting of shares acquired in the sale of Premier Royalty during 2013.

- A gain on divestment of 50% in Trans-Canada property including the Hardrock and Brookbank properties of $41,629,853 was included in this period comprised of $85,000,000 in cash proceeds less costs related to the divestment as disclosed in note 7 to the unaudited condensed consolidated interim financial statements.

- A deferred tax recovery was booked against income for this period in the amount of $2,714,586 in order to record a deferred tax charge on the exchange gain included in comprehensive income for tax losses that would be utilized to offset the exchange gain when realized.

Other comprehensive income (loss)

Included in the comprehensive income for the three months ended March 31, 2015 is an exchange gain on the translation of foreign operations of $4,686,108 compared to a gain of $1,305,929 for the same period of 2014. The U.S dollar strengthened 10 basis points during this quarter compared to a similar strengthening of 4 basis points last year. As the exchange gain originates in the U.S. subsidiary, a deferred tax expense is recognized on the timing difference.

Financial position at March 31, 2015 and 2014

Total assets increased by $41,133,229 from $209,448,816 to $250,582,045 for the period December 31, 2014 to March 31, 2015:

- Current assets increased by $77,937,368 mainly due to the influx of cash related to the divestment of the 50% interest in the Trans-Canada property (see "Liquidity and Capital Resources").

- Restricted cash and cash equivalents increased $420,654, due to collateral required for the McCoy surety bonds ($250,000USD) and exchange rate difference on the U.S. restricted cash.

- Property, plant and equipment, as restated to include mineral property acquisition costs, decreased by $37,059,844, $42,132,955 decrease related to the 50% divestment of the Trans-Canada properties, $5,048,812 due to a foreign currency exchange difference on the McCoy-Cove property and the balance of $25,039 for legal fees and other costs associated with the transfer of the Red Lake properties.

Total liabilities increased by $885,783 with the main items being the exchange difference and accretion on the McCoy-Cove debt of $724,283.

Liquidity and capital resources

At March 31, 2015, the Corporation had cash and cash equivalents of $108,500,758 ($32,141,013 at December 31, 2014). The increase in cash and cash equivalents of $76,359,745 over the period ended December 31, 2014 was due to the following:

- $4,154,588 cash used in operating activities plus negative changes in working capital of $1,346,935.
- $85,000,000 cash received for the divestment of a 50% in the Trans-Canada property less related costs of $3,005,656.

Premier is financing current exploration, evaluation and pre-development spending through financings and liquidation of investments. The Corporation anticipates that it will have sufficient capital resources in order to manage current projects through 2015 and is actively managing the ongoing development activities at the Trans-Canada property (Hardrock and Brookbank properties) through the partnership disclosed in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015.

The Corporation finances a portion of its Canadian exploration activities with 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 $9,187,500 was completed on November 25, 2014 of which $7,067,432 remains to be spent on exploration activities during 2015.

As at March 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 159,147,353 were outstanding as of May 11, 2015. As at May 11, 2015 the Corporation had outstanding options to purchase an aggregate of 10,131,822 (12,779,822 at March 31, 2015 less 2,648,000 expired options on April 13, 2015) common shares under its share incentive plan with exercise prices ranging from $1.40 to $7.45 per share, and expiry dates ranging from September 17, 2015 to March 9, 2020 as discussed in Note 10 to the unaudited condensed consolidated interim financial statements for the period ended March 31, 2015 and including options issued up to May 11, 2015. As of March 31, 2015 there were 415,000 unvested stock options.

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

Commitments

Contractual Obligations

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

	2015	2016	2017	2018	Total
	$	$	$	$	$
Long term debt	63,330	7,662,884	63,330	63,330	7,852,874
Contracts and operating leases	270,538	224,939	73,258	-	568,735
Exploration expenditure commitment from the issuance of flow through shares	7,067,432	-	-	-	7,067,432

Surety Bonds

At March 31, 2015, the corporation has outstanding surety bonds in the amount of $4,417,691USD 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 $250,000USD 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 three environmental rehabilitation obligations related to properties acquired as a result of the 2011 Goldstone acquisition and the more recent McCoy-Cove acquisition in 2014 as follows:

	March 31, 2015	December 31, 2014
	$	$
Northern Empire Mill, Ontario	**2,442,544**	2,430,402
Faymar-Deloro, Ontario	**1,396,242**	1,388,561
McCoy-Cove, Nevada	**1,090,132**	1,011,539
	4,928,918	4,830,502

Additional details on activity for the period are discussed in Note 9 to the unaudited condensed consolidated interim financial statements.

Transactions with related parties

Transactions are as disclosed in Note 15 to the March 31, 2015 unaudited condensed consolidated interim financial statements with no significant changes for the quarter or the year.

Contingency

The contingency is as disclosed in Note 19 to the March 31, 2015 unaudited condensed consolidated interim financial statements with no significant changes for the quarter or the year.

Subsequent events

During April 2015, the Corporation entered into an agreement to acquire Goldcorp's 40% interest in the South Arturo Mine project, located on the Carlin Trend in Nevada, approximately 8 kilometres northwest and along strike from Barrick Gold Corporation's ("Barrick") Goldstrike Mine. Pursuant to the terms of the transaction, the Corporation has agreed to pay Goldcorp $20,000,000USD at closing and to transfer to Goldcorp 5% of its interest in the Rahill-Bonanza Joint Venture located in Red Lake, Ontario. Concurrent with the acquisition, Goldcorp has agreed to complete a private placement with the Corporation in the amount of $12,500,000CDN, subject to Toronto Stock Exchange approval.

Financial instruments and related risks

The Corporation's operations include the acquisition and exploration of mineral properties in Canada, the United States of America and Mexico. The Corporation examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk and market risk. Market risk incudes fair value interest rate risk, currency risk and security price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

[a] Credit Risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Corporation by those counterparties, less any amounts owed to the counterparty by the Corporation where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

i) Trade credit risk
The Corporation is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Corporation is not exposed to significant credit risk and overall the Corporation's credit risk has not changed significantly from the prior year.

ii) Cash and cash equivalents and restricted cash
In order to manage credit and liquidity risk the Corporation invests only in highly rated investment grade instruments that have maturities of one year or less and are cashable or readily convertible to cash. Limits are also established based on the type of investment, the counterparty and the credit rate.

iii) Derivative financial instruments

As at March 31, 2015, the Corporation has no derivative financial instruments. It may in the future enter into derivative financial instruments and in order to manage credit risk, it will only enter into derivative financial instruments with highly rate investment grade counterparties.

[b] Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through the management of its capital structure.

[c] Market risk

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Corporation will realize a significant loss as a result of a decline in the fair market value of investments and other items held within cash and cash equivalents is limited given that the majority of investments have a relatively short maturity and are cashable. The Corporation manages its interest rate risk with investments by investing the majority of funds in short-term investments and therefore is not exposed to significant fluctuations in interest rates.

ii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized asset and liabilities are denominated in a currency that is not the Corporation's measurement currency. The Corporation's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The functional currency and reporting currency of the Corporation is the Canadian dollar. The Corporation's capitalized exploration and evaluation assets and expenses also include amounts incurred in U.S. dollars and to a lesser extent, the Mexican peso which are the functional currencies of these operations. The Corporation's exchange risk is therefore related to movement between these currencies. Changes in the currency exchange rates between the Canadian dollar relative to the U.S. dollar and the Mexican peso have an effect on the Corporation's results of operations through comprehensive income (loss), financial position or cash flows.

The Corporation's has mitigated this risk by diversifying its cash resources in the U.S. dollar and Mexican peso roughly in proportion to expected future expenditure over the following twelve months. The carrying amounts of the Company's U.S. dollar denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	March 31, 2015	December 31, 2014
	$	$
Cash and cash equivalents	**1,348,122**	2,794,550
Restricted cash and cash equivalents	**1,236,941**	1,132,935
Accounts receivable	**87,863**	97,103
Accounts payables and accrued liabilities	**155,903**	286,004
Long term debt	**7,258,404**	6,511,109

There are no significant financial instruments in Mexican pesos.

During the period ended March 31, 2015, the Corporation recognized an unrealized foreign exchange loss of $23,426 and an exchange gain on the translation of foreign operations in comprehensive income (loss) of $4,686,108. As of March 31, 2015, if the Canadian dollar to the U.S. dollar exchange rate increases or decreases by 10%, the Corporation's net loss will increase or decrease by $88,531 and the Corporation's other comprehensive income (loss) will increase or decrease by $527,470.

iii) Security price risk

Security price risk is the risk that the fair value or future cash flow of the Corporation's financial instruments will fluctuate because of the changes in the market price. In situations where the Corporation has taken a position in the securities of another entity, the Corporation manages its exposure to price risk by monitoring the market(s) where the entity's securities trade and planning the divestiture accordingly.

The Corporation only takes a position in another entity where it has a strategic objective; or as a result of a purchase or sale transaction.

The Corporation does not invest in derivatives to mitigate these risks.

[d] Fair value

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Corporation's financial assets measured at fair value by level within the fair value hierarchy.

	Level 1		Level 2		Total	
	March 31, 2015	December 31, 2014	**March 31, 2015**	December 31, 2014	**March 31, 2015**	December 31, 2014
	$	$	**$**	$	**$**	$
Investments	**3,833,893**	3,777,233	**-**	-	**3,833,893**	3,777,233

Set out below are the Corporation's financial assets by category:

	Fair value through profit or loss		Loans and receivables		Total	
	March 31, 2015	December 31, 2014	**March 31, 2015**	December 31, 2014	**March 31, 2015**	December 31, 2014
	$	$	**$**	$	**$**	$
Cash and cash equivalents	**-**	-	**108,500,758**	32,141,013	**108,500,758**	32,141,013
Accounts receivable	**-**	-	**2,936,589**	893,804	**2,936,589**	893,804
Investments held for sale	**3,759,564**	3,632,955	**-**	-	**3,759,564**	3,632,955
Restricted cash and cash equivalents	**-**	-	**4,415,644**	3,994,990	**4,415,644**	3,994,990
Investments	**74,329**	144,278	**-**	-	**74,329**	144,278
	3,833,893	3,777,233	**115,852,991**	37,029,807	**119,686,884**	40,807,040

Set out below are the Corporation’s financial liabilities by category:

	Fair value through profit or loss		Other financial liabilities		Total	
	March 31, 2015	December 31, 2014	**March 31, 2015**	December 31, 2014	**March 31, 2015**	December 31, 2014
	$	$	**$**	$	**$**	$
Accounts payable and accrued liabilities	**-**	-	**3,911,821**	3,807,742	**3,911,821**	3,807,742
Long term debt	**-**	-	**7,258,360**	6,511,068	**7,258,360**	6,511,068
	-	-	**11,170,181**	10,318,810	**11,170,181**	10,318,810

The fair value of cash and cash equivalents, accounts receivable and accounts payable approximate their carrying value due to their short term nature. The fair value of the Corporation’s long term debt is also approximated by its carrying value.

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 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 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 plans and operations through 2015.

Off-Balance Sheet Arrangements

The Corporation has not participated in any off-balance sheet or income statement arrangements.

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 March 31, 2015. Based on this assessment, management believes that, as of March 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 period ended March 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
May 11, 2015