PREMIER Gold Mines Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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 and six months ended June 30, 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 August 13, 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 in North America. Premier has a diverse portfolio of advanced-stage gold exploration properties located in Northwestern Ontario - Canada and Nevada - USA.

Projects in 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 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 and a NI 43-101 compliant mineral resource estimate on four separate zones including Hardrock and Brookbank. In early 2014, Preliminary Economic Assessments (PEA) were completed at Hardrock and Brookbank with continued progress on feasibility test work 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) to explore and develop the Trans-Canada Property including the Hardrock Gold Project. 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 or "Greenstone Gold".

Under the terms of the 50/50 partnership, Premier contributed, through a wholly-owned subsidiary, all property, assets and rights in respect of the Greenstone Gold Property and Centerra contributed $85 million in cash and has agreed to contribute an aggregate amount of $185 million to complete a 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. 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 Greenstone Gold Property expected in the third quarter.

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

Red Lake Mining District (including Musselwhite Area)

Renowned for high-grade gold deposits, the Red Lake Mining District has 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 gold mines in the world.

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

In early 2015, Premier acquired a 100% interest in the Hasaga property in Red Lake in exchange for its 35% interest in the East Bay Property and 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 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.

During the second quarter of 2015, Premier entered into a subsequent agreement with Goldcorp that resulted in Premier transferring an additional 5% interest in the Rahill-Bonanza Property (10.2% of the 49%) as part of the acquisition of the South Arturo Property described below.

Projects in the 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 resources.

Early in Q2, Premier announced that it had entered into an agreement to purchase from Goldcorp Inc. it's 40% joint venture interest in the South Arturo property located 5 kilometres northwest of Barrick Gold's Goldstrike Mine.

Barrick Gold is operator and 60% owner of the joint venture. The acquisition which was completed on June 2, 2015 provided key benefits to Premier including:

- The Phase 2 open pit mine project is fully-permitted and in construction.
- Reasonable gold purchase price for total resource ounces being acquired at South Arturo.
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- Upside could be realized through further exploration drilling for potential underground resources.
- The project lies within a world class gold district and safe mining jurisdiction.
- The partnership model reduces risk and capital requirements while achieving production

Premier continues to evaluate other high quality gold projects in proven pro mining districts.

Results of Operations

Development

South Arturo Property, Nevada, USA

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

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

Development work underway includes a capitalized pre-stripping program and associated site preparation for mining the Phase 2 open pit. 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 27 million tons of pre-stripping is being deferred to 2016 versus the original 2015 budget due to the late start in 2015. Pre-stripping will accelerate in H1 2016.

Minex-related expenditures include surface drilling on the Dee Capital program that included 21 of 21 holes planned, at a cost of some US$1.15 million (YTD); 2 of 5 holes planned at NE Button Hill at a cost of US$216,000 (YTD) and 6 of 6 holes planned on Button Underground at a cost of US$256,000 (YTD). Surface drilling on the NE Button Hill underground target is ongoing. More than 50% of the holes drilled remained to be split and assayed at the end of Q2, 2015. All costs are under budget and several cost saving measures 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.

Exploration, evaluation and pre-development

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

Planned expenditures of approximately $26.5 million have been budgeted for the Greenstone Gold 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, $20 million) and $4.3 million for drilling and exploration related costs, consisting of $2.1 million for resource drilling to further define the Hardrock deposit, along with site preparation of $2.2 million for condemnation drilling and geotechnical studies. The remaining $2.2 million is to be spent on the Brookbank deposit ($1 million) and general and administration ($1.2 million).

Up to three diamond drills were active during the quarter. 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 Q2 would be integrated into a revised mineral resource estimate prior to the completion of the feasibility study in the latter half of 2015.

In addition, during the second quarter of 2015, Greenstone Gold received the Provincial Terms of Reference for the Environmental Assessment, with two amendments, and discussions were initiated with Long Lake #58 First Nation on the development of an Impact Benefit Agreement.

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

Exploration

Rahill-Bonanza Joint Venture

Diamond drilling of 2,078 metres was completed in six holes on the Rahill-Bonanza project during Q2 of 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 $2 million of drilling focused on a greater range of targets during 2015. In Q2, targets include those expanding on the “folded ultramafic area” where intriguing results warranted additional drilling. Existing holes will be extended where possible in order to better test areas immediately proximal to the regional unconformity.

Significant new intercepts and developments include:

- Drilling in the fold area continues to intersect favourable veining, alteration and mineralization (including arsenopyrite and visible gold) associated with a folded ultramafic rock unit. New intercepts include assays of 5.2 grams per tonne gold (g/t Au) across 7.6 metres (m) (or 0.15 oz/t across 25.0 feet) in hole D36997, 7.9 g/t Au across 4.4 m (0.23 oz/t across 14.6 feet) in hole D36999.
- Step-out drilling to the east of the primary area continues to demonstrate expansion potential with visible gold having been intersected (assays pending) in hole D361000 and multiple zones of arsenopyrite mineralization in hole D361001.

Hasaga Property

Exploration drilling commenced on May 1, 2015 with three drills completing 13,004 metres of drilling in 33 holes. The majority of drilling during the quarter was targeting the western extension of the historic Hasaga porphyry unit and the potential for open pit mining.

Late in the quarter, one of the drills was moved to the Central Zone target, immediately east of Yamana Gold’s Laverty Zone.

Significant new intercepts and developments include:

- Drilling in the Hasaga porphyry returned broad intercepts that include 0.98 grams per tonne gold (g/t Au) across 126.0 metres (m) including 2.04 g/t Au across 49.0 m in hole HPM021, 1.17 g/t Au across 32.1 m in hole HPM017, and 2.78 g/t Au across 16.1 m in hole HPM005.
- Within the central portion of the Hasaga porphyry, apparent parallel quartz vein zones containing high-grade gold mineralization have been discovered including local visible gold. New intercepts in these high-grade veins include 13.34 g/t Au across 5.7 m in hole HMP021, 16.44 g/t Au across 2.0 m in hole HMP020, and 17.37 g/t Au across 1.1 m in hole HMP017.
- Preliminary assay results have been received from the initial 155 metres of core from the first hole drilled at the Central Zone, confirming open pit style mineralization with an intercept of 0.68 g/t Au across 152.0 m from 3.0m to 155.0m including 1.11 g/t Au across 48.0 m from 107.0 m to 155.0 m. Additional assays are pending and will be provided in a future update.

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

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

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 exploration and represent a priority target.

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 Second $	2015 First $	2014 * Fourth $	2014 * Third $	2014 * Second $	2014 * First $	2013 Fourth $	2013 Third $
Investment and other income	194,174	110,735	107,238	135,834	168,500	177,681	148,464	168,625
Other significant income / (loss):								
Unrealized gain (loss) on investments	649,312	56,660	(883,069)	(1,334,361)	2,683,333	19,549,913	7,756	3,669,875
Realized gain (loss) on sale of investments	(1,047,564)	-	-	(1,031,472)	(976,583)	(13,954,677)	(4,056,851)	(5,289,129)
Gain on divestment of mineral property interests	2,848,261	39,777,374	-	-	-	-	-	-
Gain attributable to Greenstone Gold development commitment	4,020,786	1,852,479						
	6,470,795	41,686,513	(883,069)	(2,365,833)	1,706,750	5,595,236	(4,049,095)	(1,619,254)
Net income (loss) for the period	(976,554)	38,075,819	(9,082,947)	(18,983,303)	(34,238,569)	(1,289,029)	(12,703,459)	(7,544,891)
Basic and diluted income / (loss) per common share	(0.01)	0.24	(0.06)	(0.12)	(0.23)	(0.01)	(0.09)	(0.05)
Comprehensive income / (loss) for the period:	(989,395)	40,136,501	(9,374,101)	(16,982,278)	(34,240,235)	(684,290)	(12,311,555)	(8,653,943)
Total long-term liabilities	11,890,304	12,154,908	18,378,633	17,280,594	11,018,159	11,705,585	37,968,971	42,093,606
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 and six months ended June 30, 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 and six months ended June 30, 2015.

Overall performance

Three months ended June 30, 2015 and 2014

Loss for the three months ended June 30, 2015 was $976,554 compared to a loss of $34,238,569 for the three months ended June 30, 2014 for a positive variance of $33,262,015.

The significant items for the quarter include:

- Gain of $2,848,261 on divestment of mineral property interests which includes $2,938,729 gain on the divestment of a 5% interest (or 10.2% of the 49% interest) in the Rahill-Bonanza property transferred to Goldcorp as part of the acquisition of the South Arturo development property; $4,000,000 USD ($4,969,200 CAD) in cash proceeds less the cost of the 5% mineral property interest and transaction costs.

- Gain attributable to the Greenstone Gold development commitment of $4,020,786 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.

The variances for the three months ended June 30, 2015 compared to the same period of 2014 are:

	2015 Q2	2014 Q2 As restated	Increase (Decrease)
	$	$	$
EXPENSES			
Depreciation on property, plant and equipment	26,499	29,888	(3,389)
Impairment loss on exploration and evaluation assets	-	27,323,626	(27,323,626)
Share-based payments	145,760	274,559	(128,799)
Flow-through interest penalty (recovery)	15,615	(145,000)	160,615
General and administrative	844,088	869,789	(25,701)
Professional fees	310,719	84,525	226,194
Exploration, evaluation and pre-development	6,440,896	6,951,629	(510,733)
Property maintenance	195,918	147,828	48,090
Long term debt accretion	145,167	201,106	(55,939)
Environmental rehabilitation accretion	14,028	22,843	(8,815)
Loss from operating activities	8,138,690	35,760,793	(27,622,103)
Investment and other income	194,174	168,500	25,674
Unrealized gain on investments	649,312	2,683,333	(2,034,021)
Loss on sale of investments	(1,047,564)	(976,583)	(70,981)
Foreign exchange gain (loss)	1,622,641	(354,072)	1,976,713
Gain on divestment of mineral property interests	2,848,261	-	2,848,261
Gain attributable to Greenstone Gold development commitment	4,020,786	-	4,020,786
Other income	8,287,610	1,521,178	6,766,432
Income (loss) before income taxes	148,920	(34,239,615)	34,388,535
Current tax expense	(1,032,091)	(4)	(1,032,087)
Deferred tax recovery (expense)	(93,383)	1,050	(94,433)
Income (loss) for the period	(976,554)	(34,238,569)	33,262,015

The other significant items with variances include:

- A decrease in impairment loss of $27,323,626 due to the write down of the Saddle mineral property interest in 2014.
- A decrease of $510,733 in exploration, evaluation and pre-development expenditures for this year compared to the same period of 2014 restated, exploration, evaluation and pre-development expenditures were previously included in exploration and evaluation assets prior to change in accounting policy January 1, 2015.

Summary of expenditures by property:

For the three months ended June 30,	2015	2014	Variance
	$	$	$
Rahill Bonanza, Ontario	**149,355**	241,303	(91,948)
East Bay, Ontario	**7,668**	36,838	(29,170)
Hasaga, Ontario	**1,511,796**	-	1,511,796
Greenstone Gold, Ontario	**3,834,413**	3,635,468	198,945
McCoy-Cove, Nevada	**925,955**	3,020,954	(2,094,999)
Saddle, Nevada	**-**	13,164	(13,164)
Other areas	**11,709**	3,902	7,807
	6,440,896	**6,951,629**	**(510,733)**

- Hasaga spending for the three months ended June 30, 2015 was $1,511,796:
  - Property acquired late in first quarter of 2015
  - Exploration expenditure during the second quarter included:
    - $1,113,716 in drilling related costs
    - $153,672 in geological costs including wages and salaries
    - $109,581 in analytical and sampling costs
    - $134,827 in operations support including wages and salaries

- Greenstone Gold exploration and pre-development spending (including the Hardrock and Brookbank projects) for the three months ended June 30, 2015 was $7,668,826, 50% of these expenditures or $3,843,413 recorded by Premier, significant expenditures in this period include:
    - $1,771,179 in pre-development drilling related costs
    - $1,629,059 in environmental permitting and social impact assessment
    - $848,168 in geology, mine development and metallurgical feasibility test work
    - $2,854,979 in pre-development infrastructure
    - $565,441 for operations support

- McCoy-Cove spending for the three months ended June 30, 2015 was $925,955, $2,094,999 less than this period last year as a result of a significantly reduced drilling program this year in order to complete the analysis of McCoy data, expenditures in this period include:
    - $466,395 in drilling related costs
    - $197,002 in geological costs for exploration including wages and salaries
    - $90,221 in analytical and sampling costs
    - $172,337 in operations support including wages and salaries

- A decrease in unrealized investment gains of $2,034,021 for this period compared to this period last year as the result of a decrease in investment activity including divesture of shares acquired in the sale of Premier Royalty during 2013.

- An increase in foreign exchange gains of $1,976,713 due to increased activity on the conversion of CAD to USD related to the South Arturo transaction.

- An income tax expense was booked against income for this period in the amount of $1,032,091 as a result of the gain recorded on the divestment of mineral interests in the quarter.

Six months ended June 30, 2015 and 2014

Income for the six months ended June 30, 2015 was $37,099,265 compared to a loss of $35,527,598 for the six months ended June 30, 2014 for a positive variance of $72,626,863.

The significant items for the quarter and the year to date include:

- Gain of $39,686,906 on divestment of 50% of the Hardrock and Brookbank properties to the Greenstone Gold partnership; $85,000,000 in cash proceeds less 50% of mineral property cost and transaction costs related to the divestment.

- Gain of $2,938,729 on divestment of a 5% interest (or 10.2% of the 49% interest) in the Rahill-Bonanza property transferred as part of the acquisition of the South Arturo development property; $4,000,000 USD ($4,969,200 CAD) in cash proceeds less the cost of the 5% mineral property interest and expenditures related to the divestment.

- Gain attributable to the Greenstone Gold development commitment of $5,873,265 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.

The variances for the six months ended June 30, 2015 compared to the same period of 2014 are:

	2015 YTD Q2 $	2014 YTD Q2 As restated $	Increase (Decrease) $
EXPENSES			
Depreciation on property, plant and equipment	56,317	58,807	(2,490)
Impairment loss on exploration and evaluation assets	-	27,323,626	(27,323,626)
Share-based payments	238,805	579,369	(340,564)
Flow-through interest penalty (recovery)	27,394	(139,365)	166,759
General and administrative	1,794,409	1,810,614	(16,205)
Professional fees	513,236	210,528	302,708
Exploration, evaluation and pre-development	11,205,638	12,452,313	(1,246,675)
Property maintenance	384,361	241,002	143,359
Long term debt accretion	291,721	451,307	(159,586)
Environmental rehabilitation accretion	39,398	45,686	(6,288)
Loss from operating activities	14,551,279	43,033,887	(28,482,608)
Investment and other income	304,909	346,181	(41,272)
Unrealized gain on investments	705,972	22,233,246	(21,527,274)
Loss on sale of investments	(1,047,564)	(14,931,260)	13,883,696
Foreign exchange gain (loss)	1,599,215	(141,855)	1,741,070
Gain on divestment of mineral property interests	42,625,635	-	42,625,635
Gain attributable to Greenstone Gold development commitment	5,873,265	-	5,873,265
Other income	50,061,432	7,506,312	42,555,120
Income (loss) before income taxes	35,510,153	(35,527,575)	71,037,728
Current tax expense	(1,032,091)	(23)	(1,032,068)
Deferred tax recovery	2,621,203	-	2,621,203
Income (loss) for the period	37,099,265	(35,527,598)	72,626,863

The other significant items with variances include:

- A decrease in impairment loss of $27,111,562 due to the write down of the Saddle mineral property interest in 2014.
- A decrease in share-based payments of $340,564 related to the decrease in options granted and related vesting in 2014.
- A decrease of $1,246,675 in exploration, evaluation and pre-development expenditures for this year compared to the same period of 2014 restated due to the change in accounting policy January 1, 2015. Summary of expenditures by property:

For the six months ended June 30	**2015**	2014	Variance
	$	$	$
Rahill Bonanza, Ontario	**249,353**	435,072	(185,719)
East Bay, Ontario	**19,765**	194,293	(174,528)
Hasaga, Ontario	**1,527,011**	-	1,527,011
Greenstone Gold, Ontario	**7,346,163**	6,306,811	1,039,352
McCoy-Cove, Nevada	**2,051,174**	5,453,588	(3,402,414)
Saddle, Nevada	**-**	13,164	(13,164)
Other areas	**12,172**	49,385	(37,213)
	11,205,638	**12,452,313**	**(1,246,675)**

- o Attributable Greenstone Gold expenditures (50%) (including the Hardrock and Brookbank projects) for the period was $7,346,143 and was $1,039,352 more than the same period last year:
  - 100% of the expenditures on the Greenstone Gold property totaled $13,219,428, with only 50% of the post partnership costs included above and offset by the development commitment funding by Centerra resulting in an actual increase in spending of $6,912,617. Increased spending on the project this year is the result of increased pre-development costs associated with the environmental assessment process and further progression on the feasibility test work.
  - Expenditures prior to the partnership include:
    - $38,019 in drilling related costs
    - $42,606 in geological costs including wages and salaries
    - $178,946 in analytical and sampling costs
    - $114,245 in operations support including wages and salaries
    - $1,169,154 in pre-development costs, mainly feasibility test work
  - Greenstone Gold total expenditures post partnership for the period were $11,746,528 from the agreed date of February 5, 2015, of which $5,873,265 (50%) was recorded by Premier.
    - Total expenditures in this period include:
      - $2,952,625 in pre-development drilling
      - $523,205 in exploration
      - $2,955,972 in environmental permitting and social impact assessment
      - $1,473,572 in geology, mine development and metallurgy feasibility test work
      - $3,035,585 in pre-development infrastructure
      - $663,167 in pre-development management and administration
      - $142,402 in general and administration

- McCoy-Cove spending for the six months ended June 30, 2015 was $2,051,074, $3,402,414 less than the same period last year:
    - Reduction in spending is related to drilling 13,749 meters less this period versus this period last year in order to complete the analysis of McCoy data.
    - Expenditures in this period include:
        - $1,080,368 in drilling related costs
        - $381,777 in geological costs including wages and salaries
        - $133,790 in analytical and sampling costs
        - $377,687 in operations support including wages and salaries
        - $77,452 in pre-development costs
- Hasaga spending for the six months ended June 30, 2015 was $1,527,011:
    - Property was acquired in the first quarter of 2015
    - Exploration activity during the second quarter included 10,785 meters of drilling, expenditures in this period include:
        - $1,113,716 in drilling related costs
        - $153,672 in geological costs for exploration including wages and salaries
        - $109,581 in analytical and sampling costs
        - $150,042 in operations support including wages and salaries

- A decrease in net investment gains/losses of $7,643,579 for the period as compared to the same period last year as the result of a decrease in investment activity including the divesting of shares acquired in the sale of Premier Royalty during 2013.

A deferred tax recovery was booked against income year to date in the amount of $2,621,203 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. In addition the provision includes deferred taxes related to the deferred premium on flow through shares.

Other comprehensive income (loss)

Included in the comprehensive income for the six months ended June 30, 2015 is an exchange gain on the translation of foreign currencies for operations of $4,261,773 compared to a gain of $603,073 for the same period in 2014. The U.S dollar strengthened 9 basis points during this period compared to no change in the previous year. As the exchange gain originates from the U.S. subsidiary, a deferred tax expense has been recognized.

Financial position at June 30, 2015 and 2014

Total assets increased by $68,410,857 from $209,448,816 to $277,859,673 for the period December 31, 2014 to June 30, 2015:

- Current assets increased by $65,209,427 due to :
    - An increase in cash and cash equivalents of $50,966,534 (see "Liquidity and Capital Resources")
    - A deposit on mine development expendtures of $13,690,471 related to the South Arturo acquisition

- Property, plant and equipment, as restated to include mineral property acquisition costs, increased by $3,216,448:
  - $42,132,955 decrease related to the 50% divestment of the Hardrock and Brookbank properties.
  - $43,256,148 increase for the acquisition of the 40% interest in the South Arturo property including $13,172,796 for development costs, offset by a $2,030,471 decrease related to the transfer of the 5% interest in Rahill-Bonanza as part of the transaction.
  - $4,214,705 increase due to a foreign currency exchange difference on the McCoy-Cove property.

Total liabilities increased by $2,358,869 with the main items being the exchange difference and accretion on the McCoy-Cove debt of $793,963 and income taxes payable on the gain associated with the divestment of the 5% interest in the Rahill-Bonanza property.

Liquidity and capital resources

At June 30, 2015, the Corporation had cash and cash equivalents of $83,107,547 ($32,141,013 at December 31, 2014). The changes in cash and cash equivalents of $50,966,534 over the period ended December 31, 2014 was due to the following:

- $6,284,821 cash used in operating activities.
- $85,000,000 cash received for the divestment of a 50% interest in the Trans-Canada property less related costs of $3,080,088.
- $37,960,406 of cash used for the acquisition of the 40% interest in the South Arturo property plus $13,729,828 for prepaid cash calls for forecasted spending through September, 2015.
- $27,130,677 cash received from private placement financing.

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 2015 and is actively managing the ongoing pre-development activities at the Greenstone Gold property through its partnership agreement with Centerra.

The Corporation 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 $9,187,500 was completed on November 25, 2014 of which $5,411,337 remains to be spent on exploration activities during 2015.

As at June 30, 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 170,696,322 were outstanding as of August 13, 2015. As at August 13, 2015 the Corporation had outstanding options to purchase an aggregate of 10,377,822 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 April 10, 2020. As of June 30, 2015 there were 480,000 unvested stock options.

As at June 30, 2015 the Corporation had no warrants outstanding.

Commitments

Contractual Obligations

The following is a summary of the commitments of the Corporation as at June 30, 2015:

	2015	2016	2017	2018	Total
	$	$	$	$	$
Long term debt	62,450	7,556,450	62,450	62,450	7,743,800
Contracts and operating leases	164,425	223,947	73,258	-	461,630
Exploration expenditure commitment from the issuance of flow through shares	5,411,337	-	-	-	5,411,337

Surety Bonds

At June 30, 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 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:

	June 30, 2015	December 31, 2014
	$	$
Northern Empire Mill, Ontario	**2,448,037**	2,430,402
Faymar-Deloro, Ontario	**1,400,538**	1,388,561
McCoy-Cove, Nevada	**1,066,380**	1,011,539
	4,914,955	4,830,502

The Northern Empire Mill and Faymar-Deloro obligations relate to inactive properties acquired as the result of the Goldstone Resources Inc. acquisition in 2011 and relate to Ministry of Northern Development and Mines closure plans and / or requirements. The McCoy-Cove obligation is for the remaining reclamation work required on the previously mined McCoy property.

Additional details on activity for the period are discussed in Note 9 to the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2015.

Transactions with related parties

Transactions are as disclosed in Note 15 to the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2015 with no significant changes for the quarter or the year. Year to date related party transactions totalled $146,643.

Contingency

The contingency is as disclosed in Note 19 to the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2015 with no significant changes for the quarter or the year.

Subsequent events

O July 20, 2015, Premier announced the appointment of Ron Little to the Board of Directors. There are no other subsequent events to report as of August 13, 2015.

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 to a very small degree, 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 June 30, 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 readily convertible. 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 assets 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 small 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 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 (CAD):

	June 30, 2015	December 31, 2014
	$	$
Cash and cash equivalents	**24,340,405**	2,794,550
Restricted cash and cash equivalents	**1,532,004**	1,132,935
Accounts receivable	**363,065**	97,103
Deposit on mine development expenditures	**13,690,471**	-
Accounts payables and accrued liabilities	**630,476**	286,004
Promissary notes	**7,305,026**	6,511,109

There are no significant financial instruments in Mexican pesos.

During the three and six months ended June 30, 2015, the Corporation recognized an unrealized foreign exchange gain of $191,778 and $168,352 respectively and an exchange gain on the translation of foreign operations in comprehensive income (loss) of ($424,335) and $4,261,773 respectively. As of June 30, 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 $2,346,283 and the Corporation's other comprehensive income (loss) will increase or decrease by $819,806.

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 property 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	
	June 30, 2015	December 31, 2014	**June 30, 2015**	December 31, 2014	**June 30, 2015**	December 31, 2014
	$	$	**$**	$	**$**	$
Investments	**3,407,652**	3,777,233	**-**	-	**3,407,652**	3,777,233

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

	Fair value through profit or loss		Loans and receivables		Total	
	June 30, 2015	December 31, 2014	**June 30, 2015**	December 31, 2014	**June 30, 2015**	December 31, 2014
	$	$	**$**	$	**$**	$
Cash and cash equivalents	**-**	-	**83,107,547**	32,141,013	**83,107,547**	32,141,013
Accounts receivable	**-**	-	**1,830,567**	893,804	**1,830,567**	893,804
Investments held for sale	**3,360,924**	3,632,955	**-**	-	**3,360,924**	3,632,955
Restricted cash and cash equivalents	**-**	-	**4,077,522**	3,994,990	**4,077,522**	3,994,990
Deposit on mine development expenditures	**-**	-	**13,690,471**	-	**13,690,471**	-
Investments	**46,728**	144,278	**-**	-	**46,728**	144,278
	3,407,652	3,777,233	**102,706,107**	37,029,807	**106,113,759**	40,807,040

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

	Fair value through profit or loss		Other financial liabilities		Total	
	June 30, 2015	December 31, 2014	**June 30, 2015**	December 31, 2014	**June 30, 2015**	December 31, 2014
	$	$	**$**	$	**$**	$
Accounts payable and accrued liabilities	**-**	-	**4,663,375**	3,807,742	**4,663,375**	3,807,742
Promissary notes	**-**	-	**7,305,031**	6,511,068	**7,305,031**	6,511,068
	-	-	**11,968,406**	10,318,810	**11,968,406**	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 Corporation's ICFR that have materially affected, or are reasonably likely to materially affect the Corporation's ICFR during the period.

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 June 30, 2015. Based on this assessment, management believes that, as of June 30, 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 June 30, 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
August 13, 2015