

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE PERIOD ENDED MARCH 31, 2008**

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 interim financial statements for the period ended March 31, 2008 and the notes thereto. The Corporation's financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of May 8, 2008, 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.

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 reserve 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, undue 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 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.

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 properties in Northwestern Ontario, Canada and a joint venture in Mexico.

Premier is active in three districts of Canada: Red Lake, Geraldton and the Musselwhite Mine area. In Red Lake, Premier is involved in 4 joint ventures, the flagship of which is the Rahill-Bonanza Joint Venture with Red Lake Gold Mines, an affiliate of Goldcorp Inc.

The Red Lake Mining District is world renowned for high-grade gold with Goldcorp's Red Lake Gold Mines (RLGM) considered to be one of the highest grade producing gold mines in the world. The mines of Red Lake have produced tens of millions of ounces of gold, making it one of the world's most prolific gold camps. The Rahill-Bonanza Property (49% PG) is located immediately adjacent to, and along strike from, the RLGM complex.

Premier's East Bay Project, also joint ventured with Red Lake Gold Mines (35% PG), is being assessed for potential underground development subsequent to aggressive diamond drilling completed prior to 2006. Two other joint ventures in the Red Lake District include the Newman-Madsen Project (50% PG) and the Argosy Mine Project (49% PG).

The PQ North Property is strategically located just north of, and along strike from, Goldcorp's Musselwhite Gold Mine. Premier has signed a Letter of Intent with the North Caribou Lake First Nation that paves the way for a major exploration program to begin immediately on the property. The PQ North Property encompasses a major fold structure along strike from and within the main rock unit (Northern Banded Iron Formation) that hosts the gold-bearing ore zones at Musselwhite. Previous drilling on the Properties has returned several significant intersections and has identified structural units similar to those at the mine. Premier holds the right to earn a 100% interest in the PQ North Property subject to a 2% Net Smelter Returns Royalty of which Premier retains the right to acquire 1% by paying to the vendor \$1 Million.

The Geraldton Project, Premier's newest property, is located in the heart of the Beardmore-Geraldton Greenstone Belt, a highly prospective high-grade gold district that has seen relatively little exploration over the past several decades. The Project area covers approximately 10 square kilometres of some of the most strategic ground in the region and is host to three past-producing mines and numerous exploration targets in a district that has more than 4.1 Million ounces of historic gold production. Premier, operator of the Project, holds the option to earn up to a 70% interest in the project by making cash and share payments to Roxmark and performing exploration on the joint venture property.

In 2007, Premier signed a Letter of Intent with Sutter Gold Mines ("Sutter") to jointly explore the Santa Teresa mineral concession, located in the historic and high grade El Alamo District of Baja California Norte, Mexico. The concession is accessible by road and is located approximately 100 kilometres southeast of Ensenada, Mexico and 250 kilometres from San Diego, California, USA. Premier can earn up to a 65% interest in the project by performing exploration on the Property and by making payments in cash and shares to Sutter.

The Santa Teresa Concession (STC) is located adjacent to, and on strike from, the past-producing Princessa Mine (the district's largest gold producer), whose ore body was known to extend close to the STC boundary. Data suggests that southerly extension of the structure that hosts the Princessa Mine has not been tested. Gold production in the El Alamo District halted at its peak owing to technological and political circumstances early in the 20th century, thus presenting a unique opportunity to the JV today. No diamond drilling has previously been conducted on the STC and little mining was conducted deeper than 120 metres below surface anywhere in the district. A diamond drill program is currently underway.

Premier continues to evaluate other high quality, high grade Americas-based gold projects with the strong belief that "*A World of Opportunity*" lies before it and aggressive exploration in proven districts will repeatedly reward our shareholders.

Results of Operations

Premier management was very active during Q1 of 2008 positioning the company for future growth. A total of some 15,500 metres of diamond drilling was completed during the quarter on three projects and a Letter of Intent (LOI) was signed paving the way for exploration to begin on a fourth.

Red Lake District, Northwestern Ontario

Some 4,970 metres of diamond drilling was completed on the Rahill-Bonanza joint venture property during the quarter. Exploration drilling, with two diamond drills, was conducted on two primary target areas (the Wilmar Mine area and the Bonanza Deposit area). At Wilmar, deep drilling beneath the Wilmar Mine is underway and drilling at Bonanza continues to test for extensions of the Bonanza gold deposit.

In February, a NI 43-101 compliant “Inferred” mineral resource estimate was completed on the Bonanza Deposit by Premier. A summary of this mineral resource is shown in Table 1.

Table 1 Mineral Resource Estimate for Bonanza Deposit @ 4.0 gpt Cut Off

ZONE	TONNES	GRAMS AU	GRADE (GPT)	OUNCES AU	HOR (m)	DIL_TONNES	DIL_GRADE (GPT)	DIL_HOR
B1	479,000	3,355,000	7.01	108,000	3.2	508,000	6.61	3.4
B10	133,000	821,000	6.17	26,000	2.9	139,000	5.89	3.0
B11	105,000	1,626,000	15.48	52,000	2.6	125,000	13.03	3.0
B9	44,000	231,000	5.25	7,000	4.7	44,000	5.25	4.7
F1	409,000	2,703,000	6.60	87,000	3.0	465,000	5.81	3.4
F2	100,000	750,000	7.53	24,000	2.8	107,000	6.98	3.0
F3	402,000	1,828,000	4.55	59,000	5.7	402,000	4.55	5.7
F5	4,500	265,000	58.67	8,000	0.6	14,000	18.48	2.0
F6	192,000	956,000	4.99	31,000	3.0	198,000	4.83	3.1
RH1	174,000	1,312,000	7.52	42,000	2.9	191,000	6.88	3.1
RH2	241,000	2,087,000	8.66	67,000	2.1	275,000	7.60	2.4
Grand Total	2,283,000	15,932,000	6.98	512,000	3.1	2,468,000	6.46	3.4

There was no other activity on properties held by Premier in the Red Lake District during the quarter.

Geraldton District, Northwestern Ontario

A total of 8,595 metres of diamond drilling was completed during the first quarter on the Geraldton Project. This drilling was completed in four of six planned target areas including targets proximal to the Magnet Mine, and both south and north of the historic Little Long Lac Gold Mine.

A number of significant drill intercepts were reported by the Company from this drilling. A summary of these results are shown in Tables 2, 3 and 4.

Table 2 Drilling Results from Magnet Mine Area

Hole-ID	Target	Section	From	To	Length (m)	AU (g/t)	AU (opt)	Comment
PM07001	Benedict	1100W	274.0	275.0	1.00	6.20	0.18	
PM07002	TBF	1400W	496.0	498.0	2.00	6.28	0.18	
			736.0	737.0	1.00	8.84	0.26	
			907.0	908.0	1.00	9.86	0.29	
PM07003	Benedict	1100W	84.0	85.0	1.00	3.60	0.11	
PM07004	Benedict	1150W	272.0	273.0	1.00	2.66	0.08	VG
			288.0	289.0	1.00	3.78	0.11	
PM07005	Benedict	1900W	211.0	212.0	1.00	4.64	0.14	
PM07009	TBF	1400W	752.0	753.0	1.00	7.83	0.23	
PM07010	Benedict	2000W	124.5	125.0	0.50	7.74	0.23	
PM08012	Benedict	1950W	177.0	178.0	1.00	4.61	0.13	
PM08014	TBF	1400W	242.5	243.0	0.50	13.25	0.39	
			249.0	250.0	1.00	10.81	0.32	
			261.0	261.5	0.50	14.12	0.41	VG
			292.5	297.0	4.50	7.29	0.21	VG
			including	293.0	294.0	1.00	26.82	0.78

Table 3 Drilling Results from Highway Zone Area

Hole-ID	Target	Section	From	To	Length (m)	AU (g/t)	AU (opt)	Comment
PM07002	HIGHWAY	1400W	496.0	498.0	2.0	6.28	0.19	
	HIGHWAY	1400W	736.0	737.0	1.0	8.84	0.26	
	HIGHWAY	1400W	907.0	908.0	1.0	9.86	0.29	
PM07009	HIGHWAY	1400W	752.0	753.0	1.0	7.83	0.23	
PM08014	HIGHWAY	1400W	249.0	250.0	1.0	10.06	0.29	
	HIGHWAY	1400W	292.5	297.0	4.5	7.30	0.21	VG
		INCLUDING	293.0	294.0	1.0	26.78	0.78	
PM08018	HIGHWAY	1450W	129.0	131.0	2.0	67.08	1.96	
		INCLUDING	129.0	130.0	1.0	125.44	3.66	

Table 4 Drilling Results from Little Long Lac Mine Area

Hole-ID	Section	From	To	Length (m)	Zone	AU (g/t)	AU (opt)	Comment
PLL07001	1400E	105.0	106.0	1.0	(New)	60.88	1.78	
		168.0	169.0	1.0	11 (New)	45.32	1.32	
		189.0	190.9	1.9	10	8.70	0.25	
		288.3	289.8	1.5	9	11.43	0.33	
PLL07002	1500E	120.5	120.8	0.3	11 (New)	254.79	7.44	VG
		227.0	228.0	1.0	10	2.94	0.09	
		256.8	260.0	3.2	9	2.36	0.07	
PLL07003	1400E	150.0	152.0	2.0	10	6.95	0.20	
		193.3	194.3	1.0	9	3.28	0.10	
PLL07004	1500E	26.0	27.0	1.0	(New)	5.24	0.15	
PLL07005	1400E	143.0	146.0	3.0	(New)	4.60	0.13	
		354.0	358.5	4.5	9	5.81	0.17	
PLL07006	1400E	101.0	102.0	1.0	(New)	7.81	0.23	
PLL07007	1600E	94.4	95.4	1.0	(New)	15.04	0.44	
PLL07008	1700E	47.5	48.0	0.5	(New)	2.11	0.06	

It is anticipated that diamond drilling will continue at a brisk pace with 2 to 3 diamond drills during most of 2008.

El Alamo District, Baja California Norte, Mexico

Premier signed a Joint Venture Agreement with Sutter Gold Mining Inc., whereby Premier can earn up to a 50% interest in the Santa Teresa Concessions (STC) by making certain payments to Sutter and spending \$1.5 million in exploration and acquisitions, and up to 65% by spending a further \$4.0 million. The project is located in the historic and high grade El Alamo District in Mexico, approximately 250 kilometres south of San Diego, California, USA.

The El Alamo District has seen the production of some 200,000 ounces of gold (at an average grade reported to be between 1.00 and 2.00 opt Au) within 100 metres of surface until the early twentieth century. The largest past-producing mine in the region, the Princessa Mine, is situated immediately NW of the STC Property boundary.

No previous diamond drilling has been conducted on the Santa Teresa Concessions.

A total of approximately 2,000 metres of diamond drilling was completed on the STC during the first quarter of 2008. This drilling took place at the northwest corner of the property, in close proximity to the past-producing Princessa Mine. While assay results were not available at the end of the quarter, drilling has encountered quartz veining contained within phyllonitic zones that contain variable amounts of sulphide materialization and locally visible gold.

A press release detailing results of the exploration program is anticipated during the second quarter.

Other Activity

Other significant accomplishments and/or activities by Premier during Q1 of 2008 included:

- Signing of an LOI with North Caribou Lake First Nation allowing for exploration to begin on the PQ North Claim group in Q2 2008.
- An airborne geophysical survey (magnetics) was flown over the PQ North Property; this was in progress at the end of the quarter.

Selected Financial Data

The Corporation was incorporated under the laws of the Province of Ontario on May 29, 2006, and was inactive until August 18, 2006.

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

	Year ended December 31, <hr/> 2007 \$	Period ended December 31, <hr/> 2006 (*) \$
Operations		
Total revenue	724,583	61,009
Income (loss) for the year	(1,777,140)	(1,101,563)
Basic and diluted loss per share	(0.03)	(0.03)
Balance Sheet		
Working capital	2,928,864	7,692,041
Total assets	52,097,297	35,003,030
Total liabilities	6,504,633	3,796,508

(*) Period ended December 31, 2006 comprises a total of 217 days from incorporation on May 29, 2006.

Quarterly Information

The following is a summary of selected financial information of the Corporation for the quarterly periods indicated. As noted above due to incorporation in May 2006, there is no financial data available relating to previous periods.

Quarter	2008	2007	2007	2007	2007	2006	2006	2006
	First	Fourth	Third	Second	First	Fourth	Third	Incorporation on May 29, 2006 to September 30, 2006
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	239,225	209,578	258,055	182,190	74,760	54,391	6,618	6,618
Income (loss) from continuing operations	28,477	(607,793)	(1,102,441)	(340,052)	(237,075)	(610,568)	(775,208)	(775,208)
Income (loss) from continuing operations per Common share (basic and diluted)	0.00	(0.00)	(0.02)	(0.01)	(0.00)	(0.02)	(0.03)	(0.04)
Net income (Loss)	23,742	(67,172)	(1,125,506)	(339,586)	(244,876)	(326,355)	(775,208)	(775,208)
Net income (Loss) per Common share (basic and diluted)	0.00	0.00	(0.02)	(0.01)	(0.00)	(0.01)	(0.03)	(0.04)

Overall Performance

Net earnings for the period ended March 31, 2008 was \$23,742 compared to a net loss of \$244,876 for the same period of the previous year. The \$268,618 increase in net earnings over 2007 is due primarily to the increase in revenue over the previous year. During 2007 the Corporation completed a private placement that provided the Company with proceeds of \$17,387,500. Premier intends to use these funds to further explore and develop several properties, and invests the funds in various investments until they are required. This resulted in revenue of \$239,225 for the period ended March 31, 2008 as opposed to \$74,640 in the previous period. The Company expects revenue to decrease as the funds are used since it is being generated from investments.

Of the \$373,049 in operating expenses incurred during the period ended March 31, 2008, \$10,788 related to non-cash charges for amortization. Of the remaining \$362,261 in operating expenses, \$295,098 related to general and administrative expenses, \$25,802 to professional fees and \$41,361 for the flow-through interest penalty. The Corporation reported \$4,735 of future income tax expense during the period relating to timing differences between the accounting and tax basis of assets as at March 31, 2008. Operating expenditures increased by \$61,214 compared to the first quarter of the previous year. Although there were no stock options granted in the periods ended March 31, 2008 or March 31, 2007, the value of the options on the balance sheet was determined using the Black-Scholes option pricing model, which evaluates share price, exercise price, volatility, and term of the option when computing the fair value. General and administrative expenses increased by \$72,285 over the first quarter of the previous year. The increase can be attributed to the Corporation having increased activity due to the addition of employees and property acquisitions through the previous fiscal year. Professional fees have decreased slightly but overall remain comparable to the previous period. Also due to the 2007 Flow-Through financing the Corporation incurred \$41,361 in flow-through interest penalties compared to \$52,188 in the previous period which is attributable to the timing of expenditures and increased property holdings as at March 31,

2008. Exploration and development programs during the period ended March 31, 2008 resulted in \$2,374,949 in related expenditures. Of the \$2,374,949 incurred, \$1,535,307 related to the Geraldton project. An additional \$839,642 in exploration and development expenditures were incurred by the Corporation on other exploration programs during the period, including \$557,143 for the Santa Teresa Mineral Concession and \$223,993 for exploration and option payments on the PQ North Project. The Corporation also incurred \$7,260 on the property classified as held for sale during the year. The balance of the expenditure related to the Rahill Bonanza Project and the East Bay Project.

Liquidity and Capital Resources

Current assets at March 31, 2008 were \$5,080,447 compared to \$5,361,667 at December 31, 2007 and total assets were \$52,756,282 compared to \$52,097,297. The \$658,985 increase in total assets relates primarily to exploration expenditures incurred, which is offset by a decrease in working capital balances, a decrease in long term investments during the period. The Corporation's cash and cash equivalents balance was \$4,847,896 at March 31, 2008 compared to \$3,520,321 at December 31, 2007. However, the Corporation also held \$13,666,311 in long term investments at March 31, 2008 compared to \$15,126,988 at December 31, 2007.

Cash provided by operating activities was \$1,022,933 for the period ended March 31, 2008 which is due primarily to changes in non-cash working capital balances. The most significant of which are a decrease of \$1,519,555 to prepaids and deposits. During the previous year a deposit was provided to Roxmark Mines for \$1,500,000 that was to be used in the upcoming year to fund exploration expenses on the Geraldton property, this has been refunded to the Corporation since the exploration expenditures to date are sufficient to meet the requirements pursuant to the Agreement.

Cash used in investing activities was \$640,358 for the period ended March 31, 2008 which relates to \$2,374,949 in mineral exploration and development expenditures, and \$36,721 of capital expenditures. This has been offset by the proceeds from the sale of investments of \$1,622,978. The investing activities are also affected by the net change in non cash working capital balances of \$148,334 which is determined through a decrease to accounts payable over the prior year and offset by decreases to accounts receivable. With regards to Accounts Receivable, the Corporation was able to issue bills to our joint venture partner on the Rahill-Bonanza property for their proportionate share of the expenditures made. Since the joint venture partner has assumed operations of this project the associated accounts receivable has decreased. The decrease in cash used in investing activities over the first quarter of the previous year (\$1,600,828) is a result of the investments on hand and activity in that area; this is offset by the additional properties held by the Corporation. Cash provided by financing activities was \$945,000 which relates solely to the exercise of share purchase warrants.

The Corporation has financed the majority of its 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. When these expenditures are renounced to investors, temporary taxable differences created by the renunciation reduce share capital.

The Corporation applies Canada Revenue Agency's look-back rule when accounting for the tax consequences of Flow-Through Share Issuance. Interest penalties accrued during the period ending March 31, 2008 in relation to resource expenditures renounced to investors under Canada Revenue's look-back rule, totalled \$41,361.

As at March 31, 2008, the financial instruments of the Corporation consisted of cash and cash equivalents, accounts receivable, deposits, long-term investments, and accounts payable. Unless otherwise noted, the Corporation does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. The Corporation estimates that the fair value of cash and cash equivalents, accounts receivable, long-term investments, and accounts payable approximate the carrying values.

The Corporation is authorized to issue an unlimited number of Common Shares of which 68,747,742 were outstanding at March 31, 2008. As at March 31, 2008 the Corporation had options outstanding to purchase an aggregate of 2,015,000 Common Shares under its share incentive plan with exercise prices ranging between \$1.00 and \$2.75 per share and an expiry dates between September 27, 2008 and August 8, 2012. In addition, the Corporation has share purchase warrants outstanding for the purchase of 2,819,000 shares at a price ranging between \$1.20 and \$2.70 per share and expiring between April 6, 2008 and October 24, 2008. [See Notes 8, 9 and 10 to the unaudited interim financial statements].

Maturing investments and new financing arrangements will continue to be the major sources of cash flow for the Corporation, as the Corporation is still in the exploration stage without revenue from operations.

Commitments

The following is a summary of the commitments of the Corporation as at March 31, 2008:

	2008	2009	2010	2011	Total
Operating leases	\$5,404	\$7,206	\$5,404	\$0.00	\$18,014
Exploration agreements	\$758,864	\$1,249,271	\$1,500,000	\$1,500,000	\$5,008,135
Exploration expenditure commitment from the issuance of flow through shares	\$3,050,541	\$0.00	\$0.00	\$0.00	\$3,050,541

Mineral Properties Held for Sale

Pickle Crow Property

On October 30, 2007 the Corporation signed a Letter of Intent with PC Gold Inc. and Donald Ross in Trust contemplating the sale of the Corporation's interest in 98 patented mineral claims located in the Patricia Mining Division near the town of Pickle Lake, Ontario and collectively known as the Pickle Crow Property. Pursuant to the terms and conditions of the proposed transaction, the Corporation will receive \$1,500,000 cash, \$3,800,000 worth of PC Gold Inc. common shares and one quarter of one common share purchase warrant for each common share received in exchange for its interest in the 98 claims. The Corporation will also receive a 0.5% Net Smelter Return Royalty on the Pickle Crow Property, which may be purchased by PC Gold Inc. at any time prior to the five year anniversary of closing for \$2,500,000. The Corporation will also be reimbursed for all costs incurred in relation to care and maintenance on the Pickle Crow Property from the date of execution of the agreement to the closing.

Property Acquisitions and Agreements

Rahill-Bonanza Project

On January 18, 2008 Red lake Gold Mines, an affiliate of Goldcorp Inc., exercised its option, as permitted under the joint venture agreement to, to increase its interest in the Rahill Bonanza joint venture by 1% to 51% by paying the Corporation \$440,000. By doing this Goldcorp has taken over as primary operator of the joint venture. The Corporation now holds a 49% interest in the property and will continue to participate in the ongoing exploration program.

Transactions with Related Parties

The following is a summary of the related party transactions of the Corporation during the period ended March 31, 2008:

[a] Included in general and administrative expenses are amounts totalling \$15,021 (2007 - \$23,360) for corporate secretarial services provided to the Corporation by Marelli & Drake Corporate Services and D & R Filing Corporation, companies related to the Corporation through a common officer, Shaun Drake. The amounts are recorded at the exchange amount agreed to by the parties.

[b] Included in general and administrative expenses are amounts totalling \$52,500 (2007 - \$210,000) for accounting and management services provided by Zinifex Canada Inc., a company related to the Corporation through the common directorship of Ewan Downie. The amounts are recorded at the exchange amount agreed to by the parties.

[c] Included in accounts payable are amounts totalling \$18,375 (2007 - \$20,405) for management fees and certain expenditures paid on behalf of the Corporation by Zinifex Canada Inc, a company related to the Corporation through the common directorship of Ewan Downie. The amounts are recorded at the exchange amount agreed to by the parties.

Critical Accounting Estimates

The Corporation's financial statements have been prepared in accordance with Canadian GAAP. A discussion of the Company's significant accounting policies is contained in Note 2 to the unaudited interim financial statements for the period ended March 31, 2008. The Corporation's significant accounting policies are subject to estimates and key judgments about future events, many of which are beyond management's control.

Change in accounting policy

The following changes in accounting policies have been adopted since the most recent annual audited financial statements:

Assessing Going Concern

The AcSB amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. The standard became effective for fiscal years beginning on or after January 1, 2008 and is applicable to the Corporation as of January 1, 2008.

Financial Instruments

The AcSB issued CICA Handbook Section 3862, Financial Instruments – Disclosures, which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The standard became effective for fiscal years beginning on or after October 1, 2007 and is applicable to the Corporation as of January 1, 2008.

The AcSB issued CICA Handbook Section 3863, Financial Instruments – Presentation, which is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and nonfinancial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The standard became effective for fiscal years beginning on or after October 1, 2007 and is applicable to the Corporation as of January 1, 2008.

Capital Disclosures

The AcSB issued CICA Handbook Section 1535, which establishes standards for disclosing information about an entity's capital and how it is managed. The standard became effective for fiscal years beginning on or after October 1, 2007 and is applicable to the Corporation as of January 1, 2008.

Off-Balance Sheet Arrangements

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

Risks and Uncertainties

At the present time, the Corporation does not hold any interest in a mining property in production. The Corporation's viability and potential success lie in its ability to develop, exploit and generate revenue out of mineral deposits. It is impossible to ensure that the current exploration programs planned by Premier will result in a profitable commercial mining operation. Revenues, profitability and cash flow from any future mining operations involving the Corporation will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Corporation's control.

The exploration activities of the Corporation will be subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Although Premier's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration could have an adverse impact on the Corporation.

The exploration and development of mineral properties may require Premier to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Corporation will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

The Corporation has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Corporation has been successful in obtaining financing through the sale of equity securities, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Corporation with the possible dilution or loss of such interests.

Disclosure Controls and Procedures

Management has ensured that there are disclosure controls and procedures which provide reasonable assurance that material information relating to the Corporation is disclosed on a timely basis, particularly information relevant to the period in which annual and quarterly filings are being prepared. Management believes these disclosure controls and procedures have been effective during the period ended March 31, 2008.

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.

(signed) John Seaman
Chief Financial Officer

Thunder Bay, Canada
May 8, 2008