

Interim Financial Statements
(Unaudited)
(Stated in Canadian Dollars)

Premier Gold Mines Limited
March 31, 2007

NOTICE TO SHAREHOLDERS
FOR THE THREE MONTHS ENDED MARCH 31, 2007
PREMIER GOLD MINES LIMITED

Responsibility for Financial Statements

The accompanying financial statements for Premier Gold Mines Limited have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the December 31, 2006 audited financial statements. Only changes in accounting information have been disclosed in these financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

Premier Gold Mines Limited
(Incorporated under the laws of Ontario)

BALANCE SHEET
(Unaudited)

As at March 31, 2007
(with comparative figures as at December 31, 2006)
(Stated in Canadian Dollars)

	2007	2006
	\$	\$
ASSETS		
Current		
Cash and cash equivalents <i>[note 3]</i>	6,739,163	8,382,631
Accounts receivable	63,755	75,657
Prepays and deposits	14,863	24,159
Total current assets	6,817,781	8,482,447
Property, plant and equipment, net <i>[note 4]</i>	50,741	54,855
Mineral properties <i>[note 5]</i>	28,002,651	26,465,728
	34,871,173	35,003,030
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	799,323	778,406
Taxes payable	8,500	12,000
Total current liabilities	807,823	790,406
Future tax liability	5,081,601	3,006,102
Shareholders' equity		
Share capital		
Issued		
Common shares <i>[note 6]</i>	29,674,608	31,627,920
Share purchase warrants <i>[note 7]</i>	150,455	165,540
Contributed surplus	503,125	514,625
Deficit	(1,346,439)	(1,101,563)
Total shareholders' equity	28,981,749	31,206,522
	34,871,173	35,003,030

See accompanying notes

On behalf of the Board:

"John Seaman"
Director

"Ewan Downie"
Director

Premier Gold Mines Limited

STATEMENT OF EARNINGS AND DEFICIT

(Unaudited)

For the three months ended March 31

Comparative amounts not available [note 1]

(Stated in Canadian Dollars)

	2007
	\$
<hr/>	
REVENUE	
Investment income	74,760
<hr/>	
EXPENSES	
Amortization	4,114
Flow-through interest penalty	52,188
General and administrative	222,813
Professional fees	32,720
	<hr/>
	311,835
<hr/>	
Loss before the following	(237,075)
<hr/>	
Loss before income taxes	(237,075)
Future tax expense	7,801
<hr/>	
Loss for period	(244,876)
Deficit, beginning of year	(1,101,563)
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Deficit, end of period	(1,346,439)
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Basic and diluted loss per share [note 9]	-
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See accompanying notes

Premier Gold Mines Limited

STATEMENT OF CASH FLOWS

(Unaudited)

For the three months ended March 31

Comparative amounts not available [note 1]

(Stated in Canadian Dollars)

	2007
	\$
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OPERATING ACTIVITIES	
Loss for period	(244,876)
Add charges to earnings not involving a current payment (receipt) of cash	
Amortization	4,114
Future tax recovery	7,801
	<hr/>
	(232,961)
Net change in non-cash working capital balances related to operations	38,615
Cash used in operating activities	<hr/> (194,346) <hr/>
INVESTMENT ACTIVITIES	
Mineral exploration and development expenditures, net	(1,536,922)
Cash used in investment activities	<hr/> (1,536,922) <hr/>
FINANCING ACTIVITIES	
Proceeds from the exercise of stock options	20,000
Proceeds from the exercise of share purchase warrants	67,800
Cash provided by financing activities	<hr/> 87,800 <hr/>
Decrease in cash and cash equivalents during year	(1,643,468)
Cash and cash equivalents, beginning of year	8,382,631
Cash and cash equivalents, end of year	<hr/> 6,739,163 <hr/>

See accompanying notes

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

1. NATURE OF BUSINESS

Premier Gold Mines Limited (the "Corporation" or "Premier") was incorporated under the laws of the Province of Ontario on May 29, 2006, and was inactive until August 18, 2006.

On August 18, 2006 the Corporation entered into an agreement with Wolfden Resources Inc. ("Wolfden") whereby Wolfden completed a re-organization by way of a statutory plan of arrangement (the "Arrangement"). Pursuant to the Arrangement, Wolfden transferred certain of its mineral property interests in Ontario and \$2,000,000 cash to the Corporation and each registered holder of Wolfden common shares was entitled to receive one New Wolfden common share and 0.7 of a Premier common share in exchange for each Wolfden common share held by the shareholder immediately prior to the effective date.

The Corporation is in the development stage and its principal business activity is the acquisition, exploration and development of mineral properties that it believes contain mineralization that will be economically recoverable in the future.

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim financial statements of Premier have been prepared by management on the basis of the Corporation's continuance as a going-concern and follow the same accounting policies as the most recent annual audited financial statements. The interim financial statement note disclosures do not include all of those required by Canadian generally accepted accounting principles applicable for annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the 2006 audited financial statements.

Change in accounting policy - financial instruments

In 2005, the CICA issued new accounting standards: CICA 1530, Comprehensive Income, CICA 3251, Equity, CICA 3855, Financial Instruments - Recognition and Measurement and CICA 3865, Hedges. These standards became effective for fiscal years beginning on or after October 1, 2006 and are applicable to the Corporation as of January 1, 2007. The standards do not permit restatement of prior years' financial statements. The new standards increase harmonization with US GAAP and have been adopted as follows:

Financial assets are classified as held-to-maturity, loans and receivables, held-for trading or available-for-sale. The held-to-maturity classification is restricted to fixed maturity instruments that the Corporation intends and is able to hold to maturity. Assets classified as held-to-maturity or loans and receivables are accounted for at amortized cost. Held-for-trading assets are recorded at fair value with realized and unrealized gains and losses reported in net income. The remaining financial assets are classified as available-for-sale and will be recorded at fair value with unrealized gains and losses reported in a new category of the balance sheet under shareholders equity called other comprehensive income;

Financial liabilities are classified as either held-for-trading or other liabilities. Held-for-trading liabilities are recorded at fair value with realized and unrealized gains and losses reported in net income, and the remaining financial liabilities are classified as other liabilities and accounted for at amortized cost.

Upon adoption of these new standards, the Corporation designated its cash and cash equivalents as held-for-trading which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost. The Corporation had no financial instruments available for sale during the three months ended March 31, 2007. Changes in the fair value of the Corporations cash and cash equivalents are included in investment income each period.

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

3. CASH AND CASH EQUIVALENTS

	2007	2006
	\$	\$
Cash	657,065	875,027
Short-term deposits	6,082,098	7,507,604
	6,739,163	8,382,631

As at March 31, 2007, the Corporation held short-term deposits consisting of Canadian dollar denominated short-term financial instruments maturing within 2 days, yielding 4.00%-4.21% [December 31, 2006 - 29 days, yielding of 3.98%-4.19%].

4. PROPERTY, PLANT AND EQUIPMENT

Details of period-end property, plant and equipment balances are as follows:

	2007		2006	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Office equipment	59,303	8,562	59,303	4,448
Capital assets, net		50,741		54,855

Amortization for the period is \$4,114 [2006 - \$4,448].

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

5. MINERAL PROPERTIES

As of March 31, 2007, accumulated costs with respect to the Corporation's interest in mineral properties owned, leased or under option, consisted of the following:

	<u>2007</u>			<u>2006</u>
	<u>Deferred exploration expenditures</u>	<u>Acquisition cost</u>	<u>Total</u>	<u>Total</u>
	\$	\$	\$	\$
Bonanza Project, Ontario(*)	2,004,237	19,061,118	21,065,355	19,720,280
East Bay, Ontario(*)	62,977	6,225,083	6,288,060	6,288,060
Other areas, Ontario(*)	57,789	591,447	649,236	457,388
	2,125,003	25,877,648	28,002,651	26,465,728

(*) The property descriptions can be found in the December 31, 2006 audited financial statements.

Property acquisitions

On March 1, 2007 the Corporation acquired the Meunier Claim in Red Lake, Ontario from Mr. Dave Meunier. As consideration, the Corporation paid \$50,000 on execution and will issue 50,000 common shares upon satisfaction of certain conditions. An additional \$50,000 cash and 50,000 common shares is payable on the 18 month anniversary of the agreement. This property has been included above in the Other Areas, Ontario section.

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

6. COMMON SHARES

The Corporation is authorized to issue an unlimited number of common shares.

	Number #	Value \$
Issued pursuant to the Arrangement (note 1) in exchange for cash and mineral properties	52,253,514	24,419,754
Private placements	6,688,478	7,278,209
Share issue costs	-	(70,043)
Balance, December 31, 2006	58,941,992	31,627,920
Stock options exercised	20,000	20,000
Warrants exercised	56,500	67,800
Reallocation from contributed surplus amounts relating to the exercise of stock options	-	11,500
Reallocation from share purchase warrants amounts relating to the exercise of share purchase warrants	-	15,086
Flow-through share renunciation	-	(2,067,698)
Shares issued pursuant to the Arrangement (note 11[a])	42,000	-
Balance, March 31, 2007	59,060,492	29,674,608

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

7. SHARE PURCHASE WARRANTS

The following table reflects the continuity of warrants:

Expiry Date	Exercise Price \$	2007		Warrants Exercised #	Warrants Expired #	March 31, 2007 Closing Balance #
		Opening Balance #	Warrants Issued #			
April 6, 2008	1.20	620,000	-	(56,500)	-	563,500
		620,000	-	(56,500)	-	563,500

The fair value of the share purchase warrants has been estimated using the Black-Scholes option pricing model. The assumptions used for the valuation of the respective warrants were:

Dividend yield 0%, expected volatility 65%, a risk-free interest rate of 3.75% and an expected life of 18 months. Value assigned to the 620,000 share purchase warrants was \$165,540.

The following table reflects the value of share purchase warrants currently outstanding:

Warrants	Number #	Value \$
Share purchase warrants, exercisable at \$1.20 and expire April 6, 2008	563,500	150,455

8. SHARE INCENTIVE PLAN

The Corporation has a share incentive plan (the "Plan") which is restricted to directors, officers, key employees and consultants of the Corporation. The number of common shares subject to options granted under the Plan (and under all other management options and employee stock purchase plans) is limited to 10% in the aggregate and 5% with respect to any one optionee of the number of issued and outstanding common shares of the Corporation at the date of the grant of the option. Options issued under the Plan may be exercised during a period determined by the Board of Directors which cannot exceed ten years.

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

The following table reflects the continuity of stock options under the Plan:

	Number of Stock Options		Weighted Average Exercise Price	
	2007	2006	2007	2006
	#	#	\$	\$
Opening balance	895,000	-	1.00	-
Options granted	-	895,000	-	1.00
Options exercised	(20,000)	-	1.00	-
	875,000	895,000	1.00	1.00

The following table reflects the stock options outstanding as at March 31, 2007:

Expiry Date	Exercise Price	Options Outstanding
	\$	#
September 15, 2011	1.00	875,000
		875,000

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, \$514,625 was recorded as compensation for the 895,000 stock options that vested during the previous year.

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 65%, risk-free interest rate of 3.75%, expected life of 5 years and a vesting period of up to twelve months.

The following table reflects the continuity of contributed surplus relating to stock options issued and vested as at March 31, 2007:

	Number of Options	Amount
	#	\$
Opening Balance (note 1)	-	-
Options granted	895,000	514,625
Balance, December 31, 2006	895,000	514,625
Options exercised	(20,000)	(11,500)
Balance, March 31, 2007	875,000	503,125

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

9. LOSS PER SHARE

The basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Fully diluted loss per share is the same as basic loss per share. The effect of common share purchase options and warrants on the net loss is not reflected as to do so would be anti-dilutive.

The following table sets for the computation of basic and diluted earnings (loss) per share:

	<u>2007</u>	<u>2006</u>
<u>Numerator:</u>		
Net loss	(244,876)	(1,101,563)
<u>Denominator:</u>		
Weighted average number of common shares	58,971,514	35,158,680
Weighted average earnings (loss) per share	-	(0.03)

10. RELATED PARTIES

The following are the related party transactions other than previously mentioned within these financial statements:

- [a] Included in general and administrative expenses are amounts totalling \$10,223 (2006 - \$5,988) for corporate secretarial services provided to the Corporation by Duguay & Ringler 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 \$36,614 (2006 - \$39,813) relating to compensation of officers of the Corporation. The amounts are recorded at the exchange amount agreed to by the parties.
- [c] Included in general and administrative expenses are amounts totalling \$52,500 (2006 - \$70,000) for accounting and management services provided by Wolfden, a company related to the Corporation through common directorship. The amounts are recorded at the exchange amount agreed to by the parties.
- [d] Included in accounts payable are amounts totalling \$56,459 (2006 - \$57,847) for expenditures paid on behalf of the Corporation by Wolfden and outstanding management fees, a company related to the Corporation through common directorship. The amounts are recorded at the exchange amount agreed to by the parties.

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

11. COMMITMENTS

[a] Common Shares

Pursuant to the Arrangement (note 1), the Corporation has committed to issuing up to 2,415,000 common shares, for no cash proceeds, in relation to Wolfden stock options (the "Options") granted to Wolfden directors, officers, key employees, and consultants prior to the Arrangement date. All of the options outstanding were vested as at March 31, 2007. The outstanding options and the Corporation's related commitments, have expiry dates ranging from July 2008 to July 2011.

On May 8, 2007 Zinifex Limited ("Zinifex") has taken up and accepted for payment approximately 86 million common shares ("Common Shares") of Wolfden pursuant to Zinifex offer (the "Offer") to acquire all of the outstanding Common Shares for \$3.81 in cash per Common Share. The Common Shares acquired by Zinifex represent 95% of the issued and outstanding Common Shares. As a result, the Corporation will be required to issue 100% of the above noted shares.

[b] Property Acquisition

On March 29, 2007 The Corporation signed a Letter of Intent ("LOI") with Sutter Gold Mining Inc. ("SGMI") to jointly explore the Santa Teresa mineral concession, located in the historic and high grade El Alamo District of Baja California Norte, Mexico.

Pursuant to the LOI Premier can earn an initial 50% interest in the project by issuing 100,000 shares of free-trading Premier stock to SGMI, completing US\$1,500,000 million in exploration and property acquisitions within two years, including US\$1,000,000 million within one year of signing the JV agreement, and reimbursing SGMI for all payments (approximately US\$225,000) over a four-year period to the original vendor of the property. In addition, Premier has secured the right to earn an additional 15% interest in the JV (for a total interest of 65%) by making a further cash payment of US\$500,000 to SGMI and conducting an additional US\$4,000,000 million in exploration on the property. SGMI will be the initial operators of the project, however, Premier can take over as operator once it secures a greater than 50% interest in the project.

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

12. SUBSEQUENT EVENTS

[a] Private Placement

On April 4, 2007, the Corporation entered into an agreement with Westwind Partners Inc. as lead underwriter on behalf of a syndicate of underwriters (collectively, the "Underwriters") to sell, on a bought deal private placement basis, 1,600,000 flow-through subscription receipts ("Flow-Through Receipts") at a price of \$3.25 per Flow-Through Receipt and 2,000,000 subscription receipts ("Subscription Receipts") at a price of \$2.50 per Subscription Receipt (the Flow-Through Receipts and Subscription Receipts collectively the "Securities") in the capital of Premier Gold Mines Limited (the "Company"), for aggregate gross proceeds of approximately \$10,200,000. The securities issuable under the private placement are subject to a four month hold period from the closing date.

Pursuant to the agreement each Flow-Through Receipt will be automatically exchanged, for no additional consideration, for one flow-through common share of the Company ("Flow-Through Share") and each Subscription Receipt will be automatically exchanged, for no additional consideration, for one unit (a "Unit") in the capital of the Company, immediately following execution by both parties of a formal Joint Venture Agreement (the "JV Agreement") between the Company and Goldcorp Inc. Each Unit is comprised of one common share ("Common Share") in the capital of the Company, and one half of one share purchase warrant ("Warrant").

The net proceeds of the offering will be held in escrow pending execution of the JV Agreement. If the JV Agreement is not signed by May 30, 2007, investors will have the option of receiving either the securities underlying their Flow-Through Receipts and Subscription Receipts or a refund of their subscription amounts.

The Underwriters exercised the option to sell an additional 2,875,000 Subscription Receipts or Units, as applicable, at a price of C\$2.50 per Subscription Receipt or Unit, prior to the Closing Date. The Underwriters shall receive compensation comprised of cash and broker warrants upon closing of the offering.

The offering closed on April 24, 2007. The securities to be issued under this offering will be offered by way of private placement exemptions in all the provinces of Canada, offshore including in the United Kingdom pursuant to applicable exemptions and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended.

Premier Gold Mines Limited

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2007
(with comparative figures for the year ended December 31, 2006)
(Stated in Canadian Dollars)

[b] Asset Exchange Agreement

On May 9, 2007 the Corporation signed an Asset Exchange Agreement (the "Agreement") with Red Lake Gold Mines (the "Partnership"), a subsidiary of Goldcorp Inc. Under the terms of the Agreement, the Partnership has agreed to transfer to Premier an undivided 50% interest in and to certain Mining Claims in the Red Lake District known as the Rahill-Wilmar and Kostynuk Properties, and Premier has agreed to transfer to the Partnership an undivided 50% interest in and to certain Mining Claims in the Red Lake District known as the Bonanza and Marathon Properties.

Premier is funding the initial \$1 Million in exploration on the Property, and future exploration will be funded on a 50:50 basis. Premier is the operator during the initial period of CAD\$5 Million in exploration, and Goldcorp will be operator thereafter. At any time during the first eighteen (18) months following the formation of the joint venture, Goldcorp has the option to increase its interest in the joint venture by 1% to 51% by paying Premier CAD\$440,000.

13. COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year. These reclassifications have no material effect on the financial statements.