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

Premier Gold Mines Limited

June 30, 2007

NOTICE TO SHAREHOLDERS

FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2007
(with comparative figures as at December 31, 2006)
(Stated in Canadian Dollars)

	2007 $	2006 $
ASSETS		
Current		
Cash and cash equivalents *[note 3]*	**21,309,458**	8,382,631
Accounts receivable	**1,132,322**	75,657
Prepaids and deposits	**5,305**	24,159
Total current assets	**22,447,085**	8,482,447
Long-term investments *[note 4]*	**500,466**	-
Property, plant and equipment, net *[note 5]*	**53,224**	54,855
Mineral properties *[note 6]*	**28,051,142**	26,465,728
	51,051,917	35,003,030
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	**661,921**	778,406
Taxes payable	**42,800**	12,000
Total current liabilities	**704,721**	790,406
Future tax liability	**5,081,601**	3,006,102
Shareholders' equity		
Share capital		
Issued		
Common shares *[note 7]*	**44,981,479**	31,627,920
Share purchase warrants *[note 8]*	**1,399,266**	165,540
Contributed surplus	**570,875**	514,625
Deficit	**(1,686,025)**	(1,101,563)
Total shareholders' equity	**45,265,595**	31,206,522
	51,051,917	35,003,030

See accompanying notes

On behalf of the Board:

"Ewan Downie"
Director

"John Seaman"
Director

Premier Gold Mines Limited

STATEMENT OF EARNINGS AND DEFICIT

(Unaudited)

Comparative amounts not available [note 1]
(Stated in Canadian Dollars)

	Three months ended June 30 2007 $	Six months ended June 30 2007 $
REVENUE		
Interest income	**141,627**	**216,387**
Other income	**40,563**	**40,563**
	182,190	**256,950**
EXPENSES		
Amortization	**4,316**	**8,430**
General and administrative	**339,618**	**562,431**
Professional fees	**37,307**	**70,027**
Flow-through interest penalty	**70,376**	**122,564**
Compensation adjustment for stock options granted *[note 9]*	**70,625**	**70,625**
	522,242	**834,077**
Loss before the following	**(340,052)**	**(577,127)**
Change in fair value of investments held for trading	**466**	**466**
Loss before income taxes	**(339,586)**	**(576,661)**
Future tax expense	**-**	**7,801**
Loss for period	**(339,586)**	**(584,462)**
Deficit, beginning of period	**(1,346,439)**	**(1,101,563)**
Deficit, end of period	**(1,686,025)**	**(1,686,025)**
Basic and diluted loss per share *[note 10]*	**(0.01)**	**(0.01)**

See accompanying notes

Premier Gold Mines Limited

STATEMENT OF CASH FLOWS

(Unaudited)

Comparative amounts not available [note 1]
(Stated in Canadian Dollars)

	Three months ended June 30 2007 $	Six months ended June 30 2007 $
OPERATING ACTIVITIES		
Loss for period	(339,586)	(584,462)
Add charges to earnings not involving a current payment (receipt) of cash		
Amortization	4,316	8,430
Compensation adjustment for stock options granted	70,625	70,625
Future tax expense	-	7,801
Change in fair value of investments held for trading	(466)	(466)
	(265,111)	(498,072)
Net change in non-cash working capital balances related to operations	(1,162,112)	(1,123,496)
Cash used in operating activities	(1,427,223)	(1,621,568)
INVESTMENT ACTIVITIES		
Mineral exploration and development expenditures, net	100,759	(1,436,164)
Purchase of investments	(500,000)	(500,000)
Purchase of property, plant and equipment	(6,799)	(6,799)
Cash used in investment activities	(406,040)	(1,942,963)
FINANCING ACTIVITIES		
Share issued in private placements	16,256,500	16,256,500
Proceeds from the exercise of stock options	5,000	25,000
Proceeds from the exercise of share purchase warrants	141,000	208,800
Share issue costs	(1,129,942)	(1,129,942)
Warrants issued	1,131,000	1,131,000
Cash provided by financing activities	16,403,558	16,491,358
Increase in cash and cash equivalents during period	14,570,295	12,926,827
Cash, beginning of period	6,739,163	8,382,631
Cash, end of period	21,309,458	21,309,458

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the six months ended June 30, 2007
(with comparative figures as at 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.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the six months ended June 30, 2007
(with comparative figures as at 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 and long-term investments 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 six months ended June 30, 2007. Changes in the fair value of the Corporations cash and cash equivalents and long-term investments are included in investment income each period.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the six months ended June 30, 2007
(with comparative figures as at December 31, 2006)
(Stated in Canadian Dollars)

3. CASH AND CASH EQUIVALENTS

	2007 $	2006 $
Cash	**768,557**	875,027
Short-term deposits	**20,540,901**	7,507,604
	21,309,458	8,382,631

As at June 30, 2007, the Corporation held short-term deposits consisting of Canadian dollar denominated short-term financial instruments maturing within 65 days, yielding 4.22% - 4.33% [December 31, 2006 - 29 days, yielding of 3.98% - 4.19%].

4. LONG-TERM INVESTMENTS

	2007		2006	
	Market $	Cost $	Market $	Cost $
Fixed Income				
Bonds	**500,466**	**500,000**	-	-

Canadian bonds consist of corporate securities due in 2014 at a yield of 4.25%. All bonds are of investment grade.

5. 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	**66,102**	**12,878**	59,303	4,448
Property, plant and equipment, net	**53,224**		54,855	

Amortization for the period is $8,430 [2006 - $4,448].

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the six months ended June 30, 2007
(with comparative figures as at December 31, 2006)
(Stated in Canadian Dollars)

6. MINERAL PROPERTIES

As of June 30, 2007, accumulated costs with respect to the Corporation's interest in mineral properties owned, leased or under option, consisted of the following:

	2007			2006
	Deferred exploration expenditures $	Acquisition cost $	Total $	Total $
Rahill-Bonanza Project, Ontario(*)	**1,995,985**	**19,109,616**	**21,105,601**	19,620,778
East Bay, Ontario(*)	**62,977**	**6,225,083**	**6,288,060**	6,288,060
Other areas (*)	**63,282**	**594,199**	**657,481**	556,890
	2,122,244	**25,928,898**	**28,051,142**	26,465,728

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

Property acquisitions and agreements

Meunier Claim

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 issued 50,000 common shares. An additional $50,000 cash and 50,000 common shares is payable on the 18th month anniversary of the agreement. Costs associated with this acquisition are included within the Rahill-Bonanza Project section above.

Santa Teresa Mineral Concession

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, 25,000 of which were issued June 8, 2007, 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.

Rahill-Bonanza Project

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.

On May 29, 2007 the Corporation signed the definitive Joint Venture Agreement. Pursuant to the agreement, Premier is funding the initial $1 Million in exploration on the Property commencing December 1, 2006; the date the original letter of intent was signed, 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.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the six months ended June 30, 2007
(with comparative figures as at December 31, 2006)
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7. 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
Private placements	6,475,000	16,256,500
Stock options exercised	25,000	25,000
Shares issued for mineral properties	75,000	149,250
Warrants exercised	174,000	208,800
Reallocation from contributed surplus amounts relating to the exercise of stock options	-	14,375
Reallocation from share purchase warrants amounts relating to the exercise of share purchase warrants	-	46,458
Flow-through share renunciation	-	(2,067,698)
Shares issued pursuant to the Arrangement (note 1)	2,423,750	-
Share issue costs	-	(1,279,126)
Balance, June 30, 2007	68,114,742	44,981,479

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 4,875,000 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 the Corporation, for aggregate gross proceeds of $17,387,500.

Pursuant to the agreement, on May 30, 2007 each Flow-Through Receipt was automatically exchanged, for no additional consideration, for one flow-through common share of the Corporation ("Flow-Through Share") and each Subscription Receipt was automatically exchanged, for no additional consideration, for one unit (a "Unit") in the capital of the Corporation, immediately following the execution by both parties of a formal Joint Venture Agreement (the "JV Agreement") between the Corporation and Goldcorp Inc. Each Unit is comprised of one common share ("Common Share") in the capital of the Corporation, and one half of one share purchase warrant.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the six months ended June 30, 2007
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The Underwriters received compensation comprised of cash and broker warrants upon closing of the offering. The Common Shares and Flow-Through Shares were 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.

Shares issued for Mineral Property #1

The Corporation issued 50,000 common shares to Dave Meunier on May 7, 2007 upon closing of the agreement to acquire the Meunier claim (note 6 - Property Acquisitions and Agreements).

Shares issued for Mineral Property #2

The Corporation issued 25,000 common shares to SGMI on June 8, 2007 upon closing of the agreement to acquire a 50% share in SGMI's interest in the Santa Teresa Mineral Concessions (note 6 - Property Acquisitions and Agreements).

8. SHARE PURCHASE WARRANTS

The following table reflects the continuity of warrants:

Expiry Date	Exercise Price	2007 Opening Balance	Warrants Issued	Warrants Exercised	Warrants Expired	June 30, 2007 Closing Balance
	$	#	#	#	#	#
April 6, 2008	1.20	620,000	-	(174,000)	-	**446,000**
May 30, 2008	2.50	-	388,500	-	-	**388,500**
November 30, 2008	2.70	-	2,437,500	-	-	**2,437,500**
		620,000	2,826,000	(174,000)	-	**3,272,000**

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the six months ended June 30, 2007
(with comparative figures as at December 31, 2006)
(Stated in Canadian Dollars)

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 388,500 broker warrants and the 2,437,500 share purchase warrants were $149,184 and $1,131,000 respectively.

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	446,000	119,082
Broker warrants, exercisable at $2.50 and expire May 30, 2008	388,500	149,184
Share purchase warrants, exercisable at $2.70 and expire November 30, 2008	2,437,500	1,131,000
	3,272,000	1,399,266

9. 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.

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	**250,000**	895,000	**2.62**	1.00
Options exercised	**(25,000)**	-	**1.00**	-
	1,120,000	895,000	**1.36**	1.00

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the six months ended June 30, 2007
(with comparative figures as at December 31, 2006)
(Stated in Canadian Dollars)

The following table reflects the stock options outstanding as at June 30, 2007:

Expiry Date	Exercise Price $	Options Outstanding \#
September 15, 2011	1.00	870,000
November 14, 2008	2.50	125,000
November 14, 2008	2.75	125,000
		1,120,000

During the period, a total of 250,000 stock options were granted to consultants of the Corporation. Of the 250,000 options issued during the period, 125,000 had vested by June 30, 2007.

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, $70,625 was recorded as compensation for the 125,000 stock options that vested during the period.

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 June 30, 2007:

	Number of Options \#	Amount $
Opening Balance (note 1)	-	-
Options granted	895,000	514,625
Balance, December 31, 2006	895,000	514,625
Options granted	125,000	70,625
Options exercised	(25,000)	(14,375)
Balance, June 30, 2007	995,000	570,875

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the six months ended June 30, 2007
(with comparative figures as at December 31, 2006)
(Stated in Canadian Dollars)

10. 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 loss per share:

	2007	2006
Numerator:		
Net loss	**(584,462)**	(1,101,563)
Denominator:		
Weighted average number of common shares	**60,750,154**	35,158,680
Weighted average loss per share	**(0.01)**	(0.03)

11. 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 $16,392 (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 $71,125 (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 $105,000 (2006 - $70,000) for accounting and management services provided by Wolfden, a company related to the Corporation through common management. The amounts are recorded at the exchange amount agreed to by the parties.

[d] Included in accounts payable are amounts totalling $18,550 (2006 - $57,847) for management fees and certain expenditures paid on behalf of the Corporation by Wolfden, a company related to the Corporation through common management. The amounts are recorded at the exchange amount agreed to by the parties.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the six months ended June 30, 2007
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[e] Pursuant to the underwriting agreement relating to the Private Placement completed May 30, 2007 (note 7), the Corporation issued 38,634 Broker Warrants and paid $104,325 in related underwriter fees and expenses to Octagon Capital Corporation, a corporation related to the Corporation through a common director; Jean-Pierre Colin.

12. 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.