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

Premier Gold Mines Limited

March 31, 2008

NOTICE TO SHAREHOLDERS

FOR THE THREE MONTHS ENDED MARCH 31, 2008

PREMIER GOLD MINES LIMITED

<u>Responsibility for Financial Statements</u>

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, 2007 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, 2008
(with comparative figures as at December 31, 2007)
(Stated in Canadian Dollars)

	2008 $	2007 $
ASSETS		
Current		
Cash and cash equivalents *[note 3]*	**4,847,896**	3,520,321
Accounts receivable	**201,729**	290,969
Prepaids and deposits	**30,822**	1,550,377
Total current assets	**5,080,447**	5,361,667
Long-term investments *[note 4]*	**13,666,311**	15,126,988
Property, plant and equipment, net *[note 5]*	**133,056**	107,123
Mineral properties *[note 6]*	**33,630,115**	31,262,426
Mineral property held for sale *[note 7]*	**246,353**	239,093
	52,756,282	52,097,297
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	**2,101,311**	2,375,803
Taxes payable	**17,000**	57,000
Total current liabilities	**2,118,311**	2,432,803
Future tax liability	**5,584,565**	4,071,830
Shareholders' equity		
Share capital		
Issued		
Common shares *[note 8]*	**45,144,083**	45,544,683
Share purchase warrants *[note 9]*	**1,197,314**	1,359,714
Contributed surplus	**1,566,970**	1,566,970
Deficit	**(2,854,961)**	(2,878,703)
Total shareholders' equity	**45,053,406**	45,592,664
	52,756,282	52,097,297

Commitments [note 13]

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
(Stated in Canadian Dollars)

	2008 $	2007 $
REVENUE		
Investment income	**235,936**	74,760
Other income	**3,289**	-
	239,225	74,760
EXPENSES		
Amortization	**10,788**	4,114
Flow-through interest penalty	**41,361**	52,188
General and administrative	**295,098**	222,813
Professional fees	**25,802**	32,720
	373,049	311,835
Loss before the following	**(133,824)**	(237,075)
Change in fair value of investments held for trading	**64,906**	-
Gain on sale of investments	**97,395**	-
Earnings (loss) before income taxes	**28,477**	(237,075)
Future tax expense	**4,735**	7,801
Earnings (loss) and comprehensive earnings (loss) for period	**23,742**	(244,876)
Deficit, beginning of period	**(2,878,703)**	(1,101,563)
Deficit, end of period	**(2,854,961)**	(1,346,439)
Basic and diluted earnings (loss) per share *[note 11]*	**-**	(0.03)

See accompanying notes

Premier Gold Mines Limited

STATEMENT OF CASH FLOWS

(Unaudited)

For the three months ended March 31

(Stated in Canadian Dollars)

	2008 $	2007 $
OPERATING ACTIVITIES		
Earnings (loss) and comprehensive earnings (loss) for period	**23,742**	(244,876)
Add charges (deduct credits) to earnings not involving a current payment (receipt) of cash		
Amortization	**10,788**	4,114
Change in fair value of investments held for trading	**(64,906)**	-
Gain on sale of investments	**(97,395)**	-
Future tax expense	**4,735**	7,801
	(123,036)	(232,961)
Net change in non-cash working capital balances related to operations	**1,145,969**	102,521
Cash provided by (used in) operating activities	**1,022,933**	(130,440)
INVESTMENT ACTIVITIES		
Mineral exploration and development expenditures, net	**(2,374,949)**	(1,536,922)
Net change in non-cash working capital balances related to investing activities	**148,334**	(63,906)
Purchase of property, plant and equipment	**(36,721)**	-
Proceeds from the sale of investments, net	**1,622,978**	-
Cash used in investment activities	**(640,358)**	(1,600,828)
FINANCING ACTIVITIES		
Proceeds from the exercise of stock options	**-**	20,000
Proceeds from the exercise of share purchase warrants	**945,000**	67,800
Cash provided by financing activities	**945,000**	87,800
Increase (decrease) in cash and cash equivalents during period	**1,327,575**	(1,643,468)
Cash and cash equivalents, beginning of period	**3,520,321**	8,382,631
Cash and cash equivalents, end of period	**4,847,896**	6,739,163

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2008
(with comparative figures for the year ended December 31, 2007)
(Stated in Canadian Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

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 mineral properties transferred were recorded at the carrying value of Wolfden immediately prior to the re-organization.

On January 1, 2008 the Corporation completed an amalgamation with its wholly owned subsidiary Pickle Crow Gold Mines Limited.

The Corporation is in the exploration 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.

The accompanying financial statements have been prepared on the basis of Canadian generally accepted accounting principles applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, the ability to realize assets and discharge liabilities in the normal course of business in the foreseeable future and the ability of the Corporation to raise additional capital. Specifically, the recovery of the Corporation's investment in mineral properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2008
(with comparative figures for the year ended December 31, 2007)
(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 except for the changes as noted below. 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 2007 audited consolidated financial statements.

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.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2008
(with comparative figures for the year ended December 31, 2007)
(Stated in Canadian Dollars)

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.

3. CASH AND CASH EQUIVALENTS

	2008 $	**2007** $
Cash	**3,387,762**	2,156,211
Short-term deposits	**1,460,134**	1,364,110
	4,847,896	3,520,321

4. LONG-TERM INVESTMENTS

	2008		**2007**	
	Market $	**Cost** $	**Market** $	**Cost** $
Equities				
Canadian entities	**831,555**	**808,310**	1,628,172	1,669,880
Fixed Income				
Canadian bonds	**12,834,756**	**12,834,756**	13,498,816	13,498,765
	13,666,311	**13,643,066**	15,126,988	15,168,645

Canadian equities represent shares of publicly traded entities listed on Canadian exchanges.

Canadian bonds consist of government and corporate securities due in 2013 and callable July 22, 2008, yielding 5.65% [December 31, 2007 - due between 2013 and 2014, yeilding 4.10% to 5.65%]. All bonds are of investment grade.

Market value is determined at the trading values as at March 31, 2008 and December 31, 2007.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2008
(with comparative figures for the year ended December 31, 2007)
(Stated in Canadian Dollars)

5. PROPERTY, PLANT AND EQUIPMENT

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

	2008		2007	
	Cost $	**Accumulated amortization** $	**Cost** $	**Accumulated amortization** $
Office equipment	**174,210**	**41,154**	137,489	30,366
Capital assets, net	**133,056**		107,123	

Amortization for the period is $10,788 [2007 - $25,918].

6. MINERAL PROPERTIES

As of March 31, 2008, accumulated costs with respect to the Corporation's interest in mineral properties owned, leased or under option, consisted of the following:

	2008				2007
	Deferred exploration expenditures $	**Acquisition cost** $	**Option payments received** $	**Total** $	**Total** $
Rahill-Bonanza Project, Ontario(*)	**3,967,516**	**19,109,616**	**(440,000)**	**22,637,132**	22,649,568
East Bay Project, Ontario(*)	**66,540**	**6,225,083**	**-**	**6,291,623**	6,288,060
Geraldton Project, Ontario(*)	**2,820,730**	**330,000**	**-**	**3,150,730**	1,615,423
Other areas(*)	**934,235**	**616,395**	**-**	**1,550,630**	709,375
	7,789,021	**26,281,094**	**(440,000)**	**33,630,115**	31,262,426

(*) The property descriptions can be found in the December 31, 2007 audited financial statements.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2008
(with comparative figures for the year ended December 31, 2007)
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Property acquisitions and agreements

Joint Venture Amendments

On January 18, 2008 Red Lake Gold Mines, an affiliate of Goldcorp Inc., exercised it's option, as permitted under the joint venture agreement, 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.

7. 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.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2008
(with comparative figures for the year ended December 31, 2007)
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8. COMMON SHARES

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

	Number #	Value $
Balance December 31, 2006	58,941,992	31,627,920
Private placements	6,475,000	16,256,500
Stock options exercised	30,000	30,000
Shares issued for mineral properties	250,000	503,000
Warrants exercised	277,000	466,300
Reallocation from contributed surplus amounts relating to the exercise of stock options	-	17,250
Reallocation from share purchase warrants amounts relating to the exercise of share purchase warrants	-	86,010
Tax effect of Flow-through share renunciation	-	(1,617,606)
Flow-through share renunciation amendment	-	(545,565)
Shares issued pursuant to the Arrangement	2,423,750	-
Share issue costs	-	(1,279,126)
Balance, December 31, 2007	68,397,742	45,544,683
Warrants exercised	350,000	945,000
Reallocation from share purchase warrants relating to the exercise of share purchase warrants	-	162,400
Flow-through share renunciation	-	(1,508,000)
Balance, March 31, 2008	68,747,742	45,144,083

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2008
(with comparative figures for the year ended December 31, 2007)
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9. SHARE PURCHASE WARRANTS

The following table reflects the continuity of warrants:

Expiry Date	Exercise Price	2008 Opening Balance	Warrants Issued	Warrants Exercised	Warrants Expired	March 31, 2008 Closing Balance
	$	#	#	#	#	#
April 6, 2008	1.20	446,000	-	-	-	**446,000**
May 30, 2008	2.50	285,500	-	-	-	**285,500**
October 24, 2008	2.70	2,437,500	-	(350,000)	-	**2,087,500**
		3,169,000	-	(350,000)	-	**2,819,000**

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 (issued in 2006) and 2,437,500 (issued in 2007) share purchase warrants was $165,540 and $1,131,000 respectively. Value assigned to the 388,500 broker warrants were $149,184 which were issued in 2007

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

Warrants	Number	Value
	#	$
Share purchase warrants, exercisable at $1.20 and expiring April 6, 2008	446,000	119,082
Broker warrants, exercisable at $2.50 and expiring May 30, 2008	285,500	109,632
Share purchase warrants, exercisable at $2.70 and expiring October 24, 2008	2,087,500	968,600
	2,819,000	1,197,314

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2008
(with comparative figures for the year ended December 31, 2007)
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10. 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**	
	2008	**2007**	**2008**	**2007**
	#	#	$	$
Opening balance	**2,015,000**	895,000	**1.62**	1.00
Options granted	**-**	1,150,000	**-**	2.10
Options exercised	**-**	(30,000)	**-**	1.00
	2,015,000	2,015,000	**1.62**	1.62

The following table reflects the stock options outstanding as at March 31, 2008:

Expiry Date	**Exercise Price**	**Options Outstanding**
	$	#
September 27, 2008	2.25	35,000
November 14, 2008	2.50	125,000
November 14, 2008	2.75	125,000
September 15, 2011	1.00	865,000
August 8, 2012	1.95	865,000
		2,015,000

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2008
(with comparative figures for the year ended December 31, 2007)
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The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, $1,069,595 was recorded as compensation for the 1,150,000 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 1 to 5 years.

The following table reflects the continuity of contributed surplus relating to stock options issued and vested as at March 31, 2008:

	Number of Options #	**Amount** $
December 31, 2006	895,000	514,625
Options granted	1,150,000	1,069,595
Options exercised	(30,000)	(17,250)
Balance, December 31, 2007	2,015,000	1,566,970
Balance, March 31, 2008	2,015,000	1,566,970

11. EARNINGS (LOSS) PER SHARE

The basic earnings (loss) per share is computed by dividing the earnings (loss) for the period by the weighted average number of common shares outstanding during the period. Fully diluted earnings (loss) per share is the same as basic earnings (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:

	2008	**2007**
Numerator:		
Net earnings (loss)	**23,742**	(1,777,140)
Denominator:		
Weighted average number of common shares	**68,666,973**	64,527,730
Basic and diluted earnings (loss) per share	**-**	(0.03)

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2008
(with comparative figures for the year ended December 31, 2007)
(Stated in Canadian Dollars)

12. 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 $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.

13. COMMITMENTS

Operating lease

The Corporation has an operating lease for a vehicle in the amount of $600 per month expiring October 2010.

The minimum annual lease payments for the next three years are as follows:

2008	5,404
2009	7,206
2010	5,404
	18,014

Flow-through renunciation

As at December 31, 2007, the Corporation has renounced 100% of its flow-through related resource expenditures to investors. The Corporation had until February 1, 2008 to incur the expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Corporation as a result of this income tax legislation are charged to income in the period incurred. Of the $5,200,000 in flow-through financing raised in 2007 the Corporation has incurred $2,149,459 in exploration expenditures. Therefore the Corporation must incur an additional $3,050,541 in exploration expenditures to fulfill its obligation by December 31, 2008.

14. MANAGEMENT OF CAPITAL RISK

The Corporation's objective when managing capital is to safeguard the Corporation's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Corporation includes the components of shareholders' equity, as well as cash and cash equivalents and long-term investments. 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 adjust the amount of cash and cash equivalents and long-term investments.

15. MANAGEMENT OF FINANCIAL RISK

The Corporations financial instruments are exposed to certain financial risks, including currency risk, credit risks, liquidity risk, interest risk and price risk.

(a) Currency risk

The Corporation is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Corporation operates in both Canada and Mexico and a portion of its expenses are incurred in Mexican Pesos. As at March 31, 2008 there are no financial instruments denominated in Mexican Pesos. A significant change in the currency exchange rates between the Canadian dollar relative to the Mexican Peso could have an effect on the Corporation's results of operations, financial position or cash flows. The Corporation has not hedged its exposure to currency fluctuations. At March 31, 2008 there is no significant foreign exchange risk to the Corporation.

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(Unaudited)

For the three months ended March 31, 2008
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(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Corporation's cash equivalents and long-term investments are held through large Canadian financial institutions. Short-term and long-term investments (including those presented as part of cash and cash equivalents) are composed of financial instruments issued by Canadian banks and companies with high investment-grade ratings. These investments mature at various dates over the current operating period. The Corporation's receivables consist of sales taxes due from the Federal Governments of Canada and other amounts from Canadian Corporations.

(c) 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. Accounts payable and accrued liabilities are due within the current operating period.

(d) 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 loss as a result of a decline in the fair market value of the long-term investments and other items held within cash and cash equivalents is limited due to the nature of the investments.

16. 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.