PREMIER
Gold Mines Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011

The following Management's Discussion and Analysis ("MD&A") of Premier Gold Mines Limited (the "Corporation" or "Premier" or "PG") should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2011 and the notes thereto. The Corporation's condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of November 14, 2011, 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, reliance should not be placed on forward-looking statements. Premier's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, if any, that Premier will derive there from. Premier disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable law.

Highlights

Close the purchase of 100% of Goldstone Resources Ltd.

- Includes 100% of Brookbank Deposit and remaining 30% of Hardrock Project.

Premier secures key management for US Operations.

- Paul Huet and Brian Morris fill COO and VP Exploration, USA positions respectively

Strong results at Trans-Canada Project

- Both Hardrock and Key Lake drill programs updated; secures services of JDS Mining and Energy for PEA.

Company 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 exploration 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 3 projects, 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 in the third quarter, to follow-up on the discovery of a new zone from February 2010 drilling.

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 future exploration programs 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. Drilling on the Property by Premier in 2009 has returned several significant intersections and has identified structural units similar to those at the mine.

The Hardrock Project 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 15 kilometres strike length 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 is operator of and has a 70% interest in the Hardrock Project. During the third quarter of 2011 Premier secured the purchase of Goldstone Resources, including the outstanding 30% interest in the Hardrock Project. Project was renamed the Trans-Canada Project.

In 2010, Premier purchased Saddle Gold Inc., whose major asset included a significant portion of the underground and high grade Saddle deposit as well as a 1.5% NSR on the Emigrant Springs Mine project of Newmont Mining Inc. The purchase positions Premier with an important project within a world class and stable jurisdiction, to complement its Ontario assets in Red Lake and at Hardrock.

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.

Acquisition of Goldstone Resources Inc.

On August 15, 2011 the Corporation completed an acquisition ("the Acquisition") of Goldstone Resources Inc ("Goldstone"). Under the Acquisition, each common share of Goldstone was exchanged for 0.16 of one Premier common share and $0.0001 in cash. As a result, Premier issued 16,814,553 common shares, plus cash consideration of $10,513 in exchange for 105,092,864 common shares of Goldstone. Holders of Goldstone stock options received a fully vested option granted by Premier to acquire 0.16 of a common share of Premier plus the fractional amount of a common share that, immediately prior to the effective time of the Acquisition, had a fair market value equal to $0.0001 in cash in exchange for each outstanding Goldstone stock option. Goldstone's outstanding warrants remained outstanding in accordance with their terms, which terms provide each warrant will be exercisable to acquire 0.16 of a common share of Premier plus $0.0001 in cash for each such warrant exercised. Pursuant to the Acquisition, all of the outstanding common shares of Goldstone were then transferred from Premier to a wholly-owned subsidiary of Premier, and Goldstone was amalgamated into that subsidiary to form a new amalgamated corporation, wholly owned by Premier.

As Goldstone did not meet the definition of a business under IFRS, the Acquisition has been accounted for as an asset acquisition whereby all of the Goldstone assets acquired and liabilities assumed are recorded at fair value. The following table summarizes the net assets acquired as a result of the Acquisition:

The purchase consideration totaling CDN $112,256,010 was allocated as follows:

Cash and cash equivalents	$ 1,961,979
Accounts receivable	661,758
Prepaids and deposits	36,345
Financial assurance in trust	34,076
Investments	2,592,000
Buildings and equipment	2,785,551
Exploration and evaluation assets	105,970,133
Accounts payable and accrued liabilities	(1,579,000)
Long term tax payable	(36,152)
Deferred premium on flow-through shares	(169,800)
	$112,256,010

Purchase consideration:

Fair value of 16,814,553 Premier common shares	$108,958,303
Cash	10,513
Fair value of replacement options granted	750,609
Fair value of warrants	583,295
Transaction costs	1,953,290
	$112,256,010

Acquisition of South Africa Platinum Ltd.

On June 16, 2011 the Corporation acquired South Africa Platinum Ltd. ("SAP") by way of a merger transaction whereby a wholly-owned Delaware, USA, subsidiary of Premier merged with and into SAP pursuant to the applicable provisions of the Delaware General Corporation Law. SAP owns, among other things, the mineral rights in respect of a majority portion of the Blue Sage mineral claims, located in Elko County, Nevada. The aggregate purchase price was CDN$1,806,000, which is comprised of 350,000 common shares of Premier at a fair value of CDN$5.16 per share. Included in purchase consideration were CDN$32,941 paid in transactions costs. Following completion of the acquisition, Premier holds all of the assets and liabilities of SAP, including outstanding debt in the principal amount of US$215,000.

The purchase consideration totaling CDN $1,838,941, has been allocated as follows:

Cash and cash equivalents	$ 832
Exploration and evaluation assets	2,106,817
Accounts payable and accrued liabilities	(55,736)
Long term debt	(212,972)
	$1,838,941

Purchase consideration:

Fair value of 350,000 common share issued	$ 1,806,000
Cash	32,941
	$1,838,941

Results of Operations

Red Lake District, Northwestern Ontario

Some 7,371 metres of diamond drilling were completed at a cost to Premier of $553,830, was drilled on the Rahill-Bonanza joint venture property during the quarter. The exploration program, operated by Red Lake Gold Mines (RLGM) on behalf of the joint venture, focused on expanding the Wilmar 2E Zone discovery.

Late in 2010, hole PG10082 was drilled to test the down-plunge extension of the historically mined 2E Zone at the Wilmar Mine. This intercept, approximately 250 metres down-plunge of the historic workings, intersected bonanza grade gold with 68.87 g/t Au across 3.5 m (2.01 oz/t across 11.5 ft uncut) including 207.43 g/t Au across 1.15 m (6.06 oz/t across 3.8 ft). The first follow-up hole completed in 2011 (PG11090) has returned multiple high-grade intercepts mid-way between PG10082 and the mine workings. The 2E Zone remains open for expansion. Significant results include:

- 42.59 g/t Au across 1.5 m (1.33 oz/t across 4.9 ft) from 715.0-716.5 metres
- 46.15 g/t Au across 4.5 m (1.35 oz/t across 14.8 ft) from 719.0-723.5 metres
- 12.77 g/t Au across 4.5 m (0.37 oz/t across 14.8 ft) from 744.5-749.0 metres

Drilling completed from the ice of Red Lake in 2011 tested several other targets including testing for extensions of the West Granodiorite Zone, a bulk tonnage target, to define controls of mineralization within the recently identified PG70 Zone, and drilling the Footwall Zone on the East Bay Joint Venture Project (PG 35%). The PG70 Zone is located several hundred metres to the west of the Wilmar Mine and likely represents the on-strike extension of mineralization, suggesting a south westerly plunge to the gold zones.

At the East Bay Project, a total of 1,149 metres of drilling were completed. During the second quarter, Premier announced that diamond drilling had intersected a high grade gold vein located at the Footwall Vein Target. Highlights from 2011 drilling include:

- Step-out drilling has extended the strike length of the high-grade core of the zone to 400 metres and it remains open in all directions.

- The first two holes of the 2011 program, drilled from the same set-up returned intersections of 22.35 grams per tonne gold (g/t Au) across 1.0 metre (m) or 0.65 ounces per ton (oz/t) across 3.3 feet (ft), 56.54 g/t Au across 0.9m (1.65 oz/ton across 3.0 ft), and 44.82 g/t Au across 1.5m (1.31 oz/ton across 4.9 ft).

In all, results in the remaining six holes reported intercepts, typically between 0.5m and 1.0m long, with grades occurring up to 35 g/t. Several of the holes were unable to reach the FW2 target in their planned holes.

No new exploration results were reported on in either the Rahill-Bonanza or East Bay Project during the third quarter.

Geraldton-Beardmore District, Northwestern Ontario

A total of 52,518 metres of diamond drilling was completed during the quarter on the Trans-Canada Project at a cost of $13,125,287. Diamond drilling focussed primarily on testing specific target areas and the deep extensions of the North and F Zones. At Key Lake, drilling focussed at the west end of the project. Drilling was also active at the Leitch=Sand River and Brookbank Project areas.

On August 15, 2011 the Corporation completed the acquisition of Goldstone Resources Inc. The key assets to be acquired by Premier as a result, include the 30% of the Hardrock Project not already held and a 100% interest in the Brookbank Deposit. The transaction would result in Premier increasing its Measured and Indicated Resources by some 1.2 million ounces and Inferred ounces by some 600,000 ounces. On August 16, 2011, the Premier takeover of Goldstone Resources was completed.

On September 29, 2011 and October 26, 2011 Premier provided a comprehensive update of its Trans-Canada exploration activity, including Hardrock and Key Lake.. Key results reported on during the period included:

- 251.0 grams per tonne gold (g/t Au) across 1.0 metres (m) or 7.32 ounces per ton (oz/t) across 3.3 feet (ft) in up-dip expansion drilling in the F2 Zone.

- 28.78 g/t Au across 3.5 m (0.84 oz/t across 11.5 ft) drilling down-plunge in the HGN Zone.

- 44.39 g/t Au across 5.3 m (1.29 oz/t across 17.4 ft) in the recently discovered TNS Zone.

- Step-out drilling has extended mineralization along strike to the west with numerous higher grade intercepts highlighted by hole KL-11-157 that returned 3 mineralized zones assaying 17.50 grams per tonne gold (g/t Au) across 1.4 metres (m) (0.51 oz/t across 4.6 feet), 21.77 g/t Au across 5.35 m (0.63 oz/t across 17.6 feet), and 6.31 g/t Au across 7.0 m (0.18 oz/t across 23.0 feet).

- Step-out drilling some 300 metres down-plunge of the "core area" has intersected broad mineralization that suggests excellent expansion potential at depth.

Exploration drilling costs, on a per metre basis, have been very favourable to Premier.

PQ North, Musselwhite District, Northwestern Ontario

Premier's PQ North Project, located immediately north of Goldcorp's Mussewhite Mine, was reactivated during Q1 2011. A total of 4,480 metres of drilling was completed at a cost of $1,415,437, utilizing two drilling rigs.

Premier's 100%-owned PQ North Property is strategically located on the PQ limb of the key iron formation that is host to Goldcorp's Musselwhite Gold Mine. In 2010, Goldcorp announced a new discovery at Musselwhite (the Lynx Zone) where early indications suggest that it could be the largest and highest grade deposit discovered at Musselwhite.

Drilling was focussed in two primary target areas:

1) South Boundary of the property, delineating the PQ Limb to the west.
2) Main Plunge of the Iron Formation Anticline, delineating to the NW down-plunge.

There was not a release of drilling results made at PQ North during Q3 of 2011. Early in Q3, the PQ North project was temporarily stopped as a result of a significant forest fire threat in the region.

Saddle Gold Project, Carlin District, Nevada, USA

On November 10, 2010, Premier announced that it was activating exploration on it's newly acquired Saddle Gold Project. The Saddle Gold Project is 100%-held by Premier's wholly-owned subsidiary (Premier Gold Mines USA Inc.) and includes the mineral rights in respect of a majority portion of the Saddle/NW Tess Gold Deposit ("Saddle Deposit" or "Saddle") and a 1.5% production royalty on the nearby Emigrant Springs Gold Deposit ("Emigrant Springs" or "Emigrant"). Both Emigrant Springs and the minority portion of the Saddle Deposit are owned by Newmont Mining Corporation ("Newmont"). The Saddle Gold Project is located in Elko County, Nevada (See Figure 1 below), some eleven miles southeast of Newmont's 25 million ounce Gold Quarry/Tusc operation, two miles west of Emigrant Springs and adjacent to Evolving Gold Corporation's high grade "Carlin Project".

During the third quarter of 2011, a total of 8,003 metres of core and RC drilling combined was completed at a cost of $4,177,871.

Drilling continued to focus on delineation and expansion of the flat-lying Saddle Deposit as well as potential mineralization along the Rain Fault.

During Q1, Premier made an application of a Plan of Operation (POO) permit. . This permit would position Premier to remain active at Saddle with two drilling rigs during the remainder of 2011. Approval on the POO was finally received during the latter stages of Q3.

Significant results from the initial drilling in Q3 include 0.25 ounce per ton gold (oz/t Au) across 40.0 feet (8.46 grams per tonne Au across 12.2 metres) including 0.31 oz/t Au across 22.9 feet (10.70 g/t Au across 6.98m) in SA003, 0.41 oz/ton across 13.0 feet (14.12 g/t Au across 4.0m) in SA008 and 0.29 oz/ton across 21.3 feet (10.10 g/t Au across 6.5m) is SA013A. Highlight results from re-assaying selected core from previous drilling (Newmont) at Saddle include 0.94 oz/t Au across 19.0 feet (32.02 g/t Au across 5.8m) in RCR-40 and 0.41 oz/t Au across 38.0 feet (13.87 g/t Au across 11.6m) in RCR-43. Ongoing drilling continues to intersect significant intervals of mineralized breccia (assays pending) and confirm Premier's belief that the Saddle Deposit represents one of the most prospective undeveloped high-grade gold deposits in North America.

Construction activity at the nearby Emigrant Springs Project, owned by Newmont Mining, was reported to be robust during the quarter. Premier holds a 1.5% NSR on the property.

During the third quarter, Premier was successful in securing two key executives for the corporation. Paul Huet was hired as Chief Operating Officer with strong operations experience in Nevada and Ontario. Late in the quarter Premier also secured the services of Brian Morris in the role of VP Exploration, USA. Brian has strong operating and exploration experience in the mid-western United States.

Selected Financial Data

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

	Year ended December 31. 2010 $ (Under IFRS)	Year ended December 31, 2009 $ (Under CDN GAAP)	Year ended December 31, 2008 $ (Under CDN GAAP)
Operations			
Total revenue	335,481	88,215	450,323
Income (loss) and comprehensive income (loss) for the year	(11,031,849)	(3,684,592)	222,184
Basic and diluted loss per share	0.10	0.05	0.00
Balance Sheet			
Working capital	44,026,829	19,746,427	17,964,110
Total assets	177,143,886	88,851,746	68,410,963
Total liabilities	32,515,326	8,953,599	6,152,068

The nine months ended September 30, 2011 is the third reporting period completed using International financial reporting standards ("IFRS"). Previously, the Corporation prepared its consolidated annual and consolidated interim financial statements in accordance with Canadian GAAP. An explanation of the impact of the transition from Canadian GAAP to IFRS is included below.

Quarterly Information

The following is a summary of selected financial information of the Corporation for the quarterly periods indicated.

	2011	2011	2011	2010	2010	2010	2010	2009
Quarter	Third	Second	First	Fourth	Third	Second (Restated)	First (Restated)	Fourth
	($)	($)	($)	($)	($)	($)	($)	($)
	Under IFRS							Under CDN GAAP
Revenue	110,184	124,444	135,620	117,012	112,125	88,972	17,372	16,612
Income (loss) from continuing operations	(6,496,733)	(829,727)	(784,952)	(716,054)	(775,845)	(7,507,506)	(2,894,567)	513,575
Loss from continuing operations per Common share (basic and diluted)	(0.06)	(0.01)	(0.01)	(0.00)	0.00	(0.07)	(0.02)	0.00
Comprehensive income (Loss)	(5,225,962)	(4,756,825)	(1,875,244)	44,472	(423,814)	(7,452,880)	(2,877,195)	(93,449)
Comprehensive income (Loss) per Common share (basic and diluted)	(0.05)	(0.04)	(0.02)	0.00	0.00	(0.08)	(0.02)	0.00
Total long-term liabilities	28,161,503	29,131,860	25,616,513	24,235,867	28,008,718	29,163,282	11,165,107	9,463.836
Cash dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Overall performance

Comprehensive loss for the three months ended September 30, 2011 was $5,225,962 compared to comprehensive loss of $746,246 for the same period of the previous year, an increase of 6003%. It should be noted that as a result of the transition to IFRS, the loss for the period ending September 30, 2010 was $322,432 higher than what was reported using GAAP, due to the derecognition of previously reported future tax assets. Overall, the increase in comprehensive loss compared to the previous year is primarily the result of higher expenses, specifically share-based payments which was $5,488,796 for the three months ended September 30, 2011, as compared to $nil for the same period of the previous year. Operating expenditures increased overall from $887,970 to $6,496,733. Excluding the increase in share-based payments, most of the operating expenditures have decreased, as the Corporation has been managing day to day operating costs and most professional fees have been attributed to capital transactions. Going forward, management expects that general and administrative expenditures will increase slightly, and that professional fees and stock based compensation will fluctuate independent of the operating activities as they are dependent on period specific decisions and activities.

Of the $6,496,733 in operating expenses incurred during the three month period ended September 30, 2011, there was a one-time non-cash adjustment to depreciation resulting in a credit of $2,380. Of the remaining $6,499,113 in operating expenses, $856,014 related to general and administrative expenses, which were 40% higher than the previous year, $121,924 to professional fees, which were 49% lower than the previous year, and $27,474 related to flow-through interest penalty, which were 52% lower than the previous year. General and administrative expenses on an overall basis were higher, which is reasonable given the growth the Corporation experienced, and this trend can be expected to continue at a pace relative to the expansion of the Corporation. The most significant amounts included in general and administrative expenses are: listing fees of $153,718 which were 78% higher than the previous year; accounting and administrative of $92,264 which was 43% higher than previous year; investor relations of $191,153, which were 105% higher than the previous year; travel expenses of $51,114, which were 75% higher than the previous year; and executive and office salaries of $51,419, were 30% lower than the previous year.

Exploration and evaluation programs during the nine months ended September 30, 2011 resulted in a net increase in mineral properties of $260,157,663 as compared to $120,343,154 in the same period of the previous year. Details of the exploration and evaluation expenditures during the year are included in the following table:

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	Balance January 01, 2010 (Audited)	Expenditures	Balance December 31, 2010 (Audited)	Expenditures	**Balance September 30, 2011 (Unaudited)**
BONANZA					
Deferred Exploration:					
Analytical	$ 735,253	$ 9,037	$ 744,290	$ 11,105	$ 755,395
Geological	338,819	-	338,819	-	338,819
Fuel	2,956	846	3,801	-	3,801
Transportation/accommodation	93,619	12,160	105,779	9,890	115,669
Exploratory drilling	3,392,551	-	3,392,551	-	3,392,551
Property work	56,420	448	56,868	-	56,868
Advanced property work	58	-	58	-	58
Operations support	187,773	17,473	205,246	17,217	222,463
Administration	386,470	19,557	406,027	40,308	446,335
A/R - Cash Call - Rahill Bonanza Joint Venture	(1,867,245)	-	(1,867,245)	-	(1,867,245)
A/P - Cash Call - Rahill Bonanza Joint Venture	4,125,129	1,369,901	5,495,030	1,304,187	6,799,217
	7,451,802	1,429,422	8,881,224	1,382,707	10,263,931
Deferred Development:					
Acquisition costs and option payment paid	19,267,617	-	19,267,617	-	19,267,617
Option payment received	(440,000)	-	(440,000)	-	(440,000)
	19,267,617	-	18,827,617	-	18,827,617
	26,279,419	**1,429,422**	**27,708,841**	**1,382,707**	**29,091,548**
EAST BAY					
Deferred Exploration:					
Analytical	5,401	-	5,401	-	5,401
Geological	8,530	-	8,530	-	8,530
Transportation/accommodation	446	-	446	-	446
Exploratory drilling	44,659	-	44,659	-	44,659
Operations support	540	-	540	-	540
Administration	7,144	1,614	8,758	-	8,758
A/P - Cash Call - East Bay Joint Venture	-	284,661	284,661	262,046	546,707
	66,720	286,275	352,995	262,046	616,041
Deferred Development:					
Acquisition costs and option payments paid	6,225,083	-	6,225,083	-	6,225,083
	6,225,083	-	6,225,083	-	6,225,083
	6,291,803	**286,275**	**6,578,078**	**262,046**	**6,840,124**

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	Balance January 01, 2010 (Audited)	Expenditures	Balance December 31, 2010 (Audited)	Expenditures	**Balance September 30, 2011 (Unaudited)**
PQ NORTH					
Deferred Exploration:					
Analytical	64,364	71,618	135,982	45,260	181,242
Geological	163,654	42,144	205,798	159,775	365,573
Geophysical	203,500	-	203,500	928	204,428
Fuel	27,243	3,672	30,915	76,109	107,024
Transportation/accommodation	499,891	167,404	667,295	319,966	987,261
Exploratory drilling	1,683,712	734,509	2,418,221	2,540,446	4,958,667
Property work	172,088	-	172,088	279	172,367
Operations support	515,571	203,431	719,002	723,469	1,442,471
Administration	111,238	49,172	160,410	39,108	199,518
	3,441,261	1,271,950	4,713,211	3,905,340	8,618,551
Deferred Development:					
Acquisition costs and option payments paid	114,455	-	114,455	1,475,018	1,589,473
	114,455	-	114,455	1,475,018	1,599,782
	3,555,716	**1,271,950**	**4,827,666**	**5,380,358**	**10,208,024**
TRANS-CANADA					
Deferred Exploration:					
Analytical	1,729,054	877,035	2,606,089	635,185	3,241,274
Geological	1,033,181	1,092,111	2,125,292	1,285,636	3,410,928
Geophysical	102,690	1,750	104,440	-	104,440
Geochemical	-	74,200	74,200	46,330	120,530
Fuel	27,628	17,154	44,782	21,269	66,051
Transportation/accommodation	231,956	88,932	320,888	97,082	417,970
Exploratory drilling	14,842,505	10,643,882	25,486,387	9,836,709	35,323,096
Property work	307,861	245,646	553,507	266,081	819,588
Advanced property work	31,557	68,538	100,095	90,008	190,013
Operations support	1,102,872	262,674	1,365,546	255,578	1,621,124
Administration	843,635	1,032,392	1,876,027	591,409	2,467,436
	20,252,939	14,404,314	34,657,253	13,125,287	47,782,540
Deferred Development:					
Acquisition costs and option payments paid	4,699,395	-	4,699,395	105,953,395	110,652,790
	4,699,395	-	4,699,395	105,953,395	110,652,790
	24,952,334	**14,404,314**	**39,356,648**	**119,078,682**	**158,435,330**

	Balance January 01, 2010 (Audited)	Expenditures	Balance December 31, 2010 (Audited)	Expenditures	**Balance September 30, 2011 (Unaudited)**
LENNIE					
Deferred Exploration:					
Analytical	60,104	18,345	78,449	-	-
Geological	48,524	(1,062)	47,462	-	-
Fuel	805	962	1,767	-	-
Transportation/accommodation	16,988	9,252	26,240	-	-
Exploratory drilling	871,846	235,968	1,107,814	-	-
Property work	9,523	-	9,523	-	-
Operations support	37,855	23,095	60,950	-	-
Administration	118,534	45,507	164,041	-	-
	1,164,179	332,067	1,496,246	-	-
Deferred Development:					
Acquisition costs and option payments paid	188,400	-	188,400	-	-
	188,400	-	188,400	-	-
Property write-off	-	(1,684,646)	(1,684,646)	-	-
	1,352,579	**(1,352,579)**	**-**	**-**	**-**
REDGOLD					
Deferred Exploration:					
Analytical	-	7,550	7,550	36,882	44,432
Geological	-	1,524	1,524	27,243	28,767
Geophysical	-	311,672	311,672	-	311,672
Fuel	-	380	380	6,813	7,193
Transportation/accommodation	-	64,288	64,288	15,824	80,112
Exploratory drilling	-	143,166	143,166	666,815	809,981
Property work	-	79,492	79,492	1,830	81,322
Advanced property work	-	851	851	-	851
Operations support	-	20,318	20,318	74,998	95,316
Administration	-	74	74	9,444	9,518
	-	629,315	629,315	834,954	1,469,164
Deferred development:					
Acquisition costs and option payments paid	-	859,500	859,500	50,000	909,500
	-	859,500	859,500	50,000	909,500
Property write-off	-	-	-	(649,200)	(649,200)
	-	**1,488,815**	**1,488,815**	**235,649**	**1,725,464**

PREMIER Gold Mines Limited

	Balance January 01, 2010 (Audited)	Expenditures	Balance December 31, 2010 (Audited)	Expenditures	**Balance September 30, 2011 (Unaudited)**
SADDLE GOLD, NEVADA					
Deferred Exploration:					
Analytical	-	25,587	25,587	327,838	353,425
Geological	-	253,549	253,549	436,096	689,645
Geophysical	-	228,980	228,980	7,613	236,593
Fuel	-	36,992	36,992	378,618	415,610
Transportation/accommodation	-	4,752	4,752	61,155	65,907
Exploratory drilling	-	296,674	296,674	6,284,107	6,580,781
Property work	-	10,799	10,799	650,831	661,630
Operations support	-	2,537	2,537	44,562	47,099
Administration	-	2,112	2,112	14,911	17,023
	-	861,982	861,982	8,205,731	8,889,820
Deferred Development:					
Acquisition costs and option payments paid	-	38,065,938	38,065,938	434,441	38,500,379
	-	38,065,938	38,065,938	434,441	38,500,379
	-	**38,927,920**	**38,927,920**	**8,640,172**	**47,568,092**
OTHER AREAS					
Deferred Exploration:					
Analytical	141,826	4,718	146,544	26,268	172,812
Geological	515,911	21,702	537,613	28,700	566,313
Geophysical	5,836	-	5,836	-	5,836
Fuel	1,018	-	1,018	1,817	2,835
Transportation/accommodation	43,224	-	43,224	-	43,224
Exploratory drilling	1,568,510	226,296	1,794,806	506,136	2,300,942
Property work	1,619	33,283	34,902	1,371	36,273
Operations support	1,244	-	1,244	60,259	61,503
Administration	97,945	29	97,974	26,653	124,627
	2,377,133	286,028	2,663,161	651,204	3,314,365
Deferred Development:					
Acquisition costs and option payments paid	891,017	93,512	984,529	2,079,187	3,063,716
Option payments received	-	(41,500)	(41,500)	(47,500)	(89,000)
	891,017	52,012	943,029	2,031,687	2,974,716
	3,268,150	**338,040**	**3,606,190**	**2,682,891**	**6,289,081**
TOTAL EXPENDITURES	**65,700,001**	**57,794,157**	**122,494,158**	**137,663,505**	**260,157,663**

Liquidity and capital resources

Current assets at September 30, 2011 were $24,518,906 compared to $52,306,288 at December 31, 2010 and total assets were $289,049,127 compared to $177,143,886. The increase in total assets relates to a couple of items: cash and cash equivalents are down from $51,476,694 to $22,392,091, due to spending on exploration and operations; this is offset by an increase in exploration and evaluation assets from $122,494,158 to $260,157,663, which is attributable to the acquisition of Goldstone and South Africa Platinum. The Corporation also held $989,125 in long term investments at September 30, 2011 compared to $2,208,815 at December 31, 2010. The Corporation is very comfortable with its cash position at period end. The money currently held in treasury is sufficient to complete the ambitious drill program for 2011 and cover operating expenditures for a minimum of 3 years.

Cash provided by operating activities was $711,584 for the nine months ended September 30, 2011. The most significant non-cash charges to earnings include share-based payments of $5,944,875, change in unrealized loss on investments of $1,485,507, write-down of exploration and evaluation assets of $653,199, interest on long term debt of $302,575, and future tax expense of $2,076,411.

Cash used in investing activities was $28,922,979 for the nine months ended September 30, 2011 which relates to exploration and evaluation related expenditures and the purchase of investments. This was 145% higher than the previous year, as the Corporation has significantly increased work on the exploration and evaluation properties.

Cash used in financing activities was $873,208 for the nine months ended September 30, 2011 which relates to proceeds from the exercise of stock options, proceeds from the exercise of purchase warrants and repayment of long term debt.

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.

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 nine months ended September 30, 2011 in relation to resource expenditures renounced to investors under Canada Revenue's look-back rule, totalled $24,474

As at September 30, 2011, the financial instruments of the Corporation consisted of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities and long term debt. 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 the financial instruments approximate the carrying values.

The Corporation is authorized to issue an unlimited number of Common Shares of which 121,916,211 are outstanding as of November 14, 2011. As at November 14, 2011 the Corporation had options outstanding to purchase an aggregate of 8,434,151 Common Shares under its share incentive plan with exercise prices ranging between $1.00 and $7.45 per share and expiry dates between September 15, 2011 and August 25, 2016. As of September 30, 2011 there 905,000 unvested stock options.

As at November 14, 2011 the Corporation had 695,332 common share purchase warrants outstanding, which 645,332 common share outstanding with an exercise price of $6.56 and expire on December 31, 2011, and 50,000 common share outstanding with an exercise price of $6.62 and expire date of April 5, 2014

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 August 11, 2011:

	2011	2012	2013	2014	2015	Total
Contracts and operating leases	$20,115	$71,716	$39,879	$27,783	$29,172	$188,665
Exploration agreements	$0	$0	$0			$0
Exploration expenditure commitment from the issuance of flow through shares	$4,128,196	$0	$0			$4,128,196

Mineral property held for sale

Newman Madsen

Mineral property held for sale includes the Newman Madsen property with a book value of $102,064. As at September 30, 2011 the Corporation was in discussions with other parties regarding the possible sale of the Corporation's interest in these mineral properties.

Property write-down

On May 16, 2011, the Corporation decided to no longer pursue its option to acquire a 100% interest in the Bobjo property located in Red Lake, Ontario, and as such, $649,550 has been charged against earnings in the period.

Transactions with related parties

The Corporation's related parties include key management personnel and entities over which they have control or significant influence as described below.

	Nature of transactions
DSA Corporate services	Corporate secretarial
D & R Filing services	Filing services
The Alyris Group	Accounting, management and facilities rental
Hall Mineral Services LLP	Consulting

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The following are the related party transactions, recorded at the exchange amount as agreed to by the parties:

[a] Included in general and administrative expenses are amounts totaling $46,958 (2010 - $37,199) for corporate secretarial services provided by companies related to the Corporation through a common officer.

[b] Included in general and administrative expenditures are amounts totalling $205,821 (2010 - $265,832) and included in the mineral property expenditures are amounts totalling $86,355 (2010 - $112,102) for rent, facilities related charges, and accounting and management services provided by a company related to the Corporation through common officer and an officer and director.

[c] Included in other revenue are amounts totaling $15,900 (2010 - $31,800) for rental of a core shack to a company related to the Corporation though a common director.

[d] Included in general and administrative expenses are amounts totalling $47,160 (2010 - $38,846) for consulting fees paid to a company related to the Corporation by a common director.

Transactions with key management personnel

Key management personnel remuneration includes the following expenses:

	2011	2010
Salary and wages	$529,558	$625,239
Share-based payments	$3,968,470	$4,042,840
Other compensation	$161,171	$33,483
Total	$4,659,199	$4,701,562

Subsequent events

On October 27, 2011 the Corporation signed an agreement with Sabina Gold and Silver Corp. to sell its interest in the Newman-Madsen joint venture project. Terms of the agreement include a cash payment to Premier of $500,000 and Premier will retain a 0.5% net smelter royalty.

On October 31, 2011 the Corporation completed a bought deal public offering of 2,000,000 common shares (the "Common Shares") at a price of $5.50 per Common Share and 3,450,000 flow-through common shares (the "Flow-through Shares") at a price of $6.50 per Flow-through Share for aggregate net proceeds of approximately $31.65 million.

On November 1, 2011 the Corporation signed a Letter of Intent ("LOI") with LKA International Inc. ("LKA") for Premier to acquire up to a 60% interest in the Golden Wonder property ("Property") located in Colorado, USA. To earn an initial 51% interest Premier will expend a minimum of US$8.0 million on exploration, and pay to LKA US$150,000 in cash and the equivalent of CDN$300,000 in cash or shares of Premier over a period of 3 years. Of the US$8.0 million in exploration, LKA will fund the initial US$2.0 million drill program to be operated by Premier, 51% of which will be refunded by Premier as a part of the initial earn-in. Premier can earn an additional 9% interest in the Joint Venture by paying an additional CDN$100,000 in cash and/or shares to LKA, and funding an additional US$7 million for exploration, including the completion of a feasibility study on the Property prior to the sixth anniversary date.

On November 1, 2011 the Corporation signed a Letter of Intent ("LOI") with Ashburton Ventures Inc. ("Ashburton") to establish a 50/50 joint venture to explore and develop Premier's Golden Edge Project ("Project") located in Humboldt County, Nevada, USA. In consideration for Ashburton acquiring a 50% interest in the Project, Ashburton will need to spend $3.0 million on exploration expenditures, and pay $110,000 cash to Premier over 3 years.

Contingencies

Legal claims

In October 2010, the former President and Chief Executive Officer ("Sheridan") and former Chief Operating Officer of the Corporation's subsidiary ("Conn"), Goldstone, together with their respective management companies, commenced legal actions against Goldstone. Sheridan and Conn alleged breach of contract and other causes of action seeking damages of up to $1.4 million and $3.3 million, respectively, plus costs and interest. Goldstone dismissed Sheridan and Conn for cause on September 25, 2010 and October 1, 2010, respectively. Premier, based on information available to it, strongly believes that the claims are without merit and intends to vigorously defend the actions. As a result, no amount has been recorded in the consolidated financial statements for these claims. Goldstone filed statements of defence and counterclaims in respect of both lawsuits. In its counterclaim against Conn (the "Conn Counterclaim"), Goldstone is seeking damages from Conn and his management company in the amount of $5.1 million for breach of fiduciary duty and duty of care, fraud and other causes of action, plus costs and interest. In its counterclaim against Sheridan, Goldstone is seeking damages from Sheridan and his management company in the amount of $1.1 million for breach of fiduciary duty and duty of care and other causes of action, plus costs and interest. Goldstone has also commenced a third party claim against Conn and three former directors in order to seek contribution and indemnity for any amounts that it may be found liable to pay Sheridan and his management company.

In January 2011, Conn commenced a second legal action (the "Defamation Claim") against the Goldstone, four of its directors and other individuals seeking damages of $3.5 million based on alleged conspiracy, libel, defamation and intentional infliction of mental suffering arising from alleged improper publication of certain allegations contained in the Conn Counterclaim referred to below. Goldstone strongly believed that the Defamation Claim was frivolous and therefore instructed counsel to bring a motion to strike the claim and/or dismiss it by way of summary judgment. On May 24, 2011, the Superior Court of Justice (Ontario) granted the Goldstone's motion for summary judgment ("Summary Judgment"). The Summary Judgment concluded that the allegations in the Conn Counterclaim which, in Goldstone's view justified Conn's termination for cause, but which according to Conn were allegedly defamatory, were true. As a result, Goldstone has instructed counsel to bring a motion for summary judgment in respect of Conn's initial claim. However, Mr. Conn has filed a notice of appeal of the Summary Judgment. Premier believes that the Summary Judgment will be upheld on appeal.

Financial instruments and related risks

The Corporation's operations include the acquisition and exploration of mineral properties in United States. The Corporation examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other risks. Where material, these risks are reviewed and monitored by the Board of Directors.

[a] Credit Risk
Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Corporation by those counterparties, less any amounts owned to the counterparty by the Corporation where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

i) Trade credit risk
The Corporation is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Corporation is not exposed to significant credit risk and overall the Corporation's credit risk has not changed significantly from the prior year.

ii) Cash and cash equivalents
In order to manage credit and liquidity risk the Corporation invests only in highly rated investment grade instruments that have maturities of six months or less. Limits are also established based on the type of investment, the counterparty and the credit rate.

iii) Derivative financial instruments
As at September 30, 2011, the Corporation has no derivative financial instruments. It may in the future enter into derivative financial instruments and in order to manage credit risk, it will only enter into derivative financial instruments with highly rate investment grade counterparties.

[b] Liquidity risk
Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through the management of its capital structure.

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

[c] Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Corporation will realize a significant loss as a result of a decline in the fair market value of investments and other items held within cash and cash equivalents is limited given that the majority of investments have a relatively short maturity. The Corporation manages its interest rate risk with investments by investing the majority of funds in short-term investments and therefore is not exposed to significant fluctuations in interest rates. The interest rate risk associated with the Corporation's long term debt relates to the fixed nature of the interest rate. Should there be a significant decrease in the market interest rate, there is potential exposure due to the Corporation locking in at a higher rate.

[d] Currency risk
The Corporation is exposed to the financial risk related to the fluctuation of foreign exchange rates. The functional and reporting currency of the Corporation is the Canadian dollar. The functional currency of the subsidiaries is the U.S. dollar and Mexican Peso. As at September 30, 2011 the Corporation's subsidiary Premier Gold Mines USA Inc. holds a long term promissory note denominated in U.S. dollars valued at USD$9,400,000, or CDN$9,765,219. Additionally, the Corporation's subsidiary Premier Gold Mines Nevada inc. holds a promissory note denominated in U.S. dollars valued at US$300,000, or CDN$311,566. There are no significant financial instruments denominated in Mexican Pesos. Changes in the currency exchange rates between the Canadian dollar relative to the U.S. dollar 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 September 30, 2011 a 100 basis point decrease/increase in the U.S. dollar would result in a foreign exchange gain/loss of CDN$225,670.
The Corporation does not invest in derivatives to mitigate these risks.

Management of capital risk

The Corporation manages its cash and cash equivalents, common shares, stock options and warrants as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going-concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Corporation does not pay out dividends. The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short-term maturities, selected with regard to the expected timing of expenditures from continuing operations.

The Corporation expects its current capital resources will be sufficient to carry out its exploration plans and operations through 2011.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Corporation's financial assets measured at fair value by level within the fair value hierarchy.

	Level 1 $	**Level 2** $	**Level 3** $	**Total** $
Assets				
Cash and cash equivalents	**22,392,091**	**-**	**-**	**22,392,091**
Investments	**929,800**	**168,000**	**-**	**1,097,800**
	23,321,891	**168,000**	**-**	**23,489,891**

Changes in accounting policy including initial adoption of IFRS

As stated in note 3 of the condensed consolidated interim financial statements, these are the Corporation's first condensed consolidated interim financial statements for the period covered by the first annual consolidated financial statements prepared in accordance with IFRS.

The accounting polices in note 3 have been applied in preparing the condensed consolidated interim financial statements for the three and nine months ended September 30, 2011, the comparative information for the three and nine months ended September 30, 2011, the financial statements for the year ended December 31, 2010 and the preparation of an opening IFRS statement of financial position on the Transition Date, January 1, 2010.

In preparing its opening IFRS statement of financial position, comparative information for the three and nine months ended September 30, 2011 and financial statements for the year ended December 31, 2010, the Corporation has adjusted amounts reported previously in financial statements prepared in accordance with GAAP.

The guidance for the first time adoption of IFRS is set out in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemption for first time adopters of IFRS. The Corporation elected to take the following IFRS 1 optional exemptions:

[a] Basis of Consolidations

In accordance with IFRS 1, if a company elects to apply IFRS 3 Business Combinations retrospectively, IAS 27 Consolidated and Separate Financial Statements must also be applied retrospectively. As the Corporation elected to apply IFRS 3 prospectively, the Corporation has also elected to apply IAS 27 prospectively.

[b] Cumulative translation differences

IFRS requires that the functional currency of each entity of the Corporation be determined separately. The Corporation has determined that as at the Transition Date the Canadian dollar was the functional currency of all entities in the Corporation. For the nine months ended September 30, 2011, there was a $16,149 foreign exchange gain. For the year ended December 31, 2010, the foreign exchange resulting from the consolidation amounted to a loss of $68,186, resulting in a decrease in the current year's loss in the statement of operations and the recording of an "Exchange Reserve" in the Statement of Equity.

[c] Share-based payment

Under GAAP, the Corporation measured share-based compensation related to share purchase options at the fair value of the options granted using the Black-Scholes option pricing formula and recognized its expense over the vesting period for the options. For the purposes of accounting for share based payment transactions an individual is classified as an employee when he individual is consistently represented to be an employee under law. The fair value of the options granted to employees were measured on the date of grant. The fair value of options granted to contractors and consultants were measured on the date the services were completed. Forfeitures were recognized as they occurred.

IFRS 2 Share-based payment requires the Corporation to measure share-based compensation related to share purchase options granted to employees at the fair value of the options on the grant date and to recognize such expense over the vesting period of the options. However, under IFRS 2, the recognition of such expense must be done with a “graded vesting” methodology as opposed to the straight-line vesting method allowed under Canadian GAAP. In addition, under IFRS, forfeitures estimates are recognized in the period they are estimated, and are revised for actual forfeitures in subsequent periods, whereas under Canadian GAAP forfeitures are recognized as they occur. Furthermore, for options granted to non-employees, IFRS requires that share-based compensation be measured at the fair value of the services received unless the fair value cannot be reliably measured. For the purpose of accounting for share based payment transactions an individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. This definition of an employee is broader then that previously applied by the Corporation and resulted in certain contractors and consultants being classified as employees under IFRS.

The Corporation has elected to apply the requirements of IFRS 2, Share-based payments, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date. There was no impact on the financial statements. Under GAAP, the Corporation measured share-based compensation related to share purchase options at the fair value of the options granted using the Black-Scholes option pricing formula and recognized its expense over the vesting period for the options. For the purposes of accounting for share based payment transactions an individual is classified as an employee when he individual is consistently represented to be an employee under law. The fair value of the options granted to employees is measured on the date of grant. The fair value of options granted to contractors and consultants are measured on the date the services are completed. Forfeitures are recognized as they occur.

For the share purchase options granted to the individuals reclassified, change in fair value after the grant date previously recognized for GAAP purposes did not require any adjustment. There were no unvested options issued and outstanding as of and after the Transition Date.

[d] Reclassification within equity section

IFRS requires an entity to present for each component of equity, reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change. The Corporation reviewed its contributed surplus account and concluded that as at the Transition Date, the entire amount of $13,043,942 relates to "Equity settled employee benefit reserve". As a result, the Corporation believes a reclassification would be necessary in the equity section between "Contributed surplus" and the "Equity settled employee benefit reserve" account. For comparatives, as at September 30, 2010, the entire $12,043,942 "Contributed surplus" account was reclassified into "Equity settle employee benefit reserve". Additionally, as at December 31, 2010, $12,353,460 "Contributed surplus" account was reclassified as "Equity settled employee benefit reserve".

[e] Deferred Tax on Mineral Properties

Under GAAP, the Corporation, in accounting for its subsidiary, recognized a future income tax liability on temporary differences arising on the initial recognition of the Saddle Gold Inc. mineral property interest (where the fair value of the asset acquired exceeded its tax basis) in a transaction which was not a business combination and affected neither accounting profit nor loss. IAS 12, Income Taxes does not permit the recognition of deferred taxes on such transactions.

As at December 31, 2010, the Corporation has derecognized the impacts of all future income tax liabilities which had previously been recognized on the initial acquisition of Saddle Gold Inc. through transactions deemed not to be business combinations and affecting neither accounting profit or loss nor taxable profit or loss.

[f] Deferred flow through premium

Under GAAP, the Corporation, in accounting for flow through funds received, recorded the funds to share capital.

IFRS requires that excess to market value upon issuance of flow through common shares be recorded in the statement of loss and comprehensive loss (deferred liability for flow through raised funds at time of issuance of flow through common shares and charged to the statement of loss and comprehensive loss as the necessary expenditures to be renounced under flow through common share agreements are spent).

[g] Deferred income tax assets

Under GAAP, the Corporation, in accounting for future income tax assets, recognized future income tax assets to the extent that it had taxable temporary differences resulting from the issuance of flow through shares in accordance with EIC-146.

IFRS requires that the Corporation consider it probable that taxable profit will be available against which a deductible temporary difference can be utilized.

As at January 1, 2010, the Corporation derecognized the impact of deductible temporary differences related to future income tax assets.

Off-Balance Sheet Arrangements

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

Changes in Internal Control Over Financial Reporting ("ICFR")

No changes occurred in the current period of the Corporation's ICFR that have materially affected, or are reasonably likely to materially affect the Corporation's ICFR.

Controls and Procedures

In accordance with the requirements of *National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings*, the Corporation's management, including Chief Executive Officer (CEO) and Chief Financial Officer (CFO), have evaluated the operating effectiveness of the Corporation's internal control over financial reporting. Management of the Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under, the supervision of, the CEO and CFO and effected by management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Management assessed the effectiveness of the Corporation's internal control over financial reporting as of September 30, 2011. Based on this assessment, management believes that, as of September 30, 2011, the Corporation's internal control over financial reporting is designed effectively.

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding annual and interim financial statement disclosure. Management believes these disclosure controls and procedures have been effective during the period ended September 30, 2011.

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.

"John Seaman"

(Signed) John Seaman
Chief Financial Officer

Thunder Bay, Canada
November 14, 2011