

This Management Discussion & Analysis ("MD&A") of Providence Gold Mines Inc. ("Providence", or the "Company") provides analysis of the Company's financial results for the year ended December 31, 2023 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023, which are available on SEDAR+ at www.sedarplus.ca.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars, unless otherwise stated.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Directors' Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating, and internal control matters. The reader is encouraged to review the Company's statutory filings on www.sedar.com

This MD&A is prepared as of April 12, 2024.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Overall Performance

Description of Business

The Company was incorporated on February 16, 2010 under the Business Corporations Act of British Columbia. It commenced operations on April 18, 2011. The Company is in the process of exploring and evaluating its mineral property located in California, United States. The Company's principal business activity is mineral exploration. It is a public company which trades on the TSX Venture Exchange ("TSX-V") under the trading symbol "PHD" as a Tier 2 issuer. The address of the Company's head office is PO Box 42096, Surrey RPO Guildford, Surrey, BC, V6C 2T5.

Property Activity

Tuolumne Property

On March 28, 2017, the Company entered into an agreement (the "Agreement") with Ellers Family Trust ("Ellers" or the "Optionor"), as amended April 24, 2019 (the "First Amendment") and May 24, 2020 (the "Second Amendment"), whereby the Company was granted a lease of claims comprising the Tuolumne Property (the "Property") and options to acquire a 50% working interest in the Property (the "50% Working Interest Option") or purchase 100% right, title and interest in the Property (the "100% Property Acquisition Option"). The Property includes six parcels and thirteen 20-acre mining claims. The Assignors have also staked a further 9 claims contiguous to the existing claims for a total of 6 patented and 22 located mining claims.

To exercise the 50% Working Interest Option, the Company must:

- a) Pay US\$25,000 to Ellers following regulatory approval of the Agreement (paid);
- b) Pay a further US\$25,000 to Ellers (paid) and incur \$250,000 in Property expenditures by March 28, 2018 (incurred);
- c) Pay a further US\$50,000 to Ellers upon execution of the First Amendment (paid);
- d) Pay a further US\$50,000 to Ellers (US\$3,500 paid, with the remainder of the payment amount settled via the issuance of 1,000,000 Company common shares) pursuant to the Second Amendment and incur \$750,000 in Property expenditures by October 15, 2019 (incurred); and
- e) Incur \$500,000 in Property expenditures during each of five one-year lease extension lease periods ending May 24, 2021, 2022, 2023, 2024 and 2025, pursuant to the Second Amendment. For any given one-year lease period, the Company may pay Ellers US\$25,000 in lieu of incurring the required expenditures. (As of December 31, 2023, the Company had not incurred the Property expenditures for the periods ended May 31, 2021 and 2022, and had not made the \$25,000 payments in lieu.)

Upon earning a 50% Property working interest, the Company will form a 50/50 joint venture with Ellers.

As consideration for the Second Amendment, the Company shall issue to Ellers:

- a) 1,000,000 Company common shares within 30 days of execution (issued); and
- b) 200,000 Company common shares within 30 days after the commencement of a planned 3,900-metre drilling program on the Property.

Notwithstanding the terms of earning a 50% Property working interest, the Company may, at any time before the expiry of the Property lease period, exercise the 100% Property Acquisition Option and acquire a 100% Property interest by paying Ellers US\$5,000,000, with one-half of this consideration payable in Company common shares.

Ellers shall retain a 2.5% net smelter returns royalty ("NSR") with respect to the Property, with the Company having the exclusive right and option to purchase 60% (1.5%) of the NSR for US\$1,000,000 at any time up to and including 90 days after the Company commences commercial production on the Property.

The Company's negotiation of the Agreement with Ellers resulted from the assignment to the Company of rights and interests agreed to in a February 1, 2017 Summary of Terms between Ellers and third parties, including the Company's CEO and two arm's-length parties (the "Assignors"), by the Assignors. As consideration for the Assignment, the Company shall pay and issue to the Assignors the following consideration:

- a) Pay US\$25,000 (paid) and issue 1,500,000 Company common shares within 14 days of TSX Venture Exchange approval of the Assignment (issued);
- b) Issue a further 1,500,000 Company common shares within 14 days following the completion of the first year Property work program of \$250,000 (issued);
- c) Issue a further 1,500,000 Company common shares within 14 days following the completion of the second year Property work program of \$750,000 (issued); and
- d) Issue a further 1,500,000 Company common shares within 14 days of the Company acquiring a 100% Property interest for US\$5,000,000.

On October 19, 2019, the Company and Ellers entered into an agreement regarding the evaluation, milling, processing and reprocessing of stockpiles on the Property (the "Stockpile Processing Agreement"). Pursuant to the Stockpile Processing Agreement, the Company shall pay Ellers a 10% net profit interest of profit generated from these activities.

Environmental Protection Practices

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental disturbances be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company is not aware of any existing environmental matters related to any of its current or former properties that may result in a material liability to the Company.

A report on the Property was prepared for the Company by John Kowalchuk BSc., P. Geo, who is a qualified person for the purpose of NI 43-101. The report is available for review under the Company's profile on the SEDAR+ database at www.sedarplus.ca.

Property Description and Location

The Providence Mines Property is located in the Summerville Mining District, Tuolumne County, California, upon the eastern belt of the “Mother Lode” District. A number of high-grade, well known Motherlode gold mines of California are found within this belt, including the Black Oak Mine, the Soulsby Mine, the Dead Horse Mine, the New Albany Mine, the Star King Mine and others from which gold has been mined over the years. The Providence gold mines are located via good all-weather roads, three miles from the town of Tuolumne, and about 20 miles east of Sonora, California. The Property being optioned by the Company consists of the Providence Mines, the Consuelo Quartz Mine, the Goodenough Quartz Mine, the Bonita Quartz Mine and Mill Site, as well as several patented claims.

History

Historical documentation shows that these mines were for many years profitably worked and were regarded as one of the best mining camps on the eastern belt of the “Mother Lode” occurrences. The Providence Gold Mines properties are near the town of Tuolumne, California. Access is by a combination of paved and gravel roads. The two main areas known as the Providence and Consuelo, are on the patented lands under option to the Company. According to a 1931 newspaper clipping, production from the Providence Mine between 1901-1912 yielded ore averaging \$18 per ton (gold at \$20/ounce) to a total of \$4,000,000. It is historically reported that owing to differences between the former owners and their then manager, the Property was shut down in the midst of active and profitable operations. At that time, 1916, the lower levels of the mines were allowed to fill with water, and the lower four levels never reopened according to available records. Thus, conditions of the mineralized bodies in these lower four levels are potentially in the same condition that they were when the operations ceased, at which time records indicated milling high-grade mineralization from the tenth and eleventh levels. At the same time development work had been completed on the twelfth level into bodies of mineralization. ***[Caution to reader: These historical results have not been verified by the Company and therefore cannot be relied upon.]***

Mineralization

The veins of the Providence Mines are in black slates, lying parallel with each other at an angle of about 45 degrees, pitching toward the east. The strike of the vein is from South East to North West. The formation contains porphyry and limestone, the mineralized material is found in many places on these contacts, as often occurs in many mines. The mineralized material is found in lenses at varying distances along the veins. These lenses or shoots of mineralization have been opened up on various levels of the mine and a large amount of mineralized material extracted therefrom, although in many places in the mine these mineralized materials which have been historically reported have been worked in only one direction.

Development

A double compartment shaft was sunk to a depth of 1,470 feet on the dip of the vein. Twelve drifts were run north and south of the shaft on twelve different levels, the number 12 level being about 1,400 feet from the mouth of the shaft. From different levels, crosscuts were run east or west to develop and open up parallel mineralization shoots found in parallel veins. Some of these mineralized material and veins have been stoped out. In others there is said to be potential mineralized material still in place. A significant amount of underground work has been completed, developing and proving the property to be one of permanent formation and to contain well defined mined mineralization bodies of value. The Providence Group of Mines has not only been said to be a producer of mineralization in its historical past, there remains potential for similar untapped resources. The Providence Group of Mines has been historically identified and described as having identical similarities to many of the great mines within the “Mother Lode” gold district.

On May 16, 2018, the Company announced the final results of the soil sampling program completed at its Providence Gold Property located in the Eastern Gold Belt of the California Mother Lode Gold District. The results in the now completed phase one program successfully indicated a 2,200-metre-long by up to 900-metre-wide area in which the Company’s 2017 exploration outlined four past producing, north trending, east dipping, gold bearing veins. The soil sampling program, in conjunction with historical records, served as a basis for the planning and design for the initial drill program.

In late 2018, the Company began preparations for a drill program at its Providence Gold Property. Roadwork to provide access for the drill program began in mid-December. Due to weather stoppages, the access road was not completed until April 2019. However, road construction revealed surface mineralization that has been sampled and submitted for analysis.

Weather delays allowed sufficient time to commission Ray Geo Consulting of Vancouver, B.C. to complete a 3-D model of the historical, mined long section using the previously completed 3-D laser imaging of the access adit, surface geology, geochemistry, and surface and underground sampling. The refinement of the existing geological model, using the new 3-D geological model, provided greater confidence in the selection of drill site locations and targets.

In April 2019, the Company announced completion of the access road and commencement of the near-surface drill program. It was the first drill program ever performed on this past historical high-grade producer. The first phase of a planned two-phase drilling program was designed to intersect the Providence vein system near surface and along strike. Comprising 13 diamond drill holes, phase 1 drilling has extended the zone to the north for a distance of 300 metres (1,000 feet), leaving an additional 1,000 metres (3,280 feet) strike length to the north end of the property where the Bonita adit is located. Overall, the first-phase drill program results are very encouraging, having confirmed the location of the Fairplay vein system at surface and enabling the company to focus on the structural controls of the mineralized shoots.

Additional work was completed to gain road access to several high-priority targets - including the Mexican and McCarthy veins - during its second phase of drilling. The Mexican and McCarthy mines reported historical recoveries of four ounces of gold per ton and five ounces of gold per ton, respectively, and have only been mined to a 100-foot depth (30 metres). Underground drifts from the Providence workings had been planned, but not completed, prior to shut down in 1916. **[Caution to reader: These historical results have not been verified by the Company and therefore cannot be relied upon.]**

In August 2019, the Company announced that it had completed detailed mapping and trenching of the first of several potential gold stockpiles. Two trenches within the gold stockpile discovered valuable information with regard to strong alteration within this part of the property. Over 100 samples were collected and sent to the Sparks Nevada laboratory, and for thin-section whole rock analysis to the University of British Columbia.

The initial results are extremely encouraging, as there is a potentially significant volume of material containing good gold values. Given these recent assay results the Company is now confident that historically mined and milled material has not been reprocessed, and that the stockpile represents a significant potential cash flow opportunity for the project -- especially given the current rising price of gold.

To delineate the area covered by the stockpiles, the Company commissioned and completed an airborne lidar survey along with a high-resolution (0.5 metre) surface image. The previously calculated area of the stockpile was 2,683 square metres. As a result of the newly conducted work, the area is now measured to be 8,200 square metres with a depth on the southeast side of approximately 15 metres and an approximate depth of 25 m on the southwest side. To accurately project the volume of the stockpile material, ground-penetrating radar is being planned.

Drill hole PM19-05 and the surrounding area was excavated at surface to expose the vein which was then systematically chip sampled by continuous channel samples along strike for 7.5 metres. The assay results were very encouraging, as follows:

Sample #	Type	From (m)	To (m)	Wgt (Kg)	Au (g/t)
2981458	Qtz vein PM19-05	0.00	0.50	3.70	1.115
2981459	Qtz vein PM19-05	0.50	1.00	2.02	17.40
2981460	Qtz vein PM19-05	1.00	1.50	5.44	0.484
2981462	Qtz vein PM19-05	1.50	2.00	2.73	1.129
2981463	Qtz vein PM19-05	2.00	2.50	4.40	0.612
2981464	Qtz vein PM19-05	2.50	3.00	3.50	0.322
2981466	Qtz vein PM19-05	3.00	3.50	5.68	1.332
2981467	Qtz vein PM19-05	3.50	4.00	3.58	0.811
2981468	Qtz vein PM19-05	4.00	4.50	3.03	0.467
2981469	Qtz vein PM19-05	4.50	5.00	4.93	5.061
2981470	Qtz vein PM19-05	5.00	5.50	4.34	1.818
2981471	Qtz vein PM19-05	5.50	6.00	7.51	4.557
2981472	Qtz vein PM19-05	6.00	6.50	5.90	2.183
2981473	Qtz vein PM19-05	6.50	7.00	3.61	0.665
2981474	Qtz vein PM19-05	7.00	7.50	5.43	1.509

Environmental Protection Practices

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in a material liability to the Company.

Dr. Lee Groat Ph.D., P.Geo. is the Company's qualified person (as defined under NI 43-101) and has approved the technical information contained in this MD&A.

Results of Operations

Selected Annual Information

The highlights of financial data for the Company's three most recently completed year-ends, which are calculated in accordance with International Financial Reporting Standards ("IFRS"), are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
	\$	\$	\$
(a) Total revenues	Nil	Nil	Nil
(b) Total expenses	(312,780)	(332,155)	(644,602)
(c) Net loss	(108,590)	(105,227)	(645,476)
(d) Loss per share basic and diluted	(0.00)	(0.00)	(0.01)
(e) Total current assets	2,634	16,985	86,482
(f) Total long-term liabilities	Nil	Nil	Nil
(g) Cash dividends declared per share	Nil	Nil	Nil

Year Months Ended December 31, 2023

The Company reported net loss of \$108,590 for the year ended December 31, 2023, as compared to a net loss of \$105,227 for the same year of the prior fiscal year.

General and administrative expenses for the year ended December 31, 2023 totaled \$312,780 (2022 - \$332,155). The main variances were: consulting fees of \$91,040 (2022 - \$120,746) due to the departure of a consultant, legal and corporate services of \$288 (2022 - \$21,829) due to less corporate activities, office and administration of \$24,136 (2022 - \$10,792).

During the year ended December 31, 2023, certain vendors agreed to extinguish \$311,000 (2022 - \$298,938) of accounts payable, which included \$311,000 (2022 - \$265,855) owing to officers and directors.

Three Months Ended December 31 2023

The Company reported net loss of \$77,465 for the three months ended December 31, 2023, as compared to a net income of \$167,174 for the same period of the prior fiscal year.

General and administrative expenses for the three months ended December 31, 2023 totaled \$77,465 (2022 - \$80,561). The main variances were: consulting fees of \$21,000 (2022 - \$25,456), legal and corporate services of \$98 (2022 - \$669), all due to the cost-saving initiatives in the current period.

During the three months ended December 31, 2023, certain vendors agreed to extinguish \$311,000 (2022 - \$298,938) of accounts payable, which included \$311,000 (2022 - \$265,855) owing to officers and directors.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Revenue (\$)	Net income (loss) (\$)	Basic and diluted income (loss) per share (\$)
Q4 2023	-	108,931	0.00
Q3 2023	-	(56,257)	(0.00)
Q2 2023	-	(63,470)	(0.00)
Q1 2023	-	(97,794)	(0.00)
Q4 2022	-	167,174	0.00
Q3 2022	-	(80,561)	(0.00)
Q2 2022	-	(93,221)	(0.00)
Q1 2022	-	(98,619)	(0.00)

Liquidity and Capital Resources

In management's view, given the nature of the operations, which currently consists of its interest in certain resource properties, the most relevant financial information relates primarily to current liquidity, solvency, and planned expenditures.

During the year ended December 31, 2023, the Company incurred cash outflows of \$84,521 (2022 - \$73,771) from operating activities. Investing activities used cash of \$2,700 (2022 - \$10,166), which was spent on the Company's Tuolumne Property. Financing activities cash inflows of \$85,039 (2022 - \$35,556) resulted mainly from the issuance of common shares.

During the year ended December 31, 2023, the Company closed a non-brokered private placement for 1,236,857 units at \$0.07 per unit for gross proceeds of \$86,580. Each unit consists of one common share and one warrant entitling the holder to purchase one common share of the Company for a period of two years at a price of \$0.05 per common share.

At December 31, 2023, the Company held cash of \$2,634, had a working capital deficiency \$95,744, has not yet achieved profitable operations, and had an accumulated deficit of \$4,576,316. The Company has incurred losses since inception and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to advance its mineral property interests, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The Company's mineral exploration activities have provided the Company with no sources of income and a history of losses and deficit positions. However, given the nature of its business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of the Company's performance and valuation.

The Company is dependent on raising funds through the issuance of shares and/or debt instruments or disposing of interests it has in exploration and evaluation assets in order to finance further acquisitions, undertake exploration and development activities on exploration and evaluation assets and meet general and administrative expenses in the long term.

There is no assurance that additional funding will be available to allow the Company to fully explore its exploration and evaluation assets. Failure to obtain financing could result in the delay or indefinite postponement of further exploration and the possible partial or total loss of the Company's interest in certain properties. The Company may be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized.

Other than the short-term demand loans described herein, debt financing has not been used to fund the Company's property acquisitions and exploration activities. The Company, other than as stated herein, has no current plans to use long-term debt financing for such transactions and activities. The Company does not have "standby" credit facilities, or off-balance sheet arrangements and it does not use hedges or other financial derivatives.

The Company does not derive any revenues from operations and does not expect to generate any revenues from operations in the foreseeable future. The Company has no material income from operations.

The Company's financial performance is dependent upon many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of minerals. Both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, and impacted by changes in domestic and international political, social, and economic environments. In addition, the availability and cost of funds for exploration, development and production are difficult to predict. Changes in events could materially affect the financial performance of the Company.

Trends

The Company's financial success will be dependent upon the extent to which it can determine whether its resource properties contain reserves, which are economically recoverable. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The Company does not expect to receive significant income in the foreseeable future.

Volatile market conditions and the availability of financing may affect the Company's planned level of activity and development during fiscal 2023 and beyond.

The Company's general and administrative expenditures are related to the level of financing and exploration activities that are being conducted, which may in turn depend on the Company's exploration prospects, as well as general market conditions relating to the availability of funding for exploration-stage resource companies. The Company does not acquire properties or conduct exploration work on its properties on a pre-determined basis. Thus, there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

The Company's working capital will not meet corporate, development, administrative and property obligations for the coming year. As a result, the Company will require additional financing and, while the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. As such, there remains significant doubt as to the Company's ability to continue as a going concern.

Other than as herein disclosed, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon the Company's expenses, income from investing, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Transactions with Related Parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

These transactions were agreed upon by the Board of Directors and were measured at the consideration established and agreed to by the related parties.

During the year ended December 31, 2023 and 2022, the Company incurred:

- accounting fees of \$60,000 (2022 - \$60,000) and corporate services of \$190 (2022 - \$11,925) to an accounting firm of which an officer of the Company is a partner.
- consulting fees of \$84,000 (2022 - \$84,000) to a director of the Company.
- management fees of \$48,000 (2022 - \$36,000) to a director of the Company.
- rent of \$12,000 (2022 - \$nil) to a director of the Company.
- geological costs of \$96,000 (2022 - \$72,000) capitalized as exploration costs paid to a director of the Company.

As at December 31, 2023, trade and other payables included \$27,310 (2022 - \$21,607) owing to a company controlled by a director and officer for management activities and operational expenses.

During the year ended December 31, 2023, certain vendors agreed to extinguish \$311,000 (2022 - \$298,938) of accounts payable which included \$311,000 (2022 - \$265,855) owing to officers and directors. Of the payable amounts that were extinguished, \$96,000 (2022 - \$72,000) related to amounts that had previously been included within exploration and evaluation assets and \$10,810 (2022 - \$nil) related to amounts that had previously been recorded as GST receivable.

New Accounting Pronouncements

There were no new accounting pronouncements during the year ended December 31, 2023.

Financial and Risk Management

Please refer to the December 31, 2023 consolidated financial statements on www.sedarplus.ca.

Outstanding Share Capital as at the date of this MD&A:

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	61,895,932

(b) Summary of warrants outstanding:

	Expiry Date	Number of Warrants	Exercise Price (\$)
	March 1, 2025	1,236,857	0.05
Total		1,236,857	

(c) Summary of options outstanding:

Exercise Price (\$)	Expiry Date	Number Outstanding
0.15	May 2, 2024	300,000
0.12	October 26, 2024	100,000
		400,000

Corporate Activities

In February 2023, the Company appointed Richard T. Todd to the Board of Directors and Kevin Nishi resigned from the Board of Directors.

In February 2024, Scott Davis resigned as Chief Financial Officer of the Company.

Risks and Uncertainties

The Company is engaged in the acquisition and exploration of exploration and evaluation assets. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade, and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation asset that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

Internal Controls Over Financial Reporting

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

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Other MD&A Requirements

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR+ at www.sedarplus.ca.