

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, 2024 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by International Accounting Standards Board (IASB”). 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.sedarplus.ca](http://www.sedarplus.ca).

This MD&A is prepared as of April 30, 2025.

*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’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.

### **Corporate Activities**

In April 2025, the Company closed a non-brokered private placement for 1,700,000 units at \$0.05 per unit for gross proceeds of \$85,000. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share of the Company for a period of two years at a price of \$0.09 per common share. Of the proceeds received, \$75,000 was in shares subscribed on the statement of financial position as at December 31, 2024.

### **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 and May 24, 2020, 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 or purchase 100% right, title and interest in the Property.

Subsequent to December 31, 2024, the Agreement was terminated. In connection with the termination of the Agreement, the Company recorded a loss on the impairment of exploration and evaluation assets of \$2,613,278. This amount was recorded on the statement of comprehensive loss during the year ended December 31, 2024.

During the term of the Agreement, the Company incurred cash payments to the Optionor in the aggregate of US\$103,500 and issued 1,000,000 common shares.

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"). As consideration for the assignment, the Company made a cash payment of US\$25,000 and issued an aggregate of 4,500,000 common shares to the Assignors during the term of the Agreement.

### 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 has not recorded any material liability for any existing environmental matters 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:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	\$	\$	\$
(a) Total revenues	Nil	Nil	Nil
(b) Total expenses	(50,477)	(312,780)	(332,155)
(c) Net loss	(2,648,367)	(108,590)	(105,227)
(d) Loss per share basic and diluted	(0.04)	(0.00)	(0.00)
(e) Total current assets	60,332	2,634	16,985
(f) Total long-term liabilities	Nil	Nil	Nil
(g) Cash dividends declared per share	Nil	Nil	Nil

During the year ended December 31, 2024, the Company recorded a loss on the impairment of exploration and evaluation assets of \$2,613,278.

#### ***Year Ended December 31, 2024***

The Company reported net loss of \$2,648,367 for the year ended December 31, 2024, as compared to a net loss of \$108,590 for the same period of the prior fiscal year.

General and administrative expenses for the year ended December 31, 2024 totaled \$50,477 (2023 - \$312,780). The main variances were: accounting & audit fees of \$27,750 (2023-\$78,700), consulting fees of \$Nil (2023 - \$91,040), management fees of \$Nil (2023 - \$48,000), marketing of \$5,167 (2023 - \$35,000), rent of \$Nil (2023 - \$12,000), all due to the cost-saving initiatives in the current period.

During the year ended December 31, 2024, the Company recorded a loss on the impairment of exploration and evaluation assets of \$2,613,278 (2023 - \$nil).

### ***Three Months Ended December 31, 2024***

The Company reported net loss of \$2,642,435 for the three months ended December 31, 2024, as compared to a net loss of \$77,465 for the same period of the prior fiscal year.

General and administrative expenses for the three months ended December 31, 2024 totaled \$29,157 (2023 - \$77,465). During the year ended December 31, 2024, the Company implemented cost saving initiatives and reduced its general and administrative expenses in all categories.

During the three months ended December 31, 2024, the Company recorded a loss on the impairment of exploration and evaluation assets of \$2,613,278.

### **Summary of Quarterly Results**

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

	<b>Revenue (\$)</b>	<b>Net income (loss) (\$)</b>	<b>Basic and diluted income (loss) per share (\$)</b>
Q4 2024	-	(2,642,435)	(0.04)
Q3 2024	-	(1,132)	(0.00)
Q2 2024	-	3,462	0.00
Q1 2024	-	(8,262)	(0.00)
Q4 2023	-	108,931	0.00
Q3 2023	-	(56,257)	(0.00)
Q2 2023	-	(63,470)	(0.00)
Q1 2023	-	(97,794)	(0.00)

During the three months ended December 31, 2024, the Company recorded a loss on the impairment of exploration and evaluation assets of \$2,613,278.

### **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, 2024, the Company incurred cash outflows of \$74,135 (2023 – \$84,521) from operating activities. Investing activities used cash of \$nil (2023 - \$2,700), which was spent on the Company's Tuolumne Property. Financing activities cash inflows of \$75,000 (2023 – \$85,039) resulted mainly from the issuance of common shares in the previous year and share subscriptions received in the current year.

At December 31, 2024, the Company held cash of \$3,499, had a working capital deficiency \$58,451, has not yet achieved profitable operations, and had an accumulated deficit of \$7,224,683. 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 2024 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, 2024 and 2023, the Company incurred:

- accounting fees of \$nil (2023 - \$60,000) and corporate services of \$nil (2023 - \$190) to an accounting firm of which an officer of the Company is a partner.
- consulting fees of \$nil (2023 - \$84,000) to a director of the Company.
- management fees of \$nil (2023 - \$48,000) to a director of the Company.
- rent of \$nil (2023 - \$12,000) to a director of the Company.
- geological costs of \$nil (2023 - \$96,000) capitalized as exploration costs accrued to a director of the Company.

As at December 31, 2024, trade and other payables included \$20,780 (December 31, 2023 - \$27,310) owing to a company controlled by a director and officer for operational expenses.

During the year ended December 31, 2023, certain officers and directors agreed to extinguish \$311,000 of accounts payable. Of the payable amounts that were extinguished, \$96,000 related to amounts that had previously been included within exploration and evaluation assets and \$10,810 related to amounts that had previously been recorded as GST receivable.

### **New Accounting Pronouncements**

Please refer to the December 31, 2024 audited consolidated financial statements on [www.sedarplus.ca](http://www.sedarplus.ca).

### **Financial and Risk Management**

Please refer to the December 31, 2024 audited consolidated financial statements on [www.sedarplus.ca](http://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	63,595,932

(b) Summary of warrants outstanding:

	Expiry Date	Number of Warrants	Exercise Price (\$)
	April 25, 2027	1,700,000	0.09
Total		1,700,000	

(c) No options outstanding.

### **Corporate Activities**

In February 2024, Scott Davis resigned as Chief Financial Officer of the Company and Richard Todd was appointed Chief Financial Officer.

In November 2024, Richard Todd resigned as Chief Financial Officer of the Company and Brian Crawford was appointed Chief Financial Officer.

### **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 Issue Basic Certification 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](http://www.sedarplus.ca).