



CONSOLIDATED INTERIM UNAUDITED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS)

Notice of No Auditor Review

These unaudited consolidated interim financial statements of Provenance Gold Corp. (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

PROVENANCE GOLD CORP.
Consolidated Statements of Financial Position
(Unaudited-Expressed in Canadian Dollars)

	Notes	March 31, 2024	December 31, 2023
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		37,233	263,214
GST/HST receivable		3,419	5,915
Prepaid expenses and deposits		1,233	4,974
Total Current Assets		41,885	274,103
Non-Current Assets			
Reclamation bonds		36,685	36,685
Exploration and evaluation assets	3	2,875,966	2,686,968
Total Non-Current Assets		2,912,651	2,723,653
Total Assets		2,954,536	2,997,756
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		164,973	73,735
Loan payable	4	47,500	47,500
Total Liabilities		212,473	121,235
Shareholders' Equity			
Share capital	5	8,486,035	8,486,035
Contributed surplus	5	495,096	495,096
Accumulated deficit		(6,239,068)	(6,104,610)
Total Shareholders' Equity		2,742,063	2,876,521
Total Liabilities and Shareholders' Equity		2,954,536	2,997,756

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

Approved on May 30, 2024 on behalf of the Board

Director **"Rauno Perttu"**
Rauno Perttu

Director **"Robert Clark"**
Robert Clark

The accompanying notes are an integral part of these consolidated interim unaudited financial statements.

PROVENANCE GOLD CORP.
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited-Expressed in Canadian Dollars)

		For the three months ended March 31	
	Notes	2024	2023
Expenses		\$	\$
Consulting and management fees	8	67,722	57,000
Shareholder communications		20,071	16,160
General and administrative		1,466	492
Professional fees		4,114	2,602
Regulatory transfer agent fees		29,439	7,975
Share-based compensation	5	-	224,100
Travel		6,761	2,799
Loss before other items		(129,572)	(311,128)
Interest income		28	22
Foreign exchange loss		(4,913)	(10,252)
Net loss and comprehensive loss		(134,458)	(321,358)
Loss per share - basic and diluted	9	(0.00)	(0.00)
Weighted average number of common shares outstanding – basic and diluted		95,064,651	79,547,651

The accompanying notes are an integral part of these consolidated interim unaudited financial statements.

PROVENANCE GOLD CORP.
Consolidated Statements of Changes in Equity
(Unaudited-Expressed in Canadian Dollars)

	Note	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
		#	\$	\$	\$	\$
Balance at December 31, 2022		79,547,651	7,265,359	270,996	(4,922,512)	2,613,843
Share-based compensation	5	-	-	224,100	-	224,100
Net and comprehensive loss		-	-	-	(321,358)	(321,358)
Balance at March 31, 2023		79,547,561	7,265,359	495,096	(5,243,870)	2,516,585
Balance at December 31, 2023		95,064,651	8,486,035	495,096	(6,104,610)	2,876,521
Net and comprehensive loss		-	-	-	(134,458)	(134,458)
Balance at March 31, 2024		95,064,651	8,486,035	495,096	(6,239,068)	2,742,063

The accompanying notes are an integral part of these consolidated interim unaudited financial statements.

PROVENANCE GOLD CORP.
Consolidated Statements of Cash Flow
(Unaudited-Expressed in Canadian Dollars)

	For the three months ended March 31,	
	2024	2023
	\$	\$
Cash provided by (used for):		
Operating activities		
Net loss for the year	(134,458)	(321,358)
Add items not involving cash:		
Share-based compensation	-	224,100
Change in non-cash working capital:		
GST/HST receivable	2,496	618
Prepaid expenses and deposits	3,741	(10,539)
Accounts payable and accrued liabilities	91,238	3,474
Cash used in operating activities	(36,983)	(103,705)
Investing activities		
Exploration and evaluation assets acquired	(188,998)	(178,787)
Cash used in investing activities	(188,998)	(178,787)
Change in cash during the period	225,981	282,492
Cash, beginning of the period	263,214	385,857
Cash, end of the period	37,233	103,365

Supplementary cash flow information (Note 10)

The accompanying notes are an integral party of these consolidated interim unaudited financial statements.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Provenance Gold Corp. (formerly Sparx Energy Corp.) ("Provenance" or the "Company") was incorporated in the Province of British Columbia on October 5, 2012. For the period October 5, 2012 to May 31, 2013, the Company was a wholly-owned subsidiary of Aldever Resources Inc. (now Kiplin Metals Inc. and formerly Glenmark Capital Corp.) ("Aldever"), which is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests.

During October, 2012, Aldever's board of directors approved a plan of arrangement (the "Arrangement") between Aldever and its four wholly-owned subsidiaries, including Provenance. As a result of the completion of the Arrangement on May 31, 2013, Aldever ceased to be a shareholder of Provenance and the Company became a reporting issuer in its own right. Provenance is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests.

On January 16, 2017, the Company changed its name to Provenance Gold Corp.

The Company's principal office and registered and records office is located at 2200-885 West Georgia Street, Vancouver, BC, V6C 3E8.

These consolidated financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company has no source of operating revenue, has incurred operating losses of \$6,239,068 since inception, and as at March 31, 2024 had working capital deficit of \$170,588. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Further discussion of liquidity risk is included in Note 6.

These consolidated financial statements were authorized for issue on May 30, 2024 by the directors of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The presentation and functional currency of the Company is the Canadian dollar. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows:

Use of estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the assessment of indications of impairment of each mineral property and related determinations of the net realizable value and write-down of those properties where applicable.

Basis of consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiaries 1084160 B.C. Ltd., formerly Provenance Gold Corp. ("PGC"), Provenance Gold USA ("PG USA") and Cariboo Gold Producers Inc. ("CGPI") (see Note 3). PGC is incorporated in the province of British Columbia, PG USA is incorporated in the state of Nevada, U.S.A. and CGPI is incorporated in the province of Alberta.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated in preparing the consolidated financial statements.

Foreign currency transactions

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and its subsidiaries is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities that are measured at historical costs are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of comprehensive loss.

Financial Instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. The Company has classified its cash and reclamation bonds as financial assets subsequently measured at amortized cost.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial Instruments

All financial liabilities are initially recognized at fair value, inclusive of any directly attributable transaction costs, on the date at which the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Company has classified its accounts payable and accrued liabilities and loan payable as financial liabilities subsequently measured at amortized cost.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives are carried at fair value and are reported as assets when they have a positive fair value and as liabilities when they have a negative fair value. Changes in the fair values of derivative financial instruments are reported in the consolidated statements of operations and comprehensive loss. As at March 31, 2024 and 2023, the Company had no derivative financial instruments.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the consolidated statements of operations and comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of operations and comprehensive loss.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Exploration and evaluation expenditures

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Asset retirement obligations

The fair value of a liability for an asset retirement or environmental obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement or environmental obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement or environmental cost is charged to operations using a systematic and rational method and the resulting liability is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow. As of March 31, 2024, the Company did not have any asset retirement or environmental obligations.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income is also recognized directly in equity or other comprehensive income.

Current tax is expected tax payable on the taxable income for the period, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the common shares are issued.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

New accounting standards issued

Amendment to IAS 1 (effective for annual reporting period beginning on or after January 1, 2023) – Presentation of Financial Statements: Amendments to IAS 1 were issued by the IASB in January 2020 to clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period. The adoption of this standard did not have a material impact on the consolidated financial statements.

3. EXPLORATION AND EVALUATION ASSETS

Silver Bow Property, Nevada U.S.A.

On August 29, 2018, the Company entered into the Silver Bow Nevada Property Option Agreement (the “SB Agreement”) to acquire a 100% interest in 73 mineral claims referred to as the Silver Bow property and 10 claims referred to as Golden Ridge Property, located in Nevada, USA. The 10 claims referred to as the Golden Ridge Property were allowed to lapse during 2019, and 50 of the mineral claims making up the Silver Bow Property were allowed to lapse during 2023. As at March 31, 2024, 14 of the Silver Bow claims remain active with regard to the SB Agreement.

The Company subsequently amended the terms the SB Agreement on June 15, 2022 and February 15, 2024. Pursuant to the terms of the most recently amended SB Agreement, in order to exercise the option, the Company is required to complete future cash payments in the aggregate of US\$500,000, of which US\$10,000 was paid during the year ended December 31, 2023, and a further US\$70,000 is to be paid in each of the next seven years.

Payment schedule (all amounts are in US dollars):

- \$2,300 for claim and re-staking fees within 60 days of the signing of the SB Agreement (paid);
- \$10,000 by July 18, 2019 (*paid*);
- \$20,000 by July 18, 2020 (*paid*);
- \$40,000 by July 18, 2021 (*paid*);
- \$20,000 by July 18, 2022 (*paid*);
- \$10,000 by March 31, 2024 (*paid*);
- \$70,000 by November 30, 2024;
- \$70,000 by November 30, 2025;
- \$70,000 by November 30, 2026;
- \$70,000 by November 30, 2027;
- \$70,000 by November 30, 2028;
- \$70,000 by November 30, 2029; and
- \$70,000 by November 30, 2030

All option payments must be paid prior to November 30, 2030.

All of the exploration expenditure requirements of the original SB Agreement have been eliminated.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Silver Bow Property, Nevada U.S.A. (continued)

Pursuant to the amended SB Agreement on June 15, 2022, the net smelter royalty (“NSR”) has also been reduced from 2% to 1%. The Company will pay the NSR in every year that lode gold or silver is recovered from the property. This NSR can be bought out at any time by paying US\$500,000.

The SB Agreement will terminate if either party is in default and within 45 days of receiving written notice of the default, it is not remedied. After termination of the SB Agreement, the Company is required to ensure that the Property is in good standing for a period of at least one year from the date of termination.

On April 24, 2019, the Company entered into a trust agreement with the CEO of the Company in respect of an additional 29 lode mining claims on the Silver Bow property adjoining the above-noted mineral claims. Pursuant to the amended SB Agreement, the NSR was also applicable to these 29 lode mining claims. During the year ended December 31, 2023, these 29 claims were allowed to lapse.

On August 20, 2019, the Company, through its subsidiary PG USA, entered into a Mining Lease and Assignment (the “Lease”) with a trust (the “Lessor”) and two estates in Nevada, USA. Pursuant to the Lease, the Lessor granted, let and leased to PG USA all of its rights, title and interests in and to the Blue Horse patented mining claim, including the Lessor’s interest in all minerals, situated in Nye County, Nevada (the “Property”).

During the term of the Lease, the Company incurred lease payments in the aggregate of US\$35,000.

During the year ended December 31, 2023, the Lease was allowed to lapse. Per the terms of the Lease, PG USA is required to promptly reclaim all surface disturbance on the terminated portion of the Property caused by, or on behalf of, PG USA in accordance with applicable legal requirements.

During the year ended December 31, 2023, in connection with the lapse of 88 mineral claims and the termination of the Lease, the Company recorded a loss on the impairment of exploration and evaluation assets of \$437,709. This amount has been recorded on the statement of operations and comprehensive loss.

White Rock Property, Nevada U.S.A.

On June 12, 2020, the Company, through its subsidiary PG USA, entered into the Provenance Gold USA Option Agreement (the “Option Agreement”) with a wholly-owned Nevada subsidiary (“NSRI”) of Ely Gold Royalties Inc. Pursuant to the Option Agreement, NSRI gives and grants to PG USA the sole and exclusive right and option to purchase 100% of NSRI’s right, title and interest in and to 30 unpatented mining claims and certain existing data (as defined) (collectively, the “White Rock Property”) and any related, additional data, information and records acquired by NSRI during the option period.

The Option will remain in force during the term of the Option Agreement from the effective date to and including the first to occur of (a) the option closing; (b) the termination of the Option Agreement; or (c) four years from the initial closing date.

The total purchase price for the White Rock Property is US\$250,000 to be paid as option payments as follows (all amounts are in US dollars):

- \$10,000 on signing (*paid*);
- \$25,000 by June 12, 2021 (*paid*);
- \$40,000 by June 12, 2022 (*paid*);
- \$50,000 by June 12, 2023 (*paid*); and
- \$125,000 by June 12, 2024.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

White Rock Property, Nevada U.S.A. (continued)

PG USA has the right to exercise the option prior to the termination of Option Agreement by giving NSRI written notice of such exercise or by payment of all payments not yet paid as of the exercise date.

Subject to the termination of the Option Agreement, until all option payments are made and the option is exercised and closed, PG USA is responsible for paying all mining claim maintenance and rental fees required to be paid to keep the claims in good standing.

PG USA will pay NSRI a production royalty of 2% of NSR on all mineral production from the unpatented mining claims.

During the option period and following the option exercise if the option closing occurs and unless otherwise agreed by the parties, if either party or its affiliates acquires, directly or indirectly, any additional mining claims located wholly or partly within a distance of two miles from the outermost perimeter of the White Rock Property, the additional claims will be included in and form part of the White Rock Property and be subject to the Option Agreement.

PG USA may terminate the Option Agreement without further liability at any time by giving written notice of termination to NSRI. In the event of a material default by PG USA, PG USA will have at least 30 days to cure the default and, if not cured, NSRI may terminate the Option Agreement by giving written notice to PG USA.

After termination of the Option Agreement, PG USA is required to:

- pay to NSRI any governmental fees due with respect to the property within 60 days or less from the date of termination; and
- complete all required reclamation obligations directly arising as a result of its exploration activities.

Eldorado Property, Oregon, USA

On January 14, 2022, the Company, through its subsidiary PG USA, entered into an option agreement with Nevada Select Royalty, Inc (“Nevada Select”). Pursuant to the option agreement, Nevada Select gives and grants to PG USA the sole and exclusive right and option to purchase 100% of Nevada Select’s right, title and interest in and to 19 unpatented mining claims and certain existing data (as defined) (collectively, the “Eldorado Property”) and any related, additional data, information and records acquired by Nevada Select during the option period.

The option will remain in force during the term of the option agreement from the effective date to and including the first to occur of (a) the option closing; (b) the termination of the option agreement; or (c) five years from the initial closing date.

The total purchase price for the Eldorado Property is US\$2,000,000.

On December 8, 2023, the Company amended the payment terms of the Nevada Select option agreement whereby the purchase price is to be paid as follows (all amounts are in US dollars):

- \$75,000 on closing of the option agreement (*paid*);
- \$125,000 on or before January 14, 2023 (*paid*);
- \$100,000 on or before January 14, 2024 (*paid*);
- \$100,000 on or before April 14, 2024 (*paid*);
- \$200,000 on or before July 14, 2024;
- \$400,000 on or before January 14, 2025;
- \$500,000 on or before January 14, 2026; and
- \$500,000 on or before January 14, 2027.

PROVENANCE GOLD CORP.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**Eldorado Property, Oregon, USA (continued)**

Subject to the termination of the option agreement, until all option payments are made and the option is exercised and closed, PG USA is responsible for paying all mining claim maintenance and rental fees required to be paid to keep the claims in good standing.

Upon the exercise of the option agreement, PG USA will grant to Nevada Select a 3% NSR in respect of all products produced from the property.

During the option period and following the option exercise if the option closing occurs and unless otherwise agreed by the parties, if either party or its affiliates acquires, directly or indirectly, any additional mining claims located wholly or partly within a distance of two miles from the outermost perimeter of the Eldorado Property, the additional claims will be included in and form part of the Eldorado Property and be subject to the option agreement.

PG USA may terminate the option agreement without further liability at any time by giving written notice of termination to Nevada Select. In the event of a material default by PG USA, PG USA will have at least 30 days to cure the default and, if not cured, Nevada Select may terminate the option agreement by giving written notice to PG USA.

After termination of the option agreement, PG USA is required to:

- pay to Nevada Select any governmental fees due with respect to the property within 60 days or less from the date of termination;
- complete all required reclamation obligations directly arising as a result of its exploration activities; and
- deliver to Nevada Select, within 90 days of the termination, the data and information created or generated by PG USA during the option period on the property and deliver to Nevada Select all existing data possessed by PG USA.

The following table summarizes the cumulative exploration and evaluation expenditures the Company has incurred during the three months ended March 31, 2024 and 2023:

	USA			
	White Rock	Silver Bow	Eldorado	Total
	\$	\$	\$	\$
Acquisition Costs				
<i>Balance, December 31, 2023</i>	284,314	42,695	270,690	597,699
<i>Additions</i>	-	-	134,830	134,830
Acquisition costs, March 31, 2024	284,314	42,695	405,520	732,529
Exploration Costs				
<i>Balance, December 31, 2023</i>	1,171,642	207,413	710,214	2,089,269
<i>Additions</i>	5,063	-	49,105	54,157
Exploration costs, March 31, 2024	1,176,705	207,413	759,319	2,143,436
Balance, March 31, 2024	1,461,019	250,108	1,164,839	2,875,966

PROVENANCE GOLD CORP.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

	White Rock	USA Silver Bow	Eldorado	Total
	\$	\$	\$	\$
Acquisition Costs				
<i>Balance, December 31, 2022</i>	183,337	212,893	100,180	496,410
<i>Additions</i>	-	-	170,511	170,511
Acquisition costs, March 31, 2023	183,337	212,893	270,691	669,921
Exploration Costs				
<i>Balance, December 31, 2022</i>	1,168,862	473,424	139,347	1,781,633
<i>Additions</i>	-	-	8,277	8,277
Exploration costs, March 31, 2023	1,168,862	473,424	147,624	1,789,910
Balance, March 31, 2023	1,352,199	686,317	418,315	2,456,831

4. LOAN PAYABLE

On January 29, 2019, the Company received \$47,500 from an individual in respect of a non-brokered private placement. As at December 31, 2023, units have not been issued and accordingly, this amount has been classified as a non-interest bearing loan without specific terms of repayment.

5. SHARE CAPITAL AND RESERVES**Authorized**

Unlimited number of common shares, without par value.

Issued

At March 31, 2024, there were 95,064,651 common shares (December 31, 2023 – 95,064,651) issued and outstanding.

2023

On September 22, 2023, the Company completed a non-brokered private placement of 15,517,000 units at a price of \$0.08 per unit for gross proceeds of \$1,241,360. Each unit consists of one common share of the Company and one common share purchase warrant with each warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.12 per share until September 22, 2026.

PROVENANCE GOLD CORP.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (CONTINUED)**Warrants**

The Company has issued warrants as part of equity financings.

Details of common share purchase warrants outstanding at March 31, 2024 are as follows:

	Outstanding Warrants	Exercise Price	Expiry Date	Remaining Life (Years)
Share purchase warrants				
Issued in private placement	11,973,999	0.20	October 22, 2024	0.56
Issued in private placement	1,596,077	0.20	November 4, 2024	0.60
Issued in private placement	5,000,000	0.24	January 13, 2025	0.79
Issued in private placement	4,443,444	0.15	August 6, 2025	1.35
Issued in private placement	9,615,000	0.15	February 12, 2026	1.87
Issued in private placement	3,150,000	0.15	April 21, 2026	2.06
Issued in private placement	15,517,000	0.12	September 22, 2026	2.48
	51,295,520	\$ 0.16		1.57

Common share purchase warrant transactions during the three months ended March 31, 2024:

	Three months ended March 31, 2024		Year ended December 31, 2023	
	Number of Warrants	Weighted Average Exercise Price (\$)	Number of Warrants	Weighted Average Exercise Price (\$)
Opening balance	51,295,520	\$ 0.16	35,778,520	\$ 0.18
Issued in private placement	-	-	15,517,000	0.12
Closing balance	51,295,520	\$ 0.16	51,295,520	\$ 0.16

Stock Options

The Company has adopted an incentive stock option plan which provides that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable up to five years from the date of grant, unless the Board establishes more restrictive terms. The fair value of each option grant will be estimated on the date of grant using the Black-Scholes option pricing model.

2023

On February 6, 2023, the Company granted 3,000,000 stock options to directors, employees, officers and consultants at an exercise price of \$0.105 per common share with an expiry date of February 6, 2026. The options vested immediately, and the fair value of the stock options granted was estimated to be \$224,100 which was recorded in the statements of operations and comprehensive loss.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (CONTINUED)

Outstanding stock options as at March 31, 2024 are as follows:

Options Outstanding and Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
3,000,000	\$ 0.105	February 6, 2026	1.85
3,000,000	\$ 0.105	February 6, 2026	1.85

The fair value of the stock options issued during the year ended December 31, 2023 was calculated using the Black-Scholes option pricing model utilizing the following assumptions:

	February 6, 2023
Risk-free interest rate	4.04%
Expected stock volatility	118%
Expected life	3 years
Dividend yield	Nil

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2024, the Company's financial instruments consist of cash and cash equivalents, reclamation bonds, accounts payable and accrued liabilities and loan payable.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. The Company does not have any financial instruments classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

The Company does not have any financial instruments carried at fair value.

In management's opinion, the Company's carrying values of cash and cash equivalents, reclamation bonds, accounts payable and accrued liabilities and loan payable approximate their fair values due to the immediate or short-term maturity of these instruments.

The Company's financial instruments are exposed to the following risks:

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation causing the other party to incur a financial loss. The Company is exposed to credit risk arising from its cash holdings. The Company manages credit risk by placing cash with major Canadian financial institutions. Credit risk is assessed as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due. Historically, the Company's sole source of funding has been the issuance of equity securities for cash primarily through private placements and loans and advances from lenders and related parties. The Company's access to financing is always uncertain and there can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is not affected by price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Company's property interests in the USA make it subject to foreign currency fluctuations. As at March 31, 2024, the Company had liabilities of US\$55,398 denominated in US dollars which were translated into Canadian Dollars for financial reporting. The Company does not use any form of derivative or hedging instruments to reduce its foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk is minimal.

7. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares and funds advanced by investors. The Company's capital management objectives are to safeguard its ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject. The Company 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 Company may attempt to issue new shares.

8. RELATED PARTY TRANSACTIONS

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the related parties. Unless otherwise indicated, the balances are unsecured, non-interest bearing, without specific terms of repayment and have arisen from advances or the provision of services and fees described.

During the three months ended March 31, 2024, the Company incurred \$22,500 (March 31, 2023 - \$22,500) in consulting and management fees paid to the Chief Executive Officer (the "CEO") of the Company; \$30,000 (March 31, 2023 - \$22,500) in consulting and management fees paid to a company controlled by the President of the Company; \$12,000 (March 31, 2023 - \$12,000) in consulting and management fees paid to a company controlled by the Chief Financial Officer (the "CFO") of the Company.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited-Expressed in Canadian Dollars)

8 RELATED PARTY TRANSACTIONS (CONTINUED)

Related Party Balances

At March 31, 2024, accounts payable and accrued liabilities included \$39,480 (March 31, 2023 – \$7,500) payable to related parties for consulting fees incurred during the current period.

9. LOSS PER SHARE

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. The stock options and warrants outstanding at December 31, 2023 have not been included in the calculation of diluted loss per share as the effect of their inclusion would be anti-dilutive. Loss per share is calculated as follows:

	March 31, 2024	March 31, 2023
Net loss	\$ (134,458)	\$ (321,358)
Weighted average number of shares outstanding	95,064,651	79,547,651
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)

10. SUPPLEMENTARY DISCLOSURES WITH RESPECT TO CASH FLOWS

As at March 31, 2024, \$55,398 relating to exploration and evaluation assets is included in accounts payable and accrued liabilities (March 31, 2023 - \$19,179).

11. SEGMENTED FINANCIAL INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in North America (Oregon and Nevada, USA). Geographic information is as follows:

	March 31, 2024	December 31, 2023
Non-current assets:		
USA	\$ 2,875,966	\$ 2,686,968
	\$ 2,875,966	\$ 2,686,968

12. SUBSEQUENT EVENTS

On May 2, 2024, the company announced its intent to complete a non-brokered private placement for up to 15,000,000 units at a price of \$0.08 per unit. Each Unit consists of one common share of the Issuer and one Share purchase warrant with each Warrant entitling the holder thereof to purchase one additional share of the issuer at a price of \$0.12 per Warrant Share for a period of three years from the closing date of the placement.