PROVENANCE GOLD CORP

Management's Discussion and Analysis

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

The following Management's Discussion and Analysis ("MD&A") for Provenance Gold Corp. ("Provenance" or the "Company"), prepared as of November 28, 2024, should be read in conjunction with financial statements and related notes of the Company for the nine months ended September 30, 2024 and 2023. The consolidated interim unaudited financial statements have been prepared in accordance with International Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts in this MD&A and in the consolidated financial statements are expressed in Canadian dollars unless otherwise stated. Additional information of the Company can be found on SEDAR+ at **www.sedarplus.ca**. The reader should be aware that historical results are not necessarily indicative of future performance. The consolidated financial statements together with the following MD&A are intended to provide readers with a reasonable basis for assessing the financial performance of the Company.

The technical information contained in this MD&A has been reviewed and approved by Jo Price, P.Geo., M.Sc., a qualified person for the purposes of National Instrument 43-101.

Cautionary Statement of Forward-Looking Information

Information set forth in this MD&A may involve forward-looking information under applicable securities laws. Forward-looking information is information that relates to future, not past, events. In this context, forward looking information often addresses expected future business and financial performance, and often contains words such as "anticipate", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the future expenditures and capital needs of the Company and the future exploration on, and the development of, the Company's projects are forward-looking information. By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors and promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of the Company's common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A, and other reports and filings with applicable Canadian securities regulations.

Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of commodities; that the Company can access financing, appropriate equipment and sufficient labor and that the political environment will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Forward-looking information is made based on management's beliefs, estimates and opinions on the date that information is given and the Company does not intend to update forward-looking statements or information, except as may be required by applicable law.

Description of Business

Provenance is a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario. The Company is an exploration stage company engaged in the acquisition, exploration and development of resource properties. As a reporting issuer, the Company's business is to comply with all reporting requirements while endeavoring to find, acquire and finance suitable and favorable resource related projects. Prior to 2017, the Company did not conduct significant commercial operations other than to meet filing requirements. On January 16, 2017, the Company acquired 1084160 B.C. Ltd., which held the Yukon option and was renamed "Provenance Gold Corp."

Recent Corporate Developments

On October 9, 2024, the Company closed the final tranche of a non-brokered private placement of 18,331,250 units at a price of $0.08 per unit for gross proceeds of $1,466,500. 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 October 9, 2027. In connection with closing of the final tranche, the Company paid $12,810 and issued 160,125 broker warrants.

On September 27, 2024 the Company granted 4,800,000 stock options to directors, employees, officers and consultants at an exercise price of $0.12 per common share with an expiry date of September 27, 2027. The options vested immediately, and the fair value of the stock options granted was estimated to be $413,280 which was recorded in the statements of operations and comprehensive loss.

On June 28, 2024, the Company closed the first tranche of a non-brokered private placement of 12,913,750 units at a price of $0.08 per unit for gross proceeds of $1,033,100. 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 June 28, 2027. In connection with closing of the First Tranche, the Company paid $28,861 and issued 360,763 broker warrants.

On May 2, 2024, the Company announced its intent to complete a non-brokered private placement for up to 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.

On April 2, 2024 the Company announced Andy Bentz was appointed as a special advisor to assist in advancing the Company's Eldorado gold project

On September 23, 2023, the Company closed its previously announced non-brokered private placement (the "Offering") consisting of 15,517,000 units ("Units") at a price of $0.08 per Unit for gross proceeds of up to $1,241,360. Each Unit will consist of one common share in capital of the Company (a "Common Share") and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of $0.12 per Common Share for a period of 36 months from the date of issuance.

All securities issued in connection with the private placement were subject to a statutory hold period in accordance with applicable securities laws which expired on January 23, 2024. In connection with the Offering, the Company has paid finders' fees of $3,360 to an arms-length brokerage firm in consideration for the introduction of subscribers.

On February 6, 2023, the Company granted 3,000,000 stock options to various advisors, representatives, consultants and Directors of the Company. The options have an exercise price of $0.105 per share and have a thirty-six-month term from the date of grant. The options vested immediately and have a fair value of $224,100.

On February 6, 2023, the Company also announced Jeffrey Alam joined the Company as a senior strategic business advisor.

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 December 31, 2023, 14 of the Silver Bow claims remain active with regard to the SB Agreement.

On June 15, 2022, the Company amended the terms the SB Agreement. Pursuant to the terms of the amended SB Agreement, in order to exercise the option, the Company is required to complete cash payments in the aggregate of

US$510,000, of which US$20,000 was paid during the year ended December 31, 2022, and a further US$70,000 is to be paid in each of the next seven years.

On February 15, 2024, the Company amended the payment terms of the SB Agreement. Under the new terms of the agreement the Company is required to make cash payments totalling US$500,000, of which $10,000 was paid subsequent to the year end and a further $70,000 is to be paid each year for the next seven years.

<u>Payment schedule (all amounts are in US dollars):</u>

- $2,300 for claim and re-staking fees within 60 days of the signing of the 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 by November 30, 2030

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

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):

<u>Payments</u>

- $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. *(paid)*

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, Nevada U.S.A.

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 to be paid as follows (all amounts are in US dollars):

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 *(paid);*
- $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.

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.

Strategy

The Company is focused on exploring for gold in North America. The Company continues to advance its two properties in Nevada and its property in Oregon. This work has included drilling on both Nevada projects and an initial round of reverse circulation drilling in 2023, followed by a core drilling program in 2024 on the Oregon property. Significant geological work in addition to analysis of historical data has been completed on all three properties.

2023 Drilling Highlights

- The initial program's 11 holes totalling 1446 meters covered key parts of the known mineralized system (Figure 1-2,). All holes intersected significant gold mineralization. Drilling confirmed historical assays (previously reported on July 6, 18, 31 2023 and October 18, 2023) and allows for additional confidence in the historic work, and in our interpretation that deeper drilling, in-fill drilling and step-out drilling will significantly expand the already sizable historic gold system.

- The program identified a thick newly recognized zone of higher-grade gold mineralization that starts below the reach of most of the historic drilling and is evidenced by higher grade gold intervals in the lower portions of holes ED-01, 02, 04, 07, 10 and 11. Drilling was hampered in this lower zone due to structurally related high groundwater flow which was mitigated in subsequent core drill testing in 2024. The core drilling also verified the presence of a previously unknown high-grade zone below both historic drilling and Provenance's 2023 drilling. Further drill testing will be required to assess the extent of mineralization below the 100m extent of the historical drilling but early indications suggest multiple thick gold bearing blankets may be present. A second previously unknown zone of high-grade mineralization was discovered by hole ED-04 in 2023. That zone was tested by core drilling in 2024, with assays pending.

- Bulk testing still in progress is expected to reaffirm historic metallurgical work that suggested the gold may show excellent recoveries without the need for cyanide.

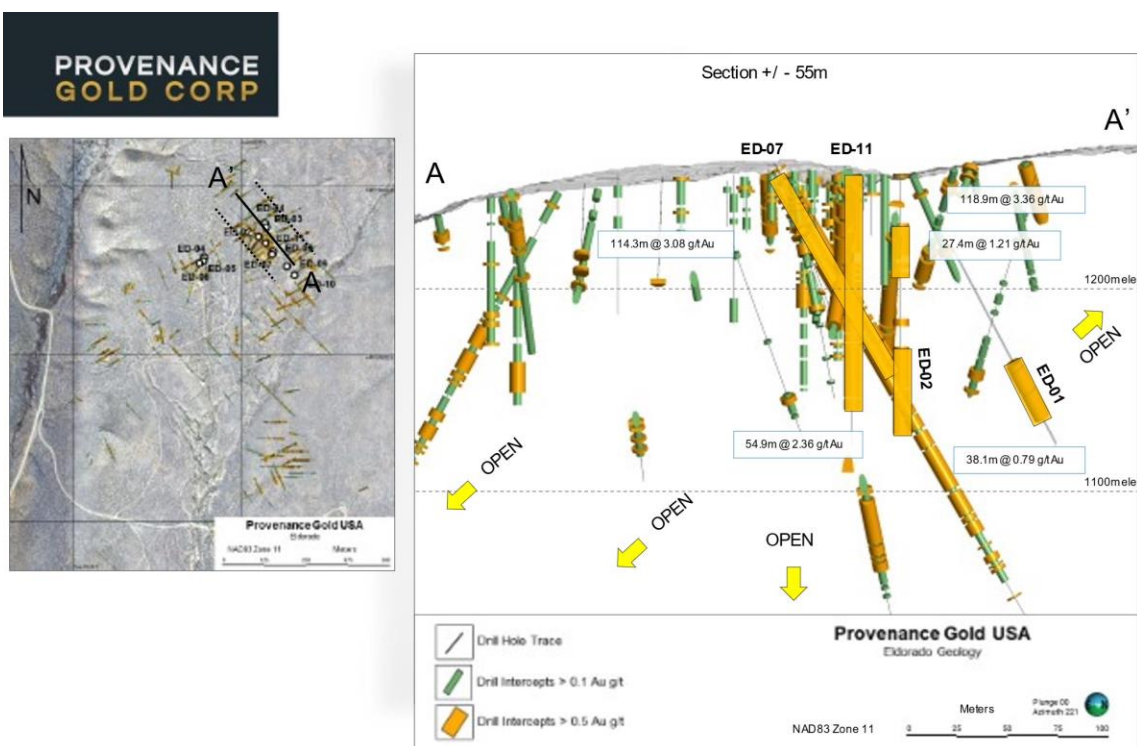

Figure 1 — Drill Sections for the 2023 Drill Program

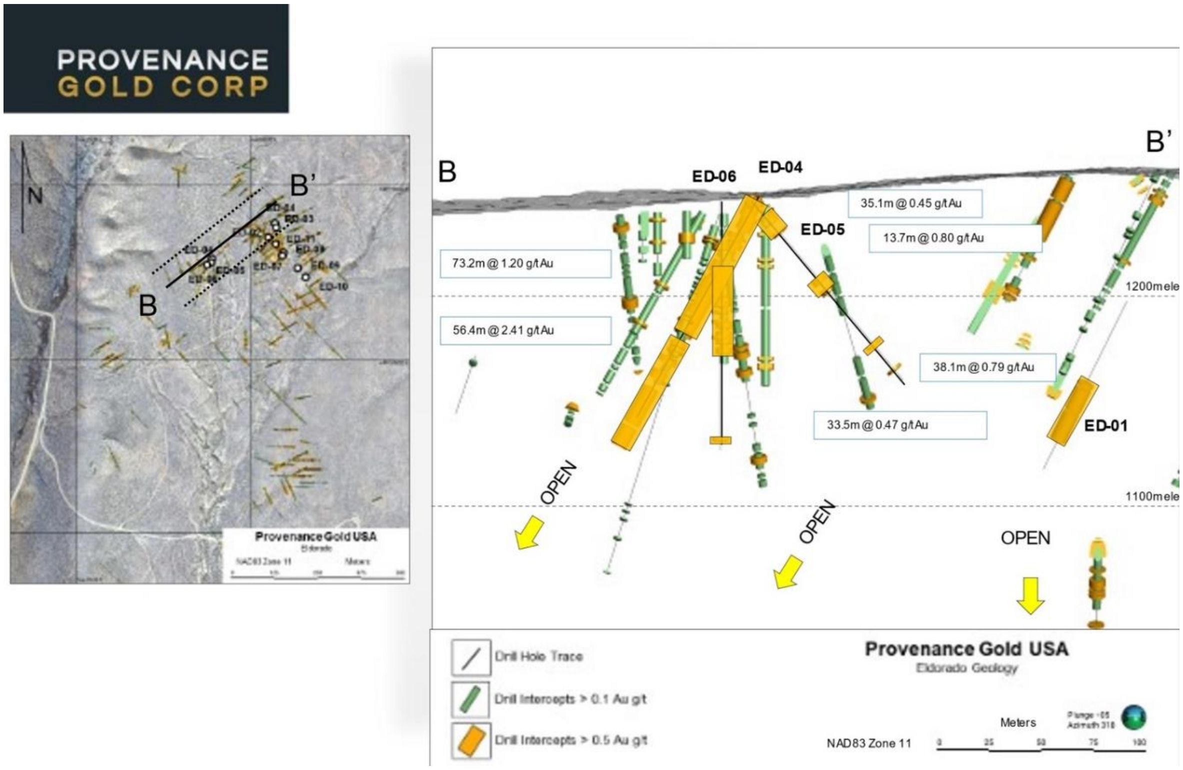

Figure 2 — Drill Sections for the 2023 Drill Program

On February 7, 2024, the Company reported results from its recent metallurgical testing program of bulk samples from the Eldorado Project.

Highlights included

- Much of the Eldorado deposit is unoxidized. These results suggest that gold recoveries will be excellent even in the unoxidized portion and that much of the gold at Eldorado could be recovered without the use of cyanide.
- An overall average of 88.1% (77.9-97.1%) of the gold in the unoxidized sulfide samples was recovered by gravity concentration followed by bulk sulfide flotation of the gravity tailings. The 46.1 % recovery in ED01 is due to oxidation. The methods used in the testing recovered only free gold and sulfides. Oxidized gold can be recovered by other standard techniques.
- Liberated free milling gold was found in all samples tested.
- The larger sample size minimized assay variation caused by the "nugget effect".
- The results confirm positive metallurgical testing by Billiton and ICAN.

2024 Drilling Highlights To Date

On March 19, 2024, the Company announced it has secured an additional 42 BLM claims through staking adjacent to its Eldorado property. As part of Provenance's ongoing advancement at Eldorado, the expansion has added 804 acres to the project's original 336 acres, for a total new land package of 1,140 acres.

On April 26, 2024, the Company announced filing of an independent technical report for its Silver Bow Property in south central Nevada with an effective date of August 10, 2023. The purpose of this report is to provide an independent evaluation of the exploration potential of the property for further exploration or joint venture opportunities. The Company identified robust targets for both high-grade and shallow bulk tonnage gold and silver mineralization at Silver Bow. The Property contains an extensive locally high-grade gold and silver mineralized system that is associated with two apparent calderas that are cut by major east-trending structural zones at least five kilometers in length. The Property contains scattered historic high-grade gold and silver workings and small historic mines. Numerous surface samples taken by historic exploration companies and by Provenance contain high-grade gold and silver within extensive areas of bleaching, alteration and brecciation.

On July 25, 2024, the Company announced that it has commenced an Induced Polarization (IP) survey on its Eldorado Gold Project in Malheur County, Eastern Oregon. The IP survey (conducted by KLM Geoscience of Caliente, Nevada) helped to locate fault structures that are believed to be important in controlling gold mineralization on the property. The IP was also used to find areas that likely host stronger mineralization.. This IP survey has been completed. The IP survey will help guide upcoming drilling programs as well as provide guidance on several other drill targets that have never been tested on the property.

On August 20, 2024, the Company announced that itcommenced its core drilling program on its Eldorado property in Malheur County, eastern Oregon. The primary goals for the drill program are to extend the known mineralization downdip beyond 90 metres and to verify geological details of the mineralization that will aid in modeling and future exploration. The core obtained will provide material for more precise assaying and for additional metallurgical testing.

This first hole (EC-01) was collared in the vicinity of Provenance's holes ED-07 and ED-11 (2023) which each averaged better than 3 g/t Au across their entire lengths of 118 and 114 metres respectively. Hole EC-01 was angled below holes ED-07 and ED-11 to extend the mineralization downdip while potentially confirming the significant width of the high-grade zone, as suggested in hole ED-07 (Figure 3), which is believed to have been angled perpendicular to the structural trend of this high-grade zone. The 2023 drilling suggested the presence of a previously unrecognized higher grade gold zone or zones below the historic drilling, the presence of which was confirmed by hole EC-01, which was drilled to a depth of 347 meters.

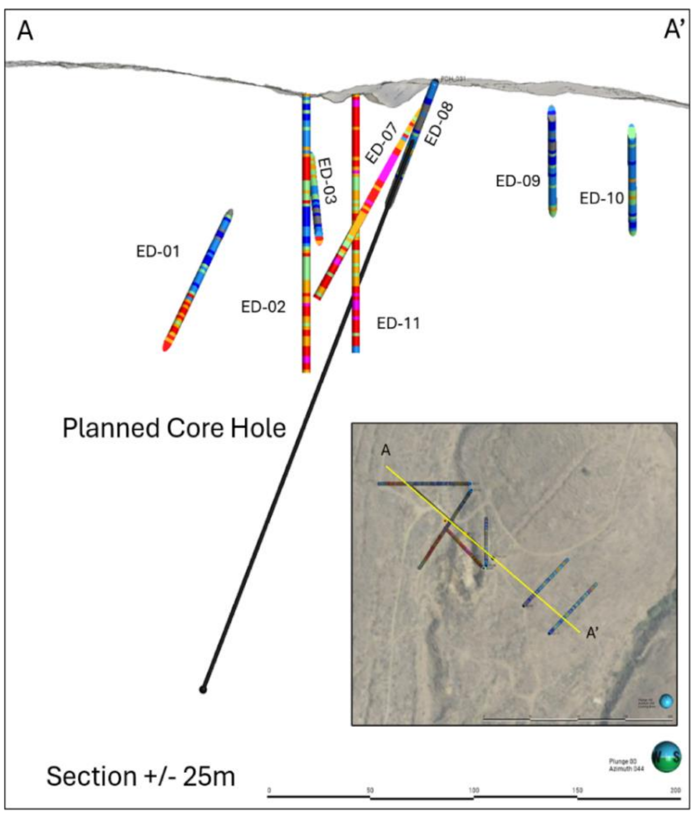

Figure 3. First core hole of 2024 drill program & 2023 drill holes

On September 12, 2024, the Company released findings on its recently competed IP survey completed at the Eldorado property by KLM Geoscience LLC with the final report furnished by James L. Wright, M.Sc. The survey helped to locate and confirm fault structures that are believed to be important in controlling the gold mineralization on the property and identify several new targets for future exploration.

IP Highlights included results of the IP survey identified six (6) areas of interest (Figure 4):

- Area 1: The extreme north end of Line 0: This is a strong, shallow chargeability anomaly proximal to a structure and located in a drainage.
- Areas 2 and 3: These are the extreme south ends of Lines 400E and 600E where the possible source rock for the chargeable zone appears to be quite shallow.
- Areas 4 and 5: These are weak, layered chargeability underlying two of the high-grade gold zones.
- Area 6: Segment of the east bounding structure proximal to a high-grade gold zone and an area of structural complexity.

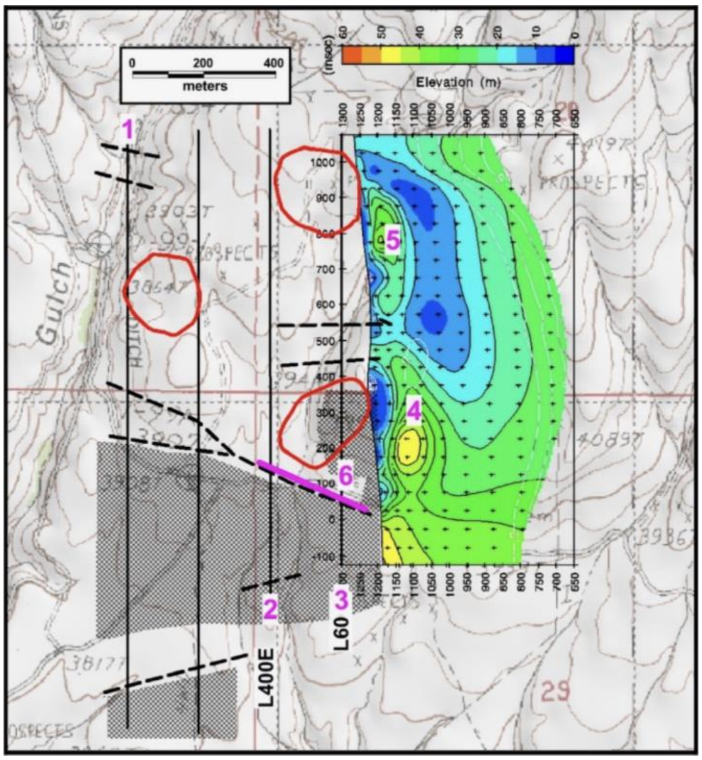

Figure 4 – Target Summary, Line 600E Chargeability Section over Topography

On September 25, 2024, the Company provided an update on its ongoing core drilling program at its Eldorado project. Drilling of the first core hole (EC-01: orientated N10W at - 680 dip, with a planned depth of 300 m) has now been completed. At the time of the update, the hole intersected highly altered and mineralized granodiorite with visible gold located at multiple horizons (30m, 108m, and 158m). The hole was designed to test the down dip extent of Provenance's 2023 reverse circulation hole ED-07 which averaged 3.085 g/t gold over its entire length of 114 meters and terminated while still in strong mineralization (See Press Release dated July 31, 2023). In addition, EC-01 crosscuts the projected northeast trend of the high-grade mineralization in this part of the Eldorado gold system and the presence of visible gold in the mineralization continues to expand the known mineralization along strike and to depth.

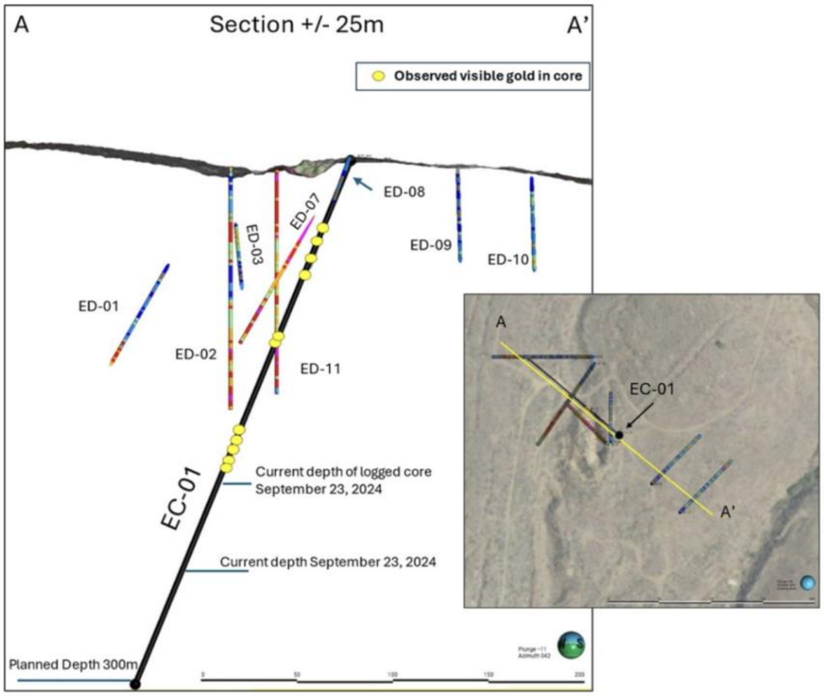

Figure 5 – Down dip visible gold locations in EC-01.

On October 29, 2024, the Company provided a further update on its ongoing core drilling program at its Eldorado project. To date, the Company has completed the first two holes, and the third hole is ongoing.

Drilling details include:

- **Hole EC-01** was drilled to a depth of 347 meters (1,140 feet), extending the design depth by 47. The hole ended in altered mineralization and visually validates the vertical extension of the system, supports the presence of a deeper mineralized zone, and suggests the mineralization is not primarily controlled by or limited to a breccia zone. EC-01 core has been processed and samples are currently being assayed at ALS Global in Reno, Nevada. Results will be released as they become available.
- Targeting the 2023 ED-04 hole (32 meters of 3.98 g/t Au; see press release dated July 18th, 2023 located here), hole EC-02 was drilled to a depth of 158 meters and finished in mineralization but was unable to reach the target depth due to drilling difficulties encountered in a fault zone, believed to be an important mineralizing structure. Hole EC-03 targeted the same horizon at a steeper angle than hole ED-04 and just east of EC-02 with the intent of crosscutting the mineralized fault zone intersected by hole EC-02 and continuing deeper into the mineralized fault zone.

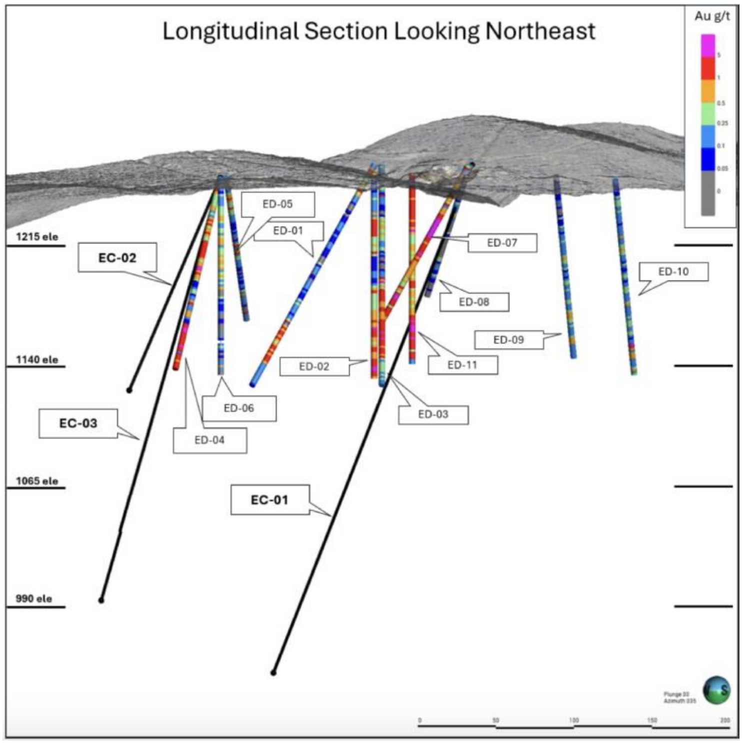

Figure 6. Longitudinal Section of the 2024 drillholes including 2023 drill holes

Risk Factors

The Company is in the business of acquiring, exploring and if warranted, developing, and exploiting natural resource properties. Due to the nature of the Company's business and the present stage of exploration of its resource properties (which are primarily early-stage exploration properties with no known resources or reserves that have not been explored by modern methods), the following risk factors, among others, will apply:

Mining Industry is Intensely Competitive:

The Company's business will be the acquisition, exploration, and development of resource properties. The mining industry is intensely competitive, and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business:

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits that, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices:

Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any mineral deposit will be such that any of its resource properties could be mined at a profit.

Permits and Licenses:

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

No Assurance of Profitability:

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

The consolidated financial statements have been prepared on a going concern basis:

The Company’s consolidated financial statements for the nine months ended September 30, 2024 have been prepared on the basis that it will continue as a going concern. The Company recorded a comprehensive loss of $728,739 for the nine months ended September 30, 2024 (September 30, 2023- $534,131). As at September 30, 2024, the Company had a working capital deficit of $115,289 (December 31, 2023 - working capital surplus of $152,868) and an accumulated deficit of $6,833,349 (December 31, 2023 - $6,104,610). The Company’s ability to continue as a going concern and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. If the Company is unable to obtain adequate additional financing, it may be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require that the Company’s assets and liabilities be restated on a liquidation basis which would likely differ significantly from their going concern assumption carrying values.

Uninsured or Uninsurable Risks:

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company’s perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation:

Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Matters:

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company’s right to exploit any mining properties will be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

Financing Risks:

The Company has limited financial resources, no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient Financial Resources:

The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties. In particular, failure by the Company to raise the funding necessary to maintain in good standing its various option agreements could result in the loss of its rights to such properties.

Dependence Upon Others and Key Personnel:

The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce minerals from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

Price Fluctuations and Share Price Volatility:

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Surface Rights and Access:

Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry-on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

Title:

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to resource properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples.

Results of Operations

<u>Nine months ended September 30, 2024</u>

During the nine months ended September 30, 2024, the Company recorded a comprehensive loss of $728,739 (Q3 2023- $534,131)

Significant items in the nine months ended September 30, 2024 include:

- Consulting and management fees of $158,145 (Q3 2023 - $154,750) were paid to the officers and consultants.
- Shareholder communications decreased to $65,235 (Q3 2023 - $66,218).
- Professional fees slightly increased to $11,939 (Q3 2023 - $10,445).
- Regulatory and transfer agent fees increased to $28,152 (Q3 2023 - $24,397).

Selected Quarterly Financial Information

The following is a summary of the quarterly results of the Company for the most recent eight quarters:

	September 30, 2024	**June 30, 2024**	**March 31, 2024**	**December 31, 2023**
	$	$	$	$
Total revenue	Nil	Nil	Nil	Nil
Net loss	514,488	79,218	134,458	647,969
Net loss per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)
Total assets	4,047,481	3,807,553	2,954,536	2,997,756
Total liabilities	288,670	158,619	212,473	121,235
Total shareholders’ equity	3,758,811	3,648,934	2,742,063	2,876,521
	September 30, 2023	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**
	$	$	$	$
Total revenue	Nil	Nil	Nil	Nil
Net loss	148,017	64,754	597,237	121,914
Net loss per share – basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)
Total assets	3,601,710	2,624,834	2,709,860	3,315,220
Total liabilities	67,658	204,365	96,017	104,140
Total shareholders’ equity	3,534,052	2,471,831	2,613,843	3,211,080

The following discussion outlines the reasons for some of the variations in the quarterly numbers but, as with most junior mineral exploration companies, the results of operations (including interest income and net losses) are not the main factors in establishing the financial health of the Company. Of far greater significance are the resource properties in which the Company has, or may earn an interest, its working capital and how many shares it has outstanding. The variation seen over such quarters is primarily dependent upon the success of the Company’s ongoing property evaluation program and the timing and results of the Company’s exploration activities on its then current properties, none of which are possible to predict with any accuracy. There are no general trends regarding the Company’s quarterly results and the Company’s business of resource exploration is not seasonal, as it can work on its property on a year-round basis (funding permitting). Quarterly results may vary significantly depending mainly on whether the Company has abandoned any properties or granted any stock options and these factors which may account for material variations in the Company’s quarterly net losses are not predictable. General and administrative costs tend to be quite similar from period to period, except in certain cases when there is an increase in corporate activities resulting from the completion of a private placement.

Liquidity, Capital Resources and Outlook

At September 30, 2024, the Company had cash of $155,473 (December 31, 2023 – $263,214) GST/HST receivable of $5,619 (December 31, 2023 – $5,915) and current liabilities of $288,670 (December 31, 2023 – $121,235). At September 30, 2024, the Company had working capital deficit of $115,289 (December 31, 2023 – surplus of $152,868)

During the nine months ended September 30, 2024, the Company used $155,043 of cash in operating activities (Q3 2023 – $341,802) and had a net outflow of $1,197,749 for investing activities (Q3 2023 – $1,230,240).

On October 9, 2024, the Company closed the final tranche of a non-brokered private placement of 18,331,250 units at a price of $0.08 per unit for gross proceeds of $1,466,500. 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 October 9, 2027. In connection with closing of the final tranche, the Company paid $12,810 and issued 160,125 broker warrants.

On June 28, 2024, the Company closed the first tranche of a non-brokered private placement of 12,913,750 units at a price of $0.08 per unit for gross proceeds of $1,033,100. 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 June 28, 2027. In connection with closing of the First Tranche, the Company paid $28,861 and issued 360,763 broker warrants.

On September, 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.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at November 28, 2024 or at the date of this MD&A.

Financial Instruments and Other Instruments

The Company’s financial instruments consist of cash, accounts payable, due to related party and loan payable. It is management’s opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values, as applicable. Liquidity risk is assessed as high.

Related Parties

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 nine months ended September 30, 2024, the Company incurred $67,500 (September 30, 2023 - $48,750) in consulting and management fees paid to the Chief Executive Officer (the “CEO”) of the Company; $90,000 (September 30, 2023 - $70,000) in consulting and management fees paid to a company controlled by the President of the Company; $36,000 (September 30, 2023 - $36,000) in consulting and management fees paid to a company controlled by the Chief Financial Officer (the “CFO”) of the Company.

Related Party Balances

At September 30, 2024, accounts payable and accrued liabilities included $69,480 (September 30, 2023 – $nil) payable to related parties for consulting fees incurred during the current period.

Significant Accounting Judgments and Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

The Company's significant judgments and estimates are disclosed in the financial statements as at and for the nine months ended September 30, 2024

Outstanding Share Data as at November 28, 2024

Authorized	Unlimited
Issued and outstanding common shares	128,759,420
Outstanding stock options	7,800,000
Outstanding share purchase warrants	67,005,332

Changes in Internal Controls over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the nine months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Other Information

Additional information relating to the Company is available on its website at www.provenancegold.com and under its profile on SEDAR+ at www.sedarplus.ca.