# P2 GOLD INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of P2 Gold Inc. ("P2 Gold", "we", "our", "us" or the "Company") provides information about our performance, financial condition and future prospects.

This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2023 and 2022 as publicly filed in Canada on the System for Electronic Data Analysis and Retrieval + ("SEDAR+") website at www.sedarplus.ca and on our website at www.p2gold.com.

The annual consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The functional currency of the parent company, P2 Gold, is the Canadian dollar ("$" or "CAD") and the functional currency of each of the Company's subsidiaries is the United States dollar ("USD" or "US$"). The presentation currency of the consolidated financial statements is CAD. All dollar amounts in this MD&A are expressed in CAD, unless otherwise noted or the context otherwise provides.

The following abbreviations are used in this MD&A: m (metres); km (kilometers); mi (miles); kt (thousand tonnes); Mt (million tonnes); g/t (grams per tonne); oz (ounces); k oz (thousand ounces); M oz (million ounces); lbs (pounds); k lbs (thousand pounds); M lbs (million pounds) and AuEq (gold equivalents).

This MD&A is prepared as of March 21, 2024 and includes certain statements that may be deemed "forward-looking information", "forward-looking statements", and "financial outlook". We direct readers to the "*Statement Regarding Forward-Looking Information*" section included within this MD&A.

Additional information relating to the Company, including our Annual Information Form ("AIF"), dated March 21, 2024, is available on the SEDAR+ website at www.sedarplus.ca and on our website at www.p2gold.com.

## OUR BUSINESS

The Company was incorporated on November 10, 2017 under the *Canada Business Corporations Act* under the name Central Timmins Exploration Corp. Effective August 31, 2020, the Company continued under the *Business Corporations Act (British Columbia)* and changed its name to P2 Gold Inc., and in connection therewith, the Company adopted new constating documents comprising Notice of Articles and Articles of the Company, which are available under the Company's profile at www.sedarplus.ca.

The Company's common shares are traded on the TSX Venture Exchange ("Exchange") under the symbol "PGLD" and the OTCQB Venture Market under the symbol "PGLDF". The address of the Company's registered office is 10th Floor, 595 Howe Street, Vancouver, BC, Canada V6C 2T5.

The Company is a mineral exploration company engaged in the acquisition, exploration and development of mineral resource properties primarily in BC, Canada and the western United States of America ("USA"). Currently, the Company is focused on acquiring ownership rights to these properties and financing exploration programs to identify potential mineral reserves.

The Company owns the Gabbs Project located on the Walker-Lane Trend in the Fairplay Mining District of Nye County, Nevada. In addition, the Company owns the BAM Project and holds interests in the Silver Reef Property, both properties located in northwest BC.

The Company does not hold any interests in producing mineral deposits. The Company has no production or other material source of revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of mineral resources containing economic concentrations of minerals are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish mineral resources and/or mineral reserves. Additional substantial financial resources will be required to develop mining and processing facilities for any mineral resources and/or mineral reserves that may be discovered. If the Company is unable to finance the establishment of mineral reserves or the development of mining and processing facilities, it may be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

## 4th QUARTER HIGHLIGHTS AND SIGNIFICANT EVENTS

- On September 11, 2023, the Company reported the results from a positive Updated Preliminary Economic Assessment ("PEA") on its Gabbs Project with the Technical Report filed on October 23, 2023. For further details on the Updated PEA, refer to the "*Gabbs Project*" section of this MD&A.

- On October 12, 2023, the Company terminated the mineral lease and option agreement for the Lost Cabin Property.

- On December 19, 2023, the Company terminated the mineral lease and option agreement for the BAM Property. The Company will continue to explore the BAM Project, which now comprises the Ball Creek Claims (defined below) that cover approximately 19,000 hectares in the Golden Triangle of BC. For further details on the BAM Project, refer to the "*BAM Project*" section of this MD&A.

- On December 19, 2023, the Company granted share options to employees, directors and consultants of the Company to purchase an aggregate of 1,075,000 common shares in the capital of the Company at an exercise price of $0.13 per share, which expire on December 19, 2025.

- On December 20, 2023, the Company provided an update on the Gabbs Project, with plans to advance the project to the feasibility stage. For further details, refer to the "*Gabbs Project*" section of this MD&A.

- Subsequent to December 31, 2023, on February 2, 2024, the Company completed the first tranche of a non-brokered private placement consisting of 6,250,000 units in the capital of the Company at a price of $0.08 per unit for gross proceeds of $500,000. Each unit consisted of one common share of the Company and one common share purchase warrant. The proceeds of the private placement will be used to fund engineering expenditures and for general corporate purposes.

- Subsequent to December 31, 2023, on February 9, 2024, the Company entered into a termination agreement with Waterton Nevada Splitter, LLC ("Splitter"), an affiliate of Waterton Precious Metals Fund II Cayman, LP ("Waterton") to settle the outstanding debt related to the acquisition of the Gabbs Project. For further details, refer to the "*Gabbs Project*" section of this MD&A.

- Subsequent to December 31, 2023, on March 1, 2024, the Company executed a related party promissory note with the Company's Chief Exploration Officer ("CExO") in the amount of $350,000.

- Subsequent to December 31, 2023, on March 4, 2024 and March 14, 2024, the Company issued 1,665 convertible debenture units for gross proceeds of $1,665,000. Each unit consisted of one convertible debenture with a principal amount of $1,000 and 12,500 share purchase warrants.

## GABBS PROJECT (Nevada, USA)

The Gabbs Project is located in the Fairplay Mining District, south-southwest of the town of Gabbs, Nye County, Nevada. The Gabbs Project is located on the Walker-Lane mineralization trend, on the southwest flank of the Paradise Range and is road accessible via Highway 361. The Gabbs Project consists of 543 federal unpatented lode claims and one patented lode claim which comprises an approximately 45.0 $km^2$ (17.5 $mi^2$) contiguous claim block.

There are four separate mineralized areas found to date on the Gabbs Project: the Sullivan, Lucky Strike, and Gold Ledge zones are considered to be gold-copper porphyry deposits. The Car Body Zone is considered to be an epithermal gold deposit.

**Acquisition terms**

On February 22, 2021, the Company entered into an asset purchase agreement with Borealis Mining Company, LLC ("Borealis"), an indirect, wholly owned subsidiary of Waterton to acquire all the assets that comprise the Gabbs Project located on the Walker-Lane Trend in the Fairplay Mining District of Nye County, Nevada.

On May 4, 2021, the Company and Borealis agreed to amend the terms of the asset purchase agreement ("Amended Agreement"). Under the Amended Agreement, the Company paid $1,216,600 (US$1,000,000) and issued 15,000,000 common shares ($7,500,000 in fair value) in its capital to Waterton at closing of the transaction. In addition, the Company was required to pay Splitter, an affiliate of Borealis, (a) US$4,000,000 on the twelve-month anniversary of closing and (b) US$5,000,000 on the earlier of the announcement of results of a PEA and the 24-month anniversary of closing. Borealis reserved for itself a 2% net smelter returns royalty on production from the Gabbs Project, of which one percent may be repurchased at any time by the Company for US$1,500,000 and the remaining one percent of which may be repurchased for US$5,000,000.

On April 28, 2022, the Company and Splitter agreed to amend the terms of the milestone payments under the Amended Agreement for the purchase of the Gabbs Project. Under the amended terms, the Company would pay Splitter (a) US$500,000 on May 31, 2022; (b) US$500,000 on December 31, 2022, if the Company completed an equity financing in the second half of 2022; and (c) US$8,000,000 or US$8,500,000 on May 14, 2023 (depending on whether US$500,000 was paid on December 31, 2022), provided that if the Company announced the results of a PEA prior to May 14, 2023, all outstanding payments would be due on the earlier of 60 days following the announcement of such results and May 14, 2023, and if the Company sold an interest in the Gabbs Project at any time, including without limitation, a royalty or stream, the proceeds of such sale shall be paid to Splitter up to the amount remaining outstanding.

On March 3, 2023, the Company and Splitter agreed to restructure the outstanding payment terms for the acquisition of the Gabbs Project, subject to Exchange approval which was received on March 30, 2023. As part of the restructuring, the Company entered into an amending agreement (the "Second Amended Agreement") with Splitter pursuant to which the Company will pay to Splitter (a) US$150,000 on or before December 31, 2023, (b) US$250,000 on or before December 31, 2024, (c) US$2,000,000 on or before December 31, 2025 and (d) US$2,400,000 on or before December 31, 2026. Under the Second Amended Agreement, if the Company raises, through the issuance of debt or equity, in excess of $7,500,000 (excluding flow-through funds), 10% of the funds raised will be paid to Splitter against the longest dated milestone payment and on the sale of an interest in, or of, the Gabbs Project, the proceeds will be paid to Splitter up to the amount outstanding at the time.

In addition, on March 3, 2023, the Company issued to Splitter a US$4,000,000, zero coupon convertible note with a four-year term convertible at a price of C$0.30 per share provided that the convertible note cannot be converted if all payments due under the Second Amended Agreement have been made at the time the convertible note is called (other than if a change of control is to occur prior to repayment of the convertible note). The convertible note can be called by the Company at any time on payment of 115% in the first year, 130% in the second year and 150% thereafter and is due on maturity, an event of default or a change of control.

Under the terms of the convertible note, approval by the shareholders of the Company is required if conversion of the convertible note would make Waterton (including affiliated entities) a control person (as defined in the Exchange's Corporate Finance Manual).

In consideration for the restructuring, the Company issued 3,320,534 common shares ($797,011 in fair value) in the capital of the Company to Splitter following Exchange approval of the Second Amended Agreement.

Subsequent to December 31, 2023, on February 9, 2024, the Company entered into a termination agreement with Splitter to settle the outstanding debt related to the acquisition of the Gabbs Project which included US$4,800,000 of contractual cash obligations and a US$4,000,000 convertible note as per the Second Amended Agreement.

Under the termination agreement, in settling the outstanding debt, the Company will issue or pay to Splitter (a) US$1,000,000 (paid on March 4, 2024) and 5,231,869 common shares (issued on February 28, 2024) in the capital of the Company, (b) US$125,000 on or before January 31, 2025; and (c) US$125,000 on or before January 31, 2026.

In connection with the acquisition of the Gabbs Project, the Company granted Waterton a 2% net smelter returns royalty on production from the Gabbs Project (as described above). Waterton assigned its rights to the royalty to Franco-Nevada Corporation in June 2023.

**September 2023 Updated PEA**

The Gabbs Updated PEA is detailed in the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") Technical Report entitled "Preliminary Economic Assessment, Gabbs Heap Leach and Mill Project, Nye County, Nevada, USA". The Updated PEA was prepared by Kappes, Cassiday & Associates ("KCA") of Reno, Nevada with Mineral Resource and mining contributions from P&E Mining Consultants Inc. ("P&E") in accordance with NI 43-101. The Technical Report was filed on October 23, 2023 and is available under the Company's profile on the SEDAR+ website at www.sedarplus.ca and on our website at www.p2gold.com.

The Updated PEA is preliminary in nature, includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the Updated PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Company has not defined any Mineral Reserves on the Gabbs Project.

*Economic sensitivities*

Base case metals prices were established by the Company reflecting the Company's expectations for market conditions at the time of construction financing for the Gabbs Project and to allow for direct comparison with the Gabbs June 2023 PEA (refer to news release dated June 29, 2023).

**Table 1:** Gabbs Project September 2023 Updated PEA Economics

| | Low case | Base case | High case | Spot case[1] |
|---|---:|---:|---:|---:|
| Gold price (US$/oz) | $1,800 | **$1,950** | $2,100 | **$1,918** |
| Silver price (US$/oz) | $22.50 | **$25.00** | $27.50 | **$23.01** |
| Copper price (US$/lb) | $4.00 | **$4.50** | $5.00 | **$3.73** |
| Net revenue (US$) | $3.37 billion | **$3.71 billion** | $4.05 billion | **$3.43 billion** |
| After tax NCF[2] (US$) | $584.9 million | **$868.0 million** | $1.15 billion | **$632.5 million** |
| After tax NPV[2] 5% (US$) | $259.4 million | **$442.1 million** | $622.2 million | **$292.2 million** |
| After tax IRR[2] (%) | 15.5% | **22.6%** | 29.5% | **17.0%** |
| Payback[3]/mine life (years) | 3.0 / 13.5 | **2.7 / 13.5** | 2.1 / 13.5 | **3.0 / 13.5** |

(1) As of September 7, 2023.
(2) NCF means "net cash flow"; NPV means "net present value"; IRR means "internal rate of return".
(3) Preproduction capital.

*Capital and operating costs*

**Table 2:** Gabbs Project September 2023 Updated PEA capital costs

| Capital costs | US$ (in millions) |
|---|---:|
| Mining (including contingency of 10%) | $54.9 |
| Process, heap leach (including contingency of 20%) | $184.0 |
| Other (including contingencies) | $38.7 |
| **Total pre-production capital[1]** | **$277.7** |
| Working capital and initial fills (heap leach) | $9.6 |
| Sustaining capital (mill capital and contingencies) | $288.1 |
| Sustaining capital (mining, other and contingencies) | $84.1 |
| Reclamation and closure | $35.6 |

(1) Sum differs due to rounding.

**Table 3:** Gabbs Project September 2023 Updated PEA operating costs and all-in sustaining costs ("AISC")

| Operating costs | US$ |
|---|---:|
| Mining<br>($/tonne mined) | $1.62 |
| Heap leach processing<br>($/tonne milled) | $13.14 |
| Mill processing<br>($/tonne milled) | $18.97 |
| General and administrative ("G&A")<br>(US$/tonne milled) | $0.96 |
| AISC (by-product), life of mine @ spot metal prices<br>($/ounce of gold) | $1,126 |

*Projected mining and production*

**Table 4:** Gabbs Project September 2023 Updated PEA projected mining and production summary

| Year | Tonnes process Ox/S[(1)] (k t) | Gold grade Ox/S[(1)] (g/t) | Silver grade Ox/S[(1)] (g/t) | Copper grade Ox/S[(1)] (%) | Gold production (k oz) | Silver production (k oz) | Copper production (k lbs) | Gold equivalent production[(2)] (k oz) |
|---|---|---|---|---|---|---|---|---|
| **1** | 6,000/ - | 0.82/ - | 1.44/ - | 0.22/ - | 105 | 107 | 13,226 | 132 |
| **2** | 6,000/ - | 0.68/ - | 1.72/ - | 0.30/ - | 106 | 146 | 20,600 | 148 |
| **3** | 6,000/ - | 0.43/ - | 1.51/ - | 0.28/ - | 71 | 134 | 20,357 | 112 |
| **4** | 6,000/ - | 0.56/ - | 1.43/ - | 0.29/ - | 81 | 126 | 20,422 | 122 |
| **5** | 6,000/ - | 0.48/ - | 1.20/ - | 0.23/ - | 74 | 107 | 17,260 | 109 |
| **6** | 1,219/ 3,281 | 0.60/ 0.60 | 0.32/ 1.27 | 0.24/ 0.29 | 93 | 93 | 23,952 | 141 |
| **7** | 2,000/ 4,000 | 0.53/ 0.53 | 0.72/ 1.24 | 0.24/ 0.30 | 94 | 118 | 28,714 | 151 |
| **8** | 2,000/ 4,000 | 0.57/ 0.45 | 0.80/ 1.21 | 0.27/ 0.29 | 89 | 121 | 29,087 | 147 |
| **9** | 2,000/ 4,000 | 0.53/ 0.46 | 1.29/ 1.25 | 0.30/ 0.28 | 88 | 149 | 29,699 | 148 |
| **10** | 2,000/ 4,000 | 0.51/ 0.52 | 1.01/ 1.18 | 0.37/ 0.30 | 94 | 130 | 32,945 | 160 |
| **11** | 1,559/ 4,441 | 0.45/ 0.36 | 0.91/ 1.11 | 0.33/ 0.35 | 70 | 117 | 35,360 | 141 |
| **12** | 2,000/ 4,000 | 1.11/ -0.46 | 3.22 /1.33 | 0.26/ 0.24 | 123 | 257 | 25,078 | 175 |
| **13** | 1,754/ 4,246 | 0.54/ 0.41 | 0.99/ 0.83 | 0.23/ 0.18 | 83 | 103 | 20,028 | 123 |
| **14** | -/ 2,562 | -/ 0.43 | -/ 0.84 | -/ 0.24 | 33 | 34 | 10,754 | 55 |
| **Total** | | | | | **1,206**[(3)] | **1,742**[(3)] | **327,483**[(3)] | **1,863**[(3)] |

(1) Ox/S means oxide mineralization/sulphide mineralization.
(2) At spot metal prices.
(3) Sums may differ due to rounding.

Table 5: Gabbs Project September 2023 Updated PEA other mine production parameters

| Mining | (Mt) |
|---|---|
| Total waste tonnes mined | 306.8 |
| Total processed tonnes mined | 79.1 |
| Total low-grade stockpile mined | 9.3 |
| Total tonnes mined | 395.2 |
| **Recoveries** | **(%)** |
| Heap - gold recovery, oxide | 78.3 |
| Heap - silver recovery, oxide | 45.0 |
| Heap - copper recovery, oxide | 54.0 |
| Mill - gold recovery, oxide | 95.2 |
| Mill - silver recovery, oxide | 83.0 |
| Mill - copper recovery, oxide | 74.0 |
| Mill - gold recovery, sulphide | 94.5 |
| Mill - silver recovery, sulphide | 50.0 |
| Mill - copper recovery, sulphide | 79.9 |

*Mining and processing*

*Mining*

The mineralized material will be mined by standard open-pit mining methods using an owner mining fleet of 136-tonne haul trucks and 15.3 m$^3$ hydraulic shovels, fine crushed using a system incorporating a jaw crusher, cone crushers and high-pressure grinding rollers ("HPGR").

*Processing*

(a) Heap leach

The Gabbs mineralized material is estimated to contain an average of 0.27% copper based on the mine plan used for this Updated PEA. A portion of this copper is cyanide soluble and is expected to be extracted in the heap leach circuit. The cyanide soluble copper has an effect on the cyanide consumption. A sulfidization, acidification, recycling and thickening ("SART") plant that releases cyanide associated with the copper cyanide complex, allowing it to be recycled back to the leach process as free cyanide is included. The resulting copper precipitate will be sold, bringing additional revenue to the project.

After the crushing circuit, the mineralized material will be agglomerated with cement and conveyor stacked on the heap leach pad in 8-meter lifts then single-stage leached with a dilute cyanide solution. The gold and copper bearing solution will be collected in the pregnant solution pond and pumped to the SART plant. Pregnant solution will be acidified with sulfuric acid, then copper will be precipitated as sulfides by the addition of sodium hydrosulfide. The precipitate will be thickened and filtered to produce a copper filter cake for shipment to a smelter. The barren solution from the SART plant will be processed in a carbon adsorption-desorption-recovery ("ADR") plant to recover gold. The gold will be periodically stripped from the carbon using a desorption process. The gold will be plated on stainless steel cathodes, removed by washing, filtered, dried and then smelted to produce a doré bar.

(b) Mill

The run-of-mine ("ROM") feed material to the mill will use the same crushing circuit as the heap leach facilities. The mill feed will be crushed to P80 6.3 mm, (1/4") in a three-stage crushing circuit, with the third-stage an HPGR. The ore will be conveyed to a single-stage ball mill circuit. Sulfide and oxide mineralized material will be campaigned through the mill as the oxide material will not be treated in the flotation circuit. The milled sulphide product will be treated in a flotation plant to produce a copper concentrate suitable for sale. The flotation tailings and ground oxide material will be thickened, then direct cyanide leached to dissolve gold, silver and copper. The leached solids will be washed in a counter current decantation ("CCD") circuit to remove the dissolved metals and cyanide. The dissolved copper and silver will be recovered from the CCD overflow solution in a SART plant as a copper/silver sulphide precipitate. Regenerated sodium cyanide from the SART plant will be recycled to the leach circuit. Gold in the SART plant barren solution will be recovered in an ADR plant and refined to produce doré bars. The CCD tails are treated in a cyanide destruction circuit, filtered, and conveyed to a "dry stack" storage facility.

*Opportunities*

Management has identified a number of opportunities to improve economics of the Updated PEA for the Gabbs Project. They include the following:

- Low-grade stockpile – evaluate alternatives for processing low-grade stockpile;
- Leased mining fleet– evaluate leasing versus purchasing the mining fleet;
- Contract mining – evaluate contract mining versus owner fleet;
- Mine plan – optimize mine sequencing to increase return on capital and carryout geotechnical drilling to optimize pit slope angles;
- Stripping – evaluate extent of alluvium in waste to reduce stripping cost;
- Mineral Resource – expand oxide and sulphide gold and gold and copper mineralization (zones remain open);
- Metallurgy – complete additional test work to increase recoveries for oxide and sulphide mineralization and evaluate the use of HPGR for potential heap leaching of sulphide mineralization to increase recovery of free gold; and
- Capital expenditures – evaluate equipment alternatives to reduce capital costs.

*Next steps*

The Company plans to advance the Gabbs Project to the feasibility stage. Locations for the previously permitted water wells have been identified, which the Company is preparing to re-permit. In addition, the Company is determining the parameters for a final round of metallurgical testing, assessing the depth of the alluvium covering the Sullivan Zone to reduce stripping costs and continuing to pursue the sale of a royalty on the Gabbs Project.

Timing of the metallurgical test work, drilling and feasibility level studies will be dependent on the availability of funds.

*Gabbs Project – 2023 MRE*

The June 2023 Updated Mineral Resource Estimate ("2023 MRE") was prepared by P&E based on four diamond drill holes and 27 reverse circulation drill holes completed by the Company in 2021 and 2022 and 494 drill holes completed by prior Gabbs Project operators between 1970 and 2011.

The main difference between the 2023 MRE and the February 2022 Mineral Resource Estimate (refer to the news release dated February 10, 2022) is the decrease in the oxide cut-off grade to 0.28 g/t gold equivalent from 0.35 g/t gold equivalent and an increase in the sulphide cut-off grade to 0.44 g/t gold equivalent from 0.36 g/t gold equivalent. As a result, oxide Mineral Resources have increased and sulphide Mineral Resources have decreased.

**Table 6:** June 2023 Gabbs Project Pit Constrained MRE(1-4)

| Mineral Resource classification | Tonnes (Mt) | Gold grade (g/t) | Silver grade (g/t)(5) | Copper grade (%) | Gold (M oz) | Silver (5) (M oz) | Copper (M lbs) | Gold Eq. grade (g/t) | Gold Eq. (M oz) |
|---|---|---|---|---|---|---|---|---|---|
| Indicated | 42.3 | 0.50 | 2.8 | 0.28 | 0.676 | 1.964 | 261.3 | 0.78 | **1.058** |
| Inferred | 55.2 | 0.50 | 2.1 | 0.25 | 0.895 | 1.885 | 304.0 | 0.77 | **1.358** |

(1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

(2) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

(3) The Mineral Resources in this MD&A were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) The MRE was prepared for a potential open pit scenario using a constraining pit shell (with 50 degree slopes) at respective 0.28 g/t and 0.44 g/t oxide and sulphide gold equivalent cut-off grades. The gold equivalent cut-off grades were derived from US$1,838/oz gold, US$3.96/lb copper, US$2.15/tonne mining cost, and US$11.76 and $23.66/tonne respective oxide and sulphide processing costs; US$1.25/tonne G&A cost, 78.3% and 95.2% respective gold oxide and sulphide process recoveries; and 48% and 78% respective copper oxide and sulphide process recoveries.

(5) Silver not included in gold equivalent calculation.

Oxide Mineral Resources at Gabbs consist of Indicated Mineral Resources of 724,400 ounces of gold equivalent (30.6 million tonnes grading 0.49 g/t gold, 1.49 g/t silver and 0.27% copper) and Inferred Mineral Resources of 779,000 ounces of gold equivalent (33.0 million tonnes grading 0.53 g/t gold, 1.03 g/t silver and 0.23% copper). Refer to Table 7 below for a breakdown of the oxide and sulphide Mineral Resources.

**Table 7:** June 2023 Gabbs Project Pit Constrained MRE by Rock Group[(1)(2)]

| Rock group | Tonnes (M) | Gold grade (g/t) | Silver grade (g/t) | Copper grade (%) | Gold (M oz) | Silver (M oz) | Copper (M lbs) | Gold Eq. grade (g/t) | Gold Eq. (M oz) |
|---|---|---|---|---|---|---|---|---|---|
| Oxide Indicated | 30.6 | 0.49 | 1.49 | 0.27 | 0.483 | 1.468 | 182.1 | 0.74 | 0.724 |
| Oxide Inferred | 33.0 | 0.53 | 1.03 | 0.23 | 0.556 | 1.086 | 167.8 | 0.74 | 0.779 |
| Sulphide Indicated | 11.7 | 0.52 | 1.32 | 0.31 | 0.193 | 0.496 | 79.2 | 0.89 | 0.333 |
| Sulphide Inferred | 22.2 | 0.47 | 1.12 | 0.28 | 0.339 | 0.799 | 136.2 | 0.81 | 0.579 |

(1) Refer to notes 1 to 4 to Table 6 above.
(2) Tables may differ and not sum due to rounding.

**Table 8:** June 2023 Gabbs Project Pit Constrained MRE by Zone[(1)(2)]

| Zone | Tonnes (M) | Gold grade (g/t) | Silver grade (g/t) | Copper grade (%) | Gold (M oz) | Silver (M oz) | Copper (M lbs) | Gold Eq. grade (g/t) | Gold Eq. (M oz) |
|---|---|---|---|---|---|---|---|---|---|
| Sullivan Indicated | 42.3 | 0.50 | 1.45 | 0.28 | 0.676 | 1.964 | 261.3 | 0.78 | 1.058 |
| Sullivan Inferred | 9.6 | 0.52 | 1.21 | 0.27 | 0.161 | 0.372 | 57.6 | 0.83 | 0.256 |
| Lucky Strike Inferred | 41.0 | 0.47 | 1.12 | 0.26 | 0.619 | 1.479 | 238.0 | 0.74 | 0.976 |
| Car Body Inferred | 3.3 | 0.99 | 0.38 | - | 0.106 | 0.34 | - | 0.99 | 0.106 |
| Gold Ledge[(3)] Inferred | 1.3 | 0.21 | - | 0.28 | - | - | - | 0.47 | - |

(1) Refer to notes 1 to 4 to Table 6 above.
(2) Tables may differ and not sum due to rounding.
(3) Gold Ledge Inferred Mineral Resource rounded to zero**.

*Qualified Persons ("QPs")*

The Updated PEA was prepared by Carl E. Defilippi, RM SME of KCA and Eugene Puritch, P.Eng., FEC, CET, and Andrew Bradfield, P.Eng. of P&E of Brampton, Ontario, each of whom is a QP as defined by NI 43-101 and independent of the Company and has reviewed and approved of the technical content relating to the Updated PEA in this MD&A.

The 2023 MRE was prepared under the supervision of Eugene Puritch, P.Eng., FEC, CET of P&E, who is an Independent QP, as defined by NI 43-101. Mr. Puritch has reviewed and approved the technical contents of this MD&A relating to the 2023 MRE.

Ken McNaughton, M.A.Sc., P.Eng., CExO of P2 Gold, is the QP, as defined by NI 43-101, responsible for the Gabbs Project. Mr. McNaughton has reviewed, verified, and approved the scientific and technical information in this MD&A.

## BAM PROJECT (BC, Canada)

The BAM Project comprises 54 mineral claims that cover an area totalling 18,893 hectares. The BAM Project is located approximately 150 kilometers northwest of Stewart, BC. The project is accessed by helicopter, and has good access to existing infrastructure, with Highway 37 and the Northwest Transmission Line approximately 35 kilometers to the east of the project, and the Galore Creek Project access road approximately 10 kilometers to the southeast.

The focus of the BAM Project is the More Creek Zone located approximately five kilometers east of Arctic Lake, and approximately eight kilometers northeast of the Monarch Gold Zone, an area where prior exploration work had been conducted by the Company (refer to the "*BAM Property – Mineral lease and option agreement*" section below).

**Acquisition of Ball Creek Claims**

On March 5, 2023, the Company entered into an agreement with a wholly-owned subsidiary of Orogen Royalties Inc. ("Orogen") for the acquisition of certain mineral claims (the "Ball Creek Claims") that comprise the western portion of Orogen's Ball Creek Property.

Under the terms of the agreement, in return for the transfer of the Ball Creek Claims, the Company issued 4,000,000 common shares in the capital of the Company to Orogen and granted Orogen a one percent net smelter returns royalty in respect of production from the Ball Creek Claims. The acquisition cost was measured based on the fair value of common share consideration at the date of issuance in the amount of $900,000.

In addition, the Ball Creek Property is subject to an underlying agreement with Sandstorm Gold Ltd. ("Sandstorm") pursuant to which Sandstorm holds a two percent net smelter returns royalty (the "Sandstorm Royalty"), one percent of which may be repurchased for $1,000,000, and is entitled to a payment of $1,000,000 on the announcement of a one-million-ounce Mineral Resource and $3,000,000 on the announcement of a positive feasibility study. Under the agreement, the Company assigned Orogen the right to repurchase one percent of the Sandstorm Royalty and assumed the obligations to Sandstorm on the announcement of a one-million-ounce Mineral Resource and a positive feasibility study in respect of the portion of the Ball Creek Property being acquired by the Company.

**BAM Property – Mineral lease and option agreement**

Following the completion of the 2023 BAM exploration program, a review of all work completed on the project to date was undertaken by Company geologists and a leading expert in porphyry mineralization. The review, which included an analysis of all geological mapping, geophysics, sampling and drilling data, suggests that the gold mineralization at the Monarch Gold Zone is related to an intrusive distal to the zone and interpreted by the Company to be located to the north of the zone.

An area of particular interest for the potential source of the Monarch Gold Zone mineralization is the More Creek Zone located approximately five kilometers east of Arctic Lake, and approximately eight kilometers northeast of the Monarch Gold Zone. The More Creek Zone is defined by a strong gold/copper soil anomaly measuring one-by-one kilometers, is open to the west, and within which numerous rock grab samples returned values ranging from 0.1 to 0.6 g/t gold and 0.2% to 0.4% copper.

As the source of the Monarch Gold Zone mineralization is interpreted by the Company to be located to the north of the zone, future exploration work at the BAM Project will focus on the northern part of the BAM Project comprising the Ball Creek Claims, wholly owned by the Company.

Accordingly, on December 19, 2023, the Company discontinued the option on the claims that comprise the southern portion of the project.

## SILVER REEF PROPERTY (BC, Canada)

The Silver Reef Property covers an area of over 23,000 hectares approximately 85 kilometers north of Hazelton, BC and to the east of the Golden Triangle.

**Acquisition terms**

On June 20, 2022, the Company entered into an agreement amending the terms of the option agreement by which the Company can acquire up to a 100% interest in the Silver Reef Property.

Under the terms of the amended option agreement, to maintain the option in good standing, the Company is contractually obligated to pay the vendor:

- $175,000 (in cash or common shares valued at $0.50 per share) and 300,000 common shares following the approval of the amended option agreement by the Exchange;
    - On July 8, 2022, the Exchange approved the amended option agreement with the discounted market price (defined below) set at $0.33 per common share. On July 11, 2022, the Company issued 650,000 common shares ($295,000 in fair value) to meet the contractual obligations under the amended option agreement.

- $175,000 (in cash or common shares valued at the greater of the closing price of the common shares on the Exchange on June 9, 2023, and the discounted market price, as defined in Exchange policy 1.1) and 300,000 common shares on June 12, 2023; and

- $200,000 (in cash or common shares valued at the greater of the closing price of the common shares on the Exchange on June 7, 2024, and the discounted market price) and 200,000 common shares on June 10, 2024.

In addition, the Company has until September 30, 2024 to incur any remaining exploration expenditures at the property. The other terms in respect of the option agreement for the Silver Reef Property remain unchanged.

On June 14, 2023, the Company agreed with the vendor of the Silver Reef Property to defer the cash payment and share issuance due on June 12, 2023, under the option agreement dated June 12, 2020 as amended by an amending agreement dated June 20, 2022, to June 10, 2024.

**Technical report**

For additional information about the Silver Reef Project, refer to the NI 43-101 technical report entitled "NI 43-101 Technical Report on the Silver Reef Property, Omineca Mining Division, British Columbia, Canada" with an effective date of December 31, 2021. The full technical report was filed on January 11, 2022 under the Company's profile on the SEDAR+ website at www.sedarplus.ca and on our website at www.p2gold.com.

The technical report was prepared by Ken McNaughton, M.A.Sc., P.Eng., CExO of P2 Gold, a QP as defined by NI 43-101.

## LOST CABIN PROPERTY (Oregon, USA)

The Lost Cabin Property consisted of 106 unpatented lode mining claims that covered an area of over 2,190 acres, located in Lake County, Oregon.

On October 12, 2023, the Company terminated the mineral lease and option agreement for the Lost Cabin Property.

## QUALITY ASSURANCE

Ken McNaughton, M.A.Sc., P. Eng., CExO of P2 Gold, is the QP, as defined by NI 43-101, responsible for the BAM Project, the Gabbs Project, the Silver Reef Property, and the Lost Cabin Property and has reviewed, verified and approved the scientific and technical information contained in this MD&A relating to such project and properties.

## BUSINESS CYCLE AND SEASONALITY

The Company's business is not cyclical or seasonal, however construction of and access to its properties can be delayed and exploration activities may be curtailed during heavy spring rains, snow, cold temperatures and other extreme weather phenomena. Demand for and the price of commodities is volatile and can be affected by seasonal weather variations.

The Company is impacted by the global supply and demand outlook for gold and copper, which in turn is influenced by diverse factors, US currency valuations, derivatives market activity, interest rate and inflation forecasts and other factors.

## FINANCIAL POSITION

**Total assets**

As at December 31, 2023, total assets were $310,640, a decrease of $2,102,774 compared to December 31, 2022. The decrease was predominantly due to lower cash and cash equivalents in the amount of $1,427,813 resulting from continued spending on exploration and evaluation ("E&E") expenditures for its mineral projects and corporate administrative expenses and lower tax receivables. This is partially offset by cash flows generated from completed private placements.

Under our accounting policy for E&E expenditures, all acquisition costs incurred related to the Gabbs Project, the Ball Creek Claims and payments under option agreements were expensed to the statement of loss and not capitalized to the statement of financial position.

**Total liabilities**

As at December 31, 2023, total liabilities were $9,669,955, a decrease of $2,577,894 compared to December 31, 2022. Total liabilities primarily relate to the acquisition liabilities associated with the Gabbs Project in the amount of $8,637,975 (December 31, 2022 – $11,681,066). The decrease in liabilities was predominantly due to a decrease in acquisition liabilities associated with the Gabbs Project resulting from the restructuring of the payment terms and the translation of the liability from USD to CAD. This was partially offset by an increase in related party loans in the amount of $545,000.

**Total shareholders' equity**

Total shareholders' equity was a deficit of $9,359,315, an increase in total shareholders' equity of $475,120 compared to December 31, 2022. Higher shareholders' equity was due to the completed private placements, shares issued for the acquisition of the Ball Creek Claims and restructuring of the acquisition liabilities associated with the Gabbs Project and an increase in other reserves due to share-based compensation expense related to share options. This was partially offset by an increased net loss driven by E&E expenditures completed on the BAM and Gabbs projects and corporate administrative expenses.

## FINANCIAL RESULTS OF OPERATIONS

**E&E expenditures**

For the three months and year ended December 31, 2023, E&E expenditures were $181,957 and $4,434,049 respectively, compared to $1,107,437 and $11,410,978, respectively, in the comparable periods of 2022. E&E expenditures, by property, for the three months and year ended December 31, 2023 and 2022 were as follows:

| | | For the three months ended | | For the year ended |
|---|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| BAM Project | $ 122,854 | $ 1,046,386 | $ 3,869,421 | $ 8,957,021 |
| Gabbs Project | 59,103 | 61,051 | 484,424 | 2,168,581 |
| Lost Cabin Property | - | - | 79,101 | 61,155 |
| Silver Reef Property | - | - | 1,103 | 302,833 |
| Prospective exploration properties | - | - | - | 30,099 |
| Natlan Property | - | - | - | 1,200 |
| Todd Creek Property | - | - | - | 400 |
| British Columbia Mineral Exploration Tax Credit ("BCMETC") recovery | - | - | - | (110,311) |
| | $ 181,957 | $ 1,107,437 | $ 4,434,049 | $ 11,410,978 |

For the three months and year ended December 31, 2023, the decrease in E&E expenditures of $925,480 and $6,976,929 respectively, was primarily related to the scope of drill programs completed on the BAM Project which included drilling of 913.1 meters (2022 – 13,963 meters) in 2 holes (2022 – 95 holes), helicopter costs, operational costs associated with the camp and assaying costs. This was partially offset by an increase in acquisition costs in the amount of $900,000 related to the fair value of the common shares issued for the acquisition of the Ball Creek Claims.

E&E expenditures of the Company, by nature of expense, for the three months and year ended December 31, 2023 and 2022 were as follows:

| | | For the three months ended | | For the year ended |
|---|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| Acquisition costs | $ - | $ 314 | $ 1,134,749 | $ 636,444 |
| Helicopters | - | 1,925 | 610,047 | 2,155,759 |
| Camp costs and access road | 17,819 | 126,496 | 592,793 | 1,325,821 |
| Salaries and benefits | 7,369 | 128,589 | 436,036 | 745,738 |
| Drilling | - | 19,790 | 414,089 | 2,962,285 |
| Consulting | 15 | 134,131 | 376,876 | 442,267 |
| Technical and assessment reports | 43,185 | 23,202 | 231,357 | 661,419 |
| Government payments | 329 | 2,393 | 169,601 | 216,330 |
| Equipment rentals | 100,000 | 25,221 | 137,653 | 421,074 |
| Assays | 133 | 521,928 | 134,159 | 1,308,689 |
| Geophysical and other surveys | 150 | 94,085 | 78,349 | 456,863 |
| Travel expenses | 286 | 15,801 | 62,556 | 137,935 |
| Other E&E expenditures | 12,671 | 13,562 | 55,784 | 50,665 |
| BCMETC recovery | - | - | - | (110,311) |
| | $ 181,957 | $ 1,107,437 | $ 4,434,049 | $ 11,410,978 |

**Administrative expenses**

For the three months and year ended December 31, 2023, total administrative expenses were $543,337 and $2,574,800 respectively, a decrease of $134,560 and $604,510 respectively, compared to the comparable periods in 2022.

*Share-based compensation*

For the three months and year ended December 31, 2023, share-based compensation expense was $82,880 and $488,334 respectively, a decrease of $135,342 and $846,257 respectively, compared to the comparable periods in 2022. The movement in share-based compensation expense was the result of the timing and number of share options granted during the periods and the vesting conditions and fair value attributed to those options.

*General and administrative*

For the three months ended December 31, 2023, general and administrative costs were $179,521, an increase of $5,278 compared to the comparable period in 2022. The increase was primarily related to costs associated with the move of its corporate head office.

For the year ended December 31, 2023, general and administrative costs were $672,463, a decrease of $220,557 compared to the comparable periods in 2022. The decrease was primarily due to the Executive Vice President ("EVP") and Corporate Secretary of the Company moving to consulting arrangements which were recorded as professional fees. In addition, the decrease was the result of a financial shared services agreement with two other entities reducing the cost associated with the Chief Financial Officer ("CFO").

*Investor relations and travel*

For the three months ended December 31, 2023, investor relations and travel expenses were $133,609, a decrease of $21,931 compared to the comparable periods in 2022. The decrease was primarily due to lower travel expenses associated with investor conferences.

For the year ended December 31, 2023, investor relations and travel expenses were $769,888, an increase of $311,055, compared to the comparable periods in 2022. The increase was due to increased promotion, social media campaigns and marketing of the Company.

*Professional fees*

For the three months and year ended December 31, 2023, professional fees were $97,809 and $381,521 respectively, an increase of $24,521 and $161,067 respectively, compared to the comparable periods in 2022. The increase was primarily due to the EVP and Corporate Secretary consulting arrangements and audit fees, technical accounting and valuation assistance associated with the restructuring of the acquisition liabilities associated with the Gabbs Project.

#### Interest and finance expense

For the year ended December 31, 2023, interest and finance expense was $1,078,274, an increase of $20,463 compared to the comparable period in 2022. Interest and finance expense was primarily related to accretion related to the acquisition liabilities associated with the Gabbs Project.

#### Gain on financial instruments at fair value

For the three months and year ended December 31, 2023, the Company reported a gain on financial instruments at fair value in the amount of $155,925 and $1,102,568 respectively, compared to nil in the comparable periods in 2022. The gain on financial instruments at fair value was related to the embedded derivative associated with the convertible note, part of the new acquisition liabilities associated with the Gabbs Project. The valuation of the embedded derivative associated with the convertible note was impacted by changes in key inputs including: the discount rate, share price volatility and foreign exchange rate.

#### Gain on modification/extinguishment of acquisition liabilities

For the year ended December 31, 2023, gain on modification/extinguishment of acquisition liabilities was $2,056,201, an increase of $1,327,189 compared to the comparable period in 2022. This was related to the restructuring of the acquisition liabilities associated with the Gabbs Project. For further details, refer to the "*Gabbs Project*" section of this MD&A.

#### Net loss and comprehensive loss

For the three months and year ended December 31, 2023, net loss was $804,757 and $4,456,872 respectively, a decrease of $1,186,139 and $8,481,249 respectively, compared to the comparable period in 2022. The decrease was primarily driven by lower E&E expenditures on its mineral projects, the gain on modification/extinguishment of acquisition liabilities, gain on financial instruments at fair value related to the embedded derivative associated with the convertible note, and lower corporate administrative expenses. This was partially offset by a lower FTS premium recovery.

Net comprehensive loss was impacted by the same reasons noted above for net loss and the currency translation adjustment for translation of the Company's subsidiaries financial results into the presentation currency. The translation adjustment was impacted during the period ended December 31, 2023 by the strengthening of the CAD compared to the USD.

## LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

#### Cash flow

For the three months and year ended December 31, 2023, cash flows used in operating activities were $267,224 and $4,696,586 respectively, a decrease of $2,141,974 and $8,600,147 respectively, compared to the comparable periods in 2022. Operating cash outflows decreased due to lower cash-related E&E expenditures at the BAM and Gabbs projects and lower corporate administrative expenses.

For the year ended December 31, 2023, cash flows used in investing activities were $98, compared to cash flows generated by investing activities of $70,977 in the comparable period in 2022. In 2022, the Company had cash inflows as it replaced its restricted cash (i.e. reclamation security deposits) with surety bonds in favour of the BC Ministry of Energy, Mines and Low Carbon Innovation in the amount of $146,603. The purchase of property, plant and equipment was $7,947 (2022 - $96,509).

For the three months ended December 31, 2023, cash flows generated by financing activities were $272,804, a decrease of $1,902,362 compared to the comparable period in 2022. The decrease was due to lower proceeds generated from private placements in the amount of $8,000 (2022 – $2,294,206). This was partially offset by proceeds from related party loans in the amount of $300,000 and lower share issuance costs.

For the year ended December 31, 2023, cash flows generated by financing activities were $3,269,616, a decrease of $3,630,242 compared to the comparable period in 2022. The decrease was due to lower proceeds generated from private placements in the amount of $3,030,260 (2022 – $6,893,106) and no proceeds from the exercise of share options and warrants (2022 – $466,900). This was partially offset by proceeds from related party loans in the amount of $545,000 and lower share issuance costs.

**Liquidity, capital resources and going concern**

As at December 31, 2023, the Company had cash and cash equivalents of $46,611 (December 31, 2022 - $1,474,424) and a working capital (current assets less current liabilities) deficit of $1,302,132 (December 31, 2022 – $10,086,497). Significant funds will be required to complete the acquisition of the Gabbs Project, refer to the "*Commitments*" section of this MD&A.

The Company continues to incur losses to date, has limited financial resources and has no current source of revenue or cash flow generated from operating activities as its mineral properties are in the early exploration stage. The exploration and development of the Company's properties depends on the ability of the Company to obtain financing. To address its financing requirements, the Company plans to seek financing through, but not limited to, debt financing, equity financing and strategic alliances. However, there is no assurance that such financing will be available. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay, reduce the scope of or eliminate one or more of its exploration programs or relinquish some or all of its rights under its existing option and acquisition agreements. The above factors give rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

If the Company's exploration programs are successful, additional funds will be required to continue exploring and developing its properties until commercial production is achieved. The ability of the Company to arrange financing or the sale of a property or a project interest in the future will depend in part upon the prevailing market conditions as well as the business performance of the Company. If additional financing is raised through the issuance of shares, shareholders may experience dilution.

During the year ended December 31, 2023, the Company completed the following private placements:

- The flow-through unit offering of 6,397,000 flow-through units at a price of $0.32 per unit for gross proceeds of $2,047,040. Each unit consisted of one flow-through common share of the Company and one non-flow through common share purchase warrant.

- The non-flow-through unit offering of 3,611,927 non-flow-through units at a price of $0.27 per unit for gross proceeds of $975,220. Each unit consisted of one common share of the Company and one common share purchase warrant.

Subsequent to December 31, 2023, on February 2, 2023, the Company completed the first tranche of a non-brokered private placement consisting of 6,250,000 units in the capital of the Company at a price of $0.08 per unit for gross proceeds of $500,000. Each unit consisted of one common share of the Company and one common share purchase warrant.

*Convertible debenture offering*

Subsequent to December 31, 2023, on March 4, 2024, and March 14, 2024, the Company issued 1,665 convertible debenture units for gross proceeds of $1,665,000. Each unit consisted of one convertible debenture with a principal amount of $1,000 and 12,500 share purchase warrants.

The convertible debentures bear interest at a rate of 7.5%, payable semi-annually on the last day of June and December of each year, commencing on June 30, 2024. Interest will be paid in shares based on the greater of the market price and 15-day volume weighted average price ("VWAP") of the shares on the Exchange, or cash, at the Company's election. The convertible debentures have approximately a two-year term, with the principal amount being due to be repaid in full by the Company on January 31, 2026. At any time during the term, the Company will have the option to extend the term by up to one additional year on payment of an extension fee to the holders of the convertible debentures in the amount of six month's interest payable in shares based on the greater of the market price and the 15-day VWAP or cash, at the Company's election. The convertible debentures are unsecured.

Under the terms of the offering, at any time during the term, a holder may elect to convert the outstanding net principal amount, or any portion thereof, into common shares in the capital of the Company at a conversion price of $0.07 per share up to January 31, 2025 and $0.10 per share from February 1, 2025 to January 31, 2026. In the event the Company announces a business combination and the 15-day VWAP of the shares on the Exchange is greater than $0.07, the Company will have the right to require the holders to convert the outstanding net principal amount into common shares at the conversion price.

Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.15 per common share for a period of two years from the date of issue. If after four months from the date of issue, the closing price of the common shares of the Company on the Exchange is equal to or greater than $0.30 for a period of 10 consecutive trading days at any time prior to the expiry date, the Company will have the right to accelerate the expiry date of the warrants.

The majority of the proceeds of the convertible debenture offering were used to fund obligations under the termination agreement with Splitter. Refer to the "*Gabbs Project*" section of this MD&A.

*Related party promissory note*

Subsequent to December 31, 2023, on March 1, 2024, the Company executed a related party promissory note with the Company's CExO in the amount of $350,000. The principal amount borrowed and outstanding bears interest at a rate per annum equal to the financial institution prime rate plus 0.5%. Interest will be calculated monthly in arrears and is payable on a monthly basis within 10 business days after month-end. The promissory note is due on demand and the Company has the option to prepay the entire principal amount and accrued interest at any time.

**Use of proceeds**

On December 20, 2022, the Company completed a FTS private placement for gross proceeds of $735,850. Under the terms of the FTS private placement, the funds must be used to pay for qualifying exploration expenditures, as defined under the Canadian Income Tax Act ("ITA"). As at December 31, 2023, all of the proceeds from this FTS private placement have been utilized on qualifying exploration expenditures.

On May 4, 2023, the Company completed a FTS private placement for gross proceeds of $2,047,040. Under the terms of the FTS private placement, the funds must be used to pay for qualifying exploration expenditures, as defined under the Canadian ITA. As at December 31, 2023, all of the proceeds from this FTS private placement have been utilized on qualifying exploration expenditures.

## COMMITMENTS

The following table provides our undiscounted contractual obligations as of December 31, 2023:

| | 1 year | 2 -3 years | More than 3 years | Total |
|---|---|---|---|---|
| Acquisition liabilities - Gabbs Project | | | | |
| Cash obligations under acquisition agreements | $ 529,040 | $ 5,819,440 | $ - | $ 6,348,480 |
| Convertible note | - | - | 5,290,400 | 5,290,400 |
| Accounts payable and accrued liabilities | 486,980 | - | - | 486,980 |
| | $ 1,016,020 | $ 5,819,440 | $ 5,290,400 | $ 12,125,860 |

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

## OUTSTANDING SHARE DATA

As at March 21, 2024, the Company had the following number of securities outstanding:

| | Number of securities | Exercise price ($) | Weighted average remaining life (years) |
|---|---|---|---|
| Common shares | 118,353,782 | - | - |
| Share options | 6,742,583 | $0.13 - $0.47 | 0.92 |
| Warrants | 55,292,272 | $0.07 - $0.95 | 1.34 |
| Convertible debentures(1) | 23,785,714 | $0.07 - $0.10 | 1.87 |
| | 204,174,351 | | |

(1) The number of securities associated with the convertible debentures was calculated using the conversion price of $0.07. For further details related to the convertible debentures, refer to the "*Convertible debenture offering*" section under the "*Liquidity, Capital Resources and Going Concern*" section of this MD&A.

## SUMMARY OF ANNUAL RESULTS

The following table contains selected annual financial information derived from our audited consolidated financial statements, which are reported under IFRS® Accounting Standards.

| | | | For the year ended |
|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
| Revenue | $ - | $ - | $ - |
| E&E expenditures | 4,434,049 | 11,410,978 | 24,669,173 |
| Net loss | (4,456,872) | (12,938,121) | (27,387,336) |
| Net comprehensive loss | (4,471,973) | (13,614,992) | (27,232,906) |
| Loss per share - basic and diluted | (0.04) | (0.17) | (0.56) |
| Cash and cash equivalents | 46,611 | 1,474,424 | 7,796,236 |
| Total assets | 310,640 | 2,413,414 | 8,452,113 |
| Total liabilities | 9,669,955 | 12,247,849 | 12,899,281 |
| Cash dividends | $ - | $ - | $ - |

In 2021, E&E expenditures included $19,213,133 related to the acquisition of the Gabbs Project and small exploration programs at its BC properties. This contributed to the significant net loss and net comprehensive loss for the year ended December 31, 2021.

In 2022, E&E expenditures included a drill program on the BAM Project which included drilling 13,963 meters in 95 holes, helicopters costs, operational costs associated with the camp and assaying costs. The Company also incurred costs related to the natural source magneto-telluric geophysical survey and Z-tipper Axis Electromagnetic airborne geophysical survey at the BAM Project and costs associated with the mineral resource estimate and PEA for the Gabbs Project.

In 2023, E&E expenditures significantly decreased due to a reduced exploration program on the BAM Project due to availability of funds.

## SUMMARY OF QUARTERLY RESULTS

The following table contains selected quarterly financial information derived from our unaudited quarterly condensed consolidated interim financial statements, which are reported under IFRS® Accounting Standards applicable to interim financial reporting.

| | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|---|---|---|---|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| E&E expenditures | 181,957 | 828,871 | 1,887,401 | 1,535,820 | 1,107,437 | 6,489,914 | 2,346,991 | 1,466,636 |
| Net loss | (804,757) | (541,103) | (2,446,073) | (664,939) | (1,990,896) | (6,192,472) | (2,335,419) | (2,419,334) |
| Net comprehensive loss | (700,882) | (632,296) | (2,354,514) | (784,281) | (1,825,323) | (6,863,844) | (2,666,076) | (2,259,749) |
| Loss per share - basic and diluted | (0.01) | (0.01) | (0.02) | (0.01) | (0.02) | (0.08) | (0.03) | (0.03) |
| Cash and cash equivalents | 46,611 | 41,426 | 1,062,751 | 378,021 | 1,474,424 | 1,713,093 | 7,942,937 | 5,629,253 |
| Total assets | 310,640 | 630,884 | 2,110,350 | 1,106,334 | 2,413,414 | 2,763,433 | 8,903,692 | 6,411,323 |
| Total liabilities | 9,669,955 | 9,379,197 | 10,314,836 | 9,878,591 | 12,247,849 | 13,149,543 | 13,319,094 | 12,715,033 |
| Cash dividends | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

Throughout the second half of 2022, the Company curtailed discretionary spending on E&E expenditures at its Gabbs and BAM Project and corporate administrative costs due to availability of funds.

For the year ended December 31, 2023, the Company reported a gain on financial instruments at fair value in the amount of $1,102,568 related to the embedded derivative associated with the convertible note, part of the new acquisition liabilities associated with the Gabbs Project. The most significant portion of the gain was reported in the third quarter of 2023, in the amount of $1,094,417, impacting the Company's financial results.

The financial results of the Company were also impacted by a gain on modification/extinguishment of acquisition liabilities in the amount of $2,056,201 in the first quarter of 2023.

The higher net loss and net comprehensive loss in the third quarter of 2022 is due to summer exploration program on the BAM Project.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's E&E expenditures and corporate administrative expenses is provided in the Company's annual consolidated financial statements, condensed consolidated interim financial statements and annual and interim MD&A's, which are all available under the Company's profile on the SEDAR+ website at www.sedarplus.ca or on our website at www.p2gold.com.

## EVENTS AFTER THE REPORTING DATE

Other than disclosed elsewhere in this MD&A, the Company does not have any material events after the reporting date to disclose.

## RELATED PARTY TRANSACTIONS

Key management consists of the Company's directors and officers including its President and Chief Executive Officer, CExO, EVP and CFO.

Directors and key management compensation:

| | | For the three months ended | | | | For the year ended |
|---|---|---|---|---|---|---|
| | | December 31, 2023 | | December 31, 2022 | | December 31, 2023 | | December 31, 2022 |
| Share-based compensation | $ | 67,098 | $ | 171,015 | $ | 393,952 | $ | 1,027,098 |
| Salaries and benefits | | 110,322 | | 73,498 | | 359,637 | | 478,409 |
| Management and consulting fees | | - | | 30,585 | | 70,568 | | 40,865 |
| | $ | 177,420 | $ | 275,098 | $ | 824,157 | $ | 1,546,372 |

As at December 31, 2023, accounts payable and accrued liabilities include $317,551 (2022 – $41,209) owed to four officers (2022 – three officers) of the Company for salaries and benefits and reimbursement of transactions incurred in the normal course of business.

As at December 31, 2023, related party loans consist of $545,000 (2022 – nil) of non-interest bearing, due on demand loans owed to two officers of the Company. Subsequent to December 31, 2023, on March 1, 2024, the Company entered into a related party promissory note with the CExO (refer to the "*Liquidity, capital resources and going concern*" section of this MD&A.

For the year ended December 31, 2023, the Company charged $169,859 (2022 – $27,522) to Austin Gold Corp. ("AGC") and Innovation Mining Inc. (formerly Dynavat Gold Mining Technologies Inc.) under financial services agreements. AGC is considered a related party of the Company due to three common directors and a shared CFO. As at December 31, 2023, under the financial services agreements, $15,223 (2022 – $9,174) is owed to the Company and included in receivables and other.

## NEW ACCOUNTING POLICIES

Our material accounting policy information is presented in note 3 to the audited consolidated financial statements for the years ended December 31, 2023 and 2022. There were no new material accounting policies adopted during the year ended December 31, 2023.

## NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

The following standards, amendments and interpretations have been issued but are not yet effective:

- In October 2022, the IASB issued amendments to International Accounting Standard ("IAS") 1, Presentation of Financial Statements titled Non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. This amendment is not expected to have a material impact on the Company.

- In May 2023, the IASB issued amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments Disclosures to provide guidance on disclosures related to supplier finance arrangements that enable users of financial statements to assess the effects of these arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. This amendment is not expected to have a material impact on the Company.

There are no other IFRS® Accounting Standards or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have any impact on the Company.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates. It also requires management to exercise judgment in the process of applying its accounting policies. Estimates and policy judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may 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.

The following discusses the most significant accounting judgments and accounting estimates that the Company has made in the preparation of the annual consolidated financial statements including those that could result in material changes within the next twelve months in the carrying amounts of assets and liabilities:

*Key instances of accounting policy judgment*

- The assessment of the Company's ability to continue as a going concern requires judgment related to future funding available to continue exploring and developing its properties and meet working capital requirements, the outcome of which is uncertain (refer to the "*Liquidity, Capital Resources and Going Concern*" section of this MD&A).

Estimation uncertainty

- The valuation of the debt portion of the convertible note at inception was completed using a discounted cash flow analysis that required various estimates and assumptions, including the discount rate for a similar non-convertible instrument.

- The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Management uses its judgment to select a method of valuation and makes estimates of specific model inputs that are based on conditions existing at the end of each reporting period.

## FINANCIAL INSTRUMENTS

**Classification of financial assets**

The Company has the following financial assets: cash and cash equivalents and receivables and other.

Cash and cash equivalents comprise cash holdings in business and savings accounts held at two Canadian Tier 1 chartered financial institutions with an original maturity date of three months or less. Cash and cash equivalents are classified at amortized cost. Interest income is recognized by applying the effective interest rate method.

**Classification of financial liabilities**

The Company has the following financial liabilities: accounts payable and accrued liabilities, related party loans and acquisition liabilities for the Gabbs Project.

Accounts payable and accrued liabilities and related party loans are recognized initially at fair value and subsequent to initial recognition, held at amortized cost using the effective interest method.

The contractual cash obligations and debt portion of the convertible note components of the acquisition liabilities associated with the Gabbs Project are recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are held at amortized cost using the effective interest method.

The embedded derivative associated with the convertible note, a component of the acquisition liabilities associated with the Gabbs Project, is recognized initially at fair value. It is classified as a financial liability at fair value through profit or loss ("FVTPL").

**Financial risk management**

*Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

*(i) Currency risk*

The Company is subject to currency risk on financial instruments that are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses would impact the statement of loss.

The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities, the debt portion of the convertible note and the embedded derivative associated with the convertible note held in the parent entity which are denominated in USD.

(ii) *Interest rate risk*

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company's current policy is to invest cash at floating rates of interest with cash reserves to be maintained in cash and cash equivalents in order to maintain liquidity. Fluctuations in interest rates impact interest and finance income earned.

The Company is subject to interest rate risk with respect to the fair value of the embedded derivative associated with the convertible note, which is accounted for at FVTPL.

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with Canadian Tier 1 chartered financial institutions. Management believes there is a nominal expected credit loss associated with its financial assets.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Cash flow forecasting is performed regularly to ensure that there is sufficient liquidity in order to meet short-term business requirements.

Refer to note 1b and 19 of the annual consolidated financial statements and the "*Liquidity, Capital Resources and Going Concern*" section of this MD&A for further discussion regarding the Company's ability to continue as a going concern.

The Company has issued surety bonds to support future decommissioning and restoration provisions.

The Company's financial obligations consist of accounts payable and accrued liabilities and acquisition liabilities related to the Gabbs Project.

*Fair value estimation*

The Company's financial assets and liabilities are initially measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables and other and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The following tables present the Company's financial assets and liabilities by level within the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| **As at December 31, 2023** | **Carrying value** | | **Fair value** | | |
|---|---|---|---|---|---|
| | FVTPL | Amortized cost | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | |
| Cash and cash equivalents | $ - | $ 46,611 | $ - | $ - | $ - |
| Receivables and other | - | 167,554 | - | - | - |
| | $ - | $ 214,165 | $ - | $ - | $ - |
| **Financial liabilities** | | | | | |
| Accounts payable and accrued liabilities | $ - | $ 486,980 | $ - | $ - | $ - |
| Acquisition liabilities - Gabbs Project: | | | | | |
| Contractual cash obligations under agreements | - | 4,564,377 | - | - | - |
| Debt portion of convertible note | - | 3,372,863 | - | - | - |
| Embedded derivative associated with convertible note | 700,735 | - | - | - | 700,735 |
| | $ 700,735 | $ 8,424,220 | $ - | $ - | $ 700,735 |

| **As at December 31, 2022** | **Carrying value** | | **Fair value** | | |
|---|---|---|---|---|---|
| | FVTPL | Amortized cost | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | |
| Cash and cash equivalents | $ - | $ 1,474,424 | $ - | $ - | $ - |
| Receivables and other | - | 686,928 | - | - | - |
| | $ - | $ 2,161,352 | $ - | $ - | $ - |
| **Financial liabilities** | | | | | |
| Accounts payable and accrued liabilities | $ - | $ 392,650 | $ - | $ - | $ - |
| Acquisition liabilities - Gabbs Project: | | | | | |
| Contractual cash obligations under agreements | - | 11,681,066 | - | - | - |
| | $ - | $ 12,073,716 | $ - | $ - | $ - |

## INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

Currently, the certification required by the Company's certifying officers under National Instrument 52-109 – *Certificate of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Venture Issuer Basic Certificate, does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's Generally Accepted Accounting Principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make in the certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## RISKS AND UNCERTAINTIES

Mineral resource acquisition, exploration and development involves a number of risks and uncertainties, many of which are beyond our control. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those identified in our AIF dated March 21, 2024 as filed in Canada on SEDAR+ at www.sedarplus.ca. You should carefully consider such risks and uncertainties prior to deciding to invest in our securities.

## STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" (within the meaning of applicable Canadian securities law, and also referred to herein as "forward-looking statements') concerning the Company's plans at its mineral properties and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in such forward-looking information.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, and are developed based on assumptions about such risks, uncertainties and other factors set out herein including, without limitation:

- uncertainties regarding title relating to ownership and validity of mining claims;
- governmental regulations, including environmental regulations;
- the effects of the ongoing novel coronavirus ("COVID-19") pandemic or the emergence of another pandemic;
- the effects of commodity price fluctuations as a result of international conflicts, including the Russian-Ukraine and Israel-Palestine conflicts;
- the exploration, development and operation of a mine or mine property, including the potential for undisclosed liabilities on our mineral projects;
- the fact that we are a relatively new company with no mineral properties in development or production and no history of revenue generation;
- risks associated with the Company's historical negative cash flow from operations;
- our ability to obtain adequate financing for our planned exploration and development activities and to complete further exploration programs;
- the Company's need to attract and retain qualified personnel;
- uncertainties related to the competitiveness of the mining industry;
- risks associated with changes to the legal and regulatory environment that effect exploration and development of precious metals mining properties where the Company holds its mineral projects;
- uncertainties related to actual capital costs, operating costs and expenditures, production schedules and economic returns from the Company's mineral projects;
- increased costs and restrictions on operations due to compliance with environmental laws and regulations;
- uncertainties related to the availability of future financing;
- uncertainties inherent in the estimation of Mineral Resources and metal recoveries;
- uncertainties relating to the interpretation of drill results and the geology, grade and continuity of our mineral deposits;
- risks associated with having adequate surface rights for operations;
- risks associated with security and human rights;
- environmental risks;
- risks associated with the Company being subject to government regulation in foreign jurisdictions;
- market events and general economic conditions;
- risks associated with potential legal proceedings;
- risks that the Company's title to its property could be challenged;
- risks related to the integration of businesses and assets acquired by the Company;

- delay in obtaining or failure to obtain required permits, or non-compliance with permits that are obtained;
- uncertainty regarding unsettled First Nations rights and title in BC and the potential for similar adverse claims in the other jurisdictions in which the Company hold its mineral projects;
- risks associated with potential conflicts of interest;
- commodity price fluctuations, including gold, silver and copper price volatility;
- risks associated with operating hazards at the Company's mining projects;
- uncertainties related to current global economic conditions;
- uncertainties associated with development activities;
- risks related to obtaining appropriate permits and licenses to explore, develop, operate and produce at the Company's projects;
- potential difficulties with joint venture partners;
- risk associated with theft;
- risk of water shortages and availability and risks associated with competition for water;
- uninsured risks and inadequate insurance coverage;
- foreign currency risks;
- risks associated with community relations;
- outside contractor risks;
- risks related to archaeological sites; and
- risks related to the need for reclamation activities on the Company's properties.

This list is not exhaustive of the factors that may affect the Company's forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information.