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News Release

Phase I Exploration at Providence Gold Mines

Preliminary Channel Sampling Produces 1.3 metres of 45.64 gpt Au

VANCOUVER, BRITISH COLUMBIA - Providence Gold Mines Inc. (TSXV: PHD) ("Providence" or the "Company") is pleased to announce ongoing success on its Phase I exploration program at the company's Providence Gold Mine property.

"We are very pleased with the initial results from this first phase of exploration at the Providence Gold Properties," said Ron Coombes, President & CEO of the Company. "It is amazing that this historical past producing high grade gold property has been idle for 100 years. With modern day exploration methods we believe the Providence Gold Properties are a significant untapped opportunity. The gold targets are now identified and we look forward to the commencement of drilling."

Stage 1 Exploration Program

In August, 2017 the Company initiated a Stage 1 program designed to investigate the structural controls to the gold mineralization. To facilitate the Company's objectives, a program of geological/structural mapping and underground channel sampling together with detailed soil geochemistry and an underground 3D laser survey was undertaken.

A limited number of continuous saw-cut and rock chip samples were taken in the accessible underground workings at the Providence Mine and Consuelo workings. Due to limited access the work was completed mostly within the 1.6 km (one mile) drift on the 600 foot Level. Rock chip sampling, completed along the access drift and the stopes reinforced the historical reports of high grade shoots occurring within the mine. Sampling of the North Ore Shoot outlined an approximately 80 metre long section in which highly variable gold values occur. The section corresponds to an area of historic stoping completed on the level in an area referred to as the "North Ore Shoot". Within the stope, samples were collected of the quartz veining along a pillar and from both the foot and hanging walls. The results show high grade, greater than 5.0 gpt (grams per ton) Au to occur within narrow up to 2.20 metre wide quartz veined zones, with the wall rock values generally being less. Within the historically mined stope area, 46 rock chip samples were collected. Values range from less than 0.020 gpt Au over

1.50 metres to 1.3 metres assaying 45.64 gpt Au. Of the 46 samples collected 18 samples assayed greater than 1 gpt Au with eight of the samples assaying >3 gpt Au of which three assayed >10 gpt Au. Limited rock sampling outside of the historically stoped area returned weakly anomalous gold values ranging from 0.010 gpt over 0.80 m to 1.26 gpt over 0.60 m. These results validate the historical mining of previous operators and show that even within stoped areas potential gold mineralization remains.

PRELIMINARY ROCK CHIP SAMPLE RESULTS (>3GPT Au) LEVEL-NORTH SHOOT			SUMMARY: 600
Sample #	Location	Width (Metres)	Au (GPT)
2980069	Stope back	1.0	8.60
2980074	398	0.9	4.15
2980076	398, West Rib	1.0	3.31
Or		2.2	3.28
2980077	372 Back, W Rib	1.0	19.58
2980103	426 Slab From Small Stope	0.3	14.55
2980108	435, W Rib	1.3	45.64
2980116	447, East Rib and Back	1.1	4.82

Sampling of the Consuelo drift returned anomalous gold values with the best result being a 1.2 metre sample of quartz veining assaying 2.89 gpt Au.

Results from sampling of the various workings in the South Ore Shoot on the 600 foot level are pending.

Eight surface lines were soil sampled over a 300 metre wide transect straddling the Providence Mine. The sampling was completed on lines located 50 metres apart with stations established every 25 metres along the lines. Soil samples were collected from the "B" horizon. Using the 25 ppb (0.025 grams) gold in soil contour, an up to 50 metre wide 400 metre long linear anomaly, corresponding with the gold bearing system was outlined. This anomaly is open at both ends. Within the anomaly, gold values range from 25 to 1852 ppb (1.85 grams) gold. Due to the success of the survey in outlining the gold mineralized zones the soil survey is being expanded to cover the projected trend of gold mineralization.

Project Background

The Providence Property hosts a 850 metre long north trending zone of moderately east dipping, gold bearing, quartz veining. The vein system is open both to the north and south. The veins are hosted within deformed and metamorphosed layered rocks (calc-silicate gneisses, mica schists, slates and limestones) of the Paleozoic Calaveras Complex and conformable sill-like bodies of diorite. Individual veins range in width from less than a centimeter to in excess of 3.0 metres. According to Thompson's report titled "Notes on the Providence Mine" dated April 1933 "...the vein system consists of two

parallel veins occurring in a host black slate near the surface, but at depth intrusions occur forming one of the walls. The vein has an average width of 5 feet... Sulphide content is generally low, <2%, consisting primarily of pyrite. Within the veins several steeply-plunging chutes of higher grade gold mineralization occur that were mined in the past.

Providence Gold Mines, through an option purchase agreement, has the right to purchase a 100% interest in the Providence Group of claims located in the Eastern Belt of the Motherlode Gold District near the town of Tuolumne, California. The property, consisting of 6 patented and 22 located claims totaling 197.3 hectares (490 acres), hosts several workings including those at the formerly producing Providence Gold Mine. Access to the property is by a combination of paved and gravel roads.

History

Gold production on the property was primarily from the Providence, Consuelo and Bonita Mines. The Bonita Mine, located at the north end of the property is approximately 120 metres north of the Consuelo Mine which in turn is approximately 600 metres north of the Providence Shaft. In the 1894 Report of the State Mineralogist it states the Bonita Mine *"...consists of the Bonita and Garfield Veins. The latter lies to the east and approaches the Bonita vein going southward. They unite in the Consuelo Mine 750' south of the Bonita. Both veins are in black slate and each is accompanied by a light grey dike. On the Bonita vein a 440' adit has been run and in it about 300' from the mouth a 50' winze sunk. On the Garfield vein a 400' adit has been driven; about 200' beyond the present face of the adit a 70' shaft has been sunk from surface and has no machinery..."* In his report dated April 1932, Thompson states *"...at the north end of the Bonita claim another mineralized shoot has been developed. A small mill was used to reduce the mineralization from this shoot...The mineralization was very good and this shoot as far as worked paid handsomely..."*

With regards to the Consuelo Mine, John Chapman, Superintendent for New Providence Gold Mines in a memo dated June, 1933 states *"...the Consuelo mineralized shoot lies about 1800 feet north of the Providence shaft...This mineralized body has been attacked at two points, 300 feet apart by the McCarthy shaft on the south and the Mexican shaft on the north to a depth of 100 feet to the present tunnel level. Eighty feet south of the Mexican shaft a winze was sunk to a depth of 90 feet in the vein fissure. The vein filling at this point indicates that mineralization is in the making and should be encountered at any time. The vein material is about 6 feet wide and carries \$1.50 in values. Work is now being prosecuted in this winze, at a depth of 100 feet a drift will be driven north under the Mexican Shaft. The mineralization produced from this shaft ran \$80/ton. The McCarthy shaft is sunk 75 feet below the tunnel level, exposing \$9 mineralization. Some mineralization was milled from this ground but there are no records as to values. US Mint and Wells Fargo records indicate that not less than \$50,000 in gold was taken from the Consuelo ground..."*

The Providence Mine operated until 1916. Development at the mine consisted of a double compartment shaft sunk to a depth of 1470 feet on the dip of the vein system. Drifting was completed on twelve levels. Production was from stopes located throughout the workings. According to a report written by Bluett (1916) *"some of these shoots and veins have been stoped out. In others the mineralization is still in place..."* Research completed on the Company's behalf by an archivist associated with the Tuolumne County Museum located some articles detailing work at the Providence Property. According to a newspaper clipping dated April 7, 1931 the Providence Mine *"...from 1902 to 1912, when the mine was owned and operated by E.A. Wiltsee of San Francisco, yielded mineralization averaging \$18 a ton(gold at \$20/ounce) to a total of \$3,000,000..."* According to a September 14, 1921

report by James Kendall *"...the mine was not closed down for lack of good mineralization, but because of a disagreement between the owners and the parties to whom the mine had been leased, at the expiration of which the owners refused to grant an extension and suspended operations in the midst of active mining and milling of high grade mineralization from the 10th and 11th levels and while good mineralized bodies were being developed on the 12th levels after which the lower levels filled with water and have never since been unwatered. Thus the mineralized bodies in the lower six levels are in identically the same condition as they were when the mine ceased operations..."*

The surface workings and mills of the Providence, Consuelo and Bonita Mines along with the operation records were destroyed in a large brush fire in 1918.

As most of the technical information was destroyed in a fire in 1918, there is no way to document the accuracy of the above statements. The above historical account was taken from several miners and engineers who worked in the mine or either visited it while in operation. Although this information is believed to be factual the Company cannot state unequivocally that it is accurate.

QA&QC Procedures

The Company followed industry standards in its QA&QC procedures. A certified standard sample, or a blank or a field duplicate sample is inserted every 10 samples before the set of samples is sent to the Laboratory. This procedure is applied to all rock chip and channel samples. The Company sent all of the samples to Bureau Veritas Laboratory in Reno, a laboratory that meets International Standards ISO 9001 and ISO 14001 Certification.

Qualified Person

John M. Kowalchuk, P.Geo, a geologist and qualified person (as defined under NI 43-101) has read and approved the technical information contained in this news release. Mr. Kowalchuk is a senior geologist consulting to the Company.

ON BEHALF OF THE BOARD

"Ronald Coombes"

Ronald Coombes, President & CEO

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