

PATRICIA MINING CORP.

Management's Discussion and Analysis of Financial Results Second Quarter 2004

The following is Management's Discussion and Analysis of the financial condition of the Company, to enable a reader to assess material changes in financial condition and results of operations for the three months ended June 30, 2004, compared to the prior year quarter. This Management's Discussion and Analysis has been prepared as of August 27, 2004. The Management's Discussion and Analysis should be read in conjunction with both the audited consolidated financial statements for the year ended December 31, 2003, and the related annual Management's Discussion and Analysis included in the 2003 Annual Report.

Overview and Strategic Activities

Patricia Mining Corp. (Patricia) is a Canadian exploration company with a focus on gold. Patricia's main asset is the Island Gold Project, in the Wawa area, 70 kilometers southeast of Hemlo, Ontario.

The Island Gold Project consists of 123 patented and leased claims and has a modern, fully permitted 650-tonne per day carbon in pulp mill on site. The company has completed a surface exploration program and initiated an advanced underground exploration program.

In August 2003, Patricia announced the completion of an agreement with Richmond Mines Inc., whereby Richmond invested \$1 million in Patricia for two million shares. Richmond gained an option to earn up to a 55% undivided joint venture of the Island Gold Project by expending up to \$10 million and placing the project into production. After vesting, and if further financing is required, Richmond has agreed to arrange additional financing to the joint venture up to a maximum of \$10 million. The agreement requires an exploration program, budgeted at \$2.5 million be completed by Patricia within 12 months. The program is to include surface drilling, permitting, dewatering of the existing Lochalsh ramp, underground drilling, and both lateral and vertical underground development. On completion of the exploration program, Richmond may exercise its option to earn a 55% undivided joint venture interest in the Island Gold Project.

Results of exploration and development activities

Milestones achieved in the second quarter are:

1. The closure plan was prepared by N.A.R Environmental Consultants for Patricia and was submitted to the Ministry of Northern Development and Mines and the closure plan was approved on April 2, 2004.

2. Dumas Mining has dewatered and rehabilitated 1,300 meters of main ramp.
3. W.A. Hubacheck Consultants Ltd. has been retained to oversee an exploration program from surface and underground. A total of 6100 meters of diamond drilling was carried out from surface and an underground program commenced at the end of June 2004.
4. A drilling contractor, Forage Orbit from Val D'Or, mobilized at the end of the quarter to carry out an underground diamond drilling program of 8,200 meters from the underground.
5. The budget for the surface and underground exploration program is now estimated at \$2.7 million of which \$901,866 was spent in the second quarter and \$1,366,084 in the first six months of 2004.

This program is expected to be completed in September 2004. The program includes surface drilling, permitting, rehabilitation and dewatering of the existing Lochalsh ramp, underground drilling, and lateral underground development. To date, permitting, surface drilling, dewatering and rehabilitation of the main ramp have been completed. The Lochalsh ramp will provide underground access to both the Island/Lochalsh zone and the North Shear zone.

Dumas Mining Contracting Ltd. (Dumas) will now turn their efforts on a program consisting of approximately 300 meters of drifting on two levels from the Lochalsh Ramp. Forage Orbit Inc. has been contracted to carry out 8,200 meters underground diamond drilling program from the 125 Level and this work has started at the end of June 2004. A report on this program will be issued to Richmond in October. Richmond will then have 90 days to determine whether they will exercise their option to earn 55% of the property.

Patricia Mining Corp. has a water quality monitoring program on the Island Gold site and is maintaining the permits which will enable mining to be resumed. The Company has an approved closure plan and financial assurance in place for the eventual closure of the past-producing Kremzar mine. In April 2004 the Company completed a closure plan for the Lochalsh Ramp and the advanced underground exploration program that is currently in progress.

On May 5 and June 17, 2004 the Company announced assay results from a surface diamond drilling exploration program. This program was initiated in mid-January and nine holes totalling approximately 6,100 meters have been drilled.

The surface program tested the North Shear Zone and deep extensions of the Island/Lochalsh zone. Nine drill holes were targeted on 100-meter fences from Section 14,900E to 15,300E and have successfully intersected both zones below the Lochalsh Ramp and exploration drifts at the -120m and -140m levels. Two drill holes targeted the deep extensions of the North Shear Zone on Section 14,200E and Section 14,600E. Seven holes have intersected visible gold mineralization. The program has extended the

vertical depth of the Island/Lochalsh zone to 450 meters and confirmed the presence of gold mineralization in the North Shear Zone over a strike length of 1,100 meters and to a depth of 350 meters.

Highlights from assays received to date include hole PR-04-04 which intersected 4 meters grading 8.84 g/t gold on the Island Zone, hole PR-04-09 which intersected 15.10g/t over 3.5 meters PR-04-03 which intersected 2.75 meters grading 6.17 g/t gold on the North Shear.

A summary of assay results received to date can be found in the press releases dated May 5 and June 17, 2004.

The surface and underground diamond drilling program involving geological core logging, sampling and assaying tasks are supervised by Peter Hubacheck, P.Geo. #1059 (APGO) on behalf of W.A. Hubacheck Consultants Ltd.

Liquidity and Capital Resources

As of June 30, 2004, the company had cash of \$2,364,188 compared to \$3,324,030 at March 31, 2004. The change in cash position is therefore (\$959,842).

The company has sufficient cash to meet the requirements of the current exploration program. The company has raised funds in the past through equity financing and the exercise of options and warrants to finance its operations.

During the second quarter, the company did not raise funds. The number of stock options was increased to 1,800,000 in the second quarter by adding 250,000 options as part of the compensation package for the new president.

Results of Operations

Exploration and development expenditures during the first quarter ended June 30, 2004 amounted to \$901,866. These expenditures compare with \$30,074 for the same period in 2003. The increase reflects the considerably increased level of exploration activity on the project.

Salaries and sub-contracting expenses, including CPP and EI payments, for the quarter ended totalled \$11,981.

Office and General Expenses of \$65,096 include a fee paid to a consultant for bookkeeping and corporate secretarial services and insurance premiums paid for the Toronto office and Wawa site coverage. This is an increase from \$53,351 in the same period of 2003 and reflects an increased level of activities.

Advertising and promotion increased to \$21,382 from \$11,745 for the same period in the previous year. This reflects the addition of an investor relations consultant and the

company's involvement at trade shows including Toronto and Vancouver. In the previous year, investor relations were primarily handled by management.

The significant increase in professional fees to \$84,097 in the quarter ended June 30, 2004 as compared to \$1,731 in the same quarter for the previous year is a result of increased cost related to an executive search and relocation cost for a new president and also a result of increased legal and accounting costs related to new compliance regulations.

Related party transactions

For the first six months of 2004, the company paid management and consulting fees of \$70,875 to Sutcliffe Geological Consultants Inc. and Chauvin Engineering Ltd. Dr. Sutcliffe is an officer and director of Sutcliffe Geological Consultants Inc. and JP Chauvin is an officer and director of Chauvin Engineering Ltd.

Risk Factors

The Company explores and develops properties for metals that have volatile market prices. In particular, a decline in the price of gold may adversely affect the Company's ability to raise capital to explore and develop existing and new mineral properties. Other risk factors that could affect the Company's outlook include, but are not limited to: problems related to geological, technical, environmental, mining, and processing issues; future results of exploration programs at the Island Gold Project; land title issues; government regulations and environmental issues.

Outlook

The management and board decided that the best chance for a successful mining operation at the Island Gold Project was to involve a joint venture participant that had a successful history of mining narrow-vein gold deposits. As a result of an agreement reached in August 2003, Richmond Mines Inc. may be a participant in the Island Gold Project. After Patricia completes a \$2.5 million surface and underground exploration program designed to evaluate a production decision, Richmond can earn a 55% undivided interest in the property by placing the property into production or by spending \$10 million on exploration and development. During the first half of 2004, Patricia achieved several important milestones toward the completion of the surface and underground exploration program. We anticipate completion of the underground component of the exploration program in October 2004.

Subsequent events

Subsequent to June 30, 2004, the company has released results from its underground drilling program on July 19 and August 9, 2004. To date, underground drilling program has

yielded some encouraging high grade intercepts 77.18g/t over 1.9 meters and 50.34 g/t over 2.9 meters. Please refer to the press releases for details.

Subsequent to June 30, 2004, the Company changed the investor relations representative, appointing Gus Garisto effective July 15, 2004. 100,000 options were granted to Gus Garisto at an exercise price of \$0.40 for a five-year period.

The company retained Northern Securities Inc. as lead agent in a private placement financing up to \$1,000,000 through the sale of 2,000,000 units at a price of \$0.50/share. Each unit will consist of one common share and a one-half of one share purchase warrant, each whole warrant being exercisable at \$0.60 per common share for a period of 24 months after the closing date. Securities issued pursuant to the placement are subject to a four-month hold period.

For its services as lead agent, Northern Securities Inc. will be paid a 7% commission and will receive broker warrants equivalent to 10% of the number of units sold. The broker warrants will be exercisable at the issue price of \$0.50 per unit for a period of 24 months after the closing date. The proposed closing date of the financing is August 31, 2004.

August 27, 2004

JP Chauvin, P.Eng.
President and CEO

R.H. Sutcliffe, Ph.D., P.Geo.
Chairman