



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2023 and 2022

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

The following is management's discussion and analysis ("MD&A") of Prime Mining Corp. together with its wholly owned subsidiaries (the "Company" or "Prime"), is prepared as of May 11, 2023, and relates to the financial condition and results of operations for the three months ended March 31, 2023 and 2022. Past performance may not be indicative of future performance. This MD&A should be read in conjunction with the condensed interim consolidated financial statements ("interim financial statements") and related notes for the three months ended March 31, 2023 and 2022, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2022, the eight months ended December 31, 2021 and the year ended April 30, 2021 ("annual financial statements").

The three months ended March 31, 2023 and 2022, are also referred to as "Q1 2023" and "Q1 2022", respectively. All amounts are presented in Canadian dollars, the Company's presentation currency, unless otherwise stated. References to "US\$" and "MXN" are to United States dollars and Mexican pesos, respectively.

Certain information contained in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. Refer to the "Risks and Uncertainties" and "Cautionary Note Regarding Forward-Looking Statements" sections of this document.

OVERVIEW OF THE BUSINESS

The Company was incorporated on May 14, 1981 in British Columbia. Prime is a reporting issuer in British Columbia and Alberta, and a Tier 2 issuer on the TSX Venture Exchange ("TSX-V"). The Company's head office and principal place of business is located at Suite 710 - 1030 West Georgia Street, Vancouver, BC, V6E 2Y3. The Company has wholly owned subsidiaries in Suriname, Mexico and Barbados although only the Mexican subsidiaries are active. The Company is focused on advancing gold exploration properties in Mexico with the potential to be brought to near-term production.

The Company's common shares are traded on the TSX-V under the symbol "PRYM", on the Frankfurt Stock Exchange under the symbol "O4V3" and on the OTCQX market under the symbol "PRMNF".

As Prime works to advance the Los Reyes Gold and Silver Project ("Los Reyes" or the "Los Reyes Project"), the Company's focus is on three areas:

- 1) health and safety of our team and the communities we work in;
- 2) use of resources to create maximum value at Los Reyes; and
- 3) corporate responsibility and governance.

During the three months ended March 31, 2023, the Company has seen progress in all three areas with continued emphasis on operating under appropriate covid-19 guidelines, strengthened exploration team performance and advances in our corporate administration.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

Los Reyes Gold and Silver Project

Located 43 kilometres south-east of the mining centre of Cosala, Sinaloa, Los Reyes has a mining history that stretches back into the 1700s and has seen small-scale mining activity as recently as the 1980s. In the 1990s, Northern Crown Mines Ltd. explored the property, drilling 381 reverse circulation holes and commissioned a resource estimate and prefeasibility study on the Zapote deposit. Los Reyes was returned to the original concession holders in the early 2000s. Vista Gold Corp. ("Vista Gold") reassembled the land package and drilled 48 core holes in several of the deposits. Vista Gold also completed metallurgical test work and had a resource estimate calculated and a preliminary economic assessment made. Great Panther Silver Ltd optioned the property in 2014, through the acquisition of CanGold Ltd., and drilled 41 core holes in 2015. Minera Alamos Inc. ("MAI") optioned the property from Vista Gold in 2017. Prime acquired the option from MAI in 2019 and began a surface exploration program of mapping, trenching and roadcut channel sampling. Prime subsequently exercised the option with Vista Gold in 2020.

The Company believes that the Los Reyes Project is an overlooked, underexplored, low-sulphidation epithermal gold-silver project located in a prolific mining region of Mexico. Previous operators completed various prefeasibility studies yet held back from development due to then-prevailing declining gold prices. The Company further believes that work that has been completed has provided sufficient understanding of existing resources to allow Los Reyes to be fast-tracked to production. However, Los Reyes holds gold and silver exploration optionality. It is a large epithermal system with the bulk of historic exploration conducted over less than 40% of the known structures leaving significant opportunity to expand known resources.

COVID-19

The Company is at the exploration stage and while individuals working for the Company may contract covid-19, the business operation is unlikely to be materially affected in the short term. The Company does not rely on specific materials, laboratories or suppliers. It is quite possible however, that exploration activities could be delayed by covid-19 and travel restrictions could limit the ability of non-Mexico-based managers to be on-site in Mexico. However, management does not believe that such delays will have a material bearing on progress on the Company's exploration program.

The Company will need to raise funds to continue exploration and, if warranted, development of its properties. As a result of covid-19's adverse effect on financial markets, this could manifest itself in the Company having difficulty in financing longer-term activities. At this date, it is not possible to determine what affect, if any, covid-19 will have on the ability of the Company to finance its development.

HIGHLIGHTS AND KEY DEVELOPMENTS**Los Reyes Project**

The 2023 drill program commenced January 1, 2023. Currently, four core drills are in operation.

Refer to the *Outlook* section below for details pertaining to the planned objectives of the 2023 drill program.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

Exploration activities during the three months ended March 31, 2023

In January 2023, the Company reported results from 48 drill holes in the Z-T area where Prime continues to delineate and expand the multi-million-ounce Los Reyes high-grade gold-silver deposit. Significant intercepts from both infill and stepout drill holes show the expanse and continuity of mineralization in the Z-T area. The Z-T structure is currently defined over more than 400 metres ("m") of elevation as demonstrated by intercepts in 22SMW-08 at 760 metres above sea level ("masl") and 22ZAP-78 at 320 m above sea level. During follow-up drilling to 22ZAP-55R (released March 2022) the Company has now defined a significant area in the western down dip extension of Zapote North and South (for example, holes 22ZAP-75, 78 and 82-84), as well as at depth in Tahonitas and the connection with Zapote South (for example holes: 22TA-41, 51, 53, 54 and 22ZAP-87). 22ZAP-78 in Zapote North and 22TA-53 in Tahonitas show that these deposits are open at depth and along strike.

Highlights from the stepout intercepts include: 10.0 grams per tonne ("g/t") gold ("Au") and 131 g/t silver ("Ag") over 3.1 m (3.1 m estimated true width ("etw")) including 28.5 g/t Au and 310 g/t Ag over 1.1 m (1.1 m etw) in hole 22TA-51; 4.7 g/t Au and 103 g/t Ag over 11.4 m (8.7m etw) including 39.6 g/t Au and 174 g/t Ag over 0.9 m (0.7 m etw) in hole 22ZAP-87; 2.7 g/t Au and 451 g/t Ag over 6.3 m (4.8 m etw) including 4.8 g/t Au and 821 g/t Ag over 3.0 m (2.3 m etw) in hole 22TA-41; and 3.6 g/t Au and 20 g/t Ag over 16.0 m (13.8 m etw), including 22.2 g/t Au and 41 g/t Ag over 2.2 m (1.9 m etw) in hole 22ZAP-82.

Highlights from the infill drilling include: 4.2 g/t Au and 59 g/t Ag over 6.0 m (5.4 m etw), including 23.6 g/t Au and 103 g/t Ag over 0.9 m (0.8 m etw) in hole 22TA-43; and 6.9 g/t Au and 33 g/t Ag over 15.0 m (14.8m etw), including 21 g/t Au and 55 g/t Ag over 1.5 m (1.5 m etw) in hole 22SMW-12.

In February 2023, the Company reported results from drilling located outside of the current resource areas, indicating significant exploration upside beyond the forthcoming Q2 2023 mineral resource update. These results are from drill holes targeting previously undrilled structures or mineralized structures with limited drilling. Highlights from the Fresnillo area include: 1.4 g/t Au, 18 g/t Ag over 19.3 m (15.8 m etw), including 4.7 g/t Au, 48 g/t Ag over 3.6 m (2.9 m etw) in hole 22FRE-09; and 1.3 g/t Au, 13 g/t Ag over 6.4 m (5.5 m etw), including 7.5 g/t Au, 53 g/t Ag over 1.0 m (0.8 m etw) in hole 22FRE-04. Highlights from the Orito area include: 1.0 g/t Au, 2.5 g/t Ag over 9.4 m (4.7m etw), including 2.2 g/t Au, 4.4 g/t Ag over 3.0 m (1.5 m etw) in hole 22OR-06; and 0.9 g/t Au, 17.5 g/t Ag over 4.2 m (4.2 m etw), including 2.3 g/t Au, 5.8 g/t Ag over 1.1 m (1.1m etw) in hole 22OR-01.

Exploration activities subsequent to March 31, 2023

In May 2023, the Company reported an updated mineral resource estimate (MRE) based on 100,000 m of Prime drilling resulting in a doubling of the April 2020 resource, with a discovery cost of approximately US\$25 per gold equivalent ("AuEq") ounce ("oz"). At the resource gold cut-off grade of 0.22 gpt, Prime's updated open pit MRE contains:

- 1.47 million Indicated AuEq ounces at a 1.68 gpt average grade. This represents a 73% increase in Measured and Indicated AuEq ounces, and 26% increase in AuEq grade. This is 1.0 million ounces of gold at 1.16 gpt and 35 million ounces of silver at 40.4 gpt.
- 0.73 million Inferred AuEq ounces at a 1.26 gpt average grade. This represents a 175% increase in AuEq ounces and 8% increase in AuEq grade. This is 0.5 million ounces of gold at 0.85 gpt and 18.4 million ounces of silver at 31.5 gpt.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

The MRE has a high-grade open pit mill resource and a lower grade heap leach portion. The MRE includes drilling completed before December 31, 2022 from only the three main zones at Los Reyes: Guadalupe, Z-T and Central. The resource areas remain open along strike and at depth.

The majority of the Los Reyes resource is contained within a high-grade envelope. For example, at a 1.0 gpt gold cut-off, the Los Reyes MRE contains in excess of 1.0 million gold equivalent ounces at an average grade of 3.70 gpt AuEq in the Indicated category and 374,000 ounces at a grade of 3.07 gpt AuEq in the Inferred category.

This MRE does not include positive results from the highly prospective exploration targets outlined in Prime's February 27th news release such as Mariposa, Las Primas and Fresnillo. Since the calculation of the MRE, Prime has drilled another +20,000 m.

With ongoing drilling success, the Company believes there is significant potential to expand the MRE.

Gold equivalent grades are calculated as in-situ contained grades, applying the assumed ratio of gold to silver prices using the following formula: $\text{AuEq grade (gpt)} = \text{Gold grade (gpt)} + \text{Silver grade (gpt)} \times (\text{US}\$22 / \text{US}\$1,700)$. Relative recoveries are not considered in the in-situ contained grade estimate but are stated below and utilized in the resource shell economic pit constraints.

The MRE is based on economically constrained pits using the following optimization parameters (all dollar values are in US dollars):

- US\$1,700/ounce gold price and US\$22/ounce silver price;
- mill recoveries of 93% and 83% for gold and silver, respectively; heap leach recoveries of 73% and 25% for gold and silver, respectively;
- 45-degree pit slopes, with an assumed 5% ore loss and 5% dilution factor applied to the 5x5x5m resource block model;
- mining costs of \$2.00 per tonne of waste mined and \$2.50 per tonne of ore mined;
- milling costs of \$15 per tonne processed and heap leaching costs of \$4 per tonne processed;
- G&A of \$1.60 per tonne processed; 3% royalty costs and 1% selling costs were also applied; and,
- unless otherwise noted, an overall 0.22 g/T gold cut-off was applied to all ore blocks.

News releases with supporting technical data

Refer to the following news releases, published on SEDAR, for additional technical data:

- *"Prime Drills Multiple Wide, High-Grade Intercepts in Z-T Area Including Bonanza-Grade Intervals"* dated January 11, 2023.
- *"Prime Mining Announces Discovery Holes In Several New Gold- And Silver-Bearing Areas"* dated February 27, 2023.
- *"Prime Mining Doubles High-Grade Los Reyes Gold-Silver Resource"* dated May 2, 2023.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

Expenditures

Project expenditures during the three months ended March 31, 2023 and 2022, are summarized as follows:

	March 31, 2023	March 31, 2022
Drilling	\$ 2,282,236	\$ 2,514,566
Salaries and personnel	852,816	676,506
Resource assaying, estimation and technical services	368,180	863,511
Equipment and field supplies	236,737	375,026
Land payments and maintenance	162,099	73,602
General and administrative	85,583	96,149
	\$ 3,987,651	\$ 4,599,360

Review of expenditures for Q1 2023 compared to Q1 2022

Drilling decreased to \$2,282,236 compared to \$2,514,566 during the prior period. The 2023 exploration program may drill fewer meters than the Phase 2 exploration program reducing expenditures. Further, there are fewer drill rigs at site reducing quarterly costs.

Salaries and personnel increased to \$825,816 compared to \$676,506 during the prior period. Additional employees and salary adjustments have led to increased expenditures.

Resource and estimation and technical services decreased to \$368,180 compared to \$863,511 during the prior period. As a result of fewer meters drilled during the 2023 exploration program assaying expenditures have decreased. Additionally, the Company has become more selective in samples tested further reducing the expenditures. Metallurgical work has reduced due to reduction in drilling during the period.

Equipment and field supplies decreased to \$236,737 compared to \$375,026 during the prior period. The decrease is due to decreased activities at the Los Reyes Project. Additionally, reduced field supplies, such as core boxes, were required as a result of decreased meters drilled.

General and administrative expenditures remained consistent, with a decrease of \$10,566, as there has not been any substantial change in the services provided to the Company. The expenditures relate primarily to local consulting, accounting, and legal support. Additionally, salaries are included related to Minera Amari corporate personnel.

Project expenditures since acquisition, are summarized as follows:

	Total
Drilling	\$ 17,244,194
Salaries and personnel	7,479,132
Resource assaying, estimation, and technical services	5,223,566
Equipment and field supplies	2,886,291
Land payments and maintenance	871,138
General and administrative	916,369
	\$ 34,620,690

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

Resource estimate

In August 2019, Prime initiated a major surface mapping, outcrop trenching, and chip sampling program over eight known gold-silver deposits at Los Reyes. On April 2, 2020, Prime announced an updated pit constrained mineral resource estimate ("MRE") prepared by Stantec Consulting Ltd. ("Stantec") for the Los Reyes Project. The pit constrained MRE (at 0.22 g/t Au cut-off) comprised 19.8 million tonnes Measured and Indicated resources (633,000 ounces contained Au at 1.00 g/t and 16.6 million ounces contained Ag at 26.2 g/t) and an additional 7.1 million tonnes (179,000 ounces contained Au at 0.78 g/t and 6.8 million ounces contained Ag at 29.9 g/t) of Inferred material. The 2020 MRE estimate increased the total oxide material and upgraded the material to higher estimation categories.

Additionally, Stantec provided sensitivities to cut-off grade within the pit allowing for a comparison to the historic global resource estimate by Vista in 2012, which was calculated at a 0.5 g/t Au cut-off. Comparing estimates at the same cut-off, Measured and Indicated resources increased by 74% from 6.8 mt to 11.8 mt and inferred material increased 25% from 3.2 mt to 4.0 mt. Measured and Indicated contained Au increased by 44% from 380,300 ounces to 546,000 ounces, while inferred Au decreased by 7%, from 155,200 ounces to 144,000 ounces. Measured and Indicated Ag increased by 100% from 6,315,300 ounces to 12,912,000 ounces and inferred Ag increased by 50% from 3,639,000 to 5,456,000 ounces.

Refer to "Stantec, Technical Report, Los Reyes Property, Sinaloa, Mexico, report date April 2, 2020", dated effective March 24, 2020 and published on SEDAR for complete details regarding the MRE.

In May 2023, the Company reported its first Prime drilling MRE based on the addition of Prime's more than 100,000 m of core (90%) and RC (10%) drilling. The new 2023 pit constrained MRE (at 0.22 g/t Au cut-off) comprised 27.2 million tonnes Measured and Indicated resources (1,013,000 ounces contained Au at 1.16 g/t and 35.26 million ounces contained Ag at 40.4 g/t) and an additional 18.1 million tonnes (497,000 ounces contained Au at 0.85 g/t and 18.33 million ounces contained Ag at 31.5 g/t) of Inferred material. The 2023 MRE estimate again increased the total oxide material and upgraded the material to higher estimation categories.

With the Prime drilling, the pit constrained tonnes increased 38% for the Measured and Indicated category (60% increase in contained Au with a 16% increase in average gold grade, plus 112% increase in contained Ag with a 54% increase in average Ag grade). The pit constrained tonnes increased 155% for the Inferred category (178% increase in contained Au with a 9% increase in average gold grade, plus 168% increase in contained Ag with a 5% increase in average Ag grade).

This MRE was completed under the supervision of John Sims, a member of the American Institute of Professional Geologists since 2004, an 'Independent Qualified Person' as defined by NI 43-101 guidelines, with over 35 years of related experience. Prime will file a NI 43-101 compliant updated Technical Report in support of this resource update within 45 days of the news release dated May 2, 2023.

Corporate

Warrant acceleration

During April 2023, the volume weighted average trading price of the Company's common shares on the TSX-V exceeded \$2.50 for ten consecutive days and the Company provided written notice to the warrant holders, accelerating the expiry date of the warrants to May 8, 2023. The Company issued 14,025,410 common shares for gross proceeds of \$28,050,820 upon exercise of the warrants, 4,590 warrants expired without being exercised.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

Management

During April 2023, the Company appointed Indi Gopinathan, as Vice President Capital Markets and Business Development.

Stock option grants

During February 2023, stock options were granted to purchase up to 700,000 common shares at a price of \$1.97 per share. The stock options granted have a five-year life and vest one-third six months from the date of grant, one-third 12 months from the grant date and one-third 18 months from the grant date.

Deferred share units

During February 2023, deferred share units ("DSUs") were granted to purchase 307,838 common shares. The DSUs were granted to the board of directors and will vest after twelve months.

ESG

During April 2023, the Company issued its inaugural 2022 sustainability report.

OUTLOOK

2023 - Principal Exploration Objectives

The 2023 drill program has commenced January 1st and will continue throughout fiscal 2023 with a planned minimum 45,000 m in over 195 drill holes, with the expectation to increase the total planned drilling to 60,000 m. There are now four core rigs at site.

The principal exploration objectives for 2023 are as follows:

1. Continue to expand gold-silver resources along the three main corridors of known open-pit mineralization, following up on previously reported high-grade areas:
 - o Guadalupe Structure – drilling will target new areas of bonanza-grade mineralization, including significant step-out drill holes to the southeast;
 - o Z-T Structure – will be drilled along strike and to expand higher-grade areas to depth; and,
 - o Central Zone Structure – will test the individual deposits to expand them to collectively form larger pits as well as to assess the depth potential in this under-explored area.
2. Complete first pass testing of newly developed targets:
 - o Last year's technical program led to the development of several high potential targets within an approximate 5 km radius of the main mineralized corridors at Los Reyes;
 - o Drill testing will include high priority targets Las Primas, Fresnillo, El Tule, Mariposa, Mina and others including the two parallel El Orito trends: and,
3. Continue surface mapping and sampling:
 - o Previous prospecting, mapping, and sampling that led to the development of new targets will continue in 2023.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

QUARTERLY RESULTS

	Three months ended			
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Loss for the period	\$ (5,995,467)	\$ (6,378,755)	\$ (5,891,219)	\$ (7,063,916)
Loss per share – basic and diluted	(0.05)	(0.06)	(0.05)	(0.06)
Total assets	33,829,051	38,105,206	23,648,743	28,552,940
Total non-current liabilities	872,751	883,021	901,420	864,379
Cash balance	19,240,951	23,811,434	9,344,844	14,441,284
Working capital	\$ 18,692,657	\$ 22,853,882	\$ 8,732,247	\$ 13,690,114

	Three months ended	Two months ended	Three months ended	
	March 31, 2022	December 31, 2021	October 31, 2021	July 31, 2021
Loss for the period	\$ (8,038,370)	\$ (4,650,295)	\$ (5,600,423)	\$ (4,046,624)
Loss per share – basic and diluted	(0.07)	(0.04)	(0.05)	(0.04)
Total assets	35,954,314	41,785,376	43,961,419	43,961,262
Total non-current liabilities	1,096,245	1,098,326	923,861	930,746
Cash balance	21,535,820	27,413,707	29,848,024	29,945,079
Working capital	\$ 20,335,912	\$ 26,232,817	\$ 29,581,634	\$ 29,582,724

Review of Consolidated Financial Information for Q1 2023 compared to Q1 2022

Loss for the Company was \$5,995,467 (\$0.05 per share) compared to \$8,038,370 (\$0.07 per share) during Q1 2022, as a result of the following factors:

Corporate and administrative expense

Corporate and administrative expenses decreased to \$1,563,545 compared to \$2,730,670 during Q1 2022. The significant cash components of these expenses include salaries and personnel, consulting and professional fees and investor relations.

Salaries and personnel increased to \$380,301 compared to \$315,505 during Q1 2022, as a result of adjustments to senior management salaries and additions to the senior management group.

Consulting and professional fees include legal, accounting, capital and strategic advisors. The current quarter and prior year quarter expenses are consistent, with an increase of \$15,086, as there has not been any substantial change in the services provided to the Company.

Investor relations expenses includes news releases, communications programs, and participation at conferences. The expense increased to \$178,618 compared to \$63,450 during Q1 2022. During Q1 2023, activities continued to increase as a result of the re-opening following the COVID-19 global pandemic.

The significant non-cash component of these expenses includes share-based compensation, which was \$554,850 compared to \$2,061,986 during Q1 2022. The decrease is a result of granting 700,000 share options at a weighted average grant-date fair value of \$1.13 compared to 400,000 share options at a weighted average grant-date fair value of \$2.41. Additionally, the Company incurred RSU and DSU expense of \$123,495 and \$73,212, respectively, related to the granting and vesting of units during Q1 2023.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

Exploration and evaluation

Exploration and evaluation expense was \$3,987,651 compared to \$4,599,360 during Q1 2022. The Company decreased exploration activities at the Los Reyes Project. Refer to the *Highlights and Key Developments* section above.

Value added tax provision

Value added tax provision increased to \$920,008 compared to \$708,302 as a result of project expenditures and foreign exchange adjustments.

Foreign exchange

Foreign exchange represents changes in the value of monetary assets and liabilities denominated in foreign currencies. During the current quarter, the Company incurred unrealized foreign exchange gains related to the VAT receivable.

Significant Quarterly Variations

- Quarter ended July 31, 2021 - The Company incurred exploration and evaluation expenditures of \$3,217,146 at the Los Reyes Project including related VAT.
- Quarter ended October 31, 2021 - The Company incurred additional share-based compensation expense of \$2,499,230 related to the granting and vesting of options. Additionally, exploration and evaluation expenses of \$2,546,452 were incurred at the Los Reyes Project including related VAT.
- Two months ended December 31, 2021 - The Company incurred additional share-based compensation expense of \$1,290,232 related to the granting and vesting of options. Additionally, exploration and evaluation expenses of \$2,540,714 were incurred at the Los Reyes Project including related VAT.
- Quarter ended March 31, 2022 - The Company incurred additional share-based compensation expense of \$2,061,986 related to the granting and vesting of options. Additionally, exploration and evaluation expenses of \$5,307,662 were incurred at the Los Reyes Project including related VAT.
- Quarter ended June 30, 2022 - The Company incurred additional salaries and personnel expense of \$315,261 related to normal operations. Additionally, exploration and evaluation expenses of \$6,157,790 were incurred at the Los Reyes Project including related VAT.
- Quarter ended September 30, 2022 - The Company incurred additional salaries and personnel expense of \$334,154 related to normal operations. There was share-based compensation expense of \$1,039,497. Additionally, exploration and evaluation expenses of \$3,757,180 were incurred at the Los Reyes Project.
- Quarter ended December 31, 2022 - The Company incurred additional salaries and personnel expense of \$815,494 which included senior management bonuses. There was share-based compensation expense of \$675,100. Additionally, exploration and evaluation expenses of \$3,988,322 were incurred at the Los Reyes Project.
- Quarter ended March 31, 2023 - The Company incurred additional salaries and personnel expense of \$380,301 related to normal operations. There was share-based compensation expense of \$752,057. Additionally, exploration and evaluation expenses of \$3,987,651 were incurred at the Los Reyes Project. A value added tax provision of \$920,008 further increased the loss for the period.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

Cash flows

	Three months ended	
	March 31, 2023	March 31, 2022
Cash used in operating activities	\$ (5,275,869)	\$ (5,886,138)
Cash provided by financing activities	535,714	114,408
Cash provided by (used in) investing activities	169,672	(106,157)
Decrease in cash	(4,570,483)	(5,877,887)
Cash, beginning of period	23,811,434	27,413,707
Cash, end of period	\$ 19,240,951	\$ 21,535,820

Operating activities

During Q1 2023, salaries and personnel expenditures of \$380,301 were incurred by the Company which is a significant portion of the operating expenditures. There were office rent and administrative expenditures of \$114,303. Legal and accounting expenditures of \$138,266 were also incurred. Additional expenditures of \$3,987,651 were incurred relating to Los Reyes Project.

During Q1 2022, salaries and personnel expenditures of \$315,505 were incurred by the Company which is a significant portion of the operating expenditures. There was office rent and administrative expenditures of \$166,549. Legal and accounting expenditures of \$123,180 were also incurred. Additional expenditures of \$4,599,360 were incurred relating to Los Reyes Project.

Financing activities

During Q1 2023, the Company issued 950,000 common shares for gross proceeds of \$1,045,000 upon exercise of warrants. Subsequent to March 31, 2023, \$418,000 was received related to the exercise of warrants.

During Q1 2022, the Company issued 120,000 common shares for gross proceeds of \$132,000 upon exercise of warrants.

Investing activities

During Q1 2023, the Company received interest of \$173,026.

During Q1 2022, the Company purchased equipment totaling \$126,175.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with its financial liabilities and other contractual obligations.

The Company is a mineral exploration company and currently has no operating income or positive operating cash flows. The Company depends upon share issuances and property option agreements to fund its exploration activities and administrative expenses.

Factors that may affect the Company's liquidity are continuously monitored. These factors include the market price of gold, operating costs, exploration expenditures, the timing of VAT recoveries, foreign currency fluctuations, health and safety risks related to the covid-19, and risks and uncertainties (refer to *Risks and Uncertainties* section).

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

The Company will need to raise additional funds to fully develop its mineral properties. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Consequently, the Company is subject to liquidity risk.

At March 31, 2023, the Company had working capital of \$18,692,657 including cash of \$19,240,951, compared to a working capital of \$22,853,882 at December 31, 2022. Accounts payable and accruals decreased to \$1,104,504 compared to \$1,173,290, at December 31, 2022, due to payment of senior management bonus during Q1 2023. The long-term payable of \$755,981 requires payment when the value added tax receivable of \$839,979 is refunded.

At March 31, 2023, the Company has the following capital resource commitments:

- The Company must undertake exploration and make cash progress payments to maintain its exploration property rights.
- The Company is committed to make payments under property and equipment leases totalling \$183,171 through 2027.

RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, officers, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Key management compensation includes:

	Three months ended	
	March 31,	March 31,
	2023	2022
Salaries, personnel and benefits	\$ 350,391	\$ 302,703
Directors fees	71,138	58,680
Consulting fees	16,191	15,138
Share-based compensation	672,067	1,142,193
	\$ 1,109,787	\$ 1,518,714

Trade payables and accruals include \$40,238 (December 31, 2022 - \$268,327) owed to directors and officers of the Company.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

OUTSTANDING SHARE DATA

At May 11, 2023, the Company had the following equity securities outstanding:

	Authorized	Outstanding
Equity securities – voting	Unlimited common shares	142,601,447 common shares
Stock options - convertible to voting common shares	Stock options to acquire up to 10% of the outstanding common shares	Stock options to acquire 11,060,000 common shares
Restricted share units – convertible to voting common shares	Restricted share units to acquire up to 10% of the outstanding common shares less any common shares reserved for issuance under any other share-based compensation arrangements.	Restricted share units to acquire 400,000 common shares
Deferred share units – convertible to voting common shares	Deferred share units to acquire up to 10% of the outstanding common shares less any common shares reserved for issuance under any other share-based compensation arrangements.	Deferred share units to acquire 307,838 common shares
Warrants convertible to voting common shares		Warrants to acquire 23,098,319 common shares

SIGNIFICANT ACCOUNTING POLICIES

The condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), effective as of March 31, 2023. The Company's significant accounting policies are described in note 3 of the Company's annual financial statements.

CHANGES IN ACCOUNTING POLICIES

The accounting policies applied in the preparation of the Company's condensed interim consolidated financial statements for the three months ended March 31, 2023 and 2022, are consistent with those applied and disclosed in the Company's annual consolidated financial statements.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, deposits, VAT receivables, trade payables and accruals, long-term payable and lease liabilities. The carrying value of all the Company's financial instruments approximates their fair value except for cash. The fair value of cash is measured using Level 1 inputs. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company's activities expose it to a variety of financial risks, of which the primary ones are liquidity risk and foreign exchange risk. The Company does not have a practice of trading derivatives.

The Company manages liquidity risk by attempting to maintain adequate cash balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows and matching the maturity profile of financial assets to development, capital and operating needs.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

The Company is exposed to foreign exchange fluctuations, primarily on value added tax receivable balances denominated in Mexican pesos and the long-term payable balance denominated in US dollars.

The Company's financial risks are described in note 11 of the interim financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

At March 31, 2023, and the date hereof, the Company had no proposed transaction.

RISKS AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the Company's Management Discussion and Analysis for the year ended December 31, 2022, the eight months ended December 31, 2021, and the year ended April 30, 2021.

Changes to Mining Laws in Mexico

On April 29, 2023, the Mexican government approved a bill amending several laws relating to mining concessions and on May 8th published the approved laws in the Official Gazette. The Company is reviewing details on these amendments to determine the impact, if any, on the Company's operations.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results could differ materially from any estimates, forecasts, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements do not take into account the effect of transactions or other items announced or occurring after the statements are made. Forward-looking statements are based upon a number of expectations and assumptions and are subject to certain risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those that are disclosed in or implied by such statements.

These forward-looking statements may include but are not limited to statements concerning:

- The Company's success at completing future financings;
- The Company's strategies and objectives;
- The completion of further exploration and development activity at the Los Reyes Project;
- General business and economic conditions;
- General political climate; and
- The Company's ability to meet its financial obligations as they become due.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022

(In Canadian dollars, except where noted)

Although the Company believes that the assumptions and expectations reflected in such forward-looking statements are reasonable, we can give no assurance that these assumptions and expectations will prove to be correct, and since forward-looking statements inherently involve risks and uncertainties, undue reliance should not be placed on such statements. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied, by these forward-looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

QUALIFIED PERSON

Scientific and technical information contained in this MD&A was reviewed and approved by the Company's EVP, Exploration, Scott Smith, P. Geo, a "qualified person" as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.