



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the eight months ended December 31, 2021  
and the year ended April 30, 2021

## **PRIME MINING CORP.**

### Management's Discussion and Analysis

For the eight months ended December 31, 2021 and the year ended April 30, 2021

(In Canadian dollars, except where noted)

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*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 March 29, 2022, and relates to the financial condition and results of operations for the eight months ended December 31, 2021 and the year ended April 30, 2021. Past performance may not be indicative of future performance. This MD&A should be read in conjunction with the audited consolidated financial statements ("consolidated financial statements") and related notes for the eight months ended December 31, 2021 and year ended April 30, 2021, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").*

*During the eight months ended December 31, 2021, the Company changed its fiscal year end from April 30 to December 31. The Company's transition period is the eight months ended December 31, 2021. The comparative period is the twelve months ended April 30, 2021.*

*The three months ended January 31, 2021 is also referred to as "prior year quarter." The eight months ended December 31, 2021 and year ended April 30, 2021, are also referred to as "current period" and "prior year", 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**

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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 OTCQB 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 eight months ended December 31, 2021, 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.

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### **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**

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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**

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#### **Los Reyes Project**

##### **Acquisition**

On July 20, 2020, the Company announced the completion of the acquisition of the Los Reyes Project with a payment of US\$1,500,000 to Vista Gold, which was made on July 17, 2020 (the "Acquisition Date"). With this payment, Vista Gold no longer retains two separate 2% net smelter royalties on production from open-pit or underground mining, or a back-in right to assume a 49% non-carried interest in any underground mining at Los Reyes.

Prime was required to pay Vista an additional US\$2,100,000 through two payments of:

- 1) US\$1,100,000 no later than six months from the Acquisition Date; and
- 2) US\$1,000,000 no later than twelve months from the Acquisition Date.

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If the Company failed to make the two payments, Vista Gold's net smelter royalties and back-in right would be reinstated. On January 8, 2021, the Company made the first payment of US\$1,100,000. On June 25, 2021, the Company made the second payment of US\$1,000,000.

### **Spring 2021 Exploration Program**

During spring 2021, drill hole 21GE-03 targeted the Estaca vein at Guadalupe East in an area with no known historic mining or previous drilling to gain more geologic and structural controls and aid in further planning of step-out drilling. Access and topography constraints required hole 21GE-03 to be drilled at a high angle to the interpreted mineralized system. The drill hole successfully intercepted the Estaca vein with a drill core length of 58.0 metres ("m") (11.6 m estimate true width ("etw")) returning 12 grams per tonne ("gpt") gold ("Au") and 724.6 gpt silver ("Ag"). Contained within this intercept are three discrete mineralized zones: two upper vein breccia zones separated by 3.5 m (0.7 etw) of waste and a lower mineralized stockwork unit separated from the lower vein breccia by 4.5 m (0.9 m etw) of waste. The first vein breccia intercept was 28.0 m (5.6 m etw) of 11.95 gpt Au and 1,122.1 gpt Ag and the second vein breccia intercept was 10.0 m (2.0 m etw) at 11.17 gpt Au and 909.3 gpt Ag. The lower stockwork unit intercept was 12.0 m (2.4 m etw) at 2.00 gpt Au and 120.9 gpt Ag.

Drill hole 21GE-03 intersected the Estaca vein approximately 125 m higher in elevation and nearly 70 m northwest of previously reported hole 21GE-01 which intersected 1 m at 3.25 gpt Au 380.0 gpt Ag, including 6.5 m at 6.51 gpt Au and 587.5 gpt Ag. These intercepts, and the historic intercepts in drill holes 12GV-02 and 12GV-03, establish that significant mineralization persists at shallower, open pit depths and the resource has expansion potential to the southeast.

Drill holes 21GE-05 and 21GE-07 intersected new mineralized structures adjacent to the Estaca vein. Hole 21GE-05 intercepted 1.5 m (1.4 m etw) at 50 gpt Au and 300.0 gpt Ag and hole 21GE-07 intersected 0.9 m (0.6 m etw) at 93.80 gpt Au and 829.0 gpt Ag. These new structures also potentially expand the current Guadalupe East pit-constrained Inferred resource.

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

- *"More Bonanza Grade Gold-Silver at Los Reyes as Ongoing Drilling Expands Guadalupe East and Zapote South"* dated May 25, 2021.

### **Summer 2021 Exploration Program**

As summer 2021 started, the Phase 1 drilling campaign had completed with 15,061 m drilled in 74 holes. Following this achievement and with the start of the Sinaloa rainy season, five of the drill rigs were demobilized during the first month of summer. Three drills remained active on the property as an expansion to the Phase 1 campaign testing areas that are relatively easier to access. Core logging, core splitting and sampling was moved to Cosalá from El Saucito to reduce crew transportation time. Regional and detailed mapping continues, and results will be integrated into geologic modeling over the next several months. Soil sampling had been put on hold due to terrain conditions in the rainy season. As the summer 2021 finished, the Company had completed 97 drill holes for 20,153 m.

Early in the summer, the Company released assay results from the first holes drilled into the major new discovery, Mina, located 1.3 kilometres ("km") northeast of the Guadalupe East deposit, currently the most eastern of the eight-known gold-silver deposits at Los Reyes. Drill hole 21MINA-02 returned 4.44 gpt Au and 1,060.1 gpt Ag over 7.5 m (4.8 m etw) from 142.5 m downhole, including 3.15 m (2.0 m etw) at 6.62 gpt Au and 1,397.8 gpt Ag and 1.85 m (1.2 m etw) at 6.3 gpt Au and 1,881.0 gpt Ag. 21MINA-05 returned 3,243 gpt Ag over 1.15 m (0.74 m etw) with no associated gold from 81.7 m downhole. A slightly lower zone in 21MINA-05 returned 1.45 gpt Au and 29.3 gpt Ag over 3.7 m (1.85 m etw) from 91.0 m downhole. 21MINA-06 returned 1.72 gpt Au and 29.6 gpt Ag over 3.85 m (3.20 m etw) from 23.7 m downhole.

At Noche Buena, drill holes continued to confirm the expansion of mineralization both down-dip and along strike beyond the current inferred category resource boundary. Additionally, the drilling added silver assay data to the

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resource in areas where it was not recorded by prior operators. Drill hole 21NB-05, the most easterly hole, returned 0.77 gpt Au and 48.3 gpt Ag over 4.5 m (2.9 m etw) starting at 117.5 m downhole including 2.67 gpt Au and 140.2 gpt Ag over 0.6 m (0.4 m etw). 21NB-05's intersection indicates that Noche Buena is still open beyond the eastern limit of the current pit-constrained resource. 21NB-06, drilled near the current resource pit bottom, returned 1.29 gpt Au and 60.7 gpt Ag over 36.1 m (28.9 m etw) starting at 93.1 m downhole, including 5.74 gpt Au and 108.1 gpt Ag over 4.5 m (3.6 m etw). 21NB-07 returned 0.65 gpt Au and 20.7 gpt Ag over 11.6 m (10.4 etw) starting at 24.0 m downhole including 1.21 and 38.9 gpt Ag over 4.5 m (4.1 etw). 21NB-08 returned 1.23 gpt Au and 28.0 gpt Ag over 11.1 m (8.9 m etw) at 32.4 m downhole including 1.1 m (0.9 m etw) at 6.08 gpt Au and 90.9 gpt Ag. 21NB-09 returned 2.89 gpt Au and 61.6 gpt Ag over 10.5 m (8.4 m etw) at 70.5 m downhole including 1.5 m (1.2 m etw) at 18.00 gpt Au and 209.3 gpt Ag. Hole 21NB-10 returned 0.70 gpt Au and 27.9 gpt Ag over 19.5 m (15.6 m etw) at 63.0 m downhole including 1.5 m (0.9 m etw) at 3.73 gpt Au and 109.5 gpt Ag. 21NB-11 returned 1.00 gpt Au and 18.0 gpt Ag over 5.8 m (5.2 etw) starting at 76.5 m downhole.

Holes 21NB-06, 21NB-07, 21NB-09 and 21NB-11 all intersected mineralization at or just below the pit bottom.

At San Miguel East, drill holes continued to confirm the expansion of mineralization. Drill hole 21SME-03 returned 2.50 gpt Au and 117.9 gpt Ag over 8.3 m (7.5 m etw) at 139.5 m downhole including 4.57 gpt Au and 139.8 gpt Ag over 3.8 m (3.4 m etw) and 1.63 gpt Au and 193.2 gpt Ag over 1.5 m (1.3 m etw) at 244.5 m downhole. Additionally, drill hole 21SME-07 returned 1.02 gpt Au and 51.4 gpt Ag over 15.0 m at 7.5 m downhole including 4.11 gpt Au and 13.1 gpt Ag over 3.0 m and 1.22 gpt Au and 137.8 gpt Ag over 7.9 m at 42.0 m downhole including 2.48 gpt Au and 280.3 gpt Ag over 3.1 m, the etw was equal to the actual core length. The Phase 1 drilling program is now complete with the mineralized structure being intersected in all seven drill holes.

At San Miguel East, the Fresnillo Structure, was intersected for the first time and within the current pit boundary. The nearly 1-kilometer structure had no prior drilling. Drill hole 21SME-02 returned 0.82 gpt Au and 7.5 gpt Ag over 6.8 m (5.6 m etw) from surface in newly defined mineralized vein breccia. The structure is within the current and expanding open-pit boundary and should reduce the stripping ratio of waste rock.

Initial drilling commenced at Las Primas, including three shallow holes, to acquire an initial subsurface understanding of the outcropping breccia and quartz vein structures. No drilling had occurred at Las Primas by previous operators, in part due to a lack of road and constrained access. Drill hole 21LP-01 returned 1.55 gpt Au and 3.4 gpt Ag over 1.0 m (0.7 m etw) at 31.7 m downhole. Additionally, drill hole 21LP-02 returned 1.58 gpt Au and 13.6 gpt Ag over 7.5 m (3.8 m etw) at 24.0 m downhole including 15.9 gpt Au and 134.5 gpt Ag over 0.4 m (0.2 m etw) and including 7.02 gpt Au and 50.2 gpt Ag over 0.7 m (0.4 m etw) and 0.83 gpt Au and 26.4 gpt Ag over 3.0 m (1.1 m etw) at 107.3 m downhole.

At Guadalupe East, the Company reported results from thirteen drill holes, twelve of these holes (21GE-09 to 20) intercepted the high-grade Estaca epithermal vein and the remaining hole, 21GE-08, collected structural data on the San Nicolas vein. Eight of the twelve Estaca holes were successful in intersecting high-grade gold-silver mineralization. This Phase 1 drilling extends 100 metres below the base of the April 2020 Pit-Constrained Resource giving an approximate drill-indicated 250 to 300 metre vertical extent of the mineralized boiling zone that remains open vertically up dip. Two of the twelve Estaca holes were terminated in old workings. Historical metallurgical test work was completed by prior operators of high-grade mineralized material at Los Reyes. The material tested is in line with the gold-silver grades encountered during Phase 1 drilling and results indicate that gold recovery increased to 93% from 75% and silver recovery increased to 83% from 25% using mill processing instead of heap leaching.

Drilling occurred in areas proximal to, but outside of the Pit-Constrained Resource. The holes were targeted to expand the currently defined Pit-Constrained Resource and to determine the potential vertical extent of the gold-silver bearing mineralization within the Estaca Vein at depth below the Pit-Constrained Resource.

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Drill holes 21GE-11, 13, 18 and 19 were drilled just outside the Pit-Constrained Resource limits and demonstrate strong potential for near-pit resource expansion given intersected widths of between 7.2 m and 43.9 m. Results include 1.63 gpt Au and 220.2 gpt Ag over 10.3 m (7.3 m etw) in hole 21GE-11; 4.77 gpt Au and 174.5 gpt Ag over 7.2 m (7.2 m etw) in hole 21GE-13; 15.58 gpt Au and 270.2 gpt Ag over 11.7 m (9.4 m etw) in hole 21GE-18; and 2.66 gpt Au and 118.4 gpt Ag over 43.9 m (30.7 m etw) in hole 21GE-19.

Drill holes 21GE-10 and 14 are within 100 m below the bottom of the Pit-Constrained Resource and have intersected grades that potentially expand the open pit at depth. Hole 21GE-10 returned 0.94 gpt Au and 92.0 gpt Ag over 10.85 m (5.4 m etw) and hole 21GE-14 returned 3.19 gpt Au and 376.7 gpt Ag over 12.9 m (5.2 m etw).

Drill holes 21GE-15 and 21GE-20 were drilled more than 300 m east of the boundary of the Pit-Constrained Resource and 100 m east of the nearest drill intersection. These two holes encountered historic underground development and natural faulting that resulted in poor core recoveries. Nevertheless, they intersected significant high-grade mineralization that demonstrates major resource expansion potential to the southeast. Hole 21GE-15 returned 7.31 gpt Au and 615.0 gpt Ag over 7.0 m (6.6 m etw) before being abandoned in historic workings. Hole 21GE-20 returned 35.37 gpt Au and 1,626.0 gpt Ag over 6.0 m (6.0m etw), including 62.60 gpt Au and 2,574.0 gpt Ag over 3.0 m (3.0 m etw).

Drill Hole 21GE-08 was targeting the west extension of the San Nicolas Vein and designed to collect information on structure with oriented core. The hole intersected 5.3m (4.4m etw) grading 0.44 gpt Au and 9.9 gpt Ag starting at 58.4 m downhole. The San Nicolas vein lies directly within the footwall of the Estaca Vein, and outcrops in the shallowest portions of the southeast boundary of the Pit-Constrained Resource.

Comprehensive planning was underway for the Phase 2 drill campaign commenced in November, after the rainy season. Phase 2 will utilize a combination of 6 to 8 core and reverse circulation drill rigs. Reverse circulation rigs will be used, where infrastructure permits, to accelerate the rate of in-fill drilling and resource definition. Permitting activities continued for construction of Phase 2 roads and drill pads.

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

- *"Prime Mining Intercepts 4.44 gpt Gold and 1,060.1 gpt Silver over 7.5 Metres at New Discovery 1.3 Kilometres from Guadalupe East; Phase 2 Drilling Underway"* dated June 28, 2021.
- *"Prime Mining Intercepts 36.1 Metres With 1.29 gpt Au and 60.7 gpt Ag at Noche Buena Deposit as New Drilling Continues Expansion"* dated July 12, 2021.
- *"Prime Mining Discovers Gold-Silver Zones in San Miguel East Pit-Constrained Resource and Near-Surface Mineralization at Las Primas"* dated August 4, 2021.
- *"Additional High-Grade Results Expand Open-Pit Potential at Guadalupe East"* dated September 8, 2021.

### **Fall and Winter 2021/2022 Exploration Program**

As fall 2021 started, the rig count increased from two core drills at the end of the summer 2021 rainy season to five core drills at October 31, 2021.

Along the western mineralized structure, now referred to as the Z-T Structure (Zapote - Tahonitas), the Company reported results from 18 drill holes with seven holes within and adjacent to the Zapote South deposit and 11 drill holes within or adjacent to the Tahonitas deposit. All 18 drill holes intercepted potentially economic mineralization with eight holes returning significant high-grade results. Zapote South and Tahonitas are two of eight known gold-silver deposits. The major northwest-southeast trending Z-T structure remains open and highly prospective at depth and along strike to the southeast. Importantly, none of the current drilling at Tahonitas is to a sufficient depth to have tested the deeper high-grade gold zone found in Zapote South that was intersected as reported May 15, 2021 in drill hole 21ZAP-15, 4.49 gpt Au and 67.9 gpt Ag over 8.3 m (7.4 m etw), and in the newly reported drill hole 21ZAP-21.

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Phase 1 drilling at Zapote extended the potential boiling zone height, which hosts the highest-grade mineralization, from 530 metres above sea level ("masl") by 50 m to 480 masl. This "deepening" of the bottom elevation of the boiling zone elevation provides exploration prospects at Zapote and across the entire Z-T structure to that depth. Follow-up to this is a part of the Phase 2 program.

High-grade mineralization was intercepted in 'below-pit' drill holes. 21ZAP-21 returned 3.36 gpt gold and 83.2 gpt silver over 16.0 m (13.1 m etw), 21ZAP-19 returned 0.75 g/t Au and 13.7 g/t Ag over 20.5 m (19.3 m etw), and 21ZAP-20 returned 3.89 gpt gold and 13.4 gpt Ag over 2.0 m (1.4 m etw). All three drill hole intercepts are below the current resource pit bottom providing significant opportunity to expand resources at depth.

21ZAP-21 shows that on the most southeasterly section drilled to-date at Zapote South there is high-grade mineralization with a dip extent of at least 125 m including 50 m below the current pit bottom. Zapote South remains open to the south-east towards Tahonitas, presenting a Phase 2 exploration opportunity.

Shallow drilling at Tahonitas during Phase 1 produced positive results encountering near surface mineralization with the initial drilling. However, drilling to-date has not yet targeted the Z-T structure at the same depth where high-grade mineralization is encountered at Zapote South. Deeper drilling at Tahonitas is a key Phase 2 exploration opportunity.

The Company's Phase 1 exploration program ended October 31, 2021 and completed over 25,650 m of core drilling, exceeding the planned 15,000 m program, resulting in several new discoveries including bonanza-grade mineralization below previous drilling, extending resources down-dip and along strike, and recovering silver values previously not analyzed for within several deposits. Phase 1 also included:

- the acquisition of 1,056 line km of high resolution aeromagnetic-radiometric data;
- extensive regional and detailed geological mapping;
- initiation of an alteration mineral study; and
- identification of alteration styles and multiple pulses of mineralization, all of which will help vector the exploration program to a focus on higher mill-grade gold-silver mineralization within reach of open pits.

The Phase 2 drill program commenced November 1, 2021. As of March 29, 2022, the Company had drilled 29,072 m in 106 core drill holes in the Phase 2 drill program and eight core drills and one reverse circulation drill are in operation. Refer to the *Outlook* section below for details pertaining to the objectives of the Phase 2 drill program.

Following the Christmas break, the Company reported drill results from 13 new core holes at Noche Buena of the 24 holes completed as part of the Company's Phase 1 exploration drilling with 11 holes previously reported. All 13 holes encountered potentially economic open pit grade mineralization. At Noche Buena, historic drilling encountered mineralization at depths of 150 m below surface to an elevation of predominantly 625 masl. Phase 1 drilling has now intercepted potentially economic gold-silver mineralization down to 550 masl.

The Noche Buena portion of the Central Structure has now been tested and mineralization identified along approximately 600 m of its known 1,000 m strike length. The structure remains open along strike and at depth both to the northwest and the southeast. Phase 2 drilling is planned to test extensions to the northwest towards San Miguel, where there is strong potential to join the two deposits, and to the southeast where the structure has been traced in surface mapping. The Noche Buena holes were mostly step out holes from previous drill holes. Drill hole 21NB-22 returned 3.16 gpt Au and 74.5 gpt silver Ag over 3.0 m (2.7 m etw), plus 3.49 gpt Au and 82.4 gpt Ag over 1.0 m (0.9 m etw) contained within a 26.9 m (24.3 m etw) zone grading 0.91 gpt Au and 44.5 gpt Ag. Drill hole 21NB-23 returned 4.75 gpt Au and 109.7 gpt Ag over 3.8 m (3.8 m etw) plus 4.83 gpt Au and 250.5 gpt Ag over 3.0 m (3.0 m etw) contained within a 19.7 m (19.7 m etw) zone grading 1.89 gpt Au and 75.8 gpt Ag. Drill hole 21NB-21 returned 2.92 gpt Au and 24.3 gpt Ag over 14.8 m (12.8 m etw) plus 1.09 gpt Au and 65.6 gpt Ag over 5.0 m (4.3 m etw) and

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drill hole 21NB-17 returned 4.38 Au and 7.6 gpt Ag over 2.4 m (2.2 m etw) within a 13.2 m (12.0 m etw) zone grading 1.27 gpt Au and 12.65 gpt Ag.

In February of 2022, the Company reported results from 17 new Phase 1 core holes from the Company's exploration program targeting the northern extension of the Zapote-Tahonitas structure ("Z-T Structure"). Seven of the 17 core holes are near the historical underground Mariposa Mine and the other 10 new core holes are from Zapote North in a previously untested mineralized gap between Zapote North and Mariposa. These holes confirm that gold-silver mineralization extends from Zapote North to Mariposa, increasing the total length of the gold-silver mineralized Z-T Structure by 450 m to approximately 3.0 km.

Drilling near the historic Mariposa mine returned 4.89 gpt Au and 22.2 gpt Ag over 35.3 m (34.7 m etw) including 23.13 g/t Au and 61.4 g/t Ag over 2.9 m (2.9 m etw) and 41.50 g/t Au and 40.4 g/t Ag over 1.5 m (1.5 m etw) plus 1.08 gpt Au and 18.4 gpt Ag over 2.4 m (2.3 m etw) from drill hole 21MA-06. Drill hole 21MA-01 returned 1.34 gpt Au and 24.5 gpt Ag over 16.7 m (12.8 m etw) including 3.22 g/t Au and 36.2 g/t Ag over 2.5 m (1.9 m etw) and 1.27 g/t Au and 5.8 g/t Ag over 1.4 m (1.0 m etw). Another highlight is 21MA-03 that returned 3.06 gpt Au and 30.2 gpt Ag over 1.5 m (1.5 m etw). Step out drilling to the north of the Zapote North deposit confirms that the structure is mineralized with 21ZAP-28 returning 1.29 gpt Au and 25.7 gpt Ag over 10.5 m (7.4 m etw), including 4.93 gpt Au and 42.3 gpt Ag over 0.8 m (0.5 m etw) and 2.74 gpt Au and 40.5 gpt Ag over 1.9 m (1.3 m etw) and 21ZAP-39 returning 1.00 gpt Au and 5.6 gpt Ag over 12.0 m (10.4 m etw).

Also in February of 2022, the Company reported results of 12 new drill holes from its first drill program at the Guadalupe West deposit. Results indicate that the deposit remains open at depth as demonstrated by drill hole 21GW-12R (1.68 gpt Au and 25.8 gpt Ag over 19.8 m etw) and 21GW-03 (33.6 m (23.7 etw) at 0.38 gpt Au and 23.6 gpt Ag). Additionally, a new mineralized zone, was intersected in holes 21GW-11R and 21GW-12R south of the main structure. The limited drilling completed to-date suggests that the new mineralized zone is near-vertical with a minor dip to the north and may connect to the main structure at depth. Drill hole 21GW-11R also indicates that the deposit remains open to the west. Drill hole 21GW-07 tested below previously reported trenching and above historic drilling in what appears to be a higher-grade area of the deposit. The structure is open along strike to the west and east and potentially at depth.

In February 2022, the Company also provided an update of ongoing drilling at the Guadalupe East deposit where four core drills are testing the strike and depth extension of potential open pit and underground resources at Estaca and open pit resources on the San Manuel and San Nicholas veins. Drilling is focused on gaining an improved understanding of the potentially high-grade boiling zone controls of mineralization and the relative geometries of the Estaca, San Manuel, San Nicholas and other ancillary veins within this complex structural setting.

In March 2022, the Company reported results from one drill hole at Guadalupe East. Drill hole 22GE-33 intersected a 41.6 m mineralized intercept within the high-grade Estaca vein that includes a 4.5 m cavity of a historic mining stope (old mine opening). A 1.5 m mineralized intercept in the hanging wall, the 4.5 m mining stope, and a 35.6 m etw mineralized interval in the footwall reveal that considerable mineralization remains in place despite previous small-scale underground mining of the high-grade Estaca structure. The initial 1.5 m interval returned 11.60 gpt Au and 219.0 gpt Ag over 1.5 m (1.2 m etw). The 35.6 m interval returned 3.67 gpt Au and 120.5 gpt Ag (29.2 m etw) including 6.57 gpt Au and 137.2 gpt Ag over 9.0 m (7.4 m etw) and including 8.39 gpt Au and 321.0 gpt Ag over 2.6 m (2.1 m etw).

Also in March 2022, the company reported 20 new drill holes from the Zapote South deposit, including 15 diamond drill and 5 reverse circulation ("RC") holes. Eleven of the holes represent final results of the Zapote South Phase 1 program and 9 holes from the ongoing Phase 2 program. Drilling results show that mineralization continues at depth below the previous drilling. Results include 2.38 gpt Au and 43.4 gpt Ag over 42.7 m (27.4 m etw) including 15.60 gpt Au and 181.2 gpt Ag over 1.53 m (1.0 m etw) and 7.5 gpt Au and 95.2 gpt Ag over 9.2 m (5.9 m etw) in drill hole 22ZAP-55R at the northern end of the Zapote South deposit. At the south end of the deposit, drill holes 21ZAP-32,



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22ZAP-43 and 22ZAP-45 show the down-dip and southward extension of the deposit. 21ZAP-32 returned 1.09 gpt Au and 32.2 gpt Ag over 28.3 m (18.2 m etw), including 8.49 gpt Au and 51.7 gpt Ag over 0.7 m (0.4 m etw), 3.14 gpt Au, 45.0 gpt Ag over 4.7 m (3.0 m etw), and 7.80 gpt Au and 38.7 gpt Ag over 1.2 m (0.8 m etw). 22ZAP-43 returned 1.92 gpt Au and 42.3 gpt Ag over 7.50 m (5.3 m etw), including 3.26 gpt Au and 61.5 gpt Ag over 3.0 m (2.1 m etw). 22ZAP-45 returned 7.75 gpt Au and 56.8 gpt Ag over 8.0 m (5.8 m etw), including 12.52 gpt Au and 71.4 gpt Ag over 4.5 m (3.3 m etw) and 26.5 gpt Au and 127.0 gpt Ag over 1.5 m (1.1 m etw)

The Phase 2 drill program is expected to continue at least until the start of the rainy season in June.

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

- *"Deeper Phase 1 Drilling Confirms Strike and Depth Potential of the Zapote-Tahonitas Mineralized Structure"* dated October 12, 2021.
- *"Prime Announces Commencement of Phase 2 Drilling at Los Reyes"* dated November 17, 2021.
- *"Noche Buena Deposit Size Expanding at Los Reyes"* dated January 13, 2022.
- *"Drilling Intercepts 35 Metres of 4.9 gpt Gold Extending Los Reyes Z-T Structure 450 Metres"* dated February 17, 2022.
- *"Prime Reports First Results from Guadalupe West and Provides Progress Update at Guadalupe East"* dated February 24, 2022.
- *"Prime Drilling at Guadalupe East Shows Marginal Impact of Historical Mining on Potential Open Pit Resources"* dated March 8, 2022.
- *"Prime Expands Mineralization at Zapote South - 42.7 Metre Intercept of 2.38 gpt Gold and 43.4 gpt Silver 200 Metres Below Current Resource Pit"* dated March 29, 2022.

**Expenditures**

Project expenditures during the eight months ended December 31, 2021 and year ended April 30, 2021, are summarized as follows:

	<b>Eight months ended December 31, 2021</b>	Year ended April 30, 2021
Salaries and personnel	\$ <b>1,644,108</b>	\$ 1,275,543
Drilling	<b>3,919,809</b>	1,454,607
Resource estimation and technical services	<b>765,309</b>	1,122,233
Equipment and field supplies	<b>547,575</b>	229,168
Land payments and maintenance	<b>69,862</b>	159,111
General and administrative	<b>413,573</b>	131,472
Value added tax	<b>944,076</b>	601,156
	<b>\$ 8,304,312</b>	\$ 4,973,290

Salaries and personnel increased to \$1,644,108 compared to \$1,275,543 during the year ended April 30, 2021. Additional employees and contractors were engaged to advance the Los Reyes Project. Moreover, bonuses were awarded relating to the completion of the Phase 1 exploration program.

Drilling increased to \$3,919,809 compared to \$1,454,607 during the prior year. During the eight months ended December 31, 2021, the Company completed the Phase 1 exploration program. Additionally, the Phase 2 drill program commenced during November 2021 and additional drill rigs were operating at the Project.

**PRIME MINING CORP.**

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Resource and estimation and technical services decreased to \$765,309 compared to \$1,122,233 during the prior year. Following the commencement of the drill program more technical advisory and laboratory expenditures were incurred.

Equipment and field supplies increased to \$547,575 compared to \$229,168 during the prior year. The increase is due to increased employees and activities at the Los Reyes Project.

General and administrative increased to \$413,573 compared to \$131,472 during the prior year. The increase is due to increased employees at the Project. Additionally, the Company incurred more human resource expenditures related to recruiting and onboarding new employees.

Project expenditures since acquisition, are summarized as follows:

	<b>Total</b>
Salaries and personnel	\$ 3,164,891
Drilling	5,374,416
Resource estimation and technical services	2,193,762
Equipment and field supplies	1,076,059
Land payments and maintenance	453,162
General and administrative	638,344
Value added tax	1,545,232
	<b>\$ 14,445,866</b>

**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 ("Updated Resource"), prepared by Stantec Consulting Ltd. ("Stantec") for the Los Reyes Project. The new pit constrained resource (at 0.22 g/t Au cut-off) comprised 19.8 million tonnes measured and indicated resources (633,000 ounces contained gold and 16.6 million ounces contained silver) and an additional 7.1 million tonnes (179,000 ounces contained gold and 7.8 million ounces contained silver) of inferred material. The updated resource 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 gold increased by 44% from 380,655 ounces to 546,000 ounces, while inferred gold decreased by 8%, from 156,000 ounces to 144,000 ounces. Measured and indicated silver increased by 100% from 6,315,000 ounces to 12,912,000 ounces and inferred silver increased by 50% from 3,640,000 to 5,456,000 ounces.

Refer to "Stantec, Technical Report, Los Reyes Property, Sinaloa, Mexico, report date April 2, 2020" published on SEDAR.

## **PRIME MINING CORP.**

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(In Canadian dollars, except where noted)

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### **Corporate**

#### **Directors**

During September 2021, the Company appointed Ms. Edie Hofmeister to the board of directors.

#### **Management**

During May 2021, the Company appointed:

- Mr. Larry Segerstrom as a full time Los Reyes Project manager.
- Ms. Dianne Szigety as Corporate Secretary.

During September 2021, the Company appointed Mr. Scott Smith as Executive Vice President - Exploration, replacing Mr. Kerry Sparkes. Mr. Sparkes will reduce his workload and continue as a key advisor to the Company.

#### **Stock Option Grants**

During May 2021,

- stock options were granted to purchase up to 100,000 common shares at a price of \$3.38 per share. The stock options granted have a five-year life and vest one-third at date of grant, one-third six months from the grant date and one-third 12 months from the grant date.
- stock options were granted to purchase up to 600,000 common shares at a price of \$3.50 per share. The stock options granted have a five-year life and vest one-third nine months after the date of grant, one-third 18 months from the grant date and one-third 24 months from the grant date.

During September 2021,

- stock options were granted to purchase up to 1,610,000 common shares at a price of \$4.18 per share. The stock options granted have a five-year life and vest one-third at date of grant, one-third six months from the grant date and one-third 12 months from the grant date.
- stock options were granted to purchase up to 600,000 common shares at a price of \$4.18 per share. The stock options granted have a five-year life and vest one-third six months after the date of grant, one-third 12 months from the grant date and one-third 18 months from the grant date.

#### **Warrants**

During August 2021, the Company reported that 19,040,256 common share purchase warrants, with an exercise price of C\$0.50 issued on August 28, 2019, were now fully exercised.

#### **GDXJ inclusion**

During December 2021, the Company announced that it has been added to the MVIS Global Junior Miners Index ("GDXJ") pursuant to the GDXJ's quarterly review and rebalancing for the fourth quarter, effective at the close of markets, December 17, 2021.

#### **Change in year-end**

During November 2021, the Company provided notice that it would change its year-end from April 30 to December 31. The Company will have a transition year of eight months, from May 1, 2021 to December 31, 2021. The new financial year shall commence on January 1, 2022 and end on December 31, 2022.

**PRIME MINING CORP.**

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For the eight months ended December 31, 2021 and the year ended April 30, 2021

(In Canadian dollars, except where noted)

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**OUTLOOK**

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The Phase 2 drill program commenced November 1, 2021 with a planned minimum 50,000 m in over 250 drill holes. Phase 2 will utilize a combination of up to eight core drills and up to three reverse circulation drills. Reverse circulation rigs will be used, where infrastructure permits, to accelerate the rate of in-fill drilling and resource definition. Permitting activities continue for construction of Phase 2 roads and drill pads.

**Phase 2 – Principal Objectives**

1. Expanding resources along the three main corridors of known open-pit mineralization, following up on previously reported high-grade areas in Phase 1:
  - Guadalupe Structure – drilling will target new areas of bonanza-grade mineralization, including significant step-out drill holes to the southeast;
  - Z-T Structure – will be drilled to connect deposits and to expand higher-grade areas to depth; and,
  - Central Zone Structure – including San Miguel West, San Miguel East and Noche Buena, 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:
  - 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;
  - Drill testing will include high priority targets Mina 20/21, Mariposa, Las Primas, Fresnillo, El Tule and others on the two parallel El Orito trends: and,
  
3. Resume surface mapping and sampling:
  - Phase 1 prospecting, mapping, and sampling that led to the development of new targets will continue in Phase 2.

**PRIME MINING CORP.**

## Management's Discussion and Analysis

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**ANNUAL AND QUARTERLY RESULTS**

During the year ended April 30, 2021, on a retrospective basis, the Company adopted a new accounting policy for exploration and evaluation expenditures. In prior years, the Company capitalized exploration and evaluation expenditures when the Company had the legal right to explore a property. The Company has changed this accounting policy to expense exploration and evaluation expenditure until such time that an appropriate economic assessment has been completed and there is confidence that permits can be obtained to develop the project. The Company will continue to capitalize all acquisition costs and related costs when incurred. Refer to note 3 of the consolidated financial statements. This MD&A has been restated under this retrospective accounting policy change. Refer to the *Restatement Reconciliations* section below.

**Annual results**

	<b>Eight months ended December 31, 2021</b>	Year ended April 30, 2021	Year ended April 30, 2020 Restated
Loss for the year	\$ (14,297,342)	\$ (10,699,998)	\$ (11,793,489)
Loss per share – basic and diluted	(0.13)	(0.13)	(0.26)
Total assets	41,785,376	44,791,540	9,191,946
Total non-current liabilities	1,098,326	918,618	64,304
Cash balance	27,413,707	32,026,806	1,020,820
Working capital	\$ 26,232,817	\$ 31,369,510	\$ (426,873)

**Quarterly results**

	<b>Two months ended December 31, 2021</b>	Three months ended		
		October 31, 2021	July 31, 2021	April 30, 2021
Loss for the period	\$ (4,650,295)	\$ (5,600,423)	\$ (4,046,624)	\$ (3,324,739)
Loss per share – basic and diluted	(0.04)	(0.05)	(0.04)	(0.04)
Total assets	41,785,376	43,961,419	43,961,262	44,791,540
Total non-current liabilities	1,098,326	923,861	930,746	918,618
Cash balance	27,413,707	29,848,024	29,945,079	32,026,806
Working capital	\$ 26,232,817	\$ 29,581,634	\$ 29,582,724	\$ 31,369,510

	Three months ended			
	January 31, 2021 Restated	October 31, 2020 Restated	July 31, 2020 Restated	April 30, 2020 Restated
Loss for the period	\$ (2,157,865)	\$ (2,548,756)	\$ (2,668,638)	\$ (6,852,493)
Loss per share – basic and diluted	(0.03)	(0.03)	(0.04)	(0.12)
Total assets	14,043,787	20,367,568	20,941,400	9,191,946
Total non-current liabilities	956,522	1,012,702	1,049,880	64,304
Cash balance	5,840,853	7,678,959	8,032,658	1,020,820
Working capital	\$ 5,598,102	\$ 7,368,744	\$ 7,891,266	\$ (426,873)

**PRIME MINING CORP.**

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For the eight months ended December 31, 2021 and the year ended April 30, 2021

(In Canadian dollars, except where noted)

**Review of Consolidated Financial Information for two months ended December 31, 2021 compared to the three months ended January 31, 2021**

Loss for the Company was \$4,650,295 (\$0.04 per share) compared to \$2,157,865 (\$0.03 per share) during the three months ended January 31, 2021, as a result of the following factors:

**Corporate and administrative expense**

Corporate and administrative expenses increased to \$2,251,622 compared to \$1,116,090 during the prior year quarter. The significant cash components of these expenses include salaries and personnel, consulting and professional fees and investor relations.

Salaries and personnel increased to \$765,670 compared to \$274,605 during the prior year quarter, as a result of bonuses awarded to senior management.

Consulting and professional fees include legal, accounting, capital and strategic advisors. The two months ended December 31, 2021 and prior year quarter expenses are consistent, with an increase of \$21,092, as there has not been any substantial change in the services provided to the Company.

The significant non-cash component of these expenses includes share-based compensation, which was \$1,290,232 compared to \$737,900 during the prior year quarter. The increase is a result of granting 2,910,000 share options at a weighted average grant-date fair value of \$2.63 compared to 4,700,000 share options at a grant-date fair value of \$0.79 during the prior year.

**Exploration and evaluation**

Exploration and evaluation expense was \$2,540,714 compared to \$1,104,323 during the prior year quarter. There was increased drilling at the Los Reyes Project of \$1,329,490 compared to \$181,477 during the prior year quarter. Additionally, there was an increase in equipment, field supplies and general and administrative expenses of \$198,733 compared to the prior year quarter.

**Foreign exchange**

Foreign exchange represents changes in the value of monetary assets and liabilities denominated in foreign currencies. During the two months ended December 31, 2021, the foreign exchange gain was the result of a depreciating Canadian dollar and increased US dollar holdings.

**Review of Consolidated Financial Information for eight months ended December 31, 2021 compared to the year ended April 30, 2021**

Loss for the Company was \$14,297,342 (\$0.13 per share) compared to \$10,699,998 (\$0.13 per share) during the year ended April 30, 2021, as a result of the following factors:

**Corporate and administrative expense**

Corporate and administrative expenses increased to \$6,253,384 compared to \$5,959,628 during the prior year. The significant cash components of these expenses include salaries and personnel, consulting and professional fees and investor relations.

Salaries and personnel decrease to \$1,297,244 compared to \$1,431,087 during the prior year. During the current period, there were greater bonuses paid to senior management.

Consulting and professional fees include legal, accounting, capital and strategic advisors. The current period and prior year expenses are consistent, with a decrease of \$94,244, as there has not been any substantial change in the services provided to the Company.

## **PRIME MINING CORP.**

### Management's Discussion and Analysis

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Investor relations expenses includes news releases, communications programs, and participation at conferences. The expense decreased to \$65,192 compared to \$321,304 during the prior year. During the prior year, activities increased significantly following the rebranding of the Company and the acquisition of an option to acquire the Los Reyes Project.

The significant non-cash component of these expenses includes share-based compensation, which was \$4,381,511 compared to \$3,553,678 during the prior year. Refer to the share-based compensation discussion above.

#### **Exploration and evaluation**

Exploration and evaluation expense was \$8,304,312 compared to \$4,973,290 during the prior year. The Company increased exploration activities at the Los Reyes Project. Refer to the *Highlights and Key Developments* section above.

#### **Depreciation**

Depreciation expense represents depreciation of equipment and the right-of-use asset associated with the Company's office lease. Depreciation expense was \$154,183 compared to \$106,766 during prior year. The increase is a result of additions to property and equipment of \$583,641 during the current period which were depreciated.

#### **Foreign exchange**

Foreign exchange represents changes in the value of monetary assets and liabilities denominated in foreign currencies. During the current period, the foreign exchange gain was the result of a depreciating Canadian dollar and increased US dollar holdings.

#### **Significant Quarterly Variations**

- Quarter ended April 30, 2020 - The Company recognized an impairment provision of \$5,441,325 and share-based compensation of \$285,000. Additionally, exploration and evaluation expenses of \$542,981 were incurred at the Los Reyes Project.
- Quarter ended July 31, 2020 - The Company awarded stock options and recognized share-based compensation of \$1,358,961.
- Quarter ended October 30, 2020 - The Company increased the senior management team and awarded stock options recognizing share-based compensation of \$1,085,539. Additionally, exploration and evaluation expenses of \$892,290 were incurred at the Los Reyes Project.
- Quarter ended January 31, 2021 - The Company incurred additional share-based compensation expense of \$737,900 related to the vesting of options. Additionally, exploration and evaluation expenses of \$1,104,323 were incurred at the Los Reyes Project.
- Quarter ended April 30, 2021 - The Company incurred additional share-based compensation expense of \$371,278 related to the vesting of options. Additionally, exploration and evaluation expenses of \$2,646,500 were incurred at the Los Reyes Project.
- Quarter ended July 31, 2021 - The Company incurred exploration and evaluation expenditures of \$3,217,146 at the Los Reyes Project.
- 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.
- 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.

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**Cash flows**

	Eight months ended December 31, 2021	Year ended April 30, 2021
Cash used in operating activities	\$ (9,064,763)	\$ (6,531,950)
Cash provided by financing activities	6,061,785	40,988,610
Cash used in investing activities	(1,610,121)	(3,450,674)
<b>(Decrease) increase in cash</b>	<b>(4,613,099)</b>	<b>31,005,986</b>
<b>Cash, beginning of period</b>	<b>32,026,806</b>	<b>1,020,820</b>
<b>Cash, end of period</b>	<b>\$ 27,413,707</b>	<b>\$ 32,026,806</b>

**Operating activities**

During eight months ended December 31, 2021, salaries and personnel expenditures of \$1,297,244 were incurred by the Company which is a significant portion of the operating expenditures. There was office rent and administrative expenditures of \$262,480. Legal and accounting expenditures of \$246,957 were also incurred. Additional expenditures of \$8,304,312 were incurred relating to Los Reyes Project.

During the year ended April 30, 2021, salaries and personnel expenditures of \$1,431,087 were incurred by the Company which is a significant portion of the operating expenditures. There were office rent and administrative expenditures of \$312,358. Legal and accounting expenditures of \$341,201 were also incurred. Additional expenditures of \$4,973,290 were incurred relating to Los Reyes Project.

**Financing activities**

During eight months ended December 31, 2021, the Company had the following significant financing activities:

- Issued 11,266,622 common shares for gross proceeds of \$6,113,311 upon exercise of warrants.
- Issued 265,000 common shares for gross proceeds of \$151,000 upon exercise of options.

During the year ended April 30, 2021, the Company had the following significant financing activities:

- Completed a private placement resulting in net proceeds of \$9,431,470.
- Completed a bought deal private placement resulting in net proceeds of \$26,767,705.
- Issued 8,665,951 common shares for gross proceeds of \$4,662,975 upon exercise of warrants.
- Issued 2,500,000 common shares for gross proceeds of \$1,010,000 upon exercise of options.
- Repaid the long-term loan of \$1,000,000 and interest and fees of \$164,678.

**Investing activities**

During eight months ended December 31, 2021, the second and final option payment to Vista Gold of US\$1,000,000 was made by the Company. Additionally, the Company acquired more vehicles to support the Los Reyes project.

During year ended April 30, 2021, the Company completed the acquisition of the Los Reyes Project. As part of this transaction, the Company set up a long-term receivable for value added sales taxes that are recoverable from the Mexican government and a corresponding liability to refund part of those taxes to the vendor of the Los Reyes property. Additionally, as part of the Los Reyes Project transaction, the Company issued 330,000 common shares valued at \$465,000 which is recorded as a component of shareholders' equity. The first payment to Vista of US\$1,100,000 was completed during January 2021.



## PRIME MINING CORP.

### Management's Discussion and Analysis

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(In Canadian dollars, except where noted)

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## LIQUIDITY AND CAPITAL RESOURCES

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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).

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 December 31, 2021, the Company had working capital of \$26,232,817 including cash of \$27,413,707, compared to a working capital of \$31,369,510 at April 30, 2021. Accounts payable and accruals increased to \$1,325,936 compared to \$833,744, at April 30, 2021, due to increased activities at the Los Reyes Project and bonuses awarded to senior management. The long-term payable of \$944,292 requires payment when the value added tax receivable of \$1,049,214 is refunded.

At December 31, 2021, 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 \$249,098 through 2027.

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## RELATED PARTY TRANSACTIONS

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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:

	Eight months ended December 31, 2021	Year ended April 30, 2021
Salaries, personnel and benefits	\$ 1,338,608	\$ 1,353,177
Directors fees	140,920	175,401
Share-based compensation	2,611,445	3,268,843
	\$ 4,090,973	\$ 4,797,421

Trade payables and accruals include \$593,070 (April 30, 2021 - \$16,250) owed to directors and officers of the Company in connection to accrued salaries and benefits.

During the year ended April 31, 2021, the Company repaid the loan balance, interest and commitment fee owed to Andrew Bowering, a director and officer of the Company of \$1,164,678.

**PRIME MINING CORP.**

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(In Canadian dollars, except where noted)

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**OUTSTANDING SHARE DATA**

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At March 29, 2022, the Company had the following equity securities outstanding:

	<b>Authorized</b>	<b>Outstanding</b>
Equity securities – voting	Unlimited common shares	112,693,205 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 10,210,000 common shares
Warrants convertible to voting common shares		Warrants to acquire 24,403,125 common shares

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**SIGNIFICANT ACCOUNTING POLICIES**

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The consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), effective as of December 31, 2021. The Company's significant accounting policies are described in note 3 of the Company's consolidated financial statements for the eight months ended December 31, 2021 and year ended April 30, 2021.

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**CRITICAL ACCOUNTING ESTIMATES**

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The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in total comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about such judgements and estimates is contained in the description of accounting policies (note 3) and other notes to the Company's consolidated financial statements. Management has made the following critical accounting judgements and estimates:

**Critical judgments in applying accounting policies****Exploration and evaluation assets**

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

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**Key sources of estimation uncertainty****Rehabilitation provisions**

Rehabilitation provisions have been created based on the Company's internal estimates with future period amounts discounted to reflect the time value of money. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred.

**Income tax**

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes it has adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company may recognize deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

**Share-based payment transactions**

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 11 of the Company's consolidated financial statements.

**VAT receivable**

The recovery of VAT receivable involves a complex application process, and the timing of collection is uncertain. The Company has not recognized a loss allowance for expected credit losses as the VAT receivable is not a contract asset and therefore outside the scope of IFRS 9.

**CHANGES IN ACCOUNTING POLICIES**

During the year ended April 30, 2021, the Company voluntarily change is accounting policy regarding exploration and evaluation expenditures. Refer to note 3 of the consolidated financial statements.

The accounting policies applied in the preparation of the Company's consolidated financial statements for the eight months ended December 31, 2021 and year ended April 30, 2021, are consistent with those applied and disclosed in the Company's consolidated financial statements.

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**RESTATEMENT RECONCILIATIONS****Loss for the period**

<b>Quarter ended</b>	<b>As previously reported</b>		<b>Effect of change in accounting policy</b>		<b>As restated under new accounting policy</b>	
April 30, 2020	\$	(6,656,665)	\$	(195,828)	\$	(6,852,493)
July 31, 2020		(2,338,461)		(330,177)		(2,668,638)
October 31, 2020		(1,656,466)		(892,290)		(2,548,756)
January 31, 2021	\$	(1,053,542)	\$	(1,104,323)	\$	(2,157,865)

**Loss per share**

<b>Quarter ended</b>	<b>As previously reported</b>		<b>Effect of change in accounting policy</b>		<b>As restated under new accounting policy</b>	
April 30, 2020	\$	(0.11)	\$	(0.01)	\$	(0.12)
July 31, 2020		(0.03)		(0.01)		(0.04)
October 31, 2020		(0.02)		(0.01)		(0.03)
January 31, 2021	\$	(0.01)	\$	(0.02)	\$	(0.03)

**Total assets**

<b>Quarter ended</b>	<b>As previously reported</b>		<b>Effect of change in accounting policy</b>		<b>As restated under new accounting policy</b>	
April 30, 2020	\$	10,360,210	\$	(1,168,264)	\$	9,191,946
July 31, 2020		21,271,577		(330,177)		20,941,400
October 31, 2020		21,590,035		(1,222,467)		20,367,568
January 31, 2021	\$	16,370,577	\$	(2,326,790)	\$	14,043,787

**FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

The Company's financial instruments consist of cash, receivables, deposits, VAT receivables, trade payables and accruals, advances from related party, loan payable and lease liability. 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.

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 17 of the consolidated financial statements.

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**OFF-BALANCE SHEET ARRANGEMENTS**

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

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**PROPOSED TRANSACTIONS**

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At December 31, 2021, and the date hereof, the Company had no proposed transaction.

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**RISKS AND UNCERTAINTIES**

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The Company's business is the acquisition, exploration and development of mining properties. As a result, the operations of the Company are speculative due to the high-risk nature of its business. The risk factors described below are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

**Mineral Exploration**

The Company is engaged in mineral exploration and development activities which, by their nature, are speculative due to the high-risk nature of the Company's business and the present stage of its development. An investment in the Common Shares involves significant risks. In addition to information set out elsewhere, or incorporated by reference, in this MD&A, investors should carefully consider the risk factors set out below. Such risk factors could materially affect the Company's future financial results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company, each of which could cause investors to lose part or all of their investment in the Common Shares.

**Liquidity Risk**

The Company has in the past and may in the future seek to acquire additional funding by the sale of common shares, the sale of assets or through the assumption of additional debt. Movements in the price of the common shares have been volatile in the past and may be volatile in the future. Approximately 12.5% of the Company's shares are held by an insider, 25% are held by institutions and 15% are held by management and directors.

**Additional Capital**

The Company does not have sufficient financial resources available to undertake other extensive development or exploration programs. Commercial development or further exploration will require substantial additional financing. There can be no assurance that needed financing will be available in a timely or economically advantageous manner, or at all. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of its properties and plants or even a loss of property interests, in which case, the Company's ability to operate would be adversely affected. To obtain substantial additional financing, the Company may have to sell additional securities including, but not limited to, its Common Shares or some form of convertible securities, the effect of which may result in substantial dilution of the present equity interests of the Company's shareholders.

**Foreign Country Risk**

The Company's principal mineral properties are located in Mexico. The Company is subject to certain risks as a result of conducting foreign operations, including, but not limited to: currency fluctuations; possible political or economic instability that may result in the impairment or loss of mineral titles or other mineral rights; opposition from environmental or other non-governmental organizations; government regulations relating to the mining industry; renegotiation, cancellation or forced modification of existing contracts; expropriation or nationalization of property; changes in laws or policies or increasing legal and regulatory requirements including those relating to taxation,

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royalties, imports, exports, duties, currency, or other claims by government entities, including retroactive claims and/or changes in the administration of laws, policies and practices; uncertain political and economic environments; war, terrorism, narco-terrorist actions or activities, sabotage and civil disturbances; delays in obtaining or the inability to obtain or maintain necessary governmental or similar permits or to operate in accordance with such permits or regulatory requirements; currency fluctuations; import and export regulations, including restrictions on the export of gold or other minerals; limitations on the repatriation of earnings; and increased financing costs. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations, or rules in any of the countries in which the Company currently conducts business or in the future may conduct business, could result in an increase in taxes, or other governmental charges, duties, or impositions. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted, and existing rules and regulations may be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition, and results of operations.

**Commodity Prices**

The mineral exploration and development businesses can be impacted by commodity prices, general economic conditions, external trade agreements, competitor activities, political instability and many other factors beyond the Company's control.

**No Known Mineral Reserves**

Although the Company has completed a mineral resource estimation at the Los Reyes Project, it has not identified any "mineral reserves". Only those mineral deposits that the Company can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered mineral reserves. The mineral resource estimate does not meet this standard and no assurance can be given that any particular level of recovery of gold or other minerals from mineralized material will in fact be realized or that an identified mineralized deposit will ever qualify as a commercially mineable (or viable) reserve. Substantial additional work, including mine design and mining schedules, metallurgical flow sheets and process plant designs, would be required in order to determine if any economic deposits exist on the Los Reyes Project. Substantial expenditures would be required to establish mineral reserves through drilling and metallurgical and other testing techniques. The costs, timing and complexities of upgrading the mineralized material at the Los Reyes Project to proven or probable mineral reserves may be greater than the Company anticipates and may not be undertaken prior to development, if at all. Failure to discover economically recoverable reserves on a mineral property will require the Company to write-off the costs capitalized for that property in its financial statements. No assurance can be given that any level of recovery of any mineral resources will be realized or that any identified mineral deposit will ever qualify as a commercially mineable ore body that can be legally and economically exploited.

**Risk of Global Outbreaks of Contagious Diseases**

Risk of global outbreaks of contagious diseases, including the outbreak of a novel coronavirus have the potential to significantly and adversely impact the Company's operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. The Company is continuously evaluating the uncertainty and impact of the outbreak on the Company and its ability to operate due to employee absences, the length of travel and quarantine restrictions imposed by governments of affected countries, disruption in the Company's supply chains, information technology constraints, government interventions, market volatility, overall economic uncertainty and other factors currently unknown and not anticipated.

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There can be no certainty that COVID-19, or other infectious illness, and the restrictive measures implemented to slow the spread of the virus will not materially impact the Company's operations or personnel in the coming weeks and months. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, results of operations or ability to raise funds at this time.

**Current Global Financial Condition**

Market events and conditions, including the disruptions in the international credit markets and other financial systems, along with political instability and volatility in oil and currency prices expressed in United States dollars have resulted in commodity prices remaining unstable. These conditions have also caused a loss of confidence in global credit markets, resulting in a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks and investment banks, insurers and other financial institutions have caused the broader credit markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond the Company's control may have on commodity prices; demand for metals, including gold; availability of credit; investor confidence; and general financial market liquidity, all of which may affect the Company's business.

**History of Losses**

The Company has incurred losses since its inception and will continue to incur losses in the future until and unless the Company can derive sufficient revenues from its projects. Such future losses could have an adverse effect on the market price of the Common Shares, which could cause investors to lose part or all their investment in the Common Shares.

**Title Risks**

While the Company has registered its mining claims and properties with the appropriate authorities and filed all pertinent information and paid all applicable fees, this cannot be construed as a guarantee of title and title to the Company's resource and other properties may be disputed or may be affected by undetected defects.

**Foreign Subsidiaries**

The Company conducts certain of its operations through foreign subsidiaries and some of its assets are held in such entities. Any limitation on the transfer of cash or other assets between the Company and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

**Mine Development Risks**

The business of mineral exploration and extraction involves a high degree of geological, technical and economic uncertainty because of the difficulty of locating a viable mineral deposit, the costs and other risks involved in bringing a deposit into production and the uncertainty of future mineral prices.

**Uninsurable Risks**

The Company is subject to a number of risks and hazards and no assurance can be given that insurance to cover the risks to which its activities are subject will be available at all or at commercially reasonable premiums. The Company currently maintains insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development.

**Reliance on Management and Experts**

Development depends on the efforts of key members of management and employees. Loss of any of these people could have a material adverse effect. The Company does not have key person insurance with respect to any of its key employees.

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**Competition**

Significant and increasing competition exists for mineral deposits in each of the jurisdictions in which the Company conducts operations. As a result of this competition, much of which is with large established mining companies with substantially greater financial and technical resources than the Company has, it may be unable to acquire additional attractive mining claims or financing on terms it considers acceptable. The Company also competes with other mining and mineral processing and refining companies in the recruitment and retention of qualified employees. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

**Conflicts of Interest**

Certain of the Company's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors disclose conflicts of interest and abstain from voting on any matter where there is a conflict of interest. The Company will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

**Environmental Risks and Hazards**

All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

**Infrastructure**

Exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants for capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration of the Los Reyes Project. If adequate infrastructure is not available in a timely manner, there can be no assurance that the further exploration of the Los Reyes Project will be completed on a timely basis, if at all. In addition, unusual weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's exploration and development activities.

**Community Relations**

The Company's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation



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can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

**Information Technology**

The Company is reliant on the continuous and uninterrupted operations of its information technology ("IT") systems. User access and security of all IT systems are critical elements to the operations of the Company. The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Company.

The Company's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions by the Company's employees or vendors. A cyber security incident resulting in a security breach or failure to identify a security threat, could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy and security laws and regulations and remediation costs.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

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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.

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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.

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**

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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.