



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended
March 31, 2022 and April 30, 2021

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2022 and April 30, 2021

(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 10, 2022, and relates to the financial condition and results of operations for the three months ended March 31, 2022 and April 30, 2021. 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, 2022 and April 30, 2021, which have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting using accounting consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). As such, the 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 eight months ended March 31, 2022 and year ended April 30, 2021 ("annual financial statements").

During the eight months ended December 31, 2021, the Company changed its fiscal year end from April 30 to December 31. The comparative period is the three months ended April 30, 2021, which is also referred to as "prior year quarter." 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 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 three months ended March 31, 2022, 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

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 Phase 2 drill program commenced November 1, 2021. As of May 10, 2022, the Company had drilled 40,010 m in 138 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 metres above sea level ("masl"). Phase 1 drilling has now intercepted potentially economic gold-silver mineralization down to 550 masl.

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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 grams per tonne ("gpt") gpt gold ("Au") and 74.5 gpt silver ("Ag") over 3.0 m (2.7 m estimated true width ("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 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

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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, 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).

In April 2022, the Company reported drill results from 26 drill holes into Guadalupe East deposit. Drill hole 22GE-32 intercepted high-grade gold-silver (52.0 gpt Au and 1,007.6 gpt Ag over 4.3 m (4.0 m etw) at the intersection of multiple mineralized structures higher up in the Estaca Vein system. Initial modelling suggests this may be a bonanza-grade plunging body (locally known as a clavo) the second such structure now encountered at Guadalupe East. Hole 22GE-33, previously released March 8, 2022, struck a 41.6 m-long, high-grade mineralized intercept also located at intersecting multiple mineralized structures. With continued drilling, these plunging ore shoots and clavos, are being modelled and targeted for drilling.

Drill hole 22GE-32 also intersected a second zone of bonanza-grade mineralization (7.62 gpt Au and 1,970 gpt Ag over 1.5 m (0.6 m etw)) at 500 m below surface (502 m above sea level), representing the deepest mineralization intersected to date at Guadalupe East. Other drill intercepts into the Estaca structure and disseminated to the public include drill hole 22GE-38 which returned 1.38 gpt Au and 39.5 gpt Ag over 19.5 m (18.3 m etw) plus 1.12 gpt Au and 38.3 gpt Ag over 15.0 m (14.1 m etw). Drill holes 22GE-43 and 47 returned 4.09 gpt Au and 102.6 gpt Ag over 2.6 m (2.5 m etw) and 1.47 gpt Au and 40.4 gpt Ag over 7.5 m (7.5 m etw), respectively.

Drill holes also intersected the San Nicolas and San Manuel Veins. Both San Nicolas and San Manuel are largely untested by current and historical drilling. Drill holes 21GE-21, 21GE-22, 21GE-24, 21GE-25, 21GE-26, 21GE-31, 22GE-42 intercepted the San Nicolas vein. Results include: 3.72 gpt Au and 370.0 gpt Ag over 3.0 m (1.9 m etw) plus 1.57 gpt Au and 2.5 gpt Ag over 1.5 m (1.0 m etw) plus 1.19 gpt Au and 9.1 gpt Ag over 1.0 m (0.6 m etw) in drill hole 22GE-42); 1.38 gpt Au and 63.1 gpt Ag over 4.9 m (2.8 m etw) in 22GE-31, 1.01 gpt Au and 4.7 gpt Ag over 2.8 m (2.4 m etw) plus 1.87 gpt Au and 6.9 gpt Ag over 1.5 m (1.3 m etw) (21GE-21); and 1.42 gpt Au and 2.3 gpt Ag over 1.0 m (0.9 m etw) (21GE-26). The San Nicolas vein lies directly within the footwall of the Estaca Vein, and outcrops in the shallowest portions of the northeast boundary of the April 2020 pit-constrained resource.

In May 2022, the Company reported drill results from 17 drill holes from the northern extension of the Zapote-Tahonitas structure. Two of the 17 holes are the final Phase 2 results for Mariposa and the other 15 new drill holes are from Zapote North. This drilling is targeting the expansion of the Zapote North deposit northwards along the structure and confirming the continuity of mineralization of Mariposa to the south. These holes confirm that gold-silver mineralization extends from Zapote North to Mariposa. Drill results from north of the current pit constrained resource include 4.81 gpt Au and 17.2 gpt Ag over 2.4 m (1.7 m etw) from 22ZAP-56, 3.83 gpt Au and 13.9 gpt Ag over 1.5 m (1.4 m etw) from 22ZAP-67R and 1.40 gpt Au, 13.8 gpt Ag over 8.7 m (8.2 m etw) from 22ZAP-59 and 1.42 gpt Au and 28.3 gpt Ag over 6.1m (5.0 m etw) from 22ZAP-69R. A hole into the central part of the Zapote North

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deposit to confirm historic drill Au results and collect not-previously analyzed for Ag values returned 2.42 gpt Au and 24.5 gpt Ag over 10.7 m (9.7 m etw) from 22ZAP-66R.

The two drill holes into the Mariposa deposit returned 1.10 gpt Au and 11.0 gpt Ag over 11.8 m (8.3 m etw) plus 7.1 m (5.4 m etw) at 0.99 gpt Au and 9.2 gpt Ag from 22MA-08 and 1.51 gpt Au and 14.7 gpt Ag over 4.5 m (2.9 m etw) from 22MA-09.

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:

- *"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.
- *"Prime Reports New High Grade Step-Out Results from Guadalupe East"* dated April 12, 2022.
- *"Prime Intercepts 10.7 Metres of 2.42 gpt Au and 24.5 gpt Ag and 26 Metres of 1.07 gpt Au and 20.3 gpt Ag in Zapote North"* dated May 2, 2022.

Expenditures

Project expenditures during the three months ended March 31, 2022 and April 30, 2021, are summarized as follows:

	Three months ended	
	March 31, 2022	April 30, 2021
Drilling	\$ 2,514,566	\$ 1,273,130
Salaries and personnel	676,506	429,317
Resource estimation and technical services	863,511	555,470
Equipment and field supplies	375,026	63,815
Land payments and maintenance	73,602	8,345
General and administrative	96,149	21,351
Value added tax	708,302	295,072
	\$ 5,307,662	\$ 2,646,500

Drilling increased to \$2,514,566 compared to \$1,273,130 during the prior year quarter. During the current quarter additional drill rigs were operating at the Los Reyes Project.

Salaries and personnel increased to \$676,506 compared to \$429,317 during the prior year quarter. Additional employees and contractors were engaged to advance the Los Reyes Project.

Resource and estimation and technical services increased to \$863,511 compared to \$555,470 during the prior year quarter. Following the commencement of the Phase 2 drill program more technical advisory and laboratory expenditures were incurred. Additionally, more metallurgical testing was completed.

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Equipment and field supplies increased to \$375,026 compared to \$63,815 during the prior year quarter. The increase is due to increased employees and activities at the Los Reyes Project.

General and administrative increased to \$96,149 compared to \$21,351 during the prior year quarter. The increase is due to increased employees at the Los Reyes Project.

Project expenditures since acquisition, are summarized as follows:

	Total
Drilling	\$ 7,888,982
Salaries and personnel	3,841,397
Resource estimation and technical services	3,057,273
Equipment and field supplies	1,451,085
Land payments and maintenance	526,764
General and administrative	734,493
Value added tax	2,253,534
	\$ 19,753,528

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.

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Corporate

Directors

During March 2022, the Company appointed Ms. Chantal Gosselin to the board of directors.

Stock Option Grants

During March 2022, stock options were granted to purchase up to 400,000 common shares at a price of \$3.53 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.

OUTLOOK

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.

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QUARTERLY RESULTS**Quarterly results**

	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

	Three months ended			
	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020
Loss for the period	\$ (3,324,739)	\$ (2,157,865)	\$ (2,548,756)	\$ (2,668,638)
Loss per share – basic and diluted	(0.04)	(0.03)	(0.03)	(0.04)
Total assets	44,791,540	14,043,787	20,367,568	20,941,400
Total non-current liabilities	918,618	956,522	1,012,702	1,049,880
Cash balance	32,026,806	5,840,853	7,678,959	8,032,658
Working capital	\$ 31,369,510	\$ 5,598,102	\$ 7,368,744	\$ 7,891,266

Review of Consolidated Financial Information for three months ended March 31, 2022 compared to the three months ended April 30, 2021

Loss for the Company was \$8,038,370 (\$0.07 per share) compared to \$3,324,739 (\$0.04 per share) during the three months ended April 30, 2021, as a result of the following factors:

General and administrative expense

General and administrative expenses increased to \$2,730,670 compared to \$856,750 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 decreased to \$315,505 compared to \$344,299 during the prior year quarter, as a result of a reduction in bonuses paid.

Consulting and professional fees include legal, accounting, capital and strategic advisors. The current and prior year quarter expenses are consistent, with an increase of \$56,539, as there has not been any substantial change in the services provided to the Company.

Office and other include office, travel, insurance and regulatory expenses. The expenses increased to \$166,549 compared to \$36,263, as a result of increased travel and regulatory fees related to change in year end.

The significant non-cash component of these expenses includes share-based compensation, which was \$2,061,986 compared to \$371,278 during the prior year quarter. The increase is a result of granting 400,000 share options at a weighted average grant-date fair value of \$2.41 compared to nil share options during the prior year quarter. Additionally, share options granted during September 2021 continued to vest and expense was incurred.

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Exploration and evaluation

Exploration and evaluation expense was \$5,307,662 compared to \$2,646,500 during the prior year quarter. Refer to the *Highlights and Key Developments* section above.

Foreign exchange

Foreign exchange represents changes in the value of monetary assets and liabilities denominated in foreign currencies. During the three months ended March 31, 2022, the Company reduced US dollar holdings resulting in limited gains on foreign exchange.

Significant Quarterly Variations

- Quarter ended July 31, 2020 - The Company awarded stock options and recognized share-based compensation of \$1,358,961.
- Quarter ended October 31, 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.
- 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.

PRIME MINING CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2022 and April 30, 2021

(In Canadian dollars, except where noted)

Cash flows

	March 31, 2022	Three months ended April 30, 2021
Cash used in operating activities	\$ (5,886,138)	\$ (2,813,827)
Cash provided by financing activities	114,408	29,027,804
Cash used in investing activities	(106,157)	(28,024)
(Decrease) increase in cash	(5,877,887)	26,185,953
Cash, beginning of period	27,413,707	5,840,853
Cash, end of period	\$ 21,535,820	\$ 32,026,806

Operating activities

During the three months ended March 31, 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 \$5,307,662 were incurred relating to Los Reyes Project.

During the three months ended April 30, 2021, salaries and personnel expenditures of \$344,299 were incurred by the Company which is a significant portion of the operating expenditures. There were office rent and administrative expenditures of \$36,263. Legal and accounting expenditures of \$66,641 were also incurred. Additional expenditures of \$2,646,500 were incurred relating to Los Reyes Project.

Financing activities

During the three months ended March 31, 2022, the Company had the following significant financing activities:

- Issued 120,000 common shares for gross proceeds of \$132,000 upon exercise of warrants.

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

- Completed a bought deal private placement resulting in net proceeds of \$26,767,705.
- Issued 2,696,083 common shares for gross proceeds of \$1,588,041 upon exercise of warrants.
- Issued 410,000 common shares for gross proceeds of \$162,400 upon exercise of options.

Investing activities

Equipment purchases increased to \$126,175 compared to \$28,024 during the prior year quarter.

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).

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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, 2022, the Company had working capital of \$20,335,912 including cash of \$21,535,820, compared to a working capital of \$26,232,817 at December 31, 2021. Accounts payable and accruals increased to \$1,351,564 compared to \$1,325,936, at December 31, 2021, due to increased exploration activities, offset by decreased bonus accruals. The long-term payable of \$943,101 requires payment when the value added tax receivable of \$1,047,890 is refunded.

At March 31, 2022, 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 \$232,616 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, 2022	April 30, 2021
Salaries, personnel and benefits	\$ 302,703	\$ 318,495
Directors fees	58,680	48,750
Consulting fees	15,138	-
Share-based compensation	1,142,193	310,232
	\$ 1,518,714	\$ 677,477

Trade payables and accruals include \$16,200 (December 31, 2021 - \$593,070) owed to directors and officers of the Company in connection to accrued salaries and benefits.

OUTSTANDING SHARE DATA

At May 10, 2022, the Company had the following equity securities outstanding:

	Authorized	Outstanding
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 10,610,000 common shares
Warrants convertible to voting common shares		Warrants to acquire 24,403,125 common shares

PRIME MINING CORP.

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(In Canadian dollars, except where noted)

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, 2022. 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, 2022 and April 30, 2021, are consistent with those applied and disclosed in the Company's annual financial statements.

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 12 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, 2022, 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 Annual Information Form for the eight months ended December 31, 2021 and year ended April 30, 2021.

PRIME MINING CORP.

Management's Discussion and Analysis

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(In Canadian dollars, except where noted)

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.

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.