



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three and six months ended  
June 30, 2025 and 2024

**PRIME MINING CORP.****Management's Discussion and Analysis****For the three and six months ended June 30, 2025 and 2024**

(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 August 11, 2025, and relates to the financial condition and results of operations for the three and six months ended June 30, 2025 and 2024. 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 and six months ended June 30, 2025 and 2024, which have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023 ("annual financial statements").*

*The first, second, third, and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The six months ended June 30, 2025 and 2024, are also referred to as "YTD 2025" and "YTD 2024", 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.*

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**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 an issuer on the TSX Exchange ("TSX"). 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 and Mexico 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 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 in which we work;
- 2) use of resources to create maximum value at Los Reyes; and
- 3) corporate responsibility and governance.

During the six months ended June 30, 2025, the Company has seen progress in all three areas with continued emphasis on operating under appropriate health guidelines, strengthened exploration team performance and advances in our corporate administration.

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**Los Reyes Gold and Silver Project**

Los Reyes is a high-grade, low-sulphidation epithermal gold-silver project located in Sinaloa State, Mexico. On October 15, 2024, Prime announced an updated multi-million-ounce high-grade open pit and underground resource based on exploration drilling up to July 17, 2024. Since acquiring Los Reyes in 2019, Prime has spent \$66,653,314 on direct exploration activities and has completed over 221,000 metres of drilling.

**October 15, 2024 Resource Statement<sup>1,2</sup>**

(based on a \$1950/oz gold price, \$25.24/oz silver price, economic-constrained estimate)

<b>Mining Method and Process</b>	<b>Class</b>	<b>Tonnage (kt)</b>	<b>Gold Grade (g/t)</b>	<b>Gold Contained (koz)</b>	<b>Silver Grade (g/t)</b>	<b>Silver Contained (koz)</b>
Open Pit - Mill	Indicated	24,657	1.13	899	35.7	28,261
	Inferred	7,211	0.89	207	42.8	9,916
Underground	Indicated	4,132	3.02	402	152.4	20,243
	Inferred	4,055	2.10	273	78.6	10,247
<b>Total Mill</b>	<b>Indicated</b>	<b>28,789</b>	<b>1.41</b>	<b>1,301</b>	<b>52.4</b>	<b>48,504</b>
	<b>Inferred</b>	<b>11,266</b>	<b>1.33</b>	<b>480</b>	<b>55.7</b>	<b>20,163</b>
Open Pit - Heap Leach	Indicated	20,254	0.29	190	8.4	5,492
	Inferred	5,944	0.30	58	7.3	1,398
<b>Total</b>	<b>Indicated</b>	<b>49,042</b>	<b>0.95</b>	<b>1,491</b>	<b>34.2</b>	<b>53,995</b>
	<b>Inferred</b>	<b>17,210</b>	<b>0.97</b>	<b>538</b>	<b>39.0</b>	<b>21,561</b>

- Open Pit Resource estimates are based on economically constrained open pits generated using the Hochbaum Pseudoflow algorithm in Datamine's Studio NPVS and the following optimization parameters (all dollar values are in US dollars):
  - \$1,950/ounce gold price and \$25.24/ounce silver price.
  - Mill recoveries of 95.6% and 81% for gold and silver, respectively.
  - Heap leach recoveries of 73% and 25% for gold and silver, respectively.
  - Pit slopes by area ranging from 42-47 degrees overall slope angle.
  - 5% ore loss and 5% dilution factor applied to the 5 x 5 x 5m open pit resource block models.
  - Mining costs of \$2.00 per tonne of waste mined and \$2.50 per tonne of ore mined.
  - Milling costs of \$16.81 per tonne processed.
  - Heap Leach costs of \$5.53 per tonne processed.
  - G&A cost of \$2.00 per tonne of material processed.
  - 3% royalty costs and 1% selling costs were also applied.
  - A 0.17 g/t gold only cutoff was applied to ex-pit processed material (which is above the heap-leaching NSR cutoff).
- Underground Resource estimates are based on economically constrained stopes generated using Datamine's Mineable Shape Optimizer (MSO) algorithm and the following optimization parameters (all dollar values are in US dollars):
  - \$1,950/ounce gold price and \$25.24/ounce silver price.
  - Mill recoveries of 95.6% and 81% for gold and silver, respectively.
  - Mechanized cut and fill mining with a \$60.00 per tonne cost.
  - Diluted to a minimum 4m stope width with a 98% mining recovery.
  - G&A cost of \$4.00 per tonne of material processed.
  - Milling costs of \$16.81 per tonne processed.
  - 3% royalty costs and 1% selling costs were also applied.
- Where mentioned, "residual open pits" assumes that any underground stopes are backfilled with zero grade material at two-thirds of the original rock density. Economic-constrained open pits are then estimated with this mined-out, backfilled material in the open pit block selective mining unit ("SMU") model and assuming the resource parameters above.
- Mineral Resources are not Mineral Reserves (as that term is defined in the CIM Definition Standards) and do not have demonstrated economic viability.
- Refer to the *Additional Technical Notes* section for further information.

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Drilling and geological interpretation suggests that the three known main deposit areas (Guadalupe, Central and Z-T) are larger than previously reported. Potential also exists for new discoveries where mineralized trends have been identified outside of the currently defined resource areas. Historical operating results indicate that an estimated 1 million ounces of gold and 60 million ounces of silver were recovered from five separate operations at Los Reyes between 1770 and 1990. Prior to Prime's acquisition, recent operators of Los Reyes had spent approximately US\$20 million on exploration, engineering, and prefeasibility studies.

**HIGHLIGHTS AND KEY DEVELOPMENTS****Proposed Acquisition of Prime Mining Corp. by Torex Gold Resources Inc.**

On July 28, 2025, Prime and Torex Gold Resources Inc. ("Torex") announced that they have entered into a definitive agreement (the "Arrangement Agreement") whereby Torex will acquire all of the issued and outstanding common shares of Prime (the "Prime Shares") pursuant to a plan of arrangement (the "Transaction").

Pursuant to the terms of the Arrangement Agreement, Prime shareholders will receive 0.060 of a common share of Torex (each whole share, a "Torex Share") for each Prime Share held (the "Exchange Ratio" or the "Consideration").

Upon completion of the Transaction, Torex will issue approximately 10.5 million Torex Shares to Prime shareholders and existing Prime Mining shareholders will own approximately 10.7% of Torex.

Full details of the Transaction will be included in the meeting materials to be prepared by Prime in connection with the special meeting of securityholders, which are expected to be mailed to such securityholders in September 2025. A special meeting of Prime securityholders is expected to be held in September 2025. The Transaction does not require a vote of Torex shareholders.

Subject to the satisfaction of customary closing conditions, including the parties obtaining the requisite regulatory approvals, the Transaction is expected to close in H2 2025, subject to the timing of clearance under Mexican antitrust laws. Prime Shares are expected to be delisted from the TSX promptly after closing of the Transaction.

**Project Advancement During Q2 2025**

On May 28, 2025, Prime announced the selection of Ausenco Engineering Canada ULC ("Ausenco") to lead Preliminary Economic Assessment ("PEA") study work. Ausenco was chosen to lead the PEA based on its extensive experience with projects of similar scale in Mexico, including advancing Silvercrest's Las Chispas Project from technical studies through construction, leading the delivery of Discovery Silver's Cordero Project Feasibility Study and Vizsla Silver's Panuco PEA and providing process design expertise for GoGold's Los Ricos Project Feasibility Study.

Following the announcement of the Transaction, Prime has paused work on the PEA. Refer to the *Outlook* section below for further details.

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**Exploration Activities During Q2 2025**

In Q2 2025, the Company's plan was to focus drilling activities in the following areas:

- Tahonitas at the Z-T Trend;
- Las Primas, and
- Noche Buena at the Central Trend.

Drilling commenced in early January and was paused on January 28, 2025 in response to a deterioration in the security situation in parts of Sinaloa, including the Los Reyes area. Drill rigs remain on site and drill contractors are on standby to resume drilling as soon as security improves. Prime will continue to work with local authorities to monitor the current situation. Refer to the *2025 Outlook* section below for more details. The Company has continued to interpret previous drilling and geological information to further exploration target identification.

**Drilling Summary**

	<b>Q2 2025</b>	Q1 2025	Q4 2024	Q3 2024
Drill holes completed	-	-	36	30
Drilling metres	-	1,456	11,341	10,331
	<b>Q2 2024</b>	Q1 2024	Q4 2023	Q3 2023
Drill holes completed	34	42	53	35
Drilling metres	11,867	17,335	17,215	11,768

**Project Expenditures**

Project expenditures during the three and six months ended June 30, 2025 and 2024, are summarized as follows:

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30, 2025</b>	June 30, 2024	<b>June 30, 2025</b>	June 30, 2024
Drilling	\$ 331,403	\$ 1,646,064	\$ 808,802	\$ 4,191,144
Salaries and personnel	720,654	794,588	1,514,547	1,624,015
Resource assaying, estimation and technical services	698,183	514,912	869,307	1,053,416
Equipment and field supplies	109,832	341,798	324,470	679,318
Land payments and maintenance	8,860	29,132	146,541	191,851
General and administrative	184,957	148,490	323,305	242,523
	<b>\$ 2,053,889</b>	<b>\$ 3,474,984</b>	<b>\$ 3,986,972</b>	<b>\$ 7,982,267</b>

**Review of expenditures for Q2 2025 compared to Q2 2024**

Drilling decreased to \$331,403 compared to \$1,646,064 during Q2 2024, reflecting the reduced drilling activity following a temporary pause in the program. Q2 2025 includes \$320,659 in standby charges incurred as a result of the suspension.

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Salaries and personnel decreased to \$720,654 compared to \$794,588 during Q2 2024. Staffing levels are consistent with Q2 2024. The decrease reflects the depreciation of the Mexican peso against the Canadian dollar, reducing reported expenditures.

Resource and estimation and technical services increased to \$698,183 compared to \$514,912 during Q2 2024. As a result of no metres drilled during Q2 2025, assaying expenditures have decreased. This decrease was offset by increased expenditures related to technical studies, focusing on the advancement of the PEA.

Equipment and field supplies decreased to \$109,832 compared to \$341,798 during Q2 2024. Fewer field supplies, such as core boxes, were required as no drilling metres were completed.

General and administrative expenditures relate primarily to local consulting, accounting, and legal support. Expenditures were \$184,957 compared to \$148,490 during Q2 2024. The increase was primarily due to additional accounting fees related to value-added tax recovery efforts, while other support needs remained largely unchanged.

**Review of expenditures for YTD 2025 compared to YTD 2024**

Drilling decreased to \$808,802 compared to \$4,191,144 during YTD 2024, reflecting the reduced drilling activity following a temporary pause in the program. Q2 2025 includes \$573,977 in standby charges incurred as a result of the suspension.

Salaries and personnel decreased to \$1,514,547 compared to \$1,624,015 during YTD 2024. Staffing levels are consistent with YTD 2024 leading to similar personnel expenditures. The decrease reflects the depreciation of the Mexican peso against the Canadian dollar, reducing reported expenditures.

Resource and estimation and technical services decreased to \$869,307 compared to \$1,053,416 during YTD 2024. As a result of fewer metres drilled during YTD 2025, assaying expenditures have decreased. This decrease was offset by increased expenditures related to technical studies, focusing on the advancement of the PEA.

Equipment and field supplies decreased to \$324,470 compared to \$679,318 during YTD 2024. Fewer field supplies, such as core boxes, were required as a result of decreased metres drilled.

Land payments and maintenance decreased to \$146,541 compared to \$191,851 during YTD 2024. Concession and land payments to the Ejido were similar in both periods. The decrease is attributable to reduced land use payments due to fewer drilling metres completed.

General and administrative expenditures relate primarily to local consulting, accounting, and legal support. Expenditures were \$323,305 compared to \$242,523 during YTD 2024. The increase was primarily due to additional accounting fees related to value-added tax recovery efforts, while other support needs remained largely unchanged.

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**Aggregate Los Reyes Project expenditures**

Project expenditures since acquisition, are summarized as follows:

<b>At June 30, 2025</b>	<b>Total</b>
Drilling	\$ 31,320,353
Salaries and personnel	15,698,072
Resource assaying, estimation, and technical services	10,198,228
Equipment and field supplies	5,593,593
Land payments and maintenance	1,737,727
General and administrative	2,105,341
	<b>\$ 66,653,314</b>

**Resource Estimate**

On October 15, 2024, the Company reported significant open pit expansion and new underground resources in its 2024 Mineral Resource Estimate ("MRE") based on the addition of Prime's drilling up to July 17, 2024 of 86,650 metres drilled by Prime since the cutoff of the May 2023 MRE. In total, the 2024 MRE is based on 240,172 metres of drilling, of which Prime has drilled 191,451 metres. Prime's discovery cost is just over US\$20 per Resource ounce added since acquisition. The new 2024 MRE (contained within economically constrained pits or underground stope shapes) comprised 49.0 million tonnes Indicated resources (1,491,000 ounces contained Au at 0.95 g/t and 54.00 million ounces contained Ag at 34.2 g/t) and an additional 17.2 million tonnes (538,000 ounces contained Au at 0.97 g/t and 21.56 million ounces contained Ag at 39.0 g/t) of Inferred material.

This MRE was completed under the supervision of John Sims, a member of the American Institute of Professional Geologists since 2004, an 'Independent Qualified Person' as defined by NI 43-101 guidelines, with over 35 years of related experience. In support of this resource update, Prime filed an updated Technical Report on November 27, 2024, in accordance with NI 43-101, with amended filing on June 27, 2025.

**Corporate****Annual General Meeting**

During June 2025, the Company held the annual general meeting which resulted in the election of all the directors listed as nominees in the management's information circular dated May 5, 2025, as well as the approval of all matters presented.

**ESG**

During June 2025, the Company issued its 2024 sustainability report.

**Warrant Exercise**

During the six months ended June 30, 2025, a total of 15,240,700 warrants with an exercise price of \$1.10 per share and an expiry date of June 12, 2025, were exercised, generating gross proceeds of \$16,764,000. An additional 630,000 warrants with the same terms expired unexercised.

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**2025 OUTLOOK****Proposed Acquisition of Prime Mining Corp. by Torex Gold Resources Inc.**

Following the announcement of Torex Gold's proposed acquisition of the Company on July 28, 2025, the Company commenced the process of preparing the related information circular, targeting distribution to shareholders on September 5, 2025. The shareholder vote is planned for September 29, 2025, in an Extraordinary Shareholder Meeting. The Transaction does not require a vote of Torex shareholders.

In addition to securityholder and court approvals, the Transaction is subject to applicable regulatory approvals (including approvals of the TSX and clearance under Mexican antitrust laws) and the satisfaction of certain other closing conditions customary for a transaction of this nature.

**Drilling**

On January 28, 2025, drilling was paused in response to a deterioration in the security situation in parts of Sinaloa, including the Los Reyes area. Six drill rigs remain on site and drill contractors are on standby to resume drilling as soon as security improves. The Company will continue to work with local authorities to monitor the current situation.

**Preliminary Economic Assessment**

Following the announcement of the Transaction, Prime has paused work on the PEA pending the outcome of the Transaction.

**QUARTERLY RESULTS**

	<b>Q2 2025</b>		<b>Q1 2025</b>		<b>Q4 2024</b>		<b>Q3 2024</b>	
Loss for the period	\$	(2,553,206)	\$	(3,615,113)	\$	(5,375,605)	\$	(4,309,953)
Loss per share – basic and diluted		(0.02)		(0.02)		(0.04)		(0.03)
Total assets		46,959,802		33,054,051		33,177,148		35,248,369
Total non-current liabilities		779,248		832,669		845,562		807,590
Cash balance		32,749,255		18,199,852		19,056,585		21,239,893
Working capital	\$	32,355,463	\$	18,682,230	\$	17,132,132	\$	20,528,812

	<b>Q2 2024</b>		<b>Q1 2024</b>		<b>Q4 2023</b>		<b>Q3 2023</b>	
Loss for the period	\$	(5,485,836)	\$	(6,450,142)	\$	(7,444,384)	\$	(5,235,461)
Loss per share – basic and diluted		(0.04)		(0.04)		(0.05)		(0.04)
Total assets		38,580,058		41,969,945		47,908,403		53,352,971
Total non-current liabilities		829,302		832,584		825,152		851,979
Cash balance		24,524,731		27,897,697		33,811,215		39,231,792
Working capital	\$	23,765,176	\$	26,684,339	\$	31,532,347	\$	38,434,520

**Review of Consolidated Financial Information for Q2 2025 compared to Q2 2024**

Loss for the Company was \$2,553,206 (\$0.02 per share) compared to \$5,485,836 (\$0.04 per share) during Q2 2024, as a result of the following factors:



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**Exploration and evaluation**

Exploration and evaluation expense was \$2,053,889 compared to \$3,474,984 during Q2 2024. The Company decreased exploration activities at the Los Reyes Project. Refer to the *Highlights and Key Developments* section above.

**General and administrative expense**

General and administrative expenses decreased to \$1,163,993 compared to \$2,246,842 during Q2 2024. The significant cash components of these expenses include salaries and personnel, consulting and professional fees and investor relations.

Salaries and personnel increased to \$377,139 compared to \$367,671 during Q2 2024. Staffing levels are consistent with Q2 2024 leading to similar personnel expenditures.

Consulting and professional fees include legal, accounting, capital and strategic advisors, decreased to \$167,561 compared to \$241,482 during Q2 2024, as a result of reduced financial advisory firm fees.

Investor relations expenses includes news releases, communications programs, and participation at conferences. The expense decreased to \$76,846 compared to \$124,569 during Q2 2024. During Q2 2025, similar investor relations efforts were undertaken.

Office and other expenses increased to \$131,160 compared to \$116,358 during Q2 2024. Cost categories were largely consistent with the prior period.

The significant non-cash component of these expenses includes share-based compensation, which was \$411,287 compared to \$1,396,762 during Q2 2024. The decrease reflects the timing of DSU vesting, with the Q1 2025 grants vesting immediately, whereas Q1 2024 grants vested during Q2 2024, following approval of immediate vesting at the annual general meeting.

**Value added tax provision**

Value added tax recovery of \$190,595 compared to a recovery of \$612,576 as a result of reduced foreign exchange adjustments.

**Foreign exchange**

Foreign exchange represents changes in the value of monetary assets and liabilities denominated in foreign currencies. During the current quarter, the Company recorded an unrealized foreign exchange gain due to fluctuations in the average MXN exchange rate.

**Interest income**

Interest income decreased to \$263,842 compared to \$427,569 during Q2 2024. This decline is primarily due to lower average cash balances compared to Q2 2024, resulting in reduced interest earnings. The decline was further impacted by a decrease in interest rates since Q2 2024.

**Review of Consolidated Financial Information for YTD 2025 compared to YTD 2024**

Loss for the Company was \$6,168,319 (\$0.04 per share) compared to \$11,935,978 (\$0.08 per share) during YTD 2024, as a result of the following factors:

**Exploration and evaluation**

Exploration and evaluation expense was \$3,986,972 compared to \$7,982,267 during YTD 2024. The Company decreased exploration activities at the Los Reyes Project. Refer to the *Highlights and Key Developments* section above.

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**General and administrative expense**

General and administrative expenses decreased to \$3,505,218 compared to \$4,159,104 during YTD 2024. The significant cash components of these expenses include salaries and personnel, consulting and professional fees and investor relations.

Salaries and personnel decreased to \$780,027 compared to \$1,013,700 during YTD 2024, as a result of a severance payment made in Q1 2024.

Consulting and professional fees include legal, accounting, capital and strategic advisors, decreased to \$310,490 compared to \$464,291 during YTD 2024, as a result of reduced financial advisory firm fees.

Investor relations expenses includes news releases, communications programs, and participation at conferences. The expense decreased to \$243,825 compared to \$298,475 during YTD 2024. During YTD 2025, similar investor relations efforts were undertaken.

Office and other expenses decreased to \$232,561 compared to \$247,980 during YTD 2024. Cost categories were largely consistent with the prior period.

The significant non-cash component of these expenses includes share-based compensation, which was \$1,938,315 compared to \$2,134,658 during YTD 2024. The decrease reflects the timing of options vesting, with a higher proportion of prior period grants vesting during YTD 2024.

**Value added tax provision**

Value added tax recovery of \$532,079 compared to a provision of \$120,643 as a result of reduced project expenditures, VAT refunds, and foreign exchange adjustments.

**Foreign exchange**

Foreign exchange represents changes in the value of monetary assets and liabilities denominated in foreign currencies. During YTD 2025, the Company recorded an unrealized foreign exchange gain due to fluctuations in the average MXN exchange rate.

**Interest income**

Interest income decreased to \$520,678 compared to \$847,283 during YTD 2024. This decline is primarily due to lower average cash balances compared to YTD 2024, resulting in reduced interest earnings. The decline was further impacted by a decrease in interest rates since Q2 2024.

**Significant Quarterly Variations**

- Q3 2023 - The Company incurred salaries and personnel expense of \$414,567 related to normal operations. There was share-based compensation expense of \$537,301. Additionally, exploration and evaluation expenses of \$3,848,138 were incurred at the Los Reyes Project. A value added tax provision of \$465,999 further increased the loss for the period.
- Q4 2023 - The Company incurred salaries and personnel expense of \$1,167,603 related to normal operations and bonus awarded to senior management. There was share-based compensation expense of \$420,261. Additionally, exploration and evaluation expenses of \$5,245,821 were incurred at the Los Reyes Project. A value added tax provision of \$481,737 further increased the loss for the period.
- Q1 2024 - The Company incurred salaries and personnel expense of \$646,029 related to normal operations and a severance payment to a senior management member. There was share-based compensation expense of \$737,896. Additionally, exploration and evaluation expenses of \$4,507,283 were incurred at the Los Reyes Project. A value added tax provision of \$733,219 further increased the loss for the period.

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- Q2 2024 - The Company incurred salaries and personnel expense of \$367,671 related to normal operations. There was share-based compensation expense of \$1,396,762. Additionally, exploration and evaluation expenses of \$3,474,984 were incurred at the Los Reyes Project. A value added tax recovery of \$612,576 offset the loss for the period.
- Q3 2024 - The Company incurred salaries and personnel expense of \$350,997 related to normal operations. There was share-based compensation expense of \$543,388. Additionally, exploration and evaluation expenses of \$3,108,771 were incurred at the Los Reyes Project. A value added tax recovery of \$423,262 offset the loss for the period.
- Q4 2024 - The Company incurred salaries and personnel expense of \$924,267 related to normal operations. There was share-based compensation expense of \$324,528. Additionally, exploration and evaluation expenses of \$3,826,349 were incurred at the Los Reyes Project. A value added tax provision of \$61,013 increased the loss for the period.
- Q1 2025 - The Company incurred salaries and personnel expense of \$402,888 related to normal operations. There was share-based compensation expense of \$1,527,028. Additionally, exploration and evaluation expenses of \$1,933,083 were incurred at the Los Reyes Project. A value added tax recovery of \$341,484 decreased the loss for the period.
- Q2 2025 - The Company incurred salaries and personnel expense of \$377,139 related to normal operations. There was share-based compensation expense of \$411,287. Additionally, exploration and evaluation expenses of \$2,053,083 were incurred at the Los Reyes Project. A value added tax recovery of \$190,595 decreased the loss for the period.

**Cash Flows**

	YTD 2025	YTD 2024
Cash used in operating activities	\$ (6,214,680)	\$ (11,958,652)
Cash provided by financing activities	19,444,794	1,838,576
Cash provided by investing activities	462,556	833,592
<b>Increased (decrease) in cash</b>	<b>13,692,670</b>	<b>(9,286,484)</b>
<b>Cash, beginning of period</b>	<b>19,056,585</b>	<b>33,811,215</b>
<b>Cash, end of period</b>	<b>\$ 32,749,255</b>	<b>\$ 24,524,731</b>

**Operating activities**

During YTD 2025, salaries and personnel expenditures of \$780,027 were incurred by the Company which is a significant portion of the operating expenditures. There were office rent and administrative expenditures of \$232,561. Investor relations expenditures of \$243,825 were also incurred. Additional expenditures of \$3,986,972 were incurred relating to Los Reyes Project.

During YTD 2024, salaries and personnel expenditures of \$1,013,700 were incurred by the Company which is a significant portion of the operating expenditures. There were office rent and administrative expenditures of \$247,980. Investor relations expenditures of \$298,475 were also incurred. Additional expenditures of \$7,982,267 were incurred relating to Los Reyes Project. The Company incurred VAT expenditures of \$120,643.

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**Financing activities**

During YTD 2025, the Company had the following significant financing activities:

- Issued 15,240,000 common shares for gross proceeds of \$16,764,000 upon exercise of warrants.
- Issued 2,850,000 common shares for gross proceeds of \$2,706,500 upon exercise of options.

During YTD 2024, the Company had the following significant financing activities:

- Issued 736,181 common shares for gross proceeds of \$809,799 upon exercise of warrants.
- Issued 1,525,000 common shares for gross proceeds of \$1,053,500 upon exercise of options.

**Investing activities**

During YTD 2025, the Company received interest of \$520,678.

During YTD 2024, the Company received interest of \$847,283.

**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, 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 June 30, 2025, the Company had working capital of \$32,355,463 including cash of \$32,749,255, compared to a working capital of \$17,132,132 at December 31, 2024. Accounts payable and accruals decreased to \$734,459 compared to \$2,159,027, at December 31, 2024, primarily due to reduced operational activity and the payment of prior year accrued bonuses during the period. The long-term payable of \$762,126 requires payment when the value added tax receivable of \$846,807 is refunded.

At June 30, 2025, 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 \$69,423 through 2026.

**PRIME MINING CORP.**

## Management's Discussion and Analysis

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars, except where noted)

**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:

		YTD 2025		YTD 2024
Salaries, personnel and benefits	\$	639,188	\$	930,163
Directors fees		166,250		169,242
Consulting fees		66,000		46,904
Share-based compensation		1,887,901		2,046,521
	\$	2,759,339	\$	3,192,830

Trade payables and accruals include \$27,083 (December 31, 2024 - \$664,430) owed to directors and officers of the Company.

**OUTSTANDING SHARE DATA**

At August 11, 2025, the Company had the following equity securities outstanding:

	Authorized	Outstanding
Equity securities – voting	Unlimited common shares	166,935,658 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 6,752,449 common shares
Restricted share units – convertible to voting common shares	Restricted share units to acquire up to 10% of the outstanding common shares less any common shares reserved for issuance under any other share-based compensation arrangements.	Restricted share units to acquire 1,178,879 common shares
Deferred share units – convertible to voting common shares	Deferred share units to acquire up to 10% of the outstanding common shares less any common shares reserved for issuance under any other share-based compensation arrangements.	Deferred share units to acquire 1,844,818 common shares
Warrants convertible to voting common shares		Warrants to acquire 284,044 common shares

**MATERIAL ACCOUNTING POLICY INFORMATION**

The interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, effective as of June 30, 2025. The Company's material accounting policy information are described in note 3 of the Company's annual financial statements for the years ended December 31, 2024 and 2023.

**PRIME MINING CORP.****Management's Discussion and Analysis**

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars, except where noted)

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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 annual 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.

**Key Sources of Estimation Uncertainty****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 8 of the Company's interim financial statements.

**VAT receivable**

The Company pays VAT on expenditures incurred in Mexico. Such VAT payments are considered to be refundable, however, it involves a complex application process, and the timing and success of collection is uncertain.

**CHANGES IN ACCOUNTING POLICIES**

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The accounting policies applied in the preparation of the Company's interim financial statements, are consistent with those applied and disclosed in the Company's annual financial statements.

**PRIME MINING CORP.****Management's Discussion and Analysis**

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars, except where noted)

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**FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

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

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

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

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.

**MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING**

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The Canadian Securities Administrators have issued National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") which requires public companies in Canada to submit annual and interim certificates relating to the design and effectiveness of the disclosure controls and procedures that are in use at the Company. The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, to enable this information to be reviewed and discussed so that appropriate decisions can be made regarding the timely public disclosure of the information. Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that they were effective as at June 30, 2025.

**Internal Control over Financial Reporting**

NI 52-109 also requires public companies in Canada to submit interim and annual certificates relating to the design of internal control over financial reporting ("ICFR") and an annual certificate that includes evaluating the operating effectiveness of ICFR. The Company's ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. Management is responsible for establishing and maintaining ICFR. The Company used the 2013 Commission of Sponsoring Organizations of the Treadway Commission ("COSO") framework as the basis for designing its ICFR. Due to its inherent limitations, ICFR may not prevent or detect misstatements on a timely basis as such systems can only be designed to provide reasonable as opposed to absolute assurance. Also, projections of any evaluation of the effectiveness of ICFR to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. There have been no significant changes in the Company's internal controls during the three months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, ICFR. The individuals performing the duties of the Company's Chief Executive Officer and the Chief Financial Officer have each evaluated the operating effectiveness of the Company's ICFR as at June 30, 2025 and have concluded that the ICFR are effective.

**PRIME MINING CORP.****Management's Discussion and Analysis**

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars, except where noted)

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**OFF-BALANCE SHEET ARRANGEMENTS**

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

**PROPOSED TRANSACTIONS**

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At June 30, 2025, and the date hereof, the Company had no proposed transaction, other than what has been disclosed in this MD&A.

**RISKS AND UNCERTAINTIES**

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For a detailed listing of the risk factors faced by the Company, please refer to the Company's Annual Information Form for the year ended December 31, 2024, dated March 28, 2025.

**ADDITIONAL TECHNICAL NOTES**

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Metres is represented by "m"; "ETW" is Estimated True Width and is based on drill hole geometry or comparisons with other on- section drill holes; "Au" refers to gold, and "Ag" refers to silver; "gpt" or "g/t" is grams per metric tonne; "mt" refers to millions of metric tonnes; "kt" refers to thousands of metric tonnes; "oz" or "ozs" refers to troy ounces and "koz" refers to thousands of troy ounces; some figures may not sum due to rounding; Composite assay grades presented in summary tables are calculated using a Au grade minimum average of 0.20 gpt or 1.0 gpt as indicated in "Au Cut-off" column of Summary Tables. Maximum internal waste included in any reported composite interval is 3.00 m. The 1.00 gpt Au cut-off is used to define higher-grade "cores" within the lower-grade halo.

Prime's MRE as of October 15, 2024 is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "CIM Definition Standards - For Mineral Resources and Mineral Reserves" adopted by the CIM Council (as amended, the "CIM Definition Standards") and in accordance with the requirements of NI 43-101. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Additional details are available in the associated Technical Report with effective date of October 15, 2024, filed on November 27, 2024 with amended filing on June 27, 2025.

**NEWS RELEASES WITH SUPPORTING INFORMATION**

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

- *Prime Announces Selection of Ausenco to Lead PEA Study Work* dated May 28, 2025.
- *Torex Gold to Acquire Prime Mining* dated July 28, 2025.

**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.



**PRIME MINING CORP.****Management's Discussion and Analysis**

For the three and six months ended June 30, 2025 and 2024

(In Canadian dollars, except where noted)

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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.

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**CAUTIONARY NOTES TO U.S. INVESTORS CONCERNING RESOURCE ESTIMATES**

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This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of the U.S. securities laws. In particular, and without limiting the generality of the foregoing, the terms “mineral reserve”, “proven mineral reserve”, “probable mineral reserve”, “inferred mineral resources,” “indicated mineral resources,” “measured mineral resources” and “mineral resources” used or referenced in this presentation are Canadian mineral disclosure terms as defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards. The CIM Standards differ from the mineral property disclosure requirements of the U.S. Securities and Exchange Commission (the “SEC”) in Regulation S-K Subpart 1300 (the “SEC Modernization Rules”) under the U.S. Securities Act of 1933, as amended (the “Securities Act”). As a foreign private issuer that is eligible to file reports with the SEC pursuant to the multijurisdictional disclosure system, the Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and will continue to provide disclosure under NI 43-101 and the CIM Standards. Accordingly, the Company's disclosure of mineralization and other technical information may differ significantly from the information that would be disclosed had the Company prepared the information under the standards adopted under the SEC Modernization Rules.

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**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.