

PRIME MERIDIAN RESOURCES CORP.

Management's Discussion & Analysis

For the Years Ended December 31, 2016

This management's discussion and analysis of Prime Meridian Resources Corp. (the "Company") contains analysis of the Company's operational and financial results for the year ended December 31, 2016. The following should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016. All figures are in Canadian dollars unless otherwise stated.

DATE OF REPORT

May 1, 2017

JURISDICTION OF INCORPORATION AND CORPORATE NAME

Prime Meridian Resources Corp. ("the Company" or "PMR") was federally incorporated on February 22, 2007 and is a public company listed on the TSX Venture Exchange ("TSX-V"). The Company has submitted an application to the TSX-Venture Exchange for its change of business to a Tier 2 Investment Issuer on the TSX Venture Exchange focused on the acquisition and financing of companies in the agriculture and agriculture technology sectors, announced on September 26, 2016, as well, the Company has entered into a funding to raise up to US\$7.5-million.

The corporate head office of the Company is located at 14th Floor, 1040 West Georgia Street, Vancouver, B.C., V6E 4H8.

HIGHLIGHTS

On September 26, 2016, the Company announced it will enter into a change of business ("COB") focusing on the acquisition and financing of companies in the agriculture and agriculture technology sectors. The Company has completed or will be working toward definitive agreements for each of the pending transactions listed below. The acquisitions are subject to due diligence and require third party consents.

The Company plans a minimum \$7.5-million (US) financing via a convertible facility to provide investment and working capital, and to satisfy the minimum listing requirements of the TSX-V for a Tier 2 Investment issuer. The Company will complete an interim loan (exchangeable to the above convertible facility) for up to \$750,000 (US) to provide financing for refundable down payments, investment banking work fees, due diligence expenditures and working capital for the interim period to the closing of the COB transaction.

Avinier Investment

Avinier (Pty) Limited owns and operates a South African farm acquired by the Palipali Study Trust ("Palipali Trust") in 2012. In 2014, the farm was developed into a fully operational blueberry farm and it currently employs approximately 28 people. The first blueberry crop of some 15 hectares in size was planted in 2014/2015 (80,000 plants) and the first harvest was in 2016. Avinier has secured an off-take contract with United Exports for the entire harvest and concluded agreements to export berries to Tesco/Sainsbury (UK) and Pick'n Pay/Woolworths (South Africa). Avinier has implemented a quality control system (Global Gap) on the farm to ensure consistent product quality even during winter months and thereby ensuring consistent supply throughout the year. Further to this, Avinier has also been certified TN10 (Tesco Quality Systems) and SIZA (Sustainability Initiative of South Africa). Avinier will increase its blueberry growing operations from 15 to 45 hectares utilizing the investment of PMR.

Avinier offers the opportunity to take advantage of the burgeoning growth in blueberry farming and marketing across the world. Avinier management is passionate about the business and has built a strong track record of delivering projects on time and on budget. The Avinier investment offers the following additional benefits:

- Participation in an established operation offering strong potential for capital growth
- Management that have an intimate knowledge of their markets
- Opportunity to leverage an existing platform for future expansion to various other fruits and markets

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- Established operations with 80 000 plants offering cash flow for years
- Operating in a dynamic and growing international market
- Creating enormous job opportunities

Pursuant to the investment agreement (the "**Avinier Agreement**") executed on November 15, 2016, the Company have an option to provide financing of ZAR73,630,000 (equivalent to CAN\$7,214,267 as at December 31, 2016) in Avinier (the "**Avinier Investment**"). Immediately following completion of the Avinier Investment, the Company will own seventy percent (70%) of the outstanding capital stock of Avinier on a fully diluted basis. The Company will have first right in the event that additional funding will be raised by the sale of capital stock in Avinier, to offer better terms or at minimum maintain its respective percentage in Avinier on the terms of the additional funding for capital stock in Avinier. The funding for the Avinier Investment will be used to:

- Finance the expansion of the blueberry plantings from 15 ha to 105 ha.
- Finance the purchase of a cold storage a berry grading facility for the upgrade of the packing facility

At the execution of the Avinier Agreement, the Company provided a ZAR700,000 (equivalent to CAN\$68,586) of refundable loan to Avinier (the "**Avinier Loan Payment**") which, upon Closing, will offset against final payment due upon Closing and if Closing does not take place within a reasonable period of time, the loan will be refunded to the Company on notice subject to annual interest rate set at LIBOR. The Avinier Loan Payment along with the Aldwych Engagement Agreement (Note 8) will trigger a 120-day exclusive period for the Company to complete the Avinier Investment. This 120-day exclusive period will be extended for a further 30-day period if the regulatory approvals process requires more time to complete.

Pursuant to the Avinier Agreement, Avinier's board of directors will consist of four directors, with the Company nominating half of the directors annually. Quarterly, the Board will approve a business plan and quarterly budget. Exceptions to the quarterly budget will require written approval of the Board.

African Guar Gum and APV Acquisitions and Lamberti Off-Take

African Guar Gum Corporation (Pty) Ltd ("**AGGC**") and APV (Pty) Ltd ("**APV**") are focused on the contract farming and processing of guar beans. The business partners with Southern African farms, selects the optimum quality guar seed, monitors farming practices, coordinates processing and refinement, packaging and transport, and establishes and manages off-take agreements and final shipping of guar product. In conjunction with the Acquisition of APV, Lamberti Specialty Chemicals Pty Ltd will continue to provide AGGC/APV with an off-take agreement for guar splits. AGGC/APV's experience managing guar growing trials and guar contract growing operations across four provinces of South Africa and in Botswana since 2013 has positioned AGGC/APV as the only organization commercially growing guar beans in the region.

Through the investment by PMR, AGGC/APV will expand their Southern African guar business by growing the number of guar farmers and extending their network of advisory and support services to all local guar farmers to maximize these farmers' yield potential and profitability.

African Guar Gum Acquisition

Pursuant to the acquisition agreement (the "**AGGC Agreement**") dated October 31, 2016, the Company has agreed to acquire 100% of the issued capital of AGGC from its shareholders (the "**Vendors**"). On the closing of Company's COB Transaction, the Company will invest ZAR4,300,00 (equivalent to CAN\$421,314) in AGGC via an equity placement into AGGC. The Company will also issue to the Vendors, 2.4 million common shares of the Company at a deemed price of US\$0.10 per common share for all of the issued and outstanding shares of AGGC on the closing of the COB Transaction.

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The Company provided a ZAR700,000 (equivalent to CAN\$68,586) refundable advance to AGGC which, on closing, will convert to capital stock in AGGC. The advance will be refundable if Closing does not take place within a reasonable period, repayable to the Company and subject to an annual interest rate of 5%. This advance along with the Aldwych Engagement Agreement (Note 8) will trigger a 120-day exclusive period for PMR to complete the investment in and acquisition of AGGC. This 120-day exclusive period will be extended for a further 30-day period if the regulatory approvals process requires more time to complete. Following Closing, the board of directors of AGGC will consist of new directors appointed by the Company.

APV Joint Venture Acquisition

The Company entered into the acquisition agreement (the "APV Agreement") on November 14, 2016 to acquire APV, a company that focuses on the contract farming and processing of guar beans, from its shareholders, Dynamic Intertrade PYT Ltd. and Lamberti Specialty Chemicals PTY Ltd. ("Vendors") through the provision of three loan facilities. The first loan of ZAR560,000 (paid, equivalent to CAN\$54,869) will be refundable and utilized to eliminate current payables and liabilities of APV. The second refundable loan will consist of monthly advances of ZAR150,000 (first monthly advance was paid, equivalent to CAN\$14,697) per month to be used for working capital requirements of APV. The final loan facility, subject to TSX-V's approval, will be the advance of ZAR6,343,297 (equivalent to CAN\$621,516) to APV for the repayment of the APV shareholder loans of the Vendors. Upon the completion of the three loan facilities by the Company, the Vendors will transfer their respective ownership in APV to the Company for the payment of ZAR10.

ELI Investment

ELI Agri (Pty) Ltd ("**ELI**") was established in 1996 and supplies agricultural business solutions to a range of clients in Africa and the rest of the developing world. The ELI mission is to incorporate diverse teams from various backgrounds to provide practical and cost effective solutions to primary and agro-processing industries. ELI conducts in-depth assessments of agri-businesses and for those businesses that meet required criteria, ELI will also embark on the implementation of turnaround strategies to support the clients back toward commercial viability, if required. A good mix of commercial and pioneer farming enterprises have been supported with turnaround implementation. The valuable experience generated in the turnarounds has assisted ELI in differentiating between the root causes and symptoms of under-performance in the agricultural sectors.

PMR and ELI will be working together to resurrect land claim farms, under-developed farm land, farms seeking for recapitalization and to upgrade agricultural packing and processing facilities. These investments will enable agricultural supply chains from source to market.

The Company will create a Special Purpose Vehicle ("SPV") to facilitate further external private equity financing targeting agricultural investment in Southern Africa. The SPV will facilitate investment in partnership with Broad-Based Black Economic Empowerment initiatives and investment partnerships. The South African land claim farm process had a very negative impact on South Africa's commercial farming. At one time, the farming industry was the country's largest employer and contributed over 40% of the country's annual GDP. Since 1994 the country has lost 40% of its commercial farmers and has now become a net importer of food products and agricultural commodities. There are more than 6.9 million hectares of land claimed farms. These farms were previously commercial ventures and today few are run as commercial farms. <http://www.eli.co.za/>

Pursuant to the investment agreement (the "ELI Investment Option") executed on November 11, 2016 between the Company and ELI, the Company will have an option to acquire 25% of the outstanding capital stock of ELI on a fully diluted basis upon: i) completing a ZAR700,000 refundable loan ("Down Payment") to ELI which on closing of the COB Transaction will convert to capital stock in ELI and be utilized by ELI for working capital purposes; ii) make an investment of ZAR2,875,000 (equivalent to CAN\$281,693 as at December 31, 2016) into ELI via an equity placement for common shares in ELI; and iii) advance a loan facility of ZAR5,750,000 (equivalent to CAN\$563,385 as at

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December 31, 2016) to ELI (the "ELI Loan").

Immediately following completion of the ELI Loan, the Company will have security over the assets of ELI.

The proceeds of the ELI Loan will be allocated as follows:

- Leverage funding from additional/matching sources including a pre-approved ZAR4,000,000 planting production capital facility (subject to land acquisition/leases)
- Finance the increase in the operational team to support the approved projects
- Finance further investment opportunities

Pursuant to the ELI Formal Agreement, ELI's board of directors will consist of 4 directors (unless the parties agree otherwise), with PMR nominating one quarter of the directors annually. Quarterly, the Board will approve a business plan and quarterly budget. Exceptions to the quarterly budget will require written approval of the Board.

On January 31, 2017, the Company and ELI terminated the ELI Investment Option. Both parties have agreed to mutually release each other.

GrowBuddy Investment

Growbuddy Inc. ("**GrowBuddy**") is a software as a service (SaaS) company founded in 2012 by Daniel Starbuck, Timothy Delight, and David Standard, that provides technology services and social community services to cannabis cultivators, an industry formerly cloaked in secrecy. GrowBuddy is built for growers by growers. Although GrowBuddy respects anonymity, the company's community model focuses on converting a user's investment into revenue streams that are based on the sale of ancillary products and services, contextual advertising and subscriptions for premium data and analytical services. GrowBuddy is building an online knowledge base for the cannabis cultivation community. Through datamining the knowledge of its community, GrowBuddy continues to add services and features that cater to the needs of that community.

The GrowBuddy ecosystem provides value for every size of grower from the small grower with a few plants to the large commercial facility cultivators with thousands of plants. The GrowBuddy SaaS application provides a standardized method to track and optimize the cultivation process from seed to sale producing consistently higher yields and product quality. Growbuddy currently has almost 17,000 users.

New features include the GrowBuddy Case Files. This addition brings community sharing and question and answer exchange to the ecosystem and solves one of the biggest issues growers face today: the lack of credible information and valuable feedback on growing plants.

GrowBuddy continues to add revenue driven features including the GrowBuddy Marketplace where GrowBuddy is affiliated with Monster Gardens to fulfill customer orders. The Marketplace is being expanded to include grower-to-grower transactions, where premium users/expert growers can post their detailed grow and nutrient schedules/records from seed to harvest for sale to the GrowBuddy community.

The Marketplace will also be the primary distribution channel for GrowBuddy to market and sell its proprietary nutrient formulas currently being developed in conjunction with a leading corporate cannabis cultivation company in Nevada. This proprietary nutrient system is being developed using cutting edge leaf tissue analysis allowing formulas to be catered to specific strain types.

Future plans included integration with data acquisition hardware sensors in the growing facility where the application programming interface ("**API**") will provide the means for hardware sensors to save data and retrieve settings directly allowing for automated sensor data recording and analysis and making it easier for GrowBuddy

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premium users to ensure proper data acquisition and storage. In future GrowBuddy will be able to tie this cultivation data into the logistics and retail software systems for cannabis distributors and provide qualitative analytics to the end consumer. <http://www.growbuddy.com/>

Pursuant to the share purchase and share put agreement (the "**GrowBuddy Agreement**") dated August 22, 2016, among the shareholders of GrowBuddy, GrowBuddy and the Company (pursuant to an assignment of a letter of intent from Nexvu Capital Corp., a related party), the Company has agreed to acquire an initial 25% of the fully-diluted issued capital of GrowBuddy for US\$1,165,000 in consideration by making the following installments (where installments 2 through 9 accrue subject to the closing of the COB Transaction):

Installment & Ownership	Due	Amount (USD)
1. For a initial 1% ownership	Within 1 month of Formal Agreement	\$50,000
2. For an additional 2% ownership	Within 1 month of the Closing Date	\$100,000
3. For an additional 4% ownership	Within 2 months of the Closing Date	\$200,000
4. For an additional 3% ownership	Within 5 months of the Closing Date	\$150,000
5. For an additional 3% ownership	Within 6 months of the Closing Date	\$150,000
6. For an additional 3% ownership	Within 7 months of the Closing Date	\$150,000
7. For an additional 2% ownership	Within 10 months of Closing Date	\$100,000
8. For an additional 2% ownership	Within 11 months of the Closing Date	\$100,000
9. For an additional 5% ownership	Within 18 months of the Closing Date	\$165,000
Total		\$1,165,000

The terms of the assignment are equivalent to the one for Nexvu Capital Corp.

The first installment of US\$50,000 (equivalent to CAN\$64,135) has advanced as a refundable loan and the fund will be applied as the first installment upon closing. The Company will forfeit 1.5% of its cumulative ownership in GrowBuddy if the Company fails to make an installment payment on or before the due date other than those Installments delayed due to a required regulatory approval and the Company will be granted a 30-day period from the due date of any installment to cure a breach of the GrowBuddy Agreement due to the failure to make an installment payment on or before the due date.

The obligation of the Company to purchase the GrowBuddy Shares in the amount and for the price outlined in the GrowBuddy Agreement shall be conditional on certain milestones being achieved by GrowBuddy and in the event any milestone is not achieved the Company percentage ownership in GrowBuddy will be increased by an additional 1.5% upon making the respective installment payment.

Upon the Company having acquired 25% of the issued and outstanding shares of GrowBuddy, the shareholders of GrowBuddy will have the right at their option to require the Company to acquire an additional 15% of the them issued and outstanding shares of GrowBuddy. The value of the GrowBuddy shares subject to additional acquisition will be set at a 10% discount to the value determined by a third-party valuator appointed by the shareholders and the Company. The value of the Company's shares will be determined by the preceding 10-day volume weighted average closing price.

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OUTLOOK

The future outlook for the Company is strong. The Company is excited to be entering the purposed transactions, noted above, whereby it will establish multiple growing programs that supply directly or through processing facilities into North American, European and Asian markets.

SUBSEQUENT EVENTS

- a. In January 2017, the Company received a loan of US\$100,000 in total from non-related party. The loan accrues interest at a rate 3% every 30 days and is repayable at 6 months after receipt or at closing of the COB financing.
- b. On January 18, 2017, the Company paid Aldwych an additional work fee in the amount US\$20,000.
- c. On February 2, 2017 the Company advanced additional US\$40,000 to Growbuddy.
- d. On February 22, 2017, the Company advanced additional ZAR975,000 (equivalent to CAN\$95,550) to Avinier.
- e. On February 28, 2017, the Company advanced additional Growbuddy US\$40,000.
- f. In February and March, 2017, the Company received advances of US\$100,000 and \$34,000 from its related company with a director in common.

SELECTED ANNUAL FINANCIAL INFORMATION

The financial data presented below for the current and comparative periods was prepared in accordance with IFRS. The functional and reporting currencies of the parent and subsidiary have been determined to be the Canadian dollar.

Results of Operations

The following financial data are derived from our consolidated financial statements for the years ended December 31, 2016, 2015 and 2014:

	December 31, 2016	December 31, 2015	December 31, 2014
Revenues	\$ -	\$ -	-
Expenses	537,279	446,735	418,924
Other expenses (income)	(516)	34,174	(120,100)
Net loss	536,763	480,909	285,886
Comprehensive loss	516,972	586,936	329,203
Basic and diluted loss per share	0.03	0.03	0.02
Total current assets	89,733	37,009	131,133
Total assets	363,606	37,009	142,744
Total current liabilities	2,052,944	1,227,875	865,494
Total liabilities	2,052,944	1,227,875	865,494

The Company's expenses have been increasing over the past three years as the Company began re-structuring its balance sheet in 2014, cultivating with our change of business transaction in 2016 (see Highlights). The majority of our expenses, in fiscal 2016, are: consulting and management fees \$286,500 (2015 - \$277,500), rent and administrative services \$120,000 (2015 - \$121,000), professional fees \$79,164 (2015 \$17,280) and interest expense \$29,151 (2015 - \$nil).

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Summary of quarterly reports

	Dec. 31, 2016	Sep. 30, 2016	June 30, 2016	March 31, 2016
Expenses	\$ 239,142	\$ 94,240	\$ 101,245	\$ 102,652
Other (income) expenses	24,750	(266)	(25,000)	-
Net loss	(263,892)	(93,974)	(76,245)	(102,652)
Comprehensive loss	(516,972)	(101,320)	(36,017)	(48,524)
Basic and diluted loss per share	(0.03)	(0.00)	(0.00)	(0.00)
Total current assets	89,733	13,250	8,246	46,881
Total assets	363,606	13,250	8,246	46,881
Total current liabilities	2,052,944	1,372,477	1,265,333	1,207,771
Total liabilities	2,052,944	1,372,477	1,265,333	1,207,771

	Dec. 31, 2015	Sep. 30, 2015	June 30, 2015	March 31, 2015
Revenues	\$ -	\$ -	\$ -	\$ -
Expenses	56,696	127,471	128,552	134,016
Other (income) expenses	8,500	-	-	25,674
Net loss	(65,196)	(127,471)	(128,552)	(159,690)
Comprehensive loss	(78,653)	(179,058)	(179,058)	(211,277)
Basic and diluted loss per share	(0.00)	(0.01)	(0.02)	(0.00)
Total current assets	37,009	40,947	33,732	4,213
Total assets	37,009	53,432	46,217	54,214
Total current liabilities	1,227,875	1,101,165	1,019,371	1,152,881
Total liabilities	1,227,875	1,101,165	1,019,371	1,152,881

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2016	December 31, 2015
Current assets	\$ 89,733	\$ 37,009
Current liabilities	2,052,944	1,227,875
Shareholders' deficiency	(1,689,338)	(1,190,866)
Working capital deficiency	(1,963,211)	(1,190,866)

As at December 31, 2016, the Company had cash of \$69,647 (December 31, 2015 - \$8) and negative working capital of \$1,963,211 (December 31, 2015 - \$1,190,866). The Company engaged a third-party agent to raise fund for our change of business transaction. The Company has received \$402,810 as at December 31, 2016, in loans from non-related parties. The Company's capital requirements heavily upon the capital markets to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on terms acceptable to the Company.

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Share Capital

The Company's share capital consists of unlimited common voting shares, without par value.

No common shares were issued during the year ended December 31, 2015.

During the year ended December 31, 2016, the Company issued 885,000 units pursuant to a non-brokered private placement for gross proceeds of \$88,500. Each unit consists of one common share and one common share purchase warrant with each unit warrant entitling the holder to acquire one additional common share at a price of \$0.25 cents per share for six months from closing, and then for a price of \$0.50 cents per share from six months to twelve months from closing. No fair value was allocated to the warrants.

Stock options

The Company has adopted an incentive stock option plan under the rules of the TSX-V pursuant to which it is authorized to grant options, as amended, to executive officers, directors, employees and consultants, enabling them to acquire up to 20% of the issued and outstanding common shares of the Company.

No stock options were issued by the Company during the year ended December 31, 2016 or 2015, and no stock options are outstanding as at December 31, 2016 or 2015.

Warrants

During the year ended December 31, 2016, the Company issued 885,000 warrants in a private placement. The warrants are exercisable at a price for \$0.25 per warrant until January 6, 2017 when the exercise price increases to \$0.50 per warrant. The warrants expire on July 5, 2017.

A summary of changes in warrants outstanding during the period is as follows:

	Number of warrants		Weighted average exercise price
Balance, December 31, 2014	5,115,000	\$	0.50
Expired	(5,115,000)		0.50
Balance, December 31, 2015	-		-
Issued	885,000		0.25
Balance, December 31, 2016	885,000	\$	*0.25

Summary of warrants outstanding at December 31, 2016:

Number of warrants	Exercise Price	Expiry Date
885,000	\$0.25*	July 5, 2017

* the warrant exercise price increases to \$0.50 on January 6, 2017.

COMMITMENTS

The Company does not have any significant commitments, other than those discussed above under exploration and evaluation assets.

OFF-BALANCE SHEET ARRANGEMENTS

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

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RELATED PARTIES AND KEY MANAGEMENT COMPENSATION

Key management compensation

Compensation paid to key management is \$189,000 for the six-month period ended June 30, 2016 (2015 - \$195,000).

The Company entered into transactions, including compensation of key management, with the following related parties:

Name	Relationship	Nature of Transaction	Fees incurred period ended December 31, 2016	Fees incurred period ended December 31, 2015	Balance payable at December 31, 2016	Balance payable at December 31, 2015
Nexvu Services Inc.	Owned by Nexvu Capital, of which Brian Leeners is a shareholder	Rent and corporate services	\$ 120,000	\$ 120,000	\$ 184,875	\$ 84,000
Brian Leeners	Chief executive officer and director	Management services	120,000	120,000	226,400	144,400
ISG Professional Services Inc.	Annie Storey, former chief financial officer, who is a shareholder	Accounting services	10,000	60,000	84,788	82,688
KnowHowe Media	Brian Leeners is a shareholder	Advertising and promotion	-	12,000	(1)	8,400
Global Link Capital	Greg Pearson, director of the Company, is a shareholder	Management services	120,000	90,000	195,725	109,725
Gordorn J. Fretwell, Law Corporation	Gordon Fretwell is a shareholder of Nexvu Capital Corporation		46,999	-	68,584	27,225
Avanti Management & Consulting Ltd.	Michael Dehn is a shareholder	Rent and management services	-	8,500	31,540	27,825
Primrose Drilling Ventures Ltd. (Primrose)	Alice D. Gardner, former director, is a 25% shareholder of 1280417 Alberta Ltd., which is 100% shareholder of Primrose		-	-	685,958 ⁽²⁾	699,975
AE Financial Management Ltd.	Edward Low, chief financial officer, is a shareholder	Accounting services	35,000	-	35,000	-
			\$ 451,999	\$ 410,500	\$ 1,512,871	\$ 1,184,238

(1) Amount payable transferred to a third party.

(2) The payable to Primerose is US\$510,880.

Balances owing are unsecured, non-interest bearing and have no specified terms of repayment.

In November 2015, the Company entered into a binding letter of intent with Phoenix Metals Inc., a company with directors and officers in common, to option a 60% interest in four metallic and industrial mineral permits in northwestern Alberta, collectively known as the Peace River Frac Sand Project. The agreement requires a one-time

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cash payment of \$50,000 (\$25,000 paid) and cumulative work expenditures of \$500,000 over 24 months. During the year ended December 31, 2015, the Company decided to abandon this project.

As at December 31, 2016, the Company owed to Nexvu Capital Corp. \$57,176 (2015 - \$nil) for advance which bears no interest and is payable on demand.

As at December 31, 2016, the Company owes to Phoenix Metals Corporation, a company with officers and directors in common, \$25,000 (2015 - \$nil), the advance bears no interest and is payable on demand.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

- Going concern;
- Asset carrying values and impairment charges;
- Recoverability of advances receivable;
- Income taxes and recoverability of potential deferred tax assets; and

NEW ACCOUNTING STANDARDS

For information on the Company's accounting policies and new accounting pronouncements, please refer to our disclosure in our Consolidated Financial Statements for the year ended December 31, 2016.

CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of precious metal properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business.

The properties to which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund on-going activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties where sufficient geologic or economic potential are noted and if financial resources exist to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

Details of the Company's financial instruments, management's assessment of their related risks and details of management of those risks are as follows:

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Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, marketable securities, GST/HST receivable, reclamation bond, accounts payable and accrued liabilities, and payable to related parties.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits. The Company has not experienced any losses and believes it is not exposed to any significant credit risk from cash.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The Company does not have any asset backed commercial paper.

Credit risk

The Company's main exposure to credit risk relates to its cash. Cash balances are held in Canadian and US chartered banks. The Company determined that it has limited exposure to credit risk related to receivables since these amounts are not material.

Liquidity risk

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at December 31, 2016, the Company had cash of \$69,647 to settle current liabilities of \$2,052,944 which fall due for payment within twelve months of the statement of financial position date. The Company's cash is invested in business accounts which are available on demand. Management has determined that the Company will require additional financing to meet its obligations during fiscal 2017.

Market risk

The market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The Company's future interest income is exposed to short-term rate fluctuations. This is not a significant risk to the Company.

Foreign exchange risk

The Company's exposure to fluctuations in foreign exchange rates is limited.

OTHER RISK FACTORS

The Company has applied to the TSX-Venture Exchange for its change of business to a Tier 2 Investment Issuer on the TSX Venture Exchange focused on the acquisition and financing of companies in the agriculture and agriculture technology sectors. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that our investments will be successful.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities and properties, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be

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favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

A number of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of The Company may have a conflict of interest in negotiating and concluding terms respecting such participation. Further, certain of the directors and officers are involved in other copper exploration companies and other companies that are developing mines. As a result, conflicts of interest may arise and officers and directors cannot devote 100% of their time to the Company.

The Company has invested resources to document and analyze its system of internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

LEGAL MATTERS

The Company is not currently, and has not at any time during our most recently completed fiscal year, been party to, nor has any of its properties been the subject of, any material legal proceedings or regulatory actions.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design of the Company's internal controls over financial reporting ("ICFR") as required by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). ICFR is intended to provide reasonable assurance regarding the preparation and presentation of financial statements for external purposes in accordance with applicable generally accepted accounting principles. Internal control systems, no matter how well designed, have inherent limitations.

Based on a review of its internal control procedures at the end of the period covered by this MD&A, management has determined that the Company's internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financing reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in the Company's internal controls over financial reporting that occurred during the period that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

However, even those systems determine to be effective can provide only reasonable assurance with respect to financial statement and preparation. A control system, no matter how well conceived or operated can provide only reasonable, not absolute, assurance and are not expected to prevent all errors and fraud.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

APPROVAL

The board of directors has approved the disclosure contained in this MD&A.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future

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business plans and strategy, exploration plans, and environmental protection requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the mining industry and the exploration and development of mineral projects, such as the uncertainty of exploration results, the volatility of commodity prices, potential changes in government regulation, the uncertainty of potential title claims against the Company's projects, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as international political or economic developments, changes in interest rates and the condition of financial markets, and changes in exchange rates.

Forward-looking information is based on assumptions and expectations which the Company considers to be reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. Prime Meridian Resources Corp. does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.