

PRIME MERIDIAN RESOURCES CORP.
Management's Discussion & Analysis
For the Nine Months ended September 30, 2018 and 2017

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 nine months ended September 30, 2018 and 2017. The following should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2017. All figures are in Canadian dollars unless otherwise stated.

DATE OF REPORT

November 29, 2018

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 corporate head office of the Company is located at 14th Floor, 1040 West Georgia Street, Vancouver, B.C., V6E 4H8. In August 2016, the Company's shares were halted from trading and the Company is currently in the process of resuming trading upon successful completion of a change in business and financing transaction.

In September 2016, the Company announced a change of business transaction focused on the acquisition of financing of companies in the agriculture and agriculture technology sectors in USA and South Africa. In March 2018, the Company terminated this proposed change of business and is currently pursuing other business opportunities.

HIGHLIGHTS

On September 26, 2016, the Company announced it entered into a change of business ("COB") focusing on the acquisition and financing of companies in the agriculture and agriculture technology sectors. The Company planned 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 planned to 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.

The COB transaction was terminated in March 2018. The COB loans advanced for the development of the agriculture assets in South Africa totalled \$250,000 (U.S.) and the company is expecting to receive a repayment of \$100,000 (U.S.) shortly. Loans advanced for the development of GrowBuddy totalled \$275,000 (U.S.) and the company will receive full repayment plus interest. A first instalment of \$52,100 (U.S.) has been received. The Company took down non-related-party loans totalling \$525,000 (U.S.) for interim financing of the COB transaction and those loans will be paid back in cash from the repayment of the COB loans advanced and/or converted/paid out from the company's current private placement.

On March 13, 2018, the Company announced has established a new partnership with Kometa Technology LLC to pursue opportunities for the development of gold resources in Central Asia. Headed up by internationally experienced management, Kometa plans to use the latest technologies in metal extraction to optimize gold recovery from mining waste and brownfield operations. The management of Kometa comes with a history of excellence in developing projects, operational efficiencies, environmental responsibility, community relations and operational safety.

In conjunction with the cancellation of COB transaction and pursuit of precious metals projects, the Company plans to conduct a non-brokered private placement financing of up to 10 million shares at a price of \$0.10 per share to raise proceeds of up to \$1.0-million.

On April 20, 2018, the Company announced it will be increasing the previously announced private placement from \$1-million to \$1.5-million. The company is conducting a non-brokered private placement financing of up to 15

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million shares at a price of 10 cents per share to raise proceeds of up to \$1.5-million. The company will, upon completion of the financing, have working capital on hand to move forward with its resource-focused business plan and will have no residual financial obligations related to the termination of the previous change of business transaction.

On May 30, 2018, the Company announced concluded a Letter of Intent ("LOI") with Eclipse Mining Services Pty Ltd of Perth, Australia ("Eclipse") for the assignment and purchase of a seventy percent (70%) interest in the Parral Mining Project in Chihuahua, Mexico ("Parral Project").

Under the terms of the LOI, Eclipse will assign a one-hundred percent (100%) interest in the Parral Project to a new Mexican Company ("MX NewCo") that will own, have the right to purchase or have an option on the resource assets and processing operations of Eclipse and/or its partners in the Parral region of Chihuahua, Mexico. PMR will earn an initial thirty percent (30%) permanent interest and a forty percent (40%) conditional interest (cumulative total of 70%) in MX NewCo.

PMR will earn its initial 30% interest by completing the following capital transactions:

- a. issue CA\$500,000 in common shares to Eclipse at a CA\$0.10 per share value;
- b. issue US\$200,000 in common shares to a shareholder of Eclipse at a \$0.10 per share value in order to retire a US\$200,000 loan by the shareholder to MX NewCo;
- c. Completing US\$800,000 in cash payments as follows:
 - on completion of an initial 43-101(s) subject to regulatory requirements;
 - payment of up to US\$185,000 to repay the documented accrued expenses of Eclipse related to the Parral Project;
 - make payment of up to US\$750,000 (plus 7% annual interest accrued from the date of the advance) for repayment of the loans advanced by Eclipse for the development of the Parral Project (to be confirmed and dated by receipts) by October 31, 2018; and
 - advance the balance (if any) of the required US\$800,000 cash payments toward the development capital of the Parral Project

PMR will have the right to convert its forty percent (40%) conditional interest into a permanent interest in MX NewCo by completing a further US\$4.0 million in capital investment into MX NewCo or by financing the development of the combined processing plant input capacity of the Parral Project to 500 tonnes per day within 36 months of the date of the LOI.

Under a residual option, Eclipse has the option to sell a further ten percent (10%) interest in MX NewCo (cumulative total of 80%) to PMR within ninety (90) days of the Parral Project producing a cumulative total of US\$2.5 million in EBITDA, for 2.5 million common shares of PMR. The remaining interest in MX NewCo held by Eclipse will be subject to a standard contributory Joint Venture between the parties and/or a valuation purchase for further common shares of PMR subject to agreement between the parties.

Further to the news releases on May 30, 2018, on October 17, 2018, the Company has concluded an updated Letter of Intent ("LOI") for an option to purchase a seventy percent (70%) interest in a company that holds the Parral Mining Project in Chihuahua, Mexico ("Parral Project").

Under the terms of the LOI, a one-hundred percent (100%) interest in the Parral Project will be assigned to a new Mexican Company ("MX NewCo") that will own, have the right to purchase, lease or have an option on the resource assets and processing operations in the Parral region of Chihuahua, Mexico. PMR will earn from the shareholders of MX NewCo (the "Optionors") an initial thirty percent (30%) permanent interest in MX NewCo and a forty percent (40%) conditional interest (cumulative total of 70%) in MX NewCo.

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PMR will earn its initial 30% interest by completing the following capital transactions:

- a. issue CA\$500,000 in common shares of the Company to the Optionors at a CA\$0.10 per share value;
- b. issue common shares to one of the Optionors at a \$0.10 per share value in order to retire up to US\$200,000 in loans by that Optionor to MX NewCo;
- c. completing US\$800,000 in cash payments as follows:
 - on completion of an initial 43-101(s) subject to regulatory requirements;
 - payment to the Optionors of up to US\$185,000 to repay the documented accrued expenses of the Optionors related to the Parral Project;
 - payment to the Optionors (+ 7% annual interest accrued from the date of the loans) for repayment of loans advanced by the Optionors for the development of the Parral Project (to be confirmed and dated by receipts) by December 31, 2018; and
 - advance to MX NewCo the balance (if any) of the required US\$800,000 cash payments toward the development capital of the Parral Project

If the amounts advanced under (c) above exceed US\$800,000 then the excess amount will be accrued against the US\$1.0 million in capital investment amount detailed below.

PMR will have the right to convert its forty percent (40%) conditional interest into a permanent interest in MX NewCo by completing a further US\$1.0 million in capital investment into MX NewCo or by financing the development of the combined processing plant input capacity of the Parral Project to 500 tonnes per day within 36 months of the date of the LOI. If PMR advances less than US\$1.0 million in capital investment the percentage that is converted to a permanent interest will be pro-rated proportional to the amount that is advanced.

Under a residual option, the Optionors have the option to sell a further ten percent (10%) interest in MX NewCo (cumulative total of 80%) to PMR within ninety (90) days of the Parral Project producing a cumulative total of US\$2.5 million in EBITDA, for 2.5 million common shares of PMR. The remaining interest in MX NewCo held by the Optionors will be subject to a standard contributory Joint Venture between the parties and/or a valuation purchase for further common shares of PMR subject to agreement between the parties.

The LOI is subject to due diligence, negotiation, execution of a definitive agreement and receipt of any required reports and regulatory approvals by the parties.

On October 17, 2018, The Company is conducting a non-brokered private placement financing of up to 15,000,000 shares at a price of ten cents per share (\$0.10) to raise proceeds of up to \$1,500,000. The Company will, upon completion of the financing, have working capital on hand to move forward with its resource-focused business plan. Finders fees may be payable on this financing and the Parral Project transaction.

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.

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Results of Operations

The following financial data are derived from our consolidated financial statements for the years ended December 31, 2017, 2016 and 2015:

	December 31, 2017	December 31, 2016	December 31, 2015
Revenues	\$ -	\$ -	\$ -
Expenses	774,618	537,279	446,735
Other expenses (income)	(646,934)	(516)	34,174
Net loss	1,421,552	536,763	480,909
Comprehensive loss	1,386,734	516,972	586,936
Basic and diluted loss per share	0.07	0.03	0.03
Total current assets	8,773	89,733	37,009
Total assets	74,132	363,606	37,009
Total current liabilities	3,150,204	2,052,944	1,227,875
Total liabilities	3,150,204	2,052,944	1,227,875

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, 2017 and subsequent to 2017 (see Highlights). The majority of our expenses, in fiscal 2017, are: consulting and management fees \$380,819 (2016 - \$286,500), rent and administrative services \$146,442 (2016 - \$120,279), professional fees \$42,823 (2016 \$79,164) and interest expense \$227,405 (2016 - \$29,151).

Quarterly Results

	For the three months ended September 30,		For the nine months ended September 30,	
	2018	2017	2018	2017
Expenses				
Consulting and management fees	\$ 76,522	\$ 84,751	\$ 217,589	\$ 312,930
Exchange loss (gain)	(12,398)	(30,811)	15,563	(54,068)
Interest expense	61,752	59,183	182,524	167,326
Marketing	-	-	15,000	-
Rent and office	30,568	30,040	96,311	108,336
Professional fees	4,500	2,675	13,500	24,828
Transfer agent and filing fees	7,304	355	19,435	11,500
Operating expenses	168,248	146,123	559,922	570,852
Loss before other items	(168,248)	(146,123)	(559,922)	(570,852)
Other income (expense)				
Interest income	-	4	-	836
Change in value of marketable securities	(500)	1,750	(5,500)	9,000
	(500)	1,754	(5,500)	9,836
Loss of the period	(168,748)	(144,369)	(565,422)	(516,016)
Translation of subsidiary to presentation currency	22,932	29,773	(7,108)	51,618
Comprehensive loss for the period	\$ (145,816)	\$ (114,596)	\$ (572,530)	\$ (509,398)

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Three Months ended September 30, 2018

The Company incurred a net loss of \$168,748 for the three months ended September 30, 2018 ("Q3 2018") compared to a net loss of \$144,369 for three months ended September 30, 2017 ("Q3 2017"). The loss in the current quarter is lower as a result of the exit of the acquisition and financing of companies in the agriculture and agriculture technology sectors.

The following is a breakdown of operating expenses during three month of Q3 2018, compared to Q3 2017: consulting and management fees decreased from \$84,751 in Q3 2017 to \$76,522 in Q3 2018; interest expense increased from \$59,183 in Q3 2017 to \$61,752 in Q3 2018; professional fees increased from \$2,675 in Q3 2017 to \$4,500 in Q3 2018; transfer agent and filing fees increased from \$355 in Q3 2017 to \$7,304 in Q3 2018.

Nine Months ended September 30, 2018

The Company incurred a net loss of \$565,422 for the nine months ended September 30, 2018 compared to a net loss of \$516,016 for nine months ended September 30, 2017. The current loss in the nine months is slightly higher as a result of the decreased value of marketable security while the value of marketable security is increased in Q3 2017.

The following is a breakdown of operating expenses during nine months of Q3 2018, compared to Q3 2017: consulting and management fees decreased from \$312,930 in Q3 2017 to \$217,589 in Q3 2018; interest expense increased from \$167,326 in Q3 2017 to \$182,524 in Q3 2018; professional fees decreased from \$24,828 in Q3 2017 to \$13,500 in Q3 2018; marketing increased from \$Nil in Q3 2017 to \$15,000 in Q3 2018; transfer agent and filing fees increased from \$11,500 in Q3 2017 to \$19,435 in Q3 2018.

Summary of quarterly reports

	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017
Expenses	\$ 168,248	\$ 210,857	\$ 180,817	\$ 203,766
Other (income) expenses	500	(1,500)	(3,500)	(657,794)
Net loss	(168,748)	(212,357)	(184,317)	(1,421,552)
Comprehensive loss	(145,816)	(225,913)	(200,801)	(1,386,734)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.04)
Total current assets	19,646	16,296	41,372	8,773
Total assets	52,510	49,160	32,864	74,132
Total current liabilities	3,641,112	3,519,946	3,351,109	3,150,204
Total liabilities	3,641,112	3,519,946	3,351,109	3,150,204

	Sep. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016
Expenses	\$ 146,123	\$ 243,876	\$ 180,853	\$ 239,142
Other (income) expenses	(4)	1,391	9,473	24,750
Net loss	(146,119)	(245,267)	(171,380)	(263,892)
Comprehensive loss	(114,596)	(227,992)	(166,810)	(516,972)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.03)
Total current assets	19,875	50,496	35,275	89,733
Total assets	751,364	718,272	586,583	363,606
Total current liabilities	2,950,100	2,802,412	2,442,731	2,052,944
Total liabilities	2,950,100	2,802,412	2,442,731	2,052,944

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The Company had an increase in expenses in the past three quarters due costs incurred for the change of business transaction.

LIQUIDITY AND CAPITAL RESOURCES

	September 30, 2018	December 31, 2017
Current assets	\$ 19,646	\$ 8,773
Current liabilities	3,641,112	3,150,204
Shareholders' deficiency	(3,588,602)	(3,076,072)
Working capital deficiency	(3,621,466)	(3,141,431)

As at September 30, 2018, the Company had cash of \$1,235 (December 31, 2016 - \$69,647) and working capital deficiency of \$3,621,466 (December 31, 2017 - \$3,141,431). As at September 30, 2018, the Company has received \$1,044,823 (December 31, 2017 - \$846,512) 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.

Share Capital

Authorized: unlimited common voting shares, without par value.

No common shares were issued during the nine-month period ended September 30, 2018.

Stock options

No stock options were issued by the Company during the nine-month period ended September 30, 2018, and no stock options are outstanding as at September 30, 2018.

Warrants

No warrants were issued during the nine-month period ended September 30, 2018 and no warrants are outstanding as at September 30, 2018.

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

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

Name	Relationship	Nature of Transaction	Fees incurred period ended Sep. 30, 2018	Fees incurred period ended Sep. 30, 2017	Balance payable at Sep. 30, 2018	Balance payable at December 31, 2017
Nexvu Services Inc.	Owned by Nexvu Capital, of which Brian Leeners is a shareholder	Rent and corporate services	\$ 90,000	\$ 90,000	\$ 436,375 ⁽¹⁾	\$ 352,375
Brian Leeners	Chief executive officer and director	Management services	90,000	90,000	430,800	351,800
ISG Professional Services Inc.	Annie Storey, former chief financial officer, who is a shareholder	Accounting services	-	-	95,288	95,288
Global Link Capital	Greg Pearson, director of the Company, is a shareholder	Management services	90,000	90,000	400,125	321,125
Gordon J. Fretwell, Law Corporation	Gordon Fretwell is a shareholder of Nexvu Capital Corporation		13,500	15,193	101,192	87,692
Avanti Management & Consulting Ltd.	Michael Dehn is a shareholder	Rent and management services	-	-	31,540	31,540
Primrose Drilling Ventures Ltd. (Primrose)	Alice D. Gardner, former director, is a 25% shareholder of 1280417 Alberta Ltd., which is 100% shareholder of Primrose		-	-	-	640,899
AE Financial Management Ltd.	Edward Low, chief financial officer, is a shareholder	Accounting services	30,500	31,500	109,025	77,525
			\$ 315,000	\$ 316,693	\$ 1,604,345	\$ 1,958,244

⁽¹⁾ Includes loans from Nexvu Services Inc.

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

As at September 30, 2018, the Company owed to Nexvu Capital Corp. \$297,941 (2017 - \$305,600) for advance which 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

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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 Condensed Consolidated Financial Statements for the three-month period ended March 31, 2018.

CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

The Company's objectives when managing capital are to:

- Ensure there are adequate capital resources to manage the Company's ability to continue as a going concern;
- Maintain adequate levels of funding to sustain the required current investments and any new capital investments;
- Maintain investor, creditor and market confidence to sustain future development of the business; and
- Provide returns to shareholders and benefits for other stakeholders.

The Company classifies its share capital and contributed surplus as capital, which at September 30, 2018 a total of \$9,259,833 (December 31, 2017 - \$9,259,833). The Board of Directors does not establish qualitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company will continue to assess new investments and seek to acquire an interest in investments if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any 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:

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.

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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.

(i) Interest rate risk

Interest rate risk consists of the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash and cash equivalents consists primarily of cash held in bank accounts and loans payable are based on fixed interest rates. Therefore, fluctuation in market rates do not have a significant impact on estimated fair values as at September 30, 2018.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extend expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than the Canadian dollar including the US dollar. The Company had net monetary liabilities totaling \$1,272,774 in US dollars as at September 30, 2018. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the US dollar by 2% would increase or decrease net income (loss) by \$33,092 for the period ended September 30, 2018.

(iii) Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from its receivables. The Company's credit risk is primarily attributable to advances receivables. The Company made advances to a number of companies in connection with its proposed change of business plans (Note 7). The carrying amount of advances receivable, net of any allowances, represents the Company's maximum exposure to credit risk.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk by maintaining cash. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short term and long-term obligations. At September 30, 2018, the Company did not have sufficient cash on hand to pay its short-term creditors and does not generate cash from its operations. Accordingly, liquidity risk is considered high.

OTHER RISK FACTORS

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 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 may be involved in other exploration

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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 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

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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.