

# PRIME MERIDIAN RESOURCES CORP.

## Management's Discussion & Analysis

For the Three and Nine Months Ended September 30, 2021 and 2020

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This management's discussion and analysis of Prime Meridian Resources Corp. (the "Company") contains analysis of the Company's operational and interim financial results for the nine months ended September 30, 2021 and 2020. The following should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020. All figures are in Canadian dollars unless otherwise stated.

### DATE OF REPORT

November 26, 2021

### 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 Suite 2110 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9.

### HIGHLIGHTS

On February 9, 2021, the Company completed a non-brokered private placement financing for gross proceeds of \$998,922. The Company issued 19,978,435 units, each unit consisted of one common share and one-half of a common share purchase warrant, each full warrant being exercisable at 15 cents for a period of one year, subject to the right of the company to accelerate the exercise of the warrants if the shares of the company trade at or above 25 cents for a period of 10 consecutive trading days. The company issued 308,000 broker units and paid a cash finder fee of \$40,800. The broker units have the same terms as the private placement units.

On April 23, 2021, the Company completed a non-brokered private placement financing for gross proceeds of \$143,963. The Company issued 1,439,630 units, each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one common share at a price of 15 cents for a period of one year, subject to the right of the company to accelerate the exercise of the warrants if the shares of the company trade at or above 25 cents for a period of 10 consecutive trading days. Finders' fees' consisting of 14,00 units were paid in relation to the financing.

On September 3, 2021, the Company completed a non-brokered private placement for gross proceeds \$300,000. The Company issued two million units, each unit will consist of one common share and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share at a price of \$0.25 per share for 12 months from closing. The warrants will be subject to the right of the company to accelerate the exercise of the warrants if the shares of the company trade at or above \$0.50 for a period of 10 consecutive trading days. Finders' fees may apply to this private placement and all securities issued will be subject to a statutory four-month hold period. The financing was subscribed by an insider of the Company.

On September 8, 2021, the Company announced it had executed a formal purchase agreement to acquire 282 mineral claims covering 5,830 hectares in the Dixie Lake area of the Red Lake Mining District of Ontario, bringing the Company's total land position in the area to 10,180 hectares. The claims are generally contiguous with Company's existing Camping Lake Project and east of the Company's Bruce Lake Project.

The Company will acquire a 100% interest in the new claims, with no royalties, by issuing a total of 1,000,000 common shares of the Company and paying \$15,000 to the vendor, as per the following:

- Issuing 500,000 common shares and paying \$15,000 upon the receipt of TSX Venture Exchange acceptance of the Purchase Agreement; and
- issuing 500,000 common shares on or before the 1st Anniversary of the Purchase Agreement.

The common shares will be subject to a four-month hold period pursuant to applicable securities laws.

On September 22, 2021, the Company announced it has acquired, through staking, an additional 2,920 hectares east

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of its Camping Lake Project in the Red Lake District of Northwestern Ontario. The newly-named Bluffy Lake Project is directly contiguous with Barrick Gold Corporation's (TSX: ABX) South Ushi Project and Trillium Gold Mines' (TSX-V: TGM) Karas Lake property.

The Company further announced that it has retained Simcoe Geoscience Limited to complete high-resolution Triaxial Airborne Magnetic and Helicopter Time Domain EM surveys on its Camping Lake and Bruce Lake Projects. The Camping Lake and Bruce Lake Projects were optioned and acquired by the Company based on their coverage and proximity to the Pakwash Lake Fault Zone (PLFZ) and the Sydney Lake Fault Zone (SLFZ) in the Red Lake District of Northwestern Ontario, Canada.

On September 28, 2021, the announced it has acquired, through staking, an additional block of claims contiguous with its Kelly PGM-Cu-Ni Project, bringing the property's total land position to 2,418 hectares.

The highest recorded historical grab samples on the Kelly Project are: **5.86 g/t 3E** (4.16 g/t Pd, 1.10 g/t Pt, 0.6g/t Au), **5.1 g/t 3E** (4.37g/t Pd, 0.46g/t Pt, 0.27g/t Au) 0.82% Cu and 0.46% Ni and **4.5 g/t 3E** (3.76 g/t Pd, 0.47g/t Pt, 0.27g/t Au) 0.72% Cu and 0.27% Ni.

*\* Note: 3E = Pt + Pd + Au. The reader is cautioned that grab rock samples are selective by nature and may not represent the true grade or style of mineralization on the Property.*

Copper and nickel are central metals for the EV and Alternative Energy revolution and platinum and palladium are used in catalytic converters for decreasing auto emissions. Platinum in particular is also used as a catalyst to improve the efficiency of hydrogen fuel cells.

On September 30, 2021, the Company announced it retained Simcoe Geoscience Ltd. to complete a high-resolution triaxial airborne magnetic and helicopter time-domain EM survey on the Kelly platinum group metal/copper/nickel project. The survey is planned to consist of 300 line kilometers at 100-metre spacing across the property. Following the completion of the airborne geophysical survey, the company intends to organize a ground-based geophysical survey, including an induced polarization (IP) survey.

### Qualified Person

All disclosure of scientific or technical information, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be based upon information prepared by or under the supervision of a qualified person.

Mr. Cash Lewis, P. Geo., a consultant to the Company is the Qualified Person.

### OUTLOOK

The Company will need additional funding for its corporate and overhead expenses in near future through either equity or debt financing. Many factors influence the Company's ability to raise funds, including the health of the capital market and the Company's track record. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favorable. Prime Meridian will continue its policy of minimizing general and administration and exploration expenditures to conserve cash and protect assets.

### PROJECTS

#### Bruce and Camping Lake Gold Projects, Ontario

On September 23, 2019, the Company entered into an option agreement with 15444230 Ontario Inc., pursuant to which the Company has an option to acquire two sets of mineral claims covering 4,250 acres in the Bruce Lake area and 6,250 acres in the Camping Lake area, both in the Red Lake mining district in Ontario. In consideration, the Company will issue 400,000 shares and make payments totalling \$25,500 in the first year. Additional payments

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totalling \$61,000 are due over the following three years. The acquisition is subject to a 1.5% net smelter royalty, of which 0.75% can be purchase by the Company for \$500,000. Payments details are as follows:

- \$13,500 cash payment to the vendor on signing of the letter of intent (paid);
- Issuance of 200,000 common shares to the vendor on TSX Venture Exchange acceptance of the formal agreement (paid);
- \$12,000 cash payment (paid) and issuance of 200,000 common shares (issued) to the vendor on the first anniversary of the execution of the letter of intent;
- \$16,000 cash payment to the vendor on the second anniversary of the execution of the letter of intent;
- \$20,000 cash payment to the vendor on the third anniversary of the execution of the letter of intent;
- \$25,000 cash payment to the vendor on the fourth anniversary of the execution of the letter of intent;
- The vendor will retain a 1.5-per-cent net smelter return royalty on all mineral production, 0.75 per cent of which can be purchased by Prime Meridian Resources for \$500,000;

The Bruce Lake project comprises of 4,250 acres located to the southeast of Great Bear Resources' Dixie Project. The Camping Lake project comprises of 6,250 acres southeast of Great Bear Resources' Pakwash Project.

#### Bluffy Lake, Ontario

In September 2021, the Company acquired, through staking, an additional 2,920 hectares east of its Camping Lake Project in the Red Lake District of Ontario.

#### Dixie Lake, Ontario

On September 8, 2021, the Company entered into an agreement to acquire 100% interest in 282 mineral claims covering 5,830 hectares in the Dixie Lake area of Red Lake mining district of Ontario. In consideration, the Company will issue 1,000,000 shares and pay \$15,000 to the vendor.

Payment schedule as follows:

		Cash	Shares
Upon TSX-V acceptance	\$	15,000	500,000
1 <sup>st</sup> anniversary		-	500,000
	\$	15,000	1,000,000

#### Pakwash Lake, Ontario

On May 5, 2020, the Company completed the purchase of three mineral claims in the western Pakwash Lake area of the Red Lake mining district of Ontario. The new claims are due south of the TNT target being drilled by BTU Metals. The agreement calls for a one-time payment of \$10,000 (paid May 2020), subject to a 1% royalty in favour of the vendor that can be purchased by the company for \$500,000.

#### Kelly Palladium Project, Ontario

On February 5, 2020, the Company entered into a purchase agreement to acquire 100% ownership interest in the Kelly palladium project. The Kelly palladium project was discovered in 1969, but has never been drill tested, according to the Ontario assessment record. The project consists of 2,418 hectares and is located approximately 50 kilometres northeast of Sudbury, Ontario, Canada. The Sudbury basin has been one of the world's largest supplies of nickel, copper, and PGM (platinum group metal) ores since its discovery in 1856. The Company paid a \$30,000 cash payment to the vendor to complete the purchase, which is subject to a 1% net smelter return royalty in favour of the vendor. The Company has the exclusive right to buy the royalty from the vendor for \$500,000.

The Kelly Project is located approximately 20 kilometres directly east of the Sudbury Basin and is host to regionally anomalous palladium (Pd), platinum (Pt), copper (Cu), nickel (Ni), and gold (Au) values, associated with sulphides hosted by rocks of the Nipissing Diabase.

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At the Kelly Project, platinum-group metals (Pt, Pd, Au) and Cu-Ni sulphide (chalcopyrite, pyrrhotite and pentlandite) occur primarily as disseminations and blebs within medium grained, relatively homogenous hypersthene-bearing gabbroic rocks of the Nipissing Diabase. The main sulphide showing is exposed over approximately 1,500 square metres, with several sulphide showings within several hundred metres of the main showing.

Mineralization at the Kelly Project appears to be confined to a massive, hypersthene-bearing gabbro unit that extends for at least 1,000 metres along the northern edge of the Kukagami Lake Intrusion. This massive gabbro unit dips southward at about 40 degrees with the mineralized regions occurring between 50 and 100 m above the basal contact. Numerous palladium, platinum, copper, and nickel geochem anomalies have been outlined along with numerous high priority IP anomalies, and remain largely untested.

The highest recorded historical grab samples on the Kelly PGM-Cu-Ni Project are: 5.86 g/t 3E (4.16 g/t Pd, 1.10 g/t Pt, 0.6g/t Au), 5.1 g/t 3E (4.37g/t Pd, 0.46g/t Pt, 0.27g/t Au) 0.82% Cu and 0.46% Ni and 4.5 g/t 3E (3.76 g/t Pd, 0.47g/t Pt, 0.27g/t Au) 0.72% Cu and 0.27% Ni.\*

\* Note: 3E = Pt + Pd + Au. The reader is cautioned that grab rock samples are selective by nature and may not represent the true grade or style of mineralization on the Property.

Additionally, the Company announces a non-brokered private placement financing for aggregate gross proceeds of up to \$700,000. The private placement will consist of up to 2,000,000 units at \$0.15, each unit consisting of one common share of the Company and one common share purchase warrant. Each warrant being exercisable for an additional common share at an exercise price of \$0.25 for 12 months.

The private placement will also include up to 2,000,000 flow-through units at \$0.20 ("FT Unit"), each FT Unit consisting of one flow-through common share of the Company and one-half (1/2) of a common share purchase warrant ("FT Warrant"), each FULL FT Warrant being exercisable for an additional common share of the Company at an exercise price of \$0.30 for 12 months.

Both the warrants and the FT Warrants will be subject to the right of the Company to accelerate the exercise of the warrants if the shares of the Company trade at or above 50 cents for a period of 10 consecutive trading days. Finders' fees in accordance with TSX Venture Exchange policies may apply to the Financing and all securities issued will be subject to a statutory four-month hold period.

Proceeds raised from the FT Units will be used before 2023 for general exploration expenditures in Ontario that will constitute exploration expenses (within the meaning of Subsection 66(15) of the Income Tax Act (Canada)), which will qualify as flow-through mining expenditures with the meaning of the Income Tax Act.

### SUBSEQUENT EVENTS

- a. On November 23, 2021, the Company issued 500,000 common shares for the Dixie Lake property acquisition.
- b. On November 26, 2021, the Company announce that it has filed documents with the TSX Venture Exchange seeking approval to close its previously announced non-brokered private placement financing (see September 28, 2021, news release) for total gross proceeds of \$499,083.

The Company also announces that it has filed documents with the TSX Venture Exchange seeking approval to close a first tranche of its previously announced non-brokered private placement flow-through financing (see September 28, 2021, news release) for total gross proceeds of \$100,000.

On receipt of TSXV approval the Company will issue 3,327,220 units, each unit consisting of one common share and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share at a price of 25 cents per share for 12 months.

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The Company will further issue 500,000 flow-through units, each FT unit consisting of one flow-through common share of the company and one-half of a common share purchase warrant, each full FT warrant being exercisable for an additional common share of the company at an exercise price of 30 cents for 12 months.

Both the warrants and the FT warrants are subject to the right of the company to accelerate the exercise of the warrants if the shares of the company trade at or above 50 cents for a period of 10 consecutive trading days.

Finders' fees consisting of \$31,200 cash and 208,000 B-warrants exercisable at \$0.15 for a period of 12 months after the closing are being paid to IA Capital markets in relation to the financings.

All securities issued pursuant to this financing are subject to a four-month plus 1 day hold.

### 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, 2020, 2019 and 2018:

	December 31, 2020	December 31, 2019	December 31, 2018
Revenues	\$ -	\$ -	\$ -
Expenses	971,287	1,839,113	857,280
Other expenses (income)	(1,667,654)	(28,770)	8,582
Net income (loss)	696,367	(1,810,343)	(865,862)
Comprehensive income (loss)	715,377	(1,793,809)	(875,640)
Basic and diluted income (loss) per share	0.02	(0.07)	(0.04)
Total current assets	18,717	35,779	2,083
Total assets	98,867	49,279	2,083
Total current liabilities	4,343,112	5,017,667	3,953,795
Total liabilities	4,343,112	5,017,667	3,953,795

#### Summary of quarterly reports

	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec. 31, 2020
Expenses	\$ 220,494	\$ 221,240	\$ 650,614	\$ 169,421
Other (income) expenses	1,500	1,250	(2,250)	(133,838)
Net income (loss)	(221,994)	(219,990)	(652,864)	(35,583)
Comprehensive income (loss)	(221,997)	(320,198)	(643,657)	(4,603)
Basic and diluted loss per share	(0.00)	(0.01)	0.02	0.00
Total current assets	375,356	287,601	471,250	18,717
Total assets	478,706	367,751	551,400	98,867
Total current liabilities	1,891,354	3,663,453	4,041,367	4,343,112
Total liabilities	2,260,667	4,032,766	4,041,367	4,343,112

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	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Expenses	\$ 157,494	\$ 216,257	\$ 477,545	\$ 722,357
Other (income) expenses	(1,000)	(976,287)	(605,959)	15,415
Net loss	(156,494)	760,530	127,914	(737,772)
Comprehensive loss	(141,699)	789,088	72,591	(730,296)
Basic and diluted loss per share	(0.01)	0.03	0.00	(0.04)
Total current assets	4,615	22,191	67,793	35,779
Total assets	77,115	68,691	114,293	49,279
Total current liabilities	2,464,689	2,328,536	5,010,090	5,017,667
Total liabilities	2,464,689	2,328,536	5,010,090	5,017,667

### Results of Operations for the Three Months Ended September 30, 2021 and 2020

The net loss for the three-month period ended June 30, 2021 was \$221,994 (2020 - \$141,729). Major expenditures during the quarter were:

- Consulting \$90,500 (2020 - \$85,500);
- Foreign exchange gain \$20,962 (2020 - \$37,286 gain);
- Exploration and evaluation expenditures \$22,500 (2020 - \$22,500);
- Rent and administrative \$31,116 (2020 - \$30,043);
- Interest expense \$15,391 (2020 - \$50,482);
- Stock-based compensation \$30,000 (2020 - \$nil)

The increase in the loss during the three-month period ended September 30, 2021 due to stock-based compensation expenses (non-cash) and a foreign exchange loss due to the weakening Canadian dollar.

### Results of Operations for the Nine Months Ended September 30, 2021 and 2020

The net loss for the nine-month period ended September 30, 2021 was \$1,094,848 (2020 - \$731,950 net income). Major expenditures during the quarter were:

- Consulting \$235,000 (2020 - \$295,500);
- Foreign exchange gain \$9,585 (2020 - \$18,891 loss);
- Exploration and evaluation expenditures \$67,500 (2020 - \$55,000);
- Rent and administrative \$92,908 (2020 - \$91,128);
- Marketing \$50,000 (2020 - \$34,512);
- Professional fees \$38,350 (2020 - \$33,456)
- Transfer agent and filing fees \$39,014 (2020 - \$22,216);
- Interest expense \$108,161 (2020 - \$300,593);
- Stock-based compensation \$471,000 (2020 - \$nil);
- Forgiveness of debt \$nil (2020 - \$1,581,246)

Operating expenses were higher during the nine months ended September 30, 2021 compared to 2020 due to recognition of the stock-based compensation (non-cash) and a gain on forgiveness of debt in 2020. The Company significantly reduced its interest expense as debtholders have agreed to convert their debt into shares.

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### LIQUIDITY AND CAPITAL RESOURCES

	September 30, 2021	December 31, 2020
Current assets	\$ 37,5356	\$ 2,414
Current liabilities	1,891,354	4,343,112
Shareholders' deficiency	(1,781,961)	(4,244,245)
Working capital deficiency	(1,515,998)	(4,324,395)

As at September 30, 2021, the Company had cash of \$1,831 (December 31, 2020 - \$2,414) and negative working capital of \$1,515,998 (December 31, 2020 - \$4,324,395). The Company has improved its worked capital by settling debt with shares during the quarter ended September 30, 2021.

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.

During the nine-month period ended September 30, 2021, the Company completed:

- a) a non-brokered private placement for gross proceeds of \$998,992. The Company issued 19,978,435 units, each unit consisting of one common share and one-half of a common share purchase warrant, each full warrant being exercisable at \$0.15 for 12 months from closing, subject to the right of the Company to accelerate the exercise of the warrants if the shares of the Company trade at or above \$0.25 for a period of 10 consecutive trading days. The Company issued 308,000 broker units and paid cash finder fees totalling \$40,800.
- b) a non-brokered private placement for gross proceeds of \$143,963. The Company issued 1,439,630 units, each unit consisting of one common share and one common share purchase warrant, each warrant being exercisable at \$0.15 for 12 months from closing, subject to the right of the Company to accelerate the exercise of the warrants if the shares of the Company trade at or above \$0.25 for a period of 10 consecutive trading days. The Company issued 14,000 broker units as a finders' fee.

Subsequent to the nine-month period ended September 30, 2021, the Company issued 500,000 common shares for the acquisition of the Dixie Lake claims.

### Stock options

During the nine months ended September 30, 2021, the Company granted:

- 3,800,000 (originally 5,500,000 options, 1,700,000 were cancelled) incentive stock options to various directors, officers and consultants of the Company (2020 – nil). The stock options have an exercise price of \$0.10 per share and expiry no later than January 29, 2026. The company recognized stock-based compensation of \$305,000 determined by the Black-Scholes option pricing model using the following assumptions: risk-free interest rate 0.16%, volatility 148%, annual rate of dividend of 0% and an expected life of the option of 5 years.
- 2,000,000 000 incentive stock options to various advisors and consultants of the Company (2020 – nil). The stock options have an exercise price of \$0.10 per share and expiry no later than January 29, 2026. The company recognized stock-based compensation of \$166,000 determined by the Black-Scholes option pricing model using the following assumptions: risk-free interest rate 0.40%, volatility 159% annual rate of dividend of 0% and an expected life of the option of 5 years.

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Stock option activity was as follows:

	Number of Options	Weighted Average Exercise Price	Years to Expiry
Balance, December 31, 2020	-	\$ -	-
Issued	7,500,000	0.10	5.00
Cancelled	(1,700,000)	0.10	4.33
<b>Balance, September 30, 2021</b>	<b>5,800,000</b>	<b>\$ 0.10</b>	<b>4.52</b>

As at September 30, 2021 and November 26, 2021, the following stock options were outstanding and exercisable:

Number of Options	Exercise Price	Expiring
3,800,000	\$ 0.10	January 29, 2026
2,000,000	0.10	August 13, 2026
5,800,000		

### Warrants

During the nine-month period ended September 30, 2021, the Company issued 11,428,847 share purchase warrants, exercisable at \$0.15 expiring one year from the close of the private placement.

Warrant activity was as follows:

	Number of Warrants	Weighted Average Exercise Price	Years to Expiry
Balance, December 31, 2020	-	\$ -	-
Issued	9,989,217	0.15	0.6
Issued	1,439,630	0.15	0.8
<b>Balance, September 30, 2021</b>	<b>11,428,847</b>	<b>\$ 0.15</b>	<b>0.6</b>

As at September 30, 2021 and November 26, 2021 the following share purchase warrants were outstanding:

Number of Share Purchase Warrants	Exercise Price	Expiring
9,989,217	\$0.15	February 8, 2022
1,439,630	\$0.15	April 23, 2022
11,428,847		

### Broker warrants

During the nine-month period ended September 30, 2021, the Company issued:

- 308,000 broker units, each broker unit consists of one common share and one-half of a common share purchase warrant, each full warrant being exercisable at \$0.15 for 12 months from closing, subject to the right of the Company to accelerate the exercise of the warrants if the shares of the Company trade at or above \$0.25 for a period of 10 consecutive trading days.
- 14,000 broker units, each broker unit consists of one common share and one common share purchase warrant, each warrant being exercisable at \$0.15 for 12 months from closing, subject to the right of the Company to accelerate the exercise of the warrants if the shares of the Company trade at or above \$0.25

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for a period of 10 consecutive trading days.

Brokers' warrants activity as follows:

	Number of Brokers' Warrants	Weighted Average Exercise Price	Years to Expiry
Balance, December 31, 2020	-	\$ -	-
Issued	308,000	0.15	0.6
Issued	14,000	0.15	0.8
<b>Balance, September 30, 2021 and November 26, 2021</b>	<b>322,000</b>	<b>\$ 0.15</b>	<b>0.6</b>

As at September 30, 2021 and November 26, 2021, the following share purchase warrants were outstanding:

Number of Share Purchase Warrants	Exercise Price	Expiring
308,000	\$0.15	February 8, 2022
14,000	\$0.15	April 23, 2022
<b>322,000</b>		

As at the date of the report, the Company has 64,725,006 common shares, 5,800,000 incentive stock options, 11,428,847 share purchase warrants and 322,000 finders' warrants outstanding. If all of the stock options, warrants and finders' warrants were exercised, the Company would have 82,275,853 shares outstanding.

### 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.

### 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	of	Fees incurred Nine months ended Sep. 30, 2021	Fees incurred Nine months ended Sep. 30, 2020	Balance payable at Sep. 30, 2021	Balance payable at December 31, 2020
Nexvu Services Inc.	Owned by Nexvu Capital, of which Brian Leeners is a shareholder	Rent and corporate services	\$	90,000	\$ 90,000	\$ 96,985	\$ 193,375
Brian Leeners	Chief executive officer and director	Management services		90,000	90,000	72,500	310,000
Global Link Capital	Greg Pearson, director of the Company, is a shareholder	Management services		90,000	90,000	49,500	287,000

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Gordorn J. Fretwell, Law Corporation	Gordon Fretwell is a shareholder of Nexvu Capital Corporation	Legal services	15,000	9,000	121,396	134,844
AE Financial Management Ltd.	Edward Low, chief financial officer, is a shareholder	Accounting services	31,500	31,500	61,850	204,952
CBDS Health Inc.	Director	Corporate services	-	-	-	4,000
			\$ 316,500	\$ 310,500	\$ 402,231	\$ 1,134,171

During the nine months ended September 30, 2021, the Company issued 13,432,919 shares to settle outstanding accounts payable and loan obligations of \$1,775,051.

During the year ended December 31, 2020, certain directors, officers and companies owned by directors and/or officers, agreed to forgive \$991,984 in debt.

### 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;

### NEW ACCOUNTING STANDARDS

For information on the Company's accounting policies and new accounting pronouncements, please refer to our disclosure in our audited Consolidated Financial Statements for the year ended December 31, 2020.

### 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 June 30, 2021 totalled \$11,600,241 (December 31, 2020 - \$10,057,156). 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

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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.

### 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 June 30, 2021.

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received, and balances maintained by the Company are denominated in US dollars. The Company had net monetary liabilities totaling \$769,112 in US dollars at June 30, 2021. The Company's sensitivity analysis indicates that a change in the absolute rate of exchange in the US dollar by 2% would increase or decrease net income (loss) by \$19,065 for the six months ended June 30, 2021.

#### (iii) Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from its receivables. As of June 30, 2021, the Company is not exposed 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 sufficient cash. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short term and long-term obligations. At June 30, 2021, 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 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,

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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 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**

Other than the item(s) disclosed in the financial statements, 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.

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### **ADDITIONAL INFORMATION**

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

### **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 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.

### **Directors and Officers**

Brian Leeners – Director, CEO

Greg Pearson, - Director

Tyler Thorburn – Director

Maria Conejo - Director

Ed Low – CFO

Gord Fretwell – Corporate Secretary