

PALAMINA CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

General

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of Palamina Corp. ("**Palamina**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2024 ("**third quarter of 2024**" or "**Q3 2024**" and the "**first nine months of 2024**"). The comparative period is for the three and nine months ended September 30, 2023 ("**third quarter of 2023**" or "**Q3 2023**" and the "**first nine months of 2023**"). This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2023 and 2022, and the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2024 and 2023, together with the notes thereto ("**the financial statements**"). Results are reported in Canadian dollars, unless otherwise noted.

The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). Please refer to Notes 3 and 4 of the annual audited consolidated financial statements as at and for the years ended December 31, 2023 and 2022 for disclosure of the Company's significant accounting policies.

The audit committee of the Company has reviewed this MD&A and the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2024 and 2023 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated November 28, 2024 and is current to that date.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval Plus ("**SEDAR+**") website at www.sedarplus.ca, on Palamina's website at www.palamina.com.

Caution Regarding Forward Looking Information

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Qualified Person

Technical information contained in this MD&A has been prepared by or under the supervision of Mr. Alvaro Fernandez-Baca, P. Geo., Vice-President, Exploration of Palamina, who acts as Palamina's Qualified Person ("**QP**") as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**"). Mr. Fernandez-Baca has reviewed work practices and verified the data comprising such technical information, including sampling, analytical and test data underlying the information or opinions contained in this MD&A.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

In addition, Mr. Yury Valdivieso, Palamina's lead geologist and project manager in Peru, is responsible for the execution of all exploration programs. Mr. Valdivieso has a MSc. in economic geology and is a member of the Society of Economic Geologists ("SEG"), the Geological Society of Peru ("SGP") and the College of Engineers of Peru ("CIP").

Overview

Palamina is an exploration stage company focused on the exploration for economic mineral deposits in Peru through its wholly owned subsidiary, Palamina SAC ("**Palamina Peru**"), and to a lesser extent in Mexico through its wholly owned subsidiary, Palamina S.A. de C.V. ("**Palamina Mexico**"). Palamina was incorporated on April 23, 2015 under the *Business Corporations Act* (Ontario). The Company's head office is located at 145 King Street West, Suite 2870 Toronto, Ontario M5H 1J8. Palamina is a reporting issuer pursuant to the securities laws of Ontario, British Columbia, Alberta, and Saskatchewan and is listed in Canada on the TSX Venture Exchange ("**TSX-V**") under the symbol **PA** and in the United States on the OTCQB under the symbol **PLMNF**.

Management's strategy for building Palamina into a profitable resource company and maximizing shareholder value is to acquire and explore properties with the potential to host significant economic deposits within prolific mining districts in Peru. The Company explores primarily for gold and silver and has an acquire and hold strategy for its copper precious metal assets, with the objective of enhancing the value of its properties either by direct exploration or through option or joint venture agreements with third parties. This strategy diversifies the business risks inherent in developing a single property.

Investment in Winshear Gold Corp.

Winshear Gold Corp. ("**Winshear**") is listed on the TSX-V and trades under the symbol WINS.

On December 8, 2023, following the net receipt of US\$18,455,305 (CDN\$25,256,084) resulting from the settlement of a dispute with the United Republic of Tanzania regarding its former SMP gold project, Winshear made a cash distribution to its shareholders through a return of capital, with Palamina receiving a non-dilutive cash payment of \$3,625,000.

Palamina's 2024 operating budget and drilling program currently in progress at the Company's flagship Usicayos Gold Project in Peru, is fully funded from the December 2023 return of capital from Winshear.

Winshear is also fully funded to execute its 2024 exploration plans in Peru, including an upcoming drilling program at its Gaban Gold Project. Palamina holds a 2% net smelter return ("**NSR**") royalty on Winshear's Peru properties and on September 9, 2024, received the 2024 advance royalty payment of US\$100,000 (CDN\$135,610) in respect of the Gaban Gold Project.

As at September 30, 2024 and November 28, 2024, Palamina owns 4,833,333 common shares of Winshear or 15.4% of the 31,418,632 shares outstanding. On November 28, 2024, Winshear closed at \$0.15 per share, giving Palamina's investment a market value of \$725,000.

Corporate Highlights

- On September 17, 2024, Palamina completed the acquisition of 100% of the shares of Societed Minera Vicus Exploraciones S.A.C. ("**Vicus**") from Aurania Resources Ltd. ("**Aurania**") (TSX-V: ARU), in consideration for the issuance of 350,000 common shares of Palamina at a deemed price of \$0.15 per share or CDN\$52,500, pursuant to a Share Purchase Agreement signed on June 10, 2024. Vicus holds the mineral rights to the 9,800-hectare Pluma copper-silver project ("**Pluma**") in northeastern Peru. Prior to June 30, 2024, Palamina Peru paid US\$29,308 in 2024 validity fees associated with the Pluma project. The remaining projects held by Vicus were allowed to lapse. As part of the transaction, Aurania has retained a 1% net smelter return ("**NSR**") royalty on the Pluma project. Palamina has the right to buy back half of the NSR for \$1,000,000.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

- On September 9, 2024, Palamina received the 2024 advance royalty payment from Winshear in respect of the Gaban Gold Project, of US\$100,000 (CDN\$135,610).
- On July 9, 2024, Palamina held its annual and general meeting of shareholders. Shareholders approved fixing the number of directors at four, approved all four directors standing for re-election, re-appointed the Company's auditors and re-approved the Company's stock option plan. Christina McCarthy did not stand for re-election.

Operational Highlights

- On November 14, 2024, Palamina commenced a pXRF soil sampling program and announced completion of a remote sensing study at its Galena silver copper project.
- On November 4, 2024, Palamina released assay results from the first three drillholes from the Sol de Oro East zone on its Usicayos gold project and reported visible gold intercepts in the fourth and fifth drillholes at Sol de Oro South awaiting assay results.
- On October 15, 2024, Winshear Gold commenced its inaugural drilling program in the Coritiri zone at its Gaban gold project. Palamina retains a 15.4% equity interest in Winshear and a 2% NSR royalty on Gaban.
- In August of 2024, Palamina commenced a drilling program to test the SDO East, SDO South and SDO North zones at its flagship Usicayos gold project.
- In July of 2024, SGS Laboratories ("SGS") completed a mineralogical study where a 20 kg bulk sample returned an overall grade of 3.6 grams per tonne gold ("g/t Au") where 99.73% occurs as liberated gold and approximately 10% of the gold occurs in grains larger than 150 microns.
- In July of 2024, Palamina completed a drone-based magnetic survey over the entire 4.5 km long mineralized gold trend at its 100% owned Usicayos gold project.

Peru Properties

LAND BANK OF GOLD PROJECTS IN THE PUNO OROGENIC GOLD BELT

The Puno Orogenic Gold Belt ("POGB") is an auriferous, southeasterly trending metasedimentary belt located in southern Peru which follows the Andean trend and covers an area of approximately 175 km NW-SE by up to 75 km NE-SW in the Puno region of Peru. The POGB is a section of a larger 3,400 km long belt of orogenic rocks extending from Argentina in the south, through Bolivia and the Puno region, to the Pataz region in northern Peru. The POGB is flanked on the northeast by the gold producing Madre de Dios region in Peru. Palamina's exploration targets in this region are orogenic, slate-hosted gold systems.

Orogenic gold mineralization in the Puno region occurs in association with regional-scale structures, generally hosted by deformed and folded slates and related metasediments. Palamina is targeting continuous, tabular zones of orogenic gold mineralization within fine-grained, sheared, locally metamorphosed sedimentary rocks. Mineralization often occurs as discrete, stacked horizons as bedding- or shear-parallel horizons within the host rock. Gold mineralization typically consists of native gold in distinctive "packages" of fine-grained quartz veins, veinlets and micro-veinlets. Globally, orogenic-type gold deposits are often known to extend to vertical depths greater than 1,000 metres. Important examples of orogenic deposits in the POGB in Peru include Ollachea and La Rinconada.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

The orogenic gold belt in Puno hosts more than 100 known hard-rock gold occurrences and over 50 hard-rock mining operations are being operated by small and medium-scale artisanal miners. Palamina believes the POGB has considerable potential to contain a significant number of additional yet undiscovered orogenic gold deposits. Erosion of these gold-bearing structures (by both fluvial and glacial processes) is widely considered to be the source for the extensive alluvial gold deposits located in the low-lying Madre de Dios region of Peru's Amazon basin.

There has been a significant up-grading of road access in the Puno region (example: Pacific-Atlantic interoceanic highway) and power infrastructure (example: 206 MW San Gaban hydro-electric facility). It is Palamina's belief that these infrastructure developments greatly assist exploration of the POGB and will support future mine developments in the region.

Comparison with other Gold Projects in the POGB:

The Ollachea orogenic gold deposit, located 60 km northwest of Usicayos, reportedly occurs along a structurally deformed east-west trending regional shear structure on the edge of the SE trending POGB. Similarly, 75 km southeast of Usicayos, the large orogenic gold occurrence at La Rinconada also features a significant east-west inflection zone. Midway between Ollachea and La Rinconada, the Usicayos gold project also lies along a comparably deformed east-west trending structural jog. Palamina and Winshear share part of the technical team that defined the gold resource at Ollachea in the same geological orogenic setting. Winshear's Gaban gold project is located 30 km north along the intercontinental highway.

Usicayos Gold Project

At the Usicayos gold project, Palamina holds title and application rights to 11,612 hectares of mineral concessions. There are no underlying payments or royalties.

The Usicayos gold project is located near the town of Usicayos. The Usicayos concessions extend east and west of the town of Usicayos at elevations ranging from 3,200 to 4,700 m. Rock exposure in the area is generally excellent as the properties sit predominantly above the tree line.

Palamina has prioritized parts of a 4.5 km mineralized gold trend for drilling at Usicayos, consisting of three separate gold zones trending southwest to northeast; Sol de Oro ("SDO"), Cayos and Veta. Veta was the initial discovery zone followed by the Cayos zone and more recently the Sol de Oro zone.

In the fall of 2021 and spring of 2022, Palamina drilled six diamond drillholes over a total 2,081 metres in the Veta Zone. On July 6, 2022, Palamina announced results for all six diamond drillholes with select results reporting; VE-01-2021 returned 8 m @ 0.44 g/t Au, VE-02-2021 1 m @ 3.09 g/t Au (visible gold in intercept), VE-03-2021 24 m @ 0.5 g/t Au, VE-04-2021 11 m @ 0.8 g/t Au, VE-05-2021 4 m @ 0.67 g/t Au (visible gold in intercept), VE-06-2021 11 m @ 0.68 g/t Au. Drilling in the Veta zone tested the entire 800 metre long gold-bearing quartz vein system exposed at surface but failed to encounter the same high grade values received at surface. Palamina has prioritized the Sol de Oro zone for drilling where structures are more clearly defined and more sericite and carbonaceous rocks are present.

On August 4, 2022, Palamina completed the acquisition and transfer of 200 hectares in the Sol de Oro zone whereby Palamina gained full control of 100% of the mining rights to the entire 4.5 km mineralized gold trend. Palamina has since focused its mapping and sampling campaigns on the SDO zone, southwest of the Veta Zone. Four targets have been identified, the SDO North, SDO East, SDO South and SDO West targets. Since 2022, 589 rock chip and channel samples have been collected from the four zones. A drone-based topographic survey was completed over the 4.5 km long area. Historical adits exist over the zone, where individual channel samples have locally yielded up to 200 g/t Au over 0.9 metres.

Palamina Corp.
Management’s Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

On April 5, 2023, Palamina received approval of the modification of its Declaración de Impacto Ambiental (“DIA”) permit at the Usicayos gold project, which allows for the re-allocation of a further 35 drill pads in the SDO and Cayos gold zones. On September 5, 2023, Palamina Peru received its Authorization to Initiate Exploration Activities (“AIEA”) permit to commence drilling in the SDO and Cayos zones and received its water permit required to carry out a drilling program. With the advent of the rainy season in November, drilling was postponed to the end of the rainy season in 2024.

The SDO zone is hosted in Paleozoic Ananea and Sandia Formation shale and mudstone and is controlled by regional shear zones developed by regional thrusting. The host shear structure at SDO is the widest identified at Usicayos to date, measuring approximately 1.5 km in width and 2.2 km in strike length. Gold mineralization is typically found within “mantos” developed parallel to foliation along the carbonaceous shear zone. The foliation either side of a major NW-SE fault dips steeply towards the centre, suggesting a possible near vertical feeder zone (or “flower structure”) at the heart of the SDO zone with drilling designed to test this interpretation. The SDO zone has the most historical informal mine workings on the project where visible gold has been located in all four zones.

In December of 2023, Company geologists completed a channel sampling and geological reconnaissance program designed to test the continuity of gold mineralization in the SDO North, East and South zones. Approximately 30% of all samples collected were continuous channels taken using a diamond saw and the remaining samples were rock chips collected using hammers and chisels. Samples, some of which contained visible gold, were collected on both outcrops and along artisanal underground tunnels and workings built by local miners in the past.

On February 29, 2024, Palamina reported the following selected results from the SDO East and South zones:

ZONE	SAMPLE LOCATION	SAMPLE TYPE	LENGTH (m)	Au (g/t)
SDO S	Outcrop	Channel	3.2	9.3
SDO S	Outcrop	Including	1.2	18.4
SDO S	Underground	Channel	1.0	1.2
SDO S	Underground	Channel	1.0	153.0
SDO S	Outcrop	Channel	4.5	3.4
SDO S	Outcrop	Including	1.0	9.1
SDO S	Underground	Channel	1.0	11.4
SDO S	Underground	Channel	1.0	6.6
SDO S	Underground	Channel	1.0	3.3
SDO E	Outcrop	Channel	1.0	2.6
SDO E	Outcrop	Channel	1.0	1.7
SDO E	Outcrop	Channel	4.0	5.2
SDO E	Outcrop	Including	1.0	9.6
SDO E	Outcrop	Channel	9.0	0.8
SDO E	Outcrop	Channel	1.0	3.2

Table 1: Select results from December 2023 channel sampling program at SDO East and SDO South

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

In April of 2024, Palamina commenced its first field exploration campaign post the rainy season in the SDO North and SDO East zones.

On May 29, 2024, results from 169 channel samples collected from SDO North were announced. All were analyzed by Certimin, using metallic screening methods to better quantify coarse gold in the zone and improve the variability observed previously. Highlighted results from SDO North returned the following:

TARGET	SAMPLE LOCATION	CHANNEL	FROM (m)	TO (m)	LENGTH (m)	Au (g/t)
SDO N	Outcrop	SDON2405-01	0	2	2	26.67
SDO N	Outcrop	SDON2405-02	0	2	2	7.07
SDO N	Outcrop	SDON2405-03	0	3	3	5.87
SDO N	Outcrop	SDON2405-04	0	6	6	5.02
SDO N	Outcrop	<i>Including</i>	4	6	2	8.28
SDO N	Outcrop	SDON2405-05	0	4	4	2.68
SDO N	Outcrop	SDON2405-06	3	9	6	1.37

Table 2: Select results from April-May 2024 sampling program at SDO North

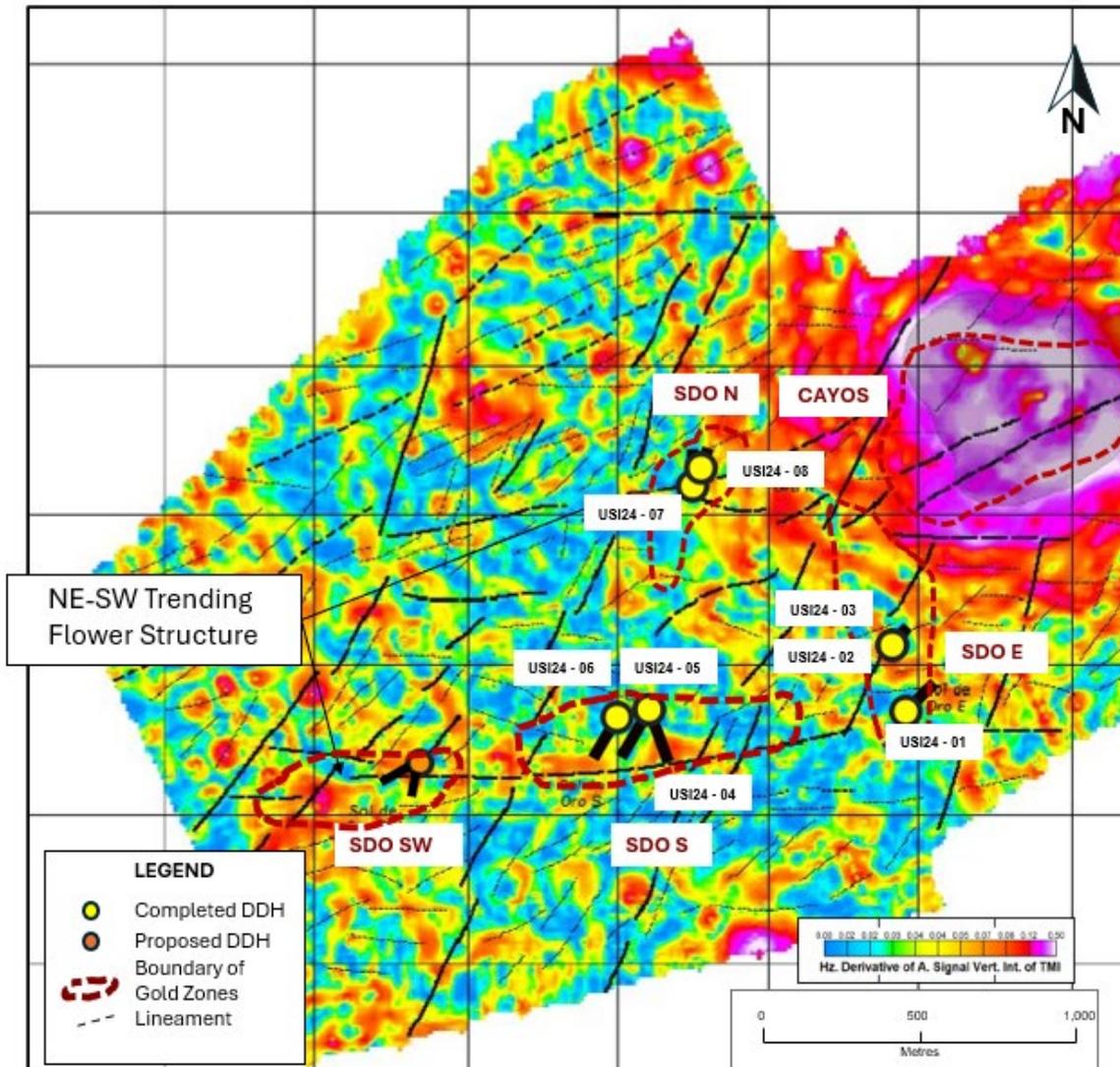
These samples were collected from shallow west-dipping Manto structures extending approximately 300 metres in a north-south direction. A larger coarse gold component is observed at or near where east-west brittle faults intersect the main shear zone.

In July of 2024, Deep Sounding E.I.R.L completed a drone-based magnetic survey over the entire 4.5 km long trend generating a detailed Digital Terrain Model ("**DTM**") and a new high-resolution topographic map.

In July of 2024, SGS Laboratories ("**SGS**") provided a bulk sample mineralogical study from material collected in the SDO East zone. The study returned an overall grade of 3.6 g/t Au where 99.73% of the gold was liberated and approximately 10% of the gold occurs in grains larger than 150 microns.

In late September 2024, Palamina initiated a first ever diamond drilling program in the SDO zone. At the time of writing of this MD&A a total of 2,090 metres of diamond drilling have been completed with three holes at SDO East ("**SDO E**"), three holes at SDO South ("**SDO S**") and two holes at SDO North ("**SDO N**"). All holes have intercepted quartz veins and shear zones which typically host surface gold mineralization, with results pending for five holes. The widely spaced holes cover an area of approximately 1 km by 1 km, confirming that SDO hosts a large gold bearing orogenic gold system. Only drill results for SDO E have been received at the time of writing this MD&A.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024



Analytical signal map from the SDO zone showing location of the recent drilling.

DRILLING AT SDO E: A total of four stacked mantos outcrop at surface at SDO E over a north south strike length of up to 800 metres, within a highly deformed shear zone hosting multiple quartz veins.

Drillhole US124-01 tested only Manto 1 and 2 for a combined total of 200 metres of shear over a total hole depth of 336 metres. Manto 2 was substantially wider than Manto 1, totalling approximately 170 metres of highly sheared phyllites.

Drillholes US124-02 and US124-03, were collared from the same platform 100 metres north of US124-01 to test both Manto 1 and Manto 2. Both US124-02 and US124-03 were abandoned before hitting Manto 2 due to drilling issues caused by challenging ground conditions. Only Manto 1 was intercepted in each hole.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

The SDO E drillholes confirmed gold mineralization was increasing with depth and vectoring to the north. Manto 2 was only intercepted in US124-01, while Mantos 3 and 4 have yet to be drill tested. Select assay results from SDO E were returned as follows:

Zone	Hole ID	Manto	From (m)	To (m)	Interval (m)*	Gold (g/t)
SDO E	USI24-01	1	14	44	30	0.14
SDO E	USI24-02	1	30	90	60	0.22
	Including	1	64	74	10	0.66
	Including	1	68	69	1	2.93
	and	1	174	175	1	2.63
SDO E	USI24-03	1	60	73	13	0.38
	Including	1	65	68	3	1.04
	and	1	125	132	7	1.87
	Including	1	125	128	3	3.48

**Intervals are drilled core length as insufficient drilling has been completed to calculate true widths.*

Palamina plans to drill an additional drillhole in the SDO E zone north of USI24-06 targeting the following:

- 1) the gold mineralization vectoring to the north and increasing in intensity at depth;
- 2) a portion of the large magnetic anomaly associated with the Cayos zone mineralization; and
- 3) the intersection of the flower structure's north and south limbs at depth.

DRILLING AT SDO S: Drillhole USI24-04, located approximately 850 metres southwest of USI24-01, intercepted visible gold and a blind microdiorite intrusive at 113 metres in depth. Visible gold is seen in two locations within quartz veins associated with a stockwork of millimetre to centimetre scale massive pyrrhotite-pyrite-chalcopyrite-arsenopyrite veins.

Drillhole USI24-05 is a scissor hole completed from the same platform as USI24-04 at a different orientation to better understand the geometry and continuity mineralization. Visible gold was reported between 23 and 122 metre depths.

Drillhole USI24-06 was completed 100 metres west of USI24-05 to test a separate magnetic high for the same pyrrhotite-pyrite-chalcopyrite-arsenopyrite assemblage in order to confirm the magnetic trend extending towards the SDO W target.

All three holes drilled to date at SDO S intercepted pyrrhotite rich sulfide stockwork running along an ENE-WSW trend coinciding with a series of magnetic highs identified by the recent drone magnetic survey completed by Palamina.

DRILLING AT SDO W: At the time of writing of this MD&A, drilling east of the main SDO W gold anomaly was underway targeting a magnetic high to establish whether the pyrrhotite rich sulfide mineralized trend extends for over 1 km from SDO W to SDO S.

Palamina's inaugural scout drilling has so far confirmed the presence of a mineralized system hosting gold in quartz veining within both a metamorphosed carbonaceous shale sequence and a blind mineralized microdiorite intrusive.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

Panorama Gold Project

Palamina has applied to own 2,400 hectares of mineral rights at Panorama. The Panorama application area sits within the Ananea formation and lies within the same regional structural corridor as Palamina's Usicayos gold project and Gold Mining Inc.'s Crucero gold project.

Cristel Gold Project

The Cristel project consists of 3,500 hectares of mineral rights over a large colour anomaly and an AI-generated target resulting from a POGB study completed by Goldspot Discoveries Inc. Cristel sits southeast of Minera IRL's Ollachea gold deposit and northwest of Palamina's Usicayos gold project. In February 2024, Alvaro Fernandez Baca, along with Palamina's geological team, carried out a site visit. No exploration work was carried out during Q3 2024.

Bendi Gold Project

Palamina holds title to 6,232 hectares covering the Bendi gold project, located to the northeast of the Usicayos gold project. Staking has been based on Palamina's understanding of prospective district-scale geological features in the Benditani Mine district and proximity to historical and current operating small-scale orogenic gold mines in the area. Mining in the Benditani district reportedly dates back to Pre-Inca times.

Palamina's exploration efforts at Bendi have focused on two highly prospective sub-parallel district-scale structures; 1) The Carol structure, an approximately 15 km long NW-SE trending shear zone interpreted to have developed in close association with the core of an anticline. This structure transects the southwestern sector of the Bendi concessions. The auriferous Carol anomaly is located southwest of the Huacolcota mine. At Carol, Palamina has reported rock chip samples returning up to 47.8 g/t Au and channel samples returning values of 1.8 m grading 13.4 g/t Au and 234 g/t Ag (Palamina news release October 29, 2018); 2) The Mantos structure, a 7 km long thrust-related shear-zone trending sub-parallel to the host shear structure of the Benditani gold mine. Palamina has reported rock chip samples returning 25.4 g/t Au and 9.9 g/t Au from the Mantos Gold Anomaly (Palamina news release October 29, 2018). In April 2024, Alvaro Fernandez Baca, along with Palamina's geological team, carried out a site visit. No exploration work was carried out during Q3 2024.

Cori Gold Project

Palamina holds title to approximately 11,347 hectares at the Cori gold project. Palamina geologists report that over 1,200 informal miners are mining native gold from orogenic quartz veins in at least 7 separate mining camps within a NW-SE geological trend. Palamina has staked the available strike extensions of this structure in both directions as well as the possible northerly down-dip extensions on the north side of the Corimayo mountains. Palamina completed an airborne geophysical study over the Cori project in 2018. A minimum expenditure strategy is being implemented at Cori while the Company awaits results from a drilling program to be carried out in 2024 on the contiguous Gaban gold project held by equity partner Winshear. In April of 2024, Alvaro Fernandez Baca, along with Palamina's geological team, carried out a site visit. No exploration work was carried out during Q3 2024.

Inca Gold Project

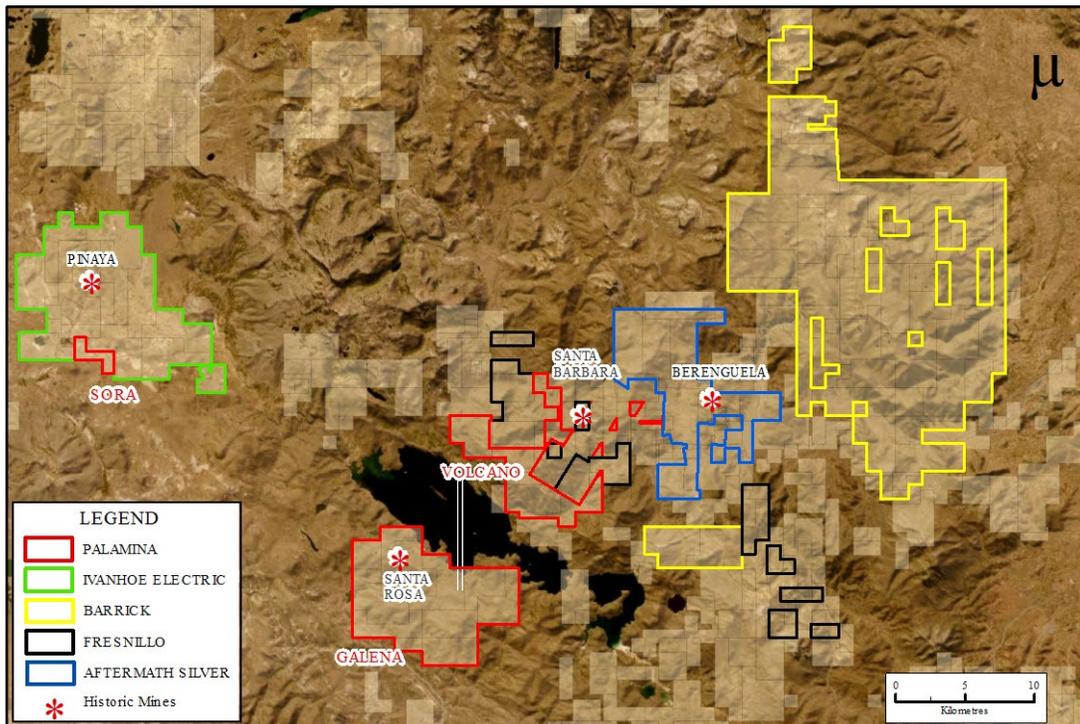
At the Inca gold project, Palamina has secured the mineral rights to 2,600 hectares in the POGB northeast of the Ollachea gold deposit near the town of Ayapata. In August 2022, Palamina completed a drone survey over Inca and a brief mapping / sampling program. No exploration work was carried out during Q3 2024.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

LAND BANK OF COPPER PRECIOUS METAL PROJECTS

Palamina has an “acquire and hold” strategy for its existing copper precious metal projects in southeastern & northeastern Peru. In September 2024, Palamina Corp. (Canada) completed the acquisition of 100% of the shares of Vicus from Aurania. Vicus holds a 100% ownership in the Pluma copper silver project located in northeastern Peru. Palamina has started the process of transferring 100% of the Galena, Volcano and Sora Copper Precious Metal Projects in southeastern Peru into Vicus. The addition of a second 100% wholly owned Peruvian subsidiary, provides Palamina with greater flexibility moving forward to separately fund and advance both its land bank of copper precious metal projects to be held by Vicus and its land bank of gold projects held in Palamina Peru.

COPPER PRECIOUS METAL PROJECTS IN THE SANTA LUCIA DISTRICT IN SOUTHEASTERN PERU



Galena Silver-Copper Polymetallic Project

Palamina holds application and mineral rights to 8,200 hectares at Galena. The Galena project is located at the southwest end of the Santa Lucia mining district, west of the city of Puno. The property was acquired to investigate the Ag-Cu-Pb-Zn potential of the area. Nearby polymetallic mines include the Santa Bárbara, Santa Lucía and Tacaza mines, and the Berenguela carbonate hosted Ag-Cu-Mn project. Mineralization identified to date is interpreted to be related to fault structures and fractures with a NE-SW orientation and as galena and copper oxide disseminations in volcanic rocks. The Tertiary volcanic sequence is underlain by the same Cretaceous aged carbonate sequence that hosts the mineralization in the nearby Berenguela project.

Since 2019, Palamina has conducted four mapping and sampling programs, and completed ground magnetics and IP surveys testing the possible sources for mineralization in the Azul Zone, the Gris Zone and the Verde Zone.

The Gris Zone contains silver bearing galena mineralization hosted in Tertiary volcanic rocks. The Verde Zone shows copper oxide mineralization in fractures and joints in the same volcanic rocks. Company

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

geologists interpret this mineralization to be remobilized from a deeper source, possibly hosted in the same Cretaceous carbonate rocks that host the nearby Berenguela deposit.

In November 2024, a remote sensing (“RS”) survey was completed by ALS Goldspot (“ALS”), which broadly identified alteration assemblages typical of carbonate replacement deposits (“CRD”), such as manganese oxides, which are being followed up by systematic soil sampling using a portable pXRF. ALS processed information collected using the Worldview 3 commercial satellite, then incorporated geological parameters such as structural controls and alteration assemblages to generate spectral domains for future follow-up work. Data processing included spectral clustering and spectral classification to produce target maps such as the one shown in Figure 2, highlighting manganite (a manganese hydroxide), kaolinite and goethite as proxies for Berenguela style mineralization.

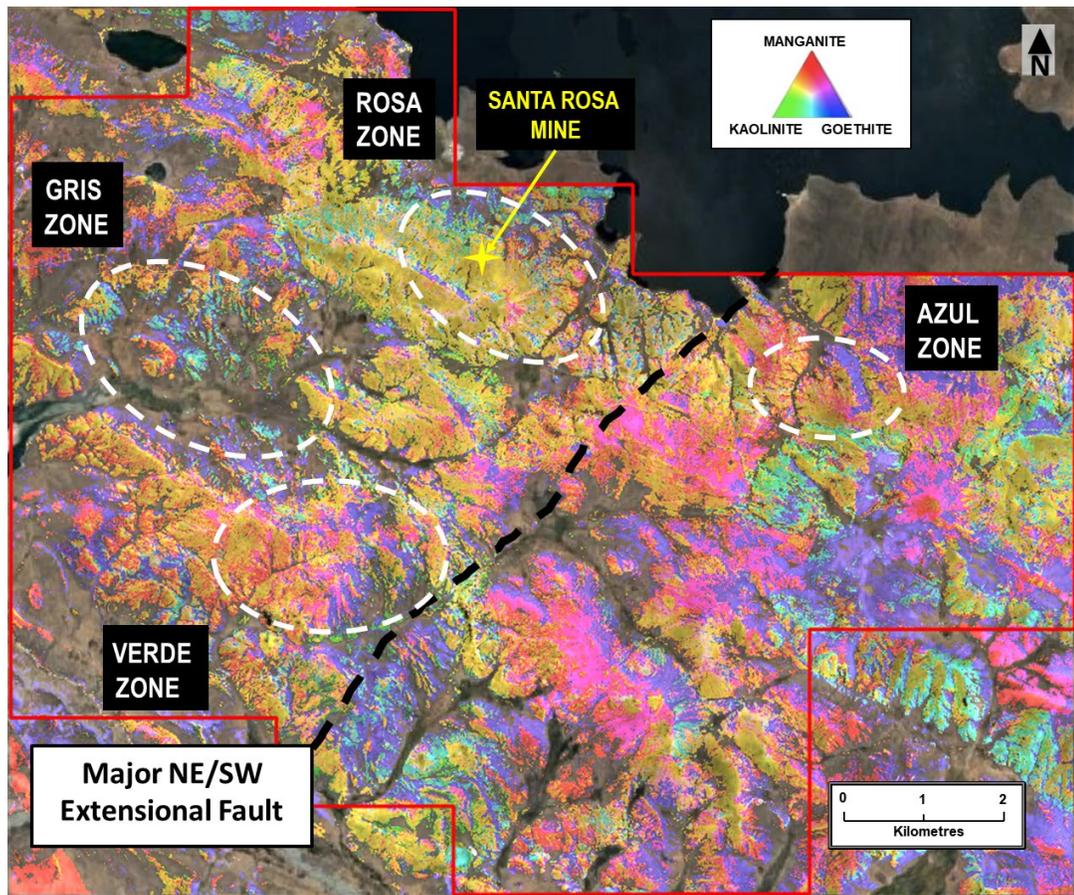


Figure 2: Processed satellite imagery showing enhanced and clustered mineral mapping for manganite, kaolinite and goethite

The Galena Project lies on the intersection of two major regional structural trends: a northwest-southeast thrust and fold belt linked to the main Andean orogeny and regional northeast-southwest extensional faults interpreted to accommodate post orogenic collapse. Furthermore, Galena lies on the southeastern extension of the Eocene-Oligocene Las Bambas porphyry belt, with the nearby Pinaya project located 20 kilometers to the northwest.

In November 2024, Company geologists initiated a 100 x 100 metre systematic B horizon soil sampling survey at Galena, covering the Gris and Verde zone. Samples are homogenised at Palamina’s Juliaca facility and readings are taken using a portable XRF. A portion of the samples will be sent to commercial assay laboratories for QAQC checks.

Palamina is planning a follow-up ground gravity geophysical survey over the Gris and Verde zones to identify areas where the limestone at depth may be replaced by sulfides.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

Sora Copper Gold Porphyry Project:

Palamina has application rights to 338 hectares southeast of Ivanhoe Electric Inc's ("Ivanhoe Electric") (TSX: IE) Pinaya copper gold porphyry project. Ivanhoe Electric is reportedly planning to drill deep Induced Polarization ("IP") targets to test for a larger porphyry source to their known Pinaya copper gold deposit which outcrops at surface. Palamina's Sora concessions cover a portion of the IP targets generated from the Typhoon technology.

Volcano Copper Silver Project

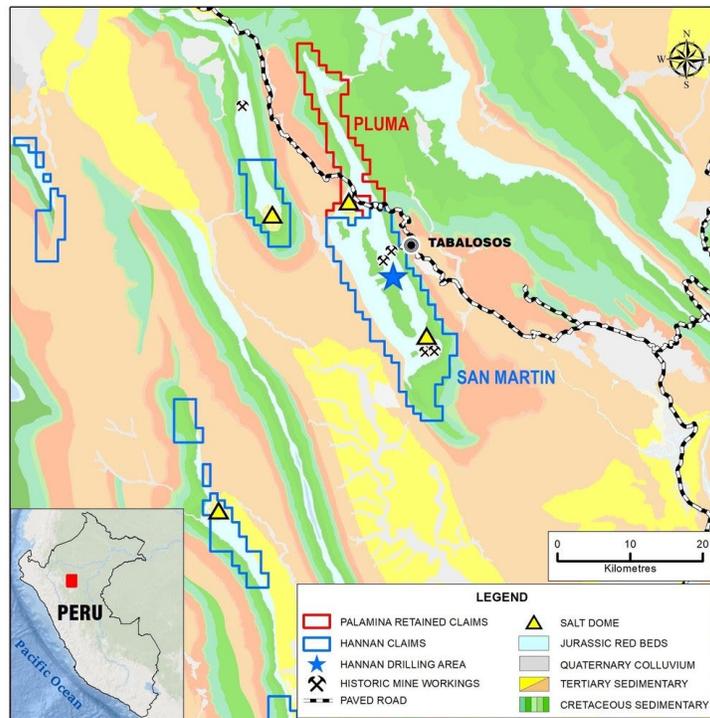
Palamina has application and title rights to 3,843 hectares west of Aftermath Silver Ltd.'s (TSX-V: AAG) Berenguela silver copper manganese project and north and south of the Santa Barbara copper silver CRD within the historic and established Santa Lucia mining district. Volcano was staked to cover prospective ground in the northeast CRD trend and to cover open ground between the Berenguela and Santa Barbara deposits and a possible copper gold porphyry source at depth.

COPPER SILVER PROJECT IN NORTHEASTERN PERU

Pluma Sedimentary Hosted Copper Silver Project

The Pluma concessions cover 9,800 hectares north and contiguous to Hannan Metals Limited's ("Hannan") San Martin copper silver project. Hannan's San Martin is subject to an earn-in with the Japan Organization for Metals and Energy Security ("JOGMEC"). JOGMEC has the option to earn up to a 75% beneficial interest in the San Martin Project from Hannan by spending up to US\$35,000,000 to deliver a feasibility study or completing certain expenditure milestones.

Hannan's San Martin project and Palamina's Pluma concessions occur along the same northwest trending fold-thrust belt. Salt domes and their associated emplacement structures are viewed as conduits for potential mineralization. The Pluma concessions are intersected by a highway with known mineralized copper outcrops north of the highway. Palamina's Pluma concessions and Hannan's concessions are shown below:



Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

Mexican Property

Palamina Corp. maintains a presence in Mexico but is focused on exploration in Peru. Palamina has one property in Mexico (“**El Santuario**”) with title rights to 1,372 hectares in the Cardonal district in Hidalgo State in central Mexico. Due to the focus on exploration in Peru, Palamina has not maintained the tax payments nor annual minimum exploration expenditures from 2018 to current that are required to keep El Santuario in good standing. In the event the Mexican mines department cancels the El Santuario claim, Palamina’s Mexican subsidiary will remain liable for any taxes owing.

WINSHEAR GOLD CORP. (TSX-V: WINS) – EQUITY & ROYALTY PARTNER

On September 19, 2019, the Company entered into an agreement with Winshear, whereby Palamina sold 100% of the application and mining rights to the Gaban Gold, Yang Gold and Ica Iron Oxide Copper-Gold (“**IOCG**”) projects in Peru to Winshear (the “Winshear Sale”).

As at November 28, 2024, Palamina holds 4,833,333 shares of Winshear or 15.4% based on 31,418,632 common shares of Winshear issued and outstanding.

Palamina also holds a 2% NSR royalty on all of Winshear’s projects in addition to the obligation of Winshear to pay escalating annual advance royalty payments to Palamina. On September 11, 2024, Palamina collected US\$100,000 advance royalty payment from Winshear. The 2025 payment, due to be paid on or before September 19, 2025 is a further US\$100,000.

For further details on the investment see Note 17 to the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2024 and 2023.

Gaban Gold Project

Winshear holds the rights to 15,625 hectares that form the Gaban gold project. To date, five outcropping shear zones hosting quartz veins and veinlets have been identified in the mountain ridges surrounding the Yanamayo river. Winshear is targeting the shear zones in the POGB as the hard rock potential source of alluvial gold mineralization found in the streams. In August 2019, Winshear filed an NI 43-101 Technical Report on the Gaban gold project authored by Mining Plus Pty. Ltd. On October 7, 2022, Winshear received its DIA from the Ministry of Mines in Peru, the suite of environmental and social studies required ahead of any drilling at the Gaban property. The DIA allows for the construction of up to 40 drill pads and covers the 900 m by 2,200 m Coritiri target, which has never been drill tested. **In October of 2024, Winshear began its inaugural drilling program at Gaban. A total of 4 drillholes testing the Coritiri zone were completed with assay results pending at the time of writing of this MD&A.**

Ica Iron Oxide Copper-Gold Project

Winshear holds rights covering 2,198 hectares at the Ica IOCG project located within the coastal IOCG belt of southern Peru.

Further information on the Gaban and Ica properties, including the NI 43-101 Technical Report on the Gaban gold project, can be found on Winshear’s website at www.winshear.com.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

Overview of Financial Results

Three and Nine Months Ended September 30, 2024 vs. September 30, 2023

(Expressed in Canadian Dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Expenses				
Exploration and evaluation	\$ 759,654	\$ 149,036	\$ 1,560,724	\$ 527,331
Salaries, director and management fees	64,188	54,778	213,173	209,689
Investor relations	14,359	30,617	54,164	70,364
Shareholder costs and filing fees	19,101	8,744	50,545	44,491
Professional fees	12,903	11,857	56,718	42,528
Office and general	20,681	11,050	53,444	43,089
Depreciation	5,386	1,994	11,361	6,162
Share-based compensation	13,654	-	45,458	300
Total expenses	(909,926)	(268,076)	(2,045,587)	(943,954)
Other income (expense)				
Bank charges	(483)	(881)	(1,431)	(2,279)
Loss on foreign exchange	(3,774)	(3,258)	(10,070)	(5,997)
Interest income	12,681	450	59,147	527
Advance royalty	135,610	67,715	135,610	67,715
Share of loss of associate	(51,121)	-	(95,534)	(11,114)
Net loss for the period	\$ (817,013)	\$ (204,050)	\$ (1,957,865)	\$ (895,102)
Net loss per share				
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.03)	\$ (0.01)

Three months ended September 30, 2024 vs. three months ended September 30, 2023

Net loss for the three months ended September 30, 2024 was \$817,013 compared to a net loss of \$204,050 for the three months ended September 30, 2023. The increase of \$612,963 in net loss is primarily attributable to the following:

- Exploration and evaluation expenditures increased from \$149,036 during the three months ended September 30, 2023, to \$759,654 for the three months ended September 30, 2024. The quarterly fluctuation in exploration expenditures is the result of the timing of exploration activities conducted in Peru which fluctuated based on available funding. In 2024, Palamina is fully funded to carry out its exploration programs in Peru, whereas it did not have the same financial ability in 2023.
- Interest income for the three months ended September 30, 2024 was \$12,681 compared to \$450 for the three months ended September 30, 2023. During 2024, the Company has had excess cash available for investment and has invested it in a GIC with a major Canadian bank. There was no material excess cash available for investment in 2023.
- Advance royalty income increased in Q3 2024 vs. Q3 2023 as the annual advance royalty payment increased to US\$100,000 in Q3 2024 from US\$50,000 in Q3 2023.
- Share of loss of associate (Winshear) for the three months ended September 30, 2024 was \$51,121 compared to \$nil for the three months ended September 30, 2023. No amount was booked in 2023, as Palamina's carrying value in Winshear was \$nil and its investment could not be written down to an amount less than \$nil.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

Nine months ended September 30, 2024 vs. nine months ended September 30, 2023

Net loss for the nine months ended September 30, 2024 was \$1,957,865 compared to a net loss of \$895,102 for the nine months ended September 30, 2023. The increase of \$1,062,763 in net loss is primarily attributable to the following:

- Exploration and evaluation expenditures increased from \$527,331 during the nine months ended September 30, 2023 to \$1,560,724 for the nine months ended September 30, 2024. The fluctuation in exploration expenditures between 2023 and 2024 is the result of the timing of exploration activities conducted in Peru which fluctuated based on available funding. In 2024, Palamina is fully funded to carry out its exploration programs in Peru, whereas it did not have the same financial ability in 2023.
- Share-based compensation was \$45,458 for the nine months ended September 30, 2024, compared to \$300 for the nine months ended September 30, 2023. The 2024 amount relates to the amortization of the fair value of 1,100,000 options granted April 1, 2024. No options were granted during 2023 and the minor amount represents the vesting of a previous grant.
- Interest income for the nine months ended September 30, 2024 was \$59,147 compared to \$527 for the nine months ended September 30, 2023. During 2024, the Company has had excess cash available for investment and has invested it in a GIC with a major Canadian bank. There was no material excess cash available for investment in 2023.
- Advance royalty income increased in Q3 2024 vs. Q3 2023 as the annual advance royalty payment increased to US\$100,000 in Q3 2024 from US\$50,000 in Q3 2023.
- The share of loss of associate (Winshear) for the nine months ended September 30, 2024 was \$95,534, compared to \$11,114 during the nine months ended September 30, 2023. The 2024 share of loss in associate relates to an estimate of the Company's share of Winshear's net loss for the nine months ended September 30, 2024. During the first quarter of 2023, Palamina's recorded a share of loss in associate of \$11,114 which brought the carrying value of its investment to \$nil. Despite the fact that the Company's proportionate share of the loss for the first nine months of 2023 in Winshear would have been higher than this amount, the value of the investment could not be written down to less than \$nil.

Selected Quarterly Financial Information

The following table is a summary of selected financial information for the Company for the eight most recently completed financial quarters. It has been derived from the unaudited condensed consolidated interim financial statements of the Company. The information has been prepared by management in accordance with IFRS and is expressed in Canadian dollars.

	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023
Statement of Loss (Income)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Exploration and evaluation	\$ 759,654	\$ 640,098	\$ 160,972	\$ 320,401
Administrative expenses	135,489	163,723	140,333	332,822
Depreciation	5,386	4,093	1,882	1,843
Share-based compensation	13,654	31,804	-	111,996
Gain on disposal of investment in associate	-	-	-	(65,425)
Gain on dilution	-	-	-	(241,963)
Interest income	(12,681)	(22,975)	(23,491)	(774)
Share of loss (income) of associate	51,121	(5,587)	50,000	(3,626,744)
Advance royalty income	(135,610)	-	-	-
Net (loss) income	\$ (817,013)	\$ (811,156)	\$ (329,696)	\$ 3,167,844
(Loss) income per share – basic and diluted	\$(0.01)	\$(0.00)	\$(0.01)	\$0.04
Assets	\$ 1,630,668	\$ 2,326,079	\$ 3,081,505	\$ 3,710,997

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
	Sept. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022
Statement of Loss	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Exploration and evaluation	\$ 149,036	\$ 265,756	\$ 112,539	\$ 245,960
Administrative expenses	121,185	150,784	146,468	158,107
Depreciation	1,994	2,037	2,131	2,198
Share-based compensation	-	-	300	95,875
Interest income	(450)	-	(77)	(533)
Share of loss of associate	-	-	11,114	36,506
Advance royalty income	(67,715)	-	-	-
Net loss	\$ (204,050)	\$ (418,577)	\$ (272,475)	\$ (538,113)
Loss per share – basic and diluted	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.01)
Assets	\$ 201,426	\$ 565,167	\$ 237,735	\$ 625,842

- Over the past eight quarters exploration and evaluation expenditures ranged from a high of \$759,654 in the third quarter of 2024 to a low of \$112,539 in the first quarter of 2023. The expenditures have been fairly consistent in a range of \$100,000-\$300,000 fluctuating based on timing of exploration activities and available financial resources with an increase beginning in the second quarter of 2024, reflective of the drilling program currently being conducted at the Usicayos gold project.
- Administrative expenses ranged from a low of \$121,185 in the third quarter of 2023 to a high of \$332,822 in the fourth quarter of 2023. The amounts have been consistent over the last several quarters, with the increase in the fourth quarter of 2023 relating to management and director bonuses tied to the return of capital transaction with Winshear.
- Share-based payment expense, which is a non-cash item, fluctuates as a result of the timing associated with the granting and vesting of stock options and the recording of the associated grant date fair value as share-based compensation expense.
- Share of loss and income of associate (Winshear), has ranged from a low of \$nil in the second and third quarters of 2023 to a high of \$3,626,744 in income in Q4 2023. The amount will fluctuate based on the quarterly income or loss incurred by Winshear and whether or not Palamina has a carrying value associated with its investment in Winshear. The carrying value cannot be written down to less than \$nil. The large income during the fourth quarter of 2023 relates to Palamina's proportional interest in the income generated by Winshear's gain on the settlement with the government of Tanzania.
- The advance royalty due from Winshear is payable annually, due by September 19th each year. In 2024, the advance royalty payment increased from US\$50,000 (CDN\$67,715) received in August 2023 to US\$100,000 (CDN\$135,610) received in September 2024.

Liquidity and Capital Resources

The Company's cash and cash equivalents decreased by \$2,075,427 during the nine months ended September 30, 2024, compared to a decrease of \$73,076 during the nine months ended September 30, 2023. As at September 30, 2024, the Company had cash and cash equivalents of \$964,745 compared to \$3,040,172 as at December 31, 2023.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

Working Capital and Financial Position

As at September 30, 2024, the Company had a working capital surplus of \$651,544 compared to a surplus of \$2,482,817 as at December 31, 2023. As at September 30, 2024, the Company had assets of \$1,630,668 (December 31, 2023 - \$3,710,997). Total assets as at September 30, 2024 consisted of cash and cash equivalents of \$964,745 (December 31, 2023 - \$3,040,172), harmonized sales tax receivable of \$49,744 (December 31, 2023 - \$9,685), \$7,630 due from its associate Winshear (December 31, 2023 - \$nil) prepaid expenses and other assets of \$199,144 (December 31, 2023 - \$200,964), equipment of \$74,532 (December 31, 2023 - \$29,769) and investment in associate of \$334,873 (December 31, 2023 - \$430,407).

A summary of the Company's cash position and changes in cash for the nine months ended September 30, 2024 and 2023 are provided below:

	Nine Months Ended September 30,	
	2024	2023
Cash used in operating activities – gross	\$ (1,775,769)	\$ (904,884)
Changes in non-cash operating working capital	(244,154)	89,248
Cash used in operating activities – net	(2,019,923)	(815,636)
Cash used in investing activities	(55,504)	-
Cash provided by financing activities	-	742,560
Decrease in cash and cash equivalents during the period	(2,075,427)	(73,076)
Cash and cash equivalents, beginning of period	3,040,172	81,302
Cash and cash equivalents, end of period	\$ 964,745	\$ 8,226

Nine months ended September 30, 2024 vs. nine months ended September 30, 2023

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the nine months ended September 30, 2024 was \$1,775,769 compared to \$904,884 for the nine months ended September 30, 2023. The increase primarily related to a significant increase in exploration and evaluation activities during 2024.

Investing Activities

Cash used in investing activities during the nine months ended September 30, 2024 was \$55,504 compared to cash used in investing activities of \$nil for the nine months ended September 30, 2023. The 2024 amount relates to the purchases of a truck and computer equipment in Peru.

Financing Activities

Cash provided by financing activities during the nine months ended September 30, 2024 was \$nil compared to \$742,560 for the nine months ended September 30, 2023. The 2023 amount included a non-brokered private placement financing completed on June 15, 2023, through the sale of 6,000,000 units at a price of \$0.125 per unit for gross proceeds of \$750,000, net of \$23,940 of share issue costs, which included \$2,625 in finder's fees, \$15,624 in legal fees and \$5,691 in listing fees charged by the TSX Venture Exchange and \$16,500 in advances to the Company by the President and CEO.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

Liquidity Outlook

The Company began the year with cash of \$3,040,172 after having received a payment of \$3,625,000 from Winshear on December 8, 2023, by way of a return of capital following Winshear's receipt of a settlement payment from the Republic of Tanzania. This significant inflow of cash into Palamina was entirely non-dilutive to Palamina shareholders.

As at September 30, 2024, the Company had cash and cash equivalents \$964,745. The decrease in cash and cash equivalents is principally related to the \$1,560,724 of exploration and evaluation expenditures for the nine months ended September 30, 2024, along with the Company's 2024 general and administrative expenses. As at November 28, 2024, the Company has approximately \$250,000 in cash and cash equivalents.

Palamina's continues to own 4,833,333 common shares of Winshear representing 15.4% of their outstanding shares. As at close of market on November 28, 2024, Palamina's investment is valued at \$750,000 based on a \$0.15 per share closing price for Winshear's common shares.

The Company does not have any long-term debt or credit facilities with financial institutions. At this time the Company is not anticipating an operating profit from operations and will rely on its existing cash balance to fund its short-term needs. There is no assurance that future financings will be available when required. In general, completion of all of the Company's ongoing and future exploration and development initiatives and its ability to continue as a going concern are subject to successfully raising additional funding. There can be no certainty as to the ability of the Company to raise sufficient additional financing in order to continue to operate, and accordingly, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key Management Compensation

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company. Key management of Palamina includes the Company's directors and officers.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Management fees – President and CEO	\$ 43,750	\$ 29,167	\$ 131,250	\$ 131,250
Management fees – CFO	15,000	15,000	45,000	45,000
Directors' fees	2,438	6,940	16,313	20,815
Total fees paid to management and directors	61,188	51,107	192,563	197,065
Share-based payments	13,654	-	37,238	-
	\$ 74,842	\$ 51,107	\$ 229,801	\$ 197,065

Related Party Transactions

On June 8, 2023, the Company received a payment of US\$9,900 (CDN\$13,224) from its associate Winshear, in respect of the reimbursement of amounts owing to the Company for the period January 1 to June 30, 2023.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

On June 15, 2023, directors of the Company subscribed for 1,370,000 units at a price of \$0.125 per unit for proceeds of \$171,250, as part of the 6,000,000 unit non-brokered private placement closed by Palamina on that date (see Note 10(b)(i)).

On August 18, 2023, the Company received a payment of US\$4,950 (CDN\$6,708) from its associate Winshear, in respect of the reimbursement of amounts owing to the Company for the period July 1 to September 30, 2023.

On August 21, 2023, the Company received a payment of US\$50,000 (CDN\$67,715) from Winshear, in respect of the 2023 advance royalty payment due September 19, 2023.

On November 1, 2023, the Company received a payment of US\$4,950 (CDN\$6,868) from its associate Winshear, in respect of the reimbursement of amounts owing to the Company for the period October 1 to December 31, 2023.

In November 2023, Palamina sold 243,000 shares of Winshear at \$0.27 per share for net proceeds of \$65,425. Palamina also exercised 775,000 warrants at \$0.10 per share and 546,000 warrants at \$0.20 per share at an aggregate cost of \$186,700 to hold 14,500,000 shares of Winshear, prior to their 3 for 1 share consolidation.

During March and April 2023, the President and CEO advanced funds totaling \$38,500 to the Company. These advances were repaid on May 11, 2023. In addition, during the period September to November 2023, the President and CEO made further advances totaling \$46,500 to the Company. These advances were repaid on December 18, 2023. The advances, which were unsecured, non-interest bearing and had no fixed terms for repayment, were made to fund the Company's ongoing operations until an alternate source of funding became available. In November 2023, the Company's CFO made an advance of \$77,500 to the Company to facilitate the exercise of 775,000 Winshear warrants at \$0.10 per share. The advance was repaid on December 18, 2023 from the proceeds received from Winshear through the return of capital.

On July 26, 2024, the Company received a payment of US\$4,950 (CDN\$6,676) from its associate Winshear, in respect of the reimbursement of amounts owing to the Company for the period January 1 to March 31, 2024.

On August 7, 2024, the Company received a payment of US\$4,950 (CDN\$6,773) from its associate Winshear, in respect of the reimbursement of amounts owing to the Company for the period April 1 to June 30, 2024.

On September 11, 2024, the Company received a payment of US\$100,000 (CDN\$135,610) from Winshear, in respect of the 2024 advance royalty payment due September 19, 2024.

At September 30, 2024, \$23,870 (December 31, 2023 - \$238,378) included in accounts payable and accrued liabilities was owing to related parties. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

OUTSTANDING CAPITAL AND SHARE DATA

Palamina's authorized capital stock consists of an unlimited number of common shares without par value. As at November 28, 2024, there were 71,634,836 common shares issued and outstanding.

As at November 28, 2024, the Company also had the following items issued and outstanding:

- 6,021,000 common share purchase warrants at a weighted average exercise price of \$0.25.
- 6,175,000 stock options at a weighted average exercise price of \$0.19.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

DIVIDENDS

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2024, the Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

In the normal course of business, the Company evaluates property acquisition and sale transactions and, in some cases, makes proposals to acquire or sell such properties. These proposals, which are usually subject to Board and sometimes regulatory and shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction.

As of November 28, 2024, there are no material property acquisitions or possible transactions that the Company is examining, other than the expected closing of the acquisition of Vicus from Aurania.

FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up to date market information. A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and the prices of commodities and equities.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to gold and silver to determine the appropriate course of action to be taken by the Company.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears interest at market rates. In the event that the Company held interest bearing debt, the Company could be exposed to interest rate risk. The Company does not have any interest-bearing debt. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

Foreign currency risk

The Company's exploration activities are conducted primarily in Peru. Major purchases and exploration expenditures are transacted in Peruvian soles and U.S. dollars. Administrative expenditures and cash and cash equivalents balances are primarily transacted in Canadian dollars. The Company has exposure to foreign currency risk. The Company mitigates the risk of foreign currency fluctuations by converting Canadian currency to Peruvian soles and U.S. dollars when required to fund expenditures in those currencies.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank.

Liquidity risk

The Company's approach to managing liquidity risk is to endeavor to have sufficient liquidity to meet liabilities when due. As at September 30, 2024, the Company had current assets of \$1,221,263 (December 31, 2023 - \$3,250,821) including cash and cash equivalents of \$964,745 (December 31, 2023 - \$3,040,172) to settle current liabilities of \$609,282 (December 31, 2023 - \$768,004) resulting in a working capital surplus at September 30, 2024 of \$651,544 (December 31, 2023 - \$2,482,817).

The Company's financial assets and liabilities as at September 30, 2024 and December 31, 2023 were as follows:

	Amortized Cost	FVTPL	Total
December 31, 2023			
Financial assets			
Cash	\$ 3,040,172	\$ -	\$ 3,040,172
Financial liabilities			
Accounts payable and accrued liabilities	\$ 768,004	\$ -	\$ 768,004
September 30, 2024			
Financial assets			
Cash and cash equivalents	\$ 964,745	\$ -	\$ 964,745
Due from associate	\$ 7,630	\$ -	\$ 7,630
Financial liabilities			
Accounts payable and accrued liabilities	\$ 569,719	\$ -	\$ 569,719

The fair values of these financial instruments approximate their carrying values because of their short-term nature.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over the next 12-month period:

- (i) Interest rate risk is limited to cash balances, primarily held in Canadian and US dollars in Canada.
- (ii) The Company's subsidiaries hold financial assets and liabilities denominated in the U.S. dollar and Peruvian Sol, that give rise to foreign exchange risk. If the U.S. dollar rose or fell in relation to the Canadian dollar by 5% with all other variables held constant, net comprehensive loss for the nine months ended September 30, 2024 would have been approximately \$1,000 higher/lower. If the Peruvian Sol rose or fell in relation to the Canadian dollar by 5% with all other variables held constant, accumulated other comprehensive loss for the nine months ended September 30, 2024 would have been approximately \$100 higher/lower.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

- (ii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability from mineral exploration depends upon the world market price of valuable minerals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of valuable minerals may be produced in the future, a profitable market will exist for them. As of September 30, 2024, the Company is not a producer of minerals. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

GOING CONCERN

The condensed consolidated interim financial statements of the Company have been prepared on the basis that the Company will continue as a going concern, which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no history of operations and is in the early stage of development. Due to continuing operating losses, the application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations or in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether such future financing will be available, or if available, will be on reasonable terms, or if the Company will attain profitable levels of operations. These other factors may cast significant doubt on the entity's ability to continue as a going concern. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material. Changes in future conditions could require material write-downs of the carrying amounts of mineral properties.

COMMITMENTS AND CONTINGENCIES

Under the terms of the Company's mining concessions, the Company must make periodic tax payments and perform minimum levels of exploration to maintain these concessions in good standing. Failure to meet these requirements would lead to the forfeiture of the Company's rights to these properties.

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Palamina Peru has committed to making remaining payments totaling US\$5,100 in 2024 and US\$17,000 in 2025 in respect of its office in Lima, Peru, at a rate of US\$1,700 per month.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

USE OF ESTIMATES AND JUDGMENT

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires that management make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses and income during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. A detailed summary of the Company's significant accounting policies and use of estimates is included in Notes 3 and 4 of the Company's audited consolidated financial statements for the year ended December 31, 2023. The accounting policies and management estimates applied in the condensed consolidated interim financial statements for the three and nine months ended September 30, 2024, are consistent with those used in the Company's audited consolidated financial statements for the year ended December 31, 2023.

RISKS AND UNCERTAINTIES

Risks and Uncertainties

Readers of the MD&A should give careful consideration to the information included or incorporated by reference in this document and the Company's unaudited condensed consolidated interim financial statements and related notes. Palamina's business of exploring and developing mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry, including the limited extent of the Company's assets, the Company's state of development and the degree of reliance upon the expertise of management. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative. Only those persons who can bear the risk of the entire loss of their investment should participate.

An investor should carefully consider the risks described in the Company's audited financial statements for the year ended December 31, 2023 and the "Risks and Uncertainties" discussion in the Company's MD&A for the year ended December 31, 2023, dated April 29, 2024, before investing in the Company's common shares. Readers are also encouraged to read and consider the risk factors more particularly described in Note 4 to the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2024, which have been posted on the Company's website at www.palamina.com and are available on SEDAR+ at www.sedarplus.ca. The risks described in these documents is not an exhaustive list. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business in the future. If any of the risks noted in the Company's financial disclosure occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In this event, investors may lose part or all of their investment.

Regulatory standards continue to change, making the review process longer, more complex and more costly. Even if an apparently mineable mineral deposit is developed, there is no assurance that it will ever reach production or be profitable, as its potential economics are influenced by many key factors such as commodity prices, foreign exchange rates, equity markets and political interference, which cannot be controlled by management. As a result, the Company's future business, operations and financial condition could differ materially from the forward-looking information contained in this MD&A and described in the "Forward-Looking Statements" section below.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

Cautionary Note Regarding Forward-Looking Information

Except for statements of historical fact relating to Palamina, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of precious and/or base metals; success of exploration activities; cost and timing of future exploration and development; requirements for additional capital and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its 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, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; the uncertainty of conducting activities within a joint venture structure; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of Palamina has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Caution Regarding Adjacent or Similar Mineral Properties

This MD&A contains information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises US investors that the mining guidelines of the US Securities and Exchange Commission (the "SEC") set forth in the SEC's Industry Guide 7 ("SEC Industry Guide 7") strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties, and any production therefore or economics with respect thereto, are not indicative of mineral deposits on the Company's properties or the potential production from, or cost or economics of, any future mining of any of the Company's mineral properties.

Disclosure and Internal Controls

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (Form 52-109FV2), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109 ("NI 52-109"). In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a Venture Issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

The Corporation's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Corporation is made known to the Corporation's certifying officers. The Corporation's CEO and the CFO have evaluated the design and effectiveness of the Corporation's DC&P as of September 30, 2024 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Corporation is made known to them by others within the Corporation. The CEO and CFO have also evaluated the design and effectiveness of the Corporation's ICFR as of September 30, 2024 and concluded that these controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the current period there have been no changes in the Corporation's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Other MD&A Requirements

Additional Disclosure for Companies Without Significant Revenue

Additional disclosure concerning Palamina's exploration and evaluation expenditures, mineral property costs and general and administrative expenses is provided in the Company's unaudited condensed consolidated interim financial statements and in Note 14 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2024 and 2023 that are available on the Company's website at www.palamina.com and on SEDAR+ at www.sedarplus.ca.

Palamina Corp.
Management's Discussion & Analysis
For the Three and Nine Months Ended September 30, 2024

Approval

The Board of Directors of Palamina approved the disclosure contained in this MD&A on November 28, 2024. A copy of this MD&A will be provided to anyone who requests it from the Company.

Additional Information

Officers:

Andrew Thomson, President, Chief Executive Officer and Director
Michael Farrant, Chief Financial Officer and Corporate Secretary
Alvaro Fernandez-Baca, Vice-President, Exploration

Directors:

Peter Bojtos, P. Eng., Director ⁽¹⁾ ⁽²⁾
Alistair Waddell, Director ⁽³⁾ ⁽⁴⁾
Sean Spraggett, Director ⁽³⁾ ⁽⁴⁾
Andrew Thomson, President, Chief Executive Officer and Director

- (1) Audit Committee Chair
- (2) Corporate Governance and Compensation Committee Chair
- (3) Member of the Audit Committee
- (4) Member of the Governance and Compensation Committee

Legal Counsel, Auditors and Transfer Agent

WeirFoulds LLP, Legal Counsel
McGovern Hurley LLP, Auditors
Computershare Investor Services Inc., Transfer Agent