

SONORAN DESERT COPPER CORPORATION

Management's Discussion & Analysis

For the Three Months Ended March 31, 2024

The following management's discussion and analysis (MD&A) of Sonoran Desert Copper Corporation (the "Company" or "SDCU") should be read in conjunction with the Company's condensed consolidated interim financial statements of the Company and the notes thereto for the three months ended March 31, 2024, which has been 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"). All figures are in Canadian dollars unless otherwise stated.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is also responsible for ensuring that information disclosed externally in the MD&A is complete and reliable. Additional information of the Company is available on SEDAR at www.sedarplus.ca and on its website at <https://www.sonorancopper.com>. Readers of the MD&A should be cautioned that information and statements derived from the Company's financial statements do not necessarily reflect the future financial performance of the Company. Statements in the MD&A that are not historical based facts are forward-looking statements which are made subject to cautionary language on pages 11-12 and involve known and unknown risks and uncertainties. Actual results could vary considerably from these statements. Readers should be cautioned not to put undue reliance on forward looking statements.

DATE OF REPORT

June 25, 2024

DESCRIPTION OF BUSINESS

Sonoran Desert Copper Corporation ("the Company" or "SDCU") was initially incorporated as Prime Meridian Resources Corp on February 22, 2007, federally. On March 21, 2023, the Company changed its name to Sonoran Desert Copper Corporation. It is a public company listed on the TSX Venture Exchange ("TSXV") with a symbol SDCU.V. The corporate head office is located at Suite 2110 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9. The Company is engaged in the exploration of coppers projects in Sonora, Mexico mainly and aiming to utilize the region's abundant mineral resources to potentially enhance portfolio value.

OVERALL PERFORMANCE

As at March 31, 2024, the Company had no source of revenue and reported loss for the year of \$343,113 (March 31, 2023 - \$500,461), and had an accumulated deficit of \$18,136,847 (December 31, 2023- \$17,793,734). These factors indicate a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern. 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. The Company will continue its policy of minimizing general and administration to conserve cash and protect assets.

CORPORATE HIGHLIGHTS

Highlights of the Company's activities for three months ended March 31, 2024, and up to the date of this report.

On March 9, 2024, the Company received a signed option agreement for highly prospective Normanbyd gold-silver-copper project located Papua New Guinea. The Normanby Project consists of two exploration licenses: EL 2504 (Sehulea) and EL 2590 (Ease Normanby).

On May 2, 2024, the Company was granted by Commissions for an application of Management Cease Trade Order ("MCTO"), in connection with the default of the required filings, which should have been made not later than April 29, 2024. MCTO, prohibits trading in securities of the Company by Chief Executive Officer, Chief Financial Officer,

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board of directors, directly or indirectly. Up to the date of this report, the trade of Company's common shares remains halted.

Financing activities

On February 13, 2024, the Company offered up to 10,000,000 units priced at \$0.10, for aggregate gross proceeds of up to \$1,000,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant being exercisable for an additional common share at an exercise price of \$0.20 for 24 months after closing the financing. Up to the date of this report, the Company has not closed the financing.

PROJECTS OUTLOOKS

CUATRO HERMANOS PORPHYRY COPPER PROJECT, SONORA, MEXICO (the "4H Project")

On January 16, 2023, the Company executed Purchase Option Agreement to purchase 100% interest in the Cuatro Hermanos Porphyry Copper Project in Sonora, Mexico. 4H Project comprises 10 concessions totalling 8,125 hectares and contains a large porphyry copper-molybdenum system with surface measurements of at least four kilometres east-west by two kilometres north-south. In order to exercise Purchase Option, the Company will make cash payments totalling USD5,862,500 and exploration work commitment of \$2,850,000 to Minerales Y Yacimientos Mexicanos Sacramento, S.A. DE C.V., for a 100% ownership of the Cuatro Hermanos Porphyry Project, over the 60-month term, payments schedule as below:

Date		Cash Payment		Work Commitment
Execution	USD\$	50,000 (paid)	USD\$	-
12 Months	USD\$	150,000 (paid)	USD\$	100,000 (met)
24 Months	USD\$	200,000	USD\$	250,000
36 Months	USD\$	200,000	USD\$	500,000
48 Months	USD\$	200,000	USD\$	1,000,000
60 Months	USD\$	5,062,000	USD\$	1,000,000
	USD\$	5,862,500	USD\$	2,850,000

On October 20, 2023, TSXV has approved Exploration Right Assignment Agreement with Definitive Rights Assignment Option between the Company and Minerales Y Yacimientos Mexicanos Sacramento, S.A. de C.V. in regards the Cuatro Hermanos Project Acquisition.

On October 23, 2023, the Company published the Technical Report (NI 43-101) for Cuatro Hermanos Cu-Mo-Ag Porphyry Deposit and Project: Suaqui Grande, Sonora, Mexico. The report can be found on the Company's website (www.sonorancopper.com) and SEDAR PLUS (www.sedarplus.ca).

On January 11, 2024, the Company release the results from comprehensive sampling program on 4H Project. Ten samples were collected from the Noemi zone. Noemi is a higher-level PCD apophyses and returned elevated precious metals values. No drill results exist for this target; however, there is road access to the test pits on the peaks. The Noemi zone is interpreted to be peripheral to the primary copper-molybdenum zone of the porphyry complex due to the elevated silver, gold, lead and zinc. The combined surface areas of the known conglomerates (north and south) at 4H is 1.7 million square metres (170 hectares). The recent sampling program focused on the south conglomerate area and those 20 samples provided an average Cu grade of 1.736 per cent.

PAPUA NEW GUINEA GOLD-SILVER-COPPER PROPERTY, PAPUA, NEW GUINEA

On March 9, 2024, the Company announced a signed option agreement on the Normanby gold-silver-copper project located Papua New Guinea (the "Normanby Project". The Normanby Project consists of two exploration licenses: EL 2504 (Sehulea) and EL 2590 (Ease Normanby). The Company is continuing the geological evaluation and title due

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diligence on the Normanby Project Exploration Licences and evaluating opportunities for additional acquisitions in the vicinity of the Normanby Project.

EL 2504 – Sehulea (Au-Ag)

A large-scale, low-sulphidation, epithermal system is present across eastern/southern Normanby Island and the Sehulea exploration licence. Exploration to date has demonstrated gold + silver mineralization in rocks, soils and streams over the entire 8km strike length within the licence. The gold mineralised system then continues into the adjoining EL 2590 - East Normanby Exploration Licence.

EL 2504 contains the Weioko epithermal gold deposit along with five additional highly prospective gold targets (Weioko Prospects). The Weioko deposit is located near the coast, at the northern end of a N-S trending ridgeline, over a strike length up to 400m. The Weioko deposit has 67 historical diamond core and reverse circulation holes totaling 5,791.7m. The holes tested 400m of strike length (N-S) and intersected wide intervals of gold mineralisation. Drill results include 2.24 g/t Au and 8.9 g/t Ag over 64.6m and 16.27 g/t Au and 27.3 g/t Ag over 3.0m.

EL 2590 - East Normanby (Au-Ag / Cu-Au Porphyry)

EL 2590 surrounds the EL 2504 (Sehulea) prospects detailed above and includes the Sewatupwa porphyry copper-gold target, the Gwamogwamo structural copper-gold area, plus seven further gold prospects in a major and very under-explored epithermal gold district.

Option Terms

This Option Agreement between the Company (the "Optionee") and WNB Resources Limited (the "WNB") and its beneficial shareholders Peter McNeil and Paige McNeil (the "Optionors"), requires the parties to complete the following cash payments, work expenditures and share issuances:

- Upon receipt of a cash payment in the amount of \$10,000 (Paid) due upon the execution of the Option Agreement, WNB will issue and transfer 100% of total issued shares (issued) to the Company.
- The Company will made minimum of \$100,000 for ground exploration, \$60,000 for assays and additional work and upcoming License EL 2590 and EL 2540 Warden's Court Hearing cost.
- The Company will make cash payments to Optionors of \$10,000 per month to exchange 2 days commensurate professional geological management services, for a minimum period of 24 months.
- The Optionors will receive 1,500,000 common shares of the Company on 12-month anniversary of TSX Venture approvals of this Option Agreement.
- The Optionors will receive 1,000,000 common shares of the Company within 10 days of the next renewal of the EL2504 License, subject to TSX Venture approval.
- The Optionors will receive 1.5% Net Smelter Return royalty (the "NSR") over the Licenses in favor of Optionors. The Optionee does not have any residual rights to repurchase the NSR.

The Company will cause the WNB to grant a 1.5% net smelter return royalty (the "NSR") over the Licenses in favour of the Optionors or their respective nominees on the terms and conditions of the Royalty Deed to be executed on the same date as this Option Agreement. The Company does not have any residual rights to repurchase the NSR.

In the event that EL 2504 and EL 2590 Licenses are not renewed within 24 months, the Option Agreement will continue until such time as the EL 2504 and EL 2590 Licenses are renewed as long as the Company had made the required exploration, corporate, cash and common shares payments, or the Company elects to terminate the Option Agreement.

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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.

SELECTED ANNUAL INFORMATION

The following financial data is derived from the Company's audited financial statements for the years ended December 31, 2023, 2022 and 2021:

	December 31, 2023	December 31, 2022	December 31, 2021
Net loss	1,354,169	1,265,208	1,296,518
Net comprehensive loss	1,334,790	1,265,208	1,296,518
Loss per share	0.06	0.02	0.02
Total assets	541,095	327,272	627,104
Total liabilities	2,781,390	2,561,637	2,049,386

RESULTS OF OPERATIONS

Three Months Ended March 31, 2024 vs. 2023

The net loss for the three months ended March 31, 2024 was \$343,113, decreased by \$157,348, compared to same period in 2023 of \$501,461. Significant expenditures during the quarter were:

- Consulting \$70,500 (2023 - \$100,500);
- Marketing and advertising \$70,000 (2023 - \$37,500);
- Professional fees \$10,128 (2023 - \$15,007);
- Transfer agent and filing fees \$7,722 (2023 - \$9,970);
- Interest expense \$26,260 (2023 - \$27,404);
- E&E expenditures \$148,932 (2023 - \$282,845);
- Rent and administrative \$34,348 (2023 - \$30,377);
- Write-off of debt \$64,785 (2023 - \$Nil)

The reduction in net loss can be primarily attributed to a decrease in exploration and evaluation expenditures totaling \$133,913. In the 1st quarter 2023, the Company incurred higher exploration and evaluation expenditures for Mexico 4H project. This reduction is partially offset by the increase of marketing expenditures of \$32,500 as a result of enhanced marketing campaigns during this fiscal quarter. The rest of expenditures remain at the levels similar to those of the comparable fiscal quarter.

SUMMARY OF QUARTERLY RESULTS

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
	(\$)	(\$)	(\$)	(\$)
Expenses	408,398	146,906	314,942	200,830
Other (income) expenses	(65,285)	500	79,199	111,331
Net loss	343,113	147,406	394,141	312,161
Comprehensive loss	319,265	128,027	394,141	312,161
Basic and diluted loss per share	0.01	0.00	0.00	0.00
Total current assets	147,839	324,652	641,087	52,075
Total assets	383,833	541,095	641,087	130,775
Total current liabilities	1,597,596	2,781,390	2,887,155	2,797,762

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Total liabilities	2,808,485	2,781,390	2,887,155	2,797,762
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
	(\$)	(\$)	(\$)	(\$)
Expenses	500,961	566,606	526,851	356,622
Other (income) expenses	(500)	11,900	-	2,250
Net loss	500,461	578,506	526,851	358,872
Comprehensive loss	500,461	578,506	526,851	358,872
Basic and diluted loss per share	0.03	0.01	0.01	0.01
Total current assets	64,036	112,741	222,521	23,318
Total assets	278,567	327,272	446,870	247,668
Total current liabilities	2,633,393	2,561,637	2,151,543	1,956,889
Total liabilities	2,633,393	2,561,637	2,289,329	2,156,674

The loss quarter by quarter is fluctuated in the range of \$147,405 to \$578,506. Generally, the loss in fiscal quarters in 2023 less than in fiscal quarters in 2022. The fluctuation in loss is highly associated with increase of decrease of exploration and evaluation expenditures.

The expense quarter by quarter is fluctuated in the range of \$146,906 to \$566,606. Generally, in fiscal quarters in 2023, the Company incurred less expenses than in fiscal quarters in 2022. The fluctuation in expenses is highly associated with increase or decrease of exploration and evaluation expenditures.

The Company's asset value quarter by quarter is fluctuated in the range from \$130,775 to \$641,087. In the last two fiscal quarters in 2023, the Company added the Sonoran Projects in the portfolio, resulting an increase in asset value.

The Company's liabilities quarter by quarter remain in the range of \$1,744,621 to \$2,887,155. This upward trend is due to the loan's interests progressively increase quarter over quarter, as the loan principals were never paid since 2016. The Company will eventually pay off the loans with either cash payments or issuance of its common shares. The repayments have not been the priority for the Company at the time of this report.

LIQUIDITY AND CAPITAL RESOURCES

	March 31, 2024	December 31, 2023
Current assets	\$ 147,839	\$ 324,652
Current liabilities	1,597,596	2,781,390
Total liabilities	2,808,485	2,781,390
Shareholders' deficiency	2,424,652	2,240,295
Working capital deficiency	1,449,757	2,456,738

As at March 31, 2024, the Company had cash of \$20,749 (December 31, 2023 - \$65,732) and negative working capital of \$1,449,757 (December 31, 2023 - \$2,456,738).

Immediate and longer-term funding is needed to support the commitment in Sonoran Projects in Mexico. 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 the required financing in the future on terms acceptable to the Company.

Summary of Cash Flows

Operating Activities: The Company used \$129,890 in operating activities, a decrease from \$334,490 in 2023. The reduction is primarily attributed to lower net losses.

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Investing Activities: The Company used in investing activities totaled \$10,000 compared to no investing in corresponding quarter in 2023. The Company made an \$10,000 to optionors for its Papua New Guinea gold-silver-copper property.

Financing Activities: Cash provided by financing amounted to \$94,907, a decrease from \$314,173 in 2023. The decline was largely due to the few funds raised through private placements. In the 1st quarter of 2023, The Company closed a private placement, with \$334,173 of net proceeds. Additionally, the Company has made the \$40,000 towards the Domus loan, compared to the \$20,000 in the comparable quarter in 2023.

OUTSTANDING SHARE DATA

As at the date of the MD&A, there are:

- 25,784,766 common shares issued and outstanding
- **3,137,500 incentive stock options outstanding and exercisable**
- 7,721,500 share purchase warrants outstanding
- 154,200 broker warrants outstanding

If all of the stock options, warrants, and broker warrants were exercised the Company would have 36,797,966 common shares issued and outstanding.

COMMITMENTS

Significant commitments of the Company are as follows:

- \$20,000 per month payment due to Domus Management;
- \$1,210,889 in loans and interest payable; and
- Work commitments 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	Fees incurred three months ended March 31, 2024	Fees incurred three months ended March 31, 2023	Balance payable at March 31, 2024	Balance payable at December 31, 2023
Nexvu Services Inc.	Owned by Nexvu Capital, of which Brian Leeners is a shareholder	Rent and corporate services	\$ 30,000	\$ 30,000	\$ 326,250	\$ 313,370
Brian Leeners	Chief executive officer and director	Management services	\$ 30,000	\$ 30,000	\$ 112,250	\$ 82,250
Global Link Capital	Greg Pearson, director of the Company, is a shareholder	Management services	\$ 30,000	\$ 30,000	\$ 79,750	\$ 82,250

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Gordorn J. Fretwell, Law Corporation	Gordon Fretwell is a shareholder of Nexvu Capital Corporation	Legal services	3,000	3,000	192,116	167,366
Blue Summit Venture	Tyler Thorburn is shareholder of Blue Summit Venture	Management	-	30,000	113,100	109,100
		Marketing	-	37,500	-	-
AE Financial Management Ltd.	Edward Low, chief financial officer, is a shareholder	Accounting services	10,500	10,500	127,650	124,150
			103,500	171,000	951,016	878,486

Balances owing are included in accounts payable and accrued liabilities, due on demand, unsecured, non-interest bearing and have no specified terms of repayment.

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 consolidated 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 consolidated 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, 2022.

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 March 31, 2024 totalled \$15,443,488 (December 31, 2023 - \$15,419,640). The Board of Directors does not establish qualitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company will continue to assess new investments and seek to acquire an interest in investments if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

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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 March 31, 2024.

(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 \$933,904 in US dollars at March 31, 2024. The Company's foreign currency risk is assessed as high.

(iii) Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from its receivables. Accordingly, credit risk is considered low.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk by maintaining cash. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short term and long-term obligations. At December 31, 2023, the Company did not have sufficient cash on hand to pay its short-term creditors and does not generate cash from its operations. Accordingly, liquidity risk is considered high.

OTHER RISK FACTORS

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

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

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exploration and development of its properties.

Several 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.

As a company listed on the TSXV, the Company is subject to rigorous regulatory requirements. Failure to comply with securities laws and regulations could result in trading halt, penalties, fines, or other punitive measures imposed by regulatory bodies like the British Columbia Securities Commission (BCSC) or the Ontario Securities Commission (OSC).

The success of Sonoran Desert Copper's Cuatro Hermanos (4H) project hinges significantly on exploration and development outcomes, which remain inherently uncertain. The project's viability depends on discovering economically viable mineral deposits, necessitating extensive geological surveys, drilling, and testing. Given the early-stage nature of the 4H project, there is a substantial risk that exploration may not yield sufficient quantities of copper or molybdenum to justify commercial development. Additionally, the geological conditions in the region can present unforeseen challenges, such as complex ore bodies, which might complicate extraction processes and elevate operational costs. The reliance on successful identification and quantification of these mineral resources underscores the precarious nature of the project, potentially impacting the company's ability to attract further investment and achieve its strategic objectives.

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 ("SEDARPLUS") at www.sedarplus.ca.

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

Edward Low – CFO

Gord Fretwell – Corporate Secretary