PRIMA FLUORSPAR CORP

Management Discussion & Analysis for the Year Ended October 31, 2013

The following discussion and analysis of the financial position and results of operations for PRIMA FLUORSPAR CORP. (the "Company" or "Prima") (formerly Camisha Resources Corp.) should be read in conjunction with the audited financial statements for the years ended October 31, 2013 and 2012. The Company prepared the financial statements for the years ended October 31, 2013 and 2012 using accounting policies consistent with International Financial Reporting Standards ("IFRS).

The effective date of this report is February 26, 2014.

All financial figures presented herein are expressed in Canadian Dollars (CDN$) unless otherwise specified.

The Company is a reporting issuer in British Columbia and Alberta and files all public documents on http://www.sedar.com

Nature of Business

Prima was incorporated on October 1, 2009, under the laws of British Columbia, and listed as a Capital Pool Company ("CPC") as defined by Policy 2.4 (the "CPC Policy") of the TSX Venture Exchange ("TSX-V").

On May 21, 2010, the Company completed an Initial Public Offering ("IPO") in British Columbia and Alberta of 6,000,000 common shares for gross proceeds of $600,000. On May 27, 2010, the common shares of the Company commenced trading on the TSX-V as a CPC under stock symbol "CRN.P."

On May 8, 2012, the Company entered into a property option agreement with Strategic Metals Ltd. ("Strategic"), whereby the Company can acquire a 100-percent interest in the King Gold-Copper Property (the "Property") located in the Yukon Territory, Canada. The transaction constituted Camisha's Qualifying Transaction in accordance with the CPC Policy. On August 14, 2012, the TSX-V accepted the Company's Qualifying Transaction and the Company commenced trading as a Tier 2 Mining Issuer on the TSX-V under the symbol "CRN."

On September 21, 2012, the Company entered into an agreement in principal to acquire 100-percent of 0941680 BC Ltd. ("0941680 BC") (formerly Prima Fluorspar Corp., a private company incorporated in British Columbia on May 29, 2012) to focus on confirming and expanding the historic mineral resource of approximately 3.2 million tonnes averaging 32-percent fluorspar at its 100-percent-owned, 22,588-hectare (55,816-acre) Liard Fluorspar Property in northern British Columbia, Canada.

On April 18, 2013, the Company completed a reverse takeover with 0941680 BC in which Prima issued 11,515,000 common shares to all 0941680 BC's shareholders on a one for one basis, subject to escrow agreements pursuant to National Policy 46-201. Consequently, the Company is deemed to be a continuation of 0941680 BC Ltd. and Prima is deemed to have been acquired in consideration for its issued and outstanding shares prior to the reverse takeover transaction. A Special Shareholders Meeting for Prima was held on February 20, 2013 to approve the purchase agreement, approve the change of the Company name to Prima Fluorspar Corp. and elect new directors. The resulting company commenced trading as a Tier 2 Mining Issuer under the symbol “PF” on April 19, 2013.

Fluorspar

Fluorspar is the commercial name for the industrial mineral fluorite, also known as calcium fluoride (CaF_2). Both the US Department of Defense and some European countries have designated fluorspar a critical strategic mineral. In most applications, Fluorspar has no substitutes.

Fluorspar is classified into one of two grades: metallurgical grade (“metspar”) and acid grade (“acidspar”). Lower-grade and less expensive metspar is used to make ceramics, glass and cement, and as a flux for smelting iron, steel and aluminum. Acidspar comprises about 60% to 70% of the fluorspar market. Grading at least 97% CaF_2, acidspar is essential to the refrigerants used in cooling refrigerators, freezers and air conditioners. Not only is demand for these products expected to increase, but the proportion of fluorspar used to produce them has been increasing as CFCs (chlorofluorocarbons) were replaced by HFCs (hydrofluorocarbons) and then by HFOs (hydrofluoro-olefins), all requiring greater amounts of acidspar. It also finds uses in fluoropolymer products like Teflon non-stick cooking ware, Gore-Tex clothing, fuel cells and batteries. Additionally, acidspar forms a significant component of most modern medicines and is used to refine petrochemicals and upgrade uranium.

Exploration Updates

The 2012 exploration at the Liard project consisted of a preliminary orientation and verification of the property, followed by a surface sampling and mapping program.

The preliminary orientation was designed to assess the access to the property, check the historic drill core and sample some of the historic outcrops. The main access road was found to be sufficient for ATV travel, and the historic drill core was badly degraded. However, the brief sampling of several showings confirmed some of the historic grades.

The surface sampling verified the presence of high-grade fluorite at surface, with a semi-continuous channel sample at the TAM and the Coral deposits. Additional mapping at these deposits provided further confirmation of the historic work.

Liard Fluorspar Property

The Company’s Liard Fluorspar Property includes mineral claims purchased in four separate transactions and staked by the Company which are listed in detail below.

Zimtu/Heyman/Brookes Property

On June 7, 2012, the Company entered into a Mineral Property Option Agreement with Zimtu Capital Corp. (“Zimtu”), Dave Heyman (“Heyman”), and Clive Brookes (“Brookes”) to purchase a 100% interest in and to the fifteen mineral claims in Northern British Columbia, known as the Liard Fluorspar Property. The consideration payable by the Company and to be issued pursuant to this agreement shall be:

(a) The sum of $40,000 payable 30 days from the date of signing of the agreement;

(i) $20,000 payable to Zimtu (paid);
(ii) $10,000 payable to Heyman (paid); and
(iii) $10,000 payable to Brookes (paid).

(b) 2,000,000 common shares of the Company issued 30 days from signing of the agreement as follows:

(i) 1,000,000 common shares issued to Zimtu (issued at $0.05 per share);
(ii) 500,000 common shares issued to Heyman (issued at $0.05 per share); and
(iii) 500,000 common shares issued to Brookes (issued at $0.05 per share).

The common shares issued under this agreement are subject to a three year escrow release.

The Company is not required to incur any exploration expenditures in order to exercise the Option. There is a 2% Net Smelter Return ("NSR") royalty on the Property payable to the Vendors upon the commencement of commercial production.

Schuss Property

On June 7, 2012, the Company entered into a Mineral Property Option Agreement with Michael Schuss ("Schuss") (the "Optioner") to purchase a 100% interest in and to the twelve mineral claims in Northern British Columbia, known as the Schuss Property. In consideration, the Company issued 250,000 common shares at $0.05 per share. The common shares issued under this agreement are subject to a three year escrow release.

CIM Property

On August 13, 2012, the Company entered into a Mineral Property Option Agreement with Canadian Intl Minerals Inc. ("CIN") (the "Optioner") to purchase a 100% interest in and to the fourteen mineral claims in Northern British Columbia, known as the CIM Property. In consideration, the Company paid $10,000.

Dickson Property

On June 6, 2012, the Company entered into a Mineral Property Option Agreement with Zimtu to purchase a 100% interest in and to the one mineral claim in Northern British Columbia, known as the Dickson Property. In consideration, the Company issued 750,000 common shares at $0.05 per share. The common shares issued under this agreement are subject to a three year escrow release.

King Gold Copper Property

On May 8, 2012, the Company entered into a Mineral Property Option Agreement ("Agreement") with Strategic Metals Ltd. ("Strategic") (the "Optioner") and Archer, Cathro & Associates (1981) Ltd. (the "Trustee") to purchase a 100% interest in and to the eighty-two mineral claims in the Whitehorse Mining District in the Yukon Territory, known as the King Gold-Copper Property. The Agreement received TSX Venture Exchange Inc. ("TSX-V") acceptance on August 14, 2012. Per the Agreement, the Company shall:

1.1 pay Strategic an aggregate of $320,000. The Company has paid $30,000 as at October 31, 2013; and

(a) issue to Strategic, an aggregate 800,000 common shares. The Company has issued 50,000 shares as at October 31, 2013.

Prima is not required to incur any exploration expenditures in order to exercise the Option. There is a 2% Net Smelter Return ("NSR") royalty on the Property payable to the Vendor upon the commencement of commercial production.

In addition, the Company will pay a finder's fee on the transaction to an arm's length finder, assuming the Company maintains the Option Agreement. As at October 31, 2012, the Company paid $3,000 in cash and issued 5,000 common shares for the finder's fee.

On July 12, 2013, the Company provided notice of termination of the Option Agreement to Strategic and impaired the property by expensing the property costs of $47,800.

Reverse Takeover Transaction

The acquisition of 0941680 BC Ltd. ("0941680 BC") was completed by Prima issuing 11,515,000 common shares in exchange for all the issued and outstanding common shares of 0941680 BC (11,515,000 common shares).

After the transaction, the former shareholders of 0941680 BC held a controlling interest in Prima, and the Company has accounted for the acquisition of 0941680 BC similarly to a reverse takeover ("RTO") transaction, with 0941680 BC being the deemed acquirer of the net assets of Prima. As a result:

- the financial statements of the combined entity is under the name of the legal parent Prima, but is a continuation of the financial statements of 0941680 BC;
- 0941680 BC is deemed to be the acquirer for accounting purposes and as such, its assets and liabilities are included in the financial statements at their historical carrying values and the net assets acquired of Prima as of April 18, 2013 are included at their fair value;
- the accumulated deficit and equity accounts of Prima up to the date of the acquisition of 0941680 BC has been eliminated.

The transaction is accounted for as a reverse takeover transaction in accordance with guidance provided in IFRS 2 Share Based Payment and IFRS 3 Business Combinations. As Prima did not qualify as a business according to the definition in IFRS 3, this reverse takeover transaction does not constitute a business combination; rather it is treated as an issuance of shares by 0941680 BC for the net assets of Prima and the listing status.

Accordingly, 0941680 BC has accounted for the transaction as a reverse takeover ("Transaction", "RTO") and no goodwill or intangible asset representing the stock exchange listing has been recorded. Therefore, for accounting purposes, 0941680 BC, the legal subsidiary, has been treated as the account parent company, and Prima, the legal parent, has been treated as the accounting subsidiary in these financial statements. As 0941680 BC was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values. Prima's results of operations have been included from April 18, 2013, the date of the completion of the Transaction.

The net assets of Prima at fair value on April 18, 2013 were as follows:

Cash and cash equivalents	$ 129,182
Receivables	4,700
Exploration and evaluation assets – King Property	47,800
Promissory notes receivable	179,510
Accounts payable and accrued liabilities	(12,990)
Total fair value of net assets of Prima at April 18, 2013	$ 348,202

Acquisition costs:	
Prima's trading price at April 18, 2013	$ 0.10
Prima's common shares issued and outstanding on April 18, 2013	11,271,500
Total fair value of common shares	$ 1,127,150
Fair value of Prima's stock options issued and outstanding on April 18, 2013	26,688
Total fair value of consideration	$ 1,153,838
Allocation of acquisition costs:	
Fair value of net assets of Prima as at April 18, 2013	(348,202)
Total listing expense	$ 805,636

As of April 18, 2013, Prima had 11,271,500 common shares and 885,000 options issued and outstanding. The Company has accounted for the reverse takeover transaction under the scope of IFRS 2, Share Based Payment. As 0941680 BC is a private entity prior to the acquisition, it is more reliable to determine the fair value of the consideration by using Prima's quoted market price of common shares at the date of the acquisition, which is also the fair value of the shares issued by Prima pursuant to the private placement that closed concurrently with the closing of the RTO. The fair value of Prima's common shares and options was determined to be $1,153,838, which consists of $1,127,150 and $26,688 for the fair value of 11,271,500 common shares and 885,000 options respectively. Legal and regulatory filing fees directly related to the RTO are charged to profit or loss in the statement of operations and comprehensive loss accordingly.

Overall Performance

At October 31, 2013, the Company had $24,435 (2012 - $43,568) in cash and cash equivalents and working capital deficiency of $175,926 (2012 - $63,554). The Company incurred a net loss of $1,790,903 for the year ended October 31, 2013 (2012 - $179,159). The Company has total assets of $818,795 (2012 - $503,264), including cash and cash equivalents of $24,435 (2012 - $43,568), short term investments of $5,750 (2012 - $17,250), GST/HST receivable of $19,786 (2012 - $24,901), prepaid expenses of $56,799 (2012 - $2,500), other receivables of $30,000 (2012 - $nil), and exploration and evaluation assets of $682,025 (2012 - $415,045). The Company has accounts payable and accrued liabilities of $225,180 (2012 - $107,546), due to related parties of $87,516 (2012 - $64,627), and no long-term liabilities.

Selected Financial Information

Annual Information

As the Company was incorporated on May 29, 2012, there is only one complete and one partial fiscal year completed:

	For the year ended October 31, 2013	From incorporation on May 29, 2012 to October 31, 2012
	$	$
Total revenues	Nil	Nil
Loss from continuing operations	(1,790,903)	(179,159)
Loss from continuing operations (per share)	(0.09)	(0.02)
Loss from continuing operations (per share, diluted)	(0.09)	(0.02)
Net loss	(1,790,903)	(179,159)
Net loss (per share, basic and diluted)	(0.09)	(0.02)
Comprehensive income (loss) for the period	(1,790,903)	(179,159)
Net comprehensive income (loss) (per share, diluted)	(0.09)	(0.02)
Total assets	818,795	503,264
Total long term financial liabilities	Nil	Nil
Cash dividend declared per share	Nil	Nil

Results of Operations

The net loss for the year ended October 31, 2013, was $1,790,903, compared to a net loss of $179,159 for the period of incorporation on May 29, 2012 to October 31, 2012, for a difference of $1,611,744. The significant expenses for the year ended October 31, 2013 include the following:

- Accounting and audit fees of $13,477 (2012: $7,000) for fees incurred for auditing and reviews required for the reverse takeover transaction;

- Administrative fees of $75,000 (2012: $37,500) for office, rent, and professional services provided to the Company by Zimtu;

- Advertising and promotion expenses of $112,033 (2012: $48,146) for promoting the Company's new investment in the fluorspar in print, online, and at tradeshows;

- Filing and transfer agent fees of $20,261 (2012: $1,604) due to regulatory fees related to the completion of the transaction;

- Investor relations fees of $44,017 (2012: $nil) for promotion of the Company's new ventures;

- Legal fees of $32,599 (2012: $9,752) due to the legal work necessary to complete the transaction;

- Listing expenses of $805,636 (2012: $nil) for the difference between the fair value of consideration paid and the cash transaction and net assets acquired;

- Professional fees of $10,342 (2012: $nil) for costs related to due diligence on future projects;

- Property investigation costs of $67,817 (2012: $nil) for costs related to investigating future properties

- Salaries and consulting fees of $397,039 (2012: $70,937) due to the hiring of the management team and a full-time employee to deal with investors and handle company matters;

- Share based payments of $71,225 (2012: $nil) for options granted during the year;

- Travel expenses of $89,239 (2012: $nil) related to the costs of traveling to the property, meeting potential investors, and promoting the company at tradeshows;

- Impairment of mineral properties of $47,800 (2012: $nil) for the return of the King Gold Property to the vendors; and

- Deferred tax recovery of $10,840 (2012: $nil) due to flow through share renunciations.

Quarterly Results

The following are the results for the five most recent quarterly periods which are expressed under IFRS:

For the Quarterly Periods ended:	October 31, 2013	July 31, 2013	April 30, 2013
	$	$	$
Total revenues	0	0	0
Income (Loss) before other items	(348,252)	(300,104)	(1,039,540)
Income (Loss) per common share before other items, basic and diluted	(0.01)	(0.01)	(0.08)
Net Income (Loss) for the period	(348,252)	(300,104)	(1,039,540)
Income (Loss) per share, basic and diluted	(0.01)	(0.01)	(0.08)

For the Quarterly Periods ended:	January 31, 2013	October 31, 2012	From incorporation on May 29, 2012 to July 31, 2012
	$	$	$
Total revenues	-	-	-
Income (Loss) before other items	(103,007)	(121,359)	(57,800)
Income (Loss) per common share before other items, basic and diluted	(0.01)	(0.01)	(0.02)
Net Income (Loss) for the period	(103,007)	(121,359)	(57,800)
Income (Loss) per share, basic and diluted	(0.01)	(0.01)	(0.02)

Fourth Quarter

The net loss for the three months ended October 31, 2013, was $348,252, compared to a net loss of $121,359 for the three months ended October 31, 2012, for a difference of $226,893. The significant expenses for the quarter include the following:

- Accounting and audit fees recovery of $2,000 (2012: $7,000 expense) for fees re-allocated to the listing expense for the RTO;

- Administrative fees of $37,500 (2012: $nil) for office, rent, and professional services provided to the Company by Zimtu;

- Advertising and promotion expenses of $41,246 (2012: $44,646) for promoting the Company’s new investment in the fluorspar in print, online, and at tradeshows;

- Filing and transfer agent fee recovery of $1,132 (2012: $1,604 expense) for fees re-allocated to the listing expense for the RTO;

- Investor relations fees of $14,262 (2012: $nil) for promotion of the Company’s new ventures;

- Legal fees recovery of $22,302 (2012: $9,752 expense) for fees re-allocated to the listing expense for the RTO;

- Listing expenses of $29,191 (2012: $nil) for accounting, filing, and legal fees related to the RTO;

- Professional fees of $10,342 (2012: $nil) for costs related to due diligence on future projects;

- Property investigation costs of $67,817 (2012: $nil) for costs related to investigating future properties

- Salaries and consulting fees of $119,(2012: $55,337) due to the hiring of the management team and a full-time employee to deal with investors and handle company matters;

- Share based payments of $15,450 (2012: $nil) due to the partial vesting of options granted during the period;

- Travel expenses of $44,742 (2012: $1,011 recovery) related to the costs of traveling to the property, meeting potential investors, and promoting the company at tradeshows; and

- Deferred tax recovery of $10,840 (2012 - $nil) due to flow through share renunciations.

Related Party Transactions

The Company incurred the following fees and expenses in the normal course of operations:

	Years ended October 31,	
Related party transactions	**2013**	**2012**
Consulting services – Andrew Davidson (a)	66,000	6,000
Consulting services – Robert Bick (b)	138,000	39,433
Administrative fees – Zimtu Capital Corp. (c)	75,000	37,500
Advertising expenses – Zimtu Capital Corp. (c)	27,174	-
Salaries and benefits – Zimtu Capital Corp. (c)	4,396	-
Consulting/geological services – Jenna Hardy (d)	29,850	-
Share-based payments	40,431	-

Due to (from) related parties	**October 31, 2013**	**October 31, 2012**
Zimtu Capital Corp.	14,700	57,907
Robert Bick	13,661	-
Jenna Hardy	31,343	-
Commerce Resources Corp. (e)	3,243	7,851
Andrew Davidson	18,900	6,720
Sean Charland	(25,000)	-

(a) During the year ended October 31, 2012, the Company entered into an agreement with Andrew Davidson ("Mr. Davidson"), whereby Mr. Davidson was appointed CFO of the Company and agreed to provide consulting services for a period of one year, renewing annually, for $6,000 per month.

(b) On April 19, 2013, the Company entered into an agreement with Robert Bick ("Mr. Bick"), whereby Mr. Bick was appointed president, CEO and director of the Company and agreed to provide management services throughout the employment period for a minimum of $10,000 per month.

(c) Zimtu is related by way of common directorship with a director of the Company and provides monthly administrative and managerial services (see Commitments).

(d) Jenna Hardy ("Ms. Hardy"), is a director of the Company and provides geological consulting services.

(e) Commerce Resources Corp. ("Commerce") is related by way of common directorship with a director of the Company after the reverse takeover transaction. As a result, the balance of due to related parties as at October 31, 2012 excluded the $7,851 as Commerce was not a related party to the Company at that time.

(f) Sean Charland is a director of the Company.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

Share Capital

Prior to the completion of the reverse takeover transaction, 0941680 BC Ltd. engaged in the following equity transactions:

i. One (1) common share was issued on incorporation date of 0941680 BC at $0.10 per share and the common share was repurchased by the Company on August 29, 2012.

ii. On June 1, 2012, 0941680 BC issued 4,815,000 seed shares at a price of $0.01 per share for gross proceeds of $48,150. At October 31, 2012, $20,400 was yet to be collected. Subsequent to October 31, 2012, these funds were received in full.

iii. On June 6, 2012, 0941680 BC issued 750,000 common shares at a fair value price of $0.05 per share in accordance with the Dickson Property agreement.

iv. On June 7, 2012, 0941680 BC issued 250,000 common shares at a fair value price of $0.05 per share in accordance with the Schuss Property agreement.

v. On June 7, 2012, 0941680 BC issued 2,000,000 common shares at a fair value price of $0.05 per share in accordance with the Zimtu/Heyman/Brookes Property agreement.

vi. On June 15, 2012, 0941680 BC issued 750,000 common shares at a fair value price of $0.05 per share to Zimtu Capital Corp. for administrative services provided.

vii. As of October 31, 2012, the 0941680 BC issued 2,950,000 common shares at a price of $0.10 per share for gross proceeds of $295,000.

Prior to the completion of the reverse takeover transaction, the Company engaged in the following equity transaction:

i. On August 15, 2012, the Company issued 50,000 common shares at a deemed price of $0.16 per share for a total of $8,000 to Strategic in connection with the King Gold-Copper Property. The Company also issued 5,000 common shares at a deemed price of $0.16 per share for a total of $800 as finder's fees for the transaction.

On April 18, 2013, the Company completed a private placement of 2,050,000 units at a price of $0.20 per unit for aggregate gross proceeds of $410,000. Each unit is composed of one common share and one-half of one non-transferable common share purchase warrant. Each warrant shall entitle the holder thereof to acquire one common share of Prima at a price of $0.30 per share for a period of 12 months following closing of the transaction. The fair value of the shares at the date of issuance is assumed to be $0.10. As a result, the Company allocated $205,000 to reserves as fair value of the share purchase warrant.

Concurrently with the completion of the reverse takeover transaction, on April 18, 2013, the Company completed a private placement of 1,925,000 common shares at a price of $0.10 per share for gross proceeds of $192,500. The foregoing shares will be subject to a three year escrow provision. There was $30,000 of share subscriptions receivable outstanding at July 31, 2013.

On October 11, 2013, the Company completed a non-brokered private placement of 670,000 Units (the “Units”) of the Company at a price of $0.10 per Unit for gross proceeds of $67,000. Each Unit consists of one common share and one common share purchase warrant (“Warrant”). Each Warrant will be exercisable into one common share at $0.15 for a period of 24 months from closing. The fair value of the share at the date of issuance is $0.10. As a result, the Company allocated nil to reserves for the Warrant.

On October 11, 2013, the Company also completed a private placement of 542,000 flow-through units (the “FT Units”) of the Company at a price of $0.12 per FT Unit for gross proceeds of $65,040. Each FT Unit consists of one flow-through common share and one half non flow-through common share purchase warrant. Each whole warrant, (a “Warrant”) will be exercisable into one common share at $0.18 for a period of 12 months from closing. The fair value of the share at the date of issuance is $0.10. As a result, the Company allocated nil to reserves for the Warrant and $10,840 to liability for flow-through shares. A total of $2,252 in share issuance costs was incurred in cash and 11,360 agent warrants were issued to complete the private placements. The agent warrants were fair valued at $248 based on the Black-Scholes pricing model which utilizes the following assumptions: expected dividend yield of nil, expected stock price volatility of 70.62% and risk free interest rate of 1.21% whereas the exercise price is greater than the market price.

Liquidity and Solvency

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

As of October 31, 2013, the Company had $24,435 in cash (2012: $43,568), short term investments of $5,750 (2012 - $17,250), GST/HST receivable of $19,786 (2012: $24,901), prepaid expenses of $56,799 (2012 - $2,500), other receivables of $30,000 (2012 - $nil), and exploration and evaluations assets of $682,025 (2012: $415,045). The Company’s accounts payable and accrued liabilities were $225,180 (2012: $107,546), due to related parties were $87,516 (2012 - $64,627) and the Company had a working capital deficiency of $175,926 (2012: $63,554). The Company has not pledged any of its assets as security for loans or otherwise and is not subject to any debt covenants. Management believes that the Company has sufficient working capital to meet its current financial obligations.

Net cash used in operating activities for the period was $796,121. This amount consists of a net operating loss of $1,790,903, items not affecting cash of share based payments of $71,225, listing expense of $805,636, and impairment of mineral properties of $47,800, and an increase in HST/GST receivable of $9,815, a decrease in prepaid expenses of $54,299, a decrease in other receivables of $30,000, an increase in due to related parties of $195,799, and a decrease of $51,194 in accounts payable and accrued liabilities. During the prior year's period, net cash used in operating activities was $84,341.

Net cash provided by investing activities during the period was $36,140, of which $129,182 (2012 - $nil) was provided from cash acquired from the asset acquisition, $11,500 (2012 - $17,250 used) was provided from a redeemed short term investment, and $104,542 (2012 - $177,591) was spent on the exploration of mineral properties.

Net cash provided by financing activities during the year was $740,848 (2012 – 322,750), of which $721,448 (2012 - $343,150) was from the issuance of shares and $19,400 (2012 - $20,400 used) was provided from the receipt of share subscriptions receivable.

Commitments

On June 1, 2010, the Company entered into a Management & Administration Agreement with Zimtu Capital Corp. ("Zimtu"). Under the terms of the agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, over a period of 12 months, until June 1, 2011, for $2,500 per month. During the year ended October 31, 2011, the agreement was extended until June 1, 2012. On June 1, 2012, the agreement was extended for six months. On January 1, 2013, the agreement was extended on a month-to-month basis. Effective May 1, 2013, the Company signed a new agreement with Zimtu at a rate of $12,500 per month for one year, expiring on April 30, 2014. Zimtu is a significant shareholder of the Company, holding 28.10% of the issued and outstanding share capital of the Company.

On June 24, 2013, the Company announced it had entered into an agreement with FronTier Merchant Capital Group ("FronTier") to provide financial market consulting services to the Company as of June 15, 2013. Frontier will receive $5,000 per month for twelve months. The contract may be terminated by either party with 10 days' notice after twelve months. FronTier also received 250,000 incentive options as a bonus at an exercise price of $0.10 valid for 5 years.

Capital Resources

The capital resources of the Company are comprised of the Company's shareholders' equity and any debt it may issue. The Company has had to rely upon the sale of equity securities for the cash required for capital acquisitions, exploration and development, and administration, among other things.

The Company will continue to require funds to meet obligations and, as a result, will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

The Company's properties are in the exploration stage only and are without known bodies of commercial ore. Development of the Liard Fluorspar will only follow upon obtaining satisfactory results. Exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals from the property. The price of base and precious metals has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control such as including international, economic and political trends, expectations of inflation, currency exchange fluctuations and interest rates.

Outstanding Share Data

The Company has an authorized share capital of an unlimited number of common shares without par value. The following table describes the issued and outstanding share capital of the Company:

	February 26, 2014	October 31, 2013	October 31, 2012
Common shares	29,973,500	27,973,500	11,515,000
Stock Options	2,575,000	2,675,000	885,000
Warrants	8,966,000	1,966,000	-
Agent warrants	69,360	11,360	-
Fully Diluted Shares	41,583,860	32,625,860	12,400,000

Escrow shares: As at October 31, 2013, 15,976,352 (2012: 11,515,000) common shares of the Company are held in escrow and to be released pro-rata to the shareholders as to different release schedules. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

Letter Of Intent

On August 30, 2013, the Company entered into a non-binding letter of intent with Firebird Management LLC ("Firebird") on the acquisition of its interests in three holding companies holding a combined 99.8% interest in Berkh Uul JSU ("Berkh Uul"). Berkh Uul is a Mongolian company listed on the Mongolian Stock Exchange, which owns the high grade, large resource Delgerkhan fluorspar mine in the Khentii Province of Mongolia. Completion of the transaction, which is subject to the successful negotiation on the terms of a definitive agreement, will result in Firebird owning a controlling stake in Prima, which would emerge as a significant fluorspar company with diversified and multi-jurisdictional fluorspar assets.

The transaction, which is at arm's length, will be considered a reverse takeover of Prima by Firebird. As such, the common shares of Prima have been halted and will remain halted until all of the TSX-V conditions have been met.

The transaction will be subject to various conditions, including, but not limited to:

- Prima to issue shares for the Berkh Uul fluorspar assets; the terms and agreements of each are to be negotiated;
- Prima required to raise a minimum of $6,000,000 in financing for the Berkh Uul project;
- Prima shareholders to approve transaction before closing; and
- TSX-V approval.

Jacob Securities Inc. is acting as financial advisor to Prima on the transaction and, subject to completion of satisfactory due diligence, has agreed to act as sponsor to Prima in connection with the transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.

As at the date of this MD&A, the Company is in the final stages of negotiation for the share exchange agreement.

<u>Proposed Transactions and Subsequent Events</u>

a) On November 26, 2013, the Company closed the last tranche of its previously announced non-brokered private placement issuing 150,000 Units ("Units") at C$0.10 per Unit and 1,250,000 Flow-Through Units ("FT Units") at C$0.12 per FT Unit for total aggregate gross proceeds of C$165,000. The proceeds will be used for exploration of the Company's Liard Fluorspar property and for general corporate purposes.

   Each Unit consists of one common share of the Company and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one common share of the Company at a price of $0.15 per share for a two year period expiring on November 26, 2015. Each FT Unit consists of one common share of the Company issued on a 'flow-through' basis and one- half of a share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to purchase one common share of the Company at a price of $0.18 per share for a two year period expiring November 26, 2015.

   Finder's Fees of C$12,800 cash and 58,000 finder's warrants were awarded in relation to this tranche of the financing. Of the 58,000 finder warrants issued 8,000 warrants are exercisable at a price of $0.15 per share and 50,000 finder's warrants are exercisable at a price of $0.18 per common share expiring on November 26, 2015.

   All of the securities issued under the first tranche of the offering are subject to a hold period expiring on March 27, 2014.

b) On February 4, 2014, the Company announced a non-brokered private placement issuing 10,000,000 Units ("Units") at C$0.10 per Unit. Each Unit consists of one common share of the Company and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one common share of the Company at a price of $0.15 per share for two years from closing.

   All of the securities are subject to a hold period of four months and may also be subject to certain escrow provisions as required by the regulatory authorities and the TSX Venture Exchange. Finder's fees may be payable in connection with this private placement.

On February 6, 2014, the Company issued 750,000 Units ("Units") at C$0.10 per Unit for gross proceeds of $75,000. Each Unit consists of one common share of the Company and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one common share of the Company at a price of $0.15 per share for two years from closing.

Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

(c) Foreign exchange risk

The Company is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. With respect to financial assets, the Company's practice is to invest cash in cash equivalents in order to maintain liquidity. Fluctuations in interest rates affect the fair value of cash equivalents.

(e) Capital management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at October 31, 2013, the Company's shareholders' equity was $506,099 (2012 - $351,491). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative 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 has not generated any revenues and cash flows since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

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

(f) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at October 31, 2013 and 2012:

	As at October 31, 2013		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 24,435	$ -	$ -
Short term investments	$ 5,750	$ -	$ -
Total	$ 30,185	$ -	$ -
	As at October 31, 2012		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 43,568	$ -	$ -
Short term investments	$ 17,250	$ -	$ -
Total	$ 60,818	$ -	$ -

Off-Balance Sheet Arrangements

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

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Accounting Policies and Standards

For details of the Company's Accounting Policies and Standards, including future accounting standards, accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 4 of the Company's audited financial statements for the year ended October 31, 2013.

Risks Related to Our Business

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

The Company has a very limited history of operations, is in the early stage of development and has received no revenues other than insignificant interest revenues. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company's interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years as it is affected by numerous factors which are beyond the Company's control including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore the economic viability of the Company's interests in the mineral properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct impact on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is quite possible that the Company may lose its investments in the Company's mineral property interests.

Forward-Looking Statements

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Readers are therefore cautioned not to place reliance on any forward-looking statement.

Outlook

The Company will focus its attention on the exploration and development of the flagship Liard Fluorspar Property.

Directors and Officers

As at the date of this report, the Company had the following directors and officers:

Robert Bick – Director, President and CEO
Andrew Davidson – CFO
Dean Nawata* – Director
Sean Charland* – Director
Jenna Hardy*, P.Geo – Director and Qualified Person

*Member of the Company's Audit Committee

Approval

The Board of Directors of Prima has approved the disclosure contained in this MD&A.

Other MD&A Requirements

Additional information relating to the Company is available on the SEDAR website: http://www.sedar.com under "Prima Fluorspar Corp."