Prisma Exploration Inc.

Management's Discussion and Analysis

For the Nine Months Ended September 30, 2024

General

This management discussion and analysis should be read in conjunction with the unaudited condensed interim financial statements and related notes thereto of Prisma Exploration Inc. (the "Company") for the nine months ended September 30, 2024 and 2023 (the "Financial Statements"), and the audited financial statements and notes thereto for the years ended December 31, 2023 and 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board. All amounts in the unaudited condensed interim financial statements and this discussion and analysis are presented in Canadian dollars, unless otherwise indicated. This Management Discussion and Analysis ("MD&A") is dated November 29, 2024 and discloses specified information up to that date.

Management is responsible for the preparation of the condensed interim financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR+ at www.sedarplus.ca.

Description of Business

The Company is a public company listed at the Canadian Securities Exchange. The Company commenced trading under the symbol "PMS" as at market open on January 17, 2022 and is focused on the acquisition, exploration, and development of mineral properties.

Exploration and Evaluation Assets

McGillivray Property

On October 5, 2020, the Company entered into a definitive agreement to acquire 100% undivided interest in twenty (20) mineral claims comprising the property called "McGillivray" located near Lytton, in the Kamloops Mining Division of British Columbia.

In consideration for the 100% undivided interest in the property, the Company shall pay the aggregate sum of $212,500 which includes the deposit of $7,500, as paid at the time of signing of the agreement, issue to the optionor a total of 900,000 shares and complete a minimum expenditure, as per the below schedule:

Date	Shares		Cash Payment		Expenditures	
On signing	100,000	(issued)	$ 7,500	(paid)	$ 55,000	(met)
1st anniversary	100,000	(issued)	10,000	(paid)	-	
2nd anniversary	100,000	(issued)	15,000	(paid)	50,000	(met)
3rd anniversary	200,000	(Not met)	30,000	(Not met)	-	
4th anniversary	200,000		50,000		50,000	
5th anniversary	200,000		100,000		-	
Total	**900,000**		**$ 212,500**		**$ 155,000**	

Further, under the McGillivray option agreement, the Company and the optionor have also agreed upon a net smelter return royalty (the "NSR"), pursuant to the terms and consideration of which the optionor shall receive the 2% NSR from the Company. The Company can repurchase the 1.5% NSR upon payment to the optionor of $1,000,000. On the commencement of commercial production, the NSR shall be increased to 3%.

During the year 2023, pursuant to the 3rd anniversary obligation laid out in the option agreement, the Company accrued $30,000 for the cash portion and recognized an obligation to issue 200,000 shares of the Company at a fair value of $30,000.

During the nine months ended September 30, 2024, the optionor terminated the option agreement and the Company cancelled the outstanding obligation to pay cash of $30,000 and issue 200,000 shares. The Company recorded a full impairment of the McGillivray property and recorded the impairment loss of $174,575 in the condensed interim statement of loss and comprehensive loss for the period ended September 30, 2024.

Roam property option agreement

On October 2, 2024, the Company entered into an option agreement to acquire 100% undivided interest in forty (40) mineral claims in the property known as the "Roam" located near Watson Lake, Yukon, in the Liard Mining Division of British Columbia.

In consideration for the 100% undivided interest in the property, the Company shall pay $1,000 at the time of signing of the agreement, and complete a minimum expenditure, as per the below schedule:

Date		Cash Payment		Expenditures
On signing	$	1,000	$	-
January 31, 2026		-		40,000
January 31, 2027		-		60,000
Total	**$**	**1,000**	**$**	**100,000**

Further, under the Roam option agreement, the optionor agreed to receive the 2% NSR from the Company on the commencement of commercial production of the Roam property. The Company may elect to purchase from the optionor at any time one-half of the NSR upon payment of $1,500,000 to the optionor.

The following is a description of the fully impaired exploration and evaluation asset for the period ended September 30, 2024 and year ended December 31, 2023.

		September 30, 2024		December 31, 2023
Property acquisition costs				
Balance, beginning	$	118,500	$	58,500
Additions		-		60,000
Adjustments		(60,000)		-
Balance, ending		58,500		118,500
Exploration and evaluation costs				
Balance, beginning		116,075		104,659
Costs incurred during the period:				
Assaying		-		11,416
Balance, ending		116,075		116,075
Impairment		(174,575)		-
Total	**$**	**-**	**$**	**234,575**

Results of Operations

		Three months ended September 30, 2024		Three months ended September 30, 2023		Nine months ended September 30, 2024		Nine months ended September 30, 2023
Expenses								
Office and administration	$	29	$	19	$	254	$	55
Filing and regulatory		2,625		2,572		9,809		9,945
Professional and consulting fees		5,143		4,903		24,625		25,606
Transfer agent fees		230		400		1,244		1,450
Impairment of exploration and evaluation assets		-		-		174,575		-
Fair value adjustment on obligation to issue shares		-		-		9,000		(7,500)
Loss and comprehensive loss	**$**	**(8,027)**	**$**	**(7,894)**	**$**	**(219,507)**	**$**	**(29,556)**

Three Months Ended September 30, 2024 and 2023

Loss and Expenses

The net loss for the three months ended September 30, 2024, was $8,027 compared to a net loss of $7,894 for the three months ended September 30, 2023, representing an increase in loss of $133. The net loss for the three months did not change significantly in comparison with the prior year quarter.

Nine months ended September 30, 2024 and 2023

Loss and Expenses

The net loss for the nine months ended September 30, 2024, was $219,507 compared to a net loss of $29,556 for the nine months ended September 30, 2023, representing an increase in loss of $189,951.

Material variances over the comparable period are discussed below:

- Professional and consulting fees for the nine months ended September 30, 2024 were $24,625 compared to $25,606 for the nine months ended September 30, 2023. The decrease is due to reduced legal services in the current period.
- An impairment of the exploration and evaluation assets in the amount of $174,575 was recorded in the nine months ended September 30, 2024 due to the termination of the McGillivray Property option agreement by the optionor.
- Fair value adjustment on obligation to issue shares in the nine months ended September 30, 2024 was a loss of $9,000 compared to a gain of $7,500 for the nine months ended September 30, 2023.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and all dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per share (Basic & Diluted)	Total Assets	Interest Income
September 30, 2024	($8,027)	($0.00)	$15,226	$Nil
June 30, 2024	($177,014)	($0.02)	$2,347	$Nil
March 31,2024	($34,466)	($0.00)	$257,738	$Nil
December 31, 2023	($3,653)	($0.00)	$246,336	$Nil
September 30, 2023	($7,894)	($0.00)	$198,186	$Nil
June 30, 2023	($15,588)	($0.00)	$207,162	$Nil
March 31, 2023	($6,074)	($0.00)	$250,589	$Nil
December 31, 2022	($65,489)	($0.02)	$268,258	$Nil

Financial Condition, Liquidity and Capital Resources

The Company had a working capital deficit of $46,634 as at September 30, 2024 compared to a working capital deficit of $61,702 as at December 31, 2023.

As of the date of this MD&A, the Company received loans from a related party for an aggregate amount of $15,000 and received loans from third parties for an aggregate amount of $35,000. The loans are unsecured, non-interest bearing and payable on demand.

The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financing will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

Balances

As at September 30, 2024 the Company recorded an amount due to the related party of $15,000 (December 31, 2023-Nil). This amount is unsecured, non-interest bearing and payable on demand.

As of the date of this MD&A, the amount owing by the Company to the related party was $15,000.

Financial Instruments and Risk Management

Fair Values

The fair values of cash and accounts payable and accrued liabilities and loans payable approximate their carrying values because of the short-term nature of these instruments.

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

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 process.

Credit Risk
Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company is not exposed to credit risk.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

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 commodity and equity prices. Such fluctuations may be significant.

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. Financial assets and liabilities with variable interest rates expose the Company to cashflow interest rate risk. The Company maintains a bank account with cash balance, but it does not believe it is currently subject to any significant interest rate risk. The Company has no interest-bearing debt.

Foreign Currency Risk
The Company is not exposed to foreign currency risk on fluctuations in exchange rates.

Price Risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Additional Share Information

At September 30, 2024 and the date of this report, the Company had 7,160,901 issued and fully paid common shares.

At September 30, 2024 and at the date of this report, the Company had 2,500,000 warrants outstanding.

At September 30, 2024 and at the date of this report, the Company had not issued any options and no options were outstanding.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of as at the date of this report.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedarplus.ca. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute “forward-looking statements.” Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.