

**PALAMINA CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023**

**General**

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of Palamina Corp. ("**Palamina**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2023 ("**third quarter of 2023**" or "**Q3 2023**"). The comparative period is for the three and nine months ended September 30, 2022 ("**third quarter of 2022**" or "**Q3 2022**"). This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2022 and 2021, and the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 and 2022, together with the notes thereto ("**the financial statements**"). Results are reported in Canadian dollars, unless otherwise noted.

The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). Please refer to Notes 3 and 4 of the annual audited consolidated financial statements as at and for the years ended December 31, 2022 and 2021 for disclosure of the Company's significant accounting policies.

The audit committee of the Company has reviewed this MD&A and the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 and 2022 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated November 29, 2023 and is current to that date.

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

**Caution Regarding Forward Looking Information**

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

**Qualified Person**

Technical information contained in this MD&A has been prepared by or under the supervision of Mr. William McGuinty, P. Geo., consulting geologist and technical advisor to Palamina, who acted as a Qualified Person ("**QP**") as defined by National Instrument 43-101 – "Standards of Disclosure for Mineral Projects ("**NI 43-101**"). Mr. McGuinty has reviewed work practices and verified the data comprising such technical information, including sampling, analytical and test data underlying the information or opinions contained in this MD&A.

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

**Overview**

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

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

**Investment in Winshear Gold Corp.**

Winshear Gold Corp. ("**Winshear**") is listed on the TSX-V and trades under the symbol WINS. On September 19, 2023, the Company's equity and royalty partner, Winshear announced that it had suspended arbitration proceedings with the United Republic of Tanzania ("Tanzania") in relation to its dispute regarding the SMP Gold Project in Tanzania and that a conditional settlement agreement had been reached. On October 16, 2023, Winshear, announced that it had successfully concluded the settlement with Tanzania in the amount of US\$30,000,000 and that after payment of various amounts, including legal costs, the net amount paid to Winshear was US\$18,455,305 million (CDN\$25,275,000). The settlement was not recorded as an asset by Winshear as at September 30, 2023, as the cash was received on October 16, 2023 from Tanzania. As such, Palamina's proportionate share of the income arising from this settlement will be recorded in the three-month period ended December 31, 2023.

On October 26, 2023, Winshear announced that its board of directors had approved a cash distribution to Winshear shareholders by way of a return of capital ("**ROC**") of CDN\$0.25 per share to shareholders of record as at November 23, 2023, with the payment to occur on December 8, 2023.

During November 2023, Palamina exercised common share purchase warrants in Winshear to purchase 775,000 common shares at \$0.10 per share and 546,000 common shares at \$0.20 per share. Palamina also sold 243,000 common shares of Winshear for net proceeds of \$65,425. As at November 29, 2023, Palamina owns 14,500,000 common shares Winshear or 15.41% of the 94,123,395 shares outstanding. and closed at \$0.28 per share on November 28, 2023, giving Palamina's investment a market value of \$4,060,000.

**On November 23, 2023 Palamina held 14,500,000 common shares of Winshear where Palamina expects to receive \$3,625,000 in cash by way of return of capital on December 8, 2023.**

**This significant inflow of cash into Palamina is entirely non-dilutive to Palamina shareholders and will represent a material increase to the Company's financial position.**

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**Corporate Highlights – July 1, 2023 to November 29, 2023**

- On November 17, 2023, Palamina exercised warrants in Winshear to purchase 546,000 common shares of Winshear at a price of \$0.20 per share for proceeds to Winshear of \$109,200.
- On November 10, 2023, Palamina exercised warrants in Winshear to purchase 775,000 common shares of Winshear at a price of \$0.10 per share for proceeds to Winshear of \$77,500.
- On October 26, 2023, Winshear announced that a return of capital payment to shareholders of CDN\$0.25 per common share will be carried out on December 8, 2023. **As a result of its 14.5M shares held, Palamina will receive a non-dilutive cash payment of CDN\$3,625,000 on December 8, 2023.** In 2024 a portion of proceeds from the ROC will be used to drill test the Cayos and Sol de Oro zones at Palamina's Usicayos Gold project.
- On October 16, 2023 Palamina's equity/royalty partner Winshear received a gross settlement payment of US\$30,000,000 from the Tanzanian Government as compensation for the expropriation of Winshear's SMP gold deposit in Tanzania.
- On August 25, 2023, Palamina received a US\$50,000 Advance Royalty ("AR") payment from Winshear. The AR payment was due pursuant to a property purchase agreement signed and approved on September 19, 2019.

**Operational Highlights – July 1, 2023 to November 29, 2023**

- On November 23, 2023 Palamina Peru received its water permit for the Usicayos Gold Project.
- On September 5, 2023 Palamina received approval to Initiate Activities at the Usicayos Gold Project.

**Peru Properties**

**Focus on Puno Orogenic Gold Belt**

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

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

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

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

**Comparison with other Gold Projects in the POGB:**

The Ollachea orogenic gold deposit, located 60 km northwest of Usicayos, reportedly occurs along a structurally deformed east-west trending regional shear structure on the edge of the SE trending POGB. Similarly, 75 km southeast of Usicayos, the large orogenic gold occurrence at La Rinconada also features a significant east-west inflection zone. Midway between Ollachea and La Rinconada, the Usicayos Gold Project also lies along a comparably deformed east-west trending structural jog.

**Usicayos Gold Project**

At the Usicayos Gold Project, Palamina holds title to 11,012 hectares of mineral concessions. On July 1, 2023, Palamina reduced the Usicayos claims block by 3,000 hectares in order to reduce ongoing carrying costs in Peru. The Usicayos Gold Project is located near the town of Usicayos (centrally located along the western periphery of the POGB). The Usicayos concessions extend east and west of the town of Usicayos at elevations ranging from 3,200 to 4,700 m. Rock exposure in the area is generally excellent as the properties sit predominantly above the tree line.

At Usicayos, Palamina has prioritized a 2.4 km section of a 4.5 km mineralized gold trend for drilling consisting of 3 separate gold zones trending southwest to northeast for drilling; Sol de Oro, Cayos and Veta. Veta was the initial discovery zone followed by the Cayos zone and more recently the Sol de Oro zone.

On September 30, 2021, Palamina started its inaugural diamond drilling campaign in the Veta zone. A total of 4 drill holes covering 1,704.50 metres were completed over a 600-metre strike length before the onset of the rainy season. On January 13, 2022, Palamina announced results from the first 4 diamond drill holes with select results reporting; VE-01-2021 returned 1 m @ 1.26 g/t Au, VE-02-2021 1 m @ 3.09 g/t Au (visible gold in intercept), VE-03-2021 24 m @ 0.5 g/t Au, VE-04-2021 11 m @ 0.8 g/t Au.

In May of 2022 drilling resumed in the Veta Zone to test the remaining 200 metre strike length to the northeast. Drill holes VE-05-22 and VE-06-22 were drilled more shallow and closer to the mineralized trend than the four drillholes completed in 2021. On July 6, 2022 reported the following results:

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<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au (g/t)</b>
VE-05-2022	20	21	1	0.42
VE-05-2022	65	67	2	0.50
VE-05-2022	75	76	1	0.55
VE-05-2022	104	105	1	0.55
VE-05-2022	<b>123</b>	<b>127</b>	<b>4</b>	<b>0.67</b>
VE-05-2022	140	142	2	0.43
VE-05-2022	156	158	2	0.40
VE-05-2022	<b>163</b>	<b>164</b>	<b>1</b>	<b>1.51</b>
VE-06-2022	9	11	2	0.41
VE-06-2022	51	55	4	0.46
VE-06-2022	59	61	2	0.41
VE-06-2022	79	80	1	0.43
VE-06-2022	86	93	7	0.37
VE-06-2022	102	104	2	0.40
VE-06-2022	126	130	4	0.40
VE-06-2022	135	139	4	0.47
VE-06-2022	<b>146</b>	<b>157</b>	<b>11</b>	<b>0.68</b>
Including	<b>149</b>	<b>151</b>	<b>2</b>	<b>2.09</b>
VE-06-2022	162	168	6	0.40

On June 4, 2022, Palamina completed a total of US\$ 55,000 in payments to acquire 100% of a 200-hectare titled internal concession hosting the Sol de Oro Zone southwest of the Cayos and Veta Zones. As a result, Palamina now holds 100% interest to 14,012 hectares at Usicayos with no underlying payments or royalties. In September the Ministry of Mines in Peru accepted Palamina's application to modify its Declaración de Impacto Ambiental ("DIA") to include the Cayos and Sol de Oro zones.

On September 18, 2022, Palamina announced results from a fall mapping and rock sampling (247 new chip-channel samples) focused on the Sol de Oro ("SDO") area, approximately 1.7 to 3 km's southwest of the zone of earlier drilling in the Veta Zone. Select results from the sampling campaign were reported as follows:

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ZONE	SAMPLE LOCATION	SAMPLE TYPE	LENGTH Metres	Au g/t
Sol de Oro North	Prospecting Adit	Select Rock	0.3	46.2
Sol de Oro North	Outcrop	Chip-Channel	0.8	29.5
Sol de Oro North	Prospecting Adit	Chip-Channel	1.0	28.4
Sol de Oro North	Prospecting Adit	Chip-Channel VG	1.0	23.7
Sol de Oro North	Prospecting Adit	Chip-Channel	0.8	16.2
Sol de Oro North	Outcrop	Chip-Channel	1.0	16.1
Sol de Oro North	Prospecting Adit	Chip-Channel	0.5	14.3
Sol de Oro North	Prospecting Adit	Chip-Channel	0.4	11.3
Sol de Oro North	Prospecting Adit	Chip-Channel	0.4	10.5
Sol de Oro North	Outcrop	Chip-Channel	2.0	9.8
Sol de Oro North	Prospecting Adit	Chip-Channel	1.8	9.2
Sol de Oro North	Prospecting Adit	Chip-Channel	3.0	7.8
Sol de Oro North	Outcrop	Chip-Channel	1.2	5.8
Sol de Oro North	Outcrop	Chip-Channel	1.5	5.3
Sol de Oro SW	Outcrop	Chip-Channel	1.8	37.5
Sol de Oro SW	Outcrop	Select Rock VG	0.1	35.5
Sol de Oro SW	Outcrop	Chip-Channel	0.5	21.5
Sol de Oro SW	Outcrop	Chip-Channel VG	0.3	18.5
Sol de Oro SW	Outcrop	Chip-Channel	0.3	14.1
Sol de Oro SW	Outcrop	Chip-Channel	0.2	12.2
Sol de Oro SW	Outcrop	Select Rock	0.1	10.4
Sol de Oro SW	Outcrop	Chip-Channel	0.3	8.9
Sol de Oro SW	Outcrop	Chip-Channel	1.0	5.6
Sol de Oro SW	Outcrop	Chip-Channel	1.0	5.3
Sol de Oro SW	Outcrop	Chip-Channel	1.0	5.0
Sol de Oro E	Outcrop	Chip-Channel	2.0	18.9
Sol de Oro E	Outcrop	Chip-Channel	0.5	14.9
Sol de Oro E	Prospecting Adit	Chip-Channel	1.6	13.0
Sol de Oro South	Outcrop	Chip-Channel	0.9	200.0
Sol de Oro South	Outcrop	Chip-Channel	2.0	29.0
Sol de Oro South	Prospecting Adit	Chip-Channel	1.0	26.1
Sol de Oro South	Outcrop	Chip-Channel	1.0	17.3
Sol de Oro South	Outcrop	Chip-Channel	0.9	16.2
Sol de Oro South	Outcrop	Select Rock	0.3	13.7
Sol de Oro South	Outcrop	Chip-Channel	1.0	12.6
Sol de Oro South	Outcrop	Select Rock	0.1	10.8
Sol de Oro South	Outcrop	Chip-Channel	1.0	9.7
Sol de Oro South	Prospecting Adit	Chip-Channel	1.0	7.9
Sol de Oro South	Outcrop	Chip-Channel	1.0	7.8
Sol de Oro South	Prospecting Adit	Chip-Channel	1.0	7.5
Sol de Oro South	Prospecting Adit	Chip-Channel	1.0	5.6
Sol de Oro South	Outcrop	Chip-Channel	1.0	5.3
Sol de Oro South	Outcrop	Chip-Channel	1.0	5.1

Table includes assays that were previously released, VG = Visible Gold observed in sample.

In November 2022, Palamina carried out a drone-supported topographic survey over the 4.5 km long mineralized gold trend to provide better geological controls.

On January 23, 2023 Palamina announced results from its second mapping and sampling campaign in the Sol De Oro zone completed in Q4 2022. A total of 342 samples were taken of which 17 were underground samples. This program was primarily made up of channel samples designed to test the continuity of gold mineralization at surface across the SDO North and SDO South zones.

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**SDO NORTH ZONE:** At the SDO North zone, surface mapping and sampling has identified two significant structures. Surveying and underground channel sampling were carried out within a number of accessible historic adits driven at various elevations into the hillside, following or crosscutting gold structures. Select results from surface and underground channel samples were returned as follows:

ZONE	SAMPLE	TYPE	LENGTH (m.)	Au (g/t)
SDO N	Surface	Channel	6.20	5.1
SDO N	Surface	Channel	2.00	3.0
SDO N	Surface	Channel	13.00	1.5
		Including	6.00	2.1
SDO N	Surface	Channel	7.00	1.2
		Including	1.00	4.4
SDO N	Underground	Channel	2.70	15.4
SDO N	Underground	Channel	1.20	14.5
SDO N	Underground	Channel	1.00	10.9
SDO N	Underground	Channel	1.50	6.6
SDO N	Underground	Channel	1.00	6.4
SDO N	Underground	Channel	1.40	5.6
SDO N	Underground	Channel	2.20	4.8
SDO N	Underground	Channel	1.60	4.1
SDO N	Underground	Channel	1.00	3.3
SDO N	Underground	Channel	1.20	1.3
SDO N	Underground	Channel	1.00	1.1
SDO N	Underground	Channel	2.30	1.0

**SDO SOUTH ZONES:** Gold mineralization at the SDO South zone is made up of three separate NE trending structures: SDO SE, SDO S and SDO SW. Surface channel sampling in the 3 zones returned the following select results:

ZONE	SAMPLE	TYPE	LENGTH (m.)	Au (g/t)
SDO SE	Surface	Channel	16.0	2.0
		Including	2.0	13.1
SDO SE	Surface	Channel	21.1	1.1
		Including	4.0	2.1
SDO SE	Surface	Channel	1.0	1.3
SDO SE	Surface	Channel	2.0	1.0

ZONE	SAMPLE	TYPE	LENGTH (m.)	Au (g/t)
SDO SW	SDO-SW	Channel	1.0	5.3
SDO SW	SDO-SW	Channel	2.0	4.2
SDO SW	SDO-SW	Channel	10.3	1.6
		Including	1.2	12.7
SDO SW	SDO-SW	Channel	18.8	1.4
		Including	4.0	2.4
		Including	3.0	3.8

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ZONE	SAMPLE	TYPE	LENGTH (m.)	Au (g/t)
SDO S	Surface	Channel	1.0	9.7
SDO S	Surface	Channel	1.0	5.3
SDO S	Surface	Channel	1.0	4.1
SDO S	Surface	Channel	4.4	4.2
		Including	1.0	17.3
SDO S	Surface	Channel	4.6	3.8
SDO S	Surface	Channel	1.3	3.6
SDO S	Surface	Channel	14.0	3.4
SDO S	Surface	Channel	4.0	3.1
SDO S	Surface	Channel	2.0	2.6
SDO S	Surface	Channel	2.5	2.1
SDO S	Surface	Channel	4.4	2.2
SDO S	Surface	Channel	10.0	2.1
		Including	3.0	5.5
SDO S	Surface	Channel	12.5	1.6
		Including	4.4	4.2
SDO S	Surface	Channel	3.3	1.5
SDO S	Surface	Channel	3.0	1.3
SDO S	Surface	Channel	1.4	1.3
SDO S	Surface	Channel	1.0	1.1
SDO S	Surface	Channel	2.5	0.9
SDO S	Surface	Channel	2.5	0.9
SDO S	Underground	Channel	0.7	23.0
SDO S	Underground	Channel	0.7	5.5
SDO S	Underground	Channel	2.5	4.9
SDO S	Underground	Channel	0.9	2.7
SDO S	Underground	Channel	1.5	1.5

On April 5, 2023, Palamina received approval of the modification of its DIA at the Usicayos Gold Project which will allow for the construction a further 35 drill pads in the Sol de Oro and Cayos gold zones.

On September 5, 2023, Palamina Peru received its Authorization to Initiate Exploration Activities ("AIEA") permit to commence drilling in the SDO and Cayos zones at Usicayos. On September 5, 2023, Palamina Peru received its water permit required to carry out a drilling program. Continuous permitting delays in Peru have exhausted Palamina's efforts to carry out a 2023 drill season with the rainy season scheduled to commence in late November. Energold, Palamina's drill contractor, has agreed to carry out service maintenance work on the drill at site in December 2023 with a view to commencing a drilling program in late April of 2024. Limited exploration was carried out in the Sol de Oro North zone.

#### **Panorama Gold Project**

On January 4, 2022, Palamina applied for the mineral rights to 2,400 hectares. The Panorama application area sits within the Ananea formation and same regional structural corridor as Palamina's Usicayos Gold Project and Gold Mining Inc.'s Crucero Gold deposit. In August 2022, Palamina completed a drone survey over Panorama and a brief mapping / sampling program with a view to confirming that Panorama is possibly a SE extension to the Crucero Gold Deposit. No work programs have been undertaken in 2023.

#### **Cristel Gold Project**

On January 4, 2022, Palamina applied for the mineral rights to the Cristel Uno 300 hectare concession to cover a portion of a known gold mining camp. On May 3, 2022, Palamina made application for a further 2,700 hectares when it came open for acquisition to cover the historic Resplandor gold mining area southwest of Cristel Uno and an AI target area generated from the POGB study completed by GoldSpot



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Discoveries Inc. ("GoldSpot"). Palamina was the only company to apply for the 3,000 hectare Cristel claims area. Cristel sits southeast of Minera IRL's Ollachea gold deposit and northwest of Palamina's Usicayos Gold Project. In August 2022, Palamina completed drone reconnaissance over Cristel and a brief mapping / sampling program. No work programs have been undertaken in 2023.

**Yin Gold Project**

On May 3, 2022 Palamina applied for the mineral rights to 4,000 hectares that make up the Yin claims area to cover an AI target area generated from GoldSpot's study of the POGB. Winshear's former Yang claim to the northeast covered the balance of the AI target area. Yang was staked by Palamina prior to its sale to Winshear to cover historic mine areas seen from satellite images west of the Mucumayo mines area. In February 2022, Palamina signed a letter agreement with Winshear to waive the 2 km area of influence surrounding the Yang claim in order that Palamina may stake the Yin application area.

In August 2022, an agreement was signed with the Icano community to carry out an initial exploration program of the Yin and Yang claims. In October 2022, Palamina and Winshear completed an initial visit of the Yin and Yang claims to investigate an AI target area of similar size and shape as the Mucumayo mines area to the southeast. The AI target was generated as part of GoldSpot's study of the POGB. The site visit failed to locate any meaningful gold values on Palamina's Yin and Winshear's Yang claims. No work programs have been undertaken in 2023.

**Bendi Gold Project**

Palamina holds title to 5,295 hectares. On July 1, 2023, Palamina dropped 8,105 hectares in order to reduce ongoing carrying costs in Peru. The Bendi Gold Project is located northeast of the Usicayos Gold Project where staking has been based on Palamina's understanding of prospective district-scale geological features in the Benditani Mine district and proximity to historical and current operating small-scale orogenic gold mines in the area. Mining in the Benditani district reportedly dates back to Pre-Inca times.

Palamina's exploration efforts at Bendi to date have focused on 2 highly prospective sub-parallel district-scale structures; 1) The Carol structure is an approximately 15 km long NW-SE trending shear zone interpreted to have developed in close association with the core of an anticlinal feature. This structure transects the southwestern sector of the Bendi concessions. The auriferous Carol anomaly is located southwest of the Huacolcota mine. At Carol, Palamina has reported rock chip samples returning up to 47.8 g/t Au and channel samples returning high values of 1.8 m of 13.4 g/t Au and 234 g/t Ag (Palamina news release October 29, 2018); 2) The Mantos structure is a 7 km long thrust-related shear-zone trending sub-parallel to the host shear structure of the Benditani gold mine. Palamina has reported rock chip samples returning 25.4 g/t Au and 9.9 g/t Au from the Mantos Gold Anomaly (Palamina news release October 29, 2018). No work programs have been undertaken in 2023.

**Cori Gold Project**

At the Cori Gold Project, Palamina holds title to 14,061 hectares. On July 1, 2023, Palamina dropped 7,139 hectares in order to reduce ongoing carrying costs in Peru. Palamina geologists report that over 1,200 informal miners are mining native gold from orogenic quartz veins in at least 7 separate mining camps within a NW-SE geological trend. Palamina has staked the available strike extensions of this structure in both directions as well as the possible northerly down-dip extensions on the north side of the Corimayo mountains. Palamina completed an airborne geophysical study over the Cori project in 2018. A minimum expenditure strategy is being implemented at Cori while the Company awaits results from a drilling program to be carried out in 2024 on the contiguous Gaban Gold Project held by equity partner Winshear. No work programs have been completed in 2023.

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**Inca Gold Project**

At the Inca Gold project, Palamina has secured the mineral rights to 2,600 hectares in the POGB northeast of the Ollachea Gold Deposit near the town of Ayapata. In 2020, Palamina staked 1,000 hectares to cover a known gold zone with similar geology to that of the Ollachea gold deposit. In July 2021, an additional 1,600 hectares were staked to cover possible extensions to known gold zones. In August 2022, Palamina completed a drone survey over Inca and a brief mapping / sampling program. No work programs have been undertaken in 2023.

**Projects Outside of the POGB:**

**Galena Silver-Copper Polymetallic Project (formerly the Lagos Project)**

In April 2022, Palamina staked an additional 4,800 hectares based on recommendations from a desktop study of the Santa Lucia district produced by GoldSpot. In July 2022, the Company concluded the acquisition of 100% of two internal titled claims, Gaspar and Chaparro, covering known mineralization that was historically explored by limited tunneling. Post consolidation, Palamina's application for mineral rights and titled ground sits at 12,830 hectares. The Galena Project is located at the southwest end of the Santa Lucia mining district, west of the town of Puno. The property was acquired to investigate the Ag-Cu (Pb-Zn) potential of the area. Nearby polymetallic mines include the Santa Bárbara, Santa Lucía and Tacaza mines. Mineralization identified to date is interpreted to be related to fault structures and fractures with a NE-SW orientation.

In 2019, Palamina carried out 4 mapping and sampling programs. During the first two campaigns a total of 102 samples from 4 separate zones were acquired and analyzed. Palamina conducted follow-up staking to cover the Azul Zone and extensions to the Gris and Verde Zones.

In November of 2021 Palamina contracted Valdor Geofísica SAC to carry out magnetometer and induced polarization ("IP") surveys over Palamina's claim area south of lake Lagunillas.

The test program included 21 line-km of magnetic surveys, 14.1 line-km of pole-dipole IP surveys and 8.8 km of gradient IP surveys. Results of the studies identified potential anomalies at depth in the Gris and Verde zones and to a lesser extent in the Rosa zone. Further sampling and mapping will also be completed with a view to selecting drill target areas.

On February 29, 2022, Palamina announced results from a channel sampling program carried out in 2022 in the Verde and Gris zones where outcrop is variable. Select results from mineralized intervals returned results as follows:

<b>Zone</b>	<b>Composite Channel Sample</b>	<b>Length* (metres)</b>	<b>Ag (g/t)</b>	<b>Cu (%)</b>	<b>Pb (%)</b>
Gris	2327 - 2329	<b>4.0</b>	4.0	0.07	<b>3.62</b>
Gris	2333 - 2334	<b>1.7</b>	<b>39.2</b>	<b>1.44</b>	<b>0.55</b>
Gris	2335 - 2336	<b>1.7</b>	<b>14.9</b>	<b>1.68</b>	<b>0.58</b>
Verde	2290 - 2293	<b>3.5</b>	<b>10.8</b>	<b>2.75</b>	0.03
Verde	2294 - 2298	<b>6.5</b>	<b>14.5</b>	<b>1.35</b>	0.02
Verde	2309 - 2313	<b>5.0</b>	0.3	<b>0.85</b>	0.01
Verde	2318 - 2325	<b>9.3</b>	<b>21.3</b>	<b>2.10</b>	0.27
Verde	2337 - 2338	<b>1.9</b>	0.3	<b>1.08</b>	0.01

*\*True widths are not known. Assay values range from not detected up to those reported herein.*

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In February 2022, two geologists from GoldSpot, along with J. Blackwell visited the Galena Project after which a presentation from GoldSpot recommended additional staking around the existing claims in order to secure new areas of geological interest. In March 2022, Palamina applied for the mining rights to cover an additional 2,400 hectares.

Beginning in March of 2022, mapping and sampling was resumed to include extensive soil sampling, trenching and sampling of outcrop in order to further define drill targets. Subsequent sampling programs were completed in the second and third quarters of 2022. A total of 361 samples were collected in the Rosa and Gris Zones to better define and understand a possible northeast structural trend through mapping and geochemical sampling.

In September 2022, the Company reported results from the historic Santa Rosa mine area in the Rosa Zone and the Gris Zone which have the potential to host a Ag-Cu Carbonate Replacement Deposit (“CRD”) similar to others within the Santa Lucia mining district. Five select samples for each zone from the summer sampling campaigns follow:

ZONE	SAMPLE	SAMPLE TYPE	LENGTH metres	Ag* g/t	Cu %	Pb %
ROSA	Outcrop	Chip-Channel	2	707	4.5	0.2
ROSA	Outcrop	Chip-Channel	2	284	1	0.8
ROSA	Outcrop	Chip-Channel	2	158	0.7	0.4
ROSA	Outcrop	Chip-Channel	2	101	0.5	0.6
ROSA	Outcrop	Chip-Channel	2	83	1.2	0.4
GRIS	Outcrop	Chip-Channel	2	90	0	24
GRIS	Outcrop	Chip-Channel	2	49	0	11.4
GRIS	Outcrop	Chip-Channel	2	44	0.2	3.6
GRIS	Outcrop	Chip-Channel	2	37	0.3	3.3
GRIS	Outcrop	Chip-Channel	2	36	0.1	4.4

\* Select samples from most recent exploration programs in 2022 with highest silver values for each zone

No work programs have been undertaken in 2023.

### **Mexican Property**

Palamina Corp. maintains a presence in Mexico but is focused on exploration in Peru. Palamina has one property in Mexico (“El Santuario”) with title rights to 1,372 hectares in the Cardonal district in Hidalgo State in central Mexico. Due to the focus on exploration in Peru, Palamina has not maintained the tax payments or annual minimum exploration expenditures from 2018 to current that are required to keep El Santuario in good standing. In the event the Mexican mines department cancels the El Santuario claim, Palamina’s Mexican subsidiary will remain liable for any taxes owing.

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

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

In November 2023, Palamina exercised common share purchase warrants to purchase 775,000 common shares of Winshear at \$0.10 per share and 546,000 common shares at \$0.20 per share. The Company also sold 243,000 shares of Winshear at \$0.27 for net proceeds of \$65,425. As at November 29, 2023, Palamina holds 14,500,000 shares of Winshear or 15.41% based on 94,123,395 common shares of Winshear issued and outstanding.

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Palamina also holds a 2% NSR royalty on all of Winshear's projects in addition to the obligation of Winshear to pay escalating annual advance royalty payments to Palamina. On October 16, 2023 Palamina's equity/royalty partner Winshear received a settlement payment of US\$30,000,000 from the Tanzanian Government as compensation for the expropriation of Winshear's SMP gold deposit in Tanzania. Winshear has announced it plans to use a portion of the proceeds to drill the Gaban Gold Project in 2024. **Palamina expects to receive \$3,625,000 in cash by way of return of capital on December 8, 2023.**

For further details on the investment in Winshear, see Note 16 to the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 and 2022.

**Gaban Gold Project**

Winshear holds the rights to 15,625 hectares that form the Gaban Gold Project. To date, five outcropping shear zones hosting quartz veins and veinlets have been located in the mountain ridges surrounding the Yanamayo river. Winshear is targeting the shear zones in the P.O.G.B as the hard rock potential source of alluvial gold mineralization found in the streams. In August 2019, Winshear filed an NI 43-101 Technical Report on the Gaban Gold Project authored by Mining Plus Pty. Ltd. On October 7, 2022, Winshear received its DIA from the Ministry of Mines in Peru, the suite of environmental and social studies required ahead of any drilling at the Gaban property. The DIA allows for the construction of up to 40 drill pads and covers the 900 m by 2,200 m Coritiri target. The Coritiri target has never been drill tested. On May 16, 2023, Winshear received approval of its Authorization to Initiate Exploration Activities ("AIEA") from the Ministry of Energy and Mines of Peru and subsequently its water permit. Winshear is fully permitted to carry out a drilling program at its Gaban gold project.

**Ica Iron Oxide Copper-Gold Project**

Winshear holds rights covering 2,933 hectares at the Ica IOCG Project. Ica is located within the coastal IOCG belt of southern Peru.

Further information on the Gaban and Ica properties, including the NI 43-101 Technical Report on the Gaban Gold Project, can be found on Winshear's website at [www.winshear.com](http://www.winshear.com).

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**Overview of Financial Results**

**Three and Nine Months Ended September 30, 2023 vs. September 30, 2022**

(Expressed in Canadian Dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Expenses</b>				
Exploration and evaluation	\$ 149,036	\$ 311,929	\$ 527,331	\$ 1,283,099
Salaries, director and management fees	54,778	70,015	209,689	222,599
Investor relations	30,617	45,273	70,364	120,257
Shareholder costs and filing fees	8,744	11,482	44,491	28,760
Professional fees	11,857	7,867	42,528	46,047
Office and general	11,050	9,918	43,089	36,829
Depreciation	1,994	2,195	6,162	5,970
Share-based compensation	-	1,000	300	25,700
<b>Total expenses</b>	<b>268,076</b>	<b>459,679</b>	<b>943,954</b>	<b>1,769,261</b>
<b>Other (income) expense</b>				
Bank charges	881	764	2,279	1,752
Loss on foreign exchange	3,258	1,059	5,997	3,545
Interest income	(450)	(1,594)	(527)	(5,884)
Advanced royalty	(67,715)	(64,685)	(67,715)	(64,685)
Share of loss of associate	-	45,380	11,114	150,445
<b>Net loss for the period</b>	<b>(204,050)</b>	<b>\$ (440,603)</b>	<b>\$ (895,102)</b>	<b>\$ (1,854,434)</b>
<b>Net loss per share</b>				
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.03)

**Three months ended September 30, 2023 vs. three months ended September 30, 2022**

Net loss for the three months ended September 30, 2023 was \$204,050 compared to a net loss of \$440,603 for the three months ended September 30, 2022. The decrease of \$236,553 in net loss is primarily attributable to the following:

- Exploration and evaluation expenditures were \$162,893 lower for the three months ending September 30, 2023 compared to the same period in 2022. The quarterly fluctuation in exploration expenditures is the result of the timing of exploration activities conducted in Peru and the lack of financial resources during 2023.
- Share-based compensation was \$nil for the three months ending September 30, 2023, compared to \$1,000 for the three months ended September 30, 2022. The 2022 amount relates to minor vesting of options previously granted. No options have been granted during 2023.
- The share of loss of associate (Winshear) for the three months ending September 30, 2023 was \$nil, compared to \$45,380 during the three months ended September 30, 2022. Palamina's carrying value of its investment in Winshear of \$11,114 as at December 31, 2022, was written down to \$nil during Q1 2023. The investment cannot be written down to less than \$nil. As such, despite the fact that Winshear incurred a loss during Q3 2023, Palamina cannot record its proportionate share like it did in the third quarter of 2022.
- In addition, Q3 2023 investor relations, shareholder costs and filing fees and professional fees were a combined \$13,404 lower than those same expenses during Q3 2022, principally due to lower investor relations activities.
- Advance royalty income was comparable in Q3 2023 vs. Q3 2022 as the advance royalty amounted to US\$50,000 in both periods with slight variation due to foreign exchange rates.

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In aggregate, lower exploration and evaluation expenditures, lower investor relations, lower shareholder costs and filing fees, higher professional fees, no share-based compensation expense and no share of loss in associate during Q3 2023 accounted for \$222,677 of the \$236,553 reduction in expenses during Q3 2023 compared to Q3 2022.

**Nine months ended September 30, 2023 vs. nine months ended September 30, 2022**

Net loss for the nine months ended September 30, 2023 was \$895,102 compared to a net loss of \$1,854,434 for the nine months ended September 30, 2022. The decrease of \$959,332 in net loss is primarily attributable to the following:

- Decrease of \$755,768 in exploration and evaluation expenditures for the nine months ending September 30, 2023 compared to the same period in 2022. The fluctuation in exploration expenditures between 2023 vs. 2022 is the result of the timing of exploration activities conducted in Peru and the lack of financial resources in 2023.
- Share-based compensation was \$300 for the nine months ending September 30, 2023, compared to \$25,700 for the nine months ended September 30, 2022. The 2022 and 2023 amounts relate to minor vesting of options previously granted. No options have been granted during 2023.
- The share of loss of associate (Winshear) for the nine months ending September 30, 2023 was \$11,114, compared to \$150,445 during the nine months ended September 30, 2022. Palamina's carrying value of its investment in Winshear of \$11,114 as at December 31, 2022, was written down to \$nil during Q1 2023. The investment cannot be written down to less than \$nil. As such, despite the fact that Winshear incurred a more substantial loss during 2023, Palamina cannot record its proportionate share like it did in 2022, beyond the December 31, 2022 carrying value of \$11,114.
- Advance royalty income was comparable in Q3 2023 vs. Q3 2022 as the advance royalty amounted to US\$50,000 in both periods with slight variation due to foreign exchange rates.

In aggregate, lower exploration and evaluation expenditures, negligible share-based compensation expense and a \$139,331 reduction in the share of loss in associate during 2023 accounted for \$920,499 of the \$959,332 reduction in expenses during 2023 compared to 2022.

**Selected Quarterly Financial Information**

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

	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>	<b>Q4 2022</b>
	<b>Sept. 30, 2023</b>	<b>June 30, 2023</b>	<b>Mar. 31, 2023</b>	<b>Dec. 31, 2022</b>
<b>Statement of Loss</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Exploration and	\$ 149,036	\$ 265,756	\$ 112,539	\$ 245,960
Administrative expenses	121,185	150,784	146,468	158,107
Depreciation	1,994	2,037	2,131	2,198
Share-based compensation	-	-	300	95,875
Interest income	(450)	-	(77)	(533)
Share of loss of associate	-	-	11,114	36,506
Advance royalty income	(67,715)	-	-	-
<b>Net loss</b>	<b>\$ 204,050</b>	<b>\$ 418,577</b>	<b>\$ 272,475</b>	<b>\$ 538,113</b>
<b>Loss per share – basic and diluted</b>	<b>\$0.00</b>	<b>\$0.01</b>	<b>\$0.00</b>	<b>\$0.01</b>
<b>Assets</b>	<b>\$ 201,426</b>	<b>\$ 565,167</b>	<b>\$ 237,735</b>	<b>\$ 306,092</b>

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	<b>Q3 2022</b>	<b>Q2 2022</b>	<b>Q1 2022</b>	<b>Q4 2021</b>
	<b>Sept. 30, 2022</b>	<b>June 30, 2022</b>	<b>Mar. 31, 2022</b>	<b>Dec. 31, 2021</b>
<b>Statement of Loss</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Exploration and evaluation	\$ 311,929	\$ 637,178	\$ 333,992	\$ 1,009,882
Administrative expenses	146,378	174,141	139,270	165,486
Depreciation	2,195	1,959	1,816	1,573
Share-based compensation	1,000	22,000	2,700	4,000
Interest income	(1,594)	(2,425)	(1,865)	(2,692)
Share of loss of associate	45,380	57,065	48,000	27,085
Advance royalty income	(64,685)	-	-	-
<b>Net loss</b>	<b>\$ 440,603</b>	<b>\$ 889,918</b>	<b>\$ 523,913</b>	<b>\$ 1,205,334</b>
<b>Loss per share – basic and diluted</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.02</b>
<b>Assets</b>	<b>\$ 625,842</b>	<b>\$ 1,022,824</b>	<b>\$ 1,878,513</b>	<b>\$ 2,664,058</b>

- Over the past eight quarters exploration and evaluation expenditures ranged from a high of \$1,009,882 in the fourth quarter of 2021 to a low of \$112,539 in the first quarter of 2023. The higher expenditures during the fourth quarter of 2021 are primarily the result of the costs associated with a drilling program in Peru.
- Administrative expenses ranged from a low of \$121,185 in the third quarter of 2023 to a high of \$174,141 in the second quarter of 2022. The amounts have been consistent over the last several quarters.
- Share-based payment expense, which is a non-cash item, has ranged between a low of \$nil in the second quarter of 2023 to a high of \$95,875 in the fourth quarter of 2022. The fluctuations result from the timing associated with the granting and vesting of stock options and the recording of the associated grant date fair value as share-based compensation expense.
- Share of loss of associate (Winshear), has ranged from a low of \$nil in Q2 2023 to a high of \$57,065 in Q2 2022. The amount will fluctuate based on the quarterly loss incurred by Winshear and whether or not Palamina has a carrying value associated with its investment in Winshear. The carrying value cannot be written down to less than \$nil.
- The advance royalty due from Winshear is payable annually in September. In September 2022 (Q3 2022) the Company received US\$50,000 (CDN\$64,685). The 2023 payment of US\$50,000 (CDN\$67,715) was received in August 2023.

#### **Liquidity and Capital Resources**

The Company's cash decreased by \$73,076 during the nine months ended September 30, 2023, compared to a decrease of \$1,835,259 during the nine months ended September 30, 2022. As at September 30, 2023, the cash balance was \$8,226 compared to \$81,302 as at December 31, 2022.

#### **Working Capital and Financial Position**

As at September 30, 2023, the Company had a working capital deficiency of \$364,719 compared to a deficiency of \$185,895 as at December 31, 2022. As at September 30, 2023 the Company had assets of \$201,426 (December 31, 2022 - \$306,092). Total assets as at September 30, 2023 consisted of cash of \$8,226 (December 31, 2022 - \$81,302), HST receivable of \$4,683 (December 31, 2022 - \$9,562) prepaid expenses of \$156,472 (December 31, 2022 - \$165,810), equipment of \$32,045 (December 31, 2022 - \$38,304) and investment in associate of \$nil (December 31, 2022 - \$11,114).

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A summary of the Company's cash position and changes in cash for the nine months ended September 30, 2023 and 2022 are provided below:

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>
Cash used in operating activities – gross	\$ (904,884)	\$ (1,684,930)
Changes in non-cash operating working capital	89,248	(51,250)
Cash used in operating activities – net	<b>(815,636)</b>	(1,736,180)
Cash used in investing activities	-	(99,079)
Cash provided by financing activities	<b>742,560</b>	-
Decrease in cash and cash equivalents	<b>(73,076)</b>	(1,835,259)
Cash and cash equivalents, beginning of period	<b>81,302</b>	2,233,309
Cash and cash equivalents, end of period	\$ <b>8,226</b>	\$ 398,050

**Nine months ended September 30, 2023 vs. nine months ended September 30, 2022**

**Operating Activities**

Cash used in operating activities before changes in non-cash working capital during the nine months ended September 30, 2023 was \$904,884 compared to \$1,684,930 for the nine months ended September 30, 2022. 2022 is lower by \$780,046, primarily due to higher 2022 exploration and evaluation expenditures by \$755,768.

**Investing Activities**

Cash used in investing activities during the nine months ended September 30, 2023 was \$nil compared to \$99,079 for the nine months ended September 30, 2022. The Q3 2022 amount relates to the purchase of 1,550,000 units of Winshear at \$0.06 per unit for \$93,000 as part of their non-brokered private placement financing that closed August 19, 2022 as well as the purchase of \$6,079 of equipment in Peru.

**Financing Activities**

Cash provided by financing activities during the nine months ended September 30, 2023 was \$742,560 compared to \$nil for the nine months ended September 30, 2022. The 2023 amount relates to a financing completed during the period of 6,000,000 units at a price of \$0.125 for gross proceeds of \$750,000 net of \$23,940 of share issue costs, which included \$2,625 in finder's fees, \$15,624 in legal fees and \$5,691 in listing fees charged by the TSX Venture Exchange. In addition, \$16,500 was advanced by the Company's President and CEO.

**Liquidity Outlook**

The Company had a cash balance of \$8,226 as at September 30, 2023 and a working capital deficiency of \$364,719. As at November 29, 2023, Palamina does not have adequate cash resources to fund its operations over the next twelve months and will require an additional source of funds in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

As previously noted, On October 26, 2023, the Company's associate Winshear, announced that its board of directors had approved a cash distribution to Winshear shareholders by way of a return of capital of CDN\$0.25 per share to shareholders of record as at November 23, 2023, with the payment to occur on December 8, 2023.



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Based on the 14,500,000 common shares of Winshear currently owned by Palamina, the Company expects to received \$3,625,000 from Winshear on December 8, 2023.

**This significant inflow of cash into Palamina is entirely non-dilutive to Palamina shareholders and will represent a material increase to the Company's financial position.**

Following this receipt of cash, Palamina will have sufficient financial resources to fund its operations and exploration programs. With respect to additional equity financing, there can be no certainty as to the ability of the Company to raise sufficient additional financing in the future.

The Company does not have any long-term debt or credit facilities with financial institutions and is not anticipating an operating profit from operations. There is no assurance that future financings will be available when required. In general, completion of all of the Company's ongoing and future exploration and development initiatives and its ability to continue as a going concern are subject to successfully raising additional funding or from successfully receiving the return of capital from Winshear.

**RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION**

*Key Management Compensation*

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Management fees – President and CEO	\$ 29,167	\$ 43,750	\$ 131,250	\$ 131,250
Management fees – CFO services	15,000	16,250	45,000	48,750
Directors' fees	6,940	13,875	20,815	41,625
Total fees paid to management and directors	\$ 51,107	\$ 73,875	\$ 197,065	\$ 221,625

*Related Party Transactions*

On January 18, 2022, the Company received a payment of US\$20,438 (CDN\$25,910) from its associate Winshear, in respect of the reimbursement of amounts owing to the Company as at December 31, 2021.

On August 19, 2022, Palamina purchased 1,550,000 units of Winshear's private placement for \$93,000 to hold 13,422,000 shares of Winshear.

On August 25, 2022, the Company received a payment of US\$79,667 (CDN\$102,965) from its associate Winshear. US\$50,000 (CDN\$64,685) was in respect of the 2022 advance royalty payment due September 19, 2022 and US\$29,667 (CDN\$38,280) in respect of the reimbursement of amounts owing to the Company for the period January 1 to June 30, 2022.

On December 9, 2022, the Company received a payment of US\$20,761 (CDN\$28,298) from its associate Winshear, in respect of the reimbursement of amounts owing to the Company for the period July 1 to December 31, 2022.

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

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

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

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

At September 30, 2023, \$20,566 (December 31, 2022 - \$90,835) included in accounts payable and accrued liabilities was owing to related parties. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

During the nine months ended September 30, 2023, the Company's President and CEO advanced funds to the Company. The advances are unsecured, non-interest bearing and have no fixed terms for repayment. As at September 30, 2023, due to related party was \$16,500 (December 31, 2022 - \$nil).

#### **SUBSEQUENT EVENTS**

On September 19, 2023, the Company's associate Winshear, announced that it had suspended arbitration proceedings with the United Republic of Tanzania ("Tanzania") in relation to its dispute regarding the SMP Gold Project in Tanzania and that a conditional settlement agreement had been reached. On October 16, 2023, Winshear, announced that it had successfully concluded the settlement with Tanzania in the amount of US\$30.0 million and that after payment of various amounts, including legal costs, the net amount paid to Winshear was US\$18,455,305 million (CDN\$25,275,000). The settlement was not recorded as an asset by Winshear as at September 30, 2023, as the settlement was not virtually certain until the cash was received on October 16, 2023 from Tanzania. As such, Palamina's proportionate share of the income arising from this settlement will be recorded in the three-month period ended December 31, 2023.

On October 26, 2023, Winshear announced that its board of directors had approved a cash distribution to Winshear shareholders by way of a return of capital of CDN\$0.25 per share to shareholders of record as at November 23, 2023, with the payment to occur on December 8, 2023.

On November 10, 2023, Palamina sold 243,000 shares of Winshear at \$0.27 per share for net proceeds of \$65,425.

On November 10, 2023, Palamina exercised warrants in Winshear to purchase 775,000 common shares of Winshear at a price of \$0.10 per share for proceeds to Winshear of \$77,500.

On November 17, 2023, Palamina exercised warrants in Winshear to purchase 546,000 common shares of Winshear at a price of \$0.20 per share for proceeds to Winshear of \$109,200.

Following the sale of Winshear shares and exercise of warrants, Palamina currently holds 14,500,000 common shares of Winshear and expects to receive proceeds of \$3,625,000 as a return of capital on December 8, 2023.

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**OUTSTANDING CAPITAL AND SHARE DATA**

Palamina's authorized capital stock consists of an unlimited number of common shares without par value. As at November 29, 2023, there were 71,284,836 common shares issued and outstanding.

As at November 29, 2023, the Company also had the following items issued and outstanding:

- 6,021,000 common share purchase warrants at a weighted average exercise price of \$0.25.
- 4,185,000 stock options at a weighted average exercise price of \$0.24.

**DIVIDENDS**

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

**OFF-BALANCE SHEET ARRANGEMENTS**

As at September 30, 2023, the Company has not entered into any off-balance sheet arrangements.

**PROPOSED TRANSACTIONS**

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

As of November 29, 2023, there are no material property acquisitions or possible transactions that the Company is examining.

**FINANCIAL INSTRUMENTS**

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

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

**Market risk**

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

**Price risk**

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements

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and volatilities. The Company closely monitors commodity prices, particularly as they relate to gold and silver to determine the appropriate course of action to be taken by the Company.

**Interest rate risk**

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

**Foreign currency risk**

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

**Credit risk**

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

**Liquidity risk**

The Company's approach to managing liquidity risk is to endeavor to it have sufficient liquidity to meet liabilities when due. As at September 30, 2023, the Company had current assets of \$169,381 (December 31, 2022 - \$256,674) including cash and cash equivalents of \$8,226 (December 31, 2022 - \$81,302) to settle current liabilities of \$534,100 (December 31, 2022 - \$442,569) resulting in a working capital deficiency at September 30, 2023 of \$364,719 (December 31, 2022 - \$185,895).

The Company's financial assets and liabilities as at September 30, 2023 and December 31, 2022 were as follows:

	Amortized Cost	FVPL	Total
<b>December 31, 2022</b>			
Financial assets			
Cash	\$ 81,302	\$ -	\$ 81,302
HST receivable	\$ 9,562	\$ -	\$ 9,562
Financial liabilities			
Accounts payable and accrued liabilities	\$ 442,569	\$ -	\$ 442,569
<b>September 30, 2023</b>			
Financial assets			
Cash	\$ 8,226	\$ -	\$ 8,226
HST receivable	\$ 4,683	\$ -	\$ 4,683
Financial liabilities			
Accounts payable and accrued liabilities	\$ 517,600	\$ -	\$ 517,600
Due from related party	\$ 16,500	\$ -	\$ 16,500

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

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**Sensitivity analysis**

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

- (i) Interest rate risk is limited to cash balances, primarily held in Canadian and US dollars in Canada.
- (ii) The Company's subsidiaries hold financial assets and liabilities in US dollars and Peruvian soles that give rise to foreign exchange risk. If the US dollar rose or fell in relation to the Canadian dollar by 5% with all other variables held constant, net comprehensive loss for the nine months ended September 30, 2023 would have been approximately \$1,000 higher/lower. If the Peruvian sol rose or fell in relation to the Canadian dollar by 5% with all other variables held constant, accumulated other comprehensive loss for the nine months ended September 30, 2023 would have been approximately \$100 higher/lower.
- (iii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability from mineral exploration depends upon the world market price of valuable minerals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of valuable minerals may be produced in the future, a profitable market will exist for them. As of September 30, 2023, the Company is not a producer of minerals. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

**GOING CONCERN**

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

**COMMITMENTS AND CONTINGENCIES**

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

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

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**Critical Accounting Policies and the Use of Estimates and Judgment**

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires that management make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses and income during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. A detailed summary of the Company's significant accounting policies and use of estimates is included in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2022. The accounting policies and management estimates applied in the condensed consolidated interim financial statements for the three and nine months ended September 30, 2023, are consistent with those used in the Company's audited consolidated financial statements for the year ended December 31, 2022.

**Risks and Uncertainties**

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

An investor should carefully consider the risks described in the Company's audited financial statements for the year ended December 31, 2022 and the "Risks and Uncertainties" discussion in the Company's MD&A for the year ended December 31, 2022, dated May 1, 2023, before investing in the Company's common shares. Readers are also encouraged to read and consider the risk factors more particularly described in Note 4 to the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023, which have been posted on the Company's website at [www.palamina.com](http://www.palamina.com) and are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The risks described in these documents is not an exhaustive list. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business in the future. If any of the risks noted in the Company's financial disclosure occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In this event, investors may lose part or all of their investment.

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

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**Cautionary Note Regarding Forward-Looking Information**

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

**Caution Regarding Adjacent or Similar Mineral Properties**

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

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**Disclosure and Internal Controls**

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

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

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

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

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

The Corporation's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Corporation is made known to the Corporation's certifying officers. The Corporation's CEO and the CFO have evaluated the design and effectiveness of the Corporation's DC&P as of September 30, 2023 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Corporation is made known to them by others within the Corporation. The CEO and CFO have also evaluated the design and effectiveness of the Corporation's ICFR as of September 30, 2023 and concluded that these controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

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



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**Other MD&A Requirements**

**Additional Disclosure for Companies Without Significant Revenue**

Additional disclosure concerning Palamina's exploration and evaluation expenditures, mineral property costs and general and administrative expenses is provided in the Company's unaudited condensed consolidated interim financial statements and in Note 13 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 and 2022 that are available on the Company's website at [www.palamina.com](http://www.palamina.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Approval**

The Board of Directors of Palamina approved the disclosure contained in this MD&A on November 29, 2023. A copy of this MD&A will be provided to anyone who requests it from the Company.

**Additional Information**

**Officers:**

Andrew Thomson, President, Chief Executive Officer and Director

Michael Farrant, Chief Financial Officer and Corporate Secretary

**Directors:**

Peter Bojtos, Director <sup>(1)</sup> <sup>(2)</sup> (Corporate Governance and Compensation Committee Chair)

Alistair Waddell, Director <sup>(1)</sup> <sup>(2)</sup>

Christina McCarthy, Director <sup>(1)</sup> (Audit Committee Chair)

Sean Spraggett, Director <sup>(2)</sup>

Andrew Thomson, President, Chief Executive Officer and Director

(1) Member of the Audit Committee

(2) Member of the Corporate Governance and Compensation Committee

**Legal Counsel, Auditors and Transfer Agent**

WeirFoulds LLP, Legal Counsel

McGovern Hurley LLP, Auditors

Computershare Investor Services Inc., Transfer Agent

**Comparative Figures**

Certain comparative figures have been reclassified to conform to the current period's presentation. These reclassifications did not affect the results