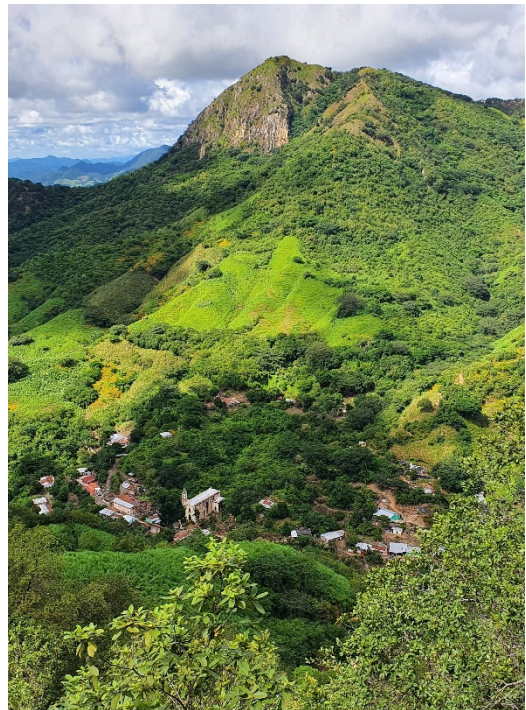


MESSAGE FROM THE CEO ON SUSTAINABILITY

On behalf of the management and board of directors of Prime Mining Corp., I am pleased to share with you our first sustainability report. As a junior exploration company engaged in exploration drilling from pre-existing roads and improved trails, Prime's current operations result in little environmental disturbance and limited social impact. At the same time, we recognize that we operate in a place where some basic human needs such as year-round access to clean water, certain medical services, and sufficient education facilities are less available to the members of nearby communities. Recognizing these deficiencies has helped to inform our approach to environmental, social, and governance ("ESG") issues.

In 2021, we conducted a third-party environmental and social baseline study (the "Study") for our Los Reyes mining concession area to better understand existing environmental conditions and prevailing community issues near our exploration activities ("Area of Influence"). We recognized, and the Study validated, that excessive water during the peak rain season and limited available drinking and livestock water during the peak dry season are key concerns to our Mexican stakeholders, a reality we account for in our short- and long-term ESG approach. We have an enduring respect for our host communities and, from the beginning, have worked closely with a local ejido by providing financial support, repairing and making road improvements, delivering water flood control and dry season supply, and offering K-12 education program assistance and infrastructure improvements. We also made improvements to the historic Church of Our Lady of Guadalupe located in the rural community of Guadalupe de Los Reyes.



In 2022 we continued to execute our long-term ESG strategy by achieving several goals. We:

- Prioritized quantitative reporting using Onyen, a certified disclosure program, by measuring environmental and social impacts. This provides us with an additional performance evaluation yardstick against our goals to identify where improvements can be made within the limits of our available resources.
- Hired a full-time employee with an advanced degree in hydrology to lead our ESG efforts at the project. She lives locally and recently completed a challenging international ESG certification program.
- Completed a materiality assessment involving employees, the board of directors, and key stakeholders to evaluate ESG issues deemed most material to Prime's Mexico operations.



- Strengthened the Company's ESG-related policies and board of directors' charters. In this process, we aligned our policies and practices with the United Nations Guiding Principles on Business and Human Rights ("UNGPs") and the International Council on Mining and Metals ("ICMM") Principles. Recognizing these standards demonstrates our motivation to go beyond Mexican and Canadian law in our commitment to environmental, social and governance management at the highest levels of the company.

- Conducted an in-house education survey (an "Education Needs Assessment") to evaluate short-term and long-term existing conditions and education needs within our Area of Influence.
- Launched Prime's annual in-person training program for Mexican and Canadian employees focused on issues initially including governance, human rights, and anti-corruption.
- Completed a management-led and board of directors approved longer-term ESG planning session in Q1 2023.

In 2023 and 2024, we are considering several initiatives and goals including:

- an education support program in the Area of Influence based on the results identified in our 2022 Education Needs Assessment;
- implementation of a grievance mechanism in alignment with the UNGPs to achieve a more methodical approach to addressing community concerns and feedback;
- participation in an industry Roundtable that includes ESG benchmarking of similarly situated mineral exploration companies in Mexico to share information about risk management, cost effective benefit-sharing programs, and appropriate best practices; and,
- As the Los Reyes project approaches feasibility beyond 2024, we expect to complete a third-party Human Rights Assessment in keeping with the ICMM Principles and UNGPs.





The long-term sustainability of our business depends on good stewardship and balancing the enormous benefits that mining provides to local communities with the protection of people and the environment. We are working to continue our responsible exploration activities in alignment with the best environmental and community practices. As a result of our efforts, we are recognized as a responsible member of the local communities. We will continue to work diligently to maintain and strengthen our social license to operate there.

Thank you for your continued interest in Prime and for reading our first sustainability report.

Daniel Kunz
CEO and Director
Prime Mining Corp.

April 2023

