

LETTER FROM  
**THE CEO**



**Dear Stakeholders,**

At Prime, we believe in integrating sustainability into every aspect of our operation while unlocking the full potential of our high-grade, gold-silver Los Reyes Project in Mexico. Our approach to sustainable development prioritizes community health and welfare and environmental responsibility while enhancing long-term stakeholder value.

**Operational Excellence:** In 2023, Prime Mining achieved significant milestones, demonstrating our unwavering dedication to sustainable growth and project advancement. This included doubling our gold-silver resource inventory at the Los Reyes Project, publishing our inaugural ESG report, reaffirming our commitment to sustainability in a management-led ESG strategy session, completing nearly 60,000 meters of drilling, strengthening our management team and board with key appointments, and ending the year in a robust financial position, with approximately C\$33 million in cash. We are committed to a safety-first approach to ensure that all of our employees and contractors return safely to their families every day.

With a dedicated team of veteran explorationists, miners, finance and capital markets professionals, and local operators, Prime is guided by the principles of sustainable development in advancing its understanding of Los Reyes.

**Environmental Stewardship:** At Prime Mining, we recognize the importance of environmental stewardship. We have a

rigorous environmental compliance program and work to ensure that our activities adhere to the highest standards of environmental responsibility. Through close collaboration with local partners and stakeholders, we are committed to mitigating our environmental footprint and preserving the natural ecosystems surrounding the Los Reyes Project. As we progress technical work and embark on permitting activities, we will update and expand the environmental and social baseline studies that our environmental consultants conducted previously, so that we can continue to understand and mitigate the changing nature of our environmental and community impacts.

**Community Engagement:** Our commitment to community engagement is rooted in respect, dialogue, and collaboration. We understand the significance of building strong, mutually beneficial relationships with the communities where we operate and offering local employment wherever we can. This year we implemented programs to support local farms by building water storage facilities. We provided much-needed supplies to all K-12 schools in 12 different communities within our area of influence based on our 2022 Needs

Assessment survey work. We will continue to support and develop local water and education initiatives as the Company moves beyond exploration into eventual project development. By prioritizing local hiring, community support and fostering open communication, we strive to be responsible corporate citizens and contribute positively to the well-being of our host communities.

**Corporate Governance:** Prime Mining upholds the principles of transparency, integrity, and accountability in all facets of our operations. With a strong Board of Directors and Management Team, robust governance structures and alignment through insider ownership, we prioritize ethical decision-making and stakeholder value creation. In 2023 we continued our

in-person governance training for Mexican and Canadian employees. We also offered a new diversity, equity and inclusion course for key Mexican employees and contractors. All employees will also complete training on the Company's new Integrity Counts Whistleblower platform. The release of our inaugural ESG report and graduation to the main board of the Toronto Stock Exchange in 2023, underscore our commitment to best practices in corporate governance well beyond our small size.

In 2024 and 2025, we will continue to employ the best practices described in this report. We will continue to make decisions in alignment with the United Nations Guiding Principles on Business and Human Rights and the Sustainable

Development Goals in keeping with International Council on Mining and Metals Principles. We will also continue to evaluate "best practices" standards and environmental impacts as we pursue mining, processing, and waste management project development strategies.

As we embark on the next phase of our journey, we remain steadfast in our pursuit of excellence, sustainability, and responsible resource development. Thank you for your continued trust and partnership as we strive to create a more sustainable future for generations to come.

Best Regards,

**Scott Hicks**  
CEO Prime Mining Corp.

