PRIME MINING CORP.



About this report

Unless otherwise noted, all data contained in this report covers the following period: 01-01-2024 to 12-31-2024

This is the third report Prime Mining Corp ("Prime" or the "Company"). Prime Mining is reporting on the following guidelines:

- CDP Carbon Disclosure Project
- GRI Global Reporting Initiative
- GRI-MM GRI Mining and Metals Supplement
- ICMM International Council on Mining and Metals
- SASB Sustainability Accounting Standards Board
- OSHA Occupational Safety and Health Administration

This ESG report is connected to Prime Mining Corp.'s financial reporting period. The primary focus of this report is:

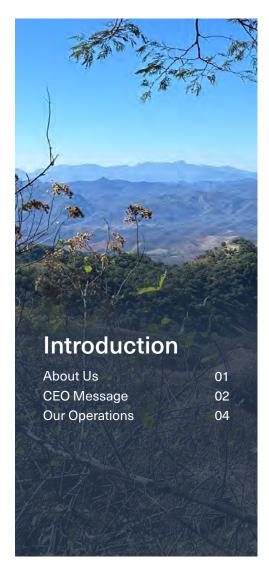
 Los Reyes Gold-Silver Project ("Los Reyes" or the "Project") located in Sinaloa State, Mexico.

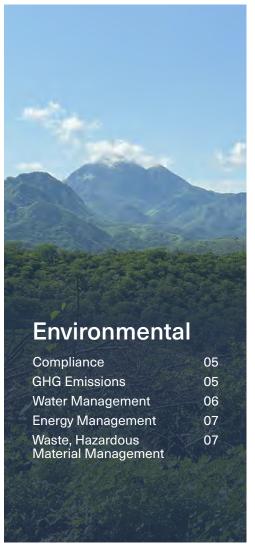
Audit Status: Self-Declared

Affiliations: GRI 102-56 | SASB EM-MM-210b.1, Technical Protocols



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About us

Prime Mining, headquartered in Vancouver, BC, Canada, operates its mineral exploration in Mexico, though its wholly-owned subsidiary Minera Amari S.A. de C.V.

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

Prime Mining Corp. works to advance the Los Reyes Gold and Silver Project ("Los Reyes"), the Company is focused on three areas:

- i. Health and safety of our team and the communities in which we work.
- ii. Corporate responsibility and governance.
- iii. Use of resources to create maximum value at Los Reyes for all stakeholders.

The Company is undertaking a range of activities to help determine the amount and extent of minerals within the project area to evaluate if there is an economic

deposit. Those activities follow the federal and state guidelines for exploration within our mineral claims, and include mapping and sampling the surface rocks, as well as taking soil samples. Defining drill targets where we then drill to test the rock at depth, we sample the core or chips returned from drilling and send to independent laboratories to know the amount of the assaying minerals. One half of all core or chips are stored at our facilities after sampling. Modelling of results will facilitate decisions on exploration target prioritization and project development timelines.



Letter from the CEO



It is with great pride that we present Prime Mining's third annual Sustainability Report. In 2024 we formalized our approach to community, environment and responsible mineral development in our Vision, Mission and Values Statements, as we work towards unlocking the full potential of our high-grade, gold-silver Los Reyes Project in Mexico:

Vision:

To become a North American leader in responsible precious metals mineral resource advancement.

Introduction

Mission:

Prime's mission is to do well for all of our stakeholders by responsibly advancing our high-grade Los Reyes gold-silver project. Our purpose is to have a net positive impact: on people, places and the planet.

Values:

Pride in the quality, safety and positive impact of our work.

Respect for self, colleagues, community and environment.

Integrity in our actions.

M entorship to enable skill and knowledge sharing, and enhance teamwork

Empathy in our interactions.

These Statements were developed by our local geologists and Mexican workforce given their close relationships with the communities in which we work.

In support of our Vision, we announced on February 19, 2025 that we were working towards a Preliminary Economic Assessment to demonstrate the economic value of the development potential at Los Reyes. While this is the first formal step in assessing the viability of project development, it will leverage the significant investment that we have already made in our neighboring Ejidos (communities), our previous environmental baseline study and excellent technical engineering foundation established by Prime Mining in the areas of geology, mining and metallurgy.

Our Mission Statement emphasizes that we will continue to consider the net benefit to all stakeholders in our planning process. Our Values describe how we will evaluate our development plans and execute on them.

Reflecting further on 2024, we achieved significant milestones

Operational Excellence:

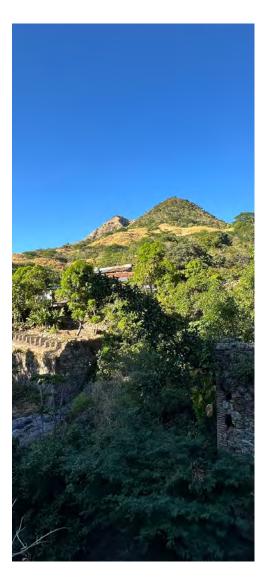
Enhanced our safety programs through:

- Training showing a significant increase reaching on average 25 hours of safety training per employee.
- Tracking system every near-miss, incident or accident is recorded in a tracking system developed to identify most common incidents and prevention of these.

Announced a robust Resource update on October 15, 2024:

- Increased resource ounces significantly.
- Added an underground mining approach to the resource statement and subsequent Technical Report.
- Increased the percentage of stated ounces in the higher-confidence "Indicated" classification, which is suitable for more advanced engineering studies.
- Completed further engineering studies on metallurgy, geotech-

Letter from the CEO



nical parameters and other key • study parameters.

Introduction

Completed just over 50,000m of exploration drilling.

Community Engagement:

- Organized community meetings and gatherings, providing an opportunity to receive feedback and make direct support payments.
- Support to Ejiditarios (community members) during periods of security instability, including food programs.
- School capital to improve elementary and senior school student retention.
- Provision of school supplies for academics and athletics.
- Support for local ranchers with water storage tanks.
- Local purchasing and labour opportunities.
- Community road access improvements.

Environmental Stewardship:

 Reduced our environmental footprint by concurrent reclamation and clean-up of older drill pad locations.

- Evaluation of underground mining applications to lower overall potential impact of Los Reyes project development.
- Included consideration for dry stack tailings in project assessment studies to reduce our legacy environmental footprint and increase water stewardship.
- Strategic planning meetings regarding sustainable development and environmental permitting with the Director of Mines for Sinaloa and CIMA SC, a highly regarded environmental permitting and sustainability engineering firm.

Corporate Governance:

- In-person training in Mexico and Canada for all employees.
- Continuing best practice audits in 2024 following our December, 2023 graduation to the Toronto Stock Exchange main board.
- Strengthened the capabilities of our Board of Directors.
- Formalized and implemented our internal whistleblower platform to support our Whistleblower Policy.

As we look forward to the development of the Los Reyes project, we will continue to make decisions aligned 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 and incorporate international "best practices" standards and environmental impacts as we pursue mining, processing and waste management project development strategies.

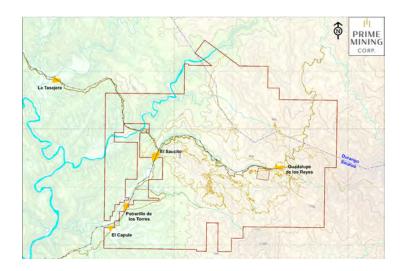
As we embark on the next phase of our journey, we remain steadfast in our pursuit of excellence, sustainability, and responsible resource development as guided by our stated Mission and Values. Thank you for your continued trust and partnership as we strive to create a more sustainable future for generations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

Best Regards,

Scott Hicks CEO, Prime Mining

Our Operations

Our Growth Platform

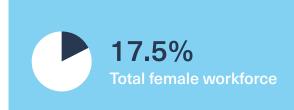


Prime Mining's Los Reyes project is located 43 kilometres south-east of the mining-friendly city of Cosalá, Sinaloa, with a land package of contiguous claims totaling 6,273 hectares.

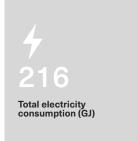
The project is located in the historically productive Guadalupe de Los Reyes mining district, which has an extensive mining history stretching back into the 1700s.

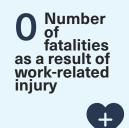


Total amount of gross global Scope 1 GHG emissions (tonne)













Number of instances for which fines were incurred

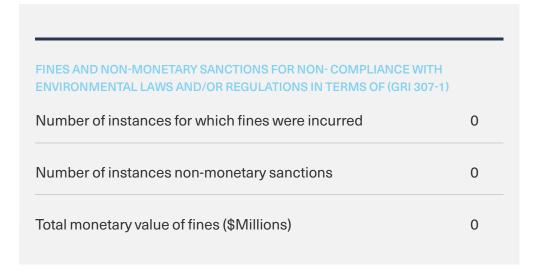


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Environmental Performance

Compliance

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Zero fines have been applicable to the Company since the start of its activities.

Company's committed to operate in accordance with national and international standards. Even with a reduced operation, restricted to mining exploration, Prime keeps a detailed record of environmental performance and compliance with all applicable regulations.





GHG Emissions

Gross global Scope 1 greenhouse gas (GHG) emissions to the atmosphere of the seven GHGs covered under the Kyoto Protocol (SASB EM-MM-110a.1.1)

1211.2

Gross Scope 1 emissions (tonne CO₂-e)

Emissions described in Scope 1 include use of light vehicles, drilling rigs, water pumps and heavy machinery by the Company and its contractors. Decrease is observed in GHG emissions in comparison to last year's.







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AMOUNT OF WATER THAT WAS WITHDRAWN FROM FRESHWATER SOURCES (IN THOUSANDS OF CUBIC METERS) (SASB EM-MM-140A.1.1)

32.3

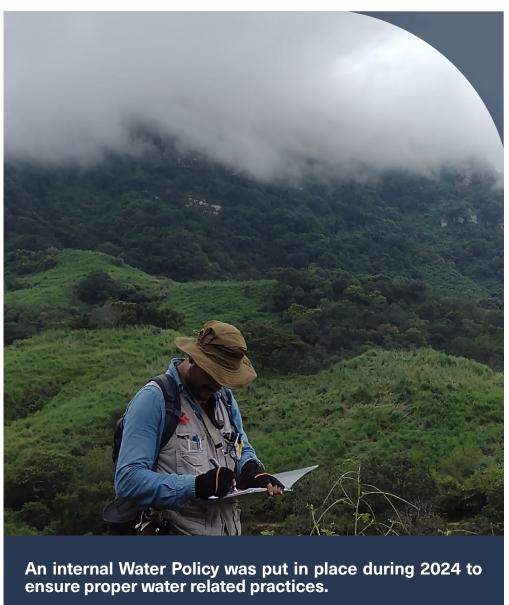
FRESHWATER WITHDRAWN IN LOCATIONS WITH HIGH OR EXTREMELY HIGH BASELINE WATER STRESS AS A PERCENTAGE OF THE TOTAL WATER WITHDRAWN (SASB EM-MM-140A.1.4)

100%

This measurement includes all water withdrawn from freshwater sources.

Los Reyes Project is located in the Northwest Coast major basin in Mexico which is classified extremely high water stress. Activities performed by the Company include only those related to mining exploration (drilling and sampling) and require reduced water volume. In an effort to have a positive impact on the environment, the Company closely monitors water use, reduces consumption when possible, and creates works to store water for the benefit of local people.





Energy Management

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Total energy consumed in aggregate, in gigajoules (GJ) (hydrocarbons and electricity) (SASB EM-MM-130a.1.1)

16,247.77



Waste and Hazardous Materials Management

Total amount of tailings waste generated from mining activities by the entity during the reporting period (tonne)

(SASB EM-MM-150a.1)

0.000

Percentage of tailings waste that was recycled during the reporting period (SASB EM-MM-150a.1)

0

Company's activities at this stage are restricted to mining exploration. No tailings facilities are in place at this moment.



Introduction

Social Performance

Scale of the Organization

Report the total number of operations (GRI 102-7)	1
Report the total number of direct employees worldwide (exclude contractors) (GRI 102-7)	49
Report the total number of contract employees worldwide (GRI 102-7)	14
Total number of employees worldwide (include contractors) (GRI 102-7)	63
Total percentage of female employees and contractors worldwide (GRI 102-7)	17.5%
Total percentage of male employees and contractors worldwide (GRI 102-7)	82.5%



Labour Relations

0.000%

Percentage of total direct employees covered by collective bargaining agreements (GRI 102-41-a)



There are no collective bargaining agreements put in place at this moment.

Turnover

Total number of turnover (the number that left during the period) (GRI 401-1-b)

12

Most of the turnover during the past year was due to employees relocating.



Local Workforce

DIRECT EMPLOYEES HIRED LOCALLY	41
LOCALLY HIRED WORKERS WHO ARE NOT EMPLOYEES	6
WORKFORCE HIRED LOCALLY AS PERCENT OF TOTAL WORKFORCE	75%

Local hiring and purchasing is one of the Company's main commitments to the communities in which we work.

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Occupational Health and Safety

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INJURIES- FOR COMBINED (EMPLOYEES AND NON-EMPLOYEES, BUT CONTROLLED BY THE ORGANIZATION): (GRI 403-9-A,B)		
Hours worked	145,300	
Number of all recordable work-related injuries	1	
Rate of recordable work-related injuries	1.376	
Lost Time Injuries (LTIs)	1	
Lost Time Injury Rate (LTIR)	1.376	

The Company's EVP of Exploration and on-site General Manager are responsible for the health and safety of employees and contractors.

Assessment regarding main hazards related to activities performed by the Company is constantly updated and consistent with common practice of an exploration stage. Results from analysis are communicated to employees and contractors as risk prevention.

AVERAGE HOURS OF HEALTH, SAFETY, AND EMERGENCY RESPONSE TRAINING FOR,

time direct employees B EM-MM-000.B EM-MM-320a.1.3)	25.77
ract Employees B EM-MM-000.B EM-MM-320a.1.3)	19.29



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Security, Human Rights, and Rights of Indigenous People

The Company does not operate in a conflict-affected area as defined under international standards.

However, recognizing the presence of localized security concerns, the Company actively assesses risks and implements appropriate measures to ensure the safety of its personnel and local community groups. These measures include regular security assessments, engagement with local stakeholders, and adherence to principles aligned with international humanitarian and human rights law.



0%

Percentage of inferred, indicated and measured resources that are located in or near areas that are considered to be indigenous peoples' land

There are no indigenous people inside area of Influence.

Discuss practices and list procedures while operating in areas of conflict (SASB EM-MM-210a.3.3):

Prime Mining does not operate in areas of conflict.

Number of company 0 operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site (not controlled by company/unauthorized) (GRI MM Supplement MM8-2.2)

There is no record of active ASM inside Company's claims.



Disclose the total number of site shutdowns or project delays due to nontechnical factors (SASB

EM- MM-210b.2.1)

Disclose the total aggregate duration (in days) of site shutdowns or project delays due to non-technical factors (SASB EM-MM-210b.2.1)



Prime Mining ESG Report

Social Programs

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Supporting communities within mining concessions and areas of influence has been a consistent priority for Prime Mining. As part of its early due diligence, a third-party expert conducted a baseline assessment of environmental and social conditions during the initial exploration phase (2020-2021). The study identified education and water as priority areas.

In 2022, the Company conducted a census of all K-12 schools within the area of influence, documenting enrollment, infrastructure conditions, and specific needs. This assessment is updated annually at the beginning of the school year in August. Based on the findings, the Company provides school supplies to students and teachers, along with infrastructure improvements such as air conditioning units, fencing, and furniture.

Since the start of exploration, the Company has implemented water storage initiatives to benefit local communities. This includes the construction of water ponds using heavy machinery, the use of water trucks to fill community tanks during the dry season, and the provision of water troughs for livestock. Where necessary, temporary water lines are installed to serve more remote areas.

Improving socioeconomic conditions in the communities where the Company operates remains a core priority. Prime Mining is committed to maintaining and strengthening its relationship with the Ejido.





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Introduction

Governance

General Disclosure

The Company's Board of Directors is comprised of 9 members, and the following committees:

- Health, Safety, Environment and Social Responsibility Committee
- Audit Committee
- · Nominating and Corporate Governance Committee; and the
- Compensation and Human Resources Committee

The Board of Directors upholds its fiduciary responsibility by acting in the best interests of Prime, considering the perspectives of all stakeholders, including shareholders, employees, local communities, and regulatory bodies. To support this commitment, the Board has established a comprehensive corporate governance framework that emphasizes accountability, transparency, and ethical conduct. This framework includes various committees - each tasked with overseeing specific aspects of Prime's operations. These committees regularly review and assess policies and practices to ensure alignment with industry best practices and regulatory requirements, thereby reinforcing Prime's commitment to responsible and effective governance.

Board Composition

Prime's Board of Directors is composed of nine members.

Board independence is a key governance principle. The Board of Directors is structured to maintain a majority of independent members, and its committees are regularly evaluated to ensure they include an appropriate level of independent representation.



Number of executive members

Number of nonexecutive members Number of independent members

Ethics and Integrity

91.8%

Total percentage of direct employees that received training on anti-corruption

92.9%

Total percentage of technical employees that received training on anti-corruption

100%

Total percentage of governance body members that received training on anti-corruption

Anti-corruption policies and procedures have been communicated to all employees, contractors, management and Board members.



Stakeholder Engagement

The Company engages stakeholders through regular, informal interactions and as needed based on project activity. Engagement includes local communities, regulators, and investors, with frequency varying by stakeholder type-ranging from ongoing community dialogue to quarterly updates for investors.



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Visit our ESG Scorecard

Review our Disclaimer

https://www.primeminingcorp.ca

