



May 30, 2025  
To our Shareholders,

In response to broad economic uncertainty resulting from the imposition of global tariffs by the United States, the prices of gold and copper have reached all-time highs, with silver trading well above US\$30 an ounce. Palamina shareholders benefit from significant exposure to Peruvian exploration projects that host high-grade gold, silver, and copper mineralization. Over the past year, Palamina has continued to advance its portfolio of gold projects in the Puno Orogenic Gold Belt ("POGB") in southeastern Peru. Two separate inaugural drilling programs were carried out at the Usicayos and Gaban gold projects. Palamina also acquired Sociedad Minera Vicus Exploraciones S.A.C. ("Vicus") to secure the Pluma copper-silver project in northeastern Peru, further expanding our portfolio of copper-silver assets. In May 2025, Winshear Gold Corp. decided to exit Peru and offered to return the Gaban gold and Ica copper-gold projects to Palamina. During its tenure as operator, Winshear invested a total of CDN\$4,097,709 in acquisition and exploration activities in Peru. In total, Palamina has received non-dilutive cash payments totaling CDN\$4,215,930 from Winshear.

In 2024, a total of 2,306 metres of diamond drilling was completed in nine drill holes as part of an inaugural scout program in the Sol de Oro ("SDO") zone at our Usicayos gold project. The most notable intercepts occurred in the SDO North zone, where drill hole USI24-07 returned 0.75 g/t Au over 35m, and USI24-08 returned 0.72 g/t Au over 52m. In the SDO South zone, drill hole USI24-04 intercepted 0.63 g/t Au over 40m partly within a blind mineralized microdiorite intrusive encountered 113 metres downhole, while USI24-05 intercepted 0.47 g/t Au over 37m in a scissor hole drilled from the same platform. In 2025, Palamina plans to resume drilling in the SDO North zone to further define mineralization to the south, test for a possible mineralized feeder zone between SDO North and South and initiate a maiden drill program in the Cayos zone. In Q1 2025, channel sampling in the Cayos zone identified two new NW-SE shear zones. The westernmost shear returned 18.1 g/t Au over 7m, and the central shear returned 7.3 g/t Au over 7.2m. All three NW-SE shear zones in the Cayos zone remain open in both directions.

In fall 2024, Winshear Gold completed the first-ever diamond drill program in the Coritiri zone at the Gaban gold project. Four diamond drill holes totaling 1,005 metres were completed from two drill pads. The two southernmost holes, Gaban 24-02 and Gaban 24-04, returned 1.29 g/t Au over 21m and 5.04 g/t Au over 4m, respectively. The program was cut short due to the early onset of the rainy season and did not test the western portion of the main mineralized zone as planned where further drilling is warranted. Winshear is currently in the process of transferring the Gaban gold project back to Palamina. The project remains fully permitted for drilling, with a base camp, a newly constructed winch, and access road in place.

Palamina's gold project portfolio in the POGB now comprises seven projects, with two currently in the drill discovery phase. Our copper-silver portfolio now includes five projects following the acquisition of the Pluma sediment-hosted copper-silver project and the return of the Ica copper-gold project from Winshear. The Pluma project is located immediately north of and contiguous with Hannan Metals Limited's ("Hannan") San Martin copper-silver project, which is subject to an earn-in agreement with the Japan Organization for Metals and Energy Security ("JOGMEC"). Drilling at San Martin is planned for the summer of 2025. In 2024, Palamina conducted limited exploration on the Galena silver-copper project, identifying multiple manganese pathfinder anomalies. We continue to follow an "acquire and hold" strategy for our copper-silver assets, with a potential spin-out under consideration.

For the remainder of 2025, we plan to resume drilling at our flagship Usicayos project and seek partners to advance the balance of our portfolio. Finally, I would like to thank our directors, consultants, management team, advisory board members, and shareholders for their continued support and guidance over the past year.

Sincerely  
Andrew Thomson  
President & CEO  
**Palamina Corp.**

For more information on Palamina and its projects please visit our web page at: [www.palamina.com](http://www.palamina.com)