



May 17, 2023
To our Shareholders,

Thank you for continuing to be supportive of Palamina. During the past year we increased our bank of gold projects in the Puno Orogenic Gold Belt (“POGB”) in Peru, carried out exploration programs at our Usicayos, Galena and Yin projects and conducted limited reconnaissance programs and drone surveys on 3 newly staked gold projects. Palamina also retains an 18.5% equity interest in Winshear Gold Corp. (WINS.V) and a 2 % NSR royalty on all of their Peruvian projects. In February of 2023, Winshear completed arbitration proceedings against the Government of Tanzania in Washington D.C. seeking in excess of CDN\$130,000,000 in compensation for expropriation of their SMP Gold Project. A judgement is expected in the fall of 2023 where any future award in favour of Winshear will increase shareholder value for both companies.

In May of 2022 we concluded our diamond drill program in the Veta Zone at our Usicayos Gold Project. Palamina intercepted visible gold in two of six holes with the widest intercept returning 0.5 g/t Au over 24m but failed to replicate the high-grade gold values obtained from surface sampling. In June of 2022, we acquired the Sol de Oro area SW of the Veta and Cayos zones where we now control 100% of the entire 4.5 km geological trend. Subsequent channel sampling in the Sol de Oro zone returned 3.4 g/t Au over 14m at surface and 15.4 g/t Au over 4m underground. Channel samples from the Cayos zone at surface returned up to 30.5 g/t Au over 3m. A portable drill rig remains at site where a new road is planned to access the Sol de Oro and Cayos zones for drilling.

In 2022, as part of our ongoing ESG initiatives, we changed the name of our Lagos Silver Copper Project to Galena and reported results from 3 sampling campaigns. Channel samples returned values up to 585 g/t Ag, 5 % Cu over 0.4m in the Azul zone and 707 g/t Ag, 4.5 % Cu, 28.9 % Pb over 2m in the Rosa zone. The Verde zone returned up to 14.5 g/t Ag, 1.35 % Cu over 6.5m. At the Galena Silver Copper Project we now hold 100 % interest to 12,830 hectares after acquiring an additional 4,800 hectares based on the results from GoldSpot’s Artificial Intelligence (“AI”) targeting study of the Santa Lucia district.

A preliminary exploration program was also completed on Palamina’s Yin and Winshear’s Yang claims south of Winshear’s Gaban gold project. This area of interest was generated by GoldSpot’s AI study of the POGB. Winshear conducted numerous sampling campaigns at Gaban and has received full permission to drill test the Coritiri gold zone. Palamina holds a 2 % NSR royalty on Gaban where a US\$50,000 advance royalty (“AR”) payment was already paid with a further AR payment of US\$50,000 due in September of 2023. In 2024 the annual AR payment will increase to US\$100,000.

We are well positioned to aggressively move forward and take advantage of strengthening gold prices with a commanding land position in the POGB. While drill permitting remains an ongoing challenge in Peru, Palamina and Winshear have both secured environmental permits for their flagship gold projects. We also have significant exposure to silver and copper through Palamina’s Galena and Winshear’s Ica Projects.

We are excited that efforts in both companies have set the stage for multiple paths to increase shareholder value. For the balance of 2023 our focus will be to conduct a modest drill campaign at Usicayos and advance our other assets while being mindful of any significant dilution while we await Winshear’s arbitration judgement. Finally, I would like to thank management, directors and our advisory board members in Toronto and Peru, along with our shareholders, for their continued support and guidance over the last 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