

Prime Mining Intercepts 36.1 Metres With 1.29 gpt Au and 60.7 gpt Ag at Noche Buena Deposit as New Drilling Continues Expansion

Vancouver, July 12 – Prime Mining Corp. (“Prime” or the “Company”) (TSX-V: PRYM, OTCQB: PRMNF, Frankfurt: 04V3) today reported new results from ongoing drilling at Noche Buena, one of eight known gold-silver deposits at the Company’s Los Reyes gold-silver project located in Sinaloa State, Mexico. Four of the eleven drill holes completed as part of the Company’s Phase 1 drill program were previously reported on April 6, 2021. Results reported today are from seven additional core holes (see Figure 1 and Table 1). In combination with the previously reported results, these drill holes confirm the expansion of mineralization at Noche Buena both down-dip and along strike beyond the current inferred category resource boundary. Additionally, the drilling adds silver assay data to the resource in areas where it was not recorded by prior operators. Silver is expected to be a major by-product credit in any future mining operation.

Highlights

- 1.29 grams per tonne (“gpt”) gold (“Au”) and 60.7 gpt silver (“Ag”) over 36.1 metres (“m”) (28.9 m estimated true width “etw”) starting at 93.1 m downhole, including 5.74 gpt Au and 108.1 gpt Ag over 4.5 m (3.6 m etw) (**21NB-06**);
- 2.89 gpt Au and 61.6 gpt Ag over 10.5 m (8.4 m etw) at 70.5 m downhole including 1.5 m (1.2 m etw) at 18.00 gpt Au and 209.3 gpt Ag (**21NB-09**);
- 1.23 gpt Au and 28.0 gpt Ag over 11.1 m (8.9 m etw) at 32.4 m downhole including 1.1 m (0.9 m etw) at 6.08 gpt Au and 90.9 gpt Ag (**21NB-08**);
- 0.70 gpt Au and 27.9 gpt Ag over 19.5 m (15.6 m etw) at 63.0 m downhole including 1.5 m (0.9 m etw) at 3.73 gpt Au and 109.5 gpt Ag (**21NB-10**);
- 0.77 gpt Au and 48.3 gpt Ag over 4.5 m (2.9 m etw) starting at 117.5 m downhole including 2.67 gpt Au and 140.2 gpt Ag over 0.6 m (0.4 m etw) (**21NB-05**);
- 1.00 gpt Au and 18.0 gpt Ag over 5.8 m (5.2 etw) starting at 76.5 m downhole (**21NB-11**);
- 0.65 gpt Au and 20.7 gpt Ag over 11.6 m (10.4 etw) starting at 24.0 m downhole including 1.21 and 38.9 gpt Ag over 4.5 m (4.1 etw) (**21NB-07**).

Prime Mining Corp. Chief Executive Officer Daniel Kunz commented, “The Noche Buena deposit remains open at depth and further along strike. The April 2020 pit-constrained resource for Noche Buena includes Measured and Indicated category resources of 2.2 million tonnes containing 62,000 ounces Au at 0.86 gpt and 1.554 million ounces Ag at 21.6 gpt. Inferred category resources totalled 1.1 million tonnes containing 26,000 ounces Au at 0.73 gpt and 0.626 million ounces Ag at 17.3 gpt. These new drill results will have a meaningful impact on this resource and demonstrate that Noche Buena’s size and confidence categories are increasing. A more accessible area, Noche Buena is one of the deposits we are continuing to drill over the next four months during the rainy season.”

Noche Buena Expansion Drilling

The initial drilling at Noche Buena primarily focused on step-out drilling to add new gold and silver resources and to upgrade confidence in the resource category of the previously reported Inferred category pit-constrained resource. Phase 1 drilling at Noche Buena is now complete with all eleven drill holes reported (see links for Table 2 drill summary and additional Figures 2-5 for graphics). Until Phase 2 begins in November, ongoing drilling is referred to as Expanded Phase 1 for reporting purposes, with 4 holes already drilled since the completion of Phase 1.

Drill holes 21NB-07 to 21NB-11 reported within this release: 1) focused on the western side of deposit; 2) targeted Inferred category resource areas; and 3) added critical data to areas where silver is completely missing from the block model. Regarding resource expansion:

- 21NB-05 is the most easterly hole;
- Holes 21NB-06, 21NB-07, 21NB-09 and 21NB-11 all intersected mineralization at or just below the pit bottom;
- 21NB-06 is significant being drilled near the current resource pit bottom and returning grades of 1.29 gpt Au and 60.7 gpt Ag over 36.1 m (28.9 m etw);
- 21NB-05 intersected 0.77 g/t Au and 48.3 g/t g over 4.5 m indicating that Noche Buena is still open beyond the eastern limit of the current pit-constrained resource. (See Figures 3 to 5).

Link 1: [Map Figures 1 to 5](#)

Link 2: [Drill Hole Tables 1 and 2](#)

Project Update

- To date, 78 holes have been drilled, 39 holes reported, and 39 remain to be reported;
- Ongoing maintenance of certain access roads at the Los Reyes project mean that at least 2 diamond drill rigs will continue to drill through the rainy season.
- Comprehensive planning is underway for the approximately 30,000 m Phase 2 drill campaign which it is anticipated to commence in November, after the current rainy season. Phase 2 will utilize a combination of 6 to 8 core and reverse circulation drill rigs. Reverse circulation rigs will be used, where infrastructure permits, to accelerate the rate of in-fill drilling and resource definition;
- Permitting activities continue for construction of Phase 2 roads and drill pads;
- Field mapping is ongoing and results will be integrated into geologic modeling over the next several months.

QA/QC Protocols and Sampling Procedures

Drill core at the Los Reyes project is drilled in predominately HQ size (63.5 mm), reducing to NQ or BQ size ranges (47.6 mm and 36.5 mm respectively) when required. Drill core samples are generally 1.50 m long along the core axis with allowance for shorter or longer intervals if required to suit geological constraints. Each entire hole is split, and one half is submitted for assay. Sample QA/QC measures of unmarked certified reference materials, blanks, and field duplicates as well as preparation duplicates are inserted into the sample sequence and make up approximately 8% of the samples submitted to the lab for each drill hole.

Samples are picked up from the project by Bureau Veritas and transported to their laboratory in Durango, Mexico, for sample preparation. Sample analysis is carried out by Bureau Veritas, with fire assay, including over limits fire assay reanalysis, completed at their Hermosillo, Mexico, laboratory and multi-element analysis in North Vancouver, British Columbia, Canada. Drill core sample preparation includes fine crushing of the sample to at least 70% passing less than 2 mm, sample splitting using a riffle splitter, and pulverizing a 250 g split to at least 85% passing 75 microns (code PRP70-250).

Gold in diamond drill core is analyzed by fire assay and atomic absorption spectroscopy of a 30 g sample (code FA430). Multi-element chemistry is analyzed by 4-acid digestion of a 0.25 g sample split (code MA300) with detection by inductively coupled plasma emission spectrometer for 35 elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn, Zr).

Gold assay technique FA430 has an upper detection limit of 10 ppm. Any sample that produces an over-limit gold value via the FA430 technique is sent for gravimetric finish via method FA-530. Silver analysis by MA300 has an upper limit of 200 ppm. Sample with over limit silver are reanalyzed by fire assay with gravimetric finish (FA530).

Bureau Veritas is an ISO/IEC accredited assay laboratory. Drill core assay results range from below detection to 93.80 gpt gold and 4,224.0 gpt silver. Composite intervals use a cut-off grade of 0.2 gpt gold.

Qualified Person

Kerry Sparkes, P.Geo., Executive Vice President of Exploration, is a qualified person for the purposes of National Instrument 43-101 and has reviewed and approved the technical content in this news release.

Los Reyes Gold and Silver Project

Los Reyes is a district scale low sulphidation epithermal gold-silver project located in a prolific mining region of Mexico. Over \$20 million in exploration, engineering and prefeasibility studies have been spent on the project over 2 1/2 decades by previous operators with development plans being held back due to declining gold prices. Historic data coupled with an existing and recently updated resource estimate has provided sufficient understanding to fast-track the project to production. However, there is substantial resource expansion upside based on open extensions of known deposits, multiple untested high priority exploration targets, and only 40% of the known structures systematically explored leaving 10 kilometres of untested strike length. Potential for significant growth of the resource remains strong.

Current Measured and Indicated pit-constrained oxide mineral resources from an April 2020 technical report include 19.8 million tonnes ('mt') containing 633,000 ounces of gold at 1.00 gpt and 16,604,000 ounces of silver at 26.2 gpt plus an additional 7.1 mt Inferred containing 179,000 ounces gold at 0.78 gpt and 6,831,000 ounces silver at 30.0 gpt.

About Prime Mining

Prime Mining, a member of the TSX Venture 50, is an ideal mix of successful mining executives, strong capital markets personnel and experienced local operators who have united to build a low cost, near-term gold producer at the historically productive Los Reyes project in Mexico. Prime Mining has a well-planned capital structure with significant team and insider ownership.

The TSX Venture 50 is a ranking of the top performers in each of 5 industry sectors on the TSX Venture Exchange over the last year.

ON BEHALF OF THE BOARD OF DIRECTORS

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