

Deeper Phase 1 Drilling Confirms Strike and Depth Potential of the Zapote-Tahonitas Mineralized Structure

Vancouver, October 12, 2021 – Prime Mining Corp. (“Prime” or the “Company”) (TSX-V: PRYM, OTCQB: PRMNF, Frankfurt: 04V3) announces continuing positive Phase 1 drill results from its wholly owned Los Reyes gold-silver project in Sinaloa State, Mexico (“Los Reyes” or the “Project”).

Highlight Drill Intercepts

Zapote South Step Out Drilling [holes with * are shown on the attached Cross Sections]

- 6.12 grams per tonne (“gpt”) gold (“Au”) and 61.8 gpt silver (“Ag”) over 18.4 metres (“m”) (11.8 m estimated true width (“etw”)), including 12.02 gpt Au and 60.8 gpt Ag over 8.5 m (5.5 m etw) at 33.0 m from surface (21ZAP-12A);
- 3.36 gpt Au and 83.2 gpt Ag over 16.0 m (13.1 m etw), including 5.77 gpt Au and 110.4 gpt Ag over 9.0 m (7.4 m etw) at 197.0 m from surface (21ZAP-21*);
- 2.18 gpt Au and 45.4 gpt Ag over 20.6 m (13.2 m etw) at 50.2 m (21ZAP-16*);
- 2.85 gpt Au and 31.1 gpt Ag over 9.3 m (8.4 m etw) at 150.1 m (21ZAP-18*);
- 3.89 gpt Au and 13.4 gpt Ag over 2.0 m (1.4 m etw) at 159.0 m, including 6.52 gpt Au and 13.9 gpt Ag over 1.0 m (0.7 m etw) (21ZAP-20*).

Tahonitas Step Out Drilling

- 14.51 gpt Au and 82.1 gpt Ag over 4.9 m (3.8 m etw) at 16.5 m, and 3.96 gpt Au and 9.2 gpt Ag over 2.9 m (2.2 m etw) at 37.5 m (21TA-08);
- 5.55 gpt Au and 163.8 gpt Ag over 2.8 m (2.1m etw) at 13.5 m (21TA-10);
- 2.07 gpt Au and 247.8 gpt Ag over 3.8 m (2.90 m etw) at 113.0 m, including 7.32 gpt Au and 840.0 gpt Ag over 0.9 m (0.7 m etw) (21TA-05);
- 1.90 gpt Au and 78.3 gpt Ag over 6.0 m (3.9 m etw) at 72.0 m (21TA-09);
- 3.86 gpt Au and 448.0 gpt Ag over 1.0 m (0.9 m etw) at 48.2 m and 1.55 gpt Au and 230.2 gpt Ag over 4.4 m (4.0 m etw) at 58.4 m (21TA-11).

Chief Executive Officer, Daniel Kunz commented, "With today's release, the Zapote-Tahonitas structure (“Z-T”) is over 1.2 kilometres long and remains open to the southeast. Phase 1 drilling has been highly successful. At Zapote South, we have converted Inferred category resources to Indicated and deepened the central area of the resource pit by at least 50 m over a strike length of no less than 300 m. At Tahonitas, initial shallow drilling returned strong near-surface mineralization well above the corresponding elevation at which robust high-grade is encountered at Zapote South. We are also pleased to be encountering high-grade silver at Z-T as we gather silver data that was largely missed by prior operators at Los Reyes. Results to-date indicate that silver will be a significant by-product credit and have a material positive impact on the economics of future mining operation at Los Reyes.”

Technical Advisor Kerry Sparkes added, “Z-T proves to have good area continuity and remains open at depth below the Zapote pits and below the current Tahonitas drilling. Recent drill results indicate that the optimum boiling elevation for deposition of high-grade mineralization is lower than previously interpreted. This provides rich targets for our Phase 2 drilling.”

These new results are from the west end of Los Reyes. The major northwest-southeast trending Z-T structure remains open and highly prospective at depth and along strike to the southeast. Importantly, none of the current drilling at Tahonitas is to a sufficient depth to have tested the deeper high-grade gold zone found in Zapote South that was intersected as reported May 15, 2021 in drill hole 21ZAP-15, 4.49 gpt Au and 67.9 gpt Ag over 8.3 m (7.4 m etw), and in the newly reported drill hole 21ZAP-21.

Reported today are results from 18 drill holes with seven holes within and adjacent to the Zapote South deposit and 11 drill holes within or adjacent to the Tahonitas deposit (see Table 1: Reported Drill Intercepts). All 18 drill holes intercepted potentially economic mineralization with eight holes returning significant high-grade results. Zapote South and Tahonitas are two of eight known gold-silver deposits (see Figure 1: Los Reyes Drill Program Progress, Figure 2: Zapote South – Tahonitas Location Map).

Three drill rigs continue to operate at the Project. Drilling activities are expected to ramp up in November when the rainy season ends and allows for better access to deposits on the east side of Los Reyes. There are currently 27 holes awaiting assays. Planning for the Phase 2 program is currently underway, and it will involve an increased number of drill rigs. At least three drill rigs are expected to focus on expanding resources at Z-T alone.

Key takeaways from on the Z-T drilling include:

- Deepened the epithermal boiling elevation by at least 50 m. At Zapote, Phase 1 drilling has extended the potential boiling zone height which hosts the highest-grade mineralization, from 530 masl by 50 m to 480 masl. This “deepening” of the bottom elevation of the boiling zone elevation provides exploration prospects below Zapote and across the entire Z-T structure to that depth. Follow-up is a part of Phase 2;
- High grade mineralization intercepted in ‘below-pit’ drill holes. 21ZAP-21, with 3.36 gpt gold and 83.2 gpt silver over 13.1 m etw, 21ZAP-19 with 0.75 g/t Au and 13.7 g/t Ag over 19.3 m etw, and 21ZAP-20 with 3.89 gpt gold and 13.4 gpt Ag over 1.4 m etw. All three drill hole intercepts are below the current resource pit bottom providing significant opportunity to expand resources at depth (Figure 3– Zapote South Longitudinal Section, Figure 4: Section B-B’, and Figure 5: Section C-C’);
- 21ZAP-21, with 13.1 m of high-grade precious metal values, shows that on the most southeasterly section drilled to-date at Zapote South there is high-grade mineralization with its dip extent of at least 125 m including 50 m below the current pit bottom. (Figure 4: Section B-B’). Zapote South remains open to the south-east towards Tahonitas, presenting a Phase 2 exploration opportunity;
- Shallow Drilling at Tahonitas. Phase 1 produced positive results encountering near surface mineralization with our initial drilling. However, drilling to-date has not yet targeted the Z-T structure at the same depth where good high-grade mineralization is encountered at Zapote South. Deeper drilling at Tahonitas is a key Phase 2 exploration opportunity.
- Phase 1 successfully targeted significant areas of inferred resources for in-fill drilling and produced positive results.

Link 1- [PDF Figures 1,2,3, 4 and 5](#)

Link 2 – [PDF Drill Hole Table 1](#)

Zapote South and Tahonitas Geological Interpretation

Mineralization at Zapote South consists primarily of white to grey crystalline to chalcedonic quartz, quartz breccia and stockwork exploiting 45-degree southwest dipping fault structures within or along the margins of rhyolite dykes that intrude both andesitic tuffs and rhyolite. Quartz is massive to crustiform, locally displaying colliform to bladed replacement textures. Higher-grade intervals are marked by finely banded green adularia. Gold distribution appears to be zoned within the quartz bearing structure, having a 1.0 to 5.0 m thick higher-grade section of over 4.0 gpt Au enveloped by a broader zone of over 10.0 m of lower-grade mineralization. Higher-grade structures appear continuous along the section dip-planes. Current drilling results at Zapote South indicate that the apparent optimum elevation for higher-grade deposition appears to be found between 710 m and 480 m above sea level (“masl”). Above this upper elevation, quartz and quartz breccia zones generally become narrower and lower grade. Below 480 masl, the quartz bearing zones appear to broaden into wider and lower-grade zones before thinning at depth. Silver appears to have an uneven distribution throughout the mineralized interval, but in general, highest-grade silver appears to associate with higher-grade gold.

QA/QC Protocols and Sampling Procedures

Drill core at the Los Reyes project is drilled in predominately HQ size (63.5 millimetre “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-gram 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-gram 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 4,955.0 gpt silver. Composite intervals use a cut-off grade of 0.20 gpt gold.

Qualified Person



Kerry Sparkes, P. Geo., Technical Advisor, 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 1.0 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 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 undertake exploration drilling to expand the known gold-silver resource 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

Daniel Kunz

Chief Executive Officer

For further information, please contact:

Daniel Kunz

Chief Executive Officer and Director

Prime Mining Corp.

1307 S. Colorado Ave.

Boise, Idaho 83706

Telephone: 1-208-926-6379 office

email: daniel@primeminingcorp.ca

Andrew Bowering

Executive Vice President and Director

Prime Mining Corp.



1507 – 1030 West Georgia Street
Vancouver, BC, V6E 2Y3
Telephone: (604) 428-6128
Facsimile: (604) 428-6430
E: andy@primeminingcorp.ca

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