

Prime Mining Q2 2022 Update on Exploration, Report to Shareholders and AGM Results

Vancouver, British Columbia – December 10, 2021 – Prime Mining Corp. (“Prime”, or the “Company”) (TSX.V: PRYM) (OTCQB: PRMNF) (Frankfurt: O4V3) is pleased to report its operating and financial results for the second quarter of fiscal 2022, ended October 31, 2021. Unless otherwise stated, all amounts are presented in Canadian dollars.

Prime is focused on the exploration and development of its wholly owned Los Reyes Gold-Silver Project in Sinaloa State, Mexico (“Los Reyes” or the “Project”).

Corporate Highlights During the Quarter

[On August 30th](#), the Company reported the exercise of 19,040,256 common share purchase warrants issued in August of 2019 resulting in gross proceeds of \$ 9.52 million.

[On September 27th](#), Prime appointed Ms. Edie Hofmeister to the board as an independent director. Ms. Hofmeister brings tremendous strength and wealth of knowledge in ESG matters and governmental affairs. She is an attorney who has counselled large and small multinational resource companies on legal and ESG matters for over 20 years. Most recently, she served as executive vice-president, corporate affairs, and general counsel of Tahoe Resources Inc., where she headed the legal, sustainability and government affairs departments, as it moved from a small junior explorer to a mid-cap producer.

In addition, Mr. Scott Smith was appointed as Executive Vice President, Exploration, replacing Kerry Sparkes who remains active with the Company as a Senior Technical Advisor and supports Scott who will now lead exploration in our quest to continue the discovery process. Mr. Smith is a registered professional geologist, a qualified person and has over 25 years of experience in mine production, exploration, mine start-up and advanced projects at world-class operating mines, and brownfield and greenfield situations in Canada, the United States, Peru and Chile. Mr. Smith recently worked as chief geologist for Taseko Gibraltar Mines Ltd., where he was responsible for managing geology, geotechnical, dewatering, grade control, reserve reconciliation and conversion, exploration, performance standards, quality assurance/quality control for both production and exploration. Mr. Smith is a highly experienced manager of Latin American exploration and operating teams; his prior positions include exploration manager for Teck Resources Ltd. for Chile and Argentina based in Santiago; exploration manager for Newmont Mining Corp. at Minera Yanacocha in Peru; and senior mine geologist at Antamina Mine in Peru for Compania Minera Antamina SA. Mr. Smith holds a BSc (geology) from the University of Alberta.

Exploration Highlights During the Quarter

[On August 4th](#), the Company announced the discovery of gold-silver zones in San Miguel East Pit-Constrained Resource in addition to near surface mineralization at Las Primas.

[On September 8th](#), the Company reported additional high-grade results expanding the open-pit potential at Guadalupe East.

[On October 12th](#), the Company confirmed strike and depth potential of the Zapote-Tahonitas mineralized structure.

Subsequent Event Highlights

Exploration Update

On November 16th, the Company provided an update on its planned Phase 2 drill program. The Phase 2 program will run from approximately November 2021 to October 2022 and will consist of approximately 250 new drill holes, for a minimum of 50,000 metres (“m”). There are currently seven drill rigs operating on the property.

Other continuing subjects and activities critical to progress and the overall success of the Project include:

Maintaining Health and Safety Protocols

The Company successfully minimized the impact of Covid-19 on operations. To-date Covid-19 has not had a material effect on the Company’s activities. Prime remains engaged with local stakeholders and is proactive in monitoring employees and contractors during this uncertain period. The Company continues to closely adhere to the directives of all levels of government and relevant health authorities in Mexico and Canada.

Continuing Community Engagement and Environmental Stewardship

The responsible stewardship of the local environment where we operate is at the heart of our corporate values. We strive to minimize the environmental impact of our activities at all times. Plus, we aim to offset our activities by engaging in outreach initiatives to improve the local environment.

Selected Financial Data

The following selected financial data is summarized from the Company’s condensed interim consolidated financial statements and related notes thereto (the “Financial Statements”) for the three months ended October 31, 2021. A copy of the Financial Statements and MD&A is available at www.primeminingcorp.ca or on SEDAR at www.sedar.com.

	Q2 2022	Q2 2021
Loss and comprehensive loss	\$(5,600,423)	\$(2,548,756)
Loss per share - basic and diluted	\$(0.05)	\$(0.03)

	October 30, 2021	April 30, 2021
Cash	\$29,848,024	\$32,026,806
Total assets	\$43,961,419	\$44,791,540
Total current liabilities	\$472,903	\$894,128
Total liabilities	\$1,396,764	\$1,812,746
Total shareholders’ equity	\$42,564,655	\$42,978,794

AGM Results

On Thursday December 9, 2021, the Company held its Annual General and Special Meeting of Shareholders where the shareholders voted in favour of all the items put forward by the Board of Directors and Management.

Shareholders voted in favour of the election of all director nominees: Murray John (Chairman), Daniel Kunz, Andrew Bowering, Paul Larkin, Marc Prefontaine, Paul Sweeney and Edie Hofmeister.

The shareholders also approved the following items:

- 1) Re-appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the Board to fix the remuneration of the auditor;
- 2) Fixing the number of the directors of the Company for the ensuing year at seven (7);
- 3) Election of directors to hold office for the ensuing year;
- 4) Approval of the Company's stock option plan (see Information Circular); and
- 5) Ratification by disinterested shareholders of the long-term incentive plan (see Information Circular).

A total of 60,222,302 Prime common shares were voted representing 53.50% of the total issued and outstanding as at the record date of this meeting.

Qualified Person

Scott Smith, 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 rapidly evolving high-grade, low sulphidation epithermal gold-silver project located in Sinaloa, Mexico, within the prolific Sierra Madre mining region. Historic operating results indicate that an estimated 1 million ounces of gold and 60 million ounces of silver were recovered from five separate operations at Los Reyes between 1770 and 1990. Prior to Prime's acquisition, recent operators of Los Reyes had spent approximately USD 20 million on exploration, engineering, and prefeasibility studies. The Project remains underexplored as only 40% of the known structures have been systematically drilled, leaving 10 kilometres of untested strike length. Los Reyes holds potential for additional discovery and resource expansion.

Prime Mining acquired Los Reyes in 2019, completed initial data compilation, field mapping and trenching in 2020, and in 2021, executed a Phase 1 exploration program that included 25,650 metres of drilling. Results suggest the deposits are much larger than previously reported and potential exists for new discoveries outside of current defined resources. The Company is currently undertaking a 50,000 metre Phase 2 exploration program.

About Prime Mining

Prime Mining (member of the TSX Venture 50) is an ideal mix of successful mining executives, strong capital markets personnel, and experienced local operators focused on unlocking the full potential of the high-grade Los Reyes Gold-Silver 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.
710 – 1030 West Georgia Street
Vancouver, BC, V6E 2Y3
Telephone: (604) 428-6128
Facsimile: (604) 428-6430
E: andy@primeminingcorp.ca

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Forward Looking Information

Information set forth in this document may include forward-looking statements. While these statements reflect management's current plans, projections, and intents, by their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the control of the Company. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on these forward-looking statements. There is no assurance the activities described in this release will be completed as planned, or at all. The Company's actual results, programs, activities, and financial position could differ materially from those expressed in or implied by these forward-looking statements.