

Noche Buena Deposit Size Expanding at Los Reyes

VANCOUVER, British Columbia, Jan. 12, 2022 -- Prime Mining Corp. (“Prime” or the “Company”) (TSX-V: PRYM, OTCQB: PRMNF, Frankfurt: 04V3) announces new drill results from its wholly-owned Los Reyes gold-silver project in Sinaloa State, Mexico (“Los Reyes”).

Results reported today are from 13 new core holes at Noche Buena of 24 holes completed as part of the Company’s Phase 1 exploration drilling with 11 holes previously reported. All 13 holes encountered potentially economic open pit grade mineralization. Noche Buena is one of eight known gold-silver deposits at Los Reyes and is the most south-easterly deposit on the 2.3 kilometre (“km”) long Central Structure. The Central Structure is the least explored of the main corridors of mineralization at Los Reyes (see Figure 1). Noche Buena remains open in both directions along strike and at depth. (see Figure 2).

Additionally, the Company reports that 35 drill holes and 9,900 metres (“m”) of core and RC drilling have already been completed as part of its \$18 million Phase 2 exploration program that began November 1, 2021. The Phase 2 budget includes over 50,000 m of drilling in approximately 250 drill holes targeting resource expansion and new discovery and should be complete by the end of October 2022. Phase 2 includes 45 holes and 8,665 m of planned drilling of the Central Structure, including 21 holes and approximately 4,000 m at Noche Buena. Currently there are assays pending for 40 drill holes containing over 8,200 sample intervals. The assay backlog was caused by the Christmas break and delays at the assay laboratory that are now being addressed. Drilling at Los Reyes resumed January 5th, there are currently 6 core rigs and 1 reverse circulation rig on-site with an additional core rig expected by month-end.

Highlight Drill Intercepts

Noche Buena Step Out Drilling

- 3.16 grams per tonne (“gpt”) gold (“Au”) and 74.5 gpt silver (“Ag”) over 3.0 m (2.7 m estimated true width (“etw”)); plus 3.49 gpt Au and 82.4 gpt Ag over 1.0 m (0.9 m etw) contained within a 26.9 m (24.3 m etw) zone grading 0.91 gpt Au and 44.5 gpt Ag (21NB-22);
- 4.75 gpt Au and 109.7 gpt Ag over 3.8 m (3.8 m etw) plus 4.83 gpt Au and 250.5 gpt Ag over 3.0 m (3.0 m etw) contained within a 19.7 m (19.7 m etw) zone grading 1.89 gpt Au and 75.8 gpt Ag (21NB-23);
- 2.92 gpt Au and 24.3 gpt Ag over 14.8 m (12.8 m etw) plus 1.09 gpt Au and 65.6 gpt Ag over 5.0 m (4.3 m etw) (21NB-21); and,
- 4.38 Au and 7.6 gpt Ag over 2.4 m (2.2 m etw) within a 13.2 m (12.0 m etw) zone grading 1.27 gpt Au and 12.65 gpt Ag (21NB-17).

Eleven Phase 1 drill holes were previously released April and July 2021 (see Table 1 for a list of Noche Buena drill hole results reported today and Table 2 for all Prime drill hole results to date).

Daniel Kunz, Prime’s Chief Executive Officer, commented: “Access constraints and topography meant that the Central Structure historically received much less exploration than Guadalupe and Tahonitas-Zapote. The Central Structure is a very significant 2.3 km-long target that contains 3 known deposits at San Miguel West, San Miguel East and Noche Buena, but has only been explored over approximately 50% of its strike length and mostly to a depth of only 625 m above sea level (“asl”). This is relatively shallow compared to the productive elevation for mineralization as encountered at Guadalupe and Tahonitas-Zapote. Taken collectively, the Phase 1 Noche Buena results show that the Central Structure needs to be explored along its full strike length for open pit resources”.

Central Structure and Noche Buena

The Noche Buena portion of the Central Structure has now been tested and mineralization identified along approximately 600 m of its known 1,000 m strike length. The structure remains open along strike and at depth both to the northwest and the southeast. Phase 2 drilling is planned to test extensions to the northwest towards San Miguel, where there is strong potential to join the two deposits, and to the southeast where the structure has been traced in surface mapping.

At Noche Buena, historic drilling encountered mineralization at depths of 150 m below surface to an elevation of predominantly 625 asl (see Figures 2 and 3). Phase 1 drilling has now intercepted potentially economic gold-silver mineralization down to 550 m asl.

All Phase 1 drill holes at Noche Buena intersected mineralization in the main quartz-bearing structure that is associated with rhyolitic dykes, near and in a dacitic intrusive along with andesitic lithic tuffs that may be xenoliths within or in contact to the intrusive. The dykes exhibit moderate to strong silicification and locally have grey-green quartz veinlets with fine bands of adularia. The quartz is locally coarsely crystalline and where highly thickened zones are present, the mineralization is dominantly stockwork similar to mineralization on the Zapote-Tahonitas Structure.

Figure 5, Noche Buena Long Section demonstrates the new grade shells that have been modelled from new and historical intercepts. The 13 new core holes from this release are identified on this long section and have helped us better understand

the down dip direction of the high-grade mineralization and will be used to target the Phase 2 holes down dip and to the southeast along strike.

[Link 1- PDF Figures](#)

[Link 2 – PDF Drill Hole Table 1 and Table 2](#)

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

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.

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
email: andy@primeminingcorp.ca

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Forward Looking Information

This news release contains certain “forward-looking information” and “forward-looking statements” within the meaning of Canadian securities legislation as may be amended from time to time, including, without limitation, statements regarding the perceived merit of the Company’s properties, including additional exploration potential of Los Reyes, potential quantity and/or grade of minerals, the potential size of the mineralized zone, metallurgical recoveries, the timing and results of permitting and the Company’s exploration and development plans in Mexico and expectations on the potential extension of the expired mineral concessions and granting of new mineral concessions with respect to El Rey. Forward-looking statements are statements that are not historical facts which address events, results, outcomes or developments that the Company expects to occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made, and they involve a number of risks and uncertainties. Certain material assumptions regarding such forward-looking statements were made, including without limitation, assumptions regarding the price of gold, silver and copper; the accuracy of mineral resource estimations; that there will be no material adverse change affecting the Company or its properties; that all required approvals will be obtained, including concession renewals and permitting; that political and legal developments will be consistent with current expectations; that currency and exchange rates will be consistent with current levels; and that there will be no significant disruptions affecting the Company or its properties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements involve significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: risks related to uncertainties inherent in the preparation of mineral resource estimates, including but not limited to changes to the cost assumptions, variations in quantity of mineralized material, grade or recovery rates, changes to geotechnical or hydrogeological considerations, failure of plant, equipment or processes, changes to availability of power or the power rates, ability to maintain social license, changes to interest or tax rates, changes in project parameters, delays and costs inherent to consulting and accommodating rights of local communities, environmental risks, title risks, including concession renewal, commodity price and exchange rate fluctuations, risks relating to COVID-19, delays in or failure to receive access agreements or amended permits, risks inherent in the estimation of mineral resources; and risks associated with executing the Company’s objectives and strategies, including costs and expenses, as well as those risk factors discussed in the Company’s most recently filed management’s discussion and analysis, as well as its annual information form dated August 31, 2021, available on www.sedar.com. Except as required by the securities disclosure laws and regulations applicable to the Company, the Company undertakes no obligation to update these forward-looking statements if management’s beliefs, estimates or opinions, or other factors, should change.