

PRIME MINING ANNOUNCES DISCOVERY HOLES IN SEVERAL NEW GOLD- AND SILVER-BEARING AREAS

Results confirm high-potential exploration targets that will drive continued expansion beyond upcoming resource

Vancouver, February 27, 2023 – Prime Mining Corp. (“Prime” or the “Company”) (TSX-V: PRYM, OTCQX: PRMNF, Frankfurt: 04V3) announces assay results from drilling located outside of the current resource areas, indicating significant exploration upside beyond the forthcoming Q2 2023 mineral resource update. These results are from drill holes targeting previously undrilled or mineralized structures with limited drilling. With continued follow-up in 2023, these initial results have the potential to significantly expand the footprint of the multi-million-ounce Los Reyes high-grade gold-silver deposits across a 15 square kilometre highly prospective mineralized area in mining-friendly Mexico.

Chief Executive Officer, Daniel Kunz commented, “Our 2023 work will maintain focus on known resource expansion within Guadalupe, Z-T and Central key areas, but we are also extremely excited about the success of the generative exploration results outside of these deposit areas. Further geological interpretation and drilling of five advanced generative areas, highlighted today, along with our extensive remote-sensing and field mapping across Los Reyes, are expected to define new mineralized trends conducive to additional gold-silver deposit discoveries.”

Scott Smith, EVP Exploration added: “Fresnillo drill hole 22FRE-09 is very exciting as it contains 1.7 g/t AuEq over an estimated true width of 15.8m and this ranks with some of our best intercepts inside the nearby Z-T and Central resource areas, which occur on either side of Fresnillo. This year, we will complete significant sampling, mapping, and further drilling to learn more about these prospective areas with the objective of adding them to future resource updates.”

HIGHLIGHT INTERCEPTS:

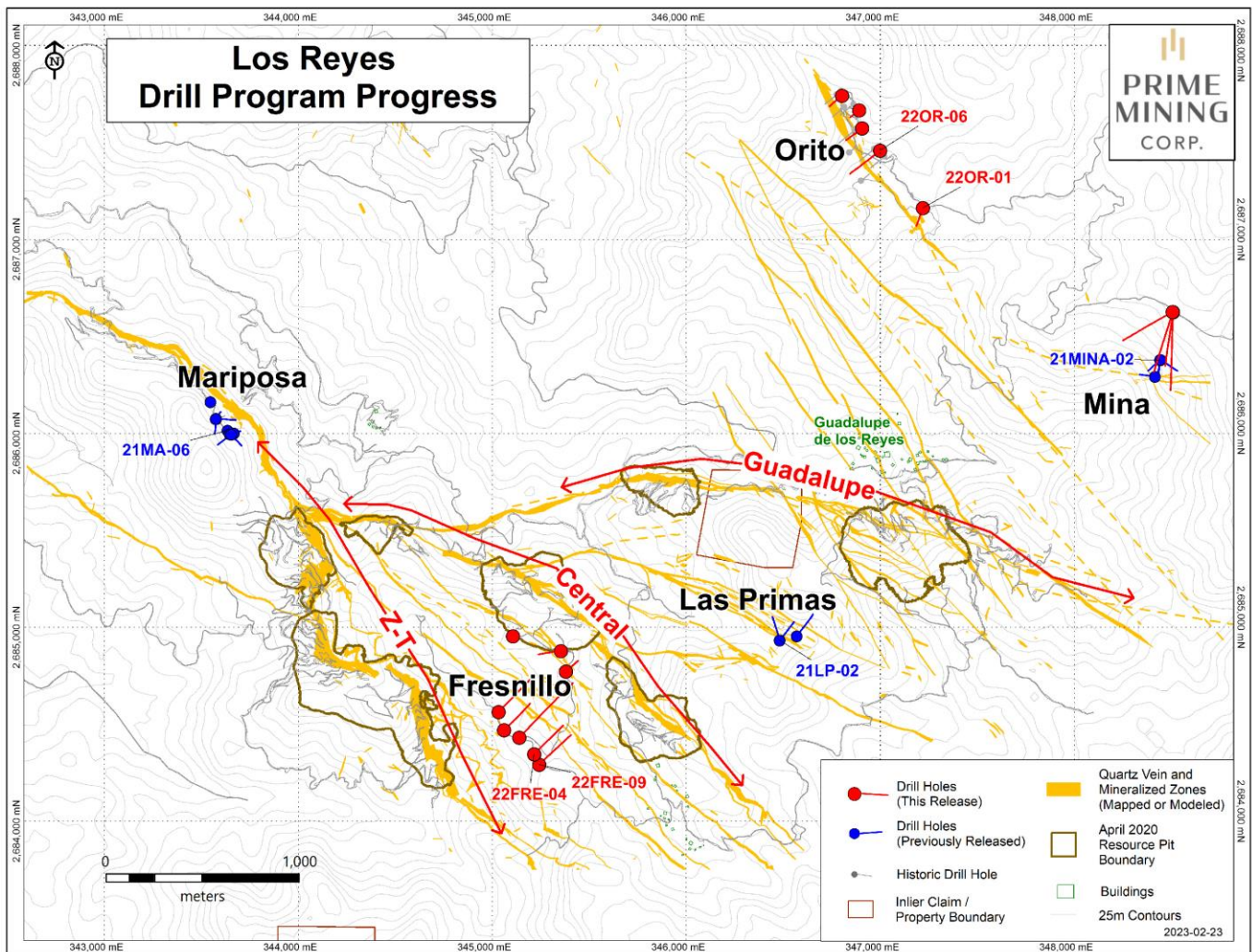
- **Fresnillo Area - 1.7 g/t AuEq over 19.3m** (1.4 g/t Au, 18 g/t Ag over 15.8m etw) in hole 22FRE-09, including 5.4 g/t AuEq over 3.6m (4.7 g/t Au, 48 g/t Ag over 2.9m etw)
- **Fresnillo Area - 1.5 g/t AuEq over 6.4m** (1.3 g/t Au, 13 g/t Ag over 5.5m etw) in hole 22FRE-04, including 8.2 g/t AuEq over 0.95m (7.5 g/t Au, 53 g/t Ag over 0.8m etw) **AND 1.3 g/t AuEq over 6.0m** (0.88 g/t Au, 36 g/t Ag over 4.6m etw) also in hole 22FRE-04
- **Orito Area - 1.1 g/t AuEq over 9.4m** (1.0 g/t Au, 2.5 g/t Ag over 4.7m etw) in hole 22OR-06, including 2.3 g/t AuEq over 3.0 m (2.2 g/t Au, 4.4 g/t Ag over 1.5m etw)
- **Orito Area - 1.1 g/t AuEq over 4.2m** (0.9 g/t Au, 17.5 g/t Ag over 4.2m etw) in hole 22OR-01, including 2.4 g/t AuEq over 1.1 m (2.3 g/t Au, 5.8 g/t Ag over 1.1m etw)
- **Mariposa Area - 5.2 g/t AuEq over 35.3m** (4.9 g/t Au, 22 g/t Ag over 34.7m estimated true width or “etw”) in hole 21MA-06 (*previously released*) including 42 g/t AuEq over 1.5m (41.5 g/t Au, 40 g/t Ag over 1.50 m etw)
- **Las Primas Area - 1.8 g/t AuEq over 7.5m** (1.6 g/t Au, 14 g/t Ag over 3.75 m etw) in hole 21LP-02 (*previously released*), including 17.6 g/t AuEq over 0.35m (15.9 g/t Au, 135 g/t Ag over 0.2 m etw)
- **Mina 20/21 Area – 18.2 g/t AuEq over 7.5m** (4.4 g/t Au, 1,060 g/t Ag over 4.80 m etw) in hole 21MINA-02 (*previously released*)

Prime has identified over a dozen gold-silver mineralized targets outside of the upcoming Q2 2023 resource update areas. Limited generative drilling was completed during Phase 1 and 2 at Mariposa, Las Primas, Mina, Fresnillo and Orito. At Fresnillo these highlighted drill holes are 60 metres apart and at Orito they are over 350 metres apart. The structures in both areas that connect these intercepts have been confirmed by mapping and surface sampling and are open along strike and at depth.

Additional targets have been identified utilizing remote sensing, surface mapping, geological interpretation and physical surveys of historic mining activity. Prime currently plans to drill 35,000 metres in 2023. Over 15,000 metres will be testing and expanding these exciting, mineralized targets outside of the reported resource areas, along with 20,000 metres of planned step-out drilling at the three main resource areas: Z-T, Central and Guadalupe.

Locations of previously released, and newly released drill holes on these emerging mineralized trends outside of the anticipated upcoming 2023 Resource areas can be seen in Figure 1 below.

Figure 1 – Generative Areas map indicating hole locations (to December 31, 2022)



[Link 1 – PDF Figures](#)

[Link 2 – PDF Drill Hole Table](#)

In addition to the significant intercepts shown above, Prime has released the full current assay table for these generative areas (Link 2 above). While some of the holes included in that table are more exploratory in nature, the limited drilling, surface mapping and sampling completed to date on these areas continue to indicate potential to expand these mineralized trends at Los Reyes.

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. After logging intervals are identified to be sampled and split, and one half is submitted for assay. RC drilling returns rock chips and fines from a 133.35 mm diameter tricone bit. The returns are homogenized and split into 2 halves, with one half submitted for analysis and the other half stored.

Sample QA/QC measures include unmarked certified reference materials and blanks as well as preparation duplicates are inserted into the sample sequence and make up approximately 8% of the samples submitted to the laboratory for each drill hole.

Samples are picked up from the Project by the laboratory personnel and transported to their facilities in Durango or Hermosillo Mexico, for sample preparation. Sample analysis is carried out by Bureau Veritas and ALS Labs, with fire assay, including over limits fire assay re-analysis, completed at their respective Hermosillo, Mexico laboratories and multi-element analysis completed in North Vancouver, 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.

Gold in diamond drill core is analyzed by fire assay and atomic absorption spectroscopy of a 30 g sample (code FA430 or Au-AA23). Multi-element chemistry is analyzed by 4-Acid digestion of a 0.25-gram sample split (code MA300 or ME-ICP61) with detection by inductively coupled plasma emission spectrometer for a full suite of elements.

Gold assay techniques FA430 and Au-AA23 have an upper detection limit of 10 ppm. Any sample that produces an over-limit gold value via the initial assay technique is sent for gravimetric finish via method FA-530 or Au-GRA21. Silver analyses by MA300 and ME-ICP61 have an upper limit of 200 ppm and 100 ppm, respectively. Samples with over-limit silver values are re-analyzed by fire assay with gravimetric finish FA530 or Au-GRA21.

Both Bureau Veritas and ALS Labs are ISO/IEC accredited assay laboratories. Drill core assay results range from below detection to 200.0 gpt gold and 4,955.0 gpt silver.

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.

Additional Notes

Metres is represented by “m”; “etw” is Estimated True Width and is based on drill hole geometry or comparisons with other on-section drill holes; “Au” refers to gold, and “Ag” refers to silver; “gpt” is grams per metric tonne; some figures may not sum due to rounding; Composite assay grades presented in summary tables are calculated using a Au grade minimum average of 0.20 gpt or 1.0 gpt as indicated in “Au Cut-off” column of Summary Tables. Maximum internal waste included in any reported composite interval is 3.00 m. The 1.00 gpt Au cut-off is used to define higher-grade “cores” within the lower-grade halo.

“AuEq” is gold equivalent and is calculated based on an assumed gold price of \$US 1700 per ounce and silver price of \$22 per ounce, based on the formula $\text{AuEq grade (g/t)} = \text{Au grade} + \text{Ag grade} \times 0.0129$. Metallurgical recoveries are not considered in the in-situ grade estimate, but are estimated to be 93% and 83% for gold and silver, respectively, when processed in a mill, and 72% and 25% respectively when heap-leached (please see the April, 2020 Los Reyes Technical Report for additional detail regarding metallurgical recoveries).

About the Los Reyes Gold and Silver Project

Los Reyes is a rapidly evolving high-grade, low sulphidation epithermal gold-silver project located in Sinaloa State, Mexico. 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 US\$20 million on exploration, engineering, and prefeasibility studies. The Project remains underexplored and holds potential for additional discovery and resource expansion.

Since acquiring Los Reyes in 2019, Prime has spent approximately US\$30 million on direct exploration activities and has completed two phases of comprehensive drilling totaling over 100,000 m. Results to date suggest the three known main deposit areas, Guadalupe, Central and Z-T, are larger than previously reported. Potential also exists for new discoveries outside of the currently defined resource areas.

About Prime Mining

Prime is managed by an ideal mix of successful mining executives, strong capital markets personnel and experienced local operators all focused on unlocking the full potential of the Los Reyes Project. The company has a well-planned capital structure with a strong management team and insider ownership.

ON BEHALF OF THE BOARD OF DIRECTORS

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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, and the Company’s exploration and development plans in Mexico. 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 several 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 April 22, 2022, 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.