

Prime Mining Announces Financial Results and Appoints New Executive

Vancouver, British Columbia – May 11, 2023 – Prime Mining Corp. (“Prime”, or the “Company”) (**TSX.V: PRYM**) (**OTCQX: PRMNF**) (**Frankfurt: O4V3**) is pleased to report its operating and financial results for the quarter ended March 31, 2023. Unless otherwise stated, all amounts are presented in Canadian dollars. Prime is focused on the exploration and development of its wholly owned high-grade Los Reyes Gold-Silver Project in Sinaloa State, Mexico (“Los Reyes” or the “Project”).

Prime released an updated mineral resource estimate (“MRE”¹) for the Los Reyes Gold-Silver Project on May 2, 2023 that included Prime drilling results through December 2022. The MRE contains 1.47 million Indicated gold equivalent (“AuEq”²) ounces at a 1.68 grams per tonne (“gpt”) average grade. This is 1.0 million ounces of gold at 1.16 gpt and 35 million ounces of silver at 40.4 gpt. The MRE also contains 0.73 million Inferred AuEq ounces at a 1.26 gpt average grade. This is 0.5 million ounces of gold at 0.85 gpt and 18.4 million ounces of silver at 31.5 gpt. The MRE areas remain open along strike and at depth.

Prime is executing an expanded drilling program during 2023 of up to 60,000 metres (“m”). Prime has already drilled over 20,000 m year-to-date. About one half of the planned 2023 drilling will occur down dip and along strike within the MRE areas and the other half at multiple new target areas such as Las Primas, Fresnillo, Zapote 300 and the Orito trend.

With a current cash balance of \$45.5 million, Prime is funded for the increased exploration drilling program in 2023 and for its expected similar-sized drill program in 2024. Work will also continue in technical areas such as ongoing metallurgical test work and geotechnical assessments.

Corporate Highlights During the Quarter

On February 15th, the Company announced granting of incentive securities;

- 700,000 incentive stock options at price of \$1.97 per share granted to management.
- 307,328 deferred share units granted to board of directors.

On April 11th, the Company announced the acceleration of the expiry date of warrants issued as part of the December 22, 2022 financing. A total of 14,025,410 warrants were exercised for gross proceeds of \$28,050,820.

Appointment

Effective April 24, 2023, the Company also announces the appointment of Ms. Indi Gopinathan as Vice President of Capital Markets and Business Development. Her responsibilities include leading Investor Relations functions for the Company and supporting corporate and business development opportunity assessments, in addition to technical leadership in advancing our understanding of the Los Reyes Project.

Ms. Gopinathan started her career with the Falconbridge/Noranda group, before moving on to equity research, senior corporate roles, independent consulting and teaching. She was most recently Vice President, Investor Relations & Corporate Communications at IAMGOLD, responsible for corporate marketing strategy and communications. She joins Prime with a range of experience across the mining industry life cycle: through the exploration, project development and operating stages, and from the perspectives of engineering, logistics, information technology, finance and capital markets. Ms. Gopinathan currently serves on the board of Ascot Resources. Outside of industry, she is a dedicated volunteer, elected in 2022 to the Governing Council of the University of Toronto. Ms. Gopinathan holds a Bachelor of Applied

Science in Civil Engineering from the University of Toronto and an MBA from Queen's University. She is a designated P.Eng. and CPA, CMA (both Ontario).

Exploration Highlights During the Quarter

On January 11th, the Company announced multiple high-grade intercepts in the Z-T area including bonanza grade intervals, as well as additional drill hole results.

Highlight intercepts include:

- 10.00 gpt Au and 131.0 gpt Ag over 3.1 m estimated true width (“etw”), including 28.5 gpt Au and 310.0 gpt Ag over 1.1 m etw;
- 4.7 gpt Au and 103.0 gpt Ag over 8.7 m etw, including 39.6 gpt Au and 174.0 gpt Ag over 0.7 m etw;
- 2.7 gpt Au and 451.0 gpt Ag over 4.8 m etw including 4.8 gpt Au and 821 gpt Ag over 2.3 m etw.

On February 7th, the Company announced its 2023 drill program to focus on continued resource expansion and renewed focus on known early-stage exploration targets with a plan for 35,000 m drilling initially. During the quarter, the company subsequently increased the planned 2023 drill program up to 45,000 m.

On February 27th the Company announced discovery holes in several new gold- and silver- bearing areas with results confirming high potential exploration targets to drive continued expansion beyond existing resource.

Highlight intercepts include:

- Fresnillo Area: 1.4 gpt Au and 18.0 gpt Ag over 15.8 m etw, including 4.7 gpt Au and 48.0 gpt Ag over 2.9 m etw;
- Fresnillo Area: 1.3 gpt Au and 13.0 gpt Ag over 5.5 m etw, including 7.5 gpt Au and 53.0 gpt Ag over 0.8 m etw and 0.88 gpt Au and 36.0 gpt Ag over 4.6 m etw;
- Orito Area: 1.0 gpt Au and 2.5 gpt Ag over 4.7 m etw, including 2.2 gpt Au and 4.4 gpt Ag over 1.5 m etw;
- Mariposa Area: 4.9 gpt Au and 22.0 gpt Ag over 34.7 m etw including 41.5 gpt Au and 40.0 gpt Ag over 1.5 m etw.

Maintaining Health and Safety Protocols

The Company continues to successfully mitigate 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.

Changes to Mining Laws in Mexico

On April 29, 2023, the Mexican government approved a bill amending several laws relating to mining concessions and on May 8th published the approved laws in the Official Gazette. The Company is reviewing details on these amendments to determine the impact, if any, on the Company's operations.

Community Engagement and Environmental Stewardship Strategy

We continued to gather environmental and community data in the quarter to help support our ESG programs, including completion of a materiality assessment, strategic plan and disclosure matrix. We strive to minimize the environmental impact of our activities and ensure that Los Reyes has a positive impact on our host communities.

The Company released its initial sustainability report during April 2023 which establishes a baseline and a new yardstick to measure our progress in meeting our commitments regarding sustainability and stewardship of the environment, relevant social issues and corporate governance.

Selected Financial Data

The following selected financial data is summarized from the Company's consolidated financial statements and related notes thereto (the "Financial Statements") for the three months ended March 31, 2023 and 2022. A copy of the Financial Statements and MD&A is available at www.primeminingcorp.ca or on SEDAR at www.sedar.com.

	Three months ended March 31, 2023	Three months ended March 31, 2022
Loss and comprehensive loss	\$5,995,467	\$8,038,370
Loss per share – basic and diluted	\$0.05	\$0.07

	March 31, 2023	December 31, 2022
Cash	\$19,240,951	\$23,811,434
Total assets	\$33,829,051	\$38,105,206
Total current liabilities	\$1,140,878	\$1,209,140
Total liabilities	\$2,013,629	\$2,092,161
Total shareholders' equity	\$31,815,422	\$36,013,045

Notes

1. Resource estimate is based on economically constrained pits using a \$US 1700/ounce gold price, \$US 22/ounce silver price, and an assumed 0.22 g/T gold cutoff grade. For more information and other assumptions, please see Prime's May 2, 2022 press release, or our website.
2. Gold equivalent grades are calculated as in-situ contained grades, applying the assumed ratio of gold to silver prices using the following formula: AuEq grade (gpt) = Gold grade (gpt) + Silver grade (gpt) x (\$US 22 / \$US 1700). Relative recoveries are not considered in the in-situ contained grade estimate but are assumed to have mill recoveries of 93% and 83% for gold and silver, respectively and heap leach recoveries of 73% and 25% for gold and silver, respectively. For more information and other assumptions, please see Prime's May 2, 2022 press release, or our website.

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 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 110,000 m. Results to date suggest the three known main deposit areas, Guadalupe, Central and Z-T are much larger than previously reported. Potential exists for new discoveries outside of the current defined resource areas.

About Prime Mining

Prime Mining 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

Scott Hicks

Executive Vice President

Prime Mining Corp.

710 – 1030 West Georgia Street

Vancouver, BC, V6E 2Y3

Telephone: +1 (604) 428-6128 office

email: scott.hicks@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. 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 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.