

Prime Mining Reports Second Quarter 2023 Financial and Operating Results

Vancouver, British Columbia – August 16, 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 June 30, 2023. 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”).

The Company also announces a change to its board of directors: effective August 16, 2023, Mr. Kerry Sparkes is appointed to the board of directors, replacing Mr. Paul Larkin who has stepped down. Mr. Sparkes is a Technical Advisor to Prime, with over 30 years’ experience in mineral exploration as an exploration geologist and mining executive. He was past Vice President Geology for Franco-Nevada Corporation, where he was responsible for evaluating global mineral deposits, and co-founder and director of Orla Mining Ltd. Mr. Sparkes is a registered professional geologist and Qualified Person.

Prime Chief Executive Officer Daniel Kunz commented, “We thank Paul Larkin for his many contributions to the Company and wish him the best in his future endeavours. We have already benefitted tremendously from Kerry Sparkes’ significant geology and project experience, and continue to look forward to his additional involvement as a member of our Board of Directors. Prime concluded a very productive second quarter 2023. We materially increased our cash balance which currently stands at \$41 million, published a new 2023 Los Reyes Mineral Resource Estimate, initiated Prime’s annual ESG sustainability reporting, and welcomed a new member to our senior management team. At Los Reyes, drilling encountered wide and high-grade intercepts in Z-T and Central Zones resource areas. We are drilling in areas that can increase the current resource size and quality through discovery of adjacent and new zones of gold-silver mineralization. We have already completed more than 37,000 metres of our drilling in 2023. Work is also ongoing in several technical areas including metallurgical test work.”

Corporate Highlights During the Quarter

(Unless otherwise stated, all amounts are presented in Canadian dollars.)

On April 17th, the Company released its inaugural 2022 ESG Sustainability Report.

On May 9th, the Company received \$28 million from an acceleration of 14,025,410 common share purchase warrants that were issued as part of the December 22, 2022 financing.

On May 11th, the Company announced the appointment of Indi Gopinathan as Vice President of Capital Markets and Business Development, effective April 24, 2023.

On June 13th, the Company announced the issuance of 63,025 units at a deemed price of \$1.785 per unit to an arms-length advisor in payment of services.

On June 13th, the Company filed its NI 43-101 Technical Report for the Los Reyes gold-silver project.

Exploration Highlights During the Quarter

On May 2nd, the Company announced the doubling of the resource at the Los Reyes gold-silver project. At the resource gold cut-off grade of 0.22 grams per tonne (“gpt”), Prime’s updated open pit Mineral Resource Estimate¹ contains:

- 1.47 million Indicated AuEq² ounces at a 1.68 gpt average grade. This represents a 73% increase in Measured and Indicated AuEq ounces, and 26% increase in AuEq grade. This is 1.0 million ounces of gold at 1.16 gpt and 35 million ounces of silver at 40.4 gpt.
- 0.73 million Inferred AuEq ounces at a 1.26 gpt average grade. This represents a 175% increase in AuEq ounces and 8% increase in AuEq grade. This is 0.5 million ounces of gold at 0.85 gpt and 18.4 million ounces of silver at 31.5 gpt.

On May 24th, the Company reported multiple new wide, high-grade intercepts in the Z-T area, including bonanza-grade intervals.

Highlight intercepts include:

- 6.19 gpt AuEq (3.33 gpt Au and 220.9 gpt Ag) over 11.6 m estimated true width (“etw”), including 41.92 gpt AuEq (24.9 gpt Au and 1,385.0 gpt Ag) over 1.0 m etw;
- 1.84 gpt AuEq (1.52 gpt Au and 24.8 gpt Ag) over 9.8 m etw, including 8.73 gpt AuEq (7.94 gpt Au and 61.4 gpt Ag) over 1.5 m etw;
- 1.31 gpt AuEq (0.96 gpt Au and 27.3 gpt Ag) over 13.8 m etw, and 1.02 gpt AuEq (0.84 gpt Au and 14.4 gpt Ag) over 8.5 m etw;
- 1.22 gpt AuEq (0.74 gpt Au and 36.9 gpt Ag) over 15.9 m etw, including 4.73 gpt AuEq (2.72 gpt Au and 155.4 gpt Ag) over 1.4 m etw.

On June 20th, the Company announced the discovery of new wide zones of high-grade mineralization in the Z-T area significantly below resource pit bottom.

Highlight intercepts include:

- 5.10 gpt AuEq (3.96 gpt Au and 88.0 gpt Ag) over 11.4 m etw in hole 23TA-67, located 200 m below the MRE resource pit, including:
 - 27.20 gpt AuEq (24.50 gpt Au and 209.0 gpt Ag) over 1.5 m etw.
- 4.86 gpt AuEq (3.80 gpt Au and 82.0 gpt Ag) over 13.3 m etw in hole 23TA-69, located 100 m below the MRE resource pit, including:
 - 9.30 gpt AuEq (8.15 gpt Au and 89.2 gpt Ag) over 3.7 m etw.

Maintaining Health and Safety Protocols

The Company has avoided possible health issues that may have had a material effect on the Company’s activities. Prime remains engaged with local stakeholders and is proactive in monitoring employees and contractors concerning general health conditions. The Company continues to closely adhere to the directives of all levels of government and relevant health authorities in Mexico and Canada.

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 footprint 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 and six months ended June 30, 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 June 30, 2023	Three months ended June 30, 2022
Loss and comprehensive loss	\$5,714,118	\$7,063,916
Loss per share – basic and diluted	\$0.04	\$0.06

	June 30, 2023	December 31, 2022
Cash	\$43,669,878	\$23,811,434
Total assets	\$57,756,010	\$38,105,206
Total current liabilities	\$709,246	\$1,209,140
Total liabilities	\$1,555,732	\$2,092,161
Total shareholders’ equity	\$56,200,278	\$36,013,045

Notes

1. Mineral 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 gpt gold cutoff grade. For more information and other assumptions, please see Prime’s May 2, 2022 press release, or our website.
2. Gold equivalent (“AuEq”) 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

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.