



ANNUAL INFORMATION FORM

August 14, 2020

Prime Mining Corp.

1030 West Georgia Street – Suite 1507
Vancouver, BC V6E 2Y3

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GLOSSARY

In this Annual Information Form, the following words or phrases have the meanings ascribed thereto:

"AIF"	means an annual information form that is prepared pursuant to Part 6 of National Instrument 51-102 <i>Continuous Disclosure Obligations</i> ;
"airborne"	means a survey made from an aircraft to obtain photographs, or measure magnetic properties, radioactivity, electromagnetic, etc.;
"alteration"	means any change in the mineralogical composition of a rock that is brought about by physical or chemical means;
"anomaly"	means having a geochemical or geophysical character which deviates from regularity; in the case of gold, it refers to abnormally high gold content (eg 70.5 g per tonne); any deviation from conformity or regularity; a distinctive local feature in a geophysical, geological, or geochemical survey over a larger area; an area or a restricted portion of a geophysical survey, such as a magnetic survey or a gravity survey, that differs from the rest of the survey in general;
"assay"	means in economic geology, to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest;
"Au"	means gold;
"Audit Committee"	means the Company's audit committee;
"background"	means traces of elements found in sediments, soils, and plant material that are unrelated to any mineralization and which come from the weathering of the natural constituents of the rocks;
"breccia"	means rock consisting of more or less angular fragments in a matrix of finer-grained material or cementing material;
"Board"	means the Company's board of directors;
"Bowering Projects"	means Bowering Projects Ltd.;
"claim"	means a portion of land held either by a prospector or a mining company;
"Common Shares"	means common shares in the capital of the Company;
"Company"	means Prime Mining Corp.;
"Compensation Committee"	means the compensation committee of the Company;
"Cu"	means copper;
"Deferred Plan"	means a registered retirement savings plan, registered education savings plan, registered retirement income fund, locked-in retirement account or tax-free savings account as defined in the <i>Income Tax Act</i> (Canada);
"Deposit"	means a mass of naturally mineral material, proven by drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved;

"diamond drill"	means a type of rotary drill in which the drilling is done by abrasion using diamonds embedded in a matrix rather than by percussion. The drill cuts a core of rock which is recovered in long cylindrical sections;
"dip"	means geological measurement of the angle of maximum slope of planar elements in rocks. Can be applied to beddings, jointing, fault planes, etc.;
"fault"	means a fracture in a rock along which there has been relative movement between the two sides either vertically or horizontally; a break in the continuity of a body of rock;
"Fiscal 2018"	means the Company's fiscal year ended April 30, 2018;
"Fiscal 2019"	means the Company's fiscal year ended April 30, 2019;
"Fiscal 2020"	means the Company's fiscal year ended April 30, 2020;
"geophysical survey"	means the exploration of an area by exploiting differences in physical properties of different rock types. Geophysical methods include seismic, magnetic, gravity, induced polarization and other techniques, and geophysical surveys can be undertaken from the ground or from the air;
"grade"	means the amount of valuable metal in each tonne of ore, expressed as grams per tonne (g/t) for precious metals, as percent (%) for copper, lead, zinc and nickel;
"Health and Safety Committee"	means the health and safety committee of the Company;
"Host"	means a rock or mineral that is older than rocks or minerals introduced into it;
"Ike Project"	means the gold/base mineral exploration prospect in the Yukon Territory;
"Intrusion"	means the process of emplacement of magma in a pre-existing rock. Also, the igneous rock mass so formed;
"IP"	means induced polarization method;
"km"	means kilometre (3,281 feet);
"m"	means metre (3.28 feet);
"Los Reyes Amended Option Agreement"	means the option agreement dated October 23, 2017, as amended on October 24, 2018 and June 12, 2020, as assigned to the Company pursuant to the Los Reyes Assignment Agreement, among the Company, Vista Gold, Minera Gold Stake, S.A. de C.V., Minera Gold Stake Holdings Corp., Granges Inc. and ePower Metals, S.A. de C.V.;
"Los Reyes Assignment Agreement"	means the assignment and assumption agreement among MAI, Vista Gold, and the Mexican subsidiaries of each of MAI and the Company dated June 25, 2019, pursuant to which MAI will assign the rights to an option to earn a 100% interest in the Los Reyes Project;
"Los Reyes Governance Agreement"	means the governance and investor rights agreement between the Company and MAI dated June 25, 2019;
"Los Reyes Option"	means the option to acquire a 100% interest in the Los Reyes Project from Vista Gold;
"Los Reyes Project"	means the Los Reyes gold/silver project located in Sinaloa, México;

“Los Reyes Report”	means the Company’s technical report titled “ <i>Technical Report Los Reyes Project Sinaloa, México</i> ”, dated April 15, 2020 on the Los Reyes Project prepared by Stantec Consulting Ltd.;
“Los Reyes Surface Rights Agreement”	means the a 15-year surface rights agreement, with a 15-year renewal option for the Los Reyes Project between the Company and representatives of the land owners dated February 20, 2020;
“Magenta Project”	means the Company’s magenta gold and cobalt project located in Sinaloa, Mexico;
“Magenta Purchase Agreement”	means the purchase agreement between the Company and Bowering Projects dated December 18, 2018 pursuant to which the Company acquired Exploracion Auramex SA de CV and the Magenta Project;
“MAI”	means Minera Alamos Inc.;
"mineral claim"	means a legal entitlement to minerals in a certain defined area of ground;
"Mineral resource"	means the estimated quantity and grade of mineralization that is of potential merit. A resource estimate does not require specific mining, metallurgical, environmental, price or cost data, but the nature and continuity of mineralization must be understood to a specific degree of knowledge;
"Mineralization"	means the concentration of metals and their chemical compounds within a body of rock; the process or processes by which a mineral or minerals are introduced into a rock, resulting in a valuable or potentially valuable deposit;
“MD&A”	means the management’s discussion and analysis, as it relates to the Company’s financial statements;
“NI 43-101”	means National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> ;
“NI 52-110”	means National Instrument 52-110 – <i>Audit Committees</i> ;
“Options”	means incentive stock options of the Company;
"ore"	means a natural aggregate of one or more minerals which may be mined and sold at a profit, or from which some part may be profitably separated;
"outcrop"	means an exposure of rock at the earth's surface;
“Panther Creek Project”	means the Panther Creek property located in eastern Idaho;
“Panther Creek Report”	means the Company’s technical report titled “ <i>National Instrument 43-101 Technical Report on the Panther Creek Property, Lemhi County, Idaho, USA</i> ”, dated May 9, 2018;
“Panther Creek UMR Option Agreement”	means the option agreement between the Company and UMR dated October 23, 2017 as amended on October 22, 2018, pursuant to which the Company has the right to purchase a 50% interest and earn up to a 100% interest in the Panther Creek Project;
"ppb"	means parts per billion;
"ppm"	means parts per million, a unit of measurement which is 1000 times larger than ppb (1 ppm = 1000 ppb);
"pyrite"	means a sulphide mineral of iron, FeS ₂ ;

"reserves"	means a natural aggregate of one or more minerals which, at a specified time and place, may be mined and sold at a profit, or from which some part may be profitably separated;
"sample"	means a small amount of material that is supposed to be absolutely typical or representative of the object being sampled;
"SEDAR"	means the <i>System for Electronic Document Analysis and Retrieval</i> , found at www.sedar.com ;
"sedimentary"	means a rock formed from cemented or compacted sediments;
"strike"	means direction or trend of a geologic structure; the course or bearing of the outcrop of an inclined bed, vein, or fault plane on a level surface; the direction of a horizontal line perpendicular to the direction of the dip;
"TSXV"	means the TSX Venture Exchange;
"UMR"	means Utah Mineral Resources, LLC;
"vein"	means a thin sheet-like intrusion into a fissure or crack, commonly bearing quartz;
"Vista Gold"	means Vista Gold Corp.; and
"Warrants"	means Common Share purchase warrants of the Company.

PRELIMINARY NOTES

Date of Information

Unless otherwise stated, the information herein is presented as at April 30, 2020, being the date of the Company's most recently completed financial year.

Information Incorporated by Reference

Information may be incorporated by reference into an AIF provided the same is concurrently or previously filed under the Company's profile on SEDAR. This AIF should be read in conjunction with the following documents, all of which have been previously filed on SEDAR and are hereby incorporated by reference herein:

- the Company's consolidated annual financial statements for Fiscal 2019 and Fiscal 2020, and the MD&A related thereto;
- the Company's information circular dated November 6, 2019 and proxy material pertaining to its annual general meeting held on December 11, 2019;
- the Company's technical report titled "*National Instrument 43-101 Technical Report on the Panther Creek Property, Lemhi County, Idaho, USA*", dated May 9, 2018;
- the Company's technical report titled "*Technical Report Los Reyes Project Sinaloa, México*", dated April 15, 2020; and
- all of the Company's news releases and material change reports filed during Fiscal 2020 and thereafter to the date of this AIF; all of which are available on the Company's website at www.primeminingcorp.ca and under the Company's profile on SEDAR.

Currency

Unless otherwise specified, in this AIF all references to "dollars" or to "\$" are to Canadian dollars and references to US\$ are to United States dollars.

Special Note Regarding Forward-Looking Statements

Statements contained in this AIF that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation) that involve certain risks and uncertainties. Forward-looking statements include, but are not limited to, financial projections; information or expectations about the Company's business plans, results of operations, products or markets; or which otherwise make statements about future events. Such forward-looking statements can be identified by the use of words such as "intends", "anticipates", "believes", "estimates", "projects", "forecasts", "expects", "plans" and "proposes". Although the Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These include, among others, the cautionary statements under "*Description of the Company's Business*".

These cautionary statements identify important factors that could cause actual results to differ materially from those described in the forward-looking statements and should be kept in mind when considering forward-looking statements in this AIF. Factors that could cause actual results to differ materially from the forward-looking statements include:

- need for additional capital to expand operations;
- dependence on key personnel;

- unexpected results from exploration activities; and
- ability to acquire and manage new mineral property interests.

Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors which have not been anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Except where specifically indicated otherwise, the disclosure in this AIF of scientific and technical information regarding exploration projects on Prime's mineral properties has been reviewed and approved by Bruce Kienlen, B.Sc, P.Geo, Vice President, Exploration, a Qualified Person as defined by NI 43-101.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on May 14, 1981 pursuant to the British Columbia *Company Act* (as it then was) under the name Better Resources Limited. In October 2005, the Company changed its name to Bluerock Resources Limited. In May 2009, the Company changed its name to Argus Metals Corp. In December 2017, the Company changed its name from Argus Metals Corp. to ePower Metals Inc. and in August 2019 the Company changed its name from ePower Metals Inc. to Prime Mining Corp.

The Company is a reporting issuer in British Columbia and Alberta; and is a Tier 2 issuer on the TSXV under the symbol "PRYM".

The Company's head office and principal place of business is located at Suite 1507, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3. The Company's registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

Intercorporate Relationships

The Company has two active and three inactive wholly-owned subsidiaries, as follows:



* These companies were inactive and are being allowed to lapse.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

The Company's business involves the acquisition, exploration and development of interests in mineral projects. The Company's Common Shares are listed for trading on the TSXV. The following describes the development of the Company's business over the last three completed financial years and to the date of this AIF.

Fiscal 2018

- In May 2017, the Company settled debt of \$100,000 owed to its former Chief Executive Officer through the issuance of 1,000,000 Common Shares.
- In May 2017, the Company granted Options to directors, officers, employees and consultants to purchase up to 890,000 Common Shares at a price of \$0.10 per Common Share.
- In May 2017, the Company began reviewing potential new transactions to assess their viability.
- In July 2017, the Company closed a non-brokered private placement raising gross proceeds of \$200,158 by issuing 1,638,000 units (the "**July 2017 Units**") at \$0.10 per July 2017 Unit and 302,981 flow-through Common Shares at \$0.12 per Common Share. Each July 2017 Unit consisted of one Common Share and one-half of a Warrant (each whole Warrant a "**July 2017 Warrant**"), with each July 2017 Warrant exercisable at a price of \$0.15 for a period of 24 months from issuance.
- In October 2017, the Company entered into the Panther Creek UMR Option Agreement to purchase a 50% interest and earn up to a 100% interest in the Panther Creek Project.
- In December 2017, the Company closed a private placement raising aggregate gross proceeds of \$1,000,000 by issuing 10,000,000 units (the "**First December 2017 Units**") at \$0.10 per First December 2017 Unit. Each First December 2017 Unit consists of one Common Share and one-half of a Warrant (each whole Warrant a "**First December 2017 Warrant**") with each First December 2017 Warrant exercisable at a price of \$0.30 for a period of two years from issuance.
- In December 2017, the Company closed an additional private placement raising aggregate gross proceeds of \$1,000,000 by issuing 5,000,000 units (the "**Second December 2017 Units**") at \$0.20

per Second December 2017 Unit. Each Second December 2017 Unit consists of one Common Share and one-half of a Warrant (each whole Warrant a “**Second December 2017 Warrant**”) with each Second December 2017 Warrant exercisable at a price of \$0.45 for a period of two years from issuance.

- In December 2017, the Company issued a further 5,500,000 Common Shares in accordance with the Panther Creek UMR Option Agreement.
- In December 2017, Dr. Gregg C. Bruce joined the Board and William Hughes tendered his resignation from the Board.
- In December 2017, the Company granted Options to directors, officers, employees and consultants of the Company to purchase up to an aggregate of 2,225,000 Common Shares at a price of \$0.68 per Common Share until December 2020.

Fiscal 2019

- In May 2018, Michael Kobler joined the Board and Catalin Kilofliski tendered his resignation from the Board.
- In May 2018, the Company completed the Panther Creek Report which is available on SEDAR.
- In June 2018, the Company granted Options to directors and consultants of the Company to purchase up to an aggregate of 910,000 Common Shares at a price of \$0.20 per Common Share until June 2020.
- In August 2018, the Company secured exploration rights to a cobalt-manganese exploration property in Suriname.
- In December 2018, the Company purchased Exploracion Auramex SA de CV and the Magenta Project in Sinaloa Mexico.
- In January 2019, the Company appointed Tyler Ross, VP Investor Relations.
- In January 2019, the Company granted Options to directors, officers, employees and consultants of the Company to purchase up to an aggregate of 190,000 Common Shares at a price of \$0.23 per Common Share until January 2021.
- In February 2019, the Company relinquished the Suriname Cobalt Project and shut down its Suriname subsidiary.
- In March 2019, the Company issued 1,250,000 Common Shares to Bowering Projects.
- In April 2019, the Company signed a letter of intent to acquire the Los Reyes Project in Sinaloa, Mexico.
- In April 2019, Alan Savage, Gregg Bruce and Fred Tejada resigned from the Board, Michael Collins stepped down from his position of Chief Executive Officer and President and continued with the Company as a director and Vice-President of Operations. Andrew Bowering, Gregory Liller and Jorge Ramiro Monroy were appointed to the Board. Andrew Bowering was appointed as Chief Executive Officer, Gregory Liller was appointed as Chief Operating Officer and Alex Langer was appointed as Vice-President of Capital Markets.

Fiscal 2020

- In June 2019, the Company entered into the Los Reyes Assignment Agreement to acquire the Los Reyes Project in Sinaloa, Mexico and entered into the Los Reyes Governance Agreement.
- In August 2019, Michael Collins and Michael Kobler resigned from the Board and Michael Collins stepped down from his position as Vice-President Operations. Daniel Kunz and Paul Larkin joined the Board and Daniel Kunz was named Executive Chairman of the Board.
- In August 2019, the Company consolidated its capital stock on a one-for-two basis and raised gross proceeds of \$8,715,398 by issuing 29,051,327 units (the “**August 2019 Units**”) at a price of \$0.30 per August 2019 Unit. Each August 2019 Unit consists of one Common Share and one-half of one Warrant (each whole Warrant an “**August 2019 Warrant**”) with each August 2019 Warrant exercisable at a price of \$0.50 for a period of two years from issuance.
- In October 2019, the Company granted Options to certain directors, management and consultants of the Company to purchase up to an aggregate of 4,600,000 Common Shares at a price of \$0.40 per Common Share for a period of five years from the date of grant.

- In February 2020, the Company appointed Alejandro Caraveo as Mexico Country Manager.
- In February 2020, the Company signed the Los Reyes Surface Rights Agreement.
- In February 2020, the Company granted Options to certain consultants of the Company to purchase up to an aggregate 750,000 Common Shares at a price of \$0.42 per Common Share for a period of five years from the date of grant.
- In April 2020, Stantec Consulting Ltd. completed the Los Reyes Report, which is available on SEDAR.

Subsequent Events

- In May 2020, the Company appointed Murray John to the Board, replacing Bruce Durham.
- In June 2020, the Company completed a brokered private placement of 20,000,000 units of the Company (each a “**June 2020 Unit**”) at a price of \$0.50 per Unit for aggregate gross proceeds of \$10,000,000. Each June 2020 Unit consists of one Common Share and one Warrant exercisable at a price of \$1.10 until June 12, 2025.
- In June 2020, the Company granted Options to certain directors, management and consultants of the Company to purchase up to an aggregate of 3,100,000 Common Shares at a price of \$0.95 per Common Share for a period of five years from the date of grant.
- In June 2020, the Company settled debt of \$1,162,802 owed to Andrew Bowering for his portion of the Bridge Loan (defined below).
- In June 2020, the Company granted Options to certain directors, management and consultants of the Company to purchase up to an aggregate of 750,000 Common Shares at a price of \$1.30 per Common Share for a period of five years from the date of grant.
- In June 2020, Daniel Kunz was appointed Chief Executive Officer, replacing Andrew Bowering who was appointed Executive Vice-President. Murray John was appointed Chairman of the Board and Gregory Liller and Jorge Ramiro Monroy were replaced by Paul Sweeney and Marc Prefontaine as members of the Board.
- In June 2020, the Company entered into the Los Reyes Amended Option Agreement.
- In June 2020, Alex Tsakumis was appointed as Vice-President of Investor Relations.
- In July 2020 the Company completed the acquisition of the Los Reyes Project from Vista Gold.
- In August 2020, Ian Harcus was appointed Chief Financial Officer, replacing Simon Anderson.
- In August 2020, the Company granted Options to certain directors, management and consultants of the Company to purchase up to an aggregate of 25,000 Common Shares at a price of \$1.92 per Common share and 400,000 at a price of \$2.00 per Common Share for a period of five years from the date of grant.

Other than as described in this AIF, there were no acquisitions, dispositions or financings in the past three fiscal years ending April 30, 2018, 2019 and 2020.

Trends and Outlook

Prime is focused on advancing gold exploration properties in Mexico with the potential to be brought to near-term production. The Company had previously been exploring for cobalt but adverse developments in Fiscal 2019 led the Company to defer cobalt exploration. Conditions did not improve in Fiscal 2020 or subsequently and the Company has decided to focus on its Los Reyes Project and abandon its cobalt exploration.

Principal Products

The Company is involved in the acquisition, exploration and development of mineral properties, and does not have any marketable products and is not distributing products at this time.

Competitive Conditions

The mineral acquisition, exploration and development business is a competitive business. The Company competes with numerous other companies and individuals who may have greater financial resources in the search for and acquisition of personnel and funding, and the search for and acquisition, exploration and development of attractive mineral properties. As a result of this competition, the Company may be unable to obtain additional capital or other types of financing on acceptable terms or at all, acquire, explore and develop properties of interest or retain qualified personnel. See “*General Development of the Business – Risk Factors*”.

Employees

As at the date of this AIF, the Company had eight employees.

Environmental Protection

All phases of the Company’s operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations govern exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general handling, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The costs of compliance with changes in government regulations have the potential to reduce the profitability of future operations. To the best knowledge of the Company, it is in compliance with all environmental laws and regulations in effect where its properties are located. Environmental protection requirements did not have a material effect on the capital expenditures, earnings or competitive position of the Company during Fiscal 2020 and are not expected to have a material effect during the upcoming year.

Specialized Skills and Knowledge

The Company relies on the specialized skills of management and consultants in the areas of mining and geology. The loss of any of these individuals could have an adverse effect on the Company. For more information see “*General Development of the Business – Risk Factors*”.

Risk Factors

The Company’s business is the acquisition, exploration and development of mining properties. As a result, the operations of the Company are speculative due to the high-risk nature of its business. The risk factors described below are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business. These risk factors could materially affect the Company’s future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Mineral Exploration

The Company is engaged in mineral exploration and development activities which, by their nature, are speculative due to the high-risk nature of the Company’s business and the present stage of its development. An investment in the Common Shares involves significant risks. In addition to information set out elsewhere, or incorporated by reference, in this AIF investors should carefully consider the risk factors set out below. Such risk factors could materially affect the Company’s future financial results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company, each of which could cause investors to lose part or all of their investment in the Common Shares.

Additional Capital

The Company does not have sufficient financial resources available to undertake other extensive development or exploration programs. Commercial development or further exploration will require substantial additional financing. There can be no assurance that needed financing will be available in a timely or economically advantageous manner, or at all. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of its properties and plants or even a loss of property interests, in which case, the Company's ability to operate would be adversely affected. To obtain substantial additional financing, the Company may have to sell additional securities including, but not limited to, its Common Shares or some form of convertible securities, the effect of which may result in substantial dilution of the present equity interests of the Company's shareholders.

Commodity Prices

The mineral exploration and development businesses can be impacted by commodity prices, general economic conditions, external trade agreements, competitor activities, political instability and many other factors beyond the Company's control.

No Known Mineral Reserves

Although the Company has completed a mineral resource estimation at the Los Reyes Project, it has not identified any "mineral reserves". Only those mineral deposits that the Company can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered mineral reserves. The mineral resource estimate does not meet this standard and no assurance can be given that any particular level of recovery of gold or other minerals from mineralized material will in fact be realized or that an identified mineralized deposit will ever qualify as a commercially mineable (or viable) reserve. Substantial additional work, including mine design and mining schedules, metallurgical flow sheets and process plant designs, would be required in order to determine if any economic deposits exist on the Los Reyes Project. Substantial expenditures would be required to establish mineral reserves through drilling and metallurgical and other testing techniques. The costs, timing and complexities of upgrading the mineralized material at the Los Reyes Project to proven or probable mineral reserves may be greater than the Company anticipates and may not be undertaken prior to development, if at all. Failure to discover economically recoverable reserves on a mineral property will require the Company to write-off the costs capitalized for that property in its financial statements. No assurance can be given that any level of recovery of any mineral resources will be realized or that any identified mineral deposit will ever qualify as a commercially mineable ore body that can be legally and economically exploited.

Risk of Global Outbreaks of Contagious Diseases

Risk of global outbreaks of contagious diseases, including the outbreak of a novel coronavirus have the potential to significantly and adversely impact the Company's operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. The Company is continuously evaluating the uncertainty and impact of the outbreak on the Company and its ability to operate due to employee absences, the length of travel and quarantine restrictions imposed by governments of affected countries, disruption in the Company's supply chains, information technology constraints, government interventions, market volatility, overall economic uncertainty and other factors currently unknown and not anticipated.

There can be no certainty that COVID-19, or other infectious illness, and the restrictive measures implemented to slow the spread of the virus will not materially impact the Company's operations or personnel in the coming weeks and months. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, results of operations or ability to raise funds at this time.

Current Global Financial Condition

Market events and conditions, including the disruptions in the international credit markets and other financial systems, along with political instability and falling oil and currency prices expressed in United States dollars have resulted in commodity prices remaining volatile. These conditions have also caused a loss of confidence in global credit markets, resulting in a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks and investment banks, insurers and other financial institutions have caused the broader credit markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond the Company's control may have on commodity prices; demand for metals, including gold; availability of credit; investor confidence; and general financial market liquidity, all of which may affect the Company's business.

History of Losses

The Company has incurred losses since its inception and will continue to incur losses in the future until and unless the Company can derive sufficient revenues from its projects. Such future losses could have an adverse effect on the market price of the Common Shares, which could cause investors to lose part or all their investment in the Common Shares.

Title Risks

While the Company has registered its mining claims and properties with the appropriate authorities and filed all pertinent information and paid all applicable fees, this cannot be construed as a guarantee of title and title to the Company's resource and other properties may be disputed or may be affected by undetected defects.

Mine Development Risks

The business of mineral exploration and extraction involves a high degree of geological, technical and economic uncertainty because of the difficulty of locating a viable mineral deposit, the costs and other risks involved in bringing a deposit into production and the uncertainty of future mineral prices.

Uninsurable Risks

The Company is subject to a number of risks and hazards and no assurance can be given that insurance to cover the risks to which its activities are subject will be available at all or at commercially reasonable premiums. The Company currently maintains insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development.

Reliance on Management and Experts

Development depends on the efforts of key members of management and employees. Loss of any of these people could have a material adverse effect. The Company does not have key person insurance with respect to any of its key employees.

Competition

Significant and increasing competition exists for mineral deposits in each of the jurisdictions in which the Company conducts operations. As a result of this competition, much of which is with large established mining companies with substantially greater financial and technical resources than the Company has, it may be unable to acquire additional attractive mining claims or financing on terms it considers acceptable. The Company also competes with other mining and mineral processing and refining companies in the recruitment and retention of qualified employees. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Conflicts of Interest

Certain of the Company's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the

requirement that directors disclose conflicts of interest and abstain from voting on any matter where there is a conflict of interest. The Company will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Environmental Risks and Hazards

All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

Infrastructure

Exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants for capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration of the Los Reyes Project. If adequate infrastructure is not available in a timely manner, there can be no assurance that the further exploration of the Los Reyes Project will be completed on a timely basis, if at all. In addition, unusual weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's exploration and development activities.

DESCRIPTION OF THE COMPANY'S BUSINESS

General

The Company is involved in the acquisition and exploration of mineral properties. Currently the Company holds one property interest that is material to the Company, the Los Reyes Project which is referred to in this section as the "Property".

Material Projects

Los Reyes Project

In August 2019, the Company closed the Los Reyes Assignment Agreement with MAI, Vista Gold, and the Mexican subsidiaries of each of MAI and the Company, pursuant to which MAI will assign the rights to an option to earn a 100% interest in the Los Reyes Project in Sinaloa State, Mexico. MAI currently has the right to acquire a 100% interest in Los Reyes, pursuant to an option agreement entered into with Vista Gold. The Company is at arm's-length from each of MAI and Vista Gold.

Initially, to acquire the Los Reyes Option, the Company:

- Paid US\$1,500,000 to MAI, to reimburse MAI for the cost of an option payment required to be made to Vista Gold on April 23, 2019 (the "**April Payment**").
- Assumed MAI's remaining option payments of US\$3,000,000 in favour of Vista Gold, as follows:
 - US\$1,500,000 paid on October 27, 2019; and

- US\$1,500,000 on the earlier of October 27, 2021 or a production decision (collectively the **“October Payments”**).
- Issued to MAI 9,450,000 Common Shares and 3,350,000 Warrants entitling MAI to acquire further Common Shares at a price \$0.50 per Common Share for a period of 24 months from issuance.
- Entered into the Los Reyes Governance Agreement, providing for, among other things, MAI receiving the right to appoint one director to the Board for so long as MAI holds at least 5% of the Company’s outstanding Common Shares and MAI receiving the right to participate in future financings. Bruce Durham joined the Board as MAI’s initial nominee under the Governance Agreement. As of the date of this AIF, MAI no longer holds at least 5% of the Company’s outstanding Common Shares. Bruce Durham resigned from the Board in May 2020.

The Company funded the April Payment through a loan of \$2,000,000 (the **“Bridge Loan”**) which was arranged through a group of lenders consisting of Andrew Bowering (the Company’s then CEO), George Dengin and Perfect Storm Holdings Ltd. (collectively the **“Lenders”**). The Bridge Loan was unsecured, bears interest at a rate of 12% per year, compounded monthly, and had a term of 12 months. The loan received TSXV approval in August 2019 and the Company repaid \$1,000,000 of the loan plus accrued interest in September 2019. The Company repaid the balance of the remaining loan plus accrued interest in June 2020.

In consideration for providing the Bridge Loan, the Company paid a commitment fee of \$40,000 and issued 1,333,334 Common Shares to the Lenders.

In consideration for introducing the Los Reyes Option to the Company, and for assisting in its facilitation, the Company issued 1,216,250 Common Shares to two arm’s-length parties, Jeremy Ross and Sandwedge Consulting Ltd. A total of 556,250 finders’ shares were issued, with a further 330,000 finders’ shares to be issued upon completion of the October Payment.

On June 12, 2020, the Company entered into the Los Reyes Amended Option Agreement for the Los Reyes Project with Vista Gold. The Los Reyes Amended Option Agreement provides for the cancellation of all ongoing net smelter royalties (**“NSR”**) and back-in rights (**“Back-in Rights”**) held by Vista Gold, in consideration for accelerating the final US\$1,500,000 option payment owing to Vista Gold (the **“Option Payment”**) and paying (1) US\$1,100,000 no later than six months from the acquisition date; and (2) US\$1,000,000 no later than 12 months from the acquisition date.

After the Company made the Option Payment, Vista Gold no longer retains a capped NSR on production from open-pit mining or a perpetual NSR on production from underground mining. In addition, Vista Gold no longer has the Back-in Rights to assume a 49% non-carried interest in any underground mining project developed at the Property. If the Company fails to make the US\$1,100,000 and US\$1,000,000 payments, Vista Gold will have the right to reinstate its NSRs and Back-in Rights.

In summary, to acquire the Property, the Company:

- Paid US\$1,500,000 to MAI, to reimburse MAI for the cost of an option payment required to be made to Vista Gold in April 2019.
- Assumed MAI’s remaining option payments of US\$3,000,000 in favour of Vista Gold of which US\$1,500,000 was paid in October 2019 and US\$1,500,000 was paid in July 2020.
- Issued to MAI 9,450,000 Common Shares and 3,350,000 Common Share purchase warrants entitling MAI to acquire further Common Shares at a price \$0.50 per share for a period of 24 months.
- Agreed to pay to Vista Gold US\$1,100,000 by January 2021 and a further US\$1,000,000 by July 2021.

Prime filed a deed in Mexico with the Public Registry of Property and Commerce to record the transfer of the 37 Los Reyes mining concessions. The Company expects to complete registration with the Mines General Directorate’s Mining Public Registry in due course.

See “*Mineral Projects – Los Reyes Project*” for additional information.

Non-Material Projects

Panther Creek Project

In October 2017, the Company entered into the Panther Creek UMR Option Agreement to purchase a 50% interest and earn up to a 100% interest in the Panther Creek Project. The Company has earned a 50% interest in the Panther Creek Project by paying US\$175,000 and issuing 5,500,000 Common Shares. The Panther Creek UMR Option Agreement was amended on October 22, 2018 to defer project milestones.

Magenta Project

In December 2018, the Company entered into the Magenta Purchase Agreement to purchase Exploracion Auramex SA de CV and its Magenta Project in Sinaloa, Mexico, from Bowering Projects for US\$150,000 and 1,250,000 Common Shares. The claims are not subject to any royalties. The Company received TSXV approval and issued 1,250,000 Common Shares in March 2019.

Ike Project

The Company owned 100% of the Ike gold project in the Selwyn Basin of Yukon. At October 31, 2018, the Company completed a review of the Ike gold project and, after considering its exploration priorities, the Company fully impaired the project’s carrying value. The claims were in good standing until November 2019 but have now lapsed.

Los Reyes Project

Unless stated otherwise, the information in this section is based upon the Los Reyes Report entitled “*NI 43-101 Technical Report Los Reyes Gold/Silver Project Sinaloa, México*” prepared by William A. Turner, P. Geol. and A.C. (Chris) Hunter, P. Geol. of Stantec Consulting Ltd. dated April 15, 2020. The Los Reyes Report has been filed with the securities regulatory authorities in British Columbia and Alberta. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Los Reyes Report which is available for review on SEDAR.

Introduction

On October 24, 2019, the Company contracted Stantec Consulting Ltd. (“**Stantec**”) to prepare a technical report in accordance with the requirements of NI 43-101 (the “**Technical Report**”). The purpose of the Technical Report was to complete resource estimates for deposits that are included in the Los Reyes Property, which are El Zapote (North and South), San Miguel (East and West), Guadalupe (East and West), Noche Buena, and Tahonitas.

An independent Stantec Qualified Person inspected the Property between January 8, 2020 and January 11, 2020. During this property inspection, the Qualified Person collected 15 outcrop samples from El Zapote (North and South), Guadalupe West, San Miguel (East and West). The samples were transported by the Qualified Person to Calgary, Alberta. The samples were analysed by AGAT Laboratory (AGAT). The effective date of the Technical Report was March 24, 2020.

Reliance on other Experts

The authors of the Technical Report were provided with an opinion document, which is dated May 14, 2019, by the law firm DBR Abogados, S.C., Per: Patricia Vivar, that related to the standing of the Los Reyes Property title documentation, royalties, tax payments, and assessment works. This document was provided to Stantec by the Company on March 29, 2020.

Property Description and Location

The Property is north of the coastal city of Mazatlán, approximately 110 km by air and 200 km by road. The city closest to the Property is Cosalá (with a population of approximately 17,000) which is located 30 km to the southeast of the Property (INEGI 2000). Enroute to the Property from Cosalá are the villages of Palo Verde and La Tasajera. The village of Guadalupe de los Reyes is on the Property and was the site of Spanish colonial mining (Figure 1-1). The general geographic coordinates of the Property are N-24°16'42" and W-106°30'15" (13R 0347019E, 2685586N). Coordinates are in Nad 27 Mexico.

Property Concessions

The Los Reyes Property is composed of 37 contiguous concessions that have an area of 6,302.7 hectares; however, due to overlap between some of the concessions, the actual area is 6,273 ha. Figure 1-2 shows the concessions and their associated overlap.

Figure 1-1 Property Location Map

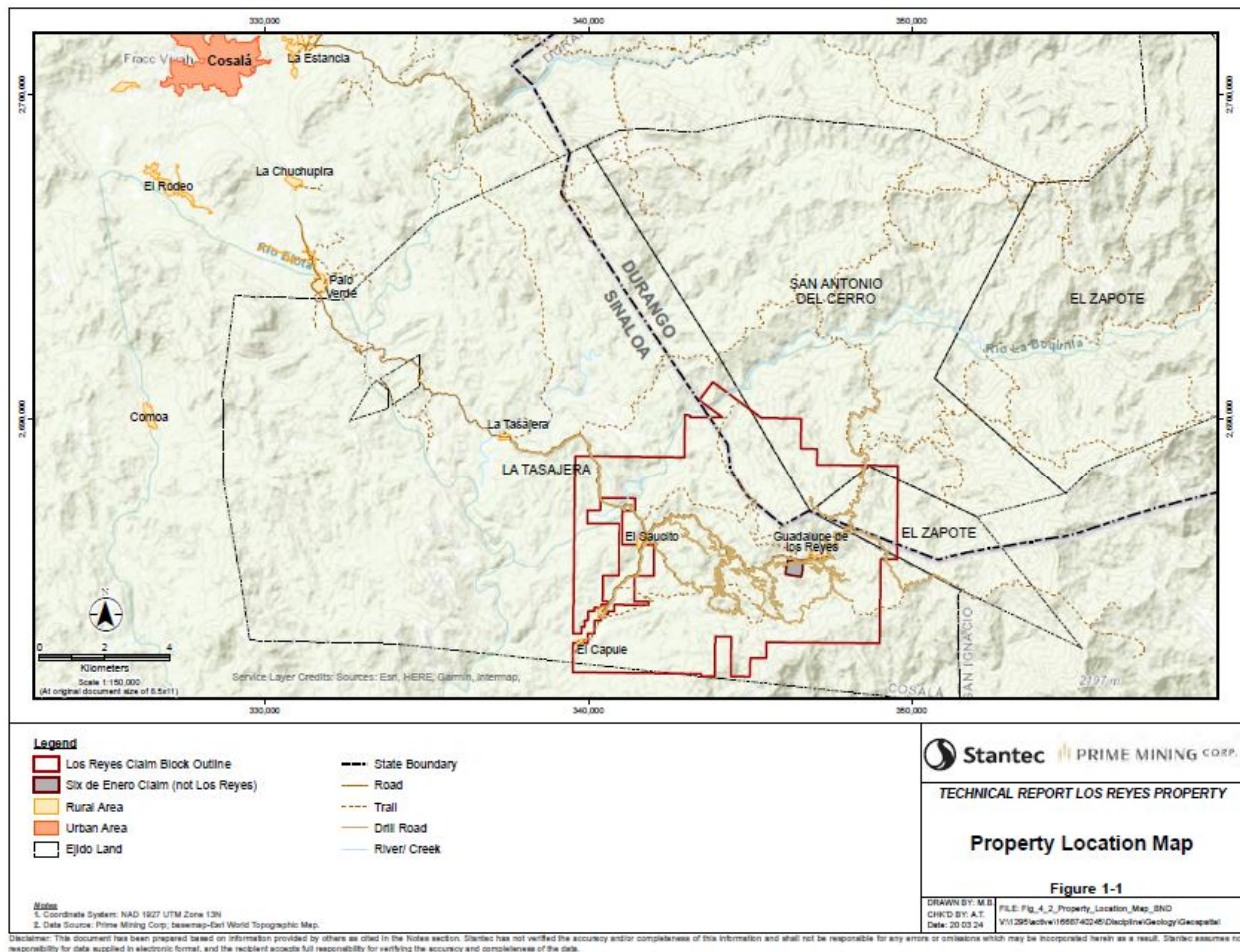
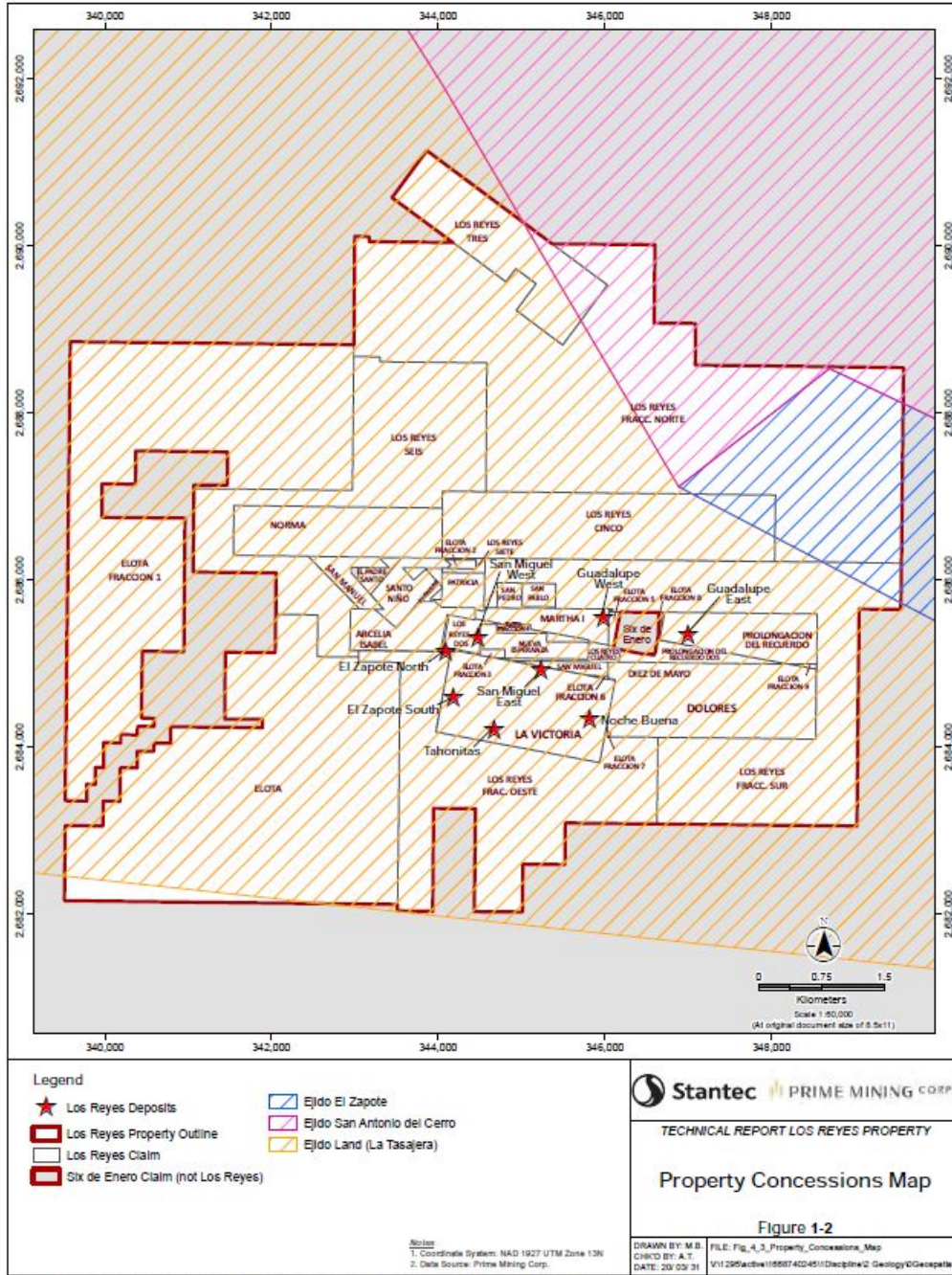


Figure 1-2 Property Concessions Map



Vista Gold Agreement

Vista Gold, MGS Canada and Granges together own 100% of the outstanding common shares of MGS. MGS acquired a 100% interest in portions of the El Zapote zone on August 1, 2003 from Sr. Enrique Gaitán Maumejean. The final payment of the purchase option, which also included acquisition of a data package that was associated with the project, was completed in 2009. In January 2008, MGS further consolidated the remaining mining concessions, subsequently known as the Guadalupe de los Reyes project (Los Reyes project), with the exception of the 6 de Enero claim, which is 23.7 hectares in size. Following this consolidation, and the acquisition of ten new claims, including fractionals, MGS's land position included 37 contiguous concessions. The consolidation of the mineral rights was completed through agreements with Grandcru Resources Corporation (Grandcru), Goldcorp Inc., and the San Miguel Group. In addition to securing the mineral tenure, MGS also negotiated access agreements to lands held by Ejido La Tasajera. These agreements provided access the Property.

Minera Alamos Option Agreement

MAI and its wholly owned Mexican subsidiary, MAI México, entered into an option agreement dated October 23, 2017 with Vista, MGS, MGS Canada and Granges. This option agreement granted to MAI an option to acquire 100% of the issued and outstanding common shares of MGS, and therefore own the Los Reyes mining concessions.

This option agreement, subject to 49% Back-In Right on underground resources, requires the payment of US\$6,000,000 payable in four payments of US\$1,500,000. The first option payment stipulated payment at the time of execution of the agreement, with the following two payments being made on the 12th month and 24th month of execution of the agreement. Payment of the last installment, termed the Purchase Price Payment, was to be made on or before the end of the option period. In the case that MAI announces a positive decision to take the Los Reyes Project into construction, then MAI agreed to make this final payment within 30 days following the date of announcement. The date of the announcement will be the closing date. In addition to these cash payment requirements, MAI agreed for the duration of the option agreement to pay for storage of the core in Hermosillo and to pay for 100% of the maintenance costs to keep the mining concession in good standing.

Purchase Agreement Terms

Effective June 25, 2019 (the "**Assumption Date**"), MAI and MAI México transferred all rights of the Los Reyes Project, through an option agreement, to the Company. The contractual terms of the option agreement are set out above.

Property Royalties

DBR Abogados, S.C., completed an opinion on the royalties associated with the Los Reyes Property, dated May 14, 2019, that states the following:

The following royalties: "CTSL Royalty 3%"; "DMSL Royalty 1%"; and "DMSL Royalty 3%"; are derived from the transfer agreement entered into Desarrollos Mineros San Luis, S.A. de C.V. and Minera Paredones Amarillos, S.A. de C.V. (now Desarrollos Zapal, S.A. de C.V.), dated January 23, 2008, certified and attested to by Mr. Guillermo Aaron Chapa Vigil, Public Notary number 247 for the Federal District (now México City), as recorded on March 10, 2008, under Entry 95, at Pages 58, Volume 14 of the Mining Acts, Contracts and Agreements Book of the Registry;

- *The mining Concessions subject to CTSL Royalty 3% are: "Los Reyes Dos"; "Los Reyes Tres"; "Los Reyes Cuatro"; Los Reyes Cinco"; Los Reyes 8"; "Los Reyes Fracc. Oeste"; "Los Reyes Fracc. Sur"; and "Los Reyes Fracc. Norte";*

- *The mining concessions subject to DMSL Royalty 1% are: “Los Reyes Dos”; “Los Reyes Tres”; “Los Reyes Cuatro”; Los Reyes Cinco”; “Los Reyes Seis”; “Los Reyes Siete”; Los Reyes 8”; “Los Reyes Fracc. Oeste”; “Los Reyes Fracc. Sur”; “Los Reyes Fracc. Norte”; “Norma”; “Nueva Esperanza”; “San Miguel”; “San Manuel”; “El Padre Santo”; “El Faisán”; “Santo Niño”; “San Pablo”; “San Pedro”; “Patricia”; and “Martha 1”; and*
- *The mining concessions subject to DMSL Royalty 3% are: “Diez de Mayo”; “Prolongación del Recuerdo”; “Prolongación del Recuerdo Dos”; “Arcelia Isabel”; “Dolores”; and “La Victoria.*

Accessibility, Climate, Local Resources, Infrastructure

The Property is approximately 110 km by air and 200 km by road from the coastal city of Mazatlán, Sinaloa. The Property is near the village of Guadalupe de Los Reyes, located 30 km southwest from the city of Cosalá, and can be accessed year-round by road, with the best time for access being fall through spring. Recent improvements to the area’s infrastructure, such as the high bridge over the Las Habitas River, have enhanced accessibility.

Cosalá has a regional airport, Aeropuerto de Cosalá, located north west from the city centre. The road from Cosalá through Guadalupe de los Reyes is the only land access to the south eastern mountains in this part of the country. Local facilities include: a hospital and health clinics, schools, banks, retail stores, hotels, restaurants, and tourism companies. The surrounding communities can provide labor, but a skilled workforce would require sourcing from larger cities such as Mazatlán, Culiacán, and Durango, or imported from other countries.

Annual temperatures range from 16°C to 29°C. Precipitation reaches a peak in July, with 212.6 mm of rainfall in 2019.

History

The Property was drilled between 1993 and 2015. Companies that completed drilling during this time span included Northern Crown Mines, Meridian Gold, Vista Gold Corp., and Great Panther Silver Limited.

- Northern Crown Mines completed reverse circulation (RC) drilling in 1993, 1994, 1996 and 1997. In total, 381 drill holes were completed that resulted in 36,108 m.
- Meridian Gold completed 23 RC drill holes in 2001 that totalled 2,700 m.
- Vista Gold Corp. completed 48 diamond drill core holes in 2011 and 2012 that totalled 7,432 m.
- Great Panther Silver Limited drilled 41 core holes in 2015 that totalled 5,505 m.

Several historical resource estimates have been completed on the Property during the following years by the following companies: 1998 (Northern Crown Mines); 2003 (Vista Gold Corp.); 2005 (Grandcru Resources Corporation); 2009 and 2013 (Vista Gold Corp.); and 2016 (Great Panther Silver Limited).

Geological Setting and Mineralization

The Property is in the Guadalupe de los Reyes mining district in the western foothills of the Sierra Madre Occidental mountain range, Sinaloa State, México. In the vicinity of the Property, the volcanic sequence unconformably overlies a late Cretaceous-aged felsic batholith. This overlying volcanic package is subdivided into Lower and Upper sequences that are separated by an angular unconformity. The Lower Sequence spans from late Cretaceous-early Tertiary, is approximately 1 km thick, and is predominantly composed of intermediate (andesite) volcanics and intercalated sandstone and volcanic conglomerate intervals. The Lower volcanic sequence also contains more felsic units that are dacitic in composition. The upper sequence that is deposited conformably on the lower sequence, is composed of ash-flow and ash-fall tuffs that are rhyolitic to dacitic in composition. This sequence is more than 1 km thick in high elevation areas.

In the main area of mineralization, the deposits dominantly occur along three northwest and west-northwest oriented silicified structural corridors. These mineralized structural corridors are named after the mineralized areas that they host, which include: 1) the Mariposa-El Zapote-Tahonitas trend, which strikes to the south-southeast and dips at approximately 50° to the southwest; 2) San Miguel-Noche Buena trend, which is a regional northwest – southeast striking structure that moderately dips between 50° and 60° to the southwest; and 3) the Guadalupe trend, which bifurcates to the east from the San Miguel West deposit, is subdivided into East and West deposits that are separated by the “6 de Enero” claim.

Mineralized areas that are not along the main structural corridors include Fresnillo, Las Primas, Las Palmitas, El Orito, El Apomal, El Mirador, and Las Casitas.

Exploration

In late 2019, Prime Mining personnel began a test program, systematically trenching and road cutting approximately 5,000 m, that focused on sampling across outcropping mineralized structures. This program was designed to obtain continuous surface grades in select areas that, when combined with drill hole data, assisted to advance the geological model and refined the resource estimation. The result of this program was the collection of 724 trench samples from 24 trenches, 101 adit samples from four historic underground workings, and 995 road-cut samples from 30 sets of outcrop exposures along historic road cuts. To the date of the Technical Report, the Company had not completed drilling on the Property.

Sample Methodology and Analyses

Northern Crown Mining and Meridian Gold

Northern Crown Mining and Meridian Gold collected samples from cuttings during RC drilling. In addition, NCM collected soil and rock samples for geochemical analyses.

RC samples were collected at 1.52 m intervals (five feet) from 133 mm (5.2 inch) diameter drill holes. Samples were collected from the cyclone into collection buckets. Dry samples were split using a Jones riffle splitter, while wet samples were split via a rotary splitter. A five kg split was placed into a plastic sample bag to be sent to the laboratory for analyses, while a duplicate sample, which varied from 15 to 20 kg, was stored in a second sample bag. The lithology, alteration, and mineralization were recorded on site for each sample.

A total of 4,640 soil samples were collected, which typically were a mixture of B and C soil horizons that were collected at a depth of 15-20 cm. Samples were placed in kraft paper bags and shipped to Bondar-Clegg México for sample preparation.

Surface grab and chip rock samples were collected from surface exposures along lengths up to 15 m, with sample lengths varying from 2 to 5 m. Samples typically weighed 5 to 15 kg. Samples were collected from the field camp by Bondar-Clegg México, and directly transported to their preparation facility in Hermosillo.

Vista Gold Corp.

In 2011, Vista Gold collected 271 surface rock samples, which ranged from 1 to 3 kg. Samples were sent to ALS Chemex de México, S.A. de C.V. (“**ALS Chemex**”) in Hermosillo, Sonora, for sample preparation.

Vista Gold completed diamond drilling during their 2011-2012 drill campaign. The diamond drill core was boxed and stacked at the rig by the drill crews. Core was then picked up daily by the staff geologist, or his designate, and transported directly to Guadalupe de los Reyes exploration camp for processing and sampling. The facilities consisted of secured storage and a core cutting area located in the village of Guadalupe de los Reyes. Processing of the core included digital photographing, geotechnical and geological logging, and marking the core for sampling. Zones of strong alteration, quartz veining, and quartz vein stockworks were sampled for assay.

Great Panther Silver Limited

Great Panther Silver Limited (“**Great Panther**”) completed drilling using a track mounted HTM 2500 drill rig generating HQ or NQ core. The diamond drill core was boxed and stacked at the rig by the drill crews. Core was then picked up daily by the staff geologist, or his designate, and transported directly to Guadalupe de los Reyes for processing and sampling. Processing of the core included digital photographing, geotechnical and geological logging, and marking the core for sampling. Core intervals that contained strong alteration, quartz veining, and quartz vein stockworks were marked for cutting and sampling. Each sampled interval was tagged and put in plastic bags with unique sample numbers. Samples were not collected across geologic breaks and sample intervals did not exceed 2 m. The minimum core length was 0.35 metres. Half of the core was used for assay testing while the remaining half was conserved for future reference and metallurgical test work. All the samples were kept in a secure area until shipped for assay.

Great Panther collected 406 surface and underground (adit) rock samples. Samples were collected by hand and weighed between 2 kg and 6 kg. All samples were described and tagged in the field with coordinates taken by GPS at each surface sample site and measured from adit entrance for underground samples.

Prime Mining

Prime Mining collected 724 samples from 24 trenches, 101 samples from historic underground workings, and 995 samples from 30 sets of outcrop exposures along historic road-cuts. All samples were collected from 1.5 m intervals, with careful attention to consistent volume of material along the interval. Samples weighed on average 6.25 kg. Trenches were hand dug using pickaxes and shovels to a depth of not more than 1.5 m for safety considerations. Where the bedrock contact consisted of broken rubble, which is typical, a trench was dug to competent material. Road and adit samples were also at 1.5 m intervals and were collected using a hammer and chisel.

Geologists measured the sample intervals, checking that a consistent sample could be collected. A geologist supervised the sampling team as they collected samples, using chisels and hammers as necessary, putting the material into pre-labeled sample bags. Once collected, the geologist marked the intervals with an aluminum tag indicating sample number, date, and geologist’s initials, completed the sample ID tag, and inserted a tear-off ID tag into the sample bag. Each sample was described by a geologist using a standardized sample description form. Following completion of the sample description, the sample bag was then closed using a tie strap. Samples were placed in larger pre-labeled rice bags, maximum eight samples to a bag, and tie strapped shut.

Quality Control

Northern Crown Mines

Northern Crown Mines had approximately 10 percent of the sample intervals in the mineralized zone sent for duplicate analysis by a second laboratory to evaluate the quality of the sample analyses. Check assay data for samples were completed between 1992 and 1995, and for the 1996 and 1997 drilling programs. For this work, Bondar-Clegg supplied the sample pulps to Min-En Laboratories (Min-En) in Vancouver, British Columbia. Min-En analyzed the sample pulp material utilizing similar methodology as described by Bondar-Clegg.

Vista Gold Corp.

Control samples were included in each batch of samples that Vista Gold submitted to Chemex at a frequency of one in 20 samples. Control samples consisted of the following:

- Coarse blanks: washed construction gravel obtained locally;
- Standards: certified standards, submitted as pulps (Predominately RockLabs CRMs);
- Replicate assays of a second pulp from coarse rejects by Chemex Labs; and

- Assays of duplicate pulps from the same sample by Acme Labs.

Great Panther Silver Limited

Great Panther geologists inserted a blank and standard every twentieth sample and a duplicate sample was inserted every fortieth sample. Great Panther used standards created by SGS Laboratories. In all, Great Panther submitted 61 standard reference material samples, 61 blanks, and 48 duplicate samples. Three standards returned values in excess of three standard deviations for gold, and five silver standards were above three standard deviations. All sample batches that exceed the ± 3 standard deviations were re-assayed. Great Panther also submitted 48 duplicate drill core samples for assays.

Prime Mining

A quality assessment program that included blanks, reference standards (certified reference materials or CRMs), and check assays was implemented by Prime Mining to monitor the ongoing integrity of assay results. Trench, adit, and road-cut sampling all followed a quality control program. For each batch of samples, control samples were inserted into the sample stream at predetermined intervals as outlined below. Every tenth sample of a batch was a prepared blank, and every twentieth sample was a prepared standard. Standards were purchased from CDN Laboratories Ltd. based in Vancouver.

A selection of 48 sample coarse rejects and corresponding pulps were submitted to SGS laboratories in Durango for check analyses. This represents 5.2% of the sample population. CRMs were also submitted with the rejects and pulps including five gold standards and two blanks. Samples were selected based on: 1) certificate batches that have any standard/blanks that are reported outside recommended values; 2) samples with elevated silver or gold, but uncharacteristic corresponding silver or gold values based on review of other samples (surface and core/chips) from that particular deposit; 3) other marker elements based on sample reviews; and 4) gaps in the mineralization. Samples selected for coarse reject reanalysis included samples that stood out, based on the above criteria, as well as adjacent samples into a mineralized zone. Checks were also done on samples that ran elevated gold/silver.

Data Verification

The goals of the site investigation by the Qualified Person were three-fold: 1) to validate that the proposed mineralized system conformed to textures that align with a low sulphidation epithermal deposit type; 2) to validate sample locations and collect samples so that an independent assessment could be completed to assess the presence of gold and silver across the Property; and 3) to validate the locations of historic drill holes. The Property investigation was completed in January 2020. The authors of the Los Reyes Report were accompanied by a Prime Mining representative, three site geologists, and a sampler. Most areas of the Property are easily accessible by road.

Limitation to Data Validation by Qualified Person

Limitations to the validation that the Qualified Person was able to complete are listed below:

- The Qualified Person was not involved in the Property prior to 2019, and did not complete a field visit until 2020, and therefore cannot validate the field procedures used during drilling and sample collection prior to the involvement by Prime Mining.
- The core storage facility was not proximal to the Property area, and the Qualified Person did not travel to Hermosillo to review the core.
- Laboratory inspections were not completed by the Qualified Person.

Opinion of the Independent Qualified Person

It is the opinion of the Qualified Person(s) that the field procedures and sampling protocols that were implemented by Prime Mining are reasonable. Also, the quality of the laboratory testing completed during

the various stages of the Los Reyes project are reasonable. The independent Qualified Person(s) is (are) confident that the samples and associated laboratory datasets that are used in the Technical Report are accurate.

Mineral Processing and Metallurgical Testing

The majority of mineral processing and metallurgical testing was completed between 1998 and 2012. The most recent work completed was done by RDi Inc. (RDi) in September 2012.

Leach testing was completed on composite samples comparing whole ore agitated leaching carbon in leach (CIL), as well as CIL with lead nitrate. Parameters such as cyanide concentration, pulp density, grind size, and leach method were evaluated to determine preliminary operating parameters.

Gravity separation testing was completed to determine if a direct smelter product could be produced with no additional on-site processes. This type of processing would allow for additional gold recovery from concentrations remaining after cyanidation, however, the test work results indicated that the gravity concentrate would not produce high enough recovery rates to substitute for leaching. Due to the wide range of mesh sizes for the samples tested, and the high variability of results for recovery, it was difficult to determine the efficacy of gravity recovery.

Flotation testing was completed on composite samples. Gold and silver recovery rates are ninety percent for all samples except for the third composite sample. This composite sample had a silver recovery of twenty percent, however, sample three had poor silver recovery during leach and gravity testing as well. This could be due to the mineralogy of the sample rather than processing factors.

Mineral Resource Estimates

In accordance with the requirements of NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards, the independent Qualified Person(s) reviewed the available drill hole and sample dataset and created geologic models for the purposes of generating gold and silver mineral resource estimates within the Property.

Two 3D geologic resource models, named TZSM and GUAD, were developed for delineated portions of the Property. The TZSM model encompasses the El Zapote and Tahonitas deposits, as well as the San Miguel and Noche Buena deposits. The GUAD model includes the Guadalupe deposits. The resource estimates calculated in this study were restricted to pit constrained surface resources. The pits were built using a constant 45° pit slope and block revenue minus block cost was used as a driver to determine the overall size of the Lerchs-Grossmann pits. Figure 1-3 shows the extents of the TZSM and GUAD models.

Resource Classification

Resources are classified according to the confidence categories defined by *CIM Mineral Exploration Best Practice Guidelines*, which was published by the CIM Estimation Best Practice Committee on November 23, 2018. The assigned resource classification is currently constrained by a pit floor elevation determined visually from the down dip extent of blocks estimated in the first pass (inferred) and by the maximum search distance of each estimation pass.

Assessment of Reasonable Prospects for Eventual Economic Extraction

In coming to a determination regarding the assessment of reasonable prospects for the eventual economic extraction of the resources on the Property, the authors of the Technical Report considered the following:

The resource estimates are based on pit constrained surface resources. The surface resource includes mineralized gold blocks limited to within a 45-degree constant slope pit shell. All resource estimates include contained ounces within the constrained pit shells as shown on Tables 1.1 and 1.2. Table 1.1 summarize the base case with a cutoff of 0.22 g/t gold resources for each of the deposit areas in metric units. Table

1.2 summarize the historic case with a cutoff of 0.50 g/t gold resources for each of the deposit areas in metric units.

The pit shell is defined by a 0.22 g/t (0.007 opt) minimum gold cutoff grade, a US\$2.40 per tonne (US\$2.15 per ton) mining cost, a gold price of US\$1,329 per Troy ounce and a silver price of US\$16 per Troy ounce. Mineralization density was based on laboratory analyses on specific lithologies and a default mine rock density was based on 2.6 tonnes/m³ for all other areas. Modifying factors considered for the definition of mineralized zones into classified resources of eventual economic interest include the following:

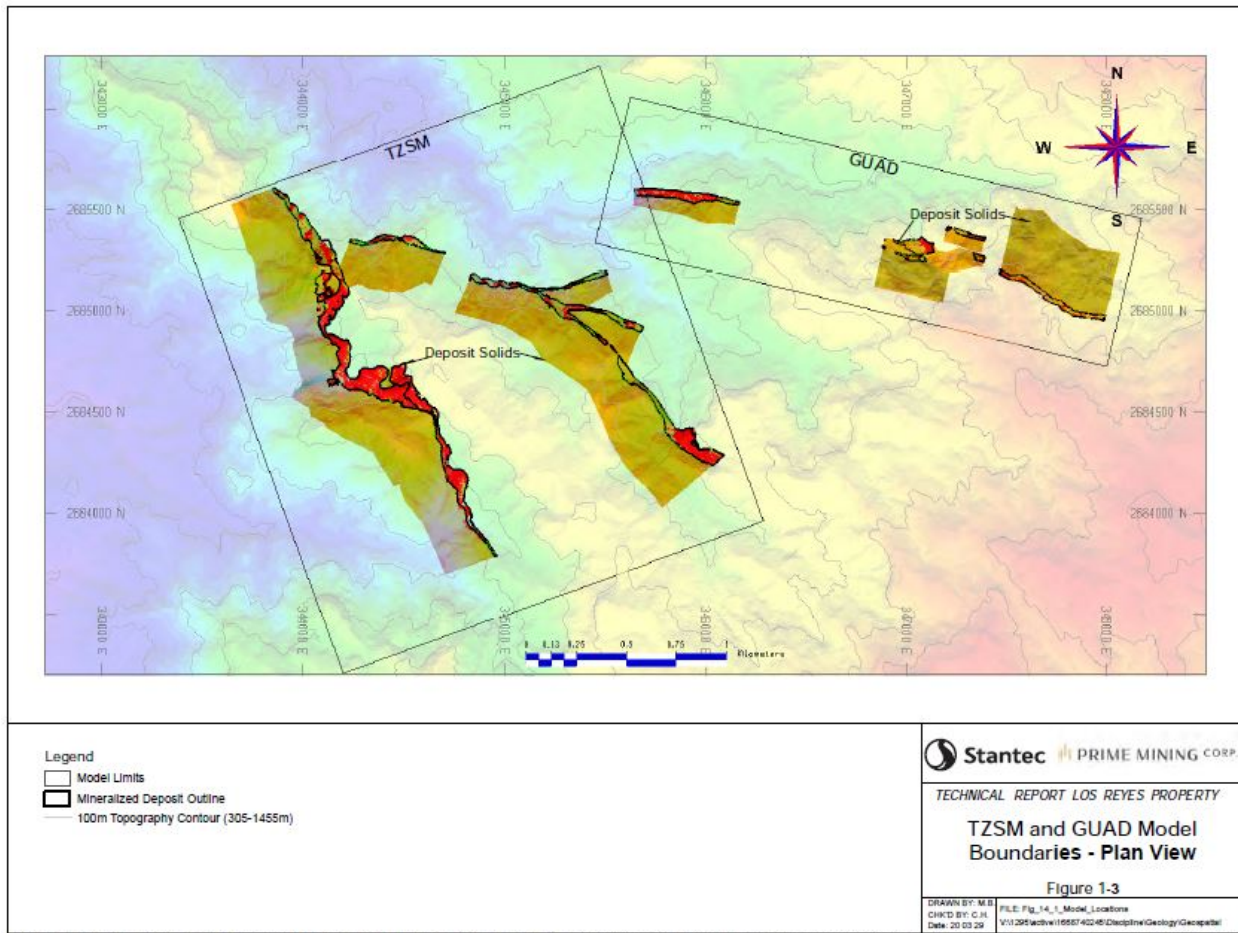
- metallurgical recovery factors of 72% for gold and 25% for silver that are typical for conventional heap leach operations;
- no allowance for dilution and mining losses in the calculation of the cutoff grade;
- mining costs of US\$2.40 per tonne mined;
- combined leaching, site costs and overhead of approximately US\$4.30 per tonne placed on the leach pad; and
- no refining and royalty costs have been applied.

Truck and shovel surface operations are the expected primary mining method. Mining, leaching, site and other cost inputs have been based on comparable property costs. The level of detail of cost estimation and mining evaluation is deemed to be appropriate for the definition of resources prior to undertaking a preliminary economic assessment level evaluation.

There are no tonnages of potential economic interest reported for underground mining of mineralized zone below the projected pit shell limits.

These factors lead the authors of the Los Reyes Report to conclude that the Property could be developed.

Figure 1-3 TZSM and GUAD Model Boundaries – Plan View



Mineral Resource Estimation

The resource estimations were at the base case cutoff of 0.22 g/t gold, as well as cutoffs at 0.50 g/t gold, 0.70 g/t gold, 0.90 g/t gold, and 1.00 g/t gold. Table 1.1 shows each pit at 0.22 g/t gold.

**Table 1.1
In-Place Mineral Resource, Effective Date March 24, 2020. Base Case Pit Constrained Resource at 0.22 g/t Gold**

Deposit	Assurance Category	Tonnes (000)	Average Gold	Contained Gold	Average Silver	Contained Silver
			Grade (g/t)	(ounces 000)	Grade (g/t)	(ounces 000)
Tahonitas -El Zapote (North & South)	Measured (M)	4,576	1.15	169	17.97	2,644
	Indicated (I)	5,622	0.78	141	16.55	2,992
	M+I	10,198	0.95	311	17.19	5,637
	Inferred	2,407	0.91	70	17.17	1,329
Noche Buena	Measured (M)	300	1.25	12	25.93	250
	Indicated (I)	1,939	0.80	50	20.92	1,304
	M+I	2,239	0.86	62	21.59	1,554
	Inferred	1,123	0.73	26	17.34	626
San Miguel East	Measured (M)	650	1.22	26	59.88	1,251
	Indicated (I)	1,784	0.84	48	53.09	3,045
	M+I	2,434	0.94	74	54.91	4,297
	Inferred	2,391	0.81	62	54.89	4,219
San Miguel West	Measured (M)	93	3.15	9	42.26	126
	Indicated (I)	379	1.51	18	20.65	252
	M+I	472	1.83	28	24.91	378
	Inferred	116	0.59	2	10.97	41
Guadalupe East	Measured (M)	2,141	1.46	100	42.08	2,896
	Indicated (I)	809	0.89	23	25.26	657
	M+I	2,950	1.30	124	37.46	3,553
	Inferred	814	0.58	15	18.82	492
Guadalupe West	Measured (M)	767	0.97	24	31.51	777
	Indicated (I)	692	0.53	12	18.37	409
	M+I	1,459	0.76	36	25.27	1,186
	Inferred	243	0.30	2	15.74	123
TOTAL	Measured (M)	8,527	1.24	341	28.98	7,946
	Indicated (I)	11,225	0.81	293	23.99	8,658
	M+I	19,752	1.00	633	26.15	16,604
	Inferred	7,094	0.78	179	29.95	6,831

- Three year rolling gold price of US\$1,329 / Troy ounce and silver price of US\$16 / Troy ounce used
- Cutoff grade of 0.22 g/t gold applied

- Total mining and processing cost of US\$6.70 / tonne applied
- No NSR charges were applied in calculation of cutoff or mining costs
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue

Table 1.2 shows the estimate of the mineral resource for the for the Property by each pit at with the historic case cutoff at 0.50 g/t gold as of March 24, 2020.

**Table 1.2
In-Place Mineral Resource Summary, Effective Date March 24, 2020. Pit Constrained at 0.50 g/t
Gold Cutoff**

Deposit	Assurance Category	Tonnes (000)	Average Gold	Contained Gold	Average Silver	Contained Silver
			Grade (g/t)	(ounces 000)	Grade (g/t)	(ounces 000)
Tahonitas -El Zapote (North & South)	Measured (M)	2,701	1.72	149	22.29	1,936
	Indicated (I)	3,108	1.13	113	20.35	2,033
	M+I	5,809	1.40	262	21.25	3,969
	Inferred	1,384	1.31	58	19.22	855
Noche Buena	Measured (M)	165	2.00	11	36.10	191
	Indicated (I)	1,249	1.05	42	26.61	1,068
	M+I	1,414	1.16	53	27.72	1,260
	Inferred	664	1.00	21	23.98	512
San Miguel East	Measured (M)	386	1.84	23	76.57	950
	Indicated (I)	1,068	1.18	40	70.00	2,403
	M+I	1,454	1.35	63	71.74	3,354
	Inferred	1,306	1.22	51	87.00	3,653
San Miguel West	Measured (M)	50	5.58	9	71.08	114
	Indicated (I)	297	1.82	17	24.18	231
	M+I	347	2.36	26	30.93	345
	Inferred	50	1.02	2	16.04	26
Guadalupe East	Measured (M)	1,518	1.92	94	53.06	2,589
	Indicated (I)	493	1.24	20	34.55	548
	M+I	2,011	1.75	113	48.52	3,137
	Inferred	318	0.86	9	28.60	292
Guadalupe West	Measured (M)	474	1.36	21	40.83	622
	Indicated (I)	313	0.78	8	22.40	225
	M+I	787	1.13	28	33.50	848
	Inferred	234	0.30	2	15.68	118
TOTAL	Measured (M)	5,294	1.80	306	37.62	6,403
	Indicated (I)	6,528	1.15	240	31.01	6,509
	M+I	11,822	1.44	546	33.97	12,912
	Inferred	3,956	1.13	144	42.90	5,456

- Three year rolling gold price of US\$1,329 / Troy ounce and silver price of US\$16 / Troy ounce used
- Cutoff grade of 0.22 g/t gold applied
- Total mining and processing cost of US\$6.70 / tonne applied
- No NSR charges were applied in calculation of cutoff or mining costs
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue

Table 1.3 shows the estimate of the mineral resource for the Property with the differing gold cutoff grades as of March 24, 2020.

**Table 1.3
In-Place Mineral Resource Summary, Effective Date March 24, 2020. Pit Constrained at varying Gold Cutoffs**

Cutoff	Assurance Category	Tonnes (000)	Average Gold	Contained Gold	Average Silver	Contained Silver
			Grade (g/t)	(ounces 000)	Grade (g/t)	(ounces 000)
0.22 g/t cutoff total	Measured (M)	8,527	1.24	341	28.98	7,946
	Indicated (I)	11,225	0.81	293	23.99	8,658
	M+I	19,752	1.00	633	26.15	16,604
	Inferred	7,094	0.78	179	29.95	6,831
0.50 g/t cutoff total	Measured (M)	5,294	1.80	306	37.62	6,403
	Indicated (I)	6,528	1.15	240	31.01	6,509
	M+I	11,822	1.44	546	33.97	12,912
	Inferred	3,956	1.13	144	42.90	5,456
0.70 g/t cutoff total	Measured (M)	4,094	2.15	283	42.46	5,589
	Indicated (I)	4,603	1.38	204	35.48	5,251
	M+I	8,697	1.74	488	38.77	10,840
	Inferred	2,603	1.44	120	54.36	4,549
0.90 g/t cutoff total	Measured (M)	3,323	2.47	264	46.57	4,975
	Indicated (I)	3,423	1.58	174	39.46	4,342
	M+I	6,746	2.02	438	42.96	9,317
	Inferred	1,859	1.71	102	64.23	3,839
1.00 g/t cutoff total	Measured (M)	3,019	2.62	254	48.42	4,700
	Indicated (I)	2,895	1.70	158	41.85	3,895
	M+I	5,914	2.17	413	45.20	8,595
	Inferred	1,685	1.78	97	67.22	3,642

- Three year rolling gold price of US\$1,329 / Troy ounce and silver price of US\$16 / Troy ounce used
- Cutoff grade of 0.22 g/t gold applied
- Total mining and processing cost of US\$6.70 / tonne applied
- No NSR charges were applied in calculation of cutoff or mining costs
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue

Potential Risks

The accuracy of resource estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data available at the time; the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that additional data and analysis available after the date of the estimates may necessitate revision. These revisions may be material.

Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Potential risks that impact the accuracy of resource estimates include:

- The accuracy of the underground excavation survey data impacting the deposits resource cannot be directly measured since these underground openings are no longer accessible due to safety concerns and /or may have collapsed. Other historic mine workings may be present which have not been documented and would impact the stated resource.
- The mineralized zones used to define and constrain the data analysis and estimations are created using laboratory analysis, core descriptions and field observations. Further exposure of the mineralized zone through mining may modify existing interpretations of the data.
- The resource is limited to the depths of drilling on the Property and is restricted to a depth below surface of approximately 100 m -150 m. Future drilling beyond these depths using appropriately scaled equipment may impact the current understanding of the resources below those depths.

Interpretations and Conclusions

The Property is in the Sierra Madre Occidental mountain range of the North American Cordillera that extends for hundreds of kilometers from central to northern México in the Basin and Range province. The Property is near the village of Guadalupe de Los Reyes, located 30 km southwest from the city of Cosalá, and can be accessed year-round by road. Since the discovery of gold and silver on the Property in 1772, there have been several changes in ownership.

The Property is composed of 37 contiguous concessions that have an area of 6,302.7 hectares; however, due to overlap between some of the concessions, the actual area is 6,273 ha. The main mineralized trends on the Property occur on three northwest and west-northwest oriented silicified structural corridors that are hosted in intermediate to felsic volcanics. These mineralized structural corridors are named after the mineralized areas that they host, which include: 1) the Mariposa-El Zapote-Tahonitas trend; 2) San Miguel-Noche Buena trend; and 3) the Guadalupe trend. The mineralization conforms to the Low Sulphidation Epithermal deposit classification type.

Two 3D geologic resource models, named TZSM and GUAD, were developed for delineated portions of the Property. The TZSM model encompasses the El Zapote and Tahonitas deposits, as well as the San Miguel and Noche Buena deposits. The GUAD model includes the Guadalupe deposits. The resource estimates calculated in this study were restricted to pit constrained surface resources. The pits were built using a constant 45° pit slope and block revenue minus block cost was used as a driver to determine the overall size of the Lerchs-Grossmann pits.

The resource estimations were completed using the following parameters:

- Three year rolling gold price of US\$1,329 / Troy ounce and silver price of US\$16 / Troy ounce used;
- Cutoff grade of 0.22 g/t gold applied;
- Total mining and processing cost of US\$6.70 / tonne applied;
- No NSR charges were applied in calculation of cutoff or mining costs; and
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue.

Recommendations

The data compilation, model build, and trenching/roadcut sampling program identified prospective areas to further delineate. There are two main recommendations to advance this program: 1) to further identify and characterize ore mineralization spatially and geochemically; and 2) to complete a comprehensive Preliminary Feasibility Study on the Property. The proposed phases are addressed below.

Phase 1

Additional trenching is recommended to potentially extend the mineralization in El Zapote North and South, San Miguel East and West, between San Miguel East and Noche Buena, as well as in the Tahonitas area. It is also recommended to complete additional drilling for the purpose of: 1) assessing the extension of mineralization down dip below current pit bottoms; 2) subsurface testing of mineralization identified during trenching programs; and 3) assess the continuity between ore bodies, such as El Zapote North and El Zapote South, and between San Miguel and El Zapote North. The proposed method of drilling would include both core and RC holes.

Following the trenching and drilling campaigns, it is recommended that the collected samples be assessed by multi-element analyses to expand the knowledge of variability across the Property and to potentially identify deleterious components in the ore bodies. In addition, metallurgical test work on the drill and trench data is recommended to expand the database on the general recovery characteristics using different extraction methods (e.g. bottle rolls, shakers). Mineralogical studies, such as petrography and x-ray diffraction, is recommended to further understand the epithermal system complexities and sulphide boundaries. Table 1.4 provides an estimate of the recommended drilling, sampling, and testing proposed for Phase 1.

Table 1.4
Recommended Drilling, Sampling, Testing

Estimated Number of Holes	Estimated Average Hole Depth (m)	US\$ (000)			
		Drilling (RC & Core)	Testing (assay, metallurgical, mineralogical)	Field Personnel	Total
40	250	1,125	500	175	1,800

Phase 2

Depending on the results obtained from the execution of Phase 1, further reporting may be necessary in the case that the results are material to the Project. In that case, the models would be updated, and the associated resource estimations and classifications would be completed, and a new Technical Report would be released. Phase 2 costs are estimated at US\$75,000.

Current Exploration Program

Prime is executing a planned 10,000-metre drilling and surface trench sampling program employing a three-pronged approach:

1 - Increase current mineral resource confidence: Upgrade 7.1 million tonnes of Inferred mineral resources to the Measured and Indicated category, which currently contains 19.75 million tonnes at 1.0 gpt gold and 26.2 gpt silver:

- 2,000 metres of surface rock chip sampling in trenches

- 1,500 metres of drilling in 12 to 15 shallow drill holes
- Focus areas include Noche Buena, Tahonitas, and Zapote including surface rock chip sampling in trenches at San Miguel East and San Miguel West

2 - Expand resource immediately: Add gold and silver ounces by drilling along strike and down dip in areas adjacent to the existing eight open pit-constrained mineral resource areas:

- 1,500 metres of surface rock chip sampling in trenches
- 3,500 metres of drilling with some holes reaching a depth of 200 metres
- Focus areas include the mineralized structures at Zapote, San Miguel East, and south-east extensions to Noche Buena and Tahonitas

3 - Add future targets: Define the potential the add new gold and silver ounces in unexplored areas where existing data and new mapping information confirm mineral potential:

- 3,500 metres of surface rock chip sampling in trenches
- 5,000 metres of drilling with some holes reaching a depth of 350 metres
- Focus areas include potential mineralized structures extending between San Miguel East, Guadalupe East, and Las Primas, and between Guadalupe West and the Zapote/Mariposa trend. A structural re-interpretation indicates new northwest trending structures parallel to the Zapote trend may exist.

Mapping and Sampling

The Company is currently undertaking the first-ever comprehensive modern geologic mapping effort for the entire ~6,300-hectare Los Reyes concession area. Up to four teams are mapping the rock types, alternations, geologic structures, and other physical features.

The Los Reyes project has had several previous operators, so Prime will also be undertaking a comprehensive re-logging program to improve the understanding of the geological model. Some 13,000 metres of core from 89 historic drill holes currently stored in Prime's core building in Hermosillo will be re-logged and analyzed to confirm the reported rock type, alteration, and mineralization data. In addition, historic reverse circulation drill reject samples stored on-site will be recovered, re-bagged and re-logged based on the new interpretation parameters, if and where possible. Additionally, new regional soil and rock chip sampling and assaying will be completed with a view to generate grass roots targets across the rest of the 6,300-hectare concession.

Metallurgical Test Work

All new drill and surface rock chip sampling material sent to the assay lab will also be analyzed for cyanide solubility using bottle roll tests to build a strong database of metal recovery data across the project. Prior metallurgical test work has confirmed heap leach and mill gold and silver recovery are viable alternatives.

Execution Timeline

This first phase of exploration will continue through the upcoming rainy season. Surface rock chip sampling in trenches has been ongoing since October 2019 and will continue through during Phase 1. To date, 4,501 samples have been collected from 6,076 metres of surface outcrop, including 2,533 trench channel samples and 1,979 roadcut channel samples. Of these, 2,282 samples have been reported, leaving 1,650 samples to be reported. Assay results will be released as available.

The new field mapping and core re-logging activity has begun and is expected to be completed by September 2020. Drilling will begin shortly after the completion of these activities, and as soon work can be safely undertaken after the end of the rainy season.

After the rainy season and mapping work, drilling can begin in areas with existing roads, areas where the local ejido needs access roads for its own purposes and in areas where portable drills can be utilized. Drilling activities in new areas, where no land disturbance currently exists, will require permits for land disturbance and construction of new roads. Such environmental permit applications were submitted in March 2020 but due to government office closures during the covid-19 shutdown, a recent amended application for 100 drill holes into these new areas has been filed. Initial drill results are expected in November 2020.

Surface-Use Agreement

In February 2020, the Company and representatives of Ejido Tasajera signed a new long-term agreement for surface use and compensation for disturbance of the Los Reyes project area (“Surface Rights Agreement”). The surface-use agreement has an initial term of 15 years and can be extended for an additional 15-year period. It covers project access and land use for exploration, engineering, construction, commissioning and commercial operations and is important to the long-term viability of a mining operation as Los Reyes.

At a meeting on September 5, 2019, Ejido Tasajera approved access rights and the trenching work that Prime has been undertaking. Since then, the parties have worked to remedy a few outstanding legal matters, complete negotiations and enter into a binding agreement. Upon the execution of the Surface Rights Agreement, Prime made an initial payment of US\$38,300 to Ejido Tasajera.

The commercial terms of the Surface Rights Agreement are divided into three stages of activities: exploration, construction and commercial production. Key elements are as follows:

- For an initial period of three years while conducting exploration, Prime paid an upfront fee of MXN 700,000 (US\$38,300) that includes the exploration work completed over the past six months and a three-year prepayment of three MXN\$200,000 annual payments.
- Prime has the right to extend the exploration period for up to two additional years by making an annual payment of US\$20,000 in year four and US\$30,000 in year five.
- Prime has the right to initiate construction of a mine at any time. If construction begins prior to the fifth year, the annual payment is increased to US\$30,000.
- Upon commencement of commercial production, the annual payment increases to US\$200,000, paid in semi-annual installments of US\$100,000.
- Payments due to Ejido Tasajera during commercial production are subject to adjustments based on Unidad de Medida de Actualizacion, the official Mexican index for the adjustment of government pensions, social security payments, taxes, etc. For reference, last year’s increase in such payments was 2.8% and this year is estimated to be 2.83%.
- During commercial production, Prime will also make, collectively, a US\$15,000 annual “apoyo” or gift distributed to the local families of Ejido Tasajera.
- During the dry season months the Company will arrange to haul water to the Tasajera village if requested.

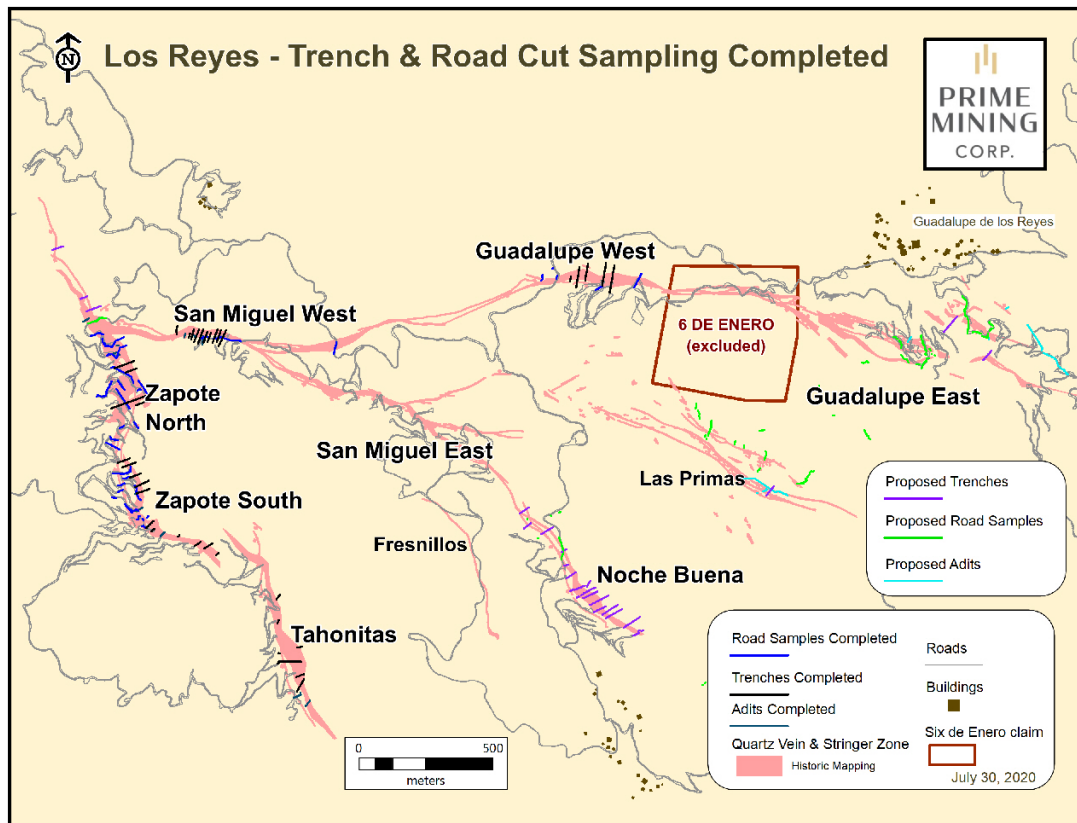
Prime also intends to maximize employment of qualified local and Ejido Tasajera residents in its activities with individuals having the necessary skill levels and capability.

The Surface Rights Agreement is fully transferable without further approval of the Ejido Tasajera.

In addition to the Surface Rights Agreement, an agreement has also been completed that establishes specific, non-material payments to local individuals whose traditional land use within the ejido becomes affected by Prime’s exploration, construction and production activities.

Exploration Results

In September 2019, the Company undertook an exploration program that created new trenches for shallow hand sampling as well as the collection of contiguous sampling along selected pre-existing road cuts and adits. A surface sampling program of this magnitude has never been completed on the Los Reyes project.



The sampling program is providing valuable information in determining the surface expression of mineralized structures, planning pit locations, and establishing where structures remain open to expansion. Exploration results support Prime’s program to connect outcropping surface mineralization to existing drilled resources below the surface in proposed pit locations. The project strip ratio has been favorably impacted together with an overall increase in project mineral resource size based on the initial surface work that was used to calculate the Updated Resource.

Sampling consists of crews collecting continuous 1.5 metre rock chip and channel samples targeting quartz bearing alteration zones in hand dug trenches where bedrock is covered by overburden and from exposed road cuts across mapped and unmapped structures.

Results indicate the sampling program provides valuable information for determining the surface expression of mineralized. Assay results range from below detection to 33.6 g/t gold and 170.3 g/t silver.

Fall 2019 Exploration Program

Exploration began at the San Miguel West deposit with a series of trenches cut perpendicular to the mineralized structure. Road cut channel samples were collected along existing drill roads blasted into the rock. These roads cross the mineralized structures at various orientations but at the San Miguel West deposit, the roads are typically parallel to the structure.

San Miguel West deposit is a east-west trending, steeply to moderately dipping quartz bearing structural zone. It is situated east of the Zapote North deposit and is the northern part of the San Miguel West- San Miguel East- Noche Buena Trend. Tables 1 and 2 show highlights from this sampling.

Table 1 – San Miguel West Road Cut Sampling

Location	Interval (m)	Gold (g/t)	Silver (g/t)
Main Road	6.0	0.43	1.15
RS-3	7.5	1.0	11.0
and	10.5	0.82	26.0
RS-5	10.5	0.32	13.6
and	10.5	2.0	17.8
and	12.0	0.78	20.2
and	16.5	2.5	39.2
and	7.5	0.83	5.0
RS-6	22.5	0.39	10.7
and	25.5	0.72	11.6
and	36.0	1.84	13.0
RS-7	13.5	4.21	28.0
including	1.5	33.6	50.4
and	34.5	4.2	21.2
including	15.0	8.2	30.0
including	1.5	17.1	37.3
and	7.5	0.68	32.4

Location	Interval (m)	Gold (g/t)	Silver (g/t)
and	13.5	1.54	37.5
and	9.0	6.67	55.5

Table 2- San Miguel West Surface Trenches

Trench #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
TR-1	30	39	9	0.92	22.3
TR-2	34.5	39	4.5	2.66	30.0
TR-3	52.5	66	13.5	1.42	49.4
Incl.	55.5	57	1.5	5.87	170.3
TR-4	27	40.5	13.5	1.59	27.7
TR-6	51	54	3	0.61	33.0
TR-7	28.5	37.5	9	0.53	16.1
TR-8	9	15	6	0.41	17.2
and	21	34.5	13.5	0.66	31.1
TR-9	6	13.5	7.5	1.84	36.8
including	7.5	9	1.5	7.82	125.7

As crews worked on the San Miguel trenches, existing drill roads at Zapote North were rehabilitated and trenching and road cut sampling was initiated.

Zapote North is a North-South trending mineralized zone with a sharp footwall and variable veining in the hanging wall. The mineralization is hosted in a structure that dips moderately to the west.

Evidence from trenching and sampling at San Miguel and Zapote indicates the structures are open along strike and are wider than indicated in historic mapping. In addition, much of the drilling at San Miguel was at such depths that, due to the lack of surface data, previously modelled resources were not carried to surface. The new data from this sampling was used in the new resource estimate by Stantec. The new models allowed the resource to be projected to surface, increasing minable tonnes, recoverable ounces and reducing the stripping ratios associated with any future development. True mineralized zone width is not defined by sampling results. Some zones remain open in width due to incomplete sampling. See Table 3, 4 and 5 for selected surface results from trenching, adit and road cuts at Zapote North.

Table 3 – Zapote North Surface Trenches

Trench #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
ZA5575N	19.5	22.5	3.0	1.57	12.7
and	54.0	57.0	3.0	3.16	11.4
and	63.0	79.5	16.5	1.04	22.7
ZA5550 N	31.5	46.5	15.0	5.58	23.2
and	34.5	42.0	7.5	9.43	29.0
ZA-5450N	147	156	9	0.81	13.1
ZA-5425N	46.5	49.5	3	1.75	13.6

Table 4 - Zapote North Road Cut Sampling

Location	Interval (m)	Gold (g/t)	Silver (g/t)
RS-8A	4.5	0.69	7.1
RS-8A	16.5	0.66	8
RS-8A	12	1.56	14.5
RS-8B	6	11.72	26.2
RS-8B	18	0.57	10.5
RS-9	6	0.87	14
RS-11	6	1.5	17.4
RS-11	9	0.24	16.2
RS-12	3	0.24	10.2

Table 5 – Zapote Adit Sampling

Adit #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
Adit 1	0	10.5	10.5	0.58	18.4
Adit 1	16.5	27	10.5	1.32	25.9
Adit 3	0	22.5	22.5	3.23	68.5
Adit 5 – crosscut east	0	7.5	7.5	2.46	21.4
Adit 5 – drift	0	9	9	3.01	25.4
Adit 5 – crosscut west	0	22.5	22.5	0.99	18.7
including	0	1.5	1.5	8.30	47.6

Winter 2019 Exploration Program

In December 2019, the Company continued the surface exploration program. Trench and road cut sampling were completed at Zapote South and the central area between the two Zapote deposits. Zapote South is a complex dilation zone within the Mariposa-Zapote-Tahonitas structural trend. Highlights of the Zapote South results (see Tables 6 and 7 below) include trench ZA-5000N that returned 6.75 g/t gold and 58.2 g/t silver over 39.0 metres including 9.88 g/t gold and 62.0 g/t silver over 18.0 metres.

This trench was designed to sample across the structure where historic surface mapping shows an outcropping of a non-mineralization intrusion. The non-mineralized intrusive body was not encountered. Instead, this trench returned the highest grades encountered so far from the surface sampling program. The trench began and ended in mineralization with overburden cover prohibiting sampling on either end. Chip-channel sampling from the road exposure (ZS-RS10) along strike of the mineralization returned 7.76 g/t gold and 79.8 g/t silver over 12.0 metres including 48.30 g/t Au and 116.7 g/t silver from a 1.5 metre sample (see Table 8 below). This is the highest single sample gold grade yet recovered during Prime’s sampling program.

In addition, trench sampling from the south end of the Zapote South deposit has returned high gold grades over significant widths. Trenches ZA-4840N and ZA-4865N, 25 metres apart, began and ended in mineralization with deep overburden cover prohibiting sample extensions. Trench ZA-4840N included a 7.5 metre zone of 6.21 g/t gold and 698.6 g/t silver including 14.40 g/t gold and 1,875.0 g/t silver over 1.5 metres, the highest single sample silver grade yet recovered from the Los Reyes project. Field crews are re-examining the immediate area to determine if the trenches can be extended in either direction. Crews will also prospect along strike to the south to determine if the structure continues and if another trench can be excavated. These trenches are located near the eastern margin of the planned Zapote South open pit.

Other trench sampling returned encouraging gold grades and expanded the mineralization into the footwall of the Zapote deposit (e.g. ZA-5150N). Chip-channel sampling along historic road cuts has returned insignificant gold mineralization in the far western portion of the structural hanging wall.

Table 6 – Zapote South Trench Sampling

Trench #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
ZA-5150N	0	54	54	1.91	16.6
including	4.5	13.5	9	5.92	46.2
ZA-5125N	0	10.5	10.5	0.4	6.4
ZA-5125N	21	28.5	7.5	1.56	11.3
ZA-5000N	0	39	39	6.75	58.2
including	10.5	28.5	18	9.88	62
ZA-4975N	3	15	12	4.04	34.3
including	12	15	3	8.31	32.3
ZA-4865N	0	24	24	3.63	30
including	1.5	3	1.5	21.4	39.3
including	9	10.5	1.5	14.5	48.3
ZA-4840N	0	37.5	37.5	1.76	175.3
including	0	7.5	7.5	6.21	698.6

Table 7 – Zapote South Road Sampling

Location	Interval (m)	Gold (g/t)	Silver (g/t)
ZS-RS1	30	2.87	41.6
including	9	6.67	55.5
ZS-RS2	25.5	7.94	58.9
including	13.5	12.17	71
ZS-RS7	43.5	1.24	13.1
including	9	3.53	20.4
ZS-RS8A	22.5	0.87	14.3
ZS-RS8B	37.5	3.9	36.5
including	7.5	11.34	89.8
ZS-RS10	12	7.76	79.8
including	1.5	48.30	116.7

Trench and Road cut sampling in the Central area between the Zapote deposits show mineralized areas carrying good grades over significant widths in an area outside the historical resource of Zapote North and South.

These initial results support Prime’s belief that Zapote North and South, the two largest known deposits at Los Reyes, can potentially be joined into one large body, ultimately adding additional tonnes and minable ounces to the resource model. Importantly, the latest discovery occurs at an initial access point to the deposits and, provided mineralization proves consistent at depth, will likely result in this area becoming the starting point for our planned open-pit development. See Tables 7 and 8 for a summary of these results.

Table 8 – Zapote Central Trench Sampling

Trench #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
ZA5225 N	16.5	46.5	30.0	3.93	40.1
including	27.0	34.5	7.5	8.71	60.0
ZA5250 N	7.5	18.0	10.5	0.88	61.6
ZA5185 N	18.0	43.5	25.5	0.33	15.2

Table 9 – Zapote Central Road Sampling

Location	Interval (m)	Gold (g/t)	Silver (g/t)
RS-13	27.0	1.53	24.8
including	1.5	10.1	66.3
RS-14	37.5	0.76	18.0

Spring 2020 Exploration Program

In April 2020, the Company continued the surface exploration program, focusing on the deposits Guadalupe West, Tahonitas and Noche Buena.

Guadalupe West Deposit is located between the San Miguel West and Guadalupe East deposits. Guadalupe West is a east-west trending structure, dipping steeply to the south. Highlights from the Guadalupe West surface program results are shown in Table 10 and 11. The surface sampling shows a wide exposure of mineralization at surface that extends along strike for more than 200 metres.

Table 10 – Guadalupe West Trench Sampling

Trench #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
GW-3750E	12	70.5	58.5	0.83	20.2
GW-3720E	4.5	54.0	49.5	0.68	20.5
GW-3650E	1.5	60.0	58.5	0.51	13.7

Table 11 – Guadalupe Road Sampling

Location	Interval (m)	Gold (g/t)	Silver (g/t)
GW-RS1	19.5	0.49	21.8

Tahonitas is the southernmost deposit along the Mariposa-El Zapote-Tahonitas trend. The mineralized structure at Tahonitas strikes 350° and dips between 45° and 60° to the southwest. Tahonitas is hosted by andesite of the Lower Volcanic Sequence and is capped to the east by rhyolite and aplitic dikes of the Upper Volcanic Sequence. Mineralization occurs in silicified host rock and veins and has a sharp footwall contact with some veining to the hanging wall.

The current Tahonitas deposit is modeled as part of a conceptual open pit that includes the Zapote South deposit. The Zapote North, Zapote South and Tahonitas deposits are estimated to include 10,198,000 tonnes Measured and Indicated containing 311,000 ounces (“oz”) gold (“Au”) at 0.95 grams per tonne (“gpt”) and 5,637,000 oz silver (“Ag”) at 17.2 gpt. There are 2,407,000 tonnes Inferred containing 70,000 oz Au at 0.91 gpt plus 1,329,000 oz Ag at 17.2 gpt.

The Tahonitas gold-silver deposit has a drill-tested strike length of approximately 700 m and a width of between 10 and 35 m within the current resource model. Surface rock chip sampling at Tahonitas is designed to map the surface expression of mineralization. Surface trench TA-TR-3b, positioned oblique to the mineralized structure, returned 1.78 gpt Au and 71.0 gpt Ag over 63.0 m (24.1 m true width) including two high-grade intervals: 11.68 gpt Au and 333.9 gpt Ag over 4.5 m and 5.70 gpt Au and 292.0 g/t Ag over 6.0 m. This trench channel ended in mineralization. About 60 m south of TR-3b, trench channel TR-2 returned 0.72 gpt Au and 18.5 gpt Ag over 30.0 m, including 1.86 gpt Au and 46.5 gpt Ag over 7.5 m. See Table 12 for a summary of results.

Table 12 – Tahonitas South Channel Sampling Results

Trench #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
TR-1	12.0	22.5	10.5	3.24	46.0
including	18.0	21.0	3.0	8.37	55.2
TR-2	0.0	30.0	30.0	0.72	18.5
including	0.0	7.5	7.5	1.86	17.7
TR-3b	21.0	84.0	63.0	1.78	71.0
including	30.0	34.5	4.5	11.68	333.9
including	64.5	70.5	6.0	5.70	292.0
TA-Adit 10	0.0	4.5	4.5	0.42	25.3

Trench #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
TA-Adit 13	0.0	3.0	3.0	11.5	66.2

Noche Buena is the southernmost deposit along the San Miguel West – San Miguel – Noche Buena trend. The mineralized structure at Noche Buena strikes 140° and dips between 50°-60° to the southwest. The deposit has a drill-tested strike length of approximately 560 m and a true width of between 10 and 40 m within the current resource model. The zone has been traced intermittently for approximately 1.1 kilometres between Upper Sequence rhyolite in the southeast and its junction with the San Miguel vein in the northwest.

Trenching is underway in this area and samples have been submitted to the laboratory for analysis.

QA/QC Protocols and Sampling Procedures

Quality control of the sampling program includes the insertion of reference standards and blanks as well as reject duplicate analysis to monitor the integrity of all assay results. All samples are stored until picked up by Bureau Veritas Minerals and transported to its laboratory in Durango, Mexico. Samples are then dried, crushed, split and pulp samples are prepared for analysis. Pulps are sent to Bureau Veritas' Vancouver laboratory for analysis. Gold is determined by fire assay with an atomic absorption spectroscopy (AAS) finish, and silver plus 34 other elements by multi-acid digestion and ICP finish, over-limits by fire assay and gravimetric finish.

Coarse rejects and corresponding pulps from selected samples have been send to SGS Labs in Durango, Mexico, for third party assay check analysis. SGS uses a similar fire assay and acid digestion analysis technique as Bureau Veritas.

Bruce Kienlen, PGeo, VP Exploration for the Company, is the qualified person for the Los Reyes Project. Mr. Kienlen has reviewed and accepted these statements.

DIVIDENDS AND DISTRIBUTIONS

The Company has never declared or paid any cash or stock dividends on its Common Shares since inception. Since the Company currently has a policy of investing earnings in the expansion of its business, the Company does not anticipate paying cash or stock dividends on its Common Shares for the foreseeable future. Future dividends on its Common Shares will be determined by the Board in light of circumstances existing at the time, including earnings and financial condition. There is no assurance that dividends will ever be paid.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized capital consists solely of an unlimited number of Common Shares without par value. All of the issued Common Shares of the Company are fully paid and non-assessable. Each Common Share entitles the holder thereof to one vote per share at all meetings of shareholders. All of the Common Shares issued rank equally as to dividends, voting rights and distribution of assets on winding up or liquidation. Shareholders have no pre-emptive rights, nor any right to convert their Common Shares into other securities. There are no existing indentures or agreements affecting the rights of shareholders other than the notice of articles and articles of the Company.

As of April 30, 2020, there were (i) 59,599,382 Common Shares; (ii) an aggregate of 5,455,000 Options; and (iii) an aggregate of 18,588,525 Warrants, issued and outstanding

As of the date of this AIF there are:

- (a) 84,079,331 Common Shares issued and outstanding.
- (b) 8,160,000 Options exercisable at an average of \$0.78 per Common Share:
 - 75,000 Options exercisable at \$0.44 per Common Share until January 8, 2021;
 - 3,460,000 Options exercisable at \$0.40 per Common Share until October 4, 2024;
 - 350,000 Options exercisable at \$0.42 per Common Share until February 7, 2024;
 - 3,100,000 Options exercisable at \$0.95 per Common Share until June 15, 2025;
 - 750,000 Options exercisable at \$1.30 per Common Share until June 30, 2025;
 - 25,000 Options exercisable at \$1.92 per Common Shares until August 1, 2025; and
 - 400,000 Options exercisable at \$2.00 per Common Share until August 1, 2025.
- (c) 36,863,576 Warrants exercisable at an average of \$0.85 per Common Share:
 - 15,663,576 Warrants at \$0.50 expiring on August 28, 2021; and
 - 21,200,000 Warrants at \$1.10 expiring on June 12, 2025.

MARKET FOR SECURITIES

Market

The Common Shares of the Company are listed and posted for trading on the TSXV under the symbol "PRYM", on the Frankfurt Stock Exchange under the symbol "O4V2 and on the OTCQB under the symbol "EPWMF".

Trading Price and Volume

The following table sets forth the particulars of the trading of the Common Shares on the TSXV during the most recently completed financial year ended April 30, 2020:

Month	High (\$)	Low (\$)	Volume
May 2019 ⁽¹⁾	n/a	n/a	nil
June 2019 ⁽¹⁾	n/a	n/a	nil
July 2019 ⁽¹⁾	n/a	n/a	nil
August 2019 ⁽¹⁾	n/a	n/a	nil
September 1-4, 2019 ⁽¹⁾	n/a	n/a	nil
September 5-30, 2019	\$0.550	\$0.365	888,787
October 2019	\$0.410	\$0.335	783,359
November 2019	\$0.380	\$0.300	349,773
December 2019	\$0.350	\$0.270	1,780,808
January 2020	\$0.450	\$0.295	7,711,008
February 2020	\$0.600	\$0.390	8,576,568
March 2020	\$0.495	\$0.250	5,397,249
April 2020	\$0.730	\$0.370	5,225,268

Note (1) Trading in Common Shares halted on April 23, 2019 and resumed on September 4, 2019.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

None of the Company's outstanding securities are subject to escrow. There are no securities of the Company that are subject to any other contractual restriction on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The name, province or state and country of residence, position with and principal business or occupation in which each director and executive officer of the Company has been engaged during the immediately preceding five years, is as follows as at the date of this AIF:

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Director Since
Murray John ⁽¹⁾⁽²⁾ <i>Chairman</i> <i>British Columbia, Canada</i>	Chairman of the Board of Discovery Metals Corp., Lead Director of O3 Mining Inc and a Director of Osisko Gold Royalties Ltd. Prior to December 2014, he was the President and CEO of Dundee Resources Limited, a resource merchant bank and Managing Director and a Portfolio Manager with Goldman & Company, Investment Counsel Inc.	May 2020
Andrew Bowering <i>Executive Vice President and Director</i> <i>British Columbia, Canada</i>	President and CEO of Bowering Projects since 1992, a mineral exploration and consulting firm. Until 2020, President of Sunrise Drilling Ltd. North American-based mineral exploration drilling company.	April 2019
Paul Larkin ⁽¹⁾⁽³⁾ <i>Director</i> <i>British Columbia, Canada</i>	Founder and President of New Dawn Holdings Ltd. since June 1983, an investment and financial consulting firm providing administration and financial advisory services to private and public companies, Mr. Larkin has also served as director or officer of a number of public companies listed on the NYSE and TSXV/NEX.	August 2019
Daniel Kunz ⁽²⁾ <i>Chief Executive Officer and Director</i> <i>Idaho, USA</i>	Managing Partner of Daniel Kunz & Associates, LLC, a natural resource-focused consulting company started in 2014. From 2014 to 2018, Chairman and CEO of Gold Torrent, Inc. a mine development company with a gold project in Alaska that was sold to the project lender in 2018.	August 2019
Marc Prefontaine ⁽²⁾⁽³⁾ <i>Director</i> <i>British Columbia, Canada</i>	Mr. Prefontaine co-founded Orla Mining Ltd. (“Orla”) and served as Orla’s Chief Executive Officer from 2015 until 2019. He is currently a principal of the Marshall Precious Metal Fund, a resource investment fund.	June 2020
Paul Sweeney ⁽¹⁾⁽³⁾ <i>Director</i> <i>British Columbia, Canada</i>	Independent business consultant since May 2011	June 2020
Gregory K Liller <i>Vice President and Chief Operating Officer</i> <i>Arizona, USA</i>	Self-employed businessman.	Officer since April 2019
Ian Harcus <i>Chief Financial Officer</i> <i>British Columbia, Canada</i>	Vice President Finance of Alio Gold Inc. (August 2018 to July 2020) and Corporate Controller (May 2015 to August 2018)	Officer since August 2020

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Director Since
Bruce Kienlen <i>VP Exploration</i> <i>British Columbia, Canada</i>	Mr. Kienlen has been a professional geologist for over 20 years. Before joining the Company in 2018, he was a senior geologist with Canterra Minerals Corp and a field geologist for Norwest Corporation.	Officer since February 2018
Alex Tsakumis <i>Vice-President Investor Relations</i> <i>British Columbia, Canada</i>	Mr. Tsakumis was the Vice President of Corporate Development at the Belcarra Group of Companies (Barsele Minerals, Orex Minerals, Silver Viper Minerals and Dolly Varden Silver) from 2017 to 2020. Prior to that we was Vice President of Alio Gold Inc/ Timmins Gold Corp.	Officer since June 2020
Notes: (1) Member of Audit Committee. (2) Member of Health and Safety Committee. (3) Member of Compensation Committee.		

Term of Office

The term of office for each of the Company's directors expires immediately before each annual meeting of shareholders.

Share Ownership

As of August 14, 2020, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 10,285,668 Common Shares, which represented 12.2% of the Company's issued and outstanding Common Shares. In addition, directors and executive offices held options to purchase 4,763,750 Common Shares and Warrants to purchase 6,550,000 Common Shares.

The statement as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Company as a group is based upon information furnished by the directors and executive officers.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as noted below, none of the directors or executive officers of the Company, is at the date of the AIF, or was within the past ten years before the date of the AIF, a director, chief executive officer or chief financial officer of any other company (including the Company), that:

- (a) was subject to an order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer and chief financial officer.

In this section, "order" means:

- (a) a cease trade order;

- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation.

Paul Larkin is a director of Esrey Resources Ltd., a TSXV listed company that was cease-traded on April 3, 2019 for failure to file its 2018 audited financial statements and MD&A in a timely manner.

No director or executive officer of the Company nor any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or has been within the past ten years, a director, officer or promoter of another company which was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with any creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company.

No director or executive officer of the Company nor any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the past ten years, declared bankruptcy or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with any creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that director, executive officer or shareholder.

No director or executive officer of the Company nor any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:

- a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Murray John was a director of insolvent African Minerals Limited, a company that appointed Deloitte LLP as its administrator by order of the High Court of Justice, Chancery Division, Companies Court on March 26, 2015.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Company may be subject in connection with its operations. All of the directors and officers are, to a greater or lesser extent, engaged in and will continue to be engaged in other corporations or businesses. Accordingly, situations may arise where some or all of the directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under applicable corporate law and corporate governance, including disclosing of any interest in a proposed transaction, and abstaining from voting on such matters.

PROMOTERS

Andrew Bowering can be considered to be a promoter of the Company, in that he has been primarily responsible for reorganizing the business of the Company over the past year. Mr. Bowering holds 6,553,668 Common Shares, 1,773,750 Warrants and 800,000 Options, representing 7.8% (undiluted) and 10.9% (diluted) in the capital of the Company. Mr. Bowering has not received anything of value, including money, property, contracts, options or rights of any kind, directly or indirectly, from the Company other than through the Company's purchase of Exploracion Auramex SA de CV and the Magenta Project from Mr. Bowering's company (Bowering Projects) in March 2019 for US\$150,000 and 1,250,000 Common Shares. This

consideration was negotiated between the parties which were at arm's length when the negotiations took place.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company and its properties or holdings are not subject to any legal or other actions, current or pending, which may materially affect the Company's operating results, financial position or property ownership.

Regulatory Actions

The Company has not: (i) had any penalties or sanctions imposed against it by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year; (ii) had any other penalties or sanctions imposed against it by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or (iii) entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For the purposes of this AIF, "informed person" means:

- a) a director or executive officer of the Company;
- b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of the Company; and
- c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b) above.

No informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has or has had any material interest, direct or indirect, in any transaction undertaken by the Company during its three most recently completed fiscal years or during the current fiscal year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries, save and except for remuneration for services received by each of the Company's senior officers in Fiscal 2020.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent of the Company is Computershare Trust Company of Canada. The Company's register of transfer of Common Shares is located in Vancouver, BC.

MATERIAL CONTRACTS

The Company has entered into the following contracts, other than contracts entered into in the ordinary course of business, that are material to the Company and that were entered into within the most recently completed financial year, or prior thereto but are still in effect:

1. Listing Agreement with TSXV;
2. Register and Transfer Agent agreement with Computershare Trust Company;

3. Los Reyes Surface Rights Agreement;
4. Los Reyes Assignment Agreement;
5. Los Reyes Governance Agreement; and
6. Los Reyes Amended Option Agreement.

INTERESTS OF EXPERTS

Davidson & Company LLP is the independent auditor of the Company and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

The scientific and technical information in this AIF regarding: (i) the Los Reyes Project is based on the Los Reyes Report prepared by William A. Turner P. Geol. and A.C. (Chris) Hunter, P. Geol. Of Stantec Consulting Ltd.; (ii) the Panther Creek Project is based on the Panther Creek Report prepared by Bruce Kienlen, P. Geo; and (iii) the Ike Project is based on the Ike Report prepared by Paul D. Gray, P. Geo. of PDG Geological Consultants.

None of the aforementioned firms or persons or any of their “designated professionals” as defined in NI 51-102, holds any registered or beneficial interest in any securities or other property of the Company.

ADDITIONAL INFORMATION

Audit Committee

Pursuant to the provisions of NI 52-110, reporting issuers in those jurisdictions which have adopted NI 52-110 are required to provide disclosure with respect to its audit committee including the text of the audit committee’s charter, composition of the committee, and the fees paid to the external auditor. Disclosure of the Company’s audit committee and audit committee charter is set forth in the Company’s Information Circular dated November 6, 2019, which Information Circular is filed on SEDAR and is incorporated herein by reference.

Other Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s Common Shares and Options, is contained in the Company’s Information Circular dated November 6, 2019 pertaining to the shareholders’ meeting held December 11, 2019.

Additional financial information is provided in the Company’s financial statements and MD&A for its most recently completed financial year ended April 30, 2020, as filed on SEDAR.