# Prime Tahonitas Footwall Discovery: Intersects New Continuous High-Grade Veins at Tahonitas in the Z-T Trend

## Results include 9.5 g/t gold-equivalent over 2 metres estimated true width

**Vancouver, January 15, 2025 – Prime Mining Corp. ("Prime" or the "Company") (TSX: PRYM) (OTCQX: PRMNF) (Frankfurt: 04V3)** is reporting expansion drilling results and new "Tahonitas Footwall" discovery from the Company's Los Reyes Project (the "Project"), located in Sinaloa State, Mexico. These results are from 2024 drilling at the **Z-T** Trend and are not included in the Company's October 15, 2024, Mineral Resource Estimate ("MRE").

**Expansion Drilling Highlights at Z-T**

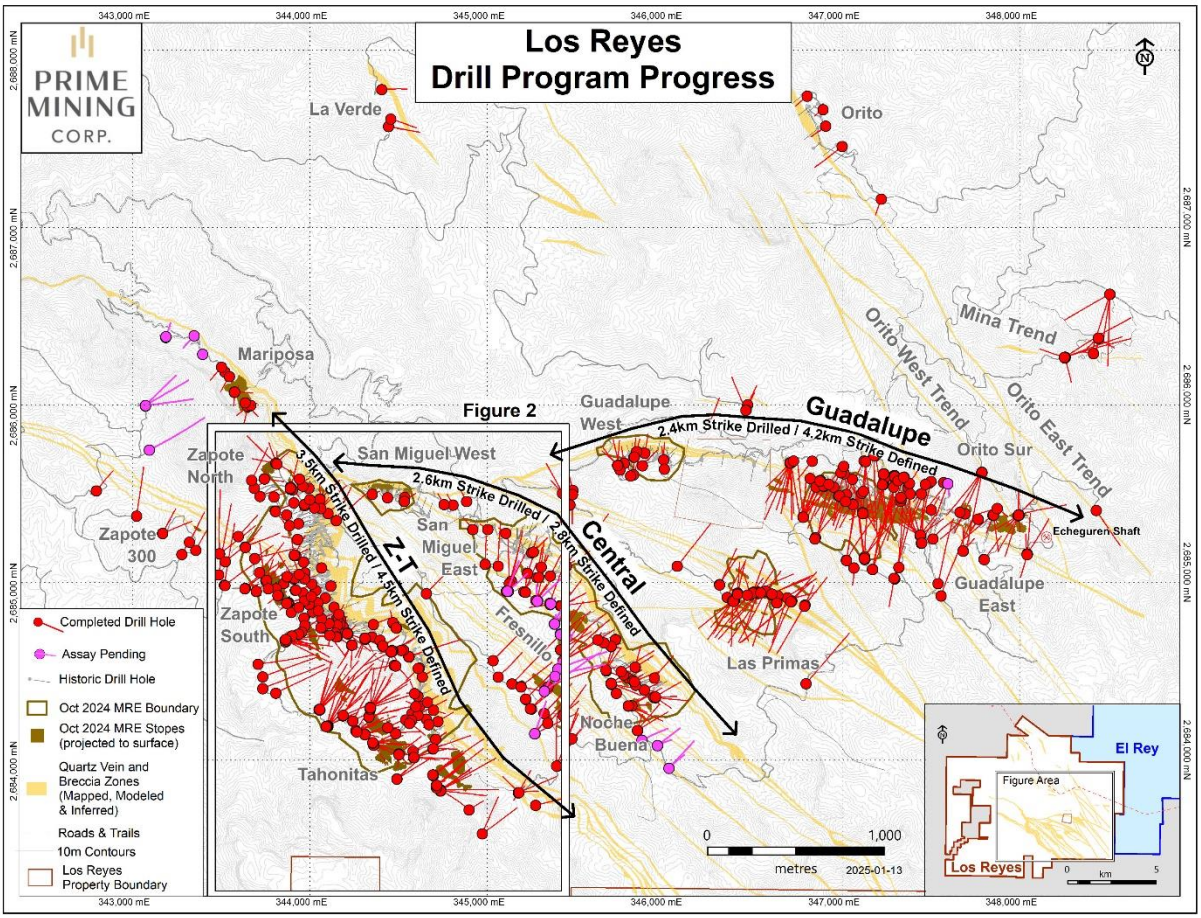
The Company is reporting **25** core holes at the Z-T Trend, **14** of which are from **Tahonitas, located in the south-east end of the Z-T Trend,** with the following highlights:

- 5.67 grams per tonne ("g/t") gold-equivalent ("AuEq") (2.23 g/t Au and 266.1 g/t Ag) over 4.2 metres ("m") estimated true wide ("etw") in hole 24TA-149, including:
  - 9.49 g/t AuEq (3.94 g/t Au and 428.7 g/t Ag) over 2.1 m etw;
- 1.62 g/t AuEq (1.36 g/t Au and 19.9 g/t Ag) over 15.2 m etw in hole 24TA-144, including:
  - 4.94 g/t AuEq (4.22 g/t Au and 55.3 g/t Ag) over 3.7 m etw;
- 4.93 g/t AuEq (2.55 g/t Au and 184.0 g/t Ag) over 3.3 m etw in hole 24TA-153, including:
  - 14.09 g/t AuEq (7.09 g/t Au and 541.0 g/t Ag) over 1.1 m etw;
- And also, 0.92 g/t AuEq (0.72 g/t Au and 15.2 g/t Ag) over 19.2 m etw in hole 24TA-153.

Prime Mining Corp. Chief Executive Officer Scott Hicks commented, "The quality of the high-grade results from the new Tahonitas Footwall Zone in Z-T demonstrates the continued resource expansion potential beyond what has been included in the updated underground and open pit Mineral Resource Estimate. The southern-most holes are over 650 metres south of the MRE pit crest and approximately 250 metres along strike from the southern-most stope. All intercepts in these highlight drill holes are less than 200 metres from surface and located south along strike and outside the resource pit crest, with potential for either open pit or underground extraction."

Scott Smith, Executive Vice President of Exploration, added, "24TA-144, -153, -155, and -156 delineate a newly discovered high-grade ore shoot at the southernmost end of Tahonitas on the Z-T Trend. The shoot, currently defined over 260 metres by 140 metres, remains open along strike in both directions and at depth and will be a key focus for follow-up drilling. It is great to see that our grassroots, boots on the ground field programs, such as mapping and soil sampling, have led to this exciting new discovery."

## Figure 1: Expansion drilling update



# Z-T Trend Drill Hole Highlights – Tahonitas and Zapote[1]

| Hole ID | From (m) | To (m) | Interval (m) | ETW (m)[2] | Au (g/t) | Ag (g/t) | AuEq[3] (g/t) | Au Cut-off[4] (g/t) |
|---|---|---|---|---|---|---|---|---|
| 24TA-144 | 148.6 | 163.8 | 15.2 | 15.2 | 1.36 | 19.9 | 1.62 | 0.2 |
| including | 148.6 | 149.4 | 0.8 | 0.8 | 1.17 | 28.5 | 1.54 | 1.0 |
| & including | 155.0 | 158.6 | 3.7 | 3.7 | 4.22 | 55.3 | 4.94 | 1.0 |
| 24TA-149 | 212.3 | 216.5 | 4.2 | 4.2 | 2.23 | 266.1 | 5.67 | 0.2 |
| including | 212.3 | 214.4 | 2.1 | 2.1 | 3.94 | 428.7 | 9.49 | 1.0 |
| 24TA-153 | 170.5 | 174.5 | 4.1 | 3.3 | 2.55 | 184.0 | 4.93 | 0.2 |
| including | 170.5 | 171.8 | 1.4 | 1.1 | 7.09 | 541.0 | 14.09 | 1.0 |
| 24TA-153 | 178.5 | 201.9 | 23.5 | 19.2 | 0.72 | 15.2 | 0.92 | 0.2 |
| including | 183.0 | 185.9 | 2.9 | 2.4 | 2.23 | 45.9 | 2.82 | 1.0 |
| 24TA-156 | 211.8 | 227.7 | 15.9 | 11.3 | 0.72 | 30.4 | 1.11 | 0.2 |
| including | 215.1 | 217.6 | 2.5 | 1.8 | 1.97 | 77.9 | 2.98 | 1.0 |
| including | 221.1 | 223.0 | 1.9 | 1.4 | 1.06 | 65.5 | 1.91 | 1.0 |
| 24TA-156 | 231.0 | 237.0 | 6.0 | 4.2 | 1.16 | 14.1 | 1.34 | 0.2 |
| including | 235.2 | 235.9 | 0.8 | 0.6 | 4.69 | 23.3 | **4.99** | 1.0 |
| 24ZAP-130 | 277.7 | 288.9 | 11.2 | 10.8 | 1.07 | 19.8 | 1.33 | 0.2 |
| including | 284.6 | 288.9 | 4.4 | 4.2 | 1.99 | 31.7 | **2.40** | 1.0 |
| 24ZAP-131 | 275.5 | 286.2 | 10.7 | 10.7 | 1.06 | 16.3 | 1.27 | 0.2 |
| including | 276.2 | 277.3 | 1.1 | 1.1 | 3.44 | 24.8 | **3.76** | 0.2 |
| including | 284.2 | 285.2 | 1.0 | 1.0 | 4.60 | 53.0 | **5.29** | 0.2 |
| 24ZAP-134 | 234.0 | 243.7 | 9.7 | 9.4 | 1.20 | 5.6 | 1.27 | 0.2 |
| including | 239.3 | 240.6 | 1.3 | 1.3 | 6.27 | 12.9 | **6.44** | 1.0 |
| 24ZAP-136 | 226.5 | 228.2 | 1.7 | 1.7 | 4.32 | 23.2 | **4.62** | 0.2 |
| 24ZAP-137 | 311.6 | 320.0 | 8.5 | 8.5 | 1.21 | 17.1 | 1.43 | 0.2 |
| including | 314.0 | 315.3 | 1.3 | 1.3 | 5.81 | 44.3 | **6.38** | 1.0 |
| 24ZAP-138 | 224.5 | 228.4 | 3.9 | 3.4 | 1.35 | 14.7 | 1.54 | 0.2 |
| including | 224.5 | 225.8 | 1.3 | 1.1 | 3.28 | 35.0 | **3.73** | 1.0 |
| 24ZAP-138 | 231.0 | 238.3 | 7.3 | 6.3 | 0.82 | 7.4 | 0.92 | 0.2 |
| including | 232.7 | 234.0 | 1.3 | 1.2 | 2.77 | 10.8 | **2.91** | 1.0 |

*Notes:*

1. *A complete table of assay results from all deposits and all secondary zones intersected utilizing a 0.20 g/t Au cut-off is on the Company's website.*
2. *Estimated True Widths (ETW) are estimated based on drill hole geology or comparisons with other on-section drill holes.*
3. *Au Equivalent (AuEq) grade is calculated as Au g/t + (Ag g/t x ($25.24/$1950)) where $25.24 and $1950 are the price of one ounce of Ag and Au respectively (in US dollars).*
4. *Composite assay grades presented in summary tables are calculated using a Au grade minimum average of 0.20 g/t or 1.0 g/t as indicated in "Au Cut-off" column of Summary Tables. Maximum internal waste included in any reported composite interval is 3.00 m. The 1.00 g/t Au cut-off is used to define higher-grade "cores" within the lower-grade halo.*

## INTERPRETATION

### *Tahonitas: New Footwall Structure*

Drilling at the southeast end of Tahonitas has resulted in the discovery of a newly identified mineralized quartz vein in the footwall of the main Z-T structure. This vein, defined by 24TA-144, -153, -154, -155, and -156, is host to a high-grade ore shoot which currently measures 260x140m and remains open at depth and along strike both to the southeast and to the northwest toward the 2024 MRE pit crest. Overall, the drill results released today reflect wide mineralized intervals and good grades which may be amenable to either open pit or underground mining methods.

The target was initially identified by Prime's detailed surface mapping program in conjunction with soil geochemistry and shortwave infrared (SWIR) mineral analyses. This work delineated an overlapping zone of subtle gold-in-soil anomalism, northwest-striking quartz veinlets, and illite alteration, suggesting potential for Au-Ag mineralization at depth.

This area will continue to be a focus for follow-up in 2025, with drilling planned to test extensions to this newly identified ore shoot in several directions. Priority targets include the nearly 500m gap between 24TA-144 and the 2024 MRE pit crest, and potential extensions along strike to the south of 24TA-155 and 24TA-156, which currently place the southernmost extent of the shoot at roughly 650m along strike from the 2024 MRE pit crest.

### *Zapote: Expanding Underground Opportunities*

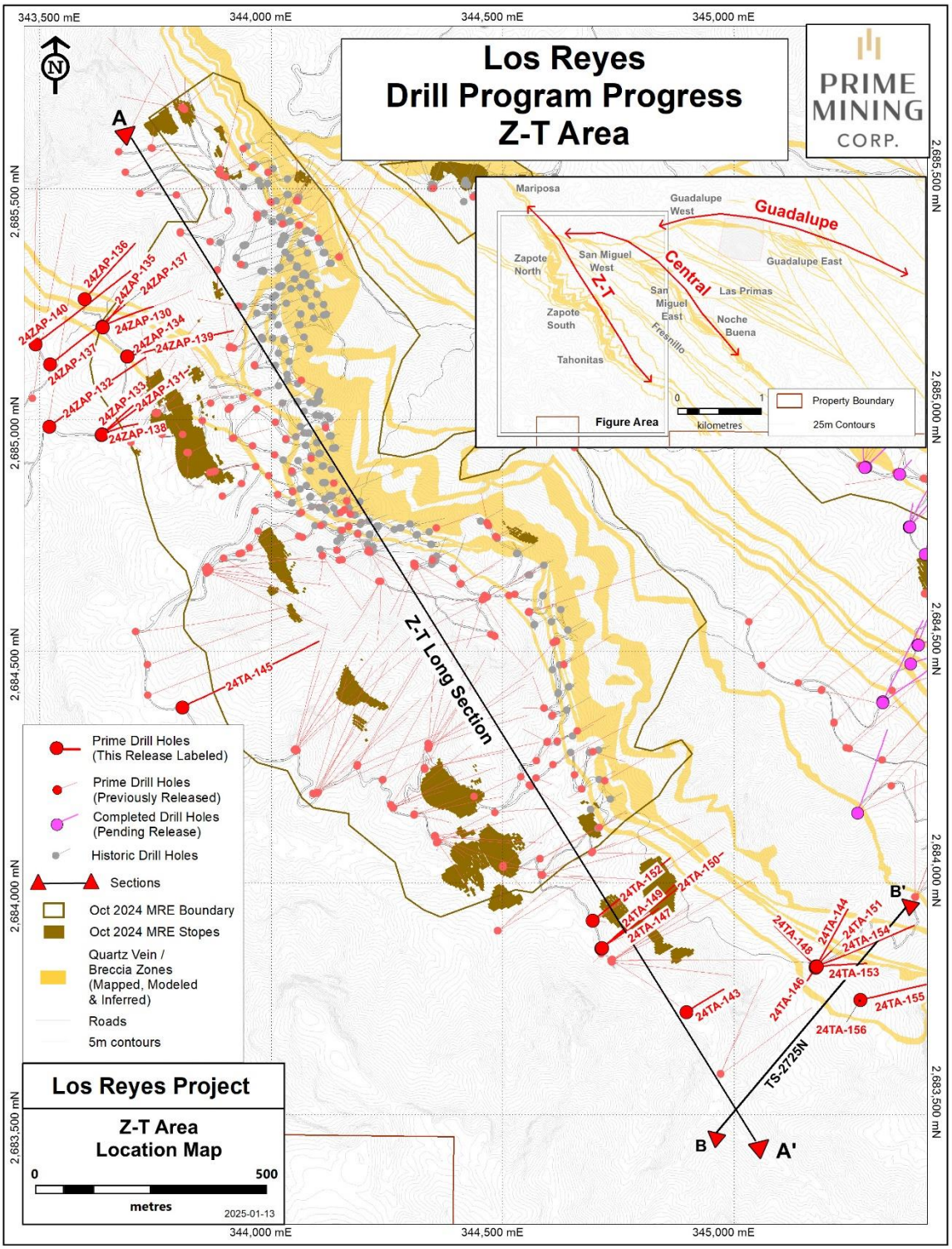
The Company is also releasing 11 holes from Zapote in the Z-T Trend. Drill holes completed in the Zapote target area continued to demonstrate grades greater than 1 g/t AuEq over significant thicknesses outside of the 2024 MRE's stopes and pits at depth. These drillholes, along with those previously released for Zapote in 2024, continue to confirm the potential for expanded underground opportunities previously demonstrated in the Company's October 15, 2024 MRE.

### *Z-T Trend*

The ongoing discovery of mineralization hosted along strike and at depth continues to suggest the following:

- The Z-T structure continues to be mineralized for more than 600m along strike from the current south-east pit crest.
- The potential exists to discover more high-grade plunging shoots with continued drilling below the current resource pit bottom and within the new south-east strike extension. These high-grade shoots have the potential to support underground resource estimation.
- Several high-grade plunging shoots identified to-date remain open at depth and along strike in multiple areas along the Trend.

## Figure 2: Z-T Trend drilling update



# Figure 3: Z-T Trend long section with drill holes highlighted (A-A')

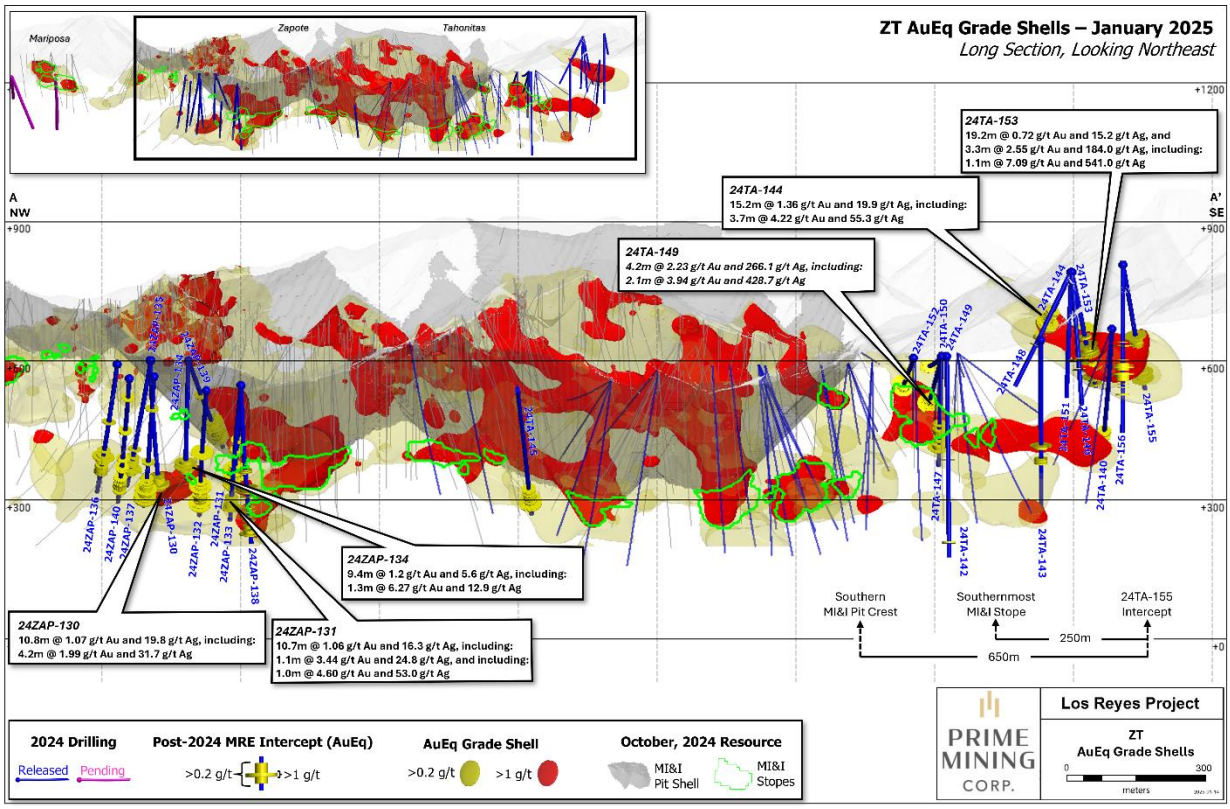
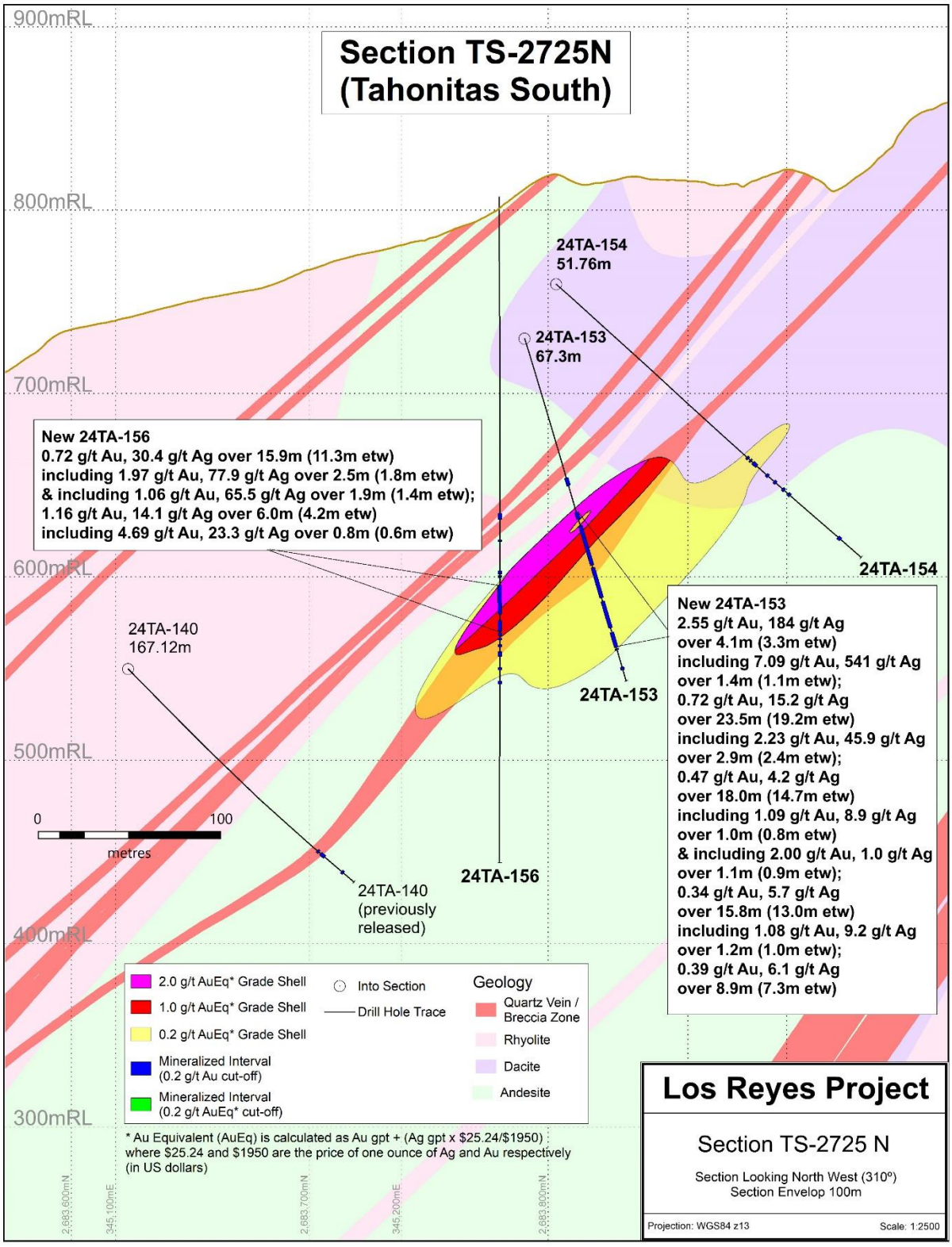


**Figure 4: Z-T Trend (Tahonitas) cross section B-B'**



## Outlook

Prime will continue to evaluate drilling plans using its success-based approach into 2025. This evaluation will also include prioritization of targets based on probability of resource development and generative area discovery potential.

Six drill rigs are currently active on site at Los Reyes, with exploration focused on:

- Extending the **high-grade Z-T Area** shoots that remain open at depth, as well as along strike, both north and south.
- Expanding the known **high-grade mineralization at Guadalupe East**.
- **Increasing the Central Area resource** through additions at Noche Buena and its connection to San Miguel East.
- **Generative target drilling of high-grade intercepts** at Las Primas, Mariposa, Fresnillo and others to further develop the resource potential at Los Reyes.

**Links to Figures:**

- Figure 1 – Expansion drilling update
- Figure 2 – **Z-T** Trend drilling update
- Figure 3 – **Z-T** Trend long section with drill holes highlighted (A-A')
- Figure 4 – **Z-T** Trend (**Tahonitas**) cross section (B-B')

**Links to Tables:**

- Table 1 – Drill Intercepts in this Release
- Table 2 – Drill Intercepts to Date

## About the Los Reyes Gold and Silver Project

Los Reyes is a high-grade, low-sulphidation epithermal gold-silver project located in Sinaloa State, Mexico. Since acquiring Los Reyes in 2019, Prime has spent more than $59 million on direct exploration activities and has completed over 210,000 metres of drilling. On October 15, 2024, Prime announced an updated multi-million-ounce high-grade open pit and underground resource based on exploration drilling up to July 17, 2024.

**October 15, 2024 Resource Statement**[1]
(based on a $1950/oz gold price, $25.24/oz silver price, economic-constrained estimate)

| Mining Method and Process | Class | Tonnage (kt) | Gold Grade (g/t) | Gold Contained (koz) | Silver Grade (g/t) | Silver Contained (koz) | Gold Equiv. (g/t) | Gold Equiv. (koz) | Silver Equiv. (g/t) | Silver Equiv. (koz) |
|---|---|---|---|---|---|---|---|---|---|---|
| Open Pit - Mill | Indicated | 24,657 | 1.13 | 899 | 35.7 | 28,261 | 1.60 | 1,265 | 123.3 | 97,723 |
| | Inferred | 7,211 | 0.89 | 207 | 42.8 | 9,916 | 1.45 | 335 | 111.8 | 25,911 |
| Underground | Indicated | 4,132 | 3.02 | 402 | 152.4 | 20,243 | 5.00 | 664 | 386.1 | 51,290 |
| | Inferred | 4,055 | 2.10 | 273 | 78.6 | 10,247 | 3.12 | 406 | 240.7 | 31,380 |
| **Total Mill** | **Indicated** | **28,789** | **1.41** | **1,301** | **52.4** | **48,504** | **2.08** | **1,928** | **161.0** | **149,012** |
| | **Inferred** | **11,266** | **1.33** | **480** | **55.7** | **20,163** | **2.05** | **741** | **158.2** | **57,291** |
| Open Pit - Heap Leach | Indicated | 20,254 | 0.29 | 190 | 8.4 | 5,492 | 0.40 | 261 | 31.0 | 20,201 |
| | Inferred | 5,944 | 0.30 | 58 | 7.3 | 1,398 | 0.40 | 76 | 30.6 | 5,856 |
| **Total** | **Indicated** | **49,042** | **0.95** | **1,491** | **34.2** | **53,995** | **1.39** | **2,190** | **107.3** | **169,213** |
| | **Inferred** | **17,210** | **0.97** | **538** | **39.0** | **21,561** | **1.48** | **817** | **114.1** | **63,147** |

1. Refer to the *Additional Notes* section for the gold equivalent grade ("AuEq") calculation method.

Drilling is ongoing and suggests that the three known main deposit areas (Guadalupe, Central and Z-T) are larger than previously reported. Potential also exists for new discoveries where mineralized trends have been identified outside of the currently defined resource areas. Historic operating results indicate that an estimated 1 million ounces of gold and 60 million ounces of silver were recovered from five separate operations at Los Reyes between 1770 and 1990. Prior to Prime's acquisition, recent operators of Los Reyes had spent approximately US$20 million on exploration, engineering, and prefeasibility studies.

## QA/QC Protocols and Sampling Procedures

Drill core at the Los Reyes project is drilled in predominately HQ size (63.5 millimetres "mm"), reducing to NQ (47.6 mm) when required. Drill core samples are generally 1.50 m long along the core axis with allowance for shorter or longer intervals if required to suit geological constraints. After logging intervals are identified to be sampled, the core is cut and one half is submitted for assay. RC drilling returns rock chips and fines from a 133.35 mm diameter tricone bit. The returns are homogenized and split into 2 halves, with one half submitted for analysis and the other half stored.

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

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

completed in North Vancouver, Canada. Drill core sample preparation includes fine crushing of the sample to at least 70% passing less than 2 mm, sample splitting using a riffle splitter, and pulverizing a 250-gram split to at least 85% passing 75 microns.

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

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

Both Bureau Veritas and ALS Labs are ISO/IEC accredited assay laboratories.

**Additional Notes**

Prime's MRE as of October 15, 2024 is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") "CIM Definition Standards - For Mineral Resources and Mineral Reserves" adopted by the CIM Council (as amended, the "**CIM Definition Standards**") and in accordance with the requirements of NI 43-101. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

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

Gold equivalent grades are calculated based on an assumed gold price of US$1,950 per ounce and silver price of $25.24 per ounce, based on the formula AuEq grade (g/t) = Au grade + (Ag grade x $25.24 / $1,950). Metallurgical recoveries are not considered in the in-situ grade estimate but are estimated to be 95.6% and 81% for gold and silver, respectively, when processed in a mill, and 73% and 25% respectively when heap-leached. Additional details are available in the associated 2024 Technical Report.

**Qualified Person**

John Sims, CPG, is a Qualified Person for the purposes of NI 43-101 and has reviewed and approved the technical content in this news release pertaining to the MRE.

Scott Smith, P.Geo., Executive Vice President of Exploration, is a Qualified Person for the purposes of NI 43-101 and has reviewed and approved the technical content in this news release.

**About Prime Mining**

Prime is managed by an ideal mix of successful mining executives, strong capital markets personnel and experienced local operators all focused on unlocking the full potential of the Project. The Company has a well-planned capital structure with a strong management team and insider ownership. Prime is targeting a material resource expansion at Los Reyes through a combination of new generative area discoveries and growth, while also building on technical de-risking activities to support eventual project development.

*For further information, please visit https://www.primeminingcorp.ca/ or direct enquiries to:*

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**Cautionary Notes to U.S. Investors Concerning Resource Estimates**

This news release has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of the U.S. securities laws. In particular, and without limiting the generality of the foregoing, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "inferred mineral resources," "indicated mineral resources," "measured mineral resources" and "mineral resources" used or referenced in this presentation are Canadian mineral disclosure terms as defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards. The CIM Standards differ from the mineral property disclosure requirements of the U.S. Securities and Exchange Commission (the "**SEC**") in Regulation S-K Subpart 1300 (the "**SEC Modernization Rules**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). As a foreign private issuer that is eligible to file reports with the SEC pursuant to the multijurisdictional disclosure system, the Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and will continue to provide disclosure under NI 43-101 and the CIM Standards. Accordingly, the Company's disclosure of mineralization and other technical information may differ significantly from the information that would be disclosed had the Company prepared the information under the standards adopted under the SEC Modernization Rules.

**Forward Looking Information**

This news release contains certain "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities legislation as may be amended from time to time, including, without limitation, statements regarding the perceived merit of the Company's

properties, including additional exploration potential of Los Reyes, potential quantity and/or grade of minerals, the potential size of the mineralized zone, metallurgical recoveries, and the Company's exploration and development plans in Mexico. Forward-looking statements are statements that are not historical facts which address events, results, outcomes, or developments that the Company expects to occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made, and they involve several risks and uncertainties. Certain material assumptions regarding such forward-looking statements were made, including without limitation, assumptions regarding the price of gold, silver and copper; the accuracy of mineral resource estimations; that there will be no material adverse change affecting the Company or its properties; that all required approvals will be obtained, including concession renewals and permitting; that political and legal developments will be consistent with current expectations; that currency and exchange rates will be consistent with current levels; and that there will be no significant disruptions affecting the Company or its properties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements involve significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: risks related to uncertainties inherent in the preparation of mineral resource estimates, including but not limited to changes to the cost assumptions, variations in quantity of mineralized material, grade or recovery rates, changes to geotechnical or hydrogeological considerations, failure of plant, equipment or processes, changes to availability of power or the power rates, ability to maintain social license, changes to interest or tax rates, changes in project parameters, delays and costs inherent to consulting and accommodating rights of local communities, environmental risks, title risks, including concession renewal, commodity price and exchange rate fluctuations, risks relating to COVID-19 and other future pandemics, delays in or failure to receive access agreements or amended permits, risks inherent in the estimation of mineral resources; and risks associated with executing the Company's objectives and strategies, including costs and expenses, as well as those risk factors discussed in the Company's most recently filed management's discussion and analysis, as well as its annual information form dated March 25, 2024, available on www.sedarplus.ca. Except as required by the securities disclosure laws and regulations applicable to the Company, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change.