

Prime Mining Reports Los Reyes Surface Sample Results of 63.0 Metres at 1.78 gpt Gold and 71.0 gpt Silver

VANCOUVER, British Columbia, June 30, 2020 -- Prime Mining Corp. (TSX.V:PRYM) (OTCQB: PRMNF) (Frankfurt:A2PRDW) (“Prime” or the “Company”) announced today that results from the Company’s ongoing surface exploration program continue to show significant mineralization at surface on the Los Reyes project, this time from the Tahonitas deposit, one of eight currently known adjacent gold-silver deposits. The Los Reyes mineralized zones are characterized by a low sulphide epithermal system containing silica stockwork veins that are generally formed in felsic subaerial complexes in extensional strike slip structural settings. Low sulphidation gold deposits are associated with magmas where ore deposition occurs several kilometres above the intrusion, and display certain alteration assemblages.

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. See Prime’s April 2, 2020 news release for complete details of the current mineral resource estimate.

The Tahonitas gold-silver deposit has a drill-tested strike length of approximately 700 metres (“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.

In addition, two historic adits were sampled in the southernmost extension of Tahonitas. In Adit 13, two contiguous 1.5 m channel samples were collected along an underground crosscut that returned 11.5 gpt Au and 66.2 gpt Ag over 3.0 m. In Adit 10, which is located about 50 m further southeast of adit 13, channel samples were collected near the entrance of the adit that returned 4.5 m at 0.42 gpt Au and 66.2 gpt Ag. These adit sampling results demonstrate that at Tahonitas significant mineralization is still open along strike and occurs beyond the current limits of the pit constrained resource.

Table 1 – 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
TA-Adit 13	0.0	3.0	3.0	11.5	66.2

Readers are encouraged to refer to Los Reyes – Surface Sampling Progress Figure 9a for graphic representation at: <https://primeminingcorp.ca/maps-technical-data>. Figures 1, 2 and 3 include photographs of activities included in the bedrock chip trench sampling program. Photos of the project area and current sampling operations are available at <https://primeminingcorp.ca/gallery>.

Prime Mining’s COO Greg Liller noted, “Using low cost trench sampling, this work aims to elevate near surface Inferred resource to Measured and Indicated status and to expand the known mineralization footprint at surface. Tahonitas remains open along strike and down dip. Additional surface sampling from trenches will be included in ongoing activities.”

The surface bedrock sampling program continues to provide valuable information for planning expanded exploration and future mining. Presently, field crews are collecting surface and subsurface samples from several areas of the project. To date, 3,920 trench, road-cut and underground samples of a planned 3,500 samples have been submitted for assay. Assay results range from below detection to 48.30 gpt Au and 1,875.0 gpt Ag. Composite intervals use a cut-off of 0.2 gpt Au.

QA/QC Protocols and Sampling Procedures

Surface sampling is targeting wide outcropping zones of hard quartz bearing altered bedrock. In hand dug trenches, local shallow overburden is removed to expose the mineralized bedrock material. Sample collection consists of crews, using hammers and chisels, chipping continuous 1.5 m channels to produce approximately 8 to 10 kilograms of material for each 1.5 m sample interval. The larger rocks within the collected material is then broken with a hammer to homogenize them to a standard size. On a canvas mat the collected material was mixed, divided and bagged. The bagged samples are then trucked to a lab for prep and assay. Similar samples are also collected from exposed road cuts and from open underground adit areas across mapped and unmapped structures.

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. 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.

Bruce Kienlen, P.Geo. Vice President of Exploration, a qualified person for the purposes of National Instrument 43-101, has reviewed and approved the technical content in this news release.

Incentive Stock Option Grant

Prime also announces that, pursuant to its Stock Option Plan, it has granted stock options to certain management and consultants to purchase an aggregate of 750,000 common shares of the Company at a price of \$1.30 per share for a period of 5 years from the grant date. The options will vest 1/3 immediately as of the date of grant; 1/3 six months after the date of the grant; and 1/3 twelve months after the date of the grant. This stock option grant is subject to acceptance by the TSX Venture Exchange.

Los Reyes Gold and Silver Project

The Los Reyes Gold-Silver Project is district scale epithermal gold-silver project in a prolific mining region of Mexico. Mineralization in the Los Reyes area is typical of low sulfidation epithermal gold/silver systems. Over \$20 million in exploration and engineering has already been spent on the project over 2 1/2 decades. Previous operators completed various prefeasibility studies and plans yet held back from development due to declining gold prices. While work completed has provided sufficient understanding of resources to fast-track Los Reyes to production, the bulk of work at Los Reyes has been conducted over less than 40% of the known structures leaving significant opportunity to expand known resources.

About Prime Mining Corp (TSX.V: PRYM) (OTCQB: PRMNF)

Prime is an ideal mix of successful capital markets and mining executives and experienced local exploration personnel who are expanding the exploration initiative at the historically productive Los Reyes gold and silver project in Sinaloa, Mexico with a current Measured and Indicated in-pit oxide mineral resource for the Property of 19.8 million tonnes containing 633,000 gold ounces at 1.0 gram per tonne and 16,604,000 silver ounces at 26.2 grams per tonne. Los Reyes holds substantial resource upside based on open extensions of known resources, ten kilometres of undrilled strike length and at least eight additional exploration targets. Prime Mining has a well-planned capital structure with significant management and insider ownership.

For more information please visit www.primeminingcorp.ca and follow us on [Twitter](#), [Facebook](#) or [LinkedIn](#).

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Forward Looking Information

Information set forth in this document may include forward-looking statements. While these statements reflect management's current plans, projections and intents, by their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the control of the Company. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on these forward-looking statements. There is no assurance the transactions noted above will be completed on the terms as contemplated, or at all. The Company's actual results, programs, activities and financial position could differ materially from those expressed in or implied by these forward-looking statements.

Photos accompanying this announcement are available at:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/9fd1a82e-6982-4d6c-973c-c675986136e0>

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