

Additional High-Grade Results Expand Open-Pit Potential at Guadalupe East

VANCOUVER, British Columbia, Sept. 08, 2021 (GLOBE NEWSWIRE) -- Prime Mining Corp. ("Prime" or the "Company") (TSX-V: PRYM, OTCQB: PRMNF, Frankfurt: 04V3) announces continuing positive Phase 1 drill results from its wholly owned Los Reyes gold-silver project in Sinaloa State, Mexico ("Los Reyes" or the "Project").

Highlight Drill Intercepts of Main and Subsidiary Estaca Veins

Estaca Vein

- 35.37 grams per tonne ("gpt") gold ("Au") and 1,626.0 gpt silver ("Ag") over 6.0 metres ("m") estimated true width ("etw"), including 62.60 gpt Au and 2,574.0 gpt Ag over 3.0 m (3.0 m etw) (21GE-20);
- 15.58 gpt Au and 270.2 gpt Ag over 11.7 m (9.4 m etw) (21GE-18);
- 2.66 gpt Au and 118.4 gpt Ag over 43.9 m (30.7 m etw) (21GE-19);
- 7.31 gpt Au and 615.0 gpt Ag over 7.0 m (6.6 m etw) (21GE-15);
- 4.77 gpt Au and 174.5 gpt Ag over 7.2 m (7.2 m etw) (21GE-13);
- 3.19 gpt Au and 376.7 gpt Ag over 12.9 m (5.2 m etw) (21GE-14);
- 1.63 gpt Au and 220.2 gpt Ag over 10.3 m (7.3 m etw) (21GE-11).

Estaca Subsidiary Veins

- 0.02 Au gpt and 1,064.0 gpt Ag over 1.5 m (0.6 m etw) and 2.86 gpt Au and 179.5 gpt Ag over 0.5 m (0.2 m etw) and 9.79 gpt Au and 1,228.0 gpt Ag over 0.5 m (0.2 m etw) (21GE-14);
- 2.56 gpt Au and 195.8 gpt Ag over 3.6 m (1.8 m etw) (21GE-10).

Chief Executive Officer, Daniel Kunz commented, "The high-grade drill results reported today expand the resource potential at Guadalupe East considerably. The three historic main veins and multiple mineralized plays encountered to-date all remain open at depth and along strike. Drilling has now defined the Guadalupe East veins over 420 metres incorporating current and previous drilling. Adding known historical underground workings, the total strike length of the Guadalupe East vein system is 1,000 metres. For reference, our April 2020 oxide Pit-Constrained Resource reflects a mineralized strike extent of only 120 metres at Guadalupe East based on open pit mining and heap leach parameters. The high-grade gold-silver values reported from our Phase 1 drill program indicate that conventional milling, with much higher silver and gold recoveries, may be the preferred processing method going forward."

Reported today are results from thirteen drill holes within, and adjacent to, the Guadalupe East deposit. Guadalupe East is one of eight known gold-silver deposits that comprise the current April 2020 oxide, open-pit constrained mineral resource ("Pit-Constrained Resource") at Los Reyes (see Figure 1: Los Reyes Drill Program Progress). Twelve of these holes intercepted the high-grade Estaca epithermal vein and the remaining hole, 21GE-08, collected structural data on the San Nicolas vein. Eight of the twelve Estaca holes were successful in intersecting high-grade gold-silver mineralization. This Phase 1 drilling extends 100 metres below the base of the Pit-Constrained Resource giving an approximate 250 to 300 drill-indicated metre vertical extent of the mineralized boiling zone that remains open vertically up dip. Historical metallurgical test work was completed by prior operators of high-grade mineralized material at Los Reyes. The material tested is in line with the gold-silver grades encountered during Phase 1 drilling and results indicate that gold recovery increased to 93% from 75% and silver recovery increased to 83% from 25% using mill processing instead of heap leaching. Two of the twelve Estaca holes were terminated in old workings.

Three drill rigs will operate at the Project until the commencement of the expanded Phase 2 program, which is expected to begin in November 2021. There are currently 35 completed drill holes that are pending release subject to receipt of some assay results. The Phase 2 program is under review and will include an increased number of drill rigs. Specifically, Phase 2 drilling will test the Guadalupe East veins, including the Estaca Vein, along strike and at depth and will target the known extensions of open pit resources. The Company expects that drilling will increase its understanding of the boiling zone controls and geometry and will target down-dip areas of underground resource potential at the Guadalupe East veins and other regional targets.

The Estaca Vein – Guadalupe East

Each of the twelve drill holes (see Table 1: Reported Drill Intercepts) successfully intersected the main Estaca Vein system (see Figure 2: Guadalupe East Plan Location Map; Figure 3: Cross Section GE-4975 E; and Figure 4: Guadalupe East Estaca Vein Long Section). Drilling occurred in areas proximal to, but outside of the Pit-Constrained Resource. These holes were targeted to expand the currently defined Pit-Constrained Resource and to determine the potential vertical extent of the gold-silver bearing mineralization within the Estaca Vein at depth below the Pit-Constrained Resource.

Drill holes 21GE-11, 13, 18 and 19 were drilled just outside the Pit-Constrained Resource limits and demonstrate strong potential for near-pit resource expansion given intersected widths of between 7.2 m and 43.9 m.

Drill holes 21GE-10 and 14 are within 100 m below the bottom of the Pit-Constrained Resource and have intersected grades

that potentially expand the open pit at depth.

Drill holes 21GE-15 and 21GE-20 were drilled more than 300 m east of the boundary of the Pit-Constrained Resource and 100 m east of the nearest drill intersection. These two holes encountered historic underground development and natural faulting that resulted in poor core recoveries. Nevertheless, they intersected significant high-grade mineralization that demonstrates major resource expansion potential to the southeast.

Phase 1 drilling is now complete at Guadalupe East and has been highly successful in identifying significant potential to expand the Pit-Constrained Resource within the Estaca mineralized system. Phase 1 drilling targeted only a small portion of the over 1,000 m long Estaca Vein and a vertical height of at least 250 to 300 m. The vein mineralization is still open up dip to the surface as much as 150 m. To date, the conceptual pit bottom has been extended at depth to the Estaca Vein intersections of holes 21GE-09 and 12. While these two holes did not return significant mineralization, historic mining occurred at deeper elevations immediately east along strike. The Company expects to improve its understanding of the mineralization controls through Phase 2 drilling.

The San Nicolas and San Manuel Veins – Guadalupe East

San Nicolas and San Manuel, along with the Estaca, were the principal veins historically mined underground at Guadalupe East. Both San Nicolas and San Manuel are largely untested by current and historical drilling.

Drill holes 21GE-05 and 21GE-07 intercepted a high-grade, shallow vein breccia zone that dips steeply to the north and is at present interpreted as an extension of the San Nicolas vein. As previously reported in the May 25, 2021 news release, hole 21GE-05 intercepted 1.5 m (1.4 m etw) grading 10.50 gpt Au and 300.0 gpt Ag and a lower zone at 7.8 m (3.9 m etw) grading 0.45 gpt Au and 37.5 gpt Ag. Hole 21GE-07 is located 15.0 m down-dip from hole 21GE-05 and intersected 93.8 g/t Au and 829 g/t Ag over 0.9 m (0.6 m etw). Drill Hole 21GE-08 was targeting the west extension of the San Nicolas Vein and designed to collect information on structure with oriented core. The hole intersected 5.3m (4.4m etw) grading 0.44 g/t Au and 9.9 g/t Au starting at 58.40 m downhole. The San Nicolas vein lies directly within the footwall of the Estaca Vein, and outcrops in the shallowest portions of the southeast boundary of the Pit-Constrained Resource.

Based on these and other previously released Phase 1 drill results, Phase 2 drilling will now include additional shallow drilling to determine the extent and alignment of near-surface resources from the San Nicolas and San Manuel veins that could potentially be mined in conjunction with the main Guadalupe East Pit-Constrained Resource.

[Link 1- PDF Figures 1,2,3 and 4](#)

[Link 2 – PDF Drill Hole Table 1, and 2](#)

QA/QC Protocols and Sampling Procedures

Drill core at the Los Reyes project is drilled in predominately HQ size (63.5 millimetre “mm”), reducing to NQ or BQ size ranges (47.6 mm and 36.5 mm respectively) 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. Each entire hole is split, and one half is submitted for assay. Sample QA/QC measures of 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 lab for each drill hole.

Samples are picked up from the project by Bureau Veritas and transported to their laboratory in Durango, Mexico, for sample preparation. Sample analysis is carried out by Bureau Veritas, with fire assay, including over limits fire assay reanalysis, completed at their Hermosillo, Mexico, laboratory and multi-element analysis in North Vancouver, British Columbia, 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 (code PRP70-250).

Gold in diamond drill core is analyzed by fire assay and atomic absorption spectroscopy of a 30 g sample (code FA430). Multi-element chemistry is analyzed by 4-Acid digestion of a 0.25-gram sample split (code MA300) with detection by inductively coupled plasma emission spectrometer for 35 elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn, Zr).

Gold assay technique FA430 has an upper detection limit of 10 ppm. Any sample that produces an over-limit gold value via the FA430 technique is sent for gravimetric finish via method FA-530. Silver analysis by MA300 has an upper limit of 200 ppm. Sample with over limit silver are reanalyzed by fire assay with gravimetric finish (FA530).

Bureau Veritas is an ISO/IEC accredited assay laboratory. Drill core assay results range from below detection to 93.80 gpt gold and 4,955.0 gpt silver. Composite intervals use a cut-off grade of 0.20 gpt gold.

Qualified Person

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

Los Reyes Gold and Silver Project

Los Reyes is a district scale low sulphidation epithermal gold-silver project located in a prolific mining region of Mexico. Over \$20 million in exploration, engineering and prefeasibility studies have been spent on the project over 2 1/2 decades by previous

operators with development plans being held back due to declining gold prices. Historic data coupled with an existing and recently updated resource estimate has provided sufficient understanding to fast-track the project to production. However, there is substantial resource expansion upside based on open extensions of known deposits, multiple untested high priority exploration targets, and only 40% of the known structures systematically explored leaving 10 kilometres of untested strike length. Potential for significant growth of the resource remains strong.

Current Measured and Indicated pit-constrained oxide mineral resources from an April 2020 technical report include 19.8 million tonnes ('mt') containing 633,000 ounces of gold at 1.0 gpt and 16,604,000 ounces of silver at 26.2 gpt plus an additional 7.1 mt Inferred containing 179,000 ounces gold at 0.78 gpt and 6,831,000 ounces silver at 30 gpt.

About Prime Mining

Prime Mining, a member of the TSX Venture 50, is an ideal mix of successful mining executives, strong capital markets personnel and experienced local operators who have united to undertake exploration drilling to expand the known gold-silver resource at the historically productive Los Reyes project in Mexico. Prime Mining has a well-planned capital structure with significant team and insider ownership.

The TSX Venture 50 is a ranking of the top performers in each of 5 industry sectors on the TSX Venture Exchange over the last year.

ON BEHALF OF THE BOARD OF DIRECTORS

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