

Prime Intercepts 6.1 gpt Au and 104 gpt Ag over 3.4 Metres in Step-Out Drilling at Tahonitas – Phase 2 Program Expanded

Vancouver, June 29, 2022 – Prime Mining Corp. (“Prime” or the “Company”) (TSX-V: PRYM, OTCQB: PRMNF, Frankfurt: 04V3) announces additional assays from its expanded Phase 2 step-out and infill drilling program at Los Reyes now planned to 70,000 metres. The project hosts an existing multi-million-ounce gold and silver resource located in the mining friendly jurisdiction of Sinaloa, Mexico. Today’s results are from 20 step-out drill holes into the Tahonitas deposit located on the western side of the project and one of eight known gold-silver deposits that comprise the resource (see Figures 1 and 2).

Chief Executive Officer, Daniel Kunz comments, “We are highly encouraged by the continuing high-grade intercepts of open pit and underground gold-silver mineralization being encountered in our first two formal drill campaigns at Los Reyes. Today’s results further support the significance of the Z-T Structure at the western end of Los Reyes, from Mariposa to Tahonitas, which is now delineated over a strike length of 3 kilometres, a vertical extent of 200 to 300 metres and average thickness of 5 to 30 metres. Importantly, our drilling at both the western and eastern deposits continues to intersect multiple veins down-hole and is improving our overall confidence in the continuity of the veins at depth and along strike. The remainder of the Phase 2 program will continue to step-out along strike and at depth and will target under-drilled areas within the growing resource.”

Highlight Drill Intercepts

Tahonitas

- 6.08 grams per tonne (“gpt”) gold (“Au”) and 103.5 gpt silver (“Ag”) over 3.4 metres (“m”) (2.9 m estimated true width (“etw”)) including 13.5 gpt Au and 123.1 gpt Ag over 1.3 m (1.1 m etw) (22TA-18);
- 3.12 gpt Au and 24.5 gpt Ag over 4.5 m (3.1 m etw) including 7.67 gpt Au and 34.4 gpt Ag over 1.5 m (1.4 m etw) (22TA-23);
- 1.37 gpt Au and 11.4 gpt Ag over 10.5 m (6.7 m etw) (22TA-29);
- 0.86 gpt Au and 51.1 gpt Ag over 13.5 m (9.5 etw), including 4.36 gpt Au and 228.0 gpt Ag over 1.5 m (1.1m etw) (22TA-17);
- 0.92 gpt Au and 104.4 gpt Ag over 4.5 m (3.9 m etw) including 1.97 gpt Au and 244.0 gpt Ag over 1.5 m (1.3 m etw) (22TA-27).
- 0.99 gpt Au and 41.4 gpt Ag over 4.5 m (2.2 m etw) including 2.28 gpt Au and 37.7 gpt Ag over 1.5 m (0.8 m etw) and 1.59 gpt Au and 2.20 gpt Ag over 1.5 m (0.8 m etw) (22TA-31).

To date, Prime has drilled approximately 81,000 metres and completed 310 holes at Los Reyes. The Phase 2 program has now completed 54,466 metres, with drilling planned to continue until the end of October. To date, 188 Phase 2 drill holes have been completed and 5 drills continue to operate. Including the drilling results herein, 216 drill holes have been released and 94 are pending.

Tahonitas

Limited drilling was completed in Phase 1 at Tahonitas due to difficult access. For Phase 2, access was improved, and current drilling has continued to successfully identify shallow near surface mineralization as well as deeper mineralization down to 450 metres above sea level (“masl”) as in 22TA-31 where the deepest intercept was over 200 m below the previously reported pit-constrained resource. Drilling has

continued to test the mineralized structure to connect the pit-constrained resource of Tahonitas to the north with Zapote South, as well as further testing of Tahonitas at depth and assays are pending and further holes are planned. Additional road access is planned to be completed after the current rain season as drilling will continue to step out to the southeast following along strike the structure and open mineralization encountered to date (See Figures 2 and 3).

Link 1- [PDF Figures](#)

Link 2 – [PDF Drill Hole Table](#)

Advisory Agreement Renewed

The Company also announces it has renewed the engagement with an arms-length financial advisory firm (the “Advisor”) to assist the Company in various strategic and capital markets initiatives. The Advisor has been engaged for an additional term of twenty-four months. In connection with the engagement, the Advisor has received a one-time fee of 1,000,000 Warrants. Each share purchase warrant is exercisable to acquire a common share of the Company at a price of \$3.00 per share for a period of thirty-six (36) months from the date of issuance.

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. RC drilling returns rock chips and fines from a 133.35 mm diameter tricone bit. The returns are homogenized and split into 2 halves, one submitted for analysis and the other stored.

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 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 reanalysis, completed at their respective Hermosillo, Mexico laboratories 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.

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 reanalyzed by fire assay with gravimetric finish FA530 or Au-GRA21.

Both Bureau Veritas and ALS Labs are ISO/IEC accredited assay laboratories. Drill core assay results range from below detection to 200 gpt gold and 4,955.0 gpt silver. Composite intervals use a cut-off grade of 0.20 gpt gold.

Qualified Person

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

Los Reyes Gold and Silver Project

Los Reyes is a rapidly evolving high-grade, low sulphidation epithermal gold-silver project located in Sinaloa, Mexico, within the prolific Sierra Madre mining region. 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 USD 20 million on exploration, engineering, and prefeasibility studies. The Project remains underexplored as only 40% of the known structures have been systematically drilled, leaving 10 kilometres of untested strike length. Los Reyes holds potential for additional discovery and resource expansion.

Los Reyes hosts a pit-constrained measured and indicated resource of 0.63 million gold and 16.6 million silver ounces plus inferred resources of 0.18 million gold and 6.8 million silver ounces inferred across the west (Z-T Structure), central, and east (Guadalupe) deposits. Additional prospects exist for property-wide underground resources and for open pit resources in the central zone at Las Primas and Fresnillo and further east at Orito and Mina.

Prime Mining acquired Los Reyes in 2019, completed initial data compilation that included 51,000 metres of historical drilling, field mapping and trenching in 2020, and in 2021, executed a Phase 1 exploration program that included 25,650 metres of drilling. Results suggest the eight known deposits are much larger than previously reported and potential exists for new discoveries outside of current defined resource areas. The Company is currently undertaking an expanded 70,000 metre Phase 2 exploration program.

About Prime Mining

Prime Mining is an ideal mix of successful mining executives, strong capital markets personnel, and experienced local operators focused on unlocking the full potential of the high-grade Los Reyes Gold-Silver Project in Mexico. Prime Mining has a well-planned capital structure with significant team and insider ownership.

ON BEHALF OF THE BOARD OF DIRECTORS

Daniel Kunz
Chief Executive Officer

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Forward Looking Information

This news release contains certain “forward-looking information” and “forward-looking statements” within the meaning of Canadian securities legislation as may be amended from time to time, including, without limitation, statements regarding the perceived merit of the Company’s properties, including additional exploration potential of Los Reyes, potential quantity and/or grade of minerals, the potential size of the mineralized zone, metallurgical recoveries, the timing and results of permitting and the Company’s exploration and development plans in Mexico and expectations on the potential extension of the expired mineral concessions and granting of new mineral concessions with respect to El Rey. 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, 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 August 31, 2021, available on www.sedar.com. Except as required by the securities disclosure laws and regulations applicable to the Company, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change.