

Prime Drills Multiple Wide, High-Grade Intercepts in Z-T Area Including Bonanza-Grade Intervals

Vancouver, January 11, 2023 – Prime Mining Corp. (“Prime” or the “Company”) (TSX-V: PRYM, OTCQB: PRMNF, Frankfurt: 04V3) announces additional assay results from its recently completed Phase 2 drill program, and start of Phase 3 drilling. These results are from 48 drill holes in the Z-T area where Prime continues to delineate and expand the multi-million-ounce Los Reyes high-grade gold-silver deposit. Los Reyes and its three known gold-silver deposit areas (Guadalupe, Z-T and Central), has a mineralized footprint of over 15 square kilometres and is located in a highly prospective, 500-year old mining-friendly district of Sinaloa, Mexico.

HIGHLIGHT Z-T DRILL INTERCEPTS:

Stepout intercepts:

- 10.0 grams per tonne (“g/t”) gold (“Au”) and 131 g/t silver (“Ag”) over 3.1m (3.1m estimated true width or “etw”) including 28.5 g/t Au and 310 g/t Ag over 1.1m (1.1m etw) in hole 22TA-51;
- 4.7 g/t Au and 103 g/t Ag over 11.4m (8.7m etw) including 39.6 g/t Au and 174 g/t Ag over 0.9m (0.7m etw) in hole 22ZAP-87;
- 2.7 g/t Au and 451 g/t Ag over 6.3m (4.8m etw) including 4.8 g/t Au and 821 g/t Ag over 3.0m (2.3m etw) in hole 22TA-41;
- 3.6 g/t Au and 20 g/t Ag over 16m (13.8m etw), including 22.2 g/t Au and 41 g/t Ag over 2.2m (1.9m etw) in hole 22ZAP-82.

Infill intercepts:

- 4.2 g/t Au and 59 g/t Ag over 6.0m (5.4m etw), including 23.6 g/t Au and 103 g/t Ag over 0.9m (0.8m etw) in hole 22TA-43;
- 6.9 g/t Au and 33 g/t Ag over 15.0m (14.8m etw), including 21 g/t Au and 55 g/t Ag over 1.5m (1.5m etw) in hole 22SMW-12.

Drilling in the Z-T area of Los Reyes continues to encounter high-grade gold-silver intercepts and is anticipated to grow and merge three previously reported economically constrained resource pits.

Chief Executive Officer, Daniel Kunz commented, “This drilling served two purposes – to continue to grow the Resource pits by discovering high-grade extensions along strike and down dip through step-out drilling and to confirm the confidence in our upcoming Resource report through infill drilling. These results support our view that the Z-T area current resource pits are merging into a more continuous single pit.”

Scott Smith, EVP Exploration added: “The Z-T area continues to reveal wide zones of potential ore well above cutoff grades with potentially low strip ratios. The stepout drilling is showing strong potential to expand the resource in a number of areas and directions. We have intercepted mineralization over 300m below the current resource pits and shown that the deposits remain open down dip and along strike.”

Significant intercepts from both infill and stepout holes are listed in the table below and show the expanse and continuity of mineralization in the Z-T area. The Z-T structure is currently defined over more than 400m of elevation difference as demonstrated by intercepts in 22SMW-08 at 760m above sea level and 22ZAP-78 at 320m above sea level. During follow-up drilling to 22ZAP-55R (released March 2022) we have now defined a significant area in the western down dip extension

of Zapote North and South (see holes 22ZAP-75, 78 and 82-84), as well as at depth in Tahonitas and the connection with Zapote South (see holes: 22TA-41, 51, 53, 54 and 22ZAP-87). 22ZAP-78 in Zapote North and 22TA-53 in Tahonitas show that these deposits are open at depth and along strike. Please see Figure 1 below.

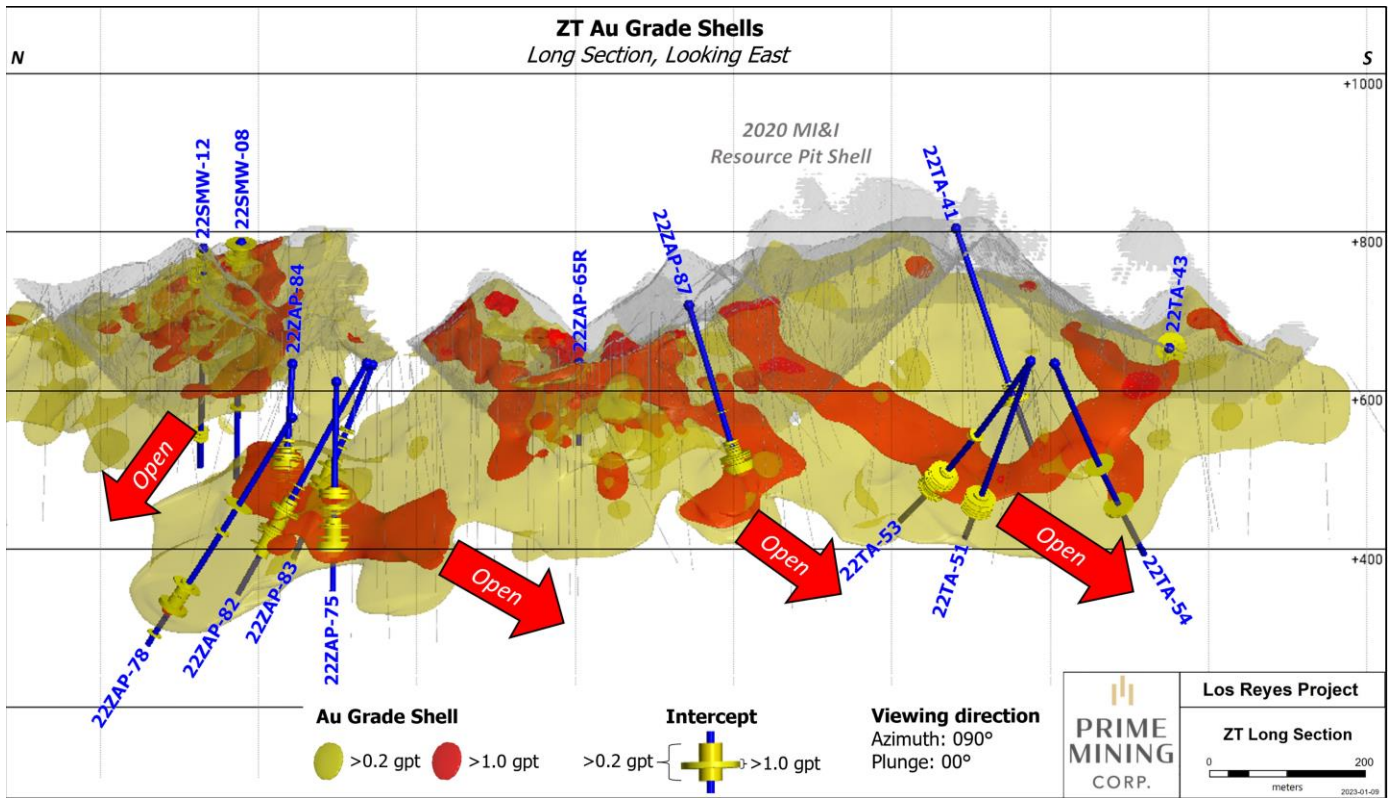


Figure 1: Z-T Grade Shell Longitudinal Section

Phase 2 drilling was completed on October 31, 2022. In total, 74,216 metres were drilled in 259 holes with zero lost-time injuries or material safety incidents. Combined with Phase 1 and on-going drilling, Prime has now drilled over 100,000 metres in over 400 holes.

Phase 3 drilling began in November and after a short holiday break is continuing again with five rigs operating at site. Drilling is focused on resource expansion and delineating new potential ore zones. Further details of the Phase 2 and Phase 3 drilling results will be released as they become available. Prime anticipates the release of an updated NI 43-101 resource estimate by mid-2023. The updated resource will include all Phase 1 and Phase 2 results, plus some initial results from the on-going Phase 3 drilling program.

SIGNIFICANT INTERCEPTS TABLE FROM RECENT DRILLING AT Z-T:

Drill Hole	From (m)	To (m)	Length (m)	ETW (m)	Au (g/t)	Ag (g/t)	AuEq ¹ (g/t)	Notes
22TA-41	226.0	232.3	6.3	4.8	2.7	451	8.6	Tahonitas stepout
including	228.0	231.0	3.0	2.3	4.8	821	15.4	
22TA-51	240.0	241.3	1.3	1.3	2.5	278	6.1	Tahonitas stepout
22TA-51	246.0	249.1	3.1	3.1	10.0	131	11.6	
including	248.0	249.1	1.1	1.1	28.5	310	32.5	
22TA-53	236.2	237.0	0.9	0.8	3.1	30	3.5	Tahonitas Stepout
22TA-53	253.4	262.8	9.4	9.1	1.1	137	2.9	
including	253.4	254.1	0.7	0.7	4.4	713	13.6	
& including	255.0	256.9	1.85	1.8	2.1	204	4.8	
22TA-54	182.0	185.0	3.0	3.0	1.8	131	3.5	Tahonitas Stepout
including	182.0	182.8	0.8	0.8	5.9	326	10.1	
22TA-54	243.8	259.3	15.5	15.3	0.7	76	1.7	
including	255.5	258.0	2.6	2.5	2.4	230	5.4	
22ZAP-75	135.8	146.8	11.0	10.3	1.5	36	2.0	Zapote stepout
including	135.8	137.0	1.2	1.1	2.7	81	3.8	
& including	141.5	145.5	4.0	3.8	2.3	29	2.7	
22ZAP-75	172.0	217.0	45.0	42.3	0.9	19	1.1	
including	202.0	214.0	12.0	11.3	1.9	21	2.1	
22ZAP-78	134.3	136.0	1.7	1.6	2.2	10	2.4	Zapote stepout
22ZAP-78	259.5	274.5	15.0	10.6	0.5	7	0.6	
including	261.0	262.5	1.5	1.1	2.5	6	2.6	
22ZAP-78	285.0	299.5	14.5	10.3	1.3	33	1.7	
including	296.5	298.0	1.5	1.1	7.9	99	9.2	
22ZAP-82	203.0	218.0	15.0	13	1.3	22	1.6	Zapote stepout
including	211.1	212.0	0.9	0.8	13.0	48	13.6	
22ZAP-82	238.1	254.0	16.0	13.8	3.6	20	3.8	
including	245.0	247.2	2.2	1.9	22.2	41	22.8	
22ZAP-83	136.0	148.0	12.0	10.9	0.5	14	0.7	Zapote stepout
22ZAP-83	158.0	178.5	20.5	18.6	0.9	18	1.1	
including	162.5	164.0	1.5	1.4	3.3	18	3.6	
22ZAP-84	114.0	137.0	23.0	16.3	1.1	26	1.5	Zapote stepout
including	124.5	129.0	4.5	3.2	2.3	35	2.8	
22ZAP-84	140.5	151.5	11.0	8.4	0.8	19	1.0	
22ZAP-87	209.5	220.9	11.4	8.7	4.7	103	6.0	Zapote stepout
including	211.7	212.6	0.9	0.7	39.6	174	41.9	
including	213.8	215.1	1.3	1.0	8.6	163	10.7	
22SMW-08	0	6	6.0	5.6	5.9	25	6.2	Zapote infill

Drill Hole	From (m)	To (m)	Length (m)	ETW (m)	Au (g/t)	Ag (g/t)	AuEq ¹ (g/t)	Notes
22SMW-08	15	31	16.0	13.9	6.4	27	6.8	
including	24.3	31	6.7	5.8	13.6	29	14.0	
22SMW-12	48	63	15.0	14.8	6.9	33	7.3	Zapote infill
including	51	60	9.0	8.9	9.1	31	9.5	
including	52.5	54	1.5	1.5	21.0	55	21.7	
22TA-43	13.5	19.5	6.0	5.4	4.2	59	4.9	Tahonitas infill
including	14.7	15.6	0.9	0.8	23.6	103	24.9	
22ZAP-65R	0.0	15.3	15.3	10.8	2.1	51	2.8	Zapote infill
including	3.1	10.7	7.6	5.4	3.1	58	3.9	

Note 1: Gold equivalent grades are calculated based on an assumed gold price of \$US 1700 per ounce and silver price of \$22 per ounce, based on the formula $AuEq \text{ grade (g/t)} = Au \text{ grade} + Ag \text{ grade} \times 0.0129$. Metallurgical recoveries are not considered in the in-situ grade estimate, but are estimated to be 93% and 83% for gold and silver, respectively, when processed in a mill, and 72% and 25% respectively when heap-leached (please see the April, 2020 Los Reyes Technical Report for additional detail regarding metallurgical recoveries).

Link 1 – [PDF Figures](#)

Link 2 – [PDF Drill Hole Table](#)

In addition to the significant intercepts shown above, Prime has released the full current assay table for the Z-T area (Link 2 above). While some of the holes included in that table are more exploratory in nature, holes targeting the key mineralized vein structures continue to indicate potential high-grade, high-margin resource expanding ounces. Included in these results are intersections of various structures, including previous underground workings. Where previous workings or stopes have encountered what has been interpreted as backfill material, these segments have been included in the table and identified as such in the ‘Vein’ column and will be excluded from future reported resource inventories and will not influence interpolated resource block grades. Highlights and significant intercepts shown above only include what has been interpreted as in-situ material, and do not include any assayed backfill material.

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. After logging intervals are identified to be sampled and 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, 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. Drill core assay results range from below detection to 200.0 gpt gold and 4,955.0 gpt silver.

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.

Additional Notes

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; “gpt” 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 gpt or 1.0 gpt 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 gpt Au cut-off is used to define higher-grade “cores” within the lower-grade halo.

About the Los Reyes Gold and Silver Project

Los Reyes is a rapidly evolving high-grade, low sulphidation epithermal gold-silver project located in Sinaloa State, Mexico. 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. The Project remains underexplored and holds potential for additional discovery and resource expansion.

Since acquiring Los Reyes in 2019, Prime has spent approximately US\$30 million on direct exploration activities and has completed two phases of comprehensive drilling totaling over 100,000 m. Results to date suggest the three known main



deposit areas, Guadalupe, Central and Z-T, are larger than previously reported. Potential also exists for new discoveries outside of the currently defined resource areas.

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 Los Reyes Project. The company has a well-planned capital structure with a strong management team and insider ownership.

ON BEHALF OF THE BOARD OF DIRECTORS

Daniel Kunz

Chief Executive Officer

For further information, please contact:

Daniel Kunz

Chief Executive Officer and Director

Prime Mining Corp.

1307 S. Colorado Ave.

Boise, Idaho 83706

Telephone: +1 (208) 926-6379 office

email: daniel@primeminingcorp.ca

Scott Hicks

Executive Vice President

Prime Mining Corp.

710 – 1030 West Georgia Street

Vancouver, BC, V6E 2Y3

Telephone: +1 (604) 428-6128 office

email: scott.hicks@primeminingcorp.ca

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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, 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 April 22, 2022, 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.

Figure 2 - Z-T Drilling Area

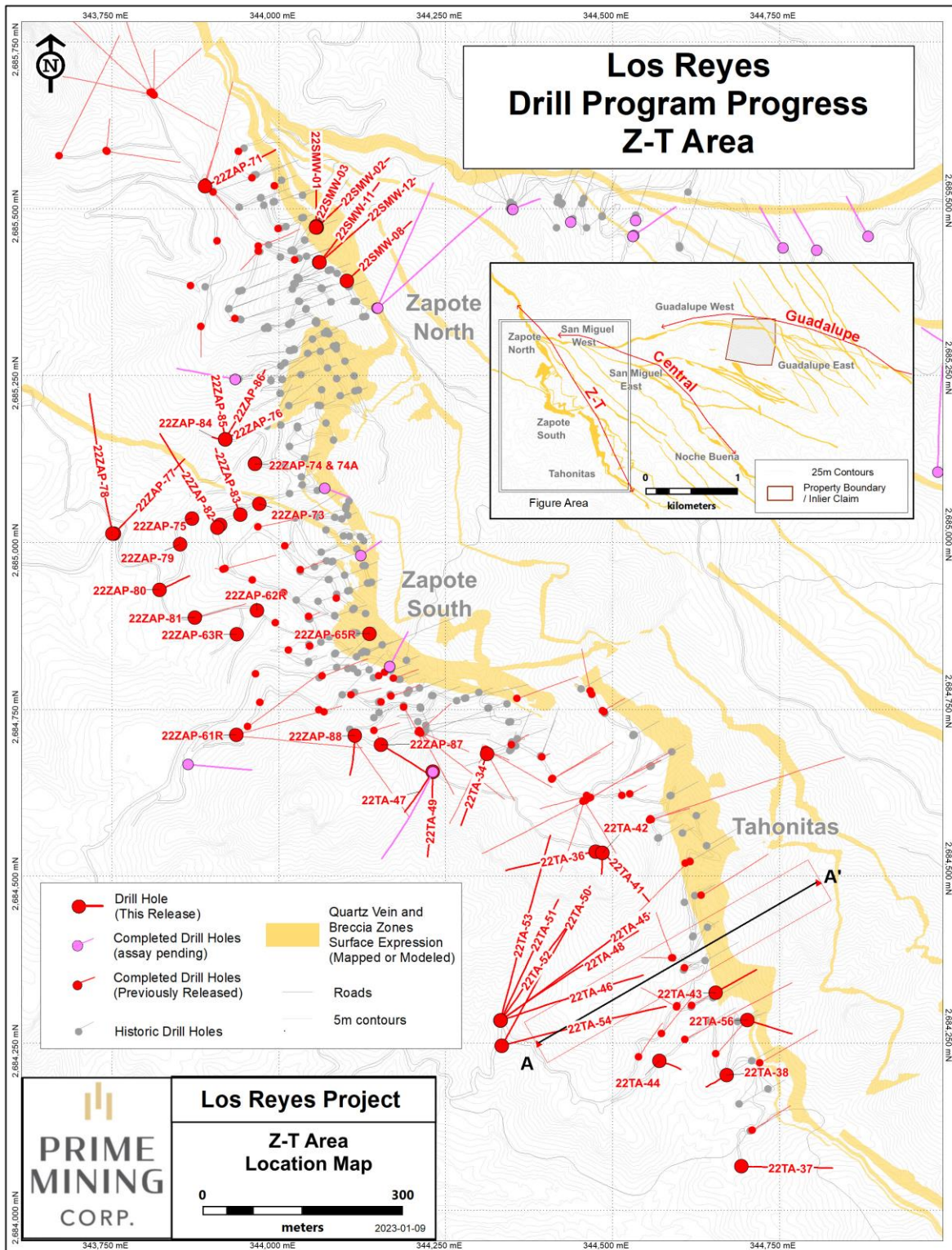


Figure 3 - Tahonitas Section Indicating Stepout Drill Results beyond 2020 Resource Pit

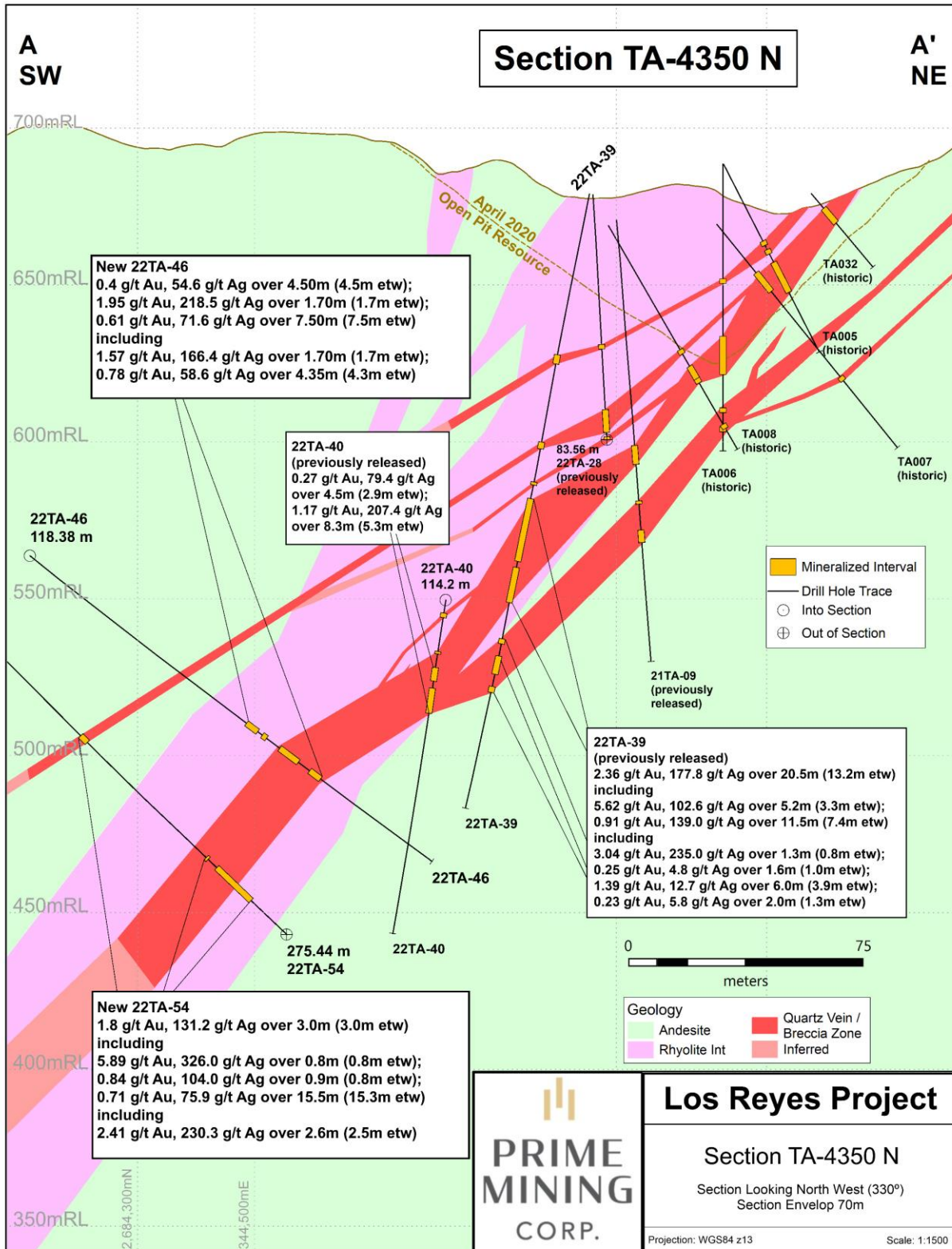


Figure 4 – Los Reyes Project Area

