

Prime Mining Finds More Significant Surface Mineralization at its Los Reyes Gold-Silver Project

Noche Buena Results Include 42 Metres at 1.93 gpt Au and 25.7 gpt Ag

VANCOUVER, British Columbia, Aug. 19, 2020 -- Prime Mining Corp. (the “Company”) (TSX.V: PRYM) (OTCQB: PRMNF) (Frankfurt: A2PRDW) reported today that results from the Company’s ongoing surface sampling exploration program on the Los Reyes project continue to show outcropping surface mineralization consistent with the subsurface historic drilling results, this time from Noche Buena.

Surface trench NB-4490N returned 42.0 metres (“m”) at 1.93 grams per tonne (“gpt”) gold (“Au”) and 25.7 gpt silver (“Ag”). Based on area mapping, trench NB-4490N has an 18.0 m estimated true width (“etw”). This trench included a 9.0 m interval (4.0 m etw) with 7.46 gpt Au and 98.1 gpt Ag. Sampling started in mineralization and crews are extending the trench to ensure the full width of the zone is tested. These results show that grades and widths of the mineralized structure at the south end of Noche Buena are consistent with subsurface historic drilling results. Noche Buena remains open along southeast strike.

Prime Mining’s COO Gregory Liller said, “Our initial resource estimate for Noche Buena did not have the benefit of any surface trench sampling. The eight Los Reyes zones contain historic drilling but, prior to our work, had little or no outcrop surface sampling. Prime’s sampling program is generating high-grade gold and silver results over potentially mineable intervals inside the current pit-constrained resource model boundaries. With these excellent results, we are confident that the gold and silver mineralized material is already expanding as we prepare for our drilling program in the coming weeks.”

Noche Buena is currently modeled as an oxide open-pit estimated to contain Measured and Indicated mineral resources of 2,239,000 tonnes containing 62,000 ounces (“oz”) Au at 0.86 gpt and 1,554,000 oz Ag at 21.59 gpt, plus a pit-constrained Inferred resource of 1,123,000 tonnes containing 26,000 oz Au at 0.73 gpt plus 626,000 oz Ag at 17.34 gpt. Noche Buena is one of the eight areas that make up the current Los Reyes Measured and Indicated pit-constrained mineral resource of 19,752,000 tonnes containing 633,000 oz Au at 1.00 gpt Au, plus 16,604,000 oz Ag at 26.2 gpt an Inferred pit-constrained mineral resource of 7,094,000 tonnes with 179,000 oz Au at 0.78 gpt plus 6,831,000 oz Ag at 30.0 gpt. (See Prime’s April 2, 2020 news release).

Noche Buena is the southernmost zone along the San Miguel West – San Miguel – Noche Buena trend. The mineralized structure at Noche Buena strikes 140° and dips between 50°-60° to the southwest. The zone has a drill-tested strike length of approximately 560 metres and a true width of between 10 and 40 metres within the current resource model. The zone has been traced intermittently for approximately 1.1 kilometres between Upper Sequence rhyolite in the southeast and its intersection with the San Miguel vein in the northwest.

Sampling Highlights

Rock chip sampling at Noche Buena is confirming the true area and grade of gold and silver mineralization outcropping at surface and is expected to result in an increase in the overall resource size. Surface trench NB-4490N cuts at an angle across the structure and returned 42.0 m (18.0 m etw) at 1.93 gpt Au and 25.7 gpt Ag, including a 9.0 m (4.0 m etw) interval with 7.46 gpt Au and 98.1 gpt Ag.

Other results include: Trench NB-4660N that returned 52.5 m at 0.9 gpt Au and 13.4gpt Ag, including 1.5 m at 9.84 gpt Au and 18.4 gpt Ag as well as Trench NB-4700N that returned 33.0 m at 1.0 gpt Au and 19.7 gpt Ag, including 1.5 m at 6.17 gpt Au and 81.1 gpt Ag.

Table 1 highlights results from the current trench rock chip channel sampling program at Noche Buena.

Table 1 – Noche Buena Surface Trench Rock Chip Sampling Results

Trench #	From (m)	To (m)	Interval (m) (etw)	Gold (g/t)	Silver (g/t)
NB-4490N	0	42.0	42.0 (18.0)	1.93	25.7
including	0	9.0	9.0 (4.0)	7.46	98.1
NB-4550N	0	16.5	16.5	1.28	102.6
including	0	3.0	3.0	4.74	489.5
NB-4550N	43.5	45.0	3.0	6.28	54.9
NB-4550N	52.5	54.0	3.0	1.28	28.53
NB-4575N	0	16.5	16.5	0.89	14.2
including	3.0	4.5	1.5	4.31	20.2
NB-4590N	9.0	25.5	16.5	0.78	15.0

NB-4590N	42.0	46.5	4.5	1.26	10.8
NB-4625N	0	42.0	42.0	0.85	20.4
including	22.5	25.5	3.0	4.64	103.0
NB-4660N	1.5	54.0	52.5	0.9	13.4
including	19.5	21.0	1.5	5.91	29.7
including	49.5	51.0	1.5	9.84	18.4
NB-4675N	0	16.5	16.5	0.51	23.6
NB-4675N	22.0	44.5	22.5	0.46	5.8
NB-4700Na	21.0	54.0	33.0	1.00	19.7
including	33	34.5	1.5	6.17	81.1
NB-4700Nb	0	12.0	12.0	0.43	21.5
NB-4750N	6.0	10.5	4.5	0.52	2.0
NB-4750N	18.0	22.5	4.5	0.64	4.6
NB-4750N	30.0	40.5	10.5	0.82	11.4
NB-4950N	10.5	12.0	1.5	1.04	8.4
NB-4950N	16.5	19.5	3.0	0.31	0.1
NB-4950N	28.5	39.0	10.5	2.01	6.7
including	31.5	36.0	4.5	3.85	7.7
NB-5000N	7.5	13.5	6.0	0.41	7.0
NB-5050N	25.5	28.5	3.0	0.85	22.1

Several roadcut outcrop channel samples have been collected at Noche Buena including along a road that is parallel to the structure. Roadcut NB-RS-2 returned 24 m at 0.48 gpt Au and 24.5 gpt Ag, including 1.5 m at 15.2 gpt Au and 146.1 gpt Ag.

Table 2 summarizes roadcut outcrop rock chip channel sample results at Noche Buena.

Table 2 – Noche Buena Roadcut Outcrop Rock Chip Sampling Results

Road #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
NB-RS1	0	4.5	4.5	1.01	2.8
NB-RS2	12.0	21.0	9.0	0.49	7.1
NB-RS2	40.5	64.5	24.0	0.48	24.5
NB-RS2	78.0	81.0	3.0	1.08	13.4
including	46.5	48.0	1.5	15.2	146.1
including	60	61.5	1.5	6.98	14.1
NB-RS4	0	3.0	3.0	1.58	4.75

Readers are encouraged to refer to Los Reyes – Surface Sampling Progress Figures 20, 21, 22, and 23 for all the trench sample results and graphic representation of each trench location at: <https://primeminingcorp.ca/maps-technical-data>. Photos of the project area and current sampling operations are available at <https://primeminingcorp.ca/gallery>.

The Los Reyes project is a low sulphidation, gold-silver epithermal system with eight adjacent areas currently included in the resource model. The surface bedrock sampling program continues to provide additional valuable information for planning expanded exploration and future mining. Presently, field crews are continuing the collection of surface and subsurface samples from several areas of the project. To date, 4,946 trench, road-cut and underground samples have been submitted for assay. Assay results range from below detection to 48.30 gpt Au and 1,250.0 gpt Ag. Composite intervals use a cut-off grade 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 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. Estimated true widths of mineralized zones have not been calculated from the surface sampling program except where specified.

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 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. Bureau Veritas is an ISO/IEC

accredited laboratory.

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.

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 2.5 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 100% owned Los Reyes gold and silver project in Sinaloa, Mexico. Current Measured and Indicated pit-constrained oxide mineral resources for the Property include 19.8 million tonnes containing 633,000 oz Au at 1.0 gram per tonne and 16,604,000 oz Ag 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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