

Prime Mining Corp. Raises Over \$8.7 Million and Acquires Rights to Los Reyes Gold Project in Mexico

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VANCOUVER, Aug. 28, 2019 - [Prime Mining Corp.](#) (TSX.V: EWPR) formerly ePower Metals Inc. (TSX.V: EPWR) ("Prime" or the "Company") has acquired (the "Transaction") the rights to earn a 100% interest in the Los Reyes Gold Project (formerly known as Guadalupe de los Reyes) ("Los Reyes") in Sinaloa State, Mexico. The rights were acquired pursuant to a definitive assignment and assumption agreement (the "Assignment Agreement"), dated June 25, 2019, with [Minera Alamos Inc.](#) ("MAI"), [Vista Gold Corp.](#) ("Vista Gold"), the underlying owner of Los Reyes, and the Mexican subsidiaries of each of MAI and the Company.

In connection with completion of the Transaction, the Company has changed its name to "Prime Mining Corp.," and consolidated its common share capital on a two-for-one basis (the "Consolidation"). The Company now intends to focus its resources and capital on the immediate development of Los Reyes.

Andrew Bowering, Chief Executive Officer of the Company, commented, "Since late February and our initial discussions with Minera Alamos, a number of important strategic changes have been implemented. Familiarity with the region and its opportunities, plus confidence in the Los Reyes project brought several highly qualified and successful individuals to our management team and board of directors. Strong investor interest has resulted in a 45% oversubscription of our current financing while a resurging gold price is creating the perfect storm of opportunity to build Prime into a highly successful enterprise. Needless to say, our entire team is ready and anxious to begin the next stage of Prime's development."

Terms of the Transaction

To acquire MAI's interest in Los Reyes, the Company has completed a cash payment of US\$1,500,000 to MAI, to reimburse MAI for the cost of an option payment made to Vista Gold on April 23, 2019 (the "April Payment"), and will assume MAI's remaining option payments of US\$3,000,000 in favour of Vista Gold (collectively, the "October Payments"), as follows:

- US\$1,500,000 due October 27th, 2019; and
- US\$1,500,000 on the earlier of October 27th, 2021 or a production decision.

The Company has also issued to MAI 9,450,000 post-Consolidation common shares and 3,350,000 common share purchase warrants entitling MAI to acquire further post-Consolidation common shares at a price \$0.50 per share for a period of twenty-four months.

Concurrently with the entering into of the Assignment Agreement, the Company also entered into a governance and investor rights agreement (the "Governance Agreement") with MAI. Pursuant to the terms of the Governance Agreement, among other things, MAI holds the right to appoint one director to the board of the Company for so long as MAI holds at least 5% of the Company's outstanding common shares and to participate in future financings and transactions completed by the Company in order to maintain its pro rata equity interest in the Company. MAI's initial nominee under the Governance Agreement is Bruce Durham, who has joined the board of directors of the Company following completion of the Transaction.

The Company funded the April Payment through a loan of Cdn\$2,000,000 (the "Bridge Loan") which was previously arranged through a group of arm's-length lenders consisting of Andrew Bowering, George Dengin and Perfect Storm Holdings Ltd. (the "Lenders"). The Bridge Loan is unsecured, bears interest at a rate of 12% per annum, compounded monthly, and has a term of twelve months. In consideration for providing the Bridge Loan, the Company has paid a commitment fee of \$40,000 (the "Commitment Fee") and has issued 1,333,334 post-Consolidation (as defined below) common shares to the Lenders (the "Bonus Shares").

In consideration for introducing the Transaction to the Company, and for assisting in its facilitation, the Company has also agreed to issue up to 1,216,250 post-Consolidation (as defined below) common shares (the "Finders' Shares") to two arms'-length parties (collectively, the "Finders"), Jeremy Ross and Sandwedge Consulting Ltd. A total of 556,250 Finders' Shares were issued upon completion of the Transaction, with a further 330,000 Finders' Shares to be issued upon completion of each of the October Payments.

All securities of the Company issued to MAI, and the Finders, in connection with the Transaction, are subject to a four-month-and-one-day statutory hold period. In addition, all securities issued to MAI are subject to further resale restrictions which require MAI to notify the Company in advance of the disposition of any securities of the Company.

Private Placement Financing

In connection with the Transaction, the Company has completed a non-brokered private placement (the "Financing") of 29,051,327 units (each, a "Unit") at a price of Cdn\$0.30 per Unit, for gross proceeds of Cdn\$8,715,398. Each "Unit" consists of one common share of the Company and one-half-of-one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire a further common share at a price of Cdn\$0.50 per share for period of twenty-four months. In connection with completion of the Financing, the Company has paid finders' fees of Cdn\$340,830, and has issued 1,057,023 Warrants, to certain parties who assisted the Company by introducing subscribers to the Financing. All securities issued by the Company pursuant to the Financing are subject to a four-month-and-one-day statutory hold period.

The proceeds of the Financing are intended to be used to advance exploration and development at Los Reyes, and to satisfy working capital requirements of the Transaction.

Resumption of Trading

The Transaction constitutes a "fundamental acquisition" for the Company, under the policies of the TSX Venture Exchange (the "Exchange"), on the basis that the Company intends to devote the majority of its resources to the development of Los Reyes following completion of the Transaction. Trading in the Company's common shares is currently halted, pending completion of customary filings with the Exchange in connection with the Transaction. Trading in the Company's common shares is expected to resume shortly under the ticker symbol "EWPR", following which the Company will continue to be classified on the Exchange as a Tier 2 Mining Issuer. The Company will issue a further news release once a date for the resumption of trading has been confirmed.

Board of Directors

The Company also announces the appointment of Daniel Kunz and Paul Larkin as directors of the Company. Messrs. Kunz and Larkin fill the vacancies created by Michael Collins and Michael Kobler, who have resigned from the Company to focus on other activities. The board of directors extends its gratitude to both Messrs. Collins and Kobler for their service to the Company. Following the appointments of Messrs. Kunz, Larkin and Durham, the board of directors consists of Andrew Bowering, Gregory Liller, Jorge Ramiro Monroy, Daniel Kunz, Paul Larkin and Bruce Durham.

Mr. Kunz has led a distinguished career in international construction, engineering, geothermal energy, mining and natural resource exploration and development, and brings to the board of directors more than thirty-five years of experience with the management and corporate governance of public natural resource development companies. Mr. Kunz is currently Managing Partner of Daniel Kunz & Associates, LLC, a natural resource focused consulting company started in 2014.

Mr. Kunz commented, "With gold and silver in the early stages of what we believe to be a major bull market, the Company has the right team and project to achieve near-term income and cash flow generation."

Mr. Larkin is currently the President of the New Dawn Group, an investment and financial consulting firm located in Vancouver, British Columbia. New Dawn is primarily involved in corporate finance, merchant banking and administrative management of public companies. Mr. Larkin has held numerous board and management positions with Canadian public companies active in the resource sector.

For further information regarding the board of directors, readers are encouraged to review the Company's news release of April 24, 2019.

Investor Relations Arrangement

The Company has engaged Brisco Capital Partners Corp. ("Brisco") to provide marketing and investor relations services to the Company. Brisco is a Calgary based IR consultancy with a 20-year history, led by entrepreneur Scott Koyich. Brisco has represented various successful publicly traded companies and

leverages its extensive network and experience in the capital markets. In its 20 plus year history, 13 Brisco represented companies have been monetized for the benefit of Brisco's clients.

The engagement of Brisco is for an initial twelve month term, during which time they will receive a monthly retainer of Cdn\$10,000. The engagement of Brisco, and the grant of any incentive stock options to Brisco, is subject to the approval of the TSX Venture Exchange. The Company will disclose the terms of any incentive stock option grant to Brisco once an agreement on terms has been reached.

Scott Koyich, President of Brisco, commented, "We are extremely excited to work with long time business colleague Andrew Bowering and the Company's experienced and well-known technical team, as we possibly enter a bull mining cycle."

About the Los Reyes Project

Located 43 kilometres south east of the mining centre of Cosala, Sinaloa, Los Reyes has a mining history that stretches back into the 1700s and has seen mining activity as recently as the 1980s. Recent development work has focused on conventional milling and carbon in leach extraction of gold and silver. The Company envisions a simple heap leach operation that potentially has significantly lower capital costs and shortened time line to production. Los Reyes has significant resource upside with open extensions to known resources as well as eight additional discrete exploration targets.

Los Reyes has a historical estimate of:

Guadalupe de los Reyes

	Tonnes Kt	Au oz	Au g/T	Ag oz	Ag g/T
Indicated	6,843	380,100	1.72	6,315,300	28.71
Inferred	3,200	155,200	1.49	3,639,000	34.87
Including					
San Miguel Indicated		459	47,100	3.19	1,141,800
San Miguel Inferred		583	41,500	2.21	1,215,000

The resource model for Los Reyes was prepared by Tetra Tech, Inc. of Golden, Colorado for MAI, based on historical work conducted by MAI and Vista Gold, the underlying owners of Los Reyes. The model is presented in a geological report commissioned by the Company in connection with the Transaction, and dated effective May 23, 2019. A copy of the report is available under the Company's profile on SEDAR (filed August 27, 2019). Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Company is not treating these historical estimates as current and has not completed sufficient work to classify these historical estimates as current mineral resources. While the Company is not treating these historical estimates as current, it does believe the work conducted by MAI, Vista Gold and Tetra Tech, Inc., is reliable and the information may be of assistance to readers. Following closing of the Transaction, the Company intends to commence work on a new resource calculation for Los Reyes.

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

About Prime Mining Corp (TSX.V: EWPR)

Prime Mining (TSX.V: EWPR) is an ideal mix of successful mining executives, strong capital markets personnel and experienced local operators who have combined to build a new and near term gold producer at the historically productive Los Reyes project in Sinaloa, Mexico. The location boasts a mining history spanning hundreds of years of activity alongside a stable and established regional mining infrastructure. Decades of extensive fieldwork and technical study have positioned Los Reyes to be advanced cost effectively and quickly.

In addition to its readiness for operations, Los Reyes holds substantial resource upside based on open extensions of known resources, 10 kilometres of undrilled strike length and at least 8 additional exploration targets.

Prime Mining has a well planned capital structure with high team and insider ownership.

For more information please visit www.primeminingcorp.ca and follow us on Twitter, Facebook or LinkedIn.

ON BEHALF OF THE BOARD OF DIRECTORS

Andrew Bowering
Chief Executive Officer

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