Prime Mining Reports Results of Guadalupe East Sampling at Los Reyes Continue to Demonstrate Resource Expansion Potential

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VANCOUVER, Oct. 26, 2020 - Prime Mining Corp. (the “Company”) (TSX.V: PRYM) (OTCQB: PRMNF) (Frankfurt: A2PRDW) reported today that results from the Company’s ongoing surface and subsurface sampling exploration program on the Los Reyes project continue to show resource expansion potential, this time in the Guadalupe East deposit. Guadalupe East is one of eight deposits that make up Los Reyes project resource. Rock chip sampling inside the old, existing mine adit GE-Adit 17 returned 2.21 grams per tonne (“gpt”) gold (“Au”) and 95 gpt silver (“Ag”) over 46 metres (“m”), including 29.0 gpt Au and 226 gpt Ag over 2.0 m. Sampling in the adit, which lies outside of the current Guadalupe East resource boundary, was on 2 metre intervals across the adit roof (see Table 1). The true vein width is not known at this time.

Two other veins in GE-Adit 17 were also sampled, returning 0.84 gpt Au and 37.7 gpt Ag over 4.5 m and 0.76 gpt Au and 23.6 gpt Ag over 6.0 m, respectively. These veins may be a continuation of the San Manual vein system and the results suggest that the Guadalupe system remains open to the east where historic drilling has not occurred.

Sampling results from existing mine adit GL-Adit 20 returned 1.69 gpt Au and 62.3 gpt Ag over 19.5 m, including 4.55 gpt Au and 121.4 gpt Ag over 13.0 m. Results from existing adit GE-Adit 25, further to the north, returned gold and silver mineralization that demonstrates this part of the San Manuel vein system within Guadalupe is also underexplored and merits additional exploration work.

Chip sampling from roadcut GL-RS5A returned 0.48 gpt Au and 43.5 gpt Ag over 21 m (see Table 2). These surface sampling results and limited historic drilling in and around the current Guadalupe East pit resource boundary indicate an opportunity to expand the resource to the west.

Roadcut channel and trench sampling was initiated along selected locations within the Guadalupe East deposit to delineate the surface expression of the multiple veins within this part of the Los Reyes system.

Table 1 – Guadalupe East Adit Channel Sampling Results

Trench #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
GE-Adit 17	4.5	9.0	4.5	0.84	37.7
GE-Adit 17	30.0	36.0	6	0.76	23.6
GE-Adit 17-3*	6.0	52.0	46	2.21	95
including	48.0	50.0	2	29	226
GL-Adit 20	0.0	19.5	19.5	1.69	62.3
including	12.0	15.0	3	4.55	121.4
GE-Adit 25	1.5	4.5	3	0.65	11.5
GE-Adit 25	10.5	13.5	3	1.38	52.4

* GE-Adit 17-3 samples were collected across the roof of the adit at 2m spacing

Table 2 – Guadalupe East Roadcut Rock Channel Sampling Results

Road #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
GL-RS4	3.0	6.0	3	0.89	15.7

GL-RS5A	1.5	22.5	21	0.48	43.5
GL-RS5B	1.5	10.5	9	0.82	96.2
GL-RS5C	0.0	1.5	1.5	1.22	39.3

Prime Mining’s Chief Executive Officer Daniel Kunz commented, “These trench and adit sampling results provide yet more insight for drill hole targeting as we prepare for the upcoming 10,000 m core drilling program. Drilling in areas that exhibit resource expansion potential is a top priority of our initial program together with deeper drilling to look at the possibility of more mineralization below the current known resource.”

Readers are encouraged to refer to Los Reyes – Surface Sampling Progress Figures 10, 12, 13, and 14 for graphic representation at: https://primeminingcorp.ca/maps-technical-data. Photos of the project area and current sampling operations are available at https://primeminingcorp.ca/gallery.

Property wide field mapping is currently underway and mapping crews will be moving into the Guadalupe East area shortly. Drill core from previous operators is being relogged to gain information on rock types, alteration, and other geological controls for mineralization. A complete rock library of surface rocks and drill core has been established to better correlate geological information. Samples for Terraspec? alteration analyses have been collected and sent to Hermosillo for hydrothermal clay analysis. Additional work including certain metallurgical studies are under way.

Presently field crews are continuing the collection of surface and subsurface samples from several areas of the project. To-date, 5,829 trench, road-cut and underground samples have been submitted for assay.

Guadalupe East Deposit

The Guadalupe East deposit is currently modeled as an oxide open-pit estimated to contain Measured and Indicated mineral resources of 2.95 million tonnes (“t”)containing 124,000 ounces (“oz”) Au at 1.30 gpt and 3,553,000 oz Ag at 37.46 gpt plus a pit-constrained Inferred resource of 814,000 t containing 15,000 oz Au at 0.58 gpt plus 492,000 oz Ag at 18.82 gpt. Guadalupe East is one of the eight deposits that make up the total current Los Reyes Measured and Indicated pit-constrained mineral resource of 19,752,000 t containing 633,000 oz Au at 1.00 gpt Au, plus 16,604,000 oz Ag at 26.2 gpt and a Inferred pit-constrained mineral resource of 7,094,000 t 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).

Guadalupe East is characterized by a series of Au-Ag bearing quartz veins that appear to coalesce to the east. Trench and roadcut channel sampling have revealed that a thin veneer of post mineralization volcanic rock cover higher elevations. This cover rock increases in thickness eastwards as topographic elevation increases but the mineralized system remains open to the east below this cover. Previous drilling encountered minor amounts of the Upper Sequence volcanics in this area. Table 2 shows other roadcut chip sampling results from surface sampling to the west of GL-Adit 20. To the east of the adit, a series of roadcut and trench samples returned negligible Au and Ag from weakly to strongly altered post mineralization Upper Sequence volcanic rocks. This sampling program completed in the western part of Guadalupe East is interpreted as traversing multiple cymoid loops or veins within a shear and dilation zone with extensional jogs or splays. The veins may diminish in width between Guadalupe East and Guadalupe West.

The western half of the Guadalupe East deposit (Laija veins) is predominately hosted within a felsic intrusion and lesser amounts of felsic volcaniclastic rocks and andesite. Coincident with the intrusion is a dilation zone, possibly an eruptive centre. Historic mapping shows the dilation zone is over 100 m wide on surface. The eastern portion of the zone is covered by Upper Sequence rhyolites. The western portion remains open. Mining occurred on at least four levels of the branching structure to a depth of 250 m below surface (11th level).

The eastern half of the Guadalupe East deposit (Estaca vein) has had limited historic drilling showing the vein zone is hosted predominately in felsic tuff. The main body of the felsic intrusion lies to the north of the Estaca vein. The Estaca vein structure is capped by Upper Sequence rhyolites to the east as topographic elevation increases. The main Estaca vein was mined on 13 levels down to a depth of 400 m below surface. North of the main Guadalupe structure is a parallel-striking structure named the San Manuel fault and vein

system.

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. True widths of mineralized zones have not been calculated from the surface samples except where specified. 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.

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.

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

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 1/2 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 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 gpt and 16,604,000 oz Ag at 26.2 gpt. 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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