Prime Mining Corp. Announces Closing of C$21.0M Million Bought Deal Private Placement Financing Including Full Exercise of Over-Allotment Option

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VANCOUVER, Dec. 22, 2022 - Prime Mining Corp. ("Prime", or the "Company") (TSX.V: PRYM, OTCQB: PRMNF, Frankfurt: A2PRDW) is pleased to announce the completion of its previously announced bought deal private placement (the "Offering"). A total of 14,030,000 units (the "Units"), including the full exercise of the over-allotment option, were sold at a price of $1.50 per Unit for gross proceeds of $21,045,000. Each Unit consists of one common share in the Company (each a "Common Share") and one common share purchase warrant (each a "Warrant") exercisable at a price of $2.00 until December 22, 2025. If, following the date of this press release, the volume weighted average trading price of the Common Shares on the TSX Venture Exchange ("TSXV") for any 10 consecutive trading days equals or exceeds $2.50, the Company may, upon providing written notice to the holders of Warrants, accelerate the expiry date of the Warrants to the date that is 20 days following the date of such written notice.

Desjardins Capital Markets acted as sole bookrunner, on behalf of a syndicate of underwriters co-led by Desjardins Capital Markets and TD Securities Inc., and including BMO Capital Markets, PI Financial, and Stifel GMP, in connection with the Offering. The net proceeds from the Offering will be used by Prime for exploration and development of the Company's Los Reyes Gold-Silver Project and for general corporate purposes.

The Offering included subscriptions from insiders of the Company for an aggregate of 2,990,000 Units. This participation by insiders of the Company constitutes "related party transactions" within the meaning of TSXV Policy 5.9 and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). For these transactions, the Company has relied on the exemption from the formal valuation requirements contained in Section 5.5(a) of MI 61-101 and has relied on the exemption from the minority shareholder requirements contained in Section 5.7(1)(a) of MI 61-101.

The Company also announces that it has issued 74,013 units (each, an "Advisory Unit") at a deemed price of $1.52 per Advisory Unit, to an arms-length advisor, in payment of a fee of $112,500 owing in connection with a services agreement renewed by the Company on June 8, 2022. Each Advisory Unit consists of one Common Share and one share purchase warrant exercisable at a price of $2.25 until December 22, 2025.

All securities issued in connection with the Offering, and to the advisor, are subject to a statutory hold period in accordance with applicable Canadian securities law until April 23, 2023.

This press release is not an offer of securities for sale in the United States. The securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended, or an exemption from such registration. The Company has not registered and will not register the securities under the U.S. Securities Act of 1933, as amended. The Company does not intend to engage in a public offering of its securities in the United States.

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 Corp.

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 significant management team and insider ownership.

ON BEHALF OF THE BOARD OF DIRECTORS

Daniel Kunz
Chief Executive Officer

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Neither the TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) 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 completion of the Offering and the intended use of proceeds. 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 a number of 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. Forward-looking statements in this news release include the intended use of proceeds of the Offering.

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