Prime Mining Doubles High-Grade Los Reyes Gold-Silver Resource

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VANCOUVER, May 02, 2023 - Prime Mining Corp. ("Prime" or the "Company") (TSX-V: PRYM, OTCQX: PRMNF, Frankfurt: 04V3) is pleased to announce an updated mineral resource estimate ("MRE") for its Los Reyes gold-silver project, located in Sinaloa State, Mexico.

Resource Highlights:

- The addition of 100,000 metres ("m") of Prime drilling has doubled the current MRE compared to the April 2020 resource, with a discovery cost of approximately $US 25 per gold equivalent[1] ("AuEq") ounce ("oz").
- At the resource gold cut-off grade of 0.22 gpt, Prime's updated open pit MRE contains:
  - 1.47 million Indicated AuEq ounces at a 1.68 grams per tonne ("gpt") average grade. This represents a 73% increase in Measured and Indicated AuEq ounces, and 26% increase in AuEq grade. This is 1.0 million ounces of gold at 1.16 gpt and 35 million ounces of silver at 40.4 gpt.
  - 0.73 million Inferred AuEq ounces at a 1.26 gpt average grade. This represents a 175% increase in AuEq ounces and 8% increase in AuEq grade. This is 0.5 million ounces of gold at 0.85 gpt and 18.4 million ounces of silver at 31.5 gpt.
- Using a higher 1.0 gpt gold cut-off grade, the MRE highlights a robust, extremely high-grade open pit resource that contains in excess of 1.0 million AuEq Indicated ounces at an average AuEq grade of 3.70 gpt (see Table 2 for more details).
- The MRE has a high-grade open pit mill resource and a lower grade heap leach portion.
- The MRE includes drilling completed before December 31, 2022 from only the three main zones at Los Reyes: Guadalupe, Z-T and Central.
- This MRE does not include positive results from:
  - Mariposa, Las Primas and Fresnillo;
  - highly prospective exploration targets outlined in Prime's February 27th news release;
  - over 20,000 m drilled to-date during 2023.

Chief Executive Officer, Daniel Kunz commented, "Congratulations to our exploration team for doubling the known gold-silver resource at Los Reyes while simultaneously increasing the average grade and improving the quality and confidence in the mineral resource estimate. Included in the open pit resource tonnes and grade is a notable high-grade mill feed component. The key elements of our on-going discoveries made over the past two years are the size and scale of the high-grade mineralization. On-going metallurgical testwork is confirming the relatively simple, high-recovery nature of the resources. With the additional proceeds from the early warrant exercise, we will have the flexibility to increase the drill program as we maintain our 'success-based' approach to exploration."

Scott Smith, Executive Vice President of Exploration, added: "We remain hard at work drilling known extensions to the resource and new generative exploration areas highlighted earlier this year. We are targeting yet another doubling of our mineral resource. Since the MRE year-end drilling cut-off, we have already drilled an additional 20,000 metres at Los Reyes that are not included in today's mineral resource estimate. In the majority of the mineral envelopes, our resource pits pull right to the extent of our drilling - these represent immediate expansion opportunities with our ongoing 2023 drilling. Prime has already increased its 2023 drill program to 45,000 m, and the team is already planning for an expanded fall drill program."

With ongoing drilling success, the Company believes there is significant potential to expand the MRE.

Table 1 - 2023 Resource Estimate at 0.22 gpt Gold Cut-off Grade
($1700/oz gold price, $22/oz silver price, economic pit-constrained estimate)[2]

Process Stream	Assurance Category	Ore Tonnes	Average Gold Grade	Contained Gold	Average Silver Grade	Contained Silver	Average AuEq	Contained AuEq
		(millions)	(gpt)	(k ozs)	(gpt)	(k ozs)	Grade (gpt)	(k ozs)
Mill	Measured (M)	-	-	-	-	-	-	-
	Indicated (I)	16.6	1.66	888	60.2	32,182	2.44	1,304
	M+I	*16.6*	*1.66*	*888*	*60.2*	*32,182*	*2.44*	*1,304*
	Inferred	10.8	1.18	411	47.2	16,390	1.79	623
Heap	Measured (M)	-	-	-	-	-	-	-
Leach	Indicated (I)	10.5	0.37	125	9.1	3,081	0.49	165
	M+I	*10.5*	*0.37*	*125*	*9.1*	*3,081*	*0.49*	*165*
	Inferred	7.3	0.37	86	8.3	1,944	0.47	111
TOTAL	Measured (M)	-	-	-	-	-	-	-
	Indicated (I)	27.2	1.16	1,013	40.4	35,263	1.68	1,470
	M+I	*27.2*	*1.16*	*1,013*	*40.4*	*35,263*	*1.68*	*1,470*
	Inferred	18.1	0.85	497	31.5	18,334	1.26	734

Resource Description

The Los Reyes resource is composed of three main areas: Guadalupe, Z-T and Central (see Figure 1 - Resource Area Map). Resources were estimated assuming a gold price of $1700 and silver price of $22, and various processing, operating cost and other economic parameters as described in Note 2 below. Resources are reported from blocks within an economically constrained pit, containing gold grades greater than 0.22 gpt. The resource areas remain open along strike and at depth (see Figure 2 - Resource Area 3D view).

The majority of the Los Reyes resource is contained within a high-grade envelope (see Figure 3 - Guadalupe East cross-section). For example, at a 1.0 gpt gold cut-off, the Los Reyes MRE contains in excess of 1 million gold equivalent ounces at an average grade of 3.70 gpt AuEq in the Indicated category and 374,000 ounces at a grade of 3.07 gpt AuEq in the Inferred category (see Table 2).

Table 2 - 2023 Resource Sensitivity Estimate at 1.0 gpt Gold Cut-off Grade
($1700/oz gold price, $22/oz silver price, economic pit-constrained estimate)[2]

	Assurance Category	Ore Tonnes	Average Gold Grade	Contained Gold	Average Silver Grade	Contained Silver	Average AuEq	Contained AuEq
		(millions)	(gpt)	(k ozs)	(gpt)	(k ozs)	Grade (gpt)	(k ozs)
1.00 g/T	Measured (M)	-	-	-	-	-	-	-
Cutoff	Indicated (I)	8.8	2.59	731	85.6	24,212	3.70	1,045
	M+I	*8.8*	*2.59*	*731*	*85.6*	*24,212*	*3.70*	*1,045*
	Inferred	3.8	2.30	281	59.2	7,208	3.07	374

For the purposes of this MRE, all resources are assumed to be mined using conventional open pit methods (see Note 2 for further assumptions).

The MRE was estimated using a drilling cut-off date of December 31, 2022. It is based on a resource block model developed from almost 50,000 metres ("m") of drilling completed by previous property owners, and over 100,000 m of drilling completed by Prime, of which more than 90% is diamond drill core.

This MRE was completed under the supervision of John Sims, a member of the American Institute of Professional Geologists since 2004, an 'Independent Qualified Person' as defined by NI 43-101 guidelines, with over 35 years of related experience. Prime will file a NI 43-101 compliant updated Technical Report in support of this resource update within 45 days of this release. The following information is available on our website, including the full drill hole table up to December 31, 2022:

Link 1 - PDF Figures

Link 2 - PDF Drill Hole Table

Figure 1 -Resource Area Pits, and Generative Target Locations

Figure 2 -Northeast View of Resource Area Indicating Expansion Potential

Figure 3 -Cross-section of Guadalupe East Indicating Continuous High-Grade Envelope

Next Steps

With the resource areas remaining open along strike and at depth, Prime will complete an increased 45,000m exploration drilling program at Los Reyes in 2023. Overall, Prime's discovery cost over the past three years is less than $US25 per AuEq ounce. Supported by a strong treasury bolstered by the recently announced warrant acceleration (see Prime's April 11, 2023 news release), Prime will continue to drill the highly prospective Guadalupe, Z-T and Central Zones in order to expand known resources and further explore newly developing resource areas. Work will also continue on other technical areas including metallurgical test work, geotechnical assessments, mine and processing stream optimization and trade-offs, environmental studies and social contributions.

Notes

1. Gold equivalent grades are calculated as in-situ contained grades, applying the assumed ratio of gold to silver prices using the following formula: AuEq grade (gpt) = Gold grade (gpt) + Silver grade (gpt) x ($22 / $1700). Relative recoveries are not considered in the in-situ contained grade estimate but are stated below and utilized in the resource shell economic pit constraints. All dollar values are in US dollars unless otherwise stated.
2. Resource estimate is based on economically constrained pits using the following optimization parameters (all dollar values are in US dollars):
    - $1700/ounce gold price and $22/ounce silver price
    - Mill recoveries of 93% and 83% for gold and silver, respectively
    - Heap leach recoveries of 73% and 25% for gold and silver, respectively
    - 45-degree pit slopes, with an assumed 5% ore loss and 5% dilution factor applied to the 5x5x5m resource block model
    - Mining costs of $2.00 per tonne of waste mined and $2.50 per tonne of ore mined
    - Milling costs of $15 per tonne processed and heap leaching costs of $4 per tonne processed
    - G&A of $1.60 per tonne processed
    - 3% royalty costs and 1% selling costs were also applied
    - Unless otherwise noted, an overall 0.22 g/T gold cut-off was applied to all ore blocks

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 two halves, with one half submitted for analysis and the other half stored.

Sample QA/QC measures include unmarked certified reference materials and blanks 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

Prime's mineral resource estimate as of May 2, 2023 are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "CIM Definition Standards - For Mineral Resources and Mineral Reserves" adopted by the CIM Council (as amended, the "CIM Definition Standards") in accordance with the requirements of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101").

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 metres. 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

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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.

Photos accompanying this announcement are available at
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