

Prime Mining Announces Measured and Indicated In-Pit Oxide Mineral Resource of 19.8 Million Tonnes Containing 833,000 Gold Equivalent oz at 1.31 gpt at Los Reyes Project

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VANCOUVER, April 02, 2020 - [Prime Mining Corp.](#) (TSX.V:PRYM) (OTCQB: PRMNF) (Frankfurt:A2PRDW) ("Prime" or the "Company") is pleased to announce an updated mineral resource estimate ("Updated Resource") prepared by Stantec Consulting Ltd. ("Stantec") for Prime's Los Reyes Oxide Gold and Silver Project located near Cosal?, Mexico (the "Los Reyes").

Highlights

The Updated Resource increases total oxide mineralized material and upgrades the assurance category estimate reliability. The new pit constrained Updated Resource (at 0.22 g/t Au cutoff) increased to 19.8 million tonnes Measured and Indicated plus 7.1 million tonnes Inferred from 6.8 million tonnes Indicated and 3.2 million tonnes Inferred historic global resource (at 0.5 g/t Au cutoff).

The Updated Resource contains 833,082 gold equivalent ("AuEq") ounces Measured and Indicated at 1.31 g/t and 261,132 AuEq ounces Inferred at 1.14 g/t.

The following is a summary of pit constrained AuEq ounces at various cutoffs:

Table 1: Summary of Pit Constrained Updated Resource in AuEq Ounces

Cutoff	Assurance Category	Tonnes	Average AuEq Grade (g/t)	Contained AuEq Ounces
0.22 g/t cutoff Base Case	Measured & Indicated	19,752,000	1.31	833,082
	Inferred	7,094,000	1.14	261,132
0.50 g/t cutoff	Measured & Indicated	11,822,000	1.85	701,873
	Inferred	3,956,000	1.65	209,344
0.70 g/t cutoff	Measured & Indicated	8,697,000	2.21	618,123
	Inferred	2,603,000	2.09	175,232
0.90 g/t cutoff	Measured & Indicated	6,746,000	2.54	550,207
	Inferred	1,859,000	2.48	148,160
1.0 g/t cutoff	Measured & Indicated	5,914,000	2.72	516,251
	Inferred	1,685,000	2.59	140,530

Gold equivalent calculations are based on a gold to silver ratio of 1:83. Pit constrained mineral resources are reported at cut-off grades within conceptual pit shells. The total base case resulting pit strip ratio is 4.6:1 waste to mineralized material. Both gold and silver values are used to determine the value of a given block and the pit shell is defined by: a 0.22 g/t minimum gold cutoff grade, US\$2.40 per tonne mining cost, a gold price of US\$1,329 per troy ounce and a silver price of US\$16 per troy ounce. Mineralization density is based on laboratory analyses on specific lithologies and a default mine rock density is based on 2.6 tonnes/m³ for all other areas. Modifying factors considered for the definition of mineralized zones into classified resources having reasonable prospects for eventual economic extraction are: metallurgical recovery factors of 72% for gold and 25% for silver that are typical for conventional heap leach operations, no allowance for dilution and mining losses in the calculation of the cutoff grade, combined leaching, site costs and overhead of approximately US\$4.30 per tonne placed on the leach pad and no refining and royalty costs have been applied.

Table 2: Pit Constrained Updated Resources

Cutoff	Assurance Category	Tonnes ('000)	Average Au Grade (g/t)	Contained Au (oz '000)	Average Ag Grade (g/t)	Contained Ag (oz '000)	Average Grade (g/t)
0.22 g/t cutoff total	Measured	8,527	1.24	341	28.98	7,946	1.59
	Indicated	11,225	0.81	293	23.99	8,658	1.10
	M+I	19,752	1.00	633	26.15	16,604	1.31
	Inferred	7,094	0.78	179	29.95	6,831	1.14
0.50 g/t cutoff total	Measured	5,294	1.80	306	37.62	6,403	2.25
	Indicated	6,528	1.15	240	31.01	6,509	1.52
	M+I	11,822	1.44	546	33.97	12,912	1.85
	Inferred	3,956	1.13	144	42.90	5,456	1.65
0.70 g/t cutoff total	Measured	4,094	2.15	283	42.46	5,589	2.66
	Indicated	4,603	1.38	204	35.48	5,251	1.81
	M+I	8,697	1.74	488	38.77	10,840	2.21
	Inferred	2,603	1.44	120	54.36	4,549	2.09
0.90 g/t cutoff total	Measured	3,323	2.47	264	46.57	4,975	3.03
	Indicated	3,423	1.58	174	39.46	4,342	2.06
	M+I	6,746	2.02	438	42.96	9,317	2.54
	Inferred	1,859	1.71	102	64.23	3,839	2.48
1.0 g/t cutoff total	Measured	3,019	2.62	254	48.42	4,700	3.20
	Indicated	2,895	1.70	158	41.85	3,895	2.20
	M+I	5,914	2.17	413	45.20	8,595	2.72
	Inferred	1,685	1.78	97	67.22	3,642	2.59

“We are very pleased with these results and the major increase in potential open pit material”, said Prime COO Gregory K. Liller. “The successful Prime sampling program, started in September 2019, allowed us to evaluate the tonnage and grade in areas between the unsampled outcrop and the drilled subsurface. The sampling program confirmed our belief that the mineralized zones are substantially wider than previously modeled. We believe our planned 2020 exploration program will build on this success with emphasis on three target efforts: 1) down dip and along strike in the pit areas; 2) between pits to connect them together; and, 3) the remaining 60% of Los Reyes’s undrilled structures where outcrop grab samples are similar to sample results in the Updated Resource.”

See this link for project maps and data on Los Reyes: <https://primeminingcorp.ca/project/los-reyes-project>

Management emphasizes the following four key points:

- Los Reyes is a much larger oxide resource than historic estimates;
- Prime’s plan of advancing to immediate production is now being delayed to conduct exploration, as recommended by Stantec, and increase the scope and size of the project;
- A historic 2013 Preliminary Economic Assessment included test work supporting recoveries of 93% gold and 83% silver with conventional milling, gravity and carbon-in-leach. The Updated Resource uses recoveries of 72% gold and 25% silver; and,
- Prime believes that heap leach processing of mineralized material below certain grades, and mill/gravity/CIL processing for the rest, could provide significant upside to further expand the resource and recover more gold and silver ounces.

Updated Resource

Following is Figure 1: Los Reyes March 2020 Resource Pits showing locations of the pit areas and Table 3: Pit Constrained Resource by Deposit with a summary of resources contained in the seven neighboring pit areas:

Figure 1: Los Reyes March 2020 Resource Pits

Figure 1 is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/367c8871-ef1c-46cd-a5ee-dd32a6075dd9>

Table 3: Pit-Constrained Resource by Deposit (Cutoff Grade 0.22g/t Au)

Deposit	Assurance Category	Tonnes ('000)	Average Au Grade (g/t)	Contained Au (oz '000)	Average Ag Grade (g/t)	Contained Ag (oz '000)
Tahonitas -El Zapote (North & South)	Measured	4,576	1.15	169	17.97	2,644
	Indicated	5,622	0.78	141	16.55	2,992
	M+I	10,198	0.95	311	17.19	5,637
	Inferred	2,407	0.91	70	17.17	1,329
Noche Buena	Measured	300	1.25	12	25.93	250
	Indicated	1,939	0.80	50	20.92	1,304
	M+I	2,239	0.86	62	21.59	1,554
	Inferred	1,123	0.73	26	17.34	626
San Miguel East	Measured	650	1.22	26	59.88	1,251
	Indicated	1,784	0.84	48	53.09	3,045
	M+I	2,434	0.94	74	54.91	4,297
	Inferred	2,391	0.81	62	54.89	4,219
San Miguel West	Measured	93	3.15	9	42.26	126
	Indicated	379	1.51	18	20.65	252
	M+I	472	1.83	28	24.91	378
	Inferred	116	0.59	2	10.97	41
Guadalupe East	Measured	2,141	1.46	100	42.08	2,896
	Indicated	809	0.89	23	25.26	657
	M+I	2,950	1.30	124	37.46	3,553
	Inferred	814	0.58	15	18.82	492
Guadalupe West	Measured	767	0.97	24	31.51	777
	Indicated	692	0.53	12	18.37	409
	M+I	1,459	0.76	36	25.27	1,186
	Inferred	243	0.30	2	15.74	123
TOTAL	Measured	8,527	1.24	341	28.98	7,946
	Indicated	11,225	0.81	293	23.99	8,658
	M+I	19,752	1.00	633	26.15	16,604
	Inferred	7,094	0.78	179	29.95	6,831

CIM (2014) definitions were followed for Mineral Resources.

1. Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to a Measured and Indicated Mineral Resource and must not be converted to a Mineral Reserve.
2. All figures are rounded to reflect the relative accuracy of the estimate. The gold and silver 1.5 m composites have been capped at 25 g/t gold and 550 g/t silver (1:83 ratio Au to Ag) and modeled on 3m x 3m x 3m block size
3. The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Los Reyes. The results are used as a guide to assist in the preparation of a mineral resource statement and to select an appropriate resource reporting cut-off grade.
4. Resource estimation by Inverse Distance Weighting algorithm cubed (IDW3) in a multiple search pass approach; and
5. Construction of Lerchs-Grossmann pit shells using independently assessed mining extraction costs and revenue.

Updated Resource Data Input and Review

The Updated Resource is based on 463 historic drill holes and 41 of them, completed in 2015, were never utilized in previous resource estimations. The Updated Resource also includes results from the

Company's recent 5,000 metre trenching, adit and roadcut sampling program. The Company's sampling, and the 2015 drilling data, significantly increased the information available. The Updated Resource is contained in a technical report prepared by Stantec under National Instrument 43-101 ("NI 43-101"), which will be available on SEDAR (www.sedar.com) under the Company's profile within 45 days.

The Updated Resource is enabled by two 3D block models of zones identified from drill hole records and model solids of the mineralized intervals and include Los Reyes deposits El Zapote (North and South), Tahonitas, Noche Buena, Guadalupe (East and West), and San Miguel (East and West) which are contained in an area within 1 to 3 kilometres from each other.

Stantec reviewed the input data from the entire 493-hole historic database and Prime's 5,000 metre sampling program. They performed a number of statistical analyses including histograms comparing assay results from RC drill holes with those from diamond drill core holes. The study showed a high degree of confidence with the two data sets including comparable mean, variance, standard deviation and coefficient of variation values. In addition, the data from 17 paired core and RC holes was also analyzed with a similar high degree of confidence with the two data sets including comparable mean, variance, standard deviation and coefficient of variation values. Stantec was able to conclude that the drilling methods used did not create any bias regarding the grade values for gold and silver.

Relevant Historic Technical Reports

In 2013, Vista Gold Corp. ("Vista") issued a Preliminary Economic Assessment for Los Reyes which included a mineral resource estimate. In 2017, Los Reyes was optioned from Vista by Minera Alamos Inc. ("Minera Alamos"). Minera Alamos commissioned Tetra Tech to complete: NI 43-101 Updated Technical Report, Guadalupe de Los Reyes Gold/Silver Project, Sinaloa, Mexico, effective February 8, 2013 and amended and restated April 16, 2018. Prime acquired the Vista option from Minera Alamos in 2019 and retained Tetra Tech to issue: NI 43-101 Technical Report, Los Reyes Gold/Silver Project, Sinaloa, Mexico, effective May 23, 2019 and filed August 27, 2019, which is available under Prime's profile on SEDAR.

2020 Plan for Los Reyes

Prime has submitted a permit application to initiate road building to access new areas for drilling and trenching. In addition, the engineering team has designed a drilling program to intersect the mineralized structures below proposed pits, along strike, in areas where pits may merge together and in new areas where there is good potential to discover high grade mineralization.

The Update Resource technical report recommends additional trenching to potentially extend the mineralization in El Zapote North and South, San Miguel East and West, between San Miguel East and Noche Buena, as well as in the Tahonitas area. It is also recommended to complete a 40 hole drilling program to: 1) assess the extension of mineralization down dip below current pit bottoms; 2) test subsurface mineralization identified during trenching program; and 3) assess the continuity between ore bodies, such as El Zapote North and El Zapote South, and between San Miguel and El Zapote North. The proposed method of drilling would include both core and RC holes.

Primes currently has \$1.0 million in cash which is sufficient to sustain current operations for the remainder of 2020. In order to fund the proposed 2020 program, the Company expects to engage with a strategic partner or enter the capital markets if conditions are favourable.

Qualified Persons

William A Turner, P.Geol., and A.C. (Chris) Hunter, P.Geol. prepared the Updated Resource and authored the technical report on behalf of Stantec and are independent as defined by Section 1.5 of NI 43-101.

Gregory K. Liller, Prime's COO was responsible for the Company's internal geologic modelling, input review and other major aspects of the Company's sampling program. Bruce Kienlen, P.Geol., Prime's Vice President of Exploration, contributed to the update and field sampling program data collection. He is responsible for Company's database management, quality control, and internal technical reporting.

Mr. Kienlen, a qualified person for the purposes of NI 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 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 being 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 Mining is an ideal mix of successful mining executives, strong capital markets personnel and experienced local operators who have united to build a low cost, near-term gold producer at the historically productive Los Reyes project in 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 advance to gold production quickly and cost effectively.

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

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and financial position could differ materially from those expressed in or implied by these forward-looking statements.

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