PRIME MINING PROVIDES UPDATE AND PLANS FOR NEW YEAR

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VANCOUVER, BRITISH COLUMBIA, January 6th, 2020 – Prime Mining Corp. (TSX.V:PRYM) (OTCQB: EPWMF) (Frankfurt:04V3) ("**Prime**" or the "**Company**") is pleased to provide a year-end update regarding its100%-owned Sinaloa, Mexico-based Los Reyes gold-silver project.

"As we start the new year, the entire team at Prime thank our shareholders and stakeholders for your interest in and continued support of Prime. As gold enjoys its brightest year since 2010, Prime came into existence during what looks to be an ideal time to move forward with our plans to bring a high-grade heap leach gold mine into production," commented Prime's Executive Chairman Daniel Kunz.

BACKGROUND

Company CEO, Andrew Bowering reflects, "Los Reyes came to our attention as a project that was shelved due to a series of unfortunate occurrences including bad timing and the cyclic nature of the resource sector. A combined 30 years, millions of dollars, and masses of collected data by numerous players met with shifting demands, gold price drops and increased production costs at exactly the wrong time resulting in successive periods of inactivity and changes in ownership of the property. Luckily for us, the misfortunes of our predecessors culminated as a Prime opportunity propelling our efforts today."

FINANCING & PUBLIC MARKETS

The acquisition of Los Reyes was completed at the end of August 2019 and as we concluded our due diligence, obligatory regulatory filings and various approvals, we assembled a team of successful and experienced professionals and prepared a compelling overview of the project leading to closing an initial financing of CAD$8.7 million. USD $4.5 million in property payments were made, resulting in Prime having only one remaining payment of USD $1.5 million due October 2021.

Prime Mining commenced trading on the public markets on September 3rd, and our executives promptly traveled to Mexico for meetings with the local Ejido Tasajera, the communal land owners with whom surface access rights are vested, and who agreed to mutually acceptable terms as part of a long term arrangement for unrestricted site access.

COMMENCEMENT OF WORK

Work at the Los Reyes project began with an extensive program to repair and open the network of existing roads, drill roads and trails to gain proper access to the known mineralized parts of the project area. A 5,000 metre surface trenching and road cut sampling program was implemented and is providing valuable information for determining the surface expression of mineralized structures, planning pit locations and establishing where structures remain open to expansion.

SAMPLING REVEALS EXPANSION POTENTIAL

In less than 90 days, 1881 samples had been collected from surface, representing about 60% of the planned program. Surface samples are taken across 1.5 metre intervals and weigh 5 to 7 kilograms each. To-date 808 samples have been analyzed and reported to the market in mid-December. Assay results ranged from below detection to 33.6 grams per tonne ("gpt") gold and 170.3 gpt silver.

Of particular note are samples from trenches and road cuts that returned significant mineralization located outside previously mapped or modelled mineralized structures. These samples include meaningful new finds grading between 1.42 gpt gold and 49.4 gpt silver over 13.5 metres to 5.58 gpt gold and 23.2 gpt silver over 15.0 metres.

Numerous trenches returned wide areas of significant mineralization as detailed in our news release of December 12, 2019. Visit our website to see Los Reyes – Surface Sampling Progress Figures 1, 2 and 3 at: https://primeminingcorp.ca/maps-technical-data.

Only 25% of the samples taken to date have been reported and additional results will be stated throughout the new year. Based on these results, the Company is already planning to increase the size of the surface program.

PLANNING FOR PRODUCTION

COO Greg Liller states, "Unlike many junior exploration companies, Prime aims to be a gold producer. Key to the plan to advance Los Reyes to near-term production, the surface sampling is providing a better estimation of the grades and tonnes of the first benches that can potentially be mined in the open pits. This estimation will provide confidence in the economic projections during the critical planning and mine startup phase."

NEW GEOLOGIC MODELING AND RESOURCE ESTIMATE

Evidence from trenching and sampling at three of five planned pit locations indicate the structures are open along strike and are wider than designated in historic mapping. In addition, much of the historical drilling is at such depths that, due to the lack of surface data, previously modelled resources were not carried to surface. Evidence now suggests that new modelling will allow for the resource to be projected to surface, increasing minable tonnes, recoverable ounces and reducing the stripping ratios associated with any future development.

Prime geologists are working with a database of 493 historic drill holes to establish a new NI 43-101 compliant in-pit resource for all of the drilled project areas. Of note, for the first time since modern work has been completed at Los Reyes, all 493 historic drill holes are in one model. The data set has been thoroughly reviewed and is presently being modelled by an independent engineering firm to estimate the resource. Disclosure on the engineering firm and the updated resource is planned for early in the new year.

Prime anticipates that the current work could significantly expand the size of the existing historic gold and silver resource of 380,100 Indicated ounces at 1.73 g/t and 155,200 Inferred ounces at 1.49 g/t and silver resource of 6,315,300 Indicated ounces at 28.7 g/t and 3,639,000 Inferred ounces at 34.9 g/t. The existing resource estimate was prepared by Tetra Tech for Vista Gold in 2013. Prime expects to see an increase in the mineral resources from the addition of its new surface assay data, the inclusion of the Guadalupe mineralized areas into the block model, and with remodeling being completed on the resource at a 0.25 gpt gold cutoff, compared to the previous resource estimates that used 0.5 gpt gold.

MINE PROJECT ENGINEERING

Prime plans to begin a Preliminary Economic Assessment (PEA) and prefeasibility work on the new resource as soon as possible and expects to engage an independent engineering firm to assist in preparation of this detailed technical study. Currently, our alliance with Daniel Kunz & Associates is providing value-add engineering by helping reduce the time and cost of the technical studies by analyzing ore mining rates, crusher sizing, alternative haul roads, leach pad locations and orientation.

In 2013, Tetra Tech completed a Preliminary Economic Analysis that employed open-pit mining together with a milling circuit feeding a gravity and carbon-in-leach (CIL) gold recovery process. The planned mine would produce mineralized material at a rate of 1,500 tonnes per day (“t/d”) for a total of 5.5 million tonnes excavated from 5 nearby pit locations. This estimate is validated by an unrelated Preliminary Feasibility Study undertaken in 1998.

The Los Reyes project is being evaluated at a mining rate of up to 4,500 t/d of mineralized material for a total of 11 million tonnes from between 5 to 7 pit locations. Given the identified exploration potential to add additional mineralized material resources to the project, engineering is also including a heap leach pad size to accommodate up to 20 million tonnes.

To view the location of the new haul road, heap leach pad, crusher area, processing plant, office area, leach ponds and contractor truck shop and related information – view here: https://primeminingcorp.ca/maps-technical-data.

METALLURGICAL TESTING

While metallurgical testing completed on Los Reyes in the late 90s is readily available and provides useful insight to the recovery of gold and silver using both heap leach and milling/tank leach extraction processes, a confirmation metallurgical testing program has been designed for heap leach recovery and is planned to be implemented early in the first quarter.

PERMITTING

In addition to the current surface sampling work, resource modelling and estimation, engineering studies and review of all historical data, Prime has determined a short list of firms to begin the mine permitting process at Los Reyes. We envision retaining a permitting firm shortly. Much of the early engineering work should benefit our timeline in the permitting process. Prime plans to make an initial submission to the regulatory agencies in 2020.

CASH ON HAND

With $2.3 million in funds available, Prime ended the year well financed to continue with its current plans of delivering a current NI 43-101 compliant resource and Preliminary Economic Assessment on the new resource.

Therefore, Company management is pleased to begin the new decade with optimism and a positive outlook for the future of this exciting project.

QA/QC Protocols and Sampling Procedures

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 all 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.

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

About Prime Mining Corp (TSX.V: PRYM)

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.

In addition to its readiness for near-term gold production, 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.

ON BEHALF OF THE BOARD OF DIRECTORS

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