

# Prime Mining Breaks Ground at Los Reyes Gold Project

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VANCOUVER, Sept. 24, 2019 - [Prime Mining Corp.](#) (TSX.V:PRYM) (OTCQB: EPWMF) (Frankfurt:04V3) (&ldquo;Prime&rdquo; or the &ldquo;Company&rdquo;) is pleased to report significant progress at its Los Reyes Gold-Silver Project (&ldquo;Los Reyes&rdquo;) in Sinaloa, Mexico. Following the closing of its \$8.7 million financing and subsequent call to trading, the Company has recently completed a very successful round of site visits to Los Reyes which included attending formal meetings with local stakeholders, securing surface access and beginning site preparation and initial exploration.

On September 3<sup>rd</sup>, Prime&rsquo;s Executive Chairman Daniel Kunz, Chief Operating Officer Greg Liller and Vice President of Exploration Bruce Kienlen, visited Los Reyes and the nearby city of Cosala to expand relations with the local community and advance activities related to the project. The team met with the Cosala Municipal President, Sra. Griselda Quintana Garcia, and the President of the local Ejido Tasajera, Sr. Leobardo Arredondo Rivas (see Figure 1). An Ejido is an area of land which community members collectively maintain communal holdings.

A General Meeting of the members of the Ejido Tasajera was held on September 6<sup>th</sup>, during which the membership voted unanimously in support of the development of Los Reyes and approved the immediate start of Prime&rsquo;s site work (see Figure 2).

Within 30 days, Prime will deliver a proposal to pay fees to the Ejido membership for the initial exploration and engineering phase and the planned production phase.

Executive Chairman Kunz said, &ldquo;With over ten years of activity and presence in the Cosala area, I am able to provide Prime with valuable contacts maintained through key long-term relationships and we expect a positive outcome for the stakeholders and the project.&rdquo;

COO Greg Liller commented, &ldquo;I am very pleased with the success of our recent meetings with local government and community officials and the communal landowners of the Los Reyes project. We came away from these meetings with an overwhelming endorsement by the local community for our planned mine development. I would like to thank the members of the Ejido Tasajera, Sra. Griselda Quintana Garcia and Sr. Leobardo Arredondo Rivas for their support.&rdquo;

On September 9<sup>th</sup>, heavy equipment was mobilized to immediately begin opening access roads and clearing historic drill roads. As part of the Company&rsquo;s efforts to maintain good community relations, Prime&rsquo;s contractors were engaged to provide some needed repairs to the local community roads and minor infrastructure. Once the access roads to most of Los Reyes are cleared and rehabilitated, a surface exploration crew is set to begin sampling.

## 5,000 Metre Trenching and Surface Sampling Program Begins

Prime crews have begun a systematic Phase 1 5,000 metre trenching and road cut sampling program on outcropping mineralized structures. Over the many years of exploration at Los Reyes, with thousands of metres of drilling and ongoing geological and engineering studies, no company ever conducted systematic surface trenching across outcropping mineralization. Prime&rsquo;s trenching and existing drill road sampling program is designed to provide valuable surface assay data to be used in conjunction with down dip drill data for our planned updated resource estimation.

Based on resource projection distances cited in Los Reyes technical reports, available on SEDAR, near and at-surface geologically modelled blocks are reported as waste in some instances and inferred in others. The current trenching program will provide greater confidence in the conversion of these blocks to indicated

resources for the upcoming resource estimate. These historic technical reports and data identify several structures with no drill holes that are within or near the hanging walls of planned open pits. These structures will also be systematically sampled in order to establish their potential to affect project economics.

#### Grant of Incentive Stock Options

Prime has reserved for grant 5,000,000 incentive stock options, exercisable at a price of \$0.40 for 5 years from the date of grant. The incentive stock options will be granted to directors, officers and consultants of the Company in accordance with the company's 10-per-cent rolling stock option plan.

#### Loan Repayment

Prime also announces that it has repaid the outstanding indebtedness owing to each of George Dengin and Perfect Storm Holdings Ltd. (the "Lenders"), and totaling \$1,065,600 as of the date of repayment. Funds were advanced by the Lenders to fund a deposit owing to Minera Alamos Inc. in connection with the acquisition of an interest in Los Reyes. The Company elected to complete the early repayment of the indebtedness in order to reduce ongoing interest expenses. The Company remains indebted to Andrew Bowering, its Chief Executive Officer, in connection with funds advanced at the same time as the Lenders.

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 Sinaloa, 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](http://www.primeminingcorp.ca) and follow us on Twitter, Facebook or LinkedIn.

#### ON BEHALF OF THE BOARD OF DIRECTORS

Andrew Bowering  
Chief Executive Officer

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#### Forward-Looking Information

Information set forth in this document may include forward-looking statements. While these statements reflect management's current plans, projections and intents, by their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the control of the Company. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on these forward-looking statements. There is no assurance the transactions noted above will be completed on the terms as contemplated, or at all. The Company's actual results, programs, activities and financial position could differ materially from those expressed in or implied by these forward-looking statements.

Figure 1 accompanying this announcement is available at:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/7214eb38-b545-4037-9749-e296d05b975e>

Figure 2 accompanying this announcement is available at:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/3d81ff66-c538-4e87-96f3-c5be98f29740>

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