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**Trading Symbol: TSX-V: PRS**

## **PRISM HUAMPAR MINE UPDATE**

**January 11<sup>th</sup>, 2017 Vancouver, BC** – Prism Resources Inc. (“**Prism**” or the “**Company**”) announces that it now selecting engineering companies that will be able to assist in the reactivation of the Huampar Mine near Lima Peru. The project which hosts precious and base metals including lead, zinc, silver and gold was mothballed over 25 years ago due to power shortages and market conditions. Past production at Huampar Mine is approximately 2.5 million tonnes averaging 5.4 oz/T (185 g/t) silver, 5% zinc, 3.8% lead and 1.6 g/t gold with excellent metallurgical recoveries. A historical non-NI43-101 compliant reserve shows 874,412 tonnes grading 6.1 oz/T silver (209 g/t), 3.63% zinc, 3.31% lead and 1.3 g/t gold. The Huampar project property hosts four ex-producing mines including the Huampar Mine, all located within an 8 kilometer radius. None of these have ever been investigated by modern exploration techniques such as diamond drilling or geophysics. Prism plans to confirm/update current reserves and will carry out exploration to extend known mineralized zones as well as test regional exploration targets in the next phase.

Prism acquired the project from Trevali Mining Corporation (TSX:TV) and Nueva Condor, a private Peruvian mining company in July this year. Our priority is to establish good community relations and agreements which are in process. More recently our focus has been for the reconstruction of the mine models and organisation of the databases in anticipation of a program designed to reactivate the mine to 500 tpd production which is above the current permitted capacity of 350tpd. To that end engineering company BBA of Lima have completed a report to cost out the refurbishment of the mill to that production rate. Reactivation of the Huampar Mine is subject to environmental impact studies and mine closure plans which are customary for mine operation. Prism intends to take full advantage of the forecasted tightening zinc market over the next several years. Recent studies of zinc supply and demand (by Wood Mackenzie and MMG) show an expected constant decrease of zinc supply starting in 2018 that will be unable to sustain the steady increasing demand.

“The timing of the Huampar Mine reactivation could not be better for Prism in a rising zinc and commodities market. We are looking forward to our 2017 work program” said Bob Baxter, President and CEO of Prism Resources Inc.

ON BEHALF OF THE BOARD OF DIRECTORS  
**PRISM RESOURCES INC.**

Robert W Baxter  
President & CEO

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***Forward Looking Statements***

Statements contained in this news release that are not historical facts constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws and are based on expectations, estimates and projections as of the date of this release. Forward-looking statements include, without limitation, possible events and statements with respect to possible events. The words “is expected” or “estimates” or variations of such words and phrases or statements that certain actions, events or results “may” or “could” occur and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained in this release which may prove to be incorrect, include, but are not limited to the ability of the Company to secure financing on the proposed terms and for the aggregate amount. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the spot and forward price of gold or certain other commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, or other countries in which the Company may carry on business in the future; business opportunities that may be presented to, or pursued by, the Company; operating or technical difficulties in connection with mining activities; the speculative nature of gold exploration and

development, including the risks of obtaining necessary licences and permits; diminishing quantities or grades of reserves; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this release are qualified by these cautionary statements and those made in our other filings with the securities regulators in Canada. These factors are not intended to represent a complete list of the factors that could affect the Company. Although the Company believes that the expectations in the forward-looking statements are reasonable, actual results may vary, and future results, levels of activity, performance or achievements cannot be guaranteed.