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Trading Symbol: TSX-V: PRS

NEWS RELEASE
PRISM RESOURCES INC. AGREEMENT IN RESPECT OF THE SALE
OF A 7.5% NET PROFITS INTEREST NOT PROCEEDING

Vancouver, B.C. – July 21, 2017 – Prism Resources Inc. (TSX.V: PRS) (the “**Company**”) announces that its agreement (the “**Royalty Purchase Agreement**”) with AuRico Metals Inc. and AuRico Metals Canadian Royalty Partnership (together “**AuRico**”) for the sale by the Company to AuRico of its 7.5% net profit interest (the “**Royalty**”) on the “Aurora Property” and “Sunday Lake Property” (together the “**Properties**”) in the Porcupine Mining District, Northeastern Ontario has been terminated. The “Aurora Property” and “Sunday Lake Property” are owned by Detour Gold Corp. (“**Detour**”).

The Royalty Purchase Agreement, announced by the Company on July 10, 2017, was entered into in good faith by the Company and AuRico. Following the announcement, the Company and AuRico received a written communication from Detour claiming the Royalty is invalid and unenforceable against Detour, notwithstanding Detour’s long and consistent disclosure record to the contrary.

The Company first acquired the right to earn an undivided 100% interest in the Properties through an option agreement (the “**Boliden Option**”) with former owner Boliden Westmin (Canada) Limited (“**Boliden**”) in 1999. In 2002 the Company granted an option (the “**Conquest Option**”) to Conquest Resources Inc. (“**Conquest**”) to acquire a portion of the Company’s interest under the Boliden Option. Prism and Conquest formed a joint venture (the “**Conquest Joint Venture**”) to further explore, acquire and, if warranted, develop the Properties.

In 2004 the Company converted its then remaining participating interest in the Conquest Joint Venture to a 7.5% net profit interest in the Properties.

In 2010 Conquest sold 100% of its interest in the Aurora Property and 50% of its interest in the Sunday Lake Property to Detour, which completed the required exploration expenditures under the Boliden Option to acquire the Aurora Property and Sunday Lake Property. The transaction is described in news releases dated April 12, 2010 and September 27, 2010 of Conquest, and news releases dated August 10, 2010 and September 27, 2010 of Detour. Each of the news releases confirms that the Aurora Property and Sunday Lake Property are subject to a 7.5% net profit interest held by the Company. Detour subsequently acquired Conquest's remaining 50% interest in the Sunday Lake Property.

In the seven years since it acquired the Properties, Detour has consistently confirmed that the Properties remain subject to the Royalty in numerous disclosure documents including news releases, financial statements, management discussion and analysis, annual information forms, corporate presentations and NI 43-101 property reports. In 2014 Detour confirmed in writing to the Company's auditors:

"The Aurora Property and the Sunday Lake Property are located immediately south and east of Detour Gold's Detour Lake Mine and they each remain subject to an interest held by Prism equal to 7.5% of the net profits from the properties."

As a result of Detour's newly stated position repudiating any obligations under the Royalty, the Company was not able to satisfy all the conditions of the Royalty Purchase Agreement and the agreement was terminated.

It is the Company's position that the Royalty was and remains fully enforceable against Detour. The Company considers Detour to be fully responsible for the loss of the contract with AuRico and liable for all resulting damages. The Company has retained litigation counsel and intends to take whatever actions it considers to be necessary or advisable to assert its claims.

About Prism Resources Inc.

Prism acquired the Huampar project from Trevali Mining Corporation (TSX:TV) and Nueva Condor, a private Peruvian mining company, in July of 2016. Our priority has been 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 organization of the databases in anticipation of a program designed to examine the reactivation of mining production. The mining rate will be determined based on the economics provided by the current study. To that end, JDS of Mining & Energy have been contracted to carry out a PEA on the Huampar reactivation project.

ON BEHALF OF THE BOARD OF DIRECTORS PRISM RESOURCES INC.

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