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**DEFINITIVE AGREEMENT FOR HUAMPAR SILVER GOLD MINE, PERU
AND CORPORATE UPDATE**

July 8, 2016 Vancouver, BC – Prism Resources Inc. (“**Prism**” or the “**Company**”) is pleased to announce that further to its press release of November 25, 2015 it has entered into a definitive agreement (the “**Purchase Agreement**”) dated effective June 13, 2016 with Trevali Mining Corporation. (“**Trevali**”), Nueva Condor S.A. (“**Nueva Condor**”) and Carlos Loret De Mola De LaValle (“**CLM**”) to acquire 100% ownership in the past producing Huampar Silver-Gold mine (“**Huampar**”) located in west-central Peru (the “**Transaction**”).

Pursuant to the terms of the Purchase Agreement, the Company will acquire all of the issued and outstanding shares of Trevali’s wholly-owned subsidiary Nuevo Condor, 100% owner and holder of Huampar and associated mining rights. In consideration for the Transaction, the Company will:

- Issue 5,750,000 common shares to Trevali at a deemed price of \$0.10 per share;
- Pay US\$30,000 cash to Trevali within 90 days of the closing of the Transaction;
- Issue 3,300,000 common shares to CLM (and certain associates) at a deemed price of \$0.10 per share;
- Grant CLM a 3% NSR of which 2% may be purchased in 1% tranches for payments of US\$1,500,000 and US\$2,000,000 respectively within two years of the closing of the Transaction;
- Pay annual payments to CLM of US\$100,000 commencing on the second anniversary of the Purchase Agreement (which payments are deductible from any NSR payments); and
- Retain the services of key Nueva Condor personnel for a monthly retainer fee of US\$5,000 which fee is capped at US\$240,000 over a four year period from the closing of the Transaction.

The Transaction, when completed, would constitute a Reactivation Transaction pursuant to Policy 2.6 of the TSX Venture Exchange (the “**TSXV**”) following which Prism will be listed as a Tier 2 mining issuer on the TSXV. Completion of the Transaction is subject to certain conditions, including, approval of the TSXV. There can be no assurance that the Transaction will be completed as proposed or at all.

Subject to approval of the TSXV, the Company intends to issue 780,000 common shares to a finder in consideration for services provided in respect to the Transaction. The finder is not a Non-Arm’s Length Party (as defined in TSXV policy) and such common shares will be issued pursuant to an exemption and, accordingly, subject to a hold period under applicable securities laws.

Private Placement

Further to the Company’s press release of May 10, 2016 and in connection with the Transaction, the Company is pleased to announce a non-brokered private placement (the “**Financing**”), pursuant to which the Company will issue 15,604,000 units (the “**Units**”) consisting of one common share and one half of one common share purchase warrant at a price of \$0.10 per Unit to raise gross proceeds of \$1,560,400. Each warrant will have an exercise price of \$0.13 per common share and will be exercisable for a period of three years from closing.

The Company will pay finder’s fees in cash (6%) and in units (6%) consisting of one common share and one common share purchase warrant to certain qualified finders as determined by management in compliance with policies of the TSXV.

The Company currently expects that approximately \$600,000 of the proceeds will be used to finance the exploration of Huampar, \$200,000 to fund exploration of Cerro Oro with the remaining funds being used for working capital of the Company.

All securities issued pursuant to the Financing will be subject to a four month hold period under applicable securities laws. The Financing remains subject to TSXV approval.

Cerro Oro Drill Program

The Company announces that the drill program for the Cerro Oro Project was temporarily postponed due to regulatory delays in Colombia. The Company currently expects that drilling will begin within the next two weeks. For further information concerning the proposed drill program, please see the Company’s press release of April 27, 2016 which is available under Prism’s profile at www.sedar.com.

ON BEHALF OF THE BOARD OF DIRECTORS

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.