

PRISM RESOURCES INC.

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Trading Symbol: PRS.H

NEWS RELEASE

February 1, 2012, Vancouver, BC – Prism Resources Inc. (the “**Company**”) (NEX: PRS.H) is pleased to announce it has closed the third tranche of its previously announced non-brokered private placement (news releases dated September 15, 2011, November 15, 2011 and December 23, 2011).

The third tranche of the private placement consisted of the issuance of 130,165 units (the “**Units**”) at a price of \$0.075 per Unit for gross proceeds of \$9,762. Each Unit consists of one common share of the Company (a “**Share**”) and one common share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 until February 1, 2013. The securities issued under the third tranche are subject to a hold period expiring on June 2, 2012.

Under the first, second and third tranche of the non-brokered private placement the Company issued in aggregate 13,332,997 Units for total gross proceeds of \$999,975. No finder’s fees were paid in connection with the private placement.

The Company has been advised by Mr. Robert Baxter that he has acquired a total of 2,200,000 common shares of the Company at a price of \$0.075 per share. These shares were acquired in the second and third tranches of the private placement.

As a result of the acquisition, Mr. Baxter now holds 2,200,000 common shares of the Company representing approximately 10.5% of the issued and outstanding common shares of the Company, as of the date hereof, on a non-diluted basis.

An Early Warning Report respecting the acquisition has been filed on SEDAR and can be viewed at www.sedar.com.

Mr. Baxter acquired the shares referred to above for investment purposes only. The investments will be reviewed on a continual basis, and Mr. Baxter’s holdings may be increased or decreased in the future, depending on economic or market conditions or matters relating to the Company.

On behalf of the Board of Directors of Prism Resources Inc.

“Robert Baxter”

Robert Baxter
President and Chief Executive Officer

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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 licenses 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.