

Prism Resources Updates the Status of Its 7.5% Royalty on the Detour Lake South Property

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Vancouver, July 6, 2020 - [Prism Resources Inc.](#) (TSXV: PRS) (the "Company") is pleased to inform its shareholders of significant drill results from the drilling program conducted by [Kirkland Lake Gold Ltd.](#) ("Kirkland Lake") on the 58 North Zone in which the Company has a 7.5% NPI Royalty Interest (the "Royalty"). In a June 29, 2020 News Release, Kirkland Lake reported high grade gold results from infill and step-out drilling. According to Kirkland Lake's News Release, drilling at the 58 North Zone intersected high grades up to 175.0 m west of the current underground Mineral Resource. These included 14.6 gpt over 5.0 m; 11.7 gpt over 13.0 m; 5.9 gpt over 8.0 m; and 8.6 gpt over 3.0 m. These drill holes clearly demonstrate the potential to materially increase the current resource. The Measured and Indicated mineral resource at 58N zone includes 2.9Mt @ 5.8 gpt Au containing 534,000 ozs of gold. According to Kirkland Lake's News Release, these results are very encouraging as 58 North has the potential to be a standalone underground mining operation. The Company's shareholders and other stakeholders are referred to Kirkland Lake's June 29, 2020 News Release for further details.

As previously reported by the Company, Kirkland Lake's subsidiary Detour Gold Corporation ("Detour") has disputed the validity of the Company's Royalty, and the Company has taken legal action to vigorously protect its interest.

The Company announced on July 10, 2017 that it had entered into an agreement (the "Royalty Purchase Agreement") with AuRico Metals Inc. and Aurico Metals Canadian Royalty Partnership (together "AuRico") for the sale by the Company of the Royalty to 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, and Detour's offers to the Company to purchase the Royalty prior to concluding the agreement with AuRico.

On July 21, 2017 the Company announced that the Royalty Purchase Agreement had been terminated, as a direct result of Detour's newly stated position repudiating any obligations under the Royalty. As a result of Detour's action, the Company has suffered and continues to suffer loss and damages, including loss of the benefit of the Royalty Purchase Agreement with AuRico.

In its claim against Detour, the Company seeks general damages of \$10,000,000.00, special damages, costs and interest, as well as a declaratory judgment that its 7.5% Royalty in the Aurora and Sunday Lake claim block owned by Detour is a valid charge and enforceable as against Detour.

The Company announced on April 30, 2019 that it had filed a Statement of Claim against Detour. The Company's application for Summary Judgment against Detour had been scheduled for hearing in Ontario Superior Court of Justice on May 28, 2020. The Covid-19 pandemic has resulted in the deferral of the summary judgement hearing.

It is the Company's position that the Royalty was and remains fully enforceable against Detour.

About Prism Resources Inc.

Prism is a natural resources company that owns a 7.5% net profit interest (the "Royalty") in the Aurora and Sunday Lake claim, near the Detour Lake Gold mine. The Aurora claims cover areas which include Detour's high grade Zone 58N discovery. Potential exists on the Aurora and Sunday Lake concessions to host additional discoveries which could generate significant cash inflows to Prism in the future should Prism succeed in its court action.

ON BEHALF OF THE BOARD OF DIRECTORS

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