

Prize Mining Completes First Phase of Exploration Drilling Program on the Toughnut Gold-Silver Property, BC and Provides Update on Company Financing

/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES./

CALGARY, Aug. 7, 2018 /CNW/ - **PRIZE MINING CORPORATION** ("Prize" or the "Company") (TSXV:PRZ)(OTCQB:PRZFF) (MQSP:GR:FRANKFURT) is pleased to announce it has completed the first phase of the previously announced exploration diamond drill program on its Toughnut Gold-Silver Property in southeastern British Columbia (see July 10, 2018 Company release). The Company is also pleased to provide an update on the progress that has been made on the recently announced (see July 3, 2018 Company release) financing and that a new closing date of Wednesday August 15, 2018 has been established.

"We are excited to see our fully funded exploration drilling program at the Toughnut Property advance as planned and are encouraged by the observation of visible gold in two holes so far. We look forward to assay results being released in the coming weeks," said Michael McPhie, President and CEO of Prize. "Further, despite difficult public markets we have been able to raise significant funds and establish key relationships with a great new investor group. We have had to extend the closing of our second tranche of financing a few more days upon request from our lead order due to summer schedules. With the proceeds of this financing, the Company will be fully funded to begin drilling at the Manto Negro Copper Project in Mexico later this month and execute on our overall business strategy for the Company."

Phase 1 Drilling Program – Toughnut Gold-Silver Property

The Phase I program was designed to test three zones of interest along the Silver King Shear system, all of which displayed anomalous geophysical and geochemical signatures and/or known gold+/-silver+/-lead+/-zinc mineralization. The drilling tested an area of approximately 1,000 by 450 metres along the Gold Eagle Stock, particularly along the sheared contacts with host Elise Formation volcanic rocks. Extensive disseminated pyrite (and occasional chalcopyrite) explained the IP chargeability anomalies, while specks of visible gold in holes 6 and 8 are clear evidence of the presence of gold in the mineralizing system, explaining the geochemical anomalies. Quartz veining, brecciation and intensive alteration are prevalent and are also encouraging, however, assays will be needed in order to determine the true potential of the area.

A total of 2,531 metres in 13 holes has been drilled in Phase I, with approximately 1,660 metres remaining for Phase II. Drill core is being logged, sampled and sent for assaying. Results will be announced once they have been received and interpreted. While several holes are tentatively planned for Phase II to test other nearby targets, part of the drilling may be used to follow up on encouraging results from Phase I.

Jarrold Brown, P.Geo., of TerraLogic, a Qualified Person under NI 43-101, is the Company's nominated qualified person responsible for monitoring the supervision and quality control of the programs completed on the Toughnut Property. Mr. Brown has approved and verified the scientific and technical information in this news release.

Update on Financing

On July 3, 2018 the Company announced that the lead agent, Integral Wealth Securities Limited (the "**Agent**"), had formed a syndicate that includes Paradigm Capital Inc. and Eight Capital to lead a private placement consisting of up to 26,667,000 units ("**Units**") of the Company, on a commercially reasonable basis, at the price of \$0.15 per Unit for gross proceeds of up to \$4,000,050 (the "**Offering**"). The initial completion of the Offering ("**Closing**") was expected on or about July 26, 2018. As a result of more time needed from the lead order, the Company has delayed closing of this second tranche to on or about August 15, 2018. No other aspects of the Offering have changed.

Each unit of the Offering will consist of one common share of the Company (each, a "**Share**") and one-half of one non-transferable share purchase warrant (each a "**Warrant**"), with each whole Warrant entitling the holder to purchase one additional Share at a price of \$0.25 per Share for a period of twelve months from the closing of the Offering. In the event the closing price of the Shares on the TSX Venture Exchange exceeds \$0.45 per share for 30 consecutive trading days (whether or not a trade occurs on one or more of such days) at any time, the Warrants will expire and terminate on the 30th day (including non-trading days) after the date on which notice thereof from the Company has been given to warrant holders.

The Company intends to primarily use the net proceeds of the Offering for drilling, geological, engineering and metallurgical investigations and associated consulting services on its Manto Negro Copper Project located in Coahuila State, Mexico.

About Prize Mining

Prize is a junior mining issuer listed on the TSX Venture Exchange. Prize is focused on the exploration and development of the high grade Manto Negro Copper Property in Mexico and the Kena Gold Property in BC. Find out more at: www.prizemining.com

Follow Prize Mining Corp. on [Facebook](#)

Follow Prize Mining Corp. on [Twitter](#)

Follow Prize Mining Corp. on [LinkedIn](#)

Reader Advisory

Forward-Looking Statements. This press release contains forward-looking statements and information. More particularly, this document contains statements and information concerning the including the preliminary results of the 2018 drilling program on Prize's Toughnut Property, the timing for the release of the assay results of the 2018 drilling program on Prize's Toughnut Property, additional exploration activities to be conducted on Prize's Toughnut and Manto Negro Properties, the closing of the private placement and the use of proceeds from the private placement. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "will", "believe", "anticipate", "estimate", "scheduled", "potential", or other similar words, or statements that certain events or conditions "may", "should" or "could" occur.

The forward-looking statements and information are based on certain key expectations and assumptions made by Prize, including expectations and assumptions concerning timing of receipt of required regulatory approval, the completion of the private placement and the use of proceeds from the private placement. Although Prize believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Prize can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks that required regulatory approvals are not obtained and that the private placement is not completed due to other closing conditions not being satisfied. There is no certainty that the private placement will be

completed.

The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by the Company at the time of preparation, may prove to be incorrect and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to forward-looking information contained herein to reflect events or circumstances that occur after the date hereof or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Not a U.S. Offering. This press release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any applicable securities laws of any state of the United States and may not be offered or sold in the United States, or to, or for the account or benefit of a U.S. person (as defined in Regulation S 2 under the 1933 Act) unless registered or pursuant to an available exemption from such registration requirements.

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.

SOURCE Prize Mining Corporation

View original content: <http://www.newswire.ca/en/releases/archive/August2018/07/c5747.html>

%SEDAR: 00009195E

For further information: Michael McPhie, President and CEO, 778-772-0528, mmcphie@prizemining.com; Walter Spagnuolo, Investor Relations Manager, Investor Relations, 403.236.2222, walter@prizemining.com.

CO: Prize Mining Corporation

CNW 09:41e 07-AUG-18