

Prize Mining reports results from Kena Gold Project 2018 drilling program that includes intersects of 4.37g/t Au over 6.00 metres and 14.3 g/t Au over 0.84 metres and provides corporate update

CALGARY, Dec. 12, 2018 /CNW/ - **PRIZE MINING CORPORATION** ("Prize" or the "Company") (TSXV:PRZ) (OTCQB:PRZFF) (MQSP:GR:FRANKFURT) is pleased to report results from the Phase I and II diamond drill programs from the Kena Gold Project, located in the highly prospective Kootenay Boundary region near Nelson, British Columbia and provide a corporate update relating to the company's other activities including the Manto Negro Copper project in Mexico.

"The focus of this years exploration program at the Kena Gold Project, which already contains a NI 43-101 compliant resource of 481,000 ounces indicated and 1.3 million inferred ounces of gold has been on the Toughnut Property," said Michael McPhie, President and CEO of Prize Mining. "Drilling on Toughnut has intersected significant near surface gold mineralization and we are encouraged to see these higher grade intercepts which demonstrate the potential for a much larger gold system on our property. We are excited about our 2019 drill program as a follow up on these results."

The 2018 diamond drill program at the Toughnut property, which is one of three major claim blocks that make up the Kena Project, was completed in two phases, with 13 holes in Phase I and 7 holes in Phase II, for a total of 3,886 metres. The programs were designed to test several 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.

Drill hole targeting utilized a combination of geology, soil geochemistry, magnetics and induced polarization geophysics, with the target zones reflecting a series of sub-parallel northwest-southeast structural trends. All of the holes intersected disseminated pyrite +/- chalcopyrite, galena, sphalerite, and anomalous gold in sufficient quantities to explain the geochemical and geophysical signatures, with highlights presented in the table below.

Highlights of 2018 Kena Project Drilling

Hole #	From (m)	To (m)	Length (m)	Au (g/t)
TN18006	147.52	148.00	0.48	6.22
TN18009	111.00	119.00	8.00	1.30
<i>including</i>	118.00	119.00	1.00	3.79
TN18012	61.23	65.13	3.90	3.88
TN18013	138.00	139.00	1.00	1.53
TN18018	165.00	167.00	2.00	5.28
TN18020	22.70	23.54	0.84	14.30
TN18020	165.00	191.00	26.00	2.12
<i>including</i>	166.43	182.00	15.57	3.14
<i>including</i>	172.00	178.00	6.00	4.37

The drilling tested an area of approximately 1,250 by 800 metres along the margins, and following the southeast-trending extension, of the Gold Eagle Stock, an intermediate porphyritic intrusive body that may be related to the nearby Silver King Porphyry that hosts the NI 43-101 gold resource estimate on Prize's adjacent Kena claim block (<https://prizemining.com/projects/kena-daylight-gold-project/>).

While elevated levels of gold were obtained in most holes, and specks of visible gold were observed in holes 6 and 8, the most encouraging intersection came from hole TN18020, with 26.00 metres of 2.12g/t Au, including 6.00 metres of 4.37g/t Au. Hole 20 is the most northwesterly hole in the

program and, due primarily to weather and ground conditions, this was the last hole in the program such that follow up drilling will need to be conducted in the New Year.

Significantly, this intersection is approximately 100 metres down dip of a historical (2010) intercept in hole VTN10-008, which returned 4.02g/t Au over 24.3 metres (including 14.47g/t Au over 4.0 metres). Strike extension drilling by Prize in 2017 returned intercepts of 2.95g/t Au over 5.5 metres (hole TN17006) and 1.0g/t Au over 17.7 metres (TN17009). Mineralization in this zone includes disseminated pyrite with sheeted veins, stockwork and breccia with pyrite-quartz-chlorite-sericite, and more discrete mineralized zones including crosscutting chalcopyrite-quartz veinlets. The zone remains open along strike and to depth.

Prize is fully funded for a follow up program in 2019.

TerraLogic Exploration Ltd. (TerraLogic) was engaged to manage the 2017 and 2018 Toughnut drilling programs and provided a rigorous and independent QA/QC program. Sample chain-of-custody was instituted with analysis being completed by Bureau Veritas, in Vancouver BC. Analytical packages utilized include a strong acid ICP analysis (MA250) and gold fire-assay analysis on a large 50g split (FA450). Gravimetric analysis (FA550) was also completed on any FA450 results greater than 5 g/t Au. Bureau Veritas is wholly independent of Prize Mining and TerraLogic and is accredited under CAN-P-4E (ISO/IEC 17025): General Requirements for the Competence of Testing and Calibration Laboratories ISO/IEC 17025-2005.

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

Corporate Update

The Company raised a total of \$9.8 million CAD over three tranches in the third quarter of 2018 (see Prize Press Releases on June 21st and October 2nd, 2018). A significant portion of these funds have been used to enable two significant diamond drilling and geological exploration programs at the above Kena Gold Project and the Manto Negro copper project in northeastern Mexico. As noted, the Kena program is now complete and the Phase 1 Manto Negro drill program is ongoing and expected to be completed by the end of January/early February 2019. In addition to diamond drilling with up to three drill rigs, the Manto Negro program has also included road building and upgrades, the installation of a full service camp and related infrastructure and services for water, telecommunications, and accommodations. Assays results from the current program are pending.

The Phase 2 Manto Negro exploration program will begin in February/early March of 2019 and is intended to follow up and build on the results of the current program. Further, the next Phase of the Kena Project exploration program is also expected to begin in Q1 of 2019.

The Company also continues to work with consultants and service providers it has engaged to look at accretive opportunities for acquisition specifically in the copper space as we remain very bullish on the outlook for this strategic and critical metal that is a fundamental aspect of the global move to electrification of our infrastructure.

About Prize Mining Corporation

Prize is a junior mining issuer whose common shares trade on the OTC Markets Group Inc.'s over-the-counter market in the United States and are DTC eligible with the Depository Trust Company (DTC), under the symbol PRZFF. The Company is also listed on the TSX Venture Exchange. Prize is focused on the exploration and development of the Manto Negro Copper Property in Mexico and the Kena-Toughnut Gold Property in BC. Find out more at: www.prizemining.com

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The forward-looking statements are based on certain key expectations and assumptions made by Prize, including the 2017 and 2018 drilling programs and the 2017 Mineral Resource Estimate on Prize's Kena-Daylight and Toughnut Properties, in addition to historical work on the properties and in the region. 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. There is no assurance that the result of these exploration programs will be successful. 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, exploration risks and that required regulatory and third-party approvals and consents are not obtained on terms satisfactory to the parties within the timelines provided.

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.

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