



PROSPECTOR
Metals Corp.

Suite 1430 – 800 West Pender Street, Vancouver, BC V6C 2V6

Prospector Options Schefferville Gold Project, QC

Fully Funded 3,500m Drill Program to Begin in the Fall of 2022

Vancouver, BC – August 17, 2022, Prospector Metals Corp. (“Prospector” or the “Company”) (TSXV: **PPP**; OTCQB: **ETHOF**; Frankfurt: **1ET**) is pleased to announce that it has executed a property option agreement with Newfoundland Discovery Corp. (“NEWD”) in which NEWD may earn a 50% interest in the Schefferville Gold Project project in return for staged share payments to Prospector and \$4M of work commitments by December 31, 2025, including \$1.3M by the end of 2022, and a 100% interest by issuing 19.9% of its shares to Prospector and completing total of \$7.5M of work commitments by the end of 2026.

Schefferville Gold Project Highlights:

- Project wide, approximately 53 gold occurrences grading from 1 g/t Au up to 171.5 g/t Au in mineralized iron formations have been documented historically (Figure 1). Only three of these 53 prospect areas have been historically drill-tested. A total of 27 short holes on these prospects yielded results including 2.23 g/t Au over 19.55 m, 10.21 g/t over 2.03 m and 1.05 g/t Au over 12.55 m.
- Phase 1, 2022 exploration program was completed by Prospector in July from a newly built exploration camp. The exploration program was comprised of a detailed high-resolution helicopter aeromagnetic survey over the central portion of the Sable claim block followed by mapping, stripping and channel sampling at Arsene, Baleine Rouge, and Wolf, as well as prospecting and ground truthing of additional high-priority targets. Assays for Phase 1 remain pending and together with the new airborne magnetic data will help delineate drill targets for Phase 2.
- Priority targets identified in the Phase 1 exploration program are to be drilled (up to 3,500m) during the Phase 2 program in the fall of 2022, with NEWD committing a minimum of \$1.3M to this program.
- Prospector will be the operator and undertake all exploration and development programs on the Schefferville Gold Project and is entitled to a 5% management fee on all expenditures incurred on the property.

Alex Heath, President & CEO of Prospector, stated: “I am pleased to be announcing this property option agreement with NEWD that will see our Schefferville Gold Project drill tested this year. The Schefferville Gold Project covers a 20km by 70km region with numerous high-grade gold in rock samples and over fifty surface gold prospects. We look forward to working with NEWD and advancing this truly district scale opportunity.”

Phase 2 Exploration Program

Phase 2 is anticipated to start in September 2022 and comprises approximately 3,500m of diamond drilling testing multiple high-priority targets delineated in the Phase 1 exploration program. Operations will be based out of the new exploration camp.

Terms of the Agreement

NEWD may earn up to a 100% interest in the Schefferville Gold property, with two option milestones, in return for the following work commitments and share payments to Prospector:

<i>First Option – initial 50% interest</i>		
	Shares of NEWD	Work Commitment
On signing	200,000	
December 31, 2022		\$1,300,000
August 10, 2023	1,000,000	
August 10, 2024	1,000,000	
August 10, 2025	1,000,000	
December 31, 2025	9.9% of the fully diluted shares of NEWD (less shares already issued)	\$2,700,000
<i>Second Option – 100% interest</i>		
December 31, 2026	19.9% of the fully diluted shares of NEWD (less shares already issued)	\$3,500,000

Schefferville Gold Project Overview

The Schefferville Gold Project is centered on a structural corridor characterized by faulted and sheared iron formation stratigraphy extending for approximately 60 km on the Sable block, and 10 km on the Hamard block. The project was acquired through staking (see Company’s news release dated August 20, 2020) and three subsequent acquisition transactions (see news releases dated September 4, 2020; and October 15, 2020; and this release).

The Sable and Hamard claims cover extensive areas of the Lilois Complex, a 2.7 billion-year-old rock unit characterized by the presence of numerous iron formations, many of which locally host gold mineralization. Sable and Hamard occur within a 20 km wide (east-west) by 70 km long (north-south) corridor along the Quebec – Labrador border. In 1985, a Quebec Ministry field team discovered the Lac du Canoe gold occurrence with sample results up to 18.9 g/t Au. Between 1986 and 1997, follow up work by the Quebec Ministry and several companies resulted in the discovery of approximately 40 gold occurrences grading from 1 g/t Au to up to 40 g/t Au in mineralized iron formations with 3-20% pyrrhotite and up to 10% arsenopyrite. Subsequent drilling yielded intervals including 18.1 g/t Au over

0.7m, 5.83 g/t Au over 3.1m, and 1.05 g/t over 12.55m (Quebec Assessment Reports GM45903 & GM66613).

The primary exploration target is sulphidized iron formation, which occurs where the iron formations are cut by late, steep fault and shear structures that were pathways for hydrothermal fluids during deformation and metamorphism. This resulted in sulphidization of the iron formations, with attendant gold and arsenopyrite mineralization, along and adjacent to these structures. Additionally, significant mineralization may extend into the bounding paragneisses, and also may be controlled by structures adjacent to contacts of paragneiss and iron formation with various intrusive bodies.

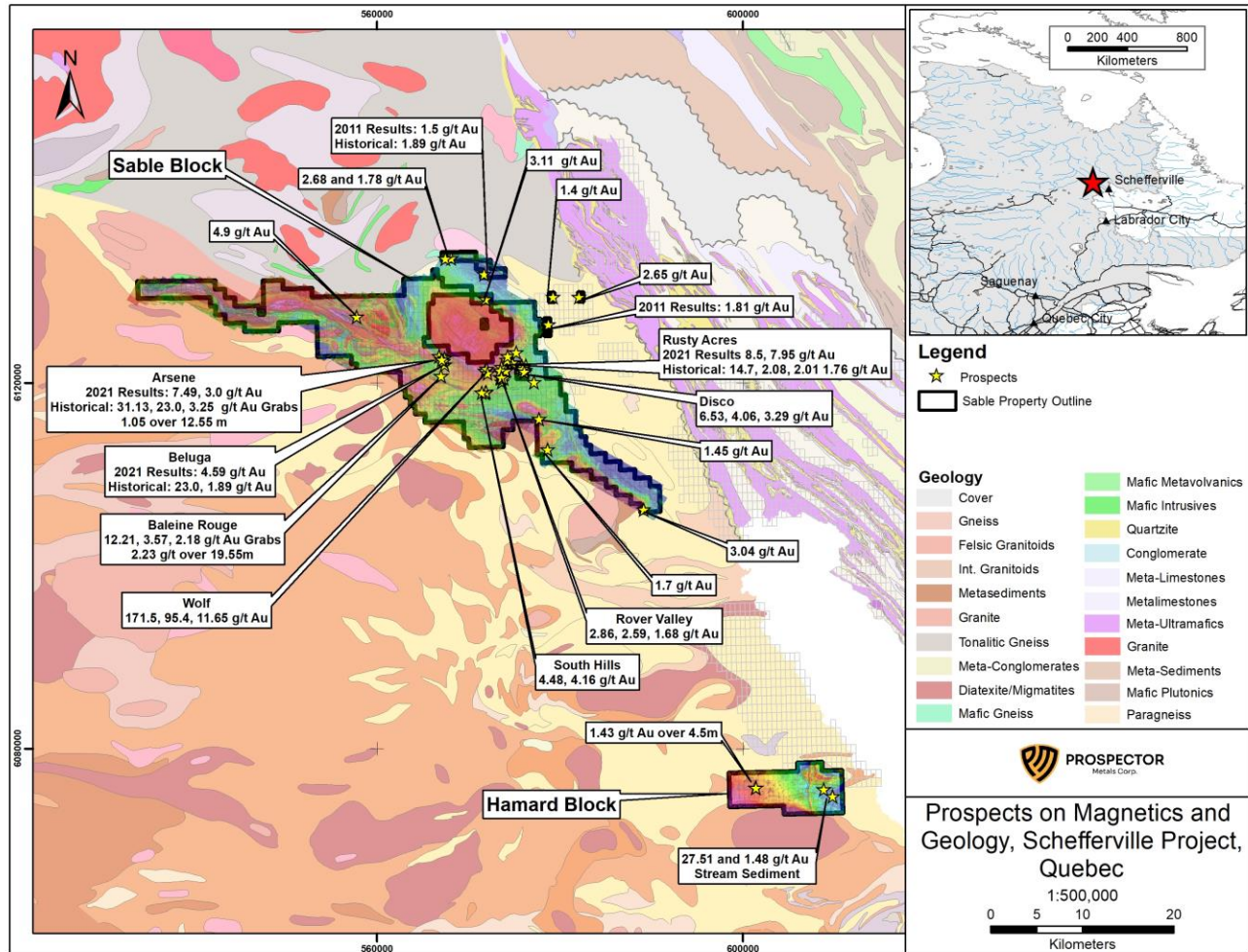


Figure 1. Prospects on the Sable Block; Magnetics and Geology within the Schefferville Project

¹ Historical assay values have not been independently verified by the Company and a potential investor should not place undue reliance on historical results when making an investment decision, nor should they be used as the sole criterion for making investment decisions. There is no assurance that the Company can reproduce such results or that the historical results described therein will be realized.

² "Best surface samples" are grab / select samples and not necessarily representative of mineralization hosted on the property.

³ The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

QA/QC Procedures

All channel and rock samples were sent to MSA Labs and ALS Canada Ltd. (ALS) in Val d'Or, Quebec for preparation and analysis. MSA and ALS meet all requirements of International Standards ISO/IEC 17025:2005 and ISO 9001:2015 for analytical procedures. At ALS, samples are being analysed using Fire Assay and AAS, 30g method (Au-AA-25) and by a 48-element four acid digest ICP-MS analysis (ME-ICP61). At MSA, samples are being analysed by Au Chrysos PhotonAssay™. In addition, MSA and ALS Laboratories follow quality assurance / quality control (QA/QC) protocols.

Qualified Person

The technical content disclosed in this press release was reviewed and approved by Jo Price, P.Geo., M.Sc., MBA, VP Exploration of Prospector, and Réjean Girard, P. Geo., Project Lead at IOS Services Géoscientifiques Inc., Qualified Persons as defined under National Instrument NI 43-101 ("NI 43-101").

About Prospector Metals Corp.

Prospector Metals Corp. is a Discovery Group Company with a business model focussed on district scale, early-stage exploration of gold and base metal prospects and create shareholder value through new discoveries. The Company's focus is to identify underexplored or overlooked mineral districts which display important structural and mineralogical similarities with well-endowed mining camps. The majority of the projects acquired by Prospector occur in Ontario, Canada, which is a tier-1 mining jurisdiction with abundant overlooked geological regions with high mineral potential. Prospector engages proactively with local and Indigenous rightsholders and seeks to develop relationships and agreements that are mutually beneficial to all stakeholders.

On behalf of the Board of Directors,
Prospector Metals Corp.

Alex Heath, CFA
President & CEO

For further information about Prospector Metals Corp. or this news release, please visit our website at prospectormetalscorp.com or contact Alex Heath at 604-354-2491 or by email at alexh@prospectormetalscorp.com.

Prospector Metals Corp. is a proud member of Discovery Group. For more information please visit: discoverygroup.ca

Forward-Looking Statement Cautions:

This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, including, but not limited to, statements regarding the Company's plans with respect to the Company's projects and the timing related thereto, including, but not limited to, the earning-in of NEWD in the Schefferville Gold Project and the plans and timing of the Phase 2 Exploration Program at the Schefferville Gold Project, the merits of the Company's projects, the Company's objectives, plans and strategies, and other project opportunities. Although the Company believes that such statements are reasonable, it can give no assurance

that such expectations will prove to be correct. Forward-looking statements are statements that are not historical facts; they are generally, but not always, identified by the words “expects,” “plans,” “anticipates,” “believes,” “intends,” “estimates,” “projects,” “aims,” “potential,” “goal,” “objective,” “strategy,” “prospective,” and similar expressions, or that events or conditions “will,” “would,” “may,” “can,” “could” or “should” occur, or are those statements, which, by their nature, refer to future events. The Company cautions that forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Except to the extent required by applicable securities laws and the policies of the TSX Venture Exchange, the Company undertakes no obligation to update these forward-looking statements if management’s beliefs, estimates or opinions, or other factors, should change. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include the risk of accidents and other risks associated with mineral exploration operations, the risk that the Company will encounter unanticipated geological factors, or the possibility that the Company may not be able to secure permitting and other agency or governmental clearances, necessary to carry out the Company’s exploration plans, risks and uncertainties related to the COVID-19 pandemic and the risk of political uncertainties and regulatory or legal changes in the jurisdictions where the Company carries on its business that might interfere with the Company’s business and prospects. The reader is urged to refer to the Company’s reports, publicly available through the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com for a more complete discussion of such risk factors and their potential effects

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.