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GCNL #179 17-09-79

PRISM RESOURCES LTD.

TWO B.C. MOLY-COPPER PROPERTIES - Prism Resources Ltd. have negotiated an agreement through TO BE EXPLORED WITH GERMAN FUNDS E & B Explorations Inc. of Denver, Colorado, whereby

Sedimex KG is to explore Prism's wholly-owned Ashnola property and 90%-owned Pitman Properties, subject to approval of regulatory bodies. (LOT 55)

Prism's president Angus MacDonald says the Ashnola property, located in the Ashnola River Valley in south central B.C., is a molybdenum-copper property having characteristics similar to the famous Henderson Mine in Colorado. Sedimex will either spend \$180,000 or drill two 900-meter holes, whichever first occurs, to earn 80% equity interest in the property. Prism would retain 20% equity interest carried through to production at no cost to Prism. Drill sites have been cleared and mobilization of a drill and camp to the Ashnola property is currently taking place.

The Pitman property, located near Terrace in west central B.C., is a molybdenum property of significant potential. Two holes drilled 800 feet apart by Placer Development in the early 1960's returned 60 ft. from 160 to 220 grading 0.196% MoS₂, or 170 ft. from 160 to the end of the hole at 330 ft. 0.12% MoS₂; plus 40 ft. of 0.122% and 20 ft. of 0.135% MoS₂ from the second hole. Sedimex will complete \$200,000 worth of exploration to earn 70% equity interest in this property. Prism will retain 30% carried equity interest in the property. Following expenditure of the \$200,000, Sedimex will have the option to spend a further \$1,800,000 exploring the property. Once Sedimex has completed exploration expenditures of \$2,000,000, Prism will convert its 30% carried interest to a 20% carried interest plus a 10% working interest.

A drilling crew is currently mobilizing to the Pitman property for the purposes of confirming previously reported ore grade intersections and to begin establishing ore reserves. Field work for both projects is under the supervision of E & B Explorations Ltd. of Calgary.

Sedimex KG is funding these projects through the first non-uranium mineral exploration fund organized in West Germany.