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GCNL #3 6 JAN 82 PRISM RESOURCES LIMITED

+ Increased Tonnage Of Higher Grades Of Silver Lead Zinc Confirmed By Underground Work

Final results from the underground drifting program on the Vera vein of the Yukon Joint Venture have increased the average grade of the zone substantially. The property is located in the Rusty Mountain area, on Kathleen Lake, 70 miles northeast of May, Yukon. Assays from chip and bulk samples indicated a large increase in grade over those from previous diamond drill results.

Prism Resources has a 10% carried interest in the Yukon Joint Venture and is contributing 20.94% of the costs to the working interest to hold a total of 30.2% revenue interest in the project. The other working interest partners in the Joint Venture are: Asamera Inc. 19.77%; Chieftain Minerals Ltd. 39.53%; and E & B Explorations Ltd. 19.77%.

The average grade of the West Zone underground chip samples was 20.31 ounces silver per ton and 6.25% lead over a length of 430 feet. The assays represent the total drift width of 10 feet. The vein on this zone extends beyond the drift limits on both the footwall and hanging wall sides. (See the underground assay plan overleaf)

In the East Zone the grade averaged 28.01 ounces silver per ton and 7.3% lead across 5.8 feet over a drift length of 487 feet. The width of the mineralized portion of the vein is greater than the 5.8 feet expressed by sampling. The vein was driven partially in the footwall and the mineralization extends beyond the hanging wall limit of the drift.

An important factor realized from the drifting was the competence of the hangingwall dolomite and the vein in general. This structural competence combined with the near vertical attitude of the vein and the sizeable widths encountered should facilitate a very cost effective mining method compared with those of existing operating underground mines in the area.

A bulk sample of the mineralization was taken over the complete drift length in conjunction with the drifting. The sample weighing in excess of 8,000 pounds has been delivered to two technical labs for metallurgical testing as an initial phase of property feasibility.

Siltstone Showing exploration in the 1981 field season included diamond drilling which yielded very encouraging results. The zone defined by drilling appears to be a relatively narrow, steeply dipping, high grade vein. The average grade of three holes intersecting the vein was 30 ounces silver per ton, 26.7% lead, and 7.3% zinc across 5.5 feet. Trenching, sampling and diamond drilling are contemplated for 1982. 103I 13W

Results from exploration projects conducted elsewhere by Prism yielded some encouraging results in the field season. The Chris claims, near Terrace, B.C. were diamond drilled in the 1981 field season. Severe drilling problems and poor core recovery hampered an evaluation of the vein. A geochemical sampling survey conducted as part of the total program resulted in a large anomaly on strike with the vein. The results of the program have given sufficient encouragement to Prism that follow-up drilling with a larger capacity drill is contemplated for 1982. 920/3E

Geological and geochemical surveys on the Tyon claims group, Taseko Lake, B.C. area, resulted in the location of a large copper anomaly measuring 1,600 feet by 2,300 feet, and a second anomaly 1,300 feet by 1,600 feet anomalous to gold and copper. Follow-up geophysics and possible drilling are planned for the 1982 season.

Work by Prism geological staff in Washington State resulted in the location of some very interesting gold anomalies. Planning is underway for a follow up program next year.

Prism has entered into a major exploration program in the Bay of Biscay, offshore Spain. Prism will pay 2 1/3% of the cost of two wells to earn a 1% working interest in the 243,000 acre prospect. The concession is between recent discoveries made by Shell Oil and Murphy Oil and contains four large seismic structures.

Estimates by geologists from other companies and a consulting engineer suggests that one of the four structures may contain up to 10 trillion cubic feet of gas and one billion barrels of condensate. The spud date for the first well is expected to be in the first half of 1982.

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PROGRAMS PLANNED ON FIVE HARD ROCK AND TWO OIL AND GAS PROJECTS IN 1981 - Prism Resources Limited's primary activity is acquiring and developing mineral properties containing silver, lead, zinc, copper, molybdenum and gold. Prism is also participating in two oil and natural gas prospects and intends to increase its activity in these areas. The company's principal project is the Prism Joint Venture located at Kathleen Lake, 70 miles NE of Mayo in the Yukon Territory. To date, approximately \$2.8 million has been spent on this project, resulting in drill indicated reserves of 864,000 tonnes (metric tons) grading 9 oz. silver per tonne and 3% combined lead-zinc in the Vera zone.

An underground exploration and development program is planned for 1981. The 3,000 feet of underground work will be on the Vera zone to confirm grade and tonnage and provide a bulk sample for metallurgical testing. In addition, more surface drilling will be carried out on this zone as well as the newly discovered Siltstone showing.

The Siltstone showing, approximately 3 miles from the Vera, returned assays of 70% lead and 87 ounces silver per ton across a width of over 10 feet. Drilling will test the length and depth extensions of the showing. Also in the area is the Val South Hill zone containing a possible 300,000 tons of 4 ounces silver per ton and the Quartzite showing which is still to be tested by drilling.

The total 1981 budget for the Yukon Joint Venture is \$2 million. Prism has a 10% carried interest and will contribute 20.94% of costs to have a revenue interest of 30.24%. Asmera Inc., Chieftain Minerals Ltd., and E & B Explorations Ltd., will fund the rest of the program.

Prism management believes that this year's work will prove up sufficient tonnage to warrant a full economic feasibility study on the Joint Venture's mineral claims and that a significant silver producer will result.

A comprehensive regional exploration program in southwestern B.C., completed in 1980, resulted in four encouraging prospects being acquired. The 300 claims (15,000 acres) comprising these showings cover: two gold prospects; one copper, gold, molybdenum prospect; and one copper prospect. Follow up work and budgets are presently being formulated for the 1981 season.

103I 13W The Chris gold prospect, 20 miles from Terrace in west central B.C., was acquired through staking. Four surface samples of the vein averaged 0.62 oz. gold per ton over an average width of 2 feet along a strike length of 820 feet. Drilling is planned to test this prospect in 1981.

93K 17E The Snowbird gold prospect, optioned by Prism, was drilled in 1980. Of ten holes completed, five were in the central and south part of the main vein. Three holes contained the following intersections: 0.167 oz. gold/ton across 3 feet, 0.539 oz. gold/ton across 8 feet including 0.885 oz. gold/ton over 4 feet, and 0.698 oz gold/ton across 3 feet in the southermost hole. In 1981 Prism intends to drill 17 holes totalling 3,900 feet on a regular pattern in this area.

103P 11W The Big Bulk prospect exhibited copper, gold values in six of fourteen chip samples. Exploration plans are presently being formulated.

Prism participated in two oil and gas prospects in 1980.

In South Dakota, Prism has a 12.5% working interest in a 3,000-acre shallow gas play. Eight wells have been drilled on a tight hole basis. Results are considered encouraging and are expected to be available in a few months. By participating in an additional 7 wells Prism will earn 12.5% working interest in an additional 50,000 acres.

In Colorado, Prism participated in a 19,000-acre oil and gas play. The well proved to be uneconomic but results were encouraging enough to warrant geophysical work and possibly drilling another well.

The outlook for 1981 is very strong with new important results anticipated from several of the programs planned and from one or more of the new projects constantly being sought by the firm.

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drilling from the surface. These drill holes have extended the zone of mineralization some 150 ft. to the east with diamond drill hole No.81-10 which gave the following results.

Hole No.	Intersection	Footage	Silver Oz./Ton	Lead %	Zinc %
Vera 81-1	322 to 345 ft.	23 feet	25.0	6.02	17.85

The East Vera is now 600 feet long and open to the east where the most recent drill holes have intersected good looking mineralization which will likely add further to the length and drill indicated tonnage. Current indications are that the East Vera drill indicated reserves will substantially exceed those of the West Vera by the end of the 1981 season's drill program.

In the 1980 season the Siltstone surface showing of silver-lead-zinc was discovered, 2 miles SW of the Vera zone. Surface samples assayed 87 oz. silver per ton plus 70% lead. Three diamond drill holes from surface have been drilled in the past few weeks. They are over a strike length of 165 ft. and assayed as follows:

Hole No.	Intersection	Footage	Silver Oz./Ton	Lead %	Zinc %
Siltstone 81-3	157 to 162 ft.	5.0 ft.	53.40	43.80	14.40
81-4	252.5 to 258.0 ft.	5.5 ft.	75.30	63.00	3.07
81-6	164.5 to 213.0 ft.	48.5 ft.	3.96	6.77	2.73

Prism Resources has a 10% carried interest in the Yukon Joint Venture and is contributing 20.94% of the costs to the working interest to hold a total of 30.24% revenue interest in the project. The other working interest partners in the Joint Venture are: Asamera Inc. 19.77%; Chieftain Minerals Ltd. 39.530%; and E & B Explorations Ltd. 19.77% → 920/SW

921/2 The company has a 100% interest in exploration programs on 4 properties in B.C. as follows: Tyco prospect near Lillooet, B.C., follow-up prospecting, mapping & sampling on a large copper, molybdenum, gold soil sample anomaly; Jack prospect near Taseko Lakes, B.C., follow-up work on unusually high gold samples assaying 0.23 oz. per ton in stream sediment samples; Chris prospect, near Terrace, B.C., is to be diamond drill tested as a follow-up on surface sampling over an 800 foot length, four samples averaged 0.62 oz. gold and 4.5 oz. silver across 2 feet; Snowbird prospect, 20 miles north of Fort St. James, B.C., where 17 diamond drill holes are planned in the area of a 1980 drill hole which returned 0.539 oz. gold per ton across 8 feet and 0.385 oz. gold per ton across 4 feet.

922/0.336 In the oil and gas industry the company has participated in some dry wells in South Dakota and has been fortunate to acquire a 0.5% net revenue interest in a 243,000-acre lease in the Bay of Biscay off Spain where two 10,000-foot plus wells are planned to test targets with very large reserve potentials. Present indications are that the first of these wells could be spudded in 1981.

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