

Symbol: IPE.V

SUMMARY: International Prism Exploration Ltd. (formerly known as Prism Resources Ltd.) is involved in mineral and oil and gas exploration. From its offices in Vancouver, British Columbia, the company manages a joint venture on the Rusty Mountain Property, a large silver-lead zinc deposit located in the Kathleen Lakes area of the Yukon Territory. The project has received extensive exploration since its discovery in 1978 by Prism Resources personnel. Other company activities involve oil and gas wells in Spain and additional mineral properties located in British Columbia.

STOCK DATA:

Shares Authorized20,000,000
 Shares Outstanding5,499,585
 Estimated Float1,500,000

Recent PriceC\$0.65, US\$0.47
 1985 Trading RangeC\$0.26-\$1.20, US\$0.19-\$0.88

MINERAL PROPERTIES:

RUSTY MOUNTAIN PROPERTY: International Prism owns part interest in the Rusty Mountain Property, a large silver-lead-zinc deposit located northeast of Mayo in the Kathleen Lakes area, Yukon. The property consists of three claim groups totalling 539 located mineral claims. The project is operated as a joint venture comprised of International Prism (57.5%), Asamera Inc. (19.0%), and Chieftain Development Ltd. (23.5%). This region supports numerous mineral deposits, including the United Keno Hill Mine, located 60 miles to the southwest.

The Rusty Mountain Property was discovered in 1976 and has since undergone extensive exploration including diamond drilling and underground work. Fifteen silver-lead-zinc occurrences are known on the property, eight of which have been tested to some extent by diamond drilling. Exploration efforts since 1979 have been primarily directed at the Vera Main Zone which has shown the most promise.

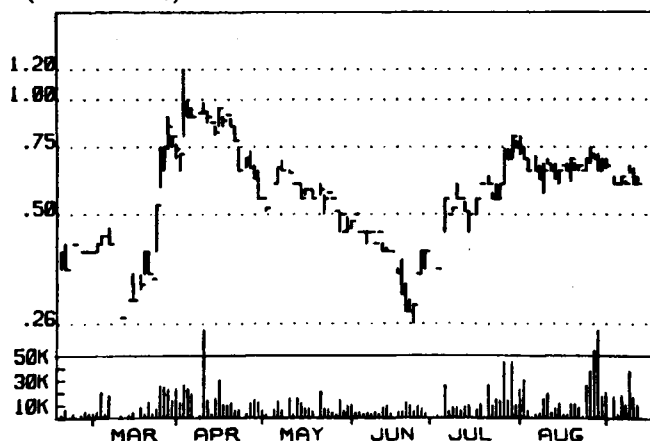
Preliminary results on the Vera Main Zone indicate that this vein-fault structure contains drill-indicated reserves of 935,000 tons grading approximately 8.93 ounces of silver per ton over an average width of 19.3 feet. Underground exploration indicates that a reduced tonnage of about 300,000 to 400,000 tons may be available at a grade of 15 ounces of silver per ton over a width of 9.8 feet. The overall strike length on the Vera Main has been calculated at over 2600 feet.

Since the property's discovery, over \$6.5 million have been spent on exploration. Work to date consists of geological mapping, geochemical sampling, trench sampling, approximately 52,400 feet of surface diamond drilling in 169 holes, over 2300 feet of underground drifting and crosscutting and approximately 1,790 feet of underground diamond drilling in 11 holes. The 1985 drill program was budgeted at \$350,000, with the primary intent to test the Big Red Zone which is open in all directions. Two holes were drilled on this zone in 1979, returning high silver/lead/zinc values.

The first results of the 1985 program were announced in late August. Of six holes completed on the Big Red Zone, three intersected significant mineralization, with values ranging from 29.78 ounces of silver per ton over 37.41 feet, including five feet grading 63.97 ounces of silver per ton. Combined lead/zinc values were as high as 38.20%.

In addition, a new discovery exposed by bulldozer

(Canadian \$)



trenching has been made south and parallel to the main Vera zone. One grab sample assayed 42.53 ounces of silver and the other assayed 148.88 ounces of silver per ton with high lead values (75.6% and 38.8% lead respectively.) This new discovery will be tested during the current drill program.

International Prism intends to carry out the work program recommended by George W.G. Sivertz, F.G.A.C., in his report dated February 15, 1985 at a cost of C\$317,625. The work consists of 5,000 feet of "fill-in" drilling to further define existing reserves in and around the Vera Main Zone as well as prospecting, mapping and soil sampling over other zones.

A recent public underwriting netted the treasury C\$747,000.00 which will enable development and exploration drilling to continue well into October. It is expected by company management that significant additional tonnages will be delineated on both the Big Red and Vera Zones this year.

ASHNOLA RIVER CLAIMS: The company owns 100% interest in 41 mineral claims in the Osoyoos Mining Division of British Columbia. Exploration work on the property, including 40 diamond and percussion drill holes, has delineated a large, low-grade porphyry copper/molybdenum system.

CHRIS CLAIMS: International Prism owns 100% interest in 18 claims in the Skeena Mining Division of British Columbia. Geochemical surveying, geological mapping and 400 feet of diamond drilling have outlined a gold-bearing quartz vein approximately 1300 feet in length. Surface samples averaged 0.328 ounces of gold and 2.35 ounces of silver per ton across an average of 1.9 feet.

OIL AND GAS PROPERTIES

VIZCAYA "A" AND SANTANDER "C" PROSPECT: International Prism holds a 12.5% gross overriding royalty on the 4% working interest of American Oakwood Energy on this 245,300-acre offshore oil and