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**SUMMARY REPORT ON THE
JMT CLAIMS
FOR
PRISM RESOURCES LTD.
QUESNEL MINING DIVISION
NTS 93A/7W
(LAT. 52° 17' North, LONG. 120° 49' West)**

Vancouver, B.C.

December 20, 1983

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OreQuest Consultants Ltd.

SUMMARY

The JMT property lies in an area that has recently received a great deal of new interest because of discoveries announced by Eureka Resources Inc. and their property operator Amoco, (Canada). The geology of the Eureka property near Crooked Lake-Horsefly, indicates a great potential for further gold discoveries.

The deposit is believed to be of volcanogenic origin with gold being chemically precipitated into the surrounding sediments (phyllites). Deposits of this type are often relatively low grade with high tonnage. Remobilization of minerals due to structural deformation may cause higher concentrations of the precious metals. Studies of Eureka's Frasergold property, show that gold may be stratabound as it is associated within a unique facies of a regionally extensive phyllite unit. The Eureka property lies on the eastern limb of a synclinal structure, while the JMT property appears to be on the western limb of the same structure. Based on structural data and stratigraphic projections of the favorable horizon, the setting of the JMT claims looks encouraging and continuation of exploration is recommended.

An exploration work program consisting of grid line location, geological mapping, geochemical sampling, trenching and eventually diamond drilling is recommended to further evaluate the JMT property.

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1.0 INTRODUCTION

1.1 LOCATION and ACCESS (Figure 1)

The JMT claims are centered at 120 degrees 49' West longitude and 52 degrees 17' North latitude located NTS map sheet 93A/7W and is located 95 kilometers northeast of the town of Williams Lake, B.C.

Easiest access to the claims is via an all-weather gravel road which exits off the Vancouver-Williams Lake Highway #97, 15 kilometers south of Williams Lake.

1.2 CLAIM STATUS

The JMT claims consist of four 2 post claims staked in late May 1982. The claim block is held in good standing and has a 1984 expiry date.

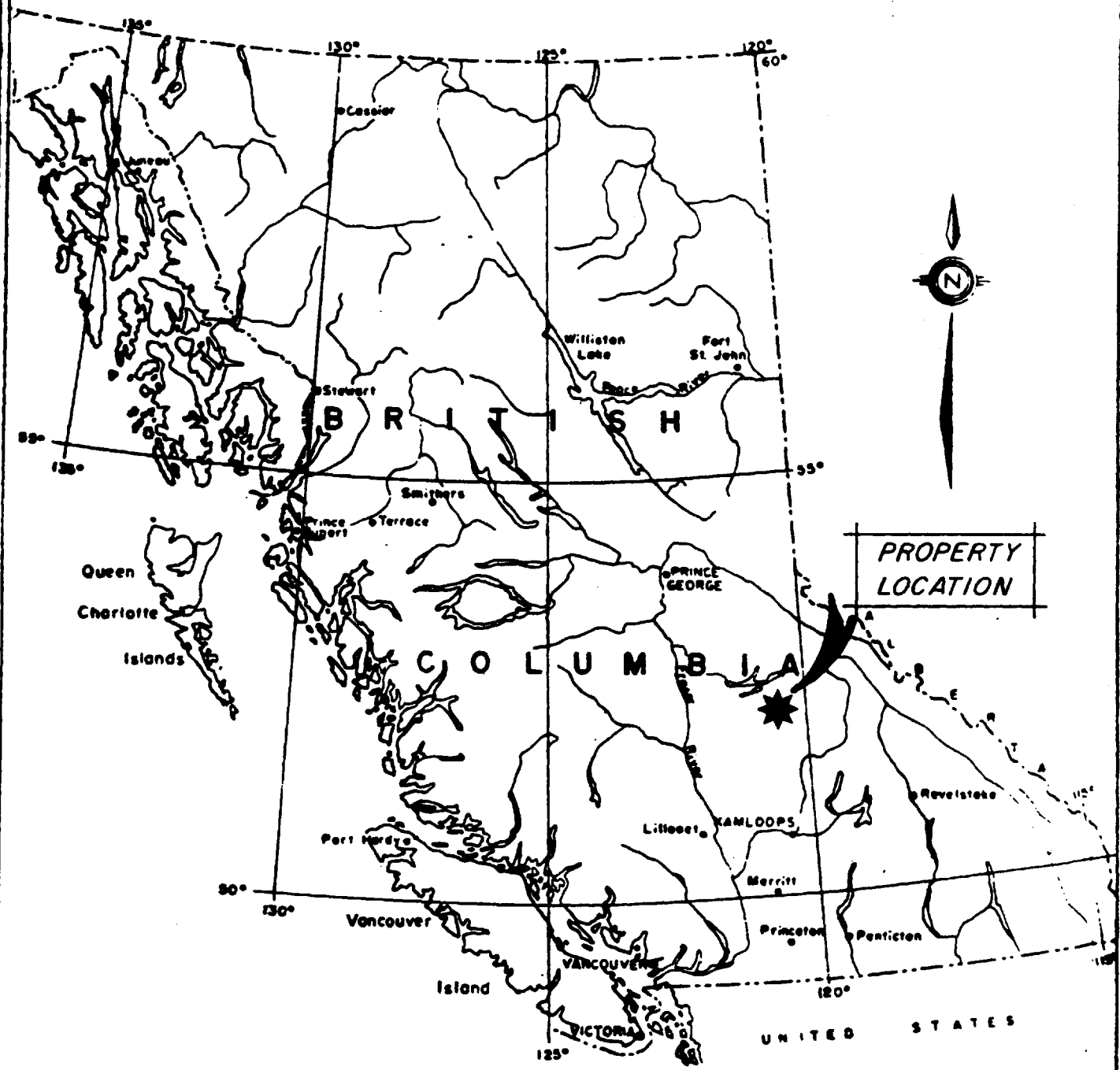
The claims are as follows:

	Record No.	Staked	Expiry
JMT 1-4	3668-3669	May 27, 1981	June 18, 1984

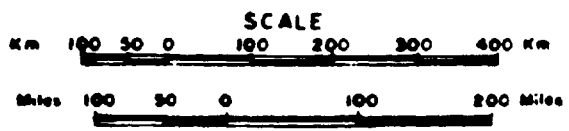
1.3 HISTORY


The Horsefly River is one of the oldest placer gold mining areas found in B.C. and in spite of early prospecting attempts the source of the gold has never been found.

Records of hardrock exploration for the area are limited to reports of work done on a copper prospect at Eureka peak. The first work done was in 1965-66 by



PROPERTY
LOCATION



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PROPERTY LOCATION

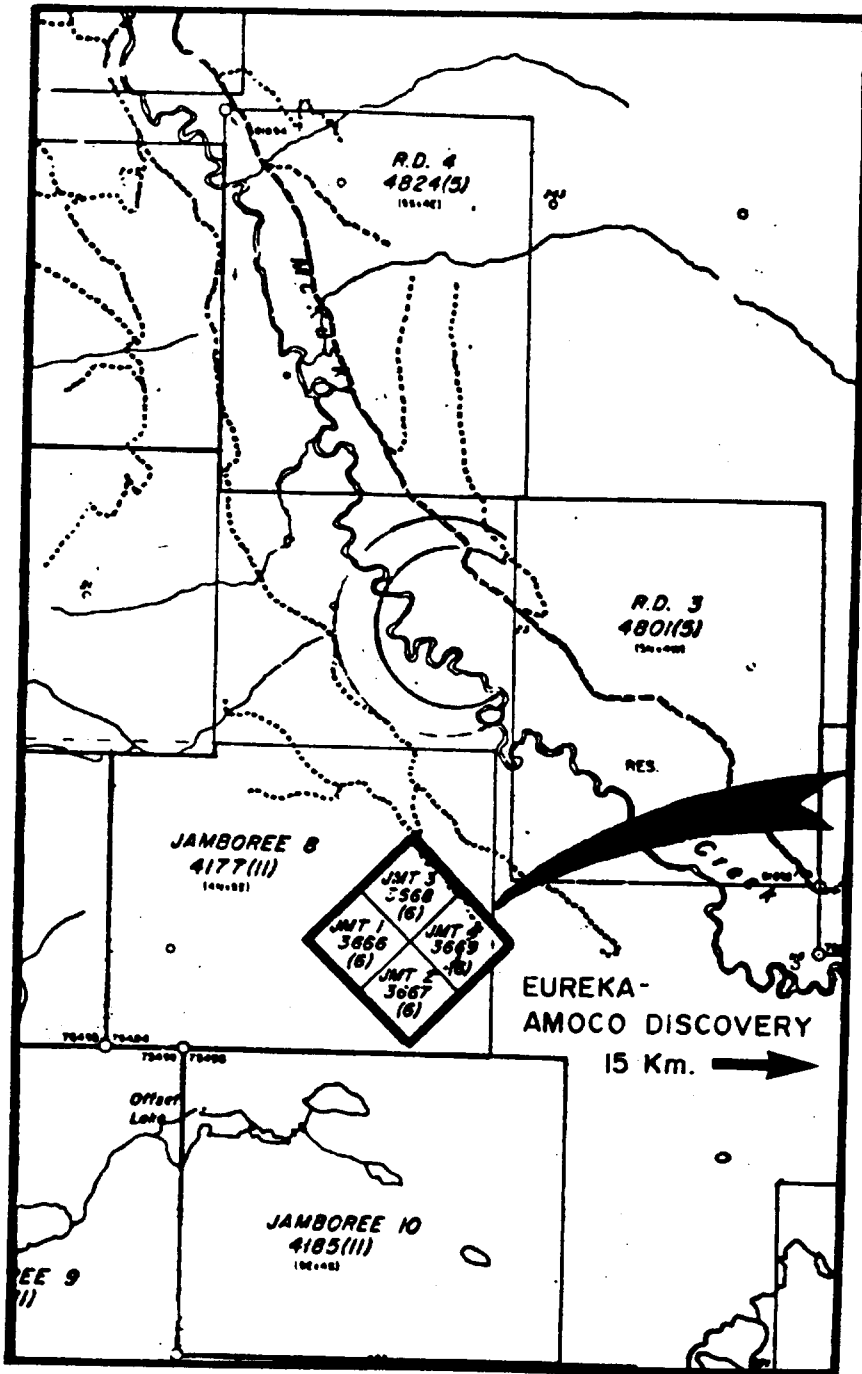
Helicon Resources consisting of road access drilling, construction of a 72 foot adit, reconnaissance, aeromagnetic, geochemical and geophysical surveys including ground EM and I.P. surveys. In 1968 Mr. H Trasis restaked the claims and did further follow up including EM surveys and the drilling of three holes. In 1970 Amax geological mapped and geochemical sampled the area. In 1972 Rio Tinto did more geological mapping. Noranda then took control of the property and in 1974 did more I.P. surveys and drilled 2 diamond drill holes. From the mid 70's until recently the areas was quiet. Recent discovery of gold at Frasersgold creek by Eureka Resources and Amoco (Canada) has prompted renewed interest in the area as a host for gold mineralization.

2.0 EXPLORATION RESULTS


2.1 GEOLOGY (Figure 2)

The JMT 1-4 claims are found in the Mesozoic Age Quesnel Belt typically consisting of sedimentary and volcanic rocks.

The claims are underlain by two units separated by a northwest-southeast trending contact. The western half of the claims is underlain by basaltic tuffs, breccias and flows, argillite and cherts of Triassic age. The eastern portion of the claims are underlain by an older Upper Triassic predominantly sedimentary package consisting of phyllite, argillite, slaty argillite, quartzite, schist and minor greenstone. This Upper Triassic unit is the host rock for the mineralization found on the Eureka property located 15 kilometers to the east. A large barren quartz vein can be seen in several locations on the property.



JMT
CLAIMS

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JMT 1-4 CLAIMS
CLAIMS LOCATION

93A/7W

2

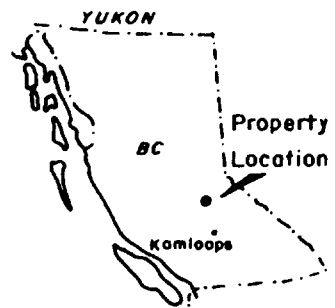
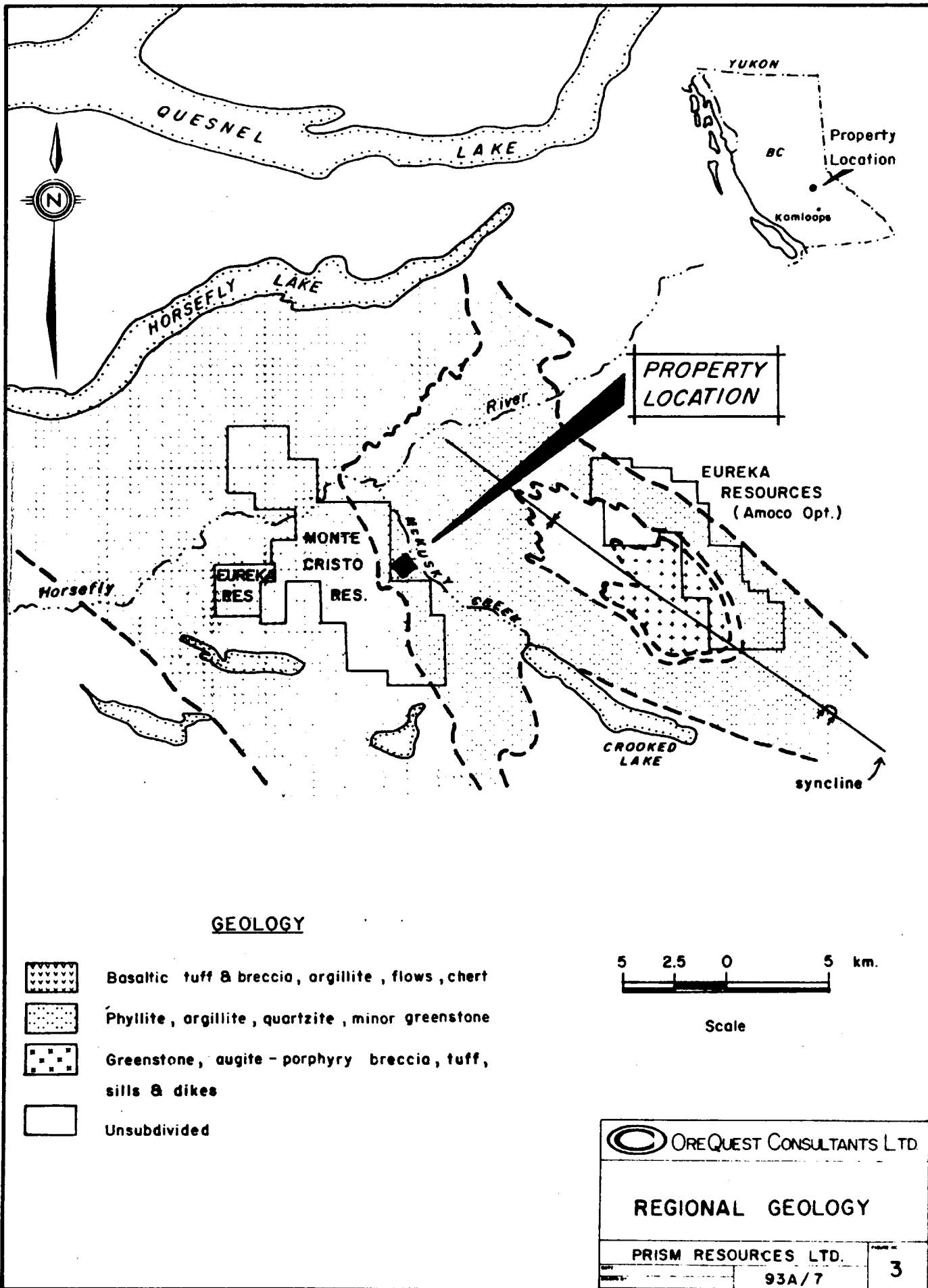
The JMT claims are on the western limb of a large syncline with the fold axis striking northwest-southeast and the resistant core forming the ridge which contains Eureka Peak. The Peak is flanked by McKusky and MacKay creeks on west and east side respectively.

The geology of the Eureka property near Crooked Lake-Horsefly, indicates a great potential for further gold discoveries. The deposit is believed to be of volcanogenic origin with gold being chemically precipitated into the surrounding sediments (phyllites). Deposits of this type are often relatively low grade with high tonnage. Remobilization of minerals due to structural deformation may cause higher concentrations of precious minerals. Studies of Eureka's Frasergold property, show that gold is associated with a unique facies within a phyllite unit.

Evaluations on the JMT ground are at a preliminary stage at this time, a great deal of further work will be necessary to determine if the favourable geology seen on the Eureka property is contained within the JMT claims.

2.2 GEOCHEMISTRY





Some soil sampling done along claim lines in 1981, ran moderate to high molybdenum values. A small grid covering the claim area was sampled in 1981, with lines 200 metres apart samples 100 metres apart. A molybdenum anomaly with values from 10 ppm to one of 100 ppm is outlined in the middle to easterly portion of the claim. No other anomalies are evident. The area is underlain by phyllites, schists and graphitic schists, the latter not seen in outcrop but dug

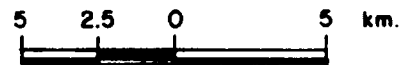


PROPERTY LOCATION


EUREKA RESOURCES (Amoco Opt.)

GEOLOGY

-  Basaltic tuff & breccia, argillite, flows, chert
-  Phyllite, argillite, quartzite, minor greenstone
-  Greenstone, augite - porphyry breccia, tuff, sills & dikes
-  Unsubdivided



Scale

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REGIONAL GEOLOGY		
PRISM RESOURCES LTD.		PAGE NO.
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up in some soil sample holes. Molybdenum values do not appear to be associated particularly with larger quartz veins or bodies. Quartz in the form of stringers and veinlets is common through the phyllite unit. Metamorphism and deformation of sediments with background molybdenum may have produced localized concentrations as reflected in the limited sampling done to date. There are no intrusives mapped in the general vicinity.

3.0 CONCLUSIONS and RECOMMENDATIONS

Recent developments in the Crooked Lake area warrant a re-evaluation of properties with similar geological settings to the Eureka-Amoco property.

The JMT property, is situated on the western limb of a large synclinal structure within a volcanogenic-sedimentary rock sequence which underlies the Eureka-Amoco property located 15 kilometers to the east. With the limited exploration done on the JMT property to date, it is difficult to determine whether it contains the same exhalative horizon as is found on the Eureka-Amoco property.

To properly test the JMT claims a grid should be established to cover the entire property with lines spaced at 50 meters and soil samples taken at 25 metre intervals. Geological mapping along the grid lines should be carried out in conjunction with the soil sampling. Any anomalies discovered by the soil sampling program could then be trenched to determine if any mineralization is present. If results of the soil sampling and trenching are positive further trenching and eventually diamond drilling should be done.

Each phase of the work program is contingent upon successful completion and encouraging results of the preceding phases.

COST ESTIMATES

PHASE I

Geological Mapping	\$ 4,000
Geochemical Survey	4,000
Assays and Geochemical Analysis	4,000
Camp Costs	3,000
Report and Supervision	3,000
Trenching	4,400
Contingencies @ 15%	<u>3,300</u>
TOTAL OF PHASE I	<u>\$ 25,300</u>

PHASE II

Geologist	\$ 3,000
Trenching and Drill Site Preparation	8,000
Diamond Drilling 300 metres @ \$80/metre	24,000
Assays	4,000
Camp Costs	3,000
Report and Supervision	6,000
Contingencies @ 20%	<u>9,800</u>

TOTAL OF PHASE II **\$ 57,800**

PHASE III

Diamond Drilling - 1,000 metres @ \$80/metre	\$ 80,000
Assays	6,000
Camp Costs	4,000
Road Construction	10,000
Report and Supervision	8,000
Contingenices@ 20%	<u>21,600</u>

TOTAL OF PHASE III **\$129,600**

TOTAL COST OF THE EXPLORATION PROGRAM **\$212,700**