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THIRD
ANNUAL
REPORT

prism
resources
limited

PRISM RESOURCES LIMITED

805-850 West Hastings Street,
Vancouver, British Columbia

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual General Meeting of PRISM RESOURCES LIMITED (hereinafter called the "Company") will be held in the Kent Room, Devonshire Hotel, 849 West Georgia Street, Vancouver, British Columbia, on Monday the 20th day of August 1973 at the hour of 9:00 o'clock in the forenoon for the purpose of receiving the report of the directors, receiving the Financial Statements of the Company and the Auditors' Report thereon for the period ended April 30, 1973, fixing the number of directors for the ensuing year at four unless otherwise determined by the directors, electing directors, appointing Auditors and authorizing the directors to fix their remuneration, conferring a general authority to take or acquire by purchase or otherwise any shares in any other corporation (which authority shall expire at the next general meeting of shareholders of the Company unless it is continued by ordinary resolution passed thereat), approving the transfers of escrow shares of the Company as set out in the attached Information Circular, and transacting such other business as may properly be brought before the meeting or any adjournment or adjournments thereof.

SHAREHOLDERS who are unable to attend the meeting in person are requested to date and sign the enclosed Form of Instrument of Proxy and to return it to the Secretary, c/o Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, British Columbia.

DATED at Vancouver, British Columbia, this 26th day of July 1973.

By Order of the Board

A handwritten signature in cursive script, appearing to read "Angus L. J. MacDonald".

Angus L. J. MacDonald,
President

PRISM RESOURCES LIMITED

805-850 West Hastings Street,
Vancouver, British Columbia

INFORMATION CIRCULAR

as at July 26, 1973

This information Circular accompanies the Notice of Annual Meeting of Shareholders of Prism Resources Limited called for Monday the 20th day of August, 1973, and is furnished in connection with solicitation of proxies for use at that meeting.

REVOCABILITY OF PROXY

Any shareholder returning the enclosed Form of Proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law a proxy may be revoked by instrument in writing executed by the shareholder or by his attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal, or by any officer or attorney thereof duly authorized, and deposited either at the registered office of the Company, Suite 534, 789 West Pender Street, Vancouver, British Columbia, at any time up to and including the last business day preceding the day of the meeting, or at any adjournment thereof, at which the proxy is to be used or with the Chairman of such meeting on the day of the meeting, or adjournments thereof, and upon either of such deposits, the proxy is revoked.

PERSONS MAKING THE SOLICITATION

THE ENCLOSED PROXY IS BEING SOLICITED BY THE MANAGEMENT.

Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of the solicitation will be borne by the Company.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue 3,000,000 shares without nominal or par value with a maximum selling price of \$1.00 per share, of which 1,460,005 shares are issued and outstanding. Each share is entitled to one vote.

The only persons who beneficially own directly or indirectly shares carrying more than 10% of the outstanding votes of the Company are:

<u>Name and Address</u>	<u>Number of Shares</u>
Angus L.J. MacDonald 6264 Carnarvon Street Vancouver, B.C.	275,001
Joseph H. Montgomery 4153 West 11th Avenue Vancouver, B.C.	276,551

<u>Name and Address</u>	<u>Number of Shares</u>
Donald R. Cochrane 4952-8A Avenue Delta, B.C.	200,001
Robert Wolfe R.R. 1, Halfmoon Bay, B.C.	200,951

The share transfer record of the Company will not be closed prior to the meeting, and only shareholders of record on August 13, 1973 will be entitled to vote at the meeting. Those shareholders desiring to be represented at the meeting by proxy must mail the form of proxy or deposit same with the Secretary of the Company at Suite 534, 789 West Pender Street, Vancouver, British Columbia, by the last business day preceding the date of the meeting.

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of shareholders or until their successors are appointed. The enclosed proxy will be voted for the nominees herein listed.

THE MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

The nominees for the office of director and information concerning them as furnished by the individual nominees are as follows:

<u>Name</u>	<u>Present Office Held</u>	<u>Term Expires</u>	<u>Present Principal Occupation</u>	<u>Principal Occupation for past Five Years</u>	<u>Period for which Nominee has been a Director of the Company</u>	<u>Approximate beneficially owned directly or indirectly as at July 26/73</u>
Angus L.J. MacDonald	President and Director	1973 Annual Meeting	Professional Engineer Geological for Orequest Syndicate	Professional Engineer Geological for Orequest Syndicate, Meridian Exploration Syndicate, & Kerr Addison Mines Ltd.	Since October 31 1969	295,001
Joseph H. Montgomery	Secretary and Director	1973 Annual Meeting	Self-employed Professional Engineer Geological	Professional Engineer Geological with Meridian Exploration Syndicate	Since October 31, 1969	275,001
Donald R. Cochrane	Director	1973 Annual Meeting	Self-employed Professional Engineer Geological	Professional Engineer Geological with Geo-X Surveys Ltd., Meridian Exploration Syndicate, & Noranda Explorations Ltd.	Since October 31, 1969	200,001
John W. Jewitt	N/A	N/A	Formerly General Manager of The Granby Mining Co. Ltd., now Vice-President, Exploration & Development, The Granby Mining Co. Ltd.		N/A	NIL

REMUNERATION OF MANAGEMENT AND OTHERS

No remuneration was paid to directors and senior officers during the past year.

APPOINTMENT OF AUDITORS

It is intended to vote the proxy to appoint Messrs. Rolfe, Benson & Co., Chartered Accountants, of 850 West Hastings Street, Vancouver, British Columbia, as Auditors of the Company and to authorize the directors to fix their remuneration. Messrs. Rolfe, Benson & Co. were first appointed auditors for the Company on July 6th, 1973.

OTHER MATTERS TO BE ACTED UPON

The Company requests the approval of the shareholders to the following transfers of shares within escrow to assist in obtaining the consent of the British Columbia Securities Commission and the Vancouver Stock Exchange to the transfers:

<u>From</u>	<u>To</u>	<u>No. of Shares</u>
Joseph H. Montgomery	Angus L.J. MacDonald	112,500
Robert Wolfe	Angus L.J. MacDonald	75,000
Donald R. Cochrane	Angus L.J. MacDonald	75,000

THE MANAGEMENT KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OF SHAREHOLDERS OTHER THAN REFERRED TO IN THE NOTICE OF MEETING. SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORD WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.

By Order of the Board

A handwritten signature in cursive script that reads "Angus L.J. MacDonald". The signature is written in dark ink and is positioned below the typed name.

Angus L.J. MacDonald
President

PRISM RESOURCES LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

The highlight of last year's exploration efforts is the acquisition by option and by staking a gold/silver prospect totalling 43 claims and 2 fractions on Freegold Mountain, 125 air miles northwest of Whitehorse, Yukon Territory.

The property lies within an unglaciated geologically favorable belt some forty miles long in the Dawson Range which is characterized by several copper, silver, gold and molybdenum occurrences, the closest of which is the former gold producer Ormsby Mines bordering Prism's Gold Star property to the southeast. Ormsby, which may well be revived at the present price of gold, reports 80,000 tons of reserves of 0.70 ozs. gold per ton.

Dr. Peter Sevensma, Prism's Yukon Consultant, in a report prepared in early June, 1973, states that there are five exploration targets on the Gold Star Group:-

1. Augusta Magnetite

Near massive magnetite replacing a limey bed assays about 0.36 ozs. gold and about 1.2 ozs. silver per ton and this zone is known for a length of some 300 feet, the largest width being 27 feet; its full size has never been explored. Character samples with visible gold in the magnetite run several ounces of gold to the ton.

2. Margarete Vein

Two trenches 30 feet apart on a 1 - 1½ foot wide gold quartz vein show values between 2.6 and 4.6 ozs. gold with up to about 20 ozs. silver per ton. The full structure is at least 2500 feet long. In 1959 a drill hole located 150' west of the trenches provided an assay of 0.34 ozs. gold per ton across 8.5 feet with only 10% core recovery.

3. Red Fox

Several gold quartz showings occur near and in the intrusive and there is a six inch - eight inch wide vein of galena assaying 70 percent lead and 171 ozs. silver per ton.

4. Cabin Showings

At 0.40 and 0.46 ozs. gold per ton and good silver values these showings warrant bulldozer trenching. If a NE striking vein is located it may be a target of even more interest than the Margarete vein.

5. Breccia Zone

The mineralized area is centered on an altered syenite breccia zone measuring about 1200' x 1600'. This zone is strongly leached but still exhibits molybdenite in its outcrop and a frost-heaved boulder assayed 0.40 ozs. of gold and 5.48 ozs. of silver per ton.

As chalcopyrite is present in most showings on the property, there is a good probability that this mineral will be present below the leached capping in the breccia zone, which has the earmarks of a typical copper-molybdenum porphyry occurrence.

6. Aside from some drilling by Conwest in 1959 and some recent surface mapping, the Gold Star Group has remained virtually unexplored.

The total area of outcrop on the property is estimated at about 5% and physically the southerly exposure and the presence of a road present the opportunity of low-cost exploration of this most attractive property.

(Signed - Dr. P.H. Sevensma, P.Eng.)

An extensive program of mapping, geophysical work and diamond drilling is planned for August and September.

Craigmont Mines Limited was granted an option on the Ashnola River copper-molybdenum prospect. The company is conducting a geological mapping and diamond drilling program on the property.

The coming year should be an exciting and rewarding time for Prism Resources Limited.

On Behalf of the Board,



Angus L.J. MacDonald,
President.

PRISM RESOURCES LIMITED

FINANCIAL STATEMENTS

AS AT APRIL 30 1973

AVIS, GRAUER & CO.
CHARTERED ACCOUNTANTS
VANCOUVER, B.C.

AVIS, GRAUER & CO.

CHARTERED ACCOUNTANTS

575 RICHARDS STREET, VANCOUVER 2, B.C. • 687-0121

To the Shareholders,

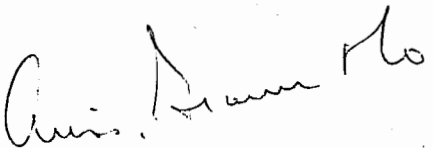
Prism Resources Limited:

We have examined the balance sheet of Prism Resources Limited as at April 30 1973 and the related statement of source and application of funds for the period February 1 1972 to April 30 1973. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

A significant part of the assets of the company consists of mining properties and deferred expenses. Recovery of these costs is dependent upon the success of future exploration of the properties, together with the adequate future financing thereof.

In our opinion, the attached financial statements present fairly the financial position of the company as at April 30 1973 and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Vancouver, B. C.
July 3 1973


Chartered Accountants.

PRISM RESOURCES LIMITED

BALANCE SHEET

AS AT APRIL 30 1973

ASSETS

CURRENT ASSETS:

Deposit receipts
Expense advance

\$ 20,000.00
58.64 \$ 20,058.64

INVESTMENT, at cost (Note 2) -

6,250.00

MINING PROPERTIES, at cost (Note 1) -

25,800.00

DEFERRED EXPENSES, per statement attached -

106,534.80

ORGANIZATION EXPENSES -

1,722.60

\$160,366.04

LIABILITIES

CURRENT LIABILITIES:

Bank overdraft
Accounts payable

\$ 2,211.04
2,700.00 \$ 4,911.04

SHARE CAPITAL

AUTHORIZED:

3,000,000 shares without nominal
or par value

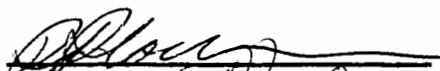
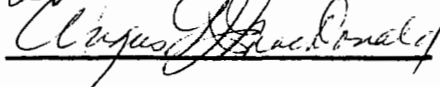
ISSUED, (Notes 1 and 4):

760,000 shares for properties
700,005 shares for cash
1,460,005

12,800.00
142,655.00 155,455.00

\$160,366.04

SIGNED ON BEHALF OF THE BOARD:

 Director.
 Director.

PRISM RESOURCES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FROM FEBRUARY 1 1972 TO APRIL 30 1973

SOURCE OF FUNDS:

Proceeds of underwriting (Note 4)	\$62,500.00	
Sale of one half interest in claims (Note 1)	<u>10,000.00</u>	\$72,500.00

APPLICATION OF FUNDS:

Statement of deferred expenses as attached	55,407.24	
Investment in shares	6,250.00	
Payment for claims (Note 1)	<u>3,000.00</u>	<u>64,657.24</u>

INCREASE IN WORKING CAPITAL - \$ 7,842.76

SUMMARY OF CHANGES IN WORKING CAPITAL

	<u>April 30 1973</u>	<u>January 31 1972</u>	<u>Increase (Decrease)</u>
<u>CURRENT ASSETS -</u>	\$20,058.64	\$8,595.26	\$11,463.38
<u>CURRENT LIABILITIES -</u>	<u>4,911.04</u>	<u>1,290.42</u>	<u>3,620.62</u>
<u>WORKING CAPITAL -</u>	<u>\$15,147.60</u>	<u>\$7,304.84</u>	<u>\$ 7,842.76</u>

PRISM RESOURCES LIMITED

STATEMENT OF DEFERRED EXPENSES

FROM FEBRUARY 1 1972 TO APRIL 30 1973

FIELD EXPENSES:

Camp operation and field expenses	\$13,893.75	
Salaries and wages	319.91	
Employee benefits	40.00	
Geology and engineering supplies	1,149.72	
Samples and assaying	1,111.95	
Bank charges	46.14	
Geophysics	4,965.10	
Drilling	4,391.85	
Property expense	12,255.00	
Consultants fees and expenses	6,130.88	
Licenses and dues	400.00	
Transportation	391.00	
Insurance	450.00	
Telephone	<u>773.94</u>	\$ 46,319.24

ADMINISTRATIVE EXPENSES:

Share issue expense	5,088.93	
Accounting and audit	1,300.00	
Legal	2,743.70	
Rent	900.00	
Miscellaneous	<u>419.73</u>	<u>10,452.36</u>
		56,771.60

Deduct -

Interest received		<u>1,364.36</u>
		55,407.24

Deduct -

Proceeds from sale of one half interest in claim (Note 1)	10,000.00	
Transfer of advance royalties no longer required (Note 3)	<u>5,000.00</u>	<u>15,000.00</u>
		40,407.24

Balance at January 31 1972 66,127.56

BALANCE AT APRIL 30 1973 - \$106,534.80

PRISM RESOURCES LIMITED

NOTES TO BALANCE SHEET

AS AT APRIL 30 1973

Note 1.

Mining properties consisting of 63 located mineral claims were acquired by the issue of 750,000 shares valued by the Directors at 1¢ per share and such shares are subject to escrow restrictions as may be imposed by the Superintendent of Brokers for the Province of British Columbia or by any securities regulatory body having jurisdiction in that regard.

A further 103 located mineral claims were acquired by the payment of \$10,000.00, of these, 7 claims have been allowed to lapse.

During the period an option agreement of 12 claims was acquired by the payment of \$3,000.00 and the issue of 10,000 shares valued by the Directors at 53¢ per share and a further 17 claims were acquired by staking. A one half interest in these claims was sold for \$10,000.00 with the stipulation that this money be used in exploration work on the claims. These claims have since been allowed to lapse. A further option agreement was entered into on May 13 1973 covering 21 located mineral claims in the Whitehorse Mining Division calling for payment of \$5,000.00 on acceptance of agreement by the Vancouver Stock Exchange and further payments totalling \$195,000.00 over 54 months together with the issue of 150,000 shares on or before 54 months from date of acceptance.

Note 2.

The company has acquired 5,000 shares of Pacific Oxygen Company Ltd. for \$6,250.00.

Note 3.

Under the terms of the agreement with Getty Mining Pacific Limited they have relinquished their interest in the remaining 159 claims in Note 1. The classification of the \$5,000.00 received as advance royalties has been relinquished and transferred to offset deferred expenses.

Note 4.

The company received \$62,500.00 as the net proceeds on the issue of 250,000 shares under the terms of the underwriting agreement of May 2 1972.