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PROSPECTUS

DATED: MAY 24, 1988

FOOTWALL EXPLORATIONS LTD.
(hereinafter called the "Issuer")
515 - 837 West Hastings Street
Vancouver, B.C.
V6C 1B6

* John Carson
681-3328

PUBLIC OFFERING

500,000 Shares (the "Shares")

Shares	Price to Public	Commissions	Net Proceeds to Issuer if all Units are Sold
Per Share	\$0.50 (2)	\$0.06	\$0.44
Total	\$250,000	\$30,000	\$220,000 (1)

(1) Before deduction of legal, audit and printing expenses payable by the Issuer estimated not to exceed \$15,000.

(2) The price of the Offering has been determined by the Issuer in negotiation with the Agent.

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THE ISSUE PRICE TO THE PUBLIC EXCEEDS THE NET TANGIBLE BOOK VALUE PER COMMON SHARE CALCULATED AS AT JANUARY 31, 1988 AFTER GIVING EFFECT TO THE OFFERING BY \$0.324 WHICH REPRESENTS A DILUTION OF 64.80%.

P.W.
PROPERTY FILE - 05

Hiller - Churchill 926 ~~154~~ ~~154~~
302

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 27.28% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 64.99% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER. SEE "PRINCIPAL SHAREHOLDERS".

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT IN OTHER REPORTING COMPANIES. SEE "DIRECTORS AND OFFICERS" FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

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Name and Address of Agents

CONTINENTAL SECURITIES
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EFFECTIVE DATE: JUNE 14, 1988

A Report on
THE HILLER-CHURCHILL GROUP
of Mineral Claims

FOOTWALL EXPLORATIONS LTD.

Zeballos Area

Alberni Mining Division
British Columbia
NTS 92 L-2

By

J.S. Kermeen, M.Sc., P.Eng.
Consulting Geological Engineer

Report No. C87-5

Vancouver, B.C.

December 1, 1987

6. SHARE CAPITAL (CONT'D)

iii. By Agreements with certain shareholders, the company has agreed to incur costs which qualify under S.66 of the Income Tax Act of Canada as Canadian Exploration Expenses. These costs will be incurred solely for the benefit of the shareholders. In addition, the shareholders will be issued "flow-through" shares of the company on a basis of one common share for every \$.25 of cost incurred. To date, a total of 220,000 shares have been subscribed for and allotted. An amount of \$55,000 in costs has been incurred to date.

Stock Options:

The company has granted stock options to its Directors and employees totaling 174,000 shares, exercisable at a price of \$.50 per share for a period of two years from the effective date of a Primary Prospectus.

7. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No direct remuneration was paid or is payable to the Directors or Senior Officers of the subject company.

8. RELATED TRANSACTIONS

- i. Prospecting and supervision fees totaling \$6,800 was paid to the President of the subject company.
- ii. Rent, travel and management fees totaling \$12,000 was paid to a corporation owned by the President of the subject company.
- iii. Exploration and development costs totaling \$60,982 was paid to a corporation owned by two Directors of the subject company.
- iv. Secretarial fees totaling \$552 were paid to a Director of the subject company.

9. SUBSEQUENT EVENT

The company issued an additional 10,000 shares at a price of \$.25 per share.

10. ADDITIONAL INFORMATION

The company is planning to offer a public financing, by way of a Primary Prospectus, consisting of 500,000 shares at a price of \$.50 per share to net the corporate treasury \$220,000.

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(i)

SUMMARY AND CONCLUSIONS

The Hiller-Churchill Group near Zeballos on Vancouver Island is owned by Falconbridge Limited; Footwall Explorations Ltd. may earn up to 51% interest through exploration expenditures.

The property covers 2921 hectares straddling a contact between Mesozoic volcanics and sediments and intermediate intrusives.

Gold-bearing quartz veins and magnetite-bearing skarns occur on the property; some of the skarns contain significant gold values.

Falconbridge explored the claims at intervals over a 25 year period, initially for iron ore and more recently for gold.

In the A-25 Grid area, 16 of 32 diamond drill holes intersected significant gold values, five of which exceeded 15 grams gold per tonne over one metre; the best intersection assayed 310 grams gold per tonne (9.03 ounces per ton) over two metres. The gold occurs in and near magnetite skarn and although clearly defined structures have not been identified, five of the better intersections lie in a plane which correlates well with gold-in-soil anomalies, suggesting gold is later than the skarn and is related to a planar structure. In this type of deposit, bulk sampling is essential to make a definitive assessment; the topography is favourable for underground testing via an adit at reasonable cost. Although drilling results are too erratic to permit reserve potential calculation, underground bulk sampling of the zone is certainly warranted. There is an excellent chance that sufficient high grade ore can be produced from the adit to more than pay for the cost of the test.

The remainder of the property warrants further exploration for gold with specific attention being paid to the gold anomaly on the HU grid, gold-bearing quartz veins known to exist on and near the Churchill and E grids and an airborne EM anomaly near the Churchill #2 vein.

Calculated geological reserves of magnetite iron ore is 5,700,000 tons grading approximately 35% Fe. A study to determine the marketability of this material, either as a heavy media for coal processing or as feed for steel smelters is warranted. If market conditions are favourable, additional exploration to increase reserves would be warranted.

In summary, the property has a good potential for economic gold deposits and aggressive additional exploration, commencing with an underground test of the A-25 area is warranted.

RECOMMENDATIONS

A two-stage program of exploration is recommended. The first stage consists of an underground test of the gold zone on the A-25 grid as shown on figures C87-5-5, 6 and 7. Since the site is at a relatively low elevation and is readily accessible on existing logging roads, it is quite feasible to carry out Stage I during the coming winter. Close geological control should be maintained on all underground work; all faces, backs and muck piles should be sampled under a geologist's supervision, and muck removed from mineralized zones should be stockpiled in such a way that it can be bulk sampled later for accurate grade determination.

The second stage of the program is designed to continue exploration of the property outside of the A-25 grid. It is a summer program and in part will require helicopter support. The earliest scheduling for this program will therefore be June of 1988. Details of this program will be worked out after a thorough study of all existing data, and may be influenced by the results of Stage I.

In the likely event that the results of the preliminary underground program of Stage I are favourable, a considerably expended underground program involving a decline would probably follow.

Stage III is a provision for additional underground exploration on the A-25 zone.

(iii)

COST ESTIMATES

STAGE I

<u>A-25 Zone - Underground Exploration</u>		
Mobilization-Demobilization		15,400
Crosscut adit:	78 m @ \$1000/m	78,000
Drifting:	50 m @ \$1000/m	50,000
Raising:	27 m @ \$800/m	<u>21,600</u>
		165,000
Sampling and Assaying	\$10,000	
Engineering, Geology,		
Supervision, permits, etc.	\$25,000	<u>35,000</u>
<u>TOTAL STAGE I</u>		200,000

STAGE II

<u>General Exploration - Outside of A-25 Zone</u>		
Detailed study of existing data		5,000
Interpretation of airborne surveys		5,000
Surveying of baseline through property		25,000
Stream sediment survey		20,000
Detailed soil and biogeochem surveys		25,000
Surface trenching and sampling		<u>25,000</u>
	Sub-total	105,000
Provision for diamond drilling		
	2000 m @ \$100	200,000
Engineering, Geology, supervision,		
analyses		<u>40,000</u>
	Sub-total	240,000
<u>TOTAL STAGE II</u>		345,000

STAGE III

Contingent upon encouraging results from Stage I, an expanded underground program on the A-25 zone is anticipated:

Combined decline, drifting and raising:	360 m @ \$1100	396,000
Engineering, geology, supervision, sampling and assaying		<u>59,000</u>
<u>TOTAL STAGE III</u>		455,000

TOTAL STAGES I, II AND III \$1,000,000
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INTRODUCTION

The Hiller-Churchill mineral property near Zeballos on Vancouver Island is registered in the name of Falconbridge Limited and is the subject of an agreement whereby Footwall Explorations Ltd. may earn up to 51% interest through expenditures on the property.

This report is being written for Footwall Explorations Ltd. at the request of Mr. John W. Carson, President. It is based on a study of pertinent data, chiefly from the files of Falconbridge Limited and on a field examination of the "A-25 Site" made by the writer on November 4 and 5, 1987.

Much of the property has been held by Falconbridge Limited for 25 years and there is a considerable volume of data in storage. Information pertinent to the specific recommendations in this report was studied in depth. A detailed review of all data is beyond the scope of this report and such a review is one of the recommendations made herein.

MINERAL DISPOSITIONS AND OWNERSHIP

(See Figure C87-5-2)

The Hiller-Churchill Group comprises 44 two-post claims and 13 modified grid claim blocks (totalling 136 units) which form a contiguous property measuring roughly 11 kilometres in length (NW-SE) and averaging some 3 kilometres in width.

Since most of the two-post claims are overlapped by modified grid blocks, the actual area is less than the sum of two-post claims and modified grid units. The actual area as measured from the map is approximately 2921 hectares (7214 acres).

The claims are shown on the attached map C87-5-2 according to field surveys made by Falconbridge Limited. The writer believes this to be a reasonably accurate depiction of how the claims actually occur. The two-post claims are shown on government claim map M92L/2W in a much different location. The government map is believed to be incorrect. It should be noted

that claims Hiller 25 to 32 inclusive, on which site specific recommendations in this report are to be carried out, have been located by means of a transit survey by professional surveyors. Mineral disposition names, numbers and expiry dates are listed below:

Hiller Group
(2-post claims)

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Hiller 001	5038	May 20, 1995
" 002	5039	" " "
" 006	5043	" " "
" 008	5045	" " "
" 009	5046	" " "
" 010	5047	" " "
" 011	5048	" " "
" 012	5049	" " "
" 013	5050	" " "
" 014	5051	" " "
" 015	5052	" " "
" 016	5250	July 7, 1995
" 017	6622	Aug 29, 1995
" 018	6623	" " "
" 019	6624	" " "
" 020	6625	" " "
" 021	6626	" " "
" 022	6627	" " "
" 025	9548	Nov 17, 1995
" 026	9549	" " "
" 027	9550	" " "
" 028	9551	" " "
" 029	10300	Jul 31, 1995
" 030	10301	" " "
" 031	10302	" " "
" 032	10303	" " "
" 033	10456	Nov 9, 1995
" 034	10457	" " "
" 035	11649	" " "
" 036	11650	" " "

Churchill Group
(2-post claims)

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Churchill 1	46/35	Nov 26, 1995
" 2	46/36	" " "

"	3	46/37	Nov 26, 1995
"	4	46/38	" " "
"	5	2004	Sept 3, 1995
"	6	2005	" " "
"	Fraction 1	2006	Sept 23, 1995
"	Fraction 2	2007	" " "
Ray Annex		6684	Sept 22, 1995
Ray Annex 1		6685	" " "
Ray Annex Fraction 1		6686	" " "
Ray Annex Fraction 2		6687	" " "
Wren 1		2822	Dec 10, 1995
Wren 2		2823	" " "

Zeb Group
(Modified grid claims)

<u>Claim Name</u>	<u>Units</u>	<u>Record Number</u>	<u>Expiry Date</u>
Zeb 1	16	2514	March 8, 1988
" 2	9	2515	" " "
" 3	20	2516	" " "
" 4	9	2517	" " "
" 5	4	2518	" " "
" 6	9	2519	" " "
" 7	12	2520	" " "
" 8	9	2521	" " "
" 9	8	2522	" " "
" 10	4	2523	" " "
" 11	8	2524	" " "
" 12	8	2525	" " "

Whitedome Group
(Modified grid claim)

<u>Claim Name</u>	<u>Units</u>	<u>Record Number</u>	<u>Expiry Date</u>
Whitedome #1	20	2527	March 14, 1988

Note: Annual work requirements are \$100 per two-post claim and \$200 per modified grid unit. All the claims may be grouped and work on any one claim may be applied to the entire group.

LOCATION, ACCESS, TRANSPORTATION, POWER

The Hiller-Churchill Group is located in the Alberni Mining Division of Northern Vancouver Island. It lies between 10 and 20 kilometres north of the village of Zeballos, which in turn lies at the mouth of the Zeballos River in Esperanza Inlet. A good gravel road connects Zeballos with paved Highway 19 at a point 20 kilometres west of Woss; midway between Highway 19 and Zeballos a logging road (A-25) leads west along the Artlish River and a feeder road along the tributary Toray Creek (from the south) provides access to the northern part of the Hiller claims. A logging road proceeding easterly from Fair Harbour along the Kaouk River provides road access to a point midway along the southwest boundary of the property. Similarly, a road to the Zeballos iron mine (Ford deposit) provides road access to a point near the south end of the property. Much of the remainder of the property is accessible only by steep foot trails or by helicopter. For all practical purposes, helicopter support will be necessary for exploration of about 60% of the property. At the same time, the entire property is close enough to established roads that connections with the highways and tidewater should not be difficult, in the event of discovery of an orebody. The area of gold mineralization on which an adit is recommended herein is within 1,000 feet of existing logging roads, which are adequate to service initial exploration and development activities.

PHYSIOGRAPHY AND CLIMATE

The property lies within the Vancouver Island Range of mountains with elevations ranging from 30 to 1200 metres above sea level. Rocky bluffs and canyons are common and near-vertical cliffs occur at higher elevations.

Dense forests, in part logged off, cover most of the area below 750 metres. Tree line is at approximately 1150 metres elevation.

The climate is very wet and cool most of the year with very heavy snowfall at higher elevations. Normally reasonably dry periods are experienced during July through September.

There is normally sufficient water in creeks for drilling and mining purposes year round.

REGIONAL GEOLOGY (See Figure C87-5-3, 3a)

The property straddles the NW-SE trending contact between Coast Intrusions, the main mass of which lies southwest of the property, and Mesozoic volcanics and sedimentary rocks. Generalized geology according to Gunning and Hoadley (1) (2) is shown on attached maps C87-5-3, and 3a. The oldest rocks in the area which lie immediately northeast of the property are basaltic and andesitic lavas of the Upper Triassic Karmutsen Group. These are followed successively to the southwest across the property, by the Upper Triassic Quatsino Formation consisting mainly of limestone with minor volcanics and then the Upper Triassic Bonanza Group in which andesitic volcanics predominate with lesser amounts of argillite, tuffs, limestone and quartz.

Adjoining the stratified rocks to the southwest are the Coast Intrusions, which cut both Quatsino and Bonanza rocks on the property, consist primarily of quartz monzonite, granodiorite and quartz diorite with minor more mafic phases. Dike rocks, probably related to the Coast Intrusions cut stratiform rocks on the property.

The stratiform rocks dip consistently to the southwest at angles usually under 45°.

A major fault trending 165° has been mapped along the Zeballos River some one to three kilometres northeast of the property. Other faults trending ESE to E-W are recorded on the property.

Mineral deposits of two distinct types occur in the area:

- (1) Narrow, high-grade, lode-gold vein deposits

Most of the deposits of this type occur within an area measuring approximately 8 km x 8 km lying southeast of the south end of the Hiller-Churchill Group. The deposits occur in fractures and shear zones within the Zeballos intrusive rocks and within intruded volcanic and sedimentary rocks near the intrusive contacts. Hoadley '2' considers the gold mineralization to be genetically related to the intrusive; McDougall '3' believes the gold mineralization is later, probably Tertiary in age. The gold occurs in quartz veins, commonly associated with abundant sulphides including pyrite, arsenopyrite and galena. The gold may occur as masses of native gold, as replacements of sulphides or along contacts of sulphide minerals.

(2) Magnetite-bearing Skarn Deposits:

These are usually described as contact metamorphic, pyrometasomatic deposits replacing rocks of the Quatsino formation and lower, sedimentary part of the Bonanza Group where these formations have been intruded by the Coast Intrusions. The most commonly replaced rock is limestone and limey argillites but skarns also occur in volcanic and volcanoclastic rocks usually not far from limestone. The common skarn minerals are garnet, epidote and various calc-silicates. Magnetite occurs in irregular, structurally controlled masses and usually contains some pyrite and minor pyrrhotite. Chalcopyrite may also be present in significant amounts.

Recently, significant gold assays have been recovered from some of the skarn zones. Information available to date suggest the gold is later than the skarn, having been introduced along fractures.

HISTORY OF EXPLORATION AND SUMMARY OF PREVIOUS WORK

Large showings of magnetite were known to occur in the

area as early as 1897 and these have been sporadically investigated over the years since then.

In 1934, gold was discovered in what came to be known as the Zeballos Camp and eventually a total of 651,000 tons of ore with an average grade of 0.44 opt were mined from thirteen mines yielding 287,811 ounces of gold. The largest, by far, was the Privateer which produced 154,381 ounces of gold. Most of the mines closed in 1942; subsequently, the Privateer re-opened briefly and closed again in 1948.

In 1951, interest in the iron deposits was revived with work being done on the Head Bay, Ford and Churchill deposits. The Ford deposit (located close to the south end of the Hiller-Churchill Group) was put into production by Zeballos Iron Mines Ltd. in 1962. Between 1962 and 1969, 1.42 million tons of magnetite concentrate was produced. Falconbridge Nickel Mines Ltd. became involved financially with Zeballos Iron Mines during the latter years of production.

Utah Mining and Construction Ltd. had acquired the Churchill deposit and in 1951 performed 2000 feet of diamond drilling; they also did extensive mapping on the property in 1962; subsequently, Falconbridge acquired the property. During the 1960's they carried out ground magnetometer surveys and the following diamond drill programs:

Hiller #4 Anomaly:	14,135 feet
Hiller #8 Anomaly:	2,600 feet
Hiller #2 Anomaly:	50 feet
Churchill Anomaly:	1,000 feet

Descriptions of the mineralization and reserves are contained in a subsequent section of this report.

About the same time, Utah Mining and Construction drilled the Skoglund (Hiller #2) prospect.

In 1980, Esperanza Explorations Limited inadvertently overstaked what is now the A-25 Grid (Hiller #12 Anomaly) and

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took chip and soil samples; assays ran as high as 20.73 g/tonne over one metre.

In 1984, Falconbridge conducted a low density stream sediment sampling program over a belt corresponding roughly with the present property. Several anomalies were identified, the strongest of which was in the A-25 area. A control grid was established and geological mapping, soil sampling, VLF-EM and magnetometer surveying, surface chip sampling and 22 diamond drill holes totaling 1532 metres were carried out. All core was split and assayed. Encouraging gold assays were returned which are detailed in a subsequent section. Land surveyors were hired to locate claim posts in the A-25 area (the claim lines pass through the showing area). The same year, 214 metres of diamond drilling was done on the Churchill claims to test a long-known quartz vein known as the #1 vein; no significant mineralization was encountered.

In 1985 the Zeb claims were staked on the Modified Grid System to cover and extend the earlier two-post claims.

A combined airborne magnetometer, three frequency EM and VLF-EM survey was flown over the entire property (340 line km) by Aerodat Ltd. Results were plotted with separate maps for EM profile, total field magnetic contours, VLF-EM total field contours and computed vertical magnetic gradient contours. A cursory interpretation of this survey has been done and one distinct EM response lies near the Churchill #2 vein. Further detailed interpretation would appear to be warranted.

Further work on the A-25 zone (in 1985) included:

- 10 fill-in diamond drill holes totalling 957 metres.
- Re-logging of core and laboratory mineralogical studies by Professor L.D. Meinert of Washington State University.
- Mineralogical studies by Lakefield Research with particular interest in expected recovery.

The HU Grid was established to cover the Hiller #10 magnetic anomaly and an earlier reconnaissance soil anomaly. An

additional seven grids (BW, V, F, K, Contour, E and Churchill were established (or reestablished) to cover all known magnetic anomalies).

Soil sampling of the "B" horizon was performed on all grids, ground magnetometer surveys on several, and geological mapping on the HU and BW grids.

Interesting gold in B-horizon soil anomalies were returned from the A-25 and HU grids.

GEOLOGY AND MINERALIZATION - HILLER CHURCHILL GROUP

The general geology of the property is depicted after Hoadley '2' in figures 3 and 3a; it conforms in a general way with the descriptions given under Regional Geology.

A-25 Grid

This grid covers an area of approximately 300 m x 300 m and covers the most significant gold mineralization discovered on the property to date.

A sequence of alternating andesitic pyroclastics and limey argillites of the lower Bonanza Group trends 158° and dips southwesterly at an average of perhaps 45°. The stratified rocks are extensively intruded by dikes and sills of dacite to rhyolite composition. One small outcrop of intrusive diorite was observed near the northwest corner of the grid. A large percentage (51% in drill core) of the stratified rocks, both sedimentary and volcanic are altered to skarn minerals. A body of magnetite mineralization is defined by a strong magnetometer anomaly (some grading of scale) measuring roughly 100 metres x 250 metres. Strong gold in B-soil anomalies occur within the mag anomaly, the best section, as defined by the 100 ppb contour, being 140 metres in length including several +1,000 ppb readings. Some of the high soil anomalies occur over very high magnetic readings, but the soil anomaly extends off the magnetic zone as well. Of 32 diamond drill holes completed to date, 16

intersected gold mineralization assaying in excess of 1 g/tonne over one metre and seven holes returned assays grading in excess of 15 g/tonne over one metre (see Table I).

TABLE I
HILLER-CHURCHILL GROUP - A-25 ZONE
DIAMOND DRILL CORE ASSAYS GREATER THAN 10 GM/TONNE

<u>HOLE NO</u>	<u>FROM (m)</u>	<u>TO (m)</u>	<u>WIDTH (m)</u>	<u>GRAMS/TONNE</u>
H84-1	18.7	19.7	1.0	15.5
H84-7	53.6	54.7	1.1	39.2
H84-17	58.0	59.0	1.0	18.2
H84-20	23.0	24.0	1.0	17.6
H85-24	15.0	16.0	1.0	210.0
	16.0	17.0	1.0	409.5
H85-29	34.4	35.4	1.0	24.65
H85-30	13.0	14.0	1.0	87.0

The best intersection, in hole 85-24, grades 310 g/tonne (9.03 opt) over 2.0 metres. These intersections are plotted in a plan view in Figure C87-5-5 (note that intervening sub-ore intersections are not shown). While the intersections cannot be positively assigned to one or more clearly defined structures, five of the seven best intersections fall within a plane striking 160° and dipping 45° west. The surface trace of this plane coincides well with the highest soil anomalies.

Most of the gold intersections lie within skarn and many are associated with strong magnetite mineralization. Pyrrhotite mineralization occurs sporadically through the skarn zone.

Mineralogical studies have identified native gold globules, chalcopyrite and tellurobismuthite within the skarn. Based on microscopic studies, Lakefield Research does not anticipate serious metallurgical problems.

HU Grid (Hiller #10)

The grid is underlain by andesitic volcanics intruded by rhyolite dikes. Significant gold-in-soil anomalies have been identified, some of which coincide with magnetic highs.

BW Grid (Hiller #8, #9, #11)

This grid covers three airborne magnetic anomalies. Soil sampling and rock sampling returned only slightly elevated gold values.

V Grid (Hiller #4 and #5)

Soil sampling over magnetic anomalies returned spot high gold analyses which could not be extended.

F Grid (Hiller #2)

Extensive magnetite-bearing skarn had been established by Utah Mining and Construction drilling. 204 soil samples and 14 rocks samples did not return significant gold analyses.

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K Grid (Hiller #3) and Contour Grid

46 soil samples and two rock samples were not anomalous; one stream sediment sample ran 8 ppb gold.

E Grid (Hiller #1)

Of 74 soil samples, none were distinctly anomalous in gold.

Churchill Grid

235 soil samples were collected from a 450 x 480 metre grid. Anomalous values of from 171 to 25,200 ppb (0.73 opt) were recorded to known Churchill veins.

Potential for Iron Ore

The available estimates of iron ore on the property by McDougall '4' are as follows:

	<u>Tons</u>	<u>%Fe</u>
Hiller # 4 Deposit	3,700,000	35.9
Churchill	1,000,000	30-40
Hiller #2 <i>at Hill</i>	700,000	30-40
Hiller #8	<u>300,000</u>	30-40
	5,700,000	30-40

Limited sampling indicates copper content up to 0.24% and gold up to 0.02 opt but the average grades will be much lower.

The average sulphur grade on the Hiller #4 is 0.66% S (by McDougall) and 0.90% (by Sauks).



LIST OF REFERENCES

- (1) Gunning, H.C. & Hoadley, J.W.:
Geological Survey of Canada, Geological
Map 1028A, Woss Lake, B.C. with descrip-
tive notes.
- (2) Hoadley, J.W.: Geological Survey of Canada Memoir 272,
Geology and Mineral Deposits of the
Zeballos-Nimpkish Area, Vancouver Island,
B.C. 1953.
- (3) Lakefield Research:
Mineralogical examination of 10 samples
from gold-bearing skarn rocks, 1985.
Meinert, L: Report on the Zeballos and
Keda Properties.
- (4) McDougall, J.J.: Hiller-Churchill Deposits, Update of 1982
(Internal Falconbridge Limited report),
April 1982.
- (5) McDougall, J.J.: Personal Communication
- (6) Wilson, J.: Assessment Report, Diamond Drilling,
Geology, Magnetometer; Hiller Churchill
Project, 1984, PN 090 (Internal Falcon-
bridge Limited report). 3665 }
- (7) Wilson, J. and Hilty, M.:
1985 Report on the Zeballos Project, PN
090 (Internal Falconbridge Limited
report)

CERTIFICATE

I, James Seaton Kermeen do hereby certify:

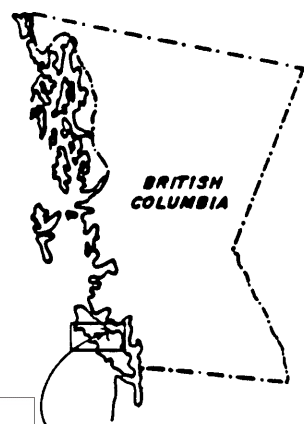
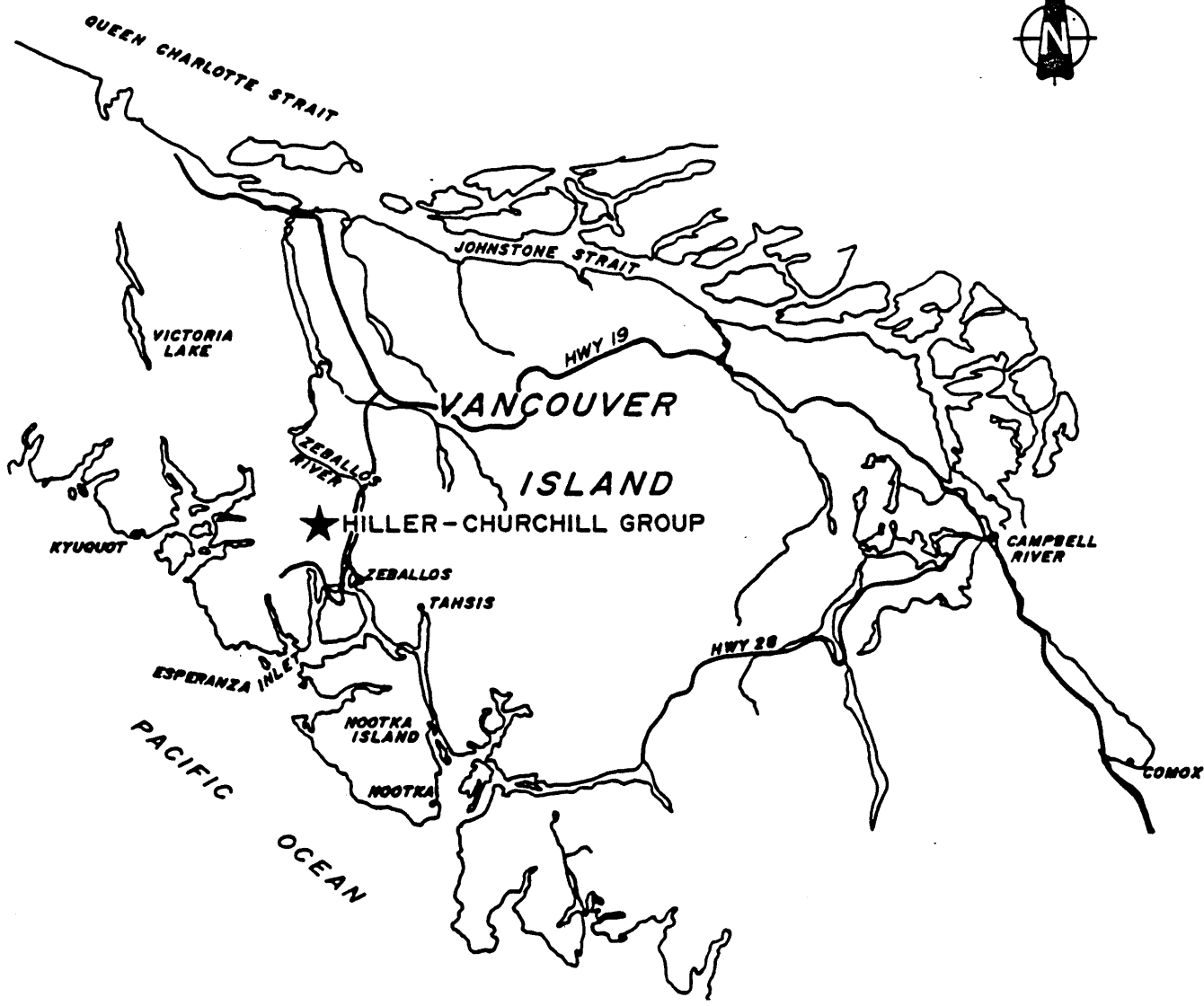
- (1) That I am a Consulting Geological Engineer with offices at 801-850 West Hastings Street, Vancouver, B.C.
- (2) That I am a graduate of the University of Saskatchewan with the following degrees:

Bachelor of Science in Geological Engineering, 1951
Master of Science in Geology, 1955
- (3) That I have practiced my profession continuously since graduation.
- (4) That I am a member in good standing of the Associations of Professional Engineers of British Columbia and Saskatchewan.
- (5) That the attached report on the Hiller-Churchill property is based on a review of extensive data from Falconbridge Limited files as well as a personal field examination of the A-25 grid area made on November 4 and 5, 1987.
- (6) That I have no interest, either directly or indirectly in the property or securities of Footwall Explorations Ltd. nor do I expect to receive such interest.
- (7) That the attached report may be used as part of a Statement of Material Facts and/or Prospectus relating to the raising of public funds to further explore the said Hiller-Churchill property.

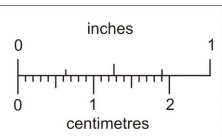
Dated this 1st day of December, 1987 in the City of Vancouver, Province of British Columbia.



James Seaton Kermeen



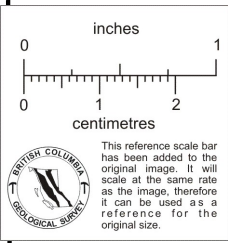
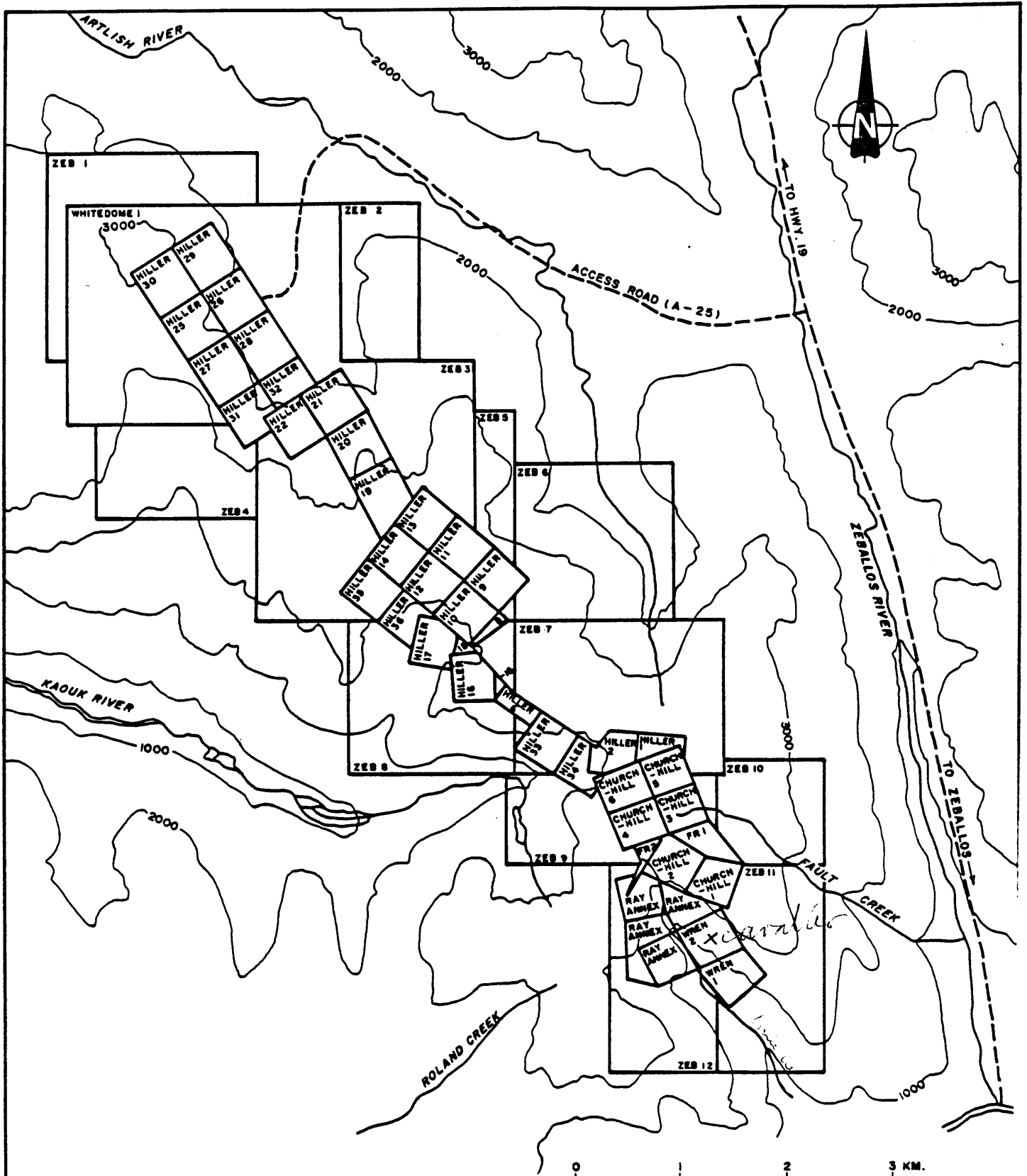
MAP LOCATION



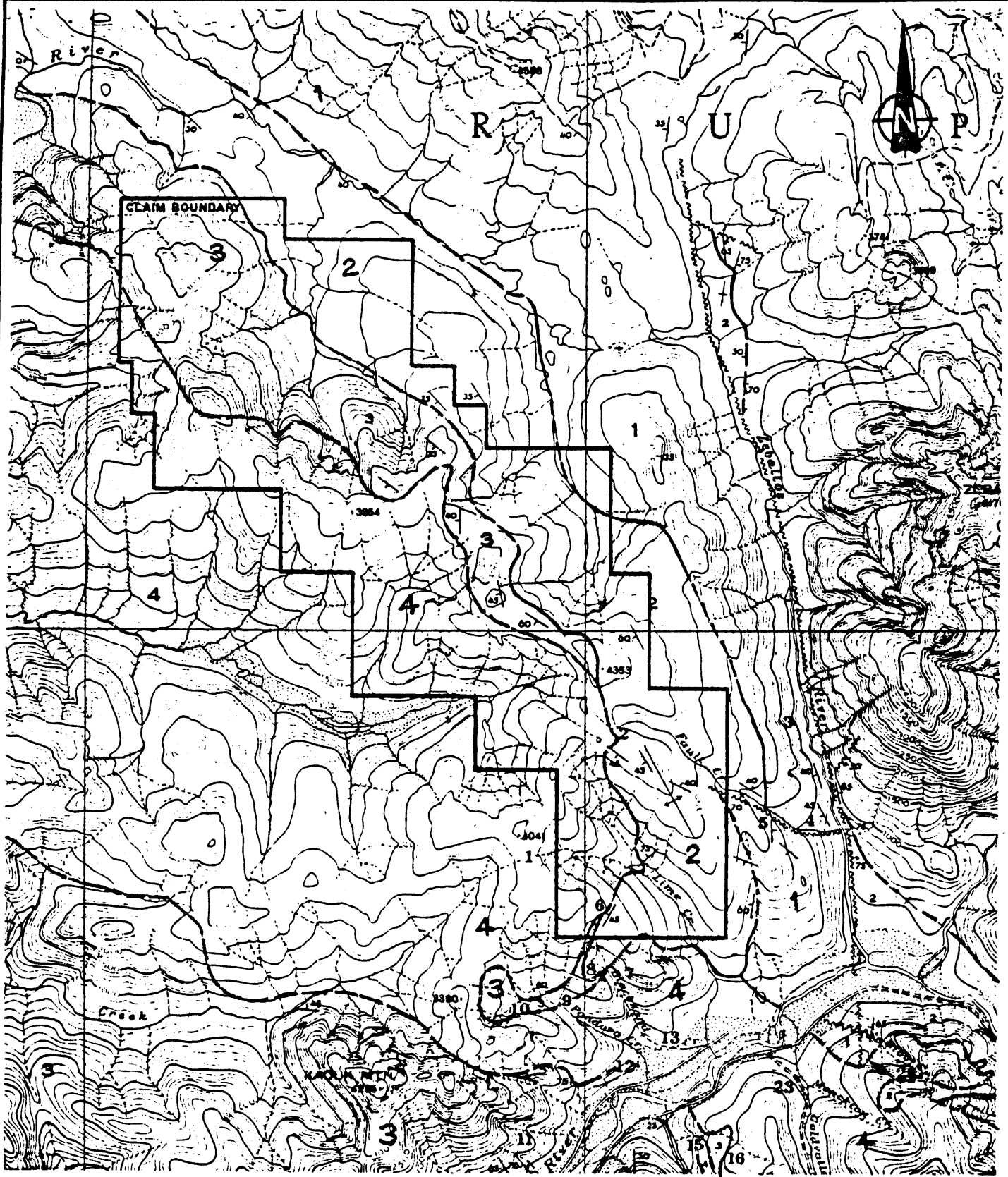
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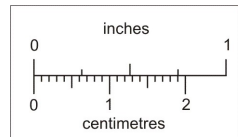
J. S. KERMEEN M.Sc., P.Eng. Consulting Geological Engineer		
CLIENT: FOOTWALL EXPLORATIONS LTD.		
PROJECT: HILLER-CHURCHILL GROUP		
TITLE: LOCATION MAP		
WORK BY: J.S.K.	DRAWN BY: J. EVOY	N.T.S. 92L / 2W
DATE: NOV., 87	REVISED:	FIG. NO. C-87-6-1



J. S. KERMEEN M.Sc., P.Eng. Consulting Geological Engineer		
CLIENT: FOOTWALL EXPLORATIONS LTD.		
PROJECT: HILLER-CHURCHILL GROUP		
TITLE:		
CLAIM MAP		
WORK BY: J.S.K.	DRAWN BY: J. EVOY	M.T.S. 92L/2W
DATE: NOV., 87	REVISED:	FIG. NO. C-87-5-2

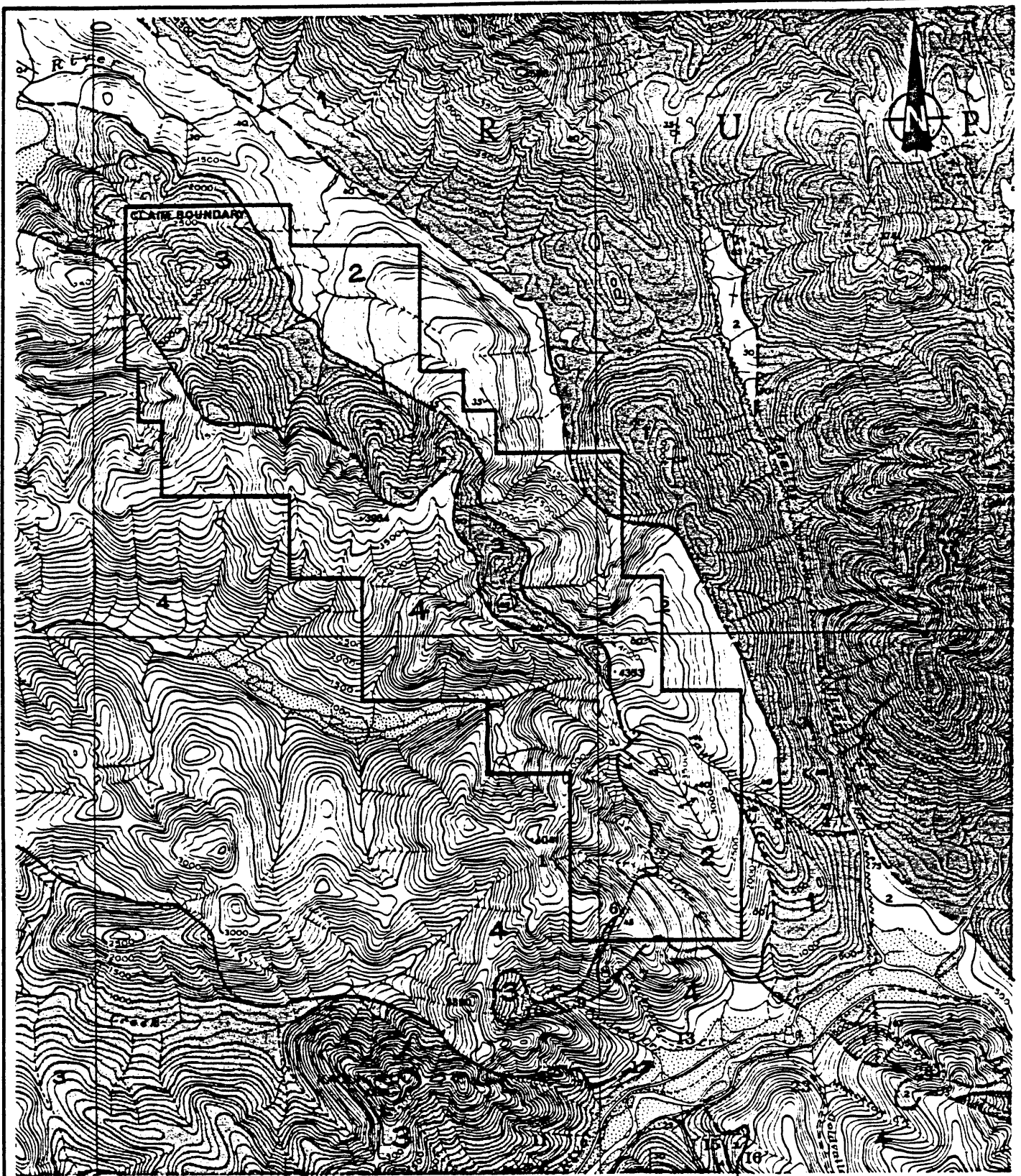


0 1 2 Miles

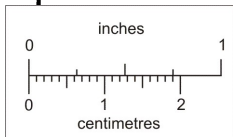


This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

J. S. KERMEEN M.Sc., P.Eng. Consulting Geological Engineer		
CLIENT: FOOTWALL EXPLORATIONS LTD.		
PROJECT: HILLER-CHURCHILL GROUP		
TITLE:		
GENERAL GEOLOGY		
WORK BY: J.S.K.	DRAWN BY: J. EVOY	N.T.S. 92L/2W
DATE: NOV., 87	REVISED:	FIG. NO. C-87-5-3



0 1 2 Miles



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

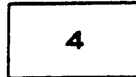
J. S. KERMEEN <i>M.Sc., P.Eng. Consulting Geological Engineer</i>		
CLIENT: FOOTWALL EXPLORATIONS LTD.		
PROJECT: HILLER - CHURCHILL GROUP		
TITLE:		
GENERAL GEOLOGY		
WORK BY: J.S.K.	DRAWN BY: J. EVOY	M.T.S. 92L/2W
DATE: NOV., 87	REVISED:	FIG. NO. C-87-5-3

LEGEND

MESOZOIC

JURASSIC AND/OR CRETACEOUS

UPPER JURASSIC AND/OR LOWER CRETACEOUS
COAST INTRUSIONS

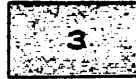


4

Quartz monzonite, granodiorite, quartz diorite, diorite, gabbro; minor aplite and micropegmatite

TRIASSIC AND (?) JURASSIC

UPPER TRIASSIC AND (?) LATER
BONANZA GROUP



3

Andesitic lavas, agglomerates, tuffs, and breccias; basaltic, trachytic, and dacitic lavas; minor intercalated limestone; 400 to 500 feet composed of thin-bedded argillite, tuffaceous argillite, impure limestone, and quartzite at base; numerous thin, intercalated andesitic lavas and associated pyroclastic rocks

TRIASSIC

UPPER TRIASSIC



2

QUATSINO FORMATION: crystalline limestone; minor volcanic rocks

UPPER TRIASSIC AND (?) EARLIER

KARMUTSEN GROUP



1

Basaltic and andesitic lavas, agglomerates, breccias, and tuffs; minor intercalated limestone

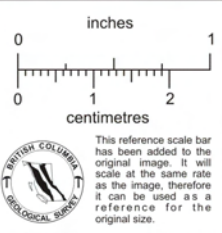
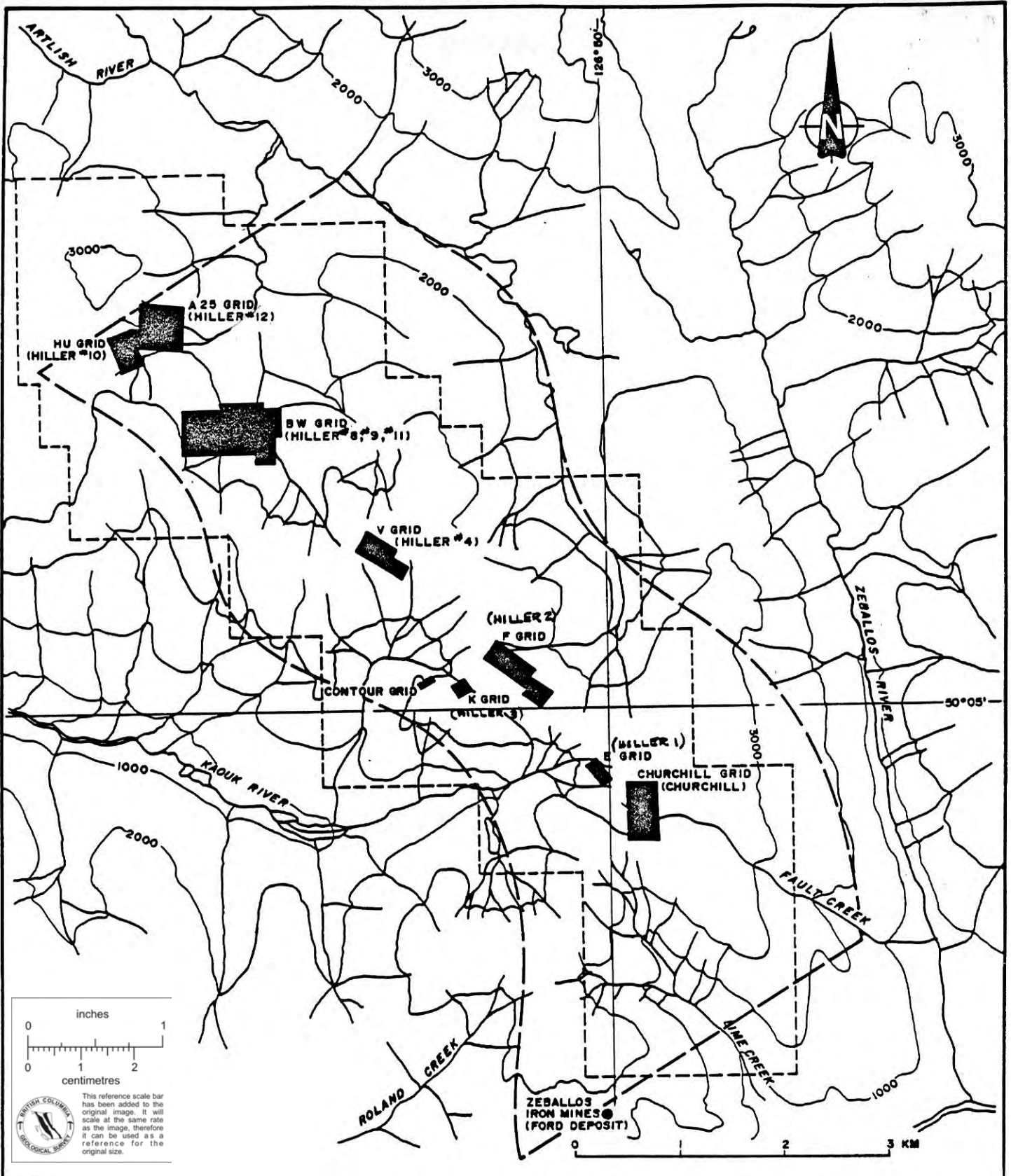
Heavily drift-covered area	
Bedding (horizontal, inclined, vertical)	
Fault (arrow indicates direction of dip)	
Shear zone	
Glacial striae	
Anticlinal axis	
Mining property	2

INDEX TO MINING PROPERTIES

32 Answer (gold)	12 Maquina (gold)
6 Barnacle (gold)	27 Monitor (gold)
29 Big Star (gold)	20 Mount Zeballos (gold)
11 Boden (gold)	3 North Fork Exploration (gold)
22 Britannia (gold)	9 Omega (gold)
28 Central Zeballos (gold)	13 Pandora (gold)
24 C.D. (Rey Oro) (gold)	10 Peerless (gold)
2 Churchill (iron, copper, lead, zinc)	16 Prident (gold)
7 Cordova (gold)	15 Privateer (gold)
8 Ford Magnetite (iron)	30 Prosperity (gold)
23 Gold Creek (gold)	25 Rimy (gold)
31 Gold Gate (gold)	21 Spud Valley (gold)
5 Gold Spring (gold)	33 Tagore (gold)
28 Homeward (gold)	14 Van Isle (gold)
18 I.X.L. (gold)	17 White Star (gold)
4 King Midas (gold)	19 Zeballos (Pacific) (gold)
1 Lucky Strike (gold)	

Geology mainly by H.C. Gunning, 1931, 1932
Descriptive notes by J.W. Hoadley, 1952

J. S. KERMEEN M.Sc., P.Eng. Consulting Geological Engineer		
CLIENT: FOOTWALL EXPLORATIONS LTD.		
PROJECT: HILLER-CHURCHILL GROUP		
TITLE: GENERAL GEOLOGY LEGEND		
WORK BY: J.S.K.	DRAWN BY: J.EVOY	N.T.S. 92 L / 2 W
DATE: NOV., 87	REVISED:	FIG. NO. C-87-5-3c



- - - - -
 OUTLINE OF AERODAT MAGNETIC,
 ELECTROMAGNETIC & VLFEM SURVEY

AGS RP/14457

1:50 000

J. S. KERMEEN M.Sc., P.Eng. Consulting Geological Engineer

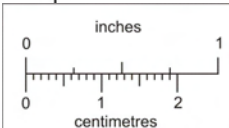
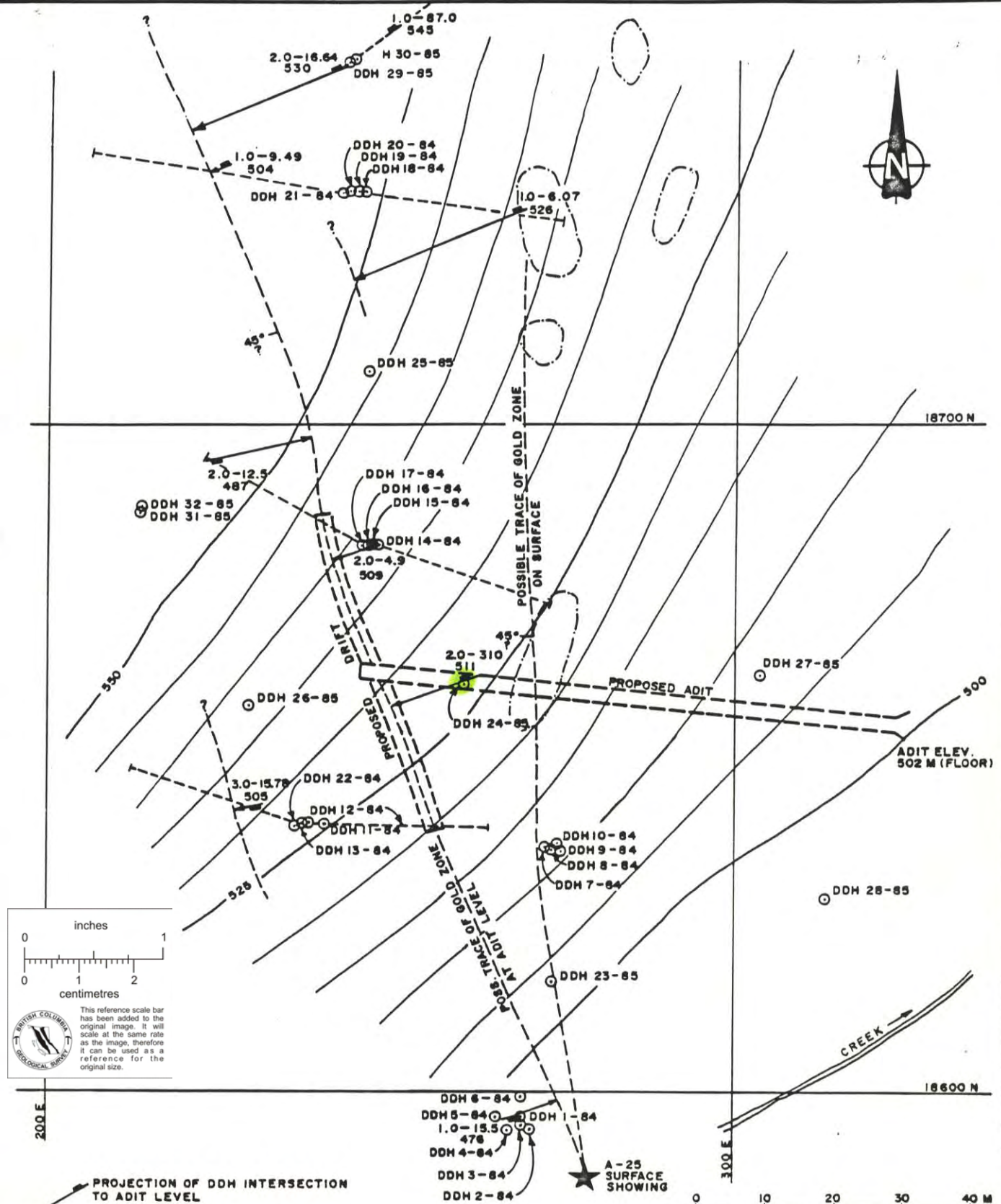
CLIENT: FOOTWALL EXPLORATIONS LTD.

PROJECT: HILLER-CHURCHILL GROUP

TITLE:
**INDEX TO
 GRID LOCATIONS**

WORK BY: J.S.K. DRAWN BY: J. EVOY N.T.S. 92L/2W

DATE: NOV., 87 REVISED: FIG. NO. C-87-5-4



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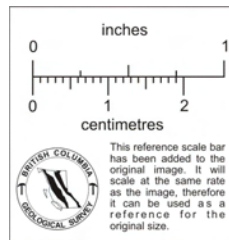
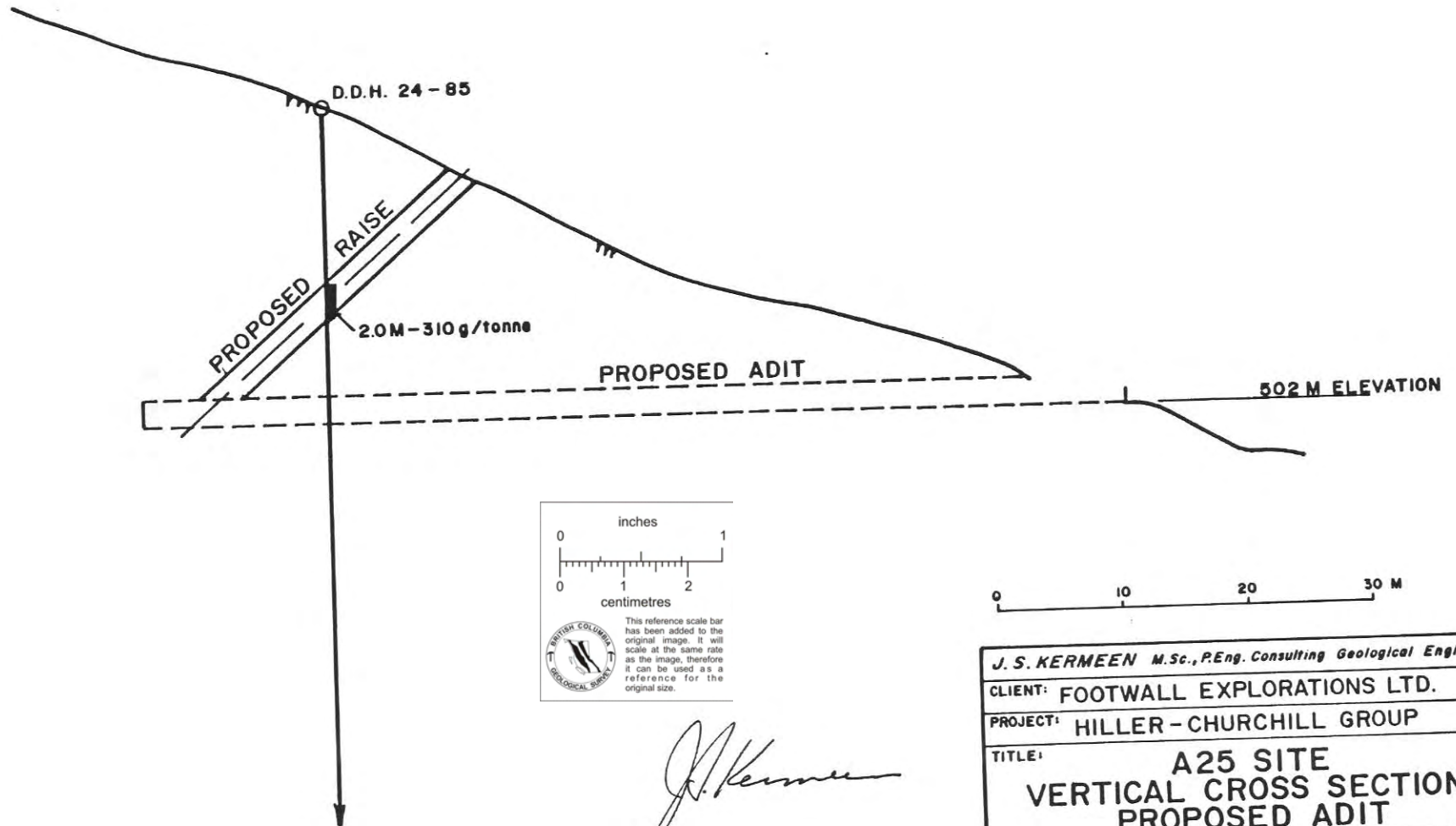


- PROJECTION OF DDH INTERSECTION TO ADIT LEVEL
- DDH INTERSECTION
2.0 - 310 METERS - GM / TONNE
511 ELEVATION
- HIGH SURFACE GEOCHEM

NOTE: ASSUMED STRIKE 158° - 338°
ASSUMED DIP 45°

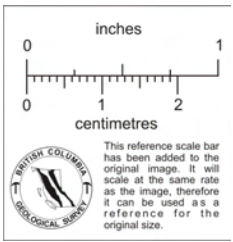
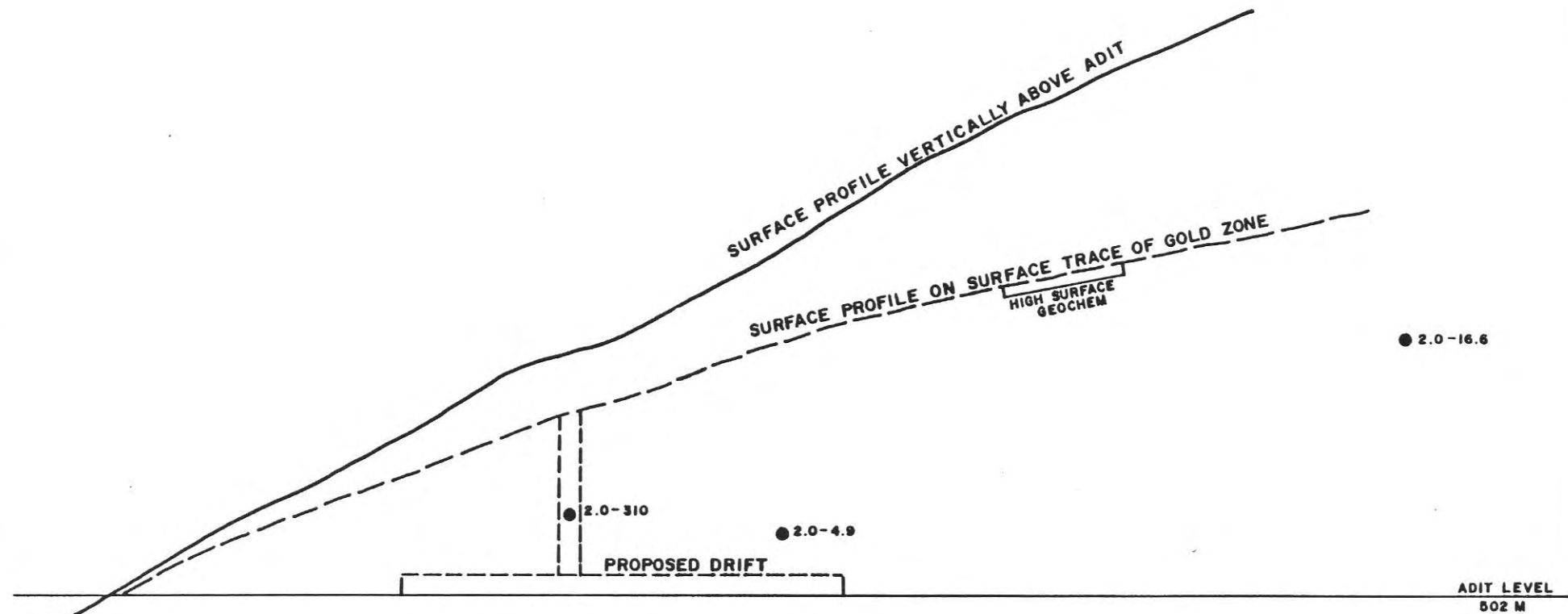
NOTE: ONLY HIGHER ASSAYS SHOWN

J.S. KERMEEN M.Sc., P. Eng. Consulting Geological Engineer		
CLIENT: FOOTWALL EXPLORATIONS LTD.		
PROJECT: HILLER-CHURCHILL GROUP		
TITLE: PLAN OF A-25 SITE SHOWING DIAMOND DRILL HOLES & PROPOSED ADIT		
WORK BY: J.S.K.	DRAWN BY: J. EVOY	N.T.S. 92L/2W
DATE: NOV., 87	REVISED:	FIGURE: C-87-5-5



J. Kermeen

J. S. KERMEEN M.Sc., P.Eng. Consulting Geological Engineer		
CLIENT: FOOTWALL EXPLORATIONS LTD.		
PROJECT: HILLER - CHURCHILL GROUP		
TITLE: A25 SITE VERTICAL CROSS SECTION PROPOSED ADIT		
WORK BY: J.S.K.	DRAWN BY: J. EVOY	N.T.S. 92 L / 2 W
DATE: NOV., 87	REVISED:	FIG No: C-87-5-6



LEGEND

● 1.0 - 15.5 DIAMOND DRILL HOLE INTERSECTION
CORE LENGTH (M) - ASSAY g/tonne

J. S. KERMEEN M.Sc., P.Eng. Consulting Geological Engineer		
CLIENT: FOOTWALL EXPLORATIONS LTD.		
PROJECT: HILLER - CHURCHILL GROUP		
TITLE: LONGITUDINAL PROJECTION INFERRED GOLD ZONE		
WORK BY: J.S.K.	DRAWN BY: J.EVOY	N.T.S. 92L/2W
DATE: NOV., 87	REVISED:	FIG No: C-87-5-7



J.S. KERMEEN M.Sc. P.Eng.

Consulting Geological Engineer

511 - 837 WEST HASTINGS STREET VANCOUVER B.C. CANADA V6C 1B6 - TELEPHONE: (604) 688-3144

801-850 West Hastings Street, Vancouver, B.C. V6C 1E1

February 16, 1988

Mr. J.W. Carson
Footwall Explorations Ltd.
515-837 West Hastings Street
Vancouver, B.C. V6C 1B6

Dear Sirs:

Re: Hiller-Churchill Group of Mineral Claims

I hereby certify that Footwall Explorations Ltd. has, over the past three months, carried out a substantial portion of Stage I exploration in accordance with my recommendations contained in my report dated December 1, 1987.

This work included: mobilization, camp set up, road construction, collaring adit and drifting and slashing at a cost reported to me by the company of \$60,982.11.

I estimate the cost to complete Stage I at: \$139,017.89

Yours truly,

J.S. Kermeen, P.Eng.
Consulting Geological Engineer

JSK:pw



J.S. KERMEEN

M.Sc. P.Eng.

Consulting Geological Engineer

511 - 837 WEST HASTINGS STREET VANCOUVER B.C. CANADA V6C 1B6 - TELEPHONE: (604) 688-3144

CERTIFICATE

I, James Seaton Kermeen do hereby certify:

- (1) That I am a Consulting Geological Engineer with offices at 801-850 West Hastings Street, Vancouver, B.C.
- (2) That I am a graduate of the University of Saskatchewan with the following degrees:

Bachelor of Science in Geological Engineering, 1951
Master of Science in Geology, 1955
- (3) That I have practiced my profession continuously since graduation.
- (4) That I am a member in good standing of the Associations of Professional Engineers of British Columbia and Saskatchewan.
- (5) That the attached letter pertaining to the Hiller-Churchill property of Footwall Explorations Ltd. is based on a review of company records relating to expenditures on the first part of Stage I of recommendations made in my report on the said property, dated December 1, 1987.
- (6) That I have no interest, either directly or indirectly in the property or securities of Footwall Explorations Ltd. nor do I expect to receive such interest.
- (7) That the attached letter may be used as part of a Statement of Material Facts and/or Prospectus relating to the raising of public funds to further explore the said Hiller-Churchill property.

Dated this 16th day of February, 1988 in the City of Vancouver, Province of British Columbia.

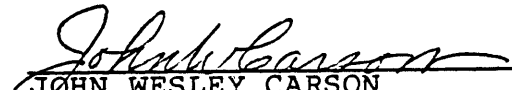

James Seaton Kermeen

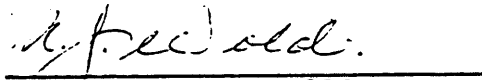
CERTIFICATE

Certificate of the Directors and Promoters

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act (British Columbia) and the regulations thereunder.

DATED at Vancouver, British Columbia, this 24th day of May, 1988.


JOHN WESLEY CARSON
President/Director
Chief Executive Officer


MAUREEN JOANN WOLD
Secretary/Director
Chief Financial Officer


NICK KOCHAN
Director


WALLACE HENRY YAHNKE
Director

Certificate of the Agents


To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act (British Columbia) and the regulations thereunder.

DATED: June 3, 1988

CONTINENTAL SECURITIES

Per: 
PAUL DIPASQUALE

YORKTON SECURITIES INC.

Per: 
WILLIAM WRIGHT