

THIS OFFER OF SHARES IS MADE IN THE PROVINCE OF BRITISH COLUMBIA. THIS OFFER IS NOT MADE IN, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, AN OFFERING OF ANY SHARES FOR SALE IN ANY OF THE OTHER PROVINCES OR TERRITORIES OF CANADA OR THE UNITED STATES OF AMERICA.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

A PURCHASE OF THE OFFERED SHARES MUST BE CONSIDERED A SPECULATION.

CONSOLIDATED CHURCHILL ENTERPRISES INC.

OFFER TO THE HOLDERS OF COMMON SHARES
OF CONSOLIDATED CHURCHILL ENTERPRISES INC.
OF RIGHTS TO ACQUIRE ADDITIONAL COMMON SHARES

Dated: September 24, 1987

RIGHTS OFFERING CIRCULAR

OFFERING OF RIGHTS TO SUBSCRIBE FOR
UP TO 337,903 COMMON SHARES

Date shares became ex-rights:	September 30, 1987
Date rights commence trading on V.S.E.	September 30, 1987
Record date for rights:	October 6, 1987
Date rights trade for cash	October 29, 1987
Rights expire	November 5, 1987
Exercise price	\$0.40
Warrants expiry date	May 3, 1988

Subscription Basis:

Each shareholder shall be issued one right for each one (1) common shares held on the record date. Three (3) rights are required to purchase one share at \$0.40 per share.

NEITHER THE RIGHTS, NOR THE SECURITIES OF THE COMPANY TO BE ISSUED UPON THE EXERCISE OF THE RIGHTS, ARE REGISTERED UNDER ANY OF THE SECURITIES ACTS OF THE UNITED STATES OF AMERICA, NOR OF ANY TERRITORY OR POSSESSION THEREOF, NOR OF ANY PROVINCE OR TERRITORY OF CANADA OTHER THAN THE PROVINCE OF BRITISH COLUMBIA. CONSEQUENTLY, THE OFFERING MADE HEREBY IS NOT MADE TO SHAREHOLDERS RESIDENT OUTSIDE OF THE PROVINCE OF BRITISH COLUMBIA WHO ARE RESIDENT IN A JURISDICTION WHICH WOULD REQUIRE THAT THIS OFFERING BE REGISTERED IN THAT JURISDICTION. THE ISSUANCE OR DELIVERY OF THIS OFFERING CIRCULAR AND SUBSCRIPTION WARRANTS TO SHAREHOLDERS RESIDENT IN ANY SUCH JURISDICTION ARE NOT, AND ARE NOT TO BE CONSTRUED AS, AN OFFERING TO ANY RESIDENTS OF SUCH JURISDICTIONS. SHAREHOLDERS RESIDENT IN SUCH JURISDICTIONS WILL RECEIVE COPIES OF THIS OFFERING FOR INFORMATIONAL PURPOSES ONLY. SUBSCRIPTIONS WILL NOT BE ACCEPTED FROM ANY PERSON, OR HIS AGENT, IF SUCH PERSON IS (OR APPEARS TO BE) OR IF THE COMPANY'S PRINCIPALS BELIEVE SUCH PERSON TO BE RESIDENT IN SUCH JURISDICTION. THE COMPANY UNDERSTANDS THAT PERSONS RECEIVING THE RIGHTS CERTIFICATES MAY ATTEMPT TO SELL THEM, THROUGH THE FACILITIES OF THE VANCOUVER STOCK EXCHANGE OR OTHERWISE IN THE PROVINCE OF BRITISH COLUMBIA, IF THEY DESIRE TO DO SO, PRIOR TO THEIR EXPIRY.

The Company is also searching for a suitable acquisition in areas other than mineral exploration whereby control of the Company would shift to the owners of the company that is being acquired.

Fenton Creek Properties, Omineca Mining Division, British Columbia

The Company is the beneficial owner of a 75% interest in the following Crown-granted mineral claims located in the Omineca Mining Division, south of Houston, British Columbia.

1. Claim Data

<u>Claim Name</u>	<u>No. of Units</u>	<u>Tag No.</u>	<u>Record No.</u>	<u>Staker</u>	<u>Date Started</u>
Fenton 1	1	467822M	132908	R. Bilquist	Oct 31/74
Fenton 2	1	467823M	132909	R. Bilquist	Oct 31/74
Fenton 3	1	467824M	132910	R. Bilquist	Oct 31/74
Fenton 4	1	467842M	132911	R. Bilquist	Oct 31/74
Fenton 5	1	467843M	132912	R. Bilquist	Oct 31/74
Fenton 6	1	467844M	132913	R. Bilquist	Oct 31/74
Fenton 7	1	467845M	132914	R. Bilquist	Oct 31/74
Fenton 8	1	467846M	132915	R. Bilquist	Oct 31/74
Fenton 9	1	467847M	132916	R. Bilquist	Oct 31/74
Fenton 10	1	467848M	132917	R. Bilquist	Oct 31/74
Fenton 11	1	467849M	132918	R. Bilquist	Oct 31/74
Fenton 12	1	467850M	132919	R. Bilquist	Oct 31/74
Fenton 13	1	467851M	132920	R. Bilquist	Oct 31/74
Fenton 14	1	467852M	132921	R. Bilquist	Oct 31/74
Fenton 15	2	15836	419	N. Burhoe	Sep 14/76
Fenton 16	1	15837	420	N. Burhoe	Sep 14/76
Fenton 27	1	34427	508	R. B. Stokes	Nov 22/76
Fenton 28	4	34428	509	R. B. Stokes	Nov 22/76
Fenton 29	2	34429	510	R. B. Stokes	Nov 22/76
Fenton 30	1	34430	511	R. B. Stokes	Nov 22/76

The claim group contains 25 units all together.

2. History

The Fenton Claims were initially staked as the Code Group in June, 1965 by Julian Mining Co. Work included some reconnaissance soil and silt sampling (Assessment Report 799). During the period of December, 1967 to February, 1968, Anaconda American Brass performed induced polarization surveys over the property and discovered several anomalies (Assessment Report 1229).

During 1970, the Fen Claims were staked for Anaconda based on geo-chemical anomalies. In October, 1974, the Fenton Claims 1-14 were staked by R. Bilquist. Linecutting was performed by British Newfoundland in 1975 (Assessment Report 5684) under option from R. B. Stokes. In 1976, further linecutting as well as induced polarization, electromagnetic and magnetic surveys were performed over a small portion of the Fenton Claims. Two hundred fifty-one soil samples were taken.

In addition, some backhoe and bulldozer trenching work was performed as well as 12 percussion holes being drilled for a total of 546 meters (1,790 feet).

In July, 1981 Churchill Energy Inc. purchased the Fenton Claims from R. B. Stokes. As recommended in an independent engineering report, Churchill Energy Inc. has performed exploration work on the Fenton Claims since their acquisition in July 1981. The work has included air photo interpretation, geologic mapping, 12,901.5 meters (42,300 feet) of line cutting, 4,758 meters (15,600 feet) of refurbishing old grid, and soil sampling over the new cut grid. Four hundred fifty-three soil samples were collected and analysed for copper, molybdenum, zinc, lead and silver. Geophysical surveys were also conducted over portions of the Fenton Claims. The surveys included magnetics, VIP electromagnetic surveys, and induced polarization surveys.

3. Regional Geology

The geology of the Tsalit Mountain area consists of Upper Mesozoic and Tertiary volcanic and sedimentary rocks as well as some granitic intrusions.

Early Mesozoic rocks underlie most of the map area and are host to the mineral deposits on Tsalit Mountain. The lowest part of the sequence is argillaceous shales which are overlain by a thick rhyolite unit (approximately 300 meters thick).

The youngest rocks are fresh, glassy rhyolite lavas and breccias exposed between Tsalit Mountain and Fenton Creek, and are semi-circular in shape possibly representing rhyolite domes.

Mineralization on Tsalit Mountain is exposed in several trenches. Azurite staining in sheared sericitized rhyolite (6.8 oz/ton Ag and 0.9% Cu over 10 feet) and pyrrhotite, chalcopyrite, spalerite and pyrite replacing the matrix of a tuff breccia (0.6 oz/ton Ag and 0.4% Cu over 45 feet) occur near the summit of Tsalit Mountain. Minor Molybdenite also occurs in quartz-calcite-amphibole filled amygdules with pyrrhotite, minor pyrite and chalcopyrite.

4. Work Performed

Stage One (A) of the independent engineering report dated August, 1981 has been completed. This phase of work included the compilation of all old reports and assimilating the data on one base map. It also included air photo interpretation and a preliminary mapping and prospecting program.

Stage One (B) has also been completed. The work on this stage was performed during the 1982 field season. It included line cutting to IP standard and the refurbishing of an older pre-existing grid. Twelve thousand nine hundred and one (12,901) meters of new grid were cut and 4,758 meters of old grid were improved and reflagged. The property was mapped in detail using the grid lines as location points. The new grid lines were also soil sampled. Four hundred fifty-three (453) samples were collected and analysed for copper, molybdenum, silver, lead and zinc. Geophysical surveys were conducted on the property as well. These included magnetics, VLF electromagnetics and induced polarization surveys.

5. Results

The presence of Equity Silver, a producing silver mine located some 29 kilometers to the east makes the Fenton property of considerable interest. The Fenton Claims are in a similar volcanogenic environment as that of the Equity Silver mine with rhyolite domes and associated altered volcanic debris. The area of the Fenton Claims is also structurally well prepared by massive intersecting fault zones.

The geochemical survey done in the 1982 field season, as well as work performed by previous owners has indicated the presence of two anomalous zones on the property. The most significant area is a copper-silver geochemical anomaly that is 488 meters (1,600 feet) long, open at both ends, and is 122 meters (400 feet) wide. This area coincides with one of the major northwest-southeast fault zones on the property and is at the intersection of at least three major fault zones.

A second anomalous area was delineated on another portion of the property with a different geochemical nature. This anomaly is zinc-silver-lead. It is felt that this anomaly may be induced by zinc (sphalerite) mineralization that is stratigraphically controlled in a portion of the altered agglomerate unit. Sphalerite mineralization has been found in steeply dipping veinlets and as fine grained disseminations in this unit of the Fenton Claims.

Generally, the geophysical surveys produced inconclusive results although several anomalous areas were located with each of the methods used. There was some coincidence with the copper-silver anomaly and the IP survey. Until the geology is better understood in the overburden covered areas (the predominant part of the property), the nature of the geophysical responses remains unresolved.

The Company does not intend to develop these properties at this point in time.

OPTIONS TO PURCHASE SECURITIES OF THE COMPANY

The company granted 101,370 Director and Employee Stock Options at \$0.67 per Share exercisable for a period of five years, from May 4, 1987.

Steven Simonyi-Gindele	50,685	as a Director
Ruth Simonyi-Gindele	50,685	as an Employee

SECURITIES OF THE COMPANY HELD IN ESCROW, IN POOL OR SUBJECT TO HOLD RESTRICTIONS

Escrowed Shares

As at April 14, 1987, an aggregate of 412,088 shares were held in escrow by the Company's transfer agent, Yorkshire Trust Company ("Yorkshire Trust") of 1100 Melville Street, Vancouver, B.C. V6E 2B6, held pursuant to agreement dated April 14, 1987, which agreement provides that the shares held in escrow may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, Yorkshire Trust or any of the escrow shareholders make any transfer or record any trades in such shares without the prior consent of the Superintendent of Brokers for British Columbia (the "Superintendent").