

Vancouver Island: Projects Prosper

By Roderick MacDonald

Gold exploration continues unabated across Canada, literally coast to coast. In British Columbia, most of the excitement and energy has been focused on northwestern gold camps, however, Vancouver Island has been shaping up as another major area of interest.

Unfortunately, promising results from some projects have been dampened by declining gold values and, more seriously, by the provincial government.

In a decision industry representatives said was based on hysteria, British Columbia parks minister Terry Huberts announced in early September there would be no new mineral exploration by Cream Silver Mines Ltd. in Vancouver Island's Strathcona Park.

Geologists estimated Cream Silver Mines Ltd. had a 50% chance of finding a major ore body, perhaps as large as 50 million tons, and creating direct employment for about 500 workers. However, all is not doom and gloom. Exploration continues on other parts of the Island and several projects are making interesting headway.

The largest concentration of effort and expenditure in the area has been in the Sicker Group of paleozoic volcanic and sedimentary rocks of southern Vancouver Island. Here, the most significant development has been the spectacular success on the Debbie/Yellow Project five miles southeast of Port Alberni by the Westmin Resources Ltd. and Nexus Resource Corp. joint venture.

The partners have spent more than \$5 million exploring the 23 square mile properties. Nexus holds a 50% interest in the Debbie Property and a 100% interest in the Yellow Property. By spending \$811,000 by February, 1989, operator Westmin will earn a 24.5% interest in the Yellow Claim.

Over the past two years about 135,000 ft of diamond drilling in 250 holes led to the discovery and partial delineation of three important gold zones on the Debbie Property: the Mineral Creek, Linda and 900 Zones.

Among the better drill intersections from the Mineral Creek Zone are: 31.2 ft of 0.128 oz/ton gold, 7.6 ft of .556 oz/ton gold, and 69.1 ft of 0.103 oz/ton gold.

To the east and just north of the Debbie/Yellow Boundary, the Linda Zone oc-

curs as a series of high-grade, east dipping gold-quartz veins. Assay results have included 3.3 ft of 1.383 oz/ton gold, 9.5 ft of 0.203 oz/ton gold, and 9.9 ft of 0.578 oz/ton gold.

A mile southwest of the Mineral Creek Zone, a folded auriferous chert formation caps the 900 Zone, a high-grade gold bearing quartz stockwork which has returned drill results, from closely spaced holes, which are nothing short of spectacular. Results range from 47.1 ft of 4.078 oz/ton gold and 71.5 ft of 0.736 oz/ton gold to 6.9 ft of 2.760 oz/ton gold and 5.2 ft of 0.959 oz/ton gold.

Regarding well publicized assay results from the 900 Zone, the new president and chief executive officer of Nexus, Dr. John Stephenson, says: "We had two very good holes there, they actually criss-crossed each other, but that was intentional in order to get a sense of the shape of this very high grade zone. It looks like an irregular pipe-like body or a stock-work zone, but we're not quite sure what it is yet."



Ore hauling is underway at McAdam Resources' Spud Valley Gold Project near Zeballos.

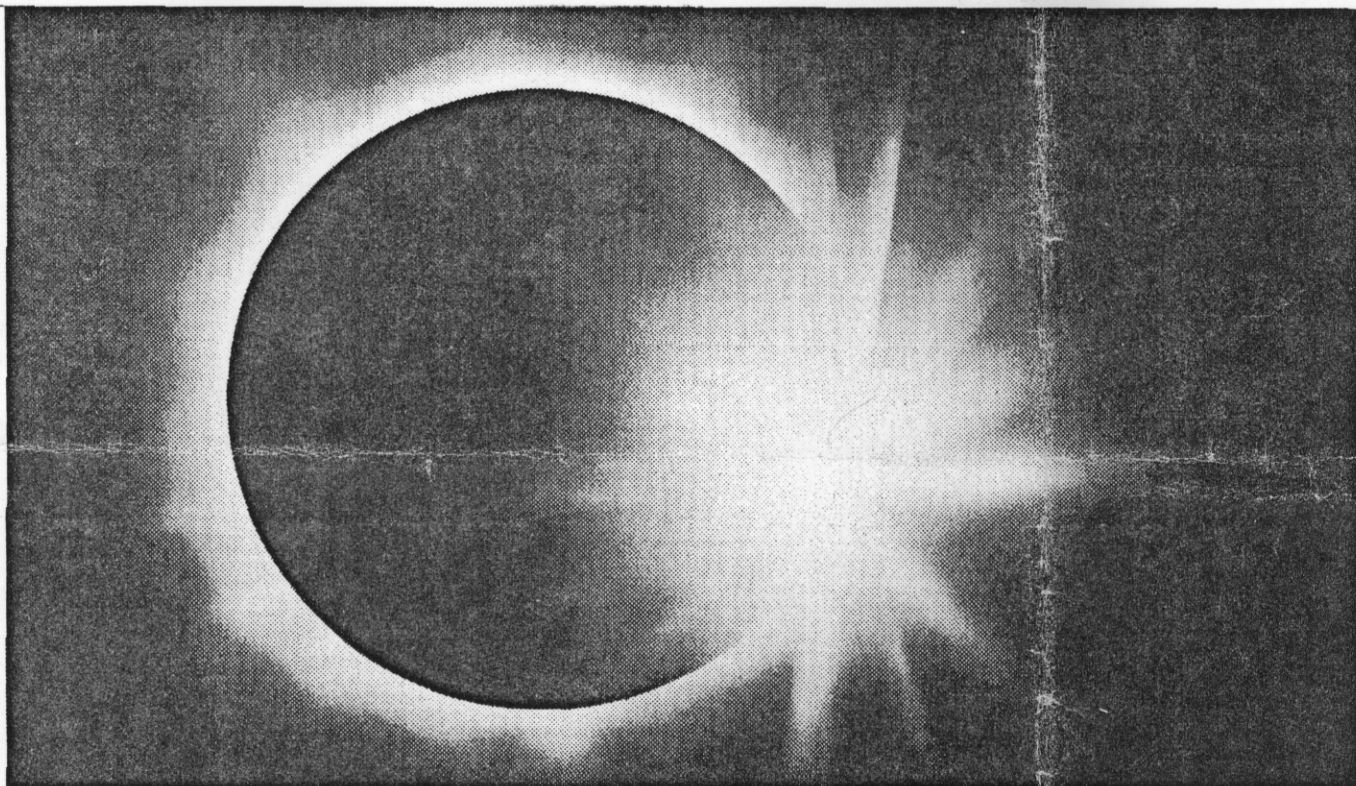
"Now that we have a reasonable idea what's happening underground we want to see whether it does indeed come to the surface."

The companies are in the midst of a \$6 million (Nexus \$2.8 million, Westmin \$3.2 million) underground exploration program.

The highlight of the exploration effort is a 1.2 mile tunnel, being built by Main Street Mining of Whitehorse, which was

begun in June and should be finished in early 1989. The \$3.3 million trackless tunnel is being driven through McLaughlin Ridge to a surface breakthrough between the Mineral Creek and Linda Zones and will be used primarily as a diamond drill platform for further exploration of the projected strike and dip extensions of both

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Vancouver Island

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zones over the full length of the tunnel. Bulk samples from the mineralized zones will provide metallurgical data for a feasibility report also due in early 1989. The tunnel could serve as a haulage route for a future mining operation. A gravel road to the portal site, 11 miles from Port Alberni, is in place.

Stephenson says work on the Debbie/Yellow project is "going very well indeed. The tunnel is about 1 km (half-way in) from the portal and, barring any unforeseen circumstance, the contractor expects to be finished well within the deadline of Feb 28, 1989."

Adjacent and to the east of the Debbie project sits two mineral claims, collectively known as the DDAM claims, which are on strike with the Linda Zone's high-grade, quartz-vein structure. Vancouver based Profco Resources Ltd. has entered into an option agreement to acquire up to a 75% interest in the DDAM claims in consideration for the payment of \$10,000 and the issuance of up to 60,000 common shares of the Company as well as the completion of \$300,000 of exploration work by 1991.

A 65% interest in the Lara copper-gold property, near Chemainus and part of the

Sicker belt, has been sold by Abermin Resources Ltd. of Vancouver to 35% holder Laramide Resources Ltd. for \$2.3 million and a 10% royalty on net profits from production.

Laramide reports that this season's exploration work is close to completion. A decline to the first level and about 2,000 ft of underground work have been finished. High grade massive sulphides with an average width of eight ft have been intersected in four crosscuts over a strike length of 360 ft. Preliminary assay results from the first four crosscuts show a weighted average grade of 0.93% Cu, 0.78% Pb, 6.84% Zn, 2.40 oz/ton silver and 0.104 oz/ton gold over an average width of 11 ft. Ground conditions are generally good and high grade ore is being stockpiled on the surface.

Drill indicated reserves now stand at 583,000 tons grading 1.01% Cu, 1.22% Pb, 5.87% Zn, 2.92 oz/ton silver and 0.138 oz/ton gold.

Twenty Km south of Port Alberni, SYMC Resources, a private company, will have a 100 ton a day mill in production by the end of the year. The mill, which is located in the Maktush area, will employ 22 people and will process gold, silver and copper.

Company president Herb McMaster

says the company has 152,000 tons of proven ore averaging 0.54 oz/ton gold, 2.29 oz/ton silver and 0.75% copper.

Other gold targets on Vancouver Island that have captured the interest of companies and prospectors are the mesothermal to epithermal quartz veins and vein-breccia occurrences that are known or suspected to be of Tertiary age. The most important of these, according to government geologists, is the Mount Washington property of Better Resources Ltd.

Company president Dennis Baxter says the company has been exploring outside the property's main deposit area and getting "frustrating results all season," however they have made substantial additions to tonnage, which should hit 750,000 tons averaging about 0.25 oz/ton gold.

Baxter says to date Better has only worked about 15% of the property, which is near Courtney, and says results indicate the company is "at the threshold of a small mine right now." Beginning in November the company will re-work tonnage and grade. Metallurgy is "nicely in-hand" and Baxter says by December the company should be in a position to consider moving to feasibility.

"We've drilled over 200 holes and done 1,000 feet of underground exploration so we have lots of data on the project," Baxter says. "Our confidence level in our announced tonnage, 472,000 tons of 0.257 oz/ton gold and 1.27 oz/ton silver, is quite high. We'd just like to see a bit more there."

On the Dove Gold Project, located on the east flank of Mount Washington, a 50/50 joint venture of Visible Gold Inc. and operator Westmin Resources Ltd., a \$750,000 exploration program, including 16,000 ft of diamond drilling, is underway. Five principal target areas have been selected for drilling.

The pond area, near the centre of the property, contains strong geophysical anomalies flanking a Tertiary intrusion and prominent magnetic high. Mineralized boulders in the area assay up to 0.876 oz/ton gold.

In the northwest section of the property, an area has been identified which contains both boulders and bedrock occurrences of quartz-sulphide vein, breccia and carbonate altered basalt. Bedrock samples contain up to 6.8 oz/ton silver with anomalous gold, and boulders contain up to 19.8 oz/ton silver, 0.04 oz/ton gold, 5.3% lead and 4.9% zinc.

The Footwall Explorations Ltd. Hiller-Churchill group of mineral claims located near Zeballos in the northeastern part of Vancouver Island sits at the heart of another active gold camp. Here underground exploration on the company's A-25 gold zone consisting of drifting and raising to one of several high grade diamond drill intersections has confirmed previous high grade assays from hole 24-85.

Sludge samples from the west side of the raise approximately 41 to 49 ft below the surface returned the following values:

22.58 oz/ton gold from 0 ft to 4 ft, a 10.38 oz/ton gold from 4 ft to 8 ft.

The raise, which knuckles back to surface also encountered an additional ft of massive sulphides. Detailed sampling geological mapping and surveying are being carried out to determine the best method for further underground exploration.

Footwall president Johnny Carson says his Zeballos property has a different geology than other mineral prospects in the area. "We do have quartz veins on the property," Carson says, "but in the A-Zone we're in a bedded deposit between sediments and the volcanics. It's not a quartz vein, which usually indicates something small in nature, particularly the Zeballos area. McAdam and some of the other companies in the area are in entirely different thing altogether. They're looking at quartz veins in granite."

John McAdam, the president of Toronto based McAdam Resources Inc. reports that underground exploration is continuing at the company's Spud Valley Gold Property near Zeballos. McAdam says the project is moving along well and "should become a nice little gold producer."

Crews have been cleaning previous workings prior to re-sampling the vein to confirm historic sampling, and new targets such as the A vein, which returned 2.4 oz/ton gold over 4 ft, will also be tested.

Exploration drifting is continuing on 7 level Spur vein in order to gain access to down-dip extensions. Drifting on the vein has revealed a strong structure with so sections of ore grade material. The company expects to add a significant reserve block after the next 400 ft of drifting. Early November a phase of driving exploration raises in the various veins will be initiated so that vertical continuity can be substantiated.

McAdams says a modular test rig ordered for the site is being built in Toronto, and B.C. regulatory approval and permits are in place for ore testing. The rig is expected to arrive on-site in December. Official testing should begin in early March, and, if all goes well, McAdam says the rig will "slip into 150 to 200 tons per day" allowing the property to eventually produce 15-20,000 oz of gold per year. Reserves stated at 247,078 tons of 0.411 oz/ton gold.

On the Central Zeballos claim group CanAlaska Resources Ltd. has entered into an option agreement with New Imperial Resources Inc. whereby CanAlaska earns a 50% interest in the 35 claims by paying out \$500,000 worth of exploration work.

Phase I work began in early September and \$125,000 is being spent on underground rehabilitation, sampling and further work designed to determine the extent of the main vein.

Based on previous exploration reports the Zeballos project has a proven and probable reserves of about 10,000 tons at 0.4 oz/ton gold. Previous underground production and development work at the site should help CanAlaska bring the project to the pre-production feasibility stage.

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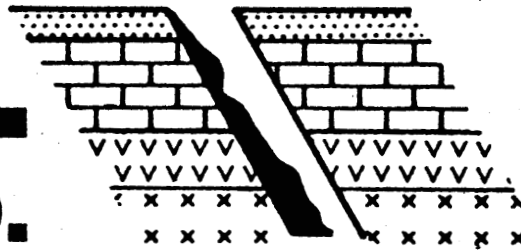
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THE PROPERTY

Located near Zeballos, Footwall's 180 claim unit, 2921 hectare property is situated near the west coast of Vancouver Island, British Columbia. The Zeballos gold camp, discovered around 1934, is in one of the oldest, richest and least exploited precious and base metal areas in British Columbia. From 1930 until 1942, 13 operating mines produced 287,811 ounces of gold. The most productive of these mines, the Privateer, is again on the verge of going into full production. It is significant to report that the Zeballos gold camp never reached its zenith after its initial eight years of operation because of the onset of World War II and the war's onslaught on skilled mining manpower.

Footwall's property itself, designated as the Hiller-Churchill group of claims was subject to considerable exploration, mapping, drilling and magnetometer surveys during the 1950's and 1960's to delineate the iron ore potential of the property. This was subsequently established to be 5.7 million tons of drill estimated magnetite averaging 33% Fe. An adjoining property, the Zeballos Iron Mine, in fact shipped 1,420,000 tons of magnetite concentrate during 1962-1969.

Research indicates this magnetite concentrate, which has numerous and essential industrial uses such as coal scrubbing and ferro concrete, is in relatively short supply and is currently commanding a price of \$80-100 per metric tonne. Exploitation of this resource has the potential of adding multi-millions of dollars to the value of this property.

Even given the historic gold production in this area, scarcely any attention was paid to the precious metal potential of these claims. In 1984, however, several anomalies were located in the A-25 grid area of the Hiller claims, the most northwesterly of the block. Sixteen out of the 32 diamond drill holes intersected gold mineralization in Skarn zone. Hole H85-24 intersected 6.5 feet averaging 9.03 ounces of gold.

Diamond drill core assays greater 0.33 ounce

HOLE #	WIDTH IN FEET	OUNCES PER TON AU
84-1	3.3	0.45
84-7	3.4	1.14
84-17	3.3	0.53
84-20	3.3	0.51
84-22	9.9	0.50
85-24	6.5	9.03
85-29	3.3	0.72
Plus	6.5	0.50
85-30	3.3	2.54

On September 26th, 1988, the Directors of Footwall Explorations Ltd. were pleased to report positive results from the exploration program.

Underground exploration on the A-25 gold zone which has consisted of drifting and raising to one of several high grade diamond drill hole intersections has now confirmed previous high grade assays from diamond drill hole 24-85.

Sludge samples (drill cuttings) from the west side of the raise approximately 41 to 49 feet below the surface returned the following impressive values:

From 0 ft. to 4 ft. = 22.58 oz of gold per ton
From 4 ft. to 8 ft. = 10.38 oz of gold per ton
[for an average of 16.48 oz of gold per ton]

The raise which knuckles back to the surface also encountered an additional 20 feet of massive sulphides. Assays are pending.

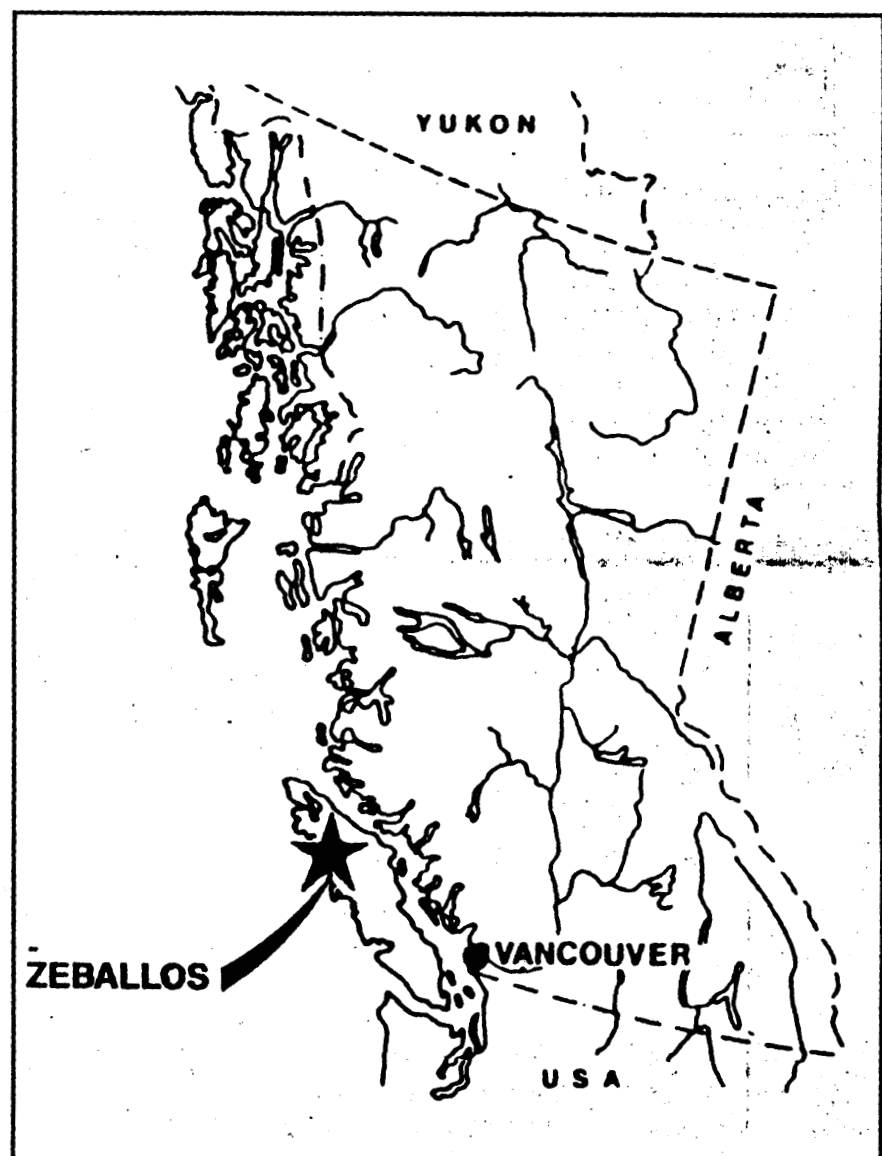
Current muck samples (broken rocks) from the zone have now returned values of 6.630 oz of gold per ton.

Detailed sampling and geological mapping, as well as surveying is being carried out to fully evaluate these results and determine the best method for continuing the underground exploration program.

Vein material from another zone on the same property have returned surface assays of 2.532 oz gold per ton, 7.01 oz silver per ton and 8.82% lead and 24.63% zinc.

Gold-enriched skarn zones are now recognized by the mining industry as vitally important exploration targets for precious metal deposits. Historically, B.C.'s Phoenix mine with its gold-silver-copper skarn deposit produced in the order of one million ounces of gold, 6 million ounces of silver and five hundred million pounds of copper. The gold-enriched skarn of Nickel Plate Mountain, owned by Mascot Gold Mines is currently British Columbia's major gold producer.

An exploration program which will total \$1,000,000 on the Hiller-Churchill Group has commenced, the camp has been established, a road to the portal has been built and 349 feet of crosscut drifting, 102 feet of raising and 31 feet of sub-drifting has been achieved.



CAPITALIZATION:

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MANAGEMENT

The directors of Footwall Explorations are experienced mining people, highly qualified in mineral exploration and development. The team is headed by well known prospector and exploration manager John W. Carson.

FOR FURTHER INFORMATION:

If an investor wishes information on the company you are invited to call:

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