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PROPERTY FILE
Eric Property
94E/2E

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE
(Development Company)

STATEMENT OF MATERIAL FACTS (79/88)
EFFECTIVE DATE: December 16, 1988

CONSOLIDATED PETROQUIN RESOURCES LIMITED (formerly Petroquin Resources Limited), Suite 200 - 1130 West Pender Street, Vancouver, B.C., V6E 4A4, (604) 681-3400
NAME OF ISSUER, ADDRESS OF HEAD OFFICE, AND TELEPHONE NUMBER

#301-701 West Georgia St., Vancouver, B.C., V7Y 1C4
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

THE ROYAL TRUST COMPANY, 505 Burrard Street, Vancouver, B.C., V7X 1R5
NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

OFFERING: 1,000,000 Common shares without par value

	Price to Public	Under-writers' Discount	Net Proceeds to be received by the Issuer (1)
Per share	\$ 0.26	\$ 0.05	\$ 0.21
Total	\$ 260,000	\$ 50,000	\$ 210,000

(1) Before deduction of the costs of this issue estimated to be \$30,000.

The offering price of the Shares will as determined in accordance with the rules and policies of the Vancouver Stock Exchange be \$0.26 per share.

3. MATERIAL NATURAL RESOURCE PROPERTIES1. SUMMARY OF MATERIAL MINING PROPERTIES

- Group I Properties for which regulatory approval has been obtained under this Statement of Material Facts.
- Group II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.
- Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.

Property Name	Issuer's Planned Acquisition and Exploration costs to Date (in \$)	Shares Issued	Expenditure from funds available upon the Offering
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Group I

Eric Property	NIL	50,000	\$ 100,000
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Group II

NIL

Group III

NIL

GROUP I - PROPERTIES FOR WHICH REGULATORY APPROVAL HAS BEEN OBTAINED UNDER THIS STATEMENT OF MATERIAL FACTS.

1) ERIC PROPERTY

The Issuer by an agreement dated May 11, 1988 and amended October 5, 1988 with Canadian Venture Corp. of 301 - 535 Howe Street, Vancouver, B.C., V6J 2Z4, ("CVC") (the "Agreement") acquired an option to earn up to a 50% interest in five mining claims located in the Omineca Mining Division, British Columbia (the "Eric Property") as follows:

<u>Claim</u>	<u>Record Number</u>	<u>Units</u>	<u>Expiry Date</u>
Eric	7467	12	Feb. 12, 1989
Peak	8306	20	April 16, 1989
Swan 1	8309	20	April 16, 1989
Swan 2	8310	20	April 16, 1989
Dawn	8311	16	April 16, 1989

Pursuant to the Agreement the Issuer agreed to issue 50,000 shares (post-consolidation) to CVC upon acceptance of the Agreement for filing by the Vancouver Stock Exchange. To earn a 50% interest in the Eric Property the Issuer must incur exploration expenditures on the Eric Property of \$125,000 by August 11, 1989, an additional \$175,000 by May 11, 1990 and an additional \$200,000 by May 11, 1991. If the Issuer earns the 50% interest in the Eric Property a joint venture will be formed of which CVC will be the operator and the interests of the parties are subject to dilution for non-contribution to programs. The Issuer agreed prior to his appointment as Secretary/Treasurer to pay a finder's fee of \$5,000 to William N. Desjarlais in relation to the acquisition of the Eric Property.

The Eric Property is the subject of a report by J.P. Sorbara & Associates dated February 25, 1988 which indicates as follows.

"Location and Access

The Eric Property is situated in the Toodoggone River area of north central British Columbia, approximately 280 km north of Smithers. The claims are south of the Toodoggone River and east of the Finlay River. They are approximately centered at north latitude 57 degrees 10' and west longitude 126 degrees 40'.

Access is by fixed-winged aircraft from Smithers to the Sturdee airstrip 290 km north of Smithers, and from there by helicopter 20 km to the east. The Omineca Resource Road has recently been completed to allow access to the Toodoggone area, but is not yet available for public use."

"Property History

Previous work on the Eric claim (then called the Mex claim) was done by Cominco Ltd. in 1977. The work consisted of reconnaissance geological mapping, and soil and rock chip sampling for copper and molybdenum mineralization. The geological work indicated an environment permissive for porphyry copper and molybdenum deposits. Caelles (1978) obtained significant gold values from rock chips taken from an altered zone of quartz-monzonite and monzonite 600 m in diameter. Values ranged from <10 to 780 ppb gold in rocks.

Follow-up work in 1981 by Cominco outlined an area 600 m in diameter which contains gold anomalies in rock and soil. Gold values range from <10 ppb to 3260 ppb in soils and up to 168 ppb in rocks (Sharp, 1981). A diamond drilling program was recommended to test the gold/copper zone.

A summary report by Cooke (1986) on the Eric claim gave results for 6 rock geochemical samples. The values for gold range from 5 to 145 ppb. Cooke suggests that the altered zone of intrusive rock and enclosed altered breccia may represent a breccia pipe occurring within a sub-volcanic intrusive complex. If so the breccia pipe may have served as a conduit for mineralizing fluids. He recommended a program of detailed rock chip sampling and geophysics to test the potential of the Eric Property.

The four remaining claim blocks (Dawn, Peak, Swan 1 and Swan 2) have no reported work history."

"Regional Geology and Mineral Deposits

The Toodoggone River precious metal district lies in a northwesterly trending belt near the eastern margin of the Intermontane Belt, which is a major tectonic feature of central British Columbia. The Toodoggone belt extends for more than 100 kilometers, from McConnell Creek to the Stikine River, and is approximately 20 kilometers wide. It is bounded on the west by the Stikine Plateau and on the east by the Omineca Mountains.

The rock types within the Toodoggone belt are volcanic, sedimentary and intrusive. The Toodoggone's numerous epithermal precious metal occurrences usually occur within the Toodoggone Volcanics. The Baker deposit, however, as well as a number of other prospects, occur within Takla volcanic rocks, which unconformably underlie the Toodoggone Volcanics.

Other rocks in the area include Permian Limestones of the Asitka Group and Jurassic and Cretaceous Omineca Intrusions. The intrusive rocks range in composition from granodiorite to quartz granodiorite with quartz monzonite being most abundant. The intrusives are generally considered to be coeval with the

Toodoggone Volcanics and were probably responsible for the circulation of hydrothermal fluids, believed to be a factor in localizing precious metal mineralization in the area (Schroeter, 1981).

Regional northwest trending faults are important factors in the development of gold-silver epithermal veins in the area. Many major deposits are located on or near a well-developed regional fault. These include the Chapelle (the Baker Mine orebody), the Lawyers, Al, Mets, Metsantan, Moosehorn, Silver Pond, Marmot, and Perry Mason deposits. In addition to proximity to faults, siliceous volcanic centres, exhalative vents and zones of alteration are all important features of precious metal deposits within the volcanics.

The main ore minerals identified in the Toodoggone district's precious metal deposits are acanthite (silver sulfide), gold, silver and electrum with minor amounts of chalcopyrite, galena and sphalerite. Grades for gold generally range from 0.1 to 1.0 oz/ton."

"Property Geology and Mineralization

The Eric Group of mineral claims is underlain by Lower to Middle Jurassic Toodoggone volcanics which have been intruded by Middle Jurassic batholith along the eastern margin of the claim block (Diakow, et al., 1985). The batholith consists of coarse-grained granodiorite and quartz diorite.

According to Cooke (1986), a leached and altered breccia zone approximately 100 meters wide forms the core of the intrusive complex on the Eric claim. Pervasive sericite alteration is associated with the breccia and successive zones of silicification and pyrite mineralization are followed by magnetite and propylitic alteration.

The regional geology map by Diakow, et al. (1985) shows several gossanous zones associated with the volcanic/intrusive contact which transects the eastern edge of the Eric Property. One of the zones occurs within the Eric claim and is described by Cooke (1986) as a broad zone of pyrite mineralization resulting in a gossan zone which has a surface dimension of 1500 x 500 meters. Pyrite occurs as fracture-fillings and disseminations in amounts ranging from 1% to 7%. Minor amounts of chalcopyrite and secondary chalcocite are associated with the pyrite over an area of 400 x 250 meters.

Reconnaissance rock chip sampling from this zone returned gold values ranging from <10 to 710 ppb (Cooke, 1981) in association with the sulphides. Soil sampling in the same area has produced gold values of <10 to 3260 ppb gold. Silver values range from 0.2 to 11.2 ppm within the zone. Anomalous gold values are

associated with copper and pyrite mineralization as well as with silicified and propylitized monzonite and quartz monzonite.

A second limonite gossan zone occurs within the western half of the Peak claim. It adjoins the intrusive contact to the east and is bounded by a northwest trending fault to the north. The gossan zone measures approximately 1000 x 500 meters and trends northwesterly. It is not known whether precious or base metals are associated with this zone.

The Swan 2 claim also has several smaller limonitic zones along its western boundary. The regional geology indicates that pyrite is associated with these zones, occurring over an area of roughly 1500 x 150 meters."

"Conclusions

The subject Eric Property is located on the southern extension of the Toodoggone volcanic belt. The Eric Property claims comprise a total of 88 claim units covering some 22 square kilometers.

The claims include volcanic rocks of the Toodoggone and Takla Groups, both of which contain precious metals mineralization in the Toodoggone Camp (The Lawyers, Baker Mine). The Lawyers deposit owned by Cheni Gold Mines Ltd. will commence production in late 1988 while the Baker Mine had significant gold production during its operation in the early 1980's. In addition, numerous other significant epithermal precious metal occurrences have been discovered in the Toodoggone Camp.

Preliminary exploration efforts by Cominco Ltd., in 1981 on the Eric claim, has outlined an area 600 m in diameter in which elevated gold and copper values occur within altered intrusive rocks. Their recommendation included a diamond drilling program to test the zone. No work has apparently been done on the Eric Property since that time.

The Eric Property definitely has the potential to host significant epithermal precious metal mineralization similar to major discoveries further north along the belt, and additional exploration of the Eric Property is warranted and recommended by both authors."

"Recommendations

A \$100,000 exploration program is recommended to test the potential of the Eric Property. The program should consist of an airborne magnetic and VLF-EM survey to provide regional structural information and explore for magnetite-rich propylitized areas which may host precious metal mineralization. Ground magnetometer and VLF-EM surveys will be necessary to follow-up airborne anomalies. As well, geological mapping and a

REPORT ON THE
ERIC PROPERTY
TOODOGGONE RIVER AREA
Omineca Mining Division, B.C.
NTS: 94 E/2E

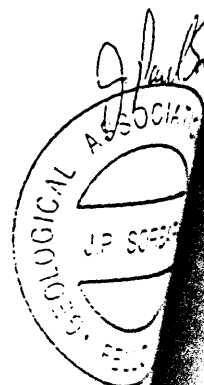
For

CANADIAN VENTURES INC.
Suite 301-535 Howe St.
Vancouver, B.C.
V6C 2Z4

By

J.P. Sorbara, M.Sc., F.G.A.C.
and
H.C. Grond, M.Sc., F.G.A.C.

J.P. SORBARA AND ASSOCIATES
6703 Nicholson Rd.
Delta, B.C.
V4E 2T2



February 25, 1988

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SUMMARY

This summary and evaluation of the Eric property is done at the request of Mr. Raj Chowdhry on behalf of Canadian Ventures Inc. The main purpose is to evaluate the potential of the property for hosting precious metal mineralization and to recommend an exploration program designed to test that potential.

The Eric property is situated in the Toodoggone River area of north central British Columbia, approximately 280 km north of Smithers. Access is by fixed-winged aircraft and helicopter. The Omineca Resource Road has recently been completed to allow access to the Toodoggone area, but is not yet available for public use.

The Eric property claims comprise a total of 88 claim units covering some 22 square kilometers in the Omineca Mining Division. The claims are under option to Canadian Ventures Inc.

The Toodoggone River area has been intensively explored since the late 1960's, resulting in the discovery of a number of significant precious metal deposits. More than thirty companies, including many major mining companies, are

now actively exploring or holding ground in the Toodoggone River area.

Previous work on what is now the Eric claim has revealed significant precious metal mineralization associated with a gossan zone at an intrusive/volcanic contact. Values of up to 3260 ppb gold were noted in soil samples, and up to 780 ppb gold and 11.2 ppm silver in rock samples from within the zone. As well, there is another gossan zone on the property whose precious metal potential has apparently not been tested. It occurs at the contact also, and is bounded to the north by a northwesterly trending fault.

The property definitely has the potential to host significant epithermal precious metal mineralization, similar to major discoveries further north along the belt. Further exploration of the property is believed to be warranted and is recommended by both authors.

A \$100,000 combined geological, geophysical, and geochemical exploration program is recommended to test the potential of the Eric property.

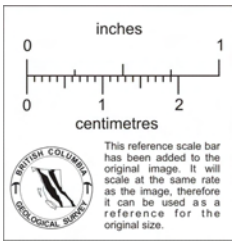
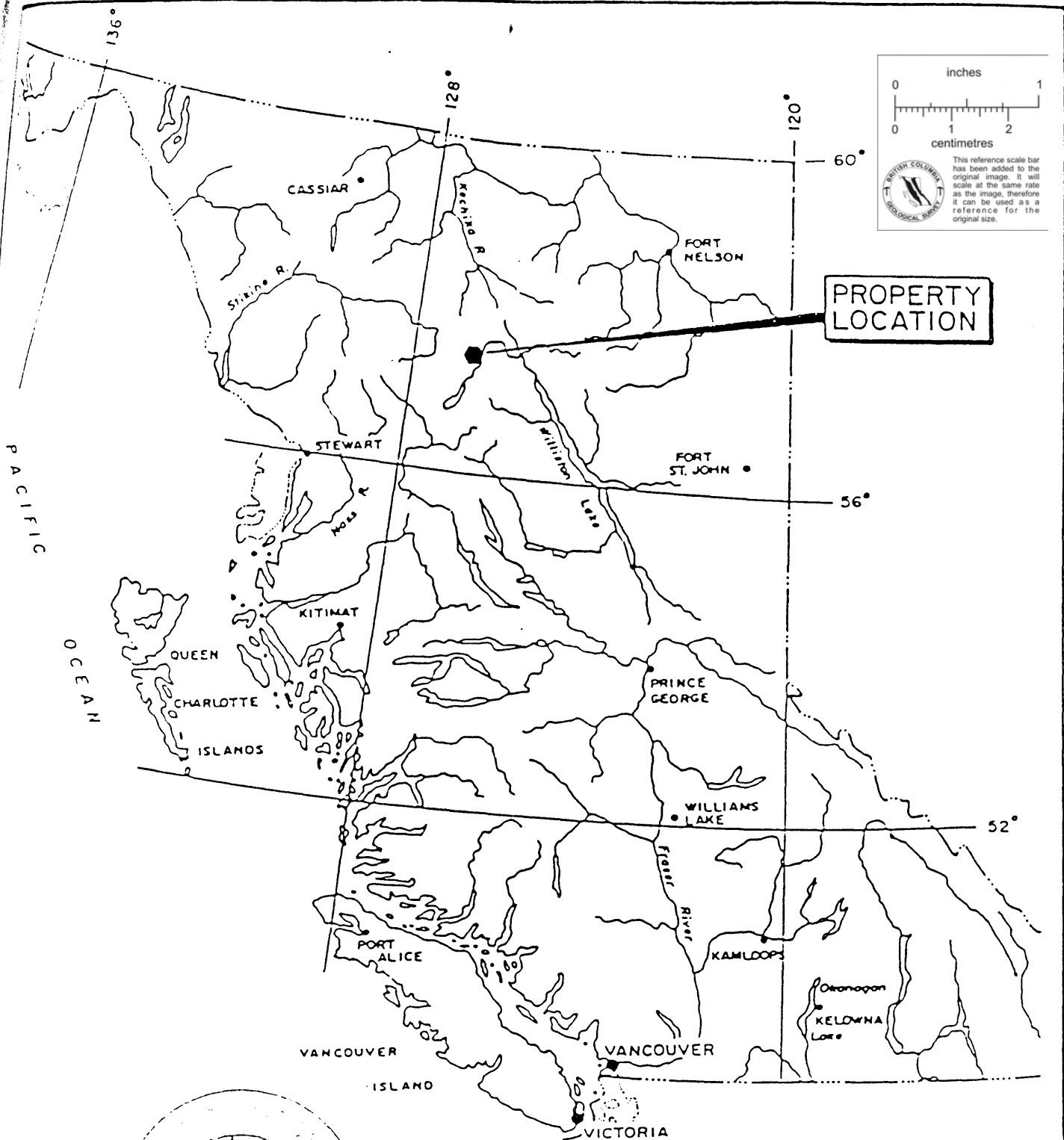
INTRODUCTION

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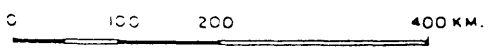
This report is based on a thorough review of pertinent public and private reports, government publications and claim data. One of the authors (J.P. Sorbara) visited the property on August 29, 1987 and has conducted and supervised programs throughout the Toodoggone area. An examination of the subject property was not possible at the time of writing of this report due to heavy snow cover.

LOCATION AND ACCESS

The Eric property is situated in the Toodoggone River area of north central British Columbia, approximately 280 km north of Smithers (Fig. 1). The claims are south of the Toodoggone River and east of the Finlay River. They are approximately centered at north latitude $57^{\circ} 10'$ and west longitude $126^{\circ} 40'$ and is covered by NTS 94-E/2E. The Eric property is approximately 34 kilometers southeast of the Lawyers deposit of Cheni Gold Mines Inc.



**PROPERTY
LOCATION**



CANADIAN VENTURES INC.			
ERIC PROPERTY OMINECA M.D., B.C.			
LOCATION MAP			
Scale : 1:7,500,000	Date : FEB. 25, 1988	N.T.S. 94E	Figure : 1
By : J.P. SORBARA & Associates			

Access is by fixed-winged aircraft from Smithers to the Sturdee airstrip 290 km north of Smithers, and from there by helicopter 20 km to the east. The Omineca Resource Road has recently been completed to allow access to the Toadoggone area, but is not yet available for public use.

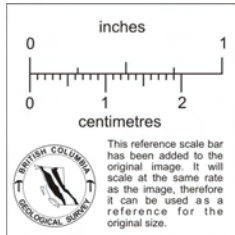
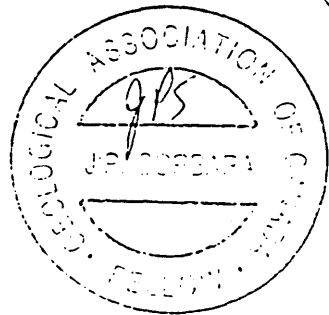
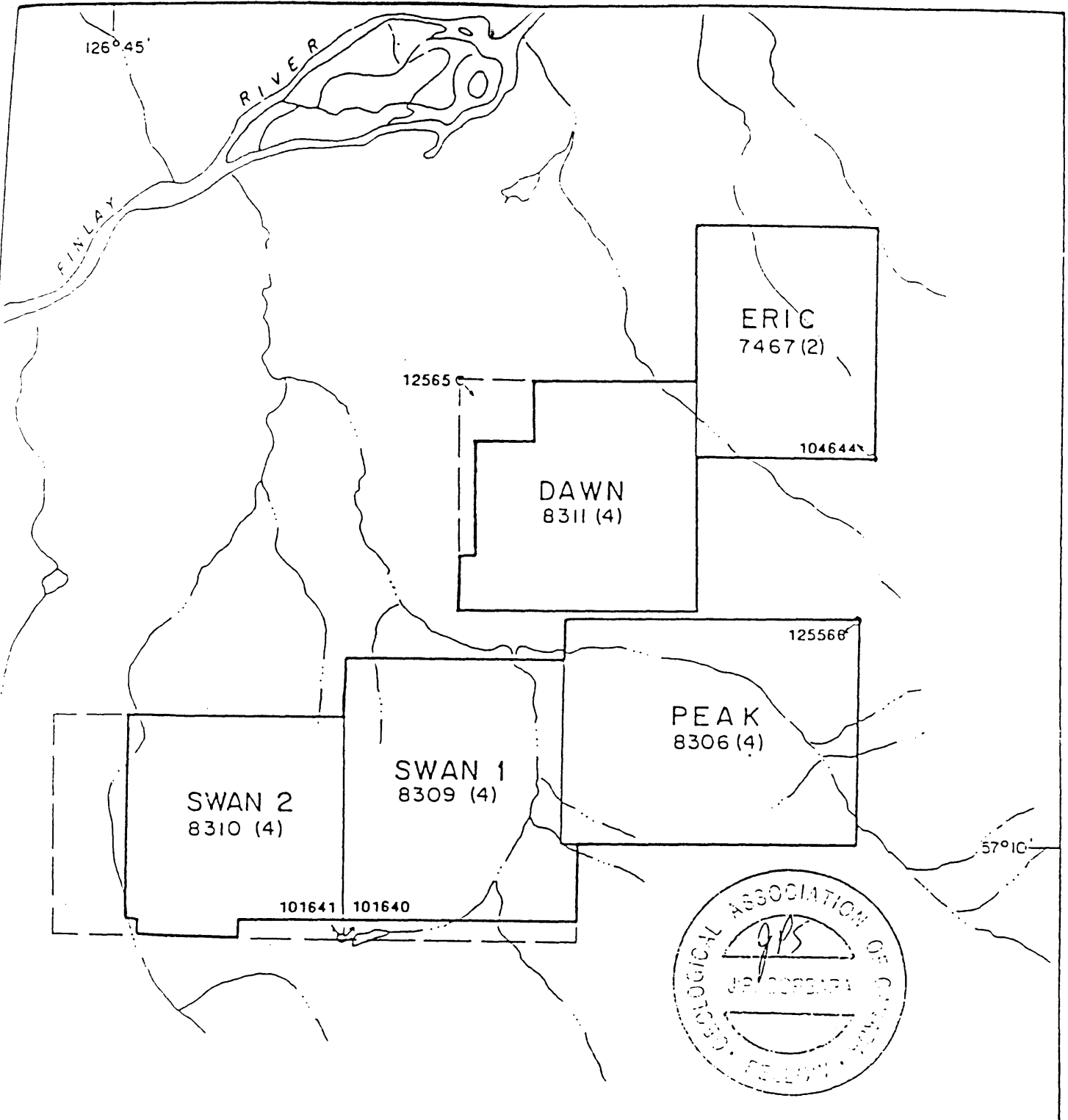
PROPERTY AND OWNERSHIP

The Eric Group property consists of five modified grid system mineral claims located in the Omineca Mining Division. They total 88 units, and cover an area of some 22 square kilometers (Figure 2). Some of the claims overtake existing claims, which reduces the Eric property claims actual area by a small amount.

The Eric claim was recorded in February 1986 for the Toadoggone Syndicate, and the remainder were recorded in April 1987 by Malcolm Bell. The claims are currently under option to Canadian Ventures Inc.

The pertinent claim data is as follows:

<u>CLAIM</u>	<u>RECORD NUMBER</u>	<u>UNITS</u>	<u>RECORD DATE</u> dd/mm/yr
Eric	7467	12	12/02/86
Peak	S306	20	16/04/87



CANADIAN VENTURES INC.			
ERIC PROPERTY OMINECA M.D., B.C.			
CLAIM MAP			
Scale: 1:50,000	Date: FEB. 25, 1988	N.T.S. 94E	Figure: 2
By: J.P. SORBARA & Associates			

Swan 1	8309	20	16/04/87
Swan 2	8310	20	16/04/87
Dawn	8311	16	16/04/87

REGIONAL HISTORY

Mining exploration in the Toodoggone River area dates back to the early 1930's, when placer mining was done on McClair Creek and the Toodoggone River, and lead-zinc showings at the head of Thutade Lake were staked. Several high-grade gold showings were reportedly discovered in the 1930's, but apparently these were not followed up.

The Toodoggone River area remained largely unexplored until the late 1960's, when several companies actively searched for low grade, high tonnage copper-molybdenum porphyry deposits. As a result of that period of intensive exploration, a number of significant precious metal deposits have been discovered. These include the Baker Mine orebody, and the Lawyers and Al Deposits, which are expected to commence production this year (Figure 3).

The Baker Mine was the Toodoggone's first lode gold-silver producer. It was operated by Dupont of Canada Exploration Ltd. from 1980 to 1983. The Baker Mine's "A" Vein produced 34,000 oz gold and 673,000 oz silver. The "B"

Vein is currently being actively explored, and has possible ore reserves of 50,000 tonnes (Schroeter and Lefebure, 1987).

The Lawyers property is owned by Choni Gold Mines Inc. Surface and underground drilling has defined reserves of 1,937,000 million tons grading 0.196 oz/ton gold and 7.10 oz/ton silver (Tegart, 1988).

The A1 property is owned by Energex Minerals Ltd., which is currently conducting a \$3.7 million exploration program on the property. Current proven-probable reserves are 262,000 tons grading 0.25 oz/ton gold. A 6 tpd pilot mill has produced approximately 350 oz of gold (Schroeter and Lefebure, 1987).

More than thirty companies, including many major mining companies, are now actively exploring or holding ground in the Toodoggone River area. The economics of exploration and production have been improved by the recent completion of the Omineca Resource Road to the Sturdee airstrip, which allows overland access to the area.

PROPERTY HISTORY

Previous work on the Eric claim (then called the Max claim) was done by Cominco Ltd. in 1977. The work consisted

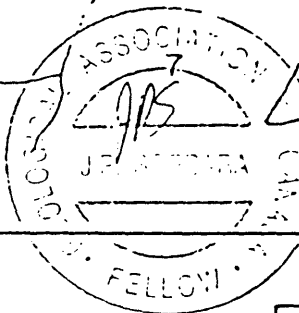
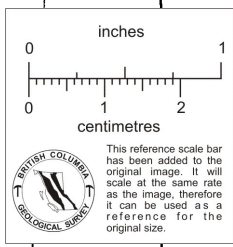
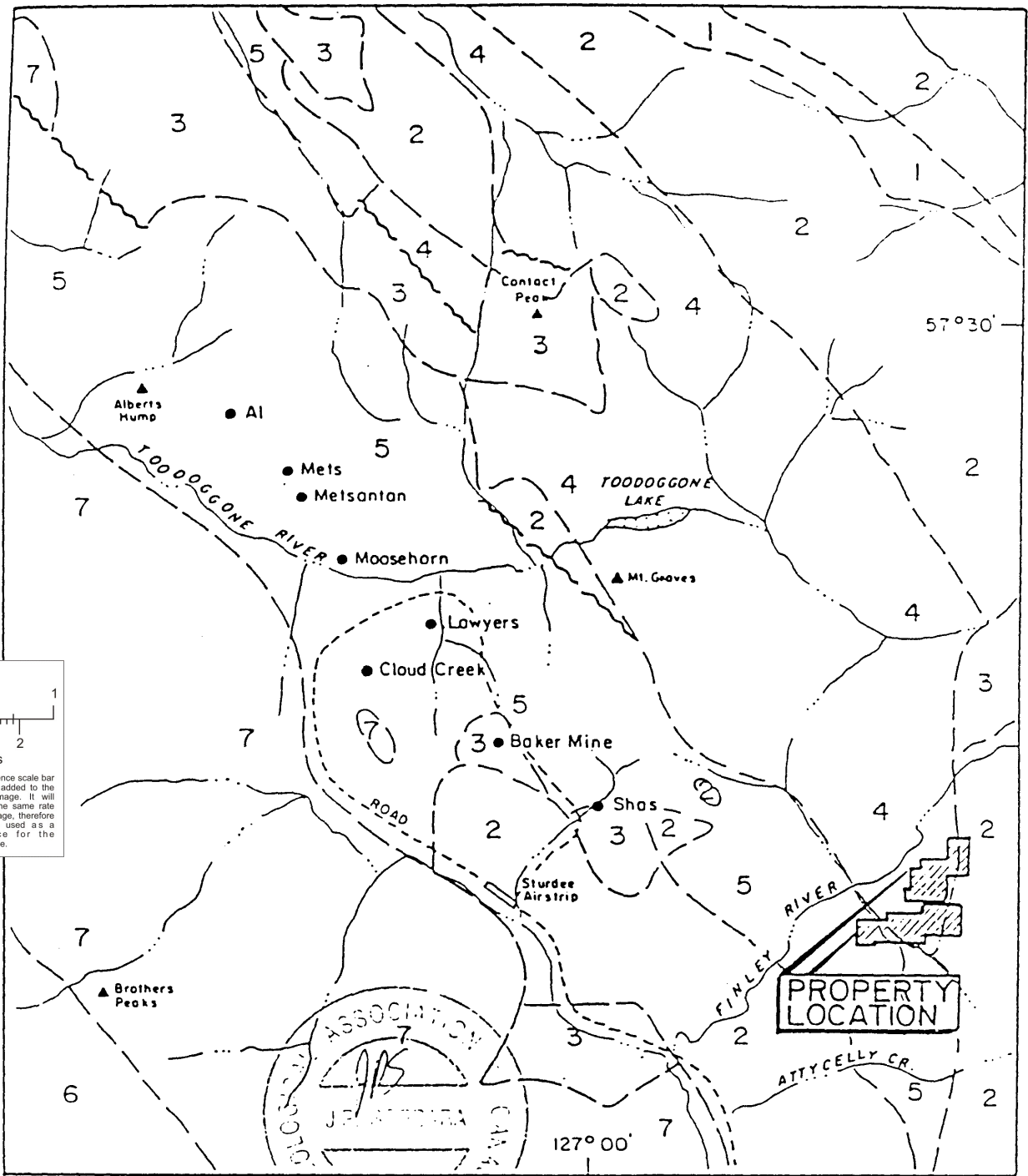
of reconnaissance geological mapping, and soil and rock chip sampling for copper and molybdenum mineralization. The geological work indicated an environment permissive for porphyry copper and molybdenum deposits. Caolles (1978) obtained significant gold values from rock chips taken from an altered zone of quartz-monzonite and monzonite 600 m in diameter. Values ranged from <10 to 780 ppb gold in rocks.

Follow-up work in 1981 by Cominco outlined an area 600 m in diameter which contains gold anomalies in rock and soil. Gold values range from <10 ppb to 3260 ppb in soils and up to 168 ppb in rocks (Sharp, 1981). A diamond drilling program was recommended to test the gold/copper zone.

A summary report by Cooke (1986) on the Eric claim gave results for 6 rock geochemical samples. The values for gold range from 5 to 145 ppb. Cooke suggests that the altered zone of intrusive rock and enclosed altered breccia may represent a breccia pipe occurring within a sub-volcanic intrusive complex. If so the breccia pipe may have served as a conduit for mineralizing fluids. He recommended a program of detailed rock chip sampling and geophysics to test the potential of the property.

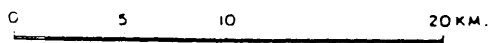
The four remaining claim blocks (Dawn, Peak, Swan 1 and Swan 2) have no reported work history:

0
A
AP
F2U
MAJK
MINE
C



LEGEND

- 7 SUSTUT GROUP: Tertiary - Cretaceous
- 6 BOWSER GROUP: Middle - Late Jurassic
- 5 TOODOGGONE VOLCANICS: Early Jurassic
- 4 HAZELTON GROUP: Early Jurassic
- 3 TAKLA GROUP: Late Triassic
- 2 OMINECA INTRUSIONS: Late Triassic - Early Jurassic
- ASITKA GROUP: Permian
- APPROX. GEOLOGICAL CONTACT
- FAULT
- MAJOR DRAINAGE
- MINERAL DEPOSIT



CANADIAN VENTURES INC.			
ERIC PROPERTY OMINECA M.D., B.C.			
REGIONAL GEOLOGY and MINERAL DEPOSITS			
Scale: AS SHOWN	Date: FEB. 25, 1988	N.T.S. 94E	Figure: 3
By: <i>J.P. SORBARA & Associates</i>			

REGIONAL GEOLOGY AND MINERAL DEPOSITS

The Toadogone River precious metal district lies in a northwesterly trending belt near the eastern margin of the Intermontane Belt, which is a major tectonic feature of central British Columbia. The Toadogone belt extends for more than 100 kilometers, from McConnell Creek to the Stikine River, and is approximately 20 kilometers wide. It is bounded on the west by the Stikine Plateau and on the east by the Omineca Mountains.

The rock types within the Toadogone belt are volcanic, sedimentary and intrusive. The Toadogone's numerous epithermal precious metal occurrences usually occur within the Toadogone Volcanics. The Baker deposit, however, as well as a number of other prospects, occur within Takla volcanic rocks, which unconformably underlie the Toadogone Volcanics.

Other rocks in the area include Permian Limestones of the Asitka Group and Jurassic and Cretaceous Omineca Intrusions. The intrusive rocks range in composition from granodiorite to quartz granodiorite with quartz monzonite being most abundant. The intrusives are generally considered to be coeval with the Toadogone Volcanics and were probably responsible for the circulation

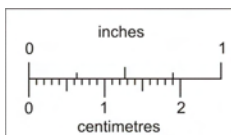
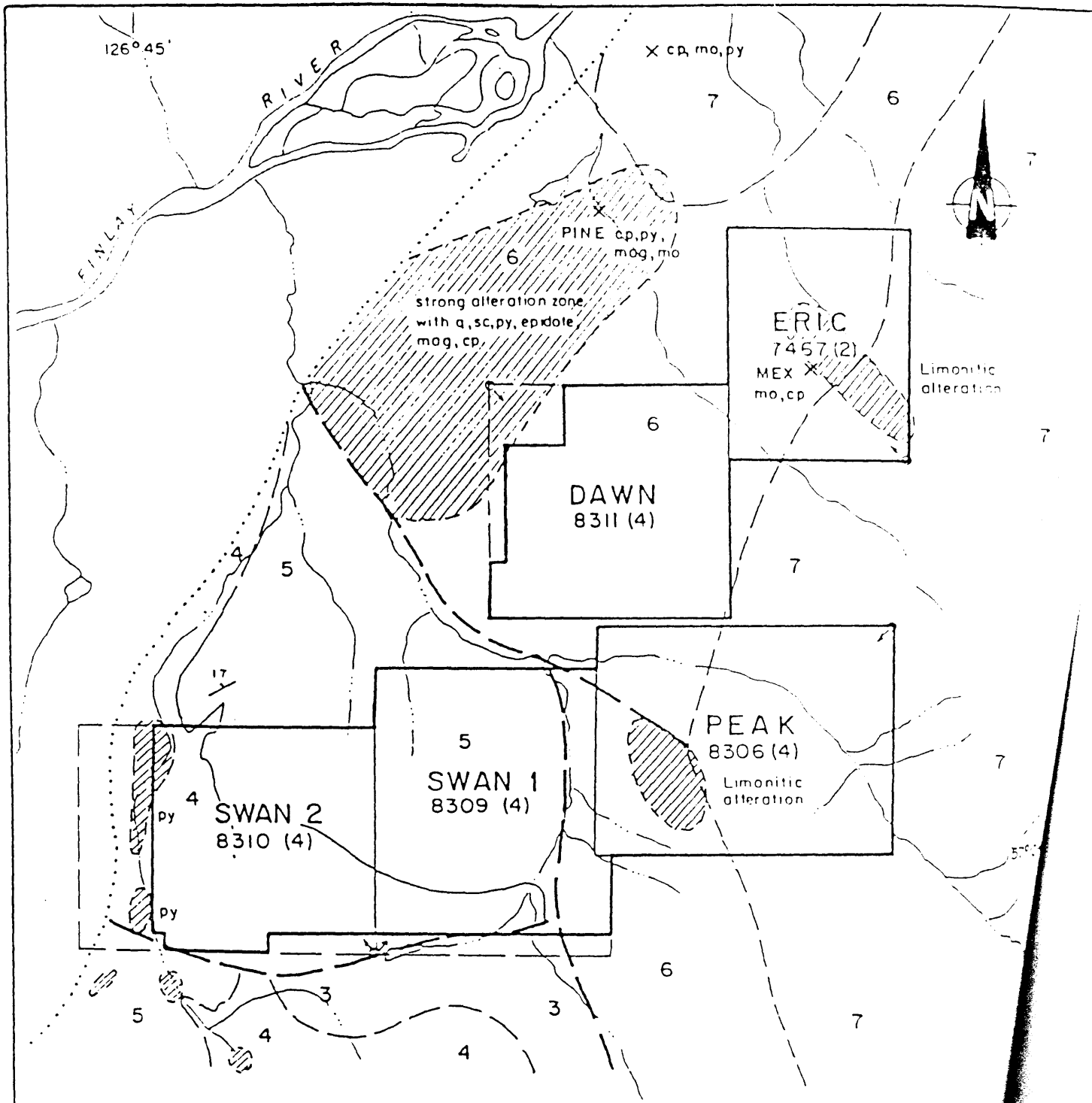
hydrothermal fluids, believed to be a factor in localizing precious metal mineralization in the area (Schroeter, 1981).

Regional northwest trending faults are important factors in the development of gold-silver epithermal veins in the area. Many major deposits are located on or near a well-developed regional fault (Figure 3). These include the Chapelle (the Baker Mine orebody), the Lawyers, Al, Mets, Metsantan, Moosahorn, Silver Pond, Marmot, and Perry Mason deposits (Figure 3). In addition to proximity to faults, siliceous volcanic centres, exhalative vents and zones of alteration are all important features of precious metal deposits within the volcanics.

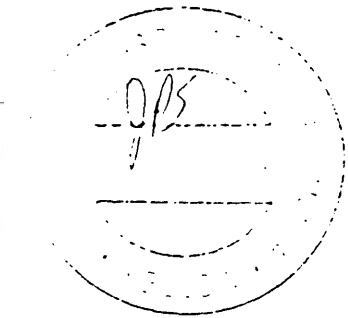
The main ore minerals identified in the Toodoggone District's precious metal deposits are acanthite (silver sulfide), gold, silver and electrum with minor amounts of chalcopyrite, galena and sphalerite. Grades for gold generally range from 0.1 to 1.0 oz/ton.

PROPERTY GEOLOGY AND MINERALIZATION

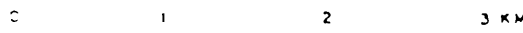
The Eric Group of mineral claims is underlain by Lower to Middle Jurassic Toodoggone volcanics which have been intruded by Middle Jurassic batholith along the eastern margin of the claim block (Diakow, et al., 1985). The



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LEGEND ON FOLLOWING PAGE



After Diakow, Panteleyev, Schroeter, 1985

CANADIAN VENTURES INC
 ERIC PROPERTY
 OMINECA M.D., B.C.
 PROPERTY GEOLOGICAL

Scale : 1: 50,000	Date : FEB. 25, 1988	N.T.S. 9-E
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By: J.P. SORBARA & Associates

LEGEND

LOWER TO MIDDLE JURASSIC

SYMBOLS

OMINECA INTRUSIVES

- 7 granodiorite, quartz-diorite, monzonite
7A feldspar porphyry dyke



TOODOGGONE VOLCANICS

- 6 andesite (porphyry, flows, pyroclastics)
5 grey dacite
5A mafic plagioclase flows
4 crystal ash tuffs/flows
4A plagioclase porphyritic flows

- cp - chalcopyrite
mo - molybdenum
py - pyrite
q - quartz
sc - sericite
mag - magnetite
Am - amethyst
Qbx - quartz breccia
qv - quartz vein
fl - fluorite
ba - barite

MOYEZ CREEK

- 3 volcanoclastics

-  - volcanic vent
 - bedding

TRIASSIC

TAKLA GROUP

- 2 basalt, andesite

PERMIAN

ASITKA GROUP

- 1 chert, limestone



ZONE OF LIMONITIC ALTERATION (gossan)



ZONE OF CLAY ALTERATION (alunite, hematite, silica)



FAULT



THRUST FAULT



GEOLOGIC CONTACT, DEFINED, ASSUMED



MINERAL OCCURRENCE



DRAINAGE



MAIN OUTCROP AREAS

batholith consists of coarse-grained granodiorite and quartz diorite.

According to Cooke (1986), a leached and altered breccia zone approximately 100 meters wide forms the core of the intrusive complex on the Eric claim. Pervasive sericite alteration is associated with the breccia and successive zones of silicification and pyrite mineralization are followed by magnetite and propylitic alteration.

The regional geology map by Diakow, et al. (1985) shows several gossanous zones associated with the volcanic/intrusive contact which transects the eastern edge of the property. One of the zones occurs within the Eric claim and is described by Cooke (1986) as a broad zone of pyrite mineralization resulting in a gossan zone which has a surface dimension of 1500 x 500 meters (Figure 4). Pyrite occurs as fracture-fillings and disseminations in amounts ranging from 1% to 7%. Minor amounts of chalcopyrite and secondary chalcocite are associated with the pyrite over an area of 400 x 250 meters.

Reconnaissance rock chip sampling from this zone returned gold values ranging from <10 to 710 ppb (Cooke, 1981) in association with the sulphides. Soil sampling in the same area has produced gold values of <10 to 2260 ppb gold. Silver values range from 0.2 to 11.2 ppm within the

zone. Anomalous gold values are associated with copper and pyrite mineralization as well as with silicified and propylitized monzonite and quartz monzonite.

A second limonite gossan zone occurs within the western half of the Peak claim (Figure 4). It adjoins the intrusive contact to the east and is bounded by a northwest trending fault to the north. The gossan zone measures approximately 1000 x 500 meters and trends northwesterly. It is not known whether precious or base metals are associated with this zone.

The Swan 2 claim also has several smaller limonitic zones along its western boundary (Figure 4). The regional geology indicates that pyrite is associated with these zones, occurring over an area of roughly 1500 x 150 meters.

CONCLUSIONS

The subject property is located on the southern extension of the Toodoggone volcanic belt. The property claims comprise a total of 28 claim units covering some 22 square kilometers.

The claims include volcanic rocks of the Toodoggone and Takla Groups, both of which contain precious metals mineralization in the Toodoggone Camp (The Lawyers, Baker

Mine). The Lawyers deposit owned by Cheni Gold Mines Ltd. will commence production in late 1988 while the Baker Mine had significant gold production during its operation in the early 1980's. In addition, numerous other significant epithermal precious metal occurrences have been discovered in the Toodoggone Camp.

Preliminary exploration efforts by Cominco Ltd., in 1981 on the Eric claim, has outlined an area 600 m in diameter in which elevated gold and copper values occur within altered intrusive rocks. Their recommendations included a diamond drilling program to test the zone. No work has apparently been done on the property since that time.

The property definitely has the potential to host significant epithermal precious metal mineralization similar to major discoveries further north along the belt, and additional exploration of the property is warranted and recommended by both authors.

RECOMMENDATIONS

A \$100,000 exploration program is recommended to test the potential of the Eric property. The program should consist of an airborne magnetic and VLF-EM survey to provide regional structural information and explore for

magnetite-rich propylitized areas which may host precious metal mineralization. Ground magnetometer and VLF-EM surveys will be necessary to follow-up airborne anomalies. As well, geological mapping and a detailed rock geochemical survey are recommended to look for new mineralization as well as define the controls of existing precious metal mineralization.

An estimated cost breakdown for the proposed program is given in Appendix I.

Respectfully submitted,

J. Paul Sorbara

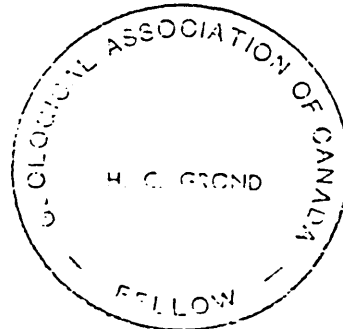
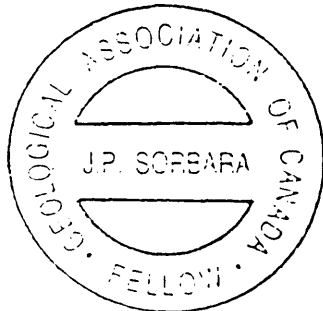
J.P. Sorbara, M.Sc., F.G.A.C.

25 February 1988

H. C. Grond

H.C. Grond, M.Sc., F.G.A.C.

25 February 1988



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Asst. Rep. #9384.

APPENDIX I
ESTIMATED COST OF PROPOSED PROGRAM

ESTIMATED COST OF PROPOSED PROGRAM

Airborne geophysical survey	\$ 22,000
Personnel	
Project Geologist (25 days @ \$300/day)	7,500
2 technicians (25 days @ \$200/day)	10,000
1 labourer (25 days @ \$170/day)	4,250
1 cook (25 days @ \$200/day)	5,000
Mobilization/demobilization	13,000
Geochemical analyses (Fire assay, AA, 6 element ICP)	
- 500 rock samples @ \$ 15.50/sample	7,500
Geophysics - VLF-EM, 15 km @ \$200/km	3,000
- Magnetometer, 15 km @ \$200/km	3,000
Domicile - camp costs	2,000
- food (125 man days @ \$25/day)	3,125
Consumable Field equipment	1,500
Project preparation	1,500
Report Compilation and Drafting	4,500
Accounting, communications and freight	1,000
Supervision (Sr. Geol., 3 days @ \$400/day)	1,200
Contingencies, approx. 10%	<u>9,925</u>
	TOTAL \$100,000 =====



APPENDIX II
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

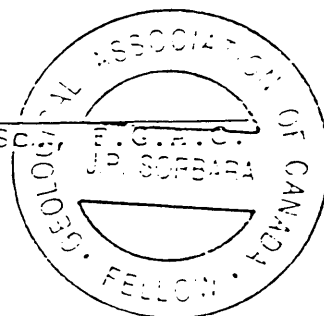
I, J. PAUL SORBARA, of 6703 Nicholson Road, in the Municipality of Delta, in the Province of British Columbia, hereby certify:

1. THAT I am a geologist residing at 6703 Nicholson Road, in the Municipality of Delta, in the Province of British Columbia.
2. THAT I graduated with a B.Sc. in geology from the University of Toronto, in the City of Toronto, in the Province of Ontario, in 1976, and with a M.Sc. in geology from the University of Toronto in 1979.
3. THAT I have practiced geology professionally from 1979 to 1987, including 5 years as an Exploration Geologist with Cominco Ltd.
4. THAT I am a registered Fellow of the Geological Association of Canada.
5. THAT this report is based upon a thorough review of published and printed reports and maps on the subject property and the surrounding area as well as a personal visit to the property on August 29, 1987.
6. THAT I have not received, nor do I expect to receive any direct or indirect interest in Canadian Ventures Inc. Mineral Claims which are the subject of this report.
7. THAT I do not have, nor do I expect to receive any direct or indirect interest or securities in Canadian Ventures Inc.
8. THAT I consent to the use of this report in a Prospectus or Statement of Material Facts for the purpose of a private or public financing.

SIGNED:

J. Paul Sorbara

J. PAUL SORBARA, M.Sc.



February 25, 1988.

STATEMENT OF QUALIFICATIONS

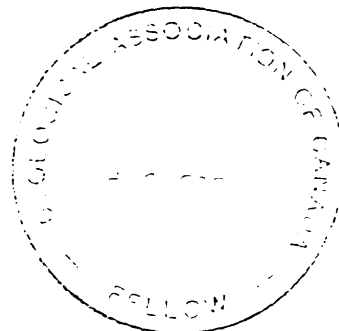
I, HELEN C. GROND, of the City of Vancouver, Province of British Columbia, hereby certify that :

1. I am a geologist residing at 2729 Yale street, in the City of Vancouver, Province of British Columbia.
2. I obtained a Bachelor of Science degree in Geology from the University of British Columbia in 1980, and a Master of Science degree in Geology from the same university in 1982.
3. I am a Fellow, in good standing, of the Geological Association of Canada.
4. I have been practising my profession as a geologist in Canada and the United States permanently since 1982 and seasonally since 1978.
5. I have not received, nor do I expect to receive, any interests, direct or indirect in the securities of Canadian Ventures Inc.
6. I consent to the use of this report in a Prospectus or Statement of Material Facts for the purpose of a private or public financing.

Dated in Vancouver, British Columbia, this 25th day of February, 1988.

SIGNED:

H. Grond
Helen C. Grond, M.Sc., F.G.A.C.



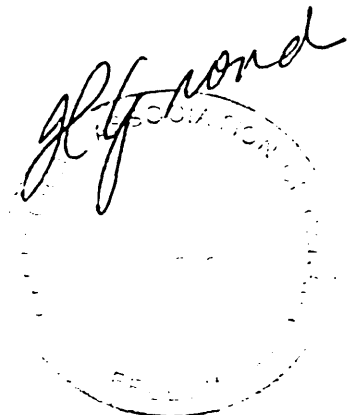
ADDENDUM TO THE REPORT ON THE
ERIC PROPERTY
TOODOGGONE RIVER AREA
OMINECA MINING DIVISION, B.C.
BY
J.P. SORBARA, M.Sc., FGAC AND
H.C. GROND, M.Sc., FGAC
DATED FEBRUARY 25, 1988

BY

Helen C. Grond, M.Sc., FGAC
J.P. SORBARA & ASSOCIATES
6703 Nicholson Road
Delta, B.C.
V4E 2T2

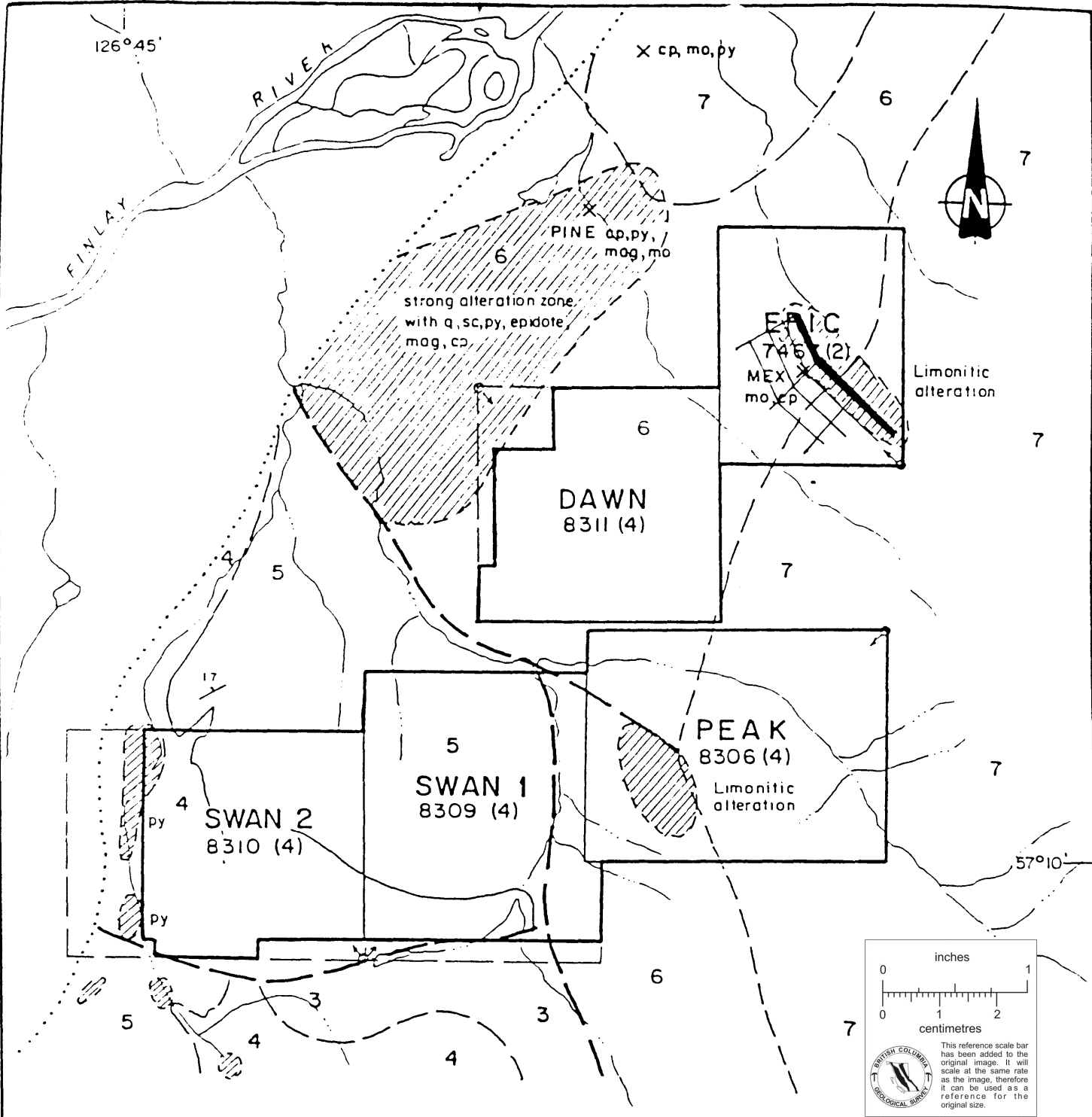
September 9, 1988

H.C. Grond
ASSOCIATES



Enclosed are the results of the rock and soil geochemistry program carried out by Cominco in 1977 and 1981. The enclosed figure shows the sample location lines. It would seem that the sampling was carried out on or near the zone of intense alteration.

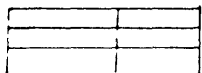
Also included are the results of the limited rock geochemical sampling carried out by D. Cooke. There is no sample descriptions or locations available for these samples.



BRITISH COLUMBIA
GEOLOGICAL SURVEY

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.

ROCK GEOCHEMISTRY SAMPLE LINE
COMINCO



SOIL GEOCHEMISTRY SAMPLE GRID
COMINCO

LEGEND ON FOLLOWING PAGE

After Diakow, Panteleyev, Schroeter, 1985

CANADIAN VENTURES INC.		
ERIC PROPERTY OMINECA M.D., B.C.		
PROPERTY GEOLOGY		
Scale: 1: 50,000	Date: FEB. 25, 1988	N.T.S. 94E
By: <i>J.P. SORBARA & Associates</i>		4

TABLE 2

ROCK GEOCHEMICAL ANALYSES COMINCO, 1977

ROCK ANALYSES - MEX GROUP

<u>Field Number</u>	Cu	Ag	Mo	Au	<u>Field Number</u>	Cu	Ag	Mo	Au
JCC-R-132	11	<.4	<2	<10	JCC-165	74	0.4	15	
JCC-R-133	12	<.4	<2		JCC-166	92	0.6	18	60
JCC-R-134	5	<.4	4	<10	JCC-167	101	0.4	50	-
JCC-R-135	5	<.4	<2	<10	JCC-168	83	0.9	40	780
JCC-R-136	3	<.4	4	<10	JCC-169	65	0.8	30	
JCC-R-137	12	<.4	4		JCC-170	174	0.4	10	60
JCC-R-138	8	<.4	<2	<10	JCC-171	92	0.5	<2	
JCC-R-139	3	<.4	6		JCC-172	75	0.6	7	60
JCC-R-140	12	<.4	<2	<10	JCC-173	72	<.4	8	
JCC-R-141	21	<.4	3		JCC-174	136	1.7	40	490
JCC-R-142	910	4.3	6	410	JCC-175	97	1.1	13	
JCC-R-143	163	2.6	13		JCC-176	75	<.4	8	44
JCC-R-144	238	0.4	6	70	JCC-177	92	0.7	10	
JCC-R-145	198	1.5	16		JCC-178	81	0.5	15	50
JCC-R-146	168	0.8	8	156					
JCC-R-147	80	<.4	10						
JCC-R-148	48	<.4	6	<10					
JCC-R-149	94	0.4	12						
JCC-R-150	73	0.4	25	36					
JCC-R-151	56	0.4	15						
JCC-R-152	62	<.4	15	650					
JCC-R-153	16	<.4	<2						
JCC-R-154	31	0.8	<2	300					
JCC-R-155	58	<.4	22						
JCC-R-156	28	0.5	6	<10					
JCC-R-157	39	<.4	4						
JCC-R-158	77	<.4	4	<10					
JCC-R-159	55	<.4	<2						
JCC-R-160	104	0.6	<2	<10					
JCC-R-161	88	0.4	<2						
JCC-R-162	82	<.4	<2	<10					
JCC-R-163	88	0.6	<2						
JCC-R-164	52	<.4	<2	20					

TABLE 2

GOLD RESULTS FOR 1981 SOIL SAMPLING COMINCO, 1981

SAMPLE NO.	(Au Run 1) (ppb)	(Au Run 2) (ppb)	Average Au (ppb)
81MRF 7A	304	240	272
81MRF 7B	412	326	369
81MRF 7C	580	376	478
81MRF 7D	208	320	264
81MCF 1	400	1020	710
81MCF 2	320	240	280
81MCF 3	284	212	248
81MCF 4	1140	5330	3250
81MCF 5	550	545	549
81MCF 6	260	1000	630
81MCF 7	300	330	315
81MCF 8	68	60	64
81MCF 9	62	66	64
81MCF 10	80	106	93
81MCF 11	400	474	437
81MCF 12	2880	2930	2905
81MCF 13	184	236	210
81MCF 14	132	302	217
81MCF 15	196	176	186
81MCF 16	80	84	82
81MCF 17	600	500	550
81MCF 18	298	254	276
81MCF 19	140	140	140
81MCF 20	100	122	111
81MCF 21	396	382	389
81MCF 22	280	260	270
81MCF 23	150	124	137

MIN-EN LABORATORIES LTD.

Specialists in Mineral Environments

705 West 15th Street North Vancouver, B.C. Canada V. 1T2

PHONE: (604) 980-5814 OR (604) 988-4524

TELEX: 04-352

Certificate of GEOCHEM

Company: HI TEC RESOURCE MANAGEMENT

File: 6-551

Project:

Date: JULY 31/86

Attention: P. SORBARA/D.L. COOKE

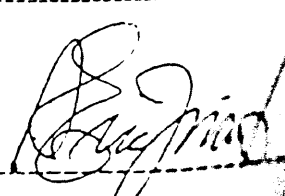
Type: ROCK GEOCHEM

We hereby certify the following results for samples submitted.

Sample Number	AG PPM	AU PPB	CU PPM
E86-1 23490	6.2	5	23
E86-2 23491	11.2	5	30
E86-3 23492	1.8	15	128
E86-4 23493	2.4	5	80
E86-5 23494	1.9	10	44
E86-6 23495	1.8	145	43
E86-7 23496	1.8	25	60

FROM DAVID COOKE'S REPORT, 1986

Certified by



MIN-EN LABORATORIES LTD.