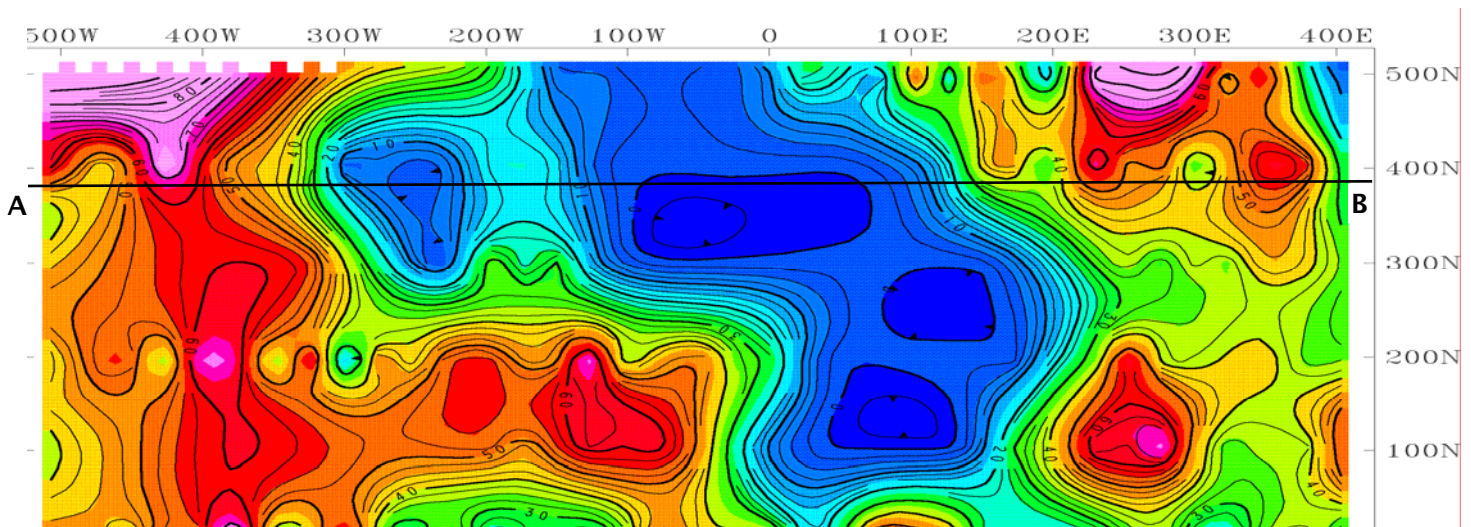


CASE HISTORY

CANATUAN GOLD PROJECT

McPhar has carried out a Time Domain Electromagnetic (TDEM) Survey over the Canatuan Gold Project of TVI Pacific Inc in Zamboanga del Norte using the central loop method. The purpose of the survey was to outline the distribution of relatively flat-lying massive sulphides on the property. The results are shown below as a plan map of the Channel 17 Apparent Resistivity values together with a profile along Line 400N. Massive sulphides were intersected below this line at 40-45 meters depth. The survey outlined a very strong conductor in the northern half of the grid (low resistivity conductive zones of less than 3.5 ohm-meters are shown in blue). Subsequent drilling revealed the Canatuan orebody to be a Besshi-type volcanic massive sulphide deposit which consists of a series of three shallow-dipping, sulphide-rich horizons contained within quartz-sericite schist. The near surface, up-dip portions of these horizons are gossans formed from the in-situ oxidation of the sulphides. The deposit is arcuate-shaped, some 800 m in length and 200 to 300 m in width, with a northeasterly trend and an overall shallow dip to the northwest. The deposit may extend to the north across the Canatuan River valley - however this potential has yet to be tested. A gossan reserve of 904,000 tonnes averaging 4.21 g/t gold and 148.90 g/t silver and a massive sulphide reserve of 1,269,000 tonnes averaging 3.80 percent copper, 2.42 percent zinc, 1.28 g/t gold and 62.28 g/t silver have been outlined by drilling as of February 15, 1995. At present 45 holes have been drilled at the Canatuan site of which 38 have intersected mineralization above the cut-off used to determine the reserve.



APPARENT RESISTIVITY PLAN MAP OF CHANNEL 17 (Ohm-Meters)

APPARENT RESISTIVITY PROFILE OF LINE 400N

