MAR 19980021: BEARHEAD CREEK

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ADDENDUM REPORT

on the

ALBERTA DIAMOND PROPERTIES

for

CAMBRIDGE MINERALS LTD.

George Cavey, P.Geo.
Wesley Raven, P.Geo.
J.L. LeBel, P.Eng.

June 10, 1998

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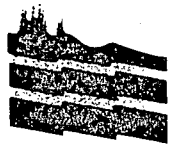

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INTRODUCTION

This addendum report, written for Cambridge Minerals Ltd., presents the results of airborne geophysical survey data for the Tosca property that was not previously available. In addition it describes changes in or made to some of the terms of the option agreements and the budgets for the Cadotte River and Bearhead Creek properties and a clarification of information contained in the previously reported budgets. This report is an addendum to the report entitled "Summary Report on the Alberta Diamond Properties for Cambridge Minerals Ltd., dated April 24, 1998, by G. Cavey, P.Geo. and W. Raven, P.Geo." All information on: Location and Access; Physiography and Vegetation; Diamonds; General Canadian Diamond History; Alberta Diamond Exploration; Regional Geology; Regional Till Sampling and a complete Bibliography and References can be found in that report. There are no additional properties being added to the land package however there is one change to the size of the Bearhead Creek property which reflects the decision by Cambridge Minerals and President Mines Ltd. not to pursue an option on three of the six permits which originally comprised the property referred to in the above report.

LAND STATUS

Bearhead Creek Property

The terms and conditions of the Bearhead Creek option agreement as described in the April 24, 1998 report have been modified as follows. The property is now comprised of three permits which encompass an area of 27,648 hectares (approximately 66,500 acres) (Figure 1). Details of the permits are given in Table 1 - Bearhead Creek Permit Status. To earn its 45% interest President Mines Ltd. must make exploration expenditures of $270,000 over two years, of which $55,000 was expended at the time of the amendment. The terms and conditions of the previously reported cash

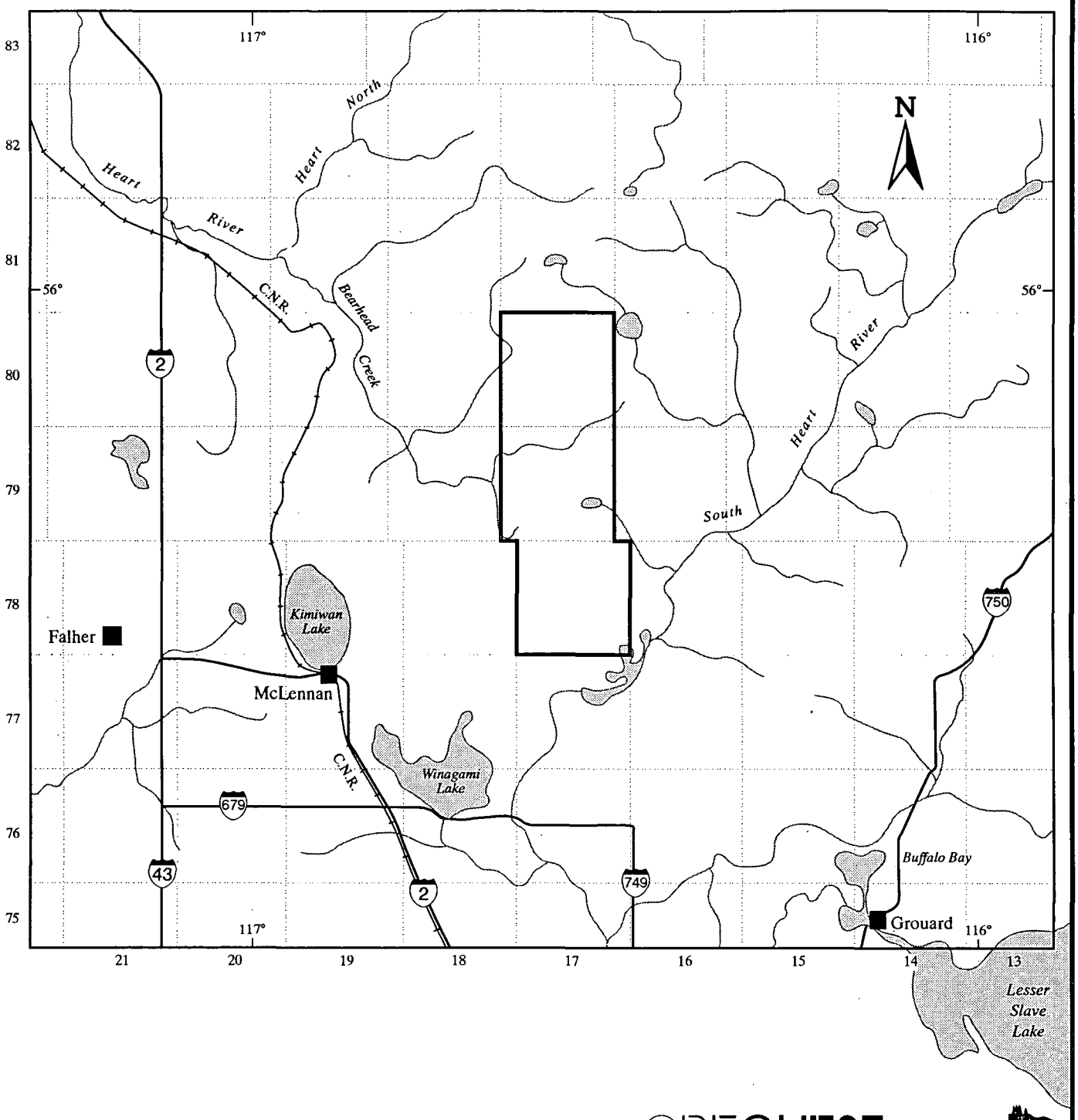

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Figure 1

BEARHEAD CREEK PROPERTY

PERMIT MAP

Alberta

JUNE 1998 XY3

and share payments remain the same but President's exploration expenditures, as mentioned above, are reduced to a cumulative total of $270,000 by December 31, 1999.

TABLE I - BEARHEAD CREEK PERMIT STATUS

SCHEDULE OF MIMP APPLICATIONS						
BEARHEAD CREEK PROPERTY (~66,500 acres)						
Permit Number	West of Meridian	Range	Township	Section	Area (hec.)	Issue Date
9396110031	5	17	78	1-36	9,216	Nov 19/96
9396110032	5	17	79	1-36	9,216	Nov 19/96
9396110033	5	17	80	1-36	9,216	Nov 19/96

Cadotte River Property

There is one change to the Cadotte River property land status resulting from a new option agreement between Cambridge Minerals and Blackrun Ventures Inc. Cambridge's option agreement to earn a 50% interest in the property from New Claymore Resources Ltd. is unchanged but now Blackrun Ventures Inc. can earn a 25% interest in the property from Cambridge. Under the terms of the agreement Blackrun must issue to Cambridge $5,000 cash to review the data, $15,000 after review, $25,000 on closing and a further $25,000 on or before January 31, 1999. The company must issue 50,000 shares upon closing, an additional 50,000 shares are to be issued by December 31, 1998 and a final 50,000 shares by June 30, 1999. In addition, Blackrun must incur exploration expenditures of $60,000 by October 31, 1998 and thereafter share equally all future expenditures with Cambridge Minerals.

PROPERTY GEOPHYSICS

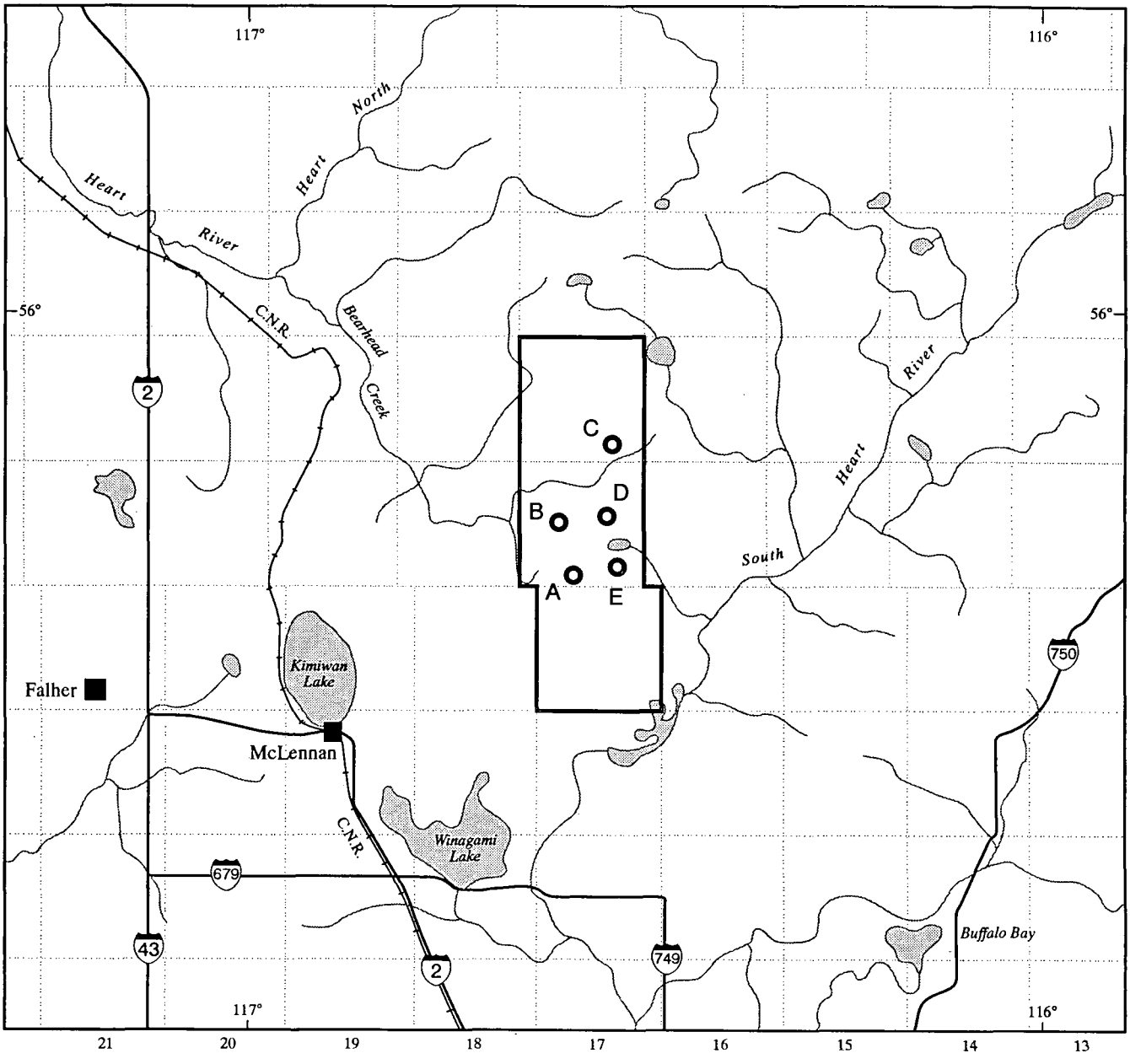
Bearhead Creek Property

There are no changes to the previous discussion of the airborne magnetic survey data however figure 2 reflects the new property configuration.

Tosca Property

An airborne geophysical survey of approximately 1,000 line-km has been flown over the southern portion of the property, covering 49,500 acres or roughly 20% of the property. The survey on the Tosca property was part of a larger survey, completed by a consortium of several junior resource companies, which covered portions of six properties as well as coverage over the Mountain Lake kimberlite and a control survey over 10 known kimberlite pipes on the Buffalo Hills property, held by Pure Gold Resources, Ashton Mining of Canada, and Alberta Energy Corp. to determine the signature of the known pipes. The survey was flown by Geoterrex-Dighem, utilizing the GEOTEM system. The GEOTEM system is a time domain electromagnetic (EM) system capable of providing deep penetration.

The survey was flown with a CASA 212-200 twin turbo prop STOL fixed wing aircraft with a line spacing of 200 metres at an altitude of 200 metres above ground. The EM transmitter is in the plane while the receiver is towed in a "bird", 56 metres below and 123 metres behind the plane. The magnetometer "bird" is towed 47 metres below and 82 metres behind the aircraft. In the control survey, the Buffalo Hills kimberlite pipes produced a positive magnetic response, as expected, and a coincident distinctive electromagnetic response which indicates high resistivity.



O Magnetic Anomaly

0 10 20 Km

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Figure 2

BEARHEAD CREEK PROPERTY

MAGNETIC ANOMALIES

Alberta

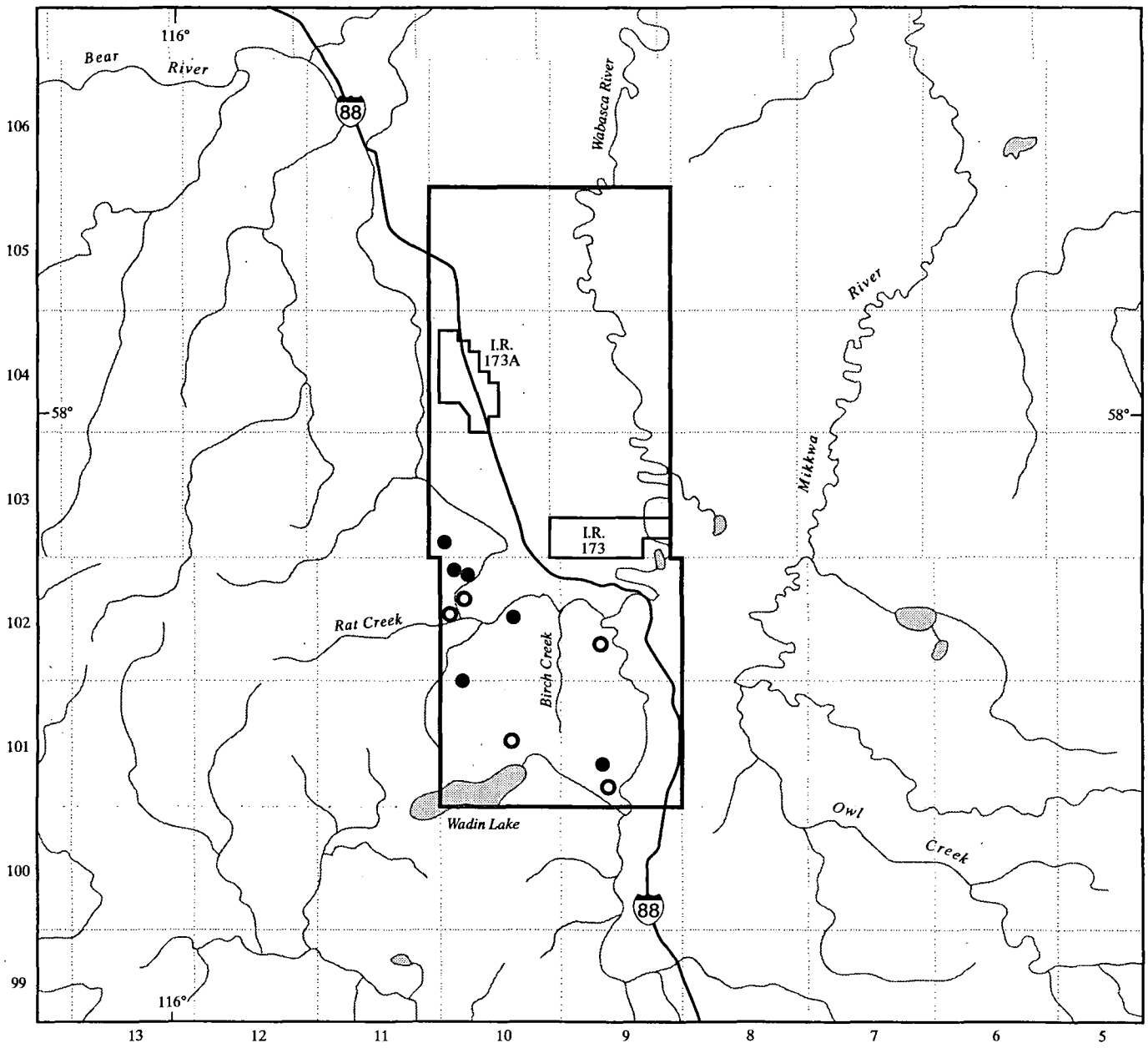
JUNE 1998 XY3

The area of the Tosca property selected for the GEOTEM survey was based on a digitally processed topographic map that shows a distinct topographic difference between the Buffalo Head Hills and surrounding lower topography of the Peace River to the west and the Wabasca River to the east. The Buffalo Hills kimberlites are located along the eastern edge of this break thus on the Tosca property the area selected for the GEOTEM survey encompasses this same topographical break. The characteristic response obtained from the Buffalo Hills property kimberlites was then applied to the data from the Tosca property and a total of 11 near surface targets were outlined of which six were determined to be high priority targets that should be drill tested. The locations of all the geophysical anomalies are shown on Figure 3 and they appear to be quite close to this topographical break.

CONCLUSIONS AND RECOMMENDATIONS

The conclusions made in the April 24, 1998 report remain the same except that now the most prospective portion of the Tosca property has been flown with a high resolution geophysical survey. The airborne anomalies should be located with a ground survey, which will aid in defining their exact position prior to drilling the six high priority targets. In addition, ground surveys should be undertaken on the remaining lower priority targets to aid in explaining the source of the anomalies.

The budgets for all the properties are included in the following section for the sake of completeness but the only actual changes that affect Cambridge's share of the exploration expenses are to the Cadotte River and Bearhead Creek properties. Footnotes have been added to all the property budgets to clarify the various interests held by the respective parties. As a result of the changes to some of the option agreements Cambridge's share of the exploration expenses for Phase I are $391,000 and for Phase II $828,000 for a total of $1,219,000.



● High priority airborne anomaly
○ Lower priority airborne anomaly

0 10 20 Km

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Figure 3

TOSCA PROPERTY

TOSCA PROPERTY GEOPHYSICS

Alberta

JUNE 1998 XY3

BUDGET ESTIMATE - PHASE I & II

Bearhead Creek Property*	Phase 1	Phase II
Property Airborne Magnetometer Survey	$52,000	
Ground magnetometer & VLF-EM Survey	$10,000	
Heavy Mineral Sampling	$10,000	
Drill testing	$90,000	$150,000
Drill Core Sampling		$25,000
Mini-bulk sampling		$105,000
Helicopter @ $850/hr and Fixed Wing	$15,000	$25,000
Food & Accommodations	$5,000	$10,000
Report and Drafting	$5,000	$10,000
Subtotal	$187,000	$325,000
Contingencies @ 10%	$18,700	$32,500
Total Budget	**$205,700**	**$357,500**
SAY	**$206,000**	**$358,000**
Cambridge portion (45% carried interest)	**$0**	**$175,000**
President portion (45% interest)	**$206,000**	**$183,000**

* Cambridge can earn a 90% interest in the property from 702261 Alberta Ltd. who have a carried interest. President Mines Ltd can earn a 50% interest in Cambridge's share by funding exploration expenditures of at least $215,000 over two years.

Cadotte River Property	Phase I	Phase II
Ground magnetometer & VLF-EM Survey	$20,000	
Heavy Mineral Sampling	$10,000	
Drill testing	$135,000	$150,000
Drill Core Sampling	$10,000	$25,000
Mini-bulk sampling		$100,000
Helicopter @ $850/hr and Fixed Wing	$15,000	$25,000
Food and Accommodation	$5,000	$10,000
Report and Drafting	$5,000	$10,000
Subtotal	$200,000	$320,000
Contingencies @10%	$20,000	$32,000
Total Budget	**$220,000**	**$352,000**
SAY	**$220,000**	**$352,000**
Cambridge portion (25% interest) (New Claymore has carried interest)	**$80,000**	**$176,000**
Blackrun portion (25% interest)* (New Claymore has carried interest)	**$140,000**	**$176,000**

* Blackrun is responsible for the first $60,000 of exploration expenditures after which costs are shared equally between Cambridge and Blackrun while New Claymore has a 50% carried interest.

Calder Lake Property *	Phase I	Phase II
Ground magnetometer & VLF-EM Survey	$15,000	
Heavy Mineral Sampling	$10,000	
Drill testing	$215,000	$180,000
Drill Core Sampling	$10,000	$25,000
Mini-bulk sampling		$130,000
Helicopter @ $850/hour and Fixed Wing	$25,000	$50,000
Food and Accommodation	$5,000	$15,000
Report and Drafting	$5,000	$10,000
Subtotal	$285,000	$410,000
Contingencies @10%	$28,500	$41,000
Total Budget	**$313,500**	**$451,000**
SAY	**$314,000**	**$451,000**
Cambridge portion (25% interest)	**$157,000**	**$225,500**

*Sanfred Resources has a 50% carried interest while Cambridge and New Claymore share the exploration expenditures equally to each earn a 25% interest in the property.

Tosca Property *	Phase I	Phase II
Property Airborne Magnetometer Survey**	$80,000	
Ground magnetometer & VLF-EM Survey	$15,000	
Heavy Mineral Sampling	$10,000	
Drill testing	$125,000	$225,000
Drill Core Sampling	$15,000	$30,000
Mini-bulk sampling		$160,000
Helicopter @ $850/hour and Fixed Wing	$25,000	25,000
Food and Accommodation	$5,000	7,500
Report and Drafting	$5,000	$10,000
Subtotal	$280,000	$457,500
Contingencies @10%	$28,000	$45,750
Total Budget	**$308,000**	**$503,250**
SAY	**$308,000**	**$503,000**
Cambridge portion (25% interest)	**$154,000**	**$251,500**

* Cambridge and Meteor Minerals Inc. are each earning a 25% interest in the property and share the exploration expenditures equally while New Claymore has a 50% carried interest.

** The survey has now been flown over the most prospective portion of the property.

Beaver Lodge Property *	Phase I	Phase II
Property Airborne Magnetometer Survey	$70,500	
Ground magnetometer & VLF-EM Survey	$10,000	
Heavy Mineral Sampling	$10,000	
Drill testing	$50,000	$150,000
Drill Core Sampling	$10,000	$30,000
Mini-bulk sampling		$150,000
Food and Accommodation	$5,000	$10,000
Report and Drafting	$5,000	$10,000
Subtotal	$160,500	$350,000
Contingencies @10%	$16,050	$35,000
Total Budget	**$176,550**	**$385,000**
SAY	**$177,000**	**$385,000**
Cambridge portion (100% interest)	**$177,000**	**$385,000**

*These permits have been applied for but not issued, this budget is included for completeness but until the permits are actually issued the company is not raising any exploration funds for work on the Beaver Lodge property.

Total All Projects Phase I (excluding Beaver Lodge property)	$ 1,048,000
Total All Projects Phase II (excluding Beaver Lodge property)	$ 1,664,000
Total Cambridge portion Phase I (excluding Beaver Lodge property)	**$ 391,000**
Total Cambridge portion Phase II (excluding Beaver Lodge property)	**$ 828,000**
TOTAL CAMBRIDGE PORTION PHASE I & II	***$ 1,219,000***

CERTIFICATE OF QUALIFICATIONS

I, George Cavey, [redacted] Vancouver, British Columbia hereby certify:

1. I am a graduate of the University of British Columbia (1976) and hold a B.Sc. degree in geology.

2. I am presently employed as a consulting geologist with OreQuest Consultants Ltd. of #306-595 Howe Street, Vancouver, British Columbia.

3. I have been employed in my profession by various mining companies since graduation, with OreQuest Consultants Ltd. since 1982.

4. I am a Fellow of the Geological Association of Canada.

5. I am a member of the Canadian Institute of Mining and Metallurgy.

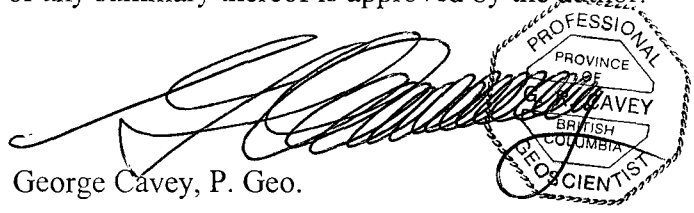
6. I am member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

7. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia.

8. The information contained in this report was obtained from a review of data listed in the Bibliography, in addition to a general knowledge of the area having lived in the town of Peace River for six years, I have not been to the subject properties since they were acquired.

9. Neither OreQuest Consultants Ltd. nor myself have nor expect to receive direct or indirect interest in any of the permit blocks discussed in this report nor in the securities of Cambridge Minerals Ltd. or any of its Alberta properties joint venture partners.

10. I consent to and authorize the use of the attached report and my name in either Company's Prospectus, Statement of Material Facts or other public document, providing the report is used in its entirety or any summary thereof is approved by the author.



George Cavey, P. Geo.

DATED at Vancouver, British Columbia, this 10th day of June, 1998

CERTIFICATE OF QUALIFICATIONS

I, Wesley D.T. Raven, [redacted] Vancouver, British Columbia, hereby certify:

1. I am a graduate of the University of British Columbia (1983) and hold a B.Sc. degree in geology.

2. I have been employed as an exploration geologist on a full time basis since 1983.

3. I am currently retained as an independent consulting geologist by OreQuest Consultants Ltd., I have no interest in OreQuest Consultants Ltd.

4. I am a Fellow of the Geological Association of Canada.

5. I am a Professional Geologist registered with the Association of Professional Engineers and Geoscientists of British Columbia.

6. The information contained in this report was obtained from a review of data listed in the Bibliography. I have not been to the subject properties since they were acquired.

7. Neither OreQuest Consultants Ltd. nor myself have or expect to receive direct or indirect interest in any of the permit blocks discussed in this report nor in the securities of Cambridge Minerals Ltd. or any of its Alberta properties joint venture partners.

8. I consent to and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts or other public document, providing the report is used in its entirety or any summary thereof is approved by the author.

Wesley Raven

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS PROVINCE OF BRITISH COLUMBIA D. T. RAVEN GEOSCIENTIST

Wesley D.T. Raven, P.Geo.

DATED at Vancouver, B.C., this 10th day of June, 1998.

CERTIFICATE OF QUALIFICATIONS

I, J.L. LeBel, of [redacted] North Vancouver, British Columbia hereby certify:

1. I am a graduate of the Queens University (1971) and the University of Manitoba (1973) and hold a B.Sc. degree in geological engineering and a M.Sc. degree in geophysics.

2. I am a Professional Engineer registered with the Association of Professional Engineers and Geoscientists of British Columbia.

3. I have been employed in mining exploration with various companies since 1972.

4. The information contained in this report was obtained from a review of portions of the airborne geophysical survey.

5. Neither OreQuest Consultants Ltd. nor myself have or expect to receive any direct or indirect interest in the properties discussed herein, nor in the securities of Cambridge Minerals Ltd. or any of its Alberta properties joint venture partners.

6. I consent to and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts or other public document, providing the report is used in its entirety or any summary thereof has my approval.

J.L. LeBel, P.Eng.

DATED at Vancouver, British Columbia, this 10th day of June, 1998.

19980021

NAGEX

Northern Alberta Geological Explorations

BOX 7, SITE 7, R.R. 4 ♦ EDMONTON, ALBERTA T5E 5S7 ♦ CANADA

04 August, 1998

Brian Hudson
Manager
Mineral Agreements
Mineral Operations Division
Alberta Energy
9th floor, Petroleum Plaza North
9945 - 108th Street,
Edmonton, AB. T5K 2G8

Ref; Geological Permit Expenditures.

Mr. Hudson,

Per your suggestion, please find enclosed the expenditures made during the past two years by our company on the three Permits #9396030002, #9396030003 & #9396030004 - located on TWP78, RG18, W5, TWP79, RG18, W5 & TWP80, RG18, W5.

Some indirect expenses have not been included but I trust this will be satisfactory for the purpose of maintaining these permits.

Sincerely

[redacted]

Blaine Lefebvre

RENO PROJECT - GEOLOGICAL PERMITS EXPENSES

WESTERN PROPERTY - THREE PERMITS:

PERMIT #: 9396030002.

LOCATION: TWP78, RG18, West of 5th Meridian.
SECTIONS 1 - 36 (9,216 Hectares)

EXPENSES	**$ AMOUNT**
ASSESSMENT WORK	$ 5,827.44
SITE LOCATING	$ 2,409.18
MAPS & PROJECTIONS	$ 3,610.65
ENERGY DEPARTMENT APPLICATIONS	$ 1,350.91
PLANNING & DEVELOPMENT	$ 7,760.50
PROJECT CONSULTANTS	$ 5,895.38
FORESTRY PROPOSAL/APPLICATIONS	$ 11,465.90
AIRBORNE MAGNETIC SURVEY	$ 8,337.43
GEOPHYSICAL CONSULTANT	$ 1,041.01
PERMIT EXPENDITURE TOTAL	$ 47,698.40

PERMIT #: 9396030003.

LOCATION: TWP79, RG18, W5; (9,088 Hectares)
SECTIONS 1-31;32N;SW,33N,SE;34-36

EXPENSES	$ AMOUNT
ASSESSMENT WORK	$ 2,695.04
SITE LOCATING	$ 2,450.78
MAPS & PROJECTIONS	$ 2,877.62
ENERGY DEPARTMENT APPLICATIONS	$ 1,350.91
PLANNING & DEVELOPMENT	$ 5,592.56
FORESTRY PROPOSAL/APPLICATIONS	$ 7,235.89
AIRBORNE MAGNETIC SURVEY	$ 8,337.43
GEOPHYSICAL CONSULTANT	$ 1,041.01
PROJECT CONSULTANT	$ 3,745.00
PERMIT EXPENDITURE TOTAL	$ 35,326.24

PERMIT #: 9396030004.

LOCATION: TWP80, RG18, W5; (9,088 Hectares)
SECTIONS 1-9;10N;11-36

EXPENSES	$ AMOUNT
ASSESSMENT WORK	$ 3,347.81
SITE LOCATING	$ 1,850.78
MAPS & PROJECTIONS	$ 2,877.60
ENERGY DEPARTMENT APPLICATIONS	$ 1,350.91
PLANNING & DEVELOPMENT	$ 6,912.47
FORESTRY PROPOSAL/APPLICATIONS	$ 3,343.65
AIRBORNE MAGNETIC SURVEY	$ 8,337.43
GEOPHYSICAL CONSULTANT	$ 1,041.01
PROJECT CONSULTANT	$ 3,745.00
PERMIT EXPENDITURE TOTAL	~~$ 29,458.85~~

32,806.66

SUMMARY OF EXPENSES ON ALL THREE PERMITS:

PERMITS #9396030002, 30003 & 30004

ACTIVITY DATE LOG ON ALL THREE PERMITS

Year 1996 - August, September & November.

(1) Five man crew - 5 days (August/96)
Equipment - 2 Motorhomes w/ATV trailer, 1 Argo & 2 4X4 Quads.

Areas Covered - Permit#9396030002,30003 & 30004.
TWP#78,#79 & #80 on Rng#18, W5.

Activity Summary - Ground Expedition for Site location, Terrain assessment, plan development & on-site projections & proposals.

(2) Two man crew - 3 days (September/96)
Equipment - 1 Motorhome w/ATV trailer, 1 Argo & 1 4X4 Quad.

Areas Covered - Permit #9396030002 - TWP#78, RG#18, W5.
Activity Summary - Ground Expedition for Plan development, On-site proposals & Project assessment.

(3) Two man crew - 3 days (November/96)
Equipment - 1 Motorhome w/ATV Trailer, 1 Argo & 1 4X4 Quad.
Activity Summary - Plan development meeting with Forestry Staff in Peace River District Office, followed by On-site Project Assessment of Permit #9396030004 - TWP#80

(RENO) BEARHEAD CREEK PROJECT - EASTERN PROPERTY

GEOLOGICAL PERMITS - EXPENSES TO DATE:

THREE PERMITS: #9396110031, #9396110032 & #9396110033.

PERMIT #: 9396110031.

LOCATION: TWP78, RG17, West of 5th Meridian.
SECTIONS 1 - 36 (9,216 Hectares)

EXPENSES	$ AMOUNT
ASSESSMENT WORK	$ 3,042.82
SITE LOCATING	$ 2,570.23
MAPS & PROJECTIONS	$ 1,934.09
ENERGY DEPARTMENT APPLICATIONS	$ ~~1,350.91~~
PLANNING & DEVELOPMENT	$ 4,018.11
DEVELOPMENT/FORESTRY PROPOSALS	$ 2,544.56
PROJECT CONSULTANTS	$ ~~2,107.94~~ 5/B+ 5895.38
AIRBORNE MAGNETIC SURVEY	$ 8,337.43
GEOPHYSICAL CONSULTANT	$ 1,041.01
PERMIT EXPENDITURE TOTAL	$ 30,734.51

30734.54
- 1350.91
29383.63

PERMIT #: 9396110032.

LOCATION: TWP79, RG17, W5; (9,216 Hectares)
SECTIONS 1-36

EXPENSES	$ AMOUNT
ASSESSMENT WORK	$ 1,853.97
SITE LOCATING	$ 2,652.93
MAPS & PROJECTIONS	$ 2,022.39
ENERGY DEPARTMENT APPLICATIONS	$ ~~1,350.91~~ out
PLANNING & DEVELOPMENT	$ 3,080.72
FORESTRY PROPOSALS	$ 3,522.03
AIRBORNE MAGNETIC SURVEY	$ 8,337.43
GEOPHYSICAL CONSULTANT	$ 1,041.01
PROJECT CONSULTANT	$ 3,745.00
PERMIT EXPENDITURE TOTAL	$ 27,104.39

27,606.39
- 1350.91
26,255.48

PERMIT #: 9396110033.

LOCATION: TWP80, RG17, W5; (9,216 Hectares)
SECTIONS 1-36

EXPENSES	$ AMOUNT
ASSESSMENT WORK	$ 1,825.99
SITE LOCATING	$ 1,911.36
MAPS & PROJECTIONS	$ 2,898.84
ENERGY DEPARTMENT APPLICATIONS	~~$ 1,350.91~~ out
PLANNING & DEVELOPMENT	$ 4,126.92
FORESTRY PROPOSALS	$ 1,755.13
AIRBORNE MAGNETIC SURVEY	$ 8,337.43
GEOPHYSICAL CONSULTANT	$ 1,041.01
PROJECT CONSULTANT	$ 3,745.00
PERMIT EXPENDITURE TOTAL	$ 26,941.59

26,992.49
-1 350.91
25,641.58

SUMMARY OF EXPENSES ON ALL THREE EASTERN PERMITS:

PERMITS #9396110031, #9396110032 & #9396110033.
Townships #78,#79 & #80 Range#17 West of 5th Meridian.

ACTIVITY DATE LOG ON ALL THREE PERMITS

Year 1996 - August, September & November.

(1) Five man crew - 5 days (August/96)
Equipment - 2 Motorhomes w/ATV trailer, 1 Argo & 2 4X4 Quads.

Areas Covered - Permit#9396110031,6110032 & 6110033.
TWP#78,#79 & #80 on Rng#17, W5.

Activity Summary - Ground Expedition for Site location, Terrain assessment, plan development & on-site verification of current projections & proposals.

(2) Two man crew - 2 days (September/96)
Equipment - 1 Motorhome w/ATV trailer, 1 Argo & 1 4X4 Quad.

Areas Covered - Permit #9396110031 - TWP#78, RG#17, W5.
Activity Summary - Ground Expedition for Plan development, On-site verification of proposals & Project assessment.

(3) Two man crew - 4 days (November/96)
Equipment - 1 Motorhome w/ATV Trailer, 1 Argo & 1 4X4 Quad.
Activity Summary - Plan development meeting with Forestry Staff in Peace River District Office, followed by On-site Project Assessment of Permits #9396110032 & #9396110033.

Year 1997 - June, July & August.

(1) Six man crew - 2 days (June/97)
Equipment - 2 cars, 1 4X4 1ton truck w/ATV trailer, 1 Quad, and 1 rental Cessna Aircraft.
Areas covered - Permits #9396110031, 6110032 & 6110033.
Activity Summary -(a) Aerial fly over for Terrain Assessment and review of current Project planning & development.
Activity Summary -(b) Ground Expedition for site location, Project development and evaluation studies.

(2) Two man crew - 1 day (July/97)
Equipment - 1 Truck.
Areas covered - Permit #9396110031.
Activity Summary - Ground Expedition for Project planning & development.

(3) Two man crew - 2 day (August/97)
Equipment - 1 Truck.
Areas Covered - Permit #9396110032 & #9396110033.
Activity summary - Ground Expedition for Site evaluations, Project development & Planning.

Year 1998 - February & March.

(1) Cambridge Minerals Ltd.
Airborne Magnetic Survey Contract - Part of Six Week Survey which included the Bearhead Creek Prospect Project.

Area Covered - All of Permits #9396110031, 6110032 & 6110033.

Activity Summary - Airborne Magnetic Survey for location and identification of unexplained magnetic anomalies.

Eastern Property - Permit #:9396110031.

ASSESSMENT & LOCATION WORK: $5,613.05
1) Search preparation, assembling all relevant materials and assessment of the materials to determine possible designated areas of Geological interest and create location feasibility parameters. (419 man hours)

Maps & Projections: $2,570.23
1) Procurement and layout of all relevant maps for designated permit area. Topographical, Geological & Phase 3 Forest cover maps. (70 man Hours).
2) Map reading and projections for probable areas of Geological interest. (169 man hours).
3) Meetings and feasibility studies on projected areas of Geological interest. (109 man hours).
4) Administrative Expenses: Phones, faxes, computer costs and office materials.
5) Operational Expenses: Travel expenses, fuel and other miscellaneous expenses.

Total of 348 man hours worked in this phase.

Planning & Development: $4,018.11
1) Project logistical planning for permit area. (148 man hours).
2) Logistic development and financial projections for area. (111 man hours).
3) Financial development and continued in-office and on-site planning sessions. (42) man hours).
4) On site visual Geological assessments and inspections. (105 man hours)
5) Administrative Expenses: Same as above.
6) Operational Expenses. Travel expenses, equipment costs, fuel and other miscellaneous expenses.

Total of 409 man hours worked in this phase.

Planning of Forestry Proposals: $2,544.56
1) Meetings and discussions with Forestry officials. (22 man hours).
2) Preparing plans & proposals for Forestry. (213 man hours).
3) Administrative Expenses: Same as above.
4) Operational Expenses:Travel expenses, fuel and other miscellaneous expenses.

Total of 235 man hours.

TOTAL MAN HOURS FOR THIS PERMIT TO DATE = 1,411.

PROJECT CONSULTANTS: $5,895.38

1) Invoiced share for this permit from Karen Heslop Consulting for financial planning and investor development. $3,745.00

2) Additional invoice from Karen Heslop consulting due to repeated delays and missed deadlines. $2,150.38
NOTE: Invoices can be provided if required.

Permit #: 9396110032.

ASSESSMENT & LOCATION WORK: $4,504.75

1) Search preparation, assembling all relevant materials and assessment of the materials to determine possible designated areas of Geological interest and create location feasibility parameters. (326 man hours)

MAPS & PROJECTIONS: $2,022.39

1) Procurement and layout of all relevant Geological, Topographical and Phase 3 Forest cover maps. (47 man hours).
2) Map reading and projections on probable areas of main Geological interest within the parameters.(111 man hours).
3) Meetings and feasibility studies on projected areas of Geological interest. (48 man hours).
4) Administrative Expenses: Same as previous permit.
5) Operational Expenses: Same as previous permit.

Total of 206 man hours.

Planning & Development: $3,080.77

1) Project logistical planning and continued feasibility studies for permit area. (114 man hours).
2) Logistics development and financial projections for area. (59 man hours).
3) Financial development and continued in-office and on-site planning sessions. (102 man hours).
4) On-site visual Geological inspections and assessments. (60 man Hours)
5) Administrative and Operational Expenses: Same as above.

Total of 335 man hours.

FORESTRY PROPOSALS: $3,522.03

1) Meeting and discussions with forestry officials. (29 man hours).
2) Preparation of plans for Forestry Department. (270 man hours).
3) Administrative and Operational Expenses: Same as above.

Total of 299 man hours.

PROJECT CONSULTANT: $3,745.00 = 5895.38

1) Invoiced share for this permit from Karen Heslop Consulting.

TOTAL MAN HOURS THIS PERMIT TO DATE = 1,166.

PERMIT #: 9396110033.

ASSESSMENT & LOCATION WORK: $3,737.35
1) Search preparation, assembling all relevant materials and assessment of the materials to determine possible designated areas of Geological interest and create location feasibility parameters. (305 man hours)

MAPS & PROJECTIONS: $2,898.84
1) Procurement and layout of all relevant maps for designated permit area. e.g. Topographical, Geological and Phase 3 Forest Cover maps. (78 man hours).
2) Map reading and projections for probable areas of Geological interest. (115 man hours).
3) Meetings and feasibility studies on projected areas of geological interest. (61 man hours).
4) Administrative and Operational Expenses: The same as the previous permits.

Total of 254 man hours.

PLANNING & DEVELOPMENT: $4,126.92
1) Project Logistical planning for this permit area. (108 man hours).
2) Logistics development and Financial projections for this permit area. (114 man hours).
3) Financial development and continued in-office and on-site planning sessions. (112 man hours).
4) On-site Visual Geological inspections and assessments. (80 man hours).
5) Administrative and Operational Expenses: The same as the previous permits.

Total of 414 man hours.

FORESTRY PROPOSALS: $1,755.13
1) Meeting and discussions with Forestry staff. (11 man hours).
2) Preparations of plans and proposals for the Forestry Department. (158 man hours).
3) Administrative and Operational Expenses: The same as the previous permits.
4) Extra administrative and Operational costs of $451.82

Total of 169 man hours.

PROJECT CONSULTANT: $3,745.00
1) Invoiced share for this permit from Karen Heslop Consulting.

TOTAL MAN HOURS FOR THIS PERMIT TO DATE = 1,142.

SUMMARY REPORT

on the

ALBERTA DIAMOND PROPERTIES

for

CAMBRIDGE MINERALS LTD.

George Cavey, P.Geo.
Wesley Raven, P.Geo.

April 24, 1998

OREQUEST

OREQUEST CONSULTANTS LTD., 306-595 Howe Street, Vancouver, B.C., Canada V6C 2T5 Telephone: (604) 688-6788 Fax: (604) 688-9727

SUMMARY

Cambridge Minerals Ltd. has options to earn various interests in five properties with potential for diamond deposits in northern and western Alberta. The properties are comprised of 43 metallic mineral prospecting permits or applications for permits which cover approximately 383,000 hectares (approximately 948,000 acres). The properties have been explored for petroleum resources but their diamond potential has never been evaluated.

Diamond exploration in Canada gets its impetus from the discovery of diamondiferous kimberlite pipes in the Lac de Gras area of the Northwest territories in 1991 and the subsequent development of the Ekati Mine, Canada's first diamond mine, by Dia Met Minerals and BHP Minerals who also made the initial discovery. The recent announcement that Aber Resources and Diavik Diamond Mines, a division of Rio Tinto, intend to proceed with the development of the Diavik Mine has further established the potential for additional diamond discoveries in Canada.

Regional geological and tectonic conditions in Alberta are conducive to the formation of diamond deposits including, favourable Precambrian basement rocks and interpreted deep seated structures. The Cambridge properties lie within or close to several favourable kimberlite indicator mineral trends outlined by regional till and sediment sampling. The recent discovery of kimberlite bodies in the Peace River area by Pure Gold Resources, Ashton Mining of Canada and Alberta Energy Corp. on the Buffalo Hills project within a 100-120 km radius of the Cambridge properties indicate the development of a new kimberlite province or field in the area. High resolution airborne magnetic surveys conducted on three of the five properties have outlined a number of magnetic anomalies with signatures similar to known kimberlites in the area, including the Mountain Lake

kimberlite discovered by Monopros and the Pure Gold/ Ashton/ Alberta Energy kimberlites, all of which are reported to have a magnetic signature.

Further exploration is warranted on the Cambridge Mineral's properties. The general Phase I program recommended for the properties includes a high resolution airborne magnetic survey (Tosca and Beaver Lodge properties) followed by filtering of man-made magnetic anomalies. The remaining magnetic targets with a kimberlite-like magnetic signature should be followed up with ground surveys. A local grid should be established over anomalous targets to provide control for ground magnetic and VLF-EM electromagnetic geophysical surveys. In addition, a heavy mineral sampling program should be undertaken throughout the properties as not all kimberlites have a geophysical signature but they could have indicator mineral trends that can be revealed by the sampling. Preliminary drill testing of the most promising targets (one or two holes) is the final step of the Phase I program to determine if a pipe is present and if it is diamondiferous.

Phase II would consist primarily of detailed drill testing of any pipes located by Phase I to determine the extent of the pipe and if it is diamondiferous a mini bulk sample would be warranted. The total costs of the Phase I program are estimated at $1,048,000 and Phase II at $1,664,000 for an aggregate of $2,712,000. Of these cost estimates, Cambridge Minerals proportional share based on its interest and joint venture agreements is $530,000 for Phase I and $830,000 for Phase II, a grand total of $1,360,000 for both Phase I and II.

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INTRODUCTION

This report presents a geological appraisal of the diamond potential of five properties, located in northern and western Alberta, which are under option by Cambridge Minerals Ltd. and makes recommendations as to further work warranted on the properties. It has been prepared by OreQuest Consultants Ltd. at the request of the directors of the company for the purpose of obtaining public financing, the proceeds of which will be used for the exploration program described herein.

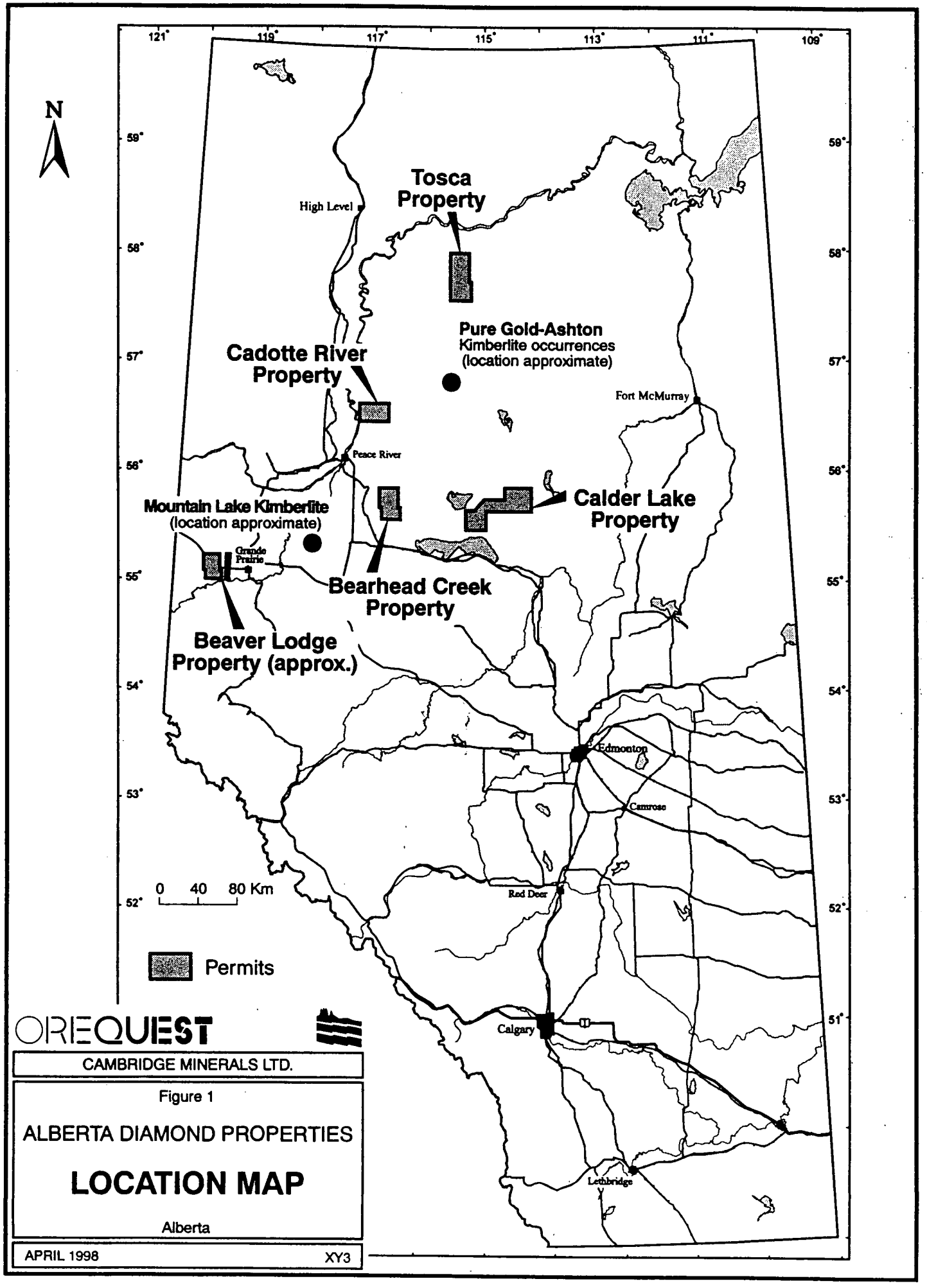
Interest in diamonds in Alberta stems from two developments; the discovery of diamonds in the Northwest Territories in 1991 and the subsequent development of two diamond mines there, in conjunction with the knowledge that the basement geology in Alberta is favourable for diamond deposits and the recent discovery of diamondiferous kimberlite bodies on the Buffalo Hills property in the Peace River area by Pure Gold Resources and Ashton Mining.

Neither author has visited the subject properties since they were acquired, but author Cavey lived in the town Peace River for six years and is familiar with the area.

LOCATION AND ACCESS

Four of the five properties, including the Bearhead Creek, Cadotte River, Calder Lake and Tosca properties are located in north-central Alberta while the fifth, the Beaver Lodge property is considered in western Alberta. (Figure 1).

The Bearhead Creek property lies approximately 45 km southeast of the town of Peace River bounded by the Peace River to the west. The nearest town is McLennan, at the south end of Kimiwan



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CAMBRIDGE MINERALS LTD.

Figure 1

ALBERTA DIAMOND PROPERTIES

LOCATION MAP

Alberta

APRIL 1998 XY3

Lake, approximately six km to the southwest. A gravel road originating at McLennan leads to the southwest corner of the property. A secondary line of the CNR railway lies west of the property and heads north along the west side of Kimiwan Lake. The Cadotte River property is located approximately 45 km north-northeast of the town of Peace River. Limited road access is provided by Provincial Highway #743 which just touches the southwest corner of the property. The nearest communities are Dixonville and Deadwood on a spur line of the CNR railway. The Peace River meanders through the western portion of the property and Cadotte Lake is located 25 km to the southeast.

The Calder Lake property is located approximately 60 km due north of the town of Slave Lake bounded by Utikuma Lake along the western border. There are no towns or villages within the property boundaries. The nearest larger centre is Slave Lake and there are several smaller settlements on the western shores of Utikuma Lake. Road access is good in the western part of the property via Provincial highway #88 and highway #754 passes just south of the southeast corner of the property providing limited access to this area. The Tosca property is the most remote of the five and is located approximately 35 km southeast of the village of Fort Vermilion and 100 km east-southeast of the town of High Level. There are two small Indian Reservations in the central portion of the property. Provincial highway #88 passes northwesterly throughout the property providing reasonable access to the property.

The Beaver Lodge property is located approximately 25 km west of the town of Grande Prairie, near the British Columbia - Alberta provincial border, and is the westernmost of the company's five properties. The property encompasses the town of Beaverlodge as well as several

smaller communities. There is good road access to the property including Provincial highway #2, from Dawson Creek, B.C. to Grande Prairie and secondary highways #722, #723, #667 and #671. The CNR railway passes through the northeastern part of the property.

PHYSIOGRAPHY AND VEGETATION

Most of the properties lie in the Alberta Plateau, an area of moderate relief and well developed drainage. The Bearhead Creek property lies on a broad plateau where elevations average approximately 2000 feet. The South Heart River passes through the southeast corner of the property and the Heart River drains the northwest corner of the property. On the Cadotte River property elevations range from approximately 1500 feet in the Peace River valley on the west side of the property to a high of 2000 feet on the east side, on the Alberta plateau. The Peace River trends north-south through the western portion of the property. The Cadotte and Little Cadotte Rivers traverse the southern and northern portions of the property respectively before they join above the confluence with the Peace River.

At the Calder Lake property elevations range from approximately 2000 feet throughout the western half of the property gradually dropping to 1500 feet in the northeast corner and rising to nearly 2250 feet in the south, toward the Pelican Mountains. The Utikuma, Nipisi and Pastecho Rivers, from east to west respectively, drain northeasterly into the Muskwa River. The Tosca property is the most rugged of the five, with elevations of just under 1000 feet in the Wabasca River valley in the north to nearly 2500 feet in the southwest corner of the property in the Buffalo Head Hills. The property is bounded by the Bear and Peace Rivers to the north with the Wabasca River passing north-south through the eastern portion of the property.

The Beaver Lodge property is located on the Alberta Plateau at an average elevation of approximately 2000 feet rising to 3000 feet on the hills east of the village of Beaverlodge. The property is drained by the Beaverlodge, Beavertail and Redwillow Rivers.

Glaciation has broadened and smoothed the valleys while thin layers of till were deposited on the plains. Morainal materials and glacial lake sediments were also deposited. Ice directions are reasonably well defined and fairly simple. The dominant surficial materials in the area are glaciolacustrine clays which occur as blankets over the low relief landscape. Glacial deposits are generally less than 30 metres in thickness and average about 10 metres.

The area experiences a continental type of climate with long cold winters and cool summers. Annual mean precipitation is 500-600 millimetres, snowfall averages 150-200 centimetres per year and sunshine averages 200 hours per month from May to September. The general area is covered with coniferous and mixed coniferous-deciduous forests except in areas that have been cleared for farming. Tree species include spruce, fir, lodgepole pines, and poplar trees.

LAND STATUS

The five properties are made up of 35 metallic mineral prospecting permits and eight applications for permits which comprise an area of approximately 383,000 hectares (approximately 948,000 acres) of northern and western Alberta (Figures 2a to 2e). The general details of the various option agreements are as follows.

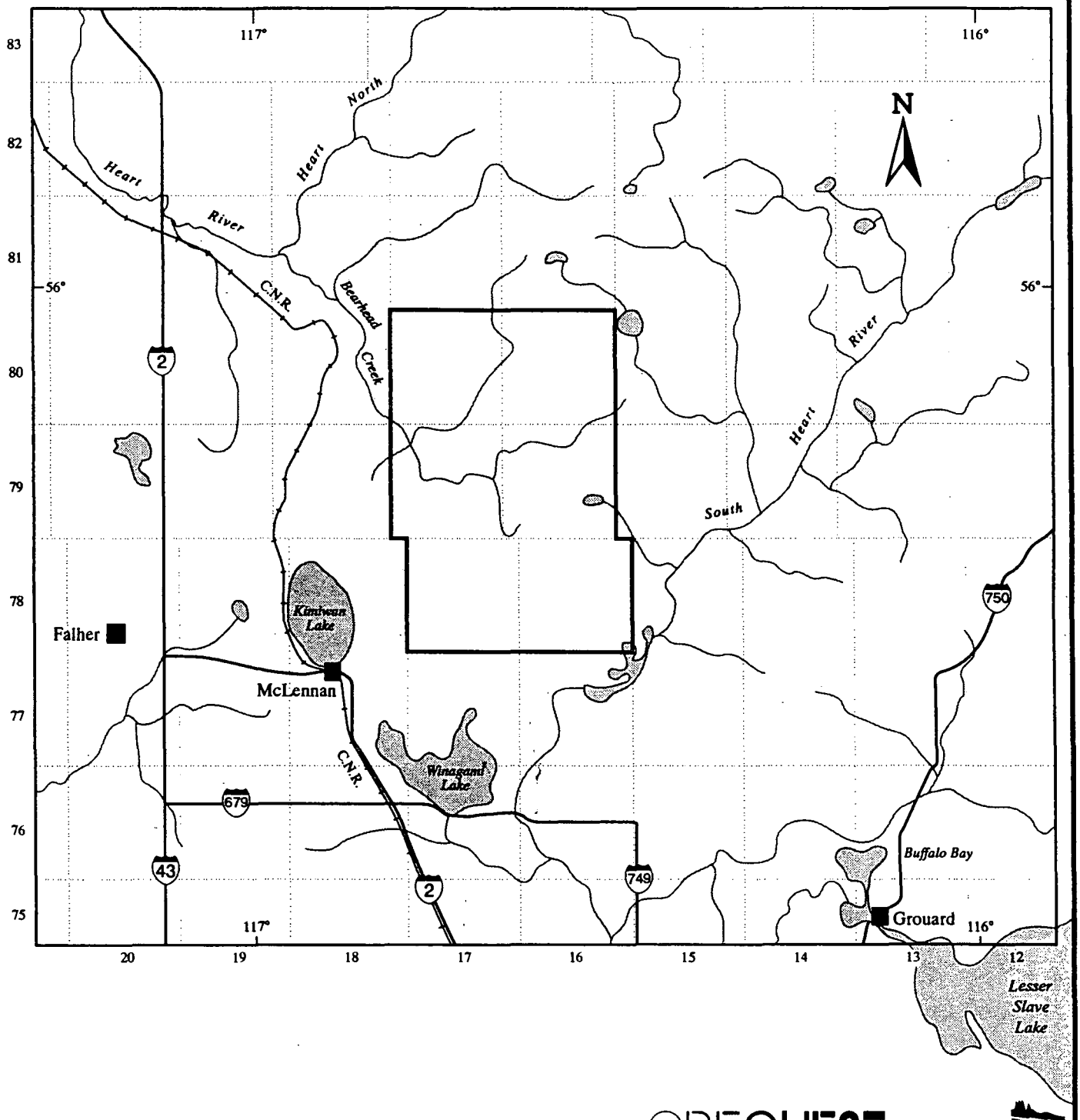

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Figure 2a

BEARHEAD CREEK PROPERTY

PERMIT MAP

Alberta

APRIL 1998 XY3

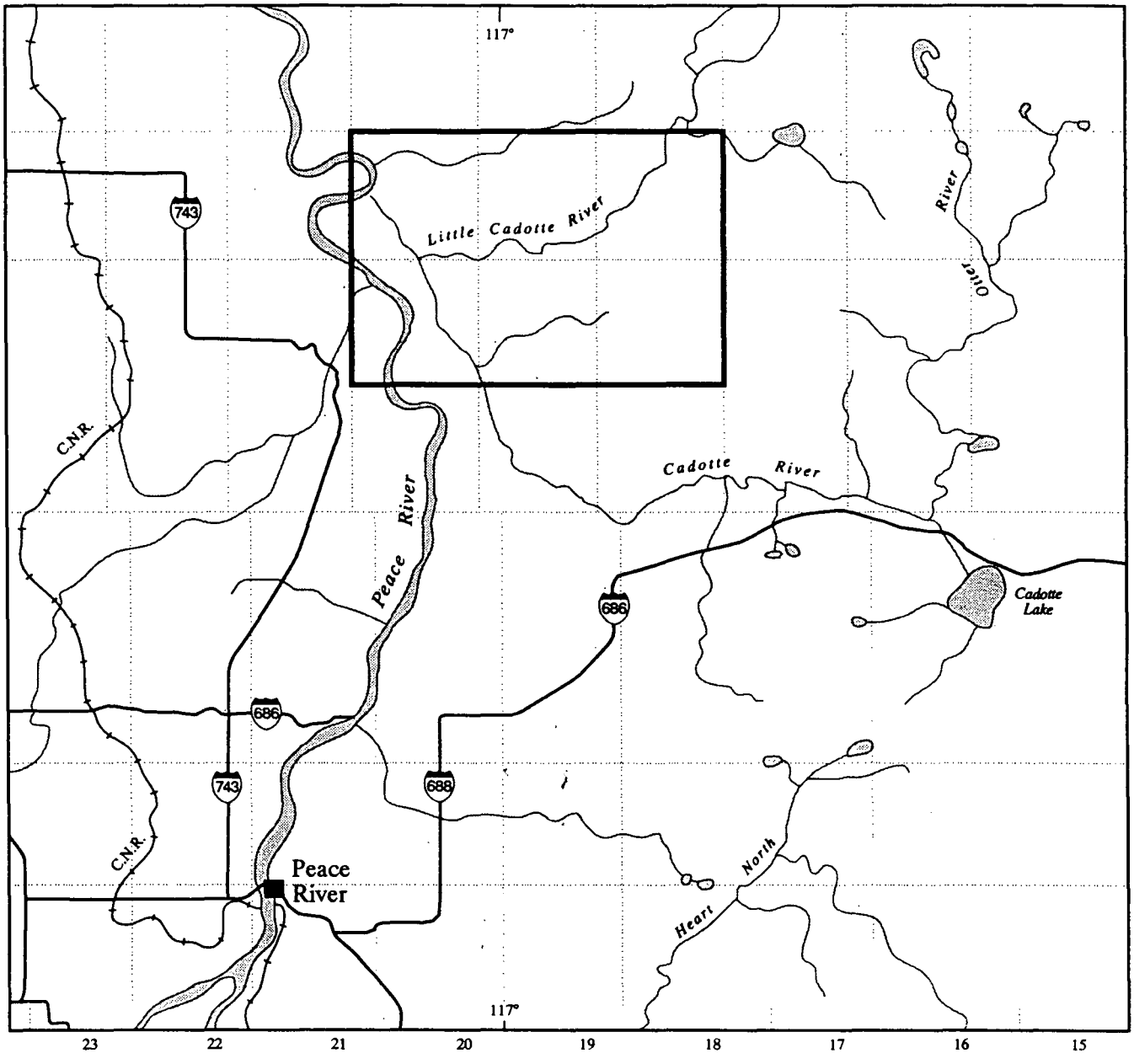

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Figure 2b

CADOTTE RIVER PROPERTY

PERMIT MAP

Alberta

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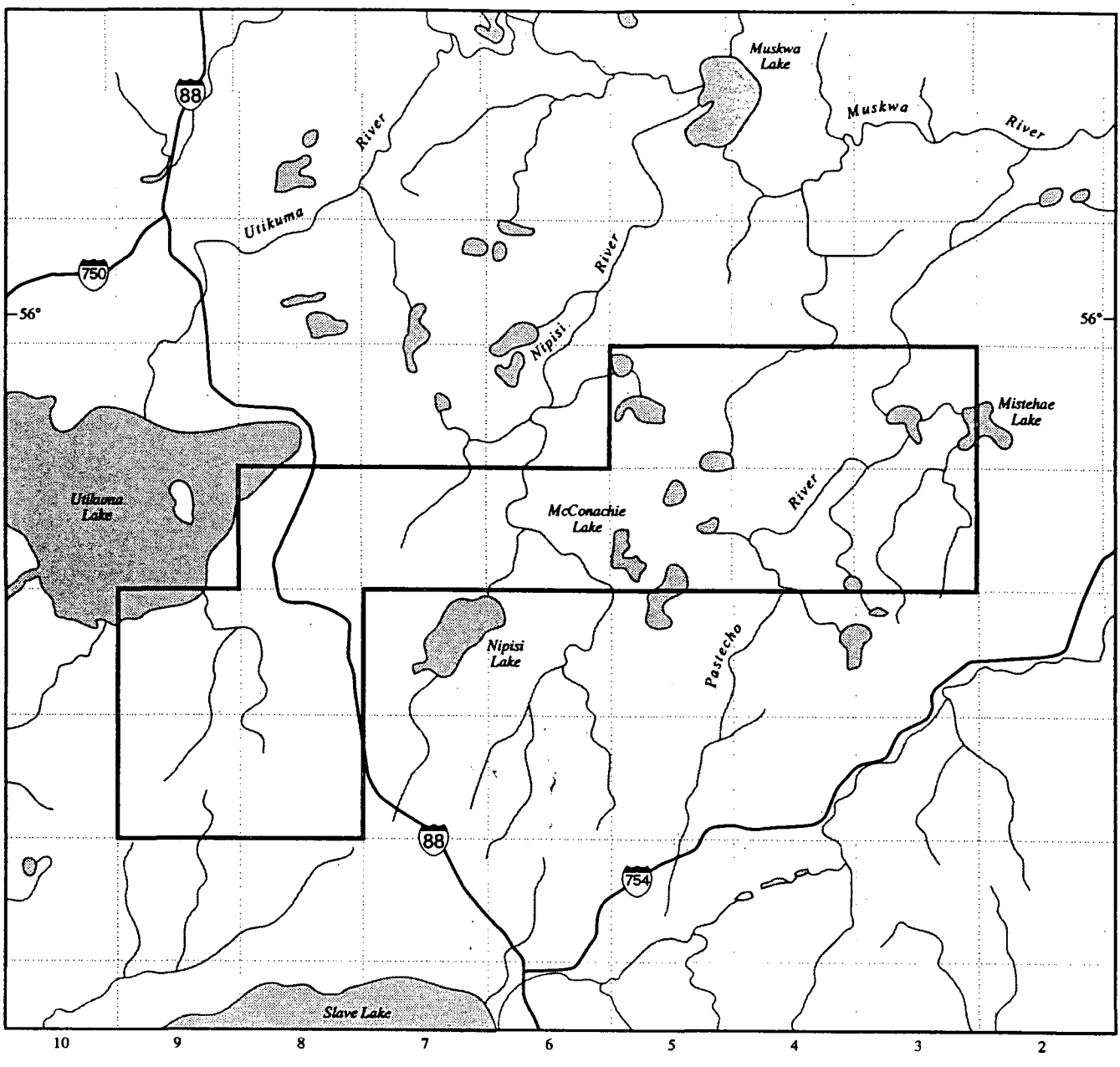

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CAMBRIDGE MINERALS LTD.

Figure 2c

CALDER LAKE PROPERTY

PERMIT MAP

Alberta

APRIL 1998 XY3

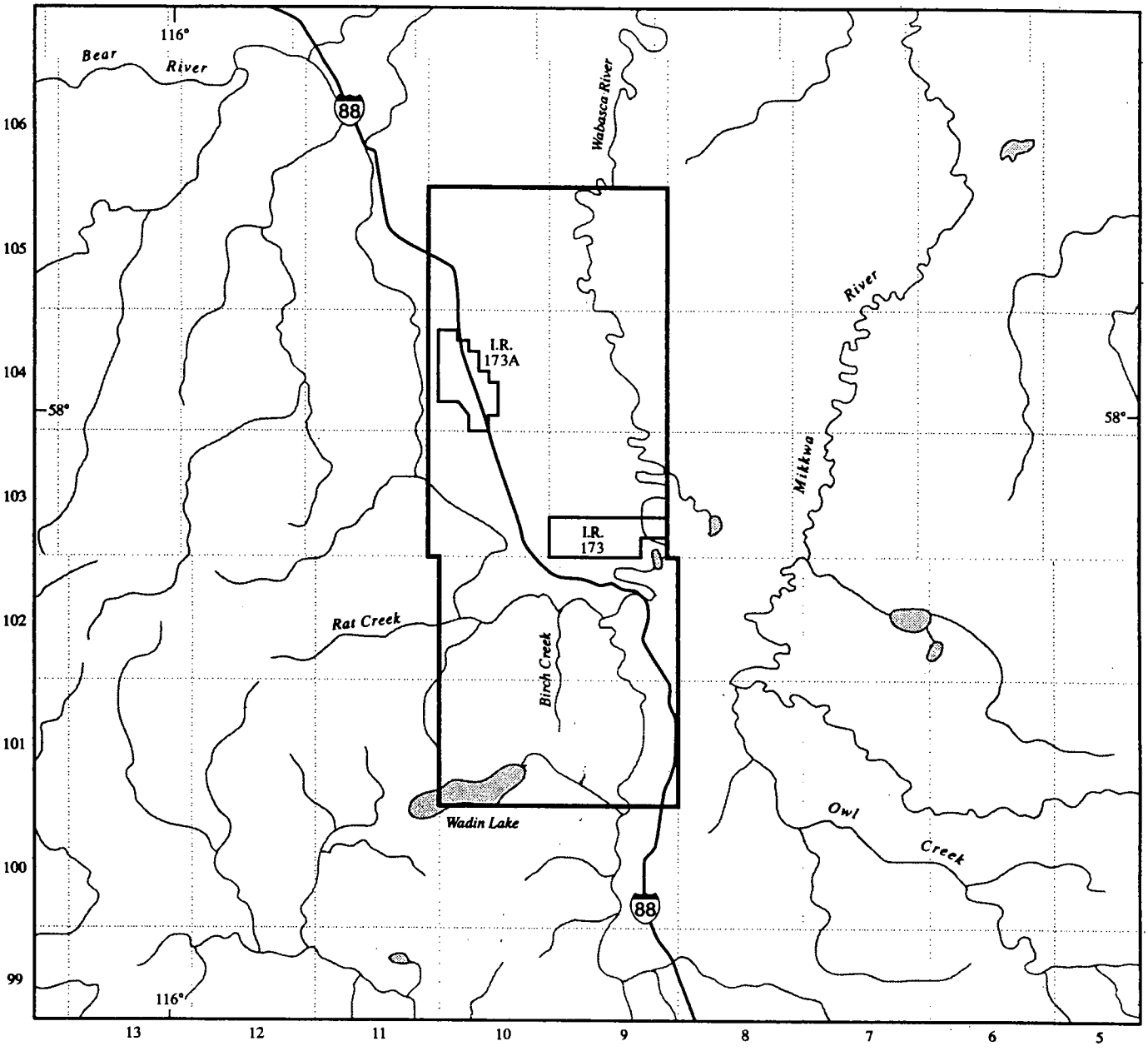

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Figure 2d

TOSCA PROPERTY

PERMIT MAP

Alberta

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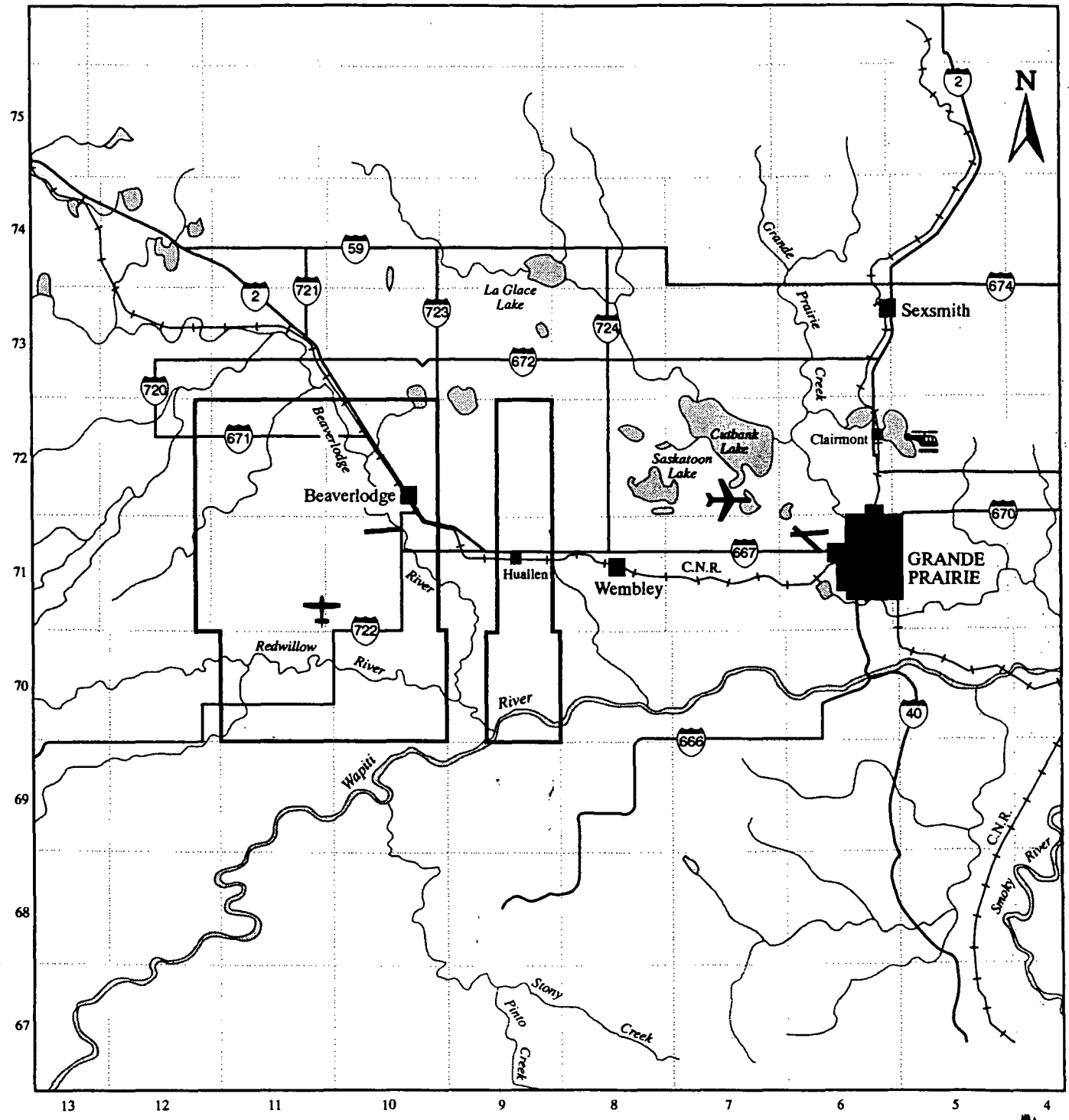

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Figure 2e

BEAVERLODGE PROPERTY

PERMIT MAP

Alberta

APRIL 1998 XY3

The Bearhead Creek property, approximately 133,000 acres, was acquired from a private Alberta company, 702261 Alberta Ltd., in October of 1997. To earn a 90% interest the company has to pay $12,500 cash and issue 75,000 of its shares to the vendor and issue an additional 100,000 shares within two years of closing. In addition Cambridge must issue an additional 100,000 shares to 702261 Alberta Ltd. upon commencement of commercial mine production. Cambridge can purchase the vendor's 10% carried interest for $2,000,000 and 100,000 shares upon completion of a bankable feasibility study. In January, 1998 Cambridge announced it had reached an agreement with President Mines Ltd. whereby President can earn a 50% interest in Cambridge's portion of the Bearhead Creek property. To earn this interest President must pay $25,000 upon signing and an additional $10,000 by January 31, 1998 (done) and issue 50,000 of its shares to Cambridge on closing. President must also make a further cash payment of $17,500 on or before December 31, 1998 and issue 75,000 shares of its shares over the next 18 months and incur all the exploration expenditures of at least $560,000 over two years.

The company can earn a 50% interest in the Cadotte River property, approximately 137,000 acres, from New Claymore Resources Ltd. Under the terms of the agreement Cambridge must issue to New Claymore $50,000 cash upon signing, $50,000 on closing and a further $50,000 on or before January 31, 1999 and issue 250,000 shares and 250,000 warrants upon closing. In addition Cambridge must incur exploration expenditures of $1.50 per acre on or before January 31, 1999 and an additional $2.50 per acre on or before January 31, 2000. The authors have been advised that Cambridge is responsible for 100% of the exploration expenditures required to keep the permits in good standing for the next two years.

A 50% interest in the Calder Lake property, approximately 292,000 acres, was acquired from Sanfred Resources Ltd. for a combination of cash payments and 50,000 shares due on closing and a further 150,000 shares over the next two years. In addition Cambridge must incur exploration expenditures of $1.00 per acre within one year of closing and cumulatively, $2.50 per acre within two years of closing. The company must also complete an airborne magnetic survey within 90 days of closing. Subsequently Cambridge has optioned 50% of its interest to New Claymore Resources Ltd. for a cash payment of $100,000 upon signing and incurring jointly exploration expenditures of approximately $234,000 by October 17, 1998 and $684,000 (cumulative) by October 17, 1999. There is a 2% Gross Overriding Royalty (GOR) on diamond production and a 1.5% NSR on other mineral production from a previously signed agreement with the original property owner. The GOR and NSR may be purchased from property vendor for $2 million and $1 million respectively.

The Tosca property, approximately 203,000 acres, is a joint venture with New Claymore Resources Ltd. and Meteor Minerals Inc. To earn a 25% interest, Cambridge must make cash payments totalling $50,000 and issue 100,000 shares to New Claymore on or before December 31, 1998. In addition Cambridge must incur exploration expenditures of $0.75 per acre by January 31, 1999, $0.25 per acre by May 1, 1999 and $1.00 per acre by January 31, 2000. The Beaver Lodge property, approximately 183,000 acres, will be owned 100% by Cambridge Minerals if and when the permits applied for are issued by the Alberta government. The permits have not yet been issued, the applications are subject to review and approval under the Metallic and Industrial Regulations of Alberta, and such a review may result in certain areas being excluded from the areas covered by the permits.

TABLE I - ALBERTA PROPERTY STATUS AND AREA

SCHEDULE OF MIMP APPLICATIONS						
BEARHEAD CREEK PROPERTY (~133,000 acres)						
Permit Number	West of Meridian	Range	Township	Section	Area (hec.)	Issue Date
9396030002	5	18	78	1-36	9,216	Mar 5/96
9396030003	5	18	79	1-31, 32-33*, 34-36	8,040	Mar 5/96
9396030004	5	18	80	1-9, 10*, 11-36	9,088	Mar 5/96
9396110031	5	17	78	1-36	9,216	Nov 19/96
9396110032	5	17	79	1-36	9,216	Nov 19/96
9396110033	5	17	80	1-36	9,216	Nov 19/96
BEAVER LODGE PROPERTY (~183,000 acres)						
Eight permits have been applied for but are not yet issued.						
CADOTTE RIVER PROPERTY (~137,000 acres)						
9397020026	5	18	88	1-36	9,216	Feb 28/97
9397020027	5	19	88	1-36	9,216	Feb 28/97
9397020028	5	18	89	1-36	9,216	Feb 28/97
9397020029	5	19	89	1-36	9,216	Feb 28/97
9397050101	5	20	88	1-36	9,216	May 30/97
9397050102	5	20	89	1-36	9,216	May 30/97
CALDER LAKE PROPERTY (~292,000 acres)						
9397050083	5	8	77	1-36	9,216	June 4/97
9397050084	5	9	77	1-36	9,216	June 4/97
9397050085	5	8	78	1-36	9,216	June 4/97
9397050086	5	9	78	1-28, 29-30*, 31, 32-36*	8,286	June 4/97
9397050087	5	3	79	1-36	9,216	June 4/97
9397050088	5	4	79	1-36	9,216	June 4/97
9397050089	5	5	79	1-36	9,216	June 4/97
9397050090	5	6	79	1-36	9,216	June 4/97
9397050091	5	7	79	1-36	9,216	June 4/97
9397050092	5	8	79	1-18, 19*, 20-28, 29-30*, 31, 32*, 33-36	8,652	June 4/97
9397050093	5	3	80	1-36	9,216	June 4/97
9397050094	5	4	80	1-36	9,216	June 4/97
9397050095	5	5	80	1-36	9,216	June 4/97
TOSCA PROPERTY (~203,000 acres)						
9397050121	5	9	101	1-36	9,216	May 30/97
9397050122	5	10	101	1-10, 11-36*	9,167	May 30/97
9397050134	5	9	102	1-22, 23*, 24-25, 26*, 34-36*	6,926	May 30/97
9397050135	5	10	102	1-36	9,216	May 30/97
9397050146	5	9	103	1*, 6*, 7, 8*, 12-15, 16-17*, 18-36	6,946	May 30/97
9397050147	5	10	103	1-36	9,216	May 30/97
9397090018	5	9	104	1-36	9,216	Sept 16/97
9397090019	5	10	104	1-6, 7-8*, 10*, 11-14, 15*, 18-19*, 22-27, 30*, 34-36	5,824	Sept 16/97
9397100351	5	9	105	1-36	9,216	Oct 22/97
9397100352	5	10	105	1-3, 10-16, 17-18*, 19-36	7,424	Oct 22/97

* only portions of all or some of the sections listed are included in the property

Title information has been provided by Cambridge Minerals in the form of Metallic and Industrial Minerals Permit forms from Alberta Energy - Mineral Operations Division, a title search has not been completed directly by the authors. Complete title information and details of the terms of the property agreements as well as information on any underlying royalties should be obtained from the company or its solicitor.

The terms of the metallic mineral permits in Alberta are ten years, after which time the permit holder may apply for a lease. During the first two years a minimum of $5 per hectare must be expended on the property over the two years. During years three to four and five to six the assessment requirement rises to $10 per hectare per two year period. From years seven to eight and nine to ten assessment requirement rises to $15 per hectare per two year period. The permit holder is allowed to reduce the area of a permit once during a two year period, except in the last 60 days of a two year period.

DIAMONDS

Geology

Diamonds form in the crust and mantle at temperatures varying between 900 and 1300 degrees Centigrade and at pressures of 45 to 60 kilobars, in two types of rocks; peridotites (P-type diamonds) and eclogites (E-type diamonds) (Figure 3a).

Diamond bearing peridotites are predominantly garnet-bearing harzburgite and more rarely lherzolite. Eclogite comprises mainly granular, red almandine-pyrope garnet and green omphacite pyroxene. Peridotite most commonly forms within the mantle. Eclogite is typically found in deep

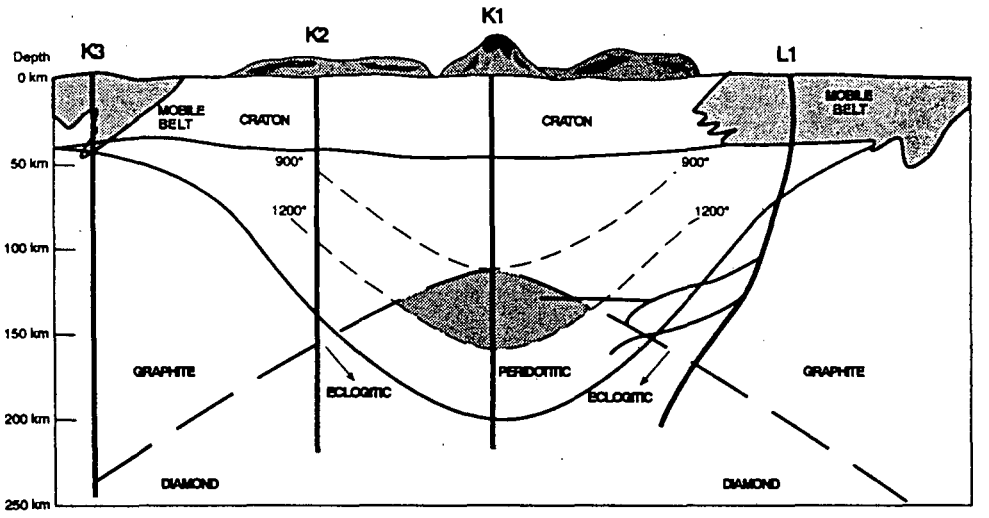

Figure 3a
GENERAL MODEL

The stable craton and subcratonic areas today are as much as 200 kilometres thick (heavy solid line) and are bounded by mobile belts. The isotherms (lines connecting points of equal temperature) in the craton are concave downwards. The diamond stability field (area in which diamond is stable) is convex upwards.
The K1 Kimberlite pipe is likely to have P-type diamonds because it sampled diamonds in the diamond "storage area" (shaded zone) at keel of craton, where this type of diamond is presumed present.
Pipe K2 may have E-type diamonds.
Kimberlite pipe K3 will be barren of diamonds.
L1 possible location for Argyle-type lamproite pipes.
This model for the genesis of diamond is simplified from Haggerty (1986).

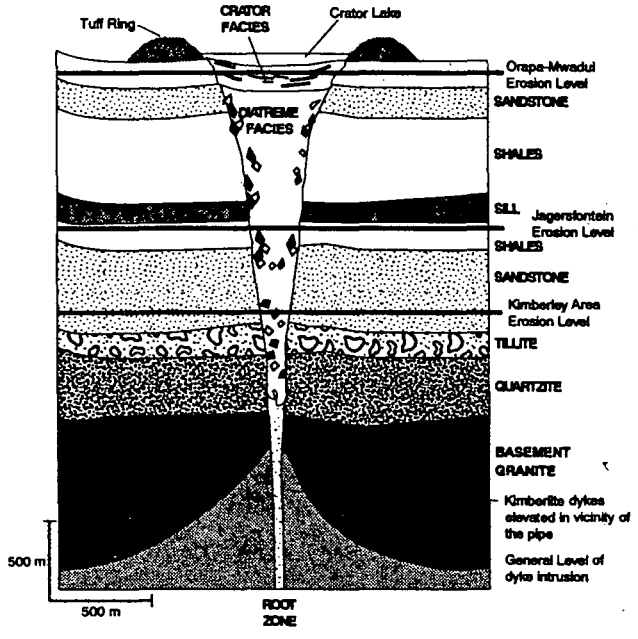

Figure 3b
KIMBERLITE MODEL

In this side view, kimberlite is shown to be a carrot-shaped structure, the top of which may be likened to a souffle — as the gases within the kimberlite escape upon hitting the atmosphere, the top usually collapses to form a crater. On the surface, kimberlite is usually heavily weathered and yellow in color. At greater depths, the kimberlite changes color, giving way to what is known as "blue ground".
After Helmstaedt (1992).

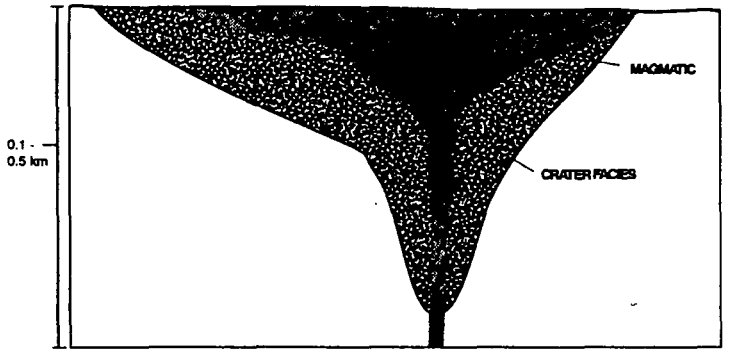

Figure 3c
LAMPROITE MODEL

Schematic cross-section of a lamproite pipe illustrating the characteristic champagne glass shape. Note that the magmatic lamproite (hypabyssal facies) intrudes the crater facies pyroclastic material.
After Scott Smith and Skinner (1984b).

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Figure 3

ALBERTA DIAMOND PROPERTIES

GENESIS OF DIAMONDS

Alberta

APRIL 1998 XY3

crustal metamorphic regions within continents. Eclogite forms by a solid state (metamorphic) transformation of previously existing rock - likely basalt. This same process takes place in the mantle through the subduction of crustal rocks. Carbon sources for diamonds are believed to be: original components of the primitive earth accumulated in the mantle in the case of peridotite; and subducted upper crustal material transported to depth in the case of eclogite.

Magmatic intrusions of kimberlite and lamproite volcanic rocks transport the diamonds to the earth's surface. These rocks originate at depths varying between 150 and 350 kilometres by partial melting of peridotitic or eclogitic material. This material rapidly ascends to the surface with the diamondiferous xenoliths or xenocrysts. A rate of ascent of 10 to 30 kilometres per hour (Kirkley et al, 1991) brings diamonds from a 150 kilometre storage depth to the surface in 5 to 15 hours without allowing for structural breakdown. The kimberlites and lamproites ascend along fractures which extend below the base of the craton in geologically stable areas. Within two to three kilometres of surface, the resultant pressure drop facilitates the expansion of gases creating violent explosions which increase the ascension velocity to several hundred kilometres per hour.

World Distribution of Diamond Deposits

Natural or primary diamond deposits are found within the earth's stable cratonic belts of Precambrian age (1.5 - 3.0 billion years), but commonly are at least of Archean age. These areas are believed to have been subjected to zones of uplift and are located in the vicinity of major faults and dyke swarms. Within these areas, both diamondiferous and barren kimberlite and lamproite pipes occur. Kimberlites occur in clusters of three to fifty or more and can encompass a region stretching for 50 kilometres commonly known as a field that is located in a geologically favourable environment called a province. Within world renowned diamond provinces, in countries such as

Russia and South Africa, diamondiferous pipes collectively occur over distances of hundreds of kilometres.

Kimberlite pipes vary in size from a few square metres to 217 hectares (the M1 kimberlite pipe in Botswana). The individual kimberlite pipes are generally elliptical to circular in shape and "carrot" shaped in cross section, hence the term "pipe" (Figure 3b). In contrast to the kimberlites, lamproites studied to date are generally shaped like a "champagne glass" rather than like a "carrot" (Figure 3c). A kimberlite shows two to three kilometres of vertical flaring while a lamproite will only show 100-500 metres of vertical flaring. Because of the higher volatility of kimberlites due to the increased CO_2 and H_2O components, kimberlites tend to exhibit a final explosive phase thus giving them their "carrot" like appearance.

The largest pipe in a kimberlite cluster is the one generally more likely to be economic, although there are two clusters of pipes in South Africa that contain more than one economic pipe. Also, diamondiferous pipes within a kimberlite cluster do not appear to have a predictable distribution pattern, likely due to the explosive nature of emplacement.

Economics of Diamond Deposits

There are approximately 5,000 known kimberlite occurrences in the world of which 50 contain mineable concentrations of diamonds or one out of every 100 is economic. Kimberlite and lamproite pipes account for approximately half of all world-wide production, the other half comes from secondary, alluvial deposits predominantly derived from weathered and eroded kimberlite

source rocks. Glaciation in Canada has likely wiped out any economic concentrations of alluvial diamond occurrences and consequently scattered any diamonds along the glacial path.

GENERAL CANADIAN DIAMOND HISTORY

Diamonds have been known to occur in Canada for more than 70 years in locations as widespread as the Arctic Islands to Saskatchewan and from British Columbia to Quebec. In approximately 1920, a 33 carat diamond was discovered near Peterborough Ontario, the first recorded discovery of a diamond in Canada (Brummer, 1978). A second, 0.255 carat diamond, the Jarvi, was discovered in 1971 near Timmins, Ontario (Brummer, 1978). Both discoveries were found in glacial eskers and no sources have been discovered to date.

The first documented exploration for diamonds occurred in 1960 when Selco Exploration Co. began a heavy mineral sampling program in the James Bay Lowlands of Ontario. Falconbridge and Canadian Superior began searching for diamonds in the 1970's to 1980's. Since that time exploration has spread throughout Canada and has resulted in the discovery of diamondiferous kimberlites or lamproites in British Columbia (Jack, Cross), Saskatchewan (Sturgeon Lake), Ontario (C-14, Kirkland Lake), Northwest Territories (Mountain Diatreme, Batty Pipe - Somerset Island, Point Lake - Lac de Gras), and Quebec (Ile Blizard, Montreal) (Brummer, 1978, Fipke, 1990a).

The current interest in diamonds in Canada is the direct result of Dia Met Minerals - BHP Minerals Ekati diamond mine in the Lac de Gras area of the Mackenzie District of the Northwest Territories, 315 kilometres northeast of Yellowknife. The history of the Lac de Gras diamondiferous kimberlite discovery started with discovery of kimberlite indicator minerals, along the Mackenzie

River, some 800 kilometres west of the Lac de Gras area 17 years ago by Diapros Ltd., the organization now known as Monopros (a wholly owned subsidiary of DeBeers of South Africa). After much systematic sampling and analysis by a number of companies, Dia Met Minerals Ltd. of Kelowna began acquiring land in the Lac de Gras area in 1989. In September 1991, drilling yielded 81 micro diamonds, additional exploration resulted in the discovery of 66 additional kimberlite pipes. The first diamond mine in Canada is now under construction at the Lac de Gras property. Five of the pipes will be mined initially; the 25 million tonne Panda Pipe that contains a grade of 0.95 carats per tonne at a value of US$130 per carat, the 4 million tonne Misery Pipe that contains a grade of 4.19 carats per tonne at a value of US$26 per carat, the 20 million tonne Koala Pipe that contains a grade of 0.95 carats per tonne at a value of US$122 per carat, the 30 million tonne Fox Pipe that contains a grade of 0.27 carats per tonne at a value of US$34 per carat, and the 60 million tonne Leslie Pipe that contains a grade of 0.33 carats per tonne at a value of US$89 per carat (Northern Miner Jan 6, 1997).

A feasibility study by Aber Resources and Diavik Diamond Mines, a division of Rio Tinto, led to the announcement of plans to build Canada's second diamond mine, the Diavik Mine, 35 km southeast of the Dia Met - BHP Ekati Mine. Four pipes, the A-418, A-154S, A154N and A-21 pipes will be mined initially and have a preliminary reserve estimate of 37 million tonnes grading 3.3 carats/tonne. The capital cost of the project is estimated at $875 million with the final feasibility to be completed by the 4th quarter of 1998 (The Northern Miner, Vol. 84, No. 3).

ALBERTA DIAMOND EXPLORATION

Buffalo Hills Diamond Discovery

The most advanced diamond discovery to date in Alberta is the Buffalo Hills property, a joint venture between Pure Gold Minerals / Ashton Mining / Alberta Energy Corp. Exploration on the Buffalo Hills property began in 1996 with a property wide high resolution airborne magnetic survey. The data interpretation resulted in the identification of many high priority magnetic anomalies. In January 1997, the joint venture partners began a ground exploration program. Field work consisted of ground geophysical surveys, diamond drilling and laboratory/analytical work. The work was successful in discovering diamondiferous kimberlite pipes. Initial drill testing outlined 10 kimberlite bodies each of which is associated with an airborne geophysical anomaly. Exploration continued throughout the summer and into the winter of 1998 and included detailed helicopter and ground magnetometer surveys, further diamond and reverse circulation drilling, a mini-bulk sampling program, an orientation heavy mineral sampling program and laboratory micro-diamond testing. The Buffalo Hills kimberlites are located approximately 100-120 km from four of the five Cambridge properties, those being the Bearhead Creek, Cadotte River, Calder Lake, and Tosca properties.

Results from the exploration have been highly successful. To date the partners have discovered 23 kimberlite bodies which occur in a number of loosely defined clusters. (The Northern Miner, Vol. 84, No. 5) Drilling has revealed some very promising diamond counts from the pipes tested with six pipes returning a total of 825 micro-diamonds and 123 macro-diamonds. (Pure Gold News Releases May, 16, 1997, June 11, 1997, September 11, 1997, November 11, 1997, December 2, 1997 and December 18, 1997).

The joint venture partners have announced the results from their mini-bulk sampling program on the K-14 pipe. The pipe has been previously reported as the K-14, K-14B and K-14C pipes but these are now believed to be multiple phases of a single, irregular and complex body (The Northern Miner, Vol. 83, No. 44). The samples were collected in various stages and include drill core, reverse circulation drill chips and surface material. A total of 48.7 tonnes of kimberlite yielded 7.79 carats of diamonds (greater than 0.8mm in size) for an average of 17.4 carats /100 tonnes. (The Northern Miner, Vol. 83, No. 44). There were some higher grade sections including a 3.33 tonne sample from the K-14B pipe which yielded an average of 42.6 carats per 100 tonnes. The joint venture partners feel that the results to date indicate that the K-14 pipe could be of commercial size, and to that end have collected a 450 tonne bulk sample to further evaluate the pipe. The K-91 pipe has returned highly prospective diamond counts, including 12 macro and 180 micro diamonds from 117 kg of drill core (Ashton News Release, Dec 18, 1997), and a mini bulk sample weighing 0.85 tonnes yielded 0.301 carats of diamonds for an average of 35.4 carats per 100 tonnes.

Mini bulk sampling has been undertaken on two other pipes, the K-5 and K-6 pipes. Disappointing results were received from the K-5 pipe, which yielded low diamond counts however given its large size the partners feel it warrants further drill testing (The Northern Miner Vol. 84, No. 3). Encouraging values have been received from the K-6 pipe, which has been sampled in stages and includes drill core samples, reverse circulation rock chips and surface material. A combined 13.95 tonne sample from the above mediums returned a total of 0.876 carats for an average of 6.3 carats per 100 tonnes. Included in this sample was a 0.76 carat clear yellow stone. Ashton states the presence alone of this stone indicates a need for further sampling.

Additional Alberta Diamond Discoveries and Exploration

In Alberta and along the Alberta-B.C. border, diamondiferous lamproites and ultramafic diatremes have been reported in regions of similar geological tectonic history. In 1994, Monopros (DeBeers) discovered the Mountain Lake kimberlite occurrence while following up two weak, 25 nT (above background) ground magnetic anomalies, and presumably anomalous indicator minerals. The Mountain Lake kimberlite occurrence was drill tested in 1995 and was proven to be barren of diamonds.

A number of companies are actively exploring properties that adjoin or are nearby the Cambridge Minerals properties. These include Primero Industries, Lucero Resource Corp., New Claymore Resources Ltd. (projects not joint ventured with Cambridge), Victory Ventures Inc., Montello Resources Ltd., Redwood Resources Inc., Meteor Minerals Inc., and Troymin Resources, Ltd.

Troymin has flown 27,000 line-km of high resolution airborne magnetics on its properties near the Pure Gold/Ashton/Alberta Energy discoveries and have identified a number of magnetic anomalies with kimberlite-like signatures. Continuing geophysical interpretations will prioritise the targets for subsequent drilling (George Cross News Letter, No. 34, Feb 18, 1998). Troymin's Bear Head and Muskwa properties adjoin Cambridge's Bearhead Creek and Calder Lake properties respectively. In addition Troymin has announced joint venture and private placement agreements with Monopros Limited (De Beers), whereby Monopros will have the right to earn up to a 60% interest in five of the company's properties. These properties are referred to by Troymin as the

Buffalo Hills Diamond Project and comprise 1.1 million acres surrounding the Pure Gold / Ashton / Alberta Energy Buffalo Hills kimberlite discoveries (Company news release, April 9, 1998).

Montello Resources and Redwood Resources have outlined 18 geophysical targets on the Jazz property, located north of the Cambridge Calder Lake property which are being drill tested (The Northern Miner, Vol. 83, No. 52). The initial drilling was unsuccessful but the partners are preparing for further work (The Northern Miner, Vol. 84, No. 6).

New Claymore is actively exploring a number of properties with various joint venture partners. New Claymore and Meteor have begun drilling the Carmon Creek property, located in between Cambridge Minerals Cadotte River and Bearhead Creek properties. The partners have identified 30 geophysical targets to be tested by two drill holes per target (The Northern Miner, Vol. 83, No. 51). Elsewhere New Claymore and Primero are drilling the Peace River property, where geophysical surveys have outlined 18 high priority targets (The Northern Miner, Vol. 84, No. 2). The property joins the southwest corner of Cambridge's Cadotte River property.

Lucero and New Claymore have completed airborne and ground geophysical surveys on their ITS property which adjoins the western border of Cambridge's Tosca property. A total of 25 priority airborne magnetic targets were further evaluated by ground magnetic surveys. In addition, Induced Polarization (IP) resistivity surveys and Max-Min (horizontal loop) electromagnetic surveys were completed on portions of eight grids and depth sounding was undertaken to establish overburden thickness. Anomaly sizes are reported to range from 50 metres to a maximum of 400 by 600 metres, ten of the magnetic anomalies report magnetic responses of 100-300 nT and two of these anomalies

have strong coincident resistivity highs. This is consistent with known responses over the Monopros Mountain Lake kimberlite, (George Cross News Letter, No. 64, April 1, 1998). The companies are drilling on the Seal Lake property, located northeast of Cambridge's Bearhead Creek property, where Lucero has identified at least 12 prospective geophysical targets (The Northern Miner, Vol. 84, No. 4).

Victory Ventures have the Syd 1, 2, and 3 properties on the northern shores of Lesser Slave Lake, near the Cambridge Calder Lake and Bearhead Creek properties. The company has completed airborne geophysical surveys on the properties which have outlined numerous targets which warrant follow-up exploration. On the Syd 1 and 2 properties 90 airborne magnetic targets were delineated, further study resulted in ground follow-up of 16 anomalies, six on the Syd 1 and eight on the Syd 2 with grids established for ground magnetic geophysical surveys. Drill testing of two anomalies on the Syd 1 property was completed but with spring break-up the drilling program was postponed and will continue when ground conditions improve. Core from the first hole has been submitted for analysis, no core was sent from the second hole (George Cross News Letter, 1998, Nos. 23, 39, 48, 58, 63, and 74).

In addition, there have been several documented reports of diamonds discovered from alluvial sediments. The largest (estimated to be approximately one carat in size), known as the Opdahl /Burwash diamond (Edmonton Journal, December 19, 1992), was discovered in a glacial esker in 1958, near the city of Edmonton. In addition, a local prospector has reported the discovery of one 0.392 carat diamond and 16 smaller diamonds during recent gravel sampling in the banks of the North Saskatchewan River (W.D. Jones, 1993).

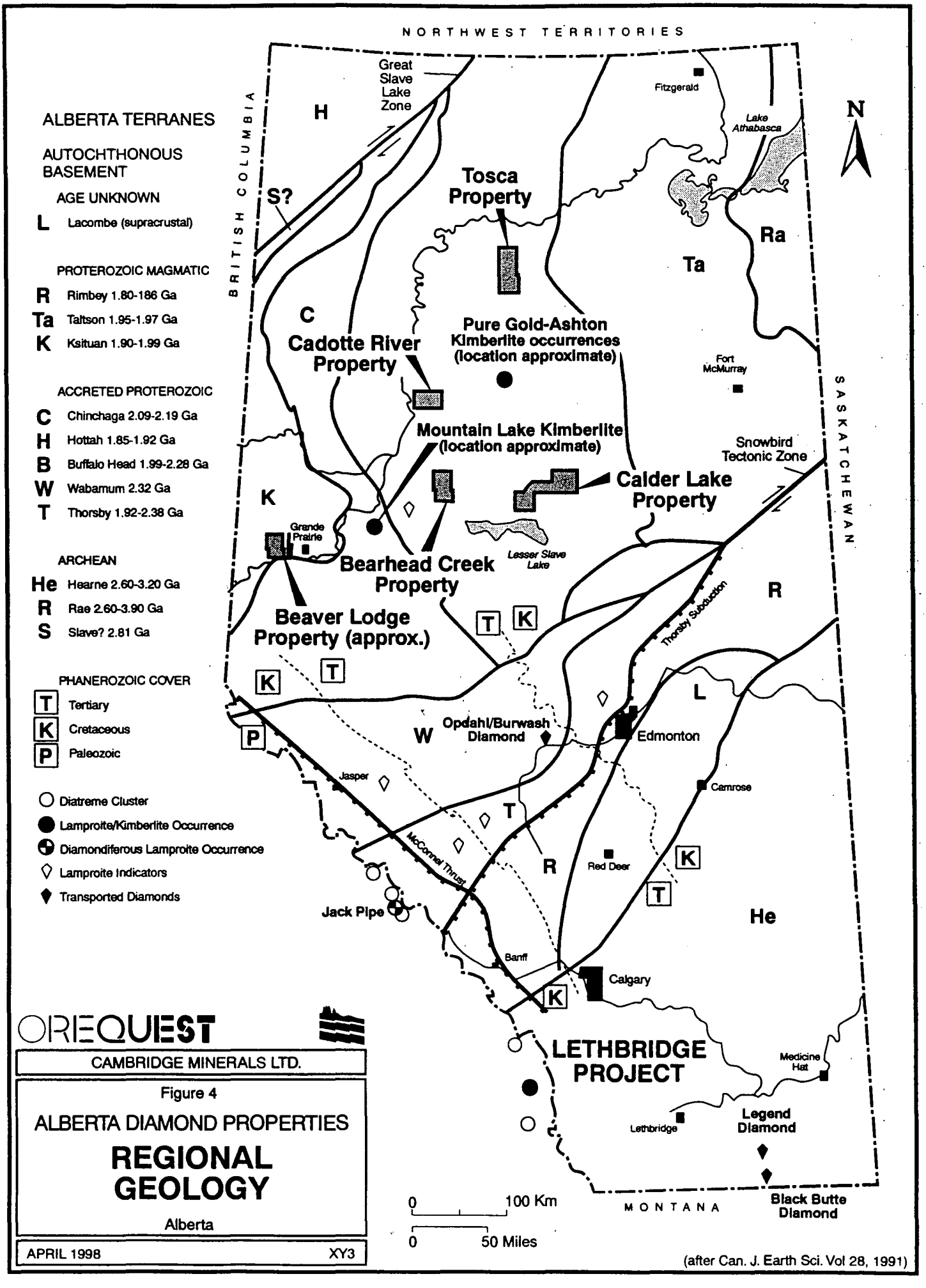
Two other diamonds, weighing 0.14 and 0.17 carats, the Legend diamonds, were discovered in 1988 (Edmonton Journal Oct 17, 1992), 85 kilometres southwest of Medicine Hat in southern Alberta (Takla Star Resources, January 11, 1993). A beige-green diamond chip known as the Black Butte diamond was reported 150 kilometres southeast of Lethbridge associated with a large bulls-eye airborne magnetometer anomaly and the Black Butte diatreme. Diamonds have also been reported from the Cretaceous-Tertiary sediments along the Red Deer River.

REGIONAL GEOLOGY

Alberta is predominately underlain by Phanerozoic sedimentary rocks. Although these rocks host the kimberlite pipes, the underlying Precambrian basement rocks exert control on the locations of the pipes. The Precambrian basement consists of accreted and magmatic Proterozoic rocks and Archean crystalline rocks which have been subdivided into tectonic domains on the basis of their geophysical signature supplemented by petroleum drilling data.

The four northern Alberta properties (Bearhead Creek, Cadotte River, Calder Lake and Tosca) are underlain by the 1.99-2.28 Ga accreted Proterozoic Buffalo Head Craton. The western Alberta property, the Beaver Lodge property is underlain by the 1.90-1.99 Ga Proterozoic magmatic Ksituan terrane (Figure 4).

The 23 kimberlite bodies discovered by Pure Gold and Ashton Mining are associated with the Buffalo Head Craton and appear to be related to the Peace River Arch (PRA). The PRA is a regional tectonic element in the basement characterized by Devonian uplifting and associated deep



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CAMBRIDGE MINERALS LTD.

Figure 4

ALBERTA DIAMOND PROPERTIES

REGIONAL GEOLOGY

Alberta

APRIL 1998 XY3

(after Can. J. Earth Sci. Vol 28, 1991)

seated faults interpreted on the basis of airborne magnetic signatures and horizontal gradient gravity data. All five of the Cambridge properties lie along the PRA, Cadotte River and Tosca to the north, Bearhead Creek, Beaver Lodge, and Calder Lake to the south (Figure 5).

Kimberlite pipes in Alberta appear to have an association with deep seated regional structural features. The diamondiferous Jack Pipe lamproite located close to the Alberta-B.C. border is located along the south-western end of the Snowbird Tectonic Zone (STZ). Takla Star has reported the discovery of several lamproite indicator mineral anomalies at the northeast end of the STZ on their property. The Opdahl/Burwash diamond was found close to the projected trend of the STZ.

The sedimentary rocks which overlie the Precambrian basement generally encompass the Mesozoic to Cenozoic time periods. The Mesozoic-Cenozoic rocks consist of Lower Cretaceous marine to deltaic sedimentary rocks which completely cover the older and deeper Paleozoic strata. The Lower Cretaceous rocks are in turn overlain by Upper Cretaceous marine to continental clastic sedimentary rocks. These Mesozoic-Cenozoic rocks form a cover that varies in thickness from two to eight thousand feet overlying the basement complex.

PROPERTY GEOPHYSICS

The primary exploration tool for kimberlites in Alberta is airborne magnetic geophysical surveys. Kimberlites and lamproites give rise to magnetic anomalies when there is a magnetic susceptibility contrast between the diatreme and the host rock. In the Lac de Gras area of the Northwest Territories, where a substantial amount of magnetic coverage has been undertaken, known kimberlites produce a spectrum of magnetic signatures from highs to lows to no magnetic response

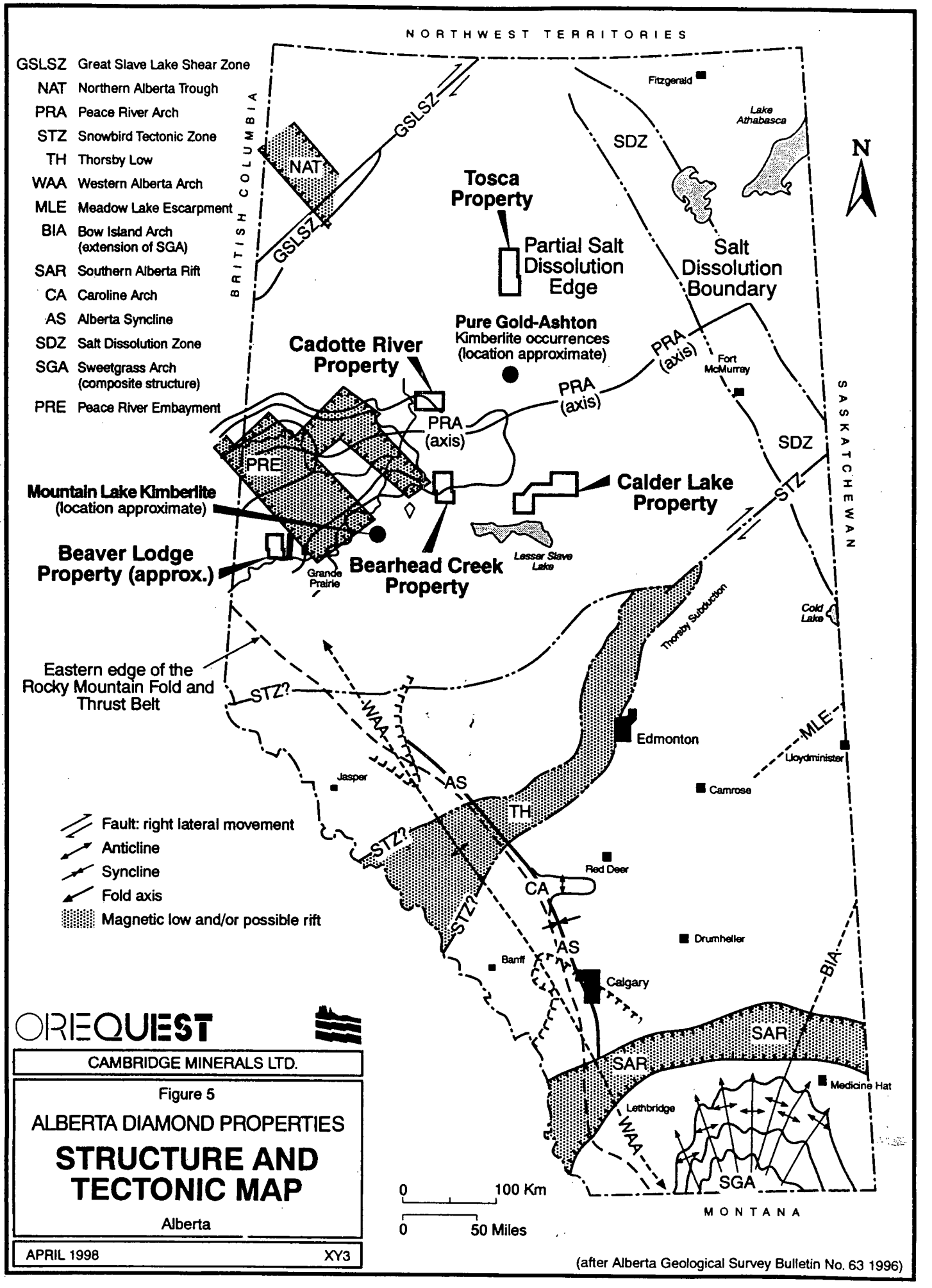

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Figure 5

ALBERTA DIAMOND PROPERTIES

STRUCTURE AND TECTONIC MAP

Alberta

APRIL 1998 XY3

(after Alberta Geological Survey Bulletin No. 63 1996)

at all. Some very intense lows are likely due to reverse remnant magnetism rather than a negative susceptibility contrast. In Alberta the Mountain Lake kimberlite, located east of the Beaver Lodge property and southwest of the Bearhead Creek property, produces a 2 km long by 1 km wide, 4 nT magnetic high. Although subtle, the anomaly is very distinct because the non-magnetic host Cretaceous sediments create a bland, uniform background response.

Each of the kimberlite bodies recently discovered by Pure Gold and Ashton in the Buffalo Hills area of Alberta is associated with an airborne magnetic high. Although anomalous magnetic responses are possible from sedimentary rocks, magnetic anomalies recorded over the Cretaceous sediments in the area invariably originate from the Precambrian basement. Features from the basement, at depths of several thousand feet, can be readily distinguished from the response of a shallow diatreme on the basis of anomaly shape. For magnetic surveys in Alberta, the most difficult process may be discriminating between valid anomalies and those caused by man made features. Obviously, magnetic surveys are ineffective for kimberlites that do not have a magnetic signature. In the Northwest Territories, the most successful kimberlite exploration combines both airborne geophysics and till sampling.

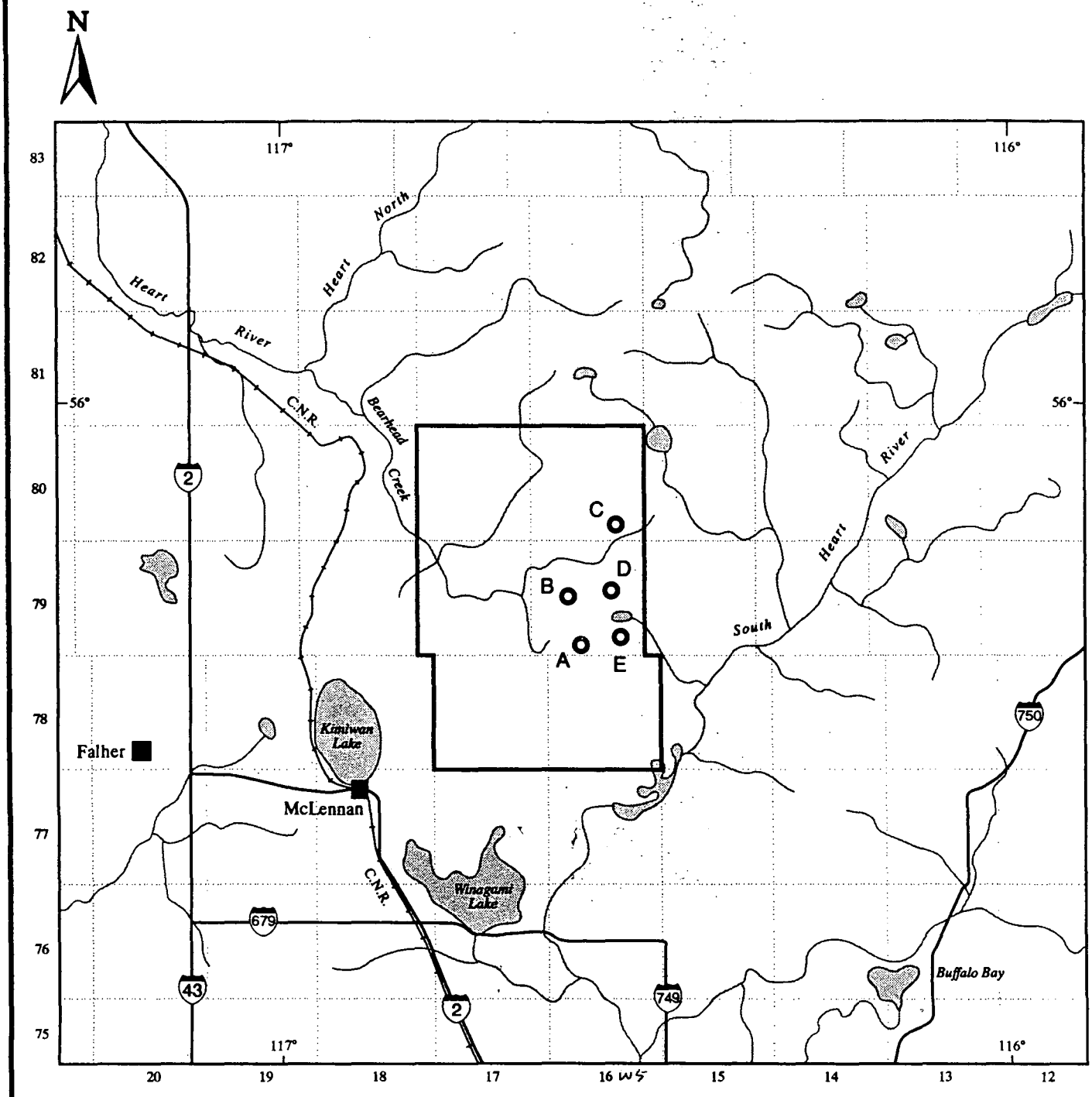
High resolution airborne magnetic surveys have been completed by the company on the Bearhead Creek, Cadotte River and Calder Lake properties. The Bearhead Creek property was flown by High Sense Geophysics of Toronto at a line spacing of approximately 200 metres and a terrane clearance of approximately 100 m. The Cadotte River and Calder Lake properties were flown by Spectra Aviation Geoscience Corp. of Calgary under the same parameters as the Bearhead Creek survey. The data from the surveys was processed by Geophysical Exploration & Development

Corporation (GEDCO) of Calgary, Alberta. Various filtering techniques were applied to eliminate cultural magnetic responses so that valid bedrock anomalies could be distinguished from various man-made sources, principally oil well heads.

On the Bearhead Creek property a total of 3,243 line-km was flown. Two of the anomalies that were delineated by the survey (A and B) were determined by GEDCO to be definite kimberlite targets. The targets occur on the east side of the property, at interpreted depths of 140 m and 105 m, however they are associated with linear geomorphological features. Three weak anomalies, C, D, and E, on the eastern portion of the property, also represent possible targets. The northernmost and southernmost of these three anomalies (C and E) may be culture, so both should be checked on the ground. The target of the middle anomaly (D), located east of anomaly B, is at a depth in excess of 200 metres and should be confirmed by a ground survey. If the northern and southern anomalies are not culturally related they become much more interesting targets (Figure 6).

The Cadotte River property was covered by 4,294 line-km which outlined eight magnetic highs and one magnetic low. Four of the anomalies lie on the western portion of the property, one is in the south-central region, and four are in the eastern part as shown on figure 7. The anomalies fall into three morphological categories, as follows; single isolated anomalies, clusters of anomalies, and linear or curvilinear anomalies.

The single isolated anomalies ("bull's eye" anomalies) do not appear to be associated with any geomorphological features and should be given a first priority follow-up and include anomalies C, E, and G. The clustering anomalies, A and B, form a circular pattern of two or more anomalies.



83 N / 15, 16

O Magnetic Anomaly

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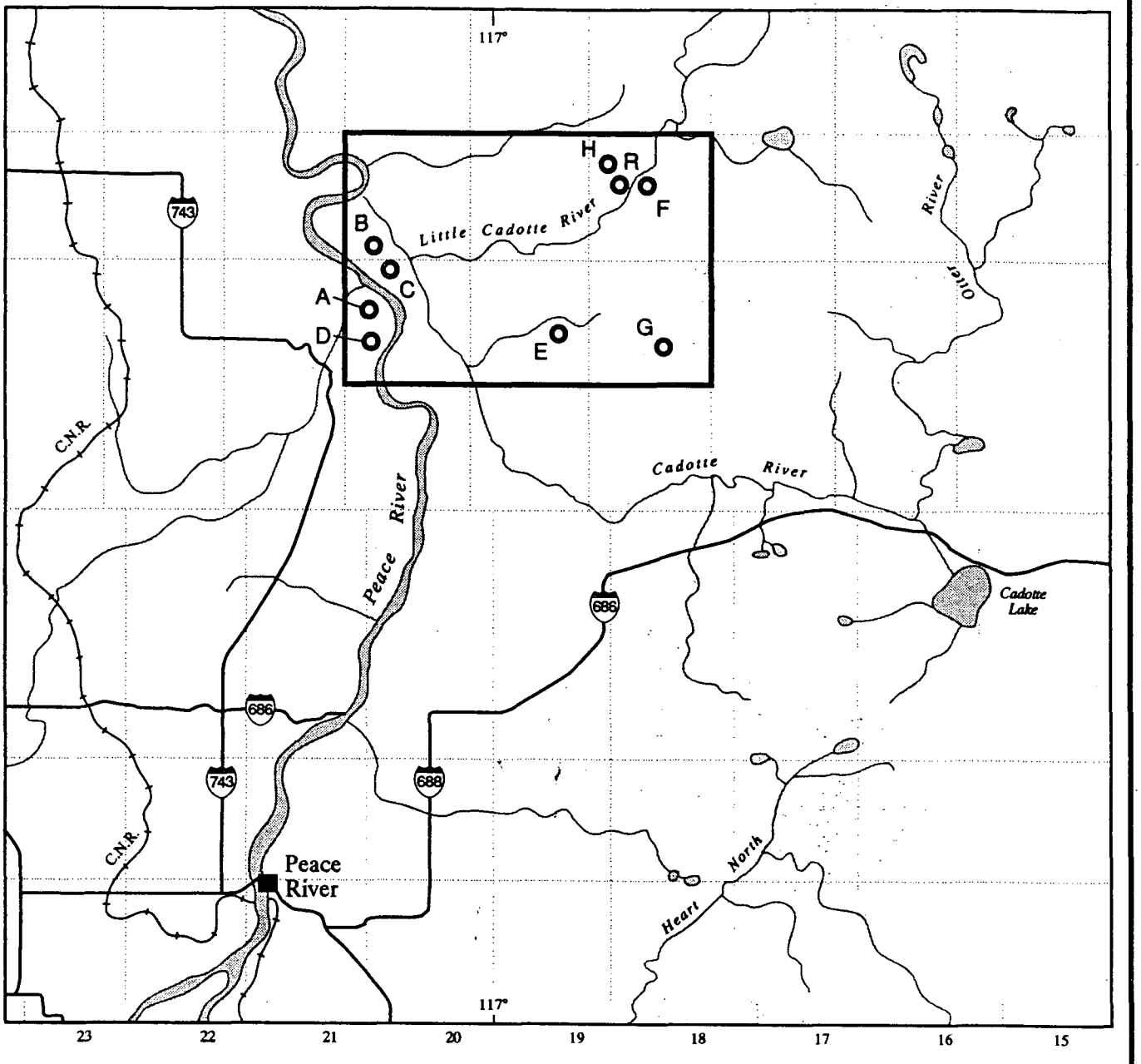
Figure 6

BEARHEAD CREEK PROPERTY

MAGNETIC ANOMALIES

Alberta

APRIL 1998 XY3



O Magnetic Anomaly

0 10 20 Km

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Figure 7

CADOTTE RIVER PROPERTY

MAGNETIC ANOMALIES

Alberta

APRIL 1998 XY3

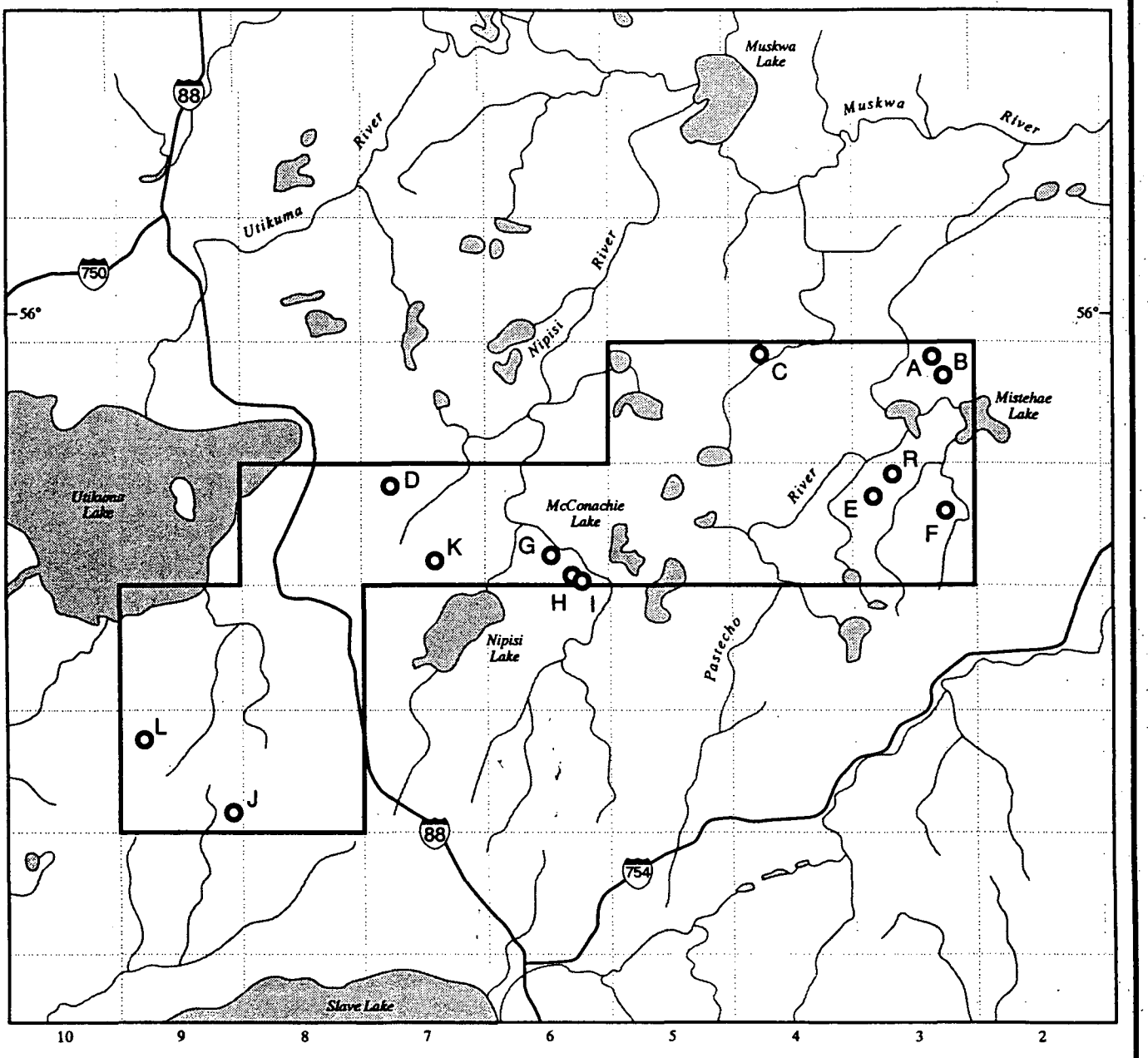
The linear or curvilinear anomalies, F and H, are usually related to geomorphological or topographical features and are considered the lowest priority targets. The reversely magnetized anomaly is not highly rated due to the low intensity of the response. In the Northwest Territories generally if a diatreme (pipe) is reversely magnetized the magnetic response is quite strong, though the target cannot be ignored.

The Calder Lake property received 7,637 line-km of airborne magnetic coverage which outlined seven magnetic highs and one magnetic low. Of the eight targets delineated GEDCO ranks anomalies E and I as first priority targets, anomalies C, G, H, J and K as secondary targets, and R, the reversely magnetized target, as the lowest priority. Anomalies A, B, D, and F, included on figure 8, are very weak anomalies and were not considered by GEDCO to represent favourable targets. All the higher priority magnetic anomalies should be confirmed by a detailed ground survey.

Most of the anomalies lie at a depths ranging from approximately 50 to 90 metres. There is one anomaly not discussed by GEDCO, labelled anomaly L, that appears to be a magnetic high not related to culture, this target should also be checked on the ground.

REGIONAL TILL SAMPLING

Regional kimberlite indicator mineral till and sediment sampling surveys carried out by the Geological Survey of Canada and the Alberta Geological Survey between 1991 - 1994 (Dufresne et al, 1996) outlined several favourable indicator trends in the area (Figure 9). The Bearhead Creek lies on the eastern edge of one of these trends, the Peace River trend, while the Beaver Lodge property lies on the western end of the Peace River trend. The Peace River trend also incorporates the



O Magnetic Anomaly

0 10 20 Km

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CAMBRIDGE MINERALS LTD.

Figure 8

CALDER LAKE PROPERTY

MAGNETIC ANOMALIES

Alberta

APRIL 1998 XY3

Mountain Lake Kimberlite. The Tosca and Calder River properties are located at the northern and southern ends, respectively, of the Wabasca River trend. The Cadotte River property lies between the Peace River and Wabasca River trends.

In detail, some of the anomalous samples, where an anomaly is considered to be two or more indicator mineral grains, come from the immediate vicinity of the company's properties. Although none of the samples come directly from the properties, the material could be transported and dispersed from a source on the properties by glacial and fluvial processes. Table II summarizes the anomalous samples from the vicinity of the properties. Note that because of the closeness of the properties some of the samples may be tabulated more than once.

TABLE II : INDICATOR MINERALS AROUND THE ALBERTA DIAMOND PROPERTIES
Taken From Dufresne et al. (1996)

Property Name	Total number of samples collected	Number of anomalous sites	Total Number of Indicator minerals (from sites reporting 2 or more indicators)	Type of Indicator Minerals
Bearhead Creek	10	5	17	10-G1-G10; 1-Pil; 1-Chmt;
Beaver Lodge	4	1	2	2-CD;
Cadotte River	14	4	9	8-G1-G10; 1-Chmt;
Calder River	7	1	3	3-G1-G10;
Tosca	7	1	4	4-G1-G10;

Chmt-Chromite, CD-Chrome Diopside, Pil-Picroilmenite, G-Garnets(type G1-G10)

CONCLUSIONS AND RECOMMENDATIONS

Subject to certain financial obligations and work commitments, Cambridge Minerals Ltd. can earn various interests in five properties which have diamond exploration potential located in north-central and western Alberta. The properties comprise 35 metallic mineral prospecting permits and eight applications for prospecting permits which cover an area of approximately 383,000 hectares (948,000 acres).

The area has a number of regional geological and tectonic features, including Precambrian age basement rocks and deep seated faults, that appear necessary for the intrusion of kimberlite pipes. The Mountain Lake kimberlite pipe occurs in the area and Pure Gold Resources and Ashton Mining recently reported the discovery of 23 kimberlite bodies on the Buffalo Hills project in the Peace River area. Drill core samples from the Buffalo Hills project have returned highly encouraging diamond counts with six pipes returning a total of 825 micro-diamonds and 123 macro-diamonds.

Regional kimberlite indicator mineral sampling has outlined several favourable indicator trends in the area of the properties and several samples, from the vicinity of the properties, of material that could have been derived from the properties have returned anomalous concentrations of kimberlite indicator minerals.

Airborne magnetic surveys on the Bearhead Creek, Cadotte River and Calder Lake properties have outlined a number of anomalies with signatures similar to known kimberlites in the area and elsewhere. No work has been done on the Beaver Lodge and Tosca properties.

Regional geological conditions, regional sampling results, successful results of Pure Gold and Ashton Mining in the area and the results of airborne magnetic surveys on three of the Cambridge properties are sufficiently positive and encouraging that further work is warranted on the properties.

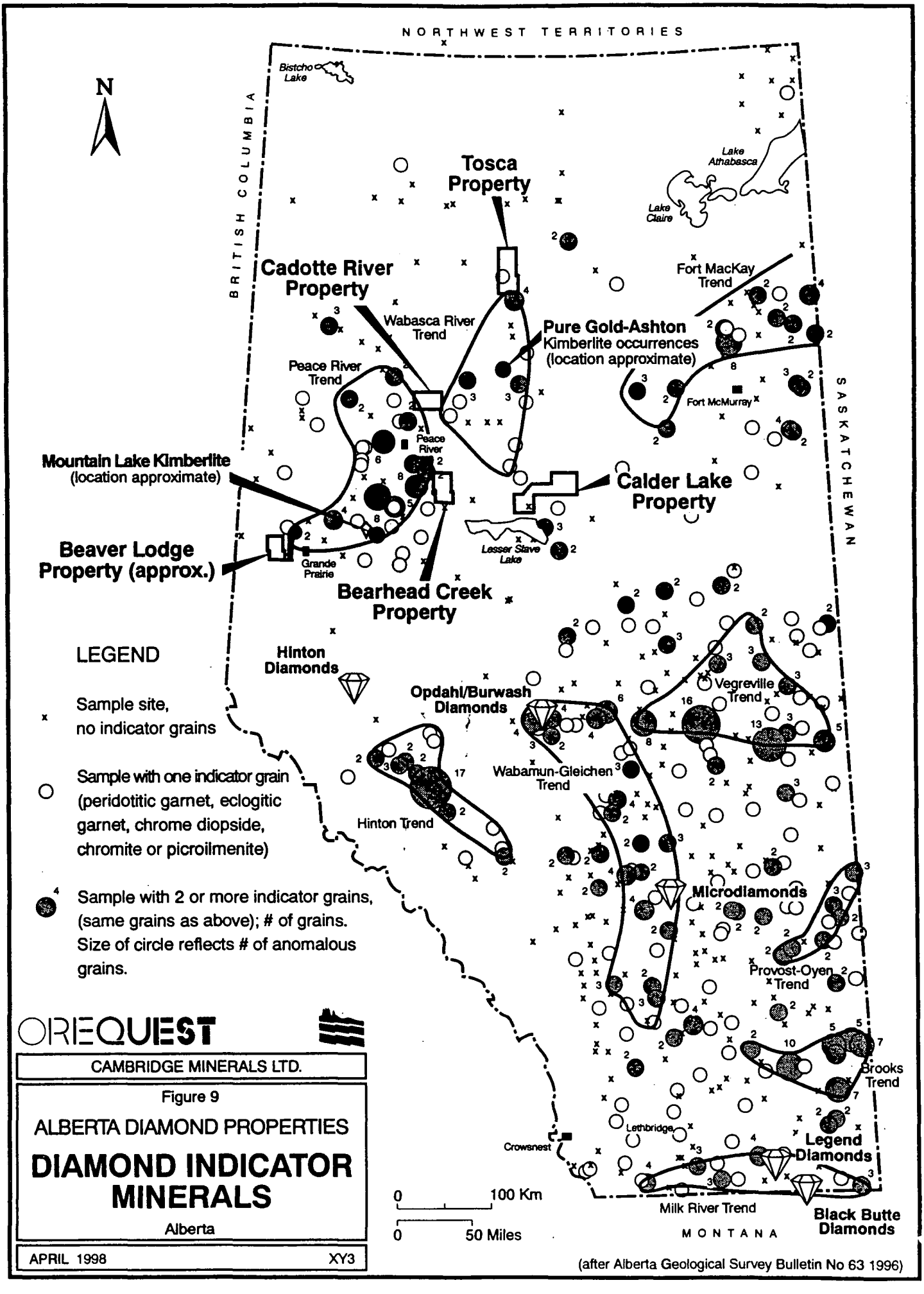
It is recommended that the Beaver Lodge and Tosca properties be flown with a high resolution airborne magnetic survey and the existing airborne magnetic anomalies on the Bearhead Creek, Cadotte River and Calder Lake properties be drilled following confirmation by ground geophysics. In addition some detailed kimberlite indicator mineral till sampling should be undertaken on the properties to determine the source of the surrounding indicator mineral anomalies and allow for the kimberlites that lack a magnetic response. If a diamondiferous kimberlite is detected from the drilling further drilling will be required to determine the extent of the pipe and mini-bulk sampling will be necessary to aid in determining the grade of the pipe.

The total costs of the Phase I program are estimated at $1,048,000 and Phase II at $1,664,000 for an aggregate of $2,712,000. Of these cost estimates, Cambridge Minerals proportional share based on its interest and Joint venture agreements is $530,000 for Phase I and $830,000 for Phase II; a grand total of $1,360,000 for both Phase I and II.

BUDGET ESTIMATE - PHASE I & II

Bearhead Creek Property	Phase 1	Phase II
Property Airborne Magnetometer Survey	$52,000	
Ground magnetometer & VLF-EM Survey	$10,000	
Heavy Mineral Sampling	$10,000	
Drill testing	$90,000	$150,000
Drill Core Sampling		$25,000
Mini-bulk sampling		$105,000
Helicopter @ $850/hr and Fixed wing	$15,000	$25,000
Food & Accommodations	$5,000	$10,000
Report and Drafting	$5,000	$10,000
Subtotal	$187,000	$325,000
Contingencies @ 10%	$18,700	$32,500
Total Budget	**$205,700**	**$357,500**
SAY	**$206,000**	**$358,000**
Cambridge portion (50% carried interest)	**$0**	**$0**

Cadotte River Property	Phase I	Phase II
Ground magnetometer & VLF-EM Survey	$20,000	
Heavy Mineral Sampling	$10,000	
Drill testing	$135,000	$150,000
Drill Core Sampling	$10,000	$25,000
Mini-bulk sampling		$100,000
Helicopter @ $850/hr and Fixed Wing	$15,000	$25,000
Food and Accommodation	$5,000	$10,000
Report and Drafting	$5,000	$10,000
Subtotal	$200,000	$320,000
Contingencies @10%	$20,000	$32,000
Total Budget	**$220,000**	**$352,000**
SAY	**$220,000**	**$352,000**
Cambridge portion (50% interest) **(New Claymore has carried interest)**	**$220,000**	**$352,000**


NORTHWEST TERRITORIES
N
BRITISH COLUMBIA
SASKATCHEWAN
Bistcho Lake
Lake Athabasca
Lake Claire
Tosca Property
Cadotte River Property
Wabasca River Trend
Peace River Trend
Peace River
Fort MacKay Trend
Pure Gold-Ashton
Kimberlite occurrences
(location approximate)
Fort McMurray
Mountain Lake Kimberlite
(location approximate)
Calder Lake Property
Beaver Lodge Property (approx.)
Grande Prairie
Lesser Slave Lake
Bearhead Creek Property
LEGEND
Hinton Diamonds
Opdahl/Burwash Diamonds
Vegreville Trend
Wabamun-Gleichen Trend
Hinton Trend
Sample site, no indicator grains
Sample with one indicator grain (peridotitic garnet, eclogitic garnet, chrome diopside, chromite or picroilmenite)
Sample with 2 or more indicator grains, (same grains as above); # of grains. Size of circle reflects # of anomalous grains.
Microdiamonds
Provost-Oyen Trend
Brooks Trend
Lethbridge
Crowsnest
Legend Diamonds
0 100 Km
0 50 Miles
Milk River Trend
MONTANA
Black Butte Diamonds
OREQUEST
CAMBRIDGE MINERALS LTD.
Figure 9
ALBERTA DIAMOND PROPERTIES
DIAMOND INDICATOR MINERALS
Alberta
APRIL 1998
XY3
(after Alberta Geological Survey Bulletin No 63 1996)

Calder Lake Property	Phase I	Phase II
Ground magnetometer & VLF-EM Survey	$15,000	
Heavy Mineral Sampling	$10,000	
Drill testing	$215,000	$180,000
Drill Core Sampling	$10,000	$25,000
Mini-bulk sampling		$130,000
Helicopter @ $850/hour and Fixed Wing	$25,000	$50,000
Food and Accommodation	$5,000	$15,000
Report and Drafting	$5,000	$10,000
Subtotal	$285,000	$410,000
Contingencies @10%	$28,500	$41,000
Total Budget	**$313,500**	**$451,000**
SAY	**$314,000**	**$451,000**
Cambridge portion (50% interest)	**$157,000**	**$225,500**

Tosca Property *	Phase I	Phase II
Property Airborne Magnetometer Survey	$80,000	
Ground magnetometer & VLF-EM Survey	$15,000	
Heavy Mineral Sampling	$10,000	
Drill testing	$125,000	$225,000
Drill Core Sampling	$15,000	$30,000
Mini-bulk sampling		$160,000
Helicopter @ $850/hour and Fixed Wing	$25,000	25,000
Food and Accommodation	$5,000	7,500
Report and Drafting	$5,000	$10,000
Subtotal	$280,000	$457,500
Contingencies @10%	$28,000	$45,750
Total Budget	**$308,000**	**$503,250**
SAY	**$308,000**	**$503,000**
Cambridge portion (25% interest)	**$154,000**	**$251,500**

* Cambridge is earning a 25% interest but must put up 50% of the funds

Beaver Lodge Property *	Phase I	Phase II
Property Airborne Magnetometer Survey	$70,500	
Ground magnetometer & VLF-EM Survey	$10,000	
Heavy Mineral Sampling	$10,000	
Drill testing	$50,000	$150,000
Drill Core Sampling	$10,000	$30,000
Mini-bulk sampling		$150,000
Food and Accommodation	$5,000	$10,000
Report and Drafting	$5,000	$10,000
Subtotal	$160,500	$350,000
Contingencies @10%	$16,050	$35,000
Total Budget	**$176,550**	**$385,000**
SAY	**$177,000**	**$385,000**
Cambridge portion (100% interest)	**$177,000**	**$385,000**

*These permits have been applied for but not issued, this budget is included for completeness but until the permits are actually issued the company is not raising any exploration funds for work on the Beaver Lodge property.

Total All Projects Phase I (excluding Beaver Lodge property)	$ 1,048,000
Total All Projects Phase II (excluding Beaver Lodge property)	$ 1,664,000
Total Cambridge portion Phase I (excluding Beaver Lodge property)	**$ 531,000**
SAY	**$ 530,000**
Total Cambridge portion Phase II (excluding Beaver Lodge property)	**$ 829,000**
SAY	**$ 830,000**
TOTAL CAMBRIDGE PORTION PHASE I & II	***$ 1,360,000***

CERTIFICATE OF QUALIFICATIONS

I, George Cavey, of [redacted], Vancouver, British Columbia hereby certify:

1. I am a graduate of the University of British Columbia (1976) and hold a B.Sc. degree in geology.

2. I am presently employed as a consulting geologist with OreQuest Consultants Ltd. of #306-595 Howe Street, Vancouver, British Columbia.

3. I have been employed in my profession by various mining companies since graduation, with OreQuest Consultants Ltd. since 1982.

4. I am a Fellow of the Geological Association of Canada.

5. I am a member of the Canadian Institute of Mining and Metallurgy.

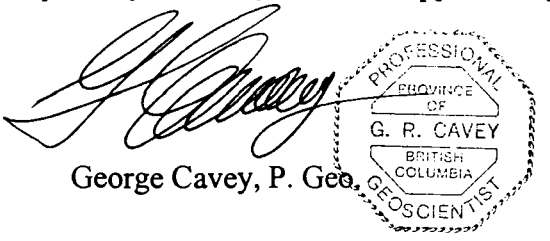
6. I am member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

7. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia.

8. The information contained in this report was obtained from a review of data listed in the Bibliography, in addition to a general knowledge of the area having lived in the town of Peace River for six years, I have not been to the subject properties since they were acquired.

9. Neither OreQuest Consultants Ltd. nor myself have nor expect to receive direct or indirect interest in any of the permit blocks discussed in this report nor in the securities of Cambridge Minerals Ltd. or any of its Alberta properties joint venture partners.

10. I consent to and authorize the use of the attached report and my name in either Company's Prospectus, Statement of Material Facts or other public document, providing the report is used in its entirety or any summary thereof is approved by the author.



George Cavey, P. Geo.

DATED at Vancouver, British Columbia, this 24th day of April, 1998

CERTIFICATE OF QUALIFICATIONS

I, Wesley D.T. Raven, of [redacted] Vancouver, British Columbia, hereby certify:

1. I am a graduate of the University of British Columbia (1983) and hold a B.Sc. degree in geology.

2. I have been employed as an exploration geologist on a full time basis since 1983.

3. I am currently retained as an independent consulting geologist by OreQuest Consultants Ltd., I have no interest in OreQuest Consultants Ltd.

4. I am a Fellow of the Geological Association of Canada.

5. I am a Professional Geologist registered with the Association of Professional Engineers and Geoscientists of British Columbia.

6. The information contained in this report was obtained from a review of data listed in the Bibliography. I have not been to the subject properties since they were acquired.

7. Neither OreQuest Consultants Ltd. nor myself have or expect to receive direct or indirect interest in any of the permit blocks discussed in this report nor in the securities of Cambridge Minerals Ltd. or any of its Alberta properties joint venture partners.

8. I consent to and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts or other public document, providing the report is used in its entirety or any summary thereof is approved by the author.

Wesley Raven

PROFESSIONAL ENGINEERS AND GEOSCIENTISTS PROVINCE OF BRITISH COLUMBIA D. T. RAVEN

Wesley D.T. Raven, P.Geo.

DATED at Vancouver, B.C., this 24th day of April, 1998.

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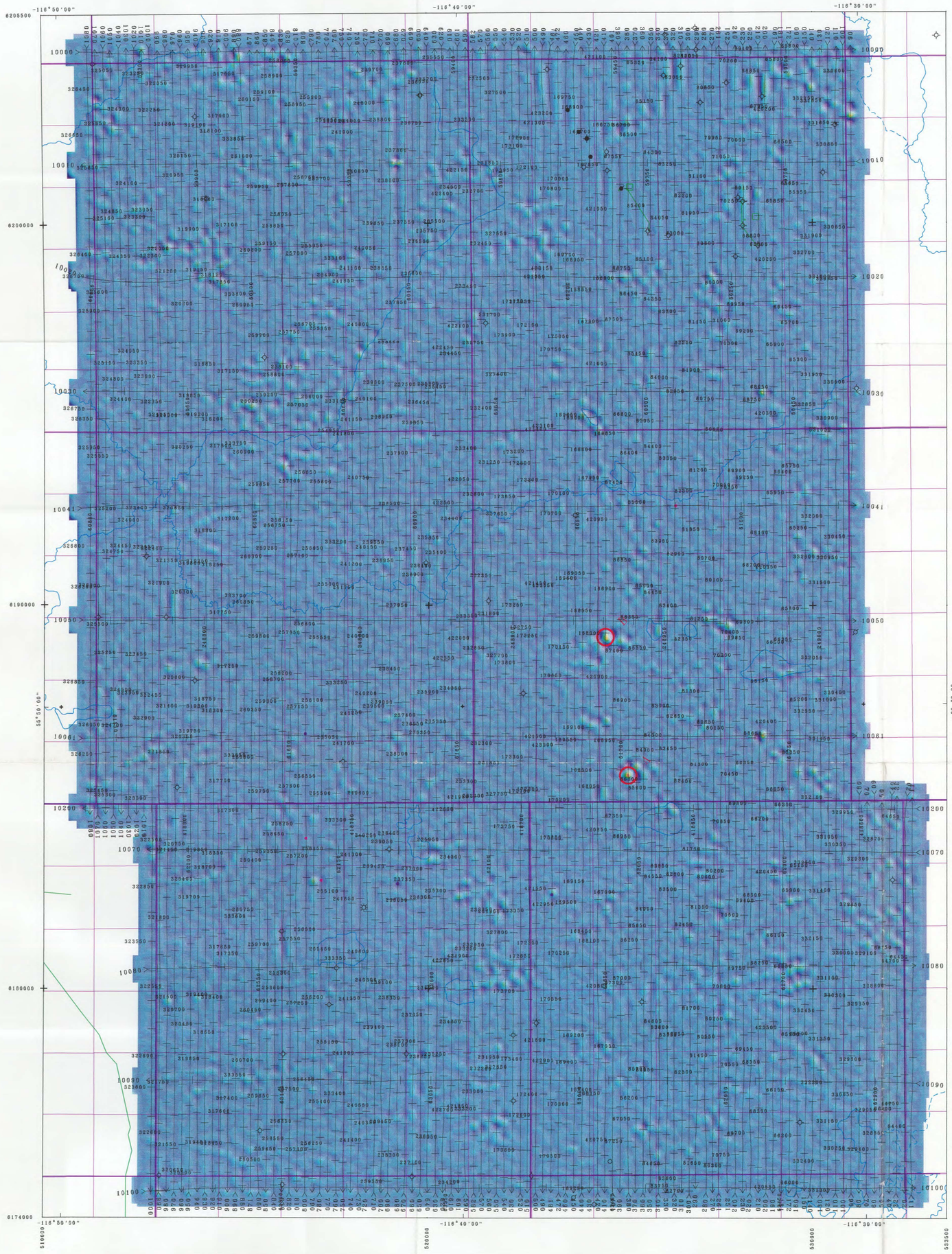


LEGEND

- CULTURE FOUND ON VIDEO AND PROFILE
- CULTURE SEEN ON PROFILE BUT QUESTIONABLE IF ON VIDEO
- ANOMALIES BUT NO KNOWN CULTURE

WELL SYMBOL LEGEND

GENERAL
- Well currently drilling
- Suspended well
- Dry hole
- Tight hole, abandoned
- Tight hole, suspended
- Water injector

DISCOVERIES
- Oil well
- Oil shows
- Gas well
- Gas shows
- Oil and gas well
- Oil and gas shows
- Gas/condensate well
- Gas discovery with oil shows

APPRAISALS
- Oil appraisal
- Gas appraisal
- Oil and gas appraisal

SUSPENSIONS
- Oil appraisal, suspended
- Oil discovery, suspended
- Gas appraisal, suspended
- Gas discovery, suspended
- Oil and gas appraisal, suspended
- Oil and gas discovery, suspended

SHADED RELIEF PARAMETERS

LINEAR STRETCH
SUN ANGLES:
Azimuth: 45 DEGREES
Elevation: 35 DEGREES

nT

1.5 1.4 1.3 1.2 1.1 1.0 0.9 0.8 0.7 0.6 0.5 0.4 0.3 0.2 0.1 0.0 -0.1 -0.2 -0.3 -0.4 -0.5 -0.6 -0.7 -0.8 -0.9 -1.0 -1.1 -1.2 -1.3 -1.4 -1.5

GEDCO

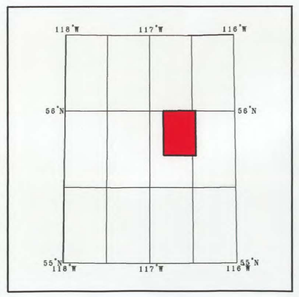
Scale 1:50000

1 0 0.5 1 1.5 2 Kilometers

1 0 0.5 1 Miles

55.85N 116.65W; 659.0m; 1998-01-29

Magnetic Field:	59103.55 nT
Magnetic Inclination:	77.05
Magnetic Declination:	21.82



SURVEY PARAMETERS

FLOWN BY: HIGH SENSE GEOPHYSICS

TRAVERSE LINE SPACING: 200 METERS N/S
CONTROL LINE SPACING: 3000 METERS E/W
FLYING HEIGHT: 100 METERS DRAPE
SPHEROID: CLARKE 1866

PROJECTION PARAMETERS

PROJECTION:	UTM
ELLIPSOID:	CLARKE 1866
UNITS:	METERS
CENTRAL MERIDIAN:	-117 DEGREES WEST
LATITUDE ORIGIN:	0.0 DEGREES
SCALE FACTOR:	0.9996
FALSE EASTING:	500000.0 METERS
FALSE NORTHING:	0.0 METERS

MIN9821

CAMBRIDGE MINERALS LTD.

BEARHEAD CREEK PROSPECT

POST-EDIT MAP

Date: MARCH 1998

Map: 2