

Cavan Ventures CVN.TSX-V \$0.20

Previously high grade Arizona silver producers

Shares Fully Diluted: 30 Million

52-Week H.-L.: \$0.26 - \$0.09

Acquiring previously producing silver properties in Arizona

CVN has been a shell looking for a new project since it began trading in late 2007. I first mentioned it in the January/February Issue as a "buy on mystery" guessing they were getting close to acquiring some mining projects. In the past month it has found them. On March 10 and May 5, Cavan announced agreements on mining prospects in the Peck Mining District of the Historic **Crown King** mining camp in the Bradshaw Mountains some 60 km north of Phoenix, Arizona. On May 10 the company added a Rare Earths prospect located in Quebec.

Crown King Silver Project

These claims hosted no less than three historic silver mines: "Isis", "Black Warrior" and a portion of the "Silver Prince". These three were collectively and formerly known as the Swastika mine.

Location and history

This silver belt is located in the relatively remote Bradshaw Mountain range of Arizona. It's almost like a northern extension of the legendary Mexican silver fields, only in a safer jurisdiction than Northern Mexico is these days. Small high grade mines dotted the landscape during the later 1800's (see area map on page two). Historical reports makes mention of values as high as \$20,000 per ton, implying extremely high grades.



Examples of mining tunnels on Cavan's Arizona silver properties - landscape is peppered with old silver mines, now to be explored by modern methods for first time

Mines in the area eventually closed for one reason or another by the early 1900's. Then they remained closed due to lengthy legal disputes ever since, preventing them from being subjected to modern exploration methods. Until recently however - when these disputes were just recently settled, allowing companies like **Q-Gold** and **Cavan** to swoop in and scoop these prospects up.

Exploration plans

An airborne geophysical survey and soil sampling programs are about to get underway to generate drill targets subsequent to this initial exploration. I believe with modest cap ex costs that this has a reasonable chance of being a near term producer. I doubt that the old timers got out all the ore with their picks and shovels during the late 1800's.

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Financing

On May 10, along with the announcement of the Rare Earths property, Cavan announced a couple of financings; 7.5 million units at a price of 20 cents for gross proceeds of up to \$1,500,000 and 4 million flow-through units at 25 cents per unit for gross proceeds of up to \$1,000,000 to finance exploration of their newly acquired exploration properties.



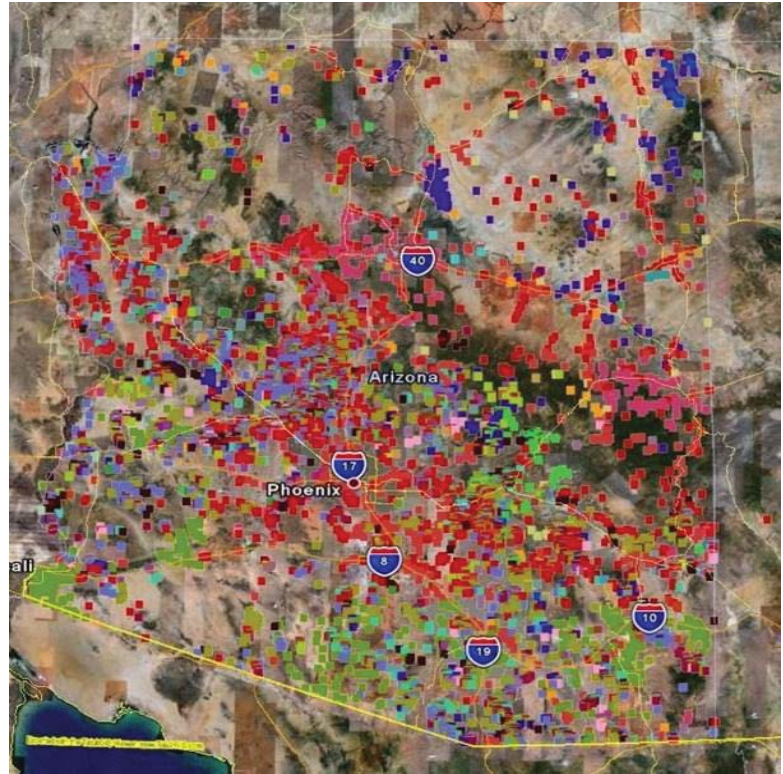
**Rock sample
taken on recent
property visit**

Management

I was introduced to this situation by the same folks who introduced me to **Lucky Strike LKY** prior to it making a nice run up to the \$1.60 range. If there has been any criticism of Cavan since it began trading in 2007, it has been that they haven't done much to move the company forward. However April 12 seems to have marked a transition for the company, the date Cavan's new president, **Andrew Mah**, founder of **Fireswirl Technologies (FSW-V)** was appointed. The company is moving forward faster and generating more news flow now.

I believe the property is highly prospective and may provide an opportunity for near term production. Ore grade material is readily available within mine tunnels and in waste heaps. The challenge for Cavan is determining how much and then raising the capital to produce. Unless they are taken out first by producers desperate to replace reserves, currently being depleted by 10% to 20% per annum.

For more information call **Patrick Brandreth (604) 808-3527** or **Andrew Mah (604) 783-5328** or visit www.cavanventures.com.



Red dots indicate mines in Arizona

The Markets

*The Internet-Social Media:
New Bull Market - or Bubble?*

We got the first indications something was up when a previous pick, **Entertainment INT-V** (social media translation service) - suddenly exploded in price and volume in February and then again in April. It was confirmed this month when **Skype.com** was gobbled up by **Microsoft** for \$8.5 Billion and then social media company **LinkedIn** went public, now with a market cap north of \$10 Billion. Skype loses money every day. I belong to **LinkedIn** but I have no idea why. I haven't spent a penny there and can't see why people are paying over \$100 a share for it.

But this demonstrates the Internet is still a platform that offers great efficiencies and economies where money can be made. And with that in mind, I have some suggestions for some "Alternative investments."

Alternative Investing

These are non-public situations, with potential for above average returns, but not for the faint of heart. One should only use money they can afford to part with.

Budget Interactive

This one is already generating positive cash flow with an online travel web site called www.budgethotels.com and has excellent growth potential with this site and a suite of other "budget" domain names. Money is being raised to take it to the next level; to create other businesses which will have synergy with the current one and for going public. Subject to change, the plan is to initially raise \$100,000 at \$0.10 per share. Contact me if you want to be placed on a list for when it's ready - first come first served.

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