



**CONSOLIDATED BALANCE SHEET
(UNAUDITED)**

	ASSETS	
	January 31	
	1990	1989
CURRENT ASSETS		
Cash	\$ 0	\$ 52,186
Accounts Receivable	636,237	535,904
Inventory	494,778	137,964
Prepaid Expenses	106,447	15,534
	<u>1,237,462</u>	<u>741,588</u>
MINERAL PROPERTIES	<u>4,124,283</u>	<u>4,857,089</u>
PLANT AND EQUIPMENT		
Buildings and equipment	5,028,970	2,418,420
Less accumulated depreciation	(1,247,702)	678,500
	<u>3,781,268</u>	<u>1,739,920</u>
	<u>\$ 9,143,013</u>	<u>\$ 7,338,597</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank loan	\$ 1,096,472	\$ 44,385
Accounts payable and accrued liabilities	1,217,463	846,781
Current portion of long term debt	461,000	-
	<u>2,774,935</u>	<u>891,166</u>
LONG TERM DEBT	<u>805,200</u>	<u>-</u>
DEFERRED INCOME TAXES	<u>170,472</u>	<u>498,096</u>
MINORITY INTEREST	<u>143,834</u>	<u>280,511</u>
SHAREHOLDERS' EQUITY		
Capital stock	5,189,235	5,189,235
Retained earnings	59,337	479,589
	<u>5,249,173</u>	<u>5,668,824</u>
	<u>\$ 9,143,013</u>	<u>\$ 7,338,597</u>

APPROVED BY THE BOARD:


Director


Director

SHAREHOLDER INFORMATION

Head Office
Treminco Resources Ltd.
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Officers & Directors

- R.T. Trenaman, President
- R.M. Porter
Wm. St. C. Dunn
R.G. McEachern
- * A. Malim
M. Munday

W.T. Trenaman, Vice President & Secretary
* Audit Committee Members

Banker

Canadian Imperial Bank of Commerce
586 Granville Street
Vancouver, B.C.
V6C 1X5

RoyNat Inc.
650 West Georgia Street
Vancouver, B.C.
V6B 4N8

SHAREHOLDER INFORMATION

Transfer Agent
National Trust Company
666 Burrard Street
Vancouver, B.C.
V6C 2Z9

Solicitor

Mawhinney & Kellough
15th Floor, The Grosvenor Building
1040 West Georgia Street
Vancouver, B.C.
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Auditor

Peat Marwick Thorne
2500 - 1177 West Hastings Street
Vancouver, B.C.
V6E 2L9

Stock Exchange

Toronto
Symbol: TMO

Issued Capital Stock

5,957,447

PF: Silvana 082FNW050
Pfarmigan 082K5E030

**TREMINCO
Resources Ltd.**

002117

**INTERIM
REPORT**
SIX MONTHS
ENDED
JANUARY 31, 1990



Report to Shareholders

FINANCIAL RESULTS

Total Revenue was \$4,026,000 for the second quarter ended January 31, 1990, up 78% from \$2,259,000 for the same quarter of 1989. This increase was due to the integration of the Silvana Silver-Lead-Zinc Mine in November and the filling of the revenue "pipeline" at the Ptarmigan Gold Mine. Net loss for the second quarter was \$22,000. Share loss nil. This compares to a net profit of \$208,000 or 4 cents per share for the same period in 1989. This decline in earnings is attributable primarily to the lower millhead grades at the Ptarmigan Mine and partly to the lower bullion prices.

Total revenue amounted to \$5,530,000 for the first six months of fiscal 1990, up 27% compared to \$4,345,000 for the same period last year. The Company incurred a loss of \$265,000 or 4 cents per share for the six months. This compares to a profit of \$472,000 or 8 cents per share for the same period last year. The drop in income reflects the lower millhead grades at the Ptarmigan Mine, lower bullion prices, and higher interest, depletion and depreciation expenses as compared to last year.

CHANGES IN CASH RESOURCES

Funds generated by mining operations totalled \$566,000 or 9 cents per share for the second quarter, compared to \$797,000 or 13 cents per share for the same quarter of 1989. For the first six months of fiscal 1990, funds generated by mining operations amounted to \$622,000 or 10 cents per share compared to \$1,574,000 or 26 cents per share for the same period last year.

Capital expenditures and capitalized exploration expenses were \$184,000 for the second quarter and \$1,440,000 for the six months. Of this latter total, \$1,000,000 was spent to acquire the Silvana Mine.

As of January 31, 1990 total assets stood at \$9,143,000 and total liabilities were \$3,894,000. A total of 5,957,447 common shares were outstanding at the end of January, 1990.

OPERATIONS

At the Ptarmigan Mine, gold production for the six months ended January 31, 1990 was 7577 ounces. Tons milled were 31,397 at a head grade of 0.256 oz. Au per ton and a recovery of 94.1%. For the second quarter, 14,884 tons of ore were milled at a grade of 0.249 oz. Au per ton and a recovery of 94.2%, to produce 3,494 ounces of gold. With the Ptarmigan Mill now in full operation, mine operating costs have been considerably reduced, as compared to custom milling. Mine operating costs for the first six months were \$84 per ton milled. For the second quarter, the mine operating costs were \$86 per ton milled.

This decrease in operating costs has allowed the mine to incorporate lower grade ore blocks into production. This should considerably increase the mineable ore reserves at the Ptarmigan Mine.

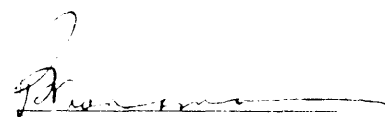
The Silvana Mine experienced an excellent quarter, producing 131,300 ounces of silver, 1,211,000 lbs. of lead and 1,025,000 lbs. of zinc. Mill head grades averaged 16.98 oz. silver per ton, 7.8% lead and 6.46% zinc. Mill throughput was 7,907 tons. Operating costs for the quarter were \$109 per ton milled. Since acquiring the Silvana Mine, the Company has instituted several changes in an attempt to reduce the mine operating costs to the level of \$90 per ton milled.

OUTLOOK

The Company is pleased to announce that Mr. Tim Riordon, P.Eng., joined Treminco as Vice-President Operations effective February 15, 1990. Mr. Riordon brings to Treminco a wealth of mining experience both within Canada and internationally.

With the capital expenditures at the Ptarmigan Mine now complete, and the Silvana Mine fully integrated into Treminco's operations, the next several quarters will see the Company focus on further reducing its debt, thereby permitting Treminco to aggressively pursue its growth objectives.

Respectfully submitted on behalf of the Board of Directors.


Roland T. Trenaman, P. Eng.
President

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS (UNAUDITED)

	Six Months Ended January 31	
	1990	1989
REVENUE		
Production revenue	\$5,529,891	\$4,321,953
Interest income	9,045	1,462
	<u>\$5,538,936</u>	<u>\$4,323,415</u>
EXPENSES		
Mine operating costs	4,358,684	2,328,600
Depletion	719,702	482,600
Depreciation	389,202	180,001
Royalty	146,609	166,370
Administrative and corporate	230,174	222,343
Interest	181,514	32,936
Minority interest	(24,347)	47,023
	<u>6,001,538</u>	<u>3,459,873</u>
INCOME BEFORE INCOME TAXES	(462,602)	863,542
INCOME TAX PROVISION (Deferred)	(197,994)	391,396
NET INCOME (Loss)	(264,608)	472,148
RETAINED EARNINGS (Deficit)		
Beginning of period	323,945	7,441
End of period	<u>\$ 59,337</u>	<u>\$ 479,589</u>
EARNINGS (LOSS) PER COMMON SHARE	<u>\$ (.04)</u>	<u>\$.08</u>

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION (UNAUDITED)

	Six Months Ended January 31	
	1990	1989
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net Income	\$ (264,608)	\$ 472,148
Items not involving cash:		
Depletion	719,702	482,600
Depreciation	389,502	180,001
Minority interest	(24,347)	47,023
Deferred income taxes	(197,994)	392,596
	<u>622,255</u>	<u>1,574,367</u>
INCREASE (DECREASE) IN NON-CASH WORKING CAPITAL ITEMS		
Accounts receivable	(454,365)	179,315
Inventory	(277,860)	(33,293)
Prepaid expenses	(86,484)	4,080
Accounts payable and accrued liabilities	479,912	45,303
Bank loan	1,096,472	(6,510)
Long term debt	(200,400)	-
	<u>1,179,530</u>	<u>1,755,102</u>
INVESTMENTS		
Purchase of plant & equipment	(1,016,634)	(1,199,261)
Investments in:		
Mineral properties	(423,654)	(456,633)
Acquisition of subsidiary	-	(61,832)
	<u>(1,440,288)</u>	<u>(1,717,726)</u>
INCREASE (DECREASE) IN CASH POSITION	(260,758)	37,376
Cash position at beginning of period	260,758	14,810
Cash position at end of period	<u>\$ 0</u>	<u>\$ 52,186</u>

Cash position is defined as cash plus short term investments.