

Financial Results

For the third quarter ended September 30, 1994, Princeton Mining Corporation's consolidated revenue was \$4,792,000, compared to \$13,134,000 for the third quarter of 1993. The average LME copper price during the third quarter was US \$1.114 per pound compared to US \$0.867 per pound for the same period in 1993. The Company had a consolidated loss for the quarter of \$4,230,000 or \$0.07 per share, compared to a net loss of \$3,410,000 or \$0.09 per share in 1993. The comparative results for 1993 have been restated to reflect the sale of Teranov.

Consolidated Balance Sheets

(thousands of dollars)

	September 30 1994 (unaudited)	December 31 1993
Assets		
Current Assets		
Cash and short-term investment	\$ 9,565	\$ 358
Accounts receivable	503	1,846
Marketable securities	2,374	1,815
Concentrate inventory	5,199	-
Supplies and prepaids	3,984	3,973
	<u>21,625</u>	<u>7,992</u>
Property, Plant and Equipment	9,478	9,476
Long-Term Investments	-	2,760
Long-Term Deposits	6,513	3,315
	<u>\$ 37,616</u>	<u>\$ 23,543</u>
Liabilities		
Current Liabilities		
Accounts payable and accruals	\$ 5,402	\$ 5,419
Loan payable - Mitsubishi Materials	4,739	-
Taxes payable	283	226
	<u>10,424</u>	<u>5,645</u>
Reclamation Provision	2,829	2,829
Minority Interest	6,537	-
	<u>19,790</u>	<u>8,474</u>
Shareholders' Equity		
	<u>17,826</u>	<u>15,069</u>
	<u>\$ 37,616</u>	<u>\$ 23,543</u>

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Consolidated Statements of Earnings

(thousands of dollars, except per share amounts - unaudited)

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	1994	1993	1994	1993
Revenue				
Mine operations	\$ 4,687	\$ 13,045	\$ 4,687	\$ 37,797
Interest and Other	105	89	404	1,017
	<u>4,792</u>	<u>13,134</u>	<u>5,091</u>	<u>38,814</u>
Expenses				
Cost of sales	5,633	13,569	5,779	41,085
Care and maintenance	-	-	1,392	-
Transportation & warehousing	560	1,357	560	4,118
General & administration	635	416	1,530	1,485
Exploration	696	131	2,186	1,035
Writedown of marketable securities	1,351	-	1,351	-
Total Expenses	8,875	15,473	12,798	47,723
Loss before the following	(4,083)	(2,339)	(7,707)	(8,909)
Depreciation	68	535	93	1,472
Interest	29	325	97	962
Loss before taxes	(4,180)	(3,199)	(7,897)	(11,343)
Taxes	50	29	129	88
Loss From Continuing Operations	(4,230)	(3,228)	(8,026)	(11,431)
Loss From Discontinued Operations	-	(182)	-	(1,181)
Net Loss	<u>\$ (4,230)</u>	<u>\$ (3,410)</u>	<u>\$ (8,026)</u>	<u>\$ (12,612)</u>
Loss Per Share	<u>(\$0.07)</u>	<u>(\$0.09)</u>	<u>(\$0.13)</u>	<u>(\$0.39)</u>

Consolidated Statements of Cash Flow

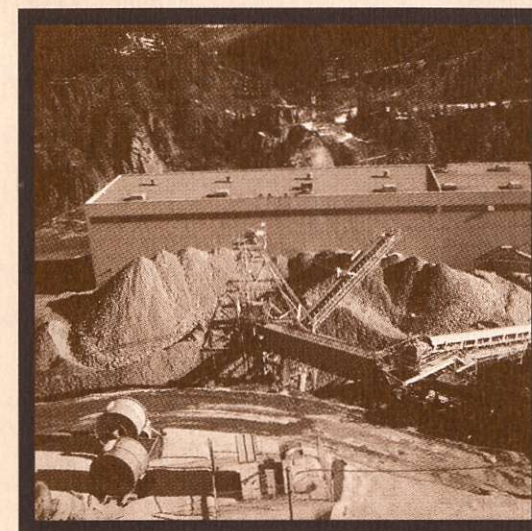
(thousands of dollars - unaudited)

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	1994	1993	1994	1993
Operations				
Net loss from continuing operations	(4,230)	(3,228)	(8,026)	(11,431)
Items not affecting cash				
Depreciation	68	535	93	1,472
Reclamation	-	108	-	324
Loss on sale of investments	-	-	-	50
Writedown of marketable securities	1,351	-	1,351	-
(Increase) Decrease in non-cash working capital	(3,266)	1,014	(998)	6,597
Cash used for continued operations	(6,077)	(1,571)	(7,580)	(2,988)
Cash used for discontinued operations	-	(565)	-	(220)
Cash used for operations	(6,077)	(2,136)	(7,580)	(3,208)
Financing				
Special warrants issued for cash	8,909	-	8,909	-
Common shares issued for cash	127	-	1,874	2,004
Repayment of long-term debt	-	-	-	(135)
Reclamation deposit	(66)	(60)	(185)	(180)
Issue of preferred shares by subsidiary for cash	6,537	-	6,537	-
	<u>15,507</u>	<u>(60)</u>	<u>17,135</u>	<u>1,689</u>
Investing				
Property, plant and equipment	(91)	(417)	(95)	(1,415)
Sale of investments	-	717	-	1,017
Reclassification of investment	2,760	-	2,760	-
Long-term deposit	(3,013)	-	(3,013)	-
	<u>(344)</u>	<u>300</u>	<u>(348)</u>	<u>(398)</u>
Increase (Decrease) in cash	9,086	(1,896)	9,207	(1,917)
Cash and Short-Term Investments				
Beginning of period	479	3,570	358	3,591
Cash and Short-Term Investments				
End of period	<u>\$ 9,565</u>	<u>\$ 1,674</u>	<u>\$ 9,565</u>	<u>\$ 1,674</u>

Third Quarter Report

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PRINCETON
MINING CORPORATION



For the period ending September 30, 1994

Company Highlights

Corporate

- Princeton private placement of 11,611,000 Special Warrants for gross proceeds of \$9,637,130.

Similco

- Similco mine resumed operations on August 18, 1994
- Mitsubishi advanced \$5.0 million under terms of an Advanced Concentrate Payment Facility
- \$7.1 million raised through the issuance of preferred shares by subsidiary of Similco Mines Ltd.
- Similco repaid Mitsubishi's \$1.5 million exploration loan.
- Ingerbelle East drilling produced good results and a mining decision is expected in late November.

Chile

- Rio Lluta - 1,500 metre diamond drilling program commenced in October to test the porphyry copper target.
- Elenita - A reverse circulation drilling program on the Elenita project near Antofagasta was completed, resulting in successful intersections of numerous mineralized mantos. A geological report is now done and a 15,000 metre reverse circulation drilling program has been arranged to commence in November 1994.
- Nancagua - Agate Bay's exploration program to date has identified at least 6 zones containing good gold assays.

Corporate

On September 22, 1994 the Company completed a private placement of 11,611,000 Special Warrants at a price of \$0.83 per Special Warrant for a total of \$9,637,130. Each Special Warrant entitles the holder to receive one common share and one half Warrant. One full Warrant is exercisable into one common share through June 30, 1995 at a price of \$1.00. The preliminary prospectus was filed with regulatory authorities on October 14, 1994 with the objective of closing the final prospectus by year end.

The funds will be used to finance the Company's working capital and ongoing exploration programs at the Similco Mine in Princeton, B.C. and at the Elenita and Rio Lluta properties in northern Chile.

Princeton is aggressively seeking opportunities to acquire, or joint venture, near term, low cost properties that have the ability to produce metal on-site.

Similco Mines Ltd.

As previously announced, Similco Mines Ltd. resumed operations at the Similco mine on August 18, 1994 by processing ore from the low grade stockpile adjacent to the mill.

Production started at a reduced rate for the first month because of planned maintenance on one of the three SAG mills. Copper production was 3.4 million pounds for the period. The grade of ore averaged 0.257% copper while copper recovery was 77.3%.

On September 13, 1994 Similco transferred an interest in the Similco Mine and the Copper Mountain Property to Similco Resources Ltd., an exploration company whose common shares are wholly owned by Similco Mines Ltd. In connection with the transfer, third party investors acquired 7,100 preferred shares of Similco Resources Ltd. for gross proceeds of \$7,100,000. The preferred shares have a dividend payable if copper goes over U.S. \$2.25 per pound.

Alabama Zone

The Phase I Alabama diamond drilling program has been completed. The Phase II drill program consisting of 44,800 feet in 64 holes, costing \$1.5 million is planned to commence in November, 1994. This program should provide the needed data to upgrade the reserves to the probable and proven category and to complete the detailed mine plan.

Ingerbelle East Zone

Previous drilling in the area had indicated a geological resource of 21 million tons grading 0.35% copper. A 16,400 foot, 24-hole, diamond drill program was completed on October 6, 1994. This program was designed to upgrade this resource to a mineable reserve and increase the grade and tonnage at the deposit. The results have been encouraging with a confirmation of ore continuity.

Some of the more significant assays include: drill hole 94-06 intersected 156 feet grading 1.24% copper and 0.35 grams per tonne (g/t) gold, hole 94-17 intersected 172 feet grading 0.92% copper and 0.71 g/t gold, hole 94-21 intersected 131 feet grading 0.62% copper and 0.52 g/t gold and hole 94-24 intersected 140 feet of 0.64% copper and 0.28 g/t gold.

All drill holes are inclined in order to provide more precise definition of the structurally controlled, predominantly vertical, zones of mineralization. Calculations of mineable reserves and completion of the pit optimization design are in progress and are expected to be completed in November. It is anticipated that a mining decision for the Ingerbelle pit will be made in November.

Chile

Rio Lluta

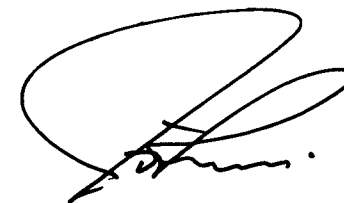
A 1,500 metre diamond drilling program to test the magnetic low anomaly which is the centre of the porphyry copper target to the east of the 1993 Phase I program has been initiated. Drilling is expected to be completed by year end.

Elenita

A detailed geological report was prepared to evaluate the drilling program completed in May and reserves were calculated to be 3.5 million tonnes grading 1.42% copper. A 15,000 metre reverse circulation drill program to upgrade the reserves to the proven category and to test other target areas will begin in late November.

Nancagua

Agate Bay's exploration programs have defined a 500-600 metre wide by 2,000 metre long northwesterly trending zone of epithermal-style gold mineralization on the property. Within this zone, six areas of more intense mineralization have been targeted for drill testing. Drill targets include high grade veins where grab samples have returned assays of up to 65 g/t gold and larger areas with bulk tonnage potential where extensive chip sampling has outlined areas up to 100 by 125 metres in size with an average grade of 1.9 g/t gold. A twenty hole 2,000 metre drill program has been recommended.



James C. O'Rourke
President and Chief Executive Officer
November 15, 1994