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New Canamin  
RESOURCES LTD



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Six Month Report  
for the Period Ended May 31, 1994



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During the period, your Company continued to make material progress toward the ultimate target of commercial production from its Huckleberry open pit copper deposits. Proven and probable reserves in the Main Zone have recently been calculated to be 53,700,000 tonnes grading 0.445% copper with gold, silver and molybdenum byproduct credits. East Zone proven and probable reserves total 107,400,000 tonnes grading 0.49% copper, also with gold, silver and molybdenum byproduct credits. The combined total reserve of both zones is 161,100,000 tonnes at a grade of 0.475% copper using a 0.30% copper cutoff. It should be noted that these are in situ reserves and that as pits are computer developed around the deposits, the mineable tonnages will decline and the reported grades will increase.

The Huckleberry project is presently going through a feasibility study to determine whether a 13,500 tonne per day mining and milling operation is commercially viable. We expect the study to be completed in September and, given the success of the infill drilling program in both zones, are justifiably optimistic.

Our optimism is based not only on our ability to mine high grades of copper mineralization in the early years at a low strip ratio, but also on the simple metallurgy which allows 94 to 95% of this copper to be recovered to yield a premium quality, penalty-free concentrate containing 27% copper with payable quantities of gold and silver. We are also proposing to recover molybdenum and to generate and market a molybdenum concentrate.

With the completion of the infill drilling program, we have resumed exploration drilling and plan to test two strong geochemical anomalies by drilling commencing in late July. One of these is an areally extensive copper soil anomaly to the north of the Main Zone, while the second is a pronounced copper-gold anomaly to the north and east of the East Zone. The latter anomaly has some two kilometres of strike length.

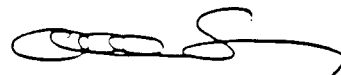
Recent increases in commodity prices have enhanced the economics of the Huckleberry project. Copper has risen to above US \$1.10 per pound and molybdenum shows signs of escaping its long period of depressed prices, having recently established a US \$3.40 per pound trading range.

A number of transportation options have been studied to market the concentrate. These studies, while ongoing, now focus on delivery of product to Houston on Highway 16 and the CN Railway. From this location, Huckleberry concentrates can be shipped either west to Pacific Rim smelters or east to Canadian smelters, or both. Huckleberry will produce up to 110,000 tonnes per year of copper concentrate.

New Canamin has maintained an active program of project environmental qualification since September of 1992 when the Company commenced exploration at Huckleberry. No similar project in British Columbia has a more thorough database. The accumulation of data with which to measure, qualify and minimize the project's environmental effect continues.

The accompanying balance sheet shows that our capitalized mineral property expenditures have increased since the 1993 six month report from \$1,650,055 to \$5,094,998 indicating expenditures of \$3,444,943 since May 31, 1993. Working capital as of May 31, 1994 stands at \$1,815,331. These funds are adequate to complete the current feasibility study and to undertake the exploration drilling referred to above. If, however, the exploration drilling is successful and a major drill program is committed, it will become necessary to raise further funds.

On behalf of the Board of Directors,



ALAN C. SAVAGE  
President and Director  
July 15, 1994

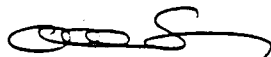
## STATEMENT OF LOSS AND DEFICIT

SIX MONTHS ENDED MAY 31, 1994 (Unaudited—See Notice to Reader)	1994	1993
<b>EXPENSES</b>		
Interest—capital lease obligation	\$ 983	\$ 2,103
General and administration expenses (Schedule 1)	233,501	179,134
	234,484	181,237
WRITE OFF OF MINERAL PROPERTY AND RELATED EXPENDITURES	—	224,698
NET LOSS	234,484	405,935
DEFICIT, BEGINNING OF PERIOD	(5,534,893)	(4,935,345)
DEFICIT, END OF PERIOD	\$ (5,769,377)	\$ (5,341,280)
LOSS PER SHARE	\$ (0.03)	\$ (0.09)

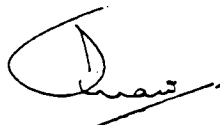
## BALANCE SHEET

MAY 31, 1994 (Unaudited—See Notice to Reader)	1994	1993
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short-term deposits	\$ 2,095,915	\$ 82,314
Accounts receivable	172,195	44,037
Loans receivable from related parties	—	12,450
Prepays and deposits	62,247	17,216
	2,330,357	146,017
MINERAL PROPERTIES AND RELATED DEFERRED EXPENDITURES	5,094,998	1,650,055
CAPITAL ASSETS, net of accumulated depreciation of \$29,966 (1993—\$Nil)	113,908	17,553
MINING EQUIPMENT UNDER CAPITAL LEASE, at cost less accumulated depreciation and write down of \$44,601 (1993—\$27,601)	—	17,000
	\$ 7,539,263	\$ 1,830,625
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 515,026	\$ 299,825
Payable to related parties	—	7,535
Current portion of capital lease obligations	—	10,126
	515,026	317,486
CAPITAL LEASE OBLIGATION	—	4,978
	515,026	322,464
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL</b>		
Authorized		
50,000,000 common shares without par value		
Issued, allotted and fully paid		
9,098,958 shares (1993—5,275,958 shares)	12,793,614	6,849,441
DEFICIT	(5,769,377)	(5,341,280)
	7,024,237	1,508,161
	\$ 7,539,263	\$ 1,830,625

APPROVED BY THE BOARD



ALAN C. SAVAGE, Director



JAMES G.G. WATT, Director

## STATEMENT OF CHANGES IN FINANCIAL POSITION

SIX MONTHS ENDED MAY 31, 1994 (Unaudited—See Notice to Reader)	1994	1993
OPERATING ACTIVITIES		
Operations		
Net loss	\$ (234,484)	\$ (405,935)
Items not affecting cash		
Depreciation	18,304	—
Property expenditure write off	—	224,698
	(216,180)	(181,237)
Change in operating items	297,809	266,704
Cash provided by operating activities	81,629	85,467
INVESTING ACTIVITIES		
Capital asset expenditures	(50,410)	(17,553)
Mineral property expenditures	(2,216,368)	(1,018,617)
Cash used for investing activities	(2,266,778)	(1,036,170)
FINANCING ACTIVITIES		
Issue of shares for cash	727,300	958,185
Issue of shares for settlement of debt	—	4,830
Reduction of capital lease obligation	(10,339)	(4,238)
Advances from related parties	—	4,039
Cash provided by financing activities	716,961	962,816
DECREASE IN CASH	(1,468,188)	(12,113)
CASH AND SHORT-TERM DEPOSITS, BEGINNING OF PERIOD	3,564,103	70,201
CASH AND SHORT-TERM DEPOSITS, END OF PERIOD	\$ 2,095,915	\$ 82,314

## SCHEDULE 1 — GENERAL AND ADMINISTRATION EXPENSES

SIX MONTHS ENDED MAY 31, 1994 (Unaudited—See Notice to Reader)	1993	1992
Depreciation	\$ 18,304	\$ —
Accounting and audit	9,565	5,809
Legal	5,201	7,638
Listing fee	825	—
Consulting fee	29,900	43,000
Miscellaneous	12,535	1,630
Office services	30,837	8,916
Shareholder relations	18,059	15,573
Supplies and stationery	24,744	1,247
Telephone	7,526	6,203
Travel and promotion	16,361	10,132
Rent	51,860	19,687
Salaries and benefits	66,577	59,772
	292,294	179,607
Less interest income	58,793	473
	\$ 233,501	\$ 179,134

## NOTICE TO READER

We have compiled the balance sheet of New Canamin Resources Ltd. as at May 31, 1994 and the statements of loss and deficit and of changes in financial position for the six month period then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that this statement may not be appropriate for their purposes.

*Hay + Watson*

HAY & WATSON  
Chartered Accountants

Vancouver, B.C.  
June 20, 1994