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New Canamin Resources • NNI - Vancouver • CS2.10/2.13 • Fully Diluted: 10.6 million

New Canamin (NNI) holds a 100% interest in the Huckleberry porphyry copper property, near Houston, British Columbia. While company management and the project have long been deserving of attention, two recent events suggest that the company is on the verge of commanding a higher market profile: 1) recently announced reserve definition drilling is confirming the grade, continuity, and dimensions of the high-grade, near surface core of the deposit; 2) a hole reported last week—147 feet of 2.192% copper—is likely to prove a catalyst for New Canamin being taken seriously as a copper production situation.

The Huckleberry deposit was discovered in 1962 by Kennco Explorations and explored by that company until 1971. The project was farmed out to Granby Mining, which produced a preliminary feasibility study but then shelved the property when the Socialist NDP party came to power in B.C. in 1974. New Canamin optioned the property in May of 1992, drilled more infill holes, and in April 1993 began drilling on the property's higher grade East zone. By October of that year the company had drilled 33,000 feet on the East zone and established a drill indicated resource of 69 million tonnes averaging 0.572% copper.

A 40,000 foot infill drilling program on the East zone began in February of this year and should be complete by the end of June. Drill indicated reserves are currently estimated at 80 million tons averaging greater than 0.60% copper, with credits for gold, silver, and molybdenum. Recent drill results suggest that maintaining this high grade (for B.C.) will be attainable, with tonnage potential estimated at 100 million tons. This would allow for a 20-year mine life at a rate of 15,000 tons per day. An exploratory program will soon begin to the northeast of the East zone, where a significant copper-gold geochemical anomaly has been located. Drill results will be forthcoming over the summer months.

Is It A Mine?

Tonnage, grade, and metallurgical recoveries—approximately 95%—suggest that the deposit is amenable to an economic operation. The price of copper, currently \$1.10 per pound, also favors this conclusion. The anti-resource posture of the B.C. government has been well chronicled in recent years, and given the tendency of pendulums to swing to extremes, there are strong indications that the pendulum is now swinging back and that the provincial government would approve a mine development certificate for a deserving project. The absence of undesirable elements in the Huckleberry ore and the non-acid generating characteristics of the deposit suggest that New Canamin's project would be a strong candidate for approval. The management team, headed by president Alan Savage, has been commended by the province for its attention to environmental concerns, and there exists no discernible reason why the project, if feasible, would not receive a go-ahead. A feasibility study will be complete in September and a mine development certificate could be granted as early as March of next year.

Conclusions: Recent results from New Canamin's Huckleberry project suggest it is shaping up to be a production situation. Copper's recent run-up suggests that investors will be looking for copper projects. Recent exploration results and exploration to occur over the next few months is likely to attract a higher market profile, with a target of \$5-\$7 by year-end. A break-out on NNI will occur on a move above \$2.35. **DO NOT** pay more than \$2.50, but **DO BUY** NNI.V for a double between now and year-end.