

676986



New Canamin
RESOURCES LTD



New Canamin
RESOURCES LTD

Suite 240, 171 West Esplanade
North Vancouver, British Columbia
Canada V7M 3K9

Tel: (604) 986-3376

Fax: (604) 986-5928

1st Quarter Report

For the three months ended February 28, 1995

PRESIDENT'S MESSAGE

During the first quarter to February 28, 1995, a plan was developed that would see the Company's Huckleberry deposit brought to production with the help of Princeton Mining Corporation. This is timely in that our February 28 working capital situation was in deficit by \$175, 047.

Huckleberry, while clearly a commercial deposit with very satisfactory rates of return and low project risk, is not in the "flavor of the month" category. In general, major mining companies have chosen not to invest in BC open pit porphyry copper projects and therefore we have not been able to access their support for Huckleberry. We were able, however, to gain the interest of the Japanese Onahama smelter group led by Mitsubishi Materials Corporation.

This very strong group also includes Dowa Mining Co. Ltd. and Furukawa Co. Ltd. Joining the Onahama group to lead financial matters is Marubeni Corporation. In return, 40% of Huckleberry will be shared among the above participants and a US \$100,000,000 financing will move the project forward.

Key to the above financing was the merger proposal from Princeton to New Canamin. The Onahama group wanted an experienced Canadian operator for the Project and they will have that in Princeton, owner of the 25,000 tonne per day Similco mining operation near the town of Princeton, BC. In fact, the financing proposal from the Onahama group is subject to the

New Canamin/Princeton merger being completed as contemplated.

The terms of the merger will result in the exchange of all of the outstanding common shares of New Canamin for common shares of Princeton on the basis of 1 1/4 shares and one share purchase warrant of Princeton for each share of New Canamin. The share purchase warrant will have a two year term with the last year exercisable at \$1.15 per Princeton common share.

The Board of Directors of your company is recommending that shareholders vote in favour of the amalgamation. The Board is of the opinion that the addition of Huckleberry to Princeton's operating mining base with the advanced stage Elenita exploration project in Chile (presently under going a pre-feasibility) places Princeton on a fast track towards the ranks of low-cost, medium-sized copper producers.

If any shareholder would like to discuss any aspects of the above with the writer, please phone me at (604) 986-3376.

On behalf of the Board of Directors,
NEW CANAMIN RESOURCES LTD.



Alan C. Savage
President & Director
April 24, 1995

STATEMENT OF LOSS AND DEFICIT

FOR THE THREE MONTHS ENDED FEBRUARY 28, 1995 (Unaudited—See Notice to Reader)	1995	1994
EXPENSES		
Interest	\$ 630	\$ 983
General & administration expenses (Schedule 1)	150,619	124,501
NET LOSS	(151,249)	(125,484)
DEFICIT, BEGINNING OF PERIOD	(6,060,749)	(5,534,893)
DEFICIT, END OF PERIOD	\$ (6,211,998)	\$ (5,660,377)
LOSS PER SHARE	\$ (0.02)	\$ (0.02)

NOTE


The Company entered into an agreement on January 26, 1995 with Princeton Mining Corporation ("Princeton") pursuant to which the parties will enter into a statutory arrangement. Under the arrangement, each outstanding common share of the Company will be exchanged for 1.25 common shares and one common share purchase warrant of Princeton. As a consequence, the Company will become a wholly-owned subsidiary of Princeton. The arrangement is subject to approval by the Company's shareholders at an extraordinary general meeting scheduled for June 21, 1995.


Princeton is a Canadian mining company primarily engaged in the operation of the Similco copper mine in British Columbia. Princeton is also active in the exploration and development of copper and gold properties in Chile.

BALANCE SHEET

FOR THE THREE MONTHS ENDED FEBRUARY 28, 1995 (Unaudited—See Notice to Reader)	1995	1994
ASSETS		
CURRENT		
Cash	\$ —	\$ 3,190,957
Accounts receivable	19,025	41,968
Marketable securities at cost	1,886	—
Prepaid expenses and deposits	68,845	37,247
	89,756	3,270,172
MINERAL PROPERTIES AND RELATED DEFERRED EXPENDITURES	7,554,862	3,391,622
CAPITAL ASSETS, net of accumulated depreciation of \$49,930	116,092	100,926
	\$ 7,760,710	\$ 6,762,720
LIABILITIES		
CURRENT		
Bank overdraft	\$ 73,250	\$ —
Accounts payable and accrued liabilities	140,923	273,420
Payable to related parties	—	46,163
Loan payable	50,630	—
	264,803	319,583
SHAREHOLDERS' EQUITY		
SHARE CAPITAL		
Authorized 50,000,000 common shares without par value		
Issued, allotted and fully paid 9,708,819 shares (1994—8,547,958 shares)	13,707,905	12,103,514
DEFICIT	(6,211,998)	(5,660,377)
	7,495,907	6,443,137
	\$ 7,760,710	\$ 6,762,720

Approved by the Board of Directors,
NEW CANAMIN RESOURCES LTD.


Alan C. Savage
Director


Benjamin Alnsworth
Director

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE THREE MONTHS ENDED FEBRUARY 28, 1995 (Unaudited—See Notice to Reader)	1995	1994
OPERATING ACTIVITIES		
Operations		
Net loss	\$ (151,249)	\$ (125,484)
Item not affecting cash—depreciation	8,279	5,944
	(142,970)	(119,540)
Change in operating items	85,893	211,429
Cash (used for) provided by operating activities	(57,077)	91,889
INVESTING ACTIVITIES		
Capital asset expenditures	(3,772)	(25,068)
Mineral property expenditures	(224,638)	(512,991)
Cash used for investing activities	(228,410)	(538,059)
FINANCING ACTIVITIES		
Issue of shares for cash	—	37,200
Reduction of capital lease obligation	—	(10,339)
Advances from related parties	—	46,163
Cash provided by financing activities	—	73,024
DECREASE IN CASH	(285,487)	(373,146)
CASH, BEGINNING OF PERIOD	212,237	3,564,103
(BANK OVERDRAFT) CASH, END OF PERIOD	\$ (73,250)	\$ 3,190,957

SCHEDULE 1—GENERAL AND ADMINISTRATION EXPENSES

FOR THE THREE MONTHS ENDED FEBRUARY 28, 1995 (Unaudited—See Notice to Reader)	1995	1994
Depreciation	\$ 8,279	\$ 5,944
Accounting and audit	1,500	6,630
Legal	15,608	3,369
Listing fee	—	825
Consulting fee	20,500	16,100
Miscellaneous	2,087	8,753
Office services	4,715	21,471
Shareholder relations	5,874	15,796
Stationary	4,333	12,022
Telephone	2,970	2,987
Travel and promotion	11,833	5,864
Rent	28,566	28,416
Salaries	45,737	28,187
	152,002	156,364
Less interest income	1,383	31,863
	\$ 150,619	\$ 124,501

NOTICE TO READER

We have compiled the balance sheet of New Canamin Resources Ltd. as at February 28, 1995 and the statements of loss and deficit and of changes in financial position for the three 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, British Columbia
 April 12, 1995