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NEW PRIVATEER MINE LTD. (NPM-V)

ANNUAL REPORT - Harvey H. Cohen, P. Eng., president, stated in the annual report New Privateer in June 1991 a contract was granted to Masset Inlet Contracting Ltd. to operate the Zeballos mine on the west coast of Vancouver Island, B.C., on a share basis leaving 20% of all production to New Privateer. Mr. Cohen stated, Masset failed in every respect and has not accounted for any of the production and has failed to provide any results or data. The agreement was terminated.

The company, using funds and bank guarantees advanced by directors, spent considerable time conducting repairs both underground and on surface, and started operating on a limited scale while seeking a joint venture partner. During May, two shipments of

concentrates were made to the refinery. (No details were reported)

Underground, the No. 3 North heading has made a successful intersection with the No. 5 Vein, and drifting on this vein is presently in progress. This will explore the No. 5 Vein, and access the system to the 1,000 level by means of a raise. Mining will continue on the No. 3 Vein Stope to provide mill feed. The stope is planned to continue to the 1,000 level where encouraging results are recorded. The proposed advance remaining is approximately 50 feet to the 1,000 level.

The company had a loss of \$82,999 during the year ended 31Dec91 and ended the period with cash of \$9,800, liabilities of \$44,042 and 8,563,762 shares issued.

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