

CONSOLIDATED BALANCE SHEET
(UNAUDITED)

ASSETS

January 31

1991 1990

CURRENT ASSETS

Cash	\$ —	\$ —
Accounts Receivable	576,951	636,237
Inventory	561,559	494,778
Prepaid Expenses	9,850	106,447
	<u>1,148,360</u>	<u>1,237,462</u>

MINERAL PROPERTIES

4,255,053 4,124,283

PLANT AND EQUIPMENT

Buildings and equipment	5,435,424	5,028,970
Less accumulated depreciation	(2,082,269)	(1,247,702)
	<u>3,353,155</u>	<u>3,781,268</u>
	<u>\$ 8,756,568</u>	<u>\$ 9,143,013</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Bank loan	\$ 554,513	\$ 1,096,472
Accounts payable and accrued liabilities	1,837,839	1,217,463
Current portion of long-term debt	557,200	461,000
	<u>2,949,552</u>	<u>2,774,935</u>

LONG-TERM DEBT

248,000 805,200

DEFERRED INCOME TAXES

286,728 170,472


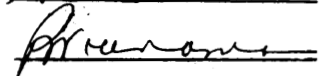
MINORITY INTEREST

74,183 143,834

SHAREHOLDERS' EQUITY

Capital stock	5,189,235	5,189,235
Retained earnings	8,870	59,337
	<u>5,198,105</u>	<u>5,249,173</u>
	<u>\$ 8,756,568</u>	<u>\$ 9,143,013</u>

APPROVED BY THE BOARD:

Director

Director

SHAREHOLDER INFORMATION

Head Office

Tremingo Resources Ltd.
1110 - 625 Howe Street
Vancouver, B.C.
V6C 2T6
Phone (604) 687-4450
Fax (604) 687-5100

Officers & Directors

- R.T. Trenaman, President
 - R.M. Porter
- Wm. St. C. Dunn
- R.G. McEachern
 - A. Malim
 - M. Munday

W.T. Trenaman, Vice President & Secretary
• Audit Committee Members

Banker

Canadian Imperial Bank of Commerce
586 Granville Street
Vancouver, B.C.
V6C 1X5

RoyNat Inc.
650 West Georgia Street
Vancouver, B.C.
V6B 4N8



SHAREHOLDER INFORMATION

Transfer Agent

National Trust Company
666 Burrard Street
Vancouver, B.C.
V6C 2Z9

Solicitor

Fraser & Beatty
15th Floor, The Grosvenor Building
1040 West Georgia Street
Vancouver, B.C.
V6E 4H8

Auditor

Peat Marwick Thorne
2500 - 1177 West Hastings Street
Vancouver, B.C.
V6E 2L9

Stock Exchange

Toronto
Symbol: TMO

Issued Capital Stock

5,957,447

Silvana
082FN W050

TREMINCO
Resources Ltd.

002119

INTERIM
REPORT

SIX MONTHS
ENDED
JANUARY 31, 1991



Report to Shareholders

On behalf of your Board of Directors, I am pleased to present the Company's quarterly report and the consolidated financial statements (unaudited) for the six months ended January 31, 1991.

Highlights for the quarter included:

- Commencement of production from the Hinckley Property located adjacent to the Company's Silvana Mine.
- Completion of the C Vein decline in December to access a secondary ore source for the Ptarmigan Mill.

FINANCIAL RESULTS

Revenue for the six months ended January 31, 1990 was \$7.1 million, an increase of 29% from the same period last year. The Company incurred a loss of \$245,000 or 4 cents per share. This compares to a loss of \$265,000 or 4 cents per share in fiscal 1990. Cash flow for the period was \$568,000 or 10 cents per share, as compared to \$622,000 or 10 cents per share for 1990.

The second quarter revenue was \$3.4 million and cash flow was \$168,000.

The dramatic decline in prices for silver, lead and zinc, the continuing strength of the Canadian dollar and the short-fall in production at the Ptarmigan all impacted negatively on the Company's financial results.

YELLOWKNIFE DIVISION

At the Ptarmigan Mine, gold production for the six months ended January 31, 1991 was 8,463 ounces from a mill throughput of 27,700 tons at a grade of 0.32 oz. gold/ton and a recovery of 95.50%. This compares to gold production of 7,577 ounces from 31,400 tons milled at a grade of 0.256 oz. gold/ton for the same period a year ago.

During the second quarter, gold production was 4,380 ounces from a mill throughput of 15,200 tons and a grade of 0.30 oz. gold/ton and a recovery of 96.0%.

The 1100 foot decline to access the ore reserves on the C Vein was completed in December and the Company is currently developing the ore block prior to mining. Initial results indicate an erratic distribution of gold mineralization with occasional high grade chip samples assaying as high as 50 oz. gold/ton. Mine production from the C Vein is expected in March. This second ore source will assist in alleviating the ore shortage problems at the Ptarmigan encountered in the first half of fiscal 1991.

SANDON DIVISION

The sharp drop in prices for silver, lead and zinc since September, 1990 resulted in the revenues from the Silvana Mine for the first six months being significantly below targeted levels. The drop in mine revenue forced the Company to further reduce its work force at this operation in an attempt to bring the costs in line with realized revenues.

On the positive side, initial results from development work at the newly acquired Hinckley Property have been encouraging. The zinc-rich Hinckley ore is expected to supply approximately 30% of the millfeed over the coming year.

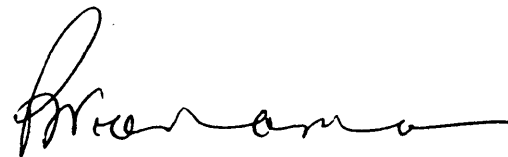
Production at the Silvana Mill for the first six months totalled 18,300 tons at an average grade of 11.54 oz. silver, 5.01% lead and 6.00% zinc. Recovered metals for the period were 203,000 ounces of silver, 1,693,000 pounds of lead and 2,022,000 pounds of zinc.

OUTLOOK

As with most mining companies, the decline in metal prices over recent months and the high Canadian dollar has greatly reduced Treminco's revenues and cash flows. Consequently, our Company has been forced to defer planned expenditures on the Willa and Crestaurum properties as well as minesite exploration programs.

The main goal for the Company over the short term will be to ensure that both Ptarmigan and Silvana operate at peak efficiencies. As Treminco can do very little to control metal prices or the value of the Canadian dollar, management must concentrate its efforts on maximizing throughput while minimizing operating costs.

In summary, we are confident in our ability as a small mine operator and having progressed through the difficult times facing the mining industry, we believe that we can look forward to the remainder of fiscal 1991 as one of opportunity.



Roland T. Trenaman, P. Eng.
President

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS (UNAUDITED)

	Six Months Ended January 31	
	1991	1990
REVENUE		
Production revenue	\$7,141,511	\$5,529,891
Interest income	9,234	9,045
	<u>\$7,150,745</u>	<u>\$5,538,936</u>
EXPENSES		
Mine operating costs	6,010,448	4,358,684
Depletion	565,000	719,702
Depreciation	452,262	389,202
Royalty	177,594	146,609
Administrative and corporate	267,823	230,174
Interest	126,711	181,514
Minority interest	(19,799)	24,347
	<u>7,580,039</u>	<u>6,001,538</u>
INCOME BEFORE INCOME TAXES	(429,294)	462,602
INCOME TAX PROVISION (Deferred)	(183,738)	(197,994)
NET INCOME (Loss)	(245,556)	(264,608)
RETAINED EARNINGS (Deficit)		
Beginning of period	254,426	323,945
End of period	\$ 8,870	\$ 59,337
EARNINGS (LOSS) PER COMMON SHARE	\$ (0.4)	\$ (0.4)

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION (UNAUDITED)

	Six Months Ended January 31	
	1991	1990
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net Income	\$ (245,556)	\$ (264,608)
Items not involving cash:		
Depletion	565,000	719,702
Depreciation	452,262	389,502
Minority interest	(19,799)	(24,347)
Deferred income taxes	(183,738)	(197,994)
	<u>568,169</u>	<u>622,255</u>
INCREASE (DECREASE) IN NON-CASH WORKING CAPITAL ITEMS		
Accounts receivable	79,280	(454,365)
Inventory	(221,765)	(277,860)
Prepaid expenses	48,885	(86,484)
Accounts payable and accrued liabilities	733,561	479,912
Repayment of long-term debt	(252,000)	(200,400)
	<u>956,130</u>	<u>83,053</u>
INVESTMENTS		
Purchase of plant & equipment	(313,008)	(1,016,634)
Investments in:		
Mineral properties	(737,217)	(423,654)
Acquisition of subsidiary	(17,417)	-
	<u>(1,067,642)</u>	<u>(1,440,288)</u>
INCREASE (DECREASE) IN CASH POSITION	(111,512)	(1,357,200)
Cash position at beginning of period	(\$443,001)	260,758
Cash position at end of period	\$ (554,513)	\$ (1,096,472)

Cash position is defined as cash plus short-term investments less bank indebtedness.