

HIGHMONT MINING CORP. LTD. (N.P.L.)

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TO THE SHAREHOLDERS:

Development of Highmont's large tonnage copper-molybdenum property is on schedule for production in mid 1973. With the completion of concentrate sales and senior financing agreements anticipated in the near future, H. A. Simons (International) Ltd. has been engaged for the detailed design engineering stage.

Alternate water supply sources and routes are currently under investigation and early indications are that a significant reduction in capital cost can be achieved.

The entire area surrounding the plant, pits and tailings pond sites is being contour mapped in greater detail for more precise building layout and contractor volume determinations.

Diamond drilling is being carried out along the Witches Brook area, east of Bethlehem Copper's new major discovery zone, on the Jericho group — 70% owned by Teck-Highmont and 30% by Jericho. An additional 21 claims adjoining the Jericho and on the general east-west strike of the Witches Brook fault have been purchased outright for cash. This brings the total number of claims owned outright and by option in the Highland Valley to 289.

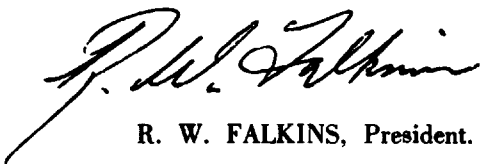
The plant and tailings pond areas are being diamond drilled in more detail to prevent covering potential mineralization.

Submissions of engineering reports to the various Government Agencies for the required Permits have been completed. The Reclamation Permit has been granted and the clearing and stripping of the plant area of 150 acres has now gone out for bid. A favorable early reply is anticipated on the Pollution Control Permit.

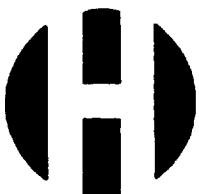
Open pit equipment studies are continuing insofar as selection of manufacturer of the major classes of shovels, drills and trucks.

This 25,000 ton per day operation situated in the Highland Valley area of south central B.C. will have annual metal sales in the order of \$30,000,000. During construction approximately 800 men will be employed and when in production a total of 350 will have permanent employment.

Vancouver, B.C.
September 29, 1971


R. W. FALKINS, President.

HIGHMONT MINING CORP. LTD. (N.P.L.)



Interim Report to Shareholders June 30, 1971

HIGHMONT MINING CORP. LTD. (N.P.L.)

BALANCE SHEET

As At JUNE 30, 1971

<u>ASSETS</u>		
CURRENT ASSETS		\$ 107,062
INVESTMENTS - at cost		14,977
DUE FROM TECK CORPORATION LIMITED		2,500,000
MINERAL PROPERTIES AND RELATED COSTS		
Mineral properties - at cost	393,193	
Exploration, development and administrative costs	<u>3,479,683</u>	
	3,872,876	
Less: Proceeds on disposal of 45% interest in mineral properties to Teck Corporation Limited	<u>2,500,000</u>	1,372,876
BUILDINGS AND EQUIPMENT - at cost less accumulated depreciation		37,921
INCORPORATION COSTS		1,043
		<u>\$4,033,879</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		\$ 20,702
<u>SHAREHOLDERS' EQUITY</u>		
CAPITAL STOCK		
Issued and fully paid — 3,665,004 - common shares		4,013,177
		<u>\$4,033,879</u>

STATEMENT OF SOURCE AND USE OF WORKING CAPITAL

SIX MONTHS ENDED
JUNE 30, 1971

SOURCE		
Capital stock issued for cash and mineral properties		33,166
USE		
Investment	4,977	
Mineral properties and related costs	<u>31,594</u>	36,571
DECREASE IN WORKING CAPITAL		3,405
WORKING CAPITAL — BEGINNING OF PERIOD		89,765
WORKING CAPITAL — END OF PERIOD		<u>\$ 86,360</u>

NOTE: In addition to expenditures above, Teck Corporation Limited incurred \$296,552 of exploration and development costs on the Highmont property during the six months ended June 30, 1971 for an accumulated total of \$897,673 which will not be treated as Highmont costs until Teck elects to convert such expenditures into common shares of Highmont at \$3.25 per share pursuant to an exploration and development agreement dated October 1, 1969.

(Subject to year-end audit)



HIGHMONT MINING CORP. LTD. (N.P.L.)

812-1177 WEST HASTINGS ST., VANCOUVER 1, B.C.

Telephone: 681-1392
Telex: 04-507709

December 4, 1970.

TO THE SHAREHOLDERS

Since the last report to shareholders on Sept. 30th, the large scale development program on the Highmont property in the Highland Valley, adjoining Lornex and nearby Valley Copper, has continued at an accelerated rate.

The engineering, mill and pit designs and all other ancillary programs, such as waste and tailings disposal, power and water studies, are all rapidly drawing to conclusion on the proposed 25,000 tons per day plant. The final metallurgical studies have shown that the recovery of molybdenum has been increased from 77%, as previously reported, to +83% with a 92.5% recovery for copper. The final copper concentrate will grade 32% copper and the molybdenum concentrate will grade at least 54% molybdenum.

In addition to this, two diamond drills have been drilling continuously on three different programs. The first program was to fill-in drill some areas of the west pit and, secondly, to drill areas set aside for waste and tailings disposal. Recent diamond drilling has been concentrated 1500 ft. to the south of the two main ore zones and south of the east-west dyke. This drilling has outlined a new ore zone approximately 2500 ft. long.

The drilling program has been of an exploratory nature between two known zones which were approximately 2600' apart that had previously been drilled and had indicated a significant tonnage of ore grade material. Three drill holes on the west end showed assays of 200' of .46% copper equivalent, 300' of .37% copper equivalent and 270 ft. of .32% copper equivalent. At the east end, several holes showed sections of ore grade; one of these showed 590' of .43% continuous grade copper equivalent. Four recent holes have been drilled between these two zones and have shown similar type of mineralization and incomplete assay results have shown the grade to be a little higher.

Although the feasibility studies are calculated on the east and west pit areas only, this recent drilling indicates the existence of another zone adjoining to the south of the dyke which will add considerably to the ore reserves in the future.

The financing of the exploration and development program since October 1, 1969 has been provided by Teck Corporation Limited. Teck has spent, to date, a total of \$1.5 million dollars. Under the terms of the agreement, the first \$1 million dollars was converted into Highmont shares at \$2.50 per share; under the second part of the financing, which is now in effect, Teck is now providing up to \$1.3 million dollars which is convertible in Highmont shares @ \$3.25 per share. Subsequently, Teck has assumed the responsibility to provide the financing, estimated at \$61 million dollars, to place the property into production. In consideration, Teck receives a 45% interest in the property.

Meetings and preliminary negotiations on concentrate agreements have been underway for some time and are continuing with European, American and Japanese companies.

Your directors are confident that the end of the long and difficult road of exploration, development and financing is rapidly nearing completion and that the final phase of the construction period and production timetable for mid 1972 will be met as planned.

On behalf of the Board

R.W. Falkins, President



HIGHMONT MINING CORP. LTD. (N.P.L.)

Telephone: 681-1392
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812-1177 WEST HASTINGS ST., VANCOUVER 1, B.C.

April 2, 1971.

TO THE SHAREHOLDERS OF HIGHMONT MINING CORP. LTD.

The following press release has just been published. Enclosed is a map showing the location of Highmont and its recently acquired additional properties in the Highland Valley area of British Columbia.

PRESS RELEASE

Highmont Mining Corp. Ltd. and Teck Corporation Limited have received the independent feasibility report on the Highmont copper-molybdenum ore deposit located in the Highland Valley of South Central B.C. The deposit adjoins Lomex and is near Valley Copper and Bethlehem. The feasibility study shows that production from the east and west ore bodies is technically and economically feasible at 25,000 tons per day.

Teck Corporation Limited has assumed the responsibility of financing the property into production and negotiations on senior debt financing and concentrate sales agreements have been underway for some time. With the favourable independent feasibility study, it is hoped that an announcement with respect to completion of these agreements can be made at an early date.

The report was prepared by Chapman, Wood & Griswold Ltd., Consulting Mining Engineers and Geologists, and Wright Engineers Ltd., Plant Design Engineers, who also prepared the feasibility studies for Craigmont, Endako and Brenda, all large tonnage mining operations in British Columbia.

During the past few months, Highmont and Teck have acquired several blocks of claims adjoining or nearby the Highmont original claim block to bring their total holdings to 208 claims. One area has had a limited amount of exploration work and approximately 500,000 tons of 1.5% copper has been outlined by drilling to date. Further exploration work is scheduled for this summer, including geochemical and geophysical surveys, followed by an extensive diamond drilling program.

R.W. Falkins, President