



X-Report

January 21, 2004

This report is text based to facilitate downloading to PDA devices. The Haywood X-Report updates investors on global mineral exploration stocks. The investments mentioned in this report may be geologically conceptual in nature or involve resources where there is no feasibility study and as such are highly speculative. In compliance with regulations that govern disclosure and reporting in the Canadian mining industry, Haywood Securities does not publish valuations or financial models on early-stage exploration. We emphasize that much of the performance of an illiquid junior mining stock depends on its capital structure: ie. who owns how much, at what prices, and when can they sell. We advise investors to thoroughly research a company's filings and be aware of the timing of pending dilutions (such as the expiry of in-the-money warrants). The best way to profit from junior mining stocks is to avoid rumours, invest in good management, and to cover your costs at the first opportunity.

MEMBER CIPF

Haywood Global Mining and Exploration Research: Glenn R. Brown Ph.D. 416.507.2336, gbrown@haywood.com; Stefan Ioannou, Ph.D. (cand.) 416.507.2309, sioannou@haywood.com; Andrew W. Kaip MSc., P.Geo., 604.697-7433, akaip@haywood.com; Andrew Mikitchook, B.A.Sc. 416.507.2333, amikitchook@haywood.com; Jim Mustard, B.A.Sc. 604.697.7124, jmustard@haywood.com; Kerry Smith, B.Sc., MBA 416.507.2306, ksmith@haywood.com.

This issue: bcMetals Corp. (C-V)

bcMetals Corp. (C-V; \$1.40)^{1,2,5}

Updated Resource at Red Chris

Recommendation: SECTOR OUTPERFORM (SPECULATIVE)

Current Shares O/S: 20.2 million Fully Diluted: 38.9 million

Close: \$1.40 Market Cap: \$54.5 million

Cash (estimated): C\$5.0 million Per Share Fully Diluted: \$0.13

Debt: C\$0.0 million

On Sunday bcMetals released an updated resource estimate for its 100% owned Red Chris porphyry copper-gold deposit located in British Columbia. The update, prepared by Giroux Consultants Ltd. is based on data from the recently completed 16,591-metre, 49-hole in-fill diamond drilling program in the East and Main Zones and updating of the geological model. The in-fill program was designed to target higher-grade zones that would be mined in the initial years of production. Mineralization from the East Zone to the Far West Zone has now been drilled out on 25-metre centres and covers a strike length of approximately 2.6 km in a generally NE-SW orientation. Mineralization within all zones remains open to the east and to the west. The new estimate has increased the measured and indicated resource tonnage by approximately 30% (at a 0.30% copper cut-off grade) with copper and gold grades remaining basically unchanged. At this cut-off grade, Red Chris contains 2.4 billion pounds of copper and 2.8 million ounces of gold in the measured and indicated category. The inferred resource contains a further 1.6 billion pounds of copper and 2.1 million ounces of gold. Included within the new inferred resources is an estimate of the gold and copper mineralization contained within two satellite deposits, called the Gully and Far West Zones, located approximately 500 to 1,500 metres west of the Main Zone mineralization. At a 0.2% Cu cut-off grade, this resource is estimated at 116 million tonnes grading 0.32% copper and 0.30 g/t gold.

Updated Measured and Indicated Resource

Copper Cut-off Grade (%)	Tonnage (millions)	Copper Grade (%)	Gold Grade (g/t)
0.2	438.2	0.36	0.29
0.3	235.8	0.46	0.37
0.4	115.8	0.58	0.47
0.5	60.1	0.70	0.59

Updated Inferred Resource

Copper Cut-off Grade (%)	Tonnage (millions)	Copper Grade (%)	Gold Grade (g/t)
0.2	391.8	0.31	0.29
0.3	196.9	0.38	0.34
0.4	58.4	0.47	0.37
0.5	14.0	0.56	0.41

Previous Measured and Indicated Resource (August 2003)

Copper Cut-off Grade (%)	Tonnage (millions)	Copper Grade (%)	Gold Grade (g/t)
0.2	429.7	0.34	0.33
0.3	177.3	0.46	0.44
0.4	73.4	0.63	0.62
0.5	49.3	0.73	0.71

Previous Inferred Resource (August 2003)

Copper Cut-off Grade (%)	Tonnage (millions)	Copper Grade (%)	Gold Grade (g/t)
0.2	86.8	0.43	0.33
0.3	63.3	0.50	0.38
0.4	45.5	0.55	0.43
0.5	28.2	0.61	0.50



X-Report

January 21, 2004

bcMetals has selected AMEC E&C Services Ltd. of Vancouver to undertake the Red Chris feasibility study, which is expected to be complete in Q3. We expect this feasibility will evaluate a larger operation – possibly in the 40-50,000 tonne-per-day range for the Red Chris deposit, given the significant improvement in copper prices since the scoping study was completed. An initial scoping study for Red Chris completed by bcMetals in early 2003 envisioned a 25,000 tonne per day operation producing 119 million pounds of copper (92% recovery) and 116,000 ounces of gold (73% recovery) annually over a 10-year mine life from two adjacent open pits. Preliminary production costs were estimated at less than US\$0.10 per pound of copper (inclusive of gold credits) based on US\$0.75 per pound copper and US\$310 per ounce gold price assumptions. Construction was planned to begin in early 2005 followed by production start-up during the fourth quarter of 2006. Red Chris is well situated within ~20 kilometres of a major highway and is close to hydro and the deep-sea port of Stewart which would be used for concentrate shipping.

bcMetals is the 100% owner and the operator of the Red Chris property. In September, the Company announced that it had entered into an Option Agreement with Teck Cominco to acquire Teck's 20% interest in the Red Chris property for C\$0.3 million cash plus 1.5 million bcMetals shares and 1.5 million warrants to buy shares of bcMetals at up to a 150% market premium over a 3 year term. The agreement is subject to American Bullion's 30% reversionary interest, which becomes effective after bcMetals has recovered 100% of its capital expenditures from production cash flow.

The shares of bcMetals remain undervalued in our opinion. The Company is a new emerging copper story with an excellent advanced stage copper project having little geologic risk and valuation upside in an improving copper market.

Kerry Smith, 416.507.2306 and Stefan Ioannou, 416.507.2309

Individuals involved with the preparation of this report have a beneficial interest in the issuer's securities. Haywood Securities has served as financial agent in a private-placement special-warrant financing for the issuer during the preceding 24 months. Haywood Securities has provided services for remuneration to the issuer during the preceding 24 months.



X-Report

January 21, 2004

Important Statements

Exploration Report is prepared by Haywood Securities Inc. The recommendations herein are intended only for clients of Haywood Securities Inc. or those of Haywood (USA) Securities Inc. and such clients are cautioned to consult the respective firm prior to purchasing or selling any security recommended. The contents of Exploration Report are protected by copyright and may be used only for personal, non-commercial purposes. All other rights are reserved and commercial use is prohibited without the written permission of Haywood Securities Inc. Exploration Report is neither a solicitation for the purchase of securities nor an offer of securities. Estimates and projections contained herein, whether or not our own, are based on assumptions that we believe to be reasonable at the time of publication. The information presented, while obtained from sources we believe reliable, is checked but not guaranteed against errors or omissions and we make no warranty or representation, expressed or implied, and disclaim and negate all other warranties or liability concerning the accuracy, completeness or reliability of, or any failure to update, any content or information herein. Exploration Report may, from time to time, contain information or material obtained from outside sources with the permission of the original author or links to web sites or references to products, services or publications other than those of Haywood Securities Inc. The use or inclusion of such information, material, links or references does not imply our endorsement or approval thereof, nor do we warrant, in any manner, the accuracy or completeness of any information presented herein. Haywood Securities Inc., its affiliates and their respective officers, directors and employees may hold positions in the securities mentioned and may purchase and/or sell them from time to time and Haywood Securities Inc. and its affiliates may also from time to time perform investment banking or other services for, or solicit investment banking or other business from, entities mentioned in Exploration Report. Haywood Securities Inc. is a Canadian broker-dealer, a member of the Investment Dealers Association of Canada, the Toronto Stock Exchange and the Canadian Venture Exchange. Haywood (USA) Securities Inc. is a wholly owned subsidiary of Haywood Securities Inc., registered with the U.S. Securities and Exchange Commission and a member of the National Association of Securities Dealers (NASD) and SIPC.

Disclosure Notes

¹Individuals involved with the preparation of this report have a beneficial interest in the issuer's securities. ²Haywood Securities has served as financial agent in a private-placement special-warrant financing for the issuer during the preceding 24 months. ³Haywood Securities is restricted on the issuer at the time of publication. ⁴Haywood Securities has reviewed the company's lead projects' and a portion of the expenses for this travel may have been reimbursed by the issuer. ⁵Haywood Securities has provided services for remuneration to the issuer during the preceding 24 months. ⁶Officers or directors of Haywood Securities hold in aggregate more than 1% of the issuer's outstanding securities.