



**The O.T. Mining Corporation**

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**Montreal, January 14, 2005**

## **SHAREHOLDER UPDATE**

### **Dear O.T. Shareholders & Interested Parties,**

We're sure you have been following our recent press releases describing the excellent results from O.T.'s Ruby Property. The technical terms used by geologists, and required for reporting exploration results, can be confusing. Following is an explanation of some of the terms used in our press releases. A summary of our recent encouraging results from the Ruby Property is then given. Finally, we describe some recent good news from the Bush administration.

O.T. has been exploring the Ruby Property for base metals (copper and molybdenum) and precious metals (silver and gold). The base metal exploration is evaluating a particular kind of mineral deposit that is referred to as a **"porphyry"** (pronounced pour-fur-ree) copper deposit. The major products from porphyry copper deposits are copper, molybdenum and gold. These deposits can be huge and contain billions of tons of ore.

One such example of this deposit type is the "Richest Hill On Earth" (near the Ruby Project) at nearby Butte, Montana. Ore has been mined here since 1864, and continues today. This one mine made the Anaconda Company a major international corporation. It has produced over 20 billion pounds of copper, over 180 million pounds of molybdenum, almost 3 million ounces of gold, and substantial silver, lead, zinc and manganese.

The Bingham Canyon Mine near Salt Lake City is another example of a porphyry copper deposit. It is the world's largest manmade excavation. It and the Great Wall of China are the only 2 manmade structures that can be seen from outer space. Similar to Butte, this mine dates from the 1860's to present, and allowed the Kennecott Copper Corporation to become a global mining company.

Porphyry copper deposits form when certain types of molten magmas cool beneath the earth's surface. Hot waters carrying metals accumulate in the top of the magma bodies. The metals can be speckled (or **"disseminated"**) throughout the rock, or be deposited in cracks (as **"veins"** or **"veinlets"**). Common metallic minerals include **pyrite** (iron sulfide), **chalcopyrite** (copper sulfide), and **molybdenite** (molybdenum sulfide). Collectively, the presence of these metallic minerals is called **"mineralization"**.

The hot water that carries the metals bleaches and changes the surrounding rocks by forming clays and other new minerals. This is called **"alteration"**, and is analogous to exposing colored clothes to hot water for an extended period, causing them to become bleached. Porphyry copper deposits form distinctive types of alteration, including **"potassic"** and **"phyllic"** alteration. These alteration zones can occur much like the peels of an onion, with the ore zone near the center, similar to a bullseye. Understanding the type and shape of alteration areas in a porphyry system is obviously very important.

Disclaimer: This news release contains certain "Forward-Looking Statements". All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The 2004 diamond drill program on O.T.'s Ruby Property was completed with very positive results. These results stem from use of the cutting-edge technology we have described to you previously. **Mobile Metal Ions ("MMI")** soil geochemistry is a method where surface soils are analyzed and used to indicate where metal systems may occur beneath the surface.

The deep-looking **Titan 24 ground geophysical survey** that was completed in early June of this last year also indicates where metal accumulations occur at depth. As previously announced, O.T. has also added two highly experienced members to our technical team.

Now that we have described the technical jargon, following is a summary of the results of our recent drilling. O.T.'s first hole drilled to search for a porphyry copper deposit on the Ruby Property was hole NA04-6, and it successfully encountered a porphyry system. It was drilled vertically downwards to test an MMI soil geochemical copper anomaly. This anomaly was discovered during a soil survey in 2003. O.T.'s familiarity and confidence with this technique prompted the drilling of this vertical hole solely on the basis of the MMI anomaly.

The hole was drilled to a total depth of 1,916 feet. At a depth of 665 feet the drill hole began to intersect porphyry copper alteration and mineralization. This rock contains disseminations, veinlets, and veins of pyrite and chalcopyrite with some possible molybdenite. Potassic and phyllic alteration was also noted. The porphyry copper system was encountered in the drill hole from 665 feet to 1,916 feet, for a total mineralized interval of 1,251 feet.

The hole was stopped while still in the mineralized zone in order to comply with Forest Service winter drilling regulations, and it is unknown how much deeper the porphyry system extends. It is O.T.'s intention to re-enter the hole as early in 2005 as possible, and continue drilling deeper to determine the total thickness of the copper-bearing zone.

Drill core from the hole is being cut and logged in detail. Samples will be sent to SGS Minerals Services Laboratories, an internationally accredited assay facility in Toronto. Assay results will be reported when received. In addition, detailed studies of the alteration will be completed.

These drilling results stimulated your management and technical team to complete an aggressive claim staking program to acquire additional mineral rights. In order to secure the area of this significant discovery, O.T. has staked an additional 74 claims for a total of 2.3 square miles. This brings the total area of the Ruby Property to 10.3 square miles.

The new claims cover a large geophysical anomaly that occurs to the east of our copper discovery. This anomaly was defined in 1968 by the Anaconda Company. It is O.T.'s interpretation that this anomaly represents the rest of the porphyry copper zone. According to this interpretation, the mineralized zone would have a length of 3,200 feet and a width of 2,400 feet. The vertical extent of the zone is unknown, although it is deeper than 1,916 feet, the depth at which our hole was stopped. As of this date, O.T. controls 100% of this anomaly.

As stated in an earlier press release, preliminary drill results from the Kit Carson epithermal gold-silver targets indicate zones of disseminated and veinlet pyrite accompanied by the zinc and lead-bearing minerals, sphalerite and galena, respectively as well as the silver-bearing mineral, argentite. Mineralization occurs in strongly altered (clay and silica-rich) Lowland Creek volcanic rocks.

Unfortunately the drill contractor on this target area had continuous problems with equipment and personnel so only two of the five holes necessary for basic evaluation were drilled. Another contractor will be used this year. Also mentioned in a press release was a reference to "grey minerals" being sent out for identification. Arsenopyrite and pyrite were identified from two small samples. SGS's analyses for gold and silver are pending.

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The O.T. technical team will begin drilling two additional holes in the area of our North Anomaly discovery hole as early as possible this year and supplement this with additional geophysical and MMI soil geochemical surveys on the newly staked claims. In addition, O.T. will be conducting exploration on the rest of the Ruby Property and testing targets with a planned total of 18,000 feet of core drilling.

Finally, O.T. received some good news from the Bush administration on December 22nd. New rules were issued that affect development on national forests (much of O.T.'s Ruby Property is on national forest). Every 15 years, the U.S. Forest Service is required to update plans that describe how individual forests are to be used.

Lengthy Environmental Impact Statements will no longer be required for these updates. The forest plans will now use more goals and objectives, and fewer numerical standards and guidelines. The focus will be on the forest's overall health, rather than on the fate of individual plant and animal species. Social and economic activity will be given equal priority with preserving the ecological health of the forest. The planning process will use an environmental management system approach, similar to what is used throughout the private sector.

Please contact us with any questions you may have. Also, if you have an e-mail address, do make sure we have it.

Yours sincerely,

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James W. Hess  
President

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Rosemary L. Christensen  
Secretary-Treasurer

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