

IMPERIAL METALS CORPORATION

**GIANT COPPER
PROJECT**

PROJECT OVERVIEW

**PRE-CONSULTATION
WITH
VANCOUVER ISLAND
MINE DEVELOPMENT
REVIEW COMMITTEE**

**December 9, 1997
Vancouver**

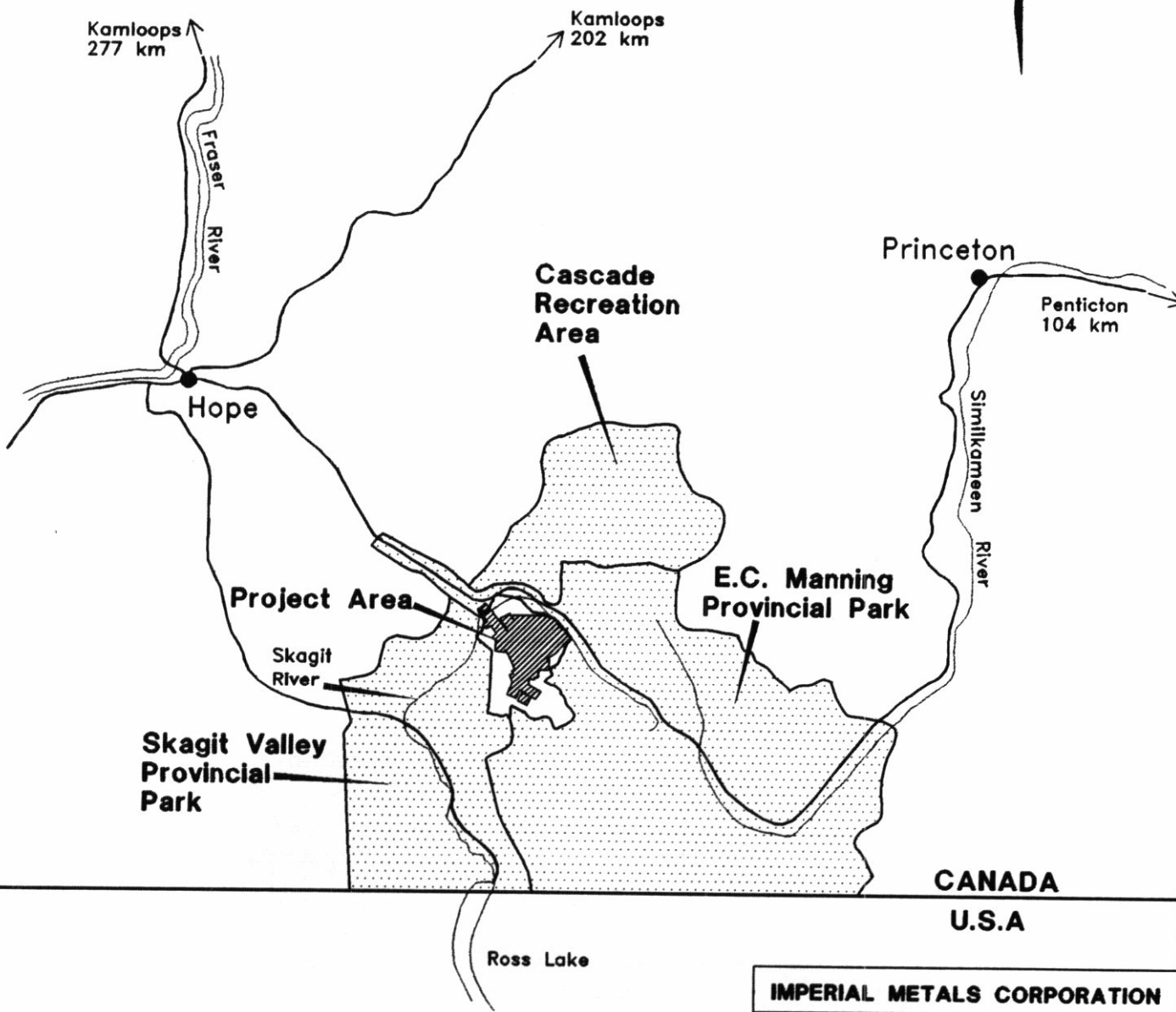
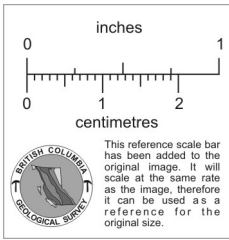


Plate 1 - Aerial view of Giant Copper project area.

GIANT COPPER PROJECT OVERVIEW

Preamble: The purpose of this brief document is to provide Vancouver Island Mine Development Review Committee with an outline of the proposed Giant Copper Mine development in order to identify relevant issues and determine permitting timetable. The document has been prepared using present state of knowledge gained from over sixty years of exploration and mining activity that property has seen from the discovery date to the present. As the project advances closer to the production, detailed engineering and operating plans will be finalized, and as a result, some elements of the conceptual mine plan will be changed or modified.

Proposed Mine Development	The proposed Giant Copper Mine is an open pit and underground copper-gold-silver mine with surface facilities and services designed for off-site ore processing. The project is located in New Westminster Mining Division, B.C., 35 km. southeast of Hope, NTS 93H/3E.
Mineral Tenure	The property consists of 163 mineral and 8 Crown granted claims covering an area of 2,880 hectares.
Access	Access from Hope is by # 3 Provincial Highway heading east to the gate on the Cayoose Creek Forest Service Road, a distance of 43 km., then 5.5 km. to the mine site. The access is granted by Ministry of Forests under the Road Use Permit # 01-8110.96, valid until June 18, 2000, and by Ministry of Environment, Lands and Parks under Park Use Permit # 0996 valid until May 31, 1998. The access road currently meets the requirements of the Forestry Practice Code.
Proponent	Project owner and operator is Imperial Metals Corporation, 420-355 Burrard St. Vancouver, V6C 2G8.
Proponent's Representatives	Mr. Malcolm Swallow, Vice President Development Mr. Pat McAndless, Vice President Exploration Ph. (604) 669-8959, Fax (604) 687-4030.
Mining History	The earliest record of mining in the project area dates back to 1919, and refers to mining high grade lead-silver-gold veins at Silverdaisy Creek. The AM deposit, proposed for mine development, was discovered in 1930 by Cominco. The Invermay deposit, located 1.5 km. northwest of the AM deposit, was discovered in 1933 by Annex Mining Company. The Invermay ore was transported to Skagit River via an aerial tramway from 1936 through 1947. The two properties were consolidated by Canam Mining Corporation in 1956. Giant Mascot Mines Ltd. acquired property in 1966 and carried out exploration and development in the period 1966-1970 and again 1979-1980. To the end of 1980, 6,017 m. of underground development and 14,078 m. of drilling had been completed on the property. Bethlehem Resources Inc. acquired the property from Campbell Resources Inc. (formerly Giant Mascot Mines) in 1988. In 1995, Imperial Metals merged with Bethlehem Resources and continued exploration with two programs in 1995 and 1996. The programs included 4,225 m. of diamond drilling, mapping, trenching, soil sampling and geophysical surveys. Environmental baseline studies and monitoring on the property were conducted in 1989 and from 1995 through 1997. Total surface and underground exploration expenditures on the Giant Copper property to date are estimated at \$10,000,000.
Geology and Mineralization	The property is underlain by Mesozoic and Cenozoic sedimentary-volcanic rocks intruded by Upper Cretaceous and Tertiary granitic intrusives. Two mineral deposits that currently constitute project resource base - AM and Invermay, have been outlined by detailed surface drilling and underground exploration. AM breccia that hosts Giant Copper Mine open pit and underground reserves is 330 m. long, 100 m. wide and 488 m. deep. Mineralization in the AM deposit is hosted by a subvertical hydrothermal breccia pipe and consists of pyrite, pyrrhotite, chalcopyrite and arsenopyrite with lesser amount of sphalerite and galena. Higher grade mineralization is contained within a horseshoe shaped zone in the northern part of the breccia.

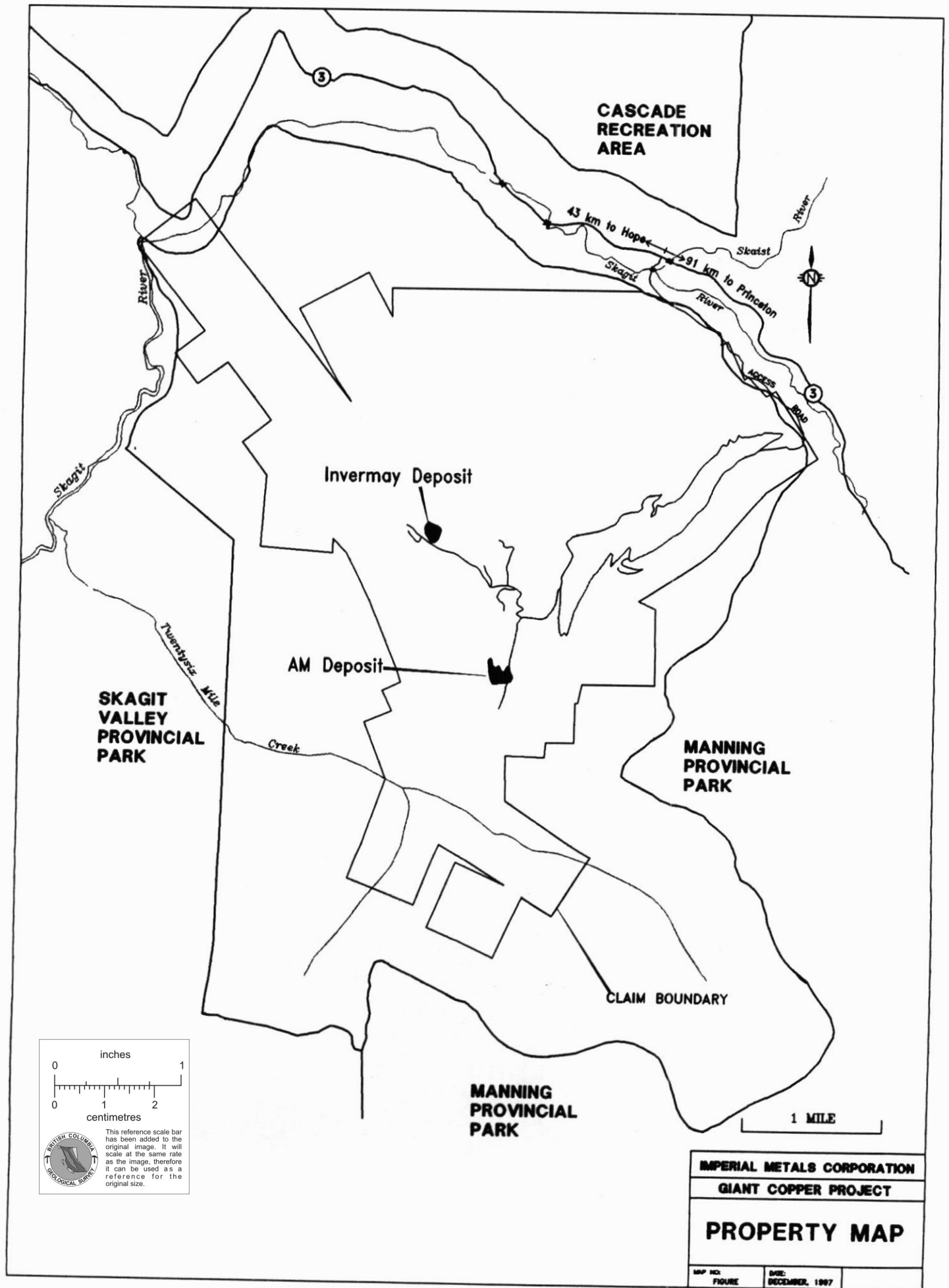


IMPERIAL METALS CORPORATION
GIANT COPPER PROJECT

LOCATION MAP

MAP NO: FIGURE	DATE: DECEMBER, 1997
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Mineral Resource	Total mineral resource in the AM and Invermay deposits is estimated at 45,373,026 tonnes grading 0.47% Cu, 0.38 g/tonne Au and 11.19 g/tonne Ag. Open pit reserves in the AM deposit are currently estimated at 1,084,246 tonnes grading 0.84 % Cu, 0.55 g/tonne Au, 11.55 g/tonne Ag, with 1.13:1 stripping ratio. Reserves below the bottom of the pit (1,750 m.), amenable to underground mining, total 3,182,995 tonnes grading 1.15% Cu, 51g/tonne Au and 20.26 g/tonne Ag. Combined open pit and underground reserves provide six years of mine life.
Feasibility Study	In November 1997, Imperial Metals initiated an update of the Giant Copper Project feasibility study originally completed by Wright Engineers Ltd. in 1989. The revised feasibility study will use current economic parameters and capital and operating costs based on off-site ore processing. Completion of the new study is planned for the spring of 1998.
Pre-Production	In 1998, a 10,000 tonne bulk sample will be extracted and transported by highway trucks for metallurgical testing at the Mount Polley mill. This information is required to confirm project feasibility.
Mining Method	First year production will be from the open pit, followed by five years of underground mining using sub-level open stoping method.
Work Force	Mine will have 53 permanent employees working 10 hr. shifts, 7 days per week. The employees will travel to work by contractor operated bus.
Mine Construction	The construction requires one year for completion, with startup of development planned for the fall of 1998. Mine construction will include upgrading of access road to allow safe ore haul traffic, site roads and surface facilities, rehabilitation of existing underground workings, underground development and open pit clearing and stripping. Full production is scheduled for late 1999 or early 2000. Total mine development cost is estimated at \$15,000,000.
On-Site Facilities	Surface facilities will include ore storage bin and loading pocket, truck loading area, office, dry, first aid, assay laboratory, compressor building, powerhouse, shop, warehouse and cold storage, settling ponds, lime plant and sewer disposal system.
Electric Power	Electric power will be generated on site by a 400 KW Diesel generator.
Fresh Water Supply	An application has been filed with the Water Management Branch to pump 5,000 gallons per day from Canam Creek, which has discharge rate ranging from 0.033 to 0.797m ³ /sec.
Ore Processing	A daily ore production, averaging 1,800 tonnes, will be transported by highway trucks to the Similco mill, 83 km. from the mine site, for processing. Metallurgical process will consist of standard flotation to produce commercial grade copper-silver-gold concentrate. Tailings disposal will be at the existing Similco Mine impoundment.
Concentrate Shipping	An average of 70 tonnes of concentrate will be transported daily from Similco mill by trucks to the Vancouver Wharves for shipment to Japan.
Waste Rock Disposal	Two dumps will contain waste rock from open pit and underground mining. Some waste rock will be used for road construction. Based on the quality of water discharging from the existing workings (drifts, raises and waste dumps), developed in the 1950's and 1960's, mine water is not expected to be acidic. Kinetic acid rock drainage testing of the waste rock is under way and will be completed for permit application in 1998.
Present and Historic Land Use	The property is within the Skagit Provincial Forest, bounded by two Class A parks - Manning Provincial Park on the east and north and Skagit Valley Provincial Park on the west. Mining claims were originally staked in 1930, partially absorbed into Manning Park in 1941, and removed from the park in 1968. Western part of the property was under moratorium on exploration from 1988 to 1991. Skagit Valley Provincial Park was established in 1995 and at the same time the entire Giant Copper property opened for exploration. Under an Order in Council dated November 2, 1995, Bethlehem Resources was granted exclusive right to locate or record mineral claims in the Silverdaisy Mountain area.
Physiography	The project area is on the western slopes of Cascade Mountains built of folded volcanic and sedimentary rocks metamorphosed by granitic intrusions. The proposed mine site is on the southeastern slopes of Silverdaisy Mountain (2,063 m.). Mine portal is at 1,312m. and the proposed open pit at 1,870 m. above sea level.



inches
0 1
centimetres
0 1 2

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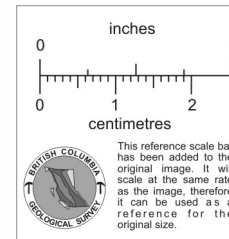
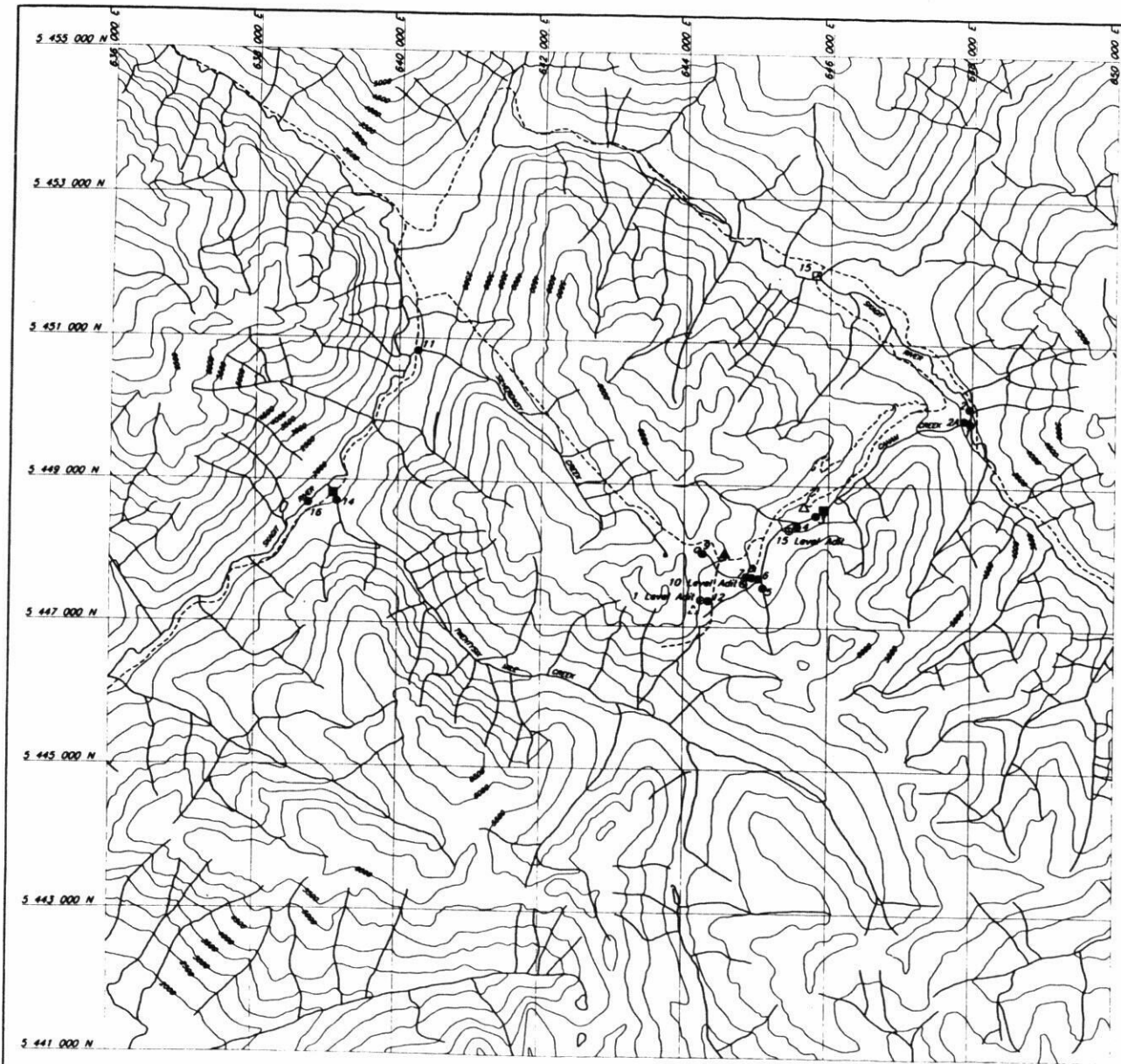
BRITISH COLUMBIA
GEOLOGICAL SURVEY

IMPERIAL METALS CORPORATION
GIANT COPPER PROJECT
PROPERTY MAP

MAP NO. _____ DATE: DECEMBER, 1997
 FIGURE _____

Climate	The project is located between wet coastal and dry interior climate, characterized by wet winters and warm, dry summers. Total annual precipitation at Allison Pass weather station, located 14 km. southeast of the site, is 1,524.5 mm.
Hydrology	The mine site is centered at the Canam Creek drainage which covers 815 hectares. Canam Creek flows into Skagit River, which empties into Ross Lake, on the Canada / U.S. border. Total annual Canam Creek drainage discharge is calculated at 1.24×10^7 cubic metres.
Water Quality	Monitoring at 15 environmental baseline stations in the project area indicates that most of dissolved metal levels are within the CCME and Provincial criteria for the protection of aquatic life. Dissolved Al, As, Cd, Cu, Fe, Pb, Se, Ag and Zn occasionally exceed the above criteria at the stations located in the proximity of the ore deposit. Mine water will be collected in a settling pond to separate sediment, tested, and if of acceptable quality, released to the environment. Water treatment to meet the standard criteria is not expected.
Water Use and Licences	Two existing water licences, held by private individuals (one for hydro development and one for domestic use) have been issued on Silverdaisy Creek. The creek drains western slopes of Silverdaisy Mountain and eastern slopes of Hatchethead Mountain.
Fisheries Resources	Fish do not inhabit Canam Creek due to frequent debris torrents and low flow volumes during sub-zero winter weather. Skagit River is highly valued for rainbow trout fishing. Dolly Varden char and brook trout are also present.
Forest Resources	Forest capability is high in the valleys and low on higher elevations. Engelman spruce is the most important commercial species harvested in the area. No logging operation has occurred in the portion of the Skagit Provincial Forest between Skagit River and Manning Provincial Parks.
Wildlife Resources	Land capability for ungulate production is severely limited by snow depth and restricted rooting zone. There is no trapline within the project area.
Environmental Impact	A minimal impact on wildlife of relatively short duration and no impact on fisheries is expected by the proposed mine development. The proponent will work closely with government agencies in an effort to alleviate the impact on wildlife as much as practically possible. The proposed mine will be operated in compliance with all existing mining and environmental regulations to ensure the protection of environment during the mine life and after mine closure.
Socio-Economic Impact	There are no inhabitants residing within immediate vicinity of the proposed mine. Currently, the employment opportunities in the region are mainly in forestry and tourism. It is anticipated that majority of mine employees will live at Hope, Princeton and settlements along the # 3 Provincial Highway. The proposed mine development will have a positive impact on the area residents by providing needed permanent employment opportunities. Mine annual payroll will be \$3,000,000. Local economy will also benefit from additional \$6,000,000 spent annually on mine supplies and services. The expected additional 100 -150 new inhabitants to the present population of Hope and Princeton can be absorbed with no negative impact on educational facilities, medical services and housing. A complete environmental and socio-economic impact assessment of project development will be included in the permit application report in 1998.
Reclamation	Most of additional surface disturbance will be at the proposed open pit site over an area of approximately 10 hectares. Final reclamation after mine closure will include removal of all surface buildings and contouring, revegetating and reseeding of waste dumps and site roads. A detail reclamation plan will be submitted with permit application report in 1998.

December 9, 1997
Vancouver

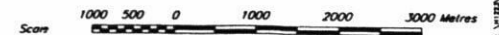


LEGEND:

- Water Quality Station
- △ Manual Weather Station
- ▲ Automatic Weather Station (New location)
- ◊ Automatic Weather Station (Old location)
- Manual Hydrology Station
- Automatic Hydrology Station
- ⊙ Mine Adits

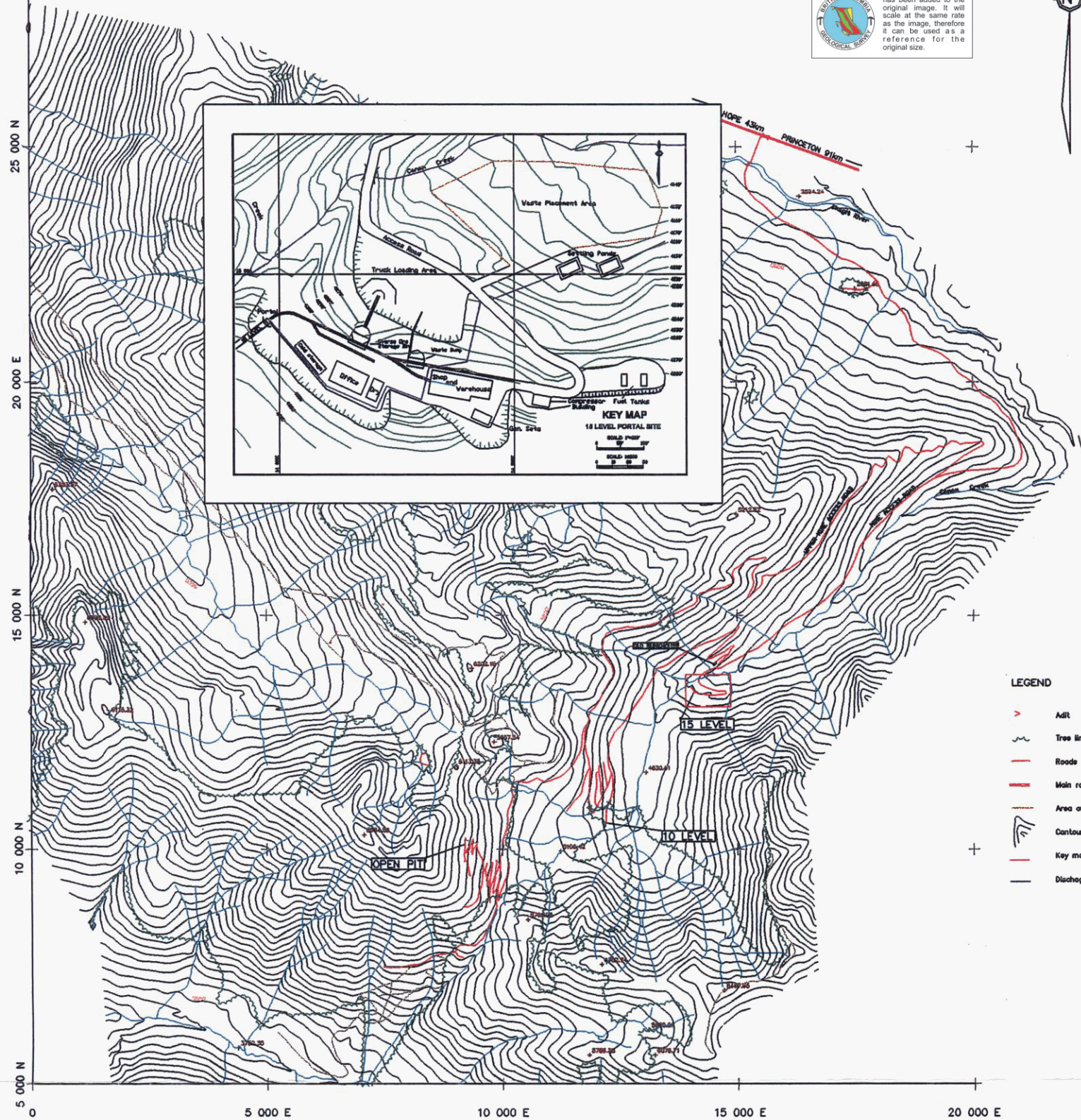
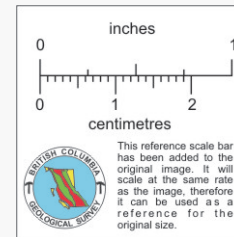
NOTE:

Elevation in feet



HALLAM KNIGHT PIESOLD LTD. ENVIRONMENTAL CONSULTANTS - VANCOUVER, B.C.		IMPERIAL METALS CORPORATION	
		GIANT COPPER PROJECT	
		FIGURE ENVIRONMENTAL BASELINE MONITORING STATIONS	
DESIGNED	-	DATE	Oct. 29, 1996
DRAWN	AW	SCALE	AS SHOWN
CHECKED	CB	DRG. NO.	H1223
APPROVED		REV	-

REF. NO.	DESCRIPTION	REV.	DATE	DESCRIPTION	APPROVED	REV.	DATE	DESCRIPTION	APPROVED
	REFERENCE DRAWINGS			REVISIONS				REVISIONS	



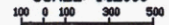
LEGEND

- > Adit
- ~ Tree line
- Roads
- Main road
- Area of waste rock placement
- Contours
- Key map area
- Discharge water

SCALE: 1"=1000'



SCALE: 1:12000



**PROCON MINING AND
TUNNELLING LTD.**

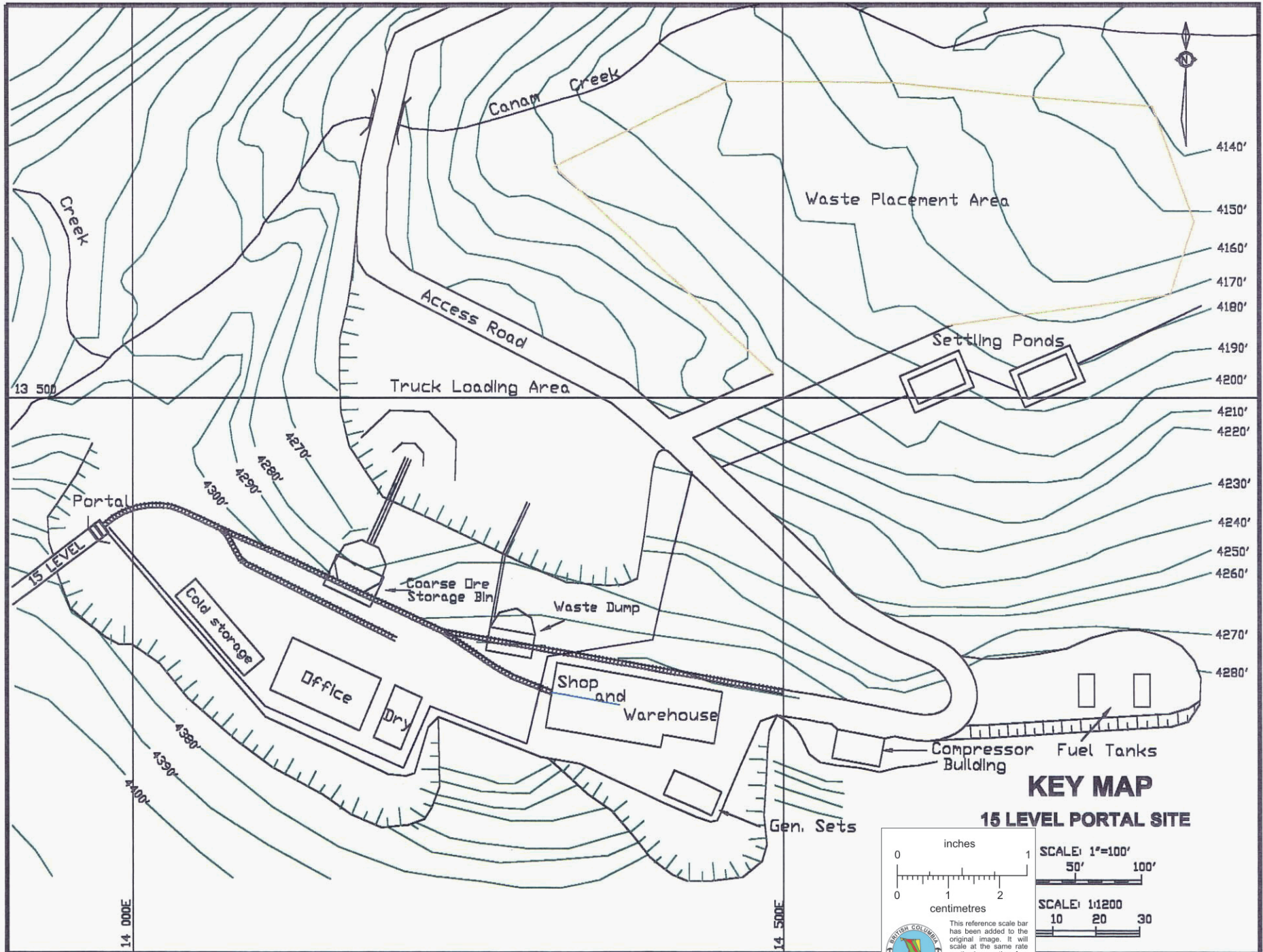
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Burnaby, B.C. V5G 4K7

IMPERIAL METALS CORPORATION

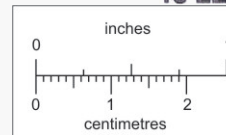
GIANT COPPER

15 LEVEL
PROPOSED SITE PLAN

SCALE: 1"=1000' or	DATE: 3/Dec/97	DWG # IMCGC-1
SCALE: 1:12000		



KEY MAP
15 LEVEL PORTAL SITE



SCALE: 1"=100'
50' 100'

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NOTICE OF WORK AND RECLAMATION PROGRAM ON A MINERAL PROPERTY

The information requested on this form is collected under the authority of the Mines Act (S.B.C. 1989, CHAP. 56, INDEX CHAP. 263.6) and in accordance with the Freedom of Information and Protection of Privacy Act. The information is collected for the purpose of issuing a permit under the Mines Act and may be referred to other agencies as outlined in the Health, Safety and Reclamation Code for Mines in British Columbia. If you have any questions regarding the collection and use of this information, contact the Land Management and Policy Branch in Victoria at 952-0462; or write: Land Management and Policy Branch, 4th Floor, 1810 Blanshard Street, Victoria, British Columbia, V8V 1X4.

1. **NAME OF PROPERTY:** GIANT COPPER

Previous Annual Work Approval Number (applicable only to those properties previously worked)
(eg. SMI91-0100500-123)..... 90-195-135

Reclamation Permit Number, if previously issued (may be several years old) MX-7-47

Name of Claims: SEE ATTACHED LIST

2. **LOCATION:** Is any part of this Property in a Recreation Area or Park? ___ Yes X No

Are any of the surface rights of this property privately owned? ___ Yes X No (Operator responsible for contacting owner)

Name and address of private land owner:

Mining division: NEW WESTMINSTER All NTS map sheets (e.g. 094L/02E) 93H/3E

Latitude: 49 ° 10 ' Longitude: 121 ° 01 ' Minfile No. (if known)

Access route (from nearest town to property): FROM HOPE BY #3 PROVINCIAL HIGHWAY 42 km EAST, THEN BY
..... 5.3 km OF GRAVEL ROAD

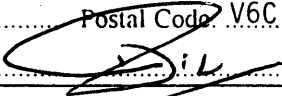
3. **OPERATOR/AGENT** (Person or Company controlling property on behalf of the owner):

Name: IMPERIAL METALS CORPORATION Telephone No.: (604) 669-8959

Company contact person: MALCOLM SWALLOW Fax No.: (604) 687-4030

Address #420 - 355 BURRARD STREET City VANCOUVER

Province B.C. Postal Code V6C 2G8

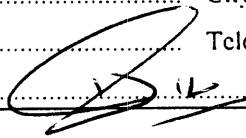
Signature of Operator/Agent:  Date: DECEMBER 9, 1997

4. **OWNER:** (Title Holder)

Name: IMPERIAL METALS CORPORATION Fax No:

Address City

Province Postal Code: Telephone No:

Signature of Owner (or letter of Authorization from Owner):  Date:

5. NAME OF MANAGER: TONY MORRIS Manager's Telephone No.: (604) 669-8959
 (Person responsible for management and operation of property)

To whom is correspondence sent regarding this notice? ___ Owner X Operator

6. DURATION: Duration of work: From APRIL 1, 1998 To DECEMBER 31, 1998

7. EXPLORATION WORK (Non Mechanical)

Geochemical.....	Geophysical.....
Prospecting.....	Geological.....
Flagging/Blazing.....	Other.....

8. EXPLORATION WORK (Mechanical)

Blasting 10,000 TONNE BULK SAMPLE.....	Drilling.....
Clearing Trees 1 HECTARE.....	Trenching.....
Line Cutting.....	

If blasting, give details of explosives, magazines, etc. EXPLOSIVE STORAGE NEAR OPEN PIT.....
 Give number of existing explosives storage permit TO BE OBTAINED FROM DEPT. OF MINES.....

9. WATER SUPPLY (subject to approval under the Water Act)

Describe the source of water supply

Estimated quantity of water to be used: c.f.s. Location of water intake (show on plan).....

10. WASTE WATER TREATMENT (subject to approval under the Waste Management Act) including disposal of drilling mud and sludge.

Describe treatment and disposal facilities (size of settling pond, recycling, distance to nearest stream, etc). Show on plan.

.....

.....

11. ESTIMATED NUMBER OF WORKERS ON SITE (including Contractors): 7

12. EQUIPMENT LIST

Note: all motorized equipment to comply with the Mining Code

Number and Type	Size/Capacity	Number and Type	Size/Capacity
a) ROTARY DRILL.....	6" DIA.....	e) 2 OFF HIGHWAY TRUCKS	25 TONNE.....
b) 4-HIGHWAY TRUCKS.....	40 TONNE.....	f) 1 DOZER.....	D-6.....
c) 2-FRONT END LOADER.....	5 CU YD.....	g) 1 BACK HOE.....	CAT-225.....
d) 1-CRUSHER.....	-.....	h).....

13. FIRST AID FACILITIES (Must comply with W.C.B. Regulations)

Describe methods of communication, emergency transportation, and type of first aid kit. RADIO TELEPHONE, VEHICLES ON SITE, #2

Location of nearest hospital: HOPE Travel time to hospital: 45 MINUTES

14. SURFACE DISTURBANCE OFF MINERAL CLAIMS

Campsite: # of people Length: m Width: m Area: m²
 Road access construction: Total length: m Approximate width: m Area: m²
 Other (specify) Area: m²

15. SURFACE DISTURBANCE ON MINERAL CLAIMS

(a) Settling ponds: # Length m Width: m Area: m²
 (b) Road construction: Total length m Width: m Area: m²
 (c) Drilling: # of sites: Depth: Length: m Width: m Area: m²
 (d) Trenching # of trenches: Depth: Length: m Width: m Area: m²
 (e) Test pits: # of pits: 1 Depth: 5m Length: 35 m Width: 35 m Area: 1,225 m²
 (f) Linecutting Length: m Width: m Area: m²
 (g) Clearing Trees Length: m Width: m Area: m²
 (h) Campsite: # of people Length: m Width: m Area: m²
 (i) Underground work: area of surface disturbance Length: m Width: m Area: m²
 (j) Rock dumps: area of surface disturbance Length: m Width: m Area: m²
 (k) Other: describe: Area: m²

TOTAL SURFACE AREA DISTURBED ON MINERAL CLAIMS THIS YEAR: 1,225 m²

PRIOR DISTURBANCE ON CLAIM 55,050 m² PLANNED RECLAMATION THIS YEAR: NIL m²

BALANCE OF UNRECLAIMED DISTURBANCE AT THE END OF PROJECT THIS YEAR: 56,275 m²

16. PRESENT STATE OF LAND ON WHICH WORK IS PROPOSED

Forested. MTN...HEMLOCK

Access roads (present use and condition) GRAVEL ROAD, MINE SITE ROADS, MODERATE CONDITION

Old workings (location, condition) 3 MAJOR LEVELS OF UNDERGROUND WORKINGS

17. RECLAMATION PROGRAM: (All work programs require a reclamation program which must follow Guidelines for Mineral

Exploration: Environmental, Reclamation and Approval Requirement)

Proposed use of land after reclamation: FORESTRY/MINING

Describe protective measures and proposed site reclamation methods with reference to the items listed below.

Topsoil handling (where applicable): STOCKPILED FOR RECLAMATION

Camp sites: CLEARED

Trenches, drill sites, major excavations: CONTOURED AND REVEGETATED

Roads: CONTOURED AND REVEGETATED

Revegetation of disturbed areas: NATIVE SPECIES

Waste dumps: CONTOURED AND REVEGETATED

Adits: CLOSED

Drill core storage: REMOVED

Other:

18. URANIUM/THORIUM

Is any part of this property designated as a Uranium/Thorium area? Yes No

If yes - has a survey been completed? Yes No

Note: if underground exploration or development is contemplated, an additional 'Underground Exploration Work Application for Approval' form must be completed.

This application will be returned if it is not accompanied by a legible map showing location of claim posts, property boundaries, location of property, access to property, location of work areas, roads, watercourses, proposed grid layouts, camps and other surface facilities. Preferred maps are: a) 1:50,000 topographic maps; b) claim maps; c) detailed map of area disturbed; or as required by the District Manager.