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Mount Polley's Northeast Zone Expanded and Mine Restart Economics Robust

Vancouver (August 3, 2004) - Imperial Metals Corporation (III-TSX) reports the expansion of the Northeast Zone with the intersection of 64.7 metres grading 0.85% copper, 0.25 g/t silver, from 202.5 metres to 267.2 metres in hole WB04-92. This represents a 100 metre extension to the northwest, thereby extending the zone over a 450 metre strike length. Two new holes are in operation to define the extent of the zone to the northwest.

Imperial's wholly owned Mount Polley property, located 56 kilometres northeast of Williston, has been the focus of continuous exploration that includes diamond drilling and trenching since the start of 2003. A total of 147 drill holes have been drilled to date, 97 holes located in the Northeast Zone.

Northeast Zone

Holes WB04-81 and WB04-89 were drilled in the southend of the main Northeast Zone along a fault that seems to displace the zone. WB04-90 and WB04-92 are the first holes drilled to the northwest of WB04-13 and they have extended the Northeast Zone to the north. Summary of mineralized intervals are provided in the following table (*).

Northeast Zone Drill Hole #	Azimuth	Dip	Total Length (m)	Interval		Interval Length	Copper %	Grade
				from	to			
WB04-81 including	60°	-50°	319.1	97.5	145.4	47.9	0.63	(
				105.0	115.0	10.0	1.82	(
WB04-89	60°	-50°	236.8	72.5	75.0	2.5	1.52	(
WB04-90 and	240°	-60°	267.3	171.2	195.6	24.4	0.59	(
				212.5	220.0	7.5	0.52	(
WB04-92 including and	240°	-60°	349.6	202.5	267.2	64.7	0.85	(
				202.2	267.2	47.0	1.27	(
				293.0	320.0	27.0	0.32	(

Leak Area

The Leak area, situated immediately to the west of the main Northeast Zone, was initiated in late 2003. Encouraging results from the trenching, including chip assays in excess of 1% copper, are being followed up with drilling. A total of 12 diamond drill holes have been drilled in the area, the best of these was hole WB04-83 which intersected 57.5 metres grading 0.42% copper, 0.18% silver, 1.57 ppm silver.

Boundary Zone

An initial four-hole drill program on the Boundary Zone, located approximately 600 metres north of the Northeast Zone, has yielded very encouraging results. Previous drilling by other parties

high-grade copper-gold mineralization adjacent to Mount Polley's property boundary. In December 2003, a legal survey confirmed that a portion of the drilled area was on the (Boundary Zone), and not on the other parties claim area. Imperial's current drill program is to confirm the drill results obtained by the other parties, and to check the extent of mineralization to the east.

The best of the four holes drilled was hole ND04-01 which intersected 57.5 metres grade copper and 1.91 g/t gold and 7.71 ppm silver. Selected mineralized intervals are provided in the following table (*).

Boundary Zone Drill Hole #	Azimuth	Dip	Total Length (m)	Metre Interval from - to	Interval Length	Copper %	Gold %	
ND04-01 and		-90°	252.0	4.3 - 53.3	17.6 - 110.8	13.4 - 57.5	0.76 - 1.59	
ND04-02 and	60°	-50°	240.5	6.1 - 77.5	57.5 - 147.5	51.4 - 70.0	0.30 - 0.29	
ND04-03	30°	-50°	273.1	4.3 -	19.3 -	15.0 -	0.42 -	
ND04-04 and	90°	-60°	306.6	8.8 - 232.5	13.9 - 250.5	5.0 - 18.0	0.35 - 0.42	

Springer Zone

A total of 16 holes have been completed to date in the Springer Zone, where long interval mineralization continue to be intersected below the previously established mineral resource. Hole SD04-14 collared 50 metres east of SD04-11 has intersected the longest mineralized interval intersecting 520 metres of 0.37% copper and 0.38 g/t gold. Selected mineralized intervals are provided in the following table (*).

Springer Zone Drill Hole #	Azimuth	Dip	Total Length (m)	Metre Interval from - to	Interval Length	Copper %	Gold %
SD04-12	270°	-52°	544.7	142.5 -	172.5 -	30.0 -	0.28 -
SD04-13 and including and	355°	-60°	785.2	32.5 - 430.0 - 440.0 - 645.9 -	42.5 - 621.5 - 499.5 - 702.5 -	10.0 - 191.5 - 59.5 - 56.6 -	0.46 - 0.45 - 0.95 - 0.30 -
SD04-14 including	270°	-57°	961.5	260.0 - 460.0 -	780.0 - 517.5 -	520.0 - 57.5 -	0.37 - 0.55 -
SD04-15	270°	-57°	719.3	305.0 -	354.4 -	49.4 -	0.34 -

(*) A table of assay results for Mount Polley drilling, and a drill plan are available on the Company's website.

Patrick McAndless, a Qualified Person as defined by National Instrument 43-101, supervised the preparation of data and verified the technical information above. All samples were analyzed by Analytical Labs Ltd. in Vancouver, BC.

Mine Restart Economics

A mine permit amendment application to allow mining at the Northeast Zone is being submitted to the B.C. Ministry of Energy & Mines. The proposed pit in this new zone will be named the Wight. The late George Wight, the Mine Manager at Mount Polley between 1996 and 2003.

While exploration at Mount Polley is ongoing, Imperial has determined it is in the best interests of all stakeholders in this favorable metal price environment to restart operations as soon as an internal feasibility report confirms a restart of operations at Mount Polley is viable at the time of suspension of operations in 2001, together with the resources in place at the time of suspension of operations in 2001, together with the resources identified by exploration in the period August 2003 through May 2004. Any additional resources identified by the ongoing exploration program at Mount Polley will be incorporated into the plan when appropriate.

On a stand alone basis, the mine restart project has a pretax internal rate of return of 39% on present value discounted at 5% of \$107 million, at the June 2004 average metal prices; rate. The June 2004 average prices and exchange rate were; Copper US\$1.22/lb, Gold US\$350/oz, Silver US\$5.86/oz and 0.737 US\$ to CAN\$.

Copper Metals Price Sensitivity Table

Copper Price in US\$ per lb	Pretax Net Present Value Discounted at 5% in millions of \$	Pretax Internal Rate of Return
1.00	34.9	39%
1.10	67.8	69%
1.20	100.7	97%
1.30	133.6	125%
1.40	166.5	153%

The following table identifies the mineral reserves included in the mine restart plan.

Mount Polley Proven and Probable Reserves

Pit	Ore (tonnes)	Waste (tonnes)	Copper (%)	Gold (g/t)	Silver (ppm)
Wight	6,202,814	19,768,525	0.978	0.324	6.978
Bell	9,784,689	19,606,929	0.264	0.297	0.297
Springer	24,733,044	62,278,289	0.362	0.310	0.310
Total	40,720,547	101,653,743	0.432	0.309	0.309

Outside the designed pits, resources for various mineralized zones at Mount Polley have been estimated and are shown on the following table.

Mount Polley Total Resources Excluding Pit Reserves

Type	Ore (tonnes)	Copper Equivalent	Copper (%)	Gold (g/t)	Silver (ppm)
Measured and Indicated	54,576,849	0.507	0.305	0.256	0.256
Inferred	14,669,828	0.521	0.288	0.297	0.297

* silver values are only economically significant in the Northeast Zone

The assay information used to calculate the reserve and resource estimates include all

historic drilling on the site. Over the life of the mine, exploration samples were assayed at British Columbia laboratories. During the last 2 years of the mine, approx. 75% of the core was prepared and analyzed by the on-site Mount Polley mine (MTP) laboratory; the remainder was prepared and analyzed by either Bondar Clegg (Vancouver, BC), Chemex Vancouver, BC), International Metallurgical and Environmental (Kelowna, BC) or R&T Services (Kamloops, BC). The core from the 2003/04 program is being assayed at ACI Vancouver.

Greg Gillstrom, P. Eng., (Geological Engineer), a Qualified Person as defined by National Instrument 43-101, calculated and verified the ore reserves contained in the 43-101 Technical Report for the Mount Polley Mine 2004 Feasibility Study.

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For additional drilling information see the Company website at www.imperialmetals.com
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Associated Maps in PDF Format:

MP Assay Results - August 3, 2004 (114 Kb)

Mount Polley Drill Plan - August 3, 2004 (72 Kb)

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