

kilometers and is divided by the northerly flowing Similkameen River into an eastern part (Copper Mountain side) and a western part (Ingerbelle side). A 6,500 foot long conveyor system connects the Copper Mountain crusher with the Similco concentrator.

The Copper Mountain property hosts a large mineralized system. Exploration programs carried out in 1997 confirmed a resource of 142 million tons grading 0.397% copper, with gold and silver credits.

Similco, a fully permitted mine, can be reopened with relatively little capital when metal prices improve. The potential for further expansion of reserves is excellent. Also, the 100% owned Invermay property, located just 90 kilometres away, could add significant value to the Similco mine.

Care and maintenance costs at Similco are partly offset by two environmental reclamation projects which make use of non mining portions of the Similco site.

A biosolids reclamation project being conducted under the direction of the Greater Vancouver Sewage and Drainage District's Residuals Management Group ("GVRD") continued at Similco in 1997, completing year four of a five year program. A total of 6,142 tonnes of biosolids were applied to 16 hectares of disturbed land in 1997. The success of the biosolids application is well demonstrated at Similco and the GVRD contract is expected to be renewed for an additional five years.

Envirogreen Technologies Ltd. commissioned and commenced treatment of hydro-carbon contaminated soils at the Similco Mine in 1996 using state-of-the-art thermal remediation technology. In 1997 the Envirogreen facility treated and stockpiled approximately 8,600 tonnes of clean soil for the reclamation projects at Similco. This soil is blended with the biosolids by the GVRD. Processing volumes for 1998 are estimated to be a minimum of 35,000 metric tonnes of material yielding a tipping fee of \$350,000. This material will be used in the ongoing reclamation program at the Similco mine.

## Other

### Invermay

GIANT COPPER

Located 200 kilometres east of Vancouver, British Columbia and covering 2,880 hectares, the 100% owned Invermay property has an open pitable resource of 45.4 million tons grading 0.4 grams per tonne (0.011 ounces per ton) gold, 11.2 grams per tonne (0.326 ounces per ton) silver and 0.47% copper.

The discovery of significant disseminated mineralization peripheral to the known high grade vein mineralization has changed the scope of this project. The precious metal enriched porphyry copper mineralization at Silver Daisy adds the potential for a second open pitable resource on the property.

Imperial has initiated advanced stage environmental baseline studies, including humidity cell testing, to fully characterize the environmental impact of developing the project.

Entry into the Environmental Assessment Review process and the resumption of work on the property will commence upon improvement of metal prices.

### **Beekeeper**

Imperial holds a 50% interest in the Beekeeper property, located approximately 22 kilometres southeast of the Mount Polley mine. This property covers an area of approximately 35 square kilometres and is operated by Eastfield Resources Ltd. An 11 hole, 1,370 metre drill program completed in 1996 gave encouraging results, including a 22 metre intersection grading 0.7% copper and 0.96 grams per tonne gold. The mineralization is located in a previously unrecognized intrusion breccia, very similar to the host of the Mount Polley deposit.

A follow-up seven hole, 1,100 metre drill program was completed in early 1997 followed by an additional six holes totalling 966 metres in late 1997. The results were inconclusive. No further work is proposed for the time being.

### **Chaco Bear**

A program consisting of detailed geological mapping, rock sampling, ground geophysical surveys (VLF-EM) and 11 diamond drill holes totalling 1,382 metres was completed at Chaco Bear in 1997. Drilling failed to intersect significant widths and grades of copper and silver mineralization.

### **Mitchell Bay**

Upon further review of 1996 drill results on the Mitchell Bay property near Mount Polley which had intersected a subsurface extension of copper/gold mineralization found in outcrop, it was determined that further work was not warranted and the property has been returned to the vendor.

### **M'Banga**

The M'Banga Gold concession is located approximately 60 kilometres west of Niamey in Niger. Imperial holds a 60% interest while Sumitomo Corporation holds 40%. The Government of Niger has the right to acquire a 20% interest, 10% without cost and an additional 10% by contributing 10% of the equity required to fund development following completion of a feasibility study.

Work in 1997 was limited to follow-up geophysics on gold geochemical anomalies within the CCG grid. Because of a decision by Imperial to significantly reduce early stage exploration, Imperial has elected not to make any further expenditures on the M'Banga project. Consequently, Imperial's 60% interest will be diluted through further expenditures by Sumitomo with Imperial having the right to restore its original 60% interest within 2 years of first dilution by paying to Sumitomo an amount equal to 200% of the costs incurred by Sumitomo on behalf of Imperial. Discussions with a third party for participation in this project are underway.