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cc. TOMS.
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**News about
Gibraltar Mines**

NOTE: Tim/Noam - an
option is a 42km conveyor
Need to think permitting
process (B).

FOR IMMEDIATE RELEASE

March 21, 1994

GIBRALTAR OPTIONS MOUNT POLLEY

McLeese Lake, B.C. -- Gibraltar Mines is pleased to announce it has entered into an option agreement with Imperial Metals Corp on the Mount Polley copper-gold project in north-central British Columbia.

Gibraltar can earn a 50% interest in Mount Polley by completing a feasibility study and moving to a positive production decision within 15 months. The Company has committed to spend \$400,000 on the project by the end of August this year.

The feasibility study will focus on an assessment of the viability of processing Mount Polley ore through the mill at Gibraltar's McLeese Lake operation 40 km to the west. Different ore treatment systems will be evaluated, as will several alternate mill flowsheets. Also included in the study will be the expansion of Gibraltar's nominal mill throughput from 38,000 to 57,000 tons per day of Gibraltar ore. The milling rate for Mount Polley ore will be determined in the feasibility study. The cost of the expansion would be shared by the joint venture. A stand alone mine/mill complex at the Mount Polley site will also be evaluated.

Gibraltar has agreed to allocate the use of all its milling facilities and a specified portion of its larger mining equipment to treat the ore reserve as defined in the feasibility study. The SX-EW operation, however, will not be a part of the joint venture.

Gibraltar's immediate work plan is to review the oxide distribution and metallurgy of the deposit. Mount Polley's reserves are currently estimated by Imperial to contain 54 million tons of ore grading .38% copper and 0.016 oz/ton gold. Estimated production is 322 million pounds of copper and 711,000 ounces of gold over a seven-year mine life.

Gibraltar's President and Chief Executive Officer, Mr. Bill Myckatyn, said he is particularly pleased with the deal "because of the potential synergies offered by Gibraltar's involvement."

Mount Polley already has its environmental development permit. Tailings will be stored in Gibraltar's existing facility and the proposed mill expansion remains within the mine's current land-use plan; no additional permits should be required.

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"This is a good deal for everyone," Myckatyn said. "The addition of Mount Polley ore will better enable us to restart the McLeese Lake operation if copper prices do not improve in the meantime." The mine has been closed since November due to low copper prices.

For further information:

Gibraltar Mines Limited (604) 297-6211
Bill H. Myckatyn - President and Chief Executive Officer
Paul B. Sweeney - Vice President and Chief Financial Officer

IMPERIAL METALS CORPORATION

March 21, 1994

Mr. Bruce McRae
Assistant Deputy Minister
Ministry of Energy, Mines and Petroleum Resources
Victoria, B.C.

FAX 1-952-0111

Dear Mr. McRae,

I am pleased to advise that we have entered into an option/development joint venture agreement with Gibraltar Mines Limited on our Mount Polley Project.

A copy of our press release is attached. Please do not hesitate to contact me should you require further information.

Yours truly,
IMPERIAL METALS CORPORATION


Pierre Lebel
President

PBL/UBCGov2.MrP
Attachment

IMPERIAL METALS CORPORATION

NEWS RELEASE

TRADING SYMBOL: IPM (TSE)
FOR RELEASE: March 21, 1994
CONTACT: Pierre Lebel (604) 669-8959

IMPERIAL ANNOUNCES AGREEMENT WITH GIBRALTAR

Imperial Metals Corporation is pleased to announce an option agreement for the formation of a 50/50 Joint Venture to develop Imperial's wholly owned Mount Polley copper-gold deposit in central British Columbia, 40 km east of the Gibraltar Mine at McLeese Lake.

Formation of the Joint Venture will be preceded by a 15-month option period during which Gibraltar will undertake an extensive due diligence evaluation to confirm tonnage, grade and metallurgy, as estimated by Wright Engineers Ltd. in its comprehensive feasibility study of June, 1990. The cost of this evaluation, if taken to completion, will exceed Cdn\$1.5 million.

The parties hope to establish the feasibility of linking the proposed Mount Polley Mine to Gibraltar's McLeese Lake milling facilities by conveyor or other means of surface transport, allowing the milling of Mount Polley ore at McLeese Lake. The estimated rate of production would be 22,000 tons per day. The use of the McLeese Lake mill and tailings facilities and Gibraltar's mining equipment greatly enhances the economics of the proposed development by reducing capital and operating costs and cutting the project lead time.

Should the linkup plan be viable, Imperial will contribute the Mount Polley orebody and Gibraltar will dedicate its physical plant and heavy mobile mining equipment to the joint venture. Additional costs associated with ore transportation from Mount Polley to the McLeese Lake concentrator, modifications to Gibraltar's milling and tailings facilities and onsite facilities at Mount Polley will be paid for by the joint venture.

Geological reserves at Mount Polley contain 2.5 million ounces of Gold and 1.3 billion pounds of Copper in 254 million tons, grading 0.26% Copper and 0.01 ounces per ton Gold. The initial recoverable reserves as reported in the Wright study are 711,000 ounces of Gold and 322 million pounds of Copper in 54 million tons grading 0.38% Copper and 0.016 ounces per ton Gold, with excellent opportunities for further expansion. Preliminary evaluation work by Imperial and Gibraltar suggests that the project would be highly profitable, with rapid payback of new capital expenditures.

Dr. Peter Geib, Imperial's Chairman and Chief Executive Officer said today, "Gibraltar is an efficient, experienced and proven mine operator. The proposed concept is an innovative and practical solution to the development of the Mount Polley deposit".


Pierre Lebel, President

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