

# Goldstream Mine

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IM Ann. Rpt.  
1995

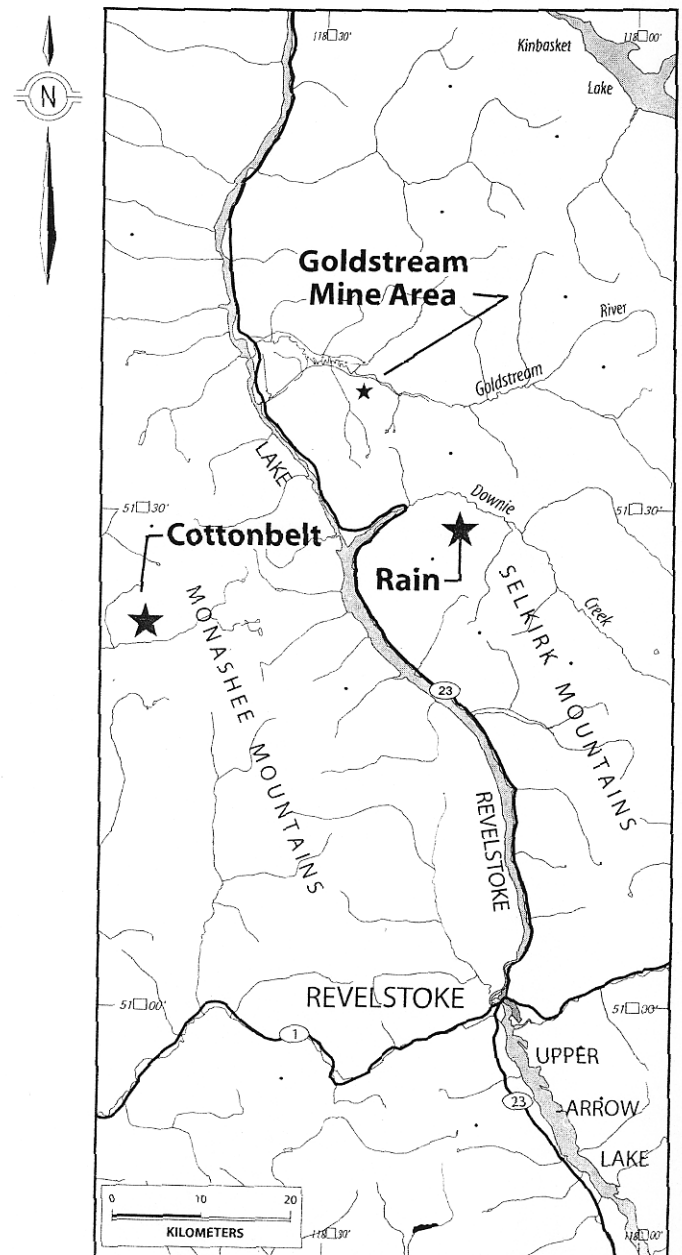
Mining and milling operations were terminated on January 31, 1996 when the economic limit of the Goldstream ore body was reached. During the 4½ year life of the Goldstream operation, 1.8 million tonnes of ore were mined and milled and 144.5 million pounds of copper and 13 million pounds of zinc were produced in concentrates.

In March, 1996, the Company's wholly owned subsidiary Bethlehem Resources (1996) Corporation entered into a purchase agreement with Goldnev Resources Ltd. to increase its interest in the mine, production facilities and tailings dam disposal area from 50% to 100%. Although some of the equipment at Goldstream will be used in the development of Mount Polley, the Goldstream facility will essentially be maintained on a stand-by basis pending the outcome of exploration programs on properties in the area of the Goldstream Mine such as Rain and Cottonbelt, in which the Company retains either direct or indirect interests.

During 1995, poor ground conditions and reduced ore body strike length, both unforeseen, reduced ore recovery and grade in the 250 metre panel. As a result, milling operations were shut down for the month of August to allow ramp development to advance. Production for the year was 20,854,000 pounds of copper and 2,100,000 pounds of zinc, approximately 80% of that projected for the year.

The Goldstream Mine generated cash flow, before capital and development expenditures, of \$5,776,000 on revenues of \$41,952,000 during the year ended December 31, 1995 compared to cash flow of \$6,100,000 on revenues of \$41,133,000 in the year ended December 31,

1994. After deduction of depletion and depreciation charges which were substantially higher in 1995 than 1994, the Goldstream Mine recorded a loss of \$1,728,000 in 1995 compared to a profit of \$270,000 in 1994. (Fifty percent of these results were allocable to Imperial.)



## Mirage Resources Corporation

*IM, Ann. 1995*

## Goldstream Mine

In January 1996, the Company sold 4,083,460 shares of Mirage Resources Corporation to Kinross Gold Corporation in consideration of 698,936 free trading common shares of Kinross. The Mirage shares sold by Imperial represented the entire stake of Imperial in Mirage. The Kinross shares acquired in this transaction were subsequently sold on the open market netting Imperial \$8,850,000.

### Giant Copper

The 100% owned Giant Copper property is located 40 km southeast of Hope, British Columbia. Because of uncertainty over mine development in the area of the property, little or no exploration was carried out at Giant Copper from 1990 to 1994. Exploration activity resumed in the fall of 1995 following the British Columbia Government's decision to draw the boundaries of the new Skagit Valley Park outside the property. A buffer zone has been established around the Giant Copper claims which cover 41 km<sup>2</sup>, and access to them has been guaranteed.

Eight holes totalling 4,559 feet were completed and 41 continuous channel samples from surface outcrop of mineralized breccia were collected during the 1995 program. All but two holes intersected intervals of copper, gold, silver and molybdenum.



*1995 drilling at the AM Zone - Giant Copper.*

The open pit resource at Giant Copper was revised upward following last year's exploration program to 29.5 million tons grading 0.653% copper, 0.011 oz/t gold and 0.360 oz/t silver. The next phase of drilling will test for new extensions of the AM Zone together with other highly prospective but largely untested breccia zones on the property.

Mining operations at Goldstream were terminated in January 1996 when the economic mining limits of the ore body were reached. During the operating period, which commenced in June 1991, the mine produced 144.5 million pounds of copper and 13 million pounds of zinc in concentrate generating gross revenues of \$191,873,000. During the active mining period, the Company operated and held a 50% interest in Goldstream through Bethlehem Resources Corporation, a wholly owned subsidiary.

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### Cathedral Gold Corporation

The Company holds 5.5 million shares of Cathedral Gold Corporation representing approximately 40% of Cathedral's issued and outstanding shares.

Cathedral made progress on several fronts in 1995. In Guyana, South America, Cathedral defined a geological resource of 190,000 ounces on the Hicks Zone gold deposit and expanded its exploration activities onto adjoining prospecting licenses and optioned property. Three separate zones of gold mineralization were identified on the East Kaburi Prospecting License and five drill holes were completed at the Tallman property to test the strike extent of a rich gold bearing quartz vein which on surface has averaged 3.3 ounces of gold per ton across 1.5 metres over a strike length of 100 metres.

In March 1996 Cathedral and Imperial entered into an agreement with Placer Dome Inc. whereby Placer can earn a 65% interest in the Sterling Mine joint venture property and a 55% interest in the adjacent Goldspar Option property by carrying out minimum annual exploration and development expenditures and presenting a positive bankable feasibility study which provides for the economic development of an ore body in excess of 750,000 mineable ounces of gold. Imperial holds a 10% interest in the Sterling Mine and surrounding property.