

MOBILE

885444

Silvertip (104O 038, Ag-Zn-Pb prospect near the Yukon border)- completed 10 km AMT survey (electromagnetic) in search of mantoes in the McDame limestone (or underlying Sandpile Formation) in the area between the portal and the camp. This is a deeper stratigraphic target than previous exploration which focused on the Eam-McDame unconformity. No anomalies that warrant drilling were found. Imperial Metals has lowered its maintenance costs for the property by building a log cabin for the summer caretaker, to eliminate diesel for heat and power for the entire trailer camp.

Ruby Creek Placer (placer gold mine, 20 km east of Atlin) - has partnered with Pelly Construction, using Pelly's blast hole drill released from Golden Bear, to strip 20 metres of Quaternary basalt (plus 6-12 metres of till) to expose well-indurated, Pleistocene boulder gravel. Cal Klippert explained they will sluice 16,000 cubic metres at a 4:1 strip ratio. Some concern that the gravel has been found to thin from about 9 to 6 metres. Ruby Creek is one of only two or three significant placer mines in the Atlin district this year. Ruby Creek's coarse gold supports a substantial mark-up (average sale price \$320 per ounce) for nugget jewellery. Drift miners worked the area, but not intensively and the pay-gravel is rich. Also, the current pit intersects a 300-metre long bedrock drain, hand-driven in weathered granite below the basalt in 1926, and still open. This means no pumping is required, reducing cost of mining.

Kitsault & Homestake Ridge (Eskay-VMS reconnaissance, 25-35 km SE of Stewart)- Teck's claim holdings total about 580 units and estimated expenditure is \$500,000. Teck is also evaluating mineral properties held by Dolly Varden Mines and Fayz Yacoub (PAP, 2000). Two horizons are of interest: a) rhyolite below the Salmon River mudstone (as Homestake Ridge), correlative stratigraphy to Eskay Creek and b) sericite alteration in Betty Creek (lower in the section) perhaps without felsic rocks but with anomalous Hg, As, Sb, Cu, Pb, Zn (as at the Sault and Leftover showings).

Praxis (8 person camp in Georgie River area, 25 km south of Stewart) - CSS Exploration (private company led by geophysicist Grant Hendrickson) is exploring this 325 unit property for Eskay-VMS mineralization (1 week into a 4-week program). Stratigraphic recognition derives from GSC work (Carol Evenchick). Two Eskay-age rhyolite flow domes apparently overlie pillow basalt and are capped by Salmon River mudstone. Toured one of the target areas with Charlie Greig (contract geologist, ex-GSB) while Grant Hendrickson was ground-truthing airborne conductors. Other geologists are Darwin Green and Peter Daubeny. Dacite and rhyolite peperite(?) breccia occurs at the mudstone contact but no mineralization other than pyrite-(pyrrhotite) was seen. Silt in streams draining the key stratigraphy is anomalous in a broad suite of base and precious metals. Vein mineralization is reported (103O 016) but had not been located yet. Prospector Frank Renaudat (PAP in southern BC) is also part of the crew.

Mobile prospect (103P 069, 5 km NW of Stewart) - assist local prospector, Lloyd Rodway who is drilling with a custom-made aluminum "Prospector" drill. Quick-log core from 3 holes, examine mineralization in the drill area and recommend a contract geologist to better direct his efforts. Setting is Hazelton volcanics and sediments hornfelsed by Hyder granite with abundant pyrrhotite (disseminated and veins), but there are also fault-controlled polymetallic vein(s) with significant Au and Ag.

(new)

PW - July 30/01

Other Exploration Activity

Dease Lake RGS - Zah claims (40 units) staked a multi-sample Ta - REE anomaly near head of Beatty Creek in the Quaternary Level Mountain volcanic complex. Minfile (104J 062, Hg occurrence) describes spectacular alteration zones developed in rhyolite and trachyte in this unusual setting for REE. The Adsit (18 units) and Tuya (18 units) cover anomalies in the northeast corner of the sheet that might be derived from VMS mineralization. Roy Woolverton heads a (private?) syndicate who hope to raise money to explore the properties.

Huckleberry Mine - completed drilling of three targets near the Main and East pits. Not enough copper mineralization to warrant more work. Winter drilling may result from IP survey between Tahtsa Reach and East pit, or from two lines of recce IP on the Wee (93E 086) north of the mine, near Sweeney Lake. With copper at \$0.66 Huckleberry is losing money, current production cost is about \$0.70

Port claims staked by prospector/placer miner Ed Asp, on the Kalum gold prospect (aka Portland, 103I 019) north of Terrace. Asp says there is a Pt "hit" in (unmapped) ultramafic rocks.

American Boy - Drill mobilized to this Ag-Zn-Pb-barite vein on American Creek, near Stewart. Cream Minerals (Frank Lang) has optioned adjoining (Crown-grant?) claims from Frank Kamaric. Rumoured to be exploring for barite to supply off-shore oil & gas drilling !?!

Prospector Assistance Program

John Hope (visited on July 19 and 23) reports that Trio Gold Ltd (of Calgary) optioned 3 small claim groups near the north end of Dease Lake: Vowel claims (6 units, 1999 PAP project), Northwest claims (4 units, 2000 PAP program) and 4 placer leases on Thibert Creek close to the Vowel claims. The target is PGE's which were a significant by-product of placer gold mining, and presumably derived from ultramafic rocks along the terrane-bounding Thibert fault or possibly

remains open to depth the focus of this year's program is increasing near surface tonnage. Two additional holes, totalling 1100 feet, will be drilled on the eastern side of the breccia. Surrounding data indicates that the area has high potential to provide additional ore.

Mitchell Bay

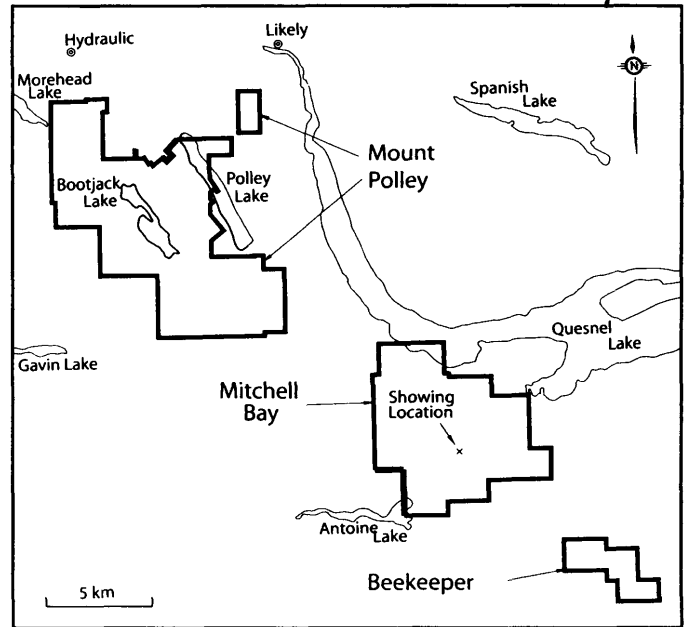
The Mitchell Bay property was acquired by Imperial Metals in early 1996 by way of staking and optioning existing claims. Impetus for obtaining the property was the discovery of a copper-gold showing by a local prospector. Analysis of a grab sample collected by the prospector returned 2.28% copper and 0.576 oz/t gold. The rock sample is a pervasively altered porphyritic intrusive.

Mitchell Bay is a very exciting discovery due to both the excellent grades indicated from the discovery showing, and its proximity to the Mount Polley property, less than 5 km Northwest. Substantial snow cover has thus far prohibited examination of the property but a full scale exploration program will begin in April with an airborne geophysical survey covering the entire property. Subsequent work will then concentrate on geological mapping and sampling of the discovery showing and delineation of the extent of the showing and related zones of mineralization.

If successful, this initial exploration will be followed by trenching, grid work, ground geophysics, soil sampling, mapping, and diamond drilling.

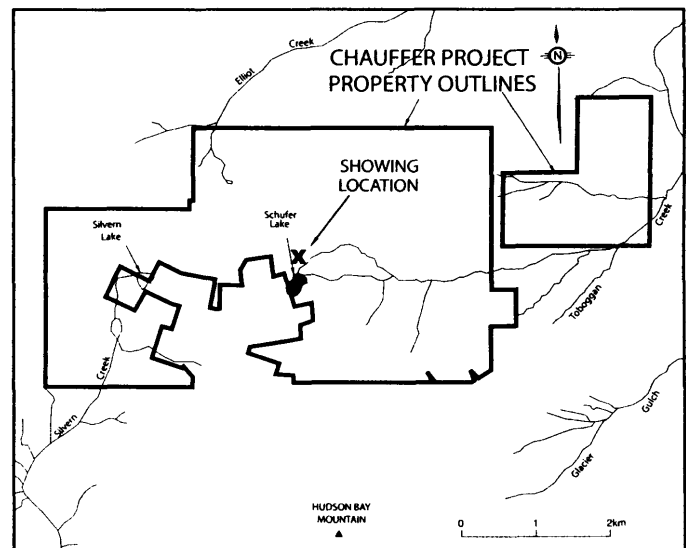
Mapping by previous geological contractors has indicated that the rocks underlying the property are intensely potassically altered, indicating the local presence of a multiphase intrusive, commonly associated with porphyry gold / copper deposits like Mount Polley.

*Mitchell Bay
835445 JM, Ann. Rpt. '95*



Imperial holds options to acquire a 100% interest in the Mitchell Bay property.

*Completed by lat May's mapping = new discovery [PM, May 31]
= several anomalies
= trenching + mapping
Chauffer*



In October 1995 Imperial optioned a 100% interest in the Chauffer property near Smithers, British Columbia. The property was staked on a showing discovered by local prospectors in an

→ Mitchell Bay
 '96 AR
 (Imp. Metals)

M'Banga

Work continued in 1996 on the M'Banga gold concession in Niger, West Africa with a combination of diamond drilling and soil sampling. Only a small portion of the property has been explored to date and this area has been found to contain a large network of gold bearing stockwork veins. Intersections include 1.12 g/t (0.033 oz/t) gold over 27.5 metres on a shear zone.

Imperial is the operator and holds a 60% interest in M'Banga while Sumitomo Corporation holds 40%. The Government of Niger has the right to acquire up to 20% interest, 10% without cost and the additional 10% by contributing 10% of the equity required to fund development following completion of a feasibility study. In the event that the Government of Niger acquires a 20% interest in the concession, thereby reducing Imperial's interest to 48% and Sumitomo's

interest to 32%, Imperial has the right to increase its interest to 51% by purchasing 3% of Sumitomo's interest for fair market value.

The potential of the M'Banga district is highlighted by the development of a one million ounce plus resource on the Placer-Etruscan Tiawa property nearby. Adjacent property owners to Imperial include Ashanti Goldfields and Barrick Gold.

Mitchell Bay

The 100% owned Mitchell Bay property is located less than 5 kilometres southeast of the Mount Polley property.

Drilling in 1996 intersected the subsurface extension of copper/gold mineralization found in outcrop. A subsequent geophysical survey showed the mineralization to be on the western perimeter of a large geophysical anomaly. Both the geological setting and geophysical signature of the area are highly characteristic of precious metal enriched porphyry copper deposits such as Mount Polley. Further work, including diamond drilling, is planned for 1997.