

## Discovery

The dream of developing the Mount Polley Mine (formerly the Cariboo Bell property), approximately 56km northeast of Williams Lake, British Columbia, was not unusual to the surrounding area of Likely. This region, until recent years, boasted the largest open pit gold mine in the world: the Bullion Pit. In operation from 1892 to 1942, the Bullion Pit was a man-made gold mining pit which, in its first six years, produced \$1.25 million worth of gold, valued at \$16 per ounce. The operation used hydraulic nozzles to wash down the walls of the pit and drew on the surrounding lakes for its water supply; in 1938, the operation used more water per day than the entire city of Vancouver. The present day Morehead Lake was formed through damming, to help supply water to the Bullion Pit.

The lure of mining surfaced again in 1964 when Mastadon-Highland Bell Mines and Leitch Gold Mines uncovered copper mineralization; a joint Federal-Provincial survey initially revealed a prominent aeromagnetic anomaly, triggering the companies' interests in the Cariboo Bell property. As a result of this discovery, the two companies formed Cariboo-Bell Copper Mines Ltd., and proceeded to conduct surveying and trenching, and then subsequent drilling on the property. In 1969 Teck Corporation Limited took over the control of the new company and continued exploration through to 1970.

The interest in Cariboo-Bell persisted through the 1970's and sparked additional companies, such as Highland Crow Resources Ltd., a Teck affiliate, formed through an amalgamation of Pickle Crow Explorations Ltd.,

Cariboo-Bell Copper Mines Ltd., Abex Mines Ltd., Beacon Mining Co. Ltd. and Highland Mercury Mines Ltd., to continue working on the property. Teck also conducted work programs in 1972-73 and 1975 and eventually took control of Cariboo-Bell in 1978. However, the drive to develop the property remained in neutral for a variety of reasons:

- At the prevailing price of \$35/ounce, the gold content was not sufficient to make a real impact on project economics; and
- The infrastructure was not as well developed as it is today.



E&B Explorations Inc. kept up the work on ground surveys, trenching, drilling and metallurgical testing, when it optioned the property from Highland Crow in 1981, in a joint venture with Geomex Partnership #8. Mr. Ewanchuk, E&B's President & C.E.O. at that time, and Mr. Len Saleken, Exploration Manager, first unlocked the property's potential for becoming a joint gold and copper mine, and uncovered the Central Zone. (Mount Polley Mining Corporation is mining this zone today, now known as the Cariboo Pit).

Continuous drilling in the early 1980's unveiled favourable gold and copper mineralization; however, the pace of exploration slowed as the gold price fell from its peak of over US\$700 per ounce.

E&B Explorations Inc. subsequently merged with Campbell Resources Inc. & Mascot Gold Mines Inc. in 1984, retaining ownership of the property with Geomex Partnership #8. (Through subsequent business ventures, Mascot later merged with Corona Corporation in 1988 and then finally became Homestake Canada Inc.) Imperial Metals Corporation, formed in 1981 through an amalgamation of Imperial Metals & Power Ltd., Invex Resources Limited and Risby Tungsten Mines Ltd., merged with the Geomex Partnership in 1987 and purchased the outstanding minority interests in the property from Homestake and others. Imperial

then changed the property's name to Mount Polley, which is attributable to the nearby peak. Imperial began to assess the property's potential as a gold/copper operation, and conducted a program of fill-in drilling, bulk sampling, pilot plant metallurgical testing and permitting. Imperial's focus on Mount Polley culminated in an economic evaluation in 1988, which pointed to the potential of an open pit mine. After extensive drilling, metallurgical testing and a geotechnical studies, Imperial employed Wright Engineers Limited to prepare a feasibility study on the property.

Wright Engineers produced a positive feasibility study in 1990, for a 13,700 tonnes per day open pit mine and mill and, following an extensive environmental review, the Government of British Columbia issued the Mine Development Certificate in October 1992. Imperial had reached the first stage in Mount Polley's development; however, the road ahead would be longer than expected. As a recession gripped most of North America and the Canadian dollar and the price of copper began to sink, it became obvious that Imperial would have a difficult time securing financing: the process of developing Mount Polley slowed down once again.



## A Glimmer of Hope

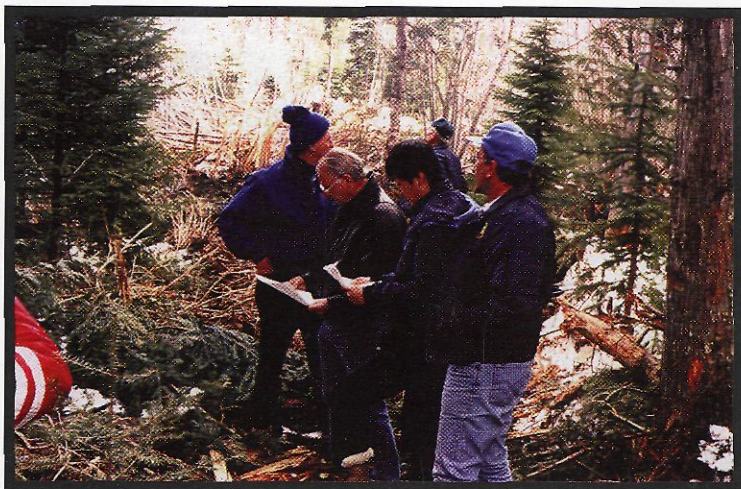
Despite numerous setbacks, Pierre Lebel, Imperial's President, continued to believe in Mount Polley and saw a glimmer of hope in a merger between Bethlehem Resources Corporation and Imperial Metals Corporation. In fall 1994, Bethlehem's management, led by Brian Kynoch and chaired by Henry Ewanchuk, were looking for a new project for Bethlehem, in light of the impending shutdown of the Goldstream Mine near Revelstoke, British Columbia. With ore reserves at the Goldstream Mine dwindling and the hopes of finding new reserves fading, they needed a new project.

Imperial's assets and potential property portfolio, coupled with Bethlehem's experienced operations team and their established relationship with Sumitomo Corporation would make an ideal combination for both companies. Imperial Metals and Bethlehem Resources completed a merger in April 1995, and then revisited Mount Polley's feasibility study. Imperial's new management mix took on the arduous task of re-entering and re-examining all of Mount Polley's drill log data and assays, in order to complete a revised in-house feasibility study. From this study, Imperial established the potential for a 18,000 tonne per day gold/copper mine and entered into negotiations with Sumitomo to finance the project.

## Construction to Production

Imperial's Team, with years of proven experience in mine operations and construction, was able to finalize a deal with Sumitomo, and a joint venture between Imperial Metals and SC Minerals Canada culminated in the formation of Mount Polley Mining Corporation by April 1996.

For the next year, all personnel focused entirely on the construction of the Project, targeting the possibility of an early start up. The Mount Polley Project team, headed by Henry Ewanchuk, recruited a number of individuals who had the technical expertise to tackle the endeavour.



Mr. Ewanchuk's team members included:

<b>Brian Kynoch</b>	<i>Senior Vice President &amp; C.O.O.</i>
<b>Cliff Overton</b>	<i>Director, Technical Services</i>
<b>Malcolm Swallow</b>	<i>Project Manager</i>
<b>Bob MacDonald</b>	<i>Project Controller</i>
<b>Rad Pesalj</b>	<i>Project Geologist</i>
<b>Don Parsons</b>	<i>Chief Mine Engineer</i>
<b>Lloyd (Red) Briscoe</b>	<i>Heavy Equipment Specialist</i>
<b>Don Ingram</b>	<i>Mill Superintendent</i>
<b>Dale Reimer</b>	<i>Purchasing Agent</i>
<b>Kristina Kalmet</b>	<i>Project Secretary</i>

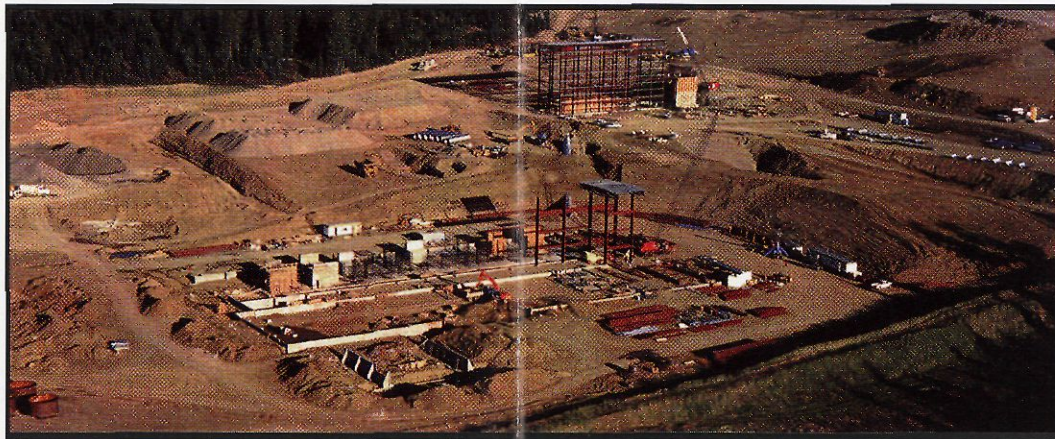
There were a number of other consultants to whom Mount Polley looked for insight, such as Bill Ruffo (*Elixir Construction Consultants*), Art Frye (*KHA Resources Modelling*), Gary Hawthorne (*Westcoast Mineral Testing*), Tom Lafreniere and Peter Brown (*Met Engineers Ltd.*), Ron Orr (*Construction Manager*), David Harper (*Controls Supervisor*) and George Jones (*Cost Control*). As the project developed, a variety of talented and hard working personnel joined the ever expanding Project Team to round out the team profile.

In anticipation of the necessary approvals, the property was cleared and grubbed in fall 1995, and stood ready for immediate construction. In March of 1996, Management moved quickly to put contracts out for bid and to begin sourcing used equipment.

Henry Ewanchuk, known for his take charge management style immediately secured a variety of experienced consultants and contractors to assist Mount Polley's Construction Team. In addition to the following, there were many other contractors and suppliers across North America, who were involved in various aspects of construction and were part of the build crew. Were it not for the immense amount of input from all parties who were involved, in one way or another, the success of the construction phase would not have been realized.

### Major Team Players

• Arrow Transportation Systems Inc.	<i>Equipment Transport</i>
• C.S.F.M. Engineering Ltd.	<i>Mechanical Design &amp; Engineering</i>
• Colony Management Inc.	<i>Supply of Buildings &amp; Structural Steel</i>
• Concept Construction Corp.	<i>Internal Offices &amp; Change Houses</i>
• Greyback Construction Ltd.	<i>Concrete</i>
• Hallam Knight Piésold Ltd.	<i>Environmental Monitoring</i>
• Hamilton Machinery & Fabricating	<i>Equipment Overhaul &amp; Fabrication</i>
• Knight Piésold Ltd.	<i>Dam Design</i>
• Ledcor Industries Ltd.	<i>Mine &amp; Site Pre-stripping</i>
• Monad Contractors Ltd.	<i>Mechanical/Piping Installation</i>
• North American Construction Ltd.	<i>Tailings Dam Construction</i>
• Prime Choice Project Management Consultants	<i>Contract Preparation</i>
• Svedala Industries	<i>Mill Installation</i>
• Unit Electrical Engineering	<i>Electrical Design &amp; Build</i>



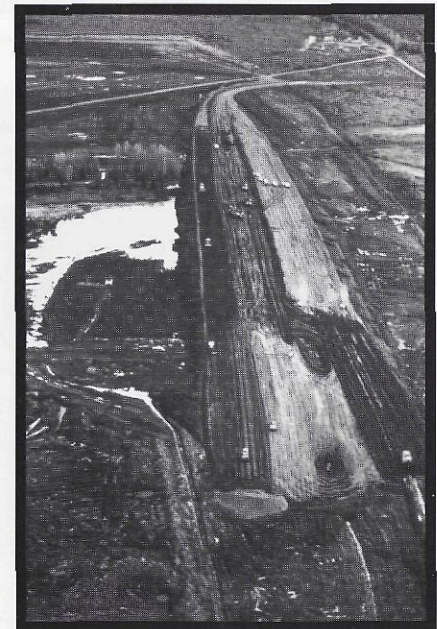
### The Drive to Succeed

Mr. Ewanchuk's clear directives ensured that the project's contractors knew exactly what he and Mount Polley Mining Corporation expected of them: do it right the first time and keep the cost down. The search for used equipment, which covered North America and Europe, enforced this idea. The crew took all measures to ensure that expenditures were minimized, without sacrificing quality and efficiency.

### Realization

Through it all, construction moved quickly, though that in itself resulted in a few scheduling problems. The fast pace forced several contractors to juggle their schedules in order to keep ahead.

Hard work and resilience in the face of the many challenges paid off when Mount Polley Mine produced its first concentrate on June 15, 1997: the culmination of eighteen months of planning, and twelve months of designing and building—some 30 years after the dream began.



Though the project flowed quite smoothly, it was not without its obstacles. Provincial road restrictions coupled with transport problems delayed the arrival of equipment; and inclement weather hampered the building of the tailings dam and disrupted communications, in the early stages. All of these unexpected circumstances held up schedules and created many challenges.

*Imperial Metals Corporation credits much of the success of this development to the support and cooperation from the surrounding communities of Likely and Williams Lake.*

*The residents, businesses and associations were a big part of Mount Polley becoming a reality and their contributions are greatly appreciated.*



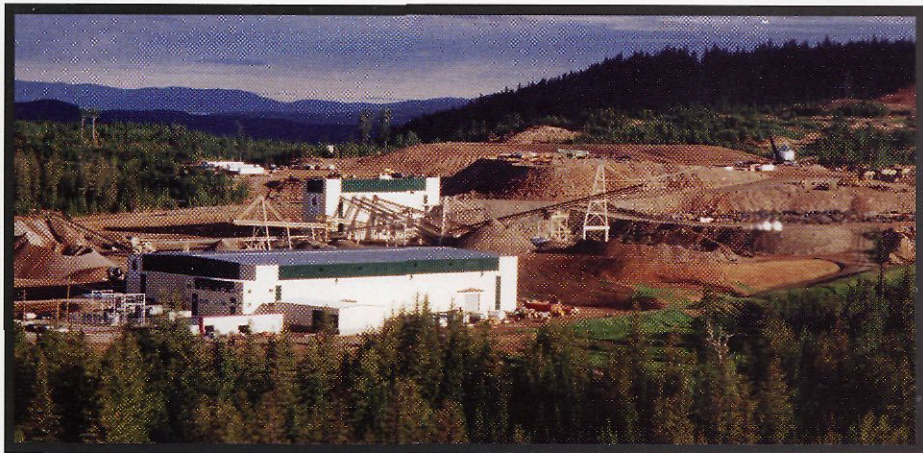
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## *Message from Henry Ewanchuk*

I would like to thank everyone who was involved in Mount Polley's development for their enthusiasm and hard work in the face of such an enormous task and for the successful start-up of the project, ahead of schedule and under budget. The diligence of everyone during all aspects of the project, not to mention the extended periods of time that individuals spent away from their families, and other personal sacrifices that people made, did not go unnoticed; it is the dedication of all involved that has made the completion of Mount Polley's construction such an achievement. I firmly believe that the secret of success is to be surrounded by the right people, with a team approach. The team members are the ones who can make or break a project and Mount Polley's success is definitely attributable to its team.

I would also like to thank all of those consultants and contractors who have successfully completed their contracts with Mount Polley and are moving on to new projects; I have enjoyed our association and wish you the best of luck in your future ventures. To those of you who will continue on with Mount Polley into the future, I wish you many years of success and good fortune and, most especially, high gold and copper prices. I look forward to continuing to work with Mount Polley, albeit in the background, and I know that, with the dedication shown, the future of the operation of Mount Polley Mine is in good hands.

*Henry G. Ewanchuk  
Project Director  
September 1997*





## Facts & Figures

**M**ount Polley Mine is a joint venture between Imperial Metals Corporation (55% interest) and SC Minerals Canada Limited (45%). Imperial is the operator of Mount Polley and Sumitomo Corporation is the concentrate marketing agent.

Initial mineable reserves are 82.3 million tonnes, grading 0.417 g/t (0.012 oz/t) gold and 0.3% copper, containing 1.1 million ounces of gold and 544 million pounds of copper. The Mount Polley deposit will be mined in three pits: Cariboo, Bell and Springer, with mining initially starting in the Cariboo pit. The projected mine life is 12 years, with potential for reserve expansion within the property boundaries. Production will average 100,000 ounces of gold and 24 million pounds of copper over the first four years.

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## Corporate Info

**I**mperial Metals Corporation, a public company listed on the Toronto Stock Exchange (*IPM-TSE*), is an explorer and developer of natural resource properties and a natural resource producer.

### Directors

**John A. Brussa\***

*Burnet, Duckworth & Palmer (Calgary, Alberta)*

**Brian Kynoch**

*Imperial Metals Corporation (Vancouver, B.C.)*

**Michael A. Carten**

*Traction Capital Inc. (Calgary, Alberta)*

**N. Murray Edwards\***

*Edco Financial Holdings Ltd. (Calgary, Alberta)*

**Henry G. Ewanchuk**

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**Dr. K. Peter Geib**

*Novis Investitions GmbH (Frankfurt, Germany)*

**Pierre Lebel**

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**Larry G.J. Moeller\***

*Edco Financial Holdings Ltd. (Calgary, Alberta)*

**W. Brett Wilson**

*First Energy Capital Corp. (Calgary, Alberta)*

\*Members of the Audit Committee

### Senior Officers

**N. Murray Edwards** *Chairman*

**Pierre Lebel** *President*

**Brian Kynoch** *Senior Vice President & Chief Operating Officer*

**André Deepwell** *Chief Financial Officer & Corporate Secretary*

**Malcolm Swallow** *Vice President, Development*

**Patrick McAndless** *Vice President, Exploration*

**Rio Budhai** *Assistant Corporate Secretary*

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