

Tom: Financing - end of month ±
Open House - likely 2nd week April.
M95-POL/01

NORTHEAST MINE DEVELOPMENT REVIEW COMMITTEE

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MOUNT POLLEY COPPER/GOLD PROJECT

INFORMATION LETTER NO.2 (April, 1995)

The purpose of this information letter is to keep the public up-to-date on planning for the Mt. Polley open pit copper/gold project, located 150 km northeast of Williams Lake, near Likely, British Columbia. A previous information letter was distributed in June, 1992.

In November, 1994 Imperial Metals Corporation and Bethlehem Resources Corporation merged. The primary focus of the merger is to finance and develop the Mount Polley Project. This letter recounts the original approval process; describes proposed improvements to the original project planning; the company's proposed development schedule; requirements for major permit reviews; and plans for further First Nations and public consultation.

PROJECT DESCRIPTION

The Mount Polley project contains 51 402 000 tonnes of ore grading 0.38% copper and 0.55 g/tonne gold. The open pit mine and conventional milling facilities, to be located onsite, will process approximately 13 700 tonnes of ore per day over the fourteen-year mine life. Milling will consist of a standard froth flotation process, producing approximately 160 tonnes of ore concentrate per day. Project construction workforce will peak at 200 persons, with 162 persons required to operate the mine. The workforce is expected to be recruited from the local area and region.

PROJECT REVIEW

Imperial Metals Corp. submitted a prospectus in June 1989 and a detailed submission in July 1990. The review of these submissions by provincial, federal and local governments, aboriginal groups and the public came to focus on the following issues: socio-economic impacts, archaeological resources, water supply, mitigation of fisheries and wildlife impacts, potential for acid mine drainage, groundwater, the tailings pond and the load-out facility.

As all issues were resolved in principle other than the location of the load out facility, the Mine Development Certificate issued in October, 1992, approved all aspects of the proposal but the load out. The company was advised that it must submit detailed plans for review and approval by the appropriate regulatory agencies, prior to the construction of such a facility.

On February 21, 1995 the Northeast Mine Development Review Committee (NEMDRC) and the company met to formalize a coordinated approach to permit review and liaison with the public as project planning and development proceeds. The NEMDRC is comprised of key provincial and federal government review and permitting agencies, and is based in Williams Lake. The Ministry of Energy, Mines and Petroleum Resources chairs the committee. At the meeting, the company presented enhancements to its original proposal.

32 m lbs Cu/yr + 71,000 oz Au/yr

- buy used equip. from Noranda

mineable = 50 m tons @ .65% Cu equiv.

prob. res. = 149 m tons @ .467% Cu equiv. (@ US \$1.20/lb Cu)

CHANGES TO ORIGINAL PROPOSAL

Subsequent to project approval, the company has proposed the following project plan changes which are deemed to be environmentally superior to the original proposal:

Ore Transportation

- The company is proposing to place ore concentrate in half height containers at the mine site and transport the ore for direct loading on to rail cars at Williams Lake. As such, there is now no need for a rail load out facility and there will be no transfer of uncontained ore concentrate. Ore truck traffic would be approximately 5 trucks per day each way.

Water Management

- The company has recalculated water balance estimates and has concluded that, with an expanded tailings pond to hold process water, and additional catchment and use of waste dump run off, that a dam on Polley Lake will not be required.
- The company estimates a 5% chance that make up water from Polley Lake would be required. If required, water would be only pumped from the lake into the tailings pond during freshet conditions, and the drawdown of the lake levels would be significantly less than natural lake level fluctuations.
- Key agencies are currently reviewing the water management plan to verify the company's conclusions.

DEVELOPMENT SCHEDULE

The company has indicated that it would like to begin preliminary site preparation in spring 1995, and have the first phase of the tailings impoundment completed in time to capture the spring 1996 runoff. Mine construction would be completed in 1996 with production beginning in early 1997.

COORDINATED PERMIT REVIEW

Key permitting agencies represented on the NEMDRC have provided permit-related advice to the company and will ensure all outstanding issues are addressed and the proposed public liaison committee is developed and maintained.

A staged permitting approval process will be undertaken. A detailed reclamation plan must be submitted and reviewed prior to the issuance of any permits to construct. Preliminary site preparation for the millsite and the first phase of the tailings impoundment may be the first approvals issued to keep the company on its development schedule.

The company has been requested to submit applications for permits as soon as possible, and to collect the further information required to address outstanding issues. The NEMDRC will further discuss with the company the requirement for environmental supervision during construction.

FIRST NATIONS CONSULTATION

The company is developing a plan to ensure that further First Nations consultation takes place, as agreed in the 1992 MDC documentation.

PUBLIC CONSULTATION

The October 1992 Mine Development Certificate documentation indicated that a public liaison committee would be established in the local area to provide for ongoing public consultation as project development proceeded. Staff of the Mine Development Assessment Process office will work with the local public, the NEMDRC and the company to establish the committee. Representatives of local governments, environmental and resource use groups, and the Cariboo Tribal Council, will be invited to participate with the company and provincial and federal regulatory agencies. Terms of reference for the committee will be developed by the committee and approved by the NEMDRC and the company.

The purpose of the committee will be to:

- provide ongoing liaison between Imperial Metals, provincial and federal agencies, First Nations, local governments and the general public;
- use local knowledge to review and discuss the monitoring information collected, and to advise Imperial Metals and regulatory agencies of additional information or measures that may be required to ensure adequate protection of the area's environmental and recreational resources;
- review and advise on issues of public interest and concern, such as: ongoing monitoring programs; effects of the mine on the recreational fishery; groundwater quality, quantity and flow; spill prevention and emergency response planning; wildlife impacts and mitigation; and impacts on trapping and recreational use; and

- liaise with the general public using a communication strategy developed by the committee and agreed to by the NEMDRC.

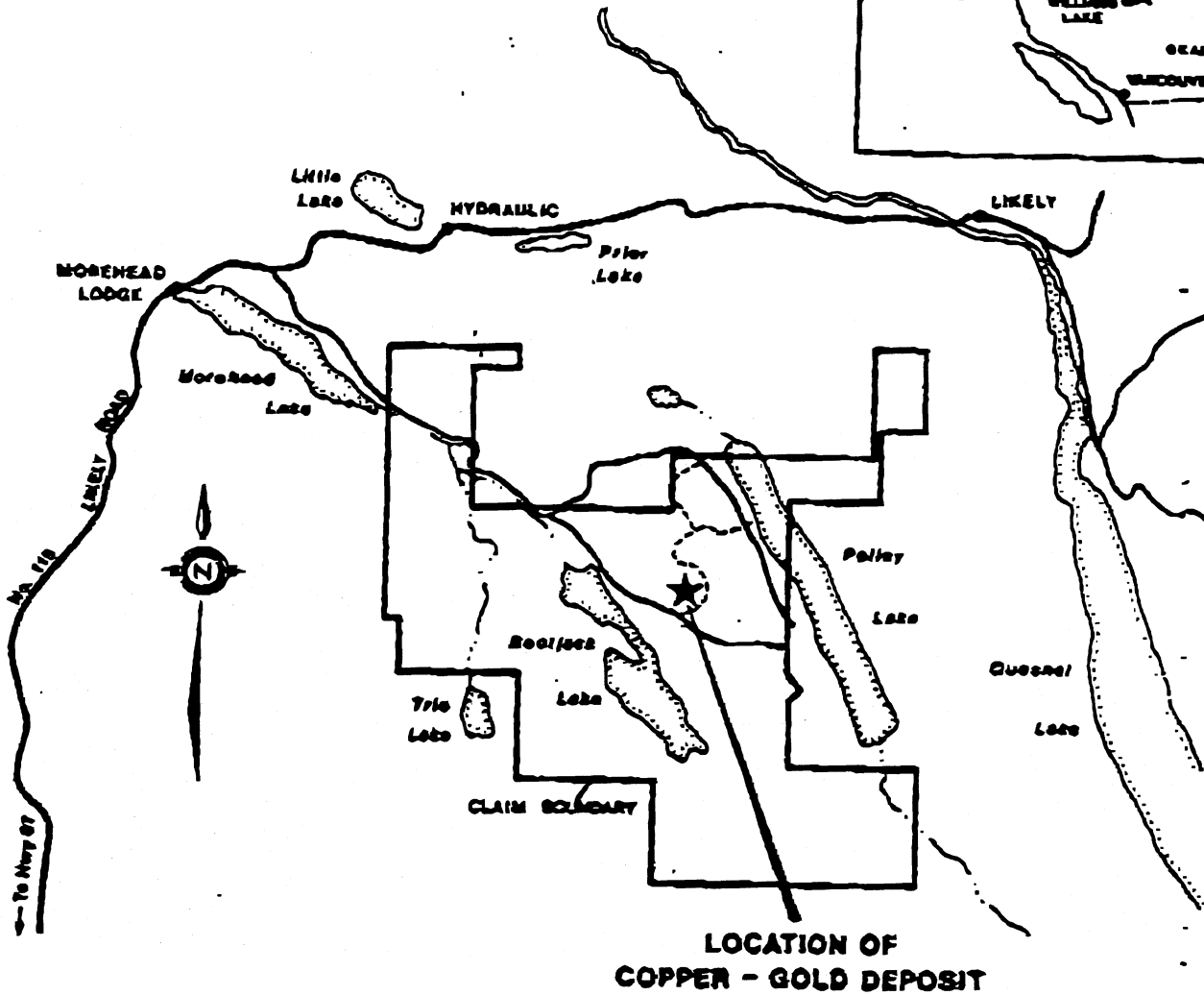
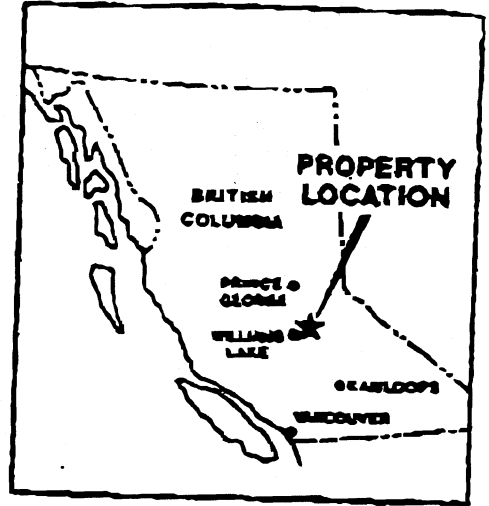
To facilitate the work of the committee, Imperial Metals will be required to prepare an annual environmental report. The report will address pertinent matters such as monitoring results for the previous year, effectiveness of impact mitigation measures; regulatory compliance issues; and future project planning and monitoring.

For further information, please contact:

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MOUNT POLLEY PROJECT



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