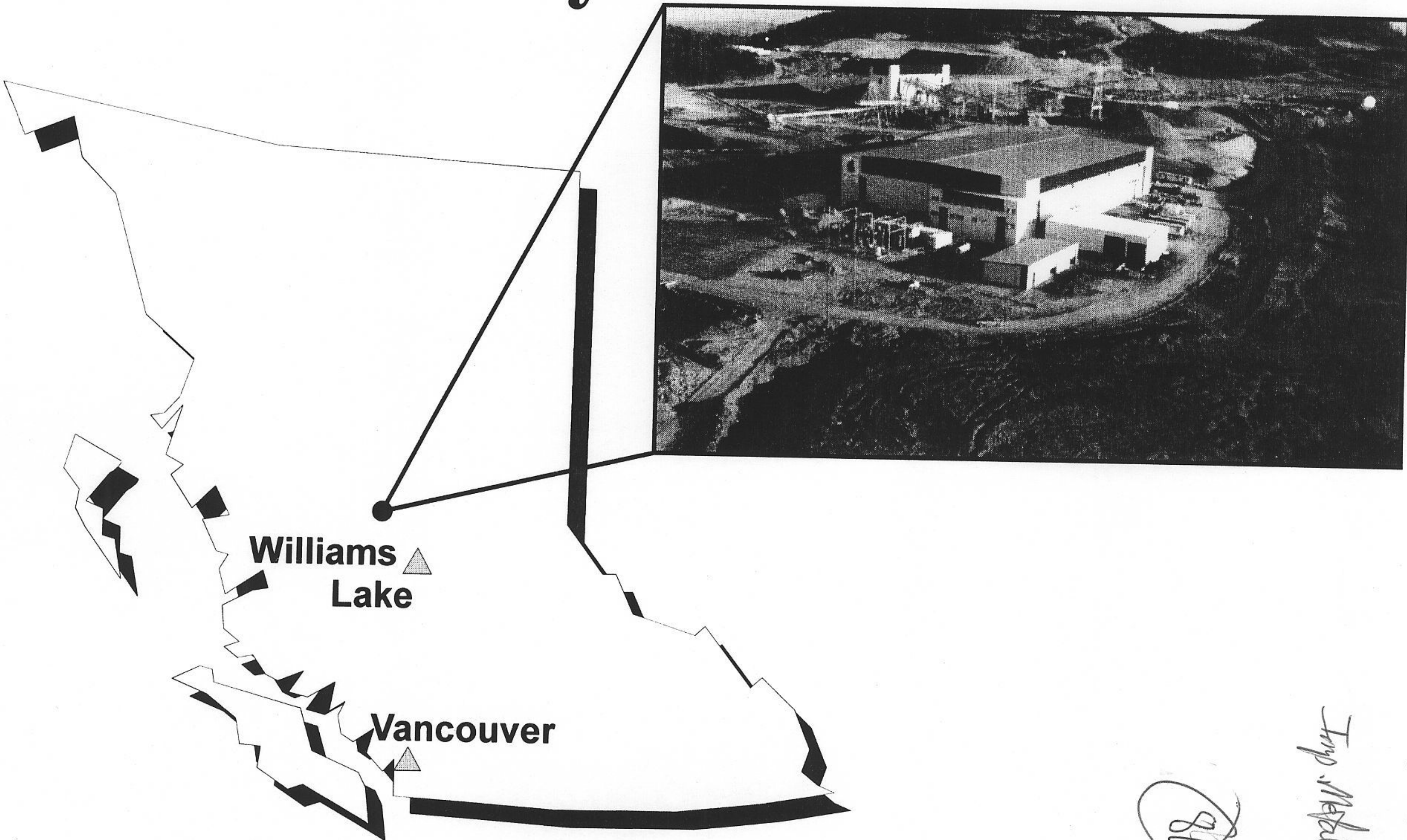
Mount Polley



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→ Mount Polley
Imp. Metals (AGM)
May 23/97
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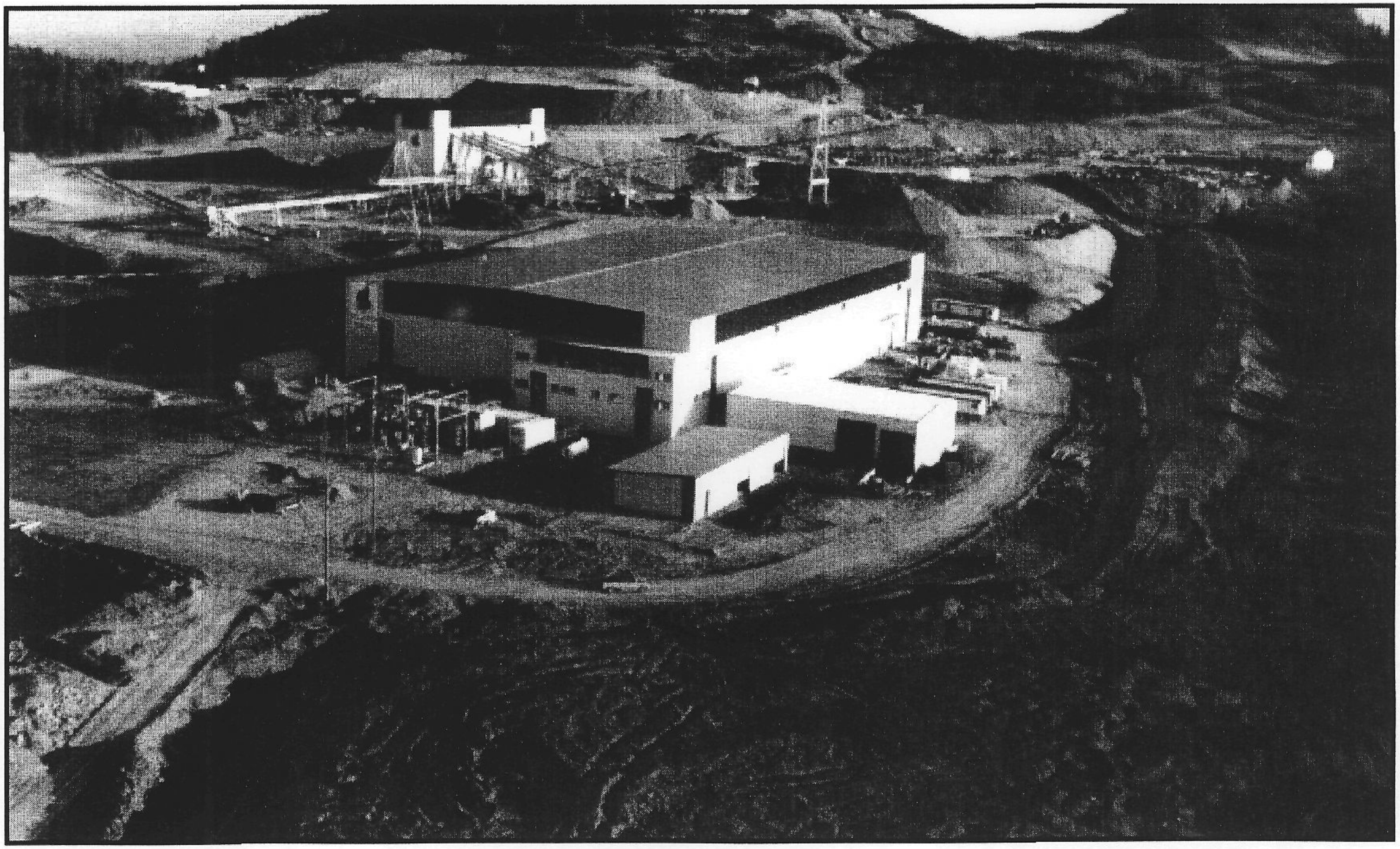
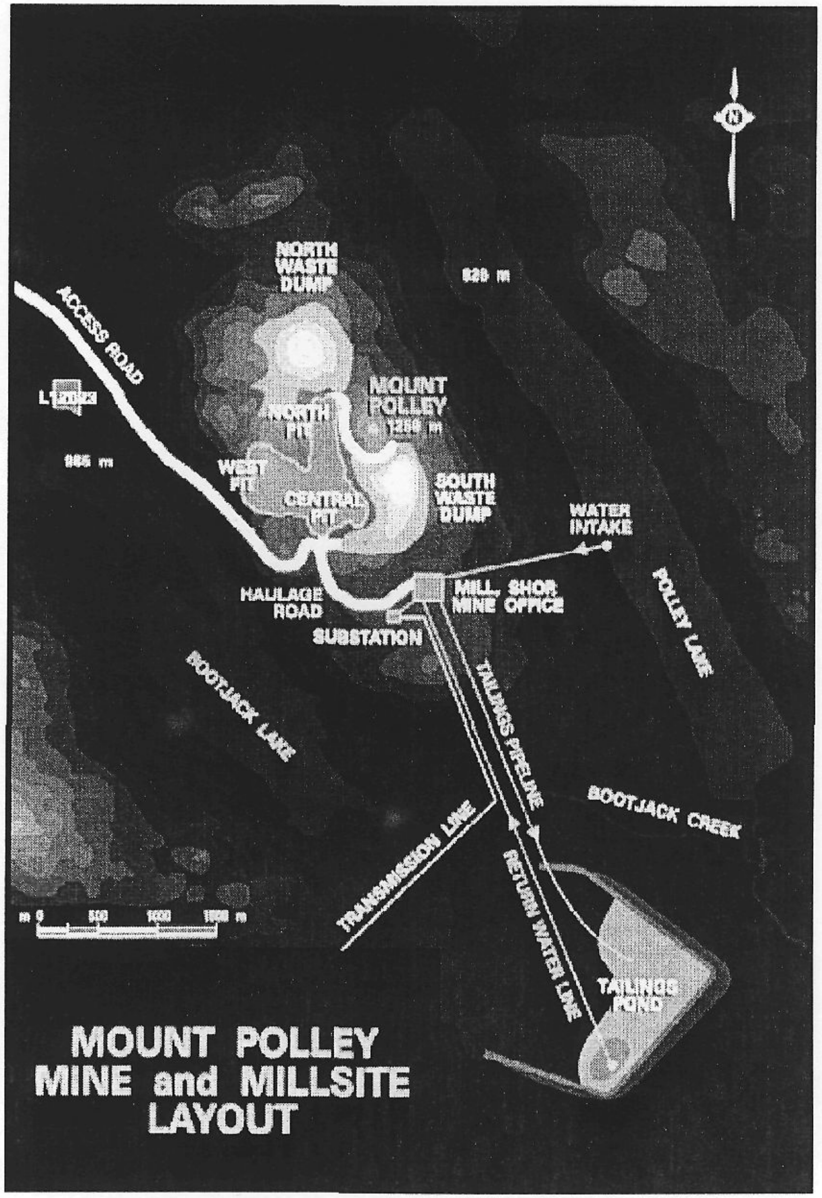
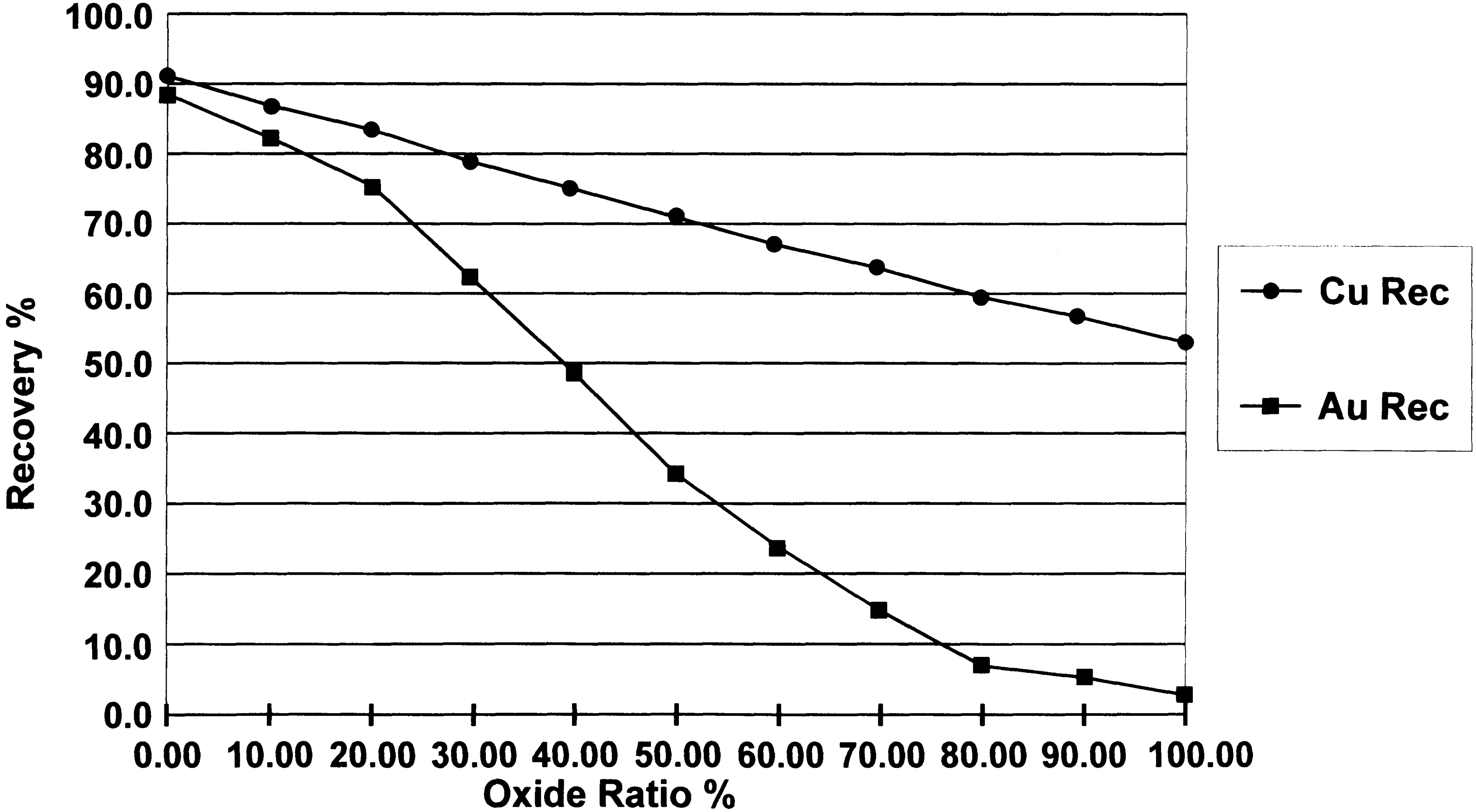



NORTH WASTE DUMP
ACCESS ROAD
MOUNT POLLEY
NORTH PIT
WEST PIT
CENTRAL PIT
SOUTH WASTE DUMP
WATER INTAKE
HAULAGE ROAD
MILL, SHOP MINE OFFICE
SUBSTATION
POLLEY LAKE
BOOTJACK LAKE
TAILINGS PIPELINE
BOOTJACK CREEK
TRANSMISSION LINE
RETURN WATER LINE
TAILINGS POND
MOUNT POLLEY
MINE and MILLSITE
LAYOUT

Mount Polley Metal Recoveries Based On Average Mineable Grade



Gold Production

Cost Per Troy Ounce (US $)

(Copper as a Credit)

First Four Years

		C $ to US $ Exchange Rate		
		$ 0.70	**$ 0.75**	**$ 0.80**
Copper Price ($US)	**$ 1.20**	$ 145	$ 145	$ 186
	$ 1.00	$ 181	$ 181	$ 222
	$ 0.80	$ 217	$ 217	$ 257

Operating Highlights And Evaluation Parameters

Life Of Mine Totals And Averages

- **Operating Cost ($CDN/tonne ore)**

• mining	$2.19
• Milling	3.94
• G & A	0.33
Total	$6.46

- **Metal Prices ($US)**
  - $380/oz Au
  - $1.00/lb Cu
  - $5.00/oz Ag
  - $0.72 FXR

- **Operating Margins ($CDN)**

• NSR (Mine Gate)	$9.63/tonne
• Operating Cost	$6.46/tonne
• Margin	$3.17/tonne

Operating Highlights And Evaluation Parameters

Life Of Mine Totals And Averages

- **Production Rate**
  - 17,808 mtpd concentrator
  - 6.5 mtpy ore
- **Concentrate Metal Production (Average Over Life of Mine)**
  - 48,000 dry tonnes per year copper concentrate
  - 46.3 g/t Au @ 82.1% recovery
  - 27.8% Cu @ 68.4% recovery
  - 71,440 oz/yr gold
  - 29.4 M lbs/yr copper

'96 Caribo Pit
300,000 tonnes mined
(more tonnes than expected)

George Wright
Don Parsons

$14M to $20M /yr cash flow in ~~full~~ prod.

Operating Highlights And Evaluation Parameters

Life Of Mine Totals And Averages

- **Initial Mineable Reserves**
  - **82.3 million tonnes @ > 0$/tonne NSR cut-off**
  - **0.417 g/t Au - 1.103 M oz contained gold**
  - **0.300% Cu - 544 M lbs. contained copper**
  - **1.16/1.0 overall stripping ratio**

Ewanchuk with BC Gov't
'Problem' with (MoT) re-breaking up equipment to transport thru BC. (est. cost several $100,000 extra!)

8 ~~ball~~ mills (SAO,
— 250 truck loads of equip. to site.
— Saving ?? — Absolutely!
feasibility 1990 — $135m — 20% Smaller plant

Geol. Res. = 133m tonnes

May '98 11 ddh on east side of Cariboo pit to bring (hopefully) more resources into 'reserve' category.

Operating Highlights And Evaluation Parameters

Life Of Mine Totals And Averages

- **Construction Period**
  - **18 months** Real = 13 mos.
- **Capital Cost $(CDN)**
  - **including contingency, escalation and working capital** **$123.48 million**
- **Cash Cost of Gold Production $(US) Taking Copper as a Credit**
  - **First Full Four Years (1998-2001)** **$189/t.oz**
  - **Life of Mine** **$278/t.oz**

Imperial Metals Corporation

NEWS RELEASE

TRADING SYMBOL:	IPM (TSE)
FOR RELEASE:	April 22, 1997
CONTACTS:	Pierre Lebel, President Brian Kynoch, Senior Vice President Charlene Parisotto, Investor Relations
ADDRESS:	Suite 420 - 355 Burrard Street, Vancouver, B.C. V6C 2G8 Tel: (604) 669-8959 Fax: (604) 687-4030 Home Page: http://ourworld.compuserve.com/homepages/ipm

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CONSTRUCTION AT MOUNT POLLEY FIVE MONTHS AHEAD OF SCHEDULE

Imperial Metals Corporation (IPM-TSE) commenced construction of the Mount Polley open pit gold-copper mine on May 29, 1996. Original estimates called for the 18,000 tonne per day plant to be completed in October 1997 at a cost of $123.5 million. Completion is now scheduled for May 31, 1997, on budget and almost five months ahead of schedule! Plant tune-up and commissioning will begin in June followed by commencement of commercial production in July.

Construction History

In mid 1995 a limited program of soil stripping was carried out, allowing for completion of final plans and permitting for the start of site construction in the Spring of 1996. Construction commenced on May 29, 1996 with Imperial acting as Project Manager. By June, mill concrete foundations and footings were being poured with all concrete produced on site using a mixer truck system. Results were excellent enabling steel erection to commence in August with the crusher and mill building shells erected by mid September.

By the end of September 1996, crews were pushing hard to complete both the crusher and mill buildings before the onset of winter. This goal was achieved at the end of October and installation of crushers, mills, floatation cells and related facilities and equipment took place during the winter months.

Other work during this period included pre-production stripping and mining of two benches in the Cariboo pit which was completed in September, generating 300,000 tonnes of ore. Work on the tailings dam commenced in June, but proceeded at a reduced rate for most of the summer because of inclement weather. Work on the tailings dam continued through winter and was completed in March 1997. Construction of a 58 kilometre 69kv power line was completed in January 1997.

The plant will utilize up to 35,000 horsepower to crush, grind and process ore at the rate of 18,000 tonnes per day. Major process equipment and facilities at Mount Polley include:

2	13 ½’ x 18’ rod mills	3	7’ shorthead cone crushers
2	13 ½’ x 28’ ball mills	6	12’ column cells
3	17 ½’ x 25’ pebble mills	26	1000 ft^3 Agitair mechanical cells
1	16 ½’ x 32’ regrind mill	8	300 ft^3 Agitair mechanical cells
1	42” x 65” gyratory crusher	1	15’ high capacity thickener
1	7’ standard crusher	2	PF-19 Larox pressure filters

At the time of writing, the plant was 90% complete. All crushers were operational together with 11 of the 20 conveyors. All mills have been installed and crews are now completing electrical and piping work, aiming at mechanical completion by the end of May 1997, some 12 months after the start of construction.

<u>Location, Production and Capital Costs</u>

Mount Polley is located 56 kilometres northeast of Williams Lake in central British Columbia. Imperial is the operator with a 55% interest. Sumitomo Corporation of Japan holds a 45% interest and is the concentrate marketing agent for the joint venture. 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. This will provide an initial mine life of 12 years, with potential for reserve expansion within the property boundaries.

Mount Polley is expected to produce approximately 100,000 ounces of gold during each of the first four years of operation. Copper production will average over 28 million pounds per year during the entire mine life. The stripping ratio is 1.16 to 1 and the project is not subject to any royalty, net profits or other underlying interests. The production cost per ounce of gold, with copper as a credit, during the first four years of operation is US$189. The deposit will be developed in three pits: Cariboo, Bell and Springer. The Cariboo pit, which will be mined first, has the highest gold grade and lowest stripping ratio.

Total capital cost is estimated at Cdn$123.5 million. Under the terms of the financing arrangement with Sumitomo, Imperial made an equity contribution of $14 million. The remainder of Imperial's cost share is being financed through a project loan facility from Sumitomo of up to $54 million.

Pierre Lebel
President

B.C. Report

Producer premium gives Imperial momentum

BY JOHN SCHREINER
Vancouver Bureau Chief *The Financial Post*

When a mining exploration company brin[illegible] mine into production, the stoc[illegible]n trades at a different level, attracting what is called a "producer premium."

Vancouver-based **Imperial Metals Corp.** may have gained as much as five months in attaining that premium after accelerating development of its Mount Polley gold-copper mine in central B.C.

Construction on the $123-million project started last May.

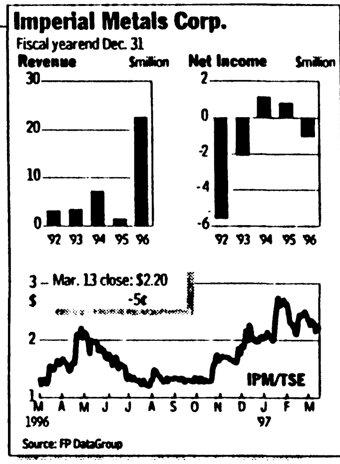
Next week, the mine is expected to start crushing ore, and by May the company expects to begin processing ore in the plant — a full five months ahead of schedule.

According to one estimate, the project's construction overheads run at about $300,000 a month. That means Imperial will have shaved $1.5 million from its budget.

The market has already been valuing [illegible]rial higher this year, but more [illegible]bably for its stakes in some hot junior exploration companies than in anticipation of production at Mount Polley.

The shares (IMP/TSE) have traded in a 52-week range of $2.80 to $1.16 and fell 5¢ yesterday to close at $2.20. This is a stock that has spent much of the past decade trading under $1.

Imperial president Pierre Lebel figures the company already is worth more than its current trading value. In a recent calculation — and he cautions that it is not audited — he values Imperial's assets at $229 million,



or about $3.40 a share, of which Mount Polley comprises $1.48.

The company has been pursuing the Mount Polley project for about a decade and obtained its mine development certificate in 1992.

The Mount Polley deposit, originally discovered in 1964, has initial mineable reserves of 82 million tonnes, containing 1.1 million ounces of gold and 544 million pounds of copper.

After struggling to finance the project, Imperial last April attracted Sumitomo Corp. to take a 45% interest, make a project loan and market the concentrate.

During Sumitomo's copper trading crisis last June, the big Japanese trading company quickly assured its Canadian partner that the Mount Polley project would still go ahead.

In the mine's first four years, planned output is 100,000 ounces of gold and 29 million pounds of copper, with cash costs of around US$180 an ounce.

The current mine life is about 13 years but the property has exploration potential and there also is the possibility of other discoveries by neighboring juniors that could look to Imperial's mill for processing.

Mine revenue will begin to impact Imperial in the second half, although the company is projecting a modest 1¢ a share loss this year, compared with an estimated 11¢ profit last year (mostly the result of extraordinary gains on the sale of an asset). In 1998, the company, which has 67 million shares fully diluted, forecasts it should earn about 15¢ a share.

Imperial has a plate full of other exploration projects in B.C, including the Midway silver-lead-zinc deposit, not far from the Alaska Highway in northern B.C. The deposit is small (1.4 million tonnes) but so high grade that the ore has a gross value of more than US$150 a tonne.

"It's got to be our No. 1 exploration property," Lebel says.

However, the recent impetus behind the company's stock has come chiefly from its 53% ownership of **Colony Pacific Explorations Ltd.**, a junior that last year formed a joint venture in Indonesia with Inco Ltd. to explore on the Indonesian island of Sumatra. Colony's shares (CYX/TSE) have exploded from a 52-week low of 30¢ to a high of $9.25, closing yesterday down 60¢ at $7.50. Imperial owns nine million shares and Lebel also is president of Colony.

"Colony Pacific scores high on our qualitative scale," Goepel Shields & Partners analyst Rob Klassen wrote in an early February report in which he recommended the shares as a "hold-speculative buy for risk oriented investors."

Imperial also owns 40%, or 5.5 million shares, of **Cathedral Gold Corp.** (CAT/TSE). Those shares have a 52-week range of $3.10-$1.75 and closed yesterday unchanged at $1.85. Cathedral owns 90% of a small, high-cost Nevada gold producer (11,500 ounces last year). But the potential for the company hinges on its gold exploration programs in Guyana and Honduras.

"Mr. Patient Money:" Calgary's Murray Edwards has high standards, and a high success rate

How to succeed in business, by really trying

BY SYDNEY SHARPE
Calgary Bureau Chief *The Financial Post*

In 1989, George Ward's drilling company, Northeastern Energy Group, was on the verge of bankruptcy. Or as Ward so graphically puts it: "The company was in the toilet bowl, and the Royal Bank had its hand on the flush button."

Then Ward met a 29-year-old Calgary lawyer named Murray Edwards, who bought into the company and turned it around. Today it's a successful oilpatch player known as Ensign Resource Services Group. "Back then we had four drilling rigs and two service rigs," Ward recalls. "After six years, through acquisitions, we have 79 drilling rigs, 75 service rigs, 1,700 employees and revenues of $175 million a year."

Ward, who is now a wealthy man as a result, knows a savior when he sees one. "I had been searching for some support, and by the grace of God, and answers to my prayers, I ended up with Murray Edwards," he says. "He gets behind what he believes in 100%. He doesn't waffle. And he has a mind that's unbelievable."

At 36, those qualities have made Edwards a major investor in nearly a dozen companies, a part owner of hockey's Calgary Flames, and a devout Liberal among Alberta Conservatives. He comes across as a tough-minded westerner, but a firm federalist, a fierce competitor with a legendary soft heart for friends, among whom he counts both Prime Minister Jean Chrétien and Alberta Premier Ralph Klein.

He is also highly successful, but in a very low-key way that begs imitation. "Guessing Murray Edwards' net worth is one of Calgary's favorite parlour games," says one oil insider. In Calgary, anything that interests him instantly attracts a following of loyal investors who usually profit.

Edwards recently reached into Ontario by acquiring a 43% stake in Toronto's Fleet Aerospace Corp., a nearly moribund maker of aircraft parts. Soon Fleet was announcing sales contracts, and two weeks ago the newly aggressive company bought Hawker Siddeley Canada Inc.'s aerospace business units for $27 million.

Fleet is following a typical Edwards pattern. He buys into a company and then uses that vehicle to purchase related firms. The idea is to make the right acquisitions that will turn the original firm into a powerhouse.

"Fleet had been through difficult times. Now we see the aerospace industry returning to profitability," says Edwards. "Fleet has an outstanding and committed workforce, and has been a long-term supplier of the aerospace industry."

A colleague summarizes Edwards' style: "Murray is an astute investor who works with corporate management to make the company realize its potential."

Securing the stake in Fleet is part of Edwards's drive to diversify out of oil, gas and mining companies. From the modest office of his main company, Edco Financial Holdings Ltd., Edwards has built powerful stakes in companies like Ensign, Imperial Metals Corp., Penn West Petroleum Ltd., Canadian Natural Resources Ltd., Foremost Industries Inc., Rio Alto Exploration Ltd., and the Flames.

His investment in the hockey team when it was struggling brought him much public notice, but typically, Edwards lay low. Today, not one Flames fan in a hundred would recognize him in a crowd at the Saddledome.

PAT PRICE

At 36, Murray Edwards has built major positions in oil and gas, mining, the Calgary Flames, and now aerospace.These days, his biggest problem is avoiding the limelight.

Although he has a wide circle of friends, the tall and burly Edwards seems to be an intensely private workaholic. "Happiness is a man who has his vocation for a hobby," says Edwards when asked what he does for relaxation.

Edwards prides himself on treating owners, executives and employees fairly when he gets involved in a company. In his long string of investments, there are few stories of layoffs and downsizing. If anything, once Edwards invests, the company starts growing.

"Murray has an uncanny ability to bring the best out of people and to help them realize their full potential," says colleague John Brussa. One way he does it is to ensure that most employees in his holdings are entitled to stock options and a stock-savings or profit-sharing plan. "You have to put in place a way to motivate people and reward excellence," he says.

But Edwards is uneasy when questions turn to his own success and its rewards. Subjects like personal worth are too ego-driven, he says.

He's equally reticent about confirming his reputation as a philanthropist. "Any organization nowadays has a number of constituent groups. There's a responsibility to the shareholders to provide maximum returns," he says. "But organizations also have an obligation to employees, and to society at large."

Edwards says his attitudes were influenced by the powerful emotions he felt when a friend died of a brain tumor at age 27. "He exhibited such a passion for life," Edwards says. "Even when very ill, he came to work every day."

But like any aggressive businessman, Edwards has also been involved in his share of tangles. He was criticized when he made a profit in a few months after buying TroCana Resources Ltd. from Petro-Canada and then selling it to Penn West Petroleum Ltd., in which he held a 15.9% stake. In typical fashion, however, he put the profit into more shares of Penn West.

"Generally, Murray's a long-term investor in these companies," says an investor colleague. "He's Mr. Patient Money."

In 1993, Edwards and a former business partner, Jim Grenon, were involved in a nasty fight between their respective companies: Colborne Capital Corp. and Stampeder Exploration Ltd.

Both were vying for control of Westar Petroleum Ltd., and the dispute ended up in court.

Two years later, a judge awarded damages of $4.6 million against Edwards's company, Colborne, which included the estimated decline in Stampeder share value, share decline caused by the dispute, interest and court costs.

Edwards says he tried to resolve the dispute amicably and, like many in the oilpatch, felt it was the kind of problem that should have been settled over a beer rather than in court.

While the ruling is now under appeal, Edwards accepted the setback gracefully.

"To the extent that Stampeder won the decision," he said at the time, "it's their day to celebrate their success." Today, he says: "There are always disappointments. We all drill some dry holes in life, but we learn from them."

Born in Regina, Edwards studied commerce at the University of Saskatchewan and later took law at the University of Toronto.

He practised law for five years and gained more oil-industry experience with Rob Peters, the investment dealer who started Peters & Co.

Eventually he struck out on his own. "I left a stable income as a lawyer to [follow] an uncertain future," he says. "Now I guess I'm successful in terms of watching people grow and seeing people become managers."

This he achieves by employing a consistent management style. "I try to entrench in a company a flat organization where all the managers are part of decision-making," he says. "The style is not to preach from the pulpit. The style is consensus in decision-making."

His companies tend to grow very quickly and, over the years, they've grown complex, but he seems to have no trouble keeping the details straight even though he operates mainly from his office at Edco Financial.

"He's a guru in the oil and gas business," says colleague Allan Markin, chairman of Canadian Natural Resources Ltd. "He knows intuitively where the oil and gas is." Edwards and Markin kickstarted Canadian Natural into a huge national petroleum player.

The latest Murray Edwards parlour game in Calgary is speculating about his political ambitions, either on the podium or behind the scenes. He does express interest to the extent that he has firm ideas on his region's role in Canada.

"The West is not looking for special treatment, but will be firm about being treated as an equal," he says. "We will accept nothing less than that."