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George Cross News Letter

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NO. 228 (1998)
 NOVEMBER 27, 1998

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IMPERIAL METALS CORP.

[IPM-T] 78,845,581 SHS.

THREE MONTHS ENDED SEPTEMBER 30, 1998		1997
REVENUES	\$28,682,000	\$4,062,000
OPERATING INCOME (LOSS)	927,000	(1,930,000)
NET INCOME (LOSS)	(1,667,000)	(1,295,000)
EARNINGS (LOSS) PER SHARE	(2¢)	(2¢)
NINE MONTHS ENDED SEPTEMBER 30, 1998		1997
REVENUES	\$71,901,000	\$4,891,000
OPERATING INCOME (LOSS)	1,190,000	(2,348,000)
NET INCOME (LOSS)	(2,861,000)	618,000
EARNINGS (LOSS) PER SHARE	(4¢)	1¢

THIRD QUARTER REPORT - Pierre Lebel, president, Imperial Metals Corp., reports financial and production results for the three and nine month periods ended 30Sept98. The large increase in revenues and operating income in 1998 compared to 1997 was due to the inclusion of the Mount Polley

Mine, 56 km northeast of Williams Lake, BC, which began operations in August 1997, and the acquisition of the Huckleberry Mine, 123 km southwest of Houston, BC, effective 1Mar98 through a merger with Princeton Mining Corp. The Mount Polley Mine is 55% owned by Imperial Metals, the operator, and 45% owned by Sumitomo Corp. of Japan. Huckleberry is 60% owned by Imperial Metals with Japanese interests holding the remaining 40% interest.

Mill throughput at both mines in third quarter of 1998 increased from the second quarter, but lower commodity prices, especially copper, negatively impacted revenues. Foreign exchange losses totalled \$2,022,000 in the second quarter and \$3,328,000 to date.

Capital expenditures were \$3,300,000 in the third quarter 1998 compared to \$6,500,000 in the 1997 when construction of the Mount Polley Mine was being completed. During the three months ended 30Sept98, Imperial repaid, as scheduled, \$3,998,000 of long-term debt. (SEE OVERLEAF P.4 FOR MOUNT POLLEY & HUCKLEBERRY MINES PRODUCTION STATISTICS)

At the 100% owned Silvertip property located 80 km west of Watson Lake in northern BC, a geophysical program was conducted in the third quarter 1998 on the high grade silver, lead, zinc property to identify massive sulphide targets beyond the limits of the known resource. From this work, several anomalies have been identified requiring further definition and follow-up diamond drilling.

Environmental impact surveys and public consultations were also carried out in the quarter as part of the environmental assessment process required by the province of BC for project certification. (SEE GCNL NO.165, 27Aug98, P.1 FOR SIX MONTH REPORT)

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IMPERIAL METALS CORP. PRODUCTION STATISTICS

HUCKLEBERRY MINE

- Open pit copper/molybdenum mine
- 60 percent owned and operated by Imperial
- Located approximately 123 kilometres southwest of Houston, B.C.

Production Statistics (representing 100 percent of mine production,
60 percent of which is allocable to Imperial)

	Third Quarter 1998	Year to Date 1998
Ore Milled (tonnes)	1,787,324	4,941,550
Ore milled per calendar day (tonnes)	19,427	18,101
Ore milled per operating day (tonnes)	21,274	20,481
Copper content (percent)	0.612	0.643
Copper recovery (percent)	89.370	88.700
Molybdenum content (percent)	0.018	0.017
Molybdenum recovery (percent)	28.210	20.820
Concentrates produced (tonnes)	39,043	111,468
Concentrate grade (percent Cu)	25.39	25.31
Concentrate grade (percent Mo)	49.06	49.02
Copper produced (lbs)	21,856,076	62,190,425
Molybdenum produced (lbs)	196,942	327,326

MOUNT POLLEY MINE

- Open pit gold/copper mine
- 55 percent owned and operated by Imperial
- Located approximately 56 kilometres northeast of Williams Lake,
B.C.

Production Statistics (representing 100 percent of mine production,
55 percent of which is allocable to Imperial)

	Third Quarter 1998	Year to Date 1998
Ore Milled (tonnes)	1,670,466	4,366,573
Ore milled per calendar day (tonnes)	18,157	15,994
Ore milled per operating day (tonnes)	19,368	17,896
Copper content (percent)	0.344	0.365
Copper recovery (percent)	48.900	50.100
Gold content (g/t)	0.710	0.755
Gold recovery (percent)	67.800	69.900
Concentrates produced (tonnes)	9,857	26,943
Concentrate grade (percent Cu)	28.51	29.52
Concentrate grade (g/t Au)	81.50	85.68
Copper produced (lbs)	6,195,338	17,532,551
Gold produced (ounces)	25,832	74,222

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