

NO. 168 (2000)
SEPTEMBER 1, 2000

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IMPERIAL METALS CORP.

[IPM-T] 80,426,241 SHS.

THREE MONTHS ENDED JUNE 30, 2000		1999
REVENUES	\$19,462,000	\$25,240,000
OPERATING LOSS	3,499,000	1,900,000
NET LOSS	4,413,000	1,994,000
LOSS PER SHARE	5¢	3¢
CASH FLOW	(829,000)	3,285,000

SIX MONTHS ENDED JUNE 30, 2000		1999
REVENUES	\$44,439,000	\$49,306,000
OPERATING LOSS	3,539,000	1,644,000
NET LOSS	4,651,000	2,957,000
LOSS PER SHARE	6¢	4¢
CASH FLOW	2,453,000	4,376,000

SIX-MONTH REPORT - Pierre Lebel, president, Imperial Metals Corp., reports financial and production results for the three and six months ended 30Jun2000.

Imperial is operator and 50% owner of the Huckleberry open pit copper, molybdenum mine, located 123 km southwest of Houston, west-central BC. A group of four Japanese companies own the remaining 50% interest)

Production Statistics (representing 100% of mine production, 50% of which is allocable to Imperial)

	2ND QUARTER 2000	YEAR TO DATE 2000
ORE MILLED (TONNES)	1,577,109	3,334,205
ORE MILLED PER CALENDAR DAY (TONNES)	17,331	18,320
ORE MILLED PER OPERATING DAY (TONNES)	19,987	20,476
GRADE (%) COPPER	0.499	0.513
GRADE (%) MOLY	0.011	0.013
RECOVERY (%) COPPER	93.50	93.30
RECOVERY (%) MOLY	53.60	63.30
COPPER PRODUCED (LB)	16,209,552	35,195,448
MOLY PRODUCED (LB)	219,159	598,857

Imperial is operator and 52.5% owner of the Mount Polley open pit copper, gold mine located 56 km northeast of Williams Lake, central BC. Sumitomo Corp. of Japan owns the remaining 47.5% interest. Production Statistics (representing 100% of mine production, 52.5% of which is allocable to Imperial)

	2ND QUARTER 2000	YEAR TO DATE 2000
ORE MILLED (TONNES)	1,653,853	3,466,977
ORE MILLED PER CALENDAR DAY (TONNES)	18,174	19,049
ORE MILLED PER OPERATING DAY (TONNES)	20,215	20,825
GRADE (%) COPPER	0.298	0.303
GRADE (G/T) GOLD	0.430	0.435
RECOVER (%) COPPER	65.98	70.78
RECOVERY (%) GOLD	73.22	75.63
COPPER PRODUCED (LB)	7,110,625	16,405,997
GOLD PRODUCED (OUNCES)	16,700	36,707

The Mount Polley Mine and the Huckleberry Mine were unable to conclude satisfactory arrangements for the extension of their Economic Plans, sponsored by the Job Protection Commission of BC. The immediate impact of the termination of Economic Plan benefits will be an increase in operating costs. This will reduce the ability of both mines to pay debt.

A flexible debt repayment arrangement, valid to 31Dec2001, has been arranged for the Huckleberry Mine. No similar arrangement has yet been made for Mount Polley with the result original loan payment schedule remains in place.

Mount Polley was unable to generate sufficient free cash flow to cover the loan payment scheduled for 21Aug2000. Imperial and

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Mount Polley's lender, Sumitomo Corp., are presently discussing alternative debt payment arrangements for the project. Sumitomo has confirmed that at present it will not exercise its contractual rights on loan payment default during this discussion period, which is to be concluded by 1Dec2000. A number of alternatives are being considered some of which could result in Imperial forfeiting or otherwise changing its economic interest in the mine.

In June, Imperial agreed to sell the Similco copper, gold mine near Princeton, southwest BC, and the Invermay Copper Project near Hope, southwest BC, to LEADER MINING INTERNATIONAL INC. [LMN-CDNX]. The purchase price is \$1,000,000 cash, warrants to buy 2,000,000 Leader common shares for \$1 per share, good for two years, and a 3% net smelter return which can be bought down to 1% for \$2,000,000.

In other developments, Imperial was encouraged by the results of a bulk sample test recently completed on the Spanish Mountain gold property located in the Cariboo region of central BC. Imperial can earn a 75% interest in Spanish Mountain from WILDROSE RESOURCES LTD. [WRS-CDNX] by spending \$500,000 on the property.

The Silvertip project remains under a 60% option to PERUVIAN GOLD LTD. [PVO-CDNX] which has completed all work required to keep its option in good standing until the end of the current field season. Peruvian recently announced a change in business. The impact of this event on Silvertip is not yet clear. More expenditures of about \$3,000,000 are required prior to the end of the 2001 field season to exercise the option.

CATHEDRAL GOLD CORP. [CAT-T] announced completion of the acquisition of Directional Plus Ltd. on 16Jun2000. Directional is a Calgary-based private company that provides horizontal and directional drilling services to the oil and natural gas industry in Western Canada. Imperial holds 6,857,335 shares of Cathedral Gold.

Gold leaching operations were maintained on better than cash break-even basis during the quarter at the Imperial Metals 100% owned Sterling mine near Beatty Nevada. An exploration program was initiated in May to assess the area surrounding the Sterling property and within the adjacent Bare Mountain. This work led to additional claim staking with follow-up geological mapping and rock sampling. Five areas containing anomalous gold in rock have now been delineated within the original and newly acquired claims. Follow-up drilling is anticipated once assay results have been received. (SEE GCNL NO.155, 14Aug2000, P.5 FOR SPANISH MOUNTAIN GOLD PROJECT DATA)