

IMPERIAL METALS CORP.

[IPM-T] 78,147,146 SHS.

SIX MONTH REPORT - Imperial Metals has reported second quarter revenues totalled \$25,169,000 compared to \$30,265,000 in the second quarter of 1998, while the company

incurred an operating loss of \$1,871,000 in the second quarter of 1999 compared to operating income of \$2,361,000 in the second quarter of 1998. [See much detail in the table overleaf P.2] The six months ended June 30, 1999 included a full six months of operations for both the Mount Polley Mine and the Huckleberry Mine. The comparative period in 1998 included the six months of operations for Mount Polley but only four months for the Huckleberry Mine acquired effective February 28, 1998, in the plan of arrangement with Princeton Mining Corporation. Lower copper and gold prices in the 1999 period reduced revenues and operating income.

The net loss in the second quarter of 1999 was \$1,994,000 (\$0.03 per share) compared to a net income of \$1,176,000 (\$0.02 per share) in the second quarter of 1998. Foreign exchange losses in the second quarter of 1999 were \$137,000 compared to \$1,089,000 in the prior year's quarter.

Revenues during the first six months of 1999 were \$49,165,000 compared to six month revenues for 1998 of \$43,480,000. The six month net loss for 1999 was \$2,957,000 (\$0.04 per share) compared to a six month net loss of \$1,193,000 (\$0.02 per share) in 1998. Capital expenditures were \$3,597,000 in the June 1999 quarter, primarily on tailings dam construction at the Huckleberry Mine, versus \$2,136,000 in the 1998 quarter.

Repayments on long term debt totalled \$41,000 during the three months ended June 30, 1999, compared to \$1,484,000 in the second quarter of 1998.

As part of the financial restructuring for Huckleberry Mines Ltd., repayment of all Huckleberry long term debt has been rescheduled and accrued interest on long term debt totalling \$5,122,000 has been reclassified to non current liabilities as repayment is dependent on the cash flow generated by the mine.

To meet ongoing financial challenges resulting from low metal prices, Imperial sold a 2.5% interest in the Mount Polley Mine to its joint venture partner, SC Minerals Canada Limited, for US \$875,000 effective July 31, 1999.

SILVERTIP, B.C.

The 100% owned Silvertip property is located in northern British Columbia, 85 kilometres southwest of Watson Lake, Yukon. In April 1999, Imperial optioned a 60% in Silvertip to Peruvian Gold Limited whereby Peruvian must spend \$5,000,000 over three field seasons, with a minimum commitment of \$450,000 in 1999. Imperial retains operatorship throughout the option period, preserving cash and offsetting the risk associated with deep drilling, and retains the right to buy back a 20% to own 60%, by making subsequent expenditures of \$2,000,000.

The first phase of the 1999 program, consisting of 5.65 line-km of CSAMT survey, was completed in July. The survey revealed three well defined areas exhibiting anomalously conductive signatures. Drill targets have been chosen in these areas and a drilling contractor has been mobilized to the property to proceed with 2,000 metre diamond drilling.

Silvertip has a mineral resource of 2,570,000 tonnes grading 325 g/t silver, 6.4% lead, 8.8% zinc and 0.63 g/t gold.

Imperial owns 50% (10% prior to April 1, 1999) of the Sterling gold mine near Beatty, Nevada. During the second quarter, the Sterling Mine produced 1,198 ounces of gold. Production from the ongoing leaching operation during the first six months totalled 1,495 ounces of gold. The improved gold production in the second quarter was due to recoveries of gold from the heaps that had been tutted over. Recent changes resulted in an immediate improvement in head grades to the leach plant and will generate higher gold production in the near future. Regional exploration continues.

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**IMPERIAL METALS CORP.
FINANCIAL REPORTS FOR SIX MONTHS
ENDED JUNE 30, 1999**

**IMPERIAL REPORTS FINANCIAL RESULTS FOR THE
SIX MONTHS ENDED JUNE 30, 1999**

Vancouver (August 30, 1999) - Imperial Metals Corporation (IPM-T) reports financial results for the three and six months ended June 30, 1999 as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	1999 (000's)	1998 (000's)	1999 (000's)	1998 (000's)
Revenues	\$25,169	\$30,265	\$49,165	\$43,480
Operating (Loss) Income	\$(1,871)	\$2,361	\$(1,512)	\$263
Net (Loss) Income	\$(1,994)	\$1,176	\$(2,957)	\$(1,193)
Net (Loss) Income Per Share	\$(0.03)	\$0.02	\$(0.04)	\$(0.02)
Cash Flow	\$3,285	\$5,934	\$4,369	\$5,491
Cash Flow Per Share	\$0.04	\$0.08	\$0.06	\$0.08

HUCKLEBERRY MINE, B.C.

- * Open pit copper/molybdenum mine
- * 50% owned and operated by Imperial (60% prior to July 1, 1999)
- * Located approximately 123 kilometres southwest of Houston, B.C.

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

	Second Quarter	Year to Date
	<u>1999</u>	<u>1999</u>
Ore milled (tonnes)	1,723,129	3,353,387
Ore milled per calendar day (tonnes)	18,936	18,527
Ore milled per operating day (tonnes)	20,034	20,033
Grade (%) - Copper	0.605	0.602
Grade (%) - Molybdenum	0.020	0.019
Recovery (%) - Copper	90.68	90.99
Recovery (%) - Molybdenum	35.20	39.65
Copper concentrate produced (tonnes)	34,489	68,230
Molybdenum concentrate produced (tonnes)	225	478
Concentrate grade (%) - Copper	27.42	26.90
Concentrate grade (%) - Molybdenum	52.89	51.88
Copper produced (lbs)	20,847,239	40,465,007
Molybdenum produced (lbs)	262,350	545,864

At June 30, 1999, Imperial's ownership was reduced from 60% to 50% pursuant to a financial restructuring package for Huckleberry negotiated with the Japan Group.

MOUNT POLLEY MINE, B.C.

- * Open pit gold/copper mine
- * 52.5% owned and operated by Imperial (55% prior to August 1, 1999)
- * Located approximately 56 kilometres northeast of Williams Lake, B.C.

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

	Second Quarter	Year to Date
	<u>1999</u>	<u>1999</u>
Ore milled (tonnes)	1,807,868	3,314,067
Ore milled per calendar day (tonnes)	19,866	18,310
Ore milled per operating day (tonnes)	21,191	19,964
Grade (%) - Copper	0.320	0.317
Grade (g/t) - Gold	0.567	0.607
Recovery (%) - Copper	67.00	67.70
Recovery (%) - Gold	76.70	77.04
Concentrate produced (tonnes)	14,344	26,741
Concentrate grade (%) - Copper	26.82	26.46
Concentrate grade (g/t) - Gold	54.77	57.98
Copper produced (lbs)	8,482,348	15,601,294
Gold produced (ounces)	25,259	49,849