NO.146(1990)
JULY 30, 1990

IMPERIAL METALS CORPORATION (IPM-V,T,M,)
PRODUCTION RECOMMENDED AT 15,000 TON PER DAY

Imperial Metals Corporation, operator of the Mt. Polley project, 60 km east of Williams Lake, B.C. has received the final feasibility study recommending the open pit porphyry copper/gold mine be placed in production at 15,000 ton per day at a capital cost of $131,000,000. The mine will produced 32,000,000 pounds of copper and 71,000 ounces of gold per year for the present 10 year life. First year production is forecast at 110,000 ounces gold.

The study was prepared by Wright Engineers Limited in collaboration with a number of specialized sub-contractors including Derry Michener Booth and Wahl Ltd., Knight & Plesold Ltd. Mintec Inc., Coastech Research Inc., Hazen Research Inc. and Anderson, Genssler & Schwab, Inc.

Probable and possible geological reserves on the property total 116,700,000 tons grading 0.59% copper equivalent and containing 0.34% copper and 0.47 g/t gold (0.014 oz./t).

Open pit mineable reserves based on 528 drill holes totalling 200,000 feet are 53,700,000 tons grading 0.38% copper, 0.016 oz./t. The budget for the 12 months from Sept.1,1989, was set at $2,300,000 and included in-fill and condemnation drilling, pilot plant tests, metallurgical research and completion of the feasibility study.

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In addition to above reserves, 27,200,000 tons of low grade material averaging 0.22% copper, 0.007 oz./t gold are contained in the 94,800,000 tons which will be stripped during the operation. This low grade ore which will be stockpiled for processing later should extend milling operations by four years to a total of 14 years.

With recoveries for copper of 76.1% and for gold of 80.2%, yearly production is estimated between 50,000 and 60,000 tons of concentrate containing an average of 25% copper, between 1 and 2 ounces of gold per ton, between 1 and 2 ounces of silver per ton and no penalty elements. The project is environmentally acceptable with acid consuming waste rock and tailings. The extensive ground water and acid generation tests have all been favourable.

Capital costs for development of the Mt. Polley ore body, in current Canadian dollars, are estimated at $131,500,000 and include $13,000,000 for contingencies and $5,000,000 for working capital. With an operating cost of $6.52/tonne, the project should pay back after tax all capital expenditures within 3.6 years and should produce copper at an average cash cost of U.S.28¢/lb. Construction, including detailed engineering, could be completed with 20 months of start up. Construction will start as soon as the financing is completed. The company has been contacted by a number of banks interesting in considering and negotiating terms for the construction loans. The company hopes the complete financing package can be in-placed within three months which could permit the start of production in mid-1992.

All recent work on the property has been centered on establishing mineable reserves in the Central and West Zone areas. However, geological reserves at Mount Polley point to an excellent potential for expansion or for extension of the mine life.

"We have open pit mineable reserves of 49,000,000 54,000,000 tons containing 314,000,000 lbs of recoverable copper and 701,000 ounces of recoverable gold. The feasibility study shows that this is mineable at today's and at long term copper and gold prices and exchange rates. Moreover, processing of the low grade stockpile is expected to recover an additional 72,000,000 lbs of copper and 89,000 ounces of gold. With these recoverable reserves Mt. Polley has a total value approaching a billion dollars. This is all the more significant when we know that three porphyry copper mines will be closed in B.C. by the end of 1992. The next task is to arrange the financing and approvals necessary for development at Mt. Polley" says Hugh Morris, Chairman. (SEE CHART OF B.C. PORPHYRY COPPER MINES OVERLEAF PAGE 1)(SEE GCNL No.110, 7Jun90, P.1 FOR PREVIOUS INFORMATION)

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