

1710 - 609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
(604) 683-7265 FAX 683-5306
BBS 683-7206

George Cross News Letter

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IMPERIAL METALS CORP. (IPM-T)

GIBRALTAR MINES LTD.

[GBM-V, T] 22,881,413 SHS.

MOUNT POLLEY PROJECT - Malcolm Swallow, vice-president, EVALUATION ADVANCES operations, Imperial Metals Corp., has reported excellent progress has been made on the evaluation being carried out by Gibraltar on the Mount Polley copper/ gold deposit located 60 km east of Williams Lake.

B.C. If and when a production decision is made under a 50/50 joint venture agreement, Gibraltar Mines Ltd. will contribute its mobile mining fleet and McLeese Lake mill and Imperial Metals is to contribute the Mount Polley deposit with geological reserves of 254,000,000 tons of 0.26% copper, 0.01 oz. gold/ton. Alternatively, Mount Polley will be operated as a stand-alone mine with Gibraltar as operator. The project is on schedule for an August 1st completion of Phase I of Gibraltar's evaluation program. Gibraltar must also complete a \$1,500,000 feasibility study by June 1995.

Gibraltar has completed 4,000 feet of diamond drilling in seven holes within the proposed open pit area to confirm ore grade and thickness within the 54,000,000-ton initial pit reserve. These holes are being logged and assayed and the first results are expected by the end of July. Gibraltar has drilled and blasted five sample test pits for metallurgical studies. This metallurgical work is in addition to the metallurgical evaluation completed by Wright Engineers in their 1990 feasibility study. A total of 145 bench-scale metallurgical tests completed by Gibraltar have confirmed Wright Engineer's work with similar or improved recoveries for copper (feasibility study recovers 76.6% copper, 81.2% gold). Initial tests here indicate that a further improvement in the recoveries of copper from the near surface oxide cap may be achieved.

Detailed engineering work required for transportation of Mount Polley ore to the McLeese Lake mill 40 km away is underway with both conveyor and dedicated off-highway truck options being studied. The process of permitting the transportation corridor has started with the B.C. Government.

Imperial is pleased to note Gibraltar's recent announcement that work at the McLeese Lake mine will resume in the near future. Imperial considers this a positive step for the Mount Polley joint venture, since it removes the start-up and training costs for operation of the McLeese Lake mill and mobile plant and will allow a smooth transition into operation of the J/V at Mount Polley.

Imperial Metals Corp. expects the program to remain on schedule for completion of the first phase and start of the second phase of the evaluation by the end of August. (SEE GCNL NO.102. 30May94, P.1 FOR PREVIOUS PROJECT INFORMATION)

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