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George Cross News Letter

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IMPERIAL METALS CORP. [IPM-T]

GIBRALTAR MINES LTD.

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

GIBRALTAR JOINT VENTURE FORMED - Pierre Lebel, president,
reports Imperial Metals
Corp. has signed an option agreement with Gibraltar Mines Ltd. for the
formation of a 50/50 joint venture to develop Imperial's wholly-owned

Mount Polley copper/gold deposit in central B.C., 40 km east of the
Gibraltar Mine at McLeese Lake and 60 miles east of Williams Lake.

Formation of the joint venture will be preceded by a 15-month option
period during which Gibraltar will undertake an extensive due diligence
evaluation to confirm tonnage, grade and metallurgy, as estimated by
Wright Engineers Ltd. in its comprehensive feasibility study of June,
1990. The cost of this evaluation, if taken to completion, will exceed
CDN \$1,500,000.

The parties hope to establish the feasibility of linking the
proposed Mount Polley Mine to Gibraltar's McLeese Lake milling
facilities by conveyor or other means of surface transport, allowing the
milling of Mount Polley ore at McLeese Lake. The estimated rate of
production would be 22,000 tons per day. The use of the McLeese Lake
mill and tailings facilities and Gibraltar's mining equipment greatly
enhances the economics of the proposed development by reducing
capital and operating costs and cutting the project lead time. Should the
linkup plan be viable, Imperial will contribute the Mount Polley ore
body and Gibraltar will dedicate its physical plant and heavy mobile
mining equipment to the joint venture. Additional costs associated
with ore transportation from Mount Polley to the McLeese Lake
concentrator, modifications to Gibraltar's milling and tailings
facilities and on site facilities at Mount Polley will be paid for by the
joint venture.

Geological reserves at Mount Polley contain 2,500,000 ounces of
gold and 1.3 billion pounds of copper in 214,000,000 tons, grading
0.26% copper and 0.01 oz.gold/ton. The initial recoverable reserves
as reported in the Wright study are: 711,000 ounces of gold and 322
million pounds of copper in 54,000,000 tons grading 0.38% copper
and 0.016 oz.gold/ton, with excellent opportunities for further
expansion. Preliminary evaluation work by Imperial and Gibraltar
suggests the project would be profitable with rapid payback of new
capital expenditures. (SEE GCNL NO.34, 18Feb94, P.3 FOR OTHER
IMPERIAL METALS NEWS)

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