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George Cross News Letter

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WESTERN CANADIAN INVESTMENTS

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NO. 231 (1995)
 DECEMBER 1, 1995

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82M 141

IMPERIAL METALS CORPORATION

[IPM-T] 57,047,093 SHS.

| NINE MONTHS ENDED SEPTEMBER 30, 1995 | | 1994 |
|--------------------------------------|---------------|--------------|
| REVENUES | \$ 17,913,435 | \$ 2,865,506 |
| NET (LOSS) INCOME | (873,075) | 926,296 |
| NET (LOSS) INCOME PER SHARE | (2¢) | 2¢ |
| CASH FLOW | 2,053,567 | 530,821 |
| CASH FLOW PER SHARE | 4¢ | 1¢ |

| THREE MONTHS ENDED SEPTEMBER 30, 1995 | | 1994 |
|---------------------------------------|-------------|-----------|
| REVENUE | \$5,260,000 | \$750,000 |
| NET LOSS | 1,080,000 | 132,000 |
| EARNINGS (LOSS) PER SHARE | (2¢) | 0¢ |

NINE-MONTH REPORT - Pierre Lebel, president, Imperial Metals Corp., reports financial highlights for the nine months ended September 30, 1995. Two significant events affect the comparison: 1) the merger with Bethlehem Resources Corp. and inclusion of Bethlehem operations from 1Jan95; and 2) the deconsolidation of CATHEDRAL GOLD CORP. [CAT-T] effective 31Mar94.

The third quarter loss is attributable to lower copper grades, lower production and higher operating costs at the Goldstream mine near Revelstoke, B.C. The company's cash and cash equivalents was \$9,000,000 at 30Sept95. Working capital is \$11,600,000 and the company is debt free.

Mount Polley, B.C.: Soil stripping in the mill site area, access road extension and tailings dam site preparation were completed during September and October in anticipation of project construction start up in the spring of 1996. Cost of the fall program was borne by the Mount Polley joint venture (Imperial 65%, Sumitomo Corp. 35%).

A revised ore reserve estimate, taking into account the results of all recent drilling carried out at Mount Polley, has now been completed. It compares to the 1990 Wright Engineers feasibility study estimate as follows:

| TONNES | GOLD GR/T | CONTAINED OUNCES OF GOLD | COPPER % | CONTAINED POUNDS OF COPPER | |
|-------------------|------------|--------------------------|-----------|----------------------------|-------------|
| REVISED ESTIMATE: | 81,500,000 | 0.414 | 1,085,000 | 0.30 | 540,000,000 |
| WRIGHT ESTIMATE: | 49,000,000 | 0.556 | 876,000 | 0.38 | 410,000,000 |

Stripping ratios (waste to ore) for the 81,500,000 tonne orebody are 1.12 to 1 as compared to 1.76 to 1 for the 49,000,000 tonne orebody in the Wright Engineers study. Revised technical and economic data is now under review by Sumitomo and infrastructure assistance negotiations are underway with the B.C. Government. A decision on project financing is expected by year end.

Goldstream Mine, B.C.: Milling operations resumed as planned 3Sept95 following a shutdown in mid July to allow underground development to advance through poor ground conditions. Copper production during the quarter was below budget due to lower than expected copper grades. The 31Jan96 date for shutdown of mining operations has now been confirmed. Efforts to find additional ore in the vicinity of the mine will continue.

Smithers Massive Sulphide Showing: A shallow six-hole program was carried out on a new massive sulphide showing near Smithers, B.C. This drilling failed to intersect the mineralized zone which has been traced on surface for a distance of about 30 metres. The showing is a polymetallic massive sulphide consisting of coarse grained, massive pyrite, arsenopyrite, chalcopyrite, galena and sphalerite with anomalous gold and silver. Results from selected sampling on surface returned assays of up to 2.3 oz. gold/ton and 10 to 13 oz. silver/ton with elevated copper, lead and zinc. Upon completion of the recent exploration program, the property was enlarged. Exploration activities will continue next summer.

Giant Copper, B.C.: Exploration activities resumed in the third quarter following a five-year hiatus during which little or no