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**George Cross News Letter**  
**"Reliable Reporting"**  
 WESTERN CANADIAN INVESTMENTS

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**IMPERIAL METALS CORPORATION**

[IPM-T] 56,977,093 SHS.

THREE MONTHS ENDED MARCH 31	1995	1994
Revenues	\$6,680,000	\$1,346,000
Operating Income	872,000	151,000
Net Income	875,000	877,000
Net Income Per Share	2¢	2¢
Cash Flow	\$1,608,000	150,000
Cash Flow Per Share	3¢	0¢

FIRST QUARTER REPORT - Pierre Lebel, president, Imperial Metals Corp., reports financial results for the three months ended 31Mar95. Imperial changed to a calendar year reporting basis effective 31Dec94. The comparative results for the quarter ended 31Mar95 are those of the fourth quarter of the fiscal year completed 31Mar94. Two significant events affect the comparison: (a) the merger with Bethlehem Resources Corp. and inclusion of Bethlehem operations from 1Jan95; and, (b) the deconsolidation of CATHEDRAL GOLD CORP. [CAT-T] effective 31Mar94.

The 1995 first quarter net income is a result of profitable operations at the Goldstream Mine, eastern B.C. The 1994 quarter included one-time gains from the sale of the uranium subsidiary and dilution of interest in subsidiary. At 31Mar95 Imperial had \$17,662,000 in cash and cash equivalents and no debt. Imperial issued 3,963,516 shares and paid \$2,000,000 in cash subsequent to 31Mar95 to complete the merger with Bethlehem.

On 11Apr95, Imperial reached agreement in principle with Sumitomo Corp. of Japan on a project financing arrangement for the development of Mount Polley, B.C. as a 15,000 ton-per-day open pit copper-gold mine. Under the arrangement, Sumitomo will make available to Imperial project debt financing of up to \$47,700,000. In addition, Sumitomo will fund its 35% cost share of the \$102,000,000 development cost. Imperial will operate and retain a 65% joint venture participating interest. The agreement is subject to certain conditions including due diligence.

Due diligence work is well advanced with the parties having decided to carry out additional metallurgical testwork using fresh ore samples to confirm the copper recovery estimates in the June, 1990 feasibility study prepared by Wright Engineers. Recent lock cycle testwork performed on five ore samples from 1988-1989 drilling resulted in average copper recoveries which were lower than the Wright estimate. Gold recovery results were comparable to the Wright estimate. Ore sample deterioration is thought to be a factor in the copper recovery results of recent testwork. Drilling to obtain fresh ore samples will start immediately. The cost of the 4,000-foot drill program will be shared 65% by Imperial and 35% by Sumitomo. Results from the second round of metallurgical testwork should be available by the end of July. Accordingly, the time for completion of all due diligence matters under the agreement reached with Sumitomo Corp. has extended.

Production in the first quarter of 1995 from the Goldstream Mine was 3,600,000 pounds of copper in concentrate and 400,000 pounds of zinc in concentrate. With a copper price of US \$1.25/lb. gold at US \$375/oz and a 72-cent Canadian dollar, revenues in 1995 should reach \$25,000,000. Net income under these assumptions in forecast to exceed \$2,500,000 and cash flow is forecast to reach \$5,600,000. (SEE GCNL NO.84, 2May95, P.4 FOR YEAR-END REPORT)