

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

George Cross News Letter

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**IMPERIAL METALS CORPORATION [IPM-T]
REGIONAL RESOURCES LTD. [RGL-T]**

**REGIONAL LEAD ZINC RESERVES TO BE BOUGHT - Imperial
Metals**

Corporation has agreed to make an offer, by way of plan of arrangement, for all of the outstanding shares of Regional Resources, subject to shareholder and regulatory approval.

Each shareholder of Regional will receive, at the option of the holder, either 0.8 share of Imperial for each share of Regional or \$1.00 cash. AEC West Ltd., formerly Conwest Exploration Company Limited, the holder of 3,973,960 shares (55.4%) of Regional, has entered into a lock-up agreement with Imperial to vote in favour of the plan of arrangement and to elect the all cash option.

Regional's principal asset is an 82.15% interest in the Midway Project, an advanced stage silver-lead-zinc property in the Watson Lake district of northern British Columbia. The Midway Project currently has mineable reserves of 1,377,000 tonnes grading 317 g/t (9.3 oz/t) silver, 5.8% lead, and 8.3% zinc with potential for expansion. In addition to the Midway Project Regional also has cash and cash equivalents in excess of \$4,700,000.

Concurrent with the offer Imperial has agreed to purchase the remaining 17.85% interest in the Midway Project directly from AEC West Limited for \$400,000 cash. The Midway Project will provide Imperial with additional opportunities to become a multi mine producer.

Imperial is currently constructing the 55% owned Mount Polley Gold-Copper Mine near Williams Lake, B.C. with its partner Sumitomo Corporation of Japan.

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