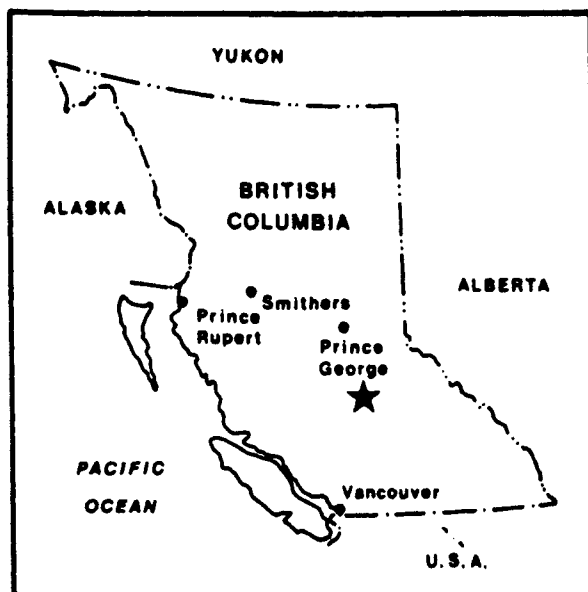


MOUNT POLLEY



Commodities: Copper, gold

Ownership: Imperial Metals Group 62%
Corona 38%

Operator: Imperial Metals Corporation

Reserves: 53,000,000 tons Est. Mineable Reserves

Grades: 0.44% Cu; 0.017 opt Au

Mining Method: Open pit, stripping ratio 1.9:1

Production: 15,000 t/day estimated
5,000,000 t/year

Capital Cost: Estimated \$135,000,000

Status: \$1,500,000 budget for 1989.
Production decision by end of 1989.

Location: The Mount Polley copper/gold deposit is located in south central British Columbia. Access is by paved road from 150 Mile House to Moorehead Lake and then 10 km by logging road. The property consists of 100 claims totalling 321 units (13,300 acres).

Geology Mount Polley is a porphyry deposit occurring in an alkalic intrusive complex in the Quesnel Trough, a 35 km wide northwesterly trending early Mesozoic volcanic sedimentary belt extensively explored since 1981. Six copper zones have been outlined to date. Porphyry type copper-gold mineralization is concentrated in two adjoining intrusive breccias. Magnetite and chalcopyrite occurs as disseminations and veinlets within the host rock.

Exploration A total of 389 holes and 155,000 feet of percussion, rotary and diamond drilling has been completed on the property. In addition, 21,000 feet of trenching was done over the southern part of the central zone.

Reserves Six zones of porphyry copper-gold mineralization have been outlined on the property, two of them of economic proportions. The Central and West Zones contain 53,000,000 tons grading 0.44% copper and 0.017 opt gold. The entire reserve tonnage is mineable by a single open pit with an overall strip ratio of 1.9:1. Preliminary economic appraisal of the project indicates excellent potential for a profitable mining operation. Reserves were calculated to a maximum pit depth of 360 feet in the Central Zone and 480 feet in the West Zone, using a 0.30% recoverable copper equivalent cut-off over a minimum intersected length of 30 feet. During the first five years of pit life, production from the southern section of the Central Zone would average 0.44% copper and 0.023 oz/ton gold with a strip ratio of 0.9:1.

1989 Exploration The \$1,500,000 program, includes 30,000 feet of diamond drilling designed to detail reserves in the West Zone. The program is also intended to upgrade the metallurgy to determine more accurately the distribution of oxide ore and to complete environmental work required for a feasibility study. A production decision is expected by the end of 1989.