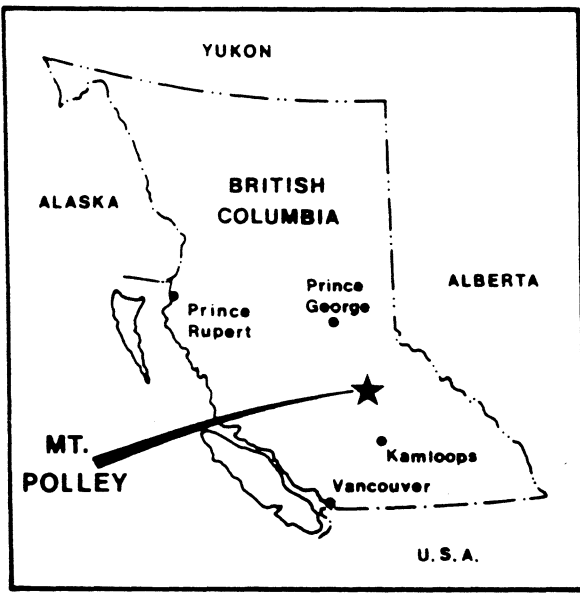


Cariboo Belt  
Mt. Polley  
YCS

# Imperial Metals Corporation

885582

## 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 Phase 1 budget for 1989.  
Production decision by mid 1990.

**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 occur 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 known mineralized zones.

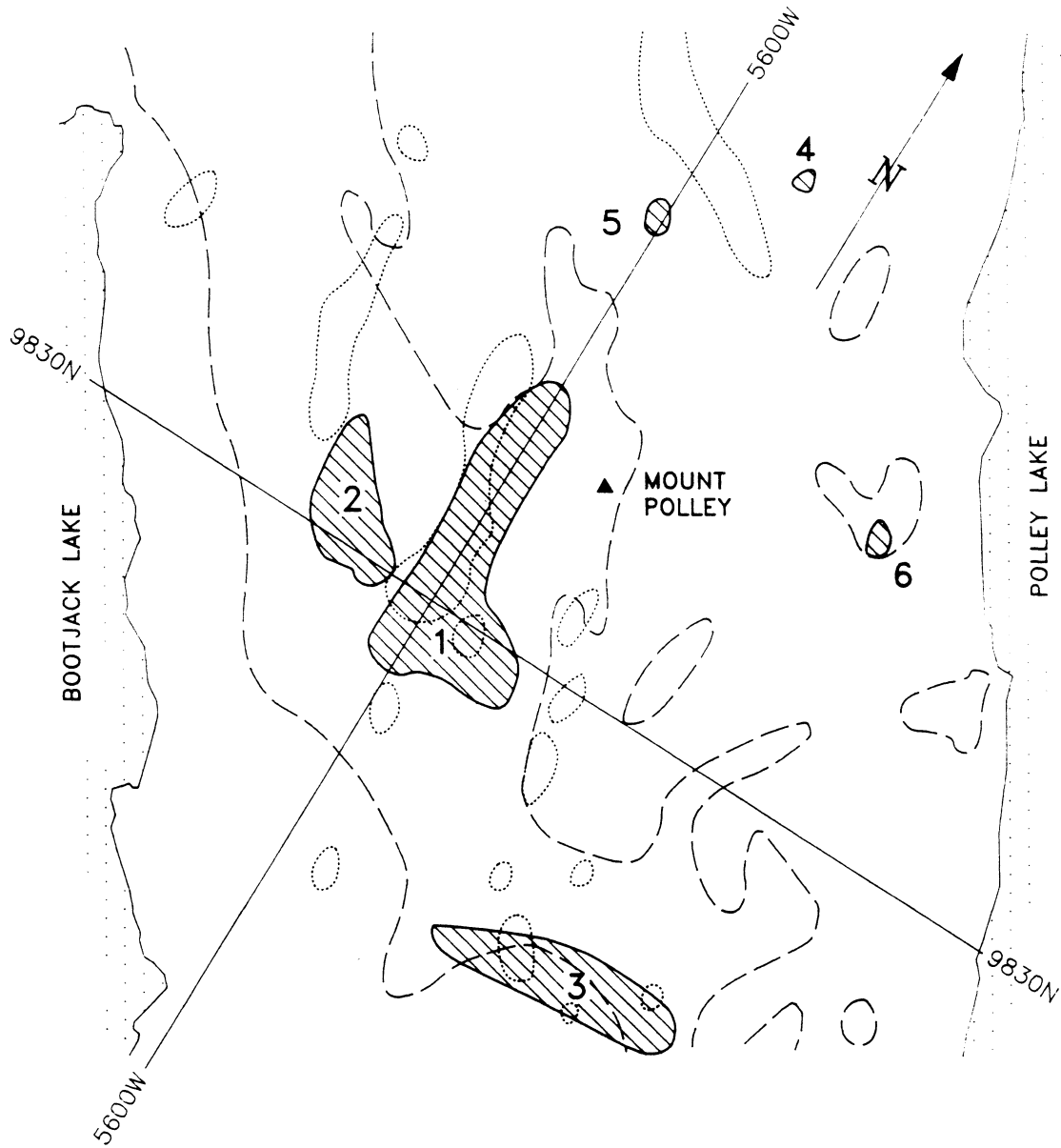
**Reserves** Six zones of porphyry copper-gold mineralization have been outlined on the property, two of them of economic proportions. The Central and West Zones contain 53,000,000 tons grading 0.44% copper and 0.017 opt gold mineable by a single open pit with an overall strip ratio of 1.9:1. Reserves 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.

**1989 Exploration** The \$1,500,000 Phase 1 program, includes 30,000 feet of diamond drilling to detail reserves in the Central and West Zones. Phase 2, which will commence in the Fall, will include bulk sampling, metallurgical testing to determine the distribution of oxide ore with greater precision, environmental work and condemnation drilling. Following completion of Phase 2 a full feasibility study will be undertaken which will lead to a production decision by mid 1990.

12g3-2(b) : 82-1032  
TSE/MSE/VSE: IPM

MAY, 1989

# MOUNT POLLEY - COPPER GOLD DEPOSIT



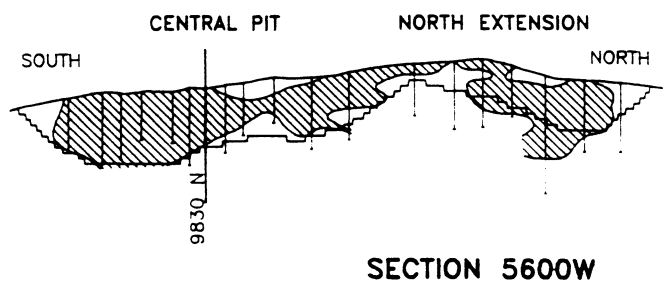
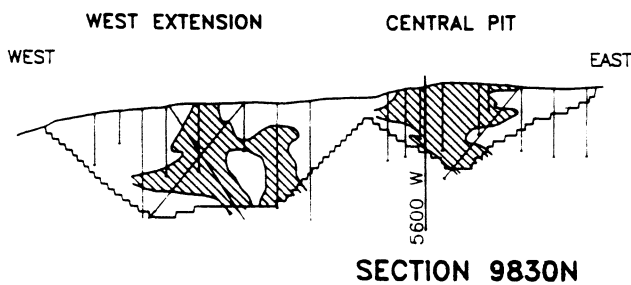
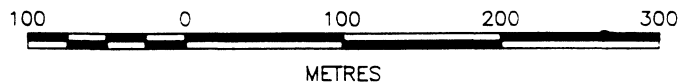
## LEGEND:

⊗ MINERALIZED ZONE  
( $>0.30\%$  Cu,  $>0.012$  oz Au/t)

- 1 CENTRAL ZONE
- 2 WEST ZONE
- 3 SOUTH ZONE
- 4 ROAD ZONE
- 5 ZONE FIVE
- 6 ZONE SIX

○ MAGNETIC HIGH

○ Cu SOIL ANOMALY  
( $>200$  ppm)



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NEWS RELEASE

TRADING SYMBOL: IPM (T, M, V)  
FOR RELEASE : June 12, 1989 (604) 669-8959  
CONTACTS : Pierre B. Lebel, President  
Eric X. Lavarack, Director, Investor Relations

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**IMPERIAL METALS COMMENCES MAJOR 1989 PROGRAM AT MOUNT POLLEY**

Work which will lead to a full scale feasibility study on the Mt. Polley copper-gold deposit 56 km northeast of Williams Lake, B.C. was recently commenced by project operator, Imperial Metals Corporation. 20,000 feet of close spaced drilling will detail portions of Central and West Zone reserves while a further 10,000 feet of step out drilling will test for additional tonnage west of the Central Zone.

Bulk sample metallurgical test work will follow upon completion of current drilling operations. Environmental and other studies relating to water quality and quantity, acid generation, tailings disposal and economic and sociological impact have been ongoing since April 1989 and will continue through to mill start up. Geotechnical studies scheduled for completion October 1989 will include preliminary design of the open pit slopes, waste dumps and tailings storage facilities. The overall stripping ratio of the orebody, which is entirely open pitable, is 1.9:1.

Indicated reserves presently estimated at 53,000,000 tons grading 0.44% copper and 0.017 opt gold are sufficient to sustain a mine life of 10 years at a processing rate of 15,000 tons per day.

The deposit is held by Imperial Metals Corporation (33.64%) Corona Corporation (38.41%) and other Imperial Metals Corporation Group entities (27.95%).

A project prospectus was submitted to the B.C. Mine Development Steering Committee on June 7, 1989 as the first step in the mine development review process.

  
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Pierre B. Lebel  
President

# The Northern Miner

Founded 1915

CANADA'S MINERAL RESOURCES NEWSPAPER

## Imperial studies \$135-million plan for Polley

by Vivian Danielson

VANCOUVER — After analyzing the 1988 exploration program at the Mount Polley copper/gold deposit in south-central British Columbia, project operator **Imperial Metals Corp.** (TSE) says drilling has successfully confirmed the presence of substantial tonnages of potentially commercial copper/gold mineralization.

The alkaline class copper/gold porphyry deposit is found on the Cariboo Bell property located 35 miles northeast of Williams Lake and is jointly owned by the Imperial Metals Group (61.59%) and **Corona Corp.** (TSE) (38.41%), with Imperial Metals Corp., beneficially holding 34% of the deposit.

"Mount Polley offers good copper and higher than average gold grades capable of jointly supporting a profitable operation," said Hugh Morris, chairman of Imperial Metals. The company is envisioning a five-million-ton-per-year open pit operation capable of producing 100,000 oz of gold and 32 million lb of copper annually in its initial phase, with gold output decreasing slightly during the later years.

While earlier work between 1964 and 1986 established a geological inventory of some 128 million tons of sub-economic gold and copper grades (0.31% copper and 0.012 oz gold), Imperial's 1988 program was specifically tailored to test the property's potential for higher grade reserves within the known, broadly explored mineralized zones.

Last year's 29,000-ft, 99-hole program concentrated initially on the southern half of the Central zone where prior drilling by Imperial and others had revealed indications of enhanced copper/gold content. Preliminary ore reserves as estimated by Mintec Inc. of Tuscon, Ariz., are now reported to be 53 million

tons grading 0.44% copper and 0.017 oz gold per ton (sufficient for a 10-year mine life); calculations which incidentally are in agreement with Imperial's own in-house estimates.

"We have a high degree of certainty about our reserve numbers," said Zarko Nikic, Imperial Metals' vice-president mineral exploration, in a recent meeting with *The Northern Miner*. "To date 389 holes have been drilled into this project for a total of 155,154 ft."

Imperial said all reserves are calculated to a maximum pit depth of 400 ft in the Central zone, and 500 ft in the West zone, with a cut-off grade of 0.3% copper recoverable equivalent across a minimum intersection of 30 ft.

The three zones are separated by narrow regions of low grade mineralization and can be mined from a single open pit. Imperial noted that the property has relatively gentle

topography, which combined with the geometry of the deposit, will allow an over-all stripping ratio of 2:1.

The South Central zone, which has higher than average gold grades combined with a better strip ratio (a good portion of the zone outcrops right on surface), is the obvious choice to be mined first. The pit would then be extended north along the Central zone and west into the West zone.

Copper recovery is expected to average 72% and gold recovery 82%, after allowing for the presence of some oxidation in the ore which reduces on copper recoveries as the ratio increases. Nikic estimated that of the total tonnage, about 70% is less than 10% oxidized, and 85% falls within the parameters for copper to be economically recovered. Gold recoveries, however, are only moderately affected by increases in

copper oxide content.

Imperial Metals plans a \$1.5-million program for 1989 which includes metallurgical testing to confirm results and to aid in mill design, permitting, and 30,000 ft of drilling. While some of the drill program is "condemnation drilling" aimed at outlining sites for waste dumps and a mill, some will be exploration-oriented, aimed at testing other targets on the large and relatively unexplored 13,000-acre property.

By the end of the summer of 1989, the company expects to have completed its work program and gathered sufficient information to make a production decision. Capital costs have been estimated at \$135 million and a preliminary appraisal of the project indicates it would have about a 3.1-year payback based on a conservative copper price of 87¢ per lb and \$425(US) gold.

While few companies would be capable of raising the sizeable funds required to bring onstream a 15,000-ton-per-day mining and milling project, the Imperial Metals Group is a diversified and well financed organization, while partner Corona is an established and significant gold producer.

"As with all large tonnage projects, the Mount Polley deposit is sensitive to commodity prices and exchange rates," said Hugh Morris. "However, with a substantial portion of total revenues resulting from gold sales, we see a strong stabilizing element in the revenue generating capacity of this classic porphyry deposit."

The Mount Polley project is accessed by a paved road to within 10 km and by a good logging road for the remaining distance, however, it is not serviced by power.

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NEWS RELEASE

TRADING SYMBOL: IPM (T, M, V)  
FOR RELEASE : February 8, 1989 (604) 669-8959  
CONTACTS : Pierre B. Lebel, President  
Eric X. Lavarack, Director, Investor Relations

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IMPERIAL METALS CONFIRMS MINE MAKING POTENTIAL AT MOUNT POLLEY, B.C.

Imperial Metals Corporation has completed its analysis of the 1988 exploration program at the Mount Polley copper/gold deposit, located on the Cariboo Bell joint venture property, 56 km northeast of Williams Lake, B.C. The project is jointly owned by the Imperial Metals Group (61.59%) and Corona Corporation (38.41%). Imperial Metals Corporation beneficially holds 34% of the Mount Polley deposit.

Earlier work between 1964 and 1986 established a geological inventory of 128,000,000 tons of sub-economic gold and copper grades. The 1988 program was designed to test the property's potential for higher grade reserves within the known, broadly explored mineralized zones. The 29,000 foot and 99 hole program concentrated initially on the southern half of the Central Zone where prior drilling had revealed indications of enhanced copper/gold content.

Drilling results for 1988 have successfully confirmed the presence of substantial tonnages of potentially commercial copper/gold mineralization. Preliminary ore reserves as estimated by Mintec Inc. of Tucson are 53,000,000 tons grading 0.44% copper, 0.017 opt gold. These calculations are in agreement with Imperial's in-house estimates.

All reserves are calculated to a maximum pit depth of 400 ft. in the Central Zone and 500 ft. in the West Zone, with a cut-off grade of 0.3% copper recoverable equivalent across a minimum intersection of 30 ft. The three zones are separated by narrow regions of low grade mineralization and can be mined from a single open pit. The relatively gentle topography of the property, combined with the geometry of the Mount Polley deposit, will allow for a stripping ratio of 2:1.

The Southern Central Zone which has higher than average gold grades and a better strip ratio, will probably be mined first. The pit would then be extended north along the Central Zone and west into the West Zone. Annual production of 5,000,000 tons with average grades 0.44% copper and 0.017 opt gold would be maintained for the first ten years. The open pit operation would produce 100,000 ounces of gold and 32,000,000 lbs of copper annually in its initial phase, with gold output decreasing during the later years. Copper recovery is expected to average 72% and gold recovery 82%, after allowance for the presence of some oxidation in the ore.

"As with all large tonnage projects, the Mount Polley deposit is sensitive to commodity prices and exchange rates. However, with a substantial portion of total revenues resulting from gold sales, we see a strong stabilizing element in the revenue generating capacity of this classic porphyry copper deposit. Mount Polley offers good copper and higher than average gold grades capable of jointly supporting a profitable operation" says Hugh C. Morris, Chairman of Imperial Metals Corporation.

A \$1.5 million program which includes metallurgical testing, permitting and 30,000 feet of drilling is scheduled for 1989.



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Pierre B. Lebel  
President

The Vancouver Stock Exchange has not reviewed this news release and does not accept responsibility for the adequacy or accuracy of its contents.