

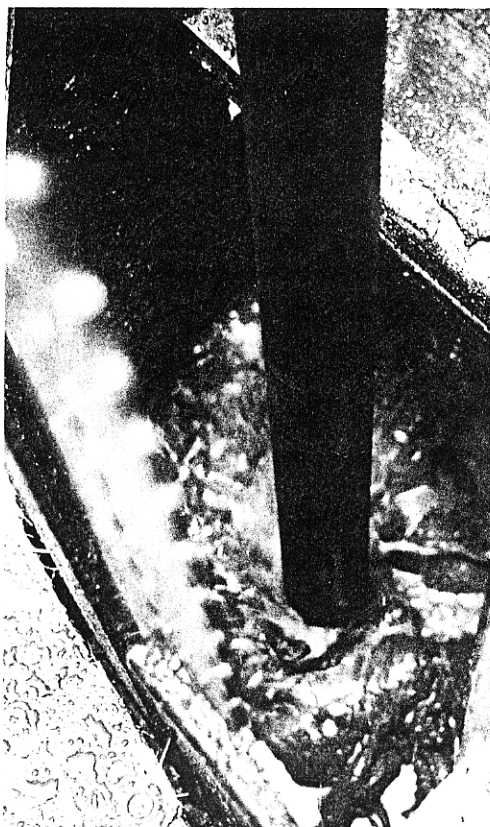
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Mount Polley

5

Insight and persistence have yielded impressive results at Mount Polley which is held by Imperial (33.64%), Corona Corporation (38.41%), and by Geomex Limited Partnerships Nos. 7, 9 and 12 (27.95%). Earlier work had established a geological inventory of 128,000,000 tons grading 0.30% copper and 0.010 oz/ton gold. After Imperial optioned an interest in the project, a diamond drilling and trenching program was designed to test the property for higher grade reserves within the known sub-economic mineral zones. This program led to the identification of 53,000,000 tons grading 0.44% copper and 0.017 oz/ton gold. This reserve contains some 900,000 ounces of gold and 466,000,000 lbs of copper.

Mount Polley ore is contained within two adjacent zones: the nearly circular West Zone measuring 1,500 feet in diameter, and the oblong Central Zone, 3,600 feet long in its north/south axis, and 1,500 feet in width. The two zones are separated by a narrow region of low grade mineralization and can be mined from a single progressively expanding open pit. The southern half of the Central Zone, which has a higher than average gold grade and an advantageous 0.9:1 stripping ratio, will be mined first. The pit will then extend north along the Central Zone and finally west into the West Zone. The gentle topography of the property combined with the geometry of the Mount Polley deposit will allow for an average stripping ratio of 2:1 over the entire life of the project. At a planned production rate of 5,000,000 tons per year, the richer 0.023 oz/t gold grades from the Central Zone would yield 102,000 ounces of gold annually during the first five years of exploitation. Copper production would be relatively constant at 32,000,000 lbs per year throughout the mine life.

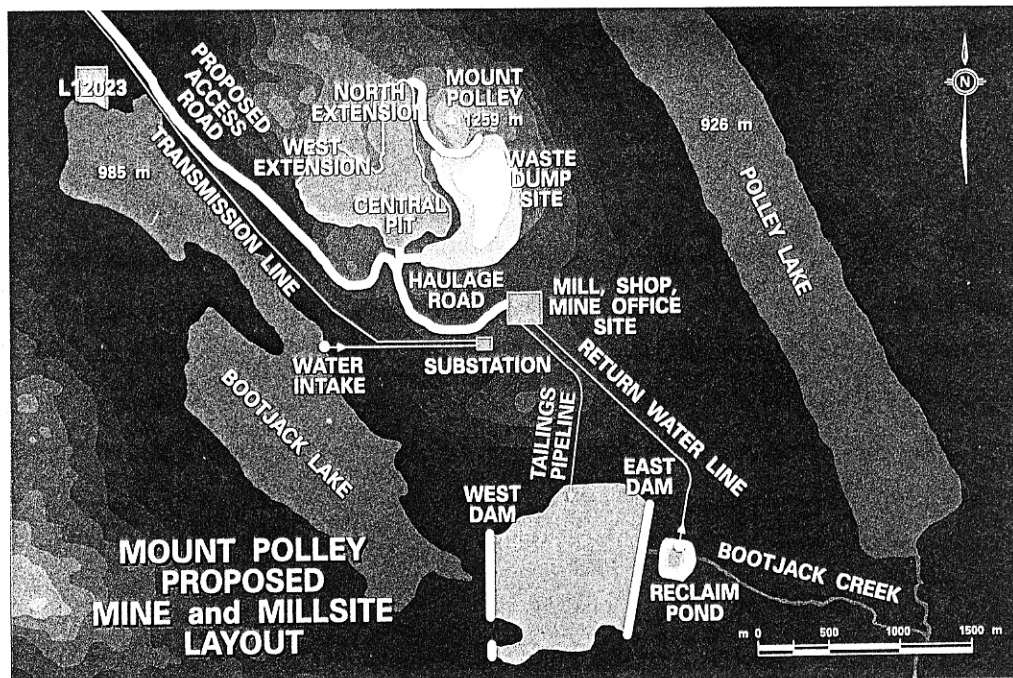
*Drilling in
progress**Chairman
Hugh Morris*

6

Preliminary metallurgical testing indicates plant recoveries of 73.8% for copper and 85.9% for gold. Bulk samples are now being collected and, in the fall, detailed crushing, grinding and flotation tests will be carried out by Coastech Research Inc. of Vancouver.

Imperial, as operator, has taken the first step in the mine permitting process by submitting a Project Prospectus to the B.C. Mine Review Committee. In addition, the Company hosted a series of public information meetings in the Williams Lake area where the project will have a significant economic impact through the creation of 400 jobs during the construction stage and 250 jobs during the mining stage.

Imperial has planned the Mount Polley development program with careful consideration of environmental concerns. Studies related to water quality and quantity, acid generation, tailings disposal and socio-economic assessments have been ongoing since early 1989. These studies, along with the metallurgical results, mine design and final reserve calculations, will be incorporated into a final feasibility study which Imperial expects to complete in 1990.



Ajax

Imperial holds a 1.8% net profits interest in the Ajax deposit, which lies adjacent to the Afton Mine in south central British Columbia. Production of Ajax ore for processing at the Afton mill commenced in June 1989 following depletion of economic open pit reserves at Afton. Ajax reserves are estimated at 27,200,000 tons grading 0.46% copper and 0.010 oz/t gold and the full scale production rate will be 11,000 tons per day. At current metal prices the project should generate significant returns to Imperial in early 1990.