

**NEWS LETTER**

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NO.161(1989)  
AUGUST 22, 1989

**IMPERIAL METALS CORPORATION (IPM-V,T,M)  
CORONA CORPORATION (ICR.A,ICR.B-V,T,M,AMEX)**

**GRADE AND TONNAGE CONFIDENCE-** Project operator Imperial LEVEL INCREASE AT MOUNT POLLEY Metals Corporation, has completed the first phase of a \$1,500,000, 30,000 feet exploration program at the Mount Polley copper/gold deposit, 85 km NE of Williams Lake, B.C. Mount Polley is held 33.64% by Imperial Metals, 38.41%, Corona Corporation and 27.95% by Geomex Limited Partnerships No. 7, 9, & 12, which are controlled by Imperial Metals.

Pierre B. Lebel, president, reports 34 diamond drill holes totalling 19,000 ft.were completed on the property. Fourteen in-fill holes continued the systematic drilling pattern in the West and Central zones and 20 holes were drilled along the edge of both zones to define pit limits. (ASSAY RESULTS OVERLEAF PAGE 1).

Confidence levels in Mount Polley reserves, estimated at 53,000,000 tons drill indicated grading 0.44% copper and 0.017% gold, continue to increase. The total metal content of this reserve is 900,000 oz.gold and 460,000,000 lbs. of copper.

The adjacent Central and West zones are now well defined. The nearly circular West zone measures 1,500 ft.in diameter and the oblong Central zone is 3,600 ft.long and 1,500 ft.wide. The 2 zones, separated by a narrow region of low grade mineralization, will be mined from a single, progressively expanding open pit. The southern half of the Central zone has a higher gold grade and a favourable 0.9:1 stripping ratio. The average stripping ratio for the entire deposit is 2:1. At a planned production rate of 13,000 tons per day, or 5,000,000 tons/year, the Central zone would yield 102,000 oz.gold annually during the first 5 years. Copper production would be relatively constant at 32,000,000 lbs. per year throughout the 10+ year mine life.

Studies related to water quality and quantity, acid generation, tailings disposal and socio-economic impact have been ongoing since early 1989. Test results so far indicate that mine tailings will not be acid generating. Three tailings disposal sites are presently under evaluation by Knight & Riesold. Ongoing drilling and test work on the property is expected to lead to the commissioning of a full-scale feasibility study in the fall of 1989.

93A 8

P. 1

**IMPERIAL METALS CORPORATION**

<u>HOLE</u>	<u>NORTH</u>	<u>WEST</u>	<u>FROM</u>	<u>TO</u>	<u>FT</u>	<u>CUX</u>	<u>AU OZ/T</u>
<b>WEST ZONE - Infill Holes</b>							
101	9835	5965	85	610	525	0.46	0.013
102	9945	5955	25	215	190	0.35	0.015
103	9915	5890	315	590	275	0.39	0.018
105	9985	5985	240	250	10	0.37	0.018
106	10015	6015	NSM				
108	10010	5910	50	190	140	0.39	0.014
112	10150	6110	230	300	70	0.46	0.006
114	9960	6125	185	285	100	0.57	0.019
<b>Pit Definition Holes</b>							
100	9765	5850	220	225	5	0.36	0.040
104	9955	5850	145	190	45	0.52	0.004
107	10095	5900	NSM				
109	10150	6000	NSM				
110	10115	6010	510	515	5	1.31	0.284
111	10205	6065	310	345	35	0.41	0.034
113	10080	6200	NSM				
115	9720	6000	NSM				
116	9720	6120	NSM				
<b>CENTRAL ZONE - Infill Holes</b>							
121	9800	5520	20	205	185	0.35	0.028
122	9750	5400	145	270	125	0.92	0.040
124	9930	5610	10	360	350	0.29	0.013
126	10055	5580	20	135	115	0.36	0.013
127	10055	5520	155	195	40	0.68	0.013
132	10300	5530	NSM				
<b>Pit Definition Holes</b>							
117	9800	5650	NSM				
118	9930	5690	NSM				
119	9880	5690	NSM				
120	9750	5660	NSM				
123	9960	5425	NSM				
125	10055	5660	155	170	15	0.32	0.017
128	10055	5470	505	550	45	0.34	0.017
129	10140	5455	10	105	95	0.49	0.012
130	10450	5440	305	315	10	0.54	0.014
131	10380	5385	310	340	30	0.39	0.009
133	10300	5700	NSM				

NSM - No Significant Mineralization

93A8

P. 2