

George Cross

Reliable K

NO.9(1990)
JANUARY 12, 1990

WESTERN CANADIAN

IMPERIAL METALS CORPORATION (IPM-T.M.V)

85 BENCH SCALE METALLURGICAL TESTS SHOW MOUNT POLLEY
TO BE VIABLE AT 80% COPPER, 85% GOLD RECOVERY

PILOT MILL TEST RESULTS TO BE COMPLETED IN FEBRUARY
PRODUCTION FEASIBILITY TO BE DELIVERED IN MARCH 1990

The real story at Mount Polley, 56 km east of Williams Lake, B.C. is being revealed in the results from 85 bench scale metallurgical studies conducted by Coasttech Research Inc. under the supervision of Kilborn Engineering (B.C.) Ltd. and Wright Engineers Ltd., with confirmation work by Bacon Donaldson and Lakefield Research.

The story is an:

average 80% copper recovery plus 85% gold recovery from ore grading 0.53% copper, of which 0.23% copper or 50% of the contained copper was oxide, (none sulphide) and 0.021 oz.gold/t. The test work has established good gold and copper recoveries are achievable from partially oxidized ores. These test results are not final but show the progress in the test work to the end of December 1989. This recovery was achieved with standard two stage flotation after a 65% minus 200 mesh grind. The concentrate produced graded 27% copper, plus 2 oz. gold per ton with no contained deleterious, penalty material. Copper recoveries are generally better for ores with a lower ratio of non-sulphides copper. The high gold concentrates are expected to find a ready market with a number of smelters having expressed preliminary interests to date.

Metallurgical research is continuing with the processing of 160 tons of bulk sample through the pilot plant at the Coasttech plant. The bulk sample was collected from five deep trenches within the orebody to represent the various oxide contents within the mineralization. The average oxide content for the entire deposit is between 25% and 30%. The North zone carries lower oxide at about 7% with the Central zone grading as high as 70% oxide copper. The current plan is to initially mine the Central zone in the early years where the gold content and the oxide content are each higher. Also the waste-to-ore ratio is indicated to be less than one to one in the early years in the Central zone. The stripping ratio for the entire reserves is estimated at 2 to one. Final metallurgical results are to be completed toward the end of February 1990 for inclusion in the production feasibility report.

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Wright Engineers Ltd. holds a contract to complete a \$2,000,000, full production feasibility study on the property at 15,000 tons per day, 5,000,000 tons per year, to produce 102,000 oz. gold and 32,000,000 pounds of copper per year in each of the first five years. The study is to be completed by April 1990, toward the start of construction in the Summer of 1990 and production in mid-1992. Capital costs are expected to be in the \$120,000,000 to \$145,000,000 range including \$15,000,000 working capital.

Mineable reserves at Mount Polley are:

53,000,000 tons of 0.44% copper, 0.017 oz.gold/t available to a 2 ton waste to one ton ore stripping ratio. These reserves were calculated by Mintek Inc. in January 1989 on the basis of 390 holes. The holes were drilled between 1966 and 1989. The reserves are in an

inverse L shape measuring 1,100 north-south by 1,100 meters east-west and to a depth of 330 meters. The mineralization has been drilled to 330 meters below surface where values of 0.4% copper, 0.02 oz.gold/t were cut. New independent ore reserve calculations are being made for inclusion in the production feasibility report. These calculations will be based on a final 528 holes and 200,000 feet of core at an average spacing of 37 meters between holes. On Jan.11,1990, Imperial Metals reported assay results from 43 in-fill holes in the West, Central and North zones of the ore body, which have confirmed the tonnages and grades shown above. (SEE LOCATION MAP AND SKETCH OF ZONE OVERLEAF PAGE ONE AND TWO OF JAN. 12,1990 NEWSLETTER)

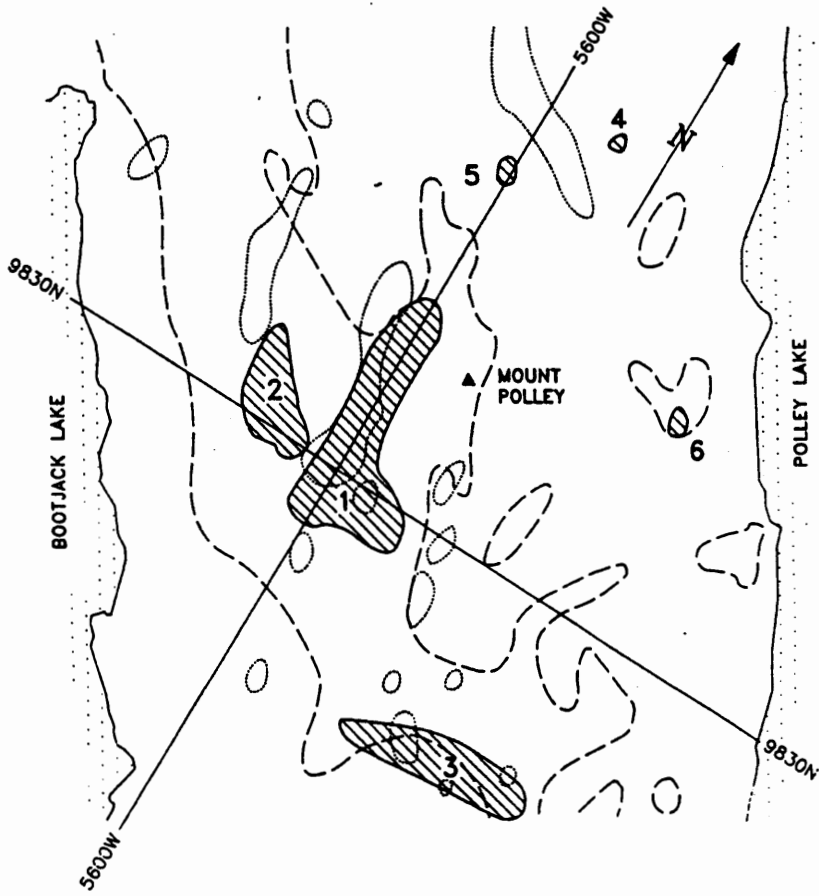
The prospectus was filed with the B.C. Mine Review Committee in June 1989 and the Stage 1 environmental report is scheduled to be filed in January toward an anticipated Spring 1990 approval date. Three of the favourable factors for the mine are that the ore and waste are both net acid consumers, the milling circuit does not contemplate a leach circuit and the gold is recovered without the use of cyanide.

Mount Polley is owned by Imperial Metals 33.64%, project operator; three Geomex Limited Partnerships from West Germany, which are managed by Imperial Metals 27.95%, for a 61.59% control and Corona Corp. 38.41% A 22%, after payout, net profits interest, is held in the Mount Polley property by Noramco Mining Corporation (NNN-T,M) this interest has been held since 1966 by Highland Crow, a predecessor company. (MUCH DATA ON MOUNT POLLEY WAS REVIEWED IN DETAIL IN GCNL NO.214, NOV.7,1989)

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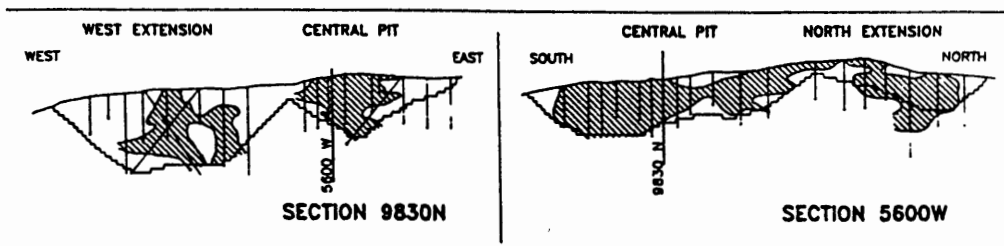
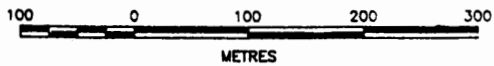
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MOUNT POLLEY - COPPER GOLD DEPOSIT



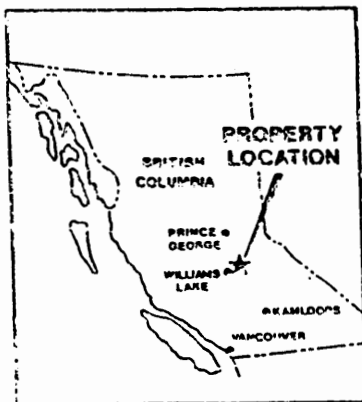
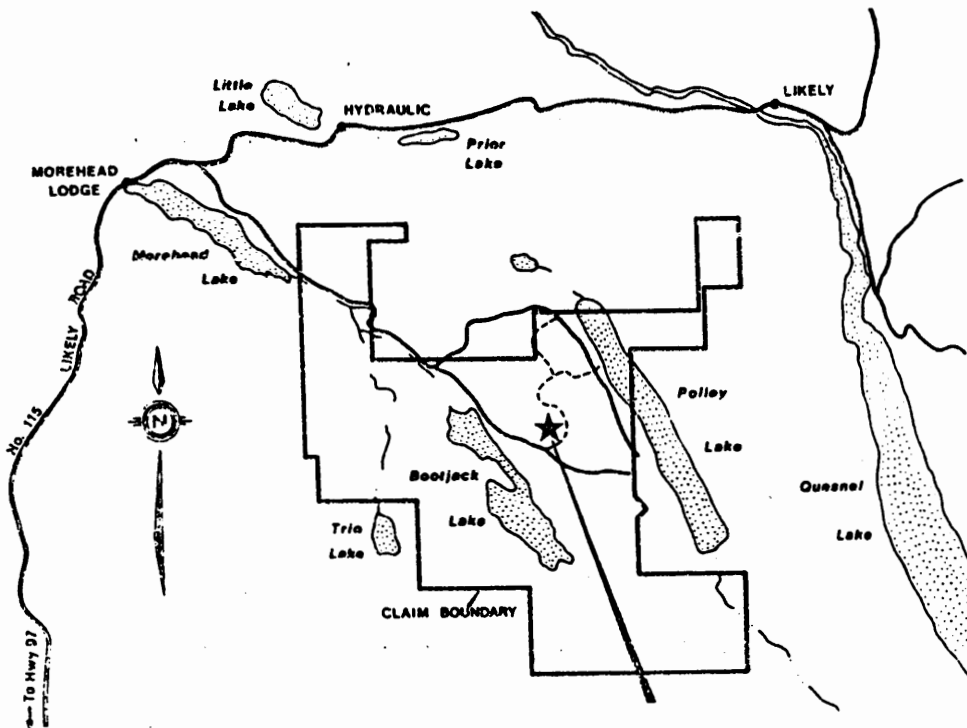
LEGEND:

- ⊙ MINERALIZED ZONE (>0.30% Cu, >0.012 oz Au/t)
- MAGNETIC HIGH
- 1 CENTRAL ZONE
- 2 WEST ZONE
- 3 SOUTH ZONE
- 4 ROAD ZONE
- 5 ZONE FIVE
- 6 ZONE SIX
- Cu SOIL ANOMALY (>200 ppm)



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Imperial Metals Corporation



MOUNT POLLEY COPPER - GOLD DEPOSIT

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