

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, broker, bank manager, lawyer or other professional advisor.

This Offer has not been approved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

September 27, 2006

**OFFER TO PURCHASE FOR CASH
ALL OF THE COMMON SHARES AND OUT-OF-THE-MONEY WARRANTS
of**

bcMETALS CORPORATION

**at a price of
Cdn. \$0.95 per Common Share
and Cdn. \$0.02 per Out-Of-The-Money Warrant
by**

**CAT-GOLD CORPORATION,
a wholly owned subsidiary of
IMPERIAL METALS CORPORATION**

<p>THE OFFER IS OPEN FOR ACCEPTANCE UNTIL 4:00 P.M. PACIFIC TIME ON NOVEMBER 2, 2006 UNLESS EXTENDED OR WITHDRAWN</p>

This offer (the "Offer") by CAT-Gold Corporation (the "Offeror"), a wholly owned subsidiary of Imperial Metals Corporation ("Imperial"), to purchase all of the outstanding common shares (the "Common Shares") and Out-Of-The-Money Warrants (the "Out-Of-The-Money Warrants") of bcMetals Corporation ("bcMetals"), **in accordance with the terms and subject to the conditions contained herein**, will be open for acceptance until 4:00 p.m. (Pacific time) on November 2, 2006, unless the Offer is extended or withdrawn by the Offeror (the "Expiry Time"). The Offer is subject to certain conditions set forth in Section 4 of the Offer to Purchase, "Conditions of the Offer".

Holders of Common Shares or Out-Of-The-Money Warrants (the "Holders") who wish to accept the Offer must properly complete and duly execute the accompanying Letter of Transmittal (printed on yellow paper) or a facsimile thereof and deposit it, together with certificates representing their Common Shares and/or Out-Of-The-Money Warrants, as the case may be, in accordance with the instructions in the Letter of Transmittal. Alternatively, Holders may follow the procedure for Book-based Transfer set forth in Section 3 of the Offer to Purchase, "Manner of Acceptance - Procedure for Book-based Transfer", or the procedure for guaranteed delivery set forth in Section 3 of the Offer to Purchase, "Manner of Acceptance - Procedure for Guaranteed Delivery" using the accompanying Notice of Guaranteed Delivery (printed on green paper) or a facsimile thereof. **Holders whose Common Shares or Out-Of-The-Money Warrants are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact such registered holder for assistance in depositing their Common Shares and Out-Of-The-Money Warrants in response to the Offer.**

The Offer is made only for Common Shares and Out-Of-The-Money Warrants and is not made for any Options (as defined herein) or other rights to acquire Common Shares or for other securities convertible into Common Shares. Holders of Options, including warrants that are not Out-Of-The-Money Warrants, who wish to participate in the Offer should exercise such rights to acquire Common Shares and deposit the resulting Common Shares in response to the Offer. If any holder of Options does not exercise such Options prior to the Expiry Time, such Options may remain outstanding following the Expiry Time in accordance with their terms and conditions, including with respect to term to expiry, vesting schedule and exercise price, except that, to the extent permitted in accordance with the terms of the Options, after completion of a Compulsory Acquisition or Subsequent Acquisition Transaction, an Option may be exchanged for another security or may be terminated. See "Purpose of the Offer and Plans for bcMetals - Treatment of Options" in the Circular. The tax consequences to holders of Options of exercising or not exercising their Options are not described in "Certain Canadian Federal Income Tax

Considerations” in the Circular. Holders of Options should consult with their own tax advisors for advice with respect to potential income tax consequences to them in connection with the decision to exercise or not exercise their Options.

Questions and requests for assistance may be directed to Computershare Investor Services Inc. (the “Depositary”). Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained without charge from the Depositary at its address shown on the last page of this document.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Holders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Holders in any such jurisdiction.

The Dealer Managers for the Offer are:

<p>Haywood Securities Inc. Suite 2000, 400 Burrard Street Vancouver, British Columbia V6C 3A6</p>	<p>Blackmont Capital Inc. Suite 500, 550 Burrard Street Vancouver, British Columbia V6C 2B5</p>
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NOTICE TO HOLDERS IN THE UNITED STATES

This transaction has not been approved or disapproved by any United States securities regulatory authority, nor has any such authority passed upon the accuracy or adequacy of the Offer to Purchase and the Circular. Any representation to the contrary is unlawful. The Offer is made for the securities of a foreign issuer and while the Offer is subject to applicable disclosure requirements in Canada, Holders should be aware that such requirements are different from those in the United States. Financial information regarding bcMetals included or referred to herein has been derived from publicly available financial statements which have been prepared in accordance with Canadian generally accepted accounting principles and thus may not be comparable to financial statements of United States companies.

The enforcement by Holders of civil liabilities under United States federal securities laws may be affected adversely by the fact that each of bcMetals and the Offeror is incorporated and located outside the United States, that most if not all of their respective officers and directors are non-residents of the United States, that all of the experts named in the Circular are non-residents of the United States, that the Dealer Managers are non-residents of the United States and that all or a substantial portion of the assets of the Offeror, bcMetals and said persons may be located outside the United States. It may be difficult to compel a foreign company and its affiliates to subject themselves to the judgment of a United States court.

Holders should be aware that the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of Common Shares, or of related securities of bcMetals, during the period of the Offer, as permitted by applicable Canadian laws or provincial laws or regulations and defined in Section 12 of the Offer to Purchase, "Market Purchases".

This document does not address any United States federal income tax consequences of the Offer to Holders in the United States. Holders in the United States should be aware that disposition of Common Shares and Out-Of-The-Money Warrants may have tax consequences both in the United States and in Canada, which may not be described, or fully described here. Accordingly, Holders in the United States should consult their own tax advisors with respect to their particular circumstances and tax considerations applicable to them.

FORWARD LOOKING STATEMENTS AND INFORMATION

Certain statements and information contained in the accompanying Circular under "Background to the Offer", "Reasons to Accept the Offer" and "Purpose of the Offer and Plans for bcMetals", in addition to certain statements and information contained elsewhere in this document concerning the business, operations and financial performance and condition of the Offeror, Imperial and bcMetals are forward-looking statements or forward-looking information within the meaning of applicable securities laws. Forward-looking statements and information are subject to risks and uncertainties that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements or information. Forward-looking statements or information include information concerning future financial performance, business strategy, plans, goals and objectives. Statements preceded or followed by, or that otherwise include, the words "believes", "expects", "anticipates", "intends", "estimates", "plans", "forecasts", "is likely to", "projected" and similar expressions or future or conditional verbs such as "will", "should", "would", "may" and "could" are generally forward-looking in nature and not historical facts. Such statements include, but are not limited to, statements about the expected benefits of the business combination of Imperial and bcMetals and future financial and operating results of bcMetals as an independent entity. Such statements are based upon the current beliefs and expectations of Imperial's management and are subject to significant risks and uncertainties, including those set out in the Annual Information Form of Imperial dated March 20, 2006 which may be viewed at www.sedar.com. Actual results may differ materially from those set forth in the forward-looking statements.

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SUMMARY

*The following are some of the questions you, as a Holder of Common Shares or Out-Of-The-Money Warrants of bcMetals, may have about the Offer and the Offeror's answers to those questions. The following is a summary only and is qualified by the detailed provisions contained elsewhere in the Offer to Purchase and Circular. Certain capitalized words and terms used in this Summary are defined in the Glossary. **Holders are urged to read the Offer to Purchase and Circular in their entirety.***

WHO IS OFFERING TO BUY THE COMMON SHARES AND OUT-OF-THE-MONEY WARRANTS?

The Offeror, CAT-Gold Corporation, was incorporated under the *Canada Business Corporations Act*.

The Offeror is a wholly owned subsidiary of Imperial Metals Corporation. Imperial was incorporated under the laws of the Province of British Columbia and its head office and registered office are located at 200 – 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6. Imperial also owns 100% of Mount Polley Mining Corporation and Sterling Gold Mining Corporation, and 50% of Huckleberry Mines Ltd.

WHAT IS THE OFFER?

The Offeror is offering to purchase, upon the terms and subject to the conditions described in the Offer, all of the issued and outstanding Common Shares (including any Common Shares which may become outstanding after the date of the Offer and prior to the Expiry Time upon the exercise of any Options) at a price of Cdn\$0.95 in cash per Common Share and all of the currently outstanding Out-Of-The-Money Warrants at the price of Cdn.\$0.02 per Out-Of-The-Money Warrant.

HOW LONG DO I HAVE TO ACCEPT THE OFFER?

The Offer is open for acceptance until 4:00 p.m. (Pacific time) on November 2, 2006, unless the Offer is withdrawn or extended by the Offeror. See Section 2 of the Offer to Purchase, "Time for Acceptance".

WHAT SECURITIES ARE BEING SOUGHT IN THE OFFER?

The Offer is made only for Common Shares and Out-Of-The-Money Warrants and is not made for any Options, which term includes warrants which are not Out-Of-The-Money Warrants.

I HOLD OPTIONS. CAN I DEPOSIT THESE OPTIONS TO THE OFFER?

No. If you hold Options and wish to accept the Offer, you should exercise your rights to acquire Common Shares and deposit the resulting Common Shares in response to the Offer. Any such exercise must be made sufficiently in advance of the Expiry Time to ensure that Common Shares will be available for deposit at or prior to the Expiry Time or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, "Manner of Acceptance — Procedure for Guaranteed Delivery".

HAVE ANY SIGNIFICANT SHAREHOLDERS OF BCMETALS AGREED TO DEPOSIT THEIR COMMON SHARES?

No.

HAS THE BOARD OF DIRECTORS OF BCMETALS TAKEN ANY ACTION TO SUPPORT THE OFFER?

No.

WHAT IS THE MARKET PRICE OF MY SHARES AS OF A RECENT DATE?

On September 25, 2006, the closing price for the Common Shares on the TSX-V was \$0.92.

WHAT ARE THE MOST SIGNIFICANT CONDITIONS OF THE OFFER?

The Offeror has the right to withdraw the Offer at the Expiry Time and not take up and pay for any Common Shares deposited under the Offer unless all of the conditions described in Section 4 of the Offer to Purchase, "Conditions of the Offer", are satisfied or waived by the Offeror at or prior to the Expiry Time. Those conditions include there having occurred no changes having a Material Adverse Effect, no Restricted Event having occurred and there having been validly deposited and not withdrawn, at the expiry of the Offer, that number of Common Shares that represents not less than 90% of the issued and outstanding Common Shares, including any Common Shares issued after September 27, 2006 pursuant to the exercise of any Options. Each of the conditions to the Offer are set forth in Section 4 of the Offer to Purchase, "Conditions of the Offer".

HOW DO I DEPOSIT MY COMMON SHARES AND OUT-OF-THE-MONEY WARRANTS?

You can deposit your Common Shares and Out-Of-The-Money Warrants in one of the following four ways:

- (a) If you hold physical certificates for Common Shares or Out-Of-The-Money Warrants, then in order to accept the Offer, you must deposit the certificate(s) representing your Common Shares and/or Out-Of-The-Money Warrants, as the case may be, together with the Letter of Transmittal (printed on yellow paper) or a facsimile thereof, properly completed and duly executed, at or prior to the Expiry Time, at one of the offices of the Depository specified in the Letter of Transmittal. Instructions are contained in the Letter of Transmittal which accompanies the Offer to Purchase and Circular.
- (b) If you hold Common Shares or Out-Of-The-Money Warrants in nominee form (e.g., in a brokerage account), you should contact your broker, investment dealer, bank, trust company or other nominee to deposit your Common Shares and Out-Of-The-Money Warrants if you wish to accept the Offer.
- (c) You may also accept the Offer pursuant to the procedure for Book-based Transfer, if applicable.
- (d) If you are unable to deliver any required document or instrument to the Depository by the Expiry Time, you may obtain additional time to do so by having a broker, a bank or other fiduciary that is an "Eligible Institution" guarantee that the missing items will be received by the Depository within three trading days on the TSX-V after the Expiry Time. You may use the "Notice of Guaranteed Delivery" (printed on green paper), which has been enclosed with the Offer for this purpose. For the deposit to be valid, however, the Depository must receive the missing items within that three trading-day period. The procedures for guaranteed delivery are set forth in Section 3 of the Offer to Purchase, "Manner of Acceptance — Procedure for Guaranteed Delivery".

See Section 3 of the Offer to Purchase, "Manner of Acceptance".

Holders whose Common Shares or Out-Of-The-Money Warrants are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact such registered holder for assistance in depositing their Common Shares and Out-Of-The-Money Warrants in response to the Offer.

Participants of CDS or DTC should contact the Depository with respect to the deposit of their Common Shares and Out-Of-The-Money Warrants under the Offer. CDS and DTC will be issuing instructions to their participants as to the method of depositing such Common Shares and Out-Of-The-Money Warrants under the terms of the Offer.

WILL I HAVE TO PAY ANY FEES OR COMMISSIONS TO DEPOSIT MY COMMON SHARES OR OUT-OF-THE-MONEY WARRANTS?

No. Holders will not be required to pay any fee or commission if they accept the Offer by transmitting their Common Shares and/or Out-Of-The-Money Warrants, as the case may be, directly to the Depository. If you hold Common Shares or Out-Of-The-Money Warrants through a broker or other nominee and such broker or nominee deposits the Common Shares or Out-Of-The-Money Warrants on your behalf, the broker or nominee may charge a fee for performing this service.

HOW LONG DO I HAVE TO WITHDRAW ANY PREVIOUSLY DEPOSITED COMMON SHARES OR OUT-OF-THE-MONEY WARRANTS?

Common Shares or Out-Of-The-Money Warrants deposited under the Offer may be withdrawn at any time if the Common Shares and Out-Of-The-Money Warrants have not been taken up by the Offeror and in the other circumstances described in Section 6 of the Offer to Purchase, “Withdrawal of Deposited Common Shares and Out-Of-The-Money Warrants”.

WHEN WILL THE OFFEROR TAKE UP AND PAY FOR COMMON SHARES AND OUT-OF-THE-MONEY WARRANTS DEPOSITED UNDER THE OFFER?

Assuming all of the conditions of the Offer are either met or, if applicable, waived at or prior to the Expiry Time, the Offeror will take up Common Shares and Out-Of-The-Money Warrants validly deposited under the Offer and not withdrawn not later than 10 calendar days after the Expiry Time, and will pay for such Common Shares and Out-Of-The-Money Warrants as soon as practicable and in any event not later than the earlier of: (a) three business days after such Common Shares and Out-Of-The-Money Warrants are taken up; and (b) 10 calendar days after the Expiry Time (upon receipt of funds from the Offeror pursuant to the take up and payment for the Common Shares and Out-Of-The-Money Warrants, the Depository will issue payment for Common Shares and Out-Of-The-Money Warrants deposited as soon as practicable). Any Common Shares and Out-Of-The-Money Warrants deposited under the Offer after the first date on which Common Shares and Out-Of-The-Money Warrants have been taken up by the Offeror will be taken up and paid for as soon as practicable, and in any event not later than 10 calendar days after such deposit. See Section 7 of the Offer to Purchase, “Payment for Deposited Common Shares and Out-Of-The-Money Warrants”.

HOW WILL SHAREHOLDERS BE TAXED FOR CANADIAN FEDERAL INCOME TAX PURPOSES?

A Canadian resident Holder who holds Common Shares and Out-Of-The-Money Warrants as capital property and disposes of such Common Shares and Out-Of-The-Money Warrants pursuant to the Offer will generally realize a capital gain (or capital loss) to the extent that the Offer price of Cdn\$0.95 per Common Share and Cdn\$0.02 per Out-Of-The-Money Warrant, net of any reasonable costs of disposition, exceeds (or is less than) the Holder’s adjusted cost base of the Common Shares and Out-Of-The-Money Warrants, respectively. See “Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada” in the Circular.

A non-resident Holder who holds Common Shares and Out-Of-The-Money Warrants as capital property will only be subject to tax under the *Income Tax Act* (Canada) on a capital gain realized on the disposition of Common Shares and Out-Of-The-Money Warrants pursuant to the Offer if the Common Shares and Out-Of-The-Money Warrants are taxable Canadian property as defined in the *Income Tax Act* (Canada) and the Holder is not entitled to relief under the provisions of an applicable income tax treaty. See “Certain Canadian Federal Income Tax Considerations — Holders Not Resident in Canada” in the Circular.

IS THE OFFEROR ATTEMPTING TO ACQUIRE ALL OF BCMETALS AND DOES THE OFFEROR HAVE ANY PLANS FOR BCMETALS?

Yes. The purpose of the Offer is to enable the Offeror to acquire all of the Common Shares and Out-Of-The-Money Warrants. If the Offer is successful, the Offeror intends to effect certain changes with respect to the composition of the Board of Directors of bcMetals to allow designees of the Offeror to become members of the Board of Directors

of bcMetals and to represent a majority of the Board of Directors of bcMetals. Neither the Offeror nor Imperial has developed any specific proposals with respect to bcMetals, or operations, or any changes in its assets, business strategies, management or personnel following the acquisition of Common Shares and Out-Of-The-Money Warrants pursuant to the Offer. However, if the Offer is successful, the Offeror proposes to review the operations of both Imperial and bcMetals to determine how best to combine them.

If permitted by applicable law, subsequent to the completion of the Offer and any Subsequent Acquisition Transaction, if necessary, the Offeror intends to delist the Common Shares from the TSX-V and will take all steps necessary to terminate bcMetals' status as a "reporting issuer" for purposes of relevant Canadian securities legislation. The effect of these actions will be that bcMetals will no longer be required under applicable securities legislation to file publicly, or to provide to securityholders or others, financial information or timely disclosure with respect to its business or affairs and that the Common Shares will no longer have an active market on which they may be traded. As a result, the liquidity and market value of any remaining Common Shares held by the public may be adversely affected.

See "Purpose of the Offer and Plans for bcMetals" and "Acquisition of Common Shares Not Deposited" in the Circular.

IF I DECIDE NOT TO DEPOSIT MY COMMON SHARES UNDER THE OFFER, HOW WILL THE OFFER AFFECT MY COMMON SHARES?

If the Offer is accepted by the holders of not less than 90% of the Common Shares (other than Common Shares held at the date hereof by or on behalf of the Offeror and its affiliates and associates, as described in the ABCA), the Offeror currently intends to acquire the remaining Common Shares pursuant to a Compulsory Acquisition. If a Compulsory Acquisition is not available, the Offeror currently intends to cause a special meeting of Shareholders to be called to consider an amalgamation, statutory arrangement, capital reorganization or other transaction that constitutes a Subsequent Acquisition Transaction for the purpose of enabling the Offeror or an affiliate of the Offeror to acquire all of the Common Shares not acquired under the Offer. Assuming the Offer is accepted by the holders of not less than 66 2/3% of the Common Shares, the Offeror will own sufficient Common Shares to effect such Subsequent Acquisition Transaction. See "Acquisition of Common Shares Not Deposited" in the Circular.

WHO CAN I TALK TO IF I HAVE QUESTIONS ABOUT THE OFFER?

Questions and requests for assistance concerning the Offer should be made directly to the Depositary.

Computershare Investor Services Inc. is acting as depositary (the "Depositary") under the Offer and will receive deposits of certificates representing Common Shares and Out-Of-The-Money Warrants and accompanying Letters of Transmittal at the offices specified in the Letter of Transmittal. The Depositary will receive Notices of Guaranteed Delivery at the offices specified in the Notice of Guaranteed Delivery. See "Depositary" in the Circular.

To contact the Depositary:

Computershare Investor Services Inc.

By Registered Mail, Hand or by Courier:

Vancouver: 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9

Toronto: 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1

Toll Free: 1-800-564-6253

E-Mail: corporateactions@computershare.com

GLOSSARY

In the Offer to Purchase and Circular, unless the subject matter or context is inconsistent therewith, the following terms have the meanings set forth below:

“**ABCA**” means the *Business Corporations Act* (Alberta);

“**affiliate**” unless otherwise indicated, has the meaning ascribed thereto in the *Securities Act* (British Columbia);

“**AMF**” means l’Autorité des marchés financiers du Québec;

“**Appointee**” has the meaning ascribed thereto in Section 3 of the Offer to Purchase, “Manner of Acceptance — Power of Attorney”;

“**associate**” unless otherwise indicated, has the meaning ascribed thereto in the *Securities Act* (British Columbia);

“**bcMetals**” means bcMetals Corporation, a corporation governed by the laws of the Province of Alberta;

“**Board of Directors**” means the board of directors of bcMetals;

“**business combination**” unless otherwise defined has the meaning ascribed thereto in Rule 61-501;

“**business day**” means any day other than a Saturday, Sunday or day that is observed as a statutory or civic holiday in Vancouver, Canada;

“**CDSX**” means CDS on-line tendering system;

“**Circular**” means the take-over bid circular accompanying the Offer to Purchase and forming part of the Offer;

“**Common Shares**” means common shares of bcMetals as constituted on the date hereof, together with any Common Shares that are issued subsequent to the date hereof but prior to the completion of the bid made pursuant to the Offer;

“**Compulsory Acquisition**” has the meaning ascribed to that term in the Circular under the heading “Acquisition of Common Shares Not Deposited – Compulsory Acquisition of Common Shares”;

“**Computershare**” means Computershare Investor Services Inc.;

“**CRA**” means the Canada Revenue Agency;

“**CSA**” means Canadian Securities Administrators;

“**Dealer Managers**” means Haywood Securities Inc. and Blackmont Capital Inc.;

“**Deposit Period**” means the period commencing on the date hereof and ending at the Expiry Time;

“**Depository**” means Computershare;

“**Deposited Securities**” has the meaning ascribed thereto in Section 3 of the Offer to Purchase, “Manner of Acceptance — Dividends and Distributions”;

“**Distributions**” has the meaning set forth in Section 3 of the Offer to Purchase, “Manner of Acceptance — Dividends and Distributions”;

“Effective Date” means the first date on which the Offeror has taken up and paid for Common Shares or Out-Of-The-Money Warrants under the Offer;

“Eligible Institution” means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust corporations in the United States;

“Expiry Time” means 4:00 p.m. Pacific time, on November 2, 2006, or such later time and date as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer to Purchase, “Extension and Variation of the Offer”;

“fully diluted basis” means, with respect to the number of outstanding Common Shares, such number of outstanding Common Shares calculated on the assumption that all Options, warrants or other rights to purchase or acquire Common Shares are exercised in full;

“Governmental Entity” means any (i) multinational, federal, provincial, territorial, state, municipal, local or other governmental or public department, central bank, court, commission, commissioner, tribunal, board, bureau, agency or instrumentality, whether domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

“Imperial” means Imperial Metals Corporation, a company incorporated under the laws of the Province of British Columbia;

“Letter of Transmittal” means the letter of acceptance and transmittal in the form printed on yellow paper accompanying the Offer to Purchase and Circular;

“Material Adverse Effect” means any change or effect having a material adverse effect on the conduct of the business, results of operations or financial condition, earnings or prospects of bcMetals and any of its affiliates, on a consolidated basis;

“Non-Resident Holder” has the meaning ascribed thereto in the Circular under the heading “Certain Canadian Federal Income Tax Considerations — Holders Not Resident in Canada”;

“Notice of Guaranteed Delivery” means the notice of guaranteed delivery in the form printed on green paper accompanying the Offer to Purchase and Circular;

“Offer” means the offer to purchase Common Shares and Out-Of-The-Money Warrants made hereby to Holders, the terms and conditions of which are set forth in the Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery;

“Offer to Purchase” means the offer to purchase the Common Shares and Out-Of-The-Money Warrants forming part of the Offer;

“Offeror” means CAT-Gold Corporation, a company incorporated under the *Canada Business Corporations Act*;

“Offeror’s Notice” has the meaning ascribed thereto in the Circular under the heading “Acquisition of Common Shares Not Deposited — Compulsory Acquisition of Common Shares”;

“Options” means any existing or future rights, warrants or options to purchase, convert into, exchange into, exercise for or otherwise acquire Common Shares outstanding under bcMetals’ stock option plan or otherwise other than Out-Of-The-Money Warrants;

“**OSC**” means the Ontario Securities Commission;

“**Out-Of-The-Money Warrants**” means all warrants to purchase Common Shares that have an exercise price that is equal to or more than Cdn.\$0.95 per Common Share which are outstanding on the date of the Offer;

“**Person**” includes any natural person, body corporate, trust, limited partnership, Governmental Entity or other juridical entity;

“**Policy Q-27**” means Policy Statement Q-27 of the AMF, as amended;

“**Purchased Securities**” has the meaning ascribed thereto in Section 3 of the Offer to Purchase, “Manner of Acceptance — Power of Attorney”;

“**Required Consents**” means (i) all material consents, waivers, approvals or authorizations of, or declarations, filings or notices to, Governmental Entities or other third parties necessary for the consummation of the transactions contemplated by the Offer, and (ii) all consents, waivers, approvals or authorizations of, or declarations, filings or notices to, any Person to which bcMetals or any of its affiliates is indebted which by the terms and conditions of such indebtedness or security therefor are necessary for the consummation of the transactions contemplated by the Offer or the failure of which to obtain would result in any right of termination or acceleration of such indebtedness;

“**Resident Holder**” has the meaning ascribed thereto in the Circular under the heading “Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada”;

“**Restricted Event**” means, with respect to bcMetals and its affiliates, any of the following:

- (a) the issuance, sale or authorization of any additional Common Shares, shares of any other class or series of capital of bcMetals, other voting securities or any securities convertible into, or options, rights, or warrants, conditional or otherwise, to acquire, any of the foregoing;
- (b) acquiring or disposing of a material value of assets;
- (c) the adoption of a shareholders rights plan that provides rights to the Shareholders to purchase any securities of bcMetals as a result of this Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction; or
- (d) the entering into of any agreement or the authorization of the Board of Directors of bcMetals to do any of the foregoing.

“**Rule 61-501**” means OSC Rule 61-501 – Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions, as amended;

“**Shareholder**” means a holder of Common Shares;

“**Subsequent Acquisition Transaction**” means an amalgamation, statutory arrangement, consolidation, capital reorganization or other transaction involving bcMetals and the Offeror or an affiliate of the Offeror to enable the Offeror or an affiliate of the Offeror to acquire all Common Shares and possibly all Out-Of-The-Money Warrants not acquired pursuant to the Offer;

“**subsidiary**” has the meaning ascribed thereto in National Instrument 45-106 – Prospectus and Registration Exemptions;

“**Tax Act**” has the meaning ascribed thereto in the Circular under the heading “Certain Canadian Federal Income Tax Considerations”; and

“**TSX-V**” means the TSX Venture Exchange.

OFFER TO PURCHASE

September 27, 2006

TO: THE HOLDERS OF COMMON SHARES AND OUT-OF-THE-MONEY WARRANTS OF BCMETALS

1. The Offer

The Offeror hereby offers to purchase, upon the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares (including any Common Shares which may become outstanding after the date of the Offer and prior to the Expiry Time upon the exercise of any Options (or other rights)) at a price of \$0.95 in cash per Common Share and all of the outstanding Out-Of-The-Money Warrants at a price of \$0.02 in cash per Out-Of-The-Money Warrant.

The Offer is made only for Common Shares and Out-Of-The-Money Warrants and is not made for any Options, which term includes warrants which are not Out-Of-The-Money Warrants. Any holder of Options who wishes to accept the Offer must exercise such rights in order to obtain certificates representing Common Shares and then deposit those Common Shares under the Offer. Any such exercise must be made sufficiently in advance of the Expiry Time to ensure that Common Shares will be available for deposit at or prior to the Expiry Time or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, "Manner of Acceptance — Procedure for Guaranteed Delivery". If any holder of Options does not exercise such Options prior to the Expiry Time, such Options may remain outstanding following the Expiry Time in accordance with their terms and conditions, including with respect to term to expiry, vesting schedule and exercise price, except that, to the extent permitted in accordance with the terms of the Options, after completion of a Compulsory Acquisition or Subsequent Acquisition Transaction, an Option may be exchanged for another security or may be terminated. See "Purpose of the Offer and Plans for bcMetals – Treatment of Options" in the Circular. The tax consequences to holders of Options of exercising or not exercising their Options are not described in "Certain Canadian Federal Income Tax Considerations" in the Circular. Holders of Options should consult with their own tax advisors for advice with respect to potential income tax consequences to them in connection with the decision to exercise or not exercise their Options.

All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

The accompanying Circular, Letter of Transmittal and Notice of Guaranteed Delivery, which are incorporated into and form part of the Offer, contain important information which should be read carefully before making a decision with respect to the Offer.

2. Time for Acceptance

The Offer is open for acceptance until the Expiry Time, being 4:00 p.m. (Pacific time) on November 2, 2006 unless the Offer is withdrawn or extended by the Offeror. The Expiry Time may be extended at the Offeror's sole discretion pursuant to Section 5 of the Offer to Purchase, "Extension and Variation of the Offer".

3. Manner of Acceptance

Letter of Transmittal

The Offer may be accepted by delivering the following documents to the Depository at any of the offices listed in the Letter of Transmittal accompanying the Offer so as to arrive there not later than the Expiry Time:

- (a) the certificate(s) representing the Common Shares and/or Out-Of-The-Money Warrants, as the case may be, in respect of which the Offer is being accepted;

- (b) a Letter of Transmittal (printed on yellow paper) in the form accompanying the Offer to Purchase and Circular or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal; and
- (c) any other document required by the instructions set out in the Letter of Transmittal.

Participants of CDS or DTC should contact the Depository with respect to the deposit of their Common Shares and Out-Of-The-Money Warrants under the Offer. CDS and DTC will be issuing instructions to their participants as to the method of depositing such Common Shares and Out-Of-The-Money Warrants under the terms of the Offer.

Except as otherwise provided in the instructions set out in the Letter of Transmittal or as may be permitted by the Offeror, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a Letter of Transmittal is executed by a person other than the registered holder of the Common Shares represented by the certificate(s) deposited therewith, then the certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered holder, with the signature on the endorsement panel or share transfer power of attorney medallion guaranteed by an Eligible Institution.

In addition, Common Shares and Out-Of-The-Money Warrants may be deposited in compliance with the procedures set forth below for guaranteed delivery not later than the Expiry Time.

Procedure for Guaranteed Delivery

If a Holder wishes to deposit Common Shares or Out-Of-The-Money Warrants pursuant to the Offer and the certificates representing the Common Shares or Out-Of-The-Money Warrants are not immediately available or the Holder is not able to deliver the certificates and all other required documents to the Depository at or prior to the Expiry Time, those Common Shares or Out-Of-The-Money Warrants may nevertheless be deposited under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution;
- (b) a Notice of Guaranteed Delivery (printed on green paper) in the form accompanying the Offer to Purchase and Circular or a facsimile thereof, properly completed and duly executed, including a guarantee by an Eligible Institution in the form specified in the Notice of Guaranteed Delivery, is received by the Depository at its office in Vancouver, British Columbia or Toronto, Ontario as set out in the Notice of Guaranteed Delivery, at or prior to the Expiry Time; and
- (c) the certificate(s) representing deposited Common Shares and/or Out-Of-The-Money Warrants, as the case may be, in proper form for transfer, together with a Letter of Transmittal in the form accompanying the Offer to Purchase and Circular or a manually executed facsimile thereof, properly completed and duly executed, with any required signature guarantees and all other documents required by the Letter of Transmittal, are received by the Depository at its office in Vancouver, British Columbia or Toronto, Ontario as set out in the Notice of Guaranteed Delivery prior to 4:00 p.m. Pacific time on the third trading day on the TSX-V after the Expiry Time.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile or mailed to the Depository at its office in Vancouver, British Columbia or Toronto, Ontario as set out in the Notice of Guaranteed Delivery and must include a guarantee by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery. **Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying Common Share or Out-Of-The-Money Warrant certificates to any office other than such offices of the Depository does not constitute delivery for purposes of satisfying a guaranteed delivery.**

Procedure for Book-based Transfer

A Holder may also accept the Offer in Canada by following the procedures for a book-based transfer (“Book-based Transfer”) established by the Canadian Depository for Securities Limited (“CDS”), provided that a confirmation of

the Book-based Transfer of such Common Shares or Out-Of-The-Money Warrants through CDSX into the Depository's account at CDS is received by the Depository at the office of the Depository in Vancouver, British Columbia or Toronto, Ontario prior to the Expiry Time. The Depository has established an account at CDS for the purposes of the Offer. Any financial institution that is a participant in CDS may cause CDS to make a Book-based Transfer of a Holder's Common Shares or Out-Of-The-Money Warrants by means of a Book-based Transfer that will constitute a valid tender under the Offer.

Holders, through their respective CDS participants, who utilize CDSX to accept the Offer through a Book-based Transfer of their holding into the Depository's account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depository are considered as a valid tender in accordance with the terms of the Offer.

General

In all cases, payment for Common Shares and Out-Of-The-Money Warrants deposited and taken up by the Offeror will be made only after timely receipt by the Depository of the certificates representing the Common Shares or Out-Of-The-Money Warrants (as the case may be) or Book-based Transfer of the Common Shares or Out-Of-The-Money Warrants, a Letter of Transmittal or a facsimile thereof, properly completed and duly executed, covering those Common Shares and Out-Of-The-Money Warrants with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal and any other required documents.

The method of delivery of certificates representing Common Shares and Out-Of-The-Money Warrants, the Letter of Transmittal and all other required documents is at the option and risk of the person depositing same. The Offeror recommends that all such documents be delivered by hand to the Depository and a receipt obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained.

Holders whose Common Shares or Out-Of-The-Money Warrants are registered in the name of a nominee should contact their broker, investment dealer, bank, trust company or other nominee if they wish to accept the Offer for assistance in depositing their Common Shares and Out-Of-The-Money Warrants.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of any Common Shares or Out-Of-The-Money Warrants deposited pursuant to the Offer will be determined by the Offeror in its sole discretion. Depositing Holders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits which it determines not to be in proper form or which it may be unlawful to accept under the laws of any jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in the deposit of any Common Shares or Out-Of-The-Money Warrants. There shall be no duty or obligation on the part of the Offeror or the Depository or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery will be final and binding.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out above.

Dividends and Distributions

Subject to the terms and conditions of the Offer, by accepting the Offer pursuant to the procedures set forth above, a Holder deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Common Shares and Out-Of-The-Money Warrants covered by the Letter of Transmittal delivered to the Depository (the "Deposited Securities") and in and to all rights and benefits arising from such Deposited Securities, including any and all dividends, distributions, payments, securities, property or other interests which may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Securities or any of them on and after the date of the Offer, other than any cash dividend, distribution or payment in respect of which a reduction in the price of the Offer is made pursuant to Section 10 of the Offer to Purchase, "Dividends and Distributions", but including

any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, "Distributions").

Power of Attorney

An executed Letter of Transmittal (or in the case of Common Shares or Out-Of-The-Money Warrants deposited by Book-based Transfer, by the making of a Book-based Transfer) irrevocably appoints, effective on and after the date that the Offeror takes up and pays for the Deposited Securities covered by the Letter of Transmittal or Book-based Transfer (which securities upon being taken up and paid for are, together with any Distributions thereon, hereinafter referred to as the "Purchased Securities"), certain officers of the Offeror and any other person designated by the Offeror in writing (each an "Appointee") as the true and lawful agents, attorneys and attorneys-in-fact and proxies, with full power of substitution, of the depositing Holder. The Letter of Transmittal or the making of a Book-based Transfer irrevocably authorizes an Appointee, effective on and after the date the Offeror takes up and pays for such Deposited Securities, in the name and on behalf of such Holder: (a) to register or record the transfer and/or cancellation of such Purchased Securities (to the extent consisting of securities) on the appropriate register maintained by or on behalf of bcMetals; (b) for so long as the Purchased Securities are registered or recorded in the name of such Holder, to exercise any and all rights of such Holder, including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise or any adjournment thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of bcMetals, to vote any or all Purchased Securities, to execute, deliver or revoke any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any or all Purchased Securities, revoke any such instrument, authorization or consent and to designate in such instrument, authorization or consent any person or persons as the proxy of such Holder in respect of the Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise or any adjournment thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of bcMetals; (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Holder, any and all cheques or other instruments representing any Distribution payable to or to the order of, or endorsed in favour of, such Holder; and (d) to exercise any other rights of a Holder of Purchased Securities.

A Holder accepting the Offer under the terms of the Letter of Transmittal revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Holder at any time with respect to the Deposited Securities or any Distributions. The Holder accepting the Offer agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited Securities or any Distributions by or on behalf of the depositing Holder, unless the Deposited Securities are not taken up and paid for under the Offer. A Holder accepting the Offer also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournment thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of bcMetals and not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and to appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy of the holder of the Purchased Securities. **Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.**

Further Assurances

A Holder accepting the Offer (including a Holder that accepts the Offer by making a Book-based Transfer) covenants under the terms of the Letter of Transmittal to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror and acknowledges that all authority therein conferred or agreed to be conferred may be exercised during any subsequent legal incapacity of such Holder and shall, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the Holder and all obligations of the Holder therein shall be binding upon the heirs, personal representatives, successors and assigns of such Holder.

Depositing Holders' Representations and Warranties

The acceptance of the Offer pursuant to the procedures set forth above constitutes an agreement between a depositing Holder and the Offeror in accordance with the terms and conditions of the Offer. This agreement includes a representation and warranty by the depositing Holder that (a) the person signing the Letter of Transmittal or on whose behalf a Book-based Transfer is made has full power and authority to deposit, sell, assign and transfer the Deposited Securities and any Distributions being deposited to the Offer; (b) the Deposited Securities and Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Securities and Distributions, to any other person; (c) the deposit of the Deposited Securities and Distributions complies with applicable laws; and (d) when the Deposited Securities and Distributions are taken up and paid for by the Offeror, the Offeror will acquire good title thereof, free and clear of all liens, restrictions, charges, encumbrances, claims and rights of others.

4. Conditions of the Offer

Notwithstanding any other provision of the Offer, the Offeror shall have the right to withdraw the Offer and not take up and pay for, and shall have the right to extend the period of time during which the Offer is open for acceptance and postpone taking up and paying for, any Common Shares and Out-Of-The-Money Warrants deposited under the Offer, if any of the following conditions are not satisfied or waived by the Offeror at or prior to the Expiry Time:

- (a) receipt of satisfactory evidence of termination of any stock options, warrants, stock purchase plans and stock option plans with respect to bcMetals or the Common Shares in accordance with the terms thereof, without prejudice to the rights of the participants under such plans and conditional upon the Offeror taking up the Common Shares and Out-Of-The-Money Warrants deposited to, and not withdrawn from, the Offer;
- (b) delivery of evidence satisfactory to the Offeror of the receipt of all Required Consents, including all necessary government or regulatory approvals, waivers, permits, consents, reviews, orders, rulings, decisions, and exemptions (including, among others, those of any stock exchanges or other securities or regulatory authorities) and waiver or expiration of all waiting or suspensory periods, in each case required to be obtained (except where the failure to obtain such Required Consents would not be material), all upon terms that are satisfactory to the Offeror;
- (c) effecting all necessary registrations, filings and applications under all applicable laws by bcMetals;
- (d) there will have been validly deposited and not withdrawn, at the expiry of the Offer, that number of Common Shares which represents not less than 90% of the issued and outstanding Common Shares, including any Common Shares issued after September 27, 2006 pursuant to the exercise of any Options;
- (e) the Offeror shall have determined in its sole judgment that (i) no act, action, suit or proceeding shall have been taken or threatened before or by any domestic or foreign court or tribunal or governmental authority or other regulatory authority or administrative agency or commission or by any elected or appointed public official or private person, and (ii) no law, regulation or policy shall have been proposed, enacted, promulgated or applied, in either case,
 - (A) seeking to prohibit or restrict the acquisition by the Offeror of any of the Common Shares or Out-Of-The-Money Warrants, seeking to restrain or prohibit the take up of the Common Shares or Out-Of-The-Money Warrants by the Offeror or seeking to obtain from the Offeror, Imperial or bcMetals, any material damages directly or indirectly in connection with the Offer;

- (B) seeking to impose limitations on the ability of the Offeror to acquire or hold, or exercise full rights of ownership of any Common Shares or Out-Of-The-Money Warrants;
 - (C) seeking to prohibit the Offeror from effectively controlling in any material respect the business or operations of bcMetals;
 - (D) seeking to restrain or prohibit the Offeror's right to proceed with a transaction whereby bcMetals will cease to be a public company and become a private company pursuant to a going private transaction; or
 - (E) which, if successful, in the judgment of the Offeror is reasonably likely to have a Material Adverse Effect on bcMetals, or a material adverse effect on Imperial or the Offeror;
- (f) there shall not exist any prohibition at law, including a cease trade order, injunction or other prohibition or order at law or under applicable legislation, against the Offeror making or maintaining the Offer or taking up and paying for Common Shares or Out-Of-The-Money Warrants deposited under the Offer or completing a Compulsory Acquisition or any Subsequent Acquisition Transaction;
- (g) the Offeror shall not have become aware of any untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made and at the date it was made in any document filed by or on behalf of bcMetals with any securities commission or similar securities regulatory authorities in any of the provinces of Canada or in the United States, which the Offeror shall have determined in its sole judgment is adverse or makes it inadvisable for the Offeror to proceed with the Offer;
- (h) the Offeror shall have been provided with, or been given access to, in a timely manner, all non-public information relating to bcMetals and its affiliates as may be given, provided or made available by bcMetals or any of its affiliates at any time since January 1, 2006 or at any time after the announcement of the Offer to any other person considering (or seeking such information in order to consider) any take-over bid, merger, amalgamation, statutory arrangement, business combination, share exchange or similar transaction involving bcMetals or any of its affiliates on substantially the same terms and conditions as may be imposed on any such person and the Offeror shall have been satisfied with the results of its review of such information;
- (i) following the date of the Offer, there shall not have occurred any change having a Material Adverse Effect; and
- (j) following the date of the Offer, there shall not have occurred a Restricted Event.

The foregoing conditions are for the sole benefit of the Offeror and may be asserted by the Offeror in its sole discretion at any time, regardless of the circumstances giving rise to any such assertion, including any action or inaction by the Offeror. The Offeror may waive any of the foregoing conditions in whole or in part at any time and from time to time in its sole discretion, without prejudice to any other rights, which the Offeror may have. The failure by the Offeror at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right, the waiver of any such right with respect to particular facts and other circumstances will not be deemed a waiver with respect to any other facts and circumstances, and each such right shall be deemed an ongoing right that may be asserted at any time and from time to time by the Offeror. Any determination by the Offeror concerning any event or other matter described in the foregoing conditions will be final and binding upon all parties. For purposes of the foregoing conditions, including the meaning of "Subsequent Acquisition Transaction", "affiliate" means, with respect to any person (as defined in the *Securities Act* (British Columbia)), any other person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such person or company,

and “control” means the possession, direct or indirect, or the power to direct or cause the direction of the management and policies of a person or company, whether through the ownership of voting securities, by contract, or otherwise.

Any waiver of a condition or the withdrawal of the Offer shall be effective upon written notice, or other communication confirmed in writing by the Offeror to that effect, to the Depositary at its principal office in Vancouver, British Columbia or Toronto, Ontario. Forthwith after giving any such notice, the Offeror will make a public announcement of such waiver or withdrawal. If the Offer is withdrawn, the Offeror shall not be obligated to take up or pay for any Common Shares or Out-Of-The-Money Warrants deposited under the Offer, and the Depositary will as soon as practicable return all certificates representing deposited Common Shares or Out-Of-The-Money Warrants, Letters of Transmittal, Notices of Guaranteed Delivery and related documents to the parties by whom they were deposited at the Offeror’s expense. See Section 8 of the Offer to Purchase, “Return of Deposited Common Shares and Out-Of-The-Money Warrants”.

5. Extension and Variation of the Offer

The Offer is open for acceptance until the Expiry Time, unless the Offer is withdrawn or is extended by the Offeror.

The Offeror expressly reserves the right, in its sole discretion, at any time and from time to time during the Deposit Period or at any other time if permitted by law, to extend the Deposit Period, or to vary the Offer by giving written notice, or other communication confirmed in writing, of such extension or variation to the Depositary at its principal office in Vancouver, British Columbia or Toronto, Ontario, and by causing the Depositary as soon as practicable thereafter to communicate such notice to all Holders whose Common Shares or Out-Of-The-Money Warrants have not been taken up prior to the extension or variation in the manner set forth in Section 11 of the Offer to Purchase, “Notices and Delivery”. The Offeror will as soon as practicable after giving notice of an extension or variation to the Depositary make a public announcement of the extension or variation in the manner required by applicable law and provide a copy of the notice to the TSX-V. In the case of an extension, such announcement will be made no later than 6:00 a.m. (Pacific time) on the next business day after the previously scheduled Expiry Time. Any notice of extension or variation will be deemed to have been given and be effective at the time on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Vancouver, British Columbia or Toronto, Ontario. Notwithstanding the foregoing, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer, except those waived by the Offeror, have been fulfilled or complied with at the Expiry Time, unless the Offeror first takes up all Common Shares and Out-Of-The-Money Warrants validly deposited under the Offer and not withdrawn.

Where the terms of the Offer are varied, the Deposit Period will not end before 10 calendar days after the notice of such variation has been given to Holders, unless otherwise permitted by applicable law and subject to abridgement or elimination of that period pursuant to such orders as may be granted by applicable securities regulatory authorities. A variation consisting solely of a waiver of a condition will not result in an extension of the Deposit Period unless so required by applicable laws.

If at any time before the Expiry Time, or at any time after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer to Purchase or the Circular, each as amended from time to time, that would reasonably be expected to affect the decision of a Holder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), the Offeror will give written notice of such change to the Depositary at its principal office in Vancouver, British Columbia or Toronto, Ontario, and will cause the Depositary to provide as soon as practicable thereafter a copy of such notice in the manner set forth in Section 11 of the Offer to Purchase, “Notices and Delivery”, to all Holders of Common Shares whose Common Shares have not been taken up pursuant to the Offer at the date of the occurrence of the change and to all Holders of Out-Of-The-Money Warrants whose Out-Of-The-Money Warrants have not been taken up pursuant to the Offer at the date of the occurrence of the change, if required by applicable law. The Offeror will as soon as practicable after giving notice of a change in information to the Depositary make a public announcement of the change in information and provide a copy of the public announcement to the TSX-V. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Vancouver, British Columbia or Toronto, Ontario.

During any such extension or in the event of any such variation or change in information, all Common Shares and Out-Of-The-Money Warrants deposited and not taken up or withdrawn will remain subject to the Offer and may be taken up by the Offeror in accordance with the terms of the Offer, subject to Section 6 of the Offer to Purchase, "Withdrawal of Deposited Common Shares and Out-Of-The-Money Warrants". An extension of the Deposit Period, a variation of the Offer or a change to information does not constitute a waiver by the Offeror of its rights under Section 4 of the Offer to Purchase, "Conditions of the Offer".

If the consideration being offered for the Common Shares or Out-Of-The-Money Warrants under the Offer is increased, the increased consideration will be paid to all depositing Holders whose Common Shares or Out-Of-The-Money Warrants are taken up under the Offer without regard to when such Common Shares or Out-Of-The-Money Warrants are taken up by the Offeror.

6. Withdrawal of Deposited Common Shares and Out-Of-The-Money Warrants

Except as otherwise stated in this Section 6, all deposits of Common Shares or Out-Of-The-Money Warrants pursuant to the Offer are irrevocable. Unless otherwise required or permitted by applicable law, any Common Shares or Out-Of-The-Money Warrants deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Holder:

- (a) at any time before such Common Shares or Out-Of-The-Money Warrants have been taken up by the Offeror pursuant to the Offer;
- (b) at any time before the expiration of 10 calendar days from the date upon which either:
 - (i) a notice of change relating to a change which has occurred in the information contained in the Offer, which change is one that would reasonably be expected to affect the decision of a Holder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror) in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or
 - (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Common Shares or Out-Of-The-Money Warrants pursuant to the Offer where the time for deposit is not extended for a period greater than 10 calendar days or a variation consisting solely of a waiver of a condition of the Offer),

is mailed, delivered or otherwise properly communicated, but only if such deposited Common Shares or Out-Of-The-Money Warrants have not been taken up by the Offeror at the time of the notice and subject to abridgement of that period pursuant to such order or orders as may be granted by Canadian courts or securities regulatory authorities; or

- (c) at any time after three business days from the date the Offeror takes up the Common Shares or Out-Of-The-Money Warrants, if such Common Shares or Out-Of-The-Money Warrants have not been paid for by the Offeror.

Withdrawals of Common Shares or Out-Of-The-Money Warrants deposited under the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Holder and must be actually received by the Depository at the place of deposit of the applicable Common Shares or Out-Of-The-Money Warrants within the time limits indicated above. Notice of withdrawal must (i) be made by a method, including facsimile transmission, that provides the Depository with a written or printed copy, (ii) be signed by the person who signed the Letter of Transmittal accompanying, or the Notice of Guaranteed Delivery in respect of, the Common Shares or Out-Of-The-Money Warrants which are to be withdrawn, and (iii) specify such person's name, the number of Common Shares or Out-Of-The-Money Warrants to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Common Shares or Out-Of-The-Money Warrants to be withdrawn. The withdrawal

will take effect upon actual receipt by the Depository of the properly completed written notice of withdrawal. Any signature on the notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions set out in such letter), except in the case of Common Shares or Out-Of-The-Money Warrants deposited for the account of an Eligible Institution. None of the Offeror, the Depository or any other person will be under any duty to give notice of any defect or irregularity in any notice of withdrawal or shall incur any liability for failure to give such notice.

Alternatively, if Common Shares or Out-Of-The-Money Warrants have been deposited pursuant to the procedures for Book-based Transfer, any notice of withdrawal must specify the name and number of the account at CDS to be credited with the withdrawn Common Shares or Out-Of-The-Money Warrants and otherwise comply with the procedures of CDS.

Withdrawals may not be rescinded and any Common Shares or Out-Of-The-Money Warrants withdrawn will thereafter be deemed not validly deposited for purposes of the Offer. However, withdrawn Common Shares or Out-Of-The-Money Warrants may be redeposited at any time at or prior to the Expiry Time by again following one of the procedures described in Section 3 of the Offer to Purchase, "Manner of Acceptance".

If the Offeror is delayed in taking up or paying for Common Shares or Out-Of-The-Money Warrants or is unable to take up or pay for Common Shares or Out-Of-The-Money Warrants for any reason, then, without prejudice to the Offeror's other rights, Common Shares and Out-Of-The-Money Warrants may not be withdrawn except to the extent that depositing Holders are entitled to withdrawal rights as set forth in this Section 6 or pursuant to applicable laws.

In addition to the foregoing rights of withdrawal, holders of Common Shares or Out-Of-The-Money Warrants in certain provinces of Canada are entitled to statutory rights of rescission or to damages, or both, in certain circumstances. See "Offerees' Statutory Rights" in the Circular. All questions as to the validity (including timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion, and such determination will be final and binding.

7. Payment for Deposited Common Shares and Out-Of-The-Money Warrants

Subject to the terms and conditions of the Offer (including, but not limited to the conditions specified in Section 4 of the Offer to Purchase, "Conditions of the Offer"), if all of the conditions of the Offer are either met or, if applicable, waived at or prior to the Expiry Time, the Offeror will take up Common Shares and Out-Of-The-Money Warrants validly deposited under the Offer and not withdrawn promptly following the Expiry Time, but in any event not later than 10 calendar days after the Expiry Time, and will pay for such Common Shares and Out-Of-The-Money Warrants as soon as practicable and in any event not later than the earlier of: (a) three business days after such Common Shares and Out-Of-The-Money Warrants are taken up; and (b) 10 calendar days after the Expiry Time (Upon receipt of funds from the Offeror, pursuant to the take up and payment for the Common Shares and Out-Of-The-Money Warrants, the Depository will issue payment for Common Shares and Out-Of-The-Money Warrants deposited as soon as practicable). Any Common Shares and Out-Of-The-Money Warrants deposited under the Offer after the first date on which Common Shares and Out-Of-The-Money Warrants have been taken up by the Offeror will be taken up and paid for as soon as practicable, and in any event not later than 10 calendar days after such deposit.

Subject to applicable law, the Offeror expressly reserves the right in its sole discretion to delay or otherwise refrain from taking up and paying for any Common Shares or Out-Of-The-Money Warrants or to terminate the Offer and not take up or pay for any Common Shares or Out-Of-The-Money Warrants if any condition specified in Section 4 of the Offer to Purchase, "Conditions of the Offer", is not satisfied or waived by the Offeror, by giving written notice thereof, or other communication confirmed in writing, to the Depository at its principal office in Vancouver, British Columbia or Toronto, Ontario. The Offeror also expressly reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Common Shares and Out-Of-The-Money Warrants in order to comply, in whole or in part, with any applicable law. The Offeror will not, however, take up and pay for any Common Shares or Out-Of-The-Money Warrants deposited under the Offer unless it simultaneously takes up and pays for all Common Shares and Out-Of-The-Money Warrants then validly deposited under the Offer and not withdrawn.

The Offeror will be deemed to have taken up Common Shares and Out-Of-The-Money Warrants validly deposited under the Offer and not withdrawn if, as and when the Offeror gives written notice or other communication confirmed in writing to the Depositary to that effect.

The Offeror will pay for Common Shares and Out-Of-The-Money Warrants validly deposited under the Offer and not withdrawn by providing the Depositary with sufficient funds (by bank transfer or other means satisfactory to the Depositary) for transmittal to depositing Holders. Under no circumstances will interest accrue or be paid by the Offeror or the Depositary to persons depositing Common Shares or Out-Of-The-Money Warrants on the purchase price of Common Shares and Out-Of-The-Money Warrants purchased by the Offeror, regardless of any delay in making such payment. The Depositary will act as the agent of persons who have deposited Common Shares or Out-Of-The-Money Warrants in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting payment to such persons, and receipt of payment by the Depositary shall be deemed to constitute receipt thereof by persons depositing Common Shares or Out-Of-The-Money Warrants.

Settlement will be made by the Depositary issuing or causing to be issued a cheque payable in Canadian funds in the amount to which the person depositing Common Shares or Out-Of-The-Money Warrants is entitled. Unless otherwise directed in the Letter of Transmittal, the cheque will be issued in the name of the registered holder of deposited Common Shares or Out-Of-The-Money Warrants. Unless the person depositing Common Shares or Out-Of-The-Money Warrants instructs the Depositary to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, cheques will be forwarded by first class mail, postage prepaid, to such person at the address specified in the Letter of Transmittal. If no address is specified, a cheque payable in respect of registered Common Shares and Out-Of-The-Money Warrants will be forwarded to the address of the holder as shown on the share register maintained by or on behalf of bcMetals. Cheques mailed in accordance with this paragraph will be deemed to have been delivered at the time of mailing.

Depositing Holders will not be obligated to pay any brokerage fee or commission if they accept the Offer by depositing their Common Shares or Out-Of-The-Money Warrants directly with the Depositary. If a Holder owns Common Shares or Out-Of-The-Money Warrants through a broker, dealer or other nominee and such nominee deposits the Common Shares or Out-Of-The-Money Warrants on the Holder's behalf, the nominee may charge a fee for performing this service.

8. Return of Deposited Common Shares and Out-Of-The-Money Warrants

If any deposited Common Shares or Out-Of-The-Money Warrants are not taken up and paid for pursuant to the terms and conditions of the Offer for any reason, certificates for Common Shares and Out-Of-The-Money Warrants that are not purchased will be returned at the Offeror's expense as soon as practicable after the Expiry Time or withdrawal and early termination of the Offer, as the case may be, by sending certificates representing Common Shares or Out-Of-The-Money Warrants not purchased back to the respective Holders or in the case of Common Shares or Out-Of-The-Money Warrants deposited by Book-based Transfer, such Common Shares and Out-Of-The-Money Warrants will be credited to the depositing Holder's account maintained with CDS. Certificates (and other relevant documents) will be forwarded by first class mail in the name of, and to the address specified by, the Holder in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the share register maintained by or on behalf of bcMetals.

9. Mail Service Interruption

Notwithstanding the provisions of the Offer to Purchase, the Circular, the Letter of Transmittal or the Notice of Guaranteed Delivery, cheques, share certificates and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to cheques, share certificates and any other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary to which the deposited certificates for Common Shares or Out-Of-The-Money Warrants were delivered until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror will provide notice of any determination not to mail under this Section 9 as soon as reasonably practicable after the making of such determination and in accordance with Section 11 of the Offer to Purchase, "Notices and Delivery". Notwithstanding Section 7 of the Offer to Purchase, "Payment for Deposited Common Shares and Out-Of-The-Money Warrants", cheques, certificates or other relevant documents not mailed for the foregoing reason will be

conclusively deemed to have been mailed on the first day upon which they are available for delivery to the depositing Holder at the appropriate office of the Depository.

10. Dividends and Distributions

If, on or after the date of the Offer, bcMetals should divide, combine, reclassify, consolidate, convert or otherwise change any of the Common Shares or its capitalization, or should disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer to Purchase, "Conditions of the Offer", make such adjustments as it deems appropriate to the purchase price or other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the consideration payable therefor) to reflect such division, combination, reclassification, consolidation, conversion or other change.

Common Shares and Out-Of-The-Money Warrants acquired pursuant to the Offer shall be transferred by the Holder and acquired by the Offeror free and clear of all liens, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including, without limitation and except as provided below, the right to any and all dividends, distributions, payments, securities, property or other interests which may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Securities or any of them on and after the date of the Offer, other than as provided in this Section 10 of the Offer to Purchase.

If, on or after the date of the Offer, bcMetals should declare, make or pay any other Distribution in respect of Common Shares which is payable or distributable to the Holders on a record date which is prior to the date of transfer of such Common Shares into the name of the Offeror or its nominees or transferees on the share register maintained by or on behalf of bcMetals, then without prejudice to the Offeror's rights under Section 4 of the Offer to Purchase, "Conditions of the Offer", the whole of any such Distribution will be received and held by the depositing Holder for the account of and for the benefit of the Offeror and will be promptly remitted and transferred by the depositing Holder to the Depository for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as owner of any such Distribution and may withhold the entire purchase price payable by the Offeror pursuant to the Offer or deduct from the purchase price payable by the Offeror pursuant to the Offer the amount or value of the Distribution, as determined by the Offeror in its sole discretion. The declaration or payment of any such dividend or distribution may have tax consequences not discussed under "Certain Canadian Federal Income Tax Considerations" in the Circular.

11. Notices and Delivery

Without limiting any other lawful means of giving notice and unless otherwise specified by applicable laws, any notice to be given by the Offeror to the Depository pursuant to the Offer will be deemed to have been properly given to holders of registered Common Shares or Out-Of-The-Money Warrants if it is in writing and is mailed by first class mail, postage prepaid, to registered Holders at their respective addresses as shown on the share register maintained by or on behalf of bcMetals in respect of the Common Shares and Out-Of-The-Money Warrants and unless otherwise specified by applicable laws will be deemed to have been received on the first business day following the date of mailing. For this purpose, "business day" means any day other than a Saturday, Sunday or statutory holiday in the jurisdiction to which the notice is mailed. These provisions apply notwithstanding any accidental omission to give notice to any one or more Holders and notwithstanding any interruption of mail services in Canada or the United States following mailing. Except as otherwise required or permitted by law, in the event of any interruption of or delay in mail services, following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by law, if post offices in Canada are not open for the deposit of mail, any notice which the Offeror or the Depository may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by Holders if (a) it is given to the TSX-V for dissemination through its facilities, (b) it is published once in (i) the National Edition of *The Globe and Mail* or *The National Post* and (ii) *La Presse* or (c) it is given to the Canada NewsWire Service for dissemination through its facilities.

The Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery will be mailed to registered holders of Common Shares (and to registered holders of securities exercisable for or convertible into Common Shares) and registered holders of Out-Of-The-Money Warrants or made in such other manner as is

permitted by applicable regulatory authorities and the Offeror will use its reasonable efforts to furnish such documents to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the securityholder lists or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmission to beneficial owners of Common Shares (and securities exercisable for or convertible into Common Shares) and Out-Of-The-Money Warrants when such list or listing is received.

Whenever the Offer calls for documents to be delivered to the Depositary, such documents will not be considered delivered unless and until they have been physically received at one of the addresses listed for the Depositary in the Letter of Transmittal or the Notice of Guaranteed Delivery, as applicable. Whenever the Offer calls for documents to be delivered to a particular office of the Depositary, such documents will not be considered delivered unless and until they have been physically received at that particular office at the address listed in the Letter of Transmittal or the Notice of Guaranteed Delivery, as applicable.

12. Market Purchases

If permitted by applicable law, the Offeror reserves the right to, and may, acquire, or cause an affiliate to acquire, at any time and from time to time prior to the Expiry Time, Common Shares, by making purchases through the facilities of the TSX-V.

In no event will the Offeror or an affiliate of the Offeror make any such purchases of Common Shares through the facilities of the TSX-V until the third business day following the date of the Offer. The aggregate number of Common Shares beneficially acquired by the Offeror through the facilities of the TSX-V while the Offer is outstanding shall not exceed 5% of the outstanding Common Shares as of the date of the Offer and the Offeror will issue and file a press release containing the information prescribed by law after the close of business of the TSX-V on each day on which such Common Shares have been purchased. For these purposes, "Offeror" includes the Offeror and any person or company acting jointly or in concert with the Offeror. Although the Offeror has no present intention to sell Common Shares taken up and paid for under the Offer, it reserves the right to make or to enter into an arrangement, commitment or understanding at or before the Expiry Time to sell any of such Common Shares after the Expiry Time.

13. Other Terms of the Offer

The Offeror reserves the right to transfer or assign, in whole or from time to time in part, to one or more persons designated by or affiliated with the Offeror, the right to purchase all or any portion of the Common Shares or Out-Of-The-Money Warrants deposited pursuant to the Offer, but any such transfer will not relieve the Offeror of its obligations under the Offer or prejudice the rights of persons depositing Common Shares or Out-Of-The-Money Warrants to receive payment for Common Shares or Out-Of-The-Money Warrants validly deposited and accepted for payment pursuant to the Offer.

No broker, dealer or other person has been authorized to give any information or to make any representation or warranty on behalf of the Offeror or any of its affiliates in connection with the Offer other than as contained in the Offer, and, if any such information, representation or warranty is given or made, it must not be relied upon as having been authorized. No broker, investment dealer or other person shall be deemed to be the agent of the Offeror or any of its affiliates, or the Depositary for the purposes of the Offer.

The Offer and all contracts resulting from the acceptance of the Offer shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

The Offer is not being made to (nor will deposits of Common Shares be accepted from or on behalf of) Holders of Common Shares or Out-Of-The-Money Warrants residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. The Offeror may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to holders of Common Shares and Out-Of-The-Money Warrants in any such jurisdiction.

The Offeror in its sole discretion shall be entitled to make a final and binding determination of all questions relating to the Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawal of Common Shares or Out-Of-The-Money Warrants.

The provisions of the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer to Purchase, including the instructions contained therein, form part of the terms and conditions of the Offer.

The Offer to Purchase and the accompanying Circular together constitute the take-over bid circular required under Canadian provincial securities legislation with respect to the Offer. Holders are urged to refer to the accompanying Circular for additional information relating to the Offer.

DATED: September 27, 2006

CAT-GOLD CORPORATION

(signed) J. Brian Kynoch, President

CIRCULAR

This Circular is furnished in connection with the Offer to Purchase dated September 27, 2006 by the Offeror to purchase all of the issued and outstanding Common Shares (including any Common Shares which may become outstanding after the date of the Offer upon the exercise of any Options), at a price of \$0.95 in cash per Common Share and all of the currently outstanding Out-Of-The-Money Warrants at a price of \$0.02 in cash per Out-Of-The-Money Warrant. The terms and provisions of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Holders should refer to the Offer to Purchase for details of its terms and conditions, including details as to payment and withdrawal rights. Defined terms used in the Offer to Purchase are used in this Circular with the same meaning unless the context otherwise requires.

Except as otherwise indicated, the information concerning bcMetals contained in the Offer to Purchase and this Circular has been provided to the Offeror by bcMetals or has been taken from or based upon publicly available documents and records on file with Canadian securities regulatory authorities, and other public sources. Although the Offeror has no knowledge that would indicate that any statements contained herein relating to bcMetals taken from or based upon such documents and records are untrue or incomplete, none of the Offeror, Imperial, their affiliates or any of their respective officers or directors assumes any responsibility for the accuracy or completeness of the information relating to bcMetals taken from or based upon such documents and records, or for any failure by bcMetals to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Offeror.

THE OFFEROR

The Offeror, CAT-Gold Corporation, was incorporated under the *Canada Business Corporations Act*.

The Offeror is a wholly owned subsidiary of Imperial Metals Corporation. Imperial was incorporated under the laws of the Province of British Columbia and its head office and registered office are located at 200 – 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6. The Offeror owns 100% of Mount Polley Mining Corporation and Sterling Gold Mining Corporation, and 50% of Huckleberry Mines Ltd.

BCMETALS

bcMetals is in the business of acquiring, exploring and developing mineral properties.

bcMetals was incorporated under the ABCA on May 10, 2001. bcMetals' head office is located at 488, 625 Howe Street, Vancouver, British Columbia V6C 2T6 and its registered and records office address is located at 5210 – 60th Street, Rocky Mountain House, Alberta T4T 1K9.

Based on publicly available information, the authorized share capital of bcMetals consists of an unlimited number of Common Shares without par value of which, as at September 25, 2006, bcMetals had 37,501,790 Common Shares issued and outstanding. Based on publicly available information, as at September 14, 2006, bcMetals has approximately 3,990,000 Common Shares reserved for issuance pursuant to outstanding stock options and 5,800,000 Common Shares reserved for issuance pursuant to outstanding warrants.

bcMetals is subject to the information and reporting requirements of the ABCA, *Securities Act* (British Columbia), the securities laws of various other provinces of Canada and the rules of the TSX-V. In accordance therewith, bcMetals is required to file reports, financial statements and other information with certain securities regulatory authorities in Canada, including the TSX-V, relating to its business, financial condition and other matters. Information as of particular dates concerning bcMetals' directors and officers, their remuneration, stock options granted to them, the principal holders of the Common Shares and any material interests of such persons in transactions with bcMetals and other matters is required to be disclosed in proxy circulars distributed to Holders and filed with certain of such securities regulatory authorities, including with the TSX-V, and may be inspected at the offices or through the facilities of such securities regulatory authorities. In addition, certain of the reports, financial

statements (including interim financial statements), proxy circulars and other information may be accessed through the website maintained through the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. All references in this document to internet sites are for informational purposes only and the contents of such Internet sites are not incorporated by reference herein.

Pursuant to the provisions of the *Securities Act* (British Columbia) and the securities laws of various provinces of Canada, the directors of bcMetals are required to send a directors' circular to all Holders in connection with the Offer and disclose, together with other information, any material change in the affairs of bcMetals subsequent to the date of the most recent published financial statements of bcMetals.

BACKGROUND TO THE OFFER

On August 31, 2006, the Offeror commenced purchasing Common Shares of bcMetals for investment purposes. On September 7, 2006, the board of directors of the Offeror met to discuss bcMetals and made the decision to put forth an offer to purchase all of the issued and outstanding Common Shares. On September 8, 2006, the Offeror issued a press release disclosing this decision.

REASONS TO ACCEPT THE OFFER

The Offeror believes that the price of \$0.95 payable in cash per Common Share is fair consideration for the Common Shares it is seeking to purchase under the Offer as the offering price of \$0.95 per Common Share represents a premium of 46% over the average closing price for the Common Shares of bcMetals for the 20 trading days prior to September 7, 2006. The price being payable in cash gives the Holders the opportunity to fully monetize their investment in the Common Shares without having to pay any brokerage fees or commissions.

The Offeror believes that the price of \$0.02 payable in cash per Out-Of-The-Money Warrant is fair consideration for the Out-Of-The-Money Warrants it is seeking to purchase under the Offer as such Out-Of-The-Money Warrants are presently out-of-the-money. As it is intended that the Common Shares of bcMetals will be delisted from the TSX-V if the Offer is successful, the Out-Of-The-Money Warrants may never be in-the-money and would be exercisable into Common Shares which may not be listed for trading.

PURPOSE OF THE OFFER AND PLANS FOR BCMETALS

Purpose of the Offer

The purpose of the Offer is to enable the Offeror to acquire all of the Common Shares and Out-Of-The-Money Warrants of bcMetals. If the conditions of the Offer are satisfied and the Offeror takes up and pays for the Common Shares and Out-Of-The-Money Warrants validly deposited under the Offer, the Offeror currently intends to acquire any Common Shares not deposited under the Offer by Compulsory Acquisition if available, or propose a Subsequent Acquisition Transaction, in each case at a cash price of \$0.95 per Common Share and \$0.02 per Out-Of-The-Money Warrant. However, the Offeror reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction, or to propose a Subsequent Acquisition Transaction on terms not discussed in this Circular as described in this Circular, "Acquisition of Common Shares Not Deposited". Following the completion of the Offer, the Offeror should own sufficient Common Shares to effect a Subsequent Acquisition Transaction.

Plans for bcMetals

If the Offer is successful, the Offeror intends to effect certain changes with respect to the composition of the Board of Directors of bcMetals to allow designees of the Offeror to become members of the Board of Directors of bcMetals and to represent a majority of the Board of Directors of bcMetals. Neither the Offeror nor Imperial has developed any specific proposals with respect to bcMetals, or operations, or any changes in its assets, business strategies, management or personnel following the acquisition of Common Shares pursuant to the Offer. However, if the Offer is successful, the Offeror proposes to review the operations of both the Offeror, Imperial and bcMetals to determine how best to combine them.

If permitted by applicable law, subsequent to the completion of the Offer and a Compulsory Acquisition or any Subsequent Acquisition Transaction, if necessary, the Offeror intends to delist the Common Shares from the TSX-V and, if there are fewer than fifteen securityholders of bcMetals in any province, to apply to cause bcMetals to cease to be a reporting issuer under the securities laws of each such province. See “Effect of the Offer on the Market for Common Shares; Stock Exchange Listings; and Public Disclosure by bcMetals”.

Treatment of Options

If any holder of Options does not exercise such Options prior to the Expiry Time, such Options may remain outstanding following the Expiry Time in accordance with their terms and conditions, including with respect to term to expiry, vesting schedule and exercise price, except that, to the extent permitted in accordance with the terms of the Options, after completion of a Compulsory Acquisition or Subsequent Acquisition Transaction, an Option may be exchanged for another security or may be terminated without payment of any consideration. The tax consequences to holders of Options of exercising or not exercising their Options are not described in “Certain Canadian Federal Income Tax Considerations” in the Circular. Holders of Options should consult with their own tax advisors for advice with respect to potential income tax consequences to them in connection with the decision to exercise or not exercise their Options.

SOURCE OF FUNDS

The Offeror estimates that if it acquires all of the Common Shares and Out-Of-The-Money Warrants, including any Common Shares issued following the date hereof pursuant to the exercise of Options, pursuant to the Offer, the total cash amount required to purchase such Common Shares and Out-Of-The-Money Warrants and pay related fees and expenses will be approximately \$42,500,000. The Offeror intends to fund the Offer with its current cash holdings, cash generated from its operations, supplemented by a line of credit facility from Edco Financial Corporation (“Edco”) dated and effective September 7, 2006 in the amount of \$40,000,000 (the “Facility”). The Facility is subject to conditions usual in commercial lending transactions of this kind. Interest on the outstanding principal amount and interest on overdue interest will compound monthly at the rate of 9% per annum. A draw fee of 1% will be payable on the amount drawn. The line of credit will expire on November 30, 2007, but its continuance is subject to satisfactory periodic reviews and no adverse changes occurring. The amount drawn down will be evidenced by a promissory note and secured by a floating charge debenture on Imperial’s assets and a guarantee from its subsidiary, Mount Polley Mining Corporation. Imperial anticipates that it will generate sufficient cash from its operations to repay any amounts borrowed under the Facility.

The Offeror believes that the financial condition of each of the Offeror and Imperial is not material to a decision by a Holder whether to deposit Common Shares and Out-Of-The-Money Warrants under the Offer because (i) cash is the only consideration that will be paid to Holder in connection with the Offer, (ii) the Offeror is offering to purchase all of the outstanding Common Shares and Out-Of-The-Money Warrants in the Offer, (iii) the Offer is not subject to obtaining any financing or to any financing contingencies and (iv) with its available cash and the availability of funds under the Facility, the Offeror will have sufficient funds to fund the total amount required to purchase the Common Shares and Out-Of-The-Money Warrants under the Offer.

BENEFICIAL OWNERSHIP OF AND TRADING IN SECURITIES OF bcMETALS

The Offeror currently owns 1,164,000 Common Shares (3.1%) of bcMetals. No other securities are beneficially owned, directly or indirectly, nor is control or direction exercised over any other securities of bcMetals by the Offeror, Imperial or any of their respective directors or senior officers. To the knowledge of such directors and senior officers, after reasonable enquiry, no other securities of bcMetals are owned, directly or indirectly, nor is control or direction exercised over any other securities of bcMetals by any associate of a director or senior officer of the Offeror or Imperial, or any person or company holding more than 10% of any class of equity securities of the Offeror or Imperial, or any person or company acting jointly or in concert with the Offeror or Imperial.

To the knowledge of the Offeror and Imperial after reasonable enquiry, neither the Offeror nor any of the persons and companies referred to above has traded in any securities of bcMetals during the six months preceding the date hereof other than as noted above and the sale on August 31, 2006 by Edco Capital Corporation (which had been

acquired by Edco Capital Corporation more than six months preceding the date hereof) to the Offeror of 267,500 Common Shares of bcMetals at the price of \$0.59 per share.

No Person named in this section will receive any direct or indirect benefit from the Offer or from accepting or refusing to accept the Offer other than the consideration available to any Holder who participates in the Offer.

PRICE RANGE AND TRADING VOLUME OF COMMON SHARES

The Common Shares are listed and posted for trading on the TSX-V and trade under the symbol "C". The following table sets forth, for the periods indicated, the high and low closing prices of the Common Shares and the volume of trading on the TSX-V, according to published sources:

Month	Trading Price (Low)	Trading Price (High)	Volume traded (# shares)
August 2005	\$0.375	\$0.70	4,681,074
September 2005	\$0.41	\$0.50	2,175,399
October 2005	\$0.42	\$0.51	2,091,591
November 2005	\$0.485	\$0.64	1,188,284
December 2005	\$0.50	\$0.72	1,758,020
January 2006	\$0.50	\$0.77	2,845,648
February 2006	\$0.65	\$0.89	3,024,652
March 2006	\$0.70	\$0.95	2,942,252
April 2006	\$0.71	\$1.45	6,819,992
May 2006	\$0.78	\$1.16	2,841,019
June 2006	\$0.60	\$0.85	2,558,144
July 2006	\$0.60	\$0.77	1,166,060
August 2006	\$0.53	\$0.70	1,705,385
September 1- 25	\$0.56	\$0.95	8,050,773

The intention to make the Offer was announced by press release issued by Imperial on September 8, 2006. The closing price of the Common Shares on September 7, 2006 was \$0.75. The offering price of \$0.95 per Common Share represents a premium of 46% over the average closing price for the Common Shares for the 20 trading days prior to September 7, 2006.

PRIOR DISTRIBUTION OF COMMON SHARES

The Offeror is not aware, based on publicly available information, of any distributions of Common Shares since January 1, 2001, excluding distributions of Common Shares that may have taken place pursuant to the exercise of Options, other than as follows:

Approximate Date of Issue	Security Offered	Price per Security	Approximate Gross Proceeds
July 6, 2006	2,011,111 Common Shares	\$0.90	\$1,810,000
Subsequent to June 30, 2006	Warrants to purchase up to 100,000 Common Shares at \$0.84 per Common Share for two years	Nil	Nil
June 2006	Warrants to purchase up to 600,000 Common Shares for two years at an average exercise price of \$0.96 per Common Share	Nil	Nil
During the year ended December 31, 2005	Warrants to purchase 200,000 Common Shares at \$0.61 per Common Share	Nil	Nil

Approximate Date of Issue	Security Offered	Price per Security	Approximate Gross Proceeds
December 12, 2005	2,500,000 Common Shares with warrants to purchase up to 2,500,000 Common Shares exercisable at \$0.75 per Common Share for up to two years	\$0.50 per unit	\$1,250,000
December 12, 2005	Finder Warrants to purchase up to 250,000 Common Shares exercisable at \$0.75 per Common Share for up to two years	Nil	Nil
October 1, 2004	2,400,000 Common Shares and warrants to purchase up to 2,400,000 Common Shares at \$1.00 per share for two years and if all such warrants are exercised, warrants to purchase a further 2,400,000 Common Shares at \$1.75 per share for one year	\$0.60 per unit	\$1,440,000
During the year ended December 31, 2004	500,000 Common Shares and warrants to purchase up to 500,000 Common Shares at prices up to \$2.33 per Common Share for three years	Nil	Nil
During the year ended December 31, 2004	2,900,000 Common Shares and warrants to purchase up to 1,450,000 Common Shares at \$2.50 per Common Share for three years	\$1.50	\$4,350,000
During the year ended December 31, 2004	550,000 Common Shares	\$1.75	\$962,500
During the year ended December 31, 2004	Broker Warrants to purchase 345,000 Common Shares at \$1.50 until October 16, 2004	Nil	Nil
During the year ended December 31, 2004	500,000 Common Shares and warrants to purchase up to 500,000 Common Shares at prices up to \$1.26 per Common Share for three years	Nil	Nil
During the year ended December 31, 2004	500,000 Common Shares and warrants to purchase up to 500,000 Common Shares at prices up to \$1.22 per Common Share for three years	Nil	Nil
December 4, 2003	Pursuant to a property transaction, warrants to purchase up to 250,000 Common Shares at \$0.60 until December 31, 2006	Nil	Nil
December 9, 2003	57,000 Common Shares for property	Nil	Nil
December 9, 2003	3,500,000 Common Shares with warrants to purchase up to 1,750,000 Common Shares at the price of \$2.50 per Common Share for three years	\$1.50	\$5,250,000
December 9, 2003	Agent's Options to purchase up to 350,000 Common Shares at the price of \$1.50 per Common Share until May 21, 2004	Nil	Nil
August 21, 2003	2,000,000 Common Shares pursuant to a property transaction	Nil	Nil
August 21, 2003	Prospectus offering of 5,666,667 Flow-Through Common Shares and units consisting of 3,429,167 Common Shares with warrants to purchase up to	\$0.60	\$5,475,500

Approximate Date of Issue	Security Offered	Price per Security	Approximate Gross Proceeds
	3,429,167 Common Shares at the price of \$0.70 per Common Share for 12 months		
August 21, 2003	737,500 Agent's Units consisting of one Common Share and one warrant to purchase one additional share at the price of \$0.70 per Common Share for 12 months	Nil	Nil
August 21, 2003	Agent's Warrants to purchase up to 909,583 Common Shares at the price of \$0.70 per Common Share for 12 months	Nil	Nil
January 3, 2002	1,400,000 Common Shares	\$0.15	\$210,000
January 3, 2002	Agent's Options to purchase up to 140,000 Common Shares at \$0.15 per Common Share for 18 months	Nil	Nil

DIVIDEND POLICY OF BCMETALS

According to publicly available information, bcMetals has not paid dividends on any shares during the last two completed fiscal years and it is not contemplated that any dividends will be paid on any shares of bcMetals in the immediate future, as it is anticipated that all available funds will be invested to finance the growth of bcMetals' business.

EFFECT OF THE OFFER ON THE MARKET FOR COMMON SHARES; STOCK EXCHANGE LISTING; AND PUBLIC DISCLOSURE BY BCMETALS

Market for the Common Shares

The purchase of the Common Shares by the Offeror pursuant to the Offer will reduce the number of Common Shares that might otherwise trade publicly and will reduce the number of holders of Common Shares and, depending on the number of Common Shares acquired by the Offeror, could adversely affect the liquidity and market value of any remaining Common Shares held by the public.

Listing and Quotation

The rules and regulations of the TSX-V establish certain criteria which, if not met, could lead to the delisting of the Common Shares from such exchange. Among such criteria are the number of Shareholders, the number of Common Shares publicly held and the aggregate market value of Common Shares publicly held. Depending upon the number of Common Shares purchased pursuant to the Offer, it is possible that the Common Shares would fail to meet these criteria for continued listing on such exchange. If permitted by applicable law, subsequent to completion of the Offer (or a Compulsory Acquisition or any Subsequent Acquisition Transaction, if necessary), the Offeror intends to apply to delist the Common Shares from the TSX-V. If the Common Shares are delisted from the TSX-V, the extent of the public market for the Common Shares and the availability of price or other quotations would depend upon the number of Shareholders, the number of Common Shares publicly held and the aggregate market value of the Common Shares remaining at such time, the interest in maintaining a market in Common Shares on the part of securities firms, whether bcMetals remains subject to public reporting requirements in Canada and other factors.

Public Disclosure by bcMetals

After the purchase of the Common Shares under the Offer, when publicly held securities of bcMetals are no longer outstanding or are no longer widely held, bcMetals may cease to be subject to the public reporting and proxy solicitation requirements of the ABCA and the securities laws of certain provinces of Canada. Furthermore, it may

be possible for bcMetals to request the elimination of the public reporting requirements of any province where a small number of Shareholders reside. If permitted by applicable law, subsequent to the completion of the Offer or a Compulsory Acquisition or any Subsequent Acquisition Transaction, the Offeror intends to make applications to cause bcMetals to cease to be a reporting issuer under the securities laws of each such province.

COMMITMENTS TO ACQUIRE COMMON SHARES

Except pursuant to the Offer, neither the Offeror nor any of the directors or senior officers of the Offeror nor Imperial, nor, to the knowledge of the directors and senior officers of the Offeror or Imperial after reasonable enquiry, any associate of any director or senior officer of the Offeror or Imperial, any person or company holding more than 10% of any class of equity securities of the Offeror or Imperial, or any person or company acting jointly or in concert with the Offeror or Imperial, has entered into any agreements, commitments or understandings to acquire any securities of bcMetals.

ARRANGEMENTS, AGREEMENTS OR UNDERSTANDINGS; OTHER BENEFITS TO INSIDERS, AFFILIATES AND ASSOCIATES

There are no arrangements, agreements, commitments or understandings made or proposed to be made between the Offeror and any of the directors or senior officers of bcMetals and no payments or other benefits are proposed to be made or given by the Offeror by way of compensation for loss of office or as to such directors or senior officers remaining in or retiring from office if the Offer is successful. Further, there are no contracts, arrangements or understandings, formal or informal, between the Offeror and any Holder of bcMetals with respect to the Offer, or between the Offeror and any person or company, with respect to any Common Shares or Out-Of-The-Money Warrants of bcMetals in relation to the Offer. However, it is the stated intention of Imperial to work with all employees and officers of bcMetals subsequent to the successful completion of the Offer to develop the Red Chris property to its full potential.

ACQUISITION OF COMMON SHARES NOT DEPOSITED

Compulsory Acquisition of Common Shares

The purpose of the Offer is for the Offeror to acquire 100% of the outstanding Common Shares. If within 120 days after the date of the Offer, the Offer has been accepted by holders of not less than 90% of the Common Shares and the Offeror has taken up and paid for such Common Shares, the Offeror intends to acquire, pursuant to the compulsory acquisition provisions of Part 16 of the ABCA, the remaining Common Shares not tendered to the Offer.

To exercise such statutory right, the Offeror must give notice (the "Offeror's Notice") to each registered holder of Common Shares who did not accept the Offer (and to each person who subsequently acquires any Common Shares) (in each case, a "Dissenting Offeree") of such proposed acquisition by registered mail on or before the earlier of the 60th day following the Expiry Date and the 180th day from the date of the Offer. Within 20 days after giving the Offeror's Notice, the Offeror must pay or transfer to bcMetals the consideration the Offeror would have had to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, to be held in trust by bcMetals for the Dissenting Offerees. Within 20 days after receipt of the Offeror's Notice, each Dissenting Offeree must send the certificates representing the Common Shares held by such Dissenting Offeree to bcMetals, and each Dissenting Offeree must elect to transfer his or her Common Shares to the Offeror on the terms of the Offer or to demand payment of the fair value of the Common Shares held by such Dissenting Offeree by so notifying the Offeror within 20 days after receipt of the Offeror's Notice. If a Dissenting Offeree has elected to demand payment of the fair value of that Dissenting Offeree's Common Shares, the Offeror may apply to the court (as defined in the ABCA) to fix the fair value of such Common Shares of that Dissenting Offeree within 20 days after it has paid or transferred to bcMetals the consideration the Offeror would have had to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, as described above. If the Offeror fails to apply to such court within 20 days after it made the payment or transfer to bcMetals referred to above, the Dissenting Offeree may then apply to the court for the same purpose within a further period of 20 days. If no such application is made by the Dissenting Offeree within the period referred to above, the Dissenting Offeree will be deemed to have elected to transfer the Dissenting

Offeree's Common Shares to the Offeror on the terms of the Offer. Any judicial determination of the fair value of the Common Shares could be more or less than the amount paid pursuant to the Offer.

The foregoing is a summary only. The summary is not intended to be complete and is qualified in its entirety by the provisions of Part 16 of the ABCA. Reference should be made to Part 16 of the ABCA for a complete description of the provisions regarding Compulsory Acquisitions. The provisions of Part 16 of the ABCA are complex and may require strict adherence to notice and timing provisions, failing which such rights may be lost or altered. Holders who wish to be better informed about these provisions should consult their legal advisors.

See "Certain Canadian Federal Income Tax Considerations" for a discussion of the tax consequences to certain Holders in the event of a Compulsory Acquisition.

Subsequent Acquisition Transactions

If the Offeror takes up and pays for Common Shares and Out-Of-The-Money Warrants validly deposited to the Offer and the right of Compulsory Acquisition described above is not available or the Offeror elects not to pursue such right, the Offeror currently intends to cause a special meeting of Shareholders to be called to consider a proposed statutory arrangement, amalgamation, merger, reorganization, recapitalization or other transaction involving the Offeror and/or an affiliate of the Offeror and bcMetals and/or any of its affiliates and/or the Holders for the purposes of bcMetals becoming, directly or indirectly, a wholly owned subsidiary of the Offeror and/or an affiliate of the Offeror or effecting an amalgamation or merger of bcMetals' business and assets with or into the Offeror and/or an affiliate of the Offeror. The timing and details of any such transaction will necessarily depend on a variety of factors, including the number of Common Shares and Out-Of-The-Money Warrants acquired pursuant to the Offer. In the event of a Subsequent Acquisition Transaction, Holders, other than the Offeror and its affiliates, could receive cash, preferred shares (which may be immediately redeemable for cash), debt or any combination thereof. While the Offeror currently intends that the consideration offered under any Subsequent Acquisition Transaction would be the same price as the price allocated to the Common Shares and Out-Of-The-Money Warrants under the Offer, the consideration offered to holders of Common Shares and Out-Of-The-Money Warrants in a Subsequent Acquisition Transaction could have a higher or lower value than the value of the consideration allocated to the Common Shares and Out-Of-The-Money Warrants pursuant to the Offer.

In the event a Subsequent Acquisition Transaction were to be consummated, Shareholders may have the right to dissent in respect thereof and demand payment of the fair value of their Common Shares and Out-Of-The-Money Warrants. The exercise of such right of dissent, if certain procedures are complied with by dissenting Shareholders, could lead to a judicial determination of the fair value required to be paid to such dissenting Shareholder for his, her or its Common Shares and Out-Of-The-Money Warrants. The fair value so determined could be more or less than, or equal to, the value of the consideration paid per Common Share or Out-Of-The-Money Warrant pursuant to the Subsequent Acquisition Transaction or the consideration allocated to the Common Shares and Out-Of-The-Money Warrants pursuant to the Offer.

Each type of Subsequent Acquisition Transaction described would be a Going Private Transaction within the meaning of certain applicable Canadian securities legislation and regulations (collectively, the "Regulations"), including Rule 61-501 and Policy Q-27 and would be a "business combination" within the meaning of Rule 61-501 and a "Going Private Transaction" within the meaning of Policy Q-27 (collectively hereinafter referred to as "Going Private Transactions"). In certain circumstances, the provisions of Rule 61-501 and Policy Q-27 may also deem certain types of Subsequent Acquisition Transactions to be "related party transactions". However, if the Subsequent Acquisition Transaction is a "Going Private Transaction" carried out in accordance with Rule 61-501 or an exemption therefrom and Policy Q-27 or an exemption therefrom, the "related party transaction" provisions of Rule 61-501 and Policy Q-27 will not apply to such transaction. The Offeror intends to carry out any such Going Private Transaction in accordance with Rule 61-501 and Policy Q-27 or exemptions therefrom such that the related party transaction provisions of Rule 61-501 and Policy Q-27 will not apply to the Going Private Transaction.

The Regulations, Rule 61-501 and Q-27 provide that, unless exempted, a corporation proposing to carry out a Going Private Transaction is required to prepare a valuation of the affected securities (and, subject to certain exceptions, any non-cash consideration being offered therefor) and to provide to the holders of the securities a summary of such

valuation or the entire valuation. In connection therewith, the Offeror intends to rely on any exemption then available or to seek waivers pursuant to Rule 61-501 and Policy Q-27 from the OSC and AMF, respectively, exempting the Offeror, Imperial or bcMetals or their affiliates, as appropriate, from the requirement to prepare a valuation in connection with any Subsequent Acquisition Transaction. An exemption is available under Rule 61-501 and Policy Q-27 for certain Going Private Transactions completed within 120 days after the expiry of a formal take-over bid where the consideration under such transaction is at least equal in value and is in the same form as that paid in the take-over bid, provided certain disclosure is given in the take-over bid disclosure documents. The Offeror expects that these exemptions will be available.

The Offeror expects that the provisions of the ABCA would require the approval of at least either a majority or 66 2/3% of the votes cast by holders of the outstanding Common Shares at a meeting duly called and held for the purpose of approving a Subsequent Acquisition Transaction. The Offeror or its affiliates, as applicable, would cause the Common Shares and Out-Of-The-Money Warrants acquired under the Offer to be voted in favour of such a transaction. Rule 61-501 and Policy Q-27 would in effect also require that, in addition to any other required securityholder approval, in order to complete a Going Private Transaction, the approval of a simple majority of the votes cast by “minority” holders of the affected securities must be obtained unless an exemption is available or discretionary relief is granted by the OSC and AMF.

In relation to any Subsequent Acquisition Transaction, the “minority” holders will be, subject to any available exemption or discretionary relief granted by the OSC and AMF as required, all Holders other than the Offeror, any “interested party” as defined in Rule 61-501 and Policy Q-27, any “related party” of the Offeror or of any “interested party” (for the purpose of Rule 61-501), including the directors and senior officers or the Offeror or any associate, affiliate or an insider of the Offeror, or any of their directors or senior officers, and any person or company acting jointly or in concert any of the foregoing persons. However, Rule 61-501 and Policy Q-27 also provide that the Offeror may treat Common Shares and Out-Of-The-Money Warrants acquired pursuant to the Offer as “minority” shares and vote them, or consider them voted, in favour of a Subsequent Acquisition Transaction that is a Going Private Transaction if, among other things, the consideration for each security in the Subsequent Acquisition Transaction is at least equal in value to and in the same form as the consideration paid pursuant to the Offer. The Offeror currently intends that the consideration offered under any Subsequent Acquisition Transaction proposed by it would be the same as the price allocated to Common Shares and Out-Of-The-Money Warrants under the Offer and that the Subsequent Acquisition transaction would be completed no later than 120 days after the Expiry Time. The Offeror intends to cause Common Shares and Out-Of-The-Money Warrants acquired pursuant to the Offer to be voted in favour of such transaction and to be counted as part of any minority approval required in connection with any such transaction.

In addition, under Rule 61-501 and Policy Q-27, if, following the Offer, the Offeror and its affiliates are the registered holders of 90% or more of the Common Shares at the time the Subsequent Acquisition Transaction is initiated, the requirement for minority approval would not apply to the transaction if a statutory right to dissent and seek fair value or a substantially equivalent enforceable right is made available to the minority shareholders.

The tax consequences to a Holder of a Subsequent Acquisition Transaction may differ from the tax consequences to such Holder of having its Common Shares or Out-Of-The-Money Warrants acquired pursuant to the Offer. Holders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Common Shares or Out-Of-The-Money Warrants acquired pursuant to a Subsequent Acquisition Transaction.

The details of any such Subsequent Acquisition Transaction, including the timing of its implementation and the consideration to be received by the minority Shareholders, would necessarily be subject to a number of considerations, including the number of Common Shares and Out-Of-The-Money Warrants acquired pursuant to the Offer. There can be no assurance that any such transaction will be proposed or, if proposed, effected. Holders should consult their own legal advisors for a determination of their legal rights with respect to any Subsequent Acquisition Transaction if and when proposed.

Other Alternatives

If the Offeror decides not to effect the Compulsory Acquisition or to propose a Subsequent Acquisition Transaction, or proposes a Subsequent Acquisition Transaction but cannot promptly obtain any required approval, the Offeror will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable law, purchasing additional Common Shares or Out-Of-The-Money Warrants in privately-negotiated transactions or in another take-over bid or taking no further action to acquire additional Common Shares or Out-Of-The-Money Warrants. Any additional purchases of Common Shares or Out-Of-The-Money Warrants could be at a price greater than, equal to, or less than, the price to be paid for Common Shares or Out-Of-The-Money Warrants under the Offer and could be for cash and/or securities or other consideration. Alternatively, the Offeror may sell or otherwise dispose of any or all Common Shares or Out-Of-The-Money Warrants acquired pursuant to the Offer or otherwise. Such transactions may be effected on terms and at prices then determined by the Offeror, which may vary from the price paid for Common Shares and Out-Of-The-Money Warrants under the Offer.

Judicial Developments

Certain judicial decisions may be considered relevant to any Subsequent Acquisition Transaction which may be proposed or effected subsequent to the expiry of the Offer. Prior to the adoption of Rule 61-501 and Policy Q-27, Canadian courts had, in a few instances, granted preliminary injunctions to prohibit transactions involving Going Private Transactions. The Offeror has been advised that based upon more recent legislative enactments, these types of transactions may proceed subject to compliance with requirements intended to ensure procedural and substantive fairness to the minority securityholders. Holders should consult their legal advisors for determination of legal rights with respect to any transaction which may constitute a business combination or Going Private Transaction.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Offeror, the following summary describes the principal Canadian federal income tax considerations generally applicable to a Shareholder or Holder of Out-Of-The-Money Warrants who sells Common Shares and Out-Of-The-Money Warrants pursuant to the Offer or a Compulsory Acquisition and who, at all relevant times for purposes of the application of the *Income Tax Act* (Canada) and the regulations thereto (collectively, the "Tax Act") (1) deals at arm's length with bcMetals and the Offeror; (2) is not affiliated with bcMetals or the Offeror; and (3) holds the Common Shares and Out-Of-The-Money Warrants as capital property (a "Holder"). Generally, the Common Shares and Out-Of-The-Money Warrants will be capital property to a Holder provided the Holder does not hold the Common Shares and Out-Of-The-Money Warrants in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain Canadian resident Holders whose Common Shares might not otherwise be capital property may in certain circumstances be entitled to have the Common Shares and all other "Canadian securities", as defined in the Tax Act, owned by such Holder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the current provisions of the Tax Act and counsel's understanding of the current administrative and assessing practices and policies of the CRA published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and assumes that all proposed amendments will be enacted in the form proposed. However, no assurances can be given that the proposed amendments will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice, whether by legislative, regulatory, administrative or judicial action, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may be different from those discussed herein. This summary is not applicable to a Holder that is a "specified financial institution" or to a Holder an interest in which is a "tax shelter investment", as defined in the Tax Act. This summary also does not address all issues relevant to Holders who acquired their Common Shares on the exercise of an Option or any other right to acquire Common Shares. Such Holders should consult their own tax advisors.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors having regard to their own particular circumstances.

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times for purposes of the Tax Act is, or is deemed to be, resident in Canada (a “Resident Holder”).

A Resident Holder who disposes of Common Shares pursuant to the Offer or a Compulsory Acquisition will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition received for the Common Shares, net of any reasonable costs of disposition, exceed (or are less than) the aggregate adjusted cost base to the Resident Holder of the Common Shares immediately before the disposition. A Resident Holder who disposes of Out-Of-The-Money Warrants pursuant to the Offer or a Compulsory Acquisition will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition received for the Out-Of-The-Money Warrants, net of any reasonable costs of disposition, exceed (or are less than) the aggregate adjusted cost base to the Resident Holder of the Out-Of-The-Money Warrants immediately before the disposition.

Generally, a Resident Holder is entitled to include in computing its income for a taxation year one-half of the amount of any capital gain (a “taxable capital gain”). Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is entitled to deduct one-half of the amount of any capital loss (an “allowable capital loss”) realized in a taxation year from taxable capital gains realized by the Resident Holder in the year, and allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of Common Shares may be reduced by the amount of any dividends received (or deemed to be received) by it on such Common Shares, to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where Common Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Resident Holders should consult their own advisors.

A Resident Holder that is throughout the year a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable for a refundable tax of 6 2/3% on investment income, including taxable capital gains realized on the disposition of Common Shares and Out-Of-The-Money Warrants.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times for purposes of the Tax Act is not, and is not deemed to be, resident in Canada and does not use or hold the Common Shares and Out-Of-The-Money Warrants in a business carried on in Canada (a “Non-Resident Holder”).

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition of Common Shares and Out-Of-The-Money Warrants pursuant to the Offer or a Compulsory Acquisition, unless the Common Shares and Out-Of-The-Money Warrants are “taxable Canadian property” to the Non-Resident Holder for purposes of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, the Common Shares and Out-Of-The-Money Warrants will not constitute taxable Canadian property to a Non-Resident Holder at a particular time provided that (1) the Common Shares are listed on a prescribed stock exchange (which includes the TSX-V) at that time, and (2) the Non-Resident Holder, together with persons with whom the Non-Resident Holder does not deal at arm’s length, have not owned 25% or more of the issued shares of any class or series of the capital stock of bcMetals at any time during the 60-month period that ends at that time. Even in the event that the Common Shares and Out-Of-The-Money Warrants constitute taxable Canadian property to a Non-Resident Holder, any resulting taxable capital gain may be exempt from Canadian tax under the provisions of an applicable income tax convention.

If any interest is paid or credited to a Non-Resident Holder in connection with the exercise of dissent rights under a Compulsory Acquisition, such Non-Resident Holder will be subject to Canadian withholding tax under the Tax Act

at the rate of 25%, subject to reduction under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. Where the Non-Resident Holder is a U.S. resident, for example, the applicable rate of Canadian withholding tax is generally reduced under the *Canada-U.S. Tax Convention* (1980) to 10%.

As noted above under “Effect of the Offer on the Market for Common Shares; Stock Exchange Listing; and Public Disclosure by bcMetals”, Common Shares may cease to be listed on the TSX-V following the completion of the Offer and may therefore not be listed on the TSX-V at the time of their disposition pursuant to a Compulsory Acquisition. Non-Resident Holders are cautioned that if the Common Shares are not listed on a prescribed stock exchange at the time they are disposed of: (1) the Common Shares and Out-Of-The-Money Warrants will be taxable Canadian property to the Non-Resident Holder; (2) the Non-Resident Holder may be subject to income tax under the Tax Act in respect of any capital gain realized on their disposition, subject to any relief under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident; and (3) the notification and withholding provisions of section 116 of the Tax Act will apply to the Non-Resident Holder, in which case the Offeror may be required, pursuant to the Tax Act, to deduct or withhold an amount from any payment made to the Non-Resident Holder and to remit such amount to the Receiver General on behalf of the Non-Resident Holder. Non-Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of not disposing of their Common Shares and Out-Of-The-Money Warrants pursuant to the Offer.

MATERIAL CHANGES AND OTHER INFORMATION

Except as disclosed elsewhere in this Circular or as publicly disclosed by bcMetals, the Offeror has no information which indicates any material change in the affairs of bcMetals since the date of the last published financial statements of bcMetals, and the Offeror has no knowledge of any other matter that has not previously been generally disclosed but which would reasonably be expected to affect the decision of the Holders to accept or reject the Offer.

REGULATORY MATTERS

Competition Act

The *Competition Act* (Canada), as amended (the “*Competition Act*”), requires parties to certain proposed merger transactions which exceed specified financial thresholds to provide the Commissioner of Competition appointed under the *Competition Act* (the “Commissioner”) with prior notice of and information relating to the transaction and the parties thereto, and to await the expiration of the prescribed “waiting period” prior to completing the transaction. Alternatively, a party to a proposed merger transaction may apply to the Commissioner for and secure an advance ruling certificate, in effect, acknowledging that the proposed merger is not, in the Commissioner’s opinion, anti-competitive. The Offeror has determined that the transaction contemplated by the Offer is not subject to pre-merger notification under Part IX of the *Competition Act*.

The merger provisions of the *Competition Act* permit the Commissioner to apply to the Competition Tribunal (the “Tribunal”) to seek relief in respect of a merger transaction which prevents or lessens, or is likely to prevent or lessen, competition substantially. The relief that may be ordered by the Tribunal includes, in the case of a completed merger, ordering a dissolution of the merger or disposition of assets or shares, and in the case of a proposed merger, prohibiting completion of the transaction. The Offeror does not believe that the proposed acquisition of bcMetals will give rise to substantive competition law concerns in Canada.

DEPOSITARY

The Offeror has engaged Computershare to act as depositary for the receipt of certificates in respect of Common Shares and Out-Of-The-Money Warrants and related Letters of Transmittal and Notices of Guaranteed Delivery deposited under the Offer. The Depositary will receive reasonable and customary compensation from the Offeror for its services relating to the Offer and will be reimbursed for certain out-of-pocket expenses. The Offeror has also agreed to indemnify the Depositary against certain liabilities and expenses in connection with the Offer, including certain liabilities under the provincial securities laws of Canada.

No fee or commission is payable by any Holder who transmits its Common Shares or Out-Of-The-Money Warrants directly to the Depositary. If you hold Common Shares or Out-Of-The-Money Warrants through a broker or other nominee and such broker or nominee deposits the Common Shares or Out-Of-The-Money Warrants on your behalf, the broker or nominee may charge a fee for performing this service.

Questions and requests for assistance concerning the Offer should be made directly to the Depositary.

DEALER MANAGERS

The Offeror has retained Haywood Securities Inc. and Blackmont Capital Inc. to act as dealer managers in connection with the Offer. They will be paid a fixed fee, a variable fee and a success fee, up to a maximum of approximately \$325,000 and will be reimbursed for their reasonable out-of-pocket expenses. In addition, they will be indemnified against certain liabilities, including liabilities under securities laws, in connection with the Offer.

EXPENSES OF THE BID

The Offeror estimates that if it acquires all of the Common Shares and Out-Of-The-Money Warrants, including any Common Shares issued following the date hereof pursuant to the exercise of Options, pursuant to the Offer, the total cash amount required to purchase such Common Shares and Out-Of-The-Money Warrants and pay related fees and expenses, including legal, financial advising, accounting, filing and printing costs, the cost of preparation and mailing the Offer, will be approximately \$42,500,000, excluding proxy solicitation costs.

BENEFITS FROM THE OFFER

Other than as disclosed elsewhere in this Circular, no person named under “Beneficial Ownership and Trading of Securities” in this Circular, will receive any direct or indirect benefit from accepting or refusing to accept the Offer, other than the consideration available to any Holder who deposits Common Shares or Out-Of-The-Money Warrants to the Offer.

LEGAL MATTERS

Legal matters on behalf of the Offeror will be passed upon by, and the opinion contained under “Certain Canadian Federal Income Tax Considerations” has been provided by Fasken Martineau DuMoulin LLP, counsel to the Offeror.

OFFEREES’ STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides securityholders of bcMetals with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to such securityholders.

However, such rights must be exercised within prescribed time limits. Holders should refer to the applicable provisions of the securities legislation of their province or territory for the particulars of those rights or consult with a lawyer.

DIRECTORS’ APPROVAL

The contents of the Offer to Purchase and this Circular have been approved and the sending thereof to the Holders, has been authorized by the board of directors of the Offeror and the board of directors of Imperial.

CONSENT OF FASKEN MARTINEAU DuMOULIN LLP

TO: The Directors of the Offeror

We hereby consent to the reference to our opinion contained under "Certain Canadian Federal Income Tax Considerations" in the Circular accompanying the Offer dated September 27, 2006 made by the Offeror to the holders of Common Shares and Out-Of-The-Money Warrants of bcMetals Corporation.

DATED: September 27, 2006

(signed) FASKEN MARTINEAU DUMOULIN LLP

CERTIFICATE OF THE OFFEROR

DATED: September 27, 2006

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. In addition, the foregoing does not contain any misrepresentation likely to affect the value or the market price of the Common Shares or Out-Of-The-Money Warrants which are the subject of the Offer.

(signed) J. Brian Kynoch
Chief Executive Officer of
CAT-Gold Corporation

(signed) Andre Deepwell
Chief Financial Officer of
CAT-Gold Corporation

On behalf of the Board of Directors of CAT-Gold Corporation

(signed) Pierre Lebel
Director

(signed) Larry Moeller
Director

CERTIFICATE OF IMPERIAL METALS CORPORATION

DATED: September 27, 2006

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. In addition, the foregoing does not contain any misrepresentation likely to affect the value or the market price of the Common Shares or Out-Of-The-Money Warrants which are the subject of the Offer.

(signed) J. Brian Kynoch
Chief Executive Officer of
Imperial Metals Corporation

(signed) Andre Deepwell
Chief Financial Officer of
Imperial Metals Corporation

On behalf of the Board of Directors of Imperial Metals Corporation

(signed) Pierre Lebel
Director

(signed) Larry Moeller
Director

The Depositary for the Offer is:

Computershare Investor Services Inc.

By Registered Mail, Hand or by Courier:

Vancouver: 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9

Toronto: 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1

For Information contact:

Toll Free: 1-800-564-6253

E-Mail: corporateactions@computershare.com