Imperial Metals Corporation

Annual Information Form

for the Year Ended December 31, 2014

Dated: March 30, 2015

DATE OF INFORMATION

The information contained within this Annual Information Form (AIF) is for the financial year ended December 31, 2014 unless stated otherwise.

CURRENCY

The reporting currency of the Company is the Canadian (CDN) Dollar and all financial information presented in this AIF is in Canadian dollars, unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This AIF provides material information about Imperial and its business, operations and developments for the year ended December 31, 2014 and plans for the future based on facts and circumstances as at March 30, 2015. Except for statements of historical fact relating to the Company, certain information contained or incorporated by reference herein constitutes forward-looking information which are prospective in nature and reflect the current views and/or expectations of Imperial. Often, but not always, forward-looking information can be identified by the use of statements such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such information in this AIF includes, without limitation, statements regarding: mine plans; costs and timing of current and proposed exploration and development; production and marketing; capital expenditures; future expenses and plans relating to ongoing recovery, remediation, rehabilitation and restoration activities at the Mount Polley mine; use of proceeds from financings; expectations relating to the construction, commissioning and operation of the Red Chris mine; adequacy of funds for projects and liabilities; expectations relating to the receipt of insurance proceeds; outcome and impact of litigation; expectations relating to results of operations; and markets and pricing of copper and gold.

Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which Imperial operates, including assumptions that: Imperial will be able to advance and complete recovery, remediation, rehabilitation and restoration activities at the Mount Polley mine within expected timeframes; that there will be no significant delay in the recommencement of operations at the Mount Polley mine; that Imperial's initial recovery activities will be successful as planned; that all required permits, approvals and arrangements to proceed with planned remediation and restoration will be obtained in a timely manner; that there will be no interruptions that will materially delay Imperial's progress with its remediation plans; that Imperial will have access to capital if required; that there will be no material delay in the commissioning of the Red Chris mine; that insurance proceeds will be available to contribute materially to the remediation at the Mount Polley mine; that equipment will operate as expected; that the Company's use of derivative instruments will enable to Company to achieve expected pricing protection; that there will be no material adverse change in the market price of commodities and exchange rates; and that the Red Chris mine will be constructed, commissioned and operated substantially in accordance with current budgeted capital and operating expenditures and will achieve expected production outcomes (including with respect to mined grades and mill recoveries). Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. We can give no assurance that the forward-looking information will prove to be accurate.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Imperial's actual results, revenues, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements constituting forward-looking information. Important risks that could cause Imperial's actual results, revenues, performance or achievements to differ materially from Imperial's expectations include, among other things: uncertainty regarding the outcome of sample testing and analysis being conducted on the area affected by the tailings dam breach; risks relating to the timely receipt of necessary approvals and consents to proceed with the remediation plan; risks relating to timing of the remaining costs and liabilities relating to the tailings dam breach; uncertainty as to actual timing of completion of recovery, remediation and restoration activities and the recommencement of commercial operations at the Mount Polley mine; risks relating to the impact of the tailings dam breach on Imperial's reputation; the quantum of claims, fines and penalties that become payable by Imperial and the risk that current sources of funds are insufficient to fund liabilities; risks that Imperial will be unsuccessful in defending against any legal claims or potential litigation; risk of costs arising from any unforeseen longer-term environmental consequences of the tailings dam breach at Mount Polley mine; risks that additional financing that may be required may not be available to Imperial on terms

acceptable to Imperial or at all; risks of protesting activity and other civil disobedience restricting access to the Company's properties; failure of plant, equipment or processes to operate in accordance with expectations; cost escalation, unavailability of materials and equipment, labour unrest, power shortages, natural phenomena such as weather conditions negatively impacting the progress of remediation or the construction, commissioning or operation of the Red Chris mine; inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources); and other hazards and risks disclosed within Imperial's Management's Discussion and Analysis for the year ended December 31, 2014 and other public filings which are available on Imperial's profile on SEDAR at *www.sedar.com*. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Imperial does not undertake to update any forward looking information, except in accordance with applicable securities laws."

DOCUMENTS INCORPORATED BY REFERENCE

This AIF incorporates other documents by reference which can provide the reader with additional detailed information. The documents *incorporated by reference* include the Technical Reports listed in the table below and are available on SEDAR at *www.sedar.com*, as well as the Company's website at *www.imperialmetals.com*.

National Instrument 43-101 Technical Reports		
2012 Ruddock Creek	Mar. 1, 2012	Technical Report – Ruddock Creek Lead-Zinc Project – Kamloops Mining Division, British Columbia
2012 Red Chris	Feb. 14, 2012	2012 Technical Report on the Red Chris Copper-Gold Project, British Columbia
2011 Huckleberry	Nov. 11, 2011	Technical Report on the Main Zone Optimization – Huckleberry Mine, Omineca Mining Division, British Columbia
2006 Sterling	Feb. 7, 2006	Technical Report on the Sterling Property 144 Zone: Resource Summary and Exploration Proposal – Nevada, USA
2004 Mount Polley	Aug. 1, 2004	43-101 Technical Report - Mount Polley Mine: 2004 Feasibility Study – Likely, BC

CONVERSIONS

Imperial Measure Conversion to Metric Unit			
2.470	acres	=	1 hectare
3.280	feet	=	1 metre
0.620	miles	=	1 kilometre
0.032	troy ounces	=	1 gram
2.205	pounds	=	1 kilogram
1.102	(short) tons	=	1 tonne
0.029	(troy) ounces/(short) ton	=	1 gram/tonne

Metric Unit Conversion to Imperial Measure			
0.4047	hectare	=	1 acre
0.3048	m	=	1 foot
1.6093	kilometre	=	1 mile
31.1035	grams	=	1 ounce (troy)
0.454 0	kilograms	=	1 pound
0.9072	tonnes	=	1 ton
34.2857	gram/tonnes	=	1 ounce (troy)/ton (short)

ABBREVIATIONS

The following abbreviations may be used in this document:	
km = kilometre	ft = feet
m = metre	oz = ounces
mm = millimetre	lbs = pounds
g/t = grams per tonne	oz/st gold = ounce per short ton gold
sq/m = square metre	g/T gold = grams per ton gold
C = Celsius	kV = kilovolt
F = Fahrenheit	kW = kilowatt
opt = ounces per ton	QA/QC = quality assurance and quality control

DEFINITIONS

Resource and Reserve Classifications

This AIF adheres to the resource/reserve definitions and classification criteria developed by the Canadian Institute of Mining and Metallurgy (CIM). The CIM Definition Standards on Mineral Resources and Reserves (CIM Definition Standards) establish definitions and guidance on the definitions for mineral resources, mineral reserves, and mining studies used in Canada. The Mineral Resource, Mineral Reserve, and Mining Study definitions are incorporated, by reference, into National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (NI 43-101). The CIM Definition Standards are summarized below. For more information see the CIM website at www.cim.org.

Mineral Resource

Mineral Resources are sub-divided, in order of increasing geological confidence, into *Inferred, Indicated and Measured* categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Indicated Mineral Resource

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Measured Mineral Resource

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

Mineral Reserve

Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

Probable Mineral Reserve

A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

The Qualified Person(s) may elect, to convert Measured Mineral Resources to Probable Mineral Reserves if the confidence in the modifying factors is lower than that applied to a Proven Mineral Reserve. Probable Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study.

Proven Mineral Reserve

A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the modifying factors.

Application of the Proven Mineral Reserve category implies that the Qualified Person has the highest degree of confidence in the estimate with the consequent expectation in the minds of the readers of the report. The term should be restricted to that part of the deposit where production planning is taking place and for which any variation in the estimate would not significantly affect the potential economic viability of the deposit. Proven Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study. Within the CIM Definition standards the term Proved Mineral Reserve is an equivalent term to a Proven Mineral Reserve

Mineral Resource & Mineral Reserve Classification

The CIM Definition Standards provide for a direct relationship between Indicated Mineral Resources and Probable Mineral Reserves and between Measured Mineral Resources and Proven Mineral Reserves. In other words, the level of geoscientific confidence for Probable Mineral Reserves is the same as that required for the in situ determination of Indicated Mineral Resources and for Proven Mineral Reserves is the same as that required for the in situ determination of Measured Mineral Resources.

DESCRIPTION OF COMPANY & CORPORATE STRUCTURE

Imperial Metals Corporation ("Imperial", the "Company", "we", "our" or "us") is a Canadian mining company active in the acquisition, exploration, development, mining and production of base and precious metals.

The Company's principal business and registered and records office address is located at Suite 200, 580 Hornby Street, Vancouver, British Columbia V6C 3B6 Canada.

The Company was incorporated under the *Company Act* (British Columbia), which was superceded by the *Business Corporations Act* (British Columbia) (the "BCBCA"), on December 6, 2001 under the name IMI Imperial Metals Inc. Imperial changed its name to Imperial Metals Corporation on April 10, 2002.

On December 5, 2011 our issued and outstanding common shares were split on a two-for-one basis.

MAIN MINERAL OPERATIONS & PROPERTIES

Operations/Properties	Jurisdiction	Type of Operation
Red Chris Mine	British Columbia	open pit copper-gold mine; commissioning of this new mine commenced November 13, 2014
Mount Polley Mine	British Columbia	open pit copper-gold mine
Huckleberry Mine	British Columbia	open pit copper mine
Sterling Mine	Nevada	underground heap leach gold mine
Ruddock Creek Property	British Columbia	pre-development stage underground zinc/lead

The Company's principal product is copper concentrate.

Revenue by Product [expressed in thousands]	2014	2013
Copper	$81,901	$114,097
Gold	46,197	69,734
Total	$128,098	$183,831

The principal market for the copper concentrate produced by the Mount Polley mine and Huckleberry mine is Asia. Mount Polley copper concentrate is trucked from the mine site, located 100 km northeast of Williams Lake, British Columbia, to the Port of Vancouver for shipment to foreign markets. Huckleberry copper concentrate is trucked from the mine site, located 123 km southwest of Houston, British Columbia, to the Port of Stewart for shipment to foreign markets.

The copper concentrate produced by the Red Chris mine, located 80 km south of Dease Lake, British Columbia is trucked to the Port of Stewart for shipment to foreign markets.

The gold doré produced by Sterling mine is refined and sold in the United States.

Imperial and its consolidated subsidiaries, including Huckleberry Mines Ltd., employed 877 people as at the year ended December 31, 2014.

SUBSIDIARY COMPANIES

The Company's principal subsidiaries are noted below. A detailed list of all subsidiaries is provided in the 2014 Annual Report.

Principal Subsidiaries	Jurisdiction of Incorporation	Ownership
Mount Polley Mining Corporation	British Columbia	100%
Huckleberry Mines Ltd.	British Columbia	50% (1)
Sterling Gold Mining Corporation	Delaware	100%
Red Chris Development Company Ltd.	British Columbia	100% (2)
American Bullion Minerals Ltd.	British Columbia	100% (3)
CAT-Gold Corporation	Canada	100% (2)
HML Mining Inc.	British Columbia	100% (1)
Selkirk Metals Corp.	British Columbia	100%

(1) Imperial owns 100% of HML Mining Inc., which in turn owns 50% of Huckleberry Mines Ltd.
(2) Imperial owns 100% of CAT-Gold Corporation, which in turn owns 100% of Red Chris Development Company Ltd.
(3) Red Chris Development Company Ltd. owns 100% of American Bullion Minerals Ltd.

COMPETITIVE CONDITIONS

The Company's business is to produce and sell metal concentrates at prices determined by world markets over which we have no influence or control. These markets are cyclical. Our competitive position is determined by our costs compared to those of other producers throughout the world, and by our ability to maintain our financial capacity through metal price cycles and currency fluctuations. Costs are governed principally by the location, grade and nature of ore bodies and mineral deposits, costs of equipment, fuel, power and other 2014 inputs, as well by operating and management skill. Over the long term, our competitive position will be determined by our ability to locate, acquire and develop economic ore bodies and replace current production, as well as by our ability to hire and retain skilled employees. In this regard, we also compete with other mining companies for employees, mineral properties, joint venture agreements and the acquisition of investments in other mining companies.

ENVIRONMENTAL PROTECTION

The Company's mining, exploration and development activities are subject to various levels of Canadian Federal and British Columbia Provincial laws and regulations, and the Nevada Department of Environmental Protection and to the United States Department of the Interior Bureau of Land Management (Nevada), relating to the protection of the environment, including requirements for closure and reclamation of mining properties.

The total liability for reclamation and closure cost obligations, which represent the Company's estimate of the present value of future cash outflows required to settle estimated reclamation obligations at the end of a mine's life, associated with the Mount Polley, Red Chris, Sterling and Ruddock Creek properties, as calculated for financial disclosure purposes, at December 31, 2014, was approximately $26 million. This amount incorporates estimated future costs, inflation, and risks associated with the future cash outflows, assuming a pre-tax discount rate of 3.33%. Changes in any of these factors can result in a change to future site reclamation liabilities and the related accretion of future site reclamation provisions.

The total liability for remediation costs, which represent the Company's estimate of the present value of the future cash outflows and related depreciation expense required to settle the estimated remediation costs related to the Mount Polley mine tailings dam breach, as calculated for financial disclosure purposes, at December 31, 2014, was approximately $26 million. This amount incorporates the Company's estimate of costs for rehabilitation and restoration, including geotechnical investigations, environmental monitoring, community relations, communications and related corporate support costs. It is based on the scope and timing of work as determined by the Company in consultation with regulatory agencies and incorporates the risks associated with each activity. Changes in any of these factors can result in a change to this remediation costs estimate.

RISK FACTORS

There are material risks that could cause actual results to differ materially from our current expectations. The risks associated with our business, include those related to, but are not limited to: risks inherent in the mining and metals business; commodity price fluctuations and the effects of hedging; competition for mining properties; sale of products and future market access; mineral reserves and resource estimates; currency fluctuations; interest rate risks; financing risks; the risk that further advances may not be available under credit facilities; risks associated with maintaining substantial levels of indebtedness, including potential financial constraints on operations; regulatory and permitting risks; environmental risks; joint venture risks; foreign activity risks; legal proceedings; and other risks and uncertainties. There can be no guarantee or assurance that other factors will or will not adversely affect the Company. Refer to the section entitled "Risk Factors" provided in our Management's Discussion and Analysis in the 2014 Annual Report, available on SEDAR, which is incorporated herein by reference.

DEVELOPMENT OF THE COMPANY – THREE YEAR HISTORY

Year 2012

January 2012: The Board of Directors of Huckleberry Mines Ltd. formally approved the Main Zone Optimization (MZO) plan to extend the life of Huckleberry mine to 2021.

March 2012: Imperial joint venture partners Mitsui Mining and Smelting Company Ltd. and Itochu Corporation (Mitsui/Itochu) earned a 35% interest in the Ruddock Creek property by funding $14.0 million in exploration expenditures pursuant to a Joint Venture dated December 2010.

May 2012: A *Mines Act* (British Columbia) permit for Red Chris was issued by the Province of British Columbia. Construction of a 30,000 tonne per day open pit mine commenced shortly thereafter.

October 2012: The Toronto Stock Exchange accepted for filing the Company's notice to commence a Normal Course Issuer Bid for the period October 12, 2012 to October 11, 2013. The Company repurchased 53,300 of its outstanding common shares at the average price per share of $12.08 under the bid. The repurchased common shares were allocated to satisfy the Company's obligations under its Non-Management Directors' Plan and Share Purchase Plan.

November 2012: The Company's credit facility with its bank was increased from $75 million to $150 million to provide additional working capital for the Red Chris project. The maturity date of the credit facility was extended to September 30, 2013. The additional $75 million was guaranteed by Mr. Murray Edwards, a significant shareholder of the Company. In consideration of the guarantee, Mr. Edwards received an annual fee of $472,500 payable monthly at the annual rate of 0.63% of the additional $75 million.

December 2012: Mitsui/Itochu completed their earn-in on the Ruddock Creek property by providing $20 million in exploration and development funding to earn a 50% interest.

Year 2013

March 2013: Imperial entered into a Transmission Development Agreement with BC Hydro for the construction of a transmission line to extend the 287kV Northwest Transmission Line in northwest BC from Bob Quinn to Tatogga to provide power to residents of Iskut and to the Red Chris mine.

June 2013: Imperial entered into a new unsecured $75 million line of credit facility with Edco Capital Corporation ("Edco"), a company controlled by Mr. Edwards, available for drawdown until September 30, 2013 and bearing interest of 7% per annum. The line of credit was repayable the earlier of the completion of a debt financing or October 1, 2014. A commitment fee of $375,000 was paid in respect of the line of credit. The line of credit was increased to $130 million in August 2013, with a commitment fee of $275,000 paid in respect of the increase.

September 2013: The maturity date of the Company's $150 million credit facility with its bank was extended from September 30, 2013 to December 31, 2013. Additionally, the maturity date of the $130 million unsecured line of credit facility with Edco was extended from October 1, 2014 to January 1, 2015.

October 2013: The Toronto Stock Exchange accepted for filing the Company's notice to commence a Normal Course Issuer Bid for the period October 15, 2013 to October 14, 2014. The Company repurchased 53,100 of its outstanding common shares at the average price per share of $13.23 under the bid. The repurchased common shares were allocated to satisfy the Company's obligations under its Non-Management Directors' Plan and Share Purchase Plan.

November 2013: The line of credit facility with Edco was increased from a maximum of $130 million to $200 million. A commitment fee of $350,000 was paid in respect of the increase in the line of credit.

December 2013: Imperial amended certain terms of its credit facilities with its banker to provide additional time to arrange senior financing for the Red Chris project. The Company agreed with its banker to remove the maturity date on its $150 million demand loan facility, which was previously December 31, 2013. In addition, the final drawdown date of the Company's $200 million unsecured line of credit with Edco was extended to January 31, 2014.

Year 2014

January 2014: The line of credit facility with Edco was increased from $200 million to a maximum of $225 million. A commitment fee of $125,000 was paid in respect of the increase in the line of credit. In February 2014, the line of credit facility with Edco was increased to a maximum of $250 million and a further $125,000 commitment fee was paid in respect of such increase.

March 2014: On February 26, 2014, Huckleberry mine operations were suspended pending repair of the SAG mill bull gear. Mining operations resumed at Huckleberry on April 5, 2014.

March 2014: Imperial completed an offering of US$325 million 7% unsecured Senior Notes maturing on March 15, 2019. Concurrently with the closing of the Notes offering, the Company entered into a senior secured credit facility with a syndicate of lenders providing for a $200 million revolving credit facility consisting of two tranches: a $50 million revolving working capital tranche for general corporate purposes and a $150 million revolving construction tranche to fund Red Chris project expenditures. The Company used a portion of the net proceeds of the Notes offering and borrowings under the senior credit facility to repay the outstanding amounts under the $250 million unsecured line of credit with Edco and its credit facilities with its banker. In addition, the Company entered into a five year $75 million junior unsecured loan facility with Edco, bearing interest payable at 10% per annum on amounts borrowed under the facility, which facility is available to fund project cost overruns associated with the Red Chris project, backstop the payment of certain third party reimbursement obligations relating to an extension of the Northwest Transmission Line, and for general corporate purposes. In connection with this facility, Edco received a $750,000 commitment fee and warrants to acquire 750,000 of the Company's shares at $20 per share until March 12, 2016.

August 2014: The Company reported that a breach of the tailings storage facility at its Mount Polley mine occurred on August 4. Mine operations at the project were and continue to be suspended. The Company and a team of experts with global experience are working on the rehabilitation and restoration of the breach and surrounding affected areas.

September 2014: The Company closed a non-brokered private placement of $115.0 million face value of 6% 6-year senior unsecured convertible debentures. The proceeds from the sale of the convertible debentures are intended to be used to provide additional financing to complete and commission the Red Chris mine, fund costs of remediating the effects of the tailings dam breach at the Mount Polley mine, and to fund ongoing operations. Edco and The Fairholme Partnership, LP each purchased $40.0 million, or 34.8% each, of the convertible debentures. Subject to adjustment, each $12.00 face value of a convertible debenture is convertible into one common share of Imperial upon at least 61 days advance notice. The convertible debentures are not callable unless the closing price of Imperial's common shares exceeds 125% of the conversion price for at least 30 consecutive days. Interest will be payable semi-annually, with the first payment due on June 30, 2015. At the option of the Company, subject to the separate approval of the Toronto Stock Exchange and compliance with all applicable securities laws, such interest may be paid through the issuance of additional convertible debentures or Imperial's common shares.

October 2014: The Toronto Stock Exchange accepted for filing the Company's notice to commence a Normal Course Issuer Bid for the period October 20, 2014 to October 19, 2015. Pursuant to the Bid, the Company may purchase up to 2,024,130 common shares, which represents 2.7% of the total 74,967,768 common shares of the Company issued and outstanding as of October 3, 2014. The shares acquired under the bid will either be cancelled or used to satisfy the Company's obligations under the Non-Management Directors' Plan and Share Purchase Plan. The funding for any purchase pursuant to the bid is intended to be financed out of the working capital of the Company.

December 2014: Imperial announced the completion of the sale of the 93 km 287kV Iskut extension of the Northwest Transmission Line to BC Hydro for $52 million. The Iskut extension was built by a subsidiary of Imperial, from the terminus of the Northwest Transmission Line at the Bob Quinn substation to a newly constructed substation at Tatogga Lake. A 16 km 287kV power line connects the Red Chris mine to the Tatogga substation. Power was first delivered to the Red Chris mine via the Iskut extension on November 7, 2014.

Subsequent to Year End 2014

January 2015: The Company completed a new $50 million revolving second lien secured credit facility with the Bank of Montreal maturing on April 1, 2017. The terms and conditions of the credit facility are modelled after the $200 million senior secured credit facility completed by the Company on March 12, 2014, adjusted to reflect the second lien. Edco guaranteed the credit facility, in consideration for which Edco will receive an annual fee of 2% of the loan amount payable monthly. The credit facility is intended to provide additional liquidity for the commissioning and startup of the Red Chris Mine and for general working capital purposes.

February 2015: Approvals were received to commence commissioning of the processing plant at the Red Chris mine on February 2, 2015.

2015 Outlook

The Red Chris mine began operations in February 2015 and on February 27 the first concentrate was trucked to the Port of Stewart. The plant commissioning is ongoing, and operating crews are focusing on achieving continuous operations and producing acceptable concentrate grades. As progress is made in these areas, emphasis will move to achieving design metal recoveries and throughput. Red Chris and the Tahltan Nation community leaders are in the final stages of completing an impact and benefits agreement.

At Mount Polley work on the repair of the tailings dam embankment to provide sufficient storage so the anticipated spring runoff from the mine site can be pumped to the Springer pit, is nearing completion. Rehabilitation and restoration work is now focused on the upper reaches of Hazeltine Creek, and its outlet from Polley Lake. Mount Polley is working with the Province of BC and local First Nation communities to develop a plan to reopen the mine. Alternatives for a modified restart of mine operations have been studied and consulted on with First Nations and the Province of BC. In the restart plan, mining would begin in the Cariboo pit with tailings deposited into the Springer pit. Production in 2015 is dependent upon receiving regulatory permission to restart operations.

Huckleberry management is reviewing mining and milling plans, with a view to reducing costs and optimizing production in response to the recent drop in copper prices. The weaker CDN Dollar is helping to offset the impact of lower copper price.

At the Sterling mine the focus will be to obtain the required permits for development of a new open pit mine and an expanded leach pad in the vicinity of the historic Sterling mine.

RED CHRIS MINE

DESCRIPTION & LOCATION

Red Chris Development Company Ltd. (RCDC) is a wholly owned subsidiary of Imperial. The Red Chris project is located in NW British Columbia, approximately 18 km SE of the Iskut village, 80 km south of Dease Lake, and 12 km east of the Stewart-Cassiar Highway (Highway 37).

The Red Chris property is comprised of the Red Chris main claim group, the Red Chris South group and the Iskut Extension Transmission Line Corridor and covers a total area of 29,482 hectares. All are 100% owned by RCDC. The Red Chris main claim group consists of 52 mineral tenures covering 17,426 hectares, five of which are 30 year mining leases terminating on June 20, 2042 and encompassing 5,141 hectares. All or portions of four of the mining leases and 19 mineral claims are subject to a 1.0% net smelter return royalty held by Glencore Canada Corporation. A right of first refusal is retained on any disposition of the NSR royalty by Glencore. The Red Chris South claim group is comprised of 27 mineral tenures covering 6,097 hectares. It is subject to a 1.5% net smelter return royalty held by Canada Carbon Inc., however the royalty may be reduced to 0.5% by payment to Canada Carbon Inc. of $1 million. The Iskut Extension Transmission Line Corridor consists of 9 mineral tenures covering 5,959 hectares.

Environmental liabilities for the Red Chris project primarily relate to post closure water quality and reclamation. Under the Mines Act, reclamation is required to return the land to a stable state and where possible similar to pre-disturbance conditions. RCDC reviews the reclamation costs on an annual basis and as required under the Mines Act to submit a secured bond to cover future reclamation costs. The long term water quality predictions indicate that future water quality will have to be closely monitored to ensure water quality criteria relating to the protection of aquatic life are achieved. RCDC has prepared an Environmental Impact Assessment of the predicted concentrations and loadings to the receiving environment. Based on the finding of a Qualified Person and the science of the day predicted worst case discharge characteristics would not cause pollution to the environment. The impact assessment recommends a series of surface water, effluent and aquatic monitoring programs throughout the life of mine to re-confirm the preliminary findings. The monitoring programs will be designed to calibrate and check the conceptual and predicted findings.

Through 2014 and early 2015 the Red Chris project acquired the following amendments to the air and effluent discharge permits for operations and commissioning:

- PE-106668 Permit Authorizing Air Discharges from the Crusher, Mill, and Assay Lab
- PE-105017 Authorization for Mill Commissioning and Deposition of Tailings into the Tailings Impoundment Structure

RCDC is currently preparing the application to authorize effluent discharges from the Tailings Impoundment Area to the receiving environment. An additional amendment to PE-105017 listed above will be required for future tailings impoundment discharges. The application for the following two Federal Authorizations has been submitted to Fisheries and Oceans Canada and Environment Canada. The Federal Authorizations are required for construction of the South Tailings Dam anticipated to begin in 2016.

- Schedule 2 Amendment under the Fisheries Act, and
- DFO – Federal Fisheries Act Authorization.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

Road access to the Red Chris property from Highway 37 is via a 23 km access road located 18 km south of Iskut, providing all-weather access to the site and a year-round working season. The nearest supply centres are the City of Terrace and the Town of Smithers. Commercial aircraft service the Dease Lake airport, and also the Bob Quinn airstrip, located 111 km south of Iskut along Highway 37. The closest port with a ship loading facility is at Stewart, which is a distance of 320 km (by road) from the Red Chris property.

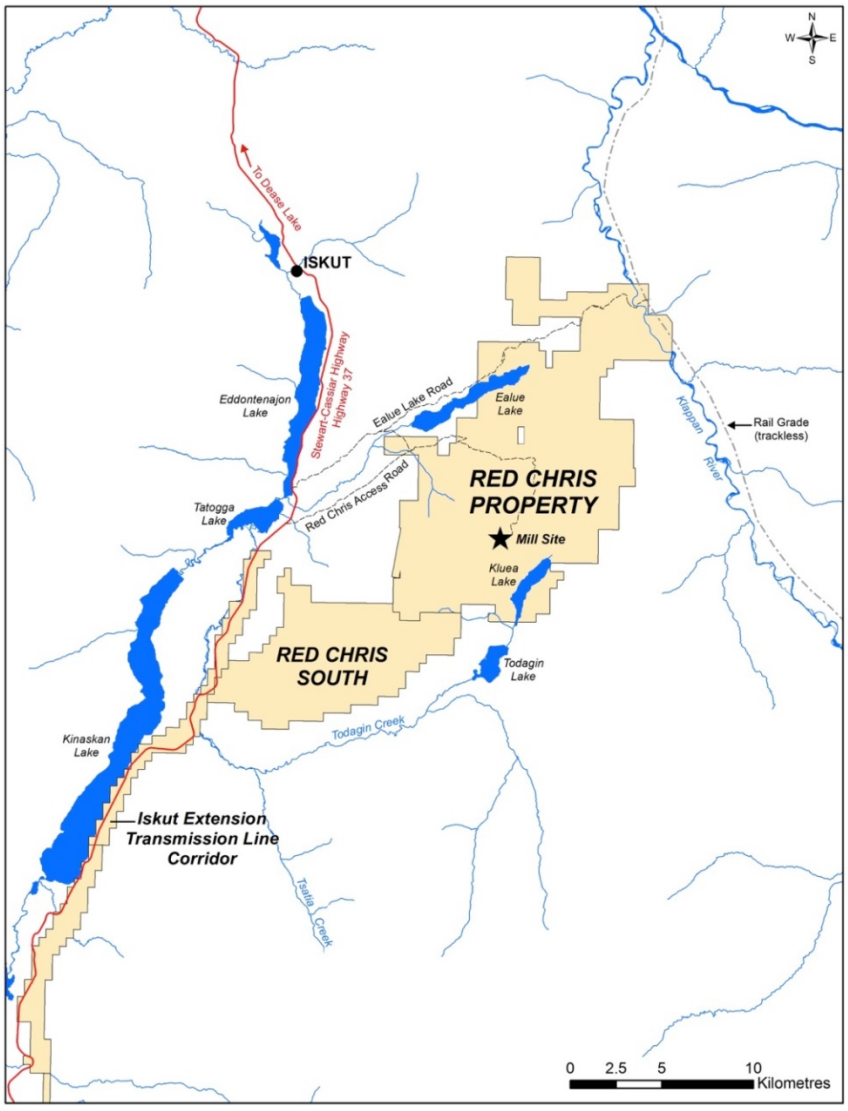
The Red Chris property is situated on the eastern portion of the Todagin upland plateau which forms a subdivision of the Klastine Plateau along the northern margin of the Skeena Mountains. Elevations on the property are around 1,500 m with relatively flat topography broken by several deep creek gullies. Bedrock exposure is confined to ridges and some drainages and most of the ground is covered by glacial till. Vegetation on the plateau consists of scrub birch and willow, grasses, and mosses. The valleys and lower elevations contain several varieties of conifer and deciduous trees including balsam, fir, cedar, spruce, and aspen.

The project area lies in a region of moderate precipitation with an annual average of 406 mm, recorded over a 35 year period in Dease Lake. Average temperatures vary from a low of minus 21°C in January to a high of 9°C in July with temperature extremes ranging from -50° to +30°C. Approximately five months of the year are in winter conditions. Development activities began in May 2012 and have proceeded year round. Operations will proceed year round.

HISTORY

The early exploration and ownership history is summarized below. Additional detailed information is available in the 2012 Red Chris Technical Report. The first recorded exploration was in 1956 when Conwest Exploration Limited examined copper showings on the Todagin plateau. In 1968, Great Plains Development Co. of Canada staked the Chris and Money claims and subsequently completed geological, geochemical and geophysical surveys, and drilled 2 holes in 1970, and 8 holes in 1972. In 1970, Silver Standard Mines Ltd. staked the Red and Sus claims to the north and east of the Chris claim group, and followed up in 1971 with mapping, soil surveys and trenching. In 1973, Ecstall Mining Limited (which later became Texasgulf Canada Limited) optioned the Silver Standard claims and drilled 14 percussion holes, intersecting low grade copper mineralization.

Red Chris Property Location/Claims



In 1974 Texasgulf acquired an option on 60% of the combined Red and Chris groups of claims, and initiated a major program from 1974-1976 comprising 67 diamond drill holes and 30 percussion holes. From 1978 to 1980 Texasgulf drilled 7 holes and completed property-wide geological, geochemical and geophysical surveys, resulting in the delineation of the Red stock and within it the 'Main' and 'East' zones of quartz-stockwork hosted mineralization. The estimated resource in 1976 at a 0.25% copper cut-off was 34.4 million tonnes with an average grade of 0.51% copper and 0.27 g/t gold to a depth of 270 m in the Main zone, and 6.6 million tonnes with average grade of 0.83% copper and 0.72 g/t gold to a depth of 150 m in the East zone.

No exploration was conducted from 1981 to 1994. A series of corporate takeovers and reorganizations in January 1994 resulted in the ownership of the property divided amongst Falconbridge (60%), Norcen Energy (20%), and Teck Corporation (20%). American Bullion Minerals Ltd. (ABML) acquired an 80% interest in the property in early 1994 with Teck Corporation retaining the remaining 20%. ABML recalculated a possible resource at a 0.20% copper cut-off of 136.0 million tonnes averaging 0.38% copper and 0.25 g/t gold. In 1994 and 1995, ABML completed mineral claim staking, comprehensive geochemical and geophysical surveys, and diamond drilling totaling 58,187 m over 170 holes. The resource was now estimated at 181.0 million tonnes averaging 0.4% copper and 0.31 g/t gold at a 0.2% copper cut-off. Significant near-surface copper-gold mineralization was also discovered in the Gully and Far West zones.

In 2003 Red Chris was under the control of bcMetals Corporation. bcMetals drilled 49 holes (16,591 m) and updated the measured, indicated, and inferred resources early in 2004. Subsequent infill drilling (25 holes; 6,927 m) resulted in the re-modelling of the Main and East zones as a single unit, incorporated into the feasibility study completed by AMEC Americas Ltd. In 2006 more drilling was completed (14 holes; 4,679 m) over the reserve, and in the Gully zone. Exploration in 2006 consisted of 14 drill holes (4,679 m), and additional drilling required under the terms of a joint venture agreement between bcMetals and Global International Jiangxi Copper Company Ltd., which had recently been announced for the development of Red Chris.

In mid-2006 Imperial launched a takeover bid for bcMetals. Imperial's successful acquisition of bcMetals was completed in April 2007 at a cost of $68.6 million, which was funded from cash on hand and a $40.0 million short term loan facility.

GEOLOGICAL SETTING

Red Chris is a porphyry copper-gold deposit situated in the Intermontane Belt of the Canadian Cordillera, within the accreted terrane of Stikinia. Stikinia in the Red Chris region is characterized by early Mesozoic island-arc basaltic to andesitic volcanic rocks and associated sedimentary rocks of the Late Triassic Stuhini Group and the Early to Middle Jurassic Hazelton Group, along with related Triassic-Jurassic subvolcanic intrusions. The region hosts several significant mineral deposits such as Red Chris, most of them related to arc magmatism, which formed before the arc was accreted to the then North American continental margin. The arc rocks are overlain by a large blanket of sedimentary rocks and minor volcanics deposited in the post-accretion Bowser Basin, represented by the Jurassic-Cretaceous Bowser Lake Group.

The Red Chris deposit is hosted in the Red stock, an ENE-trending, upright tabular intrusion about 6 km long by up to 2 km wide which was intruded into Stuhini Group country rocks, possibly along a syn-arc fault structure. The stock is a composite body of several porphyry phases ranging in time and composition from early diorite through quartz monzonite, to later monzonite. There is a general evolution from calc-alkalic to alkalic composition. Overall, the system is regarded as belonging to the 'high-potassium calc-alkalic' type. The stock was formed in the latest Triassic, followed by minor deformation, erosion, and the unconformable deposition of the Bowser Lake Group. The sequence was subsequently tilted 15-20° to the south such that the southern part of the stock is covered by (and partly faulted against) the south-dipping Bowser Lake Group, which is not believed to conceal any part of the mineralization.

MINERALIZATION

Extensive deep drilling between 2007 and 2011 to over 1,500 m below the surface has improved understanding of the character and distribution of mineralization in the Red stock. The East zone has historically been distinguished from the Main zone, 800 m to the west, but they are now known to merge at depth and are not two separate centres. These zones constitute the current open-pit reserve, which extends down to about 400 m depth. Below this depth, copper-gold grades strengthen in the East zone. The much less explored Gully and Far West zones are a further 1.5 km west of the planned pit, and appear to belong to a second mineralization centre.

The East and Main zones have been affected by syn- to post-mineralization faulting, indicated mainly by offsets in the sulfide mineral zonation. An important structure is the steeply dipping, ENE-trending EZ fault which truncates the sulfide pattern and produces a marked discontinuity in grade on the southeast side of the East zone. The NW-trending DZ fault is syn- to late mineralization, and truncates sulfide zoning on the north side of the East zone.

Mineralization is primarily in quartz veins (a type known as 'A-veins' in porphyry copper deposit systematics) containing various amounts of bornite, chalcopyrite and magnetite in the mid- and deeper levels of the hydrothermal system, with chalcopyrite and pyrite dominating the upper levels (where the open-pit reserve lies). Copper sulfides are also finely disseminated in the host rocks. The Red stock porphyry phases are distinguished by their composition and phenocryst and groundmass texture, from which the sequence of pre-, syn- and post-mineral porphyry intrusions has been deduced, along with their relationship with quartz veining, mineralization and alteration events (ref: 2012 Red Chris Report). The bulk of copper-gold mineralization occurred with the crystallization of the intermediate-stage quartz monzonite porphyries, intruded into pre-mineral diorite porphyry. This was accompanied by high-temperature potassic alteration, which was later overprinted by phyllic and intermediate argillic alteration as the system cooled. Mineralization extends for several hundred metres from the fertile porphyry phases into earlier porphyry wall rocks, and into lenses of Stuhini Group rocks trapped within the porphyry complex. There is a close correlation between the density of quartz veins and copper-gold grades. Gold occurs as microscopic inclusions in the copper sulfides. Molybdenite occurs locally in quartz veins. Pyrite content increases upwards in the deposit, generally exceeding 4% in the sulfidized alteration cap.

EXPLORATION & DRILLING

Historical exploration at Red Chris by previous operators focused on establishing open-pit mineable reserves above a depth of approximately 400 m. Following the acquisition of Red Chris in 2007, Imperial's strategy was to explore for mineral potential below the planned pit for longer term mine planning.

The first hole (RC07-335) drilled in the East zone revealed the vertical extent and strength of the system, intersecting 1.01% copper, 1.26 g/t gold and 3.92 g/t silver over its entire 1,024 m vertical length, and ending in strong mineralization. Deep drilling continued in relatively small programs in 2008 (3 holes; 2,220 m) and 2009 (9 holes; 11,528 m) while camp and road infrastructure were upgraded, and geophysical surveys could be done. The latter included a Titan-24 deep imaging IP-MT survey, resulting in high-quality resistivity and chargeability imaging of the subsurface. Although the data is valuable, difficulty in its interpretation prevented this from particularly influencing subsequent drill hole design. A property-wide aeromagnetic survey was also done in 2009, and field crews ran extensive proton ground magnetometer surveys over the Titan cut-line grid and throughout the Todagin plateau. No meaningful anomalies emerged, and significant mineralization appears to be restricted to the Red stock. Geological mapping and prospecting led to some important map revisions, as did a program of low-impact overburden drilling, which completed 138 short holes on the poorly exposed Todagin plateau. The program of deep diamond drilling to over 1,500 m depth over the projected open-pit footprint intensified in 2010 (47 holes; 52,811 m) and was completed in 2011 (9 holes; 11,650 m), resulting in much refinement of the block model. Deep drilling was also initiated in the Gully zone, intersecting long intervals of mineralization, with improving grade with depth.

An important aspect of the exploration team's strategy was to use detailed core logging, petrography, and multi-element geochemistry to determine the porphyry sequence and hydrothermal evolution, and hence a geologic model for the deposit. Thus, the main controls on copper-gold grade patterns in the East and Main zones are provisionally understood, and are providing a working template for future exploration, which will include further testing of the Gully and Far West zones. Another area to examine further is the East Ridge, a fault-offset segment of the Red stock 1 km east of the planned pit, where two holes were drilled in late 2011 to test for a possible transported section of East zone mineralization; results were inconclusive.

Exploration in 2012 was limited to infill drilling early in the year over the projected open-pit before finalizing the reserve calculation in the 2012 Red Chris Technical Report, and drilling two more holes in the Gully zone. Exploration was suspended in May 2012 to allow for mine construction. Mapping and rock sampling was conducted in 2013 over the corridor of claims acquired by RCDC to cover the H37P Transmission Line between Bob Quinn and Tatogga, which was completed in November 2014. No copper-gold anomalies were found.

SAMPLING, ANALYSIS & SECURITY OF SAMPLES

Drill core is delivered directly from the drill to the core shack where geological and geotechnical logging is done. Sample intervals are marked at 2.5 m (maximum) intervals starting from zero, or less if required by important geological contacts. Sample tags are filled out and inserted into the core box by a geologist. QA/QC is maintained throughout this process with placement of one standard, one duplicate and one blank sample within every batch of 20 samples, at irregular positions. The marked and tagged core is photographed and then cut axially with a rock saw (or unusually with a hydraulic splitter). One half of the cut core is placed in a clear poly-ore bag with a sample tag and zap-strapped. The other half remains in the core box for storage on site in sturdy wooden racks. Samples for analysis are put into rice sacks and zap-strapped with uniquely numbered ties for added security, ready for collection and shipment by truck either to Acme Analytical Laboratories Ltd. (Smithers or Vancouver) or to the Mount Polley laboratory, depending on the type of analysis required. Both labs are fully accredited; industry standard mass-spectrometer and fire assay analytical techniques are utilized.

Geotechnical or RQD data collected includes core recovery, fracture counts, and core strength, with special attention paid to fault features. Magnetic susceptibility is measured over every sample interval. Geological data is recorded into a customized computer database program which serves also to track all analyses as they come in, and can be integrated with other computer software for comprehensive deposit modelling. The recovery experienced by RCDC at Red Chris is close to 100% and the sample quality is considered to be excellent. The sampling is not expected to result in any biases and is expected to be representative of the areas drilled.

MINERAL RESOURCE & MINERAL RESERVE ESTIMATES

The 2012 Red Chris Report estimates a tonnage increase of 103% in the Measured and Indicated Resource, compiled from assay results from 62 new diamond drill holes totaling over 69,000 m completed since the May 2010 resource update. The Measured and Indicated Resource increased to 8.89 billion lbs copper and 12.90 million oz gold, while the Inferred Resource increased to 7.44 billion lbs copper and 11.35 million oz gold, all at a 0.1% copper cut-off. (ref: Feb 2/12 NR; 2012 Red Chris Report)

Historic drilling had not been consistently assayed for silver, however drilling completed by Imperial since 2007 was assayed for silver which has provided sufficient data to calculate a silver resource. There are 44.61 million oz silver in the Measured and Indicated category and 47.04 million oz silver in the Inferred category, all at a 0.1% *copper equivalent* cut-off. The resources for copper equivalent cut-off grades of 0.1% to 0.3% are provided in the following tables. The estimated resources at different categories and cut-offs are documented in the 2012 Red Chris Technical Report which includes a full description of the estimation method and the sampling, assaying and QA/QC procedures.

2012 Measured + Indicated Mineral Resources

CuEq Cut-Off	Tonnes	CuEq %	Copper %	Gold g/t	Silver g/t	lbs Copper	oz Gold	oz Silver
>=0.1	1,260,268,288	0.506	0.320	0.319	1.101	8,896,396,672	12,909,215	44,610,942
>=0.2	1,218,017,664	0.517	0.327	0.327	1.114	8,778,055,255	12,801,462	43,624,437
>=0.3	936,210,496	0.598	0.374	0.385	1.224	7,710,990,648	11,573,399	36,842,236

2012 Inferred Mineral Resources

CuEq Cut-Off	Tonnes	CuEq %	Copper %	Gold g/t	Silver g/t	lbs Copper	oz Gold	oz Silver
>=0.1	1,658,879,360	0.357	0.218	0.239	0.882	7,968,963,487	12,752,210	47,040,773
>=0.2	1,216,387,328	0.441	0.271	0.292	1.020	7,275,309,676	11,407,734	39,889,916
>=0.3	871,156,032	0.518	0.315	0.349	1.138	6,047,813,802	9,760,898	31,873,465

The copper equivalent estimate was based on copper and gold values and metal prices. No provision was made for metallurgical recoveries for the metals. The formula used to calculate copper equivalent values is: *CuEq = [Cu% + (Au g/t *0.583)]: using US$3.00/lb copper price & US$1,200/oz gold price*

In February 2012 Imperial completed the 2012 Red Chris Technical Report intended to guide development of the project within its current Provincial and Federal Approval framework. The 2012 Red Chris Technical Report indicates an after tax internal rate of return (IRR) of 15.7% at metal prices of US$2.20/lb copper and US$900/oz

gold and a capital cost of $443 million. Refer to the 2012 Red Chris Technical Report for details relating to the mining envelope, mining rate and metal recovery estimates.

Highlights of the 2012 Red Chris Technical Report:

- Reserves of over 300 million tonnes grading 0.359% copper and 0.274 g/t gold provide for a 28 year project life at a milling rate of 30,000 tonnes per day.
- Pre-production period of only four months during which 1.8 million tonnes of rock and overburden would be relocated. The Red Chris orebody is exposed at surface resulting in a comparatively limited pre-production phase.
- Recovered metal in concentrate would total 2.08 billion lbs copper and 1.324 million oz gold.
- After tax IRR of 15.7% at metal prices of US$2.20/lb copper, US$900/oz gold, US$12.00/oz silver, and exchange rate of CDN$1.00 to US$0.90. Project payback is 4.58 years. Life of mine production cost per pound of copper at these prices, taking silver and gold as credit, is US$1.22. Capital cost is CDN$443 million.

The estimates of mineral resources and mineral reserves have been prepared and calculated internally by Art Frye, Mine Operations Manager, Mount Polley Mining Corporation, and Greg Gillstrom, P.Eng, Senior Geological Engineer, Imperial, designated as the Qualified Person as defined under NI 43-101.

DEVELOPMENT

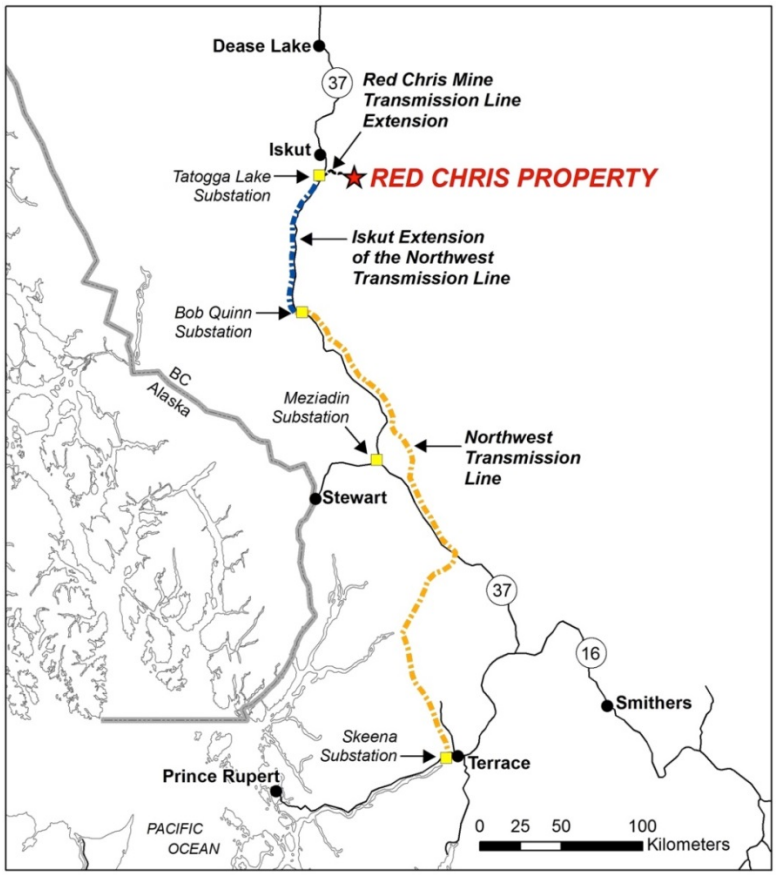
Red Chris on-site work began in May 2012. The Red Chris mine construction was completed November 7, 2014. The mine is a 30,000 tpd open pit conventional milling operation. The mining fleet will include a 311mm diesel rotary drill, 40m³ electric cable shovel, 20m^3 wheel loader, 230 tonne capacity haul trucks and associated support equipment. Other mining fleet additions to assist with pre-development and construction include 178mm DTH drills, 12m^3 diesel powered hydraulic excavator, 10m^3 wheel loader and 86 tonne capacity rigid frame haul trucks and 40 tonne capacity articulated trucks. Ore would be fed to a 1.4m x 2.0m gyratory crusher for crushing to a nominal -150mm. Crushed ore would be conveyed over a 1.2m x 2.4km overland conveyor to be held in a 120,000 tonne capacity intermediate stockpile before reclaim to the plant.

Plant design is based on a standard porphyry copper flow sheet employing SAG and ball milling, flotation, regrinding, thickening and filtering to produce a concentrate for export averaging 27% copper at a moisture content of 8%. The grinding circuit would include a 10.36m x 4.72m x 11,200kW SAG mill feeding one 7.32m x 12.80m x 13,428kW ball mill providing a primary grind of K_{80} of -150µ. Coarse rejects from the SAG mill would be crushed in a 600kW pebble crusher. Ball mill discharge would feed one bank of 5 x 200m³ rougher flotation cells followed by 1 x 183m^3 and 1 x 61m^3 cleaner flotation columns and a bank of 5 x 100m³ cleaner scavenger flotation cells. Cyclone underflow would be fed to a 4.12 m x 6.93m x 2,200kW primary regrind ball mill and a 4.6m x 4.4m x 14.3m x 1,120kW secondary regrind vertical mill to provide a K_{80} of -24µ. The primary and regrind product sizes were determined by G&T Metallurgical Services Ltd. to provide the optimum conditions for copper recovery and concentrate grade. Concentrate would be thickened and filtered and then loaded on B-Train trucks of nominal 50 tonne capacity for hauling to the Port of Stewart for shipment to smelters in the Pacific Rim.

Rock management has been designed to minimize the impact on the environment. Rock from the open pit would be stacked to the north where topography allows any runoff to be directed to the open pit and the tailings storage facility for collection. Low grade material would be stockpiled to the NE of the pit, just to the north of the primary crusher for easy reclaim later in the mine life. The tailings impoundment area would be located in a valley to the NE of the plant. The Company has presented a fish compensation plan to the Department of Fisheries and Oceans Canada (DFO) for approval. Based on DFO's recommendation, Environment Canada has commenced the Metal Mining Effluent Regulations Schedule 2 Designation of the tailings impoundment area.

Power was delivered to the Red Chris mine on November 7, 2014. The Iskut extension of the Northwest Transmission Line (NTL) was built by Highway 37 Power Corp., a subsidiary of Imperial, from the terminus of the NTL at the Bob Quinn substation to a newly constructed substation at Tatogga Lake. A 16 kilometre 287kV power line which connects the Red Chris mine to the Tatogga substation was built by Imperial.

In December 2014 the Company completed and closed the sale of the 93 kilometre 287kV Iskut extension of the Northwest Transmission Line to BC Hydro for $52 million.



The Tailings Impoundment Area (TIA) earthworks were accomplished utilizing a combination of equipment owned by RCDC with support from the Tahltan Nation Development Corporation and other contractors. The mining fleet, four Caterpillar 793 trucks and a Komatsu PC2000, were used to construct the tailings storage facility.

The mining equipment fleet procurement is complete. The P&H 2800 electric shovel is assembled and commissioned and was placed into service in December 2014. The diesel fleet has pre-developed the mine. Soil was stripped off the East Zone Starter Pit and non-acid generating rock was excavated and used to construct haul roads or hauled to the rock disposal site. Ore has been stockpiled for plant commissioning. A haul road to the Main Zone Starter Pit has been completed and a bench readied for drilling.

The North Starter Dam was raised to 1098 metres by December 31, 2014. The tailings impoundment basin contains sufficient water for mill startup. The booster pumphouse, reclaim and tailings pipelines and process water system installation are complete. The site infrastructure including mine access road, truck shop, warehouse, assay lab and camp are operational.

The construction of the concentrate storage shed at the Port of Stewart was complete at the end of October 2014

A third party review of the Red Chris tailings dam was completed October 10, 2014 by the consultants reporting to representatives of the Tahltan Nation. The Tahltan Central Council and Imperial are working together to develop a work plan to implement the recommendations contained in the review. Imperial is also working with the representatives of the Tahltan Nation to finalize an Impacts & Benefits Agreement.

The project will employ approximately 280 hourly, salaried and contract personnel, and will operate on a fly-in/fly-out basis on a two week rotation. Chartered aircraft will fly employees to the Dease Lake airstrip from where they will be transported by bus.

Commissioning of the Red Chris mine began in late 2014. Mill operations commenced February 15, 2015 and the first copper concentrate from Red Chris was produced on February 17. The first truckloads of copper concentrate were delivered to the concentrate storage shed in the Port of Stewart on February 27.

MINING OPERATIONS

Annual Production Forecast

An estimate of Red Chris production will be made following the completion of commissioning.

Mine Life

The current mine life for Red Chris based on the 2012 Red Chris Report is to 2043.

Mining Method

Red Chris mine is a 30,000 tpd open pit conventional milling operation. The mining fleet includes a 311mm diesel rotary drill, 40m³ electric cable shovel, 20m^3 wheel loader, 230 tonne capacity haul trucks and associated support equipment. Ore is fed to a 1.4m x 2.0m gyratory crusher for crushing to a nominal -150mm. Crushed ore is conveyed over a 1.2m x 2.4km overland conveyor to be held in a 120,000 tonne capacity intermediate stockpile before reclaim to the plant.

Rock management has been designed to minimize the impact on the environment. Rock from the open pit is stacked to the north where topography allows any runoff to be directed to the open pit and the tailings storage facility for collection. Low grade material is stockpiled just to the north of the primary crusher for easy reclaim later in the mine life. The TIA is located in a valley to the northeast of the plant. The Company has presented a fish compensation plan to the Department of Fisheries and Oceans Canada (DFO) for approval. Based on DFO's recommendation, Environment Canada has commenced the Metal Mining Effluent Regulations Schedule 2 Designation of the TIA.

Milling & Metallurgical Process

Plant design is based on a standard porphyry copper flow sheet employing SAG and ball milling, flotation, regrinding, thickening and filtering to produce a concentrate for export averaging 27% copper at a moisture content of 8%. The grinding circuit would include a 10.36m x 4.72m x 11,200kW SAG mill feeding one 7.32m x 12.80m x 13,428kW ball mill providing a primary grind of K_{80} of -150µ. Coarse rejects from the SAG mill would be crushed in a 600kW pebble crusher. Ball mill discharge would feed one bank of 5 x 200m³ rougher flotation cells followed by 1 x 183m^3 and 1 x 61m^3 cleaner flotation columns and a bank of 5 x 100m³ cleaner scavenger flotation cells. Cyclone underflow would be fed to a 4.12 m x 6.93m x 2,200kW primary regrind ball mill and a 4.6m x 4.4m x 14.3m x 1,120kW secondary regrind vertical mill to provide a K_{80} of -24µ. The primary and regrind product sizes were determined by G&T Metallurgical Services Ltd. to provide the optimum conditions for copper recovery and concentrate grade. Concentrate would be thickened and filtered and then loaded on B-Train trucks of nominal 50 tonne capacity for hauling to the Port of Stewart for shipment to smelters in the Pacific Rim.

ENVIRONMENTAL CONDITIONS

The Red Chris project received Provincial Government approval for mine development under the British Columbia Environmental Assessment Process in July 2005, which was extended in July 2010, and obtained Canadian Environmental Assessment Act approval in 2006, which was confirmed by the Supreme Court of Canada in January 2010 following a third party challenge.

The Joint Mines Act and Environmental Management Act (EMA) Permit Application was submitted in July 2010. In May 2012 the Mines Act (M-240) permit (from the Province of British Columbia) approving the mine plan and reclamation program was received. M-240 outlines a series of conditions and requirements for the project. Completion of mine development will be subject to compliance with the Metal Mining Effluent Regulations and habitat authorizations under the Fisheries Act.

On May 9, 2012 RCDC received its approval for discharge under the provisions of the EMA. The approval authorizes the project to discharge site runoff from plant site clearing and soil stockpiles. Conditions of the approval are associated monitoring programs and reporting requirements. The environmental monitoring programs at Red Chris include: aquatic effects, water quality, hydrology, hydrogeology, and precipitation and fisheries assessments.

Under provision of the EMA, RCDC received two permits authorizing additional discharges to land, air and water. In September 2013, RCDC received BC EMA permit PE-105017 to discharge effluents from construction activities, including discharges to ground and surface waters from sediment control ponds, diversion works and the North

Reclaim Dam. RCDC also received Permit PE-106668 authorizing discharges to air from the primary crusher, mill, assay lab and the incinerator. This permit was issued December 14, 2014.

In June 2014 RCDC requested an amendment to Permit PE-105017 to authorize deposition of tailings into the impoundment facility and discharge effluent from the TIA.

RCDC has received a Short Term Authorization (STA) on January 29, 2015 to discharge tailings and supernatant to the TIA for the purposes of commissioning and start-up. The STA approves the submitted groundwater and surface water monitoring programs.

A key component for the overall environmental management and compliance for the project are the conditions within the Environmental Certificate (M05-02) under provisions of the Environmental Assessment Act. The certificate continues to drive the environmental monitoring for the project to achieve compliance with the construction and pre-operational conditions. Water management and protection of aquatic resources from the potential impacts from the project continues to receive considerable attention and risks related to the Company's ability to manage such factors are among the more significant environmental risks associated with the project.

Specific environmental protection and monitoring requirements for the project include:

- Metal leaching and acid rock drainage
- Surface and groundwater quality monitoring
- Soil and vegetation management
- Sediment and erosion control
- Wildlife protection
- Water treatment
- Archaeological resources

The Red Chris Monitoring Committee (RCMC) is also a requirement of the Mines Act permit. The RCMC is chaired by representatives from Red Chris and Tahltan Nation. The committee includes members from the Ministry of Environment, Ministry of Energy and Mines and the Ministry of Forest, Lands and Natural Resource Operations.

In July 2013 the required permits were issued by the Province of British Columbia for construction of a 93 km extension of the Northwest Transmission Line (NTL), H37P Transmission Line, from Bob Quinn to Tatogga and construction of the line began shortly thereafter. The H37P Transmission Line was completed in November 2014 and was sold to BC Hydro in December 2014.

MARKETS AND CONTRACTS

Red Chris has foreign market sales agreements in place with four buyers for its copper concentrate.

TAXES

Applicable taxes for Red Chris are BC and Canadian Federal Income Taxes at 26.0% of taxable income; BC Mineral Tax at a 2% advance tax on resource income or a 13% tax of net revenue after capital is recovered; and property taxes, included in mine general and administrative costs, which are approximately $0.1 million per annum.

MOUNT POLLEY MINE

DESCRIPTION & LOCATION

Mount Polley is an open pit copper-gold mine which began operations in 1997. Mount Polley Mining Corporation (MPMC), a wholly owned subsidiary of Imperial, is the owner of the mine and property.

The mine site is located in south-central British Columbia, eight km SW of Likely and 56 km NE of Williams Lake on NTS Mapsheet 93A/12 at latitude 52° 33' N and longitude 121° 38' W.

The property consists of 51 mineral tenures covering 18,892 hectares, and is comprised of seven mining leases, tenures 345731, 410495, 524068, 566385, 573346, 933970 and 933989, which expire August 22, 2026, September 29, 2034, December 19, 2035, September 21, 2037, January 9, 2038, November 28, 2021 and November 28, 2021, respectively, totaling 2,007 hectares, and 44 mineral claims (41 valid until November 1, 2020, one valid until August 15, 2015, one valid until October 22, 2015 and one valid until January 31, 2016) encompassing 16,885 hectares.

On August 4, 2014 the tailings dam at Mount Polley mine breached. Mine operations have been suspended. Since August, Imperial and Mount Polley personnel, and a team of experts with global experience, have been working on the rehabilitation and restoration of the breach and surrounding affected areas. While the precise costs of rehabilitation and restoration are presently unknown, the Company believes the costs can be managed over time, given the underlying value of the Company's assets, the current sources of liquidity, insurance proceeds and the expected cash flow from the Red Chris mine.

On January 30, 2015 the independent panel investigating the Mount Polley tailings embankment failure released its report. The report concluded that the failure was sudden and without warning. It also concluded the failure was due to the fact that the independent engineer's design did not take into account the strength of the glacio-lacustrine layer approximately eight metres below the foundation of the embankment.

The Company is working to mitigate the effects of the breach, and is working together with regulators, the local community, the Xat'sull First Nation and the Williams Lake Indian Band. Mount Polley staff are also working with both the Province and local First Nation communities to develop a plan to reopen the mine. Alternatives for a modified restart of mine operations have been studied and consulted on with First Nations and the Province. In the restart plan, mining would begin in the Cariboo pit with tailings deposited into the Springer pit. Production in 2015 is dependent upon receiving regulatory permission to restart operations.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

Road access from Williams Lake (the main urban centre for supplies) to the Mount Polley property is 15 km SE on Highway 97 to 150 Mile House, 76 km north on the Likely Road past Morehead Lake, and then 14 km south on the unpaved Bootjack Forest Access Road, branching off to the mine site at 8.5 km. Other forestry and mining roads afford good access to much of the property. Travel time from Williams Lake is approximately 75 minutes. Personnel live off-site, and commute from Williams Lake or smaller communities in the region. The mine is connected to the BC Hydro power grid.

Mining and milling operations proceed year round. The climate is typical of the central BC interior: mean monthly temperatures range from 13.7° C in July to minus 10.7° C in January. Precipitation averages 755 mm per year with 300 mm falling as snow.

The property lies near the eastern edge of the Fraser Plateau physiographic sub-division, which is characterized by rolling topography and moderate relief. Elevations range from 920 m at Polley Lake to 1,266 m at the summit of Mount Polley. Forest cover consists of red cedar, douglas fir and spruce, with lesser black cottonwood, trembling aspen and paper birch. Much of the area has been clear cut by commercial logging, with substantial forest re-growth.

HISTORY

The ownership history and early exploration of Mount Polley is provided in the 2004 Mount Polley Technical Report. These documents describe the period from Mount Polley's formal discovery in 1964, through to the formation of MPMC and subsequent mine construction in 1996. Mount Polley mine operations continued until the fall of 2001, at which time operations were suspended due to a sustained period of low commodity prices. The mine was placed on care and maintenance. At that time, ore in the Cariboo pit was exhausted, while the Bell pit was in process of being mined.

Following discovery of the high grade Northeast zone in late 2003, exploration resumed at Mount Polley and preparations for the restart of mining and milling began. In 2004, Imperial conducted a new feasibility study, which incorporated mining of the Springer, Northeast and Bell zones. In March 2005 mining restarted in the new Wight pit (Northeast zone) and resumed in the Bell pit. In subsequent years, drilling exploration was carried out in a number of other areas, focused on expanding or deepening known deposits, or testing new targets revealed by trenching, mapping and sampling programs, or by geophysical anomalies. As a result, significant copper-gold resources were delineated in the Southeast zone (mined 2008- 2010), the Pond zone (mined 2009-2010), the C2 zone, and the Boundary zone. The most significant recent discovery (2009) was the WX zone, immediately south of the Springer zone. Mining was completed in the Bell pit in 2008 and in the Wight pit in 2009. Mining in the Springer zone, which contains the majority of the remaining ore at Mount Polley, began in 2008. Deep drilling since late 2003 has resulted in a substantial increase in Springer resources. Under the current mine plan, the final pit will encompass the Springer, WX, C2 zones, and the adjacent Cariboo zone.

The first underground exploration development at Mount Polley began in 2010 in the deep Boundary zone. The first test ore was delivered to the mill in May 2013. Substantial high-grade resources also exist in the deep Northeast zone beneath the Wight pit, which are potentially mineable by extending the existing underground workings.

Oxide ore from the upper Springer zone has been stockpiled since 2008 for extraction of copper by heap leaching, to be followed by milling for gold recovery. A pilot leach operation began in 2007. Work is ongoing to determine the economic viability of utilizing a bio-reactor to create sulphuric acid. In 2010, a magnetite circuit was installed in the Mount Polley mill to recover fine magnetite, intended for sale to coal mines as media grade magnetite for use in wash plants.

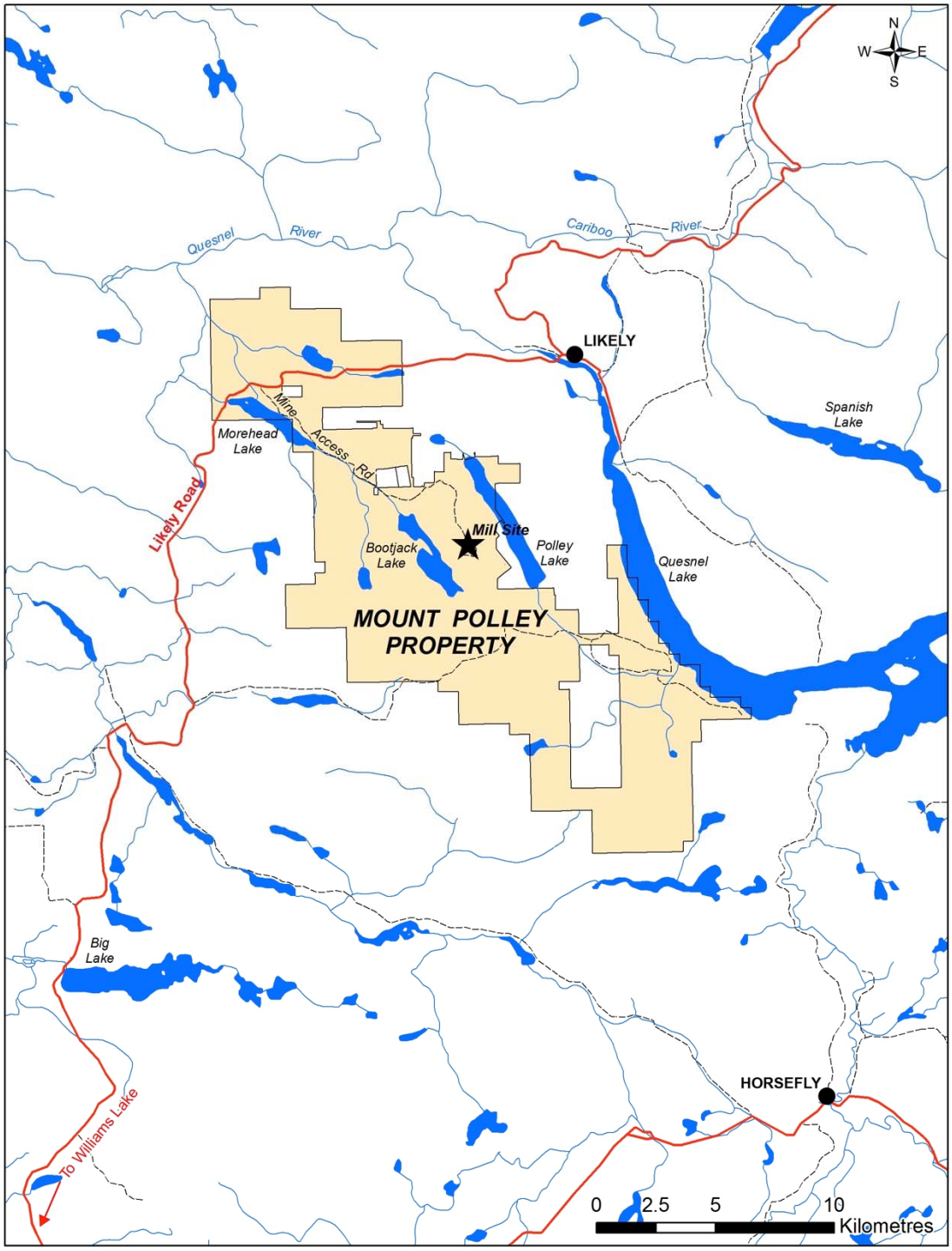
Historic production from all zones at Mount Polley since start-up in 1997 through August 4, 2014, when operations were suspended, is approximately 522.8 million pounds copper, 783,100 ounces gold, and 2.37 million ounces silver, from about 95.3 million tonnes of mill throughput. Remaining reserves are targeted for mining within the current mine plan, exclusive of other resources in Mount Polley's mineral inventory.

GEOLOGICAL SETTING

Mount Polley is an alkalic porphyry copper-gold deposit. It lies in the tectono-stratigraphic Quesnel terrane or Quesnellia, which is characterized by a Middle Triassic to Early Jurassic assemblage of volcanic, sedimentary and plutonic rocks which formed in an island arc tectonic setting outboard of the ancestral North American continental margin. Quesnellia hosts several major porphyry copper deposits such as Highland Valley, Copper Mountain, Afton-Ajax, and Mount Milligan, all generated by early Mesozoic, calc-alkalic or alkalic arc magmatism.

In the Mount Polley region, the Triassic arc rocks are assigned to the Nicola Group and comprise alkalic basaltic to andesitic volcanics and sedimentary rocks, which are intruded by subvolcanic stocks; all are overlain by post-Nicola, Early Jurassic clastic rocks. Mount Polley itself is a complex of alkalic intermediate porphyritic intrusions and related magmatic-hydrothermal breccias. It was emplaced into the Nicola Group in the Late Triassic around 205 million years ago. The intrusive complex is about six km long (NNW) and three km wide, lying between Polley Lake in the east and Bootjack Lake in the west. The intrusions range from diorite (oldest) to monzonite (youngest), and are marginally under saturated in silica. The Mount Polley Intrusive Complex is in the centre of the Mount Polley property; the remainder of the property is underlain mainly by Nicola Group volcanics and post-Nicola conglomerate, and small intrusions in which no economic mineralization has been found to date.

Mount Polley Property Location/Claims



MINERALIZATION

Mineralization in the Mount Polley Intrusive Complex (MPIC) is primarily hosted by irregular zones of hydrothermal breccia, which are closely related to the porphyry intrusions and were formed by magmatic devolatization processes. Mineralization and brecciation were accompanied by potassic, albite and magnetite alteration, with lesser calc-potassic alteration; the MPIC is bounded on most sides by propylitic country rocks. As in many alkalic porphyry systems, there is no single or simple zoned mineralization pattern, but instead a number of copper-gold zones of various size, shape and grade characteristics, distributed around the MPIC from the far north to the south. There is no clear structural control on the location of these mineralized breccia zones, although the greatest continuity and the bulk of the past and present reserves occur in the centre of the MPIC (e.g. Springer, Cariboo, Bell zones) between two pre-mineral diorite intrusions. Dimensions of mineralized breccias in the MPIC range up to many hundred metres in length and width, such as in the Springer zone. Elsewhere, smaller zones (generally less than 100 m across) may form mineable ore if grades and other factors are favourable. Post-mineral faulting probably did not disrupt the continuity of mineralized zones very significantly, except in the Northeast zone where deeper mineralization was offset along a fault a few hundred metres laterally, and dropped vertically slightly.

In the ore zones, the degree of brecciation and associated hydrothermal alteration is usually a reliable guide as to grade. The transition from breccia into unbrecciated intrusion forming the 'wall rock' roughly corresponds to ore/waste contacts. There is relatively little post-mineralization dike dilution. Chalcopyrite is the dominant copper mineral, typically accompanied by pyrite; bornite is relatively uncommon in the centre of the MPIC. Here, copper sulfides forming ore occur as disseminations or veins and fracture coatings in brecciated intrusion, or they are disseminated in the matrix of breccias, in both cases precipitated along with alteration minerals. This is characteristic of the Springer, Cariboo/C2, and WX ore zones, and in the now mined-out Bell and Southeast zones. The only significant oxide mineralization in the MPIC is in the upper 100-150 m of the Springer deposit, but it is treatable by heap leach for copper extraction, and can be later milled for gold recovery. Mineralization has been traced by deep drilling in the Springer zone to a depth of around 900 m (from pre-mining surface).

In the north of the MPIC are much higher grade orebodies, namely the Northeast (mined in the Wight pit, 2005-2009) and Boundary zones, where copper grades can reach several percent per tonne and are currently supporting underground mining. Chalcopyrite and significant bornite form coarse-grained infill in breccias, and intense vein and microvein stockworks. As in the ore zones in the centre of the MPIC, gold and silver occur mainly as microscopic inclusions in the copper sulfides and in pyrite. Throughout Mount Polley, copper and gold typically occur in a roughly 1:1 ratio (in terms of copper percent versus gold in grams per tonne).

EXPLORATION & DRILLING

The Mount Polley claims have been drilled since 1966. At December 31, 2014 a total of 2,739 exploration holes (surface and underground combined) have been diamond drilled. Other exploration including percussion drilling, geological mapping and sampling, and geochemical and geophysical surveys have been carried out since the mid-1960s. Since 1995 all exploration at Mount Polley has been carried out under the direct supervision of the Company.

Exploration has always proceeded alongside mining at Mount Polley, leading to the expansion and deepening of known ore bodies, or to the discovery of new zones, or raising the status or resource category of marginal prospects, potentially towards feasibility for profitable mining. Geological and geotechnical logging of drill core is integrated with down-hole assay data and used with 3-D software for computation of the resource block model and mine design. In addition, exploration and research since the restart of operations in 2004-2005 have considerably advanced understanding of geology, structure and deposit genesis at Mount Polley, improving interpretation of mineralization geometry and the design of drill programs.

Airborne and ground magnetic signature is regarded as the most important geophysical tool for identifying new mineralization, although tellingly it was not effective in the Northeast zone, possibly delaying discovery of that high-grade but magnetite-poor orebody until 2003. An 11-line Titan-24 deep Induced Polarization - Magnetotelluric survey was completed by Quantec Geoscience Ltd. in fall 2009 to potentially locate blind sulfide targets and guide exploration drilling where appropriate. Outlying parts of the Mount Polley property, away from the mine site, have been explored by geological mapping, sampling and trenching and by soil surveys over intrusive bodies, with no significant results to date. Mineral potential remains most promising within the MPIC itself, or possibly buried beneath the unconformity with cover rocks (conglomerate, breccia) immediately to its north.

Underground fan drilling exploration began in 2010, in the deep Boundary zone, and continued intermittently in 2013. New underground development is followed where appropriate by wall mapping and rib sampling to further characterize the mineralization, fill gaps in the resource model, and help guide stope design. Underground percussion blasthole and definition drilling continued in the Boundary and Zuke zones until August, 2014. The stope definition drilling is classified as exploration drilling and consisted of 167 percussion drill holes for a total of 3,407 meters. Most of these holes were drilled into the Zuke zone where the ore body is more complex in shape.

SAMPLING, ANALYSIS AND SECURITY OF SAMPLES

Most of the early drill core from 1966 to 1980 was lost due to vandalism. All core samples from 1981 onwards were collected in wooden core boxes at the drill. The average core size was NQ2, but HQ diameter drill core has become more common with deep drilling in recent years. Each core box holds approximately 4 m of core. Presently, Mount Polley drill core is sampled in its entirety, in most cases. The usual sample length is 1.0-2.5 m. The standard maximum length of a 2.5 m sample may be broken into smaller intervals where required by significant changes in geology, faults, or mineralization intensity. The core is first logged geotechnically and geologically and photographed, then sample lengths are cut axially with a rock saw. One half of the core is sent for analysis and the other half stored on the property in covered core racks for future reference as a geological record, or for any necessary test work later. The core library and core logging facility are located on the mine site near the administration building, securely inside the mine perimeter. Pulps and rejects are stored in the same facility.

All drill core from recent programs (post-1980) was assayed for gold, total copper, and iron while non-sulphide copper, silver and ICP analyses were completed on core from certain areas of the property where the additional data was considered to be important. Much of the pre-1980 core was assayed only for total copper. Over the life of the mine, exploration samples have been assayed at a number of British Columbia labs. Since 2006 approximately 80% of core samples were analyzed by the certified on-site mine laboratory, and the remainder were analyzed by Acme Analytical Laboratories Ltd., Vancouver. The widespread industry methodology of using standards, duplicates and blank samples was applied in all recent drilling programs for QA/QC purposes.

MINERAL RESERVE & RESOURCE ESTIMATES

The Mount Polley mineral reserve estimate was not updated for the year ended December 31, 2014. The reserve estimate provided below is at January 1, 2014.

Mount Polley Probable Reserves – January 1, 2014

		Grade			Contained Metal			
Zone/Pit	Tonnes Ore	Copper %	Gold g/t	Silver g/t	Copper lbs	Gold oz	Silver oz	Stripping Ratio
Springer	57,910,000	0.308	0.261	0.655	393,223,000	485,900	1,219,500	2.52
Cariboo	17,755,000	0.233	0.321	0.290	91,047,000	183,200	165,500	2.43
WX	9,509,000	0.280	0.493	0.593	58,761,000	150,700	181,300	7.91
Boundary OP	591,000	0.647	0.580	4.396	8,433,000	11,000	83,500	8.73
Boundary UG	237,000	1.538	0.946	6.772	8,038,000	7,200	51,600	n/a
Total Reserve	86,002,000	0.295	0.303	0.615	559,501,000	838,100	1,701,500	3.13

The Mount Polley mineral resource estimate was last updated January 1, 2013. The resource totals do not include the mining in the Springer pit that occurred in 2013 and 2014.

Mount Polley Mine Resources – January 1, 2013

		Grade				Contained Metal		
	Tonnes Ore	Copper Equiv %	Copper %	Gold g/t	Silver g/t	Copper lbs	Gold oz	Silver oz
Measured	211,540,524	0.518	0.303	0.309	1.044	1,413,986,817	2,100,649	7,098,611
Indicated	199,639,391	0.444	0.256	0.278	0.566	1,128,598,026	1,783,434	3,633,275
Total Measured/Indicated	**411,179,915**	**0.482**	**0.280**	**0.294**	**0.812**	**2,542,584,843**	**3,884,083**	**10,731,885**
Inferred	39,723,713	0.347	0.185	0.240	0.590	161,657,082	305,990	753,594
Total	**450,903,628**					**2,542,584,843**	**3,884,083**	**10,731,885**

This estimate incorporates open pit mining of the Springer, Boundary, Cariboo/C2 and WX zones, and underground mining of the Boundary zone. The estimate reflects the twelve months of reserve depletion realized since the January 1, 2013 estimate. No calculation parameters were changed from 2013 for the 2014 reserve calculation. Pit designs and mine schedule have not been changed, and economic assumptions remain the same as those utilized in 2013.

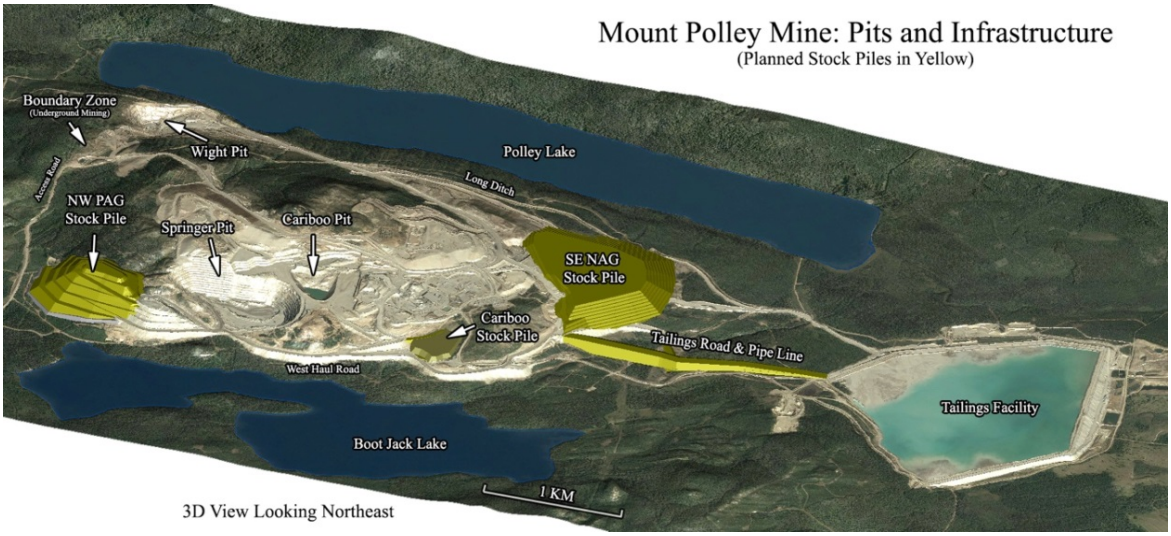
The parameters used in the updated reserve are based on pit designs and the 2013 Mount Polley production schedule. The ultimate pit designs were based on US$2.75/lb copper, US$1,250.00/oz gold and a $0.95 US/CDN exchange rate. The economic mineral reserves at Mount Polley mine were calculated as follows:

- A 3D block model was constructed using MineSight mining software.
- The property was zoned based on geological zones; the blocks and drill holes then coded to reflect the zones.
- The drill holes were composited to 5 m down-the-hole composites.
- Mineralized zones were identified within the geological zones by kriging an indicator to identify the blocks that have a high probability of having greater than a 0.15% copper grade.
- To calculate a well-defined high-grade underground resource in the Boundary and Wight zones, small blocks and a second indicator set at 0.5% copper grade were implemented.
- The drill hole composites were then coded to match the indicator codes in the block model.
- Outlier grades were capped, and variograms for Cu, Au, Ag and Fe in each zone were generated.
- Grades were kriged into the block model using zone and indicator matching.
- An oxide ratio number for each block was interpolated using an ID3 method, with zone and indicator matching - the oxide ratio number is used in the mill recovery formula.
- The mill recoverable grades were calculated using formulas based on historic recoveries as well as on-site and off-site metallurgical test work.
- A dollar value was calculated for each block based on the metals prices, US/CDN exchange rate, and mining, shipping and smelting costs.
- Lerch-Grossman pit optimization software was used to identify economic pit shell based on the above economic parameters. Pit designs were created using the economic pit shells and design parameters from Golder Geotechnical Consultants of Vancouver.

Note:

1. The >$40.00/tonne, >$80.00/tonne and >$100.00/tonne resources included in the Boundary/Zuke and Northeast zones are calculated using a small block/secondary indicator modelling methodology to reflect that this portion of the resource would be mined with underground mining methods.
2. Resource values are based on a 0.250% copper equivalent cut-off; the corresponding calculation being Equivalent Copper = Copper + Gold/1.510 + Silver/94.3, using the metal prices noted above.

The ore reserves were calculated and verified by Art Frye, Mine Operations Manager, MPMC; Ryan Brown, P.Eng., Senior Engineer, MPMC; and Greg Gillstrom, P.Eng., Senior Geological Engineer, Imperial, designated as the Qualified Person as defined by National Instrument 43-101.



MINING OPERATIONS

A breach of the Mount Polley tailings storage facility (TSF) occurred on August 4, 2014. Mine operations have been suspended since that time. Mount Polley production for the period up to August 4 when operations were suspended was 24.5 million pounds copper, 25.9 thousand ounces gold and 74.7 thousand ounces silver.

Annual Production

	Jan 1-Aug 4	Years Ended	
	2014	2013	2012
Ore milled - tonnes	4,548,182	7,956,738	8,121,878
Ore milled per calendar day – tonnes	21,056	21,799	22,191
Grade % – copper	0.321	0.295	0.280
Grade g/t – gold	0.260	0.263	0.304
Recovery % – copper	76.02	74.46	67.40
Recovery % – gold	68.11	68.09	65.70
Copper – lbs	24,489,725	38,501,165	33,789,600
Gold - oz	25,901	45,823	52,236
Silver - oz	74,770	123,999	116,101

Annual Production Forecast

Production in 2015 is dependent upon receiving regulatory permission to restart mine operations, therefore a forecast for 2015 has not been determined.

Mine Life

The current mine life for Mount Polley is to the end of 2025, not including the processing of low-grade stockpiles.

Mining Method

Prior to the breach of the TSF, Mount Polley mine operated as an open pit copper-gold mine with a developing underground project. Surface loading equipment included two P&H 2100 electric shovels, a P&H 2300 electric shovel, a 1800 Komatsu diesel excavator, a Hitachi 3600 shovel, and a L1100 Letourneau wheel loader. The haulage fleet included twelve Caterpillar 785 trucks, four Caterpillar 793 trucks, and three Caterpillar 777 trucks. The primary crusher pocket has capacity to accept material from Caterpillar 785 trucks. Drilling was performed with an electric Atlas Copco 351 Pit Viper, an electric BE 60DR drill and two smaller wall control drills. Underground development is performed in the Boundary zone with two 6-yard scoops, three 30-tonne trucks, a twin-boom jumbo, a MacLean's bolter, and a scissor deck. Mining operations, both open pit and underground, ceased on account of the tailings breach. Current operations consist of repair work at the TSF, remediation work at Polley Lake, down Hazeltine Creek and in Quesnel Lake, and site water management. Mount Polley uses a combination of its own and contractor equipment in completing this work. Blasting operations are currently suspended, with rockfill construction materials being sourced from existing site dumps and stockpiles.

Milling & Metallurgical Process

In the Mount Polley mill, run-of-mine ore from the open pits is hauled to the crusher. The crusher has three stages of crushing involving five crushers, twenty conveyors and four sets of screens. The ore is dumped into the feed pocket of the primary gyratory crusher and the product is discharged to the grinding circuit at finer than approximately 20 mm particle diameter. The grinding circuit consists of two parallel rod mill/ball mill circuits and a pebble mill circuit. Crusher product is first split between two rod mills where water is added to form slurries. The slurries are pumped to cyclones that classify the ore particles by size. The larger particles flow to feed the ball mills while the fine particles are discharged to the second stage of grinding: the pebble mill circuit. The ball mills are in "closed circuit", meaning that the discharge is pumped to the classifying units (cyclones) and the particles will not pass to the next grinding stage until they are fine enough to be classified as such. The second stage grinding circuit (the pebble mill circuit) also consists of mills, pumps and cyclones. Three pebble mills receive the coarse product from the cyclones, fed by pumps. The pebble mills are so named as they use pebbles (rocks obtained from the crusher) for grinding. Particles finer than 200 microns are then pumped as slurry to the flotation circuit. The flotation circuit separates the valuable minerals from the waste minerals. The particle size reduction described above is imperative to separation as the mineral grains are very fine, with a mean diameter size of 50 microns. The

valuable minerals, mostly in the form of sulphides, are separated from waste minerals (gangue minerals) by floating and being collected and upgraded or cleaned to produce a concentrate. Initial separation is done in a rougher/scavenger circuit, where the waste minerals are discarded as tailings (which flow by gravity to the tailings impoundment area). Rougher concentrate is further upgraded in a cleaner circuit to produce the final concentrate product. Cleaner tailings are recycled to the rougher/scavenger circuit. The concentrate is dewatered in two stages. The thickener houses settling of particles and decanting of process water so that the settled particles forming a sludge have a reduced water content of roughly 35-40% water while pressure filtration further reduces water content to approximately 7.5%. The water removed is utilized as process water. The concentrate is stored in the load-out building and loaded onto 40-tonne trucks for shipping. Currently, the crusher is being used for the production of materials required for the repair of the TSF.

Environmental Conditions

The TSF breached due to a design flaw. One section of the TSF perimeter embankment collapsed, causing a release of tailings and TSF supernatant into the adjacent environment. Investigations of this breach by Fisheries and Oceans Canada and the British Columbia Ministry of Environment are ongoing. As a result of the breach, Mount Polley has been issued a Pollution Abatement Order pursuant to the British Columbia *Environmental Management Act* and an Order pursuant to the British Columbia *Water Act* (the "Orders"). Both Orders set out a number of requirements for environmental investigation and remediation of the affected area. Mount Polley is carrying out the requirements of these Orders. In doing so, it is working with local First Nations and with the applicable government agencies to ensure that it complies with the Orders.

The Mount Polley mine suspended production immediately upon the occurrence of the TSF breach. MPMC has applied for the restart of the mine, which application is pending. Production remains suspended until such time as regulatory authorities having jurisdiction permit the restart of operations.

Environmental monitoring at Mount Polley continues as per permits from Ministry of Environment and Ministry of Energy and Mines including monitoring of groundwater, surface water (streams, lakes, and mine contact water collection sites), weather, and hydrological conditions. Mount Polley submits an annual Environmental and Reclamation Report to the Ministry of Environment and Ministry of Energy and Mines. That report outlines all current and planned mining and reclamation activities, as well as environmental monitoring activities and results. Mount Polley is committed to the reclamation of disturbed areas during the mine-life cycle, and has been actively completing such work since 2009. Reclamation work in 2014 included: re-contouring and landform design on 9.5 hectares; till/soil placement on 14.2 hectares; seeding of native grasses and forbes on 14.2 hectares; and tree/shrub planting on 15.23 hectares. On the North Bell Dump, 1.7 hectares also received an application of biosolids provided by Metro Vancouver in the second year of a research project studying the use of biosolids to promote tree growth. The total area reclaimed to the point of having trees and shrubs planted to date on site is 22.7 hectares.

MPMC was in a second three year term of partnership (the latest being established in 2012) with GenomeBC at the time of the TSF breach. The major component completed under this partnership, the Anaerobic Biological Reactor (ABR), continued operation in 2014, but was put into care and maintenance on account of the breach. The ABR is a fully contained passive treatment pilot project being developed in conjunction with GenomeBC, a research group consisting of industry and the University of British Columbia. Additionally, at the time of the breach, Mount Polley was in the first year of a partnership with Thompson Rivers University (TRU) to develop a wetland passive treatment research project at the ABR outflow. After the breach, Mount Polley and TRU leveraged existing grants from NSERC and MITACS to obtain additional funding from Genome BC and Genome Canada in order to adapt the research project and use metagenomics to study passive remediation of disturbed areas and tailings material downstream of the TSF breach.

MARKETS AND CONTRACTS

MPMC has copper concentrate sales contracts in place with three buyers. The principal market for this concentrate is Asia.

TAXES

Applicable taxes for Mount Polley are BC and Canadian Federal Income Taxes at 26.0% of taxable income; BC Mineral Tax at a 2% advance tax on resource income or a 13% tax of net revenue after capital is recovered; and property taxes, included in mine general and administrative costs, which are approximately $0.5 million per annum.

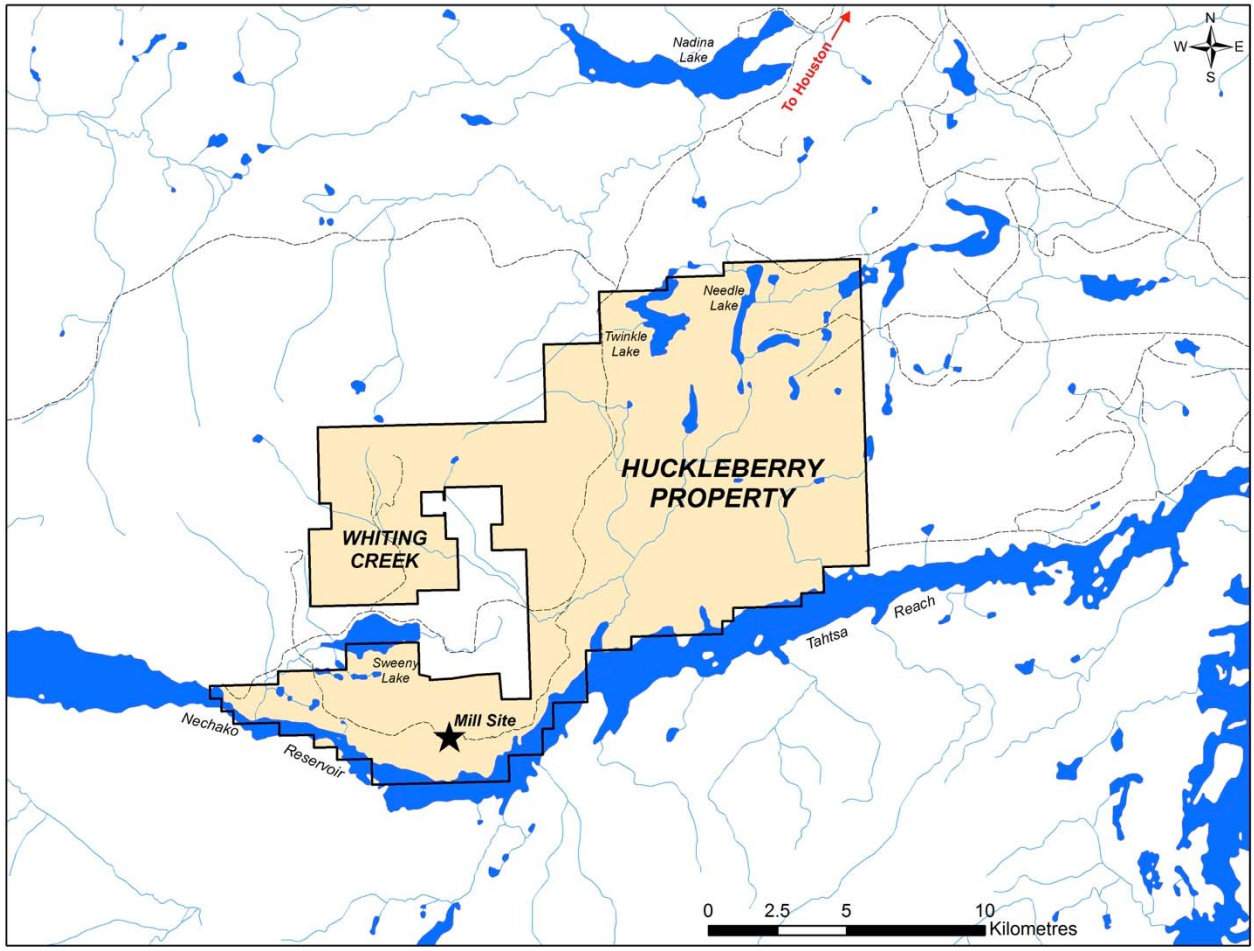
HUCKLEBERRY MINE

DESCRIPTION & LOCATION

Huckleberry Mines Ltd. (**HML**) is owner of the Huckleberry open pit copper/molybdenum mine located 88 km WSW of Houston, in west central British Columbia. Imperial holds a 50% interest in HML, and the remaining 50% interest is held by the Japan Group, a consortium currently formed by Mitsubishi Materials Corporation, Furukawa Co. and Dowa Mining Co. Ltd.

The main Huckleberry property covers 19,779.90 hectares and consists of two mining leases (tenures 353594 and 982642, having terms to June 25, 2027 and April 26, 2022 respectively) totaling 2,421.70 hectares and 39 mineral claims (one valid until May 18, 2015; 31 valid until August 23, 2015; two valid until December 15, 2015; two valid until August 23, 2016; and three valid until September 19, 2016) encompassing 17,358.20 hectares. Huckleberry also holds the Whiting Creek property located eight km north of the Huckleberry mine, which consists of three minerals claims covering 3,059.44 hectares, all three being valid until July 17, 2019).

Huckleberry Property Location/Claims



ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

Access to the property is along 123 km of gravel forest service roads and a private access road. The town of Houston is 307 km west of Prince George, 400 km east of Prince Rupert, served by Highway 16 and the Canadian National Railway.

Annual temperature variation in the region is approximately minus 25° to 25° C. Snowpack in the winter ranges from approximately 1-4 m but has reached a maximum of 10 m during the operating life of the mine. Mining and milling operations proceed year round.

The Huckleberry property lies on the southern flank of Huckleberry Mountain, the highest point at 1,542 m and north of Tahtsa Reach, the lowest point at 860 m on the Nechako Reservoir. The deposits have an average surface elevation of 1,036 m. The property is between two zones according to the vegetative biogeoclimatic zones in the Prince Rupert Forest Region. The project area is a combination of the sub-boreal spruce zone, moist cold Babine variant and the Englemann Spruce-subalpine fir, moist cold zone. A total of 20 site associations have been identified on site and correlated as much as possible with the biogeoclimatic descriptions in the Prince Rupert Forest Region identification guide.

HISTORY

Copper mineralization at Huckleberry was first discovered by Kennco Explorations (Western) Limited in 1962. Granby Mining Company Ltd. optioned the property in 1972. The property remained idle until 1975 when Noranda Exploration Company Limited exercised an option. Noranda's option was dropped, and in 1992 New Canamin Resources Ltd. optioned the property from Kennecott Canada. In May 1994 Kennecott elected not to exercise its re-acquisition rights and New Canamin became sole owner of this property.

In July 1995 Princeton Mining Corporation acquired all the shares of New Canamin. A strategic alliance with Mitsubishi Materials Corporation, Marubeni Corporation, Dowa Mining Co. Ltd. and Furukawa Co. Ltd. (the Japan Group) was established to assist in financing the project. A feasibility study was commissioned by Princeton, and completed by H.A. Simons in August 1995. In June 1996 the Japan Group purchased a 40% equity position in HML and entered into an agreement to provide US$60 million in project loan financing based on the site's positive feasibility. Mitsubishi Materials Corporation, Dowa Mining Co. Ltd. and Furukawa Co. Ltd. also entered into a long term contract for the purchase of all copper concentrates from the Huckleberry mine. The British Columbia Government provided financial assistance in the form of a $15.0 million loan to HML for infrastructure including roads and power lines.

An additional $4.5 million of equity was injected into the project by Princeton and the Japan Group in November 1997. Marubeni Corporation provided a US$10.0 million loan to HML for working capital purposes. With financing in place the construction of the mine commenced in June 1996. The total cost to construct, install and commission the facilities was approximately $142.0 million. This included direct field costs of executing the Huckleberry project, plus the indirect costs associated with design, construction and commissioning. The Huckleberry mine started commissioning activities in September 1997 and achieved commercial production in October 1997.

In 1998 Imperial acquired Princeton, which held a 60% interest in HML. Imperial held the 60% interest until June 1999 when 10% of HML was sold to the Japan Group. In July 1998 the major stakeholders of HML entered into an economic plan, sponsored by the British Columbia Job Protection Commission, for a period of two years from July 1998 to June 2000. All existing loans were restructured under the economic plan. During this time the copper price continued to deteriorate and a second loan restructuring agreement was entered into in March 1999, deferring all principal and interest payments during 1999 and providing that the payment of principal and interest in 2000 and 2001 would be dependent on available cash. All deferred principal and interest charges were scheduled for repayment no later than January 1, 2002. Payment was subsequently rescheduled to June 30, 2003 to allow the parties to negotiate a further loan restructuring agreement. As part of the March 1999 loan restructuring agreement, a wholly owned subsidiary of Imperial provided a $2.5 million loan facility.

On December 1, 2003 management of the Huckleberry mine was transferred to HML. Imperial retained 50% equity ownership and acted in an advisory capacity on mine operations.

In December 2004 HML repaid the $2.5 million of senior ranking debt owed to Imperial. In 2006 HML became debt free after having repaid $120.9 million of long term debt. Since 2006 HML has declared and paid dividends totaling $45 million.

Operations were scheduled to wind down in 2007-2008 but the mine life was extended to 2014 with the development of resources in the Main zone extension pit (MZX). Based on ongoing exploration, the 2011 Huckleberry Technical Report detailed new reserves and the extension of the mine life to 2021 by mining an expanded Main zone pit and Main zone optimization pit (MZO), and developing a new tailings storage facility (TMF-3). TMF-3 construction was completed in August 2013.

Huckleberry mine operations were temporarily suspended when on February 26, 2014 a tooth failed on the semi-autogenous grinding (SAG) mill bull gear, damaging this gear and one of the pinion gears on the dual drive mill. To enable the SAG mill to be restarted, the damaged teeth on the bull gear were reprofiled to reduce the load on these damaged teeth, the north pinion gear was replaced with a spare, and the rotation of the mill motors was reversed. Mill operations resumed April 5, 2014. A replacement bull gear and two pinion gears for the SAG mill were installed in December 2014.

GEOLOGICAL SETTING

The Huckleberry mine is a typical porphyry copper/molybdenum deposit. It is characterized as a calc-alkalic copper/molybdenum type mineralization. These deposits are typically hosted in intrusive rocks, usually of granodioritic or quartz monzonitic composition, and in volcanic rocks surrounding intrusives. These deposits are often large, oval, inverted-cone shaped deposits, and display multiple zones of hydrothermal alteration and sulphide mineralization. The hydrothermal alteration is usually extensive and consists of an inner potassic zone closely associated with the sulphide mineralization, surrounded by propylitic alteration associated with pyrite. Phyllic and argillic alteration can be either part of the zonal pattern between the potassic and propylitic zones or can be somewhat irregular or tabular younger zones superimposed on older alteration and sulphide assemblages. Chalcopyrite, bornite, chalcocite, enargite, other copper minerals, molybdenum and pyrite are typically the dominant sulphides. The mineralization is dominantly structurally controlled, mainly through stockworks, veins, vein sets, breccias, disseminations and replacements.

MINERALIZATION

Mineralization is similar in both the Main and East zone deposits and is contained within altered volcanic rocks. Copper mineralization is predominantly chalcopyrite, occuring as fine to medium grained aggregate filling veinlets and fractures, and as fine grained disseminations in the envelopes around the veinlets. Molybdenum occurs as molybdenite, which is found as disseminations and clusters within quartz/gypsum veins. Molybdenite is generally low in chalcopyrite and appears to have been deposited separately and later than the copper mineralization.

The Main zone was the first zone to be discovered and was well defined by drilling. The zone was a kidney bean shape, wrapping around the east side of the porphyry stock with an arc length of 500 m, a width of 150 m, and depths of up to 300 m below surface. It is well defined in its southern and eastern edges but remains partly open to expansion on its northern margin. Any expansion here would face high stripping costs due to the hilly terrain.

The East zone was discovered after the Main zone during a drilling program to determine possible sites for tailings disposal. Mineable reserves and grades here are higher than for the Main zone. The deposit is an easterly trending zone about 200 to 300 m wide and 900 m long. Mineralization occurs to depths of over 300 m, where drilling was stopped, and remains open; however, the surrounding hills and unfavourable surface topography make it unlikely that the pit, as currently planned, can be extended economically. Core recovery is a problem in the upper portion of both deposits because gypsum fracture fillings have been dissolved, leaving the rock in a friable condition. Core recovery in this material has been as low as 0% over 100 m. Comparison of grade versus core recovery showed that grade fell off in proportion to recovery. Following an analysis of these comparisons, it was decided to consider all samples with recoveries below 50%, which only comprise less than 2% of the database, as unsampled. Assay data was composited on 8 m vertical bench elevations. Specific gravity determinations were performed on 340 samples taken from eight holes within the East zone deposit. Core specimens were weighed in air and water.

The ratio of air to air/water weights yields the specific gravity. An average specific gravity of 2.69 was used for both deposits. Gold, silver and molybdenum were not modeled in the Main zone due to incomplete data sets. Instead the block grades have been determined using correlations with copper assays, which are quite strong. For the East zone, molybdenum and silver grades were modeled using the Kriging parameters determined for the copper

model. Due to the friable nature of the gypsum depletion zone, recognition of the overburden/bedrock face was difficult during the early drilling campaigns. The interface was established from drill data and the position of outcrops on the north slope and was used to estimate overburden thickness. Drill information on the fringes of the deposits, but still within the proposed pit areas, is sparse and limits the reliability of the estimated volume of overburden to be removed during mining in these areas.

EXPLORATION & DRILLING

In 2011 HML conducted a deep Induced Polarization (IP) ground geophysics (Titan 24) survey. A total of four lines, averaging 2.5 km in length each at 250 m spacing were tested. Geophysics lines extended from eastern portions of the mining claim to the west, encompassing an area that includes the mined out Main Zone pit and portion of the MZX pit. A diamond drilling program designed to test the Titan 24 targets and to investigate the extent of mineralized lens of rock contained within the old non-acid generating quarry, totaled 3,695 m. This area was not tested previously by diamond drilling and lies entirely within the MZO pit.

In 2012 HML completed 15 diamond drill holes for a total of 5,141 m in the mine site area. Drilling was divided between deep and near-surface targets located adjacent to the MZO pit. Near-surface drilling focused primarily on the abandoned NAG (non-acid generating) quarry targeted in 2011, and this work has added a significant low-grade resource to the deposit. Deep drilling tested for the extension of ore-grade material along the eastern portions of the Main zone ore body. Drilling of a coincident moderate chargeability/resistivity anomaly resulted in the discovery of the MZ Deep target, an extensive zone located between the Main zone and East zone ore bodies. The correlation between this type of anomaly and copper mineralization led to an expanded Titan-24 DC-IP/MT survey, comprising 10 line km designed to build on survey data from 2011 and seek new targets.

In 2013 HML completed 18 diamond drill holes for a total of 5,242 m in the mine site area. The majority of this work was directed towards filling in gaps in historic drilling and expanding resources directly to the west, south, southwest and northeast of the planned MZO pit. Several holes were also drilled at the limits of the MZ Deep target to determine the extents of the zone and to determine its relationship to the other ore zones. This drilling, in conjunction with drilling data from 2012, appears to indicate the presence of a geological continuity of dominantly low-grade mineralization at depth between Huckleberry's major ore bodies. A geochemical soil sampling program on the adjacent Huckleberry North claims was also completed in 2013.

In 2014 HML completed a limited greenfield exploration program on the Whiting Creek property, north of the mine. Geological mapping was conducted and 301 soil sample sites were tested over a period of sixteen days. While no new soil anomalies were discovered, several major structural features and intrusive contacts were refined by the mapping. This knowledge will guide interpretation of geophysical surveys planned for Whiting Creek.

SAMPLING, ANALYSIS & SECURITY OF SAMPLES

Since mid-2012 samples have been collected and transported to the Huckleberry laboratory under supervision of Justin Schroff, P.Geo., Huckleberry Mine Geologist. For diamond drill programs undertaken between 2008 and 2012 sampling was under the supervision of Faisal Sayeed, Huckleberry Mine Geologist. Independent verification of sampling, sample security and QA/QC procedures from 2008-2012 was under the supervision of Peter Ogryzlo M.Sc., P. Geo., an independent Qualified Person and former Senior Geologist for Huckleberry.

For all exploration programs, diamond drill core was removed from the core barrel, boxed and transported to the core facility at the Huckleberry mine. After logging, the core was sampled under professional supervision. The undisturbed core was first logged with a record made of lithology, mineralization, sulphide content and structure. Estimates were made of core recovery. After geological and geotechnical logging, the core was split using a hydraulic core splitter. The approach was to send half of the core for analysis, and to retain the reject half. The first split was bagged with an identifying sample tag, and the other half was returned to the core tray for future reference. The bags were closed, and the bagged samples were taken to Huckleberry's on-site laboratory. The split core was returned to the box, and is stored at the Huckleberry mine site. Sample widths varied slightly, but in general a 3.0 m sample was processed. Minimum sample weight was approximately 3 kilograms, with the average weight of samples submitted for analysis being approximately 7.5 kilograms. Core recovery was good, and provided sufficient sample for analysis.

Sample preparation and analysis was performed in the Huckleberry laboratory. The laboratory has been in operation since the mine opened in 1997. As it is not a certified assay laboratory, the control on the quality of analysis is provided by submission of samples on a regular basis to ALS Minerals Laboratories, North Vancouver, BC, a

certified assay facility with an ISO9001:2008 certification. Further control was also provided by submission of samples from the diamond drill programs to Acme Analytical Laboratories of Vancouver, BC. Reference materials, consisting of prepared standards, blanks and duplicates were inserted into the sample stream prior to delivery to the laboratory. Reference materials were also placed in the sample stream at the laboratory. Upon receipt at the sample preparation facility at the Huckleberry mine, samples were dried, crushed, split, pulverized and delivered to the laboratory.

Analyses were performed for copper and molybdenum using an aqua regia digestion. The pulverized samples were split down to 2 grams. The 2 gram aliquots were attacked by an aqua regia (HCl – HNO3 – H20) digestion, and analyzed for copper and molybdenum using Atomic Absorption Spectrophotometry. In the laboratory, a suite of blanks, reference materials and duplicate samples were inserted into the sample stream. Approximately one in ten analyses represents some form of quality control check. The results reported were within the limits of instrumental and analytical accuracy. No corrective actions were taken. All coarse and fine sample reject material and all split diamond drill core is stored at the Huckleberry mine site for future reference. Prior to 2004 field duplicates were collected and analyzed from two separate samples from the same core interval. They were used to measure the reproducibility of sampling, which includes both laboratory variation and sample variation. Every 20th core sample was quartered, with the two quarters sent for analysis.

All sample collection, processing and analysis were done at the Huckleberry mine site. Samples sent for analysis to an outside lab were transported by a bonded carrier. Split core, coarse sample rejects and pulverized sample rejects are stored at the Huckleberry mine site for future reference. The Huckleberry mine site is not open to the general public, and as such may be considered secure. All diamond drill and blasthole assay data collected between 1962 and 2011 from the Main zone has been included in the Main Zone Optimization. For diamond drill data collected before 2004, the database has been proofread and checked for accuracy against the original logs and assay sheets, kept on file at the Huckleberry mine. The database was constructed before the implementation of NI 43-101 and its requirements for QA/QC. However, the database has been extensively tested by the collection of tens of thousands of blasthole assays in the Main zone, East zone and MZX pits. These have been reconciled against the production of millions of pounds of copper and molybdenum metal.

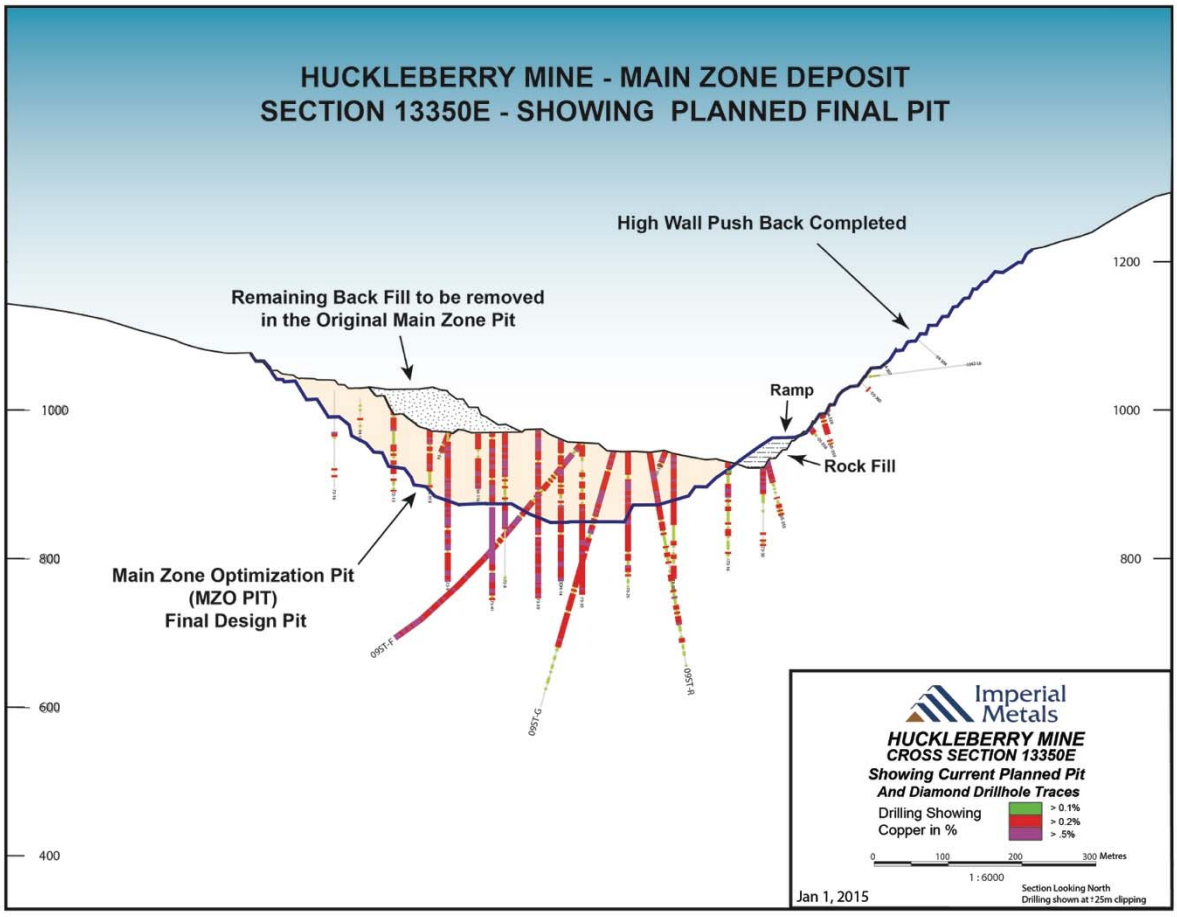
MINERAL RESERVE ESTIMATE

As December 31, 2014 the total mineral reserve estimate for the MZO pit was 42.2 million tonnes grading 0.327% copper. Mining this additional reserve will extend the mine life through 2022.

Huckleberry Mine Probable Reserves
@ cut-off grade 0.150% Copper (excluding stockpiles)

	Ore (tonnes)	Copper %	Molybdenum %
MZO	42,157,300	0.327	0.010

The December 31, 2014 reserve estimate was prepared under the supervision of Kent Christensen, P.Eng., General Manager, designated as the Qualified Person as defined by NI 43-101. Refer to the 2011 Huckleberry Technical Report for a discussion of the key assumptions, parameters, and methods used to estimate mineral reserves and risks that could materially affect the potential development of the mineral reserves.



MINING OPERATIONS

At Huckleberry mine, the failure of the SAG mill bull gear on February 26, 2014 resulted in an interruption of operations until April 5, 2014, when the SAG mill was able to continue operating with the damaged bull gear rotating in the opposite direction. Installation of the new bull gear on the SAG mill was completed in December 2014, and the mill has been operating well since.

Imperial's 50% share of copper production from Huckleberry in 2014 was 17.0 million pounds copper and 91.6 thousand ounces silver.

Annual Production*

Years Ended December 31	2014	2013	2012
Ore milled – tonnes	5,080,503	5,895,193	5,876,900
Ore milled per calendar day - tonnes	13,919	16,151	16,057
Grade % – copper	0.338	0.346	0.301
Recovery % - copper	89.9	91.6	90.0
Copper – lbs	34,017,340	41,212,818	35,112,000
Gold – oz	2,702	2,983	2,578
Silver – oz	183,221	238,028	191,787

*production stated 100%; Imperial's allocation is 50%

Annual Production Forecast

The forecast for 2015 production is 45.3 million pounds copper and 240,000 ounces silver.

Mine Life

The current mine life for Huckleberry mine is to 2022.

Mining Method

Huckleberry is an open pit copper/molybdenum mine. The loading equipment is a combination of PH1900 & 2100 electric shovels, Komatsu PC2000 excavators, and Caterpillar 992 loaders. The haulage fleet includes Caterpillar 777C's, 785B's, and 785D's.

Milling and Metallurgical Process

Ore from the pit is delivered to a 42"x 65" gyratory crusher and after crushing is conveyed to a stockpile. Ore from the stockpile is ground in two stages prior to flotation, firstly in a single 10,000hp SAG mill, and secondly in two 5,000hp ball mills. A bulk copper concentrate is floated from the ball mill product. The bulk copper concentrate is then reground in a 1,500hp regrind mill, and then floated again to produce a final copper concentrate grading approximately 27% copper. Molybdenum concentrate is floated out of the copper concentrate.

Both final concentrates are thickened and dewatered prior to shipment. A Grinding Improvement Project (SAG pebble circuit) was completed in mid-2000. This circuit consists of a vibrating screen that removes critical size rocks from the SAG mill discharge conveyors then transports this material to a pebble crusher where the rocks are crushed and then returned to the SAG mill.

Environmental Conditions

There are no environmental compliance issues outstanding at Huckleberry mine.

HML is committed to the reclamation of disturbed areas during the mine-life cycle. HML submits an annual Environmental and Reclamation Report to the Ministry of Environment and the Ministry of Energy and Mines. That report outlines all current and planned mining and reclamation activities as well as environmental monitoring activities and results.

MARKETS & CONTRACTS

Huckleberry mine copper concentrate is sold primarily in Asia under long term contracts.

TAXES

Applicable taxes for HML are BC and Canadian Federal income taxes at 26.0% of taxable income; BC Mineral Tax at a 2% advance tax on resource income or a 13% tax of net revenue after capital is recovered; and property taxes, which are approximately $0.3 million per annum.

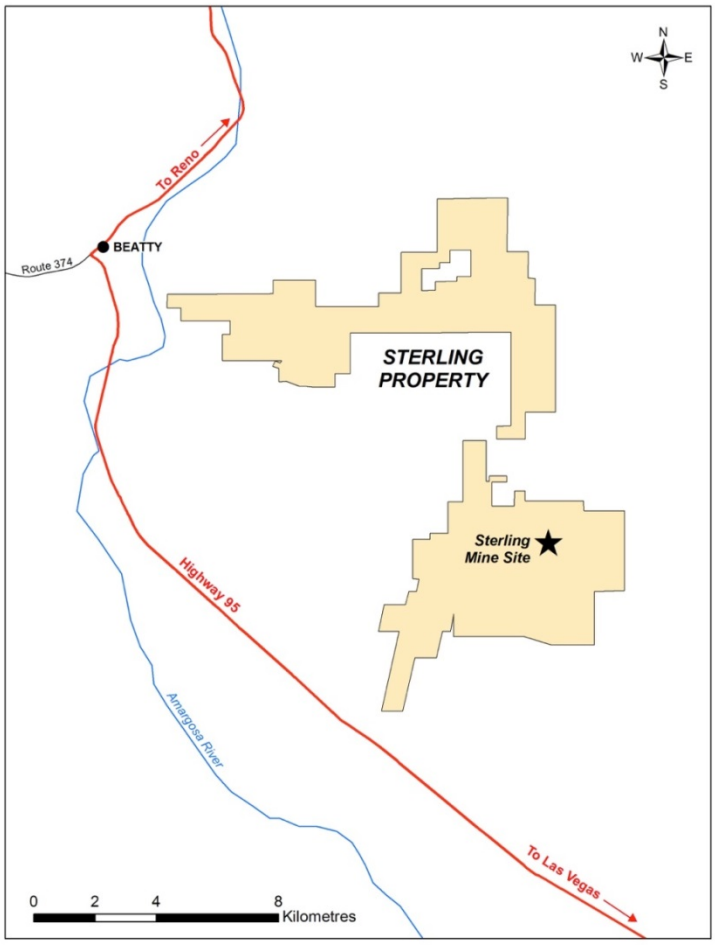
STERLING PROPERTY

DESCRIPTION & LOCATION

Sterling Gold Mining Corporation (**Sterling**), a wholly owned subsidiary of Imperial, is owner of the Sterling property which is located in southern Nye County, Nevada, about 115 miles NW of Las Vegas.

The main Sterling property consists of 271 lode mining claims plus one water well site. Net smelter royalties (NSR) of 2.25% are payable on production from certain mining claims with minimum advance royalties on a portion of this total. Total land holdings, including Sterling, Daisy-Fluorspar Canyon, Mary-Goldspar and Tungsten Canyon blocks, comprise 683 unpatented lode mining claims covering 14,109 acres located on land administered by the US Bureau of Land Management (BLM). The BLM rentals are currently paid to September 1, 2015.

Sterling Property Location/Claims



ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

The Sterling property is accessible via US Highway 95 from Las Vegas, a distance of 115 miles. A good secondary eight mile gravel road turns off the north side of the highway at Mile 45.8, about 15 miles SE of the town of Beatty. The gravel road is maintained by Nye County and Sterling personnel. Las Vegas is the nearest major city.

The property lies on the east side of Bare Mountain, a small mountain range at the southern end of Pahute Mesa in the Great Basin. Bare Mountain (summit 6,317 ft) is flanked by the alluvial basins of Crater Flat to the east and the northern Amargosa Desert to the SW. Rounded or craggy ridges separated by ephemeral washes characterize the local terrain. Several small cinder cones, less than one million years old, occur in Crater Flat. The mine and infrastructure are at around the 3,633 feet elevation, on the lower eastern slopes of the mountain. The original

Sterling mine elevation is between 3,799 feet and 4,071 feet. The leach pads (both historic and new) are on the upper edge of the adjacent pediment (3,800 ft).

Sterling exploration and development activities proceed year round. The climate is arid, with typical desert vegetation. Temperatures normally range from 30°F in the winter to 110°F in the summer. Annual precipitation averages 4 inches in the form of rain or snow, mainly in the winter or late spring, and the occasional thunderstorm. High winds are frequent during the winter.

Mine buildings consist of several trailers used for administration, geological research and logging, sample preparation, and personnel facilities. Several steel containers are used to securely store drill core, pulps and rejects. There is also a mechanical shop for on-site maintenance of equipment and vehicles. The leach pad area includes operating ponds and a gold extraction circuit. An on-site assay laboratory is used to analyze underground rib and muck samples. Water for the mine and gold recovery plant is drawn from a well in Crater Flat located about 3.5 miles E-SE of the mine. Water is stored in a lined and fenced reservoir at the well site from which it is pumped or hauled to the mine by tank truck. Potable water is supplied by bottle from Beatty. Electrical power is provided by generators on the site. The mine has no living quarters or canteen; mine personnel live in Beatty, Pahrump or communities in the Amargosa Valley, and commute to the mine site daily.

Outside communication is provided by digital radio telephones and internet. Cellular phone reception is amenable at certain locations on site. Gasoline and diesel fuels are trucked in periodically and stored in tanks. Mining equipment and parts are obtained from dealers and distributors in Las Vegas, Reno and Los Angeles. Minor supplies, lodging and basic services are available in Beatty (estimate population 1,000).

HISTORY

Gold was discovered on Bare Mountain around 1860. Claims were staked and worked for a few years in the early 1900s. The first workings at Sterling from this period were known as the Panama mine or Bittlecomb shaft (circa 1908). The modern development of Sterling began in the 1970s with exploration around the original deposit by Cordilleran Explorations Partnership. This led to the formation of the initial Sterling Mine Joint Venture in 1980, comprising of Saga Exploration Company, E & B Explorations Inc. and Derry Michener Booth Venture Number 1. Mining began in late 1979 with Saga Exploration as the operator. Between 1987 and 1995 Cathedral Gold U.S. Corporation acquired a 90% interest in the property and took over the operation of the Sterling Mine Joint Venture. Imperial acquired a 10% interest in 1992.

Placer Dome (U.S.) Inc. conducted a joint venture exploration program on the Sterling property in 1996. Placer's focus was on the discovery of a gold deposit outside the reserve blocks on the mine property (and outside the Sterling mine zone), ideally containing at least 750,000 oz. Placer drilled 3 holes adjacent to the Sterling deposit, targeting deeper stratigraphy (that was prospective on their Daisy property in the north of Bare Mountain), but did not encounter significant gold. The joint venture program was terminated in 1997.

In 1999, Imperial increased its ownership of Sterling to 100% by acquiring Cathedral Gold U.S. (from its parent Cathedral Gold Corporation) by exercising an option granted pursuant to a debt settlement arrangement.

Open pit mining of the Sterling mine deposit began in 1981 and continued until 1989. The ore was oxidized and amenable to processing by heap leaching. Underground mining began in 1980 and proceeded until mid-1997 when market conditions impacted profitability. Leach pad rinsing continued for a few years producing small amounts of gold, with additional ore from a low grade stockpile added in early 2001. Gold recovery proceeded until August 2002 when a final strip was carried out, and the mine was placed on care and maintenance. Total gold production from 1980 through 2000 was 194,996 troy oz from 941,341 short tons of ore. The average gold grade (cyanide soluble) of all material delivered to the leach pad was 0.217 oz/T gold (7.44 g/T). Recoveries from the heap leach averaged 88% of the cyanide soluble gold.

An exploration program was conducted in 2000. Following discovery of the high grade 144 zone in 2001, intermittent drill programs over the next few years led to delineation of a significant resource which, along with the increase in the price of gold, became the impetus for a restart of operations. A decline into the deposit was driven from the range front in 2008 for underground exploration development, followed by fan drilling programs in 2008 and 2009 which were successful in expanding the known mineralization to the north, west and south. The development was extended, and underground drilling resumed in 2011 (26 holes), concentrating on the northern extension of the 144 zone. Also that year, reverse circulation (RC) drilling from surface (44 holes; 12,990 ft/3,959 m) was done over the original Sterling mine ore body to test the exterior boundaries of a proposed open pit project,

which would capture remaining ore below the deactivated Ambrose, Sterling and Burro pits, as well as previously unmined areas between the pits which have since become more economic. Other prospects on the Sterling property were tested between 2006 and 2008 using geochemical and geophysical surveys and surface RC drilling of selected targets.

Based on the results of the underground drilling in the144 zone, resource calculations were positive for underground mining and construction of a new leach pad and plant infrastructure began in 2011. The construction of a 300,000 ton (3.7 acre) heap leach pad was completed in March. Stockpiled ore was placed on the pad and leaching of the gold bearing material commenced on April 17, 2012. Processing of pregnant gold solution commenced on April 24, 2012 followed by the first gold pour in July 2012. The processing plant operates 24 hours a day and 7 days a week and sold 2,852 ounces of gold by 2012 year-end.

Heap leaching operations continued throughout 2013 and 2014. In 2013 a total of 160,789 tons of ore from the 144 underground was stacked on the heap leach pad. This produced sales of 7,431 ounces of gold. Production for 2014 was 45,217 tons of ore stacked on the heap leach pad. A total of 5,725 ounces of gold were sold.

In 2014, the mine stopped operation from April 25 until June 20 due to an improper air quality permit classification. The mine had been operating under a surface area disturbance permit and required a Class I or Class II designation. As of June 20, 2014 the mine site received a class II air quality permit and re-commenced production. The stipulations of the new permit did not allow Sterling Mine to operate the desorption or recovery circuits, hence as of July 2014 all carbon is shipped to Metals Research in Idaho for desorption and recovery of the gold.

The reclamation bonding amount was due for review in 2014 by the Bureau of Mining Reclamation and Regulation (BMRR) and the Bureau of Land Management (BLM). The Sterling mine received a decision for the BLM and BMRR in early September 2014 and subsequently increased the monies required to meet the bond. The next review will be in August 2017.

GEOLOGICAL SETTING

Sterling is fairly typical of sediment-hosted, disseminated precious metal deposits, also termed Carlin-type deposits, that occur in the western United States, particularly in the Great Basin in Nevada. The Great Basin province is a physiographic and tectonic region west of the Rocky Mountains, which is characterized by profound crustal extension and high heat flow beginning in the mid-Tertiary (about 35-40 million years ago). The Bare Mountain district lies within the Walker Lane tectonic belt, a NW-trending mega-lineament in SW Nevada, which hosts several significant gold mining districts, especially epithermal gold-silver deposits.

Most of the Bare Mountain range comprises deformed, generally north-dipping and younging, Upper Proterozoic and Paleozoic sedimentary rocks. Siliciclastic lithologies characterize the deeper stratigraphy in the south of the range, but dolostones and limestones dominate the central and north of Bare Mountain. In the far north, a low-angle extension fault underlies Tertiary igneous rocks of the Southwestern Nevada Volcanic Field, which are also represented throughout Bare Mountain (including Sterling) by comagmatic, north-trending quartz latite porphyry dikes. Folding and thrusting and low grade metamorphism occurred in the late Paleozoic to Mesozoic. Episodic Tertiary extension produced both low-angle and numerous north-trending high-angle normal faults, which are important for the location of gold mineralization, in combination with suitable, carbonate-rich rock types.

The Sterling mine area itself consists of a thrust sheet of quartzite and phyllitic sandstone and siltstone, structurally overlying discordant, north-dipping dolostones of the Bonanza King Formation, and limestones of the Carrara Formation. The original Sterling mine ore occurs in hydrothermal breccias along the thrust at the intersection of much younger, high-angle faults. The 144 zone ore zone is in a different, structurally and stratigraphically deeper setting at the Bonanza King-Carrara contact, which occurs immediately south of and below the old Sterling mine ore body. The Sterling geology is abruptly terminated by a major north-south fault at the range front to the east of the mine, with thousands of feet of east-side down displacement.

MINERALIZATION

Gold occurs in the rims of microscopic pyrite grains (actually arsenian pyrite rims). The pyrite formed during hydrothermal alteration and brecciation resulting from the interaction between: gold-bearing solutions rising along high-angle fault feeders from depth; soluble carbonate rocks; and iron-bearing silty lithologies. The process was most effective at a site of permeability contrast or barrier, and was accompanied by decalcification and solution brecciation, and silicification and clay alteration in breccia clasts, matrix, and in the wall rocks. Subsequent oxidation of the pyrite converted it to iron oxide/hydroxide minerals but without removing gold particles, allowing heap leaching of the ore to extract the gold. Favourable geological conditions existed (1) in the original Sterling mine at the thrust contact (siltstone/phyllite structurally above dolostone, especially trending along intersecting fault feeders), and (2) in the 144 zone at the contact between silty dolostone of the basal Bonanza King and the underlying Carrara limestone. The clay-altered margin of a large, Tertiary quartz latite dike in the 144 zone was also conducive for high-grade gold mineralization. In all cases, mineralization is generally stratabound but discontinuous, and typically ranges in thickness from 5-10 ft to over 30 ft (2 to 9 m).

In the Sterling property in northern Bare Mountain, the Tertiary-age low-angle Fluorspar Canyon Detachment is also important as a control for mineralization at several gold deposits. These include the Bullfrog, Daisy, West zone, Secret Pass and Mother Lode deposits; past mining (by other operators) has yielded more than 3 million ounces of produced gold.

EXPLORATION & DRILLING

On site core drilling continued in 2014 with the purpose of further delineation of the 144 zone as well as delineation of the deposit below water tank hill. A total of 12 holes were drilled underground for a total of 2,813 feet. The target zones for these holes was the 144 zone mineralization to the east of the dike. Most of the holes did encounter some gold mineralization. The best holes from this section were SU14-186 which averaged 0.135 oz/ton Au over 35 feet including 5 feet of 0.296 oz/ton Au and SU14-196 which averaged 0.154 oz/ton Au over 30 feet including 5 feet of 0.513 oz/ton Au.

The core drill was then moved to the surface to test and improve the block model for the pending open pits. On surface the drill produced 5385 feet of core over 18 holes. Assays for the last several holes are still pending but notable intercepts for surface are ST14-99, which averaged 0.199 oz/ton Au over 21.6 feet including 9.7 feet of 0.41oz/ton Au. This hole was drilled in the panama pit area. SU14-112 is the best hole so far from the water tank hill pit area and it averages 0.139 oz/ton over 96.3 feet including 10.3 feet of 0.495 oz/ton Au, 0.181 oz/ton Au over 11.5 feet and 0.3 oz/ton Au over 7.8 feet. The core drill produced a total of 8,198 feet in 2014.

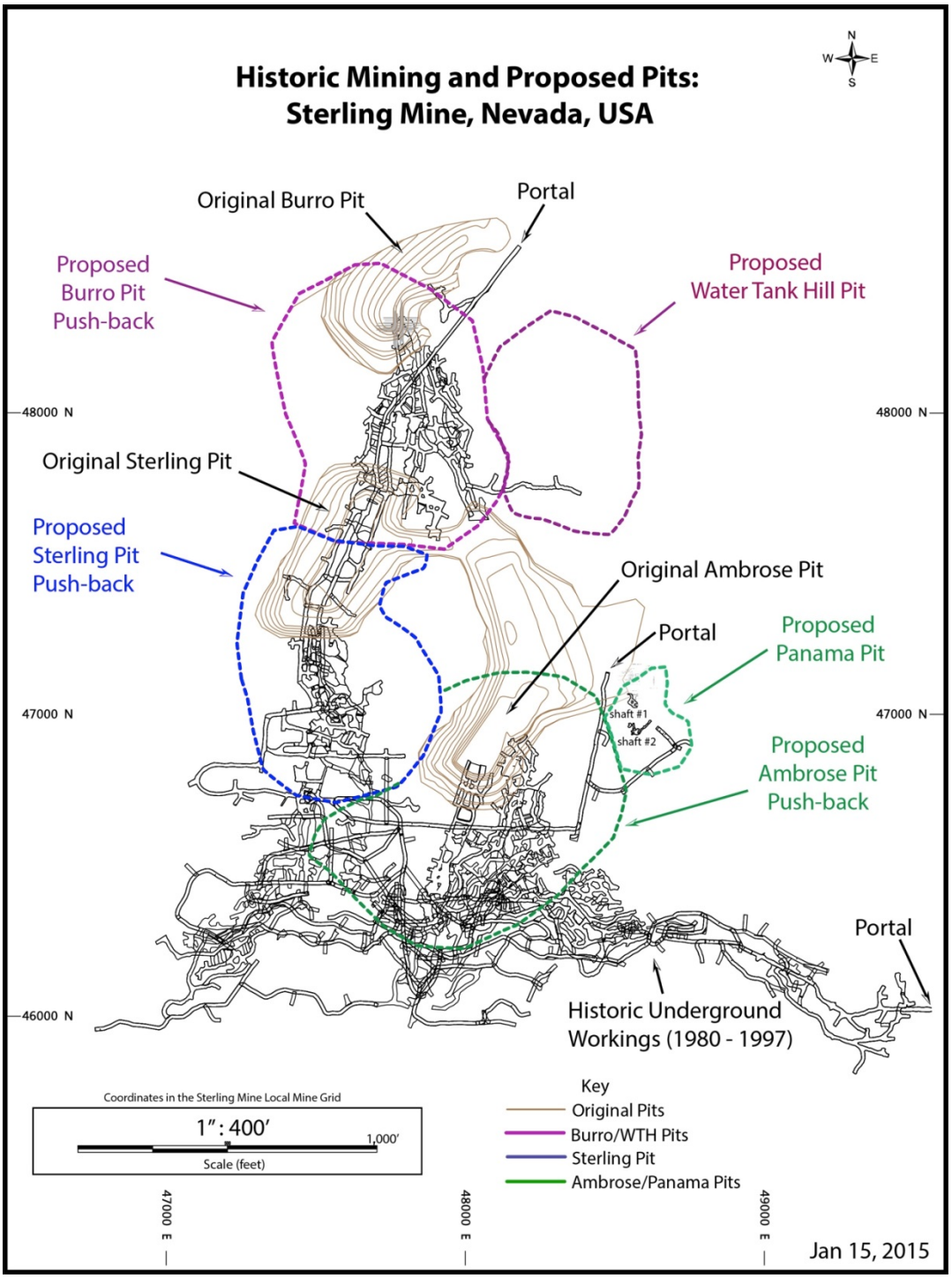
The longhole drill was used in 2014 to take samples in the stope areas of the 144 zone to help further outline the reserves. In total 202 holes were drilled for a total of 7,055 feet with samples were taken in 5 foot intervals. The vast majority of these holes did encounter gold mineralization, with a few of the best grades coming from LH14-297 which averaged 0.215 oz/ton Au over 50 feet and LH14-267 which averaged 0.217 oz/ton Au over 25 feet.

UNDERGROUND DEVELOPMENT

A total of 45,218 tons were mined and stacked on the leach pad in 2014. A total of 5,721 ounces of gold were produced in 2014, totaling 16,004 ounces for the project since underground operations commenced in the second quarter of 2012.

Mining in 2014 consisted of stoping and drifting. A stope with the dimensions of approximately 200 feet long, 40 feet wide and 100 feet tall was mined out. This stope exhausted the western section of the orebody. A total of 1,190 feet of drifting was completed. The use of these drifts was mainly for development.

Underground development for 2015 will involve mining out a high grade section in the 3777 level of the Old Sterling Mine. The area is expected to produce approximately 8,000 tons with a grade of 0.150 oz/ton. The mining method that will be used is an underhand stoping with no back fill. The final hydraulic radius of the stope when completed will not be large enough to cause concerns of caving. In addition it is expected that all permits will be issued to commence open pit mining of the old Sterling mining area.


Historic Mining and Proposed Pits:
Sterling Mine, Nevada, USA
N
W
E
S
Original Burro Pit
Portal
Proposed
Burro Pit
Push-back
Proposed
Water Tank Hill Pit
48000 N
48000 N
Original Sterling Pit
Proposed
Sterling Pit
Push-back
Original Ambrose Pit
Portal
Proposed
Panama Pit
47000 N
47000 N
shaft #1
shaft #2
Proposed
Ambrose Pit
Push-back
Portal
46000 N
Historic Underground
Workings (1980 - 1997)
Coordinates in the Sterling Mine Local Mine Grid
1" : 400'
1,000'
Scale (feet)
Key
Original Pits
Burro/WTH Pits
Sterling Pit
Ambrose/Panama Pits
47000 E
48000 E
49000 E
Jan 15, 2015

SAMPLING, ANALYSIS & SECURITY OF SAMPLES

Reverse circulation drilling was utilized in 2001, 2003, 2008 and 2011. No surface drilling was conducted during 2012-2014. Drill cuttings for assay/geochemical analysis were collected at five feet intervals consistently throughout these programs. For each interval, the cuttings emerging from the drill outlet were separated into two identical samples with a Johnson splitter; complete mixing was provided by the cyclone device immediately preceding the splitter outlets. The resulting pair of cuttings was collected in two identically numbered synthetic-cloth bags which were allowed to dry somewhat before being placed into two corresponding nylon sacks. Each sack would be filled with 5 or 10 sample bags (depending on volume of recovery) representing 25 feet. or 50 feet. of consecutive samples, and the sack taped closed. One set or suite of these sacks of samples was retained on the property, and selected intervals were analyzed by the mine's own (atomic absorption) laboratory facilities for guidance. The other suite was kept in locked storage until it was sent out for independent assay.

Diamond drilling was conducted during 2008, 2009 and 2014. In 2011 Sterling acquired a small underground diamond drilling rig in order to further outline the ore body. Drilling has produced 20,338 feet of core since that time with footage for 2011, 2012, 2013 and 2014 being 2,415 feet, 3,925 feet, 5,800 feet and 8,198 feet, respectively. Drill core was photographed and the geotechnical logging was done before geological logging and sampling began. The geotechnical logging recorded recovery, RQD (Rock Quality Designation) and fracture density. After the sample intervals were marked out, and the core was geologically logged, it was sawn and sampled. The samples and remaining core were then stored securely. Samples were shipped to Florin Analytical Services, Reno, Nevada.

Underground rib sampling was collected during 2009 and 2010 throughout the 3220 and 3180 drifts as well as in 2011 on the 3292 level. Rib sampling has continued from 2011 to 2013 with sample spacing every five feet while in a known or suspected ore zone. Vertical chip samples were collected at the face approximately every 10 feet drift advance. Samples were shipped to Florin Analytical Services, Reno, Nevada. Additional rib samples were collected every 5 feet while the underground drifts were in ore.

During the 2008-2009 reverse circulation program a blank, standard and duplicate was added to every series of 20 rock chip samples. Standards were formatted to know high, medium and low gold values. For the diamond drill programs in 2008 and 2009 one blank and one duplicate were submitted for every 20 samples from the drill core. Material for blanks was obtained from old drill core (not related to the 144 zone) known from fire assay to contain no more than 5 ppb gold. Blanks were frequently inserted into the sample sequence immediately following an interval suspected of being strongly mineralized, to check for inter-sample contamination during preparation and analysis in the laboratory.

Duplicate core samples were obtained by quartering the core. If possible, duplicates were not selected from intervals of poor recovery, or strongly broken chips, or friable gouge material, in order to conserve the available rock. If this was unavoidable, special care was taken to ensure a representative sample was taken.

For the 2011 reverse circulation program all samples were run by the on-site lab to determine gold grades. Any samples with gold values over 0.02 oz/T gold were shipped to the Mount Polley laboratory for fire assay. A one sample buffer was placed on either side of the 0.02 oz/T gold samples for confirmation of grade cut-off, and standards and blanks were added every 30 samples.

Core produced from the underground rig was sampled, and half the core was sent to Florin Analytical Services, Reno, Nevada. Additionally, a quarter of the core was processed and given to the on-site lab for quick results as well as a check on the outside lab. Standards and blanks were placed every 15 samples. Duplicates were used when good core recovery made it applicable.

Starting in 2011 all sample preparation has taken place on site at Sterling, and all samples have been run out of the onsite assay lab. Check assays are sent to the Mount Polley lab for verification with fire assay or to Florin Analytical for an additional check. Standards are placed in with the pulps before shipping at approximately every 30 samples. Check standards are used in the sterling lab to ensure QAQC and check that the Atomic Absorption machine is staying within calibration. All samples on site are stored in locked metal shipping containers.

MINERAL RESOURCE ESTIMATE

The 2006 Sterling Report included a resource estimate for the 144 zone of 214,554 tons of .216opt (194,640 tonnes of 7.4 g/t). With the completion of mining in the 144 zone, this resource is now considered mined. Work is currently ongoing in remodeling the original Sterling Zones (Panama, Ambrose, Sterling, Burrow and Water Tank Hill. The current assessment work and drilling is testing the economics of opening the Panama and Water Tank Hill zones as new pits, and the Sterling, Ambrose and Burro Pits as pit push-backs.

MINING OPERATIONS

Sterling shipped 5,725 ounces gold in 2014. Underground mine operations in the 144 zone have been completed. Gold will continue to be recovered from the heap for several months, and a plan for an open pit mine and an expanded leach pad is in the final stages of permitting.

Annual Production

For the Years Ended	2014	2013	2012*
Ore Stacked – tons	45,217	160,789	77,944
Gold Grade – oz/ton	0.121	0.083	0.082
Gold ounces – added to heap	5,471	13,348	6,393
Gold ounces - in-process & poured	5,787	7,142	3,613
Gold shipped - ounces	5,725	7,431	2,852

*production commenced in the second quarter 2012

Mine Life

Mining in the 144 zone has been completed as scheduled. Leaching of the 144 zone ore will be ongoing though to mid 2015.

Drilling and remodeling work is currently ongoing in the original Sterling zones. The current assessment is testing the economics of re-opening the original Sterling surface mine with 5 pits. The Sterling, Ambrose and Burro Pits would be pushed back and deepened. The Panama and Water Tank Hill pits would be new pits. Preliminary estimates show this project would extend the mine life another three years. This drilling and assessment work is scheduled to be complete mid 2015.

Mining Method

The completed Sterling 144 mine utilized sub-level caving as the method of mining the underground 144 zone. The target production rate was 600 tons of ore per day to the heap leach pad. The current heap leach pad is designed to hold 300,000 tons of underground ore.

The proposed restart of the Sterling open pits would utilize common conventional small to medium sized open pit mining equipment that is readily available such as Cat 992 loaders and Cat 777 haul trucks which are a good match for the pit sizes.

Sterling currently has a 3.7 acre heap leach pad that includes a carbon adsorption-desorption-recovery (ADR) plant for the purpose of recovering gold. This pad was completed in April 2012 which included liner installation and a drainage layer composed of minus ¾ inch gravel covering perforated drain pipes. The purpose of the drainage layer is to allow for equipment to travel on the pad without damaging the liner and to allow for solution to drain freely from the stacked ore.

Solution was first processed through the plant in April 2012. The plant is designed for a pregnant (gold Laden) solution flow rate of 500 gallons per minute and each carbon column holds 2 tons of carbon. The heap expansion only requires 250 gallons per minute.

Processing Method

A leach solution of sodium cyanide is used to dissolve gold from the ore, transforming the leachable gold into a pregnant solution. The leach solution is applied by way of pumps and distributed through a drip emitter system. The flow rate applied to an area of the heap is based on the industry standard application rate of 0.005 gpm/ft^2 of heap surface area. The solution flows by gravity through the ore and is directed to a collection sump. The pregnant solution then exits the sump and is directed to the pregnant pond. The pregnant solution then passes through a closed carbon column circuit for adsorption of gold. There are 4 columns that operate in series where the barren solution from the previous column is the pregnant solution for the next column in the series. Once the activated carbon becomes loaded with gold, and recovery from the pregnant solution drops, the carbon is then transferred into a desorption column for stripping the concentrated gold off the carbon. A hot strip solution of alcohol, water and caustic soda is prepared and passes through the loaded carbon desorption column, causing the gold to go back into solution. The gold concentration in the desorption solution is 100 fold higher than the heap leach pregnant solution.

The desorption solution then passes through an electrowinning cell (E-Cell) where gold is precipitated onto steel wool cathodes. The concentration of gold in solution entering and leaving the e-cell is monitored every 2 hours. The analysis determines the efficiency of the e-cell and also indicates the quantity of gold being removed from the loaded carbon. When the gold grade in solution reaches a concentration less than 0.2 oz/ton the desorption process is complete. The steel wool is then allowed to dry for 24 hours in preparation for smelting and production of doré bars. The doré bars are then shipped to a smelter for refining and sale of the product.

Environmental Conditions

Reclamation cost estimates are required to be re-calculated using current cost data every three years, or upon permit modification application(s). A bond amount of $3.2 million was approved by the BML August 31, 2014, as required by the Nevada Division of Environmental Protection (NDEP) and the Bureau of Mining Regulation and Reclamation. The bond is valid until August 2017. The NDEP Water Pollution Control Permit is valid until March 15, 2018. All other permits such as Industrial Artificial Pond Permit, NDEP Protection Air Quality, Hazardous Materials, Explosives Permit and Storm Water Discharge Permit are all current and in good standing. The mine plan of operations submitted with the BLM is current and is updated as operations are modified. A mine Plan of Operations has been submitted to the Nevada Department of Environmental Protection and to the Bureau of Land Management and is under review for an open pit mining and leach pad expansion.

MARKETS & CONTRACTS

Sterling has a contract in place for refining and sale of gold doré.

TAXES

Applicable taxes for Sterling are Federal income tax rate of 34.0% and Nevada State net proceeds tax, a sliding scale tax of up to 5.0%. Property taxes are under US$0.1 million per year.

RUDDOCK CREEK

DESCRIPTION & LOCATION

The Ruddock Creek Joint Venture (RCJV) is operated and managed by Ruddock Creek Mining Corporation, a subsidiary of Selkirk Metals Corp. The property is owned 50% by Imperial through its wholly owned subsidiaries Selkirk Metals Corp. (10%) and MPMC (40%), and the remaining 50% is held by the joint venture partners, Mitsui Mining and Smelting Co. Ltd. (30%) and Itochu Corporation (20%) (Mitsui/Itochu)

Mitsui/Itochu earned a 50% in the Ruddock Creek property by funding of $20.0 million in exploration expenditures by March 31, 2013. Net smelter royalties of 1% is payable to Teck Metals Ltd. on production from the original property (three main claims) and 1.5% payable to Jasper Mining Corporation on production from the 16 Irony claims which were acquired in March 2014. In addition, Teck has a right of first offer to purchase all or part of 50% of production from the original property on commercial terms.

The 2014 exploration program and related studies were funded by the RCJV.

The Ruddock Creek property is located between the headwaters of Ruddock Creek and Oliver Creek in the Scrip Range of the Monashee Mountains in SE British Columbia, approximately 155 km NE of Kamloops, 28 km east of Avola, and 6.5 km west of Gordon Horne Peak. The property is comprised of 42 mineral claims (23 valid until December 1, 2022, 16 valid until July 22, 2022 and three valid until September 1, 2016) covering a gross area of 21,156 hectares. The claims are located primarily in the Kamloops Mining Division, although a portion of the Ruddock Creek property extends eastward into the Revelstoke Mining Division. The geographic coordinates of the main area of activity are 51° 46.5′ N and 118° 55′ W.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

The Ruddock Creek property can be accessed from provincial Highway #5, the Yellowhead Highway, or Highway #1, the Trans Canada Highway, via unpaved forest service roads (FSR).

The exploration programs to date have relied on diesel powered generators located in the camp and at the portal site. Power for a mine and mill operation would require the construction of a power line from the existing BC Hydro substation at Avola or from the existing 69kv power grid extended from the Mica Dam Hydroelectric Facility. There was no direct road access to the central portion of the Ruddock Creek property until 2007 when an excavator trail was completed from the end of the existing logging road at the south end of Oliver Creek. Access was previously achieved by helicopter. In 2006 a camp was established at Tumtum Lake on the Adams River approximately 20 km NW of the main drill area, which operated for the 2006 and 2007 programs. The 2008 underground work and subsequent exploration programs have all been carried out from a 40 person camp established at Light Lake in late 2007. Currently the camp is operated on a seasonal basis.

The claims are situated in extremely mountainous terrain at the height of land between the drainages of the Columbia River and Fraser River systems. The terrain is characterized by heavily timbered lower slopes and steeper alpine-glaciated upper slopes. Elevations range from 950 m above sea level at the western edge of the claims in the Oliver Creek drainage to 2,854 m above sea level on an unnamed peak at the northern edge of the holdings.

HISTORY

The early exploration and ownership history of the Ruddock Creek property is provided in the 2012 Ruddock Creek Technical Report, which describes the period from Ruddock Creek's discovery in 1960 through 2011.

Exploration on the Ruddock Creek property dates from the discovery of massive sulphide mineralization and the subsequent staking of the ground in 1960 by Falconbridge. The most extensive exploration programs were conducted by Falconbridge, during 1961-1963. Cominco optioned the property from Falconbridge in 1975. Doublestar Resources Ltd. acquired Falconbridge's 58.9% interest in January 2000. In February 2001, Doublestar purchased the 41.1% interest of Cominco to hold a 100% interest, subject only to a 1% NSR in favour of Cominco.

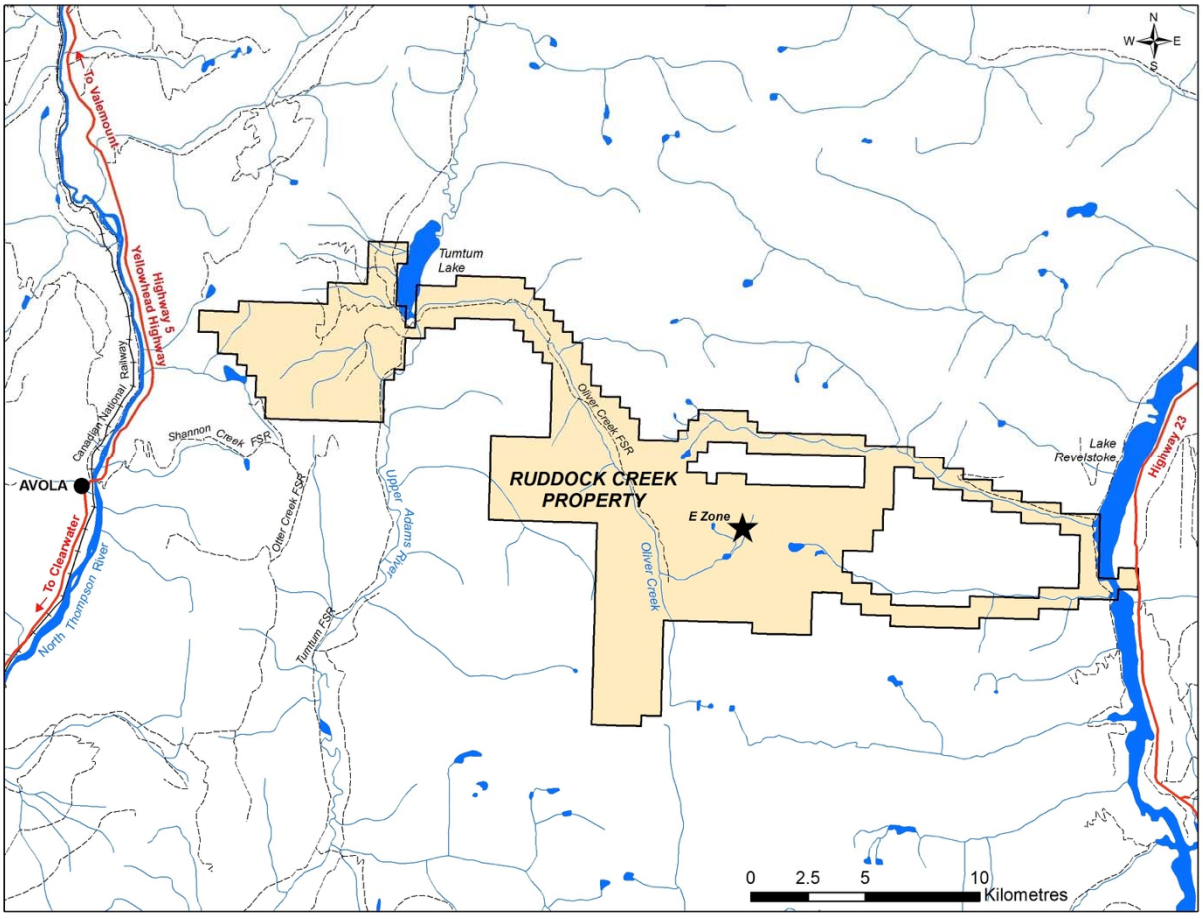
In March 2004 Cross Lake Minerals Ltd. acquired an option on the Ruddock Creek from Doublestar. In July 2005 Selkirk was created as a result of a reorganization of Cross Lake. Doublestar was acquired by Selkirk in July 2007 and was a wholly-owned subsidiary of Selkirk until February 28, 2009, when it was amalgamated with Selkirk.

In November 2009 Selkirk completed a merger with Imperial, and became a wholly owned subsidiary of Imperial.

During 2012 a total of 3,879 m of diamond drilling was completed on the Creek zone and 6,185 m of diamond drilling was completed on the V zone. In addition, the underground workings were dewatered to allow for a further 5,843 m of underground diamond drilling, which continued to expand the Lower E zone. Underground development consisted of a 69 m drift through a section of the mineralization to allow for geological and geotechnical studies and the collection of a 10 tonne bulk sample for metallurgical testing. The V zone was the focus of the 2012 surface program. Detailed drilling extended and further defined the zone over a strike length of 500 m and a vertical depth of 250 m. Wider spaced drilling extended the mineralization to a depth of 500 m from surface. The strike, dip and continuity of mineralization are very predictable. Previous drilling at the Creek zone, which is located 1.5 km west of the E zone outcrop, outlined the mineralization for 600 m in an east-west direction and 400 m in a north-south direction to a vertical depth of approximately 400 m. Drilling in 2012 extended the Creek zone both laterally and down dip providing further information for development studies.

The 2012 underground diamond drilling program concentrated on the up dip extensions of the Lower E zone. The program was successful in extending this area of mineralization and provided important information for ongoing engineering studies. In addition to exploration conducted on site, the 2012 Ruddock Creek program included a Preliminary Economic Analysis (PEA). The results from the exploration were incorporated in the existing database and the PEA. The study included an update of the resource and provided the basis for planning ongoing exploration and development.

Ruddock Creek Property Location/Claims



During 2013 the Joint Venture completed the field program which included site infrastructure studies, metallurgical testing including dense media separation, spiral, flotation, mineralogical, acid base accounting, and humidity cell testing. The work included collecting and testing mineralized material from each of the Lower E, Creek and V zones, and collecting and testing representative samples of each rock type identified on the property. The collection of baseline environmental and geotechnical information included trenching and geotechnical core drilling in order to provide data for future permitting and engineering studies. Surface exploration carried out during the quarter included detailed geological and structural mapping in a number of areas, as well as the collection of mineralized and non-mineralized rock samples for age-dating purposes. During the mapping program a "new" mineralized zone named the K zone was discovered. A higher capacity water control structure for the underground discharge was constructed. Ongoing consultations continued with area First Nations.

The 2014 program conducted by the RCJV consisted of additional metallurgical testing on a new bulk sample collected from the Upper E zone, 22 new geotechnical and groundwater well installations, and ongoing baseline data collection for future permitting requirements. The baseline data collection included fish, benthic invertebrates, vegetation, wildlife, surface and groundwater sampling and testing, toxicity water sampling, stream flow, weather station downloads and maintenance, dust fall monitoring site installation and sampling. Surface exploration in the 2014 field season was focused on detailed geological and structural mapping in a number of areas.

On May 20, 2014 the Joint Venture submitted to the British Columbia Environmental Assessment Office (BCEAO) and the Canadian Environmental Assessment Agency ("CEAA") the Project Description report for the Ruddock Creek Mine Project contemplating a 3,000 tonne per day underground zinc/lead mine with an initial design life of at least eight years. The Province of British Columbia requested, and on July 15, 2014 received, substitution approval from the CEAA whereby a B.C. assessment was approved as an appropriate substitute for the federal environmental assessment process. Subsequently, on October 6, 2014, the BCEAO issued a Section 11 Order which established the formal scope, procedures and methods concerning the proposed Project's environmental assessment.

In addition to continued baseline environmental data collection, work will also continue on the environmental assessment with the development of both an Aboriginal Consultation Plan and a Public Consultation Plan in addition to the determination of any environmental, social, economic, heritage and health components that may need to be studied in order to proceed to an application for an Environmental Assessment Certificate.

GEOLOGICAL SETTING

The deposit lies in metasedimentary rocks of the Shuswap metamorphic complex on the NW flank of the Frenchman Cap Gneiss Dome. Pegmatite and medium-grained granitic rocks make up more than 50% of the outcrops. These rocks represent mainly if not entirely partial melting of the metasediments. Rock units and structures can be projected and traced among the pegmatite sheets without significant displacement. The abundance of pegmatite and very few distinctive marker beds, except for the sulphide layers in the metasedimentary rocks, translates into correlations that are largely interpretive.

The property contains a variety of amphibolite-grade metasedimentary and metavolcanic rocks, cut by granitic intrusions that range texturally from fine-grained to pegmatitic. Intense deformation and metamorphism has obliterated any primary facing direction indicators in the metasedimentary and metavolcanic rocks. The metasedimentary and metavolcanic rocks on the property comprise schists, gneisses, quartzites and marbles, which can be divided into seven compositionally distinct lithotypes.

MINERALIZATION

Ruddock Creek mineralization consists of a conformable planar massive sulphide horizon, exposed intermittently for over 5 km along strike. The Ruddock Creek Sulphide Horizon consists dominantly of calc-silicate rocks, pegmatites and lesser biotite schist. Lenses of massive sulphide, composed of sphalerite, pyrrhotite and galena in order of abundance are hosted by the calc-silicate portions of the package. The Ruddock Creek Sulphide Horizon varies from less than 5 m to over 50 m in true thickness. Massive sulphide lenses consist of sphalerite, pyrrhotite, galena, pyrite and minor chalcopyrite, and are generally medium grained. The coarser grain size is thought to be a result of recrystallization during the metamorphic event. They are often complexly folded within themselves on axes that plunge to the west. The folds within the sulphide layers are usually irregular in form. Galena and sphalerite also occur as scattered grains in marble and calcareous quartzite occasionally associated with fluorite.

Multiple individual massive sulphide lenses are present within the horizon, ranging from less than 1 m to greater than 5 m in true thickness, separated by variable thicknesses of non mineralized pegmatite, calc-silicate or biotite schist. Locally these stacked lenses of massive sulphide and host rock, attain true thicknesses of over 30 m of ore grade material.

There have been ten zones of mineralization identified on the Ruddock Creek property to date: E, F, G (including the Upper and Lower G), M, T (including the Upper and Lower T and Creek zone) in the eastern half, and the U, V, K, R, and Q which occur as contorted layers and lenses forming the western half. The mineralization at both the E zone and V zone has been the main focus of most previous exploration programs as it is the best exposed and contains the most continuous ore horizons known to date.

SAMPLING, ANALYSIS & SECURITY OF SAMPLES

Drill core sampling during the 2004 to 2012 exploration programs followed the same procedures. Core was placed by the drillers in wooden core boxes and the lids secured with screws before transporting to the logging facility. A helicopter, zip line or truck was used to move core boxes from the drills to the logging station where the core was logged, measured for rock quality and photographed by the geologists. Mineralized sections were sawn and one half retained on site for future reference or follow up analysis. The sampled intervals were recorded, put in labeled plastic bags with tags. The samples were then consolidated into rice bags for transport to the lab. Sampling of the drill core was generally in 1 m to 1.5 m intervals unless discrete geologic features such as veins, massive sulphide lenses or faults were encountered. The samples are representative of both the mineralization and wall rocks encountered in the drilling. The Company is not aware of any factors related to the sampling that would materially impact the reliability or accuracy of these results.

Acme Analytical Laboratories Ltd. was retained to carry out all sample analyses, however in 2007 a group of 30 sample pulps were chosen and sent to ALS Laboratory for check assays. These samples were then renumbered and sent back to Acme as a further check. At all times access to the samples was limited to authorized personnel. Quality control involved the insertion of check samples consisting of duplicates, blanks and standards in the sample stream. Results from the laboratory are reported directly to the Qualified Person who disseminates the information as required. The sampling methodology, sample preparation, security, analytical procedures and QA/QC practices used by the JCJV and the laboratory were both adequate and conducted in compliance with standard industry practices.

The Ruddock Creek project has a long history with a significant database of historical data. The majority of past work programs were completed by Cominco and Falconbridge and are well documented with respect to methodology, personnel and analytical procedures. Work programs that were carried out by Cross Lake and Selkirk returned results showing a very good correlation with the historical values. Although all of the historical data has not been verified, it is believed to be reliable.

MINERAL RESOURCE ESTIMATE

An updated resource was provided in the 2012 Ruddock Creek Technical Report. There was an increase to the Indicated Resource of 4.654 million tonnes and an Inferred Resource of 5.382 million tonnes at a 4.0% Pb+Zn cutoff. This represents an Indicated Resource tonnage increase of 99% and an Inferred Resource increase of 261% from the previous resource estimate. The combined Indicated Resource contains 695.0 million lbs zinc and 142.0 million lbs lead. An additional 794.0 million lbs zinc and 155.0 million lbs lead are contained in the combined Inferred Resource category at a 4.0% Pb+Zn cut-off. The combined Ruddock Creek mineral resources are from the Upper E, Lower E and the Creek zones. This area covers only 2 km of the known strike length from drilling, mapping and sampling of the 5 km length of the Ruddock Creek Sulphide Horizon. Metal prices used in the determination of the base case cut-off grade were US$1.00/lb for zinc and US$1.00/lb for lead.

An updated resource calculation, which included 2012 diamond drill results, was completed in February 2013. The updated resource calculation is provided below, along with the resource summary for comparison.

Ruddock Creek Mineral Resource

2013	INDICATED				INFERRED			
Cut-Off Grade % Pb+Zn	Tonnes *(000's)*	% Zn	% Pb	% comb Pb+Zn	Tonnes *(000's)*	% Zn	% Pb	% comb Pb+Zn
3.0	7,083	6.07	1.25	7.32	8,048	5.74	1.08	6.81
4.0	**6,246**	**6.50**	**1.33**	**7.83**	**6,678**	**6.33**	**1.20**	**7.52**
5.0	5,131	7.10	1.45	8.55	5,350	6.99	1.31	8.30
6.0	4,121	7.73	1.57	9.30	4,258	7.62	1.43	9.04

2012	INDICATED				INFERRED			
Cut-Off Grade % Pb+Zn	Tonnes *(000's)*	% Zn	% Pb	% comb Pb+Zn	Tonnes *(000's)*	% Zn	% Pb	% comb Pb+Zn
3.0	5,450	6.20	1.28	7.48	6,253	6.17	1.21	7.38
4.0	**4,654**	**6.77**	**1.38**	**8.16**	**5,382**	**6.69**	**1.31**	**8.00**
5.0	3,773	7.48	1.53	9.01	4,562	7.22	1.41	8.64

As outlined in the above tables, at a 4% combined lead/zinc grade the indicated resource has increased by 34% and the inferred resource has increased by 24% since the 2012 resource estimation was calculated.

Block model grade estimation was carried out using Gemcom Surpac© software. For the E zone, block grades were estimated using ordinary kriging constrained by zone domains. Three kriging passes with incremental search distances were implemented. Blocks estimated in the first two passes using a maximum anisotropic search distance of 31 m were classified as indicated. Blocks estimated in the third pass using a maximum anisotropic search distance of 100 m were classified as inferred. Grades for the Creek zone were estimated using the inverse distance squared method. Otherwise, all search parameters were the same as those for the Lower E zone.

The ore reserves and resources were calculated and verified Greg Gillstrom, P.Eng, Senior Geological Engineer, designated as the Qualified Person as defined by NI 43-101. Jim Miller-Tait, P.Geo. is the designated Qualified Person for the exploration program at Ruddock Creek.

OTHER PROPERTIES

Imperial has interests in various other early stage exploration properties located in Canada and continues to evaluate exploration opportunities both on those properties in which it has interests and on new prospects.

DIVIDENDS

The Company has not, since the date of incorporation, declared or paid any dividends on any of its shares and does not currently intend to pay dividends. Earnings will be retained to finance operations.

CAPITAL STRUCTURE

Authorized:

50,000,000 First Preferred shares without par value with special rights and restrictions to be determined by the directors, of which 3,100,000 have been designated as "Series A First Preferred shares" (issued and outstanding – nil)

50,000,000 Second Preferred shares without par value with rights and restrictions to be determined by the directors (issued and outstanding – nil)

An unlimited number of Common Shares without par value (issued and outstanding - 74,968,768)

Each Common Share entitles its holder to notice of all meetings of holders of Common Shares and to attend and vote at such meetings. All of the Common Shares rank equally as to participation in dividends as and when declared and in the distribution of Imperial's remaining assets on a liquidation, dissolution or winding-up.

The directors of Imperial are authorized to issue the First Preferred shares and the Second Preferred shares in one or more series, to set the number of shares in and determine the designation of each such series and to attach such rights and restrictions to each series as they may determine. No First Preferred shares or Second Preferred shares have been issued subject to call or assessment. Currently, there are no pre-emptive or conversion or exchange rights attached to First Preferred shares or Second Preferred Shares and no provisions for redemption, retraction, or purchase for cancellation, surrender, or sinking or purchase funds.

Provisions as to the modification, amendment or variation of the authorized share structure of Imperial are contained in the BCBCA.

MARKET FOR SECURITIES

Imperial's common shares are listed on The Toronto Stock Exchange and trade under symbol III. The following table provides the high and low prices, and the volume of shares traded, monthly during 2014.

	High	Low	Volume Traded
January	17.00	14.61	1,496,872
February	18.63	16.30	1,433,283
March	18.10	14.02	1,523,054
April	14.82	12.01	1,623,896
May	15.19	13.21	1,089,074
June	16.19	14.81	614,788
July	17.22	15.36	694,917
August	16.85	8.65	10,921,909
September	10.13	8.55	4,478,084
October	10.00	7.92	2,565,126
November	9.95	8.75	2,082,564
December	10.00	7.29	2,392,488

RATINGS

The table below sets out the current ratings received from ratings agencies in respect of our senior notes.

Rating Agency	Standard & Poor's	Moody's
Senior Notes	CCC+	Caa2
Outlook	Negative	Negative

Standard and Poor's rating Services (S&P) credit ratings are on a long term rating scale that ranges from AAA to D which represents the range from highest to lowest quality of securities rated. Following the tailings dam breach at Mount Polley, S&P downgraded Imperial from B- to CCC+. S&P has assigned Imperial a corporate credit rating of CCC+ and a credit rating of CCC+ on the senior notes. According to S&P, this rating generally means the relevant issuer is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitment on the obligation and that in the event of adverse business, financial, or economic conditions the obligor is not likely to have the capacity to meet its financial commitment on the obligation. The ranges from AAA to D may be modified by the addition of a plus (+) or (-) sign to show relative standing within the major rating categories.

Moody's rating services (Moody's) credit ratings are on a long term rating scale that ranges from Aaa to C which represents the range from highest to lowest quality of such securities rated. Following the tailings dam breach at Mount Polley, Moody's downgraded Imperial from B3 to Caa2. Moody's has assigned Imperial a corporate credit rating of Caa1 and a credit rating of Caa2 on the senior notes. According to Moody's this rating generally means the obligations are subject to very high credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification for Aaa through C. The modifier 1 indicates that the security ranks in the higher end of this generic rating category, modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of generic category.

We understand that the credit ratings accorded to the senior notes by S&P and Moody's are not recommendations to purchase, hold or sell the senior notes as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future, in its judgement, circumstances so warrant.

DIRECTORS & EXECUTIVE OFFICERS

The term of office for each director expires at the Annual Meeting of the Company to be held on May 27, 2015, or when their successor is duly elected or appointed, unless their office is earlier vacated in accordance with the articles of Imperial.

Name, Province and Country of Residence	Current Position with Imperial	Present Principal Occupation; Employment for Previous Five Years	Director Since
Pierre Lebel *British Columbia, Canada*	Chairman Director [1.3.4.]	Chairman	2001 Dec 6
J. Brian Kynoch *British Columbia, Canada*	President Director [4.]	President	2002 Mar 7
Larry G. Moeller *Alberta, Canada*	Lead Director [1.2.3.]	President of Kimball Capital Corporation	2002 Mar 7
Laurie Pare *Alberta, Canada*	Director [1.2.]	President of Bellevue Spur Capital Corporation	2013 May 29
Theodoré Muraro *British Columbia, Canada*	Director [2.4.]	Consulting Geological Engineer	2009 Nov 4
Edward Yurkowski *Alberta, Canada*	Director [1.2.3.]	Director & Consultant of Procon Mining and Tunnelling Ltd.; prior thereto Chief Executive Officer (2014), and President (1992) of Procon Mining and Tunnelling Ltd.	2005 May 20
Andre Deepwell *British Columbia, Canada*	Chief Financial Officer & Corporate Secretary	Chief Financial Officer & Corporate Secretary	-
Don Parsons *British Columbia, Canada*	Chief Operating Officer	Chief Operating Officer (2011); prior thereto Vice President Operations (2005)	-
Carolyn D. Anglin *British Columbia, Canada*	Chief Scientific Officer	Chief Scientific Officer (Sept 2014); prior thereto Consultant for Geoscience BC Society (2013); and prior thereto President/CEO, Geoscience BC Society (2006)	-
Kelly Findlay *British Columbia, Canada*	Vice President Finance	Vice President Finance (2010); prior thereto Treasurer (2002)	-
Steve Robertson *British Columbia, Canada*	Vice President Corporate Affairs	Vice President, Corporate Affairs (2013); prior thereto Exploration Manager (2005)	-
Gordon Keevil *British Columbia, Canada*	Vice President Corporate Development	Vice President, Corporate Development (2009)	-
Sophie E. Hsia *British Columbia, Canada*	General Counsel	General Counsel (2015); prior thereto Corporate Legal Counsel (2014); prior thereto Barrister & Solicitor (sole practice) (2010)	-

1. Audit Committee member
2. Compensation Committee member
3. Corporate Governance & Nominating Committee member
4. Health & Safety Committee member

TERM LIMITS AND REPRESENTATION OF WOMEN ON THE BOARD OF DIRECTORS AND EXECUTIVE OFFICER POSITIONS

There are currently three executive officers of the Company who are women, representing 38% of all executive officers of the Company. The Company has not considered the level of representation of women in executive officer positions when making appointments for said positions.

At this time, there are no directors on the Board who are women. The Company has not adopted term limits for the directors of the Company, or a written policy relating to the identification and nomination of women directors, or a target number of women on the Board and women in executive officer positions. In addition, neither the Board nor the Corporate Governance and Nominating Committee have considered the level of representation of women on the Board in identifying and nominating candidates for election and re-election.

SHAREHOLDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

On December 31, 2014 the Company had 74,968,768 common shares issued and outstanding. As a group, the directors and executive officers beneficially owned or controlled, directly or indirectly, 4,288,628 common shares of Imperial representing approximately 5.72% of the issued and outstanding common shares.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has established four board committees; audit, compensation, corporate governance and nominating, and health and safety.

Board Mandate

The responsibilities of the Board of Directors include setting long term goals and objectives for the Company, formulating the plans and strategies necessary to achieve those objectives and supervising senior management in their implementation. Although the Board delegates the responsibility for managing the day to day affairs of the Company to senior management personnel, the Board retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business.

Audit Committee - Larry Moeller, Chair; Pierre Lebel; Laurie Pare; Edward Yurkowski

The Audit Committee has been structured to comply with National Instrument 52-110 (NI 52-110). The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors. All four members of the Audit Committee are independent and financially literate, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The experience of each Audit Committee member is provided below:

- Larry G. Moeller, B. Comm., C.A. – also serves as a member of the Compensation Committee, and as a Member of the Corporate Governance and Nominating Committee. Mr. Moeller is President of Kimball Capital Corporation and Vice President Finance of Edco Financial Holdings Ltd., both of which are private companies based in Calgary, Alberta, and he is a director of Magellan Aerospace Corporation, Resorts of the Canadian Rockies Inc. and Sunwest Aviation Ltd.
- Pierre Lebel, LL.B., M.B.A. - also serves as Chair of the Corporate Governance and Nominating Committee, and is a Member of the Health & Safety Committee. Mr. Lebel also serves as a Director of HomEquity Bank, SouthGobi Resources Ltd., West Kirkland Mining Inc., the Mining Association of British Columbia, the Mining Association of Canada and the Business Council of British Columbia.
- Laurie Pare, B. Comm., C.A. – also serves as Chair of the Compensation Committee. Mr. Pare is President of Bellevue Spur Capital Corporation and Treasurer of Edco Financial Holdings Ltd., both of which are private companies based in Calgary, Alberta. He is a retired partner of PricewaterhouseCoopers LLP.
- Edward Yurkowski, P.Eng. – also serves as a Member of the Compensation Committee and the Corporate Governance and Nominating Committee. Mr. Yurkowski is a Consultant for Procon Mining and Tunnelling Ltd., a Vancouver based mining contractor.

Audit Committee Charter

The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors. The full text of the Audit Committee charter can be found at Schedule A to this AIF.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions in Sections 2.4, 3.2, 3.3(2), 3.4, 3.5, 3.6 or 3.8 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of non-audit services and to consider the independence of the external auditors. The Audit Committee has delegated to the Chair of the Audit Committee the authority to act on behalf of the Committee with respect to the pre-approval of the audit and permitted non-audit services provided by Deloitte LLP from time to time. The Chair reports on any such pre-approval at each meeting of the Audit Committee.

External Auditor Service Fees

Aggregate fees paid to Deloitte LLP are provided in the following table:

Year Ended	2014	2013	2012
Audit fees [(1)]	$400,000	$375,000	$230,000
Audit related fees [(2)]	75,000	87,000	59,704
Tax fees	-	21,200	-
Other fees [(3)]	4,600	-	-
Total	$470,800	$483,200	$289,704

(1) For professional services rendered for the audit and review of our financial statements or services provided in connection with statutory and regulatory filings or engagements.
(2) For assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and are not reported under "Audit Fees" above.
(3) For professional services related to insurance claim.

Complaint Procedures

In 2004 the Company implemented a policy detailing procedures for receipt, retention and treatment of complaints or submissions regarding accounting, internal accounting controls or auditing matters, and confidential and anonymous submission of concerns from employees of the Company or any of its subsidiaries about questionable accounting or auditing matters.

Imperial's procedures for filing complaints relating to accounting and auditing matters are available on the Corporate Governance page of the Company's website *www.imperialmetals.com*.

Compensation Committee - Laurie Pare, Chair; Larry Moeller; Theodore Muraro; Edward Yurkowski

The primary objective of the Compensation Committee is to discharge the Board's responsibilities relating to compensation and benefits of the executive officers and directors of the Company.

Corporate Governance & Nominating Committee - Pierre Lebel, Chair; Larry Moeller; Edward Yurkowski

The primary objective of the Corporate Governance and Nominating Committee is to assist the Board in fulfilling its oversight responsibilities by identifying individuals qualified to become board, and board committee, members and recommending to the Board select nominees for appointment or election to the Board, and developing and recommending to the Board corporate governance guidelines for the Company and making recommendations to the Board with respect to corporate governance practices.

Health & Safety Committee - Theodore Muraro, Chair; Brian Kynoch; Pierre Lebel

The primary objective of the Health and Safety Committee is to oversee the development and implementation of appropriate policies and to review the performance of the Company with respect to industrial health and safety matters.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Mr. Pare is a director of Orbus Pharma Inc., a company engaged in the business of generic drug development that filed a proposal under the Bankruptcy and Insolvency Act (Canada) on September 7, 2010. The proposal was approved by the creditors and has now been implemented. Shares of Orbus Pharma Inc. are also subject to a cease order issued by Ontario Securities Commission for failure to file certain continuous disclosure materials on a timely basis.

Mr. Moeller was a director of Protective Products of America, Inc. when the corporation and its subsidiaries filed on January 13, 2010 voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Florida, Fort Lauderdale Division. On January 14, 2010, the shares of the corporation were suspended from trading on the Toronto Stock Exchange and were delisted on February 19, 2010 for failure to meet continued listing requirements.

Mr. Yurkowski was a director of Cross Lake Minerals Ltd. (Cross Lake) from July 28, 2008 to September 18, 2008. Mr. Kynoch served as a director of Cross Lake from March 5, 2004 until October 23, 2008. Mr. Gordon Keevil was President and a Director of Cross Lake from December 8, 2003 to October 23, 2008 and Chief Executive Officer from December 2006 to October 23, 2008. Cross Lake applied to the British Columbia Supreme Court and obtained a court order dated October 14, 2008 granting Cross Lake creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (CCAA) to allow it to develop a reorganization plan with its creditors. On June 1, 2009, Cross Lake changed its name to 0373849 B.C. Ltd. and completed the restructuring transactions provided for in the amended and restated plan of compromise and arrangement filed by it on May 21, 2009 pursuant to the CCAA and the *Business Corporations Act* (British Columbia).

CONFLICTS OF INTEREST

Certain of the Company's directors and officers also serve as directors or officers of other companies or have significant shareholdings in other companies, as a result of which they may find themselves in a position where their duty to another company conflicts with their duty to the Company. To the extent that such other companies may transact with the Company or participate in ventures in which the Company may participate, the directors or officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises, at a meeting of the Board, a director who has such a conflict will disclose the nature and extent of his interest to the meeting and abstain from voting in respect of the matter.

INTEREST OF MANAGEMENT & OTHERS IN MATERIAL CONTRACTS

Except as otherwise disclosed herein, no director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this Annual Information Form that has materially affected or will materially affect the Company.

MATERIAL CONTRACTS

Material contracts, other than contracts entered into in the ordinary course of business, that were entered into by the Company between January 1, 2014 and as of the date of this AIF, or before that time, but that are still in effect are listed below:

Notes Indenture

Indenture among the Company and certain guarantors and the Bank of New York Mellon, as trustee, dated as of March 12, 2014, in respect of US$325 million aggregate principal amount of 7% Senior Notes due 2019. Edco purchased US$50.0 million principal amount of Notes in the Notes offering. Directors and officers of the Company purchased US$3.3 million principal amount of Notes in the Notes offering. These purchases were made on the same terms and conditions as purchases of Notes by other investors.

Debenture Subscriptions

Subscription agreements among the Company and various subscribers dated September 3, 2014 in respect of a non-brokered private placement of $115.0 million face value of 6% 6-year senior unsecured convertible debentures (the "Convertible Debentures"). Edco and The Fairholme Partnership, LP each purchased $40.0 million or 34.8% each, of the Convertible Debentures. Subject to adjustment, each $12.00 of face value debenture is convertible into one common share of Imperial upon at least 61 days advance notice. The Convertible Debentures are not callable unless the closing price of the Company's common shares exceeds 125% of the conversion price for at least 30 consecutive days. Interest will be payable semi-annually, with the first payment due on June 30, 2015. At the option of the Company, subject to the separate approval of the Toronto Stock Exchange and compliance with all applicable securities laws, such interest may be paid through the issuance of additional Convertible Debentures or Imperial's common shares.

LEGAL PROCEEDINGS

The nature of the Company's business may subject it to numerous regulatory investigations, claims, lawsuits and other proceedings. The results of these legal proceedings cannot be predicted with certainty. In the opinion of management, these matters, unless otherwise described herein, are not expected to have a material effect on the Company's consolidated financial position, cash flow or results of operations.

During the third quarter of 2014, a securities class action lawsuit was filed against the Company and certain of its directors, officers and others in the Ontario Superior Court of Justice in Toronto (the "Claim"). The plaintiff seeks damages based on assertions of misrepresentation (both under the common law and various statutes) and negligence with respect to the Company's prior corporate disclosure of the risks associated with the Mount Polley tailings storage facility. The Company has engaged independent legal counsel to advise it on this matter, denies any wrongdoing and intends to vigorously defend the Claim. Due to the inherent uncertainties of litigation, at this time the Company cannot predict the outcome of the Claim or determine the amount of any potential losses, if any. If the Company is unable to resolve the matter favourably, either by negotiation, judicial determination or settlement, it may have a material adverse impact on the Company's financial performance, cash flow and results of operations.

TRANSFER AGENT & REGISTRAR

Computershare Investor Services Inc. acts as the Company's transfer agent and registrar.

Vancouver Office:	510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9
Toronto Office:	100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1

NAMES & INTERESTS OF EXPERTS

Deloitte LLP Chartered Accountants, the Company's auditors, and have prepared an opinion with respect to the Company's consolidated financial statements for the year ended December 31, 2014 contained within the 2014 Annual Report available on *www.sedar.com*. Deloitte LLP confirm they are independent of Imperial in accordance with the Rules of Professional Conduct of the Institute of the Chartered Accountants of British Columbia.

The persons noted below have prepared or certified a statement, report, opinion or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Company during or relating to the Company's most recently completed financial year; and whose profession or business gives authority to such statement, report, opinion or valuation.

Raj Anand, M.Eng., P.Eng., Manager Project Development, Imperial Metals Corporation
Ryan Brown, P. Eng., Senior Mine Engineer, Mount Polley Mining Corporation
Kent Christensen, P.Eng., General Manager, Huckleberry Mines Ltd. (fmr. Vice General Manager)
Greg Gillstrom, P.Eng, Senior Geological Engineer, Imperial Metals Corporation
Jim Miller-Tait, P.Geo., Exploration Manager, Imperial Metals Corporation
Stephen Robertson, P.Geo., VP Corporate Affairs, Imperial Metals Corporation (fmr. Exploration Manager)

None of the persons named above hold over 1% of the outstanding and issued shares of the Company.

To the best of the Company's knowledge Gerald R. Connaughton, P.Eng., Ronald G. Simpson, P.Geo. (GeoSim Services Inc.), Peter Ogryzlo, M.Sc., P.Geo., or Chris Rees, P.Geo., Ph.D., do not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Company.

ADDITIONAL INFORMATION

Additional information, including details as to directors' and officers' remuneration and indebtedness, principal holders of Imperial shares, securities authorized for issuance or equity compensation plans, options to purchase Imperial shares and certain other matters, is contained in the Company's Information Circular for its most recent annual general meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Company's 2014 Annual Report containing the Management's Discussion and Analysis and the Consolidated Financial Statements for the year ended December 31, 2014.

Copies of the above and other disclosure documents may be obtained, when available, on the Company's website *www.imperialmetals.com*; on the SEDAR website *www.sedar.com*; or by contacting the Company's investor relations at 604.488.2657.

SCHEDULE A | AUDIT COMMITTEE CHARTER

I. Purpose

The primary objective of the Audit Committee (the "Committee") of Imperial Metals Corporation (the "Company") is to act as a liaison between the Board and the Company's independent auditors (the "Auditors") and to assist the Board in fulfilling its oversight responsibilities with respect to (a) the financial statements and other financial information provided by the Company to its shareholders, the public and others, (b) the Company's compliance with legal and regulatory requirements, (c) the qualification, independence and performance of the auditors and (d) the Company's risk management and internal financial and accounting controls, and management information systems.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the auditors.

The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

II. Organization

Members of the committee shall be directors and the Committee membership shall satisfy the laws governing the Company and the independence, financial literacy, expertise and experience requirements under applicable securities law, stock exchange and any other regulatory requirements applicable to the Company.

The members of the Committee and the Chair of the Committee shall be appointed by the Board on the recommendation of the Nominating & Corporate Governance Committee. A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Matters decided by the Committee shall be decided by majority votes. The chair of the Committee shall have an ordinary vote.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director.

The Committee may form and delegate authority to subcommittees when appropriate.

III. Meetings

The Committee shall meet as frequently as circumstances require. The Committee shall meet with management, the Company's financial and accounting officer(s) and the auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

The Chair of the Committee shall be an independent chair who is not Chair of the Board. In the absence of the appointed Chair of the Committee at any meeting, the members shall elect a chair from those in attendance at the meeting. The Chair, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting.

The Committee will appoint a Secretary who will keep minutes of all meetings. The Secretary may also be the Chief Financial Officer, the Company's Corporate Secretary or another person who does not need to be a member of the Committee. The Secretary for the Committee can be changed by simple notice from the Chair.

The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as the other directors in advance of the meeting.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company's accounting and financial officer(s) and the auditors shall attend any meeting when requested to do so by the Chair of the Committee.

IV. Authority and Responsibilities

The Board, after consideration of the recommendation of the Committee, shall nominate the auditors for appointment by the shareholders of the Company in accordance with applicable law. The Auditors report directly to the Audit Committee. The Auditors are ultimately accountable to the Committee and the Board as representatives of the shareholders.

The Committee shall have the following responsibilities:

(a) Auditors

1. Recommend to the Board the independent Auditors to be nominated for appointment as Auditors of the Company at the Company's annual meeting and the remuneration to be paid to the Auditors for services performed during the preceding year; approve all auditing services to be provided by the Auditors; be responsible for the oversight of the work of the Auditors, including the resolution of disagreements between management and the Auditors regarding financial reporting; and recommend to the Board and the shareholders the termination of the appointment of the Auditors, if and when advisable.
2. When there is to be a change of the Auditor, review all issues related to the change, including any notices required under applicable securities law, stock exchange or other regulatory requirements, and the planned steps for an orderly transition.
3. Review the Auditor's audit plan and discuss the Auditor's scope, staffing, materiality, and general audit approach.
4. Review on an annual basis the performance of the Auditors, including the lead audit partner.
5. Take reasonable steps to confirm the independence of the Auditors, which include:
   (a) Ensuring receipt from the Auditors of a formal written statement in accordance with applicable regulatory requirements delineating all relationships between the Auditors and the Company;
   (b) Considering and discussing with the Auditors any disclosed relationships or services, including audit services, that may impact the objectivity and independence of the Auditors;
   (c) Approving in advance any non-audit related services provided by the Auditor to the Company, and the fees for such services, with a view to ensure independence of the Auditor, and in accordance with applicable regulatory standards, including applicable stock exchange requirements with respect to approval of non-audit related services performed by the Auditors; and
   (d) As necessary, taking or recommending that the Board take appropriate action to oversee the independence of the Auditors.
6. Review and approve any disclosures required to be included in periodic reports under applicable securities law, stock exchange and other regulatory requirements with respect to non-audit services.
7. Confirm with the Auditors and receive written confirmation at least once per year as to (i) the Auditor's internal processes and quality control procedures; and (ii) disclosure of any material issues raised by the most recent internal quality control review.
8. Consider the tenure of the lead audit partner on the engagement in light of applicable securities law, stock exchange or applicable regulatory requirements.
9. Review all reports required to be submitted by the Auditors to the Committee under applicable securities laws, stock exchange or other regulatory requirements.
10. Receive all recommendations and explanations which the Auditors place before the Committee.

(b) Financial Statements and Financial Information

11. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's annual audited financial statements, including disclosures made in management's discussion and analysis, prior to filing or distribution of such statements and recommend to the Board, if appropriate, that the Company's Audited financial statements be included in the Company's annual reports distributed and filed under applicable laws and regulatory requirements.
12. Review and discuss with management, the financial and accounting officer(s), the Company's interim financial statements, including management's discussion and analysis, and any discussions with Auditor's on interim financial statements, prior to filing or distribution of such statements.
13. Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information and extracted or derived from the Company's financial statements and periodically assess the adequacy of these procedures.

14. Discuss with the Auditor the matters required to be discussed by applicable auditing standards requirements relating to the conduct of the audit including:

    (a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices;
    (b) the management letter provided by the Auditor and the Company's response to that letter; and
    (c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, or personnel and any significant disagreements with management.

15. Discuss with management and the Auditors major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under generally accepted accounting principles.

16. Prepare any report under applicable securities law, stock exchange or other regulatory requirements, including any reports required to be included in statutory filings, including in the Company's annual proxy statement.

(c) Ongoing Reviews and Discussions with Management and Others

17. Obtain and review an annual report from management relating to the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof.

18. Periodically review separately with each of management, the financial and accounting officer(s) and the Auditors; (a) any significant disagreement between management and the Auditors in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.

19. Periodically discuss with the Auditors, without management being present, (a) their judgments about the quality and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.

20. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or management and the resulting financial statement impact. Review with the Auditors or management the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.

21. Review and discuss with management, the Auditors and the Company's independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.

22. Enquire of the Company's financial and accounting officer(s) and the Auditors on any matters which should be brought to the attention of the Committee concerning accounting, financial and operating practices and controls and accounting practices of the Company.

23. Review the principal control risks to the business of the Company, its subsidiaries and joint ventures; and verify that effective control systems are in place to manage and mitigate these risks.

24. Review and discuss with management any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses. Obtain explanations from management of all significant variances between comparative reporting periods.

25. Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.

(d) Risk Management and Internal Controls

26. Ensure that management has designed and implemented effective systems of risk management and internal controls and, at least annually, review the effectiveness of the implementation of such systems

27. Approve and recommend to the Board for adoption policies and procedures on risk oversight and management to establish an effective system for identifying, assessing, monitoring and managing risk.

28. In consultation with the Auditors and management, review the adequacy of the Company's internal control structure and procedures designed to insure compliance with laws and regulations, and discuss the responsibilities, budget and staffing needs of the Company's financial and accounting group.

29. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

30. Review the internal control reports prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting.

31. Review the appointment of the chief financial officer and any key financial executives involved in the financial reporting process and recommend to the Board any changes in such appointment.

(f) Other Responsibilities

32. Create an agenda for the ensuing year.

33. Review and approve related-party transactions if required under applicable securities law, stock exchange or other regulatory requirements.

34. Establish, review and approve policies for the hiring of employees or former employees of the Company's Auditors.

35. Review and reassess the duties and responsibilities set out in this Charter annually and recommend to the Nominating and Corporate Governance Committee and to the Board any changes deemed appropriate by the Committee.

36. Review its own performance annually, seeking input from management and the Board.

37. Perform any other activities consistent with this Charter, the Company's constating documents and governing law, as the Committee or the Board deems necessary or appropriate.

V. Reporting

The Committee shall report regularly to the Board and shall submit the minutes of all meetings of the Audit Committee to the Board (which minutes shall ordinarily be included in the papers for the next full board meeting after the relevant meeting of the Committee). The Committee shall also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee shall review with the full Board any issues that have arisen with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or the performance of the Company's financial and accounting group.

VI. Resources and Access to Information

The Committee shall have the authority to retain independent legal, accounting and other consultants to advise the Committee.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any officer or employee of the Company or the Company's outside counsel or the Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

The Committee shall consider the extent of funding necessary for payment of compensation to the Auditors for the purpose of rendering or issuing the annual audit report and recommend such compensation to the Board for approval. The Audit Committee shall determine the funding necessary for payment of compensation to any independent legal, accounting and other consultants retained to advise the Committee.

March 14, 2011