Imperial Metals

Press Release

Imperial Reports 2015 Second Quarter Financial Results

Vancouver – **August 13, 2015 | Imperial Metals Corporation (the "Company") (III-TSX)** reports comparative financial results for the three and six months ended June 30, 2015 and 2014, summarized in this release and discussed in detail in the Management's Discussion and Analysis. The Company's financial results are prepared in accordance with International Financial Reporting Standards ("IFRS"). The reporting currency of the Company is the Canadian ("CDN") Dollar.

expressed in thousands, except per share amounts	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Revenues	$1,726	$51,066	$3,259	$102,401
(Loss) income from mine operations	$(2,981)	$17,451	$(4,694)	$33,343
Equity income in Huckleberry	$626	$1,390	$33	$82
Net income (loss)	$1,644	$15,213	$(31,740)	$21,070
Net income (loss) per share	$0.02	$0.20	$(0.42)	$0.28
Adjusted net (loss) income (1)	$(9,371)	$8,899	$(17,383)	$15,798
Adjusted net (loss) income per share (1)	$(0.12)	$0.12	$(0.23)	$0.21
Adjusted EBITDA(1)	$(7,840)	$23,567	$(13,985)	$43,251
Cash flow (1)	$2,270	$21,494	$(3,791)	$41,811
Cash flow per share (1)	$0.03	$0.29	$(0.05)	$0.56

(1) Refer to Non-IFRS Financial Measures for further details.

Revenues were $1.7 million in the June 2015 quarter compared to $51.1 million in the 2014 comparative quarter. Revenue in the current quarter is primarily gold sales from the Sterling gold mine compared to two shipments of concentrate from the Mount Polley mine and gold sales from the Sterling gold mine in the 2014 comparative quarter. Three shipments of concentrate totalling approximately 30,000 tonnes were made during the current quarter from Red Chris. The shipments had a value of $52.5 million, booked as an offset to the Red Chris capital and development expenditures.

The Company recorded a net income of $1.6 million in the June 2015 quarter compared to net income of $15.2 million in the 2014 comparative quarter. The adjusted net loss in the June 2015 quarter was $9.4 million or $0.12 per share, versus adjusted net income of $8.9 million or $0.12 per share in the 2014 comparative quarter. Adjusted net income or loss is calculated by removing the unrealized gains and losses, net of related income taxes, resulting from foreign exchange movements on non-current debt, from mark to market revaluation of copper, gold and foreign exchange derivative instruments, and non-recurring insurance recoveries related to the Mount Polley tailings dam breach. Adjusted net income is not a measure recognized under IFRS in Canada. It is intended to show the current period financial results excluding the effect of items not settling in the period or non-recurring in nature.

The June 2015 quarter net income included foreign exchange gains related to changes in CDN/US Dollar exchange rates of $7.1 million compared to foreign exchange gain of $13.2 million in the 2014 comparative quarter. The $7.1 million foreign exchange gain is comprised of a $6.6 million gain on the senior notes, a $0.8 million gain on long term equipment loans, and a loss of $0.3 million on other debt and operational items. The average CDN/US Dollar exchange rate in the June 2015 quarter was 1.229 compared to an average of 1.091 in the June 2014 quarter. The CDN/US Dollar exchange rate at June 30, 2015 was 1.247 compared to 1.268 at March 31, 2015.

The Company recorded $3.8 million unrealized net loss on copper, gold and foreign exchange derivatives in the June 2015 quarter compared to an unrealized net loss of $7.4 million in the 2014 comparative quarter. Gains of $0.7 million were realized on gold derivatives in the June 2015 quarter compared to a small realized loss on gold derivatives in the 2014 quarter.

Cash flow was $2.3 million in the six months ended June 30, 2015 compared to cash flow of $21.5 million in the 2014 comparative quarter. The $19.2 million decrease is primarily related to the absence of revenue from Mount Polley due to the suspension of mine operations following the tailings dam breach in 2014 offset in part by $11.0 million of insurance recoveries related to the Mount Polley tailings dam breach.

Capital expenditures, inclusive of capitalized interest, decreased to $48.9 million from $141.8 million in the 2014 comparative quarter. Expenditures in the current quarter were financed from non-current debt and from a $30.0 million line of credit facility. At June 30, 2015 the Company had $17.5 million in cash.

During the June 2015 quarter the Company did not purchase any common shares for cancellation.

Liquidity and Financing

The Company's Interim Financial Statements have been prepared on a going concern basis which assumes the Company will continue operating in the foreseeable future and will be able to service its debt obligations, realize its assets and discharge its liabilities in the normal course as they come due.

The August 4, 2014 tailings dam breach at the Mount Polley mine has resulted in the loss of production from the mine until the limited restart on August 5, 2015. The Mount Polley mine was the primary source of cash flow for the Company at the time the tailings dam breach occurred. In the quarter ended June 30, 2015 the Company incurred $2.5 million on rehabilitation activities. To June 30, 2015 an aggregate of $61.0 million has been spent on rehabilitation at the Mount Polley mine following the tailings dam breach. To June 30, 2015 the Company had received $25.0 million of related insurance recoveries. Income and mining tax recoveries have also been recorded in connection with these costs, net of insurance recoveries. At June 30, 2015 the provision for rehabilitation costs to be incurred in the future was $6.4 million. The provision for rehabilitation contains significant estimates and judgments about the scope, timing and cost of the work that will be required. It is based on assumptions and estimates at the current date and is subject to revision in the future as further information becomes available to the Company.

At June 30, 2015, the Company had cash of $17.5 million and a working capital deficiency of $73.4 million. Following completion of the construction of the Red Chris mine, commissioning of the mill commenced and the first concentrate was produced in February 2015.

On May 19, 2015 the Company announced its intention to conduct a financing of approximately $80.0 million along with a $30.0 million short term loan facility to provide interim funding to the Company while it completed the financing. The $80.0 million financing is comprised of three components: a rights offering to raise $44.0 million, backstopped by the Company's two largest shareholders, a private placement of common shares to raise $6.0 million and a private placement of convertible debentures to raise $30.0 million. The private placement of common shares closed on August 11, 2015 with the other two financings targeted to close on or about August 24, 2015. A portion of these financings will be used to repay the $30.0 million short term loan facility.

The funds from the financing, projected cash flow from the Red Chris and Mount Polley mines, as well as the available credit facilities and additional sources of financing, should be sufficient to fund the remaining estimated rehabilitation cost of the tailings dam breach at the Mount Polley mine and the estimated costs associated with the Red Chris mine. However, there are inherent risks associated with the startup of the Red Chris mine and production from the mine after startup as well as uncertainties related to the scope, timing and cost of the rehabilitation at the Mount Polley mine.

There can be no assurance that financing will be available on terms acceptable to the Company or at all should the Company require additional financial resources.

Non-IFRS Financial Measures

The Company reports four non-IFRS financial measures: Adjusted net income, Adjusted EBITDA, cash flow and cash cost per pound of copper produced which are described in detail below. The Company believes these measures are useful to investors because they are included in the measures that are used by management in assessing the financial performance of the Company.

Adjusted net income, Adjusted EBITDA and cash flow are not generally accepted earnings measures and should not be considered as an alternative to net income (loss) and cash flows as determined in accordance with IFRS. As there is no standardized method of calculating these measures, these measures may not be directly comparable to similarly titled measures used by other companies. Reconciliations are provided below.

Adjusted Net Income

Adjusted net loss in the June 2015 quarter was $9.4 million ($0.12 per share) compared to an adjusted net income of $8.9 million ($0.12 per share) in the June 2014 quarter. Adjusted net income or loss shows the financial results excluding the effect of items not settling in the current period and non-recurring items. Adjusted net income or loss is calculated by removing the gains or losses, net of related income taxes, resulting from mark to market revaluation of derivative instruments not related to the current period, net of taxes, and unrealized foreign exchange gains or losses on non-current debt, net of tax, as further detailed in the following table.

expressed in thousands, except per share amounts	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Net income (loss) as reported	$1,644	$15,213	$(31,740)	$21,070
Unrealized loss (gain) on derivative instruments, net of tax [(a)]	3,146	5,511	(8,151)	7,056
Unrealized foreign exchange (gain) loss on non-current debt, net of tax [(b)]	(7,080)	(11,825)	29,589	(12,328)
Insurance recoveries, net of tax [(c)]	(7,081)	-	(7,081)	-
Adjusted net (loss) income	$(9,371)	$8,899	$(17,383)	$15,798
Adjusted net (loss) income per share	$(0.12)	$0.12	$(0.23)	$0.21

(a) Derivative financial instruments are recorded at fair value on the Company's Statement of Financial Position, with changes in the fair value, net of taxes, including the Company`s 50% share of derivative instruments of Huckleberry flowing through net income. The amounts ultimately realized may be materially different than reflected in the financial statements due to changes in prices of the underlying copper, gold and foreign currency hedged.

(b) Non-current debt is recorded on the Company's Statement of Financial Position at the foreign exchange rate in effect on that date, with changes in foreign exchange rates, net of taxes, flowing through net income. The amounts of non-current debt ultimately payable may be materially different than reflected in the financial statements due to foreign currency movements. Tax recoveries on unrealized capital losses are recorded only to the extent that they are expected to be realized by offset against available capital gains.

(c) Insurance recoveries related to the Mount Polley tailings dam breach, net of tax, have been excluded as these recoveries are non-recurring.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) before interest expense, taxes and depletion and depreciation and as adjusted for the other items described in the reconciliation table below.

Adjusted EBITDA is not necessarily comparable to similarly titled measures used by other companies. We believe that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about certain non-cash or unusual items that we do not expect to continue at the same level in the future, or other items that we do not believe to be reflective of our ongoing operating performance. We further believe that our presentation of this non-IFRS financial measure provides information that is useful to investors because it is an important indicator of our operations and the performance of our core business.

Adjusted EBITDA is not a measurement of operating performance or liquidity under IFRS and should not be considered as a substitute for earnings from operations, net income or cash generated by operating activities computed in accordance with IFRS. Adjusted EBITDA has limitations as an analytical tool and therefore Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

A reconciliation of net (loss) income to Adjusted EBITDA is as follows:

expressed in thousands	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Net income (loss) [(a)]	$1,644	$15,213	$(31,740)	$21,070
Adjustments:				
Income and mining tax expense (recovery)	672	7,601	(2,546)	11,815
Interest expense	2,265	-	4,931	-
Depletion and depreciation	1,614	6,126	3,191	12,623
Accretion of future site reclamation provisions	209	166	420	323
Unrealized losses (gains) on derivative instruments	3,833	7,413	(9,250)	9,514
Share based compensation	107	225	213	447
Foreign exchange (gains) losses	(7,056)	(13,167)	32,082	(12,629)
Revaluation (gains) losses on marketable securities	(45)	66	4	153
Gains on sale of mineral properties	(83)	(76)	(290)	(65)
Insurance recoveries	(11,000)	-	(11,000)	-
Adjusted EBITDA[(a)]	$(7,840)	$23,567	$(13,985)	$43,251

(a) Net income and Adjusted EBITDA includes our 50% portion of the net income from Huckleberry in accordance with IFRS11. However, we are not able to control the timing and amount, if any, of cash distributions that Huckleberry may make to Imperial.

Cash Flow and Cash Flow Per Share

Cash flow and cash flow per share are measures used by the Company to evaluate its performance however they are not terms recognized under IFRS. Cash flow is defined as cash flow from operations before the net change in non-cash working capital balances, income and mining taxes, and interest paid and cash flow per share is the same measure divided by the weighted average number of common shares outstanding during the year.

The calculation of cash flow and cash flow per share is as follows:

expressed in thousands, except share and per share amounts	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Income (loss) before taxes	$2,316	$22,814	$(34,286)	$32,885
Items not affecting cash flows				
Equity income in Huckleberry	(626)	(1,390)	(33)	(82)
Depletion and depreciation	1,614	6,126	3,191	12,623
Share based compensation	107	225	213	447
Accretion of future site reclamation provisions	209	166	420	323
Unrealized foreign exchange (gains) losses	(7,540)	(13,848)	31,088	(13,986)
Unrealized (gains) losses on derivative instruments	3,833	7,413	(9,250)	9,514
Interest expense	2,265	-	4,931	-
Other	92	(12)	(65)	87
Cash flow	$2,270	$21,494	$(3,791)	$41,811
Basic weighted average number of common shares outstanding	74,969,955	74,945,642	74,969,365	74,891,397
Cash flow per share	$0.03	$0.29	$(0.05)	$0.56

Cash Cost Per Pound of Copper Produced

The cash cost per pound of copper produced is a non-IFRS financial measure that does not have a standardized meaning under IFRS, and as a result may not be comparable to similar measures presented by other companies. Management uses this non-IFRS financial measure to monitor operating costs and profitability. The Company is primarily a copper producer and therefore calculates this non-IFRS financial measure individually for its two copper producing mines, Mount Polley and Huckleberry, and on a composite basis for these two mines. The Red Chris mine will be included in the calculation once it reaches commercial production.

The method of calculating the cash cost per pound of copper produced are described in detail under the heading Non-IFRS Financial Measures in the MD&A for the year ended December 31, 2014.

Variations from period to period in the cash cost per pound of copper produced are the result of many factors including: ore grade, metal recoveries, the portion of stripping costs allocated to operations, mine and mill operating conditions, labour and other cost inputs, transportation and warehousing costs, treatment and refining costs, the amount of by-product and other revenues, the US$ to CDN$ exchange rate and the amount of copper produced. Idle mine costs during the periods when the Mount Polley and Huckleberry mines were not in operation have been excluded from the cash cost per pound of copper produced.

The following table is a summary of the cash cost per pound of copper produced in US Dollars:

expressed in thousands, except cash cost per pound of copper produced	Three Months Ended June 30, 2015		
	Huckleberry 100%	Mount Polley	Composite*
Cash cost of copper produced in US$	$25,315	-	$12,645
Copper produced - lbs	*11,493*	-	*11,493*
Cash cost per pound of copper produced in US$	$2.20	-	$2.20
	Three Months Ended June 30, 2014		
	Huckleberry 100%	Mount Polley	Composite*
Cash cost of copper produced in US$	$18,951	$12,024	$21,500
Copper produced - lbs	*9,198*	*11,980*	*16,579*
Cash cost per pound of copper produced in US$	$2.06	$1.00	$1.30

*Mount Polley plus 50% of Huckleberry

Derivative Instruments

In the three month period ending June 30, 2015 the Company recorded net losses of $3.1 million on derivative instruments, comprised of a $2.4 million net loss related to the CDN/US currency swap and a $0.7 million net loss on gold derivatives. This compares to a net loss of $7.4 million in the June 2014 quarter, comprised of a $5.3 million loss related to the CDN/US currency swap and a $2.1 million net loss on copper and gold derivatives. These gains and losses result from the mark to market valuation of the derivative instruments based on changes in the price of copper and gold and movements in the CDN/US exchange rate. These amounts include realized gains on gold contracts of $0.7 million in the June 2015 quarter, compared to realized gains of under $0.1 million on copper and gold contracts in the June 2014 quarter. The Company has not applied hedge accounting for its derivative instruments and therefore records changes in the unrealized gains or losses on these contracts at fair value on each statement of financial position date, with the adjustment resulting from the revaluation being charged to the statement of income as a gain or loss.

The Company utilized a variety of derivative instruments including the purchase of puts, forward sales, currency swaps and the use of min/max zero cost collars. The Company's income or loss from derivative instruments may be very volatile from period to period as a result of changes in the copper and gold prices and CDN/US exchange rates compared to the copper and gold prices and CDN/US exchange rate at the time when these contracts were entered into and the type and length of time to maturity of the contracts.

The Company has no derivative instruments for copper at June 30, 2015. At June 30, 2015 the Company has hedged 48,600 ounces of gold for the balance of 2015 via min/max zero cost collars.

In the March 2014 quarter the Company entered into a cross currency swap to lock in the foreign exchange rate on US$110.0 million of the US$325.0 million senior unsecured notes (the "Notes") principal amount and related interest over the five year term of the Notes. The foreign exchange rate was fixed at 1.1113 CDN for each US Dollar. Based on the June 30, 2015 CDN/US Dollar exchange rate the Company had an unrealized gain of $13.9 million on the derivative instruments related to the swap.

Future changes in the CDN/US Dollar exchange rate could have a material impact on the valuation of the cross currency swap however this gain or loss will be more than offset by the foreign exchange gain or loss on the Notes.

Red Chris Mine

An Impact, Benefit and Co-Management Agreement with the Tahltan Nation was signed on July 27, 2015. The agreement had earlier been approved by a referendum with 87% of respondents voting in favour.

Copper production for the second quarter was 12.67 million pounds, up significantly from the 4.72 million pounds produced in the March 2015 quarter. Mill throughput for the June 2015 quarter averaged 20,247 tonnes per day, with water supply being the largest single cause of downtime. By early July, water supply issues were resolved, and during the month a total of 730,339 tonnes were milled, producing 7.23 million pounds copper and 3,625 ounces gold. Metallurgical performance improved in July with a copper recovery of 80.9% and gold recovery of 53.2% being achieved. The current program for construction of the tailings dam is well underway with about 57% of the planned construction completed to the end of June 2015.

Management has concluded that the Red Chris mine achieved the accounting criteria for commercial production in July 2015. Effective July 1, 2015 the revenue from and expenses of operating the mine will be reported through the Statement of Income. The Red Chris mine has yet to achieve the mine completion tests under the Senior Credit Facility. The Company has until December 1, 2015 to meet these tests.

Red Chris Production	Six Months Ended June 30, 2015	Three Months Ended June 30, 2015	Three Months Ended March 31, 2015
Ore milled - tonnes	2,667,379	1,851,608	815,771
Grade % - copper	0.484	0.502	0.443
Grade g/t - gold	0.243	0.238	0.254
Recovery % - copper	62.03	61.88	59.21
Recovery % - gold	31.87	31.94	31.63
Copper - lbs	17,397,000	12,677,000	4,720,000
Gold - oz	6,644	4,533	2,110
Silver - oz	25,742	18,721	7,021

Mount Polley Mine

Mount Polley restarted operations on August 5, 2015 following receipt of permit amendments on July 5, 2015 which allowed recommencement of the mine using a modified operation plan that includes the use of the Springer pit to contain the tailings produced. Operations commenced on a one week on, one week off basis, with ore coming from the Cariboo pit and the Boundary zone underground mine. The restart of the Mount Polley mill has progressed smoothly, and during the first week of the restarted operation, 140,790 tonnes of ore was treated, and approximately 1,400 tonnes of concentrate was produced containing approximately 830,000 pounds copper and 1,300 ounces gold.

With recommenced operations, the mine currently has 183 people employed at site.

The rehabilitation of the areas affected by the August 4, 2014 breach of the tailings embankment are continuing. Imperial remains committed to working with the Ministry of Environment, First Nations and the local community to mitigate the effects of the breach.

Huckleberry Mine

Throughput for the 2015 second quarter was 1.7 million tonnes, 24.7% more than achieved in the 2014 comparative quarter. This additional throughput along with slightly higher copper grade resulted in copper production of 11.5 million pounds in the second quarter 2015, up 24.9% from the comparable 2014 quarter.

Huckleberry Production*	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Ore milled – tonnes	1,726,751	1,384,384	3,293,245	2,281,449
Ore milled per calendar day – tonnes	18,975	15,213	18,195	12,605
Grade % – copper	0.338	0.334	0.342	0.324
Recovery % – copper	89.3	90.2	89.0	90.3
Copper – lbs	11,492,864	9,197,618	22,119,948	14,700,502
Gold - oz	866	744	1,681	1,197
Silver – oz	57,226	50,951	111,198	81,386

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

Sterling Mine

Underground mining operations were terminated at the end of May 2015. The Company awaits approval of the environmental assessment for the open pit mine from the Bureau of Land Management. The heap will continue to recover gold for a few more months. A total of 492 ounces gold were shipped from site during the June 2015 quarter.

An exploration program that includes soil sampling and geological mapping is being conducted in an area of favorable geology along the northern flank of Bare Mountain. Some of the staff, and much of Sterling's underground mining equipment has been transferred to Mount Polley to assist in the underground mining of the Boundary zone.

Outlook

Following the signing of the Impact, Benefit and Co-Management Agreement with the Tahltan Nation on July 27, 2015, the Company looks forward to working together with the Tahltan Nation to make the Red Chris mine an important driver of employment and the economy in northwestern British Columbia. At the end of June 2015, First Nation employees represented over 28% of the Red Chris workforce. Operations at Red Chris will focus on completion of construction work at the tailings facility, and on maximizing the throughput and metallurgical performance of the processing plant.

At the Red Chris mine, the water supply issues were resolved in early July and the plant was able to run on a steadier basis. Operating time averaged 88% for the month. Metallurgical results improved with steady operation of the plant and with less near surface ore being treated. Copper and gold recoveries in July improved to 80.9% and 53.2 % respectively, up significantly from the June 2015 quarter average of 61.88% for copper and 31.94% for gold. For July 2015 the copper production was 7.23 million pounds and gold production was 3,625 ounces, both records for the Red Chris mine.

Mount Polley restarted operations on August 5, 2015 following receipt of permit amendments on July 5, 2015 which allowed recommencement of the mine using a modified operation plan that includes the use of the Springer pit to contain the tailings produced. The permit allows for a maximum of 4.0 million tonnes of tailings to be stored in the Springer pit over a period of one year. This is approximately 50% of the plant's annual capacity. The renewed operation will be conducted on a one week one on, one week off basis.

Work continues on rehabilitation of the areas affected by the breach of the tailings embankment. Permitting work on both a short term and long term water discharge permit is underway. Obtaining these permits is required to maintain the water balance on the site. Work is also underway to design a system to store tailings in the long term which would allow the mine to restart full scale operations.

The Huckleberry plant is operating well and copper production of 11.5 million pounds in the June 2015 quarter, up 24.9% from the comparable 2014 quarter. An optimized mine plan for the Huckleberry mine is in progress, and is expected to be completed by the end of the year.

At Sterling, the Company awaits approval of the environmental assessment for the open pit mine from the Bureau of Land Management. The heap will continue to recover gold for a few more months. An exploration program that includes soil sampling and geological mapping is being conducted in an area of favorable geology along the northern flank of Bare Mountain.

For information related to this press release refer to the detailed financial information provided in the Company's 2015 Second Quarter Report available on *www.imperialmetals.com* and on *www.sedar.com*.

An Earnings Announcement Conference Call
is scheduled for August 14, 2015 10:00am PDT | 11:00am MDT | 1:00pm EDT

Management will discuss the Second Quarter 2015 Financial Results provided in this press release.
To participate, following are call-in numbers for the earnings announcement conference call:

778.383.7413 local Vancouver
416.764.8688 local Toronto
587.880.2171 local Calgary
888.390.0546 toll free North America

Conference call will be available for playback until August 21, 2015 by dialing
888.390.0541 or 416.764.8677 | playback passcode 210598 #

About Imperial
Imperial is an exploration, mine development and operating company based in Vancouver, British Columbia. The Company, through its subsidiaries, owns the Mount Polley copper/gold mine in British Columbia, the Sterling gold mine in Nevada and the Red Chris copper/gold mine in northern British Columbia. Imperial also has a 50% interest in the Huckleberry copper mine and a 50% interest in the Ruddock Creek lead/zinc property, both in British Columbia.

Imperial Contact Information
Brian Kynoch | President | 604.669.8959
Andre Deepwell | Chief Financial Officer | 604.488.2666
Gordon Keevil | Vice President Corporate Development | 604.488.2677
Sabine Goetz | Shareholder Communications | 604.488.2657 | investor@imperialmetals.com

Forward-Looking Information and Risks Notice

The information in this press release provides a summary review of the Company's operations and financial position as at and for the period ended June 30, 2015, and plans for the future based on facts and circumstances as of August 12, 2015. Except for statements of historical fact relating to the Company, including our 50% interest in Huckleberry, certain information contained 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 MD&A 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 scope relating to timing of ongoing rehabilitation activities at the Mount Polley mine; use of proceeds from financings and credit facilities; expectations relating to the start-up and operation of the Red Chris mine and costs associated therewith; adequacy of funds for projects and liabilities; expectations relating to the receipt of necessary regulatory permits, approvals or other consents; outcome and impact of litigation; cash flow; working capital requirements; expectations relating to the requirement for additional capital; expectations relating to results of operations, production, revenue, margins and earnings; future prices of copper and gold; future foreign currency exchange rates and impact; future accounting changes; and future prices for marketable securities.

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, but not limited to, assumptions that: the Company will be able to advance and complete rehabilitation activities within expected timeframes; that there will be no significant delay or other material impact on the expected timeframes or costs for completion of rehabilitation of the Mount Polley mine and the recommencement of full, unrestricted operations at the mine; that the Company's initial rehabilitation activities will be successful in the long term; that all required permits, approvals and arrangements to proceed with planned rehabilitation will be obtained in a timely manner; that there will be no interruptions that will materially delay the Company's progress with its rehabilitation plans; that there will be no material delay in the ongoing ramp-up of the Red Chris mine; that equipment will operate as expected; that the Company's use of derivative instruments will enable the 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 achieve expected production outcomes (including with respect to mined grades and mill recoveries); that Imperial will have access to capital as required. 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: that additional financing that may be required may not be available to Imperial on terms acceptable to Imperial or at all; 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 rehabilitation plan; risks relating to the remaining costs and liabilities relating to the tailings dam breach; uncertainty as to actual timing of completion of rehabilitation activities and the recommencement of full, unrestricted 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 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 specifications or expectations; cost escalation, unavailability of materials and equipment, labour unrest, power shortages, natural phenomena such as weather conditions negatively impacting the operation of the Red Chris mine; changes in commodity and power prices; changes in market demand for our concentrate; 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 the 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 information. Imperial does not undertake to update any forward looking information, except in accordance with applicable securities laws.