President's Message

Imperial's comparative financial results for the three and nine months ended September 30, 2015 and 2014 are summarized below 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 September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Revenues	$55,928	$22,667	$59,187	$125,068
Income from mine operations	$7,578	$7,453	$2,884	$40,796
Equity (loss) income in Huckleberry	$(800)	$1,851	$(767)	$1,933
Net loss	$(29,344)	$(49,221)	$(61,084)	$(28,151)
Net loss per share	$(0.37)	$(0.66)	$(0.80)	$(0.38)
Adjusted net (loss) income (1)	$(9,379)	$3,729	$(26,762)	$19,527
Adjusted net (loss) income per share (1)	$(0.12)	$0.05	$(0.35)	$0.26
Adjusted EBITDA(1)	$13,781	$9,869	$(114)	$53,120
Cash flow (1)	$15,784	$(59,129)	$11,993	$(17,318)
Cash flow per share (1)	$0.20	$(0.79)	$0.16	$(0.23)

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

Revenues were $55.9 million in the September 2015 quarter compared to $22.7 million in the 2014 comparative quarter. Following completion of the construction of the Red Chris mine, commissioning of the mill commenced and the first concentrate was produced in February 2015. The Company achieved the accounting criteria for commercial production at Red Chris effective July 1, 2015 and began recording revenues and expenses for the Red Chris mine on the Statement of Income effective July 1, 2015. Revenue in the current quarter is primarily from three shipments of concentrate from Red Chris compared to one shipment of concentrate from Mount Polley in the 2014 comparative quarter.

The Company recorded a net loss of $29.3 million in the September 2015 quarter compared to net loss of $49.2 million in the 2014 comparative quarter. The adjusted net loss in the September 2015 quarter was $9.4 million or $0.12 per share, versus adjusted net income of $3.7 million or $0.05 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 gold and foreign exchange derivative instruments, and non-recurring rehabilitation provision and 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 September 2015 quarter net loss of $29.3 million included a foreign exchange loss related to changes in CDN/US Dollar exchange rates of $33.0 million compared to a foreign exchange loss of $18.9 million in the 2014 comparative quarter. The $33.0 million foreign exchange loss is comprised of a $29.3 million loss on the senior notes, a $2.8 million loss on long term equipment loans, and a loss of $0.9 million on other debt and operational items. The average CDN/US Dollar exchange rate in the September 2015 quarter was 1.309 compared to an average of 1.089 in the September 2014 quarter. The CDN/US Dollar exchange rate at September 30, 2015 was 1.339 compared to 1.247 at June 30, 2015.

The Company recorded an unrealized net gain of $12.2 million on gold and foreign exchange derivatives in the September 2015 quarter compared to an unrealized net gain of $9.8 million in the 2014 comparative quarter. Gains of $2.2 million were realized on gold derivatives and a $0.4 million gain was realized on foreign currency swaps in the September 2015 quarter compared to a small realized loss on gold derivatives and a $0.4 million loss on foreign currency swaps in the 2014 quarter.

Cash flow was $15.8 million in the September 2015 quarter compared to a negative cash flow of $59.1 million in the 2014 comparative quarter. The increase of $74.9 million is primarily related to the $67.4 million rehabilitation provision in the September 2014 quarter related to the Mount Polley dam breach.

Capital expenditures, inclusive of capitalized interest, decreased to $24.3 million from $93.1 million in the 2014 comparative quarter. Expenditures in the current quarter were financed from cash flow from operations and debt and equity financings completed in the quarter.

During the September 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 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 September 30, 2015 the Company incurred $1.4 million on rehabilitation activities. To September 30, 2015 an aggregate of $62.4 million has been spent on rehabilitation at the Mount Polley mine following the tailings dam breach. To September 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 September 30, 2015 the provision for rehabilitation costs to be incurred in the future was $5.0 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.

On January 30, 2015, the government-appointed 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 properly take into account the strength of the glacio-lacustrine layer approximately eight metres below the foundation of the embankment.

During the third quarter, the Company completed three financings aggregating gross proceeds of $80.0 million. A non-brokered private placement for gross proceeds of $6.0 million was completed on August 11, 2015, a rights offering for gross proceeds of $44.0 million was completed August 21, 2015, and a non-brokered convertible debenture private placement financing for gross proceeds of $30.0 million was completed on August 24, 2015. Refer to "Financings" under "Liquidity and Capital Resources" for further details. A portion of these financings was used to repay the $30.0 million short term loan facility received by the Company in May 2015.

At September 30, 2015, the Company had cash of $7.9 million and a working capital deficiency of $33.8 million. The projected cash flow from the Red Chris and Mount Polley mines, as well as the available credit facilities and additional sources of financing, are expected to be sufficient to fund the working capital deficiency and the remaining estimated rehabilitation cost of the tailings dam breach at the Mount Polley mine. However, there are inherent risks related to the operations of the Company's mines and uncertainties related to the scope, timing and cost of the rehabilitation at the Mount Polley mine which could require additional sources of financing.

There can be no assurance that adequate additional financing will be available on terms acceptable to the Company or at all which could have a material adverse impact on the Company's financial condition and results of operations and its ability to continue to operate as a going concern.

Red Chris Mine

The Red Chris mine achieved the accounting criteria for commercial production effective July 1, 2015 at which time the revenues from and expenses of operating the mine are reported through the Statement of Income. An Impact, Benefit and Co-Management Agreement with the Tahltan Nation was signed July 27, 2015. The agreement had earlier been approved by a referendum with 87% of respondents voting in favour.

Copper production for the 2015 third quarter, as previously reported in the Company's October 13, 2015 press release, was 20.7 million pounds copper and 9,281 ounces gold, increases of about 64% and 100% respectively from the 2015 second quarter. Subsequent to the October 13, 2015 press release, the weightometer on the SAG mill feed conveyor that determines the tonnage delivered to the mill was inspected by the third party manufacturer. The service report delivered by the manufacturer after the inspection determined this belt scale measuring ore feed to the SAG mill was reading approximately 10% low. As a result, our production statistics beginning July 1, 2015 have been adjusted to reflect additional tonnage processed and adjusted recovery rates. In the 2015 third quarter the mill achieved an average throughput of 29,147 tonnes per day. As a result of the additional tonnage, metal recoveries for the third quarter have been adjusted to 72.9% for copper and 41.9% for gold from the 81.7% copper and 44.8% gold previously reported. The revisions to tonnage milled did not change the metal production reported.

During the current quarter, mining activities continued in the Main and East zones, with the bulk (approximately 78%) of the mill feed coming from the Main zone with higher grade East zone ores (approximately 22%) being blended with the Main zone ores. The ore grade averaged 0.480% copper and 0.257 g/t gold. The mine moved an average of 68,931 tonnes of material per day during the third quarter 2015. Plans to increase stripping are being implemented so that East zone ores will be more consistently available for blending. This plan includes moving two Caterpillar 793 haul trucks and an excavator from Mount Polley to Red Chris to increase the mining capacity at Red Chris to 100,000 tonnes per day.

Red Chris Production	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2015
Ore milled - tonnes	2,681,538	5,348,917
Ore milled per calendar day - tonnes	29,147	23,668
Grade % - copper	0.480	0.482
Grade g/t - gold	0.257	0.250
Recovery % - copper	72.9	67.0
Recovery % - gold	41.9	37.0
Copper - lbs	20,705,098	38,100,999
Gold - oz	9,281	15,925

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. The mine is operating on a one week on, one week off basis, with ore being mined from the Cariboo pit, and the Boundary zone underground mine.

During the 2015 third quarter, 596,379 tonnes of ore were treated following the restart of milling operations on August 5, utilizing about 50% of mill capacity. Mill throughput and metal production have been very close to targeted levels. A total of 5,711 tonnes of concentrate containing 2.91 million pounds copper and 4,760 ounces gold were produced to September 30, 2015.

Mount Polley Production	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Ore milled - tonnes	596,379	711,043	596,379	4,548,182
Ore milled per calendar day - tonnes	10,463	7,729	10,463	16,660
Grade % - copper	0.306	0.353	0.306	0.321
Grade g/t - gold	0.339	0.283	0.339	0.260
Recovery % - copper	72.22	77.51	72.22	76.02
Recovery % - gold	73.21	69.52	73.21	68.11
Copper - lbs	2,909,000	4,293,600	2,909,000	24,489,725
Gold - oz	4,760	4,503	4,760	25,901
Silver - oz	11,857	15,888	11,857	74,770

Huckleberry Mine

Huckleberry production was in line with targets, with throughput averaging 18,830 tonnes per day and production of 11.49 million pounds copper. During the quarter the copper grade averaged 0.331% copper and copper recovery was 90.8%.

*Huckleberry Production**	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Ore milled – tonnes	1,732,393	1,570,685	5,025,638	3,852,134
Ore milled per calendar day – tonnes	18,830	17,073	18,409	14,110
Grade % – copper	0.331	0.340	0.338	0.330
Recovery % – copper	90.8	89.8	89.6	90.1
Copper – lbs	11,488,610	10,566,786	33,608,558	25,267,288
Gold - oz	935	838	2,616	2,035
Silver – oz	47,140	57,314	158,339	138,700

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

Sterling Mine

Sterling underground mining operations were terminated at the end of May 2015. Approval of the environmental assessment for the open pit mine from the Bureau of Land Management is pending. No gold was shipped from site during the September 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 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

Operations at Red Chris will focus on maximizing throughput and metallurgical performance of the processing plant. Operating time averaged 90.15% for the quarter, 97.98% of the targeted operating time of 92%. Additional launders have recently been installed in the roughing circuit to increase the mass pull and recovery.

Mining operations at Red Chris are being ramped up with equipment from Mount Polley to support an increase in the daily mining rate to 100,000 tonnes per day in early 2016.

During the 2015 third quarter, based on the Red Chris operating statistics summarized above, Red Chris met its completion criteria as required in the senior credit facility. As such, a notice to this effect has been submitted to our lending syndicate for approval.

Construction work at the Red Chris tailings storage facility was completed for the 2015 season in early October. During the 2016 construction season, work will include an addition on the North dam and the construction of a new dam at the south end of the facility. Permitting of the construction of the South dam is underway, and the permitting is targeted to be complete in time for the 2016 construction season which begins April 2016.

Mount Polley restarted operations on August 5, 2015 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. The plant has been working a one week on one week off schedule however, beginning late in the fourth quarter the mine will shift to continuous operations during the winter months. This will fill the Springer pit sooner but with impending winter freezing temperatures it is prudent to operate the mill continuously.

Mount Polley production has been close to target, and the fourth quarter production is expected to be approximately 11,000 tonnes concentrate containing 5.8 million pounds copper and 11,000 ounces gold.

Applications will be made to allow for the use of the repaired and buttressed tailings facility at Mount Polley.

The Huckleberry plant is operating well, and copper production of 11.5 million pounds in the September 2015 quarter was up 9% from the comparable 2014 quarter. Huckleberry is on target to meet its expected 2015 copper production of 44 million pounds. Work on an optimized mine plan, given the drop in copper prices, is in progress and is expected to be completed by the end of the year. Cost control initiatives have been undertaken at Huckleberry to reduce costs, and have included a reduction in the workforce.

We continue to minimize expenditures on all other projects, and implement cost control initiatives on the operations. Environmental and permitting work continues at Ruddock Creek and Sterling, but on all other projects only minimum work is being undertaken to maintain claims in good standing.

Brian Kynoch, President

Management's Discussion & Analysis

This Management's Discussion and Analysis ("MD&A") for Imperial Metals Corporation ("Imperial", the "Company", "we", "us" or "our") should be read with the unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended September 30, 2015 including the notes thereto ("the Interim Financial Statements"), as well as the audited Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2014. The Interim Financial Statements and comparative information have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34, Interim Financial Reporting. The reporting currency of the Company is the Canadian ("CDN") Dollar.

Forward-Looking Information and Risks Notice

This MD&A is a review of the Company's operations and financial position as at and for the period ended September 30, 2015, and plans for the future based on facts and circumstances as of November 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 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 the Company operates, including, but not limited to, assumptions that: the Company will be able to advance and complete remaining planned 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, current restricted operations, and the recommencement of full, unrestricted operations 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 and various aspects of restricted operations; 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 may 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, and natural phenomena such as weather conditions negatively impacting the operation of the Red Chris mine or the Mount Polley 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.

Significant Events and Liquidity

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 resulted in the loss of full production from the mine, which was the primary source of cash flow for the Company in 2014. Mount Polley mine 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.

In the quarter ended September 30, 2015 the Company incurred $1.4 million for rehabilitation costs. To September 30, 2015 an aggregate of $62.4 million has been spent on rehabilitation at the Mount Polley mine following the tailings dam breach. Income and mining tax recoveries have also been recorded in connection with these costs. 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.

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.

Following completion of the construction of the Red Chris mine, commissioning of the mill commenced and the first concentrate was produced in February 2015 and the Company achieved the accounting criteria for commercial production effective July 1, 2015.

During the third quarter of 2015, the Company completed three financings aggregating gross proceeds of $80.0 million. A non-brokered private placement for gross proceeds of $6.0 million was completed on August 11, 2015, a rights offering for gross proceeds of $44.0 million was completed August 21, 2015, and a non-brokered convertible debenture private placement financing for gross proceeds of $30.0 million was completed on August 24, 2015. Refer to "Financings" under "Liquidity and Capital Resources" for further details. A portion of these financings was used to repay the $30.0 million short term loan facility received in May 2015.

At September 30, 2015, the Company had cash of $7.9 million and a working capital deficiency of $33.8 million. The projected cash flow from the Red Chris and Mount Polley mines, as well as the available credit facilities and additional sources of financing, are expected to be sufficient to fund the working capital deficiency and the remaining estimated rehabilitation cost of the tailings dam breach at the Mount Polley mine. However, there are inherent risks related to the operations of the Company's mines and uncertainties related to the scope, timing and cost of the rehabilitation at the Mount Polley mine which could require additional sources of financing.

There can be no assurance that adequate additional financing will be available on terms acceptable to the Company or at all which could have a material adverse impact on the Company's financial condition and results of operations and its ability to continue to operate as a going concern.

Overview

Discussion and disclosure of the Company's 50% equity share of Huckleberry is confined to the headings *Huckleberry* and *Equity Income in Huckleberry*.

Revenues were $55.9 million in the September 2015 quarter compared to $22.7 million in the 2014 comparative quarter. Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rate, and period end revaluations of revenue attributed to concentrate shipments where the copper price will settle at a future date. The revenue in the current quarter represents primarily copper concentrate sales from the Red Chris mine. The increase in revenue in the September 2015 quarter from the 2014 comparative quarter is due to inclusion of revenue from the Red Chris mine on the Statement of Income as a result of the mine achieving the accounting criteria for commercial production effective July 1, 2015. There were three concentrate shipments in the September 2015 quarter from Red Chris compared to one shipment in the 2014 quarter from Mount Polley.

The London Metals Exchange cash settlement copper price per pound averaged US$2.38 in the September 2015 quarter compared to US$3.17 in the September 2014 quarter. The London Metals Exchange cash settlement gold price per troy ounce averaged US$1,124 in the September 2015 quarter compared to US$1,282 in the September 2014 quarter. The CDN Dollar weakened by 16.8% compared to the US Dollar in the September 2015 quarter over the September 2014 quarter. In CDN Dollar terms the average copper price in the September 2015 quarter was CDN$3.12 per pound compared to CDN$3.45 per pound in the September 2014 quarter and the average gold price in the September 2015 quarter was CDN$1,471 per ounce compared to CDN$1,396 per ounce in the September 2014 quarter.

Revenue in the September 2015 quarter and the September 2014 quarter were each increased by a $0.3 million positive revenue revaluation. Positive revenue revaluations are the result of the metal prices on the settlement date and/or the current period balance sheet date being higher than when the revenue was initially recorded or the metal price at the last balance sheet date.

In the September 2015 quarter the Company recorded income from mine operations of $7.6 million compared to income of $7.5 million in the September 2014 quarter. Although the Company had significantly higher shipment volumes in the September 2015 quarter compared to the September 2014 quarter the impact on income from mine operations was minimal due to lower copper prices which depressed margins.

The net loss for the September 2015 quarter was $29.3 million ($0.37 per share) compared to net loss of $49.2 million ($0.66 per share) in the 2014 comparative quarter. The September 2014 quarter loss was primarily related to the $67.4 million provision for rehabilitation costs taken by the Company for the Mount Polley tailings dam breach and foreign exchange losses on non-current debt. The September 2015 quarter loss was primarily related to foreign exchange losses on non-current debt, the inclusion of interest expense in the Statement of Income resulting from the cessation of interest capitalized to construction in progress on commencement of commercial production at the Red Chris mine, offset in part by gains on derivatives and income from mine operations due to inclusion of Red Chris operations on July 1, 2015.

The September 2015 quarter net loss included a foreign exchange loss related to changes in CDN/US Dollar exchange rates of $33.0 million compared to a foreign exchange loss of $18.9 million in the 2014 comparative quarter. The $33.0 million foreign exchange loss is comprised of a $29.3 million loss on the senior notes, a $2.8 million loss on long term equipment loans, and a loss of $0.9 million on other debt and operational items. The average CDN/US Dollar exchange rate in the September 2015 quarter was 1.309 compared to an average of 1.089 in the September 2014 quarter. The CDN/US Dollar exchange rate at September 30, 2015 was 1.339 compared to 1.247 at June 30, 2015.

In the September 2015 quarter the Company recorded net gains on derivative instruments of $14.8 million compared to net gains of $9.4 million in the September 2014 quarter. In the September 2015 quarter the Company recorded a net gain of $12.8 million, $0.5 million realized and $12.3 million unrealized, on the foreign currency swap due to an increase in the CDN/US Dollar exchange rate compared to the exchange rate at June 30, 2015. A net gain of $2.0 million, $2.2 million realized gain and $0.2 million unrealized loss, for gold derivative instruments was recorded in the September 2015 quarter compared to a $3.0 million gain related to copper and gold derivative instruments in the September 2014 quarter.

The Company recorded a $0.8 million equity loss as its share of Huckleberry's net loss during the September 2015 quarter compared to a $1.9 million equity income in the September 2014 quarter. Huckleberry had two shipments in each of the September 2015 and 2014 quarters.

The Company recorded pretax loss of $34.1 million in the September 2015 quarter which resulted in a $4.8 million tax recovery compared to a $22.4 million tax recovery in the September 2014 quarter when the Company had pretax loss of $71.6 million.

Cash flow was $15.8 million in the September 2015 quarter compared to a negative cash flow of $59.1 million in the September 2014 quarter. Cash flow is a measure used by the Company to evaluate its performance, however, it is not a term recognized under IFRS in Canada. 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. The Company believes cash flow is useful to investors and it is one of the measures used by management to assess the financial performance of the Company.

Capital expenditures, inclusive of capitalized interest, were $24.3 million in the September 2015 quarter, down from $93.1 million in the September 2014 quarter. The expenditures in the September 2015 quarter were financed by cash flow and the three financings completed by the company in the September 2015 quarter. At September 30, 2015 the Company had $7.9 million in cash (December 31, 2014-$19.9 million). The Company had $15.4 million of short term debt outstanding at September 30, 2015 (December 31, 2014-$nil).

Select Quarter Financial Information

expressed in thousands, except per share amounts	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Total revenues	$55,928	$22,667	$59,187	$125,068
Net loss	$(29,344)	$(49,221)	$(61,084)	$(28,151)
Net loss per share	$(0.37)	$(0.66)	$(0.80)	$(0.38)
Diluted loss per share	$(0.37)	$(0.66)	$(0.80)	$(0.38)
Adjusted net (loss) income (1)	$(9,379)	$3,729	$(26,762)	$19,527
Adjusted net (loss) income per share (1)	$(0.12)	$0.05	$(0.35)	$0.26
Adjusted EBITDA(1)	$13,871	$9,869	$(114)	$53,120
Working capital deficiency (2)	$(33,766)	$(51,872)	$(33,766)	$(51,872)
Total assets	$1,476,988	$1,307,857	$1,476,988	$1,307,857
Total long term debt (including current portion)	$854,446	$679,554	$854,446	$679,554
Cash dividends declared per common share	$ -	$ -	$ -	$ -
Cash flow (1)	$15,784	$(59,129)	$11,993	$(17,318)
Cash flow per share (1)	$0.20	$(0.79)	$0.16	$(0.23)

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

(2) Defined as current assets less current liabilities.

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 September 2015 quarter was $9.4 million ($0.12 per share) compared to an adjusted net income of $3.7 million ($0.05 per share) in the September 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, resulting from mark to market revaluation of derivative instruments not related to the current period, net of tax, unrealized foreign exchange gains or losses on non-current debt, net of tax, and the Mount Polley tailings dam rehabilitation costs, net of insurance recoveries and tax, as further detailed in the following table.

expressed in thousands, except per share amounts	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Net loss as reported	$(29,344)	$(49,221)	$(61,084)	$(28,151)
Unrealized gain on derivative instruments, net of tax [(a)]	(10,596)	(7,229)	(18,746)	(173)
Unrealized foreign exchange loss on non-current debt, net of tax [(b)]	30,561	16,371	60,150	4,043
Rehabilitation costs, net of tax [(c)]	-	43,808	-	43,808
Insurance recoveries, net of tax [(d)]	-	-	(7,082)	-
Adjusted net (loss) income	$(9,379)	$3,729	$(26,762)	$19,527
Adjusted net (loss) income per share	$(0.12)	$0.05	$(0.35)	$0.26

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

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

Adjusted EBITDA

The Company defines 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. The Company believes that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about certain non-cash or unusual items that are not expected to continue at the same level in the future, or other items that are not reflective of the Company's ongoing operating performance. The Company further believes that the presentation of this non-IFRS financial measure provides information that is useful to investors because it is an important indicator of the Company's operations and the performance of its 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 the Company to invest in the growth of its business.

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

expressed in thousands	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Net loss [(a)]	$(29,344)	$(49,221)	$(61,084)	$(28,151)
Adjustments:				
Income and mining tax recovery	(4,768)	(22,360)	(7,314)	(10,545)
Interest expense	16,164	-	21,095	-
Depletion and depreciation	10,474	3,681	13,665	16,304
Accretion of future site reclamation provisions	212	169	632	492
Unrealized gains on derivative instruments	(12,153)	(9,769)	(21,403)	(255)
Share based compensation	103	173	316	620
Foreign exchange losses	32,965	18,908	65,047	6,279
Revaluation losses on marketable securities	218	172	222	325
Loss (gains) on sale of mineral properties	-	681	(290)	616
Rehabilitation costs	-	67,435	-	67,435
Insurance recoveries	-	-	(11,000)	-
Adjusted EBITDA[(a)]	$13,871	$9,869	$(114)	$53,120

(a) Net loss and Adjusted EBITDA includes the Company's 50% portion of the net loss from Huckleberry in accordance with IFRS11. However, the Company is 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 September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Loss before taxes	$(34,112)	$(71,581)	$(68,398)	$(38,696)
Items not affecting cash flows				
Equity loss (income) in Huckleberry	800	(1,851)	767	(1,933)
Depletion and depreciation	10,474	3,681	13,665	16,304
Share based compensation	103	173	316	620
Accretion of future site reclamation provisions	212	169	632	492
Unrealized foreign exchange losses	34,300	19,193	65,388	5,207
Unrealized (gains) on derivative instruments	(12,153)	(9,769)	(21,403)	(255)
Interest expense	16,164	-	21,095	-
Other	(4)	856	(69)	943
Cash flow	$15,784	$(59,129)	$11,993	$(17,318)
Basic weighted average number of common shares outstanding	78,263,515	74,960,808	76,079,477	74,915,778
Cash flow per share	$0.20	$(0.79)	$0.16	$(0.23)

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 three copper producing mines, Red Chris, Mount Polley and Huckleberry, and on a composite basis for these three mines.

The cash cost per pound of copper produced is derived from the sum of cash production costs, transportation and offsite costs, treatment and refining costs, net of by-product and other revenues, divided by the number of pounds of copper produced during the period.

Cash costs of production include direct labour, operating materials and supplies, equipment and mill costs, and applicable overhead. Offsite costs include transportation, warehousing, marketing, and related insurance. Treatment and refining costs are costs for smelting and refining concentrate.

Treatment and refining costs applicable to the concentrate produced during the period are calculated in accordance with the contracts the Company has with its customers.

By-product and other revenues represent (i) revenue calculated based on average metal prices for by-products produced during the period based on payable metal in the concentrate; and (ii) other revenues as recorded during the period.

Cost of sales, as reported on the consolidated statement of comprehensive income, includes depletion and depreciation and share based compensation, non-cash items. These items, along with management fees charged by the Company to Huckleberry, are removed from cash costs. The resulting cash costs are different than the cost of production because of changes in inventory levels and therefore inventory and related transportation and offsite costs are adjusted from a cost of sales basis to a production basis. The cash costs for copper produced are converted to US$ using the average US$ to CDN$ exchange rate for the period divided by the pounds of copper produced to obtain the cash cost per pound of copper produced in US$.

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 tables reconcile cost of sales as shown on the consolidated statement of comprehensive income to the cash cost per pound of copper produced in US Dollars:

Cash Cost Per Pound of Copper Produced

expressed in thousands, except cash cost per pound of copper produced

Three Months Ended September 30, 2015

	Huckleberry 100%	Huckleberry 50%	Red Chris	Mount Polley	Sterling & Corporate	Total per Financial Statements	Composite
		A	B	C			D=A+B+C
Cost of Sales	$31,393	$15,697	$44,524	$3,166	$660	$48,350	$63,387
Less:							
Depletion and depreciation	(5,620)	(2,810)	(8,269)	(572)	(103)	(8,944)	(11,651)
Management fees paid by Huckleberry*	(149)	(75)	-	-	-	-	(75)
Cash costs before adjustment to production basis	25,624	12,812	36,255	2,594	$557	$39,406	51,661
Adjust for inventory change	(148)	(74)	9,198	10,845			19,969
Adjust transportation and offsite costs	(34)	(17)	769	1,116			1,868
Treatment and refining costs	4,330	2,165	11,131	1,817			15,113
By-product and other revenues	(3,203)	(1,602)	(14,381)	(7,233)			(23,216)
Cash cost of copper produced in Cdn$	26,569	13,284	42,972	9,139			65,395
US$ to Cdn$ exchange rate	*1.3093*	*1.3093*	*1.3093*	*1.3093*			*1.3093*
Cash cost of copper produced in US$	$20,293	$10,146	$32,821	$6,980			$49,946
Copper produced – lbs	*11,489*	*5,744*	*20,707*	*2,909*			*29,360*
Cash cost per lb copper produced in US$	$1.77	$1.77	$1.58	$2.40			$1.70

Three Months Ended September 30, 2014

	Huckleberry 100%	Huckleberry 50%	Red Chris	Mount Polley	Sterling & Corporate	Total per Financial Statements	Composite
		A	B	C			D=A+B+C
Cost of Sales	$31,387	$15,694	$ -	$11,572	$3,642	$15,214	$27,266
Less:							
Depletion and depreciation	(7,328)	(3,664)	-	(1,794)	(531)	(2,325)	(5,458)
Share based compensation	-	-	-	(13)	-	(13)	(13)
Management fees paid by Huckleberry*	(149)	(75)	-	-	-	-	(75)
Cash costs before adjustment to production basis	23,910	11,955	-	9,765	$3,111	$12,876	21,720
Adjust for inventory change	996	498	-	576			1,074
Adjust transportation and offsite costs	(341)	(171)	-	986			816
Treatment and refining costs	4,168	2,084	-	1,239			3,323
By-product and other revenues	(3,481)	(1,740)	-	(6,277)			(8,017)
Cash cost of copper produced in Cdn$	25,256	12,628	-	6,289			18,917
US$ to Cdn$ exchange rate	*1.0893*	*1.0893*	-	*1.0893*			*1.0893*
Cash cost of copper produced in US$	$23,186	$11,593	$ -	$5,773			$17,366
Copper produced - lbs	*10,566*	*5,283*	-	*4,294*			*9,577*
Cash cost per lb copper produced in US$	$2.19	$2.19	$ -	$1.34			$1.81

* Management fee paid by Huckleberry to Imperial recorded as revenue by Imperial on the equity basis of accounting for Huckleberry.

Cash Cost Per Pound of Copper Produced

expressed in thousands, except cash cost per pound of copper produced

Nine Months Ended September 30, 2015

	Huckleberry 100%	Huckleberry 50%	Red Chris	Mount Polley	Sterling & Corporate	Total per Financial Statements	Composite
		A	B	C			D=A+B+C
Cost of Sales	$94,283	$47,142	$44,524	$3,166	$8,613	$56,303	$94,832
Less:							
Depletion and depreciation	(16,290)	(8,145)	(8,269)	(572)	(346)	(9,187)	(16,986)
Management fees paid by Huckleberry*	(447)	(224)	-	-	-	-	(224)
Cash costs before adjustment to production basis	77,546	38,773	36,255	2,594	$8,267	$47,116	77,622
Adjust for inventory change	297	148	9,198	10,845			20,191
Adjust transportation and offsite costs	(107)	(53)	769	1,116			1,832
Treatment and refining costs	12,850	6,425	11,131	1,817			19,373
By-product and other revenues	(7,983)	(3,992)	(14,381)	(7,233)			(25,606)
Cash cost of copper produced in Cdn$	82,603	41,301	42,972	9,139			93,412
*US$ to Cdn$ exchange rate***	*1.2600*	*1.2600*	*1.3093*	*1.3093*			*1.2870*
Cash cost of copper produced in US$	$65,559	$32,779	$32,820	$6,980			$72,579
Copper produced - lbs	*33,609*	*16,804*	*20,707*	*2,909*			*40,420*
Cash cost per lb copper produced in US$	$1.95	$1.95	$1.58	$2.40			$1.80

Nine Months Ended September 30, 2014

	Huckleberry 100%	Huckleberry 50%	Red Chris	Mount Polley	Sterling & Corporate	Total per Financial Statements	Composite
		A	B	C			D=A+B+C
Cost of Sales	$75,815	$37,908	$ -	$75,398	$8,874	$84,272	$113,306
Less:							
Depletion and depreciation	(16,308)	(8,154)	-	(11,575)	(3,044)	(14,619)	(19,729)
Share based compensation	-		-	(47)	-	(47)	(47)
Management fees paid by Huckleberry*	(447)	(224)	-	-	-	-	(224)
Cash costs before adjustment to production basis	59,060	29,530	-	63,776	$5,830	$69,606	93,306
Adjust for inventory change	616	308	-	(1,562)			(1,254)
Adjust transportation and offsite costs	(426)	(214)	-	372			158
Treatment and refining costs	9,880	4,940	-	6,312			11,252
By-product and other revenues	(6,966)	(3,483)	-	(36,675)			(40,158)
Cash cost of copper produced in Cdn$	62,127	31,099	-	32,223			63,306
US$ to Cdn$ exchange rate	*1.0944*	*1.0944*	-	*1.0944*			*1.0944*
Cash cost of copper produced in US$	$56,805	$28,402	$ -	$29,444			$57,874
Copper produced – lbs	*25,267*	*12,634*	-	*24,490*			*37,124*
Cash cost per lb copper produced in US$	$2.25	$2.25	$ -	$1.20			$1.56

* Management fee paid by Huckleberry to Imperial recorded as revenue by Imperial on the equity basis of accounting for Huckleberry.

**Mount Polley and Red Chris did not commence production until the third quarter of 2015 therefore the exchange rate used is the average for the three months ended September 30, 2015, while for Huckleberry the exchange rate used is for the nine months ended September 30, 2014 and the exchange rate used for the Composite amount is a weighted-average of these two rates.

Derivative Instruments

In the three month period ending September 30, 2015 the Company recorded net gains of $14.8 million on derivative instruments, comprised of a $12.8 million net gain related to the CDN/US currency swap and a $2.0 million net gain on gold derivatives. This compares to a net gain of $9.4 million in the September 2014 quarter, comprised of a $6.3 million net gain related to the CDN/US currency swap and a $3.1 million net gain 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 $2.2 million in the September 2015 quarter, compared to realized losses of under $0.4 million on copper and gold contracts in the September 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 utilizes 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 September 30, 2015. At September 30, 2015 the Company has hedged 24,300 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 September 30, 2015 CDN/US Dollar exchange rate the Company had an unrealized gain of $26.3 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.

DEVELOPMENTS DURING THE SEPTEMBER 2015 QUARTER

General

The London Metals Exchange cash settlement copper price per pound averaged US$2.38 in the September 2015 quarter compared to US$3.17 in the September 2014 quarter. The London Metals Exchange cash settlement gold price per troy ounce averaged US$1,124 in the September 2015 quarter compared to US$1,282 in the September 2014 quarter. The CDN Dollar weakened by 16.8% compared to the US Dollar in the September 2015 quarter over the September 2014 quarter. In CDN Dollar terms the average copper price in the September 2015 quarter was CDN$3.12 per pound compared to CDN$3.45 per pound in the September 2014 quarter and the average gold price in the September 2015 quarter was CDN$1,471 per ounce compared to CDN$1,396 per ounce in the September 2014 quarter.

Red Chris Mine

Capital and development expenditures at Red Chris were $22.0 million in the September 2015 quarter compared to $87.5 million in the September 2014 quarter. Expenditures in the September 2015 quarter were primarily for tailings dam construction totalling $21.6 million, preproduction operating costs of $2.2 million, net of preproduction revenues of $1.8 million. No interest was capitalized in the September 2015 quarter as the mine achieved commercial production effective July 1, 2015. The 2014 costs were all related to development and construction of the Red Chris mine and related infrastructure including capitalized interest of $11.2 million.

The Red Chris mine achieved the accounting criteria for commercial production effective July 1, 2015 and therefore the revenue from and expenses of operating the mine are reported through the Statement of Income. During the 2015 third quarter, Red Chris met its completion criteria as required in the senior credit facility. As such, a notice to this effect has been submitted to the lending syndicate for approval.

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 2015 third quarter, as previously reported in the Company's October 13, 2015 press release, was 20.71 million pounds copper and 9,281 ounces gold, increases of 64% and 100% respectively from the 2015 second quarter. Subsequent to the October 13, 2015 press release, the weightometer on the SAG mill feed conveyor that determines the tonnage delivered to the mill was inspected by the third party manufacturer. The service report delivered by the manufacturer after the inspection determined this belt scale measuring ore feed to the SAG mill was reading approximately 10% low. As a result, our production statistics beginning July 1, 2015 have been adjusted to reflect additional tonnage processed and adjusted recovery rates. In the 2015 third quarter the mill achieved an average throughput of 29,147 tonnes per day. As a result of the additional tonnage, metal recoveries for the third quarter have been adjusted to 72.78% for copper and 40.24% for gold from the 81.7% copper and 44.8% gold previously reported. The revisions to tonnage milled did not change the metal production reported.

During the current quarter, mining activities continued in the Main and East zones, with the bulk (approximately 78%) of the mill feed coming from the Main zone with higher grade East zone ores (approximately 22%) being blended with the Main zone ores. The ore grade averaged 0.479% copper and 0.257 g/t gold. The mine moved an average of 68,931 tonnes of material per day during the third quarter 2015. Plans to increase stripping are being implemented so that East zone ores will be more consistently available for blending. This plan includes moving two Caterpillar 793 haul trucks and an excavator from Mount Polley to Red Chris to increase the mining capacity at Red Chris to 100,000 tonnes per day.

Mount Polley Mine

Capital and development expenditures at Mount Polley were $2.0 million in the September 2015 quarter compared to $4.8 million in the September 2014 quarter. Expenditures in the September 2015 quarter were primarily for water treatment and management.

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 mine is operating on a one week on, one week off basis, with ore being mined from the Cariboo pit, and the Boundary zone underground mine.

During the third quarter, 596,379 tonnes of ore were treated following the restart of milling operations on August 5, at about 50% of mill capacity. Mill throughput and metal production have been very close to targeted levels. A total of 5,711 tonnes of concentrate containing 2.9 million pounds copper and 4,760 ounces gold were produced.

Huckleberry Mine

Capital and development expenditures at Huckleberry were $7.7 million in the September 2015 quarter compared to $9.7 million in the September 2014 quarter. Huckleberry revenues in the September 2015 quarter were $27.1 million compared to $37.2 million in the 2014 comparative quarter. Huckleberry had two shipments of concentrate in each of the September 2015 and 2014 quarters.

Huckleberry production was in line with targets, with throughput averaging 18,830 tonnes per day and production of 11.49 million pounds copper. During the quarter the copper grade averaged 0.331% copper and copper recovery was 90.8%.

Sterling Mine

Exploration and development expenditures at Sterling were under $0.1 million in the September 2015 quarter compared to under $0.2 million in the 2014 comparative quarter.

Sterling underground mining operations were terminated at the end of May 2015. Approval of the environmental assessment for the open pit mine from the Bureau of Land Management is pending. No gold was shipped from site during the September 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 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.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015 COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 2014

This review of the results of operations should be read in conjunction with the Interim Financial Statements of the Company for the three months ended September 30, 2015 and the audited consolidated financial statements of the Company for the year ended December 31, 2014.

FINANCIAL RESULTS

Overview

Revenues were $55.9 million in the September 2015 quarter compared to $22.7 million in the 2014 comparative quarter. The September 2015 quarter includes revenues from Red Chris mine for the first time. Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rate, and period end revaluations of revenue attributed to concentrate shipments where copper price will settle at a future date. There were three shipments in the September 2015 quarter from Red Chris compared to one in the September 2014 quarter from Mount Polley mine.

In the September 2015 quarter the Company recorded income from mine operations of $7.6 million compared to income of $7.5 million in the 2014 comparative quarter.

Net loss for the quarter ended September 30, 2015 was $29.3 million ($0.37 per share) compared to net loss of $49.2 million ($0.66 per share) in the 2014 comparative quarter. In addition to variances in revenues and income from mine operations described above, variations in net income period over period are normally predominately attributable to the movement in realized and unrealized gains and losses on derivative instruments and foreign exchange. In addition, the August 2014 tailings dam breach at Mount Polley had a significant impact in the September 2014 quarter as the Company recorded at $67.4 million provision for rehabilitation costs and production ceased at the Mount Polley mine.

Revenue

expressed in thousands of dollars, except quantity amounts

	Three Months Ended September 30	
	2015	2014
Copper 000's pounds sold	*17,088*	*5,006*
Gold ounces sold	*8,328*	*6,957*
Revenue before revaluation	$55,590	$22,404
Revenue revaluation	338	263
	$55,928	$22,667

Revenue in the current quarter is primarily from concentrate sales from the Red Chris mine. The large increase in revenue in the September 2015 quarter compared to September 2014 quarter is due to the inclusion of revenue from the Red Chris mine, which met the accounting criteria for commercial production in the September 2015 quarter, offset by the loss of revenue from the suspension of operations at the Mount Polley mine as a result of the tailings dam breach on August 4, 2014. There was one concentrate shipment in the September 2014 comparative quarter from the Mount Polley mine. Although the Mount Polly mine recommenced production in August 2015 no concentrate was sold in the September 2015 quarter.

In US Dollars, copper prices were about 25% lower in the September 2015 quarter than in the 2014 comparative quarter, averaging about US$2.38 per pound compared to US$3.17 per pound. The US Dollar strengthened against the CDN Dollar during the 2015 quarter. Factoring in the average exchange rate, the price of copper averaged CDN$3.12 per pound in the September 2015 quarter approximately 10% lower than the September 2014 quarter average of CDN$3.45 per pound.

The London Metals Exchange cash settlement gold price per troy ounce averaged US$1,124 in the September 2015 quarter compared to US$1,282 in the 2014 comparative quarter. Factoring in the average exchange rate, the price of gold averaged CDN$1,471 per ounce in the September 2015 quarter about 5% higher than the 2014 comparative quarter average of CDN$1,396 per ounce.

Cost of Sales

expressed in thousands of dollars	Three Months Ended September 30	
	2015	2014
Operating expenses	$32,326	$8,212
Salaries, wages and benefits	7,080	4,664
Depletion and depreciation	8,944	2,325
Share based compensation	-	13
	$48,350	$15,214

Cost of sales for the three months ended September 30, 2015 primarily reflect operations at the Red Chris mine from July 1, 2015. Also included are impairment costs on Mount Polley inventory and cost of sales and inventory impairments for the Sterling mine.

Cost of sales for the three months ended September 30, 2014 primarily reflect operations at the Mount Polley mine. Also included are the cost of sales and inventory impairments for the Sterling mine.

General and Administration Costs

expressed in thousands of dollars	Three Months Ended September 30	
	2015	2014
Administration	$824	$801
Share based compensation	95	160
Depreciation	179	151
Foreign exchange loss (gain)	364	(110)
	$1,462	$1,002

General and administration costs increased in the September 2015 quarter compared to the 2014 comparative quarter due primarily to higher foreign exchange losses.

The average CDN/US Dollar exchange rate for the September 2015 quarter was 1.309 compared to 1.089 in the 2014 comparative quarter. Gains and losses are attributable to holding US Dollar denominated cash, accounts receivable, and accounts payable. These net US Dollar asset and liability balances are the result of the activities at the Red Chris and Mount Polley mines.

Finance Costs

expressed in thousands of dollars	Three Months Ended September 30	
	2015	2014
Gains on derivative instruments	$14,784	$9,371
Foreign exchange loss on short term and non-current debt	(32,601)	(19,018)
Interest expense	(16,164)	-
Other	(397)	(307)
	$(34,378)	$(9,954)

The inclusion of gains and losses on derivative instruments results in large variances in finance costs. 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. Changes in valuation of this derivative instrument position and the derivative instrument position carrying over from previous quarters, due to changes in copper and gold price and foreign exchange rate, resulted in a gain of $14.8 million during the three months ending September 2015 compared to a gain of $9.4 million in the comparative September 2014 quarter. The ultimate gain or loss on these contracts will be determined by the copper and gold prices and foreign exchange rate in the periods when these contracts settle.

At September 30, 2015, the Company had US Dollar denominated debt of US$348.1 million compared to US$356.7 million at September 2014.

Foreign exchange movements during the 2015 quarter, including the effect of the foreign exchange rate at quarter end, resulted in a foreign exchange loss of $32.6 million in the September 2015 quarter compared to a $19.0 million loss in the 2014 comparative quarter. The September 2015 foreign exchange loss is comprised primarily of a $29.3 million loss on the senior notes and a $2.8 million loss on long term equipment loans.

No interest expense was capitalized to construction in progress during the September 2015 quarter as a result of the Red Chris mine reaching commercial production effective July 1, 2015. In the 2014 comparative quarter $11.1 million was capitalized.

Equity (Loss) Income in Huckleberry

The Company's 50% share of equity earnings from Huckleberry was a loss of $0.8 million income in the September 2015 quarter compared to a $1.9 million income on the 2014 comparative quarter.

stated 100% - Imperial's equity share is 50%
expressed in thousands of dollars, except quantity amounts

	Three Months Ended September 30	
	2015	2014
Copper 000's pounds sold	*11,557*	*12,037*
Revenue before revaluations	$32,452	$39,535
Revenue revaluation	(5,326)	(2,325)
	27,126	37,210
Cost of sales	(31,393)	(31,387)
(Loss) income from mine operations	(4,267)	5,823
Other	455	146
(Loss) income before taxes	(3,812)	5,969
Income and mining taxes recovery (expense)	2,212	(2,269)
Net (Loss) Income	$(1,600)	$3,700

Income and Mining Tax Recovery

expressed in thousands of dollars

	Three Months Ended September 30	
	2015	2014
Current Taxes		
Income tax (expense)	$(21)	$(25)
BC Mineral tax recovery	-	566
	(21)	541
Deferred Taxes		
Income tax recovery	3,257	16,458
BC Mineral tax recovery	1,532	5,361
	4,789	21,819
	$4,768	$22,360

The effective tax rate for the September 2015 quarter was 14.3% compared to 30.4% in the September 2014 quarter. Foreign exchange gains and losses on debt are taxed at 50% of the normal income tax rate however in the September 2015 quarter there were insufficient gains on currency derivatives to fully offset the foreign exchange losses on debt and therefore the tax recovery is less than expected as no tax recovery was recorded on these losses.

LIQUIDITY & CAPITAL RESOURCES

Cash Flow

The Company recorded net loss of $29.3 million in the 2015 quarter compared to net loss of $49.2 million in 2014. Cash flow was $15.8 million in 2015 compared to a negative cash flow of $59.1 million in 2014.

Cash flow is a measure used by the Company to evaluate its performance, however, it is not a term recognized under IFRS and may not be comparable to similar measures used by other companies. 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.

Acquisition and Development of Mineral Properties

Acquisition and development of mineral properties totaled $24.3 million in the September 2015 quarter compared to $93.1 million in the September 2014 quarter. Acquisition and development expenditures in 2015 were financed by cash flow from operations and from debt and equity financings completed by the quarter.

expressed in thousands of dollars	Three Months Ended September 30	
	2015	2014
Capital and Development Expenditures		
Mount Polley	$2,002	$4,580
Red Chris (including capitalized interest of $nil (2014-$11,192)) and net of preproduction revenues of $1,795 (2014-nil)	21,991	87,532
Sterling	-	8
	23,993	92,120
Exploration Expenditures		
Mount Polley	12	411
Red Chris	15	(90)
Sterling	17	166
Other	252	456
	296	943
	$24,289	$93,063

The reduction in expenditures was primarily due to the Red Chris mine achieving commercial production in the September 2015 quarter compared to the construction stage in the September 2014 quarter. Expenditures at Red Chris in the September 2015 quarter were primarily for tailings dam construction totalling $21.6 million, $2.2 million for preproduction operations expenses, and a recovery of $1.8 million for preproduction revenue. No interest was capitalized in the September 2015 quarter as the mine achieved commercial production effective July 1, 2015. Mount Polley expenditures were primarily related to water treatment and management.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 COMPARED TO THE NINE MONTHS ENDED SEPTEMBER 30, 2014

This review of the results of operations should be read in conjunction with the Interim Financial Statements of the Company for the nine months ended September 30, 2015 and the audited consolidated financial statements of the Company for the year ended December 31, 2014.

FINANCIAL RESULTS

Overview

Revenues were $59.2 million in the September 2015 period compared to $125.1 million in the 2014 comparative period. Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rate, and period end revaluations of revenue attributed to concentrate shipments where the copper price will settle at a future date. Red Chris mine revenue was included commencing July 1, 2015.

In the September 2015 period the Company recorded a $2.9 million income from mine operations compared to income of $40.8 million in the 2014 comparative period.

Net loss for the period ended September 30, 2015 was $61.1 million ($0.80 per share) compared to net loss of $28.2 million ($0.38 per share) in the 2014 comparative period. In addition to variances in revenues and income from mine operations described above, variations in net income period over period are normally predominately attributable to the movement in realized and unrealized gains and losses on derivative instruments and foreign exchange.

Revenue

expressed in thousands of dollars, except quantity amounts	Nine Months Ended September 30	
	2015	2014
Copper 000's pounds sold	*17,088*	*26,405*
Gold ounces sold	*10,382*	*32,120*
Revenue before revaluation	$59,041	$126,703
Revenue revaluation	146	(1,635)
	$59,187	$125,068

Revenue in the current period is primarily from concentrate sales from the Red Chris mine. The decrease in revenue in the September 2015 period compared to September 2014 period is due to due to the suspension of operations at the Mount Polley mine as a result of the tailings dam breach on August 4, 2014, offset by the revenue from the Red Chris mine which commenced commercial production effective July 1, 2015. There were three concentrate shipments in the September 2015 period from the Red Chris mine compared to five in the September 2014 period from the Mount Polley mine.

In accordance with the Company's accounting policy, revenue and expenses for the Red Chris mine in the preproduction period which ended on June 30, 2015 were capitalized to mineral properties.

In US Dollars, copper prices were about 18% lower in the September 2015 period than in the 2014 comparative period, averaging about US$2.59 per pound compared to US$3.15 per pound. The US Dollar strengthened against the CDN Dollar during the 2015 period. Factoring in the average exchange rate, the price of copper averaged CDN$3.26 per pound in the September 2015 period about 5% lower than the September 2014 period average of CDN$3.45 per pound.

The London Metals Exchange cash settlement gold price per troy ounce averaged US$1,179 in the September 2015 period compared to US$1,288 in the 2014 comparative period. Factoring in the average exchange rate, the price of gold averaged CDN$1,486 per ounce in the September 2015 period about 5% higher than the 2014 comparative period average of CDN$1,409 per ounce.

Cost of Sales

expressed in thousands of dollars

	Nine Months Ended September 30 2015	2014
Operating expenses	$36,412	$46,800
Salaries, wages and benefits	10,704	22,806
Depletion and depreciation	9,187	14,619
Share based compensation	-	47
	$56,303	$84,272

Cost of sales for the nine months ended September 30, 2015 primarily reflect operations at the Red Chris mine from July 1, 2015. Also included are impairment costs on Mount Polley inventory and cost of sales and inventory impairments for the Sterling mine.

Cost of sales for the nine months ended September 30, 2014 primarily reflect operations at the Mount Polley mine. Also included are the cost of sales and inventory impairments for the Sterling mine.

General and Administration Costs

expressed in thousands of dollars

	Nine Months Ended September 30 2015	2014
Administration	$3,295	$3,395
Share based compensation	292	573
Depreciation	537	480
Foreign exchange loss	1,358	1,160
	$5,482	$5,608

General and administration costs decreased slightly in the September 2015 period compared to the 2014 comparative period as share based compensation expense declined from 2014 as there were no new option grants.

The average CDN/US Dollar exchange rate for the September 2015 period was 1.260 compared to 1.094 in the 2014 comparative period. Gains and losses are attributable to holding US Dollar denominated cash, accounts receivable, and accounts payable. These net US Dollar asset and liability balances are the result of the activities at the Red Chris and Mount Polley mines.

Finance Costs

expressed in thousands of dollars

	Nine Months Ended September 30 2015	2014
Gains (losses) on derivative instruments	$25,340	$(130)
Foreign exchange loss on short term and non-current debt	(63,689)	(5,119)
Interest expense	(21,095)	-
Other	(758)	(763)
	$(60,202)	$(6,012)

The inclusion of gains and losses on derivative instruments results in large variances in finance costs. 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. Changes in valuation of this derivative instrument position and the derivative instrument position carrying over from previous periods, due to changes in copper and gold price and foreign exchange rate, resulted in a gain of $25.3 million during the nine months ending September 2015 compared to a loss of $0.1 million in the comparative September 2014 period. The ultimate gain or loss on these contracts will be determined by the copper and gold prices and foreign exchange rate in the periods when these contracts settle.

At September 30, 2015, the Company had US Dollar denominated debt of US$348.1 million compared to US$356.7 million at September 2014.

Foreign exchange movements during the 2015 period, including the effect of the foreign exchange rate at period end, resulted in total foreign exchange losses of $63.7 million in the September 2015 period compared to a $5.1 million loss in the 2014 comparative period. The September 2015 foreign exchange loss is comprised primarily of a $57.1 million loss on the senior notes and a $6.0 million loss on long term equipment loans.

Interest expense of $24.4 million was capitalized to construction in progress during the September 2015 period until June 30, 2015 when Red Chris achieved commercial production. In the 2014 comparative period $26.5 million was capitalized.

Equity (Loss) Income in Huckleberry

The Company's 50% share of equity earnings from Huckleberry was as loss of $0.8 million in the September 2015 period compared to income of $1.9 million in the 2014 comparative period.

stated 100% - Imperial's equity share is 50%
expressed in thousands of dollars, except quantity amounts

	Nine Months Ended September 30	
	2015	2014
Copper 000's pounds sold	*33,910*	*27,346*
Revenue before revaluations	$101,176	$89,652
Revenue revaluation	(11,408)	(5,041)
	89,768	84,611
Cost of sales	(94,283)	(75,815)
(Loss) income from mine operations	(4,515)	8,796
Other	1,301	(167)
Idle mine costs	-	(3,327)
(Loss) income before taxes	(3,214)	5,302
Income and mining tax recovery (expense)	1,680	(1,437)
Net (Loss) Income	$(1,534)	$3,865

Income and Mining Tax Recovery

expressed in thousands of dollars

	Nine Months Ended September 30	
	2015	2014
Current Taxes		
Income tax recovery (expense)	$3,641	$(2)
BC Mineral tax (expense)	-	(128)
	3,641	(130)
Deferred Taxes		
Income tax recovery	1,739	8,615
BC Mineral tax recovery	1,934	2,060
	3,673	10,675
	$7,314	$10,545

The effective tax rate for the September 2015 period was 10.8% compared to 26.0% in the September 2014 period. For the September 2015 period foreign exchange losses on debt represented a significant portion of loss before taxes. These losses are taxed at 50% of the normal income tax rate. The lower than expected tax recovery in the September 2015 period was primarily the result of not recording a tax recovery on a large portion of the unrealized foreign exchange losses due to the uncertainly of realizing gains on foreign exchange in the future.

CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2014.

The capital structure of the Company consists of short term debt, credit facilities, including credit facilities with counterparties related to derivative instruments, non-current debt and equity attributable to common shareholders, comprised of share capital, share option reserve, warrant reserve, equity component of convertible debenture and retained earnings.

At September 30, 2015 the Company is in compliance with the debt covenants related to its short term debt, credit facilities with counterparties, and non-current debt. Refer to discussion on Liquidity and Capital Resources.

LIQUIDITY & CAPITAL RESOURCES

At September 30, 2015, the Company had cash of $7.9 million and a working capital deficiency of $33.8 million.

The Company has in place a rigorous planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. The Company ensures that in addition to cash balances there are sufficient committed credit facilities, including the advance payment facilities noted above, to provide the necessary cash to meet projected cash requirements.

The tailings dam breach at the Mount Polley mine resulted in the loss of production from the mine until the limited restart on August 5, 2015. In addition, the Company continues to incur costs for rehabilitation which are estimated at $5.0 million at September 30, 2015. While the precise future cost of rehabilitation 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 and the expected cash flow from the Red Chris mine.

Financings

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 was comprised of three components: a rights offering ("Rights Offering") to raise $44.0 million, backstopped by the Company's two largest shareholders, a private placement of common shares ("Common Share Private Placement") to raise $6.0 million and a private placement of convertible debentures ("Convertible Debenture Private Placement") to raise $30.0 million (the "Financings"). The proceeds from the Financings has been used to provide additional liquidity to the Company as the Company ramps up production at the Red Chris mine, works towards a restart of full operations at the Mount Polley mine, for general working capital, and to repay the $30.0 million short term loan facility.

Under the Common Share Private Placement, on August 11, 2015 the Company issued on a non-brokered private placement basis, an aggregate of 714,286 common shares of the Company at a price of $8.40 per common share to raise $6.0 million in gross proceeds.

Pursuant to the Rights Offering which closed on August 20, 2015, the Company issued a total of 5,500,797 common shares at a price of $8.00 per common share for gross proceeds of $44.0 million. Right-holders subscribed to 3,846,820 common shares under basic subscription privileges and 1,653,977 common shares under additional subscription privileges, resulting in a fully subscribed rights offering.

The non-brokered Convertible Debenture Private Placement closed on August 24, 2015 for gross proceeds of $30.0 million. Each $12.00 of principal amount is convertible into one common share of the Company 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 at 6% per annum will be payable semi-annually, with the first payment due on June 30, 2016. The convertible debentures mature on August 25, 2021. Up to 2,500,000 common shares are expected to be issued if all the convertible debentures issued pursuant to the convertible debenture private placement were converted into common shares of the Company.

N. Murray Edwards and Fairholme Partnership L.P. (together, the "Guarantors") had committed to backstopping the Financings. In exchange for backstopping the Financings, the Company paid the Guarantors a fee (the "Fee") of 3% of the gross proceeds of the Financings, excluding proceeds from (i) the exercise of rights pursuant to the Rights Offering issued in respect of common shares owned or over which the Guarantors or their affiliates have control and (ii) the sale of common shares and convertible debentures the Guarantors or their affiliates had committed to purchase pursuant to the Common Share Private Placement and the Convertible Debenture Private Placement. For additional details refer to the "Related Party Transactions" section.

The projected cash flow from the Red Chris and Mount Polley mines, as well as the available credit facilities and additional sources of financing, are expected to be sufficient to fund the working capital deficiency and the remaining estimated rehabilitation cost of the tailings dam breach at the Mount Polley mine. However, there are inherent risks related to the operations of the Company's mines and uncertainties related to the scope, timing and cost of the rehabilitation at the Mount Polley mine which could require additional sources of financing.

There can be no assurance that adequate additional financing will be available on terms acceptable to the Company or at all which could have a material adverse impact on the Company's financial condition and results of operations and its ability to continue to operate as a going concern.

Credit Risk

The Company's credit risk is limited to cash, trade and other receivables, future site reclamation deposits and derivative instruments in the ordinary course of business. The credit risk of cash and future site reclamation deposits is mitigated by placing funds in financial institutions with high credit quality.

The Company sells to a limited number of smelters and traders. These customers are large, well capitalized and diversified multinationals, and credit risk is considered to be minimal. The balance of trade receivables owed to the Company in the ordinary course of business is significant and the Company often utilizes short term debt facilities with customers to reduce the net credit exposure.

The Company enters into derivative instruments with a number of counterparties. The credit risks associated with these counterparties is considered to be minimal because of their strong capital base, diversity and multinational operations. In addition, to reduce risk related to derivative instruments the Company utilizes multiple counterparties.

The Company's credit risk has not changed significantly since December 31, 2014.

Other

The Company also holds derivative instruments, its investment in Huckleberry, mineral property holdings and marketable securities. While these may be convertible to cash they are not considered when assessing the Company's liquidity as they are part of the risk management program of the Company, long term strategic holdings, or are only convertible to cash over a longer time horizon if realizable values exceed management's assessment of fair value, respectively. Therefore, as part of the Company's planning, budgeting and liquidity analysis process, these items are not relied upon to provide operational liquidity. The Company does not hold any Master Asset Vehicle Notes.

The Company's overall liquidity risk continues to be higher than normal due to expenditures related to the development and commissioning of the Red Chris mine, the restart of the Mount Polley mine, and as a result of the Mount Polley tailings dam breach. The tailings dam breach removed the Company's primary source of cash flow in 2014 and added the rehabilitation costs to the current obligations of the Company, although the majority of the expected costs were incurred prior to September 30, 2015. Liquidity risk is expected to improve with ongoing production at the Red Chris and Mount Polley mines. Liquidity risk is also impacted by credit risk should a counterparty default on its payments to the Company.

The Company had the following contractual obligations with respect to financial instruments as of September 30, 2015:

expressed in thousands of dollars	Within 1 Year	2 to 3 Years	4 to 5 Years	Over 5 Years	Total
Trade and other payables	$70,603	$ -	$ -	$ -	$70,603
Short term debt	15,423	-	-	-	15,423
Non-current debt*	15,300	296,679	552,290	30,000	894,269
	$101,326	$296,679	$552,290	$30,000	$980,295

*amounts shown are gross obligations at maturity date

Currency Risk

Financial instruments that impact the Company's net income and comprehensive income due to currency fluctuations include US dollar denominated cash, accounts receivable, derivative instrument assets and margin deposits, reclamation deposits, trade and other payables, derivative instrument liabilities, and debt. If the US Dollar had been 10% higher/lower and all other variables were held constant, net income and comprehensive income for the nine months ended September 30, 2015 would have been lower/higher by $40.2 million.

Cash Flow

The Company recorded net loss of $61.1 million in the September 2015 period compared to net loss of $28.2 million in the September 2014 period. Cash flow was $12.0 million in the September 2015 period compared to a negative cash flow of $17.3 million in the September 2014 period.

Cash flow is a measure used by the Company to evaluate its performance, however, it is not a term recognized under IFRS and may not be comparable to similar measures used by other companies. 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.

Working Capital

At September 30, 2015, the Company had a working capital deficiency, defined as current assets less current liabilities of $33.8 million, $21.7 million lower than the working capital deficiency of $55.5 million at December 31, 2014.

Acquisition and Development of Mineral Properties

Acquisition and development of mineral properties totaled $117.9 million in the September 2015 period compared to $331.7 million in the September 2014 period. Acquisition and development expenditures in 2015 were financed by cash flow from operations, from non-current debt and debt and equity financings.

expressed in thousands of dollars	Nine Months Ended September 30	
	2015	2014
Capital and Development Expenditures		
Mount Polley	$27,533	$42,948
Red Chris (including capitalized interest of $24,441 (2014-$26,542)) and net of preproduction revenues of $54,252 (2014-nil)	89,525	283,562
Sterling	29	78
Other	5	5
	117,092	326,593
Exploration Expenditures		
Mount Polley	77	3,951
Red Chris	20	184
Sterling, net of preproduction revenues in 2014	85	145
Other	635	857
	817	5,137
	$117,909	$331,730

The reduction in expenditures was primarily due to the Red Chris mine being in the commissioning stage followed by the production stage in the September 2015 period compared to the construction stage in the September 2014 period. Expenditures at Red Chris in the September 2015 period were comprised of $34.0 million for capital items, $24.4 million of capitalized interest, $81.8 million for preproduction operating expenses, and a recovery of $50.7 million for preproduction revenue. Mount Polley expenditures were primarily related to the tailings dam, including buttressing.

DEBT AND OTHER OBLIGATIONS

Interest Rate Risk

The Company is exposed to interest rate risk on its outstanding borrowings. At September 30, 2015 and September 30, 2014 the majority of the Company's outstanding borrowings were at fixed interest rates however at September 30, 2015 $209.4 million of debt was at floating interest rates compared to $172.0 million at September 30, 2014. The Company monitors its exposure to interest rates and is comfortable with its current exposure. The Company has not entered into any derivative contracts to manage this risk.

The Company had the following contractual obligations as of September 30, 2015:

expressed in thousands of dollars	2015	2016	2017	2018	2019	2020 and beyond	Total
Non-current debt (1)	$3,786	$164,372	$60,857	$8,708	$511,546	$145,000	$894,269
Short term debt	15,423	-	-	-	-	-	15,423
Operating leases	178	500	300	83	83	14	1,158
Capital expenditures and other (2)	583	313	363	413	462	513	2,647
Reclamation bonding	1,532	9,065	5,500	4,000	-	3,800	23,897
Mineral properties (3)	45	488	682	981	1,048	-	3,244
	$21,547	$174,738	$67,702	$14,185	$513,139	$149,327	$940,638

(1) Amounts shown are gross obligations at maturity date including the year 2021.
(2) Total is to year 2020 only.
(3) Mineral property commitments are the estimated payments required to keep the Company's claims or option agreements in good standing. Total is to year 2019 only.

Based on current plans and assumptions as at September 2015, the Company expects to have sufficient cash resources to support its normal operating and capital requirements on an ongoing basis.

At September 30, 2015 the Company did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Other Price Risks

The Company is exposed to equity price risk arising from marketable securities. Marketable securities are classified as held for trading because the Company intends to liquidate the marketable securities when market conditions are conducive to a sale of these securities.

Fair Value Estimation

The fair value of financial instruments traded in active markets (such as held for trading securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of derivative instrument assets and liabilities are determined by the counterparties using standard valuation techniques for these derivative instruments.

The carrying value less impairment provision, if necessary, of trade and other receivables and trade and other payables, are assumed to approximate their fair values. Management believes that the carrying value of non-current debt approximates fair value. Interest rates and credit spreads have not changed significantly since the non-current debt was issued and therefore the carrying value is not materially different from fair value.

IFRS 7 - *Financial Statements–Disclosures* was amended to require disclosures about the inputs to fair value measurement, including their classifications within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – inputs that are not based on observable market data.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at September 30, 2015 as follows:

expressed in thousands of dollars	Level 1	Level 2	Total
Financial Assets			
Cash	$7,920	$ -	$7,920
Marketable securities	99	-	99
Provisionally priced accounts receivables	-	2,808	2,808
Derivative instruments assets	-	29,627	29,627
Future site reclamation deposits	4,663	-	4,663
	12,682	32,435	45,117
Financial Liabilities			
Provisionally priced accounts receivables repayable	-	(146)	(146)
	$12,682	$32,289	$44,971

SELECT QUARTER FINANCIAL INFORMATION

Unaudited - expressed in thousands of dollars, except per share amounts, copper and gold quantities, prices and exchange rates

	Three Months Ended			
	September 30 2015	June 30 2015	March 31 2015	December 31 2014
Total sales including 50% equity share of Huckleberry				
Copper 000's lbs sold	*22,866*	*8,296*	*2,881*	*5,615*
Gold ounces sold	*8,714*	*1,644*	*1,175*	*2,530*
Silver ounces sold	*58,623*	*37,369*	*13,150*	*24,611*
Total sales excluding Huckleberry				
Copper 000's lbs sold	*17,088*	-	-	*1,057*
Gold ounces sold	*8,328*	*1,100*	*954*	*2,187*
Silver ounces sold	*30,793*	-	-	*4,043*
Total revenues	$55,928	$1,726	$1,533	$5,841
Equity (loss) income in Huckleberry	$(800)	$626	$(593)	$(1,295)
Net (loss) income	$(29,344)	$1,644	$(33,384)	$(9,134)
Basic (loss) income per share (1)	$(0.37)	$0.02	$(0.45)	$(0.12)
Diluted (loss) income per share (1)	$(0.37)	$0.02	$(0.45)	$(0.12)
Adjusted (loss) net income (2)	$(9,379)	$(9,371)	$(8,012)	$(8,681)
Adjusted (loss) net income per share(1) (2)	$(0.12)	$(0.12)	$(0.11)	$(0.12)
Adjusted EBITDA (2)	$13,781	$(7,840)	$(6,145)	$(4,686)
Cash flow (2)	$15,784	$2,270	$(6,061)	$10,536
Cash flow per share (1) (2)	$0.20	$0.03	$(0.08)	$0.14
Average LME copper price/lb in US$	$2.38	$2.74	$2.64	$3.000
Average LME gold price/troy oz in US$	$1,124	$1,193	$1,219	$1,201
Average CDN/US$ exchange rate	$1.309	$1.229	$1.241	$1.136
Period end CDN/US$ exchange rate	$1.339	$1.247	$1.268	$1.160

	Three Months Ended			
	September 30 2014	June 30 2014	March 31 2014	December 31 2013
Total sales including 50% equity share of Huckleberry				
Copper 000's lbs sold	*11,024*	*13,857*	*15,556*	*16,169*
Gold ounces sold	*7,479*	*12,045*	*13,889*	*13,790*
Silver ounces sold	*42,501*	*42,725*	*56,419*	*69,957*
Total sales excluding Huckleberry				
Copper 000's lbs sold	*5,006*	*10,665*	*10,735*	*9,696*
Gold ounces sold	*6,957*	*11,569*	*13,594*	*13,408*
Silver ounces sold	*17,205*	*30,972*	*32,479*	*34,568*
Total revenues	$22,667	$51,066	$51,335	$43,954
Equity income (Loss) in Huckleberry	$1,851	$1,390	$(1,308)	$4,465
Net income	$(49,221)	$15,213	$5,857	$8,071
Basic income per share (1)	$(0.66)	$0.20	$0.08	$0.11
Diluted income per share (1)	$(0.66)	$0.20	$0.08	$0.11
Adjusted net income (2)	$3,729	$8,899	$6,899	$7,225
Adjusted net income per share(1) (2)	$0.05	$0.12	$0.09	$0.10
Adjusted EBITDA (2)	$9,869	$23,567	$19,684	$21,469
Cash flow (2)	$(59,129)	$21,494	$20,317	$17,087
Cash flow per share (1) (2)	$(0.79)	$0.29	$0.27	$0.23
Average LME copper price/lb in US$	$3.170	$3.080	$3.190	$3.240
Average LME gold price/troy oz in US$	$1,282	$1,289	$1,294	$1,291
Average CDN/US$ exchange rate	$1.089	$1.091	$1.103	$1.049
Period end CDN/US$ exchange rate	$1.121	$1.068	$1.105	$1.064

(1) The sum of the quarterly net income per share, adjusted net income per share and cash flow per share may not equal the annual total due to timing of share issuances during the year.
(2) Refer to tables under heading Non-IFRS Financial Measures for details of the calculation of these amounts.

The financial information for each of the most recently completed eight quarters has been prepared in accordance with International Financial Reporting Standards other than in respect of the non-IFRS financial measures described in more detail under the heading "Non-IFRS Financial Measures".

Variations in the quarterly results from quarter to quarter are impacted by three primary factors:

(a) Fluctuations in revenue are due to the timing of shipping schedules and quantities of copper and gold sold on each ship, production volumes at the mines including reductions due to suspension of mine operations, changes in the price of copper, gold and the CDN/US Dollar exchange rate.
(b) Fluctuations in net income or loss are due to the revenue changes described above and realized and unrealized gains/losses on derivative instruments based on movements in the reference item hedged, changes in foreign exchange rates on US Dollar denominated debt, changes in production cost inputs and changes in tax rates.
(c) Rehabilitation costs and related insurance recoveries related to the August 4, 2014 Mount Polley tailings dam breach. While the primary impact of this item was in the September 2014 quarter, the recording of insurance recoveries and any revisions to the rehabilitation provision impacts periods subsequent to September 30, 2014 as insurance proceeds are recorded in the period they are received.

In addition to the variations in quarterly results caused by the primary factors discussed above the following periods had non-recurring transactions that further impacted net income:

(a) The lower net income in the March 2014 quarter was primarily due to the temporary suspension of the Huckleberry mill.
(a) The higher net income in the June 2014 quarter was primarily due to the foreign exchange gains on revaluation of the Company's US Dollar denominated debt.
(b) The large net loss in the September 2014 quarter was primarily due to the provision for rehabilitation costs for the Mount Polley tailings dam breach.

(c) The net loss in the December 2014 quarter was primarily due to the sharply reduced revenues resulting from the suspension of operations at Mount Polley in August 2014, due to higher foreign exchange losses on revaluation of the Company's US Dollar denominated debt, and partially offset by insurance recoveries of $14.0 million.
(d) The higher net loss in the March 2015 quarter was the result of no production or sales from Mount Polley and large foreign exchange losses on revaluation of the Company's US Dollar denominated debt.
(e) The net income in the June 2015 quarter is largely the result of $11.0 million in insurance recoveries.
(f) The large net loss in the September 2015 quarter was primarily due to large foreign exchange losses on revaluation of the Company's US Dollar denominated debt, partially offset by earnings from the Red Chris mine as it commenced commercial production on July 1, 2015.

RELATED PARTY TRANSACTIONS

Corporate

The Company incurred the transactions and balances noted below in the normal course of operations. Expenses have been measured at the fair value which is determined on a cost recovery basis.

Related party transactions and balances with N. Murray Edwards, a significant shareholder, and Edco Capital Corporation ("Edco), a company controlled by N. Murray Edwards, companies in which directors are owners, and with directors and officers are as follows:

Statement of Income

expressed in thousands of dollars

		Three Months Ended September 30		Nine Months Ended September 30	
		2015	2014	2015	2014
Loan guarantee fee for guarantee of Second Lien Credit Facility	(a)	$250	$ -	$711	$ -
Loan guarantee fee for guarantee of portion of bank loan facility	(b)	$ -	$ -	$ -	$91
Loan commitment fee	(c)	$ -	$ -	$300	$ -
Financing fees – cash	(d)	$ -	$ -	$ -	$1,000
Financing fees – warrants	(d)	$ -	$ -	$ -	$870
Fees to backstop financings – cash	(e)	$556	$ -	$556	$ -
Interest	(i)	$4,329	$2,002	$10,856	$6,180
Cost of sales	(h)	$ -	$ -	$ -	$32

Statement of Financial Position

expressed in thousands of dollars

		September 30 2015	December 31 2014
Accrued interest on Senior Unsecured Notes and Convertible Debentures	(i)	$923	$2,051
Trade and other payables (receivable)	(h)	$(4)	$(4)
Junior Credit Facility	(d)	$75,000	$30,000
Convertible Debentures	(g)(j)	$57,600	$40,000
Senior Unsecured Notes (US$53,300)	(f)	$71,390	$61,833

(a) The loan guarantee fees in the 2015 period are related to the guarantee by Edco of the Second Lien Credit Facility which provided additional liquidity for the commissioning of the Red Chris mine.

(b) The loan guarantee fees for a portion of bank loan facility in the 2014 period are related to the guarantee by N. Murray Edwards of $75.0 million of the Company's credit facility with its bank. This credit facility was utilized for general working capital purposes.

(c) The loan commitment fee in the 2015 period was paid to Edco and relates to the $30.0 million line of credit facility entered into in May 2015. The Line of Credit was repaid from the proceeds of the Financings.

(d) The $1.0 million cash financing fees in the nine months ended September 30, 2014 are for a line of credit facility and the Junior Credit Facility. $0.3 million are related to a line of credit facility from Edco utilized to fund development of the Red Chris mine. This facility was repaid in March 2014 upon completion of the long term financing arrangements for the Red Chris mine. The balance of the 2014 period cash financing fees are related to the $75.0 million Junior

Credit Facility from Edco. This facility is available to fund any cost overruns at the Red Chris mine and for general working capital purposes. The financing fees paid by issuance of warrants also relate to the Junior Credit Facility.

(e) In the 2015 period the fees paid to backstop financings totaled $0.6 million for guarantees provided by N. Murray Edwards to purchase 66.67% of all the common shares that remain unsubscribed for by right-holders in the Rights Offering, purchase 66.67% of the Common Share Private Placement, and to purchase 66.67% of all the convertible debentures which remain unpurchased under the Convertible Debenture Private Placement. In exchange for backstopping these financings, the Company agreed to pay N. Murray Edwards a fee of 3% of the gross proceeds of the Financings, excluding proceeds from (i) the exercise of Rights issued in respect of common shares owned or over which N. Murray Edwards and Fairholme Partnership L.P. and their affiliates have control and (ii) the sale of common shares and convertible debentures that N. Murray Edwards and Fairholme Partnership L.P. and their affiliates have committed to purchase pursuant to the Common Share Private Placement and the Convertible Debenture Private Placement.

(f) Edco, directors and officers purchased US$53.3 million of the US$325.0 million Senior Unsecured Note offering which closed in March 2014 and provided part of the long term financing for the Red Chris mine.

(g) Edco purchased $40.0 million of the $115.0 million convertible debentures in September 2014 which provided funding for completing and commissioning the Red Chris mine, remediating the effects of the tailings dam breach at the Mount Polley mine, and for ongoing operations.

(h) Trade and other payables (receivable) relate to mine operating services supplied in the normal course by a company in which Mr. Yurkowski, a director, is an owner.

(i) Interest expense in the 2015 period is related to the Senior Unsecured Notes, the Junior Credit Facility, the Convertible Debentures and the May 2015 line of credit facility. Interest expense in the 2014 period is related to the $250.0 million line of credit facility repaid in March 2014 from the long term financing arrangements for the Red Chris mine and the Senior Unsecured Notes.

(j) N. Murray Edwards purchased 416,673 common shares for gross proceeds of $3.5 million in the Common Share Private Placement which closed on August 11, 2015. N. Murray Edwards, directors and officers purchased 2,194,565 common shares for gross proceeds of $17.6 million in the Rights Offering which closed on August 20, 2015. N. Murray Edwards and directors purchased $17.6 million of the $30.0 million Convertible Debenture Private Placement which closed on August 24, 2015.

OTHER

As of November 12, 2015 the Company had 81,761,028 common shares outstanding, and on a diluted basis 96,864,229 common shares outstanding. Additional information about the Company, including the Company's Annual Information Form, is available on SEDAR at *www.sedar.com.*

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this MD&A, management evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws.

Based on that evaluation, management has concluded that, as of the end of the period covered by this MD&A, the disclosure controls were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Internal Controls and Procedures

The Company's management evaluated the design and operational effectiveness of its internal control over financial reporting as defined under National Instrument 52-109.

The evaluation of effectiveness of internal controls over financial reporting was completed using the framework and criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organization of the Treadway Commission (1992). Based on this evaluation management has concluded that as of September 30, 2015 the Company's internal control over financial reporting was effective.

There has been no change in the Company's design of these internal controls and procedures over financial reporting that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting during the period covered by this MD&A.

Contingent Liabilities

The Company is from time to time involved in various claims and legal proceedings arising in the conduct of its business. In the opinion of management, none of these matters will have a material effect on the Company's condensed consolidated interim financial position or financial performance. At September 30, 2015 the Company has recorded a provision of $5.0 million for future rehabilitation costs related to the Mount Polley mine tailings dam breach.

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 Company has engaged independent legal counsel to advise it on this matter. At this time the Company cannot predict the outcome of the Claim or determine the amount of any potential losses and accordingly, no provision has been made as of September 30, 2015. However, the Company is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

Risk Factors

The Company's business involves a high degree of risk. You should carefully consider the risks described in the Company's MD&A in the audited Consolidated Financial Statements for the year ended December 31, 2014. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition, results of operations and cash flow would suffer. The risks also include forward-looking information, and our actual results may differ substantially from those discussed in these forward-looking information. Refer to *Forward-Looking Information and Risks Notice*.

OUTLOOK

This section contains forward-looking information. Refer to *Forward-Looking Information and Risks Notice*.

Operations, Earnings and Cash Flow

The base and precious metals production allocable to Imperial in 2015 from the Huckleberry mine is estimated to be 22.0 million pounds of copper.

Derivative instruments for the period October to December 2015 protect the pricing on 24,300 ounces of gold and about 33% of the foreign exchange movement on the Company's US$325.0 million Notes. However, the quarterly revenues will fluctuate depending on copper and gold prices, the CDN/US Dollar exchange rate, and the timing of concentrate sales which is dependent on concentrate production and the availability and scheduling of transportation.

Exploration

Exploration in 2015 continues to be limited in scope.

Development

Operations at Red Chris will focus on maximizing throughput and metallurgical performance of the processing plant. Operating time averaged 90.15% for the quarter, 97.98% of the targeted operating time of 92%. Additional launders have recently been installed in the roughing circuit to increase the mass pull and recovery.

Mining operations at Red Chris are being ramped up with equipment from Mount Polley to support an increase in the daily mining rate to 100,000 tonnes per day in early 2016.

During the 2015 third quarter, based on the Red Chris operating statistics summarized above, Red Chris met its completion criteria as required in the senior credit facility. As such, a notice to this effect has been submitted to our lending syndicate for approval.

Construction work at the Red Chris tailings storage facility was completed for the 2015 season in early October. During the 2016 construction season, work will include an addition on the North dam and the construction of a new dam at the south end of the facility. Permitting of the construction of the South dam is underway, and the permitting is targeted to be complete in time for the 2016 construction season which begins April 2016.

Mount Polley restarted operations on August 5, 2015 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. The plant has been working a one week on one week off schedule however, beginning late in the fourth quarter the mine will shift to continuous operations during the winter months. This will fill the Springer pit sooner but with impending winter freezing temperatures it is prudent to operate the mill continuously.

Mount Polley production has been close to target, and the fourth quarter production is expected to be approximately 11,000 tonnes concentrate containing 5.8 million pounds copper and 11,000 ounces gold.

Applications will be made to allow for the use of the repaired and buttressed tailings facility at Mount Polley.

The Huckleberry plant is operating well, and copper production of 11.5 million pounds in the September 2015 quarter was up 9% from the comparable 2014 quarter. Huckleberry is on target to meet its expected 2015 copper production of 44 million pounds. Work on an optimized mine plan, given the drop in copper prices, is in progress and is expected to be completed by the end of the year. Cost control initiatives have been undertaken at Huckleberry to reduce costs, and have included a reduction in the workforce.

We continue to minimize expenditures on all other projects, and implement cost control initiatives on the operations. Environmental and permitting work continues at Ruddock Creek and Sterling, but on all other projects only minimum work is being undertaken to maintain claims in good standing.

Acquisitions

Management continues to evaluate potential acquisitions and exploration opportunities both on currently owned properties and new prospects.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited – Prepared by Management
expressed in thousands of Canadian dollars

	Notes	September 30 2015	December 31 2014
ASSETS			
Current Assets			
Cash		$7,920	$19,913
Marketable securities		99	321
Trade and other receivables	3	10,308	16,244
Inventory	4	52,378	21,402
Derivative instrument assets	11	3,368	3,691
Prepaid expenses and deposits		2,109	1,936
		76,182	63,507
Derivative Instrument Assets	11	26,259	3,894
Investment in Huckleberry Mines Ltd.	5	92,003	92,770
Mineral Properties	6	1,275,835	1,171,400
Other Assets	7	6,709	6,786
		$1,476,988	$1,338,357
LIABILITIES			
Current Liabilities			
Trade and other payables	8	$70,603	$77,651
Taxes payable		3,351	3,275
Short term debt	9	15,423	-
Provision for rehabilitation costs	16	4,997	23,686
Current portion of non-current debt	10	15,300	12,590
Current portion of future site reclamation provisions		274	1,775
		109,948	118,977
Provision for Rehabilitation Costs	16	-	2,275
Non-Current Debt	10	839,146	694,257
Future Site Reclamation Provisions		29,995	24,138
Deferred Income Taxes		87,061	90,716
		1,066,150	930,363
EQUITY			
Share Capital	12	178,538	123,859
Share Option Reserve	12	14,777	14,468
Warrant Reserve	12	870	870
Equity Component of Convertible Debentures	10	25,534	20,906
Currency Translation Adjustment		8,187	3,875
Retained Earnings		182,932	244,016
		410,838	407,994
		$1,476,988	$1,338,357
Commitments and Pledges	4, 6, 24		
Contingent Liabilities	25		

See accompanying notes to these condensed consolidated interim financial statements.

Approved by the Board and authorized for issue on November 12, 2015

"Larry G. Moeller" *"J. Brian Kynoch"*

Larry G. Moeller
Director

J. Brian Kynoch
Director

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

For the Three and Nine Months Ended September 30, 2015 and 2014

Unaudited – Prepared by Management

expressed in thousands of Canadian dollars, except share and per share amounts

		Third Quarter		Year to Date	
		Three Months Ended September 30		Nine Months Ended September 30	
	Notes	2015	2014	2015	2014
Revenue		$55,928	$22,667	$59,187	$125,068
Cost of Sales	13	(48,350)	(15,214)	(56,303)	(84,272)
Income from Mine Operations		7,578	7,453	2,884	40,796
General and Administration	14	(1,462)	(1,002)	(5,482)	(5,608)
Finance Costs	15	(34,378)	(9,954)	(60,202)	(6,012)
Idle Mine Costs		(5,050)	(1,812)	(16,120)	(1,812)
Rehabilitation Costs		-	(67,435)	-	(67,435)
Insurance Recoveries		-	-	11,000	-
Other (Expense) Income		-	(682)	289	(558)
Equity (Loss) Income in Huckleberry	5	(800)	1,851	(767)	1,933
Loss before Taxes		(34,112)	(71,581)	(68,398)	(38,696)
Income and Mining Tax Recovery	17	4,768	22,360	7,314	10,545
Net Loss		(29,344)	(49,221)	(61,084)	(28,151)
Other Comprehensive Income					
Items that may be subsequently reclassified to profit or loss					
Currency translation adjustment		2,117	1,475	4,312	1,463
Total Comprehensive Loss		$(27,227)	$(47,746)	$(56,772)	$(26,688)
Loss Per Share					
Basic	18	$(0.37)	$(0.66)	$(0.80)	$(0.38)
Diluted	18	$(0.37)	$(0.66)	$(0.80)	$(0.38)
Weighted Average Number of Common Shares Outstanding					
Basic	18	78,263,515	74,960,808	76,079,477	74,915,778
Diluted	18	78,263,515	74,960,808	76,079,477	74,915,778

See accompanying notes to these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Nine Months Ended September 30, 2015 and 2014

Unaudited – Prepared by Management

expressed in thousands of Canadian dollars, except share and per share amounts

	Share Capital		Share		Equity	Currency		
	Number of Shares	Amount	Option Reserve	Warrant Reserve	Component of Convertible Debentures	Translation Adjustment	Retained Earnings	Total
Balance December 31, 2013	74,676,018	$120,408	$15,119	$ -	$ -	$1,336	$281,301	$418,164
Issued on exercise of options	291,750	3,442	(1,392)	-	-	-	-	2,050
Warrants issued	-	-	-	870	-	-	-	870
Convertible debentures issued	-	-	-	-	20,906	-	-	20,906
Share based compensation expense	-	-	620	-	-	-	-	620
Total comprehensive income (loss)	-	-	-	-	-	1,463	(28,151)	(26,688)
Balance September 30, 2014	74,967,768	$123,850	$14,347	$870	$20,906	$2,799	$253,150	$415,922
Balance December 31, 2014	74,968,768	$123,859	$14,468	$870	$20,906	$3,875	$244,016	$407,994
Issued on exercise of options	1,500	16	(7)	-	-	-	-	9
Issue of shares for payment of interest on convertible debentures (Note 19b(ii))	555,677	5,690	-	-	-	-	-	5,690
Convertible debentures issued	-	-	-	-	4,628	-	-	4,628
Private placement	714,286	5,898	-	-	-	-	-	5,898
Rights offering	5,500,797	43,075	-	-	-	-	-	43,075
Share based compensation expense	-	-	316	-	-	-	-	316
Total comprehensive income (loss)	-	-	-	-	-	4,312	(61,084)	(56,772)
Balance September 30, 2015	81,741,028	$178,538	$14,777	$870	$25,534	$8,187	$182,932	$410,838

See accompanying notes to these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three and Nine Months Ended September 30, 2015 and 2014

Unaudited – Prepared by Management

expressed in thousands of Canadian dollars, except share and per share amounts

		Third Quarter		Year to Date	
		Three Months Ended September 30		Nine Months Ended September 30	
	Notes	2015	2014	2015	2014
OPERATING ACTIVITIES					
Loss before taxes		$(34,112)	$(71,581)	$(68,398)	$(38,696)
Items not affecting cash flows					
Equity loss (income) in Huckleberry		800	(1,851)	767	(1,933)
Depletion and depreciation		10,474	3,681	13,665	16,304
Share based compensation		103	173	316	620
Accretion of future site reclamation provisions		212	169	632	492
Unrealized foreign exchange losses		34,300	19,193	65,388	5,207
Unrealized gains on derivative instruments		(12,153)	(9,769)	(21,403)	(255)
Interest expense		16,164	-	21,095	-
Other		(4)	856	(69)	943
		15,784	(59,129)	11,993	(17,318)
Net change in non-cash operating working capital balances	19	13,682	62,062	(15,037)	45,241
Income and mining taxes paid		-	(3)	-	(3,475)
Income and mining taxes received		44	884	44	893
Interest paid		(21,294)	(15,387)	(43,266)	(21,942)
Cash provided by (used in) operating activities		8,216	(11,573)	(46,266)	3,399
FINANCING ACTIVITIES					
Proceeds of short term debt		58,226	-	133,867	174,576
Repayment of short term debt		(73,242)	-	(119,076)	(307,256)
Proceeds of non-current debt		54,577	168,575	145,385	792,837
Repayment of non-current debt		(48,805)	(42,875)	(60,075)	(336,173)
Issue of share capital, net of issue costs		48,974	164	48,983	2,050
Other		-	3,769	-	2,900
Cash provided by financing activities		39,730	129,633	149,084	328,934
INVESTING ACTIVITIES					
Acquisition and development of mineral properties		(24,289)	(81,934)	(93,468)	(305,188)
Net change in non-cash investing working capital balances		(33,632)	(24,940)	(21,890)	(11,364)
Proceeds on sale of mineral properties		-	14	83	107
Increase in future site reclamation deposits		-	-	-	(3)
Other		(3)	(224)	(15)	(1,055)
Cash used in investing activities		(57,924)	(107,084)	(115,290)	(317,503)
EFFECT OF FOREIGN EXCHANGE ON CASH		380	165	479	183
(DECREASE) INCREASE IN CASH		(9,598)	11,141	(11,993)	15,013
CASH, BEGINNING OF PERIOD		17,518	6,967	19,913	3,095
CASH, END OF PERIOD		$7,920	$18,108	$7,920	$18,108

See accompanying notes to these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Months Ended September 30, 2015 and 2014
Unaudited – Prepared by Management
expressed in thousands of Canadian dollars, except share and per share amounts

1. NATURE OF OPERATIONS

Imperial Metals Corporation ("Imperial" and/or the "Company") is incorporated under the laws of the Province of British Columbia, Canada, and its principal business activity is the exploration, development and production of base and precious metals from its mineral properties. The head office, principal address and registered and records office of the Company are located at 200–580 Hornby Street, Vancouver, BC, Canada V6C 3B6. The Company's shares are listed on the Toronto Stock Exchange ("TSX") under the symbol III.

The Company's key properties are:

- Red Chris copper/gold mine in northwest British Columbia;
- Mount Polley copper/gold mine in central British Columbia;
- Huckleberry copper mine in northern British Columbia;
- Sterling gold mine in southwest Nevada.

These unaudited condensed consolidated 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 Company has in place a planning, budgeting and forecasting process to determine the funds required to support the Company's operations and expansionary plans.

At September 30, 2015, the Company had cash of $7,920 and a working capital deficiency of $33,766. The projected cash flow from the Red Chris and Mount Polley mines, as well as the available credit facilities and additional sources of financing, are expected to be sufficient to fund the working capital deficiency and the remaining estimated rehabilitation cost of the tailings dam breach at the Mount Polley mine. However, there are inherent risks related to the operations of the Company's mines and uncertainties related to the scope, timing and cost of the rehabilitation at the Mount Polley mine which could require additional sources of financing.

There can be no assurance that adequate additional financing will be available on terms acceptable to the Company or at all which could have a material adverse impact on the Company's financial condition and results of operations and its ability to continue to operate as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2014, with the exception of the impact of certain amendments to accounting standards or new interpretations issued by the International Accounting Standards Board which are applicable from January 1, 2015.

These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2014 prepared in accordance with IFRS.

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. The significant accounting judgments and estimates applied in the preparation of the Company's unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in Note 2 to the Company's audited consolidated financial statements for the year ended December 31, 2014.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Three and Nine Months Ended September 30, 2015 and 2014
Unaudited – Prepared by Management
expressed in thousands of Canadian dollars, except share and per share amounts

Changes in Accounting Standards

The Company has not applied the following new standards and amendments to standards that have been issued but are not yet effective:

IFRS 15 - *Revenue from Contracts with Customers* (effective January 1, 2018) - This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers.

IFRS 9 - *Financial Instruments* (effective January 1, 2018) - This standard introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and hedge accounting.

Management is currently assessing the impact of the new standards.

3. TRADE AND OTHER RECEIVABLES

	September 30 2015	December 31 2014
Trade receivables	$6,050	$15,657
Taxes receivable	4,258	587
	$10,308	$16,244

4. INVENTORY

	September 30 2015	December 31 2014
Stockpile ore	$4,090	$3,873
Stockpiles and ore under leach	1,263	3,854
Dore	12	1,303
Concentrate	24,696	-
Supplies	22,317	12,372
	$52,378	$21,402

	Three Months Ended		Nine Months Ended	
	September 30 2015	September 30 2014	September 30 2015	September 30 2014
Inventory recognized as expense during the period	$35,964	$11,419	$43,639	$61,387
Impairment charges on stock pile, ore under leach and concentrate inventory included in expense during the period	$4,429	$1,603	$9,103	$3,520

As at September 30, 2015 the Company had $52,378 (December 31, 2014-$21,402) inventory pledged as security for debt.

expressed in thousands of Canadian dollars, except share and per share amounts

5. INVESTMENT IN HUCKLEBERRY MINES LTD.

The Company has a 50% interest in Huckleberry Mines Ltd. ("Huckleberry") and has determined the joint arrangement qualifies as a joint venture which is accounted for using the equity method. The Huckleberry open pit copper/molybdenum mine is located 88 kilometres south-southwest of Houston in west central British Columbia. The Huckleberry property consists of two mining leases covering 2,422 hectares and 39 mineral claims encompassing approximately 17,358 hectares. Huckleberry sells copper concentrate to smelters owned by the Company's joint venture partners.

	Nine Months Ended September 30 2015	Year Ended December 31 2014
Balance, beginning of period	$92,770	$92,132
Equity (loss) income for the period	(767)	638
Balance, end of period	$92,003	$92,770

Summarized financial information for Huckleberry is as follows [(1)]:

Statement of Financial Position *stated 100% - Imperial's equity share is 50%*	September 30 2015	December 31 2014
ASSETS		
Current Assets		
Cash	$24,748	$23,910
Other current assets	15,065	31,640
	39,813	55,550
Mineral Properties	185,702	179,441
Other Non-Current Assets	26,793	24,313
	$252,308	$259,304
LIABILITIES		
Current Liabilities		
Trade and other payables	$13,256	$12,330
Other current liabilities	442	6,176
	13,698	18,506
Future Site Reclamation Provisions	45,568	45,394
Other Non-Current Liabilities	9,037	9,863
	68,303	73,763
EQUITY		
Share Capital	57,596	57,596
Retained Earnings	126,409	127,945
	184,005	185,541
	$252,308	$259,304

[(1)] The Company's equity share of earnings of Huckleberry includes certain adjustments to ensure consistency of accounting policies with those of the Company. These adjustments are reflected in the above figures.

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Statement of (Loss) Income and Comprehensive (Loss) Income

stated 100% - Imperial's equity share is 50%

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Revenue	$27,126	$37,210	$89,768	$84,611
Cost of Sales	(31,393)	(31,387)	(94,283)	(75,815)
(Loss) Income from Mine Operations	(4,267)	5,823	(4,515)	8,796
General and Administration	746	595	1,879	618
Finance Costs	(291)	(449)	(578)	(785)
Idle Mine Costs	-	-	-	(3,327)
(Loss) Income before Taxes	(3,812)	5,969	(3,214)	5,302
Income and Mining Tax Recovery (Expense)	2,212	(2,269)	1,680	(1,437)
Net (Loss) Income and Comprehensive (Loss) Income	$(1,600)	$3,700	$(1,534)	$3,865

Statement of Cash Flows

stated 100% - Imperial's equity share is 50%

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
OPERATING ACTIVITIES				
Net (loss) income before taxes	$(3,812)	$5,969	$(3,214)	$5,302
Items not affecting cash flows				
Depletion and depreciation	5,620	7,328	16,290	16,308
Unrealized foreign exchange loss	290	269	409	267
Unrealized losses on derivative instruments	-	-	-	43
Other	344	335	1,063	749
	2,442	13,901	14,548	22,669
Net change in non-cash operating working capital balances	17,916	1,990	14,025	5,319
Income and mining taxes received (paid)	1,309	(150)	(2,097)	(650)
Cash provided by operating activities	21,667	15,741	26,476	27,338
INVESTING ACTIVITIES				
Acquisition and development of mineral properties	(7,680)	(9,721)	(22,747)	(26,764)
Short term investments redeemed	-	15,000	-	15,000
Other	(361)	(1,597)	(2,482)	(5,011)
Cash (used in) provided by investing activities	(8,041)	3,682	(25,229)	(16,775)
EFFECT OF FOREIGN EXCHANGE ON CASH	(290)	(269)	(409)	(267)
INCREASE IN CASH	13,336	19,154	838	10,296
CASH, BEGINNING OF PERIOD	11,412	22,725	23,910	31,583
CASH, END OF PERIOD	$24,748	$41,879	$24,748	$41,879

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(a) Mineral Properties

	Cost	Accumulated Depletion, Depreciation & Impairment Losses	Net Carrying Amount
Balance December 31, 2013	$493,158	$329,672	$163,486
Additions	37,977	-	37,977
Depletion & Depreciation	-	20,759	(20,759)
Disposals & Impairments	(2,341)	(1,078)	(1,263)
Balance December 31, 2014	528,794	349,353	179,441
Additions	24,267	-	24,267
Depletion & Depreciation	-	17,806	(17,806)
Disposals & Impairments	(803)	(603)	(200)
Balance September 30, 2015	$552,258	$366,556	$185,702

Refer to notes 5(c) and (f) for pledged assets and contractual commitments.

(b) Derivative Instruments

Huckleberry had no derivative instruments outstanding at September 30, 2015.

(c) Pledged Assets

At September 30, 2015, Huckleberry had pledged cash deposits of $14,165 (December 31, 2014-$14,165) and certain mining equipment with a net book value of $15,399 (December 31, 2014-$16,000) as security for future site reclamation obligations.

(d) Future Site Reclamation Provisions

Changes to the future site reclamation provisions are as follows:

	Nine Months Ended September 30 2015	Year Ended December 31 2014
Balance, beginning of period	$45,716	$39,022
Accretion	1,113	1,639
Costs incurred during the period	(51)	(488)
Change in estimates of future costs and discount rate	(850)	5,543
Balance, end of period	45,928	45,716
Less portion due within one year	(360)	(322)
	$45,568	$45,394

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(e) Reclamation Bonding Obligations

As at September 30, 2015 Huckleberry is obligated to increase its reclamation bond funding as follows:

2015	$3,000
2016	7,000
2017	20,000
2018	16,000
	$46,000

(f) Commitments

As at September 30, 2015, Huckleberry is committed to future minimum lease payments as follows:

	Operating Leases	Capital Leases
2015	$26	$65
2016	88	262
2017	17	262
2018	10	65
2019	2	-
	$143	$654

As at September 30, 2015, Huckleberry had contractual commitments to purchase plant and equipment at a cost of $898.

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6. MINERAL PROPERTIES

Cost	Mineral Properties being depleted	Mineral Properties not being depleted: Projects not in Production	Mineral Properties not being depleted: Exploration & Evaluation Assets	Plant and Equipment	Construction in Progress	Total
Balance as at December 31, 2013	$205,598	$140,204	$19,124	$276,900	$408,952	$1,050,778
Additions	30,244	53,091	2,247	21,195	310,322	417,099
Reclassifications	246	(246)	-	-	-	-
Disposals	-	-	-	(1,357)	(52,000)	(53,357)
Foreign exchange movement	606	2,636	-	(124)	-	3,118
Balance as at December 31, 2014	236,694	195,685	21,371	296,614	667,274	1,417,638
Additions	81	3,351	593	56,632	60,854	121,511
Reclassifications	141,107	(131,573)	-	718,594	(728,128)	-
Disposals	-	-	-	(37)	-	(37)
Foreign exchange movement	1,282	4,929	-	(217)	-	5,994
Balance as at September 30, 2015	$379,164	$72,392	$21,964	$1,071,586	$ -	$1,545,106

Accumulated depletion & depreciation & impairment losses	Mineral Properties being depleted	Mineral Properties not being depleted: Projects not in Production	Mineral Properties not being depleted: Exploration & Evaluation Assets	Plant and Equipment	Construction in Progress	Total
Balance as at December 31, 2013	$94,787	$ -	$1,645	$129,523	$ -	$225,955
Depletion & depreciation	5,707	-	-	14,064	-	19,771
Disposals	-	-	-	(652)	-	(652)
Foreign exchange movement	906	-	-	258	-	1,164
Balance as at December 31, 2014	101,400	-	1,645	143,193	-	246,238
Depletion & depreciation	3,655	-	45	17,211	-	20,911
Disposals	-	-	-	(37)	-	(37)
Foreign exchange movement	1,626	-	-	533	-	2,159
Balance as at September 30, 2015	$106,681	$ -	$1,690	$160,900	$ -	$269,271
Carrying Amount						
Balance as at December 31, 2013	$110,811	$140,204	$17,479	$147,377	$408,952	$824,823
Balance as at December 31, 2014	$135,294	$195,685	$19,726	$153,421	$667,274	$1,171,400
Balance as at September 30, 2015	$272,483	$72,392	$20,274	$910,686	$ -	$1,275,835

At September 30, 2015 the Company had contractual commitments totaling $375 (December 31, 2014-$9,480) for the acquisition of property, plant and equipment (Note 24(e)).

At September 30, 2015 mineral property assets with a carrying value of $1,370 (December 31, 2014-$1,370) are legally restricted for the purposes of settling future site reclamation provisions (Note 24(b)).

During the nine months ended September 30, 2015 the Company capitalized borrowing costs of $24,441 (September 30, 2014-$15,413) related to the Red Chris project into construction in progress at a weighted average borrowing rate of 7.28% (September 30, 2014-6.85%). Red Chris achieved commercial production effective July 1, 2015 and therefore no borrowing costs have been capitalized after June 30, 2015.

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7. OTHER ASSETS

	September 30 2015	December 31 2014
Future site reclamation deposits	$4,663	$4,063
Other	2,046	2,723
	$6,709	$6,786

8. TRADE AND OTHER PAYABLES

	September 30 2015	December 31 2014
Trade payables	$43,591	$47,374
Accrued liabilities	27,012	30,277
	$70,603	$77,651

9. SHORT TERM DEBT

Amounts due for short term debt are:	September 30 2015	December 31 2014
Concentrate advances of US$11,515 (December 31, 2014-US$nil) from purchasers of the concentrate at the Red Chris and Mount Polley mines repayable from sale of concentrate with interest rates ranging from three month Libor plus 2.0% to 2.2% secured by a first charge on the concentrate.	$15,423	$ -

The movement of the amounts due for short term debt are:	Nine Months Ended September 30 2015	Year Ended December 31 2014
Balance, beginning of period	$ -	$132,410
Amounts advanced	133,867	174,576
Amounts repaid	(119,076)	(307,256)
Foreign exchange losses	632	270
Balance, end of period	$15,423	$ -

10. NON-CURRENT DEBT

Amounts due for non-current debt are:		September 30 2015	December 31 2014
Senior secured revolving credit facility, net of issue costs	(a)	$148,115	$172,480
Second lien secured revolving credit facility, net of issue costs	(b)	45,887	-
Senior unsecured notes, net of issue costs	(c)	427,304	368,787
Junior credit facility	(d)	75,000	30,000
Convertible debentures - 2014	(e)	90,870	87,679
Convertible debentures - 2015	(f)	23,423	-
Equipment loans	(g)	43,847	47,901
		854,446	706,847
Less portion due within one year		(15,300)	(12,590)
		$839,146	$694,257

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The movement of the amounts due for non-current debt are:	Nine Months Ended September 30 2015	Year Ended December 31 2014
Balance, beginning of period	$706,847	$244,382
Amounts advanced, net of issue costs including warrants (Note 12(c))	139,131	817,915
Foreign exchange losses	63,057	18,809
Accretion of debt issue costs	2,195	3,594
Accretion of interest on convertible debentures	3,291	1,366
Amounts repaid	(60,075)	(379,219)
Balance, end of period	854,446	706,847
Less portion due within one year	(15,300)	(12,590)
	$839,146	$694,257

(a) Senior Credit Facility

Senior secured revolving credit facility from a syndicate of banks aggregating $200,000 (December 31, 2014-$200,000) due on October 1, 2016. The facility is secured by trade and other receivables, inventory, shares of all material subsidiaries and a floating charge on certain assets of the Company. $31,565 of this facility (December 31, 2014-$25,758) has been utilized for letters of credit pledged for settlement of future site reclamation provisions (Note 24(b)). During the 2015 third quarter, Red Chris met its completion criteria as required in the senior credit facility. As such, a notice to this effect has been submitted to the lending syndicate for approval.

(b) Second Lien Credit Facility

Second lien secured revolving credit facility aggregating $50,000 (December 31, 2014-$nil) due on April 1, 2017. The facility is secured by trade and other receivables, inventory, shares of all material subsidiaries and a floating charge on certain assets of the Company, subject to the priority interests held on those assets by the Senior Credit Facility. This facility has been guaranteed by a related party (Note 20).

(c) Senior Unsecured Notes

Senior unsecured notes (the "Notes") due March 15, 2019 aggregating US$325,000 with interest at 7% per annum payable each March 15 and September 15. The Notes, net of transaction costs, are accounted for at amortized cost using the effective interest method.

The Notes are guaranteed by all the material subsidiaries of the Company. The Company may redeem some or all of the Notes at any time on or after March 15, 2017 at redemption prices ranging from 103.5% to 100% plus accrued interest and prior to that date at 100% plus a make-whole premium plus accrued interest. Prior to March 15, 2017 the Company may also redeem up to 35% of the principal amount of the Notes from the net proceeds of certain equity offerings at a redemption price of 107% plus accrued interest.

The indenture governing the Notes places certain transaction-based restrictions on the Company's ability to incur additional indebtedness; prepay, redeem or repurchase certain debt; pay dividends or make other distributions or repurchase or redeem shares; make loans and investments; sell assets; incur liens; enter into transactions with affiliates; consolidate, merge or sell all or substantially all of the Company's assets, in each case subject to certain exceptions.

(d) Junior Credit Facility

The junior credit facility is from a related party. It aggregates $75,000 (December 31, 2014-$75,000) and is unsecured with interest payable quarterly at 10% per annum. The facility is due on March 15, 2019 however the facility must be repaid upon (i) receipt of proceeds from specific sources as described in the agreement, (ii) the debt ratio in the senior credit facility permitting repayment of the debt. In March 2014 the Company issued 750,000 warrants (Notes 12(c) and 20) in connection with this facility.

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(e) Convertible Debentures - 2014

The debentures mature on September 4, 2020 and bear interest at 6% per year with interest payable semi-annually on June 30 and December 31. As a result of the rights offering completed in August 2015 the conversion price was reduced from $12.00 to $11.91 per common share. The face value of the convertible debentures are convertible into common shares of the Company at the option of the holder upon at least 61 days advance notice at any time prior to maturity at a conversion price of $11.91 per common share. 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. At the option of the Company, subject to the separate approval of the TSX and compliance with all applicable securities laws, such interest may be paid through the issuance of additional convertible debentures or common shares of the Company.

(f) Convertible Debentures - 2015

The debentures mature on August 25, 2021 and bear interest at 6% per year with interest payable semi-annually on June 30 and December 31 with the first payment due on June 30, 2016. The face value of the convertible debentures are convertible into common shares of the Company at the option of the holder upon at least 61 days advance notice at any time prior to maturity at a conversion price of $12.00 per common share. 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.

(g) Equipment Loans

Seven finance contracts for US$29,118 (December 31, 2014-US$36,676) and one finance contract for $4,846 (December 31, 2014-$5,353) at interest rates ranging from 2.50% to 3.42% with monthly instalments of US$942 and $100, respectively.

11. DERIVATIVE INSTRUMENTS

Commodity Derivatives

Option contracts outstanding at September 30, 2015 for gold are as follows:

	Weighted Average			
	Minimum Price	Maximum Price	Put Options Purchased	Call Options Sold
Contract Period	*US$/oz*	*US$/oz*	*ounces of gold*	*ounces of gold*
2015	1,187	1,374	24,300	24,300

The put options purchased have a price range of US$1,100 to US$1,250 per ounce and the call options sold have a price range of US$1,300 to US$1,415 per ounce. The Company will receive/pay the counterparties the difference between the monthly average cash settlement price of gold on the London Metals Exchange and the gold price specified in the put/call option contract. At September 30, 2015 the fair value of commodity derivatives was a net asset of $3,368 (December 31, 2014 - $3,691).

Currency Derivatives

On March 12, 2014, concurrent with the issuance of the Notes, the Company entered into US Dollar fixed to CDN Dollar fixed cross currency swaps aggregating US$110,000 in principal amount to lock in the foreign exchange rate on a portion of the US$325,000 Notes and related interest payments (Note 10(c)). These cash flow hedges provide the Company with a fixed US Dollar to CDN Dollar exchange rate and a fixed interest rate on the US$110,000 swapped to $122,232 principal amount of the Notes. The foreign exchange rate on the US$110,000 swapped principal plus related interest payments over the five year term of the Notes is fixed at 1.1112 CDN for each US Dollar. The interest rate on the CDN Dollar obligations is fixed at 7.6% per annum over the term of the Notes.

At September 30, 2015 the fair value of the cross currency swap was an asset of $26,259 (December 31, 2014-$3,894).

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12. SHARE CAPITAL

(a) Share Capital

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

(b) Share Option Plans

Under the Share Option Plans, the Company may grant options to its directors, officers and employees not to exceed 10% of the issued common shares of the Company. At September 30, 2015 a total of 5,956,653 common share options remain available for grant under the plans. Under the plans, the exercise price of each option equals the market price of the Company's shares on the date of grant and an option's maximum term is 10 years. Options are granted from time to time by the Board of Directors and vest over a three or five year period.

Movements in Share Options

The changes in share options were as follows:

	Nine Months Ended September 30, 2015		Year Ended December 31, 2014	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of period	2,238,950	$8.37	2,582,700	$8.28
Exercised	(1,500)	$5.93	(292,750)	$7.02
Forfeited	(20,000)	$11.55	(51,000)	$11.55
Outstanding at end of period	2,217,450	$8.35	2,238,950	$8.37
Options exercisable at end of period	1,985,450	$7.97	1,986,950	$7.97

The following table summarizes information about the Company's share options outstanding at September 30, 2015:

	Options Outstanding		Options Exercisable	
Exercise Prices	Options Outstanding	Remaining Contractual Life in Years	Options Outstanding & Exercisable	Remaining Contractual Life in Years
$4.41	860,900	3.25	860,900	3.25
$5.93	170,500	4.25	170,500	4.25
$11.55	1,186,050	5.04	954,050	5.04
	2,217,450	4.29	1,985,450	4.19

For share options exercised during the three and nine months ended September 30, 2015, the weighted average share price at the date of exercise was $nil and $13.13, respectively (September 30, 2014-$13.54 and $16.83, respectively).

(c) Warrants

In connection with the junior credit facility (Note 10(d)) the Company issued 750,000 warrants on March 12, 2014 to a related party at an ascribed value of $870. In August 2015 the exercise price of each warrant was adjusted from $20.00 to $19.88 as a result of the rights offering completed by the Company. Each warrant entitles the holder to purchase one common share of the Company. The warrants expire on March 12, 2016. At September 30, 2015 all 750,000 warrants remained outstanding.

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13. COST OF SALES

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Operating expenses	$32,326	$8,212	$36,412	$46,800
Salaries, wages and benefits	7,080	4,664	10,704	22,806
Depletion and depreciation	8,944	2,325	9,187	14,619
Share based compensation	-	13	-	47
	$48,350	$15,214	$56,303	$84,272

14. GENERAL AND ADMINISTRATION COSTS

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Administration	$824	$801	$3,295	$3,395
Share based compensation	95	160	292	573
Depreciation	179	151	537	480
Foreign exchange loss (gain)	364	(110)	1,358	1,160
	$1,462	$1,002	$5,482	$5,608

15. FINANCE COSTS

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Accretion of future site reclamation provisions	$(212)	$(169)	$(632)	$(492)
Interest on short term debt	(617)	-	(1,328)	-
Interest on non-current debt	(15,547)	-	(19,767)	-
Foreign exchange loss on current debt	(439)	-	(632)	(270)
Foreign exchange loss on non-current debt	(32,162)	(19,018)	(63,057)	(4,849)
Fair value adjustment to marketable securities	(218)	(172)	(222)	(325)
Realized gain (loss) on derivative instruments	2,631	(398)	3,937	(385)
Unrealized gains on derivative instruments	12,153	9,769	21,403	255
	(34,411)	(9,988)	(60,298)	(6,066)
Interest income	33	34	96	54
Finance income (costs)	$(34,378)	$(9,954)	$(60,202)	$(6,012)

16. PROVISION FOR REHABILITATION COSTS

On August 4, 2014 the tailings dam at the Mount Polley mine near Likely, BC was breached. There were no injuries as a result of this incident. The Company promptly commenced response and recovery activities, followed by rehabilitation activities. These activities are ongoing. A total of $67,435 was charged to expense for the year ended December 31, 2014 of which $62,438 was incurred to September 30, 2015 for response and recovery activities, as well as rehabilitation activities which have included but are not limited to construction of a temporary rock berm for tailings security, Polley Lake water level reduction, Quesnel Lake wood recovery, repair and buttressing of the tailings embankment, rehabilitation of Hazeltine Creek, construction of sedimentation ponds and water collection facilities, as well as environmental monitoring, community relations, communications and related corporate support costs.

At September 30, 2015 the remaining provision for rehabilitation costs was $4,997. This provision is for costs expected to be incurred in the future. The provision also includes costs for environmental monitoring, community relations, communications and related corporate support costs. The Company received insurance recoveries totaling $14,000 in the year ended December 31, 2014 and $11,000 in the nine months ended September 30, 2015, which were recorded in the consolidated statements of income.

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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 September 30, 2015 and is subject to revision in the future as further information becomes available to the Company.

Changes in the provision for rehabilitation costs are as follows.

	Nine Months Ended September 30 2015	Year Ended December 31 2014
Balance, beginning of the period	$25,961	$ -
Provision for future rehabilitation costs including depreciation	-	67,435
Costs incurred in the period including depreciation of $1,332 (2014-$2,164)	(20,964)	(41,474)
Balance, end of the period	4,997	25,961
Less portion to be incurred within one year	(4,997)	(23,686)
	$ -	$2,275

17. INCOME AND MINING TAX RECOVERY (EXPENSE)

	Three Months Ended September 30 2015	Three Months Ended September 30 2014	Nine Months Ended September 30 2015	Nine Months Ended September 30 2014
Current income and mining taxes	$(21)	$541	$3,641	$(130)
Deferred income and mining taxes	4,789	21,819	3,673	10,675
	$4,768	$22,360	$7,314	$10,545

18. LOSS PER SHARE

The following table sets out the computation of basic and diluted net loss per common share:

	Three Months Ended September 30 2015	Three Months Ended September 30 2014	Nine Months Ended September 30 2015	Nine Months Ended September 30 2014
Numerator:				
Net Loss	$(29,344)	$(49,221)	$(61,084)	$(28,151)
Denominator:				
Basic weighted-average number of common shares outstanding	78,263,515	74,960,808	76,079,477	74,915,778
Effect of dilutive securities:				
Stock options	-	-	-	-
Diluted weighted-average number of common shares outstanding	78,263,515	74,960,808	76,079,477	74,915,778
Basic net loss per common share	$(0.37)	$(0.66)	$(0.80)	$(0.38)
Diluted net loss per common share	$(0.37)	$(0.66)	$(0.80)	$(0.38)

As the Company is in a loss position, the common shares that may be issued in relation to the following items have been excluded from the calculation of diluted net loss per common share:

	Three Months Ended September 30 2015	Three Months Ended September 30 2014	Nine Months Ended September 30 2015	Nine Months Ended September 30 2014
Stock options	2,217,450	2,239,950	2,217,450	2,239,950
Warrants	750,000	750,000	750,000	750,000
Convertible debentures	12,155,751	9,583,333	12,155,751	9,583,333

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19. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Net change in non-cash operating working capital balances:

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Trade and other receivables	$2,373	$27,595	$9,766	$2,897
Inventory	(21,047)	320	(26,369)	733
Derivative instrument assets	(640)	(644)	(640)	(718)
Prepaid expenses and deposits	1,259	634	(174)	1,250
Trade and other payables	32,850	(10,666)	22,012	(3,856)
Derivative instrument liabilities	215	623	-	735
Provision for rehabilitation costs	(1,328)	44,200	(19,632)	44,200
	$13,682	$62,062	$(15,037)	$45,241

(b) Supplemental information on non-cash financing and investing activities:

(i) During the nine months ended September 30, 2015 the Company issued nil (2014-750,000) warrants for financing costs (Notes 10(d) and 20).

(ii) During the three and nine months ended September 30, 2015 the Company issued 555,677 common shares in payment of interest expense of $5,690 due on June 30, 2015 on the 2014 convertible debentures.

(c) Net change in non-cash investing working capital balances:

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Trade and other payables	$(33,632)	$(24,940)	$(21,890)	$(11,364)

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expressed in thousands of Canadian dollars, except share and per share amounts

20. RELATED PARTY TRANSACTIONS

Related party transactions and balances with a significant shareholder, a company controlled by a significant shareholder, companies in which directors are owners, and with directors and officers are as follows:

Statement of Income

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Loan guarantee fee for guarantee of Second Lien Credit Facility	$250	$ -	$711	$ -
Loan guarantee fee for guarantee of portion of bank loan facility	$ -	$ -	$ -	$91
Loan commitment fee (Note 9)	$ -	$ -	$300	$ -
Financing fees – cash	$ -	$ -	$ -	$1,000
Financing fees – warrants (Notes 10(d) and 12 (c))	$ -	$ -	$ -	$870
Fees to backstop financings – cash	$556	$ -	$556	$ -
Interest expense	$4,329	$2,002	$10,856	$6,180
Cost of sales	$ -	$(3)	$ -	$32

Statement of Financial Position

	September 30 2015	December 31 2014
Accrued interest on Senior Unsecured Notes and Convertible Debentures	$923	$2,051
Trade and other payables (receivable)	$(4)	$(4)
Junior Credit Facility	$75,000	$30,000
Senior Unsecured Notes (US$53,300)	$71,390	$61,833
Convertible Debentures	$57,600	$40,000

The Company incurred the above transactions and balances in the normal course of operations. Expenses have been measured at the fair value which is determined on a cost recovery basis.

21. COMPENSATION OF DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

The remuneration of the Company's directors and other key management personnel during the nine months ended September 30, 2015 and 2014 are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Short term benefits[(1)]	$303	$354	$992	$1,068

[(1)] Short term employee benefits include salaries, estimated bonuses payable within three months of the Statement of Financial Position date and other annual employee benefits. Directors and other key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the nine months ended September 30, 2015 and 2014.

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22. REPORTABLE SEGMENTED INFORMATION

The Company operates primarily in Canada. Except for assets, comprised primarily of the Sterling mine, totaling $35,097 as at September 30, 2015 (December 31, 2014-$34,997) located in the United States, all of its assets are located in Canada. The Company's reportable segments reflect the internal reporting used by the Company's management to report to the chief operating decision maker.

The Company's reportable segments are summarized in the following table:

	Three Months Ended September 30, 2015					
	Red Chris	Mount Polley	Sterling	Huckleberry	Corporate	Total
Reportable segmented revenues	$55,761	$ -	$14	$ -	$344	$56,119
Less inter-segment revenues	-	-	-	-	(191)	(191)
Revenues from external sources	$55,761	$ -	$14	$ -	$153	$55,928
Depletion and Depreciation	$8,269	$1,923	$103	$ -	$179	$10,474
Finance (Costs) Income	$(32,699)	$(2,147)	$(34)	$ -	$502	$(34,378)
Equity Loss in Huckleberry	$ -	$ -	$ -	$(800)	$ -	$(800)
Net (Loss) Income	$(21,523)	$(10,365)	$(672)	$(800)	$4,016	$(29,344)
Capital Expenditures	$22,007	$2,002	$104	$ -	$176	$24,289
Equity Investment	$ -	$ -	$ -	$92,003	$ -	$92,003
Total Assets	$996,008	$303,019	$35,097	$92,003	$50,861	$1,476,988
Total Liabilities	$805,385	$231,920	$4,437	$ -	$24,408	$1,066,150

	Three Months Ended September 30, 2014					
	Red Chris	Mount Polley	Sterling	Huckleberry	Corporate	Total
Reportable segmented revenues	$ -	$20,435	$2,068	$ -	$422	$22,925
Less inter-segment revenues	-	-	-	-	(258)	(258)
Revenues from external sources	$ -	$20,435	$2,068	$ -	$164	$22,667
Depletion and Depreciation	$ -	$3,000	$419	$ -	$262	$3,681
Finance (Costs) Income	$(11,849)	$2,075	$(17)	$ -	$(163)	$(9,954)
Equity Income in Huckleberry	$ -	-	$ -	$1,851	$ -	$1,851
Net (Loss) Income	$(11,608)	$(36,596)	$(1,480)	$1,851	$(1,388)	$(49,221)
Capital Expenditures	$87,442	$4,991	$174	$ -	$456	$93,063
Equity Investment	$ -	$ -	$ -	$94,065	$ -	$94,065
Total Assets	$880,881	$265,112	$33,154	$94,065	$34,645	$1,307,857
Total Liabilities	$705,256	$165,492	$3,003	$ -	$18,184	$891,935

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	Nine Months Ended September 30, 2015					
	Red Chris	Mount Polley	Sterling	Huckleberry Note 5	Corporate	Total
Reportable segmented revenues	$55,761	$(192)	$2,951	$ -	$1,121	$59,641
Less inter-segment revenues	-	-	-	-	(454)	(454)
Revenues from external sources	$55,761	$(192)	$2,951	$ -	$667	$59,187
Depletion and Depreciation	$8,269	$4,513	$346	$ -	$537	$13,665
Finance (Costs) Income	$(53,460)	$(7,163)	$(97)	$ -	$518	$(60,202)
Equity Loss in Huckleberry	$ -	$ -	$ -	$(767)	$ -	$(767)
Net (Loss)	$(41,566)	$(11,735)	$(5,730)	$(767)	$(1,286)	$(61,084)
Capital Expenditures	$89,545	$27,609	$201	$ -	$554	$117,909
Equity Investment	$ -	$ -	$ -	$92,003	$ -	$92,003
Total Assets	$996,008	$303,019	$35,097	$92,003	$50,861	$1,476,988
Total Liabilities	$805,385	$231,920	$4,437	$ -	$24,408	$1,066,150

	Nine Months Ended September 30, 2014					
	Red Chris	Mount Polley	Sterling	Huckleberry	Corporate	Total
Reportable segmented revenues	$ -	$119,451	$5,138	$ -	$1,199	$125,788
Less inter-segment revenues	-	-	-	-	(720)	(720)
Revenues from external sources	$ -	$119,451	$5,138	$ -	$479	$125,068
Depletion and Depreciation	$ -	$12,781	$2,707	$ -	$816	$16,304
Finance (Costs) Income	$(5,620)	$(29)	$(51)	$ -	$(312)	$(6,012)
Equity Income in Huckleberry	$ -	$ -	$ -	$1,933	$ -	$1,933
Net (Loss) Income	$(5,333)	$(14,642)	$(3,440)	$1,933	$(6,669)	$(28,151)
Capital Expenditures	$283,746	$46,899	$223	$ -	$862	$331,730
Equity Investment	$ -	$ -	$ -	$94,065	$ -	$94,065
Total Assets	$880,881	$265,112	$33,154	$94,065	$34,645	$1,307,857
Total Liabilities	$705,256	$165,492	$3,003	$ -	$18,184	$891,935

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Revenue by geographic area				
Canada	$153	$164	$667	$511
Japan	-	21,383	-	94,019
Korea	18,129	-	18,129	-
Singapore	20,097	-	20,097	-
Switzerland	17,535	-	17,535	-
United States	14	1,120	2,759	30,538
	$55,928	$22,667	$59,187	$125,068

Revenues are attributed to geographic area based on country of customer. In the nine months ended September 30, 2015, the Company had three principal customers (September 30, 2014–three principal customers) accounting for 34%, 31% and 30% of revenues (September 30, 2014–38%, 38% and 20% of revenues). The Company is not reliant on any one customer to continue to operate as a going concern.

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The Company's principal product is copper concentrate (contains copper, gold and silver) which is sold at prices quoted on the London Metals Exchange, however in the fourth quarter of 2014 and the first quarter of 2015 the principal product was gold dore from the Sterling mine.

The Company sells all of its concentrate and gold production to third party smelters and traders. The Company's revenue from operations by major product and service are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Copper	$43,909	$12,685	$43,737	$79,143
Gold	11,483	9,407	14,398	43,850
Silver	383	411	385	1,564
Other	153	164	667	511
	$55,928	$22,667	$59,187	$125,068

23. FINANCIAL INSTRUMENTS

Fair Value Estimation

The fair value of financial instruments traded in active markets (such as marketable securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of derivative instrument assets and liabilities are determined by the counterparties using standard valuation techniques for these derivative instruments.

The carrying value, less impairment provision, if necessary, of trade and other receivables and trade and other payables are assumed to approximate their fair values. Except for the Notes (Note 10(c)), management believes that the carrying value of remaining non-current debt approximates fair value. At September 30, 2015 the fair value of the Notes is $409,187 (December 31, 2014-$346,870) based on a quote received from dealers that trade the Notes. Although the interest rates and credit spreads have changed since the remainder of the non-current debt was issued the fixed rate portion of the non-current debt is not expected to be refinanced and therefore the carrying value is not materially different from fair value.

IFRS 13 – *Fair Value Measurement* requires disclosures about the inputs to fair value measurement, including their classifications within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities; and
Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – inputs that are not based on observable market data.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at September 30, 2015 as follows:

	Level 1	Level 2	Total
Financial Assets			
Cash	$7,920	$ -	$7,920
Marketable securities	99	-	99
Provisionally priced receivables	-	2,808	2,808
Derivative instruments assets	-	29,627	29,627
Future site reclamation deposits	4,663	-	4,663
	12,682	32,435	45,117
Financial Liabilities			
Amounts owing on provisionally priced receivables	-	(146)	(146)
	$12,682	$32,289	$44,971

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24. COMMITMENTS AND PLEDGES

(a) At September 30, 2015, the Company is committed to future minimum operating lease payments as follows:

2015	$178
2016	500
2017	300
2018	83
2019 and beyond	97
	$1,158

(b) At September 30, 2015, the Company has pledged the following assets for settlement of future site reclamation provisions:

Future site reclamation deposits included with other assets	$4,663
Mineral property, plant and equipment	1,370
Letters of credit (Note 10(a))	31,565
	$37,598

(c) The Company is obligated to increase its reclamation bond funding as follows:

2015	$1,532
2016	9,065
2017	5,500
2018	4,000
2019 and beyond	3,800
	$23,897

(d) The Company is obligated to pay BC Hydro and Power Authority ("BC Hydro") approximately $11,900 annually over a five year period plus interest to reimburse BC Hydro for a portion of the costs to construct the Northern Transmission Line which provides power for the Red Chris mine. Payments are expected to commence in the spring of 2016. The amount is subject to adjustment when final costs are known and the interest rate is subject to be adjusted annually based on BC Hydro's cost of capital.

(e) At September 30, 2015 the Company had commitments to purchase plant and equipment at a cost of $375.

25. CONTINGENT LIABILITIES

The Company is from time to time involved in various claims and legal proceedings arising in the conduct of its business. In the opinion of management, none of these matters will have a material effect on the Company's condensed consolidated interim financial position or financial performance. At September 30, 2015 the Company has recorded a provision of $4,997 for future rehabilitation activities related to the Mount Polley mine tailings dam breach (Note 16).

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 Company has engaged independent legal counsel to advise it on this matter. At this time the Company cannot predict the outcome of the claim or determine the amount of any potential losses and accordingly, no provision has been made as of September 30, 2015. However, the Company is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

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