

Imperial Reports Third Quarter 2016 Production Results

Vancouver – **October 12, 2016** | **Imperial Metals Corporation (the “Company”) (III-TSX)** reports that in the third quarter of 2016, the Red Chris mine produced 18.71 million pounds copper and 9,655 ounces gold. These quantities are lower than those achieved in the second quarter of 2016, as lower grade Main zone ores provided a higher proportion of the feed in the third quarter. The mill achieved an average throughput of 28,048 tonnes per day and the mine moved an average of 79,906 tonnes of material per day during the third quarter of 2016. The bulk of the mill feed was mined from the Main zone, with higher grade East zone ore providing the remainder of the mill feed. The ore grade averaged 0.44% copper and 0.26 g/t gold for the quarter.

Metal recoveries at the Red Chris mine averaged 75.50% copper and 44.54% gold, down from the 78.34% and 53.77% achieved for copper and gold respectively in the second quarter of 2016. Metal recoveries were impacted by the lower grade near surface higher clay content ore delivered from the Main zone pushback which made up about 84% of the feed during the September quarter, compared to 77% in the second quarter of 2016. Testing of new reagents to increase rougher recovery has yielded some improvement but test work has indicated that more flotation time is required to increase rougher recoveries to the design level. Work is underway to install an additional 160 cubic meter rougher cell which should be operational by year end.

Targeted base and precious metals production for 2016 from the Red Chris mine was originally 90-100 million pounds copper and 60-70 thousand ounces gold. Following the production results for the third quarter, these targets have been revised to 85-90 million pounds copper and 45-50 thousand ounces gold.

Mount Polley mine treated 1,769,779 tonnes ore during the third quarter of 2016, and produced 6.87 million pounds copper and 12,763 ounces gold. The ore grade average for the third quarter 2016 was 0.24% copper and 0.31 g/t gold compared to 0.22% copper and 0.28 g/t gold in the second quarter of 2016. Higher head grades resulted in higher metal recoveries averaging 72.38% copper and 73.41% gold, compared to 68.33% copper and 67.62% gold achieved in the second quarter of 2016. Grades were higher as underground operations in the Boundary zone supplied 123,468 tonnes grading 1.045% copper and 0.58 g/t gold, up from 55,582 tonnes grading 0.91% copper and 0.55 g/t gold in the second quarter. The increase in underground production was due to a fill cycle in the Boundary zone stope being completed in the second quarter.

The target for 2016 production at Mount Polley remains at 27-29 million pounds copper and 48-52 thousand ounces gold.

Huckleberry mine operations were suspended on August 31 and the mine has been placed on care and maintenance pending an increase in the price of copper. During July and August throughput averaged 17,472 tonnes per day and 4.45 million pounds of copper were produced. The copper grade averaged 0.213% and copper recovery was 87.3%.

About Imperial

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

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Forward-Looking Information and Risks Notice

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, specific statements regarding base and precious metals production targets for 2016; expectations that testing of new reagents to increase rougher recovery at the Red Chris mine has indicated that more flotation time is required to increase rougher recoveries to the design level, and work is underway to install an additional 160 cubic meter rougher cell which should be operational by year end. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "outlook", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements

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