2010 THIRD QUARTER REPORT

TO OUR SHAREHOLDERS

Imperial's comparative financial results for the three and nine months ended September 30, 2010 and September 30, 2009 as summarized below and discussed in detail in the Management's Discussion and Analysis.

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
(unaudited) in thousands except per share amounts	2010	2009	2010	2009
Revenues	$68,692	$53,788	$191,591	$137,583
Operating Income	$22,011	$17,609	$29,322	$21,058
Net Income (Loss)	$7,051	$4,544	$17,518	$(9,356)
Net Income (Loss) Per Share	$0.19	$0.14	$0.49	$(0.29)
Adjusted Net Income [(1)]	$12,880	$9,812	$20,907	$23,668
Adjusted Net Income Per Share [(1)]	$0.35	$0.31	$0.58	$0.74
Cash Flow [(1)]	$25,885	$15,856	$43,915	$36,027
Cash Flow Per Share [(1)]	$0.71	$0.49	$1.22	$1.12

Revenues were $68.7 million in the September 2010 quarter compared to $53.8 million in the 2009 quarter. There were two concentrate shipments from each of Mount Polley and Huckleberry in the 2010 and 2009 quarters. The copper price increased during the September 2010 quarter resulting in a positive revenue adjustment of $8.8 million, while increasing prices during the 2009 quarter resulted in a positive adjustment of $5.8 million.

Operating income for the three months ended September 2010 increased to $22.0 million from $17.6 million in the September 2009 quarter due to improved operating margins resulting from higher copper prices.

The Company recorded net income of $7.1 million in the September 2010 quarter compared to net income of $4.5 million in the 2009 quarter. Adjusted net income in the quarter was $12.9 million or $0.35 per share, versus $9.8 million or $0.31 per share in the September 2009 quarter. Adjusted net income is calculated by removing the unrealized gains and losses, net of related income taxes, resulting from mark to market revaluation of copper and foreign exchange hedging and removing the unrealized share based compensation expense, net of taxes. While not a term recognized under generally accepted accounting principles management believes that its calculation of adjusted net income is a better reflection of operating performance in the quarter.

Losses on derivative instruments were $10.9 million in the September 2010 quarter compared to losses of $10.6 million in the September 2009 quarter. Unrealized losses on copper and currency derivatives of $8.2 million were recorded in the September 2010 quarter compared to unrealized losses of $12.1 million in the September 2009 quarter. The Company realized losses of $2.7 million on copper and currency derivatives in the September 2010 quarter compared to gains of $1.4 million in the 2009 quarter.

[(1)] Adjusted Net Income, Adjusted Net Income 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 generally accepted accounting principles. Adjusted Net Income is defined as net income adjusted for certain items of a non-operational nature that pertain to future quarters as described in further detail in the Management's Discussion and Analysis under the heading Adjusted Net Income. Cash Flow is defined as cash flow from operations before net change in working capital balances. Adjusted Net Income and Cash Flow Per Share are the same measures divided by the weighted average number of common shares outstanding during the quarter.

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.

Cash flow increased to $25.9 million in the September 2010 quarter compared to $15.9 million in the 2009 quarter. The $10.0 million increase is primarily the result of increased operating margins at the Mount Polley and Huckleberry mines.

Capital expenditures increased to $13.9 million from $7.3 million in the comparative 2009 quarter. Expenditures in the September 2010 quarter were primarily financed from cash flow from the Mount Polley and Huckleberry mines.

At September 30, 2010 the Company had $35.7 million in cash and cash equivalents and short term investments.

During the September 2010 quarter the Company did not purchase any common shares for cancellation.

Mount Polley Mine

Production	Nine Months Ended Sept 30	
(unaudited)	2010	2009
Ore milled (tonnes)	5,943,967	5,217,744
Ore milled per calendar day (tonnes)	21,773	19,113
Grade % - Copper	0.324	0.389
Grade g/t - Gold	0.287	0.319
Recovery % – Copper	62.97	58.66
Recovery % – Gold	66.67	67.63
Copper produced (lbs)	26,701,243	26,262,166
Gold produced (oz)	36,571	36,196
Silver produced (oz)	142,182	173,534

Mill throughput averaged 22,563 tonnes per day during the third quarter. With almost 6 million tonnes milled to the end of the third quarter, a record annual mill throughput is likely to be achieved in 2010. Copper and gold production for the 2010 nine month period are both up slightly from the same period in 2009.

A plant is being installed in the Mount Polley concentrator, which is designed to recover fine magnetite from the tailings stream, which can be sold as dense media for use in coal wash plants. This new addition to the plant is expected to be completed during the 2010 fourth quarter.

In the third quarter period, Mount Polley exploration focused on expanding the WX zone and included drilling of 24 surface diamond drill holes totaling 12,955 metres. The underground ramp, which will provide access to more fully explore and to test mine higher grade mineralization in the Boundary zone, had advanced 224.5 metres by the end of September.

Exploration expenditures at Mount Polley were $2.9 million in the September 2010 quarter compared to $1.4 million in the September 2009 quarter.

The wholly owned Mount Polley open pit copper/gold mine is located 56 kilometres northeast of Williams Lake, British Columbia.

Huckleberry Mine

Production	Nine Months Ended Sept 30	
(100% - Imperial owns 50%) *(unaudited)*	2010	2009
Ore milled (tonnes)	4,156,900	4,498,800
Ore milled per calendar day (tonnes)	15,227	16,479
Grade (%) – Copper	0.378	0.374
Grade (%) – Molybdenum	0.007	0.006
Recovery (%) – Copper	91.30	90.60
Copper produced (lbs)	31,664,000	33,607,000
Gold produced (oz)	2,279	2,583
Silver produced (oz)	148,206	197,541
Molybdenum produced (lbs)	68,226	14,467

Copper production for the 2010 nine month period was 31.7 million pounds compared to 33.6 million pounds in the same period in 2009. Huckleberry's production was impacted during the quarter by wildfires. Mine and mill operations were temporarily suspended for seven days beginning on August 16 as a precautionary measure due to wildfires burning approximately 50 kilometres from the plant site.

Huckleberry's exploration plans for 2010 included the drilling of 21 diamond drill holes totaling about 4,400 metres. To date 18 holes have been completed. The remaining holes are expected to be completed by the end of November. The holes have been designed to test the Main zone perimeter and depth extent. The results will be added to the data base and then used to investigate potential Main zone pit expansions.

Imperial owns 50% of the Huckleberry open pit copper/molybdenum mine located 123 kilometres southwest of Houston, British Columbia.

Red Chris

Exploration and development expenditures at the Red Chris copper/gold property were $5.4 million in the September 2010 quarter compared to $2.1 million in the September 2009 quarter.

Five deep capacity diamond drill rigs were in operation during the quarter. The 2010 exploration program focused on drilling the Red Chris mineralized system to at least 1,000 metres below surface in the area of the proposed open pit. In the 2010 program, a total of 95 drill holes totaling 43,523 metres, including 31 exploration, 23 condemnation holes and 41 geotechnical holes at the proposed open pit, tailings impoundment and plant site areas have been completed to September 30, 2010. Positive assay results were received, in particular from drill hole RC10-393, which included 317.5 metres grading 1.08% copper, 1.46 g/t gold and 4.28 g/t silver within a 1,112.5 metre mineralized section grading 0.54% copper, 0.61 g/t gold and 1.96 g/t silver. This is one of the longest mineralized intercepts obtained to date at Red Chris. RC10-388, one of the first holes in the deep Main zone since 2007, tested the western edge of the known Main zone and intersected five intervals of copper/gold mineralization including 380.0 metres grading 0.34% copper and 0.50 g/t gold. Two holes were collared near the western rim of the proposed open pit and add a significant dimension to the known extent of Main zone mineralization. RC10-392 returned 232.5 metres grading 0.39% copper and 0.48 g/t gold and RC10-388 returned 1,047.3 metres grading 0.22% copper and 0.34 g/t gold.

Mines Act permitting through the Northwest Mine Development Review Committee is underway. Phase one of the geotechnical and condemnation drilling in the tailings impoundment areas was completed in the September 2010 quarter.

The Red Chris property in northwest British Columbia is 80 kilometres south of Dease Lake and 18 kilometres southeast of the village of Iskut.

Sterling

At the Sterling property, gold grades from face and wall sampling of the 3220 level exceeded expectations and averaged 0.12 ounces per ton gold over 368.5 feet. During the quarter, 381 feet of underground drifting along the 3220 level was completed. The underground development continues and information obtained will be used to confirm mining methods, expected recoveries and minable reserves.

The Sterling property is located 115 miles northwest of Las Vegas, Nevada.

Catface

The 2010 diamond drill program at the Catface copper/molybdenum property was completed in late September. A total of 3,548 metres was drilled in 13 holes to test the Cliff and Irishman Creek zones. Results from the first hole, CF-10-56, confirmed the north south continuity of the Cliff zone intercepting 755 metres grading 0.46% copper and 0.006% molybdenum, including a higher grade section of 275.5 metres grading 0.60% copper and 0.014% molybdenum. Results from the remaining holes which tested the Irishman Creek zone and the southern extent of the Cliff zone are pending.

The Catface property is located on the Catface Peninsula on the west coast of Vancouver Island, west of Port Alberni, British Columbia.

Ruddock Creek

Exploration at the Ruddock Creek zinc/lead property restarted in early July and included surface diamond drilling testing the Creek zone and the installation and operation of a pumping system to dewater the E zone decline. The Creek zone drilling finished in mid-October with 18 holes totaling 3583.6 metres completed. Assay results are pending. The E zone decline is now dewatered. It will be extended an additional 400 metres. This additional development will provide access for underground diamond drilling to explore the E zone to depth. The current program commenced following the signing of a Memorandum of Understanding with Itochu Corporation and Mitsui Mining and Smelting Co. Ltd., whereby Itochu/Mitsui may earn up to a 50% interest in Ruddock Creek by providing $20.0 million in exploration and development funding by March 31, 2013.

Ruddock Creek is located in the Scrip Range of the Monashee Mountains in southeast British Columbia, approximately 155 kilometres northeast of Kamloops.

Outlook

Strong copper and gold prices have allowed the Company to fund extensive exploration programs from operating cash flow. Exploration at Red Chris is on target to achieve 50,000 metres of core drilling this year, and underground development work is underway at the Mount Polley, Sterling and Ruddock Creek properties.

Throughput at Mount Polley continues to be excellent, and a newly installed magnetite recovery circuit is in the final stage of commissioning. This circuit will enable Mount Polley to produce dense media for coal wash plants.

Brian Kynoch
President

MANAGEMENT'S DISCUSSION & ANALYSIS

Forward Looking Statements

This Management's Discussion and Analysis is a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of November 8, 2010. Except for statements of fact relating to the Company, certain information contained herein constitutes forward looking statements. Forward looking statements are based on the opinions, plans and estimates of management at the date the statements are made and are subject to a variety of risks, uncertainties and other factors that could cause the actual results to differ materially from those projected by such statements. The primary risk factors affecting the Company are discussed further under the heading "Risk Factors" in the Management's Discussion and Analysis for the year ended December 31, 2009. The Company undertakes no obligation to update forward looking statements if circumstances or management's estimates, plans or opinions should change. The reader is cautioned not to place undue reliance on forward looking statements.

Overview

Revenues were $68.7 million in the three months ending September 30, 2010 compared to $53.8 million in the comparative 2009 quarter. The increase is the result of higher copper prices on slightly lower sales volumes.

Copper prices were significantly higher in the September 2010 quarter than in the September 2009 quarter, the London Metals Exchange cash settlement copper price averaged US$3.29/lb compared to US$2.65/lb in 2009 or about 24% higher. The US Dollar weakened against the CDN Dollar during the three months ending September 30, 2010 with the US Dollar ending the quarter weaker against the CDN Dollar. The price of copper averaged CDN$3.41/lb in the September 2010 quarter, about 17% higher than the average of CDN$2.91/lb in the September 2009 quarter. In US$ terms the average copper price in the September 2010 quarter was about 4% lower than in the December 2009 quarter.

Revenue in the third quarter of 2010 was increased by positive revenue revaluations of $8.8 million compared to positive revenue revaluations of $5.8 million in the September 30, 2009 quarter. The revaluation of accounts receivable include the revenue changes resulting from shipments settling in the current quarter that were recorded as sales in prior quarters and for shipments sold in the current quarter that will settle in future quarters. Negative revenue revaluations are the result of the copper price on the settlement date and/or at the current quarter balance sheet date being lower than when the revenue was initially recorded or the copper price at the last balance sheet date.

Operating income in the September 2010 quarter increased to $22.0 million from $17.6 million in the 2009 quarter primarily due to higher operating margins in the current quarter.

Net income for the three months ended September 30, 2010 was $7.1 million ($0.19 per share) compared to a net income of $4.5 million ($0.14 per share) in the comparative 2009 quarter. Although income from operations increased by $4.4 million in 2010 compared to 2009, net income only increased by $2.5 million because of increased income and mining tax expense in the current period. Refer to Note 9 Income and Mining Taxes in the Consolidated Financial Statements.

Adjusted net income in the three months ended September 30, 2010 was $12.9 million ($0.35 per share) compared to $9.8 million ($0.31 per share) in the September 30, 2009 quarter. Adjusted net income is calculated by removing the gains or losses, net of related income taxes, resulting from mark to market revaluation of copper and foreign exchange hedging not related to the current quarter, removing the unrealized share based compensation expense, net of taxes and other items, net of taxes, as further detailed on the following table.

Calculation of Adjusted Net Income	Three Months Ended Sept 30		Nine Months Ended Sept 30	
[expressed in thousands of dollars, except share amounts]	2010	2009	2010	2009
Net income (loss) as reported	$7,051	$4,544	$17,518	$(9,356)
Unrealized (income) loss on derivative instruments, net of tax (a)	5,829	8,855	(3,144)	36,611
Unrealized share based compensation expense (recovery) (b)	-	-	6,533	-
Adjustment to depletion expense on units-of-production assets, net of tax	-	(3,587)	-	(3,587)
Adjusted Net Income (c)	$12,880	$9,812	$20,907	$23,668
Adjusted Net Income Per Share (c)	$0.35	$0.31	$0.58	$0.74

(a) Derivative financial instruments are recorded at fair value on the balance sheet, with changes in the fair value, net of taxes, 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 and foreign exchange hedged.

(b) Effective with the June 30, 2007 quarter until May 19, 2010, the Company's employee stock option plan provided for a cash payment option. Accordingly, the intrinsic value of the outstanding vested options was recorded as a liability on the Company's balance sheet and quarterly changes in the intrinsic value, net of taxes, flow through net income during this quarter. No tax recovery is recorded effective December 31, 2009 due to changes in legislation regarding the expected deductibility of this expense. As further described under the heading Share Based Compensation Expense, the Company changed its method of accounting for share based compensation in the June 2010 quarter.

(c) Adjusted net income and adjusted net income per share are not terms recognized under generally accepted accounting principles however it does show the current year's financial results excluding the effect of items not settling in the current year. 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.

Cash flow increased to $25.9 million in the September 2010 quarter compared to $15.9 million in the 2009 quarter. The $10.0 million increase is primarily the result of increased operating margins at the Mount Polley and Huckleberry mines, Cash flow is a measure used by the Company to evaluate its performance, however, it is not a term recognized under generally accepted accounting principles. Cash flow is defined as cash flow from operations before the net change in non-cash working capital balances. 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 in the September 2010 quarter were $13.9 million, up from $7.3 million in the September 2009 quarter. Increasing cash flow from operations was reinvested in exploration and development of the Company's mineral properties.

Expenditures in both the September 2010 and 2009 quarters were primarily financed by cash flow from the Mount Polley and Huckleberry mines. At September 30, 2010 the Company had $35.7 million (December 31, 2009-$23.9 million) in cash and cash equivalents and short term investments.

Derivative Instruments

The Company has not hedged gold or silver, only copper and the CDN/US Dollar exchange rate. During the September 2010 quarter the Company recorded $10.9 million in losses on derivative instruments compared to losses of $10.6 million in the comparative 2009 quarter. Included therein were gains on currency derivatives of $0.2 million in the September 2010 quarter and losses of $1.6 million in the 2009 comparative quarter. These gains and losses result from the mark to market valuation of the derivative instruments based on changes in the price of copper and the CDN/US Dollar exchange rate. The Company does not use hedge accounting therefore accounting rules require that derivative instruments be recorded at fair value on each balance sheet 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 instruments for hedging including the purchase of puts, forward sales and the use of min/max zero cost collars. Imperial's income or loss from derivative instruments may be very volatile from quarter to quarter as a result of changes in the copper price and exchange rates compared to the copper price and exchange rate at the time when these contracts were entered into and the type and length of time to maturity of the contracts.

Hedges for Huckleberry include puts, forward sales and min/max zero cost collars extending out to the second quarter of 2012 while hedges for Mount Polley are min/max zero cost collars extending out to the fourth quarter of 2011.

At September 30, 2010 the Company has net unrealized losses of $7.6 million on its derivative instruments. This represents a decrease in fair value of the derivative instruments from the dates of purchase to September 30, 2010 due to the change in the price of copper from date of purchase and the change in CDN/US Dollar exchange rate.

The Company has granted security to certain hedge counterparties to cover potential losses in excess of the credit facilities granted by the counterparties. At September 30, 2010 the Company had $5.1 million on deposit with counterparties.

Share Based Compensation Expense

From June 13, 2007 until May 18, 2010 all option holders had the right, in lieu of receiving common shares, to receive a cash payment from the Company equal to the difference between the exercise price of each stock option and the market price of the Company's common shares on the date of exercise. This option balanced the need for a long term compensation program to retain employees and the concerns of shareholders regarding the dilution caused by the exercise of stock options. As a result of the right of option holders to receive a cash payment, generally accepted accounting principles require a liability and related expense to be recorded for the intrinsic value of the stock options. Payments made to option holders by the Company prior to March 5, 2010 were deductible for income tax purposes. The liability associated with the Company's stock options were revalued quarterly to reflect changes in the market price of the Company's common shares and the vesting of additional stock options. The net change, net of taxes, was recognized in net income for the quarter.

Changes to tax legislation in the March 2010 quarter for the deductibility of option payments impacted the option holders exercise method, removing all associated tax benefits to the Company related to share based compensation expense.

On May 19, 2010 the shareholders of the Company approved an amendment to the Company's outstanding Share Option Plans removing the right of all option holders, in lieu of receiving common shares, to receive a cash payment from the Company equal to the difference between the exercise price of each stock option and the market price of the Company's common shares on the date of exercise. As a result of this change to the Share Option Plans, generally accepted accounting principles result in the transfer of the liability that was recorded for the intrinsic value of the stock options to contributed surplus. The intrinsic value of the options outstanding at May 19, 2010 set the basis for the future share based compensation expense for any unvested options outstanding at that date.

The share based compensation expense resulting from the fair value of options granted after May 19, 2010 will be based on the Black-Scholes option pricing model. The determination of expected volatility contained in the option pricing model is based on subjective assumptions which can materially affect the fair value estimate of the options at the date of grant.

Due to the change in the method of accounting for the options, the share based compensation expense is not directly comparable between quarters.

Developments During the September 2010 quarter

Mount Polley

Mill throughput averaged 22,563 tonnes per day during the third quarter. With almost 6 million tonnes milled to the end of the third quarter, a record annual mill throughput is likely to be achieved in 2010. Copper and gold production for the 2010 nine month period are both up slightly from the same period in 2009.

A plant is being installed in the Mount Polley concentrator, which is designed to recover fine magnetite from the tailings stream, which can be sold as dense media for use in coal wash plants. This new addition to the plant is expected to be completed during the 2010 fourth quarter.

Exploration at Mount Polley in the third quarter focused on expanding the WX zone and included drilling of 24 surface diamond drill holes totaling 12,955 metres. The underground ramp, which will provide access to more fully explore and to test mine higher grade mineralization in the Boundary zone, had advanced 224.5 metres by the end of September.

Exploration expenditures at Mount Polley were $2.9 million in the September 2010 quarter compared to $1.4 million in the September 2009 quarter.

Huckleberry

Copper production was down slightly in the September 2010 quarter to 10.1 million pounds compared to 11.2 million pounds in the June 2010 quarter. Huckleberry's production was impacted during the quarter by wildfires. Mine and mill operations were temporarily suspended for seven days beginning on August 16 as a precautionary measure due to wildfires burning approximately 50 kilometres from the plant site.

Huckleberry's exploration plans for 2010 included the drilling of 21 diamond drill holes totaling about 4,400 metres. To date 18 holes have been completed. The remaining holes are expected to be completed by the end of November. The holes have been designed to test the Main zone perimeter and depth extent. The results will be added to the data base and then used to investigate potential Main zone pit expansions.

The financial results of Huckleberry continue to have a significant impact on Imperial's results. Imperial's share of Huckleberry's income was nil in the September 2010 quarter compared to losses of $2.3 million in September 2009 quarter.

Notes 4 and 13 to the unaudited consolidated financial statements of the Company for the nine months ended September 30, 2010 discloses information on the impact of Huckleberry operations on the financial position and results of operations of Imperial.

Red Chris

Five deep capacity diamond drill rigs were in operation during the quarter. The 2010 exploration program focused on drilling the Red Chris mineralized system to at least 1,000 metres below surface in the area of the proposed open pit. In the 2010 program, a total of 95 drill holes totaling 43,523 metres, including 31 exploration, 23 condemnation holes and 41 geotechnical holes at the proposed open pit, tailings impoundment and plant site areas have been completed to September 30, 2010. Positive assay results were received, in particular from drill hole RC10-393, which included 317.5 metres grading 1.08% copper, 1.46 g/t gold and 4.28 g/t silver within a 1112.5 metre mineralized section grading 0.54% copper, 0.61 g/t gold and 1.96 g/t silver. This is one of the longest mineralized intercepts obtained to date at Red Chris. RC10-388, one of the first holes in the deep Main zone since 2007, tested the western edge of the known Main zone and intersected five intervals of copper/gold mineralization including 380.0 metres grading 0.34% copper and 0.50 g/t gold. Two holes were collared near the western rim of the proposed open pit and add a significant dimension to the known extent of Main zone mineralization. RC10-392 returned 232.5 metres grading 0.39% copper and 0.48 g/t gold and RC10-388 returned 1,047.3 metres grading 0.22% copper and 0.34 g/t gold.

Mines Act permitting through the Northwest Mine Development Review Committee is underway. Phase one of the geotechnical and condemnation drilling in the tailings impoundment areas was completed in the September 2010 quarter.

Exploration and development expenditures at Red Chris were $5.4 million in the September 2010 quarter compared to $2.1 million in the September 2009 quarter.

Sterling

At the Sterling property, grades from face and wall sampling of the 3220 level exceeded expectations and averaged 0.12 ounces per ton gold over 368.5 feet. During the quarter, 381 feet of underground drifting along the 3220 was completed. The underground development continues and information obtained will be used to confirm mining methods, expected recoveries and minable reserves.

Exploration expenditures at Sterling were $0.2 million in the September 2010 quarter compared to $0.6 million in the September 2009 quarter.

Catface

The 2010 diamond drill program at the Catface copper/molybdenum property was completed in late September. A total of 3,548 metres was drilled in 13 holes to test the Cliff and Irishman Creek zones. Results from the first hole, CF-10-56, confirmed the north south continuity of the Cliff zone intercepting 755 metres grading 0.46% copper and 0.006% molybdenum, including a higher grade section of 275.5 metres grading 0.60% copper and 0.014% molybdenum. Results from the remaining holes which tested the Irishman Creek zone and the southern extent of the Cliff zone are pending.

Exploration expenditures at Catface were $0.6 million in the September 2010 quarter.

Ruddock Creek

Exploration at the Ruddock Creek zinc/lead property restarted in early July and included surface diamond drilling testing the Creek zone and the installation and operation of a pumping system to dewater the E zone decline. The Creek zone drilling finished in mid-October with 18 holes totaling 3583.6 metres completed. Assay results are pending. The E zone decline is now dewatered. It will be extended an additional 400 metres. This additional development will provide access for underground diamond drilling to explore the E zone to depth. The current program commenced following the signing of a Memorandum of Understanding with Itochu Corporation and Mitsui Mining and Smelting Co. Ltd., whereby Itochu/Mitsui may earn up to a 50% interest in Ruddock Creek by providing $20.0 million in exploration and development funding by March 31, 2013.

Critical Accounting Policies and Estimates

Until May 18, 2010 share based compensation was accounted for using the intrinsic value method. Under this method the Company accrued a liability for stock options based on the excess of the market price of the Company's common shares over the exercise price. Commencing May 19, 2010 the Company uses the Black-Scholes option pricing model to fair value new option grants.

Other than the aforementioned, the critical accounting policies adopted by the Company and used in preparation of its consolidated financial statements have not changed from those described in the Management's Discussion and Analysis for the year ended December 31, 2009.

Future Accounting Changes

(a) In February 2008 the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS") for financial quarters beginning on and after January 1, 2011. Accordingly, the Company will be required to present its financial statements in accordance with IFRS for its fiscal year beginning January 1, 2011, including 2010 IFRS compliant comparative financial results.

In the first quarter of 2009, the Company appointed a project manager to lead the conversion to IFRS. It retained its auditors to assist its finance team in completing a diagnostic review of the significant differences between IFRS and Canadian GAAP. In the second quarter of 2009, the completed IFRS scoping and impact assessment analysis was reported to the Audit Committee and Board of Directors. In the third and fourth quarters of 2009, a detailed analysis of the major financial statement impact areas was completed and those financial impacts presented to the Audit Committee and Board of Directors by quantifying the income statement and balance sheet changes under IFRS and comparing the amounts to those under GAAP. The major financial impact areas identified for the Company are:

1. Property plant and equipment
2. Impairment testing
3. Contingent liabilities, particularly asset retirement obligations
4. Stock based compensation
5. Interest in joint ventures

The Company has worked closely with the Huckleberry mine financial team to coordinate and understand their election choices under IFRS 1 (the transition standard), as well as the areas of impact in their financial statements.

In the second quarter of 2010 the Company completed accounting position papers, refined the financial numbers impacted by IFRS, and met with auditors to review its worksheets and documents.

An audit of the Company's opening IFRS balance sheet commenced in the third quarter of 2010 with completion expected in the fourth quarter of 2010. In the fourth quarter of 2010 it is the Company's plan to prepare its proposed March 31, 2011 IFRS compliant note disclosures and work with its auditors to have these disclosures reviewed. The Company's December 31, 2010 IFRS Balance Sheet and Income Statement is expected to be audited concurrently with the Company's annual audit under GAAP.

The Company reviewed the impact of IFRS on its information systems, processes and internal controls as a result of the major financial impact areas identified above. Although not significant, changes were required and have been formally established among the applicable departments of the organization. The Company will review its disclosure controls and procedures to ensure they are appropriate for reporting under IFRS. The exemption and accounting policy choices provided under IFRS 1 were presented to the Board in 2009 along with management's recommendations.

The International Accounting Standards Board has provided further guidance on the accounting treatment for interests in joint ventures with the result that the Company will account for its investment in Huckleberry Mines Ltd. on the equity basis effective with the adoption of IFRS. This change is a major impact on the balance sheet, statement of income and statement of cash flows as the Company's 50% share of ownership and results of operations in Huckleberry will be condensed into one line on each statement instead of the current proportionate consolidation method which shows Huckleberry's share of each financial statement item with the corresponding financial statement item of Company. The net income will remain unchanged as a result of the change from proportionate consolidation to equity method.

Many IFRS standards are currently under review with the International Accounting Standards Board, and therefore other financial impacts are expected before transition in 2011. Those pronouncements are being monitored by the Company. It is expected that the financial statement and MD&A disclosure requirements under IFRS will have a significant impact on the Company's reporting. A detailed review of disclosures will be addressed in 2010.

(b) In January 2009, the Canadian Institute of Chartered Accountants ("CICA") issued Section 1582 – Business Combinations, which replaces Section 1581 – Business Combinations, and Section 1601 – Consolidated Financial Statements and Section 1602 – Non-Controlling Interests, which replace Section 1600 – Consolidated Financial Statements. These new sections are effective for years beginning on or after January 1, 2011 with earlier adoption permitted. Section 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. In addition, acquisition costs are not part of the consideration and are to be expensed when incurred. The Company did not early adopt these new sections as of January 1, 2010.

RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2010
COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 2009

This review of the results of operations should be read in conjunction with the unaudited consolidated financial statements of the Company for the three months ended September 30, 2010 and the audited consolidated financial statements for the year ended December 31, 2009.

Financial Results

Overview

Revenues increased to $68.7 million for the three months ended September 30, 2010 from $53.8 million in the three months ended September 30, 2009 on higher copper prices and slightly lower sales volumes. Revenue in the quarter was increased by $8.8 million for positive revenue revaluations compared to positive revenue revaluations of $5.8 million in the September 2009 quarter.

Net income for the three months ended September 30, 2010 was $7.1 million ($0.19 per share) compared to a net income of $4.5 million ($0.14 per share) in the comparative 2009 quarter. Although income from operations increased by $4.4 million in 2010 compared to 2009, net income only increased by $2.5 million primarily due to a $2.4 million increase in income and mining tax expense in the current period.

The financial results of the Company are closely tied to the profitability of the Mount Polley and Huckleberry mines. Income from operations from the Mount Polley mine was $14.9 million in the September 2010 quarter compared to $11.6 million in the comparative 2009 quarter. Imperial's share of Huckleberry's income from operations was $8.8 million in the September 2010 quarter versus $7.7 million in the comparative 2009 quarter.

Imperial recorded a total of $10.9 million in realized and unrealized losses on derivative instruments in the September 2010 quarter compared to a total of $10.6 million in realized and unrealized losses on derivative instruments in the September 2009 quarter. These derivative instruments were put in place to provide cash flow protection against declines in the price of copper and the CDN/US Dollar.

Mineral Production and Transportation Costs

Mineral production and transportation costs were $36.9 million in the September 2010 quarter comprised of $27.8 million from Mount Polley and $9.1 million representing the Company's 50% share of Huckleberry. This compares to $33.0 million in 2009 quarter, comprised of $23.1 million from Mount Polley and $9.9 million from Huckleberry. Mount Polley sales volumes were marginally lower in 2010 compared to 2009 while Huckleberry sales volumes decreased. Total costs were higher due to higher mine operating costs at the Mount Polley mine.

Mineral Property Holding Costs

Mineral property holdings costs increased to $0.8 million in the September 2010 quarter compared to $0.3 million in the comparative September 2009 quarter primarily due to higher costs at Sterling.

Depletion and Depreciation

Depletion and depreciation was $6.4 million in the September 2010 quarter compared to a recovery of $2.3 million in the 2009 quarter. The September 2009 comparative quarter included a decrease to the depletion charge resulting from a correction to the calculation of depletion of units-of-production assets.

General and Administration

General and administration expense increased to $0.6 million in the September 2010 quarter from $0.5 million in 2009 quarter due to additional staff and related administration costs required to support the Company's expanded activities.

Share Based Compensation

A share based compensation expense of $0.3 million was recorded in the September 2010 quarter compared to nil in the September 2009 quarter. The change in method of accounting for share based compensation expense described earlier under the heading Share Based Compensation Expense impacted the September 30, 2010 quarter amount and comparison with prior quarters. See Note 5 to the unaudited consolidated financial statements for further details.

Interest Expense on Long Term Debt

Interest expense on long term debt decreased in the September 2010 quarter to under $0.1 million from $0.2 million in the 2009 comparative quarter. The decrease was due to the reduction of long term debt in the 2010 quarter over the 2009 quarter as the convertible debentures were converted into common shares in the March 2010 quarter.

Other Interest Expense

Other interest expense increased to $0.1 million in the September 2010 quarter compared to under $0.1 million in the comparative 2009 quarter. The 2010 quarter includes interest and loan fees related to the increase in the revolving bank loan facility put in place in the September 2010 quarter

Interest Accretion on Long Term Debt

Interest accretion decreased to nil in the September 2010 quarter compared to $0.3 million due to the conversion of the convertible debentures in the March 2010 quarter.

Foreign Exchange Loss

The average CDN/US Dollar exchange rate of 1.04 in the September 2010 quarter was significantly lower than the September 2009 quarter average of 1.10. During the September 2010 quarter the CDN/US Dollar exchange rate was on a decreasing trend going from 1.06 to 1.02 resulting in a $1.2 million foreign exchange loss being recorded in the September 2010 quarter. Foreign exchange losses of $3.9 million were recorded in the September 2009 quarter as the CDN/US Dollar exchange rate was on a decreasing trend going from 1.16 to 1.07. These losses are attributable to holding US Dollar denominated cash, accounts receivable and derivative instruments, partially offset by gains on debt. These net US Dollar asset and liability balances are the result of the operations at the Mount Polley and Huckleberry mines.

Losses on Derivative Instruments

From time to time the Company enters into hedge contracts for the sale of copper and CDN/US Dollar exchange rate to protect the Company's cash flow against a decline in the price of copper and the CDN/US Dollar. The Company's contracts do not qualify for hedge accounting and therefore the Company must mark to market the unrealized gains and losses on all its contracts. Changes in valuation of this hedge position and the hedge position carrying over from prior quarters resulted in a loss of $10.9 million during the three months ended September 30, 2010 compared to a loss of $10.6 million in the September 2009 quarter. The unrealized net losses on the hedge contracts outstanding at September 30, 2010 totaled $7.6 million. The ultimate gain or loss on these contracts will be determined by the copper prices and CDN/US Dollar exchange rate in the quarters when these contracts settle.

Income and Mining Taxes

Income and mining taxes were $4.1 million in the September 2010 quarter compared to $1.7 million in the September 2009 quarter. Changes in tax legislation in the June 2010 quarter resulted in no tax recovery being recorded on the unrealized share based compensation expense and this reduced the expected tax recovery and increased the effective tax rate. Refer to Note 9 of unaudited consolidated financial statements of the Company for the three months ended September 30, 2010 for further details on the current and future tax expense. A total of $0.6 million expense was recorded for mineral taxes payable to the Province of British Columbia in the September 2010 quarter compared to $0.5 million in the September 2009 quarter.

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 2009.

The capital structure of the Company consists of short term debt, credit facilities, including credit facilities with counterparties related to derivative instruments, long term debt, equity attributable to common shareholders, comprised of share capital, contributed surplus and retained earnings.

The Company is in compliance with the debt covenants related to its short term debt, credit facilities with counterparties, and long term debt.

Liquidity & Capital Resources

Credit Risk

The Company's credit risk is limited to cash and cash equivalents, short term investments, accounts receivable, future site reclamation deposits and derivative instruments in the ordinary course of business. The credit risk of cash and cash equivalents, short term investments 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 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 was previously thought to be minimal because of their strong capital base, diversity and multinational operations. However, the bankruptcy of one of the Company's counterparties, Lehman Brothers Commodity Services Inc. in the fourth quarter of 2008 demonstrated that counterparty risk increased at that time. Changes in Government regulations and intervention by Governments in the financial sector since that time have mitigated the risk to some extent.

The Company's credit risk has not changed significantly since December 31, 2009.

Liquidity Risk

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 and cash equivalents and short term investment 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 Company's primary sources of credit are short term debt secured by concentrate inventory and a $25.0 million revolving loan facility with a financial institution. The $25.0 million loan facility is due on demand. At September 30, 2010 the cash balance of the Company, excluding Huckleberry, was $6.8 million.

While the Company does not have immediate access to its share of Huckleberry cash, it does receive cash distributions via dividends when declared by Huckleberry's board of directors. On April 30, 2010 the Company received a $5.0 million dividend from Huckleberry.

The amount of cash currently generated by the Company's operations may not be sufficient to fund projected levels of exploration and development activity and associated overhead costs. The Company may then be dependant upon debt and equity financing to carry out its exploration and development plans. There can be no assurance that such financing will be available on terms acceptable to the Company or at all.

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 asset backed commercial securities.

The Company's overall liquidity risk has not changed significantly from December 31, 2009. Liquidity risk is also impacted by credit risk should a counterparty default on its payments to the Company.

Currency Risk

Financial instruments that impact the Company's net income and comprehensive income due to currency fluctuations include US dollar denominated cash and cash equivalents, short term investments, accounts receivable, derivative instrument assets and margin deposits, reclamation deposits, accounts payable, derivative instrument liabilities, and short and long term debt.

Cash Flow

The Company recorded net income of $7.1 million in the three months ended September 30, 2010 compared to net income of $4.5 million in the September 2009 quarter. Cash flow was $25.9 million in the September 2010 quarter compared to cash flow of $15.9 million in the comparative quarter. The $10.0 million decrease is primarily the result of increased operating margins at the Mount Polley and Huckleberry mines. Cash flow is a measure used by the Company to evaluate its performance, however, it is not a term recognized under generally accepted accounting principles. Cash flow is defined as cash flow from operations before the net change in working capital balances.

Working Capital

At September 30, 2010 the Company had working capital, defined as current assets less current liabilities, of $64.7 million, an increase of $36.6 million from working capital of $28.1 million at December 31, 2009. The September 30, 2010 working capital position reflects the conversion of the convertible debentures in March 2010 and elimination of the share based compensation liability resulting from the change in the share option plan.

During the September 30, 2010 quarter the Company received $2.0 million in proceeds on the exercise of stock options compared to nil in the 2009 quarter.

Acquisition and Development of Mineral Properties

Acquisition and development of mineral properties totaled $13.9 million in the September 2010 quarter compared to $7.3 million in the comparative 2009 quarter.

Capital and development expenditures on Mount Polley, Huckleberry, Sterling and Red Chris were $6.2 million in the September 2010 quarter compared to $4.4 million in the September 2009 quarter. Expenditures of $4.0 million in the September 2010 quarter at Mount Polley included capital to maintain and expand productive capacity. Expenditures at Huckleberry in the September 2010 quarter were $1.1 million for ongoing capital programs. The September 2009 quarter expenditures at Mount Polley included $2.3 million for ongoing capital to maintain and extend productive capacity and installation of a magnetite recovery circuit. The September 2009 quarter expenditures at Huckleberry were $1.9 million primarily for tailings dam construction. Capital expenditures in 2010 and 2009 were financed from cash flow from operations except for one mobile mining unit that was financed by long term debt. Development expenditures at Red Chris totaled $0.6 million in the September 2010 quarter compared to $0.2 million in the September 2009 quarter.

Exploration expenditures were $8.4 million in the September 2010 quarter compared to $4.0 million in the September 2009 quarter. In the September 2010 quarter Mount Polley exploration drilling was $2.9 million, Red Chris drilling was $4.8 million, exploration work at Sterling was $0.2 million, and exploration work at Catface was $0.6 million. In the September 2009 quarter Mount Polley exploration drilling was $1.4 million, Red Chris drilling was $1.9 million and exploration work at Sterling was $0.6 million.

RESULTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010
COMPARED TO THE NINE MONTHS ENDED SEPTEMBER 30, 2009

This review of the results of operations should be read in conjunction with the unaudited consolidated financial statements of the Company for the nine months ended September 30, 2010 and the audited consolidated financial statements for the year ended December 31, 2009.

Financial Results

Overview

Revenues increased to $191.6 million for the nine months ended September 30, 2010 from $137.6 million in the nine months ended September 30, 2009 on higher copper prices and higher sales volumes. Revenue in the 2010 period was decreased by $0.6 million for negative revenue revaluations compared to positive revenue revaluations of $21.8 million in the 2009 period.

In the nine months ended September 30, 2010 Imperial recorded net income of $17.5 million ($0.49 per share) compared to a net loss of $9.4 million ($0.29 per share) in the comparative period. The increase in net income for the period is due primarily to a $31.2 million swing in gains on derivative instruments which went from a loss of $32.1 million in the 2009 period to a loss of $0.9 million in the 2010 period. The balance of the change in net income is due to improved mine operating margins and lower foreign exchange losses, partially offset by higher share based compensation expense.

The financial results of the Company are closely tied to the profitability of the Mount Polley and Huckleberry mines. Income from operations from the Mount Polley mine was $24.7 million in the September 2010 period compared to $13.8 million in the 2009 period. Imperial's share of Huckleberry's income from operations was $17.6 million in the September 2010 period versus $12.3 million in the comparative 2009 period.

Imperial recorded a total of $0.9 million in realized and unrealized losses on derivative instruments in the September 2010 period compared to a total of $32.1 million in realized and unrealized losses on derivative instruments in the September 2009 period. These derivative instruments were put in place to provide cash flow protection against declines in the price of copper and the CDN/US Dollar.

Mineral Production and Transportation Costs

Mineral production and transportation costs were $128.2 million in the September 2010 period comprised of $93.6 million from Mount Polley and $34.6 million representing the Company's 50% share of Huckleberry. This compares to $96.3 million in 2009 period comprised of $66.5 million from Mount Polley and $29.8 million from Huckleberry. Overall shipment volumes increased in 2010 compared to 2009 and therefore total costs were higher due to increased sales volumes and higher mine operating costs.

Mineral Property Holding Costs

Mineral property holdings costs were $1.7 million in the 2010 period compared to $0.8 million in the 2009 period primarily due to higher costs at Sterling.

Depletion and Depreciation

Depletion and depreciation increased to $18.8 million in the September 2010 period from $8.5 million in the 2009 period due to higher sales volumes and a higher depletion and depreciation base in the current period. The 2009 comparative period included a decrease to the depletion charge resulting from a correction to the calculation of depletion of units-of-production assets.

General and Administration

General and administration expense increased to $3.0 million in the September 2010 period from $1.7 million in 2009 period due to additional staff and related administration costs required to support the Company's expanded activities.

Share Based Compensation

Share based compensation expense was $8.0 million in the September 2010 period compared to nil in the September 2009 period. The change in method of accounting for share based compensation expense described earlier under the heading Share Based Compensation Expense impacted the June 30, 2010 and September 30, 2010 period amounts and comparison with prior periods. The large increase in the Company's share price in the last quarter of 2009 and into 2010 resulted in options being in-the-money at those dates. See Note 5 to the unaudited consolidated financial statements for details.

Interest Expense on Long Term Debt

Interest expense on long term debt decreased in the September 2010 period to $0.2 million from $0.7 million in the 2009 comparative period due to a reduction of long term debt as the convertible debentures were converted to common shares in the March 2010 quarter.

Other Interest Expense

Other interest expense increased to $0.3 million in the September 2010 period compared to under $0.1 million in the September 2009 period. The 2010 period included interest and loan fees related to the increase in the revolving bank loan facility put in place in the September 2010 period. This new facility replaces the $12.0 million revolving bank loan facility put in place in the March 2010 period.

Interest Accretion on Long Term Debt

Interest accretion decreased to $0.2 million in the September 2010 period compared to $0.9 million in the September 2009 period due to the conversion of the convertible debentures in the March 2010 quarter.

Foreign Exchange Loss

The average CDN/US Dollar exchange rate of 1.04 in the September 2010 period was significantly lower than the September 2009 period average of 1.17. During the September 2010 period the CDN/US Dollar exchange rate was on a decreasing trend going from 1.05 to 1.03 resulting in a $1.0 million foreign exchange loss being recorded in the September 2010 period. A foreign exchange loss of $6.7 million was recorded in the September 2009 period as the exchange rate was on a decreasing trend going from 1.24 to 1.07. These gains and losses are attributable to holding US Dollar denominated cash, accounts receivable and derivative instruments, partially offset by gains on debt. These net US Dollar asset and liability balances are the result of the operations at the Mount Polley and Huckleberry mines.

Losses on Derivative Instruments

From time to time the Company enters into hedge contracts for the sale of copper and CDN/US Dollar exchange rate to protect the Company's cash flow against a decline in the price of copper and the CDN/US Dollar. The Company's contracts do not qualify for hedge accounting and therefore the Company must mark to market the unrealized gains and losses on all its contracts. Changes in valuation of this hedge position and the hedge position carrying over from prior quarters resulted in a loss of $0.9 million during the nine months ended September 30, 2010 compared to a loss of $32.1 million in the September 2009 period. The unrealized net gains on the hedge contracts outstanding at September 30, 2010 totaled $7.6 million. The ultimate gain or loss on these contracts will be determined by the copper prices and CDN/US Dollar exchange rate in the periods when these contracts settle.

Income and Mining Taxes

Income and mining taxes were $11.0 million in the September 2010 period compared to a $2.2 million recovery in the September 2009 period. Changes in tax legislation in the June 2010 quarter resulted in no tax recovery being recorded on the unrealized share based compensation expense and this reduced the expected tax recovery and increased the effective tax rate. Refer to Note 9 of unaudited consolidated financial statements of the Company for the nine months ended September 30, 2010 for further details on the current and future tax expense. A total of $1.2 million expense was recorded for mineral taxes payable to the Province of British Columbia in the September 2010 period compared to $0.9 million in the September 2009 period.

Liquidity & Capital Resources

Cash Flow

The Company recorded net income of $17.5 million in the nine months ended September 30, 2010 compared to net loss of $9.4 million in the September 2009 period. Cash flow was $43.9 million in the September 2010 period compared to cash flow of $36.0 million in the comparative period. The $7.9 million increase is primarily the result of improved mine operating margins and reduced foreign exchange losses. Cash flow is a measure used by the Company to evaluate its performance, however, it is not a term recognized under generally accepted accounting principles. Cash flow is defined as cash flow from operations before the net change in working capital balances.

Working Capital

At September 30, 2010 the Company had working capital, defined as current assets less current liabilities, of $64.7 million, an increase of $36.6 million from working capital of $28.1 million at December 31, 2009. The September 30, 2010 working capital position reflects the conversion of the convertible debentures in the March 2010 quarter and elimination of the share based compensation liability resulting from the change in the share option plan.

During the nine months ended September 30, 2010 the Company received $6.6 million in proceeds on the exercise of stock options compared to nil in the 2009 period. In the 2009 period the Company spent $0.5 million repurchasing its common shares for cancellation. There were no share repurchases in 2010.

Acquisition and Development of Mineral Properties

Acquisition and development of mineral properties totaled $34.7 million in the September 2010 period compared to $17.8 million in the comparative 2009 period.

Capital and development expenditures on Mount Polley, Huckleberry, Sterling and Red Chris were $19.3 million in the September 2010 period compared to $11.0 million in the September 2009 period. The September 2010 period expenditures at Mount Polley included $13.2 million for ongoing capital to maintain and extend productive capacity and installation of a magnetite recovery circuit. The September 2010 period expenditures at Huckleberry were $2.5 million for ongoing capital projects. Capital expenditures in 2010 and 2009 were financed from cash flow from operations except for two mobile mining units that were financed with long term debt. Development expenditures at

Red Chris totaled $3.0 million in the September 2010 period compared to $0.4 million in the September 2009 period.

Exploration expenditures were $17.1 million in the September 2010 period compared to $8.0 million in the September 2009 period. In the September 2010 period Mount Polley exploration drilling was $5.5 million, Red Chris drilling was $9.7 million and underground exploration work at Sterling was $0.6 million and $1.1 million for exploration work at Catface. In the September 2009 period Mount Polley exploration drilling was $3.9 million, Red Chris drilling was $2.4 million and underground exploration work at Sterling was $1.4 million.

Debt and Other Obligations

Interest Rate Risk

The Company is exposed to interest rate risk on its outstanding borrowings and short term investments. The majority of the Company's outstanding borrowings are at floating interest rates. The Company monitors its exposure to interest rates and is comfortable with its current exposure as debt obligations are limited. The Company has not entered into any derivative contracts to manage this risk.

Select use of short term debt during the September 30, 2010 and 2009 periods from purchasers of the Company's concentrate and short term advances from the revolving loan facility provided working capital to meet day to day cash requirements.

Debt repayment and working capital requirements for 2010 are expected to be met from cash on hand and cash flow generated by Mount Polley and Huckleberry. The Company currently does not forecast the requirement for any new long term debt or equity financings during the balance of 2010 however long term debt may be utilized when terms are favourable. The Company will continue to utilize short term debt facilities to manage its day to day financing needs.

In the March 2010 quarter the Company entered into a $12.0 million revolving loan facility with a bank to assist with working capital requirements and in August this facility was increased to $25.0 million. The facility is due on demand and is subject to maintenance of certain financial covenants.

The Company's convertible debentures were all converted in the March 2010 quarter. They were converted into common shares of the Company at the option of the holder at a conversion price of $8.65 per common share.

The Company had the following contractual obligations as of September 30, 2010:

[expressed in thousands of dollars]	Oct-Dec 2010	2011	2012	2013	2014	Total
Long term debt	$371	$1,478	$859	$195	$ -	$2,903
Short term debt	-	-	-	-	-	-
Operating leases	79	324	172	64	58	697
Capital expenditures and other	-	-	-	-	-	-
Mineral properties (1)	108	520	591	652	421	2,292
Total	$558	$2,322	$1,622	$911	$479	$5,892

(1) Mineral property commitments are the estimated payments required to keep the Company's claims or option agreements in good standing. Total is to the year 2014 only.

Debt repayment and working capital requirements for 2010 are expected to be met from cash on hand and cash flow generated by Mount Polley and Huckleberry and other debt or equity financings as may be required.

As at September 30, 2010 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. The Company was exposed to equity price changes with respect to its share based compensation liabilities to May 19, 2010 however because of changes to the option plans this is no longer the case subsequent to that date. As a result of the change to the Company's option plan, the Company's sensitivity to equity prices has decreased significantly from the prior year.

Fair Value Estimation

The fair value of financial instruments traded in active markets (such as held for trading securities and share based compensation liabilities) 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 quoted market price used for financial liabilities owed by the Company is the current ask 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 receivables and payables are assumed to approximate their fair values. Management believes that the carrying value of short and long term debt approximates fair value. Although the interest rates and credit spreads have changed since the long term debt was issued the fixed rate portion of the long term debt is close to maturity, will not be refinanced and therefore the carrying value is not materially different from fair value.

Selected Quarterly Financial Information

Unaudited [expressed in thousands of dollars, except share amounts, copper price and exchange rates]	Three Months Ended September 30 2010	June 30 2010	March 31 2010	December 31 2009
Total Revenues	$68,692	$53,528	$69,371	$63,559
Net Income (Loss) – as reported	$7,051	$12,956	$(2,489)	$(3,403)
Depletion adjustment [4]	-	-	-	-
Net Income (Loss) – as amended	$7,051	$12,956	$(2,489)	$(3,403)
Income (Loss) per share [1] - as reported	$0.19	$0.36	$(0.07)	$(0.10)
Income (Loss) per share [1] – as amended	$0.19	$0.36	$(0.07)	$(0.10)
Diluted Income (Loss) per share [1] – as reported	$0.19	$0.35	$(0.07)	$(0.10)
Diluted Income (Loss) per share [1] – as amended	$0.19	$0.35	$(0.07)	$(0.10)
Adjusted Net Income [2] – as reported	$12,880	$1,175	$6,852	$13,857
Adjusted Net Income [2] – as amended	$12,880	$1,175	$6,852	$13,857
Adjusted Net Income per share[1] [2] – as reported	$0.35	$0.03	$0.20	$0.42
Adjusted Net Income per share[1] [2] – as amended	$0.35	$0.03	$0.20	$0.42
Cash Flow [3]	$25,885	$7,971	$10,059	$18,525
Cash Flow per share [1] [3]	$0.71	$0.22	$0.29	$0.57
Average LME cash settlement copper price/lb in US$	$3.285	$3.188	$3.286	$3.011
Average US/CDN$ exchange rate	$1.039	$1.028	$1.040	$1.056
Period end US/CDN$ exchange rate	$1.030	$1.061	$1.016	$1.047

Unaudited [expressed in thousands of dollars, except share amounts, copper price and exchange rates]	Three Months Ended September 30 2009	June 30 2009	March 31 2009	December 31 2008
Total Revenues	$53,788	$48,897	$34,898	$(5,405)
Net Income (Loss) – as reported	$4,544	$(6,562)	$(7,338)	$(9,736)
Depletion adjustment [4]	$(2,423)	$1,429	$994	-
Net Income (Loss) – as amended	$2,121	$(5,133)	$(6,344)	$(9,736)
Income (Loss) per share [1] – as reported	$0.14	$(0.20)	$(0.23)	$(0.30)
Income (Loss) per share [1] – as amended	$0.07	$(0.16)	$(0.20)	$(0.30)
Diluted Income (Loss) per share [1] – as reported	$0.14	$(0.20)	$(0.23)	$(0.30)
Diluted Income (Loss) per share [1] – as amended	$0.07	$(0.16)	$(0.20)	$(0.30)
Adjusted Net Income (Loss) [1] [2] – as reported	$9,812	$2,757	$11,099	$(4,510)
Adjusted Net Income (Loss) [1] [2] – as amended	$9,812	$2,757	$11,099	$(4,510)
Adjusted Net Income (Loss) per share [1] [2] – as reported	$0.31	$0.09	$0.35	$(0.14)
Adjusted Net Income (Loss) per share [1] [2] – as amended	$0.31	$0.09	$0.35	$(0.14)
Cash Flow [3]	$15,856	$15,484	$4,687	$(16,210)
Cash Flow per share [1] [3]	$0.49	$0.48	$0.15	$(0.50)
Average LME cash settlement copper price/lb in US$	$2.649	$2.121	$1.558	$1.787
Average US/CDN$ exchange rate	$1.097	$1.167	$1.245	$1.213
Period end US/CDN$ exchange rate	$1.072	$1.163	$1.260	$1.225

(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) Adjusted Net Income is defined as net income adjusted for certain items of a non-operational nature that pertain to future periods as described in further detail under the heading Adjusted Net Income.

(3) Cash flow and cash flow per share are measures used by the Company to evaluate its performance however, they are not terms recognized under generally accepted accounting principles and are therefore unlikely to be comparable to similar measures used by other companies. Cash flow is defined as cash flow from operations before net change in working capital balances and cash flow per share is the same measure divided by the weighted average number of common shares outstanding during the period.

(4) The September 30, 2009 quarter included a correction to the year to date calculation of depletion on units-of-production assets. This amendment reclassifies the depletion expense, net of tax, that was recorded in the September 2009 quarter to the March and September 2009 quarters.

The Company believes these measures in (2) and (3) are useful to investors because they are included in the measures that are used by management in assessing the financial performance of the Company.

Related Party Transactions

The Company purchases services from a Company in which a director is an owner. These services are purchased at normal market rates with the costs included in either mineral exploration or production costs depending on the nature of the expenditure. Refer to Note 12 to the unaudited consolidated interim financial statements for amounts.

Other

As of November 8, 2010 the Company had 36,869,858 common shares outstanding, and on a diluted basis 38,750,192 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 management's discussion and analysis, 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 management's discussion and analysis, 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 term are defined under Multilateral 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 and procedures over financial reporting as defined under Multilateral Instrument 52-109. Management has excluded from its assessment the internal control over financial reporting at Huckleberry Mines Ltd. ("Huckleberry"), in which the Company holds a 50% interest and is proportionally consolidated in the Company's consolidated financial statements, because Imperial's management does not have the ability to dictate or modify controls at this entity. Huckleberry constitutes 16.8% of net assets, 18.6% of total assets, 28.4% of revenues, income of $17.6 million from operations, and net income of $10.3 million of the consolidated financial statement amounts as of and for the nine months ended September 30, 2010.

As of September 30, 2010 there were no changes in our internal control over financial reporting that occurred during the period covered by this Management's Discussion and Analysis that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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, these matters will not have a material effect on the Company's consolidated financial position or results of operations.

In 2007 the Company acquired bcMetals Corporation which is a party to a number of legal actions and contingent liabilities pertaining to the Red Chris project. The principal action relates to American Bullion Minerals Ltd. ("ABML"). In 2006 two minority shareholders of ABML commenced action against the Company and others seeking a declaration that the affairs of ABML had been conducted in a manner oppressive to its minority shareholders and asking that the minority shareholder's shares be purchased by the respondents. The matter remains before the Courts.

Risk Factors

The reader is cautioned that the following description of risks and uncertainties is not all-inclusive as it pertains only to conditions currently known to management. There can be no guarantee or assurance other factors will or will not adversely affect the Company. The risk factors affecting the Company have not changed from those described in the Management's Discussion and Analysis for the year ended December 31, 2009.

Outlook

Operations, Earnings and Cash Flow

Imperial's equity share of production from the Mount Polley mine and the Huckleberry mine is expected to reach approximately 55 million pounds of copper, 50 thousand ounces of gold and 230 thousand ounces of silver during 2010. At current metals prices operations are expected to generate sufficient cash flow to fund the Company's 2010 exploration and development programs. Cash flow protection for 2010 is supported by derivative instruments that will achieve certain minimum average copper prices and exchange rates as disclosed under the heading Derivative Instruments. However, the quarterly revenues will fluctuate depending on the timing of concentrate sales which are dependant on the availability and scheduling of transportation, and on copper and gold prices, and the US Dollar/CDN Dollar exchange rate.

Exploration

The Company's plans for 2010 include exploration at its Mount Polley, Red Chris, Sterling and Catface properties.

At the Mount Polley copper/gold property, exploration focused on expanding the WX zone and included drilling of 24 surface diamond drill holes totaling 12,955 metres. The underground ramp, which will provide access to more fully explore and to test mine higher grade mineralization in the Boundary zone, had advanced 224.5 metres by the end of September.

At the Red Chris copper/gold property, five diamond drill rigs were in operation. The exploration program focused on drilling the mineralized system beneath the proposed open pit to a depth of 1,000 metres. A total of 95 drill holes totaling 43,523 metres, including 31 exploration, 23 condemnation holes and 41 geotechnical holes at the proposed open pit, tailings impoundment and plant site areas have been completed as at September 30, 2010. Positive assay results were received, in particular from drill hole RC10-393, which included 317.5 metres grading 1.08% copper, 1.46 g/t gold and 4.28 g/t silver within a 1112.5 metre mineralized section grading 0.54% copper, 0.61 g/t gold and 1.96 g/t silver. This is one of the longest mineralized intercepts obtained to date at Red Chris. RC10-388, one of the first holes in the deep Main zone since 2007, tested the western edge of the known Main zone and intersected five intervals of copper/gold mineralization including 380.0 metres grading 0.34% copper and 0.50 g/t gold. Two holes were collared near the western rim of the proposed open pit and add a significant dimension to the known extent of Main zone mineralization. RC10-392 returned 232.5 metres grading 0.39% copper and 0.48 g/t gold and RC10-388 returned 1,047.3 metres grading 0.22% copper and 0.34 g/t gold.

At the Sterling property, gold grades from face and wall sampling of the 3220 level exceeded expectations and averaged 0.12 ounces per ton gold over 368.5 feet. During the quarter, 381 feet of underground drifting along the 3220 level was completed. The underground development continues and information obtained will be used to confirm mining methods, expected recoveries and minable reserves.

The 2010 diamond drill program at the Catface copper/molybdenum property was completed in late September. A total of 3,548 metres was drilled in 13 holes to test the Cliff and Irishman Creek zones. Results from the first hole, CF-10-56, confirmed the north south continuity of the Cliff zone intercepting 755 metres grading 0.46% copper and 0.006% molybdenum, including a higher grade section of 275.5 metres grading 0.60% copper and 0.014% molybdenum. Results from the remaining holes which tested the Irishman Creek zone and the southern extent of the Cliff zone are pending.

Exploration at the Ruddock Creek zinc/lead property restarted in early July and included surface diamond drilling testing the Creek zone and the installation and operation of a pumping system to dewater the E zone decline. The Creek zone drilling finished in mid-October with 18 holes totaling 3583.6 metres completed. Assay results are pending. The E zone decline is now dewatered. It will be extended an additional 400 metres. This additional development will provide access for underground diamond drilling to explore the E zone to depth. The current program commenced following the signing of a Memorandum of Understanding with Itochu Corporation and Mitsui Mining and Smelting Co. Ltd., whereby Itochu/Mitsui may earn up to a 50% interest in Ruddock Creek by providing $20.0 million in exploration and development funding by March 31, 2013.

The Company continues to evaluate exploration opportunities on currently owned properties and on new prospects.

Development

The mine development schedule of Red Chris is being planned to match the schedule for the construction of the Northwest Transmission Line (an extension to the BC Hydro grid to serve the northwestern corner of British Columbia). The Company anticipates being the first customer to connect to the Northwest Transmission Line. Mines Act permitting through the Northwest Mine Development Review Committee is underway. Phase one of the geotechnical and condemnation drilling in the tailings impoundment areas was completed in the September 2010 quarter.

At Huckleberry plans for extending the mine life by expanding the Main Zone pit are being studied.

Financing

Debt repayment and working capital requirements for 2010 are expected to be met from cash on hand, cash flow from the Mount Polley and Huckleberry mines, and short term debt facilities. Selective debt financings may also be entered into during 2010. The Company currently does not forecast the requirement for any equity financings during 2010.

Acquisitions

Management continues to evaluate potential acquisitions.

CONSOLIDATED BALANCE SHEETS

(Unaudited – Prepared by Management)
(expressed in thousands of dollars)

	September 30 2010	December 31 2009
ASSETS		
Current Assets		
Cash and cash equivalents	$35,191	$23,854
Short term investments	500	-
Marketable securities	229	216
Accounts receivable	46,250	42,188
Taxes receivable	3,321	2,751
Inventory (Note 3)	24,096	28,953
Derivative instrument assets and margin deposits (Note 8)	5,095	5,846
Future income taxes	3,643	3,808
	118,325	107,616
Derivative Instrument Assets and Margin Deposits (Note 8)	7,218	4,524
Mineral Properties	265,260	247,253
Future Site Reclamation Deposits	6,522	6,456
Future Income Taxes	5,682	6,874
Other Assets	285	348
	$403,292	$373,071
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$25,622	$20,456
Taxes payable	4,777	6,325
Short term debt (Note 6)	-	5,679
Derivative instrument liabilities (Note 8)	13,623	14,026
Current portion of share based compensation liability (Note 5)	-	9,411
Current portion of long term debt	1,617	1,436
Current portion of debt component of convertible debentures	-	13,746
Current portion of future site reclamation costs	604	1,070
Future income taxes	7,363	7,413
	53,606	79,562
Derivative instrument liabilities (Note 8)	1,778	4,339
Long Term Debt	1,286	1,220
Future Site Reclamation Costs	14,326	13,438
Share Based Compensation Liability (Note 5)	-	732
Future Income Taxes	43,061	39,668
	114,057	138,959
SHAREHOLDERS' EQUITY		
Share Capital (Note 7)	111,944	76,225
Contributed Surplus	7,612	918
Equity Component of Convertible Debentures	-	4,808
Retained Earnings	169,679	152,161
	289,235	234,112
	$403,292	$373,071

See accompanying notes to these financial statements.

Contingent Liabilities (Note 14)

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

	Third Quarter Three Months Ended Sept 30		Year to Date Nine Months Ended Sept 30	
	2010	2009	2010	2009
REVENUES				
Mineral sales	$67,725	$53,750	$189,818	$137,211
Interest income	215	16	359	202
Other	752	22	1,414	170
	68,692	53,788	191,591	137,583
EXPENSES				
Mineral production and transportation costs	36,930	32,952	128,173	96,307
Mineral property holding costs	805	292	1,664	813
Accretion of future site restoration costs	282	265	846	801
Depletion and depreciation	6,428	(2,261)	18,796	8,539
General and administration	574	491	3,038	1,699
Share based compensation (Note 5)	334	-	8,012	-
Interest on long term debt	31	230	225	704
Other interest	72	35	301	116
Interest accretion on long term debt	-	299	215	868
Foreign exchange loss	1,225	3,876	999	6,678
	46,681	36,179	162,269	116,525
INCOME FROM OPERATIONS	22,011	17,609	29,322	21,058
OTHER INCOME (EXPENSES)				
Realized gains (losses) on derivative instruments (Note 8)	(2,728)	1,441	(5,255)	20,235
Unrealized gains (losses) on derivative instruments (Note 8)	(8,152)	(12,075)	4,397	(52,301)
Other	26	(702)	85	(538)
INCOME (LOSS) BEFORE TAXES	11,157	6,273	28,549	(11,546)
Income and mining taxes (recovery) (Note 9)	4,106	1,729	11,031	(2,190)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	$7,051	$4,544	$17,518	$(9,356)
Income (Loss) Per Share				
Basic	$0.19	$0.14	$0.49	$(0.29)
Diluted	$0.19	$0.14	$0.48	$(0.29)
Weighted Average Number of Common Shares Outstanding (Note 11)				
Basic	36,694,071	32,120,347	35,903,477	32,126,074
Diluted	37,227,941	32,120,347	36,404,193	32,126,074

See accompanying notes to these financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(expressed in thousands of dollars, except share amounts)

	Share Capital Number of Shares	Share Capital Amount	Contributed Surplus	Equity Component of Convertible Debentures	Retained Earnings	Total
Balance December 31, 2009	34,246,518	$76,225	$918	$4,808	$152,161	$234,112
Issued on exercise of options	958,667	16,950	(10,317)	-	-	6,633
Transfer of contributed surplus on exercise of options	-	-	2,364	-	-	2,364
Transfer of liability on change in share option plans (Notes 5 and 7(b))	-	-	14,075	-	-	14,075
Issued on conversion of debentures	1,616,173	18,769	-	(4,808)	-	13,961
Share based compensation	-	-	572	-	-	572
Net income	-	-	-	-	17,518	17,518
Balance September 30, 2010	36,821,358	$111,944	$7,612	$ -	$169,679	$289,235
Balance December 31, 2008	32,128,985	$63,225	$918	$4,808	$165,197	$234,148
Purchase of common shares for cancellation pursuant to normal course issuer bid (Note 7(c))	(88,300)	(175)	-	-	(275)	(450)
Net loss	-	-	-	-	(9,356)	(9,356)
Balance September 30, 2009	32,040,685	$63,050	$918	$4,808	$155,566	$224,342

See accompanying notes to these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

	Third Quarter Three Months Ended Sept 30		Year to Date Nine Months Ended Sept 30	
	2010	2009	2010	2009
OPERATING ACTIVITIES				
Net income (loss)	$7,051	$4,544	$17,518	$(9,356)
Items not affecting cash flows				
Depletion and depreciation	6,428	(2,261)	18,796	8,539
Share based compensation, net of cash paid	334	-	6,867	-
Accretion of debt and future site restoration costs	282	564	1,061	1,669
Unrealized foreign exchange (gain) loss	535	680	(166)	2,593
Future income taxes	3,320	(502)	4,701	(20,307)
Unrealized (gains) losses on derivative instruments	8,152	12,075	(4,397)	52,301
Other	(217)	756	(465)	588
	25,885	15,856	43,915	36,027
Net change in non cash operating working capital balances (Note 10)	(3,420)	19,818	5,356	(27,959)
Cash provided by operating activities	22,465	35,674	49,271	8,068
FINANCING ACTIVITIES				
Proceeds of short term debt	13,112	5,555	40,125	48,167
Repayment of short term debt	(13,056)	(17,076)	(45,281)	(48,312)
Repayment of long term debt	(419)	(510)	(1,395)	(2,509)
Repurchase of shares for cancellation	-	(450)	-	(450)
Issue of share capital	2,008	-	6,633	-
Cash provided by (used in) financing activities	1,645	(12,481)	82	(3,104)
INVESTING ACTIVITIES				
(Increase) decrease in short term investments	(500)	8,000	(500)	27,320
Decrease (increase) in non current derivative instruments and margin deposits	178	92	(2,518)	3,147
Acquisition and development of mineral properties	(13,856)	(7,326)	(34,715)	(17,792)
Increase in future site reclamation deposits	(5)	(107)	(110)	(98)
Other	(15)	210	201	434
Cash (used in) provided by investing activities	(14,198)	869	(37,642)	13,011
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS	(616)	(1,239)	(374)	(2,462)
INCREASE IN CASH AND CASH EQUIVALENTS	9,296	22,823	11,337	15,513
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	25,895	6,733	23,854	14,043
CASH AND CASH EQUIVALENTS, END OF PERIOD	$35,191	$29,556	$35,191	$29,556

See accompanying notes to these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

CASH AND CASH EQUIVALENTS ARE COMPRISED OF:	Sept 30 2010	Dec 31 2009
Cash in bank	$35,191	$23,854

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	2010	2009	2010	2009
OPERATING ACTIVITIES				
Interest expense paid	$130	$57	$558	$594
Income and mining taxes paid (recovered)	$(1,535)	$966	$8,404	$2,761

SUPPLEMENTAL INFORMATION ON NON CASH INVESTING AND FINANCING ACTIVITIES

During the three months ended September 30, 2010 the Company purchased mobile equipment at a cost of $825 which was financed by long term debt and is repayable at $25 per month over a three year term with interest at Bank Prime Rate plus 2%.

During the three months ended June 30, 2010 the Company purchased mobile equipment at a cost of $834 which was financed by long term debt and is repayable at $25 per month over a three year term with interest at Bank Prime Rate plus 2%.

During the three months ended March 31, 2010 all the outstanding convertible debentures with a face value of $13,980 were converted into 1,616,173 common shares.

During the three months and nine months ended September 30, 2009 the Company purchased mobile equipment at a cost of $1,130 which was financed by long term debt denominated in US Dollars and is repayable at US$31 per month over a three year term.

See accompanying notes to these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

1. BASIS OF PRESENTATION

These consolidated financial statements include the accounts of the Company and those entities which are controlled by the Company through voting equity interests, referred to as subsidiaries. Entities which are jointly controlled, referred to as joint ventures, are proportionately consolidated. All inter-company balances and transactions have been eliminated upon consolidation.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Interim results are not necessarily indicative of the results expected for the fiscal year.

The Company's external auditors have not reviewed these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES AND ADOPTION OF NEW ACCOUNTING STANDARDS

Except as noted below the accounting policies followed in preparation of these interim financial statements are the same as those used by the Company as disclosed in the annual audited financial statements for the year ended December 31, 2009. Certain information and note disclosures have been omitted. The financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2009.

In January 2009 the CICA issued Section 1582–Business Combinations, which replaces Section 1581–Business Combinations, and Section 1601–Consolidated Financial Statements and Section 1602–Non-Controlling Interests, which replace Section 1600–Consolidated Financial Statements. These new sections are effective for years beginning on or after January 1, 2011 with earlier adoption permitted. Section 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. In addition, acquisition costs are not part of the consideration and are to be expensed when incurred. The Company did not early adopt these new sections as of January 1, 2010.

In July 2009 the CICA amended Handbook Section 3855-Financial Instruments-Recognition and Measurement ("Section 3855") to provide additional guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category, amend the definition of loans and receivables, amend the categories of financial assets into which debt instruments are required or permitted to be classified, amend the impairment guidance for held-to-maturity debt instruments and require reversal of impairment losses on available-for sale debt instruments when conditions have changed. These amendments are effective for fiscal years beginning on or after November 1, 2009. These new standards are not expected to have a material impact on the Company's financial condition or operating results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

3. INVENTORY

	Sept 30 2010	Dec 31 2009
Concentrate	$12,668	$18,990
Supplies	11,428	9,963
	$24,096	$28,953

	Three Months Ended Sept 30 2010	2009
Inventory recognized as expense during the period	$31,610	$20,732

	Nine Months Ended Sept 30 2010	2009
Inventory recognized as expense during the period exclusive of reversal of inventory writedowns	$125,615	$76,947
Reversal of inventory writedowns on concentrate included in expense during the period. The reversal of the writedown from December 31, 2008 is due to higher sale prices for copper and lower production costs per pound of copper since that date.	$ -	$2,851

4. JOINT VENTURES

Included in the consolidated financial statements of the Company are the following amounts representing the Company's interests in joint ventures consisting primarily of a 50% interest in Huckleberry assets, liabilities and results of operations:

Balance Sheet	Sept 30 2010[(1)]	Dec 31 2009[(1)]
Current Assets		
Cash and cash equivalents	$28,390	$24,062
Derivative instrument assets	4,254	5,429
Other current assets	20,250	21,681
	52,894	51,172
Mineral property	9,208	8,199
Other non current assets	13,592	12,578
	75,694	71,949
Current Liabilities		
Accounts payable and other current liabilities	(14,688)	(14,647)
Future site reclamation costs and other non-current liabilities	(12,372)	(13,990)
	$48,634	$43,312

(1) Effective May 31, 2007 the Company holds a 35% interest in the Porcher Island Joint Venture whose only asset is the Porcher Island mineral property $536 (December 31, 2009 - $536). There have been no operations since the inception of the Porcher Island Joint Venture as the joint venture is currently in the exploration stage. The balances related to the Porcher Island Joint Venture are included in the disclosure above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

	Three Months Ended Sept 30 2010	Nine Months Ended Sept 30 2010
Statement of Income and Comprehensive Income		
Revenues	$18,949	$54,369
Expenses	10,153	36,757
Income from operations	8,796	17,612
Losses on derivative instruments	(8,410)	(2,621)
Income and mining taxes	(403)	(4,669)
Net (Loss) Income and Comprehensive (Loss) Income	$(17)	$10,322
Statement of Cash Flows		
Operating activities	$4,949	$15,129
Financing activities	-	(5,000)
Investing activities	(1,380)	(5,521)
Effect of foreign exchange on cash and cash equivalents	(393)	(280)
Increase in cash and cash equivalents	$3,176	$4,328

	Three Months Ended Sept 30 2009	Nine Months Ended Sept 30 2009
Statement of Loss and Comprehensive Loss		
Revenues	$19,107	$47,151
Expenses	11,431	34,875
Income from operations	7,676	12,276
Losses on derivative instruments	(10,099)	(27,545)
Recovery of income and mining taxes	124	3,217
Net Loss and Comprehensive Loss	$(2,299)	$(12,052)
Statement of Cash Flows		
Operating activities	$14,539	$9,818
Financing activities	-	-
Investing activities	6,176	6,479
Effect of foreign exchange on cash and cash equivalents	(667)	(1,370)
Increase in cash and cash equivalents	$20,048	$14,927

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

5. SHARE BASED COMPENSATION

Prior to May 19, 2010 the Company recognized a liability for the potential cash settlements under its Share Option Plans (Note 7(b)). The current portion represented the maximum amount of the liability payable within the next twelve month period if all vested options were surrendered for cash settlement.

As further described in Note 7(b) the Company amended its Share Option Plans to remove the cash settlement option effective May 19, 2010 resulting in the de-recognition of the liability as of that date.

	Nine Months Ended Sept 30 2010	Year Ended Dec 31 2009
Balance, beginning of period	$10,143	$ -
Share based compensation	7,441	10,468
Current period payment for options exercised	(1,144)	(302)
Transferred to share capital on issuance of common shares	(2,365)	(23)
Transfer to contributed surplus on de-recognition of liability on amendment of stock options plans	(14,075)	-
Balance, end of period	-	10,143
Less portion due within one year	-	(9,411)
	$ -	$732

6. SHORT TERM DEBT

	Sept 30 2010	Dec 31 2009
Concentrate advances of US$nil (2009-US$5,426) from a purchaser of concentrate from the Mount Polley mine repayable from the sale of concentrate with interest at three month Libor plus 2% and secured by a first charge on concentrate from the Mount Polley mine.	$ -	$5,679

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

7. 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 (outstanding – nil)

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

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, 2010 a total of 2,478,302 common shares 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.

Until May 18, 2010 all option holders had the right, in lieu of receiving common shares, to receive a cash payment from the Company equal to the difference between the exercise price of each stock option and the market price of the Company's common shares on the date of exercise (Note 5).

On May 19, 2010 the Company amended its outstanding Share Option Plans removing the right of all option holders, in lieu of receiving common shares, to receive a cash payment from the Company equal to the difference between the exercise price of each stock option and the market price of the Company's common shares on the date of exercise. As a result of this change to the Share Option Plans, generally accepted accounting principles result in the reversal of the liability that was recorded for the intrinsic value of the stock options (Note 5).

Effective from the May 19, 2010 amendment to the Stock Option Plans the Company will revert to using the Black-Scholes option pricing model for any options granted subsequent to that date. No options were granted from May 19 to September 30, 2010.

The determination of expected volatility contained in the option pricing model is based on subjective assumptions which can materially affect the fair value estimate of the options at the date of grant.

The status of the Company's Share Option Plan as of September 30, 2010 and changes during the period is presented below:

	Nine Months Ended Sept 30, 2010		Year Ended Dec 31, 2009	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of period	2,230,501	$8.56	1,976,667	$7.91
Granted	80,000	$20.05	342,251	$12.37
Exercised	(1,082,667)	$6.92	(64,000)	$7.93
Lapsed	(24,000)	$14.38	(24,417)	$10.26
Outstanding at end of period	1,203,834	$7.25	2,230,501	$8.56
Options exercisable at end of period	540,834	$5.57	1,397,501	$7.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

The following table summarizes information about the share options outstanding at September 30, 2010:

	Options Outstanding		Options Exercisable
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Number Exercisable
$ 5.30	88,334	1.3 years	88,334
$ 6.60	24,167	3.0 years	24,167
$ 8.82	661,000	8.3 years	244,000
$ 9.10	9,000	1.3 years	9,000
$10.90	35,000	2.3 years	35,000
$11.85	207,500	9.3 years	35,500
$13.26	20,000	3.3 years	10,000
$14.30	50,000	3.3 years	50,000
$20.05	80,000	10.3 years	16,000
$24.00	10,000	0.5 years	10,000
$34.20	18,833	1.7 years	18,833
	1,203,834	5.7 years	540,834

(c) Normal Course Issuer Bid ("NCIB")

Pursuant to the 2009/2010 NCIB accepted by the Toronto Stock Exchange ("TSX") on September 18, 2009, the Company may purchase up to 1,285,159 common shares, which represents approximately 4% of the total 32,128,985 common shares of the Company issued and outstanding as of September 9, 2009. Purchases will be made, at the discretion of the Company at prevailing market prices, commencing September 23, 2009 and ending September 22, 2010. Pursuant to TSX policies, daily purchases made by the Company will not exceed 5,088 common shares or 25% of the Company's average daily trading volume of 20,350 common shares on the TSX, subject to certain prescribed exceptions. The shares acquired under the 2009/2010 NCIB will either be cancelled or used to satisfy the Company's obligations under its Non-Management Directors' Plan. The funding for any purchase pursuant to the 2009/2010 NCIB will be financed out of the working capital of the Company.

Pursuant to the 2010/2011 NCIB accepted by the Toronto Stock Exchange on September 21, 2010 the Company may purchase up to 1,472,290 common shares, which represents approximately 4% of the total 36,807,258 common shares of the Company issued and outstanding as of September 9, 2010. Purchases will be made, at the discretion of the Company at prevailing market prices, commencing September 23, 2010 and ending no later than September 22, 2011. Pursuant to TSX policies, daily purchases made by the Company will not exceed 18,727 common shares or 25% of the Company's average daily trading volume of 74,908 common shares on the TSX, subject to certain prescribed exceptions. The shares acquired under the 2010/201 NCIB will either be cancelled or used to satisfy the Company's obligations under its Non-Management Directors' Plan. The funding for any purchase pursuant to the 2010/2011 NCIB will be financed out of the working capital of the Company.

Since September 18, 2009, the Company has repurchased 6,000 of its outstanding common shares at an average price per share of $16.61 all pursuant to the 2009/2010 NCIB. Of this amount, 6,000 common shares have or will be allocated to satisfy the Company's obligation under the Non-Management Directors Plan. During the nine months ended September 30, 2010 the Company repurchased 5,000 common shares at an average price of $17.76, 5,000 common shares have been or will be allocated to satisfy the Company's obligation under the Non-Management Directors' Plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

8. DERIVATIVE INSTRUMENTS AND MARGIN DEPOSITS

	Sept 30 2010	Dec 31 2009
Assets		
Current		
Copper contracts	$5,000	$3,603
Foreign currency contracts	95	2,243
	$5,095	$5,846
Non-current		
Security deposits with counterparties	$5,145	$2,627
Copper contracts	2,073	1,897
	$7,218	$4,524
Liabilities		
Current		
Copper contracts	$13,623	$10,248
Foreign currency contracts	-	3,778
	$13,623	$14,026
Non Current		
Copper contracts	$1,778	$4,339

Security deposits required to be paid by the Company to counterparties are calculated based on the fair value of the derivative instrument on each trading date, net of the credit facility provided by the counterparties.

At September 30, 2010 the Company had entered into various contracts to protect the cash flow from the Mount Polley and Huckleberry mines against a decline in the price of copper. These contracts do not qualify for hedge accounting and therefore the Company accounts for these contracts as investments. As a result, the Company records changes in the unrealized gains or losses on these contracts in the statement of income each period and records the fair value of these derivative instruments as a current asset or current liability at each balance sheet date. The fair value of these financial instruments has been recorded as either an asset or a liability as of September 30, 2010 depending on the attributes of the contracts.

(a) Balances at September 30, 2010

From time to time the Company purchases put options, sells call options, and enters into forward sales contracts to manage its exposure to changes in copper prices and the US Dollar/CDN Dollar exchange rate.

All of the Company's derivative instrument contracts are settled on a financial basis. No physical sale or transfer of copper or US Dollars will take place pursuant to the contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

Option contracts outstanding at September 30, 2010 for copper are as follows:

	Weighted Average			
	Minimum Price US$/lb	Maximum Price US$/lb	Put Options Purchased	Call Options Sold (Bought)
Contract Period			*lbs of copper*	*lbs of copper*
2010	$2.35	$4.03	4,960,000	4,409,000
2010	$3.00	-	-	(1,213,000)
2011	$2.78	$4.28	24,857,000	19,125,000
2011	$3.00	-	-	(2,425,000)
2012	$2.85	$4.47	5,622,000	3,858,000

The Company will receive/pay the counterparty the difference between the monthly average cash settlement price of copper on the London Metals Exchange and the copper price specified in the put/call option contract.

Forward sales contracts for copper, all related to Huckleberry production, outstanding at September 30, 2010 are:

	Price US$/lb	Forward Sales
Contract Period		*lbs of copper*
2010	$2.51	2,480,000
2011	$2.27	3,748,000

The Company will receive/pay the counterparty the difference between the monthly average cash settlement price of copper on the London Metals Exchange and the forward copper price specified in the contract.

Forward sales contracts for US Dollars, all related to Huckleberry production, outstanding at September 30, 2010 are:

	US/CDN Dollar Exchange Rate	Forward Sales US Dollars
Contract Period		
2010	1.05	$3,750,000

(b) Transactions Subsequent to September 30, 2010

From October 1 to November 8, 2010 the Company purchased put options and sold call options to manage its exposure to changes in copper prices.

	Weighted Average			
	Minimum Price US$/lb	Maximum Price US$/lb	Put Options Purchased	Call Options Sold
Contract Period			*lbs of copper*	*lbs of copper*
2011	$3.15	$4.36	2,535,000	2,535,000

The Company will receive/pay the counterparty the difference between the monthly average cash settlement price of copper on the London Metals Exchange and the copper price specified in the put/call option contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
(expressed in thousands of dollars, except share amounts)

9. INCOME AND MINING TAXES (RECOVERY)

	Nine Months Ended Sept 30	
	2010	2009
Current income and mining taxes	$6,330	$19,611
Future income and mining taxes	4,701	(21,801)
	$11,031	$(2,190)

	Three Months Ended Sept 30	
	2010	2009
Current income and mining taxes	$786	$2,178
Future income and mining taxes	3,320	(449)
	$4,106	$1,729

The current income and mining tax expense for the nine months ended September 30, 2010 of $6,330 (September 30, 2009-$19,611) is primarily due to a significant portion of the Company's taxable income from Mount Polley being generated in a partnership with a tax yearend that is not aligned with the tax yearend of the Company. As a result, the taxable income in the partnership is deferred into the subsequent calendar year and cash income taxes are recorded in the period the income becomes taxable for income tax purposes. Accordingly, current and deferred income and mining taxes have been accounted for based on this corporate structure. Included in current income and mining expense for the nine months ended September 30, 2010 is $6,049 of current income taxes payable originating from Mount Polley taxable income in 2009 that was deferred to 2010.

10. NET CHANGE IN NON CASH OPERATING WORKING CAPITAL BALANCES

	Nine Months Ended Sept 30	
	2010	2009
The net change in non cash operating working capital balances consists of:		
Accounts receivable	$(4,062)	$(2,715)
Taxes receivable	(570)	4,772
Inventory	4,363	(12,730)
Derivative instrument assets and margin call deposits	(2,739)	8,702
Accounts payable and accrued liabilities	5,167	(919)
Concentrate sales repayable	-	(30,470)
Taxes payable	(1,548)	10,525
Derivative instrument liabilities	4,745	(5,124)
	$5,356	$(27,959)

	Three Months Ended Sept 30	
	2010	2009
The net change in non cash operating working capital balances consists of:		
Accounts receivable	$(10,348)	$21,025
Taxes receivable	3,054	-
Inventory	(3,311)	(3,688)
Derivative instrument assets and margin call deposits	3,663	5,086
Accounts payable and accrued liabilities	5,128	(394)
Taxes payable	(1,033)	1,206
Derivative instrument liabilities	(573)	(3,417)
	$(3,420)	$19,818

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
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11. INCOME (LOSS) PER SHARE

The following table sets out the computation of basic and diluted net income (loss), net of tax per common share:

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	2010	2009	2010	2009
Numerator:				
Net income (loss)	$7,051	$4,544	$17,518	$(9,356)
Denominator:				
Basic weighted-average number of common shares outstanding	36,694,071	32,120,347	35,903,477	32,126,074
Effect of dilutive securities:				
Stock options	533,870	-	500,716	-
Convertible debentures	-	-	-	-
Warrants	-	-	-	-
Diluted potential common shares	533,870	-	500,716	-
Diluted weighted-average number of common shares outstanding	37,227,941	32,120,347	36,404,193	32,126,074
Basic net income (loss) per common share	$0.19	$0.14	$0.49	$(0.29)
Diluted net income (loss) per common share	$0.19	$0.14	$0.48	$(0.29)

Excluded from the calculation of diluted net loss per common share for the nine months ended September 30, 2010 were 108,833 shares (September 30, 2009–1,961,667 shares) related to stock options, nil shares (September 30, 2009–1,616,185 shares) related to the convertible debentures and nil shares (September 30, 2009–600,000) related to the warrants because their effect was anti-dilutive.

12. RELATED PARTY TRANSACTIONS

Related party transactions and balances with a company controlled by a significant shareholder, a company in which a director is an owner, and directors are as follows:

	Sept 30 2010	Dec 31 2009
Convertible debentures (at face value)	$ -	$9,750
During the March 31, 2010 quarter all the convertible debentures with a face value of $9,750 were converted into 1,127,166 common shares of the Company		
Accounts payable and accrued liabilities	$889	$3

	Nine Months Ended Sept 30	
	2010	2009
Interest expense on long term debt	$109	$438
Other interest expense	$ -	$15
Mineral production costs	$29	$ -
Mineral exploration costs	$1,622	$ -

	Three Months Ended Sept 30	
	2010	2009
Interest expense on long term debt	$ -	$148
Mineral production costs	$2	$ -
Mineral exploration costs	$1,622	$ -

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
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13. SEGMENTED INFORMATION

				Nine Months Ended Sept 30, 2010
	Mount Polley	Huckleberry	Corporate	Total
Segmented Revenues	$136,972	$54,369	$442	$191,783
Less inter-segment revenues	(126)	-	(66)	(192)
Revenues from external sources	$136,846	$54,369	$376	$191,591
Income (loss) from operations	$24,649	$17,612	$(12,939)	$29,322
Depletion and depreciation	$16,905	$1,509	$382	$18,796
Capital Expenditures	$18,696	$2,503	$13,516	$34,715
Total Assets	$166,610	$75,158	$161,524	$403,292

				Nine Months Ended Sept 30, 2009
	Mount Polley	Huckleberry	Corporate	Total
Segmented Revenues	$90,270	$47,151	$332	$137,753
Less inter-segment revenues	(103)	-	(67)	(170)
Revenues	$90,167	$47,151	$265	$137,583
Income (loss) from operations	$13,761	$12,276	$(4,979)	$21,058
Depletion and depreciation	$7,298	$996	$245	$8,539
Capital Expenditures	$8,424	$5,618	$3,750	$17,792
Total Assets	$152,775	$63,095	$122,791	$338,661

				Three Months Ended Sept 30, 2010
	Mount Polley	Huckleberry	Corporate	Total
Segmented Revenues	$49,561	$18,949	$202	$68,714
Less inter-segment revenues	-	-	(22)	(22)
Revenues from external sources	$49,561	$18,949	$180	$68,692
Income from operations	$14,891	$8,796	$(1,676)	$22,011
Depletion and depreciation	$5,807	$496	$125	$6,428
Capital Expenditures	$6,722	$1,058	$6,076	$13,856
Total Assets	$166,610	$75,158	$161,524	$403,292

				Three Months Ended Sept 30, 2009
	Mount Polley	Huckleberry	Corporate	Total
Segmented Revenues	$34,645	$19,107	$58	$53,810
Less inter-segment revenues	-	-	(22)	(22)
Revenues	$34,645	$19,107	$36	$53,788
Income (loss) from operations	$11,581	$7,676	$(1,648)	$17,609
Depletion and depreciation	$(2,093)	$(260)	$92	$(2,261)
Capital Expenditures	$3,773	$1,916	$1,637	$7,326
Total Assets	$152,775	$63,095	$122,791	$338,661

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited – Prepared by Management)
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	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	2010	2009	2010	2009
Revenue by geographic area				
Japan	$23,050	$21,671	$99,821	$74,398
United States	21,336	33,133	44,524	51,709
Europe	23,541	(1,047)	45,684	11,146
Canada	765	31	1,562	330
	$68,692	$53,788	$191,591	$137,583

Revenues are attributed to geographic area based on country of customer.

In the nine months ended September 30, 2010, the Company had four principal customers (September 30, 2009– four principal customers) with each customer accounting for 24%, 24%, 23% and 18% of revenues (September 30, 2009–18%, 8%, 38% and 22% of revenues).

In the three months ended September 30, 2010, the Company had three principal customers (September 30, 2009– three principal customers) with each customer accounting for 34%, 31% and 18% of revenues (September 30, 2009–(2)%, 62% and 23% of revenues).

14. 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, these matters will not have a material effect on the Company's consolidated financial position or results of operations.

In 2007 the Company acquired bcMetals Corporation which is a party to a number of legal actions and contingent liabilities pertaining to the Red Chris project. The principal action relates to American Bullion Minerals Ltd ("ABML").

In 2006 two minority shareholders of ABML commenced action against the Company and others seeking a declaration that the affairs of ABML had been conducted in a manner oppressive to its minority shareholders and asking that the minority shareholder's shares be purchased by the respondents. The matter remains before the courts.

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Ted Muraro 2
Ed Yurkowski 1/2/3

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2 Compensation Committee
3 Corporate Governance & Nominating Committee

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President
Andre Deepwell
Chief Financial Officer & Corporate Secretary
Kelly Findlay
Vice President, Finance
Byng Giraud
Vice President, Corporate Affairs
Gordon Keevil
Vice President, Corporate Development
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