

Imperial Announces Loan and Intent to Conduct Rights Offering

Vancouver – **May 19, 2015** | **Imperial Metals Corporation (the "Company") (III:TSX)** announces that its board of directors, subject to regulatory and legal approvals, has approved an agreement to borrow \$30 million from Edco Capital Corporation ("Edco") by means of an unsecured loan at an interest rate of 12% per annum and maturing in six months from date of issue (the "Loan"), with an arrangement fee of 1% of the principal of the Loan payable in cash. Edco is owned by N. Murray Edwards, a significant shareholder of the Company. The proceeds of the Loan will be used to support the ongoing ramp up of production at the Company's Red Chris mine and provide working capital for the Company.

The board of directors has also approved the Company undertaking a rights offering of approximately \$80 million to shareholders, debentureholders and warrant holders ("Rightholders") subject to definitive terms and conditions as well as approvals from the Toronto Stock Exchange ("TSX") and securities regulatory authorities. The rights offering will be for units comprised of a combination of common shares and convertible debentures. Proceeds of the rights offering will be used to repay the Loan, to support the ongoing ramp up of production at the Red Chris mine, to fund the restart of operations at the Company's Mount Polley mine and to provide working capital for the Company. The rights offering will proceed after the Company has obtained an extension of the completion date under the Senior Credit Facility to a date which is reasonably expected to follow the successful completion of the ramp up of production at the Company's Red Chris mine.

Rightholders will be able to subscribe for more than their proportionate share of units should not all Rightholders take up their pro rata share and the Company expects the rights will trade through the facilities of the TSX.

Edco, its affiliates, and The Fairholme Partnership, LP, significant Rightholders collectively holding approximately 56% of the Company's issued and outstanding shares, 69.5% of the outstanding debentures and 100% of the outstanding warrants, have advised that their current intention is that they will subscribe for their proportionate share of units and, in exchange for a fee of 3% of the subscription proceeds in respect of all rights not owned by them, back stop the rights offering such that they will purchase all units not otherwise purchased pursuant to the exercise of rights by other Rightholders. All directors of the Company have agreed to participate in the rights offering.

Further information regarding the proposed rights offering will follow in due course through subsequent announcements as well as a disclosure document which will be filed and sent to Rightholders of record on a date to be determined.

The Loan shall constitute a related party transaction within the meaning of Multilateral Instrument 61-101. Management considers the Loan to be advantageous as it provides additional liquidity and financial flexibility to the Company and management also considers the terms of the Loan to be reasonable in the context of the market. The Loan was reviewed and approved by the disinterested members of the Company's board of directors. The material change report in relation to the Loan will be filed less than 21 days before the expected closing date of the Loan as the Company wishes to complete the Loan as soon as

commercially feasible after all required approvals are obtained. The Loan shall be exempt from the formal valuation and minority approval requirements of Multilateral Instrument 61-101 as it represents less than 25% of the Company's market capitalization.

About Imperial

Imperial is an exploration, mine development and operating company based in Vancouver, British Columbia. The Company has commenced commissioning activities at the Red Chris mine in northern British Columbia. The Company operates the Mount Polley copper/gold mine in British Columbia and the Sterling gold mine in Nevada. Imperial has a 50% interest in the Huckleberry copper mine and a 50% interest in the Ruddock Creek lead/zinc property, both in British Columbia.

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Cautionary Note Regarding "Forward-Looking Information"

This press release contains statements which constitute, or may be deemed to constitute, "forward-looking information" which are prospective in nature and reflect the current views and/or expectations of Imperial. Often, but not always, forward-looking information can be identified by the use of statements such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such information in this press release includes, without limitation, statements regarding Imperial's expectations relating to the expected impact and use of proceeds of the anticipated Loan and rights offering on the Company's business and operations. Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which Imperial operates, including assumptions that the Company will receive all necessary regulatory, stock exchange and third party approvals in respect of the Loan and rights offering in order to proceed with same; that the timing of such financing arrangements will meet the Company's expectations based on its business and operational requirements; that the aforementioned financing initiatives will provide the Company with sufficient liquidity to restart operations at the Mount Polley mine and complete the ramp up of production at the Red Chris mine. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Imperial's actual results, revenues, performance or achievements to be materially different from any expressed or implied by the statements constituting forward-looking information. Important risks that could cause Imperial's actual results, revenues, performance or achievements to differ materially from Imperial's expectations include, among other things, risks that the Loan and rights offering will not provide the expected liquidity or benefits to the Company's business and operations, risks that required consents and approvals will not be received in order to advance or complete the Loan and rights offering, risks that the final terms of the Loan and rights offering will be materially different from those disclosed herein; and other hazards and risks found in Imperial's Management's Discussion and Analysis for the year ended December 31, 2014 and other public filings which are available on Imperial's profile on SEDAR at www.sedar.com. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Imperial does not undertake to update any forward looking information, except in accordance with applicable securities laws.