
Imperial Reports Extension for Completion Test Under Senior Credit Facility, Closing of \$30 Million Line of Credit Facility and Update on Intended Financing

Vancouver – **May 29, 2015 - Imperial Metals Corporation (III-TSX)** reports that its Senior Credit Facility lenders have extended the date for the Company to achieve completion at the Red Chris mine from June 1, 2015 to July 15, 2015, while they review a request to grant a further extension.

On May 19, 2015 the Company announced a \$30 million line of credit (“LOC”) from Edco Capital Corporation (“Edco”), a company controlled by Mr. N. Murray Edwards, a significant shareholder of the Company. This transaction has now closed with the Company receiving the \$30 million proceeds. A commitment fee of \$300,000 was paid in respect of the LOC. The LOC bears interest at 12% per annum and is repayable on the earlier of the date of receipt of the proceeds from the financing as detailed below or November 29, 2015.

On May 19, 2015 the Company also announced its intention to conduct a rights offering financing for gross proceeds of approximately \$80 million, subject to definitive terms and conditions and required approvals from the Toronto Stock Exchange (“TSX”) and securities regulatory authorities. The Company has determined, following additional review, to revise the terms of the proposed offering to comprise two tranches as follows:

- (a) an offer to shareholders, and, subject to applicable securities regulatory and TSX approvals, debentureholders and warrant holders (“Rightholders”) rights to subscribe for \$50 million of common shares of the Company at a price to be determined in the context of the market at the time of the offering (the “Rights Offering”); and
- (b) a concurrent issuance by way of private placement of \$30 million aggregate principal amount of new convertible debentures (the “Convertible Debentures”) the terms of which will be determined in the context of the market.

As announced, Edco, its affiliates, and the Fairholme Partnership, LP (“Fairholme”), significant Rightholders, subject to definitive terms and conditions and required approvals from the TSX and securities regulators, are expected to subscribe for their proportionate share of the Rights Offering, 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 the common shares not otherwise purchased pursuant to the exercise of rights by other Rightholders. Edco and Fairholme are also expected to subscribe for, in aggregate, 75% of the Convertible Debenture financing, and, in exchange for a fee of 3% of the gross proceeds in respect of the remaining 25% of the Convertible Debentures to be issued, back stop the Convertible Debenture financing such that they will purchase all the Convertible Debentures not otherwise purchased by other parties offered participation in the Convertible Debenture financing.

The Rights Offering and the Convertible Debenture financing 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.

Further information regarding the proposed Rights Offering and the Convertible Debenture financing will follow in due course through subsequent announcements as well as a disclosure document which will be filed and sent to shareholders, debentureholders and warrant holders of record on a date to be determined.

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: a further extension under the Company's Senior Credit Facility; and the expected timing, completion, impact, any back stop for and use of proceeds of the LOC and anticipated Rights Offering and Convertible Debenture financing 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 Rights Offering and Convertible Debenture financing in order to proceed with same; that the Company will receive a further extension under its Senior Credit Facility, if necessary; that Edco and Fairholme will back stop the Rights offering and Convertible Debenture financing; 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 LOC, Rights Offering and Convertible Debenture financing 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 Rights Offering and Convertible Debenture financing, risks that the final terms of the Rights Offering, Convertible Debenture financing or any back stop thereof will be materially different from those disclosed herein; risks that further extensions to the Senior Credit Facility may not be granted or may not be sufficient; 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.