



Imperial Metals Corporation
Annual Information Form

For the Year Ended December 31, 2015

File date: March 30, 2016

Table of Contents	Page
Information about Content in this Document	2
Company Description & Corporate Structure	6
Competitive Conditions	7
Environmental Protection	7
Risk Factors	7
Development of the Company 2013-2015 & Outlook for 2016	8
Mineral Properties	
Red Chris Mine	11
Mount Polley Mine	22
Huckleberry Mine	31
Other Properties	37
Capital Structure	37
Market for Securities	37
Ratings	38
Directors & Executive Officers	39
Corporate Cease Trade Orders or Bankruptcies	43
Conflicts of interest	43
Interest of Management & Others in Material Contracts	43
Material Contracts	44
Legal Proceedings	44
Transfer Agent & Registrar	44
Names & Interests of Experts	45
Additional Information	45
<i>Schedule A</i> Audit Committee Charter	46

Information about Content in this Document

Date of Information

The information contained within this Annual Information Form ("AIF") is for the Company's financial year ended December 31, 2015, unless stated otherwise.

Currency

The reporting currency of the Company is the Canadian ("CDN") Dollar and all financial information presented in this AIF is in Canadian dollars, unless otherwise indicated.

Cautionary Note Regarding Forward-Looking Information

This AIF provides material information about Imperial Metals Corporation and its business, operations and developments for the year ended December 31, 2015, and plans for the future based on facts and circumstances as at March 30, 2016.

Except for statements of historical fact relating to the Company, including our 50% interest in Huckleberry, certain information contained herein constitutes forward-looking information which are prospective in nature and reflect the current views and/or expectations of Imperial. Often, but not always, forward-looking information can be identified by the use of statements such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such information in this MD&A includes, without limitation, statements regarding: mine plans; costs and timing of current and proposed exploration and development; production and marketing; capital expenditures; future expenses and scope relating to timing of ongoing rehabilitation activities at the Mount Polley mine; use of proceeds from financings and credit facilities; expectations relating to the operation of the Red Chris mine and costs associated therewith; adequacy of funds for projects and liabilities; expectations relating to the receipt of necessary regulatory permits, approvals or other consents; outcome and impact of litigation; cash flow; working capital requirements; expectations relating to the requirement for additional capital; expectations relating to results of operations, production, revenue, margins and earnings; future prices of copper and gold; future foreign currency exchange rates and impact; future accounting changes; and future prices for marketable securities.

Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates, including, but not limited to, assumptions that: the Company will be able to advance and complete remaining planned rehabilitation activities within expected timeframes; that there will be no significant delay or other material impact on the expected timeframes or costs for completion of rehabilitation of the Mount Polley mine and the recommencement of full, unrestricted operations at the mine; that the Company's initial rehabilitation activities will be successful in the long term; that all required permits, approvals and arrangements to proceed with planned rehabilitation, current restricted operations, and the recommencement of full, unrestricted operations will be obtained in a timely manner; that there will be no interruptions that will materially delay the Company's progress with its rehabilitation plans; that there will be no material operational delays at the Red Chris mine; that equipment will operate as expected; that the Company's use of derivative instruments will enable the Company to achieve expected pricing protection; that there will be no material adverse change in the market price of commodities and exchange rates; and that the Red Chris mine will achieve expected production outcomes (including with respect to mined grades and mill recoveries); that Imperial will have access to capital as required. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. We can give no assurance that the forward-looking information will prove to be accurate.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Imperial's actual results, revenues, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements constituting forward-looking information.

Important risks that could cause Imperial's actual results, revenues, performance or achievements to differ materially from Imperial's expectations include, among other things: that additional financing that may be required may not be available to Imperial on terms acceptable to Imperial or at all; uncertainty regarding the outcome of sample testing and analysis being conducted on the area affected by the tailings dam breach; risks relating to the timely receipt of necessary approvals and consents to proceed with the rehabilitation plan and various aspects of restricted operations; risks relating to the remaining costs and liabilities relating to the tailings dam breach; uncertainty as to actual timing of completion of rehabilitation activities and the recommencement of full, unrestricted commercial operations at the Mount Polley mine; risks relating to the impact of the tailings dam breach on Imperial's reputation; the quantum of claims, fines and penalties that may become payable by Imperial and the risk that current sources of funds are insufficient to fund liabilities; risks that Imperial will be unsuccessful in defending against any legal claims or potential litigation; risk of costs arising from any unforeseen longer-term environmental consequences of the tailings dam breach at Mount Polley mine; risks of protesting activity and other civil disobedience restricting access to the Company's properties; failure of plant, equipment or processes to operate in accordance with specifications or expectations; cost escalation, unavailability of materials and equipment, labour unrest, power shortages, and natural phenomena such as weather conditions negatively impacting the operation of the Red Chris mine or the Mount Polley mine; changes in commodity and power prices; changes in market demand for our concentrate; inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources); and other hazards and risks disclosed within the Management's Discussion and Analysis for the year ended December 31, 2015 and other public filings which are available on Imperial's profile on *sedar.com*. For the reasons set forth above, investors should not place undue reliance on forward-looking information. Imperial does not undertake to update any forward looking information, except in accordance with applicable securities laws.

Incorporated Information by Reference

Information from documents *incorporated by reference* include the Company's 2015 Annual Report and Technical Reports (noted below) which are available on *sedar.com* and on *imperialmetals.com*.

National Instrument 43-101 Technical Reports	
<i>2012 Red Chris Report</i>	Red Chris 2012 Technical Report on the Red Chris Copper-Gold Project dated February 14, 2012; and Amended & Restated September 30, 2015
<i>2004 Mount Polley Report</i>	Mount Polley Mine 2004 Feasibility Study dated August 1, 2004
<i>2011 Huckleberry Report</i>	Huckleberry Mine – Main Zone Optimization dated November 11, 2011

Reference for Conversions

Imperial Measure Conversion to Metric Unit			Metric Unit Conversion to Imperial Measure		
2.470	acres	= 1 hectare	0.4047	hectare	= 1 acre
3.280	feet	= 1 metre	0.3048	m	= 1 foot
0.620	miles	= 1 kilometre	1.6093	kilometre	= 1 mile
2.205	pounds	= 1 kilogram	0.454 0	kilograms	= 1 pound
1.102	(short) tons	= 1 tonne	0.9072	tonnes	= 1 ton

Reference for Abbreviations

The following abbreviations may be used in this document:	
km = kilometre	ft = feet
m = metre	oz = ounces
mm = millimetre	lbs = pounds
sq/m = square metre	g/T gold = grams per ton gold
C = Celsius	kV = kilovolt
F = Fahrenheit	kW = kilowatt

Definitions

Resource and Reserve Classifications

This AIF adheres to the resource/reserve definitions and classification criteria developed by the Canadian Institute of Mining and Metallurgy (“CIM”). The CIM Definition Standards on Mineral Resources and Reserves (“CIM Definition Standards”) establish definitions and guidance on the definitions for mineral resources, mineral reserves, and mining studies used in Canada. The Mineral Resource, Mineral Reserve, and Mining Study definitions are incorporated, by reference, into National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”). The CIM Definition Standards are summarized below. For more information refer to cim.org.

Mineral Resource

Mineral Resources are sub-divided, in order of increasing geological confidence, into *Inferred, Indicated and Measured* categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Indicated Mineral Resource

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Measured Mineral Resource

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

Mineral Reserve

Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

Probable Mineral Reserve

A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

The Qualified Person(s) may elect, to convert Measured Mineral Resources to Probable Mineral Reserves if the confidence in the modifying factors is lower than that applied to a Proven Mineral Reserve. Probable Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study.

Proven Mineral Reserve

A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the modifying factors.

Application of the Proven Mineral Reserve category implies that the Qualified Person has the highest degree of confidence in the estimate with the consequent expectation in the minds of the readers of the report. The term should be restricted to that part of the deposit where production planning is taking place and for which any variation in the estimate would not significantly affect the potential economic viability of the deposit. Proven Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study. Within the CIM Definition standards the term Proven Mineral Reserve is an equivalent term to a Proven Mineral Reserve.

Mineral Resource & Mineral Reserve Classification

The CIM Definition Standards provide for a direct relationship between Indicated Mineral Resources and Probable Mineral Reserves and between Measured Mineral Resources and Proven Mineral Reserves. In other words, the level of geoscientific confidence for Probable Mineral Reserves is the same as that required for the in situ determination of Indicated Mineral Resources and for Proven Mineral Reserves is the same as that required for the in situ determination of Measured Mineral Resources.

Company Description & Corporate Structure

Imperial Metals Corporation (“Imperial” or the “Company”) is a Canadian mining company active in the acquisition, exploration, development, mining and production of base and precious metals. Imperial’s principal business registered and records office address is Suite 200, 580 Hornby Street, Vancouver, British Columbia V6C 3B6 Canada. The Company was incorporated under the *Company Act* (British Columbia), which was superseded by the *Business Corporations Act* (British Columbia), on December 6, 2001 under the name IMI Imperial Metals Inc. Imperial changed its name to Imperial Metals Corporation on April 10, 2002.

Intercorporate Relationships

The Company’s principal subsidiaries are provided below. A detailed list of all subsidiaries is provided in the Company’s 2015 Annual Report under Note 22 Related Party Transactions.

Principal Subsidiaries	Ownership	Jurisdiction of Incorporation
Red Chris Development Company Ltd.	100% ⁽¹⁾	British Columbia
Mount Polley Mining Corporation	100%	British Columbia
American Bullion Minerals Ltd.	100% ⁽²⁾	British Columbia
CAT-Gold Corporation	100% ⁽¹⁾	Canada
HML Mining Inc.	100% ⁽¹⁾	British Columbia

⁽¹⁾ Imperial owns 100% of CAT-Gold Corporation, which in turn owns 100% of Red Chris Development Company Ltd.

⁽²⁾ Red Chris Development Company Ltd. owns 100% of American Bullion Minerals Ltd.

Business of the Company

Imperial’s largest operation is the Red Chris mine. The new mine was commissioned in late 2014 and early 2015, and achieved commercial production July 1, 2015.

The Company’s Mount Polley mine, which had its operations suspended since the August 4, 2014 breach of the tailings storage facility (“TSF”), resumed operations August 5, 2015, at approximately 50% capacity until late November 2015 when continuous operation of the plant was started utilizing about 80% of capacity.

The Huckleberry mine is owned and operated by Huckleberry Mines Ltd. Imperial holds a 50% interest* in Huckleberry Mines Ltd., through its wholly owned subsidiary HML Mining Inc.

Operations	Metals Mined	Mining Method	Mine Location
Red Chris Mine	copper-gold	open pit	British Columbia
Mount Polley Mine	copper-gold	open pit	British Columbia
Huckleberry Mine*	Copper	open pit	British Columbia

Principal Markets & Distribution

The Company’s principal product is copper concentrate. The primary destination for the concentrate produced by the Company’s mine operations is Asia. Concentrate from the Red Chris and Huckleberry mines is trucked to the Port of Stewart, and concentrate from the Mount Polley mine is trucked to the Port of Vancouver.

Revenue by Product (000’s)	2015	2014	2013
Copper	\$90,740	\$81,901	\$114,097
Gold	\$35,999	\$46,197	\$69,734
Total	\$126,739	\$128,098	\$183,831

Employees

Imperial and its consolidated subsidiaries employed 733 workers at December 31, 2015.

Competitive Conditions

The Company's business is to produce and sell metal concentrates at prices determined by world markets over which we have no influence or control. These markets are cyclical. Our competitive position is determined by our costs compared to those of other producers throughout the world, and by our ability to maintain our financial capacity through metal price cycles and currency fluctuations. Costs are governed principally by the location, grade and nature of mineral deposits, costs of equipment, fuel, power and other inputs, as well by operating and management skill. Over the long term, our competitive position will be determined by our ability to locate, acquire and develop economic mineral deposits and replace current production, as well as by our ability to hire and retain skilled employees. In this regard, we also compete with other mining companies for employees, mineral properties, joint venture agreements, capital and the acquisition of investments in other mining companies.

Environmental Protection

The Company's mining, exploration and development activities are subject to various levels of Canadian Federal and British Columbia Provincial laws and regulations, and the Nevada Department of Environmental Protection and to the United States Department of the Interior Bureau of Land Management (Nevada), relating to the protection of the environment, including requirements for closure and reclamation of mining properties.

The total liability for reclamation and closure cost obligations, which represent the Company's estimate of the present value of future cash outflows required to settle estimated reclamation obligations at the end of a mine's life, associated with the Mount Polley, Red Chris, Sterling and Ruddock Creek properties, as calculated for financial disclosure purposes, at December 31, 2015, was approximately \$32.7 million. This amount incorporates estimated future costs, inflation, and risks associated with the future cash outflows, assuming a pre-tax discount rate of 3.16%. Changes in any of these factors can result in a change to future site reclamation liabilities and the related accretion of future site reclamation provisions.

At December 31, 2015 the Company has recorded a provision of \$2.1 million for future rehabilitation activities related to the Mount Polley mine tailings dam breach. The reduction in this provision compared to the Company's provision of \$26.0 million recorded as at December 31, 2014 represents breach-related rehabilitation costs incurred during the 2015 fiscal year.

Risk Factors

There are material risks that could cause actual results to differ materially from our current expectations. The risks associated with our business, include those related to, but are not limited to: risks inherent in the mining and metals business; commodity price fluctuations and the effects of hedging; competition for mining properties; sale of products and future market access; mineral reserves and resource estimates; currency fluctuations; interest rate risks; financing risks; the risk that further advances may not be available under credit facilities; risks associated with maintaining substantial levels of indebtedness, including potential financial constraints on operations; regulatory and permitting risks; environmental risks; joint venture risks; foreign activity risks; legal proceedings; and other risks and uncertainties. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of these events actually occur, our business, prospects, financial condition, cash flows and operating results could be materially harmed. Full disclosure is provided in the Company's 2015 Annual Report, in the "Risk Factors" section within the Management's Discussion & Analysis.

Development of the Company 2013-2015 & Outlook for 2016

Red Chris Mine

A subsidiary of Imperial built a 93 km 287kV power line (“Iskut extension”) which stretches from the terminus of the Northwest Transmission Line at the Bob Quinn substation to a newly constructed substation at Tatogga Lake. Imperial subsequently sold the Iskut extension of the Northwest Transmission Line to BC Hydro for \$52.0 million in December 2014.

A 16 km 287kV power line, which connects the Red Chris mine to the Tatogga substation, was also built and began providing power to the Red Chris mine on November 7, 2014. Commissioning of the Red Chris mine commenced shortly thereafter and the first copper concentrate production occurred on February 17, 2015. The Red Chris mine achieved the accounting criteria for commercial production effective July 1, 2015. On December 1, 2015, the Company announced that its syndicate of lenders confirmed that Red Chris mine achieved the completion test requirements under the senior credit facility.

On July 27, 2015, an Impact, Benefit and Co-Management Agreement was signed by Red Chris Development Company Ltd. and the Tahltan Central Government. This agreement, which had been approved by the Tahltan in a community referendum resulting in 87% in favour, provides the basis for partnership between the Tahltan people and Red Chris for the life of the mine.

Mount Polley Mine

A breach of the TSF at the Mount Polley mine occurred on August 4, 2014 and mine operations were immediately suspended, resulting in the loss of full production from the mine, which was the primary source of cash flow for the Company in 2014. Restoration and rehabilitation work was immediately initiated at the TSF and the areas affected by the breach. While a majority of the rehabilitation work has been completed, the site will continue to be monitored and modified as necessary. Repair of the TSF breach to a level to provide sufficient storage to contain spring runoff was completed in spring 2015.

On January 30, 2015, the independent panel investigating the Mount Polley TSF failure released its report, which concluded the failure was sudden and without warning, and was due to the fact that the independent engineer’s design did not take into account the strength of the glacio-lacustrine layer approximately eight metres below the foundation of the embankment.

Mount Polley mine restarted operations on August 5, 2015 following receipt of permit amendments on July 5, 2015 which allowed recommencement of the mine using a modified operation plan that includes the use of the Springer pit to contain the tailings produced. The mine initially operated on a one week on, one week off basis, with mill feed coming from the Cariboo pit, and the Boundary zone underground mine. In late November 2015 the mill commenced operating on a continuous basis due to the impending cold winter temperatures which could affect the mill when operations were on off weeks. Due to operational limits in the amended permit related to the limited capacity of the Springer pit, continuous operations will result in the mine reaching these limits in late April or early May of 2016. To allow the mine to continue operating permit applications have been filed with the regulators to resume using the TSF, which will be repaired and modified to meet current standards.

On December 17, 2015, the Chief Inspector of Mines for the Province of British Columbia released his report on the Mount Polley TSF failure. The Report concluded, as had the independent panel report released on January 30, 2015, that the primary cause of failure was associated with an engineering design that had not properly characterized the strength of a clay unit in the native soil foundation.

Huckleberry Mine

At the Huckleberry mine, operations were interrupted February 26 to April 6, 2014 due to the failure of the semi-autogenous grinding (“SAG”) mill bull gear. The damaged bull gear was set to rotate in the opposite direction, allowing the mill to operate from April through to December 2014, when the replacement part was installed.

During 2015, Huckleberry Mines Ltd., operator of the Huckleberry mine, reviewed mining and milling plans and subsequently implemented cost control initiatives to reduce costs and optimize production in response to the drop in copper prices. HML made significant efforts to reduce Huckleberry mine operating costs; however, the realized savings have not been sufficient to offset the decline of the copper price.

Sterling Mine

Sterling underground mining operations in Nevada were terminated at the end of May 2015.

The Bureau of Land Management has completed an Environmental Assessment on the expanded Sterling Gold mine open pit and processing operation. The Environmental Assessment and an unsigned *Finding of No Significant Impact* was posted online and made available for public review until April 10, 2016. Once a signed *Finding of No Significant Impact* is received from the Bureau of Land Management, Sterling will have completed the major permitting requirements to construct and operate a new open pit mine.

Financings

In June 2013, Imperial entered into a new unsecured \$75 million line of credit facility with Edco Capital Corporation (“Edco”), a company controlled by Mr. N. Murray Edwards (“Edwards”), available for drawdown until September 30, 2013 and bearing interest of 7% per annum. The line of credit was repayable the earlier of the completion of a debt financing or October 1, 2014. A commitment fee of \$375,000 was paid in respect of the line of credit. The line of credit facility with Edco was increased from a maximum of \$75 million to \$130 million in August 2013, with a commitment fee of \$275,000 paid in respect of the increase.

In September 2013, the maturity date of the Company’s \$150 million bank credit facility was extended from September 30, 2013 to December 31, 2013. Additionally, the maturity date of the \$130 million unsecured line of credit facility with Edco was extended from October 1, 2014 to January 1, 2015.

In December 2013, Imperial amended certain terms of its credit facilities to provide additional time to arrange senior financing for the Red Chris project. The Company agreed with its banker to remove the maturity date on its \$150 million demand loan facility, which was previously December 31, 2013. In addition, the final drawdown date of the Company’s \$200 million unsecured line of credit with Edco was extended to January 31, 2014.

In January 2014, the line of credit facility with Edco was increased from a maximum of \$200 million to a maximum of \$225 million. A commitment fee of \$125,000 was paid in respect of the increase in the line of credit. This line of credit was increased the next month to a maximum of \$250 million and a further \$125,000 commitment fee was paid in respect of such increase.

In March 2014, Imperial completed an offering of US\$325 million 7% unsecured Senior Notes maturing on March 15, 2019. Concurrently with the closing of the Notes offering, the Company entered into a five year senior secured credit facility with a syndicate of lenders providing for a \$200 million revolving credit facility consisting of two tranches: a \$50 million revolving working capital tranche for general corporate purposes and a \$150 million revolving construction tranche to fund Red Chris project expenditures. The Company used a portion of the net proceeds of the Notes offering and borrowings under the senior credit facility to repay the outstanding amounts under its \$250 million unsecured line of credit with Edco and its revolving demand loan agreement with a commercial lender. In addition, the Company entered into a five year \$75 million junior unsecured loan facility with Edco, bearing interest payable at 10% per annum on amounts borrowed under the facility, which facility is available to fund project cost overruns associated with the Red Chris project, backstop the payment of certain third party reimbursement obligations relating to the Iskut extension, and for general corporate purposes. In connection with this facility, Edco received a \$750,000 commitment fee and warrants to acquire 750,000 of the Company’s shares at \$20 per share.

In September 2014, the Company closed a non-brokered private placement of \$115.0 million face value of 6% 6-year senior unsecured convertible debentures, a \$15.0 million increase from the \$100.0 million offering initially announced in August 2014. The proceeds from the sale of the convertible debentures are intended to be used to provide additional financing to complete and commission the Red Chris mine, fund costs of remediating the effects of the tailings dam breach at the Mount Polley mine, and to fund ongoing operations. Edco and The Fairholme Partnership, LP (“Fairholme”) each purchased \$40.0 million, or 34.8%, of the convertible debentures under the offering. Subject to adjustment, each \$12.00 face value of a convertible debenture is convertible into one common share of Imperial upon at least 61 days advance notice. The convertible debentures are not callable unless the closing price of Imperial’s common shares exceeds 125% of the conversion price for at least 30 consecutive days. Interest will be payable semi-annually, with the first payment due on June 30, 2015. At the option of the Company, subject to the separate approval of the Toronto Stock Exchange and compliance with all applicable securities laws, such interest may be paid through the issuance of additional convertible debentures or Imperial’s common shares.

In January 2015, the Company completed a new \$50 million revolving second lien secured credit facility with the Bank of Montreal maturing on April 1, 2017. The terms and conditions of the credit facility are modelled after the \$200 million senior secured credit facility completed by the Company on March 12, 2014, adjusted to reflect the

second lien. Edco guaranteed the credit facility, in consideration for which Edco received an annual fee of 2% of the loan amount payable monthly. The credit facility was intended to provide additional liquidity for the commissioning and startup of the Red Chris Mine and for general working capital purposes.

In May 2015, the Company entered into a \$30.0 million short term facility to provide interim funding for the Company while it completed three financings aggregating gross proceeds of \$80.0 million: (1) a rights offering (“Rights Offering”) to raise \$44.0 million, backstopped by the Company’s two largest shareholders; (2) a private placement of common shares (“Common Share Private Placement”) to raise \$6.0 million; and (3) a private placement of convertible debentures (“Convertible Debenture Private Placement”) to raise \$30.0 million (collectively the “Financings”).

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

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

The non-brokered Convertible Debenture Private Placement closed on August 24, 2015 for gross proceeds of \$30.0 million. Each \$12.00 of principal amount is convertible into one common share of the Company upon at least 61 days advance notice. The convertible debentures are not callable unless the closing price of the Company’s common shares exceeds 125% of the conversion price for at least 30 consecutive days. Interest at 6% per annum will be payable semi-annually, with the first payment due on June 30, 2016. The convertible debentures mature on August 25, 2021. Up to 2,500,000 common shares are expected to be issued if all the convertible debentures issued pursuant to the convertible debenture private placement were converted into common shares of the Company.

The proceeds from the Financing have been used to provide additional liquidity to the Company as it ramped up production at the Red Chris mine, continues to work towards a restart of full operations at the Mount Polley mine, for general working capital, and to repay the \$30.0 million short term loan facility.

Edwards and Fairholme (together, the “Guarantors”) committed to backstopping the Financings. In exchange for backstopping the Financings, the Company paid the Guarantors a fee (the “Fee”) of 3% of the gross proceeds of the Financings, excluding proceeds from (i) the exercise of rights pursuant to the Rights Offering issued in respect of common shares owned or over which the Guarantors or their affiliates have control and (ii) the sale of common shares and convertible debentures the Guarantors or their affiliates had committed to purchase pursuant to the Common Share Private Placement and the Convertible Debenture Private Placement. For further information, please see the section entitled *Interest of Management & Others in Material Transactions*.

Subsequent to Year-End 2015

On January 6, 2016, HML suspended open pit mining operations while continuing to mill stockpiles. Copper prices will be monitored however the Huckleberry mine is expected to be put on care and maintenance if copper prices do not increase by the third quarter of 2016.

2016 Outlook

Mount Polley is working diligently to obtain the permits required to return to normal operations, and resume using the repaired and strengthened TSF.

Red Chris mine continues to optimize its operations. Six concentrate shipments were made in the first quarter of 2016 – a new record. Some initial studies of the potential of block caving have indicated the mineralization below the current pit design has suitable geometry and anticipated rock conditions. A single lift of 500 metres will likely yield a production rate of over 50,000 tonnes per day. Further work is warranted on this deep, higher grade deposit.

At all the projects and our head office, cost reduction programs are underway. Reductions include price reductions from many of our vendors, salary cuts as we strive to do more for less. All three mines, Red Chris, Mount Polley and Huckleberry plan to participate in the power cost deferral plan announced recently by BC Hydro. All operations are striving to reduce costs in this low copper price environment.

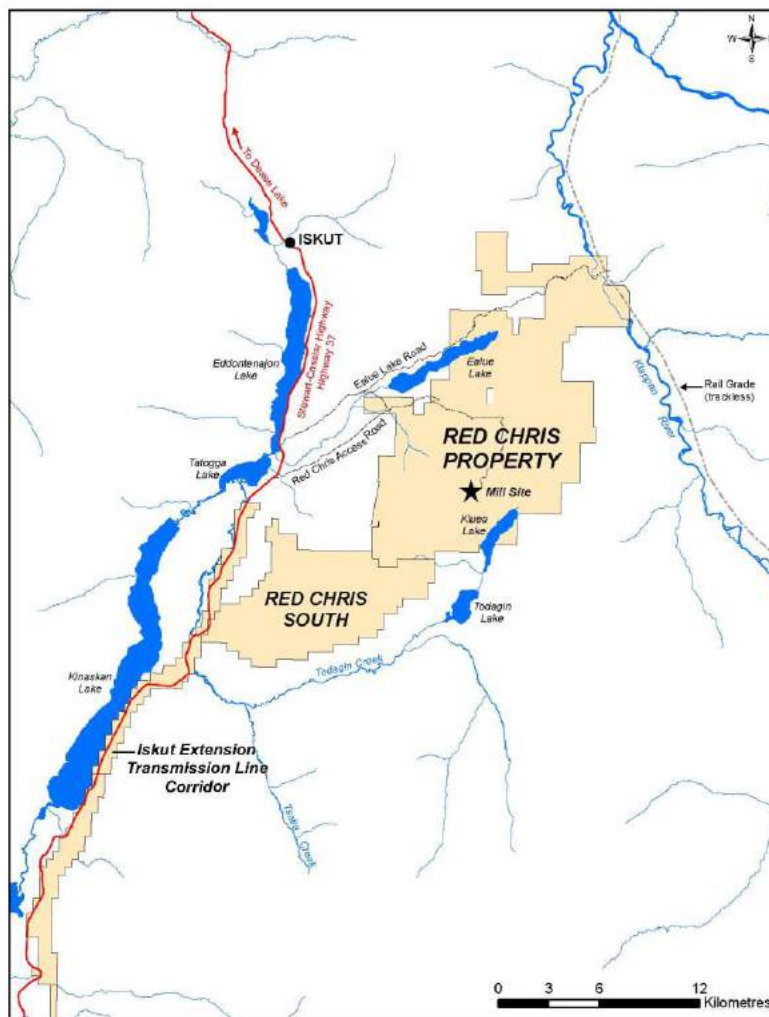
RED CHRIS MINE

Current Technical Report

The current Red Chris mine report is the *Technical Report on the Red Chris Copper-Gold Project* dated February 14, 2012. This report was amended & restated on September 30, 2015 (*2012 Red Chris Report*).

Description, Location & Access

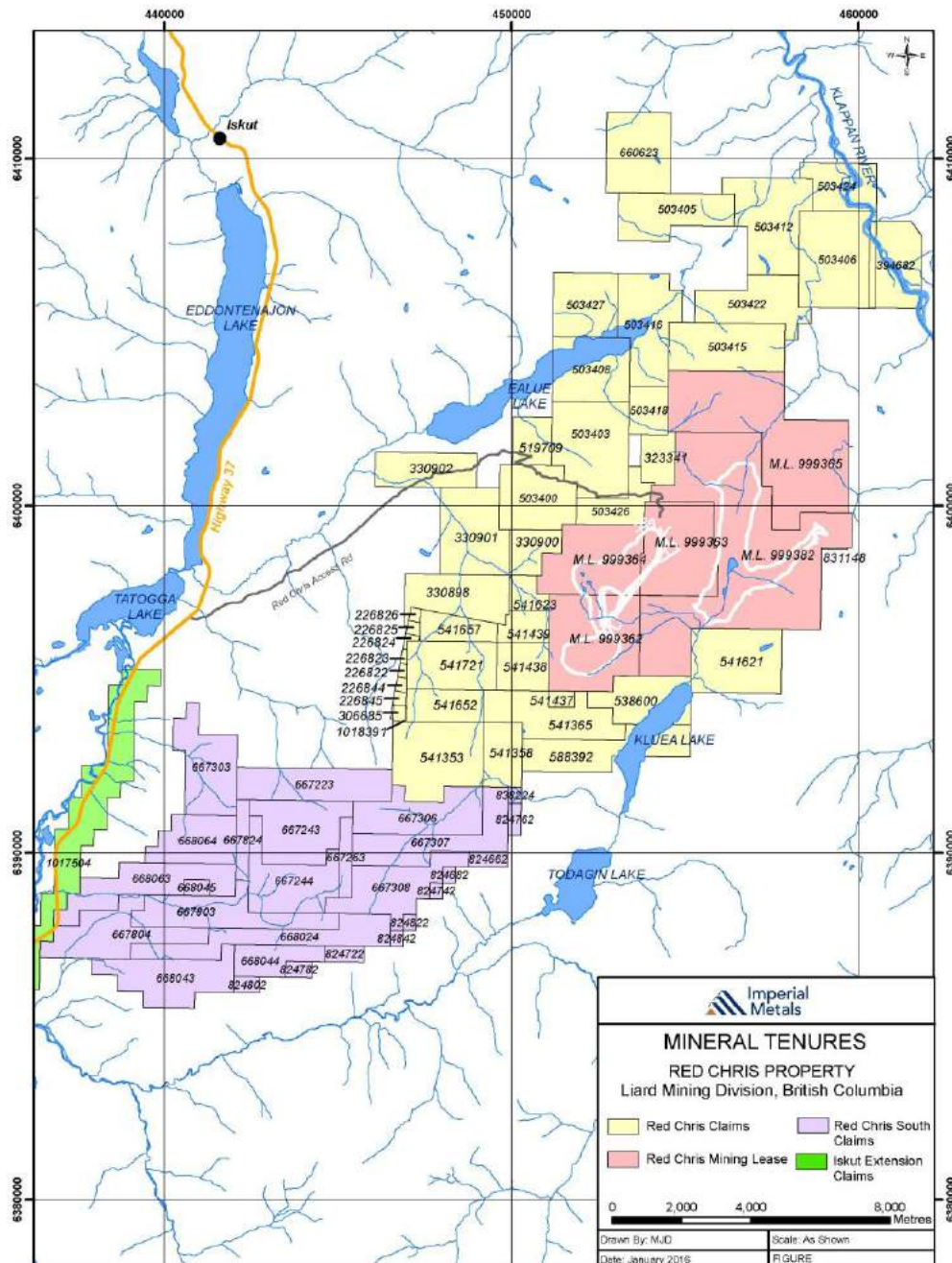
The Red Chris property and mine site are owned by Red Chris Development Company Ltd. ("RCDC"), which is a wholly owned subsidiary of Imperial. The Red Chris property is located in northwest British Columbia, 18 km southeast of Iskut, 80 km south of Dease Lake, and 12 km east of Highway 37. Road access to the property commences from Highway 37 at a point 18 km south of Iskut and is via a 23 km gravel road, providing all-weather access to the site and a year-round working season. The nearest supply centres are the City of Terrace and the Town of Smithers. Commercial aircraft service the Dease Lake airport located 111 km south of Iskut along Highway 37. Stewart is the nearest port with ship loading facilities, a distance of 320 km (by road) from the Red Chris property.



The Red Chris property is comprised of the Red Chris Main claim group, the Red Chris South group and the Iskut Extension Transmission Line Corridor, and consists of 85 mineral tenures that cover a total area of 29,067 hectares. All mineral tenures are issued in accordance with the Mineral Tenure Act of British Columbia and are 100% owned by RCDC. The Red Chris Main claim group consists of 49 mineral tenures covering 17,011 hectares, five of which are 30 year mining leases valid until June 20, 2042 that cover 5,141 hectares in addition to 44 mineral claims (43 valid until October 31, 2021 and one to April 8, 2016) encompassing 11,870 hectares.

All or portions of four of the mining leases and 19 mineral claims are subject to a 1.0% net smelter return royalty held by Glencore Canada Corporation. A right of first refusal is retained by RCDC on any disposition of the net smelter royalty by Glencore. The five mining leases and 31 mineral claims at the property are also subject to a net smelter return royalty held by the Tahltan Central Government. The net smelter royalty rate will start at 0.5% and increase to 1.0% but will not commence until certain aggregate net smelter royalty thresholds have been reached. Annual advance royalty payments will commence in October 2016 but will be deducted from the Production Royalty Payments when they are initiated.

The Red Chris South claim group is comprised of 27 mineral tenures (26 valid until November 11, 2022 and one to March 12, 2022) covering 6,097 hectares. It is subject to a 1.5% net smelter return royalty held by Canada Carbon Inc., however the royalty may be reduced to 0.5% by payment to Canada Carbon Inc. of \$1.0 million. The Iskut Extension Transmission Line Corridor consists of 9 mineral tenures valid until June 1, 2016 that cover 5,959 hectares.



Permitting & Environment Management

Environmental liabilities for Red Chris primarily relate to post closure water quality and reclamation. Under the Mines Act, reclamation is required to return the land to a stable state, and where possible similar to pre-disturbance conditions. RCDC reviews reclamation costs on an annual basis and as required under the Mines Act to submit a secured bond to cover future reclamation costs. The long term water quality predictions indicate that future water quality will have to be closely monitored to ensure water quality criteria relating to the protection of aquatic life are achieved. RCDC has prepared an Environmental Impact Assessment of the predicted concentrations and loadings to the receiving environment. Based on the finding of a Qualified Person and the science of the day, predicted worst case discharge characteristics would not cause pollution to the environment. The impact assessment recommends a series of surface water, effluent and aquatic monitoring programs throughout the life of mine to re-confirm the preliminary findings. The monitoring programs will be designed to calibrate and check the conceptual and predicted findings. Through 2014 and early 2015 the Red Chris project acquired the following amendments to the air and effluent discharge permits for operations and commissioning:

- PE-106668 Permit Authorizing Air Discharges from the Crusher, Mill, and Assay Lab
- PE-105017 Authorization for Mill Commissioning and Deposition of Tailings into the Tailings Impoundment Structure

RCDC is currently preparing the application for construction of the South Dam and the deposition of tailings in the south tailings impoundment area ("TIA"). This requires amendments to the Mines Act Permit (M-240) and the Environmental Management Act Permit (PE105017).

RCDC is also currently preparing the application to authorize effluent discharges from the TIA to the receiving environment. An additional amendment to PE-105017 listed above will be required for TIA discharges. The application for the following two Federal Authorizations, required for construction of the South TIA anticipated to begin in 2016, have been submitted to Fisheries and Oceans Canada and Environment Canada.

- Schedule 2 Amendment under the Fisheries Act, and
- Department of Fisheries and Oceans Canada ("DFO") – Federal Fisheries Act Authorization.

The Red Chris project received Provincial Government approval for mine development under the British Columbia Environmental Assessment Process in July 2005, which was extended in July 2010, and obtained Canadian Environmental Assessment Act approval in 2006, which was confirmed by the Supreme Court of Canada in January 2010 following a third party challenge.

The Joint *Mines Act* (BC) and *Environmental Management Act* (BC) ("EMA") Permit Application was submitted in July 2010. In May 2012 the Mines Act (M-240) permit (from the Province of British Columbia) approving the mine plan and reclamation program was received. M-240 outlines a series of conditions and requirements for the project. Completion of mine development will be subject to compliance with the Metal Mining Effluent Regulations and habitat authorizations under the Fisheries Act.

On May 9, 2012 RCDC received its approval for discharge under the provisions of the EMA. The approval authorizes the project to discharge site runoff from plant site clearing and soil stockpiles. Conditions of the approval are associated monitoring programs and reporting requirements. The environmental monitoring programs at Red Chris include: aquatic effects, water quality, hydrology, hydrogeology, and precipitation and fisheries assessments. Under provision of the EMA, RCDC received two permits authorizing additional discharges to land, air and water. In September 2013, RCDC received BC EMA permit PE-105017 to discharge effluents from construction activities, including discharges to ground and surface waters from sediment control ponds, diversion works and the North Reclaim Dam. RCDC also received Permit PE-106668 authorizing discharges to air from the primary crusher, mill, assay lab and the incinerator. This permit was issued December 14, 2014.

In June 2014 RCDC requested an amendment to Permit PE-105017 to authorize deposition of tailings into the TIA and discharge effluent from the TIA. RCDC had received a Short Term Authorization ("STA") on January 29, 2015 to discharge tailings and supernatant to the TIA for the purposes of commissioning and start-up. The STA approves the submitted groundwater and surface water monitoring programs.

A key component for the overall environmental management and compliance for the project are the conditions within the Environmental Certificate (M05-02) under provisions of the Environmental Assessment Act. The certificate continues to drive the environmental monitoring for the project to achieve compliance with the construction and pre-operational conditions. Water management and protection of aquatic resources from the potential impacts from the project continues to receive considerable attention and risks related to the Company's ability to manage such factors are among the more significant environmental risks associated with the project.

Specific environmental protection and monitoring requirements for the project include:

- Metal leaching and acid rock drainage
- Surface and groundwater quality monitoring
- Soil and vegetation management
- Sediment and erosion control
- Wildlife protection
- Water treatment
- Archaeological resources

The Red Chris Monitoring Committee ("RCMC") is also a requirement of the Mines Act permit. The RCMC is chaired by representatives from Red Chris and Tahltan Nation. The committee includes members from the Ministry of Environment ("MoE"), Ministry of Energy and Mines (MEM) and the Ministry of Forest, Lands and Natural Resource Operations.

In conjunction to the RCMC the Environmental Oversight Committee ("EOC") has been established. The EOC is a forum for dialogue between the RCDC, Tahltan Central Government and Tahltan Nation representatives. The EOC terms of reference lays out co-environmental management mechanisms for the committee relating to:

- the Environmental Management System
- the Project's environmental compliance, monitoring and performance,
- all Project related environmental information and make recommendations concerning environmental matters ,
- Federal and Provincial Permit applications and
- environmental monitoring programs.

In July 2013 the required permits were issued by the Province of British Columbia for construction of a 93 km extension of the Northwest Transmission Line ("NTL"), H37P Transmission Line, from Bob Quinn to Tatogga and construction of the line began shortly thereafter. The H37P Transmission Line was completed in November 2014 and was sold to BC Hydro in December 2014.

History

The first recorded exploration on the property now known as Red Chris was in 1956 when Conwest Exploration Limited examined copper showings on the Todagin plateau. In 1968 Great Plains Development Co. of Canada staked the Chris and Money claims and subsequently completed geological, geochemical and geophysical surveys. In 1970 Silver Standard Mines Ltd. staked the Red and Sus claims to the north and east of the Chris claim group, and followed up in 1971 with mapping, soil surveys and trenching. In 1973 Ecstall Mining Limited (which later became Texasgulf Canada Limited) optioned the Silver Standard claims and drilled 14 percussion holes, intersecting low grade copper mineralization.

In 1974 Texasgulf acquired an option on 60% of the combined Red and Chris groups of claims, and initiated a major program from 1974-1976 comprising 67 diamond drill holes and 30 percussion holes. From 1978 to 1980 Texasgulf drilled 7 holes and completed property-wide geological, geochemical and geophysical surveys, resulting in the delineation of the Red stock and within it the Main and East zones of quartz-stockwork hosted mineralization. The estimated resource in 1976 at a 0.25% copper cut-off was 34.4 million tonnes with an average grade of 0.51% copper and 0.27 g/t gold to a depth of 270 m in the Main zone, and 6.6 million tonnes with average grade of 0.83% copper and 0.72 g/t gold to a depth of 150 m in the East zone.

No exploration was conducted from 1981 to 1994.

In 1994 a series of corporate takeovers and reorganizations resulted in the ownership of the property divided amongst Falconbridge (60%), Norcen Energy (20%), and Teck Corporation (20%). American Bullion Minerals Ltd. (ABML) acquired an 80% interest in early 1994, with Teck Corporation retaining their 20%. ABML recalculated a possible resource at a 0.20% copper cut-off of 136.0 million tonnes averaging 0.38% copper and 0.25 g/t gold. In 1994 and 1995, ABML completed mineral claim staking, comprehensive geochemical and geophysical surveys, and diamond drilling totaling 58,187 m over 170 holes. The resource was now estimated at 181.0 million tonnes averaging 0.4% copper and 0.31 g/t gold at a 0.2% copper cut-off. Significant near-surface copper-gold mineralization was also discovered in the Gully and Far West zones.

In 2003 Red Chris was under the control of bcMetals Corporation. bcMetals drilled 49 holes (16,591 m) and updated the measured, indicated, and inferred resources early in 2004. Subsequent infill drilling (25 holes; 6,927 m) resulted in the re-modelling of the Main and East zones as a single unit, incorporated into the feasibility study completed by AMEC Americas Ltd. Exploration in 2006 consisted of 14 drill holes (4,679 m) over the reserve and in the Gully zone, and additional drilling required under the terms of a joint venture agreement between bcMetals and Global International Jiangxi Copper Company Ltd., which had previously been announced for the development of Red Chris.

In mid-2006 Imperial launched a takeover bid for bcMetals. Imperial's successful acquisition of bcMetals was completed in April 2007 at a cost of \$68.6 million, which was funded from cash on hand and a \$40.0 million short term loan facility.

Historical exploration at Red Chris by previous operators focused on establishing open-pit mineable reserves above a depth of approximately 400 m. Following the acquisition of Red Chris in 2007, the Company's strategy was to explore for mineral potential below the planned pit for longer term mine planning.

The first hole (RC07-335) drilled in the East zone revealed the vertical extent and strength of the system, intersecting 1.01% copper, 1.26 g/t gold and 3.92 g/t silver over its entire 1,024 m vertical length, and ending in strong mineralization. Deep drilling continued in relatively small programs in 2008 (3 holes; 2,220 m) and 2009 (9 holes; 11,528 m) while camp and road infrastructure were upgraded, and geophysical surveys could be done. The latter included a Titan-24 deep imaging IP-MT survey, resulting in high-quality resistivity and chargeability imaging of the subsurface.

A property-wide aeromagnetic survey was also done in 2009, and field crews ran extensive proton ground magnetometer surveys over the Titan cut-line grid and throughout the Todagin plateau. No meaningful anomalies emerged, and significant mineralization appears to be restricted to the Red stock. Geological mapping and prospecting led to some important map revisions, as did a program of low-impact overburden drilling, which completed 138 short holes on the poorly exposed Todagin plateau.

The program of deep diamond drilling to over 1,500 m depth over the projected open-pit footprint intensified in 2010 (47 holes; 52,811 m) and was completed in 2011 (9 holes; 11,650 m), resulting in much refinement of the block model. Deep drilling was also initiated in the Gully zone, intersecting long intervals of mineralization, with improving grade with depth.

An important aspect of the exploration team's strategy was to use detailed core logging, petrography, and multi-element geochemistry to determine the porphyry sequence and hydrothermal evolution, and hence a geologic model for the deposit. Thus, the main controls on copper-gold grade patterns in the East and Main zones are provisionally understood, and are providing a working template for future exploration, which will include further testing of the Gully and Far West zones. Another area to examine further is the East Ridge, a fault-offset segment of the Red stock 1 km east of the planned pit, where two holes were drilled in late 2011 to test for a possible transported section of East zone mineralization; results were inconclusive.

Exploration in 2012 was limited to infill drilling early in the year over the projected open-pit before finalizing the reserve calculation in the *2012 Red Chris Report*, and drilling two more holes in the Gully zone. Exploration was suspended in May 2012 to allow for mine construction. Mapping and rock sampling was conducted in 2013 over the corridor of claims acquired by RCDC to cover the H37P Transmission Line between Bob Quinn and Tatogga, which was completed in November 2014. No copper-gold anomalies were found.

No significant exploration has been conducted at the Red Chris property since May 2012.

Geological Setting, Mineralization & Deposit Types

Red Chris is a porphyry copper deposit in the northern Intermontane Belt of the Canadian Cordillera. It is situated in the accreted geological terrane of Stikinia, which is dominated by island arc volcanic, sedimentary, and plutonic rocks of the Middle to Late Triassic Stuhini Group, and the Early to Middle Jurassic Hazelton Group. Stikinia hosts many important mineral deposits in the region, several of which are in the process of mine development or are at an advanced exploration stage.

Red Chris is in the Iskut district, on the northern edge of the Skeena Mountains. Most of the property is situated on the Todagin Upland plateau. The Red Chris deposit on the southern edge of the plateau is hosted by the Red stock, which was emplaced about 204 million years ago (Late Triassic) into deformed Stuhini Group sedimentary and volcanic rocks. Lower Hazelton Group volcanic and subvolcanic rocks, possibly comagmatic with the Red stock, dominate the western part of the Todagin plateau, unconformably overlying tilted Stuhini Group. Erosion during the Early Jurassic was followed by deposition of mainly sedimentary upper Hazelton Group rocks, and the succeeding Bowser Lake Group in the Middle Jurassic; these units originally covered the partly eroded Red stock and Stuhini Group, but they are now preserved only along the southern margin of the plateau due to southeastward tilting in the Late Cretaceous.

The Red stock is an ENE-elongate intrusion up to 8 km long by 1.5 km wide at surface. It is a composite intrusion, consisting of a series of porphyries beginning with leucodiorite, which forms the bulk of the stock. This was intruded in the centre by quartz monzonite porphyries, which were coincident with potassic alteration and quartz vein-hosted copper-gold mineralization. Finally, late- to post-mineralization monzonite dikes were intruded. The current Red Chris reserve, where open pit mining is ongoing, is divided into the East zone and the Main zone. The East zone is centred on a cupola of quartz monzonite, from where copper-gold quartz veins emanate for several hundred metres upwards and outwards into leucodiorite wallrock. The Main zone, about 650 metres to the west within the open pit, is a subordinate but lower grade sub-centre. Several hundred metres below the surface, the East and Main zones merge into a contiguous body of mineralization. At surface, combined East zone and Main zone mineralization extends about 2,000 metres along the stock's east-northeast axis; in width, it ranges from at least 100 metres in the East zone to 650 metres in the Main zone. The depth of significant mineralization is over 1,200 metres in the East zone and about 1,000 metres in the centre of the Main Zone. A further 1.5 km to the west of the open pit are the Gully and Far West exploration zones. The Gully zone footprint is approximately 400-500 metres across, east-west. The Far West zone has a smaller footprint and has seen less drilling than the other zones.

In most of Red Chris, especially below the planned open pit, mineralization consists of thin wavy or thicker planar quartz veins containing bornite and magnetite; these minerals are also disseminated outside the veins. In the upper part of the deposit, where the present open pit reserve lies, the bornite-rich mineralization was overprinted by sericite and clay alteration and associated sulfidation; here, chalcopyrite and pyrite are the dominant sulfides, and bornite is restricted to the core of the East zone. Gold occurs as microscopic inclusions in the copper sulfides. Molybdenite occurs locally in quartz veins, especially deeper and outside the high-grade core. The East and Main zones have been affected by syn- to post-mineralization faulting, indicated mainly by offsets in the sulfide mineral zonation.

Red Chris is a porphyry copper deposit ("PCD"), as are most of the copper producing mines in the world. PCDs are generally categorized by the chemical composition of their host rocks, and by the metals of economic interest. In the Red stock, there is a general evolution from calc-alkalic to alkalic composition; the mineralization is characterized by its copper-gold signature, with only minor molybdenum. These features are consistent with the 'high-potassium calc-alkalic' type of PCDs, which includes several world-class deposits such as Bingham (Utah). The nature of the quartz-vein hosted mineralization, its correlation with copper-gold grade, and its close association with a particular porphyry phase (quartz monzonite), all support further classification of Red Chris as an 'A vein' type of deposit. These factors form the basis of the conceptual model for Red Chris, and will guide further exploration of the Red stock and the property.

Sampling, Analysis & Data Verification

Drill core is delivered directly from the drill to the core shack where geological and geotechnical logging is done. Sample intervals are marked at 2.5 m (maximum) intervals starting from zero, or less if required by important geological contacts. Sample tags are filled out and inserted into the core box by a geologist. QA/QC is maintained throughout this process with placement of one standard, one duplicate and one blank sample within every batch of 20 samples, at irregular positions. The marked and tagged core is photographed and then cut axially with a rock saw (or unusually with a hydraulic splitter). One half of the cut core is placed in a clear poly-ore bag with a sample tag and zap-strapped. The other half remains in the core box for storage on site in sturdy wooden racks. Samples for analysis are put into rice sacks and zap-strapped with uniquely numbered ties for added security, ready for collection and shipment by truck either to Acme Analytical Laboratories Ltd. (Smithers or Vancouver) or to the Mount Polley laboratory, depending on the type of analysis required.

Geotechnical or RQD data collected includes core recovery, fracture counts, and core strength, with special attention paid to fault features. Magnetic susceptibility is measured over every sample interval. Geological data is recorded into a customized computer database program which serves also to track all analyses as they come in, and can be integrated with other computer software for comprehensive deposit modelling. The core recovery experienced by RCDC at Red Chris is close to 100% and the sample quality is considered to be excellent. The sampling is not expected to result in any biases and is expected to be representative of the areas drilled.

Mineral Resource & Mineral Reserve Estimates

The AMEC Americas Ltd. Feasibility Study Report prepared for bcMetals Corporation in 2005, was used to guide development of the project within the Provincial and Federal Approval framework. The *2012 Red Chris Report*, an update of the 2005 Feasibility Study, indicated an after tax internal rate of return of 15.7% at metal prices of US\$2.20/lb copper and US\$900/oz gold, and a capital cost of \$443.0 million, using the mining envelope, mining rate and metal recovery estimates used in the 2005 Feasibility Study.

Total Red Chris Mineral Resource

[Effective Date: February 2, 2012; Amended & Restated Report September 30, 2015]

The original resource estimate published on February 14, 2012 was constrained by a series of Copper Equivalent grade shells, within a wire frame digital solid constructed around the three mineralized deposit domains. The resource was amended and restated in September of 2015 with the re-release of the *2012 Red Chris Report*. The amended and restated Resource is based on a combination of an Open Pit and Block Cave constrained Resource used to demonstrate “reasonable prospects of economic extraction” as referred to in Instrument NI 43-101. The 2012 Technical Report also includes a full description of the exploration drilling data used, modeling and estimation method, and the sampling, assaying and QA/QC (quality assurance/quality control) procedures.

Red Chris 2012 Total Open Pit/Block Cave Resource Estimate						
Material Class	Ore Millions Tonnes	Mill Head Value \$/tonne	Insitu Grades			
			Copper Equiv. (%)	Copper (%)	Gold (g/t)	Silver (g/t)
MEASURED	830.7	\$25.13	0.57	0.36	0.36	1.17
INDICATED	203.0	\$18.55	0.47	0.30	0.29	1.01
M&I	1,034.7	\$23.84	0.56	0.35	0.35	1.14
INFERRED	787.1	\$18.65	0.48	0.29	0.32	1.04

Open Pit Mineral Resource

[Effective Date: February 2, 2012; Amended & Restated Report September 30, 2015]

The open pit part of the Resource was defined utilizing MineSight’s Computer Software Lerch-Grossman pit optimization routine. MineSight’s computer programs and the Lerch-Grossman algorithm are acknowledged within the mining industry as creditable tools for this purpose. Key pit specific inputs into the Lerch-Grossman program were:

- Pit slope angle = 42 degrees - which is the average pit slope of the currently approved pit.
- Waste Mining costs of \$ 1.872 per tonne for the 1470 elevation (starting) bench.
- An additional cost of \$.052 per tonne was added to for each 15 metre bench below the 1470 elevation for increased haulage costs.
- Ore Mining Costs of \$ 1.787 per tonne for the 1470 elevation bench.
- An additional cost of \$.044 per tonne was added to for each 15 metre bench below the 1470 (starting) elevation for increased haulage costs.
- No capital costs were included for replacement or additional mine equipment fleet purchases.
- A portion of the East side of the pit was constrained by approximately 100 metres to preserve the current crusher installation.

Red Chris 2012 Upper Resource Estimate from Open Pit								
Material Class	Material Type	*Cut-Off Mill Head Value (\$)	Ore Millions Tonnes	*Mill Head Value \$/tonne	Insitu Grades			
					**Copper Equivalent (%)	Copper (%)	Gold (g/t)	Silver (g/t)
Measured	Stockpile	\$0.00	6.0	\$0.95	0.15	0.11	0.07	0.48
	Mill Feed	\$1.50	676.4	\$19.10	0.48	0.32	0.27	1.04
		Sub-total>	682.4	\$18.94	0.48	0.31	0.27	1.04
Indicated	Stockpile	\$0.00	0.8	\$0.93	0.15	0.11	0.07	0.46
	Mill Feed	\$1.50	164.7	\$14.91	0.42	0.27	0.24	0.91
		Sub-total>	165.5	\$14.84	0.41	0.27	0.24	0.90
Inferred	Stockpile	\$0.00	20.1	\$0.65	0.16	0.08	0.14	1.06
	Mill Feed	\$1.50	377.2	\$14.23	0.41	0.25	0.26	0.92
		Sub-total>	397.3	\$13.54	0.40	0.24	0.26	0.93
MEASURED			682.4	\$18.94	0.48	0.31	0.27	1.04
INDICATED			165.5	\$14.84	0.41	0.27	0.24	0.90
M&I			847.9	\$18.14	0.47	0.31	0.27	1.01
INFERRED			397.3	\$13.54	0.40	0.24	0.26	0.93
	Waste Rock		2,407.3					
	Over Burden		121.0					
	Strip ratio		2.0					

Underground Mineral Resource

[Effective Date: February 2, 2012; Amended & Restated Report September 30, 2015]

The vertical orientation of the Red Chris Deposit, coupled with its very large size makes the Deep Red Chris Mineralization attractive to mining by underground block caving methods. The Underground Mineral Resource includes three blocks economically favorable to underground mining by block caving. The three blocks are clipped to the bottom of the open pit discussed above. The key mining parameters used to define those underground mineral resource blocks which have a reasonable prospect of economic extraction are:

- All-in mine development capital cost of \$ 7.94 per tonne.
- Operating cost of \$8.96 per tonne.

Therefore the targeted mineralization was required to have:

- Mill Head Value greater than \$16.90 per tonne for the chosen block cave volumes.
- Mill Head Value greater than \$8.96 per tonne operating cut-off grade at the draw points.
- Average Mill Head Value of all Block Cave Measured & Indicated tonnes is \$49.86/t, and Block Cave Inferred tonnes is \$23.85/t.

Red Chris 2012 Lower Resource Estimate from Block Cave Including Planned Dilution								
Material Class	Material Type	Cut-Off Mill Head Value (\$)	Ore Millions Tonnes	*Mill Head Value \$/tonne	Insitu Grades			
					**Copper Equivalent (%)	Copper (%)	Gold (g/t)	Silver (g/t)
Measured	Mineralized Dilution	\$0.00	2.9	\$6.83	0.28	0.17	0.17	0.82
	Draw Point Cut Off	\$8.96	20.6	\$13.60	0.40	0.25	0.25	1.10
	Targeted Ore	\$16.90	124.8	\$61.33	1.12	0.61	0.85	1.91
	Sub-total		148.4	\$53.62	1.00	0.55	0.75	1.78
Indicated	Mineralized Dilution	\$0.00	0.6	\$7.50	0.29	0.19	0.17	0.84
	Draw Point Cut Off	\$8.96	7.3	\$13.94	0.41	0.25	0.26	1.17
	Targeted Ore	\$16.90	29.6	\$40.73	0.83	0.48	0.57	1.59
	Sub-total		37.5	\$34.98	0.74	0.43	0.50	1.50
Inferred	Waste Dilution	-\$6.40	64.6	-\$4.81	0.04	0.02	0.03	0.22
	Mineralized Dilution	\$0.00	18.7	\$6.15	0.27	0.16	0.17	0.73
	Draw Point Cut Off	\$8.96	63.2	\$13.38	0.40	0.25	0.25	0.98
	Targeted Ore	\$16.90	243.4	\$35.52	0.76	0.45	0.52	1.47
	Sub-total		389.8	\$23.85	0.56	0.33	0.38	1.15
MEASURED			148.4	\$53.62	1.00	0.55	0.75	1.78
INDICATED			37.5	\$34.98	0.74	0.43	0.50	1.50
M&I			185.8	\$49.86	0.95	0.53	0.70	1.72
INFERRED			389.8	\$23.85	0.56	0.33	0.38	1.15

*Mill Head Value is a calculation of the value of material mined, in Canadian dollars per metric tonne, once it reaches the Crusher Pocket. This includes all downstream costs from the crusher forward, including: Milling / Concentrate handling and transportation / Treatment and refining / Royalties / Sustaining capital / Administration and head office overhead costs. Large capital costs associated with expansions, such as mining fleet additions, or replacements are not included. See table 17.24 in the Technical report available on this site for metal recovery formulas, costs and parameters used to calculate this value.

**Copper Equivalent % = [Copper Grade (%) + (.60415 * Gold Grade (g/t))]; based copper/ gold price ratio at Copper - \$3.50 /lb, Gold \$ 1450/oz.

Greg Gillstrom, P.Eng, Senior Geological Engineer, Imperial Metals Corporation, designated the Qualified Person as defined under National Instrument 43-101 for the reserve/resource estimates.

Mining and Mineral Processing

On-site development work at Red Chris began in May 2012. Mine construction was completed November 7, 2014.

The Red Chris mine is a 30,000 tonnes per day open pit conventional milling operation. The mining fleet includes a 311mm diesel rotary drill, 40m³ electric cable shovel, 21m³ hydraulic shovel, 20m³ wheel loader, 230 tonne capacity haul trucks and associated support equipment. Other mining fleet equipment includes 178mm DTH drills, 12m³ diesel powered hydraulic excavator, 10m³ wheel loader and 86 tonne capacity rigid frame haul trucks and 40 tonne capacity articulated trucks.

Mining occurs in two active pits, the Main zone and the East zone utilizing 12m bench height and a face angle of approximately 65°. Haul trucks deliver ore to a 1.4m x 2.0m gyratory crusher for crushing to a nominal -150mm. This material is conveyed over a 1.2m x 2.4km overland conveyor to be held in a 120,000 tonne capacity stockpile before being reclaimed to the plant.

Plant design is based on a standard porphyry copper flow sheet employing SAG and ball milling, flotation, regrinding, thickening and filtering to produce a copper concentrate at a moisture content of 8% for export. The grinding circuit includes a 10.4m x 4.7m SAG mill feeding one 7.3m x 12.8m ball mill providing a primary grind of approximately 80% passing 150 microns. Coarse rejects from the SAG mill are crushed in a 600kW pebble crusher. Ball mill product feeds a bank of five 200m³ rougher flotation cells followed by a 200m³ scavenger/sulphide tank cell. The cleaning circuit includes one 183m³ and one 61m³ cleaner flotation columns and a bank of five 100m³ cleaner scavenger flotation cells. Cyclone underflow is fed to a 2,200kW primary regrind ball mill and a 1,120kW secondary regrind vertical mill to provide a grind of approximately 80% passing 24microns. The primary and regrind product sizes were determined by the AMEC Americas Ltd. feasibility study to provide the optimum conditions for copper recovery and concentrate grade. Concentrate is thickened and filtered, and then loaded on trucks of nominal 50 tonne capacity for hauling to the Port of Stewart, for subsequent shipment to Asian smelters.

Rock management has been designed to minimize the impact on the environment. Rock not containing economic quantities of copper or gold from the open pit is placed north of the East zone where topography allows any runoff to be collected and directed to the processing plant for use and treatment, prior to reporting to the TIA. Low grade material is stockpiled just to the north of the primary crusher for easy reclaim later in the mine life. The TIA is located in a valley to the northeast of the processing plant and will consist of a North dam, a South dam and a Northeast dam. The Company has presented a fish compensation plan to the DFO for approval. This is required for the construction of the South dam. Based on DFO's recommendation, Environment Canada has commenced the Metal Mining Effluent Regulations Schedule 2 Designation of a portion of the TIA.

Power was delivered to the Red Chris mine on November 7, 2014. The Iskut extension of the NTL was built by Highway 37 Power Corp., a subsidiary of Imperial, from the terminus of the NTL at the Bob Quinn substation to a newly constructed substation at Tatogga Lake. The Iskut extension was sold to BC Hydro in December 2014. A 16 km 287kV power line which connects the Red Chris mine to the Tatogga substation was built by RCDC.

Commissioning of the Red Chris mine commenced in late 2014. Mill operations commenced February 15, 2015 and the first copper concentrate was produced on February 17. The first truckloads of concentrate were trucked to a storage shed at Stewart Bulk Terminals on February 27. The Red Chris mine achieved the accounting criteria for commercial production July 1, 2015.

On July 27, 2015 the signing of an Impact, Benefit & Co-Management Agreement with the Tahltan Central Government was celebrated by their leadership, members of the provincial government and Company's officials. The agreement had earlier been approved by the Tahltan in a referendum with 87% of respondents voting in favour.

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

Main and East Zone ores are blended and processed using conventional crushing, grinding and flotation techniques to produce copper concentrate. The nominal minus 5 inch crusher product is fed to the grinding circuit at a nominal rate of 30,000 tonnes per day. The crusher product is drawn from the bottom of the 120,000 tonne capacity stockpile to the grinding circuit using three apron feeders for feedrate control, and is then conveyed to a 10.4m x 4.7m SAG mill with dual drive motors (7000kW each), discharging onto a 2.4m x 6.3m single deck vibrating

screen to remove plus ½” material for recycle to the 600kW pebble crusher by a 45° high angle sandwich conveyor. Mill feedrate is controlled primarily by SAG mill power draw and bearing pressure. Screen undersize is pumped along with ball mill discharge to a cyclopac consisting of twelve 840mm cyclones to classify flotation feed to a size of approximately 80% passing 150 microns. Cyclone underflow feeds a 7.3m x 12.8m ball mill, also with dual drive motors (7000kW each). Cyclone overflow flows by gravity in a de-aeration box before being fed to the rougher flotation lines.

Rougher flotation consists of a row of five 200m³ tank cells followed by one 200m³ scavenger/sulphide tank cell. Froth depths, air flowrates and frother addition rates are adjusted via a control system to achieve a desired mass pull. Bulk concentrate is pumped to a 2,200kW primary regrind ball mill to produce a product of about 80% passing 45 microns which undergoes further regrinding through a 1,120kW secondary regrind tower mill to provide a grind of about 80% passing 24 microns. This product is fed to a 4.6m flotation column cell to produce a final concentrate grading about 25% copper. The column tails are scavenged in a row of five 50m³ tank cells with the scavenged concentrate further upgraded in a 3.7m flotation column cell to produce a copper concentrate grading about 25% copper. The cleaner scavenger tailings are sent to the TIA as final tailings while column cell tailings is returned to the regrind ball mill for further regrinding.

Combined final concentrates from the two columns reports to a 13m thickener. Flocculant is added to improve settling and compaction, with addition rates controlled by a mixing and dosing system. Thickener underflow is pumped to a stock tank which feeds a pressure filter to achieve final concentrate moistures of 8% to 10% for shipping. Fill and blow times are varied based on a trade-off between performance and capacity.

Mill tailings are gravity fed; rougher or non-acid generating (“NAG”) tailings to the NAG trench and cleaner scavenger or potentially acid generating (“PAG”) tailings to the PAG trench. Both tailing streams then flow by gravity on separate lines of 26” HDPE DR11 and 14” for NAG and PAG respectively, to the tailings impoundment area located 5 km downstream from the mill. Both tailings lines are equipped with choke stations to reduce tailings line wear during the 400m elevation drop to the TIA.

The Red Chris mine employs around 330 hourly, salaried and contract personnel. The mine operates as a fly-in/fly-out site with employees on a two week rotation. Chartered aircraft fly employees to the Dease Lake airstrip from where they are transported by bus to the mine site.

Annual Production, Production Forecast & Mine Life

Current mining activities are focused in the Main and East zones, with the bulk of the mill feed coming from the Main zone with higher grade East zone ores being blended with the Main zone ores. The year to date average grade was 0.477% copper and 0.261 g/t gold. The mine moved an average of 62,428 tonnes of material per day during 2015. Plans to increase stripping are being implemented so that East zone ores will be more consistently available for blending. In the fourth quarter of 2015, two 793 haul trucks and a 3600 hydraulic excavator were relocated from Mount Polley mine to Red Chris mine to increase the mining capacity.

Production for 2016 is targeted at 90.0 to 100.0 million pounds copper and 60,000 to 70,000 ounces gold.

Year Ended December 31	2015*
Ore milled - tonnes	8,171,879
Ore milled per calendar day - tonnes	25,698
Grade % - copper	0.477
Grade g/t - gold	0.261
Recovery % - copper	68.1
Recovery % - gold	37.9
Copper - lbs	58,485,922
Gold - oz	25,949
Silver - oz	95,232

*production from February 17 to December 31, 2015

The current mine life for Red Chris based on the *2012 Red Chris Report* is to 2043.

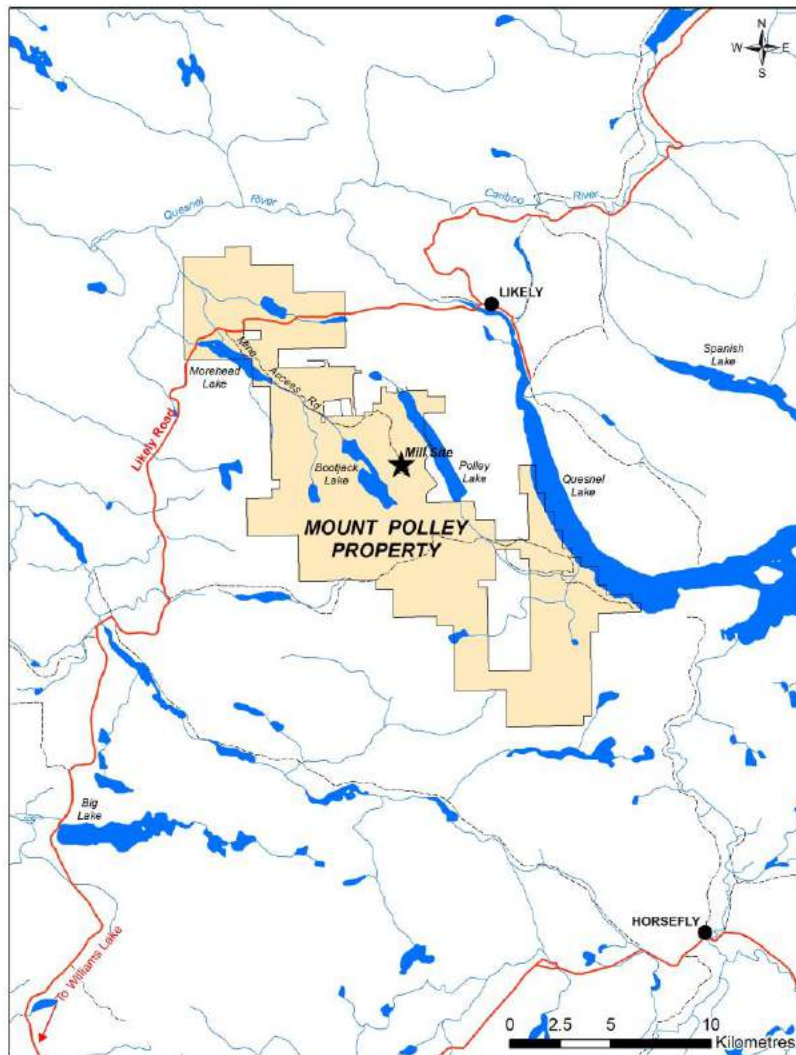
MOUNT POLLEY MINE

Technical Report

An updated technical report for the Mount Polley mine is currently in progress.

Description, Location & Access

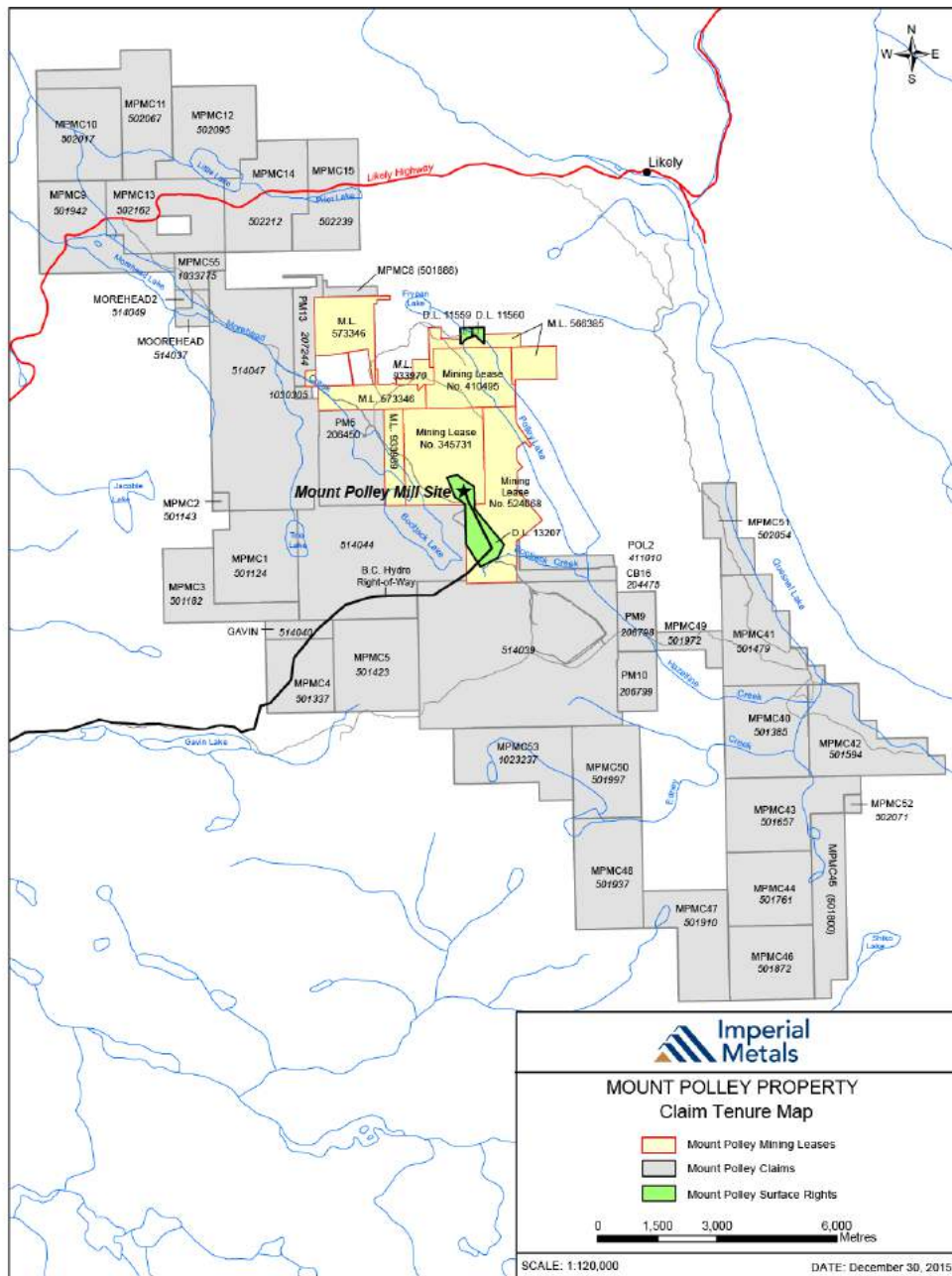
Mount Polley Mining Corporation (“MPMC”), a wholly owned subsidiary of Imperial, is the owner of the mine and property. Mount Polley is an open pit copper-gold mine which began operations in 1997. The mine site is located in south-central British Columbia, eight km SW of Likely and 56 km NE of Williams Lake. The property lies near the eastern edge of the Fraser Plateau physiographic sub-division, which is characterized by rolling topography and moderate relief. Elevations range from 920 m at Polley Lake to 1,266 m at the summit of Mount Polley.



The Mount Polley property consists of 51 mineral tenures covering 18,892 hectares, and is comprised of seven mining leases, tenures 345731, 410495, 524068, 566385, 573346, 933970 and 933989, which are valid to August 22, 2026, September 29, 2034, December 19, 2035, September 21, 2037, January 9, 2038, November 28, 2021 and November 28, 2021, respectively, totaling 2,007 hectares, and 44 mineral claims (41 valid until November 1, 2020, two valid until March 15, 2017, and one valid until January 31, 2017) encompassing 16,885 hectares. All mineral tenures are issued in accordance with the Mineral Tenure Act of British Columbia and are 100% owned by MPMC.

Mining lease 933970 is subject to a production royalty held by BRZ Mex Holdings Ltd. of \$2.50 per tonne on the first 400,000 tonnes of ore mined and milled and \$1.25 per tonne on any additional ore mined and milled, a rate that may be reduced to \$0.62 per tonne by payment of \$1,000,000. No production was undertaken from mining lease 933970 in 2015 nor is any planned in 2016.

Road access from Williams Lake (the main urban centre for supplies) to the Mount Polley property is 15 km SE on Highway 97 to 150 Mile House, 76 km north on the Likely Road past Morehead Lake, and then 14 km south on the unpaved Bootjack Forest Access Road, branching off to the mine site at 8.5 km. Other forestry and mining roads afford good access to much of the property. Travel time from Williams Lake is approximately 75 minutes. Personnel live off-site, and commute from Williams Lake or smaller communities in the region. The mine is connected to the BC Hydro power grid. Mining and milling operations proceed year round.



Permitting & Environmental Management

All phases of mining and reclamation are regulated by the Province under the Environmental Management Act and the Mines Act, as well as the Water Act and other legislation implemented by the BC Ministry of Forests, Lands and Natural Resource Operations (“MFLNRO”). A summary of existing Mount Polley permits under these regulations is provided below.

Mount Polley Mine Permits

Ministry	Authorization	Purpose	Permit #	Date Issued	Comment
MFLNRO	Conditional Water License	Dust suppression and industrial.	111741	December 1996	
MFLNRO	Conditional Water License	Diversions of water from Polley Lake	101763	June 2002	
MFLNRO	Conditional Water License	Storage of water in Polley Lake, Edney Creek, Hazeltine Creek, Polley Lake rights	5002458	August 2015	for rehabilitation purposes following tailings dam failure
MoE	Waste Discharge Permit	Landfill	14590	March 1997	
MoE	Effluent Discharge Permit	Effluent discharge	11678	May 1997	many amendments, most recent July 2015
MoE	Waste Generator Registration	Waste Regulation	1559	July 1997	updated 2010
MoE	Effluent Discharge (Biosolids)	Store and apply biosolids	15554	May 1998	updated July 2014
MoE	Air Contaminant Discharge	Waste management	15087	August 1997	
MFLNRO	Road Use Permit	Road use obligations	01-4160-08	March 2008	Gavin Lake FSR
MEM	Permit Approving Mining and Reclamation Program	Mining activities	M-200	August 1995	many amendments, most recent October 2015

Federal regulation is primarily through the *Fisheries Act* which aims to protect fish habitat by prohibiting the entry of deleterious substances into fish-bearing waters, as well as the disruption or disturbance of fish habitat without the necessary approvals. Protection of fish habitat also includes the Metal Mining Effluent Regulations (annexed under the *Fisheries Act*) which regulate deposition of mining effluent into fish-bearing waters.

The Mount Polley TSF breach was determined to have occurred due to a design flaw. The breach caused the release of tailings and TSF supernatant into the adjacent environment. As a result of the TSF breach, Mount Polley has been issued a Pollution Abatement Order pursuant to the British Columbia *Environmental Management Act* and an Order pursuant to the British Columbia *Water Act* (the “Orders”). Both Orders set out a number of requirements for environmental investigation and remediation of the affected area. Mount Polley is carrying out the requirements of these Orders. In doing so, Mount Polley is working with local First Nations and with the applicable government agencies to ensure that it complies with the Orders. Investigation of the TSF breach by Fisheries and Oceans Canada, Environment Canada, and the BC Conservation Officer Service is ongoing.

Environmental monitoring at Mount Polley continues as per permits from MoE and MEM including monitoring of groundwater, surface water (streams, lakes, and mine contact water collection sites), weather, and hydrological conditions. Mount Polley submits an annual Environmental and Reclamation Report to the MoE and MEM. That report outlines all current and planned mining and reclamation activities, as well as environmental monitoring activities and results. Mount Polley is committed to the reclamation of disturbed areas during the mine-life cycle, and has been actively completing such work since 2009. Reclamation work in 2015 was limited as efforts were focused on the remediation of Hazeltine Creek. In summary; till/soil placement on 6.58 hectares; and tree/shrub planting on 3.53 hectares. The total area reclaimed to the point of having trees and shrubs planted to date on site is 26.20 hectares.

MPMC was in a second three year term of partnership (the latest being established in 2012) with GenomeBC at the time of the TSF breach. The major component completed under this partnership, the Anaerobic Biological Reactor ("ABR"), continued operation in 2014, but was put into care and maintenance on account of the TSF breach, and has since been decommissioned as part of the buttressing works around the TSF. The ABR is a fully contained passive treatment pilot project being developed in conjunction with GenomeBC, a research group consisting of industry and the University of British Columbia. Additionally, at the time of the TSF breach, Mount Polley was in the first year of a partnership with Thompson Rivers University (TRU) to develop a wetland passive treatment research project at the ABR outflow. After the TSF breach, Mount Polley and TRU leveraged existing grants from NSERC and MITACS to obtain additional funding from Genome BC and Genome Canada in order to adapt the research project and use metagenomics to study passive remediation of disturbed areas and tailings material downstream of the TSF breach.

History

The ownership history and early exploration of Mount Polley is provided in the *2004 Mount Polley Report*. These documents describe the period from Mount Polley's formal discovery in 1964, through to the formation of MPMC and subsequent mine construction in 1996. Mount Polley mine operations continued until the fall of 2001, at which time operations were suspended due to a sustained period of low commodity prices. The mine was placed on care and maintenance. At that time, the originally designed Cariboo pit was exhausted, while the Bell pit was in process of being mined.

Following discovery of the high grade Northeast zone in late 2003, exploration resumed at Mount Polley and preparations for the restart of mining and milling began. In 2004, Imperial conducted a new feasibility study, which incorporated mining of the Springer, Northeast and Bell zones. In March 2005 mining restarted in the new Wight pit (Northeast zone) and resumed in the Bell pit. In subsequent years, drilling exploration was carried out in a number of other areas, focused on expanding or deepening known deposits, or testing new targets revealed by trenching, mapping and sampling programs, or by geophysical anomalies. As a result, significant copper-gold resources were delineated in the Southeast zone (mined 2008- 2010), the Pond zone (mined 2009-2010), the C2 zone, and the Boundary zone. The most significant recent discovery (2009) was the WX zone, immediately south of the Springer zone. Mining was completed in the Bell pit in 2008 and in the Wight pit in 2009. Mining in the Springer zone, which contains the majority of the remaining reserve at Mount Polley, began in 2008. Deep drilling since late 2003 has resulted in a substantial increase in Springer resources. Under the current mine plan, the final pit will encompass the Springer, WX, C2 zones, and the adjacent Cariboo zone.

The first underground exploration development at Mount Polley began in 2010 in the Boundary zone. Underground fan diamond drilling or percussion blasthole drilling continued intermittently until August, 2014. Stope definition drilling is classified as exploration, and consisted of 167 percussion drill holes for a total of 3,407 metres. Most of these holes were drilled into the Zuke zone where the mineralized zone is more complex in shape. Substantial resources also exist in the deep Northeast zone beneath the Wight pit, which are potentially mineable by extending the existing underground workings.

Highly oxidized material from the upper Springer zone has been stockpiled since 2008 for potential extraction of copper by heap leaching, to be followed by milling for gold recovery. A pilot leach operation began in 2007. In 2010, a magnetite circuit was installed in the Mount Polley mill to recover fine magnetite, intended for sale to coal mines as media grade magnetite for use in wash plants.

Historic production from all zones at Mount Polley since start-up in 1997 through December 31, 2015 is approximately 530.8 million pounds copper, 798,000 ounces gold, and 2.4 million ounces silver, from about 97.1 million tonnes of mill throughput. Remaining reserves are targeted for mining within the current mine plan, exclusive of other resources in Mount Polley's mineral inventory. No exploration program was conducted at Mount Polley in 2015. At December 31, 2015 a total of 2,739 exploration holes (surface and underground combined) have been diamond drilled.

A breach of the TSF at the Mount Polley mine occurred on August 4, 2014 and mine operations were immediately suspended, resulting in the loss of full production from the mine, which at that time was the primary source of cash flow for the Company. Restoration and rehabilitation work was immediately initiated at the TSF and the areas affected by the breach. While a majority of the rehabilitation work has been completed, the site will continue to be monitored and modified as necessary. Repair of the TSF breach to a level to provide sufficient storage to contain spring runoff was completed in spring 2015.

On January 30, 2015, the independent panel investigating the Mount Polley TSF failure released its report, which concluded the failure was sudden and without warning, and was due to the fact that the independent engineer's design did not take into account the strength of the glacio-lacustrine layer approximately eight metres below the foundation of the embankment.

Mount Polley mine restarted operations on August 5, 2015 following receipt of permit amendments on July 5, 2015 which allowed recommencement of the mine using a modified operation plan that includes the use of the Springer pit to contain the tailings produced. The mine initially operated on a one week on, one week off basis, with mining from the Cariboo pit, and the Boundary zone underground mine. Late in the 2015 fourth quarter, the mill commenced operating on a continuous basis due to the impending cold winter temperatures which could affect the mill when operations were on off weeks. Due to operational limits in the amended permit related to the limited capacity of the Springer pit, continuous operations will result in the mine reaching these limits in late April or early May of 2016. To allow the mine to continue operating permit applications have been filed with the regulators to resume using the TSF, which will be repaired and modified to meet current standards.

On December 17, 2015, the Chief Inspector of Mines for the Province of British Columbia released his report on the Mount Polley TSF failure. The Report concluded, as had the independent panel report released on January 30, 2015, that the primary cause of failure was associated with an engineering design that had not properly characterized the strength of a clay unit in the native soil foundation.

Geological Setting, Mineralization & Deposit Types

Mount Polley is an alkalic porphyry copper-gold deposit. It lies in the tectono-stratigraphic Quesnel terrane or Quesnellia, which is characterized by a Middle Triassic to Early Jurassic assemblage of volcanic, sedimentary and plutonic rocks which formed in an island arc tectonic setting outboard of the ancestral North American continental margin. Quesnellia hosts several major porphyry copper deposits such as Highland Valley, Copper Mountain, Afton-Ajax, and Mount Milligan, all generated by early Mesozoic, calc-alkalic or alkalic arc magmatism.

In the Mount Polley region, the Triassic arc rocks are assigned to the Nicola Group and comprise alkalic basaltic to andesitic volcanics and sedimentary rocks, which are intruded by subvolcanic stocks; all are overlain by post-Nicola, Early Jurassic clastic rocks. Mount Polley itself is a complex of alkalic intermediate porphyritic intrusions and related magmatic-hydrothermal breccias. It was emplaced into the Nicola Group in the Late Triassic around 205 million years ago. The intrusive complex is about six km long (NNW) and three km wide, lying between Polley Lake in the east and Bootjack Lake in the west. The intrusions range from diorite (oldest) to monzonite (youngest), and are marginally undersaturated in silica. The Mount Polley Intrusive Complex is in the centre of the Mount Polley property; the remainder of the property is underlain mainly by Nicola Group volcanics and post-Nicola conglomerate, and small intrusions in which no economic mineralization has been found to date.

Mineralization in the Mount Polley Intrusive Complex ("MPIC") is primarily hosted by irregular zones of hydrothermal breccia, which are closely related to the porphyry intrusions and were formed by magmatic devolatilization processes. Mineralization and brecciation were accompanied by potassic, albite and magnetite alteration, with lesser calc-potassic alteration; the MPIC is bounded on most sides by propylitic country rocks. As in many alkalic porphyry systems, there is no single or simple zoned mineralization pattern, but instead a number of copper-gold zones of various size, shape and grade characteristics, distributed around the MPIC from the far north to the south. There is no clear structural control on the location of these mineralized breccia zones, although the greatest continuity and the bulk of the past and present reserves occur in the centre of the MPIC (e.g. Springer, Cariboo, Bell zones) between two pre-mineral diorite intrusions. Dimensions of mineralized breccias in the MPIC range up to many hundred metres in length and width, such as in the Springer zone. Elsewhere, smaller zones (generally less than 100 m across) may form mineable zones if grades and other factors are favourable. Post-mineral faulting probably did not disrupt the continuity of mineralized zones very significantly, except in the Northeast zone where deeper mineralization was offset along a fault a few hundred metres laterally, and dropped vertically slightly.

In the deposits, the degree of brecciation and associated hydrothermal alteration is usually a reliable guide as to grade. The transition from breccia into unbrecciated intrusion forming the 'wall rock' roughly corresponds to ore/waste contacts. There is relatively little post-mineralization dike dilution. Chalcopyrite is the dominant copper mineral, typically accompanied by pyrite; bornite is relatively uncommon in the centre of the MPIC. Here, copper sulfides occur as disseminations or veins and fracture coatings in brecciated intrusion, or they are disseminated in the matrix of breccias, in both cases precipitated along with alteration minerals. This is characteristic of the Springer, Cariboo/C2, and WX zones, and in the now mined-out Bell and Southeast zones. The only significant oxide mineralization in the MPIC is in the upper 100-150 m of the Springer deposit, but it is treatable by heap leach for copper extraction, and can be later milled for gold recovery. Mineralization has been traced by deep drilling in the Springer zone to a depth of around 900 m (from pre-mining surface).

In the north of the MPIC are much higher grade orebodies, namely the Northeast (mined in the Wight pit, 2005-2009) and Boundary zones, where copper grades can reach several percent per tonne and are currently supporting underground mining. Chalcopyrite and significant bornite form coarse-grained infill in breccias, and intense vein and microvein stockworks. As in the zones in the centre of the MPIC, gold and silver occur mainly as microscopic inclusions in the copper sulfides and in pyrite. Throughout Mount Polley, copper and gold typically occur in a roughly 1:1 ratio (in terms of copper percent versus gold in grams per tonne).

Exploration has always proceeded alongside mining at Mount Polley, leading to the expansion and deepening of known deposits, or to the discovery of new zones, or raising the status or resource category of marginal prospects, potentially towards feasibility for profitable mining. Geological and geotechnical logging of drill core is integrated with down-hole assay data and used with 3-D software for computation of the resource block model and mine design. In addition, exploration and research since the restart of operations in 2004-2005 have considerably advanced understanding of geology, structure and deposit genesis at Mount Polley, improving interpretation of mineralization geometry and the design of drill programs. New underground development is followed where appropriate by wall mapping and rib sampling to further characterize the mineralization, fill gaps in the resource model, and help guide slope design.

Airborne and ground magnetic signature is regarded as the most important geophysical tool for identifying new mineralization, although tellingly it was not effective in the Northeast zone, possibly delaying discovery of that high-grade but magnetite-poor orebody until 2003. An 11-line Titan-24 deep Induced Polarization-Magnetotelluric survey was completed by Quantec Geoscience Ltd. in fall 2009 to potentially locate blind sulfide targets and guide exploration drilling where appropriate. Outlying parts of the Mount Polley property, away from the mine site, have been explored by geological mapping, sampling and trenching and by soil surveys over intrusive bodies, with no significant results to date. Mineral potential remains most promising within the MPIC itself, or possibly buried beneath the unconformity with cover rocks (conglomerate, breccia) immediately to its north.

Sampling, Analysis & Data Verification

Most of the early drill core from 1966 to 1980 was lost due to vandalism. All core samples from 1981 onwards were collected in wooden core boxes at the drill. The average core size was NQ2, but HQ diameter drill core has become more common with deep drilling in recent years. Each core box holds approximately 4 m of core. Presently, Mount Polley drill core is sampled in its entirety, in most cases. The usual sample length is 1.0-2.5 m. The standard maximum length of a 2.5 m sample may be broken into smaller intervals where required by significant changes in geology, faults, or mineralization intensity. The core is first logged geotechnically and geologically and photographed, then sample lengths are cut axially with a rock saw. One half of the core is sent for analysis and the other half stored on the property in covered core racks for future reference as a geological record, or for any necessary test work later. The core library and core logging facility are located on the mine site near the administration building, securely inside the mine perimeter. Pulps and rejects are stored in the same facility.

All drill core from recent programs (post-1980) was assayed for gold, total copper, and iron while non-sulphide copper, silver and ICP analyses were completed on core from certain areas of the property where the additional data was considered to be important. Much of the pre-1980 core was assayed only for total copper. Over the life of the mine, exploration samples have been assayed at a number of British Columbia labs. Since 2006 approximately 80% of core samples were analyzed by the on-site mine laboratory, and the remainder were analyzed by Acme Analytical Laboratories Ltd., Vancouver. The industry standard methodology of using standards, duplicates and blank samples was applied in all recent drilling programs for QA/QC purposes.

Mineral Resource & Mineral Reserve Estimates

The Mount Polley mineral reserve estimate provided below is to January 1, 2014. It does not include mining that has taken place from January 1, 2014 to December 31, 2015. An updated estimate will be included in the new technical report currently in progress.

Mount Polley Probable Reserves – January 1, 2014								
Zone/Pit	Tonnes Ore	Grade			Contained Metal			Stripping Ratio
		Copper %	Gold g/t	Silver g/t	Copper lbs	Gold oz	Silver oz	
Springer	57,910,000	0.308	0.261	0.655	393,223,000	485,900	1,219,500	2.52
Cariboo	17,755,000	0.233	0.321	0.290	91,047,000	183,200	165,500	2.43
WX	9,509,000	0.280	0.493	0.593	58,761,000	150,700	181,300	7.91
Boundary OP	591,000	0.647	0.580	4.396	8,433,000	11,000	83,500	8.73
Boundary UG	237,000	1.538	0.946	6.772	8,038,000	7,200	51,600	n/a
Total Reserve	86,002,000	0.295	0.303	0.615	559,501,000	838,100	1,701,500	3.13

The Mount Polley mineral resource estimate was last updated January 1, 2013. The resource totals do not include mining from January 1, 2013 through to December 31, 2015. An updated estimate will be included in the new technical report currently in progress.

Mount Polley Mine Resources – January 1, 2013								
	Tonnes Ore	Grade				Contained Metal		
		Copper Equiv %	Copper %	Gold g/t	Silver g/t	Copper lbs	Gold oz	Silver oz
Measured	211,540,524	0.518	0.303	0.309	1.044	1,413,986,817	2,100,649	7,098,611
Indicated	199,639,391	0.444	0.256	0.278	0.566	1,128,598,026	1,783,434	3,633,275
Total Measured/Indicated	411,179,915	0.482	0.280	0.294	0.812	2,542,584,843	3,884,083	10,731,885
Total Inferred	39,723,713	0.347	0.185	0.240	0.590	161,657,082	305,990	753,594

The 2014 reserve estimate includes open pit mining of the Springer, Boundary, Cariboo/C2 and WX zones, and underground mining of the Boundary zone. The estimate reflects the twelve months of reserve depletion realized since the January 1, 2013 estimate. No calculation parameters were changed from 2013 for the 2014 reserve calculation. Pit designs and mine schedule have not been changed, and economic assumptions remain the same as those utilized in 2013.

The parameters used in the 2014 reserve estimate are based on pit designs and the 2013 Mount Polley production schedule. The ultimate pit designs were based on US\$2.75/lb copper, US\$1,250.00/oz gold and a \$0.95 US/CDN exchange rate. The economic mineral reserves at Mount Polley mine were calculated as follows:

- A 3D block model was constructed using MineSight mining software.
- The property was zoned based on geological zones; the blocks and drill holes then coded to reflect the zones.
- The drill holes were composited to 5 m down-the-hole composites.
- Mineralized zones were identified within the geological zones by kriging an indicator to identify the blocks that have a high probability of having greater than a 0.15% copper grade.
- To calculate a well-defined high-grade underground resource in the Boundary and Wight zones, small blocks and a second indicator set at 0.5% copper grade were implemented.
- The drill hole composites were then coded to match the indicator codes in the block model.
- Outlier grades were capped, and variograms for Cu, Au, Ag and Fe in each zone were generated.
- Grades were kriged into the block model using zone and indicator matching.
- An oxide ratio number for each block was interpolated using an ID3 method, with zone and indicator matching - the oxide ratio number is used in the mill recovery formula.

- The mill recoverable grades were calculated using formulas based on historic recoveries as well as on-site and off-site metallurgical test work.
- A dollar value was calculated for each block based on the metals prices, US/CDN exchange rate, and mining, shipping and smelting costs.
- Lerch-Grossman pit optimization software was used to identify economic pit shell based on the above economic parameters. Pit designs were created using the economic pit shells and design parameters from Golder Geotechnical Consultants of Vancouver.

Note:

1. The >\$40.00/tonne, >\$80.00/tonne and >\$100.00/tonne resources included in the Boundary/Zuke and Northeast zones are calculated using a small block/secondary indicator modelling methodology to reflect that this portion of the resource would be mined with underground mining methods.
2. Resource values are based on a 0.250% copper equivalent cut-off; the corresponding calculation being Equivalent Copper = Copper + Gold/1.510 + Silver/94.3, using the metal prices noted above.

The reserve and resource estimates were calculated and verified by Art Frye, Mine Operations Manager, MPMC; Ryan Brown, P.Eng., Senior Engineer, MPMC; and Greg Gillstrom, P.Eng., Senior Geological Engineer, Imperial. Mr. Gillstrom is designated as the Qualified Person as defined by National Instrument 43-101 for the estimates.

Mining and Mineral Processing

Mount Polley Mine is an open pit copper-gold mine with a developing underground project. Surface loading equipment included two P&H 2100 electric shovels, a P&H 2300 electric shovel, and an Komatsu PC1800 diesel excavator. The haulage fleet included twelve Caterpillar 785 trucks, and three Caterpillar 777 trucks. The primary crusher pocket has capacity to accept material from Caterpillar 785 trucks. Drilling is performed with an electric Atlas Copco 351 Pit Viper, an electric BE 60R drill and two smaller wall control drills. Underground development is performed in the Boundary zone with two 6-cubic yard scoops, three 30-tonne trucks, a twin-boom jumbo, a bolter, and a scissor deck.

In the Mount Polley mill, run-of-mine ore from the open pits is hauled to the crusher. The crusher has three stages of crushing involving five crushers, twenty conveyors and four sets of screens. The ore is dumped into the feed pocket of the primary gyratory crusher, crushed in three stages to produce a product at finer than 16mm for the grinding circuit. The grinding circuit consists of two parallel rod mill/ball mill circuits and a pebble mill circuit. Crusher product is first split between two rod mills where water is added to form slurries. The slurries are pumped to hydrocyclones that classify the particles by size. The larger particles flow to feed the ball mills while the fine particles are discharged to the second stage of grinding: the pebble mill circuit. The ball mills are in “closed circuit”, meaning that the discharge is pumped to the classifying units (hydrocyclones) and the particles will not pass to the next grinding stage until they are fine enough to feed the pebble circuit. The second stage grinding circuit (the pebble mill circuit) also consists of mills, pumps and hydrocyclones. Pebbles obtained from the crusher are used as grinding media for grinding. The coarse particles classified by hydrocyclones reports to three pebble mills for further size reduction. The pebble mills are in “close circuit” and product that is sized at 65% finer than 200mesh is fed to the flotation circuit. The flotation circuit separates the valuable minerals from the rest of the crushed rocks. With the addition of reagents, the valuable minerals, mostly in the form of sulphides, are separated by floatation and being collected and upgraded to produce a concentrate. Initial separation is done in a rougher/scavenger circuit, where the remaining minerals are discarded as tailings (which flow by gravity to the TIA). Rougher concentrate is reground in a regrind mill and further upgraded in a cleaner circuit to produce the final concentrate product. Cleaner tailings are recycled to the scavenger circuit. The concentrate from the flotation circuit is dewatered in two stages. The thickener houses settling of particles and decanting of process water so that the settled particles forming a sludge have a reduced water content of roughly 35-40% water while pressure filtration further reduces water content to approximately 7.5%. The water removed is utilized as process water. The filtered concentrate is stored in the load-out building and loaded onto 40-tonne trucks for shipping. Periodically the crusher also used for the production of aggregates used in tailings construction and other tasks.

Current permits allow for a maximum of 4.0 million tonnes of tailings to be stored in the Springer pit, and mining operations for up to a calendar year (July 8, 2016). Mount Polley restarted mine operations on August 5, 2015 using a modified operation plan with the mill processing plant operating on a one week on one week off schedule until late November 2015. The mill processing plant then shifted to continuous operations during the winter months to accommodate the anticipated freezing temperatures and in response to lower metal prices. Mining is conducted in the Cariboo pit and the underground Boundary zone.

Permit applications have been made for a return to full operations with deposition of tailings in the repaired and redesigned TSF. A decision on the proposed return to full operations is anticipated in the second quarter of 2016. To provide continuity between the currently authorized modified operations and the proposed return to full operations (in such case that there is a delay in receipt of authorization), permit applications have been made for an additional 1.0 million tonnes of tailings to be stored in the Springer pit.

Annual Production, Production Forecast & Mine Life

Mount Polley restarted operations on August 5, 2015 using a modified operation plan to use of the Springer pit to contain the tailings produced. The mill operated at approximately 50% capacity until late November when continuous operation of the plant was started, utilizing about 80% of capacity.

Years Ended December 31	2015 ⁽¹⁾	2014 ⁽²⁾	2013
Ore milled - tonnes	1,781,799	4,548,182	7,956,738
Ore milled per calendar day - tonnes	11,958	21,056	21,799
Grade % - copper	0.293	0.321	0.295
Grade g/t - gold	0.368	0.260	0.263
Recovery % - copper	69.6	76.0	74.46
Recovery % - gold	72.1	68.1	68.09
Copper - lbs	8,007,328	24,489,725	38,501,165
Gold - oz	15,190	25,901	45,823
Silver - oz	25,911	74,770	123,999

(1) production from August 5 to December 31, 2015

(2) production from January 1 to August 4, 2014

Production in 2016 is dependent upon receipt of the permit to allow for return to full operations.

The mine schedule supporting the 2014 Mineral Reserve statement projects the mining of open pits to cease in the fourth quarter of 2025. Stockpiles are expected to be exhausted in the third quarter of 2026, while mining activities are projected to end in the fourth quarter of 2027 with the completion of rehandle activities related to closure.

HUCKLEBERRY MINE

Current Technical Report

The most current technical report for the Huckleberry mine is on the Main Zone Optimization Huckleberry Mine dated November 22, 2011 (*2011 Huckleberry Report*).

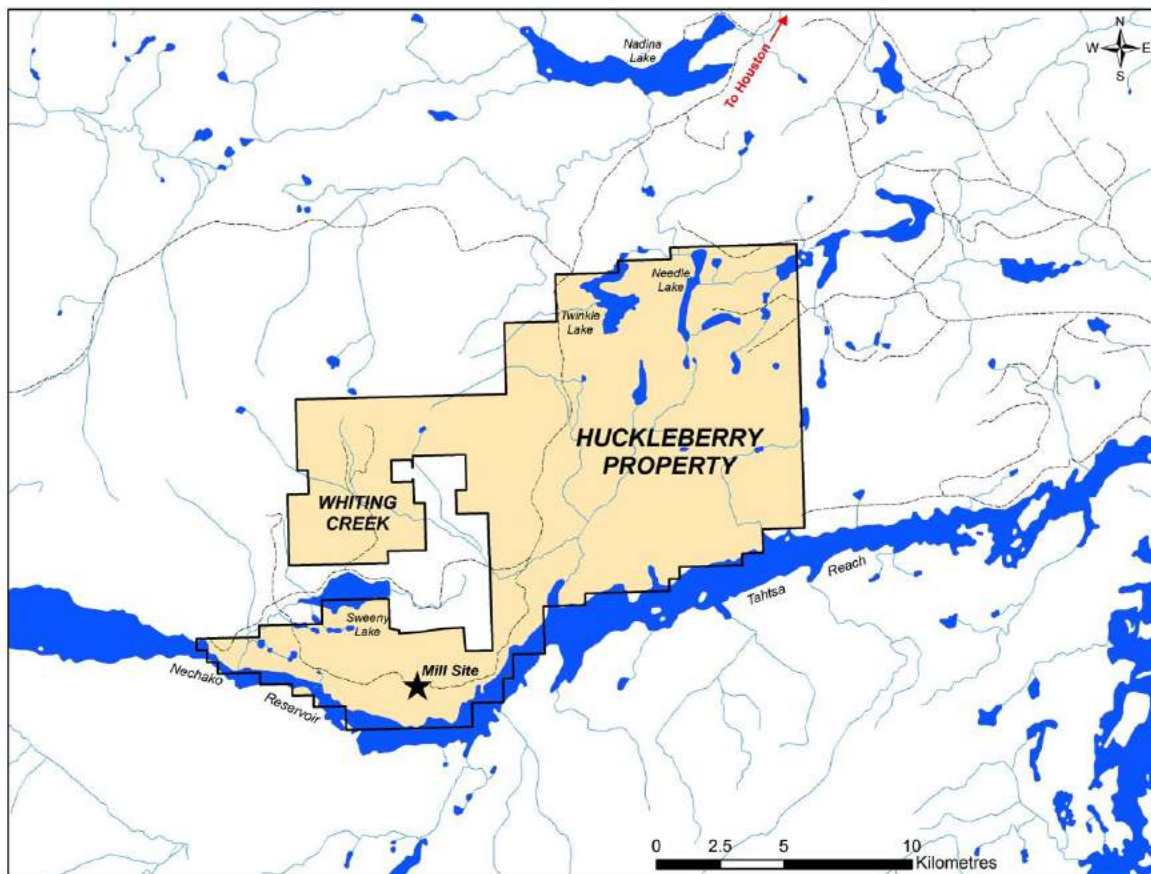
Description, Location & Access

Huckleberry Mines Ltd. ("HML") is owner of the Huckleberry open pit copper/molybdenum mine located 88 km WSW of Houston, in west central British Columbia. Imperial has a 50% interest in HML, and the Japan Group, a consortium formed by Mitsubishi Materials Corporation, Furukawa Co. and Dowa Mining Co. Ltd., hold the other 50% interest.

The Huckleberry property lies on the southern flank of Huckleberry Mountain, the highest point at 1,542m and north of Tahtsa Reach, the lowest point at 860m on the Nechako Reservoir. The deposits have an average surface elevation of 1,036m.

The main Huckleberry property covers 19,780 hectares and consists of two mining leases (tenures 353594 and 982642, having terms to June 25, 2027 and April 26, 2022 respectively) totaling 2,422 hectares and 39 mineral claims (one valid until May 18, 2015; 31 valid until August 23, 2015; two valid until December 15, 2015; two valid until August 23, 2016; and three valid until September 19, 2016) encompassing 17,358 hectares. Huckleberry also holds the Whiting Creek property located eight km north of the Huckleberry mine, which consists of three mineral claims covering 3,059 hectares, all three being valid until July 17, 2019).

Access to the property is along 123 km of gravel forest service roads and a private access road. The town of Houston is 307 km west of Prince George, 400 km east of Prince Rupert, served by Highway 16 and the Canadian National Railway.



Permitting & Environmental Management

A gravel road provides access year-round, and a 138KVA power line supplies hydro power to the site. Huckleberry operates under *Mines Act* Permit M-203, which was amended in 2011 when the Main Zone Optimization (“MZO”) plan was accepted by the MEM. Water quality is monitored per requirements outlined by the Ministry of Environment and Environment Canada. Site water discharge to Tahtsa Reach is primarily through 2 permitted discharge points (Tahtsa Reach Outflow and SC-4) with discharge criteria outlined in Huckleberry’s discharge permits.

History

Copper mineralization at Huckleberry was first discovered by Kennco Explorations (Western) Limited in 1962. Granby Mining Company Ltd. optioned the property in 1972. The property remained idle until 1975 when Noranda Exploration Company Limited exercised an option. Noranda’s option was dropped, and in 1992 New Canamin Resources Ltd. optioned the property from Kennecott Canada. In May 1994 Kennecott elected not to exercise its re-acquisition rights and New Canamin became sole owner of this property.

In July 1995 Princeton Mining Corporation acquired all the shares of New Canamin. A strategic alliance with Mitsubishi Materials Corporation, Marubeni Corporation, Dowa Mining Co. Ltd. and Furukawa Co. Ltd. (the Japan Group) was established to assist in financing the project. A feasibility study was commissioned by Princeton, and completed by H.A. Simons in August 1995. In June 1996 the Japan Group purchased a 40% equity position in HML and entered into an agreement to provide US\$60 million in project loan financing based on the site’s positive feasibility. Mitsubishi Materials Corporation, Dowa Mining Co. Ltd. and Furukawa Co. Ltd. also entered into a long term contract for the purchase of all copper concentrates from the Huckleberry mine. The British Columbia Government provided financial assistance in the form of a \$15.0 million loan to HML for infrastructure including roads and power lines.

An additional \$4.5 million of equity was injected into the project by Princeton and the Japan Group in November 1997. Marubeni Corporation provided a US\$10.0 million loan to HML for working capital purposes. With financing in place the construction of the mine commenced in June 1996. The total cost to construct, install and commission the facilities was approximately \$142.0 million. This included direct field costs of executing the Huckleberry project, plus the indirect costs associated with design, construction and commissioning. The Huckleberry mine started commissioning activities in September 1997 and achieved commercial production in October 1997.

In 1998 Imperial acquired Princeton, which held a 60% interest in HML. Imperial held the 60% interest until June 1999 when 10% of HML was sold to the Japan Group. In July 1998 the major stakeholders of HML entered into an economic plan, sponsored by the British Columbia Job Protection Commission, for a period of two years from July 1998 to June 2000. All existing loans were restructured under the economic plan. During this time the copper price continued to deteriorate and a second loan restructuring agreement was entered into in March 1999, deferring all principal and interest payments during 1999 and providing that the payment of principal and interest in 2000 and 2001 would be dependent on available cash. All deferred principal and interest charges were scheduled for repayment no later than January 1, 2002. Payment was subsequently rescheduled to June 30, 2003 to allow the parties to negotiate a further loan restructuring agreement. As part of the March 1999 loan restructuring agreement, a wholly owned subsidiary of Imperial provided a \$2.5 million loan facility.

In December 2004 HML repaid the \$2.5 million of senior ranking debt owed to Imperial. In 2006 HML became debt free after having repaid \$120.9 million of long term debt. Since 2006 HML has declared and paid dividends totaling \$45 million.

Operations were scheduled to wind down in 2007-2008 but the mine life was extended to 2014 with the development of resources in the Main zone extension pit (“MZX”). Based on ongoing exploration, the [2011 Huckleberry Report](#) detailed new reserves and the extension of the mine life to 2021 by mining an expanded Main zone pit and MZO pit, and developing a new TSF. Construction of the new TSF was completed in August 2013.

In February 2014 mine operations were temporarily suspended when a tooth failed on the SAG mill bull gear. A replacement bull gear and two pinion gears for the SAG mill were installed in December 2014. There have been no issues with the SAG mill through 2015.

Historical Exploration & Drilling

In 2011 HML conducted a deep Induced Polarization ground geophysics (Titan 24) survey. A total of four lines, averaging 2.5 km in length each at 250m spacing were tested. Geophysics lines extended from eastern portions of the mining claim to the west, encompassing an area that includes the mined out Main Zone pit and portion of the MZX pit. A diamond drilling program designed to test the Titan 24 targets and to investigate the extent of mineralized lens of rock contained within the old non-acid generating quarry, totaled 3,695m. This area was not tested previously by diamond drilling and lies entirely within the MZO pit.

In 2012 HML completed 15 diamond drill holes for a total of 5,141m in the mine site area. Drilling was divided between deep and near-surface targets located adjacent to the MZO pit. Near-surface drilling focused primarily on the abandoned NAG (non-acid generating) quarry targeted in 2011, and this work has added a significant low-grade resource to the deposit. Deep drilling tested for the extension of ore-grade material along the eastern portions of the Main zone deposit. Drilling of a coincident moderate chargeability/resistivity anomaly resulted in the discovery of the MZ Deep target, an extensive zone located between the Main zone ("MZ") and East zone ("EZ"). The correlation between this type of anomaly and copper mineralization led to an expanded Titan-24 DC-IP/MT survey, comprising 10 line km designed to build on survey data from 2011 and seek new targets.

In 2013 HML completed 18 diamond drill holes for a total of 5,242m in the mine site area. The majority of this work was directed towards filling in gaps in historic drilling and expanding resources directly to the west, south, southwest and northeast of the planned MZO pit. Several holes were also drilled at the limits of the MZ Deep target to determine the extents of the zone and to determine its relationship to the other zones. This drilling, in conjunction with drilling data from 2012, appears to indicate the presence of a geological continuity of dominantly low-grade mineralization at depth between Huckleberry's major deposits. A geochemical soil sampling program on the adjacent Huckleberry North claims was also completed in 2013.

In 2014 a limited greenfield exploration program on the Whiting Creek property was completed. Work included geological mapping, and 301 soil sample sites were tested over a period of sixteen days. While no new soil anomalies were discovered, several major structural features and intrusive contacts were refined by the mapping. This knowledge will guide interpretation of geophysical surveys planned for Whiting Creek.

Geological Setting, Mineralization & Deposit Types

The Huckleberry mine is a typical porphyry copper/molybdenum deposit. It is characterized as a calc-alkalic copper/molybdenum type mineralization. These deposits are typically hosted in intrusive rocks, usually of granodioritic or quartz monzonitic composition, and in volcanic rocks surrounding intrusives. These deposits are often large, oval, inverted-cone shaped deposits, and display multiple zones of hydrothermal alteration and sulphide mineralization. The hydrothermal alteration is usually extensive and consists of an inner potassic zone closely associated with the sulphide mineralization, surrounded by propylitic alteration associated with pyrite. Phyllic and argillic alteration can be either part of the zonal pattern between the potassic and propylitic zones or can be somewhat irregular or tabular younger zones superimposed on older alteration and sulphide assemblages. Chalcopyrite, bornite, chalcocite, enargite, other copper minerals, molybdenum and pyrite are typically the dominant sulphides. The mineralization is dominantly structurally controlled, mainly through stockworks, veins, vein sets, breccias, disseminations and replacements.

Mineralization is similar in both the MZ and EZ deposits and is contained within altered volcanic rocks. Copper mineralization is predominantly chalcopyrite, occurring as fine to medium grained aggregate filling veinlets and fractures, and as fine grained disseminations in the envelopes around the veinlets. Molybdenum occurs as molybdenite, which is found as disseminations and clusters within quartz/gypsum veins. Molybdenite is generally low in chalcopyrite and appears to have been deposited separately and later than the copper mineralization.

The Main zone was the first zone to be discovered and was well defined by drilling. The zone was a kidney bean shape, wrapping around the east side of the porphyry stock with an arc length of 500m, a width of 150m, and depths of up to 300m below surface. It is well defined in its southern and eastern edges but remains partly open to expansion on its northern margin. Any expansion here would face high stripping costs due to the hilly terrain.

The EZ was discovered after the Main zone during a drilling program to determine possible sites for tailings disposal. Mineable reserves and grades here are higher than for the Main zone. The deposit is an easterly trending zone about 200m to 300m wide and 900 m long. Mineralization occurs to depths of over 300m, where

drilling was stopped, and remains open; however, the surrounding hills and unfavourable surface topography make it unlikely that the pit, as currently planned, can be extended economically. Core recovery is a problem in the upper portion of both deposits because gypsum fracture fillings have been dissolved, leaving the rock in a friable condition. Core recovery in this material has been as low as 0% over 100m. Comparison of grade versus core recovery showed that grade fell off in proportion to recovery. Following an analysis of these comparisons, it was decided to consider all samples with recoveries below 50%, which only comprise less than 2% of the database, as unsampled. Assay data was composited on 8 m vertical bench elevations. Specific gravity determinations were performed on 340 samples taken from eight holes within the EZ deposit. Core specimens were weighed in air and water.

The ratio of air to air/water weights yields the specific gravity. An average specific gravity of 2.69 was used for both deposits. Gold, silver and molybdenum were not modeled in the Main zone due to incomplete data sets. Instead the block grades have been determined using correlations with copper assays, which are quite strong. For the EZ, molybdenum and silver grades were modeled using the Kriging parameters determined for the copper model. Due to the friable nature of the gypsum depletion zone, recognition of the overburden/bedrock face was difficult during the early drilling campaigns. The interface was established from drill data and the position of outcrops on the north slope and was used to estimate overburden thickness. Drill information on the fringes of the deposits, but still within the proposed pit areas, is sparse and limits the reliability of the estimated volume of overburden to be removed during mining in these areas.

In 2015 HML completed 3 diamond drill holes for a total of 1,194m at the Creek Zone of the Whiting Creek property, a copper-molybdenum showing. These holes were directed towards testing the deposit at depths greater than 200m, and to test continuity between historical drill hole intercepts. Results from this drilling provided needed information on the geometry and extent of the deposit and confirmed the presence of chalcopyrite mineralization to depths of greater than 400m below surface. Results from 2015 support the interpretation of a steeply dipping mineralized zone surrounding a weakly mineralized core, and that model will be used to guide future drilling of the Creek Zone deposit.

Sampling, Analysis & Data Verification

Since mid-2012, sampling, sample security and QA/QC procedures for samples collected and transported to the Huckleberry laboratory and independent laboratories were under supervision of Justin Schroff, P.Geo., Huckleberry Mine Geologist. For diamond drill programs undertaken between 2008 and 2012 sampling was under the supervision of Faisal Sayeed, Huckleberry Mine Geologist. Independent verification of sampling, sample security and QA/QC procedures from 2008-2012 was under the supervision of Peter Ogryzlo M.Sc., P. Geo., an independent Qualified Person and former Senior Geologist for Huckleberry.

For all exploration programs, diamond drill core was removed from the core barrel, boxed and transported to the core facility at the Huckleberry mine. After logging, the core was sampled under professional supervision. The undisturbed core was first logged with a record made of lithology, mineralization, sulphide content and structure. Estimates were made of core recovery. After geological and geotechnical logging, the core was split using a hydraulic core splitter. The approach was to send half of the core for analysis, and to retain the reject half. The first split was bagged with an identifying sample tag, and the other half was returned to the core tray for future reference. The bags were closed, and the bagged samples were taken to Huckleberry's on-site laboratory. The split core was returned to the box, and is stored at the Huckleberry mine site. Sample widths varied slightly, but in general a 3.0 m sample was processed. Minimum sample weight was approximately 3 kilograms, with the average weight of samples submitted for analysis being approximately 7.5 kilograms. Core recovery was good, and provided sufficient sample for analysis.

Sample preparation and analysis was performed in the Huckleberry laboratory. The laboratory has been in operation since the mine opened in 1997. As it is not a certified assay laboratory, the control on the quality of analysis is provided by submission of samples on a regular basis to ALS Minerals Laboratories, North Vancouver, BC, a certified assay facility with an ISO9001:2008 certification. Further control was also provided by submission of samples from the diamond drill programs to Acme Analytical Laboratories of Vancouver, BC. Reference materials, consisting of prepared standards, blanks and duplicates were inserted into the sample stream prior to delivery to the laboratory. Reference materials were also placed in the sample stream at the laboratory. Upon receipt at the sample preparation facility at the Huckleberry mine, samples were dried, crushed, split, pulverized and delivered to the laboratory.

Analyses were performed for copper and molybdenum using an aqua regia digestion. The pulverized samples were split down to 2 grams. The 2 gram aliquots were attacked by an aqua regia (HCl – HNO₃ – H₂O) digestion, and analyzed for copper and molybdenum using Atomic Absorption Spectrophotometry. In the laboratory, a suite of blanks, reference materials and duplicate samples were inserted into the sample stream. Approximately one in ten analyses represents some form of quality control check. The results reported were within the limits of instrumental and analytical accuracy. No corrective actions were taken. All coarse and fine sample reject material and all split diamond drill core is stored at the Huckleberry mine site for future reference. Prior to 2004 field duplicates were collected and analyzed from two separate samples from the same core interval. They were used to measure the reproducibility of sampling, which includes both laboratory variation and sample variation. Every 20th core sample was quartered, with the two quarters sent for analysis.

All sample collection, processing and analysis were done at the Huckleberry mine site. Samples sent for analysis to an outside lab were transported by a bonded carrier. Split core, coarse sample rejects and pulverized sample rejects are stored at the Huckleberry mine site for future reference. The Huckleberry mine site is not open to the general public, and as such may be considered secure. All diamond drill and blasthole assay data collected between 1962 and 2011 from the Main zone has been included in the Main Zone Optimization. For diamond drill data collected before 2004, the database has been proofread and checked for accuracy against the original logs and assay sheets, kept on file at the Huckleberry mine. The database was constructed before the implementation of NI 43-101 and its requirements for QA/QC. However, the database has been extensively tested by the collection of tens of thousands of blasthole assays in the MZ, EZ and MZX pits. These have been reconciled against the production of millions of pounds of copper and molybdenum metal.

Mineral Reserve Estimate

The Huckleberry mineral reserve estimate was not updated for the year ended December 31, 2015. The reserve estimate provided below is at December 31, 2014.

Huckleberry Mine Probable Reserves*		
	Ore (tonnes)	Copper %
MZO	42,157,300	0.327

*@ cut-off grade 0.150% Copper (excluding stockpiles)

The December 31, 2014 reserve estimate was prepared under the supervision of Kent Christensen, P.Eng., General Manager, designated as the Qualified Person as defined by NI 43-101 for the estimate. The *2011 Huckleberry Report* provides discussion of the key assumptions, parameters, and methods used to estimate mineral reserves and risks that could materially affect the potential development of the mineral reserves.

Mining and Mineral Processing

Huckleberry is an open pit copper/molybdenum mine. The loading equipment is a combination of a P&H 2100 electric shovel, Komatsu PC2000 and PC3000 excavators, and Caterpillar 992 loaders. The haulage fleet includes Caterpillar 777C's, 785B's, and 785D's.

The Huckleberry mine began operations in September 1997, with initial mining in the East Zone Starter ("EZS") pit. Since initiation, mining has switched between the EZ and the MZ located 600 m to the west. Waste has been placed in a designated tailings facility ("TMF-2") as well as backfilled into completed mine pits.

TMF-2 was used for tailings and PAG waste rock disposal in the initial years of mine development. When mining reverted back to the EZ in 2002, tailings and PAG waste rock were backfilled to the MZ pit area. This area is contiguous with the TMF-2 impoundment, and is retained by three dams: the TMF-2 dam to the southwest, the East dam to the east (between the MZ pit and the EZ pit), and the Orica Saddle Dam to the south. The TMF-2 is essentially full to its design capacity.

In June 2007, a pit slope failure occurred in the north wall of the EZ pit. A causeway of waste rock was then constructed across the pit to create a buttress and stabilize the slope. The East Pit Plug Dam (“EPPD”) was also built at the low point along the mined-out EZ pit perimeter. Mining has continued back in the Main Zone with the MZX pit, and tailings and waste rock waste have been backfilled to the EZ pit impoundment.

Before the current suspension of open pit mining operations, ore was being mined from the MZX Pit. In 2010, the mine plan was modified to incorporate a layback of the highwall of the MZX pit. This will generate additional ore and waste rock, requiring increased storage within the EZ pit impoundment. To develop this additional storage capacity, the EPPD must be raised above the current final design configuration of 1030 metres. It will be raised to a final crest elevation of 1040m, which represents the maximum elevation wherein relatively minor infrastructure relocations will be required. All waste rock from the MZX pit is considered to be PAG and will therefore be flooded at closure to mitigate the generation of ARD.

Ore from the pit is delivered to a 42”x 65” gyratory crusher and after crushing is conveyed to a stockpile. Ore from the stockpile is ground in two stages prior to flotation, firstly in a single 10,000hp SAG mill, and secondly in two 5,000hp ball mills. A bulk copper concentrate is floated from the ball mill product. The bulk copper concentrate is then regrind in a 1,500hp regrind mill, and then floated again to produce a final copper concentrate grading approximately 27% copper. Molybdenum concentrate is floated out of the copper concentrate.

Both final concentrates are thickened and dewatered prior to shipment. A Grinding Improvement Project (SAG pebble circuit) was completed in mid-2000. This circuit consists of a vibrating screen that removes critical size rocks from the SAG mill discharge conveyors then transports this material to a pebble crusher where the rocks are crushed and then returned to the SAG mill.

Huckleberry achieved an average mill throughput of 18,529 tonnes per operating day. Total tonnes milled was 3% above budget with 6.8 million tonnes versus 6.6 million tonnes milled for 2015. Average copper recovery in 2015 was 89.3%. Due to low molybdenum prices, the molybdenum circuit was left idle in 2015.

During 2015 HML reviewed mining and milling plans and subsequently implemented cost control initiatives to reduce costs and optimize production in response to the drop in copper prices. HML made significant efforts during 2015 to reduce Huckleberry mine operating costs however, the realized savings have not been sufficient to offset the decline of the copper price. On January 6, 2016 HML suspended pit mining operations, and anticipates milling of the stockpiles will be complete by around the end of August 2016. At that time, it is anticipated that the Huckleberry mine will be placed on care and maintenance until there is an improvement in the price of copper. HML will continue to investigate ways to maintain operations.

Annual Production, Production Forecast & Mine Life

Huckleberry mine achieved 98.3% of its targeted production for 2015. Imperial’s share of Huckleberry production was 21.64 million pounds copper.

Years Ended December 31	2015*	2014*	2013*
Ore milled - tonnes	6,763,061	5,080,503	5,895,193
Ore milled per calendar day - tonnes	18,529	13,919	16,151
Grade % - copper	0.325	0.338	0.346
Recovery % - copper	89.3	89.9	91.6
Copper - lbs	43,273,334	34,017,340	41,212,818
Gold - oz	3,576	2,702	2,983
Silver - oz	206,781	183,221	238,028

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

Due to the impending suspension of mine operations in the 2016 third quarter, a production forecast has not been calculated. The current mine life for Huckleberry mine is to 2022.

Other Properties

Imperial has interests in various other early stage exploration properties located in Canada and the United States. However, the Company's focus is currently to minimize expenditures on other projects, and implement cost control initiatives on operations. Only minimum work is being undertaken to maintain claims in good standing.

Capital Structure

Authorized:

50,000,000 First Preferred shares without par value with special rights and restrictions to be determined by the directors, of which 3,100,000 have been designated as "Series A First Preferred shares" (issued and outstanding – nil)

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

An unlimited number of Common Shares without par value

As at December 31, 2015 there were 81,761,028 common shares issued and outstanding*.

* issued and outstanding common shares were split on a two-for-one basis December 5, 2011

Each Common Share entitles its holder to notice of all meetings of holders of Common Shares and to attend and vote at such meetings. All of the Common Shares rank equally as to participation in dividends as and when declared and in the distribution of Imperial's remaining assets on a liquidation, dissolution or winding-up.

The directors of Imperial are authorized to issue the First Preferred shares and the Second Preferred shares in one or more series, to set the number of shares in and determine the designation of each such series and to attach such rights and restrictions to each series as they may determine. No First Preferred shares or Second Preferred shares have been issued subject to call or assessment. Currently, there are no pre-emptive or conversion or exchange rights attached to First Preferred shares or Second Preferred Shares and no provisions for redemption, retraction, or purchase for cancellation, surrender, or sinking or purchase funds.

Provisions as to the modification, amendment or variation of the authorized share structure of Imperial are contained in the *Business Corporations Act* (British Columbia) ("BCA").

Market for Securities

Imperial's common shares are listed on The Toronto Stock Exchange and trade under symbol III. The following table provides the high and low prices, and the volume of shares traded, monthly during 2015.

	High	Low	Volume Traded
January	10.09	8.27	1,040,392
February	11.75	8.55	894,312
March	13.69	11.04	934,315
April	13.33	11.88	663,917
May	13.25	9.82	692,027
June	11.01	8.62	410,350
July	10.49	7.64	435,187
August	8.82	7.07	460,081
September	8.66	6.10	605,665
October	8.24	6.01	432,828
November	8.10	6.50	262,366
December	7.10	4.75	806,122

Ratings

The table below sets out the current ratings received from ratings agencies in respect of our senior notes.

Rating Agency	Standard & Poor's	Moody's
Senior Notes	CCC-	Caa2
Outlook	Negative	Negative

Standard and Poor's rating Services (S&P) credit ratings are on a long term rating scale that ranges from AAA to D which represents the range from highest to lowest quality of securities rated. Following the TSF breach at Mount Polley, S&P downgraded Imperial from B- to CCC+. During the spring of 2015 S&P downgraded the corporate credit rating and the credit rating on the senior notes to CCC and then upgraded the rating on both to CCC+ in the third quarter of 2015. With the subsequent decline in commodity prices S&P downgraded the corporate credit rating to CCC and the credit rating on the senior notes to CCC- on January 27, 2016. According to S&P, the CCC and CCC- rating generally means the relevant issuer is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitment on the obligation and that in the event of adverse business, financial, or economic conditions the obligor is not likely to have the capacity to meet its financial commitment on the obligation. The ranges from AAA to D may be modified by the addition of a plus (+) or (-) sign to show relative standing within the major rating categories.

Moody's rating services (Moody's) credit ratings are on a long term rating scale that ranges from Aaa to C which represents the range from highest to lowest quality of such securities rated. Following the TSF breach at Mount Polley, Moody's downgraded Imperial from B3 to Caa2. Moody's has assigned Imperial a corporate credit rating of Caa1 and a credit rating of Caa2 on the senior notes. There has been no change in the corporate credit rating or the credit rating on the senior notes since the downgrade in 2014 related to the TSF breach. According to Moody's this rating generally means the obligations are subject to very high credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification for Aaa through C. The modifier 1 indicates that the security ranks in the higher end of this generic rating category, modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of generic category.

We understand that the credit ratings accorded to the senior notes by S&P and Moody's are not recommendations to purchase, hold or sell the senior notes as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future, in its judgement, circumstances so warrant.

Directors & Executive Officers

The term of office for each director will expire at the Company's Annual Meeting on May 27, 2016, or when their successor is duly elected or appointed, unless their office is earlier vacated in accordance with the articles of Imperial.

Name, Province and Country of Residence	Current Position with Imperial	Present Principal Occupation; Employment for Previous Five Years	Director Since
Pierre Lebel <i>British Columbia, Canada</i>	Chairman Director ^{1.3.4.}	Chairman	2001 Dec 6
J. Brian Kynoch <i>British Columbia, Canada</i>	President Director ^{4.}	President	2002 Mar 7
Larry G. Moeller <i>Alberta, Canada</i>	Lead Director ^{1.2.3.}	President of Kimball Capital Corporation	2002 Mar 7
Laurie Pare <i>Alberta, Canada</i>	Director ^{1.2.5.}	President of Bellevue Spur Capital Corporation, and Treasurer, Edco Financial Holdings Ltd.	2013 May 29
Theodore (Ted) Muraro <i>British Columbia, Canada</i>	Director ^{2.4.5.}	Consulting Geological Engineer	2009 Nov 4
Edward Yurkowski <i>Alberta, Canada</i>	Director ^{1.2.3.5.}	Director & Consultant, Procon Mining and Tunnelling Ltd.; prior thereto Procon Chief Executive Officer (2014)	2005 May 20
Andre Deepwell <i>British Columbia, Canada</i>	Chief Financial Officer & Corporate Secretary	Chief Financial Officer & Corporate Secretary	-
Don Parsons <i>British Columbia, Canada</i>	Chief Operating Officer	Chief Operating Officer (2011)	-
Carolyn D. Anglin <i>British Columbia, Canada</i>	Chief Scientific Officer	Chief Scientific Officer (Sept 2014); prior thereto Consultant for Geoscience BC Society (2013); and prior thereto President/CEO, Geoscience BC Society (2006)	-
Steve Robertson <i>British Columbia, Canada</i>	Vice President Corporate Affairs	Vice President, Corporate Affairs (2013); prior thereto Exploration Manager (2005)	-
Gordon Keevil <i>British Columbia, Canada</i>	Vice President Corporate Development	Vice President, Corporate Development	-
Saurabh Handa <i>British Columbia, Canada</i>	Vice President Finance	Vice President Finance (Feb 2016) and prior thereto Sr. Corporate Controller (Aug 2015); prior thereto CFO, Meryllion Resources Corp. (2015); CFO, Yellowhead Mining Inc. (2012); and Corporate Controller, SouthGobi Resources Ltd. (2008)	-
Sophie E. Hsia <i>British Columbia, Canada</i>	General Counsel	General Counsel (2015); prior thereto Corporate Legal Counsel (2014); prior thereto Barrister & Solicitor (sole practice) (2010)	-

1. Audit Committee
2. Compensation Committee
3. Corporate Governance & Nominating Committee
4. Health & Safety Committee
5. Special Committee

Term Limits and Representation of Women on the Board of Directors and Executive Officer Positions

There are currently two executive officers of the Company who are women, representing 25% of all executive officers of the Company. The Company has not considered the level of representation of women in executive officer positions when making appointments for said positions because the Company believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve our business objectives, without reference to their age, gender, race, ethnicity or religion, is in the best interests of the Company and all of its stakeholders.

At this time, there are no directors on the Board who are women. The Company has not adopted term limits for the directors of the Company, nor has the Company adopted a written policy relating to the identification and nomination of women directors, or a target number of women on the Board and women in executive officer positions, because the Company believes that board nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the board at the time. For the foregoing reasons, neither the Board nor the Corporate Governance and Nominating Committee have considered the level of representation of women on the Board in identifying and nominating candidates for election and re-election.

Shareholdings of Directors and Executive Officers

The directors and executive officers beneficially owned or controlled, directly or indirectly, a total of 4,472,529 common shares of Imperial, representing approximately 5.47% of the total 81,761,028 issued and outstanding common shares of Imperial as at December 31, 2015.

Committees of the Board of Directors

The Board of Directors has established five board committees: Audit, Compensation, Corporate Governance & Nominating, Health & Safety, and Special.

Board Mandate

The responsibilities of the Board of Directors include setting long term goals and objectives for the Company, formulating the plans and strategies necessary to achieve those objectives, and supervising senior management in their implementation. Although the Board delegates the responsibility for managing the day to day affairs of the Company to senior management personnel, the Board retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business.

Audit Committee | Larry Moeller, Chair; Pierre Lebel; Laurie Pare; Edward Yurkowski

The Audit Committee has been structured to comply with National Instrument 52-110 (NI 52-110). The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors. All four members of the Audit Committee are independent and financially literate, meaning they are able to read and understand the Company's financial statements and understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The experience of each Audit Committee member is provided below:

Larry Moeller, B. Comm., CA

Mr. Moeller obtained a Bachelor of Commerce degree from the University of Saskatchewan, and is a Chartered Professional Accountant. Mr. Moeller is President of Kimball Capital Corporation, a private company based in Calgary, Alberta. He also serves as a Director of Magellan Aerospace Corporation, Resorts of the Canadian Rockies Inc., and Sunwest Aviation Ltd. Mr. Moeller has served as Director, both as Chairman and Chair of the Audit Committee, for a number of publicly listed companies during the past 20 years. Mr. Moeller is also a member of the Company's *Compensation* and the *Corporate Governance & Nominating* committees.

Pierre Lebel, LL.B., MBA

Pierre Lebel obtained a Bachelor of Laws degree from the University of Western Ontario (1976) and an MBA from McMaster University (1973). He is a Director and Audit Committee member of SouthGobi Resources Ltd. and West Kirkland Mining Inc., in addition to serving as a Director of HomeEquity Bank, the Mining Association of British Columbia, the Mining Association of Canada, the Business Council of British Columbia, and Lions Gate Hospital Foundation. Mr. Lebel has also served as a Director, Chairman and Audit Committee member for a number of publicly listed companies since 1985. Mr. Lebel is a member of the Company's *Corporate Governance & Nominating* and *Health & Safety* committees.

Laurie Pare, B. Comm., CA

Mr. Pare holds a Bachelor of Commerce degree from the University of Alberta and is a Chartered Professional Accountant. He is President of Bellevue Spur Capital Corporation and Treasurer of Edco Financial Holdings Ltd., both private companies based in Calgary, Alberta. Prior to his current positions Mr. Pare was a partner at PricewaterhouseCoopers LLP specializing in Taxation. Mr. Pare is also a member of the Company's *Compensation* (Chair) and *Special* (Chair) committees.

Edward Yurkowski, P.Eng.

Mr. Yurkowski is a Professional Engineer with over 40 years' experience in the mining industry. He graduated from the University of Calgary (1971). Mr. Yurkowski is a consultant and Director of Procon Mining and Tunnelling Ltd., a Vancouver based mining contractor company which he founded and served as CEO. Mr. Yurkowski is an Audit Committee member of Fortune Minerals Ltd. and serves on the Company's *Compensation, Corporate Governance & Nominating*, and *Special* committees.

Audit Committee Charter

The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors. The Audit Committee Charter is attached to this AIF as *Schedule A*.

Reliance on Certain Exemptions

At no time since commencement of the Company's most recently completed financial year has the Company relied on the exemptions in Sections 2.4, 3.2, 3.3(2), 3.4, 3.5, 3.6 or 3.8 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee Oversight

At no time since commencement of the Company's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of non-audit services and to consider the independence of the external auditors. The Audit Committee has delegated to the Chair of the Audit Committee the authority to act on behalf of the Committee with respect to the pre-approval of the audit and permitted non-audit services provided by Deloitte LLP from time to time. The Chair reports on any such pre-approval at each meeting of the Audit Committee.

External Auditor Service Fees

Aggregate fees paid to Deloitte LLP are provided in the following table:

Year Ended	2015	2014	2013
Audit fees ⁽¹⁾	\$410,000	\$400,000	\$375,000
Audit related fees ⁽²⁾	\$ -	75,000	87,000
Tax fees	\$10,000	-	21,200
Other fees ⁽³⁾	\$27,110	4,600	-
Total	\$447,110	\$470,800	\$483,200

⁽¹⁾ For professional services rendered for the audit and review of our financial statements or services provided in connection with statutory and regulatory filings or engagements.

⁽²⁾ For assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and are not reported under "Audit Fees" above.

⁽³⁾ For professional services related to insurance claim.

Complaint Procedures

In 2004 a policy was implemented which detailed procedures for receipt, retention and treatment of complaints or submissions regarding accounting, internal accounting controls or auditing matters, and confidential and anonymous submission of concerns from employees of the Company or any of its subsidiaries about questionable accounting or auditing matters.

Imperial's procedures for filing complaints relating to accounting and auditing matters are available in the Corporate Governance & Nominating section on imperialmetals.com.

Compensation Committee – Laurie Pare, Chair; Larry Moeller; Ted Muraro; Edward Yurkowski

The primary objective of the Compensation Committee is to discharge the Board's responsibilities relating to compensation and benefits of the executive officers and directors of the Company.

Corporate Governance & Nominating Committee – Pierre Lebel, Chair; Larry Moeller; Edward Yurkowski

The primary objective of the Corporate Governance & Nominating Committee is to assist the Board in fulfilling its oversight responsibilities to identify and recommend qualified individuals for appointment or election to the Board, and to develop and recommend to the Board corporate governance guidelines and practices for the Company.

Health & Safety Committee – Ted Muraro, Chair; Brian Kynoch; Pierre Lebel

The primary objective of the Health & Safety Committee is to oversee the development and implementation of appropriate policies and to review the performance of the Company with respect to industrial health and safety matters.

Special Committee – Laurie Pare, Chair; Ted Muraro; Edward Yurkowski

The primary objective of the Special Committee is to oversee the legal and technical work resulting from the 2014 Mount Polley mine breach event.

Corporate Cease Trade Orders or Bankruptcies

Mr. Handa was a Director of Banks Island Gold Ltd. ("Banks Island") from June 7, 2011 to July 28, 2015. On January 8, 2016, Banks Island announced its intention to make an assignment into bankruptcy and Industry Canada accepted the assignment effective January 8, 2016. The assignment was also filed with the Office of the Superintendent of Bankruptcy the same day.

Mr. Pare is a Director of Orbus Pharma Inc., a company engaged in the business of generic drug development that filed a proposal under the *Bankruptcy and Insolvency Act* (Canada) on September 7, 2010. The proposal was approved by the creditors and has now been implemented. Shares of Orbus Pharma Inc. are also subject to a cease trade order issued by Ontario Securities Commission for failure to file certain continuous disclosure materials on a timely basis.

Mr. Moeller was a Director of Protective Products of America, Inc. when the corporation and its subsidiaries filed on January 13, 2010 voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Florida, Fort Lauderdale Division. On January 14, 2010, the shares of the corporation were suspended from trading on the Toronto Stock Exchange and were delisted on February 19, 2010 for failure to meet continued listing requirements. Mr. Moeller resigned as director in February 2010.

Mr. Yurkowski was a Director of Cross Lake Minerals Ltd. ("Cross Lake") from July 28, 2008 to September 18, 2008. Mr. Kynoch served as a Director of Cross Lake from March 5, 2004 until October 23, 2008. Mr. Gordon Keevil was President and a Director of Cross Lake from December 8, 2003 to October 23, 2008 and Chief Executive Officer from December 2006 to October 23, 2008. Cross Lake applied to the British Columbia Supreme Court and obtained a court order dated October 14, 2008 granting Cross Lake creditor protection under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") to allow it to develop a reorganization plan with its creditors. On June 1, 2009, Cross Lake changed its name to 0373849 B.C. Ltd. and completed the restructuring transactions provided for in the amended and restated plan of compromise and arrangement filed by it on May 21, 2009 pursuant to the CCAA and the BCA.

Conflicts of Interest

Certain of the Company's directors and officers also serve as directors or officers of other companies or have significant shareholdings in other companies, as a result of which they may find themselves in a position where their duty to another company conflicts with their duty to the Company. To the extent that such other companies may transact with the Company or participate in ventures in which the Company may participate, the directors or officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises, at a meeting of the Board, a director who has such a conflict will disclose the nature and extent of his interest to the meeting and abstain from voting in respect of the matter.

Interest of Management & Others in Material Transactions

Between August 11 and August 24, 2015, the Company closed the Financings, details of which are provided above in the section entitled *Development of the Company 2013-2015 & Outlook for 2016* under the sub-heading "Financings". Edwards and Fairholme had committed to backstopping the Financings, the details of which are provided below in the section entitled *Material Contracts* under the sub-heading "Standby Guarantee Agreement". Edwards purchased 416,673 common shares and Fairholme purchased 297,613 common shares for gross proceeds of \$6.0 million in the Common Share Private Placement which closed on August 11, 2015. Edwards purchased \$16.2 million of the convertible debentures, Fairholme purchased \$8.1 million of the convertible debentures and directors of the Company and an associate of a director purchased \$1.6 million of the convertible debentures in the Convertible Debenture Private Placement which closed on August 24, 2015.

Except as otherwise disclosed herein, no director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any other transaction within the three most recently completed financial years or during the current financial year prior to the date of this Annual Information Form that has materially affected or will materially affect the Company.

Material Contracts

Material contracts, other than contracts entered into in the ordinary course of business, that were entered into by the Company between January 1, 2015 and as of the date of this AIF, or before that time, but that are still in effect are listed below:

Debenture Subscriptions

Subscription agreements among the Company and various subscribers dated for reference August 19, 2015 in respect of a non-brokered private placement of \$30.0 million face value of 6% 6-year senior unsecured convertible debentures (the “Convertible Debentures”). Edwards and Fairholme purchased \$16.2 million and \$8.1 million of the Convertible Debentures, respectively. Subject to adjustment, each \$12.00 of face value debenture is convertible into one common share of Imperial upon at least 61 days’ advance notice. The Convertible Debentures are not callable unless the closing price of the Company’s common shares exceeds 125% of the conversion price for at least 30 consecutive days. Interest will be payable semi-annually, with the first payment due on June 30, 2016. The Convertible Debentures mature on August 25, 2021.

Standby Guarantee Agreement

Guarantees provided by Edwards and Fairholme to purchase 66.67% and 33.33%, respectively, of all the common shares which remained unsubscribed for by right-holders in the Rights Offering, purchase 66.67% and 33.33%, respectively, of the Common Share Private Placement, and to purchase 66.67% and 33.33%, respectively, of the Convertible Debentures which remained unpurchased under the Convertible Debenture Private Placement. In exchange for backstopping the Financings, the Company agreed to pay the Guarantors a fee of 3% of the gross proceeds of the Financings, excluding proceeds from (i) the exercise of Rights issued in respect of common shares owned or over which the Guarantors or their affiliates have control and (ii) the sale of common shares and convertible debentures the Guarantors or the affiliates committed to purchase pursuant to the Common Share Private Placement and the Convertible Debenture Private Placement (the “Standby Guarantee Agreement”). Since all of the shares available in the Rights Offering were subscribed for by right-holders, no additional shares were required to be issued pursuant to the Standby Guarantee Agreement.

Legal proceedings

The nature of the Company’s business may subject it to numerous regulatory investigations, claims, lawsuits and other proceedings. The results of these legal proceedings cannot be predicted with certainty. In the opinion of management, these matters, unless otherwise described herein, are not expected to have a material effect on the Company’s consolidated financial position, cash flow or results of operations.

On September 8, 2014, a securities class action was commenced by way of statement of claim against the Company and certain of its directors, officers and others in the Ontario Superior Court of Justice in Toronto (the “Claim”). The plaintiff seeks various declaratory relief and \$150.0 million in general damages based on assertions of misrepresentation (both under the common law and various statutes) and negligence with respect to the Company’s prior corporate disclosure of the risks associated with the Mount Polley TSF. Due to the inherent uncertainties of litigation, at this time the Company cannot predict the outcome of the Claim or determine the amount of any potential losses, if any. The Company has engaged independent legal counsel to advise it on this matter, denies any wrongdoing, and intends to vigorously defend the Claim.

Transfer Agent & Registrar

Computershare Investor Services Inc., with offices in Vancouver and Toronto, acts as the Company’s transfer agent and registrar.

510 Burrard Street, 3 Floor, Vancouver, British Columbia V6C 3B9
100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1

Names & Interests of Experts

Deloitte LLP Chartered Accountants, the Company's auditors, and have prepared an opinion with respect to the Company's consolidated financial statements for the year ended December 31, 2015 contained within the [2015 Annual Report](#) available on [sedar.com](#). Deloitte LLP confirm they are independent of Imperial in accordance with the Rules of Professional Conduct of the Institute of the Chartered Accountants of British Columbia.

The persons noted below have prepared or certified a statement, report, opinion or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Company during or relating to the Company's most recently completed financial year; and whose profession or business gives authority to such statement, report, opinion or valuation.

[2012 Red Chris Report – amended & restated September 2015](#)

Greg Gillstrom, P.Eng.
Raj Anand, M.Eng., P.Eng.
Stephen Robertson, P.Geo.
Paul Sterling, P.Eng.

[2004 Mount Polley Report](#)

Greg Gillstrom, P.Eng.

[2011 Huckleberry Report](#)

Kent Christensen, P.Eng.
Gerald R. Connaughton, P.Eng.
Peter Ogryzlo, M.Sc., P.Geo.

Additional Information

Additional information, including details of director and officer remuneration and indebtedness, principal holders of Imperial shares, securities authorized for issuance or equity compensation plans, options to purchase Imperial shares and certain other matters, is contained in the Company's Information Circular for its most recent annual general meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Company's [2015 Annual Report](#) containing the Management's Discussion and Analysis and the Consolidated Financial Statements for the year ended December 31, 2015.

Copies of the above and other disclosure documents may be obtained, when available, on [imperialmetals.com](#) and [sedar.com](#) or by contacting the Company's Shareholder Communications at 604.488.2657.

SCHEDULE A | AUDIT COMMITTEE CHARTER

I. Purpose

The primary objective of the Audit Committee (the “Committee”) of Imperial Metals Corporation (the “Company”) is to act as a liaison between the Board and the Company’s independent auditors (the “Auditors”) and to assist the Board in fulfilling its oversight responsibilities with respect to (a) the financial statements and other financial information provided by the Company to its shareholders, the public and others, (b) the Company’s compliance with legal and regulatory requirements, (c) the qualification, independence and performance of the Auditors and (d) the Company’s risk management and internal financial and accounting controls, and management information systems.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditors.

The responsibilities of a member of the Committee are in addition to such member’s duties as a member of the Board.

II. Organization

Members of the committee shall be directors and the Committee membership shall satisfy the laws governing the Company and the independence, financial literacy, expertise and experience requirements under applicable securities law, stock exchange and any other regulatory requirements applicable to the Company.

The members of the Committee and the Chair of the Committee shall be appointed by the Board on the recommendation of the Nominating & Corporate Governance Committee. A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Matters decided by the Committee shall be decided by majority votes. The chair of the Committee shall have an ordinary vote.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director.

The Committee may form and delegate authority to subcommittees when appropriate.

III. Meetings

The Committee shall meet as frequently as circumstances require. The Committee shall meet with management, the Company’s financial and accounting officer(s) and the Auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

The Chair of the Committee shall be an independent chair who is not Chair of the Board. In the absence of the appointed Chair of the Committee at any meeting, the members shall elect a chair from those in attendance at the meeting. The Chair, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting.

The Committee will appoint a Secretary who will keep minutes of all meetings. The Secretary may also be the Chief Financial Officer, the Company’s Corporate Secretary or another person who does not need to be a member of the Committee. The Secretary for the Committee can be changed by simple notice from the Chair.

The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as the other directors in advance of the meeting.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company’s accounting and financial officer(s) and the Auditors shall attend any meeting when requested to do so by the Chair of the Committee.

IV. Authority and Responsibilities

The Board, after consideration of the recommendation of the Committee, shall nominate the Auditors for appointment by the shareholders of the Company in accordance with applicable law. The Auditors report directly to the Audit Committee. The Auditors are ultimately accountable to the Committee and the Board as representatives of the shareholders.

The Committee shall have the following responsibilities:

(a) Auditors

1. Recommend to the Board the independent auditors to be nominated for appointment as Auditors of the Company at the Company's annual meeting and the remuneration to be paid to the Auditors for services performed during the preceding year; approve all auditing services to be provided by the Auditors; be responsible for the oversight of the work of the Auditors, including the resolution of disagreements between management and the Auditors regarding financial reporting; and recommend to the Board and the shareholders the termination of the appointment of the Auditors, if and when advisable.
2. When there is to be a change of the Auditor, review all issues related to the change, including any notices required under applicable securities law, stock exchange or other regulatory requirements, and the planned steps for an orderly transition.
3. Review the Auditor's audit plan and discuss the Auditor's scope, staffing, materiality, and general audit approach.
4. Review on an annual basis the performance of the Auditors, including the lead audit partner.
5. Take reasonable steps to confirm the independence of the Auditors, which include:
 - (a) Ensuring receipt from the Auditors of a formal written statement in accordance with applicable regulatory requirements delineating all relationships between the Auditors and the Company;
 - (b) Considering and discussing with the Auditors any disclosed relationships or services, including audit services, that may impact the objectivity and independence of the Auditors;
 - (c) Approving in advance any non-audit related services provided by the Auditor to the Company, and the fees for such services, with a view to ensure independence of the Auditor, and in accordance with applicable regulatory standards, including applicable stock exchange requirements with respect to approval of non-audit related services performed by the Auditors; and
 - (d) As necessary, taking or recommending that the Board take appropriate action to oversee the independence of the Auditors.
6. Review and approve any disclosures required to be included in periodic reports under applicable securities law, stock exchange and other regulatory requirements with respect to non-audit services.
7. Confirm with the Auditors and receive written confirmation at least once per year as to (i) the Auditor's internal processes and quality control procedures; and (ii) disclosure of any material issues raised by the most recent internal quality control review.
8. Consider the tenure of the lead audit partner on the engagement in light of applicable securities law, stock exchange or applicable regulatory requirements.
9. Review all reports required to be submitted by the Auditors to the Committee under applicable securities laws, stock exchange or other regulatory requirements.
10. Receive all recommendations and explanations which the Auditors place before the Committee.

(b) Financial Statements and Financial Information

11. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's annual audited financial statements and interim financial statements, including disclosures made in management's discussion and analysis, prior to filing or distribution of such statements and recommend to the Board, if appropriate, that the Company's audited financial statements be included in the Company's annual reports distributed and filed under applicable laws and regulatory requirements.
12. Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information and extracted or derived from the Company's financial statements and periodically assess the adequacy of these procedures.

13. Discuss with the Auditor the matters required to be discussed by applicable auditing standards requirements relating to the conduct of the audit including:
 - (a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices;
 - (b) the management letter provided by the Auditor and the Company's response to that letter; and
 - (c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, or personnel and any significant disagreements with management.
 14. Discuss with management and the Auditors major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under generally accepted accounting principles.
 15. Prepare any report under applicable securities law, stock exchange or other regulatory requirements, including any reports required to be included in statutory filings, including in the Company's annual proxy statement.
- (c) Ongoing Reviews and Discussions with Management and Others**
16. Obtain and review an annual report from management relating to the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof.
 17. Periodically review separately with each of management, the financial and accounting officer(s) and the Auditors; (a) any significant disagreement between management and the Auditors in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.
 18. Periodically discuss with the Auditors, without management being present, (a) their judgments about the quality and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.
 19. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or management and the resulting financial statement impact. Review with the Auditors or management the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
 20. Review and discuss with management, the Auditors and the Company's independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.
 21. Enquire of the Company's financial and accounting officer(s) and the Auditors on any matters which should be brought to the attention of the Committee concerning accounting, financial and operating practices and controls and accounting practices of the Company.
 22. Review the principal control risks to the business of the Company, its subsidiaries and joint ventures; and verify that effective control systems are in place to manage and mitigate these risks.
 23. Review and discuss with management any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses. Obtain explanations from management of all significant variances between comparative reporting periods.
 24. Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.

(d) Risk Management and Internal Controls

25. Ensure that management has designed and implemented effective systems of risk management and internal controls and, at least annually, review the effectiveness of the implementation of such systems.
26. Approve and recommend to the Board for adoption policies and procedures on risk oversight and management to establish an effective system for identifying, assessing, monitoring and managing risk.
27. In consultation with the Auditors and management, review the adequacy of the Company's internal control structure and procedures designed to insure compliance with laws and regulations, and discuss the responsibilities, budget and staffing needs of the Company's financial and accounting group.
28. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
29. Review the internal control reports prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting.
30. Review the appointment of the chief financial officer and any key financial executives involved in the financial reporting process and recommend to the Board any changes in such appointment.

(f) Other Responsibilities

32. Create an agenda for the ensuing year.
33. Review and approve related-party transactions if required under applicable securities law, stock exchange or other regulatory requirements.
34. Establish, review and approve policies for the hiring of employees or former employees of the Company's Auditors.
35. Review and reassess the duties and responsibilities set out in this Charter annually and recommend to the Nominating and Corporate Governance Committee and to the Board any changes deemed appropriate by the Committee.
36. Review its own performance annually, seeking input from management and the Board.
37. Perform any other activities consistent with this Charter, the Company's constituting documents and governing law, as the Committee or the Board deems necessary or appropriate.

V. Reporting

The Committee shall report regularly to the Board and shall submit the minutes of all meetings of the Audit Committee to the Board (which minutes shall ordinarily be included in the papers for the next full board meeting after the relevant meeting of the Committee). The Committee shall also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee shall review with the full Board any issues that have arisen with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or the performance of the Company's financial and accounting group.

VI. Resources and Access to Information

The Committee shall have the authority to retain independent legal, accounting and other consultants to advise the Committee.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any officer or employee of the Company or the Company's outside counsel or the Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

The Committee shall consider the extent of funding necessary for payment of compensation to the Auditors for the purpose of rendering or issuing the annual audit report and recommend such compensation to the Board for approval. The Audit Committee shall determine the funding necessary for payment of compensation to any independent legal, accounting and other consultants retained to advise the Committee.

May 11, 2015