Imperial Metals

Press Release

Imperial Reports 2015 Financial Results

Vancouver – **March 30, 2016 | Imperial Metals Corporation (the "Company") (III-TSX)** reports financial results for its fiscal year ended December 31, 2015. The Company incurred a net loss for the year ended December 31, 2015 of $97.0 million ($1.25 per share) compared to net loss of $37.3 million ($0.50 per share) in 2014. The 2015 loss was primarily driven by the loss from mine operations, foreign exchange losses on non-current debt, the inclusion of interest expense in the Statement of Income effective July 1, 2015, relating to the commencement of commercial production at the Red Chris mine, offset in part by realized and unrealized gains on derivative instruments. The 2014 loss was primarily related to the $67.4 million provision for rehabilitation costs taken by the Company for the Mount Polley tailings dam breach, and foreign exchange losses on non-current debt.

The 2015 net loss included foreign exchange losses related to changes in CDN/US Dollar exchange rates of $81.9 million of which $81.7 million was unrealized compared to foreign exchange losses of $20.5 million in 2014 of which $19.4 million was unrealized. The $81.9 million foreign exchange loss is comprised of a $71.3 million loss on the senior notes, a $7.1 million loss on long term equipment loans, and a loss of $3.5 million on operational items. The average CDN/US Dollar exchange rate in 2015 was 1.279 compared to 1.105 in 2014.

Selected Annual Financial Information

expressed in thousands, except share and per share amounts	Years Ended December 31 2015	2014	2013
Total revenues	$128,701	$130,909	$187,805
Net (loss) income	$(96,961)	$(37,285)	$40,954
Net (loss) income per share	$(1.25)	$(0.50)	$0.55
Diluted (loss) income per share	$(1.25)	$(0.50)	$0.54
Adjusted net (loss) income (1)	$(49,644)	$10,844	$40,051
Adjusted net (loss) income per share (1)	$(0.64)	$0.15	$0.54
Adjusted EBITDA(1)	$1,035	$48,434	$86,600
Working capital deficiency (2)	$197,952	$55,470	$162,758
Total assets	$1,479,352	$1,338,357	$975,451
Total long term debt (including current portion)	$889,707	$706,847	$244,382
Cash dividends declared per common share	$ -	$ -	$ -
Cash flow (1)(3)	$14,836	$(6,782)	$78,213
Cash flow per share (1)(3)	$0.19	$(0.09)	$1.05

(1) Refer to the Management's Discussion & Analysis section *Non-IFRS Financial Measures* for further details.
(2) Defined as current assets less current liabilities. The 2015 amount includes $166,072 related to the senior credit facility that the Company is in discussions with its lenders to extend.
(3) "Cash flow" is defined as the cash flow from operations before the net change in non-cash working capital balances, income and mining taxes, and interest paid. "Cash flow per share" is defined as and Cash flow divided by the weighted average number of common shares outstanding during the year

Selected Items Affecting Net Loss *(presented on an after-tax basis)*

expressed in thousands	Years Ended December 31 2015	2014
Net (loss) income before undernoted items	$(14,563)	$12,269
Interest expense	(26,321)	(1,461)
Foreign exchange loss on debt, net of gains on cross currency swaps	(51,029)	(15,332)
Provision for rehabilitation, net of insurance recoveries	7,082	(29,808)
Idle mine costs	(10,739)	(4,876)
Gains on derivative instruments related to commodities	1,645	1,285
Share of (loss) income in Huckleberry	(3,036)	638
Net loss	$(96,961)	$(37,285)

In 2015 the Company recorded net gains on derivative instruments of $30.0 million compared to net gains of $5.7 million in 2014. In 2015, the Company recorded a net gain of $27.5 million, $0.7 million realized and $26.8 million unrealized, on the foreign currency swap due to an increase in the CDN/US Dollar exchange rate compared to the exchange rate at the beginning of 2015. In 2015, the Company recorded a net gain of $2.5 million, $6.1 million realized gain and $3.6 million unrealized loss, for gold derivative instruments compared to a $2.2 million unrealized gain in 2014 on copper and gold derivatives.

The Company recorded $3.0 million as its equity share of Huckleberry's net loss during 2015 compared to a $0.6 million share of income in 2014. The loss was primarily attributable to a combination of lower metal prices and higher costs.

The Company incurred a pre-tax loss of $117.9 million in 2015 which resulted in a $20.9 million recovery of income and mining taxes compared to a $6.4 million recovery of income and mining taxes in 2014 when the Company had a pre-tax loss of $43.7 million.

Cash flow was $14.8 million in 2015 compared to negative Cash flow of $6.8 million in 2014. Cash flow is a measure used by the Company to evaluate its performance, however, it is not a term recognized under IFRS. The Company believes Cash flow is useful to investors and it is one of the measures used by management to assess the financial performance of the Company.

Capital expenditures, inclusive of capitalized interest, were $125.0 million in 2015, down from $405.1 million in 2014 when the Red Chris mine construction was at its peak. The expenditures in 2015 were financed from cash flow from operations, the $50.0 million second lien credit facility and three financings, totaling gross proceeds of $80.0 million, completed by the Company in the third quarter of 2015. At December 31, 2015 the Company had $9.2 million in cash (December 31, 2014-$19.9 million). The Company had $24.8 million of short-term debt at December 31, 2015 (December 31, 2014-$nil) and has classified $182.0 million of its non-current debt as current at December 31, 2015 (December 31, 2014-$12.6 million). The current portion of non-current debt includes $166.1 million related to the Company's senior credit facility which expires in October 2016. The Company is currently in discussions to extend the facility.

Non-IFRS Financial Measures

The Company reports four non-IFRS financial measures: Adjusted net income, Adjusted EBITDA, Cash flow and Cash cost per pound of copper produced which are described in detail below. The Company believes these measures are useful to investors because they are included in the measures that are used by management in assessing the financial performance of the Company.

Adjusted net income, Adjusted EBITDA, and Cash flow are not generally accepted earnings measures and should not be considered as an alternative to net income (loss) and cash flows as determined in accordance with IFRS. As there is no standardized method of calculating these measures, these measures may not be directly comparable to similarly titled measures used by other companies. Reconciliations are provided below.

Adjusted Net (Loss) Income and Adjusted Net (Loss) Income per Share

Adjusted net loss in 2015 was $49.6 million ($0.64 per share) compared to an Adjusted net income of $10.8 million ($0.15 per share) in 2014. Adjusted net income or loss shows the financial results excluding the effect of items not settling in the current period and non-recurring items.

Adjusted EBITDA

Adjusted EBITDA in 2015 was $1.0 million compared to $48.4 million in 2014. We define Adjusted EBITDA as net income (loss) before interest expense, taxes, depletion and depreciation, and as adjusted for certain other items.

Cash Flow and Cash Flow Per Share

Cash flow in 2015 was $14.8 million compared to a negative $6.8 million in 2014. Cash flow per share was $0.19 in 2015 compared to negative $0.09 in 2014. Cash flow is defined as cash flow from operations before the net change in non-cash working capital balances, income and mining taxes, and interest paid and cash flow per share is the same measure divided by the weighted average number of common shares outstanding during the year.

Cash Cost Per Pound of Copper Produced

The Company is primarily a copper producer and therefore calculates this non-IFRS financial measure individually for its three producing mines, Red Chris, Mount Polley and Huckleberry, and on a composite basis for these mines. Management uses this non-IFRS financial measure to monitor operating costs and profitability.

Variations from period to period in the cash cost per pound of copper produced are the result of many factors including: grade, metal recoveries, amount of stripping charged to operations, mine and mill operating conditions, labour and other cost inputs, transportation and warehousing costs, treatment and refining costs, the amount of by-product and other revenues, the US$ to CDN$ exchange rate and the amount of copper produced. Idle mine costs during the periods when the Mount Polley and Huckleberry mines were not in operation have been excluded from the cash cost per pound of copper produced.

Calculation of Cash Cost Per Pound of Copper Produced
expressed in thousands, except cash cost per pound of copper produced

				2015
	Huckleberry*	Red Chris**	Mount Polley	Composite
Cash cost of copper produced in US$	$84,546	$64,725	$18,099	$125,097
Copper produced - lbs	*43,273*	*41,039*	*8,007*	*70,683*
Cash cost per pound of copper produced in US$	$1.95	$1.58	$2.26	$1.77

				2014
	Huckleberry*	Red Chris	Mount Polley	Composite
Cash cost of copper produced in US$	$84,507	$ -	$28,491	$70,744
Copper produced - lbs	*34,017*	-	*24,490*	*41,499*
Cash cost per pound of copper produced in US$	$2.48	$ -	$1.16	$1.70

** Huckleberry 100%*
*** Copper production at Red Chris mine after the declaration of commercial production on July 1, 2015 to December 31, 2015 totaled 41.0 million pounds and for the 2015 year totaled 58.5 million pounds.*

DEVELOPMENTS DURING 2015

Red Chris Mine

The Red Chris mine achieved the accounting criteria for commercial production effective July 1, 2015 at which time the revenues from and expenses of operating the mine are reported through the Statement of Income. An Impact, Benefit and Co-Management Agreement with the Tahltan Central Government was signed July 27, 2015. The agreement had earlier been approved by the Tahltan in a referendum with 87% of respondents voting in favour. 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.

Throughput for the 2015 fourth quarter averaged 27,174 tonnes per day, and 20.4 million pounds copper and 10,025 ounces gold were produced. For the year 58.5 million pounds copper and 25,949 ounces gold were produced.

Mining activities continued in the Main and East zones. In the fourth quarter grades averaged 0.502% copper and 0.298 g/t gold. During the fourth quarter the mining rate averaged 77,261 tonnes per day, up from the average of 68,931 tonnes per day achieved in the third quarter. Two Caterpillar 793 haul trucks and an excavator transferred from Mount Polley to Red Chris were operational prior to year-end, resulting in a mining rate of 84,448 tonnes per day in December.

Milling activities were impacted during the fourth quarter of 2015 as a result of premature wear issues experienced on the SAG mill discharge trunnion liners, a 40 hour power outage by BC Hydro to conduct maintenance on the Skeena to Bob Quinn 287kV transmission line, and water clarity issues which developed during the final week in December, likely due to a buildup of ice in the tailings pond. To deal with the premature wear issues a new set of redesigned discharge trunnion liners have been installed and are working well. The scheduled power outage was required by BC Hydro in order to adjust the spacings between the conductors and the fibre optic cable on one of the long spans that had been causing power interruptions on the line between the Skeena substation and Bob Quinn. This adjustment should improve power reliability over the long term. The water clarity conditions extended into January 2016 and were resolved by increased pumping of well water, and by adjusting the location of discharged tailings.

Red Chris continues to work on metal recoveries with additional radial launders installed on both the rougher and cleaner scavenger flotation cells and with additional pumping installed capacity in the cleaning circuit to handle the increased mass pull. Testing of various different flotation reagents has been, and continues to be conducted.

Copper recovery was on a general upward trend during 2015. Copper recovery of 76.3% was achieved in December 2015. As the upward trend continued, record recoveries of 82.4% copper and 60.5% gold were achieved in February 2016, and with the recovery level and higher grades, record gold production of 4,840 ounces was realized in February 2016.

Copper recovery still needs to be improved to achieve the recoveries estimated in the feasibility study, which estimated to average recovery of 85% over the life of the mine. Gold recovery, now being obtained, has achieved the levels estimated in the feasibility study.

Grades and recoveries increased in January and February 2016 however the benefits were tempered by turbid reclaim water issues reducing throughput in January. Cold temperatures resulted in excessive ice being formed in the tailings storage facility and tying up free water. Mechanical issues at the gyratory crusher and a planned major shutdown for SAG mill relining and reclaim barge relocation reduced mill throughput in February and early March. With these issues resolved, March production at Red Chris is likely to set new production records for both copper and gold.

Work is ongoing to obtain the permits required to build and operate the South dam at the tailings storage facility.

Production targets for 2016 are 90-100 million pounds copper and 60,000-70,000 ounces gold.

Exploration, development and capital expenditures were $93.8 million in 2015 compared to $350.1 million in 2014. Included in this amount was capitalized interest of $24.4 million in 2015 compared to $38.4 million in 2014.

Mount Polley Mine

Mount Polley restarted operations on August 5, 2015 following receipt of permit amendments which allowed recommencement of the mine using a modified operation plan to use of the Springer pit to contain the tailings produced.

During the 2015 fourth quarter, a total of 1.2 million tonnes were milled, producing 5.1 million pounds copper and 10,430 ounces gold. The mill operated at approximately 50% capacity until late November when continuous operation of the plant was started, utilizing about 80% of capacity. The majority of the mill feed in 2015 came from the more highly oxidized Cariboo pit and as a result, copper recoveries are lower. However, the lower copper recovery is offset by higher gold grades and recoveries in the Cariboo pit.

Underground operations have provided a higher portion of the mill feed during the first three months of 2016, and as a result, copper head grades to March 21, have averaged 0.358% copper, and copper recoveries have averaged 73.6%. Underground operations are targeted to deliver mill feed until the 2016 third quarter.

Exploration, development, and capital expenditures were $30.3 million in 2015 compared to $53.4 million in 2014.

Permitting work continues and includes work on several amendments to the existing short term permits, and on a permit that would allow for a return to full operations. Production in 2016 is dependent upon receipt of the permit to allow for return to full operations.

Huckleberry Mine

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

Huckleberry Mines Ltd. suspended pit operations at Huckleberry mine on January 6, 2016. The mine will retain about 60% of its work force to continue milling stockpiles into 2016. Huckleberry made significant efforts to reduce mine operating costs, however the realized savings were not sufficient to offset declining copper prices. Huckleberry will continue to monitor prices, however if prices remain low the mine will likely suspend operations in the 2016 third quarter.

Huckleberry's loss from mine operations was $11.7 million in 2015 compared to income from mine operations of $6.3 million in 2014. Huckleberry income from mine operations decreased primarily due to lower metal prices on higher sales volumes.

Development and capital expenditures at Huckleberry were $27.8 million in 2015 compared to $29.5 million in 2014.

Imperial holds a 50% interest in Huckleberry Mines Ltd. The remaining 50% interest is held by a consortium consisting of Mitsubishi Materials Corporation, Dowa Mining Co. Ltd. and Furukawa Co.

Note 5 to the audited Consolidated Financial Statements of the Company for the year ended December 31, 2015 discloses information on the impact of Huckleberry operations on the financial position and results of operations of Imperial.

Sterling Mine

Sterling underground mining operations were terminated at the end of May 2015. Residual gold continues to be recovered from the heap and 624 ounces were shipped from site during the fourth quarter. In 2015 a total of 1,740 ounces of gold were shipped from the site compared to 5,725 ounces in 2014. Subsequent to year end, the Company received a *Finding of No Significant Impact* (the "Finding") from the Bureau of Land Management for the environmental assessment submitted for a new open pit mine at the Sterling mine. The Finding has a 30 day public review period, and once complete, the Company will have completed the major permitting requirements to construct and operate a new open pit mine at Sterling.

An exploration program that includes soil sampling and geological mapping is being conducted in an area of favorable geology along the northern flank of Bare Mountain. Some staff and much of Sterling's underground mining equipment has been transferred to Mount Polley to assist in the underground mining of the Boundary zone.

Impairment Testing

At December 31, 2015 the price of copper had substantially decreased from prior periods, creating an indication of impairment. The assessment for impairment included a review of all factors relating to future operations at the Red Chris and Mount Polley mines as they presently exist and concluded that the estimated recoverable amount of the Red Chris and Mount Polley mines are greater than their carrying values. This analysis assumed the receipt of the permits necessary for uninterrupted and continuing operations at Mount Polley.

Liquidity and Working Capital Enhancements

Electricity Payment Deferral Plan

In January 2016 the Government of British Columbia announced that it would provide assistance to copper and coal mines during the current low commodity price environment. The mechanism for this assistance was completed in March 2016 when the British Columbia Hydro and Power Authority ("BC Hydro") received approval from the British Columbia Utilities Commission for a tariff supplement that allows a mining customer to defer payment on up to 75% of the monthly electricity billing (the "Payment Plan") depending on the average London Metals Exchange ("LME") settlement copper price converted to CDN dollars at the Bank of Canada's daily average closing exchange rate. The period for calculating the copper price in CDN dollars is the 30 day period prior to the billing date on the 15th of each month.

Interest on the deferred payment amounts is charged and added to the deferred payment balance at Bank Prime Rate plus 5%, except for the Huckleberry mine, which has a fixed interest rate of 12%.

The Payment Plan has a five year term with payment deferrals allowed only during the first two years. Repayments of deferred amounts are required at up to 75% of the monthly electricity billing when the copper price exceeds CDN$3.40 per pound. At a copper price of CDN$3.40 per pound there is no deferral or repayment. The maximum deferral of 75% is available at a copper price of CDN$3.04 per pound or less and the maximum repayments are required at a copper price of CDN$3.76 per pound or more.

Payment of any balance under the Payment Plan is due at the end of the five year term.

Joining the Payment Plan is optional. In March 2016 the Red Chris, Mount Polley and Huckleberry mines joined the Payment Plan with the resulting payment deferral being effective for the March 2016 electricity billings which are due for payment in April 2016. At the maximum discount of 75% the estimated monthly payment deferral would be approximately $1.9 million plus $0.4 million for the Company's 50% share of Huckleberry.

Joining the Payment Plan does not change mine operating costs and increases interest expense, however, it does provide the Company with increased liquidity when copper prices are below CDN$3.40 per pound.

Cost Reduction Measures

The Company reviews its operating cost inputs on an ongoing basis. While lower commodity prices reduce the Company's revenues they also reduce the Company's operating costs. These operating costs savings are realized in the form of diesel and other petroleum based products including explosives as well as in grinding media which benefit from lower steel costs. Certain of the Company's employees and directors took pay reductions in late 2015 with further pay reductions currently in process.

Working Capital

At December 31, 2015 the Company had a working capital deficiency, defined as current assets less current liabilities, of $198.0 million, an increase of $142.5 million from a working capital deficiency of $55.5 million at December 31, 2014. The working capital deficiency at December 31, 2015 includes $166.1 million of debt related to the Company's senior credit facility due October 1, 2016 and has been classified as a current liability. The Company is currently in discussions with its lenders to extend the credit facility and therefore does not expect that the $166.1 million will be required to be repaid in 2016. Excluding the $166.1 million related to the senior credit facility results in an adjusted working capital deficiency at December 31, 2015 of $31.9 million which is a decrease of $19.7 million compared to December 31, 2014.

Derivative Instruments

In 2015 the Company recorded net gains of $30.0 million on derivative instruments, comprised of a $27.5 million net gain related to the CDN/US currency swap and a $2.5 million net gain on gold derivatives. This compares to a $5.7 million gain in 2014 on derivative instruments, comprised of a $3.5 million net gain related to the CDN/US currency swap and a $2.2 million net gain on copper and gold derivatives. These gains result from the mark to market valuation of the derivative instruments based on changes in the price of copper and gold and movements in the CDN/US exchange rate. The amounts in 2015 include realized gains of $0.7 million on foreign currency swaps and $6.1 million on gold derivatives. The Company has not applied hedge accounting for its derivative instruments and therefore records changes in the unrealized gains or losses on these contracts at fair value on each statement of financial position date, with the adjustment resulting from the revaluation being charged to the statement of income as a gain or loss.

The Company has utilized a variety of derivative instruments including the purchase of puts, forward sales, currency swaps and the use of min/max zero cost collars. The Company's income or loss from derivative instruments may be very volatile from period to period as a result of changes in the copper and gold prices and CDN/US exchange rates compared to the copper and gold prices and CDN/US exchange rate at the time when these contracts were entered into or the latest balance sheet date and the type and length of time to maturity of the contracts.

The Company has no derivative instruments for copper or gold at December 31, 2015 or at March 30, 2016.

In the March 2014 quarter the Company entered into a cross currency swap to lock in the foreign exchange rate on US$110.0 million of the US$325.0 million senior unsecured notes (the "Notes") principal amount and related interest over the five year term of the Notes. The foreign exchange rate was fixed at 1.1113 CDN for each US Dollar. Based on the December 31, 2015 CDN/US Dollar exchange rate the Company had an unrealized gain of $30.6 million on the derivative instruments related to the swap. Subsequent to the year end the Company sold US$20.0 million of the cross currency swap for proceeds of $5.7 million.

Future changes in the CDN/US Dollar exchange rate could have a material impact on the valuation of the cross currency swap however this gain or loss will be more than offset by the foreign exchange gain or loss on the Notes.

FOURTH QUARTER RESULTS

Mineral sales revenues in the fourth quarter of 2015 were $69.5 million compared to $5.8 million in 2014. Sales revenue is recorded when title for concentrate is transferred on ship loading. Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rates, and period end revaluations of revenue attributed to concentrate shipments where copper and gold prices will settle at a future date.

Metal quantities shipped in 2015 was higher than the 2014 quarter due to the Red Chris mine being in production in the fourth quarter of 2015 and Mount Polley mine also being in limited production in the fourth quarter of 2015. In the fourth quarter of 2014 the Red Chris mine was still under construction and the operations at Mount Polley mine were suspended.

The Company recorded a net loss of $35.9 million ($0.44 per share) in the fourth quarter of 2015 compared to net loss of $9.1 million ($0.12 per share) in the prior year quarter.

Expenditures for exploration and ongoing capital projects at Mount Polley, Red Chris and Sterling totaled $7.1 million during the three months ended December 31, 2015 compared to $73.4 million in the 2014 comparative quarter. The decrease of $66.3 million in 2015 was primarily due to the cessation of construction activities at the Red Chris mine early in 2015.

OUTLOOK

Operations, Earnings and Cash Flow

The 2015 annual base and precious metals production from Red Chris, Mount Polley, Huckleberry and Sterling mines was 88.1 million pounds copper, 44.7 thousand ounces gold and 224.5 thousand ounces silver.

The base and precious metals production targeted for 2016 from the Red Chris mine is 90-100 million pounds copper and 60-70 thousand ounces gold.

In the prior year MD&A the Company only provided guidance on production allocable to Imperial from the Huckleberry mine as Red Chris was not yet in production and the timing of restart of operations at Mount Polley mine were uncertain. The Company estimated that in 2015 Huckleberry would produce 22.0 million pounds of copper allocable to Imperial and the actual production allocable to Imperial from Huckleberry in 2015 was 21.6 million pounds a difference of approximately 1.8%.

Derivative instruments for 2016 will protect US$90.0 million or about 28% of the foreign exchange movement on the Company's US$325.0 million Notes. At March 30, 2016, the Company has not hedged any copper or gold. Quarterly revenues will fluctuate depending on copper and gold prices, the CDN/US Dollar exchange rate, and the timing of concentrate sales, which is dependent on concentrate production and the availability and scheduling of transportation.

Exploration

Imperial has interests in various other early stage exploration properties located in Canada. 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.

Development

At Mount Polley, the tailing storage facility breach was repaired, areas impacted by the breach rehabilitated, and Hazeltine and lower Edney Creeks were rebuilt with new stream channels installed. Much of this work was completed during difficult working conditions throughout the winter of 2015, thanks to the efforts of the mine employees, First Nation members and local contractors.

Working together with our employees, First Nations and local communities and the Province, Mount Polley was able to return to operations on August 4, 2015 using a modified mine plan that uses the Springer pit to store the tailings produced. Mount Polley is working diligently to obtain the permits required to return to normal operations, and resume using the repaired and strengthened tailings storage facility.

Currently, milling operations are benefiting from the supply of higher grade tonnes from underground mining in the Boundary zone. In February 2016, a total of 26,907 tonnes grading 1.74% copper and 1.08 grams per tonne gold were extracted from underground operation at Mount Polley. The developed zones in the Boundary zone are targeted to continue delivering ore to the Mount Polley mill until the third quarter of 2016.

Huckleberry increased throughput by about 30% and produced 43.3 million pounds copper in 2015. In response to lower copper prices, Huckleberry suspended mining operations in January 2016, while continuing to mill stockpiles. Copper prices will be monitored however Huckleberry is expected to be put on care and maintenance if copper prices do not increase by the third quarter of 2016.

At Red Chris work continues to optimize the operation of our newest mine. Six concentrate shipments were made in the first quarter of 2016 – a new record. Copper recovery lags the feasibility study estimates but has been improving, and averaged 82.4% in February 2016. The feasibility study estimated the life of mine copper recovery would be 85%. Gold recoveries are now matching those estimated in the feasibility study, and in February a new record for monthly gold production of 4,842 ounces was set. Based on production to date, March will set another monthly production records for both copper and gold.

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 and salary cuts as we strive to do more for less. All three mines have signed on to participate in the power payment deferral plan announced recently by BC Hydro. All operations are striving to reduce costs in this low copper price environment.

For detailed financial information, refer to the Company's 2015 Annual Report available on *imperialmetals.com* and *sedar.com.*

An Earnings Announcement Conference Call
is scheduled for March 31, 2016 at 10:00am PST | 11:00am MST | 1:00pm EST

Management will discuss the Company's 2015 Financial Results. To participate in the earnings announcement conference call, select the phone number applicable to your location:

778.383.7413 Vancouver
416.764.8688 Toronto
587.880.2171 Calgary
888.390.0546 North America – toll free

Conference call will be available for playback until April 7, 2016 by dialing
888.390.0541 or 416.764.8677 | playback passcode 579244#

About Imperial

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

Imperial Contact Information

Brian Kynoch | President | 604.669.8959
Andre Deepwell | Chief Financial Officer | 604.488.2666
Gordon Keevil | Vice President Corporate Development | 604.488.2677
Sabine Goetz | Shareholder Communications | 604.488.2657 | investor@imperialmetals.com

Forward-Looking Information and Risks Notice

The information in this press release provides a review of the Company's operations and financial position as at and for the year ended December 31, 2015, and has been prepared based on information available 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 press release 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 and the repair and strengthening of its tailings storage facility; use of proceeds from financings and credit facilities and discussions to extend the Company's senior credit facility; 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; expectations relating to power reliability for the Red Chris mine over the long term; expectations related to the suspension of operations at the Huckleberry mine in the 2016 third quarter if copper prices remain low; estimations of the monthly payment deferral under the Payment Plan effective for the March 2016 electricity billings; 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 with use of the repaired and strengthened tailings storage facility; that the Company's initial rehabilitation activities at Mount Polley 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 and use of the repaired and strengthened Mount Polley tailings storage facility 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 there will not be significant power outages; 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 and obtain an extension of its senior credit facility. 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; that Imperial may be unable to extend its senior credit facility; 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 and the recommencement of full, unrestricted operations and the use of the repaired and strengthened Mount Polley tailings storage facility; risks relating to the remaining costs and liabilities and any unforeseen longer-term environmental consequences arising from 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 and use of the repaired and strengthened tailings storage facility; 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; 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 outages or 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 at *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.