

Imperial Reports First Quarter 2016 Financial Results

Vancouver – **May 12, 2016** | **Imperial Metals Corporation (the “Company”)** (III-TSX) reports financial results for the three months ended March 31, 2016 as summarized below and discussed in detail in the Management’s Discussion & Analysis (“MD&A”). The Company’s financial results are prepared in accordance with International Financial Reporting Standards (“IFRS”). The reporting currency for the Company is the Canadian (“CDN”) Dollar.

SELECT QUARTERLY FINANCIAL INFORMATION

expressed in thousands, except share and per share amounts	Three Months Ended March 31	
	2016	2015
Total revenues	\$136,785	\$1,533
Net income (loss)	\$17,729	\$(33,384)
Net income (loss) per share	\$0.22	\$(0.45)
Diluted income (loss) per share	\$0.22	\$(0.45)
Working capital deficiency ⁽¹⁾	\$173,918	\$35,569
Total assets	\$1,450,277	\$1,394,389
Total long term debt (including current portion)	\$863,712	\$818,815
Cash dividends declared per common share	\$0.00	\$0.00

(1) Defined as current assets less current liabilities. The March 31, 2016 amount includes \$164,423 related to the senior credit facility that the Company extended on May 11, 2016.

Revenues were \$136.8 million in the March 2016 quarter compared to \$1.5 million in the March 2015 quarter. The increase of \$135.3 million was due to revenue from the Red Chris and Mount Polley mines in the March 2016 quarter compared to the March 2015 quarter when both mines were not in commercial operations. There were five concentrate shipments in the March 2016 quarter from the Red Chris mine and two concentrate shipments from the Mount Polley mine.

The Company had net income for the March 2016 quarter of \$17.7 million (\$0.22 per share) compared to a net loss of \$33.4 million (\$0.45 per share) in the March 2015 quarter. The increase in net income from the March 2015 quarter to the March 2016 quarter of \$51.1 million was primarily due to the following factors:

- Income/loss from mine operations went from a loss of \$1.7 million in March 2015 to income of \$20.3 million in March 2016, an increase to net income of \$22.0 million.
- Foreign exchange gains/losses on current and non-current debt went from a loss of \$38.3 million in March 2015 to a gain of \$30.7 million in March 2016, an increase to net income of \$69.0 million.
- Interest expense went from \$2.7 million in March 2015 to \$16.4 million in March 2016, a decrease to net income of \$13.7 million.
- Loss/gain on derivative instruments went from gains of \$13.7 million in March 2015 to losses of \$7.3 million in March 2016, a decrease to net income of \$21.0 million.

The March 2016 quarter net income included a foreign exchange gain related to changes in CDN/US Dollar exchange rates of \$30.5 million compared to a foreign exchange loss of \$39.1 million in the 2015 comparative quarter. The \$30.5 million foreign exchange gain is comprised of a \$27.8 million gain on the senior notes, a \$2.1 million gain on long term equipment loans, and a gain of \$0.6 million on short-term debt and operational items. The average CDN/US Dollar exchange rate in the March 2016 quarter was 1.375 compared to an average of 1.241 in the 2015 comparative quarter.

In the March 2016 quarter the Company recorded net losses on derivative instruments of \$7.3 million compared to net gains of \$13.7 million in the 2015 comparative quarter. The \$7.3 million loss in the March 2016 quarter the Company consisted of a \$6.0 million realized gain on the foreign currency swaps including the sale of US\$20.0 million of the US\$110.0 million in cross currency swaps and a \$13.3 million unrealized loss on the foreign currency swap due to an decrease in the CDN/US Dollar exchange rate compared to the exchange rate at the end of 2015. In the 2015 comparative quarter the \$13.7 million gain consisted of a \$12.7 million gain, primarily unrealized, on the foreign currency swaps and \$1.0 million gain, primarily unrealized, for gold derivate instruments. During the March 2016 quarter the Company did not have any commodity derivative instruments.

The Company recorded a \$4.0 million equity loss as its share of Huckleberry's net loss during the March 2016 quarter compared to a \$0.6 million equity loss in the 2015 comparative quarter. Huckleberry had two shipments in the March 2016 quarter compared to one shipment in the 2015 comparative quarter.

Capital expenditures were \$10.5 million in the March 2016 quarter, down from \$44.7 million in the 2015 comparative quarter. During the March 2015 quarter capital expenditures were significantly higher than the March 2016 quarter as they included \$11.4 million in capitalized interest and \$22.0 million in capitalized preproduction operating costs related to the Red Chris mine. Capitalization of interest and preproduction costs related to Red Chris mine ceased on July 1, 2015 with the commencement of commercial production.

LIQUIDITY AND FINANCING

During the March 2016 quarter the Company completed a number of transactions to improve liquidity. These include the sale of US\$20.0 million of the US\$110.0 million cross currency swap for proceeds of \$5.7 million, refinancing some of mobile equipment for proceeds of \$7.5 million and entering into the electricity payment deferral plan with the British Columbia Hydro and Power Authority ("BC Hydro").

During the March 2016 quarter the Company joined the BC Hydro electricity payment deferral plan whereby the Company can defer up to 75% of its monthly electricity billing if the copper price is less than CDN\$3.04 per pound. Repayment of deferred amounts is required at up to 75% of the monthly electricity billing when the copper price is CDN\$3.76 per pound. There is no deferral or repayment at a copper price of CDN\$3.40 per pound. Payment deferrals, which incur interest charges, are only allowed during the first two years and payment of any balance under the plan is due at the end of the five year term.

At March 31, 2016, the Company had cash of \$11.4 million and a working capital deficiency of \$173.9 million. This working capital deficiency included \$164.4 million of debt related to the senior credit facility which in accordance with the Company's relevant accounting policies under IFRS was classified as a current liability at March 31, 2016 as the facility was due October 1, 2016. Excluding the \$164.4 million related to the senior credit facility, which was extended to 2018 subsequent to the quarter end, results in an adjusted deficiency at March 31, 2016 of \$9.5 million, a significant improvement from the adjusted deficiency of \$31.9 million at December 31, 2015, comprised of a working capital deficiency of \$198.0 million adjusted for the senior credit facility of \$166.1 million.

On May 11, 2016, the Company announced it had extended the maturity date of the senior credit facility from October 1, 2016 to March 15, 2018 and amended certain of its terms and conditions, including financial covenants. The amount of the facility has not changed and remains at \$200.0 million. Concurrently, the Company announced it had extended the maturity date of the second lien credit facility from April 1, 2017 to August 15, 2018 and amended certain of its terms and conditions, including financial covenants. The amount for this facility has also not changed and remains at \$50.0 million.

The projected cash flow from the Red Chris and Mount Polley mines, as well as the available credit facilities and additional sources of financing are expected to be sufficient to fund the working capital deficiency and the remaining estimated rehabilitation cost of the Mount Polley Breach. However, there are inherent risks related to the operations of the Company's mines which could require additional sources of financing. There can be no assurance that adequate additional financing will be available on terms acceptable to the Company or at all which could have a material adverse impact on the Company's financial condition and results of operations and ability to continue as a going concern.

NON-IFRS FINANCIAL MEASURES

(Refer to the MD&A section titled Non-IFRS Financial Measures for further details.)

expressed in thousands, except share and per share amounts	Three Months Ended March 31	
	2016	2015
Adjusted net income (loss)	\$1,199	\$(8,012)
Adjusted net income (loss) per share	\$0.01	\$(0.11)
Adjusted EBITDA	\$45,875	\$(6,145)
Cash flow	\$49,425	\$(6,061)
Cash flow per share	\$0.60	\$(0.08)

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 in the MD&A. 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 in the MD&A.

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

Adjusted net income in the March 2016 quarter was \$1.2 million (\$0.01 per share) compared to an adjusted net loss of \$8.0 million (\$0.11 per share) in the 2015 comparative quarter. 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 the March 2016 quarter was \$45.9 million compared to negative \$6.1 million in the 2015 comparative quarter. 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 was \$49.4 million in the March 2016 quarter compared to a negative cash flow of \$6.1 million in the 2015 comparative quarter. 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. 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.

Cash Cost Per Pound of Copper Produced

The cash cost per pound of copper produced is a non-IFRS financial measure that does not have a standardized meaning under IFRS, and as a result may not be comparable to similar measures presented by other companies. Management uses this non-IFRS financial measure to monitor operating costs and profitability. The Company is primarily a copper producer and therefore calculates this non-IFRS financial measure individually for its three copper producing mines, Red Chris, Mount Polley and Huckleberry, and on a composite basis for these mines.

The cash cost per pound of copper produced is derived from the sum of cash production costs, transportation and offsite costs, treatment and refining costs, royalties, net of by-product and other revenues, divided by the number of pounds of copper produced during the period.

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.

The following table is a summary of the cash cost per pound of copper produced in US Dollars:

<i>expressed in thousands, except cash cost per pound of copper produced</i>	Three Months Ended March 31, 2016			
	Huckleberry*	Red Chris	Mount Polley	Composite
Cash cost of copper produced in US\$	\$14,613	\$23,297	\$8,720	\$39,323
<i>Copper produced - lbs</i>	8,277	23,505	8,179	35,823
Cash cost per pound of copper produced in US\$	\$1.77	\$0.99	\$1.07	\$1.10
	Three Months Ended March 31, 2015			
	Huckleberry*	Red Chris	Mount Polley	Composite
Cash cost of copper produced in US\$	\$20,072	\$ -	\$ -	\$10,035
<i>Copper produced - lbs</i>	10,627	-	-	5,314
Cash cost per pound of copper produced in US\$	\$1.89	\$ -	\$ -	\$1.89

*Huckleberry 100%

DEVELOPMENTS DURING THE MARCH 2016 QUARTER

General

The London Metals Exchange cash settlement copper price per pound averaged US\$2.12 (CDN\$2.92) in the March 2016 quarter compared to US\$2.64 (CDN\$3.28) in the 2015 comparative quarter. The London Metals Exchange cash settlement gold price per troy ounce averaged US\$1,181 (CDN\$1,624) in the March 2016 quarter compared to US\$1,219 (CDN\$1,513) in the 2015 comparative quarter. The CDN Dollar weakened by 9.7% compared to the US Dollar in the March 2016 quarter compared to the 2015 comparative quarter.

Red Chris Mine

Metal production for the March 2016 quarter was 23.5 million pounds copper and 14,558 ounces gold setting records for both copper and gold production. This compared to 20.4 million pounds copper and 10,025 ounces gold produced in the December 2015 quarter. The target production for the 2016 year is 90-100 million pounds copper and 60-70 thousand ounces gold.

<i>Red Chris Production</i>	Three Months Ended March 31	
	2016	2015 ⁽¹⁾
Ore milled - tonnes	2,143,797	815,771
Ore milled per calendar day - tonnes	23,558	18,971
Grade % - copper	0.63	0.44
Grade g/t - gold	0.38	0.25
Recovery % - copper	79.1	59.2
Recovery % - gold	55.4	31.6
Copper – 000's pounds	23,505	4,720
Gold – ounces	14,558	2,110
Silver – ounces	56,380	7,021

(1) production from February 17 to March 31, 2015

During the March 2016 quarter several production parameter records were set, including:

- Daily crusher throughput (March 31) – 42,247 wet metric tonnes
- Daily filtered concentrate (March 19) – 831 dry metric tonnes
- Daily gold recovery (March 5) – 73.8%
- Monthly filtered concentrate (March) – 16,764 dry metric tonnes
- Monthly copper production (March) – 9,232,178 pounds
- Monthly gold production (March) – 6,474 ounces
- Monthly copper recovery (February) – 82.4%
- Monthly gold recovery (February) – 60.5%

Mining continued in both the Main and East zones with approximated 30% of mill feed for the quarter coming from the East zone.

Copper and gold recovery averaged 79.1% and 55.4% for the quarter, and were up about 7% and 32%, respectively, from the 73.7% copper recovery and 41.7% gold recovery achieved in the December 2015 quarter. Red Chris continues to work on increasing copper recovery.

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

Exploration, development and capital expenditures were \$6.9 million in the March 2016 quarter compared to \$36.2 million in the 2015 comparative quarter. Included in this amount was capitalized interest of \$nil in the March 2016 quarter compared to \$11.4 million in the 2015 comparative quarter.

Mount Polley Mine

Mine operations at Mount Polley were restarted 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. A permit amendment has been revised to allow for the storage of tailings from 5 million tonnes of milling. Permitting work continues on a permit that would allow for a return to normal operations, and resume using the repaired and buttressed tailing storage facility.

Mount Polley produced 8.2 million pounds copper and 12,914 ounces gold in the March 2016 quarter compared to 5.1 million pounds copper and 10,430 ounces gold produced in the December 2015 quarter. Production in 2016 is dependent upon receipt of a permit to allow for return to full operations.

Mount Polley Production

Three Months Ended March 31

2016

Ore milled - tonnes	1,709,148
Ore milled per calendar day - tonnes	18,782
Grade % - copper	0.31
Grade g/t - gold	0.33
Recovery % - copper	70.3
Recovery % - gold	71.5
Copper – 000's pounds	8,179
Gold – ounces	12,914
Silver – ounces	35,031

Current mining is active in the Cariboo pit and the Boundary zone of the underground mine. Underground operations are targeted to deliver mill feed until the third quarter of 2016, and delivered 95,881 tonnes grading 1.73% copper and 1.10 g/t gold in the March 2016 quarter.

Exploration, development, and capital expenditures were \$3.5 million in the March 2016 quarter compared to \$8.2 million in the 2015 comparative quarter.

Huckleberry Mine

Huckleberry Mines Ltd. suspended pit operations at Huckleberry mine on January 6, 2016. The mine will continue milling stockpiles and work on the tailings storage facility into the summer of 2016, while copper prices are monitored. However, Huckleberry is expected to suspend all milling operations and enter care and maintenance this fall if copper prices do not increase.

Huckleberry Production*

Three Months Ended March 31

2016 2015

Ore milled – tonnes	1,770,725	1,566,495
Ore milled per calendar day – tonnes	19,459	17,406
Grade % – copper	0.24	0.35
Recovery % – copper	87.7	88.9
Copper – 000's pounds	8,277	10,627
Gold – ounces	781	816
Silver – ounces	38,806	53,972

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

Huckleberry throughput in the March 2016 quarter averaged 19,459 tonnes per day and 8.3 million pounds copper were produced. Imperial's share of Huckleberry production was 4.1 million pounds copper. During the 2015 comparative quarter 10.6 million pounds copper was produced as higher grade material was processed.

Sterling Mine

Sterling underground mining operations were terminated at the end of May 2015. Residual gold continues to be recovered from the heap.

The draft Environmental Assessment ("EA") for expanding operations at the Sterling mine to incorporate open-pit mining was submitted to the U.S. Bureau of Land Management ("BLM"). Following a review the BLM generated a "Findings of No Significant Impact" which underwent a 30 day public review period. Comments received by the BLM are being written into the document by the BLM for final approval.

One comment generated from the EA from the State of Nevada identified the need for the Sterling mine to obtain a Public Water Utility permit. Work has been initiated to obtain the required permit and it is estimated that the permit preparation will take about 6 weeks and approval of the permit will require an additional 6 weeks. This permit is required once there are 25 people on-site for more than 60 days per year. All other necessary permits for open pit mining are in-place and current.

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. Exploration and development expenditures at Sterling were \$0.1 million in the March 2016 quarter compared to \$nil in the 2015 comparative quarter.

DERIVATIVE INSTRUMENTS

In the March 2016 quarter the Company recorded net losses on derivative instruments of \$7.3 million compared to net gains of \$13.7 million in the 2015 comparative quarter. The \$7.3 million loss in the March 2016 quarter the Company consisted of a \$6.0 million realized gain on the foreign currency swaps and a \$13.3 million unrealized loss on the foreign currency swaps. In the 2015 comparative quarter the \$13.7 million gain consisted of a \$12.7 million gain, primarily unrealized, on the foreign currency swaps and \$1.0 million gain, primarily unrealized, for gold derivative instruments. The gains or losses in derivative instruments result from the mark to market valuation of the instruments based on changes, depending on the instrument, in the price of copper and gold and movements in the CDN/US exchange rate.

The Company had no derivative instruments for copper or gold at March 31, 2016 or at the date of this document.

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 Dollar for each US Dollar. During the March 2016 quarter the Company sold US\$20.0 million of the cross currency swap for proceeds of \$5.7 million. Based on the March 31, 2016 CDN/US Dollar exchange rate the Company had an unrealized gain of \$17.3 million on the derivative instruments related to the swap.

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.

OUTLOOK

Operations, Earnings and Cash Flow

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. Targets for production at the Mount Polley and Huckleberry mines have not been provided as Mount Polley requires additional permits to continue operations and Huckleberry is milling stockpiled lower grade material and continued operation is dependent on a copper price increase.

Derivative instruments for the period April to December 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 exploration work is being undertaken.

Development

At Red Chris, work continues to optimize the operation of our newest mine. Five concentrate shipments were made in the first quarter of 2016 – a new record. Copper recovery has improved and averaged 79.1% for the March 2016 quarter compared to 73.7% in the December 2015 quarter. Efforts to improve copper recovery continue. Copper and gold production in the month of March 2016 of 9.2 million pounds copper and 6,474 ounces gold set new monthly records.

Initial studies have indicated the mineralization below the current pit design has suitable geometry and anticipated rock conditions for a block cave design. 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.

Mount Polley is working diligently to obtain the permits required to return to normal operations using the repaired and buttressed tailings storage facility. On July 5, 2015 we received permit amendments which allowed the restart of mining operations using the Springer pit to store tailings. An amendment to that restricted restart permit now allows for storage of tailings from up to five million tonnes of milling to be deposited in the Springer pit. Currently, milling operations are benefiting from the supply of higher grade tonnes from underground mining in the Boundary zone.

In response to lower copper prices, Huckleberry suspended open pit operations in January 2016, while continuing to mill stockpiles. Copper prices will be monitored, however Huckleberry is expected to suspend milling operations and enter care and maintenance this fall if copper prices do not increase.

For detailed financial information, refer to the Company's First Quarter Report available on imperialmetals.com and sedar.com.

An Earnings Announcement Conference Call

is scheduled for May 13, 2016 at 10:00am PDT | 11:00am MDT | 1:00pm EDT

Management will discuss the Company's 2016 First Quarter 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 May 20, 2016 by dialing

888.390.0541 or 416.764.8677 | playback passcode 570769#

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.

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Forward-Looking Information and Risks Notice

The information in this press release provides a summary review of the Company's operations and financial position as at and for the period ended March 31, 2016, and plans for the future based on facts and circumstances as of May 12, 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 is prospective in nature and reflects 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, such as those required for full, unrestricted operations and use of the repaired and strengthened tailings storage facility at the Mount Polley mine, construction of the South dam at the Red Chris mine, and the construction and operation of a new open pit mine at the Sterling mine; 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 or permitting 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 debt as it matures; risks relating to the timely receipt of necessary approvals and consents to proceed with construction of the South dam at the Red Chris mine; 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 drought or unusually wet 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 this Management's Discussion and Analysis for the March 2016 quarter 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.