Imperial Metals

Press Release

Imperial Reports Second Quarter 2016 Financial Results

Vancouver – **August 11, 2016 | Imperial Metals Corporation (the "Company") (III-TSX)** reports comparative financial results for the three and six months ended June 30, 2016 and 2015 are summarized in this release 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 of the Company is the Canadian ("CDN") Dollar.

expressed in thousands, except per share amounts	Three Months Ended June 30		Six Months Ended June 30	
	2016	2015	2016	2015
Revenues	$116,200	$1,726	$252,985	$3,259
Income (loss) from mine operations	$20,151	$(2,981)	$40,499	$(4,694)
Equity (loss) income in Huckleberry	$(1,697)	$626	$(5,673)	$33
Net (loss) income	$(4,160)	$1,644	$13,569	$(31,740)
Net (loss) income per share	$(0.05)	$0.02	$0.17	$(0.42)
Adjusted net loss (1)	$(1,214)	$(9,371)	$(15)	$(17,383)
Adjusted net loss per share (1)	$(0.01)	$(0.12)	$(0.00)	$(0.23)
Adjusted EBITDA(1)	$38,791	$(7,840)	$84,666	$(13,985)
Cash flow (1)	$40,327	$2,270	$89,752	$(3,791)
Cash flow per Share (1)	$0.49	$0.03	$1.10	$(0.05)

(1) Refer to Non-IFRS Financial Measures for further details.

Revenues were $116.2 million in the June 2016 quarter compared to $1.7 million in the 2015 comparative quarter. The increase of $114.5 million is related to the restart of operations at the Mount Polley mine on August 5, 2015 and the start of commercial production at the Red Chris mine on July 1, 2015. There were five concentrate shipments in the June 2016 quarter from the Red Chris mine and one concentrate shipment from the Mount Polley mine.

Net loss for the June 2016 quarter was $4.2 million ($0.05 per share) compared to net income of $1.6 million ($0.02 per share) in the 2015 comparative quarter. The increase in net loss from the June 2015 quarter to the June 2016 quarter of $5.8 million was primarily due to the following factors:

- Income/loss from mine operations went from a loss of $3.0 million in June 2015 to income of $20.2 million in June 2016, an increase to net income of $23.2 million.
- Foreign exchange gains/losses on current and non-current debt went from a gain of $7.2 million in June 2015 to a loss of $1.6 million in June 2016, a decrease to net income of $8.8 million.
- Interest expense went from $2.3 million in June 2015 to $17.1 million in June 2016, a decrease to net income of $14.8 million.
- Loss/gain on derivative instruments went from a loss of $3.1 million in June 2015 to a gain of $0.4 million in June 2016, an increase to net income of $3.5 million.
- Insurance recoveries net of idle mine costs went from a gain of $4.6 million in June 2015 to $nil in June 2016, a decrease to net income of $4.6 million.

The June 2016 quarter net income included a foreign exchange losses related to changes in CDN/US Dollar exchange rates of $2.1 million compared to a foreign exchange gains of $7.1 million in the 2015 comparative quarter. The $2.1 million foreign exchange loss is comprised of a $1.2 million loss on the senior notes, a $0.1 million loss on long term equipment loans, and a loss of $0.8 million on short-term debt and operational items. The average CDN/US Dollar exchange rate in the June 2016 quarter was 1.289 compared to an average of 1.229 in the 2015 comparative quarter.

In the June 2016 quarter the Company recorded net gains on derivative instruments of $0.4 million compared to net losses of $3.1 million in the 2015 comparative quarter. The $0.4 million gain in the June 2016 quarter consisted of a $0.4 million unrealized gains on the foreign currency swap due to an increase in the CDN/US Dollar exchange rate compared to the exchange rate at the end of the March 2016 quarter. In the 2015 comparative quarter the $3.1 million loss consisted of realized gains of $0.7 million or gold derivative instruments, unrealized losses of $1.4 million for gold derivative instruments and unrealized losses of $2.4 million on the foreign currency swap. During the June 2016 quarter the Company did not have any commodity derivative instruments.

The Company recorded a $1.7 million equity loss as its share of Huckleberry's net loss during the June 2016 quarter compared to a $0.6 million equity gain in the 2015 comparative quarter. Huckleberry had one shipment in the June 2016 quarter compared to three shipments in the 2015 comparative quarter.

Capital expenditures were $24.2 million in the June 2016 quarter, down from $48.9 million in the 2015 comparative quarter. During the June 2015 quarter capital expenditures were significantly higher than the June 2016 quarter as they included $13.0 million in capitalized interest and $5.2 million in capitalized preproduction operating costs net of preproduction revenues 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

At June 30, 2016, the Company had cash of $4.1 million and a working capital deficiency of $41.1 million.

During the June 2016 quarter the Company extended the maturity date of the senior credit facility to March 15, 2018 and amended certain of its terms and conditions. Concurrently, the Company extended the maturity date of the second lien secured credit facility to August 15, 2018 and amended certain of its terms and conditions.

The projected cash flow from the Red Chris and Mount Polley mines, as well as the available credit facilities and other sources of financing, are expected to be sufficient to fund the working capital deficiency and the Company's obligations as they become due. However, there are inherent risks related to mine operations 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 its ability to continue to operate as a going concern.

Non-IFRS Financial Measures

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

	Three Months Ended June 30	
expressed in thousands, except share and per share amounts	2016	2015
Adjusted net loss	$(1,214)	$(9,371)
Adjusted net loss per share	$(0.01)	$(0.12)
Adjusted EBITDA	$38,791	$(7,840)
Cash flow	$40,327	$2,270
Cash flow per share	$0.49	$0.03

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 in the MD&A.

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

Adjusted net loss in the June 2016 quarter was $1.2 million ($0.01 per share) compared to an adjusted net loss of $9.4 million ($0.12 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 June 2016 quarter was $38.8 million compared to negative $7.8 million in the 2015 comparative quarter. EBITDA is defined as net income (loss) before interest expense, taxes, and depletion and depreciation. Adjusted EBITDA is defined as EBITDA excluding certain recurring non-cash items, unusual items not expected to continue at the same level in the future, and any other items not reflective of our ongoing operating performance.

Cash Flow and Cash Flow Per Share

Cash flow in the June 2016 quarter was $40.3 million compared to $2.3 million in 2015 comparative quarter. Cash flow per share was $0.49 in the June 2016 quarter compared to $0.03 in 2015 comparative quarter.

Cash flow and Cash flow per share are measures used by the Company to evaluate its performance however they are not terms recognized under IFRS. 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. 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.

Calculation of Cash Cost Per Pound of Copper Produced

expressed in thousands, except cash cost per pound of copper produced

	Three Months Ended June 30, 2016				
	Huckleberry		Red	Mount	
	100%	50%	Chris	Polley	Composite
Cash cost of copper produced in US$	$14,315	$7,157	$23,174	$14,548	$44,879
Copper produced – 000's lbs	*7,713*	*3,857*	*26,737*	*5,314*	*35,908*
Cash cost per lb copper produced in US$	$1.86	$1.86	$0.87	$2.74	$1.25

	Three Months Ended June 30, 2015				
	Huckleberry		Red	Mount	
	100%	50%	Chris	Polley	Composite
Cash cost of copper produced in US$	$25,315	$12,645	$ -	$ -	$12,645
Copper produced – 000's lbs	*11,493*	*5,746*	-	-	*11,493*
Cash cost per lb copper produced in US$	$2.20	$2.20	$ -	$ -	$2.20

Developments During the June 2016 Quarter

General

The London Metals Exchange cash settlement copper price per pound averaged US$2.14 (CDN$2.76) in the June 2016 quarter compared to US$2.74 (CDN$3.37) in the 2015 comparative quarter. The London Metals Exchange cash settlement gold price per troy ounce averaged US$1,259 (CDN$1,623) in the June 2016 quarter compared to US$1,193 (CDN$1,466) in the 2015 comparative quarter. The CDN Dollar weakened by 4.7% compared to the US Dollar in the June 2016 quarter compared to the 2015 comparative quarter.

Red Chris Mine

Metal production for the June 2016 quarter was 26.74 million pounds copper and 18,213 ounces gold, increases of 14% and 25% respectively compared to the first quarter of 2016. The mill achieved an average throughput of 28,971 tonnes per day, and the mine moved an average of 75,002 tonnes of material per day during the second quarter of 2016. The bulk of the mill feed (approximately 77%) was mined from the Main zone, with higher grade East zone ore providing the remainder of the mill feed. The ore grade averaged 0.59% copper and 0.40g/t gold for the quarter. Metal recoveries averaged 78.34% copper and 53.77% gold, down slightly from the 79.10% and 54.72% achieved for copper and gold respectively in the first quarter of 2016. Metal recoveries were negatively impacted by near surface (higher clay content) ore delivered from a Main zone pushback which made up about 24% of the feed during the June quarter, compared to 0% in the first quarter of 2016.

Lab test work and plant trials using several different reagents to increase copper recovery are underway. Throughput for July averaged 30,638 tonnes per day. Recoveries continued to be impacted by the high clay content of the near surface Main zone ore being mined in the Phase 3 pushback, which made up the majority (85%) of the mill feed in July.

At the tailings storage facility ("TSF") work on the North Dam continues and is approximately 33% complete, and the initial work on the South Reclaim Dam has started along with other work required to begin construction on the South Dam. Permitting for the South Dam is progressing, and we expect to be able to start work on it before the end of August. We are targeting the completion of construction at the TSF by October 15, 2016.

Red Chris Production	Three Months Ended June 30		Six Months Ended June 30	
	2016	2015	2016	2015(1)
Ore milled - tonnes	2,636,332	1,851,608	4,780,129	2,667,379
Ore milled per calendar day - tonnes	28,971	19,906	26,264	20,347
Grade % - copper	0.587	0.502	0.606	0.484
Grade g/t - gold	0.400	0.238	0.391	0.243
Recovery % - copper	78.34	61.88	78.78	62.03
Recovery % - gold	53.77	31.94	54.49	31.87
Copper – *000's pounds*	26,737	12,677	50,242	17,397
Gold – ounces	18,213	4,533	32,772	6,644
Silver – ounces	66,054	18,721	122,435	25,742

(1) production from February 17 to June 30, 2015

Exploration, development and capital expenditures were $11.0 million in the June 2016 quarter compared to $31.3 million in the 2015 comparative quarter. Included in this amount was capitalized interest of $nil in the June 2016 quarter compared to $13.0 million in the 2015 comparative quarter.

Mount Polley Mine

Over the past two years, Mount Polley management and staff have worked tirelessly in close cooperation with regulatory agencies, First Nations and members of the local communities, to repair and buttress the TSF following the Best Applicable Practices identified in the Independent Expert Engineering Investigation and Review Panel report. On June 23, 2016 Mount Polley received the necessary authorizations from the Ministry of Energy and Mines and the Ministry of Environment, to return to normal mine operations, making use of its repaired and buttressed TSF. Work on raising the minimum elevation to the perimeter embankment from 950 metres to 963.5 metres has begun, with a targeted completion of the end of October 2016.

During the past two years, Mount Polley has completed significant rehabilitation of the impacted areas, and will continue necessary rehabilitation and monitoring of those areas. Work on returning of the upper portion of Hazeltine Creek to fish habitat has begun. Research and monitoring to date indicates the environment is recovering rapidly. No long lasting impacts are anticipated at this time. The Company has also initiated legal proceedings for the recovery of losses related to the tailings dam breach at Mount Polley mine.

During the second quarter of 2016, the Mount Polley mine treated 1.57 million tonnes ore, and produced 5.31 million pounds copper and 9,476 ounces gold. The average ore grade for the second quarter 2016 was 0.22% copper and 0.28 g/t gold compared to 0.31% copper and 0.33 g/t gold in the first quarter of 2016. Lower head grades resulted in lower metal recoveries averaging 68.33% copper and 67.62% gold , compared to 70.31% copper and 71.52% gold achieved in the first quarter of 2016. Grades were lower as underground operations in the Boundary zone supplied 55,582 tonnes grading 0.91% copper and 0.55 g/t gold, down from 91,881 tonnes grading 1.73% copper and 1.10 g/t gold. A fill cycle in the main boundary stope was completed during the quarter and production from the underground operation is targeted to increase in the third quarter.

Mount Polley Production	Three Months Ended June 30		Six Months Ended June 30	
	2016	2015(1)	2016	2015(1)
Ore milled - tonnes	1,573,542	-	3,282,690	-
Ore milled per calendar day - tonnes	17,292	-	18,037	-
Grade % - copper	0.224	-	0.268	-
Grade g/t - gold	0.277	-	0.304	-
Recovery % - copper	68.33	-	69.52	-
Recovery % - gold	67.62	-	69.82	-
Copper – *000's pounds*	5,314	-	13,493	-
Gold – ounces	9,476	-	22,389	-
Silver – ounces	17,104	-	52,135	-

(1) production resumed August 5, 2015

Exploration, development, and capital expenditures were $13.2 million in the June 2016 quarter compared to $17.4 million in the 2015 comparative quarter.

Huckleberry Mine

Huckleberry mine production for the second quarter of 2016 quarter was in-line with targets. Throughput averaged 19,426 tonnes per day, and 7.71 million pounds copper were produced. Imperial's share of Huckleberry production was 3.86 million pounds copper. The copper grade averaged 0.23% and copper recovery was 87.6%. Milling of the stockpiles will continue until August 31, at which time it is planned that operations will be suspended and the mine placed on care and maintenance pending an increase in the price of copper.

Huckleberry Production(1)	Three Months Ended June 30		Six Months Ended June 30	
	2016	2015	2016	2015
Ore milled - tonnes	1,767,724	1,726,751	3,538,449	3,293,245
Ore milled per calendar day - tonnes	19,426	18,975	19,442	18,195
Grade % - copper	0.226	0.338	0.234	0.342
Recovery % - copper	87.6	89.3	87.7	89.0
Copper – *000's pounds*	7,713	11,493	15,991	22,120
Gold – ounces	702	886	1,483	1,681
Silver – ounces	40,224	57,226	79,031	111,198

(1) production stated 100% - Imperial's allocation is 50%

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 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 have been written into the document by the BLM for final approval.

One comment generated from the Environmental Assessment from the State of Nevada identified the need for the Sterling mine to obtain a Public Water Utility permit. An engineering company has been commissioned to establish the scope and cost of providing a potable water system that will meet the state's requirements to obtain a Public Water Utility permit.

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.

Exploration and development expenditures at Sterling were $nil in the June 2016 quarter compared to under $0.1 in the 2015 comparative quarter.

Derivative Instruments

In the June 2016 quarter the Company recorded net gains on derivative instruments of $0.4 million compared to net losses of $3.1 million in the 2015 comparative quarter. The $0.4 million gain in the June 2016 quarter consisted of a $0.4 million unrealized gain on the foreign currency swaps. In the 2015 comparative quarter the $3.1 million loss consisted of realized gains of $0.7 million or gold derivative instruments, unrealized losses of $1.4 million for gold derivative instruments and unrealized losses of $2.4 million on the foreign currency swap. 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 June 30, 2016 or at the date of this document.

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. The target for 2016 production at Mount Polley is 27-29 million pounds copper and 48-52 thousand ounces gold. No target has been established for Huckleberry as it 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 June 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 several exploration properties located in Canada. However, the Company's focus is currently to minimize exploration expenditures on non-core projects. Only minimum exploration work is being undertaken on all projects.

Development

At Red Chris work continues to optimize the operation of our newest mine. Copper recovery has improved and averaged 78.8% for the first half of 2016 compared to 73.3% in the second half of 2015. Efforts to improve copper recovery continue. Copper and gold production in the month of May 2016 of 10.0 million pounds copper and 6,993 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, and this work is expected to include drilling of approximately five 1,100 metre long diamond drill holes to confirm the geological and geotechnical conditions in the vicinity of the conceptual block cave.

Mount Polley obtained the permits required to return to normal operations using the repaired and buttressed TSF, which is now being used to store tailings. Water levels in the Springer pit are going down as treated water is being discharged from the site. Currently, milling operations are benefiting from the supply of higher grade tonnes from underground mining in the Boundary zone. Also, an exploration ramp from the underground Boundary zone workings is being driven to provide access for underground diamond drilling to further define the Martel zone for potential underground mining.

In response to lower copper prices, Huckleberry suspended open pit operations in January 2016, while continuing to mill stockpiles. Huckleberry will suspend milling operations and enter care and maintenance at the end of August.

Detailed Second Quarter Report financial information is available on *imperialmetals.com* and *sedar.com.*

An Earnings Announcement Conference Call
is scheduled for August 12, 2016 at 10:00am PDT | 11:00am MDT | 1:00pm EDT

Management will discuss the Company's 2016 Second 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 1:00pm on August 19, 2016)
by dialing 888.390.0541 or 416.764.8677 | playback passcode 165169#

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 June 30, 2016, and plans for the future based on facts and circumstances as of August 10, 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 and production targets; costs and timing of current and proposed exploration and development; marketing; capital expenditures; future expenses and scope relating to timing of ongoing rehabilitation activities at the Mount Polley mine; use of proceeds from credit facilities and other sources of financing; 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 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 copper recovery, the results of exploratory drilling to further define geological and geotechnical conditions in the vicinity of a conceptual block cave, and completion targets related to construction at the tailings storage facility at the Red Chris mine; expectations relating to production and copper recovery from underground mining operations, and completion targets for raising the tailings storage facility's perimeter embankment minimum elevation from 950 metres to 963.5 metres at the Mount Polley mine; expectations relating to the suspension of operations at the Huckleberry mine and the placement of that mine into care and maintenance on August 31, 2016 pending an increase in the price of copper; 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; that the Company's rehabilitation activities at Mount Polley will be successful in the long term; that all required permits, approvals and arrangements to proceed with planned rehabilitation at the Mount Polley mine 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 and the Mount Polley 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; 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; 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 at the Mount Polley mine and the planned raise of the tailings storage facility's perimeter embankment minimum elevation from 950 metres to 963.5 metres; 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, and/or pursuing recovery of its losses through, 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 June 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.