

Imperial Provides Update on Red Chris 2020 Production and Exploration Programs

Vancouver | **January 27, 2021** | **Imperial Metals Corporation** (the “Company”) (TSX:III) reports that the total 2020 metals production for the Red Chris mine was 88.3 million pounds copper and 73,787 ounces gold. Copper and gold production increased 22.9% and 102.9% respectfully, compared to 71.9 million pounds copper and 36,471 ounces gold produced in 2019. The increased 2020 metal production was driven mainly by higher grades, with the copper grade up 28% and the gold grade up 84% from 2019 levels. Gold recovery increased substantially from 44.5% in 2019 to 54.2% in 2020. Mill throughput for the year decreased about 11% with the rate averaging 25,634 tonnes per day.

Red Chris production (100%) for the 2020 fourth quarter was 17.2 million pounds copper and 16,251 ounces gold compared to 22.2 million pounds copper and 18,052 ounces gold in the 2020 third quarter. The reduction was largely a result of lower throughput rates, with 2.185 million tonnes milled in the fourth quarter compared to 2.777 million tonnes in the prior third quarter. Mill throughput in the period was impacted by continued unseasonal rain followed by cold weather causing material handling issues. These impacts were partially offset by higher gold grade and improved gold recovery (55.5% versus 50.8%).

Red Chris is planning to implement several additional improvement initiatives across the site including a new fleet management system, replacement of the conventional CAT 793 truck boxes with high performance trays to realize payload benefits, along with a number of throughput and recovery related projects in the processing plant including installation of an additional cleaner column cell in the plant.

Imperial’s 30% portion of Red Chris production for 2020 was 26.5 million pounds copper and 22,136 ounces gold.

Metal production guidance (100%) provided by Newcrest for the period July 1, 2020 to June 30, 2021 is in the range of 55.1 to 66.1 million pounds copper and 45 to 55 thousand ounces gold.

Exploration Update

In the 2020 fourth quarter there were up to eight diamond drill rigs in operation. A further 18,063 metres of drilling were completed from 15 drill holes. All drill holes intersected mineralization, except four which were dedicated geotechnical holes. Since August 2019, a total of 104,435 metres have been drilled from 88 drill holes.

Significant Red Chris Intercepts:

Drill Holes	From (m)	To (m)	Width (m)	Gold (g/t)	Copper (%)
RC664	762	1100	338	0.58	0.51
including	778	932	154	0.91	0.70
including	794	848	54	1.2	0.82
RC666	476	670	194	0.62	0.46
including	592	668	76	1.2	0.75
including	604	666	62	1.4	0.78
RC670	446	732	286	0.35	0.32
including	636	708	72	0.79	0.57

Drilling in the East zone continues to confirm the footprint of the western high grade pod with the results from step-out hole RC664, located 100 metres below RC616. Drill hole RC664 returned 338 metres grading 0.58 g/t gold and 0.51% copper from 762 metres, including 154 metres grading 0.91 g/t gold and 0.70% copper from 778 metres. Drilling to define the extent and continuity of this high grade pod within the larger footprint of the overall porphyry system is now complete and all results returned.

Drilling has confirmed the potential for additional high grade mineralization south of the South Boundary Fault to the east of the East zone pit. This is a significant discovery that has the potential to expand the known area of the Red Chris Porphyry system, as the South Boundary Fault has historically been assumed to define the southern extent of mineralization. Results

from RC646, which extended across the fault, returned 606 metres grading 0.37 g/t gold and 0.33% copper from 488 metres, including 70 metres grading 0.58 g/t gold and 0.51% copper from 710 metres. This interval also includes 22 metres located to the south of the fault grading 1.0 g/t gold and 0.62% copper from 858 metres. Drilling to define the extent and continuity of this mineralization on the southern side of the South Boundary Fault is underway.

Drill hole RC666, located between the Main zone pit and the Gully zone, has intersected a new zone of higher grade mineralization approximately 100 metres west of the Main zone pit. RC666 intersected 194 metres grading 0.62 g/t gold and 0.46% copper from 476 metres, including 76 metres grading 1.2 g/t gold and 0.75% copper from 592 metres. Results from RC670, which followed up historical results beneath the Main zone pit, returned 286 metres grading 0.35 g/t gold and 0.32% copper from 446 metres, including 72 metres 0.79 g/t gold and 0.57% copper from 636 metres. Drilling to define the extent and continuity of this mineralization is underway. This drilling confirms the potential for outlining additional mining areas both beneath the Main zone pit, and to the west between the Main zone pit and the Gully zone.

After a holiday break, drilling restarted in January and there are currently four diamond drills operating at site.

Jim Miller-Tait, P.Geo., Imperial VP Exploration, is the designated Qualified Person as defined by National Instrument 43-101 for the Red Chris exploration program and has reviewed this news release. Red Chris samples for the 2020 drilling reported were analysed at Bureau Veritas Mineral Laboratories in Vancouver. A full QA/QC program using blanks, standards and duplicates was completed for all diamond drilling samples submitted to the labs. Significant assay intervals reported represent apparent widths. Insufficient geological information is available to confirm the geological model and true width of significant assay intervals.

Cross section and plan view maps are available on imperialmetals.com.

Newcrest Red Chris Mining Limited ("NRC") is operator of the Red Chris Joint Venture (Newcrest 70%; Imperial 30%).

"Newcrest Mining Limited has implemented and maintained measures to reduce and mitigate the risks of the COVID-19 pandemic to its project workforce and key stakeholders. Potential impacts of the COVID-19 pandemic on the drilling activity at all of Newcrest's exploration projects are being actively managed. There have been no confirmed cases of COVID-19 at Newcrest's exploration projects."

About Imperial

Imperial is a Vancouver based exploration, mine development and operating company. The Company, through its subsidiaries, owns a 30% interest in the Red Chris mine, and a 100% interest in both the Mount Polley and Huckleberry copper mines in British Columbia. Imperial also holds a 45.3% interest in the Ruddock Creek lead/zinc property.

Company Contacts

Brian Kynoch | President | 604.669.8959

Darb Dhillon | Chief Financial Officer | 604.488.2658

Jim Miller-Tait | Vice President Exploration | 604.488.2676

Sabine Goetz | Shareholder Communications | 604.488.2657 | investor@imperialmetals.com

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this news release are not statements of historical fact and are "forward-looking" statements. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements regarding the Company's expectations and timing with respect to current and planned drilling programs at Red Chris, including plans to define the extent and continuity of the mineralization on the southern side of the South Boundary Fault and to confirm the potential for outlining additional mining areas near the Main zone pit and Gully zone, statements regarding the implementation of improvement initiatives at the Red Chris mine site and expectations regarding Red Chris metal production for the period July 1, 2020 to June 30, 2021.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "outlook", "budget", "scheduled", "estimates", "forecasts", "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", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In making the forward-looking statements in this release, the Company has applied certain factors and assumptions that are based on information currently available to the Company as well as the Company's current beliefs and assumptions. These factors and assumptions and beliefs and assumptions include, the risk factors detailed from time to time in the Company's interim and annual

financial statements and management’s discussion and analysis of those statements, all of which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended, many of which are beyond the Company’s ability to control or predict. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and all forward-looking statements in this news release are qualified by these cautionary statements.