

Mount Polley Remediation Update

Vancouver – **October 22, 2014** | **Imperial Metals Corporation (“Imperial”)(TSX-III)** reports on the recovery efforts related to the August 4 tailings impoundment breach at its Mount Polley mine. The initial response and recovery phase has been substantially completed and crews have commenced rehabilitation and restoration activities.

Response and Recovery Phase

The initial response to the tailings impoundment breach included a program to secure the remaining tailings within the impoundment, reduce the water level in Polley Lake, and clean up woody debris deposited in Quesnel Lake.

1. *Tailings Security*: A rock berm was constructed upstream of the breach area to secure the remaining tailings. Additional rock berms were also placed inside the tailings impoundment to further secure the remaining tailings and establish sumps to collect water.
2. *Polley Lake Water Level Reduction*: Approximately 6 million cubic metres of water flowed into Polley Lake from the breach and was trapped when the outlet to the lake was plugged. The resulting lake level was 1.7 metres higher than it had been prior to the breach. Eight pumps were installed to pump water out of Polley Lake, around the plug and into Hazeltine Creek through two pipelines. Polley Lake has now been returned to near pre-breach level and is now only pumped as required to maintain the level.
3. *Quesnel Lake Wood Recovery*: The flow path of the water and tailings dislodged and deposited trees and bushes in Quesnel Lake, posing a navigational hazard. On August 4 a team was formed, led by local contractors working with two boom boats, a barge and four smaller support craft. Floating wood was secured, following which, crews began the cleanup of beached debris. The wood recovery cleanup is expected to be completed by mid-November.

These recovery efforts and related safety issues, which are now largely complete, were required to be conducted prior to Imperial proceeding with the rehabilitation and restoration phase. Where possible, Imperial initiated some restoration work concurrent to the recovery efforts.

Environmental Monitoring

The Mount Polley environmental monitoring program has been ongoing since the tailings impoundment breach. The data collection program includes water chemistry at sampling stations at multiple water depths in Quesnel Lake, and has confirmed the water is safe to drink and is not toxic to aquatic life. Water quality information has been communicated to the local community and stakeholders on a regular basis. The program also includes geochemical, physical limnology and biological testing. This program will continue for the foreseeable future.

Causation Review

Geotechnical work is currently underway to determine the root cause of the tailings impoundment breach. This work program includes mapping, geophysical surveys, drilling, test pitting and testing and analysis of samples from these field activities. The data collection phase of the review is expected to continue until mid-November. The government-appointed panel is to deliver a report on their findings by January 31, 2015.

Rehabilitation and Restoration Phase

Imperial has assembled a group of experts with global experience to carry out a program of rehabilitation and restoration in the areas affected by the breach.

1. *Hazeltine Creek*: The Gavin Lake Road and Ditch Road bridges over Hazeltine Creek have both been repaired. Rehabilitation of Hazeltine Creek will include reconstruction of the channel, and restoration of riparian habitat along the creek banks. Construction of a set of sedimentation ponds has commenced in the lower reaches of Hazeltine Creek to remove suspended solids from the water before it enters into Quesnel Lake. A revegetation program will be implemented to reestablish a productive ecosystem, and for water management in order to control sedimentation. An initial seeding of fast germinating grasses was completed on all exposed areas in Hazeltine Creek. The rehabilitation will include the establishment of spawning and rearing habitat for fish.

2. *Polley Lake*: The outlet of Polley Lake will also be restored to reconnect Polley Lake to Hazeltine Creek. This will be completed by building a new channel with consideration for access by fish from Polley Lake to spawn in the upper reaches of Hazeltine Creek.

Communications

Imperial's stakeholder communications outreach has resulted in seven public meetings in the community of Likely and four First Nation community meetings to date. In addition, Imperial has hosted tours of the mine and surrounding area for stakeholders, and has met one on one with impacted residents and other local groups. The Williams Lake Indian Band and Soda Creek Indian Band have provided an invaluable partnership during this time, supplying workers and contracting partners on a timely basis. Communication with stakeholders is ongoing.

General

Imperial maintains its resolve to mitigate the effects of the breach and restore the tailings impoundment, Polley Lake and Hazeltine Creek. Imperial continues to work closely with regulators, the community and First Nation partners to facilitate these plans. The matter of operations resumption will not be addressed until after the results of the geotechnical investigations are received.

Additional information on Mount Polley remediation progress is available at www.imperialmetals.com.

About Imperial

Imperial is an exploration, mine development and operating company based in Vancouver, British Columbia. The Company operates the Mount Polley copper/gold mine in British Columbia and the Sterling gold mine in Nevada. Imperial has 50% interest in the Huckleberry copper mine and has 50% interest in the Ruddock Creek lead/zinc property, both in British Columbia. Imperial is in development of its wholly owned Red Chris copper/gold property in British Columbia.

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Cautionary Note Regarding "Forward-Looking Information"

This news release contains statements which constitute, or may be deemed to constitute, "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 news release includes, without limitation, statements regarding Imperial's expectations regarding the timing for completion, outcome and impact of ongoing recovery, remediation, rehabilitation and restoration activities at its Mount Polley mine.

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 Imperial operates, including assumptions that Imperial will be able to advance and complete recovery, remediation, rehabilitation and restoration activities within expected timeframes; that results from testing and analysis of water and geotechnical samples will not yield results that will significantly delay or otherwise materially impact the expected timeframes for completion of remediation and restoration of the mine and the recommencement of operations at the mine; that Imperial's initial recovery activities have been successful as planned; that all required permits, approvals and arrangements to proceed with planned remediation and restoration will be obtained in a timely manner; that there will be no interruptions that will materially delay Imperial's progress with its remediation plans; and that Imperial will have access to capital if required. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

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: 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 remediation plan; risks relating to timing of the remaining costs and liabilities relating to the tailings dam breach; uncertainty as to actual timing of completion of recovery, remediation and restoration activities and the recommencement of commercial operations at the Mount Polley mine; risks relating to the impact of the tailings dam breach on Imperial's reputation; risks of business activity interruption due to protest and civil disobedience, equipment failure, labour unrest, power shortages, natural phenomena such as weather conditions negatively impacting the progress of remediation; and other hazards and risks found in Imperial's Management's Discussion and Analysis for the year ended December 31, 2013 and other public filings which are available on Imperial's profile on SEDAR at www.sedar.com and read in the context of Imperial's remediation activities at Mount Polley. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Imperial does not undertake to update any forward looking information, except in accordance with applicable securities laws.