Imperial Reports 2014 Second Quarter Financial Results and Financing

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 14, 2014) - **Imperial Metals Corp.** **(TSX:III)** - reports comparative financial results for the second quarter period ending June 30, 2014.

Revenues were $51.1 million in the June 2014 quarter compared to $41.3 million in the comparative 2013 quarter. Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rate, and period end revaluations of revenue attributed to concentrate shipments where copper price will settle at a future date. The increase in revenue in the June 2014 quarter over the comparative 2013 quarter is due to a larger quantity of copper shipped and slightly lower gold shipped, offset by lower copper and gold prices. The lower metal prices were offset by a weaker Canadian dollar. There were two concentrate shipments in the June 2014 quarter compared to two shipments in the comparative 2013 quarter.

The London Metals Exchange cash settlement copper price per pound averaged US$3.08 in the June 2014 quarter compared to US$3.24 in the June 2013 quarter. The London Metals Exchange cash settlement gold price per troy ounce averaged US$1,289 in the June 2014 quarter compared to US$1,413 in the June 2013 quarter. The CDN Dollar compared to the US Dollar averaged about 6.6% lower in the June 2014 quarter than in the June 2013 quarter. In CDN Dollar terms the average copper price in the June 2014 quarter was CDN$3.36 per pound compared to CDN$3.31 per pound in the June 2013 quarter and the average gold price in the June 2014 quarter was CDN$1,406 per ounce compared to CDN$1,428 per ounce in the June 2013 quarter.

Revenue in the June 2014 quarter was decreased by a $0.7 million negative revenue revaluation compared to a negative revenue revaluation of $5.2 million in the June 2013 quarter. Negative revenue revaluations are the result of the copper price on the settlement date and/or the current period balance sheet date being lower than when the revenue was initially recorded or the copper price at the last balance sheet date. The copper price started the quarter at US$3.01 per pound and ended the quarter at US$3.08 per pound.

Income from mine operations increased to $17.5 million from $13.3 million in the June 2013 quarter as result improved contribution margins from mine operations.

Net income for the June 2014 quarter was $15.2 million ($0.20 per share) compared to net income of $7.5 million ($0.10 per share) in the comparative June 2013 quarter. In addition to variances in revenues and income from mine operations described above, variations in net income period over period are predominately attributable to movements in foreign exchange and realized and unrealized gains and losses on derivative instruments and taxes.

In the June 2014 quarter net income benefitted from net foreign exchange gains of $13.2 million compared to foreign exchange losses of $0.9 million in the comparative 2013 quarter. The current quarterly net foreign exchange gain is primarily attributable to US denominated long term debt reflecting the foreign currency movements in the quarter compared to the foreign exchange rate when the debt was entered incurred. The net impact of the $13.2 million foreign exchange gain is comprised of a $12.0 million gain on the senior notes, a $1.6 million gain on long term equipment loans, and losses of $0.4 million on operational items. The average CDN/US Dollar exchange rate in the June 2014 quarter was 1.091 compared to an average of 1.023 in the June 2013 quarter.

In the June 2014 quarter the Company recorded losses on derivative instruments of $7.4 million compared to gains of $1.1 million in the June 2013 quarter. In the June 2014 quarter the Company recorded an unrealized loss of $5.2 million on the foreign currency swap entered into during the March 2014 quarter due to a decrease in the CDN/US Dollar exchange rate compared to the price in the derivative contract. The decrease in the copper and gold price compared to the price in the derivative contracts resulted in a $2.2 million loss for copper and gold derivative instruments in the June 2014 quarter compared to a $1.1 million gain in the June 2013 quarter.

The Company recorded $1.4 million as its equity share of Huckleberry's net income during the June 2014 quarter compared to $2.3 million equity income in the June 2013 quarter. The lower net income was the result of the temporary shutdown of the Huckleberry milling facility for a part of the quarter as a result of the bull gear failure in March 2014.

Income and mining tax expense increased by $1.6 million in 2014 from 2013 due to higher income before taxes excluding equity income from Huckleberry. The income and mining tax expense was higher during the June 2013 quarter due a $2.3 million adjustment to deferred income taxes resulting from the British Columbia provincial income tax rate increasing from 10% to 11%.

Cash flow increased to $21.5 million in the June 2014 quarter from $16.0 million in the June 2013 quarter. Cash flow is a measure used by the Company to evaluate its performance, however, it is not a term recognized under IFRS in Canada. 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. 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 $141.8 million in the June 2014 quarter, up from $83.2 million in the June 2013 quarter. The expenditures in the June 2014 quarter were financed by cash flow from the Mount Polley mine and from long term debt. At June 30, 2014 the Company had $7.0 million in cash (December 31, 2013-$3.1 million). The Company had no short term debt at June 30, 2014 (December 31, 2013-$132.4 million) as this was all repaid from the long term financing arrangements for the Red Chris project. Refer to Note 10 of the June 30, 2014 condensed consolidated interim financial statements for details of the Company's long term financings.

Selected quarterly financial information

[expressed in thousands, except share amounts]	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Total Revenues	$51,066	$41,317	$102,401	$92,183
Net Income	$15,213	$7,541	$21,070	$18,162
Net Income per share	$0.20	$0.10	$0.28	$0.24
Diluted Income per share	$0.20	$0.10	$0.28	$0.24
Adjusted Net Income (1)	$8,899	$5,968	$15,798	$16,185
Adjusted Net Income per share (1)	$0.12	$0.08	$0.21	$0.22
Adjusted EBITDA(1)	$23,567	$18,043	$43,251	$36,545
Working Capital Deficiency (2)	($32,386)	($154,191)	($32,386)	($154,191)
Total Assets	$1,231,863	$722,159	$1,231,863	$722,159
Total Long Term Debt (including current portion)	$561,829	$42,866	$561,829	$42,866
Cash dividends declared per common share	$0.00	$0.00	$0.00	$0.00
Cash Flow (1)	$21,494	$16,036	$41,811	$32,487
Cash Flow per share (1)	$0.29	$0.22	$0.56	$0.44

(1) Refer to heading Non-IFRS Measures below for further details.
(2) Defined as current assets less current liabilities. The working capital deficiency at June 30, 2014 includes $54,628 of Red Chris capital expenditures which will be financed by long term debt and cash flow from operations.

non-ifrs 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 under the heading Non-IFRS measures in the MD&A for the year ended December 31, 2013. 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 net income in the June 2014 quarter was $8.9 million ($0.12 per share) compared to $6.0 million

($0.08 per share) in the June 2013 quarter. Adjusted net income shows the financial results excluding the effect of items not settling in the current period. Adjusted net income is calculated by removing the gains or losses, net of related income taxes, resulting from mark to market revaluation of derivative instruments not related to the current period, net of taxes, and unrealized foreign exchange gains or losses on non-current debt, net of tax, as further detailed below.

Calculation of Adjusted Net Income

[expressed in thousands, except share amounts]	Three Months Ended June 30	
	2014	2013
Net income as reported	$15,213	$7,541
Unrealized loss (gain) on derivative instruments, net of tax [a]	5,511	(1,573)
Unrealized foreign exchange gain on non-current debt, net of tax [b]	(11,825)	-
Adjusted Net Income	$8,899	$5,968
Adjusted Net Income Per Share	$0.12	$0.08

(a) Derivative financial instruments are recorded at fair value on the Company's Statement of Financial Pos taxes, including the Company`s 50% share of derivative instruments of Huckleberry flowing through net may be materially different than reflected in the financial statements due to changes in prices of the und hedged.

(b) Non-current debt is recorded on the Company's Statement of Financial Position at the foreign exchange in foreign exchange rates, net of taxes, flowing through net income. The amounts of non-current debt u different than reflected in the financial statements due to foreign currency movements.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) before interest expense, taxes and depletion and depreciation and as adjusted for the other items described in the reconciliation table below.

Adjusted EBITDA is not necessarily comparable to similarly titled measures used by other companies. We believe that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about certain non-cash or unusual items that we do not expect to continue at the same level in the future, or other items that we do not believe to be reflective of our ongoing operating performance. We further believe that our presentation of this non-IFRS financial measure provides information that is useful to investors because it is an important indicator of our operations and the performance of our core business.

Adjusted EBITDA is not a measurement of operating performance or liquidity under IFRS and should not be considered as a substitute for earnings from operations, net income or cash generated by operating activities computed in accordance with IFRS. Adjusted EBITDA has limitations as an analytical tool and therefore Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

A reconciliation of net income to Adjusted EBITDA is as follows:

Adjusted EBITDA

[expressed in thousands]	Three Months Ended June 30		
	2014	2013	2014
Net Income [a]	$15,213	$7,541	$21,070
Adjustments:			
Income and mining tax expense	7,601	6,044	11,815
Interest expense	-	18	-
Depletion and depreciation	6,126	4,076	12,623
Accretion of future site reclamation provisions	166	69	323
Unrealized losses (gains) on derivative instruments	7,413	(1,074)	9,514
Share based compensation	225	489	447
Foreign exchange (gains) losses	(13,167)	612	(12,629)
Revaluation on marketable securities	66	288	153
Gains on sale of mineral properties	(76)	(20)	(65)
Adjusted EBITDA[a]	$23,567	$18,043	$43,251

(a) Net income and Adjusted EBITDA includes our 50% portion of the net income from Huckleberry to reflect our adopti are not able to control the timing and amount, if any, of cash distributions that Huckleberry may make to Imperial.

Cash Flow and Cash Flow per Share

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 period.

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 two copper producing mines, Mount Polley and Huckleberry, and on a composite basis for these two mines.

The method of calculating the cash cost per pound of copper produced are described in detail under the heading Non-IFRS measures in the MD&A for the year ended December 31, 2013.

The following tables reconcile cost of sales as shown on the consolidated statement of comprehensive income to the cash cost per pound of copper produced in US Dollars:

Estimated Cash Cost per Pound of Copper Produced

[expressed in thousands]	Three Months Ended June 30, 2014		
	Huckleberry 100%	Mount Polley	Composite*
Cash cost of copper produced in US$	$18,951	$12,024	$21,500
Copper produced - lbs	*9,198*	*11,980*	*16,579*
Cash cost per lb copper produced in US$	$2.06	$1.00	$1.30

	Three Months Ended June 30, 2013		
	Huckleberry 100%	Mount Polley	Composite*
Cash cost of copper produced in US$	$22,357	$7,235	$18,414
Copper produced - lbs	*10,681*	*10,037*	*15,378*
Cash cost per lb copper produced in US$	$2.09	$0.72	$1.20

*Mount Polley plus 50% of Huckleberry

Derivative Instruments

In the three month period ending June 30, 2014 the Company recorded losses of $7.4 million on derivative instruments, comprised of a $5.3 million loss related to the CDN/US currency swap and a $2.1 million loss on copper and gold derivatives. This compared to gains of $1.1 million in the June 2013 quarter only for copper derivatives. These gains and losses 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. These amounts include realized gains of under $0.1 million in the June 2014 quarter and no realized gains or losses in the June 2013 quarter. The Company has not applied hedge accounting for it 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 utilizes a variety of derivative instruments including the purchase of puts, forward sales 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 rated compared to the copper and gold prices and CDN/US exchange rate at the time when these contracts were entered into and the type and length of time to maturity of the contracts.

Unrealized derivative instruments for Mount Polley cover about 33% of the estimated copper settlements via min/max zero cost collars and 50% of the estimated gold settlements via min/max zero cost collars through December 2014. The estimated settlements reflect production to August 4, 2014. In addition Mount Polley has hedged 36,000 ounces of gold for 2015 which can be allocated to the production expected from the Red Chris mine.

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 June 30, 2014 CDN/US Dollar exchange rate the Company had an unrealized loss of $8.1 million on the derivative instruments related to the swap. This loss was offset by an unrealized foreign exchange gain of $12.0 million on the revaluation of the US$325.0 million principal amount of the Notes.

Future changes in the CDN/US Dollar exchange rate could have a material impact on the derivative instruments related to the swap however a significant portion of this gain or loss will be offset by the foreign exchange gain or loss on the Notes.

DEVELOPMENTS DURING THE JUNE 2014 QUARTER

Mount Polley Mine operations

Production	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Ore milled - tonnes	2,129,768	2,007,735	3,837,139	3,977,644
Ore milled per calendar day - tonnes	23,404	22,063	21,200	21,976
Grade % - copper	0.333	0.306	0.315	0.287
Grade g/t - gold	0.254	0.271	0.256	0.263
Recovery % - copper	76.65	74.06	75.73	72.54
Recovery % - gold	68.15	68.32	67.80	66.12
Copper - lbs	11,979,681	10,035,328	20,196,125	18,242,816
Gold - oz	11,867	11,932	21,398	22,244
Silver - oz	33,813	33,162	58,882	61,866

Mount Polley 2014 second quarter production totalled 12.0 million pounds copper, 11,867 ounces gold and 33,813 ounces gold, compared to 10.0 million pounds copper, 11,932 ounces gold and 33,162 ounces silver produced in the comparative 2013 quarter. The annual average mill throughput for the second quarter was 23,404 tonnes per day compared to 22,063 tonnes per day in the comparative 2013 quarter.

Open pit mining activity for the 2014 second quarter continued to focus on providing mill feed from the Springer Phase 3 pit, while stripping the Cariboo pit. Mining in both the Springer and Cariboo pits continued with the planned completion of Springer Phase 3 by the end of the year, and transition of mill feed to the Cariboo pit in the 2014 fourth quarter, however the tailings dam breach will result in the loss of mine production for an indeterminate period of time.

Mining productivity increased in the second quarter with a total of 9,396,162 tonnes, or 103,255 tonnes per day mined from the pits.

The underground mine achieved significant milestones in the second quarter, with the completion of the ventilation system and the underground blasting infrastructure. The first production blasts were shot in May in the Boundary zone "A" stopes. Production levels made steady increases through the quarter with approximately 16,000 tonnes mined in June. In June, mine activities shifted to focus primarily on hauling ore. Blasthole and definition drilling continued throughout the quarter, by both Boart Longyear and Mount Polley personnel.

Huckleberry Mine operations

Production*	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Ore milled - tonnes	1,384,384	1,538,687	2,281,449	3,019,356
Ore milled per calendar day - tonnes	15,213	16,909	12,605	16,682
Grade % - copper	0.334	0.343	0.324	0.335
Recovery % - copper	90.2	91.8	90.3	91.3
Copper - lbs	9,197,618	10,681,105	14,700,502	20,361,072
Gold - oz	744	791	1,197	1,501
Silver - oz	50,951	60,444	81,386	118,316

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

Throughput for the 2014 second quarter averaged 15,213 tonnes per calendar day, down from the 16,909 tonnes achieved in the comparative 2013 quarter due.

Huckleberry mill operations resumed April 5, 2014 and during the 2014 second quarter mill throughput returned to its original 700-800 tonnes per operating hour. To enable the SAG mill to be restarted, the damaged teeth on the bull gear were re-profiled to reduce their load, the north pinion gear was replaced with a spare, and the rotation of the mill motors was reversed. A replacement bull gear and two pinion gears for the SAG mill have been ordered and are expected to arrive on-site late this year. Until then, monthly inspections are being performed to monitor the status of the damaged teeth on the bull gear.

Forecast production for 2014 from Huckleberry was 42.0 million pounds copper and 200,000 ounces silver, but as a result of the milling time lost, the revised production estimate is approximately 36.0 million pounds copper and 175,000 ounces silver.

Red Chris Construction Update

The BC Hydro 287kv Northwest Transmission Line (NTL) was energized between the Skeena and Bob Quinn substations on July 15, 2014. Construction by the Company of the Iskut extension of the NTL from Bob Quinn to Tatogga continues to progress. At present, all foundations are installed and only 2 of the 263 total structures remain to be erected. Conductor stringing activities were delayed by the delivery of faulty implosion sleeves. These sleeves are used to splice the conductor and dead end assemblies at the towers. The redesigned implosion sleeves were delivered at the end of July. Stringing operations are now approximately 1/3 complete. The conductor stringing, sagging and clipping is planned through August and September.

The 16 kilometre 287kv power line from Tatogga to the mine site is complete. The 25kv site distribution power line is complete except for tie-ins to transformers. On-site construction at Red Chris is well advanced. Interior steel, mechanical installation, and the tailings and reclaim water systems are 93% complete. Piping and electrical work has progressed 70% and is expected to be completed on time for the commissioning and start-up of milling operations at Red Chris. Pre-commissioning activities for the crusher and conveyors will be commencing next week. Mining operations have commenced at Red Chris with the first excavation of ore grade material from the East zone. This material is being stockpiled for commencement of milling operations.

A geotechnical drilling program in June delineated an additional glacial till borrow in the Tailings Impoundment Area. This till and associated sand and gravel will be used to raise the North Starter Dam. An application has been submitted to the provincial Ministry of Environment to seek an amendment to the Red Chris Environmental Management Act Approval that will permit operational effluent discharges to the tailings impoundment.

The forecast net construction cost of the Red Chris mine is now estimated to be $631.0 million versus the previous estimate of $570.0 million. The majority of the cost increase can be attributed to power line construction winter work and delays due to faulty implosion sleeves. Due to delays associated with the faulty implosion sleeves, the completion of the Iskut extension is now anticipated to be in September 2014. Commissioning and startup of the Red Chris milling operations will follow the energization of the site.

Sterling Mine Operations

Production	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Ore Stacked - tons	5,167	47,112	22,168	76,800
Gold Grade - oz/ton	0.159	0.081	0.144	0.078
Gold ounces - added to heap	820	3,826	3,193	5,964
Gold shipped - ounces	-	2,205	2,104	2,974

Mining in the 2014 second quarter focused on the north limb of the 144 zone. Stoping occurred on two levels; 3320, and 3275. A total of 125 feet of drifting was completed on the 3260 and 3180 level.

Mining operations were temporarily suspended on April 25, 2014 pending upgrade of Sterling's air emissions permit. The Class II Permit was issued on June 16 and underground operations commenced on June 17. Solution continued to be processed through the recovery plant. A total of 1,628 ounces were in-process at quarter end.

Ruddock Creek

Exploration and development expenditures at Ruddock Creek were minimal at $0.2 million in the June 2014 quarter compared to $0.1 million in the June 2013 quarter.

The Ruddock Creek Joint Venture initiated the 2014 program of additional metallurgical testing on a new sample which will be collected from the Upper E zone, additional geotechnical drilling and groundwater well installations, and ongoing baseline data collection for future permitting requirements. Surface exploration in the 2014 field season will include detailed geological and structural mapping in a number of areas.

Outlook

The tailings dam breach at the Mount Polley mine has resulted in the loss of production from the mine for an indeterminate period of time. In addition, the Company will incur costs for remediation and repair. While the precise costs of remediation and repair are presently unknown, the Company believes that the costs can be managed over time given the underlying value of the Company's assets and by the resources provided by the additional financing as detailed below together with insurance proceeds.

The Company is also projecting an additional $25.0 million of costs to complete the Red Chris mine over the previous estimate, and a further $36.0 million of costs to complete the Iskut extension of the Northwest Transmission Line from Bob Quinn to Tatogga. The redesigned implosion sleeves used to splice conductors on the Iskut extension arrived on-site in July 26, 2014 and approximately 1/3 of the conductor is strung on the Iskut extension. This line is now expected to be complete in September after which commission of the Red Chris mine can begin.

The Company has secured additional financing in the amount of $100.0 million of additional unsecured debt which management estimates will provide sufficient liquidity to complete and commission the Red Chris mine and together with funds from operations and expected insurance proceeds, cover the costs to remediate the effects of the tailings dam breach at the Mount Polley mine.

I would like to give my thanks to all our people and other stakeholders who have helped us at Mount Polley. Their immediate response enabled us to quickly begin to stabilize the site.

Financing

The Company intends to issue, on a non-brokered private placement basis, an aggregate of $100.0 million Face Value of 6% 6-year Senior Unsecured Convertible Debentures (the "Convertible Debentures"). Commitments have been received from Edco Capital Corporation (or affiliates, which includes N. Murray Edwards)("Edco") for $40.0 million, and from The Fairholme Partnership, LP, for $40.0 million. Each $12.00 of Face Value is convertible into one common share of Imperial upon at least 61 days advance notice, and are not callable unless the closing price of Imperial's common shares exceeds 125% of the conversion price for at least 30 consecutive days. Interest will be payable semi-annually, with the first payment due on June 30, 2015. At the option of the Company, subject to the separate approval of the TSX and compliance with all applicable securities laws, such interest may be paid through the issuance of additional Convertible Debentures or Imperial's common shares.

To the extent that the maximum issuance of Convertible Debentures is not achieved, Edco has committed to purchasing 6-year Non-convertible Debentures bearing interest at 12% in the event of the shortfall to ensure that the total amount raised will be $100.0 million.

Closing of these transactions is scheduled to occur on or before August 29, 2014. These transactions are subject to the receipt of all necessary regulatory and stock exchange approvals.

The material change report in relation to this transaction will be filed less than 21 days before closing as the Company intends to complete this transaction as soon as is commercially feasible.

Information Related to this Press Release: detailed financial information is provided in the Company's report for the six months ended June 30, 2014 which is available on www.imperialmetals.com and on www.sedar.com.

Notification of the details of an Earnings Announcement Conference Call will be issued on august 15, 2014

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.

Cautionary Note Regarding "Forward-Looking Information"

The information in this press release is a review of the Company's operations and financial position as at and for the period ended June 30, 2014, and plans for the future based on facts and circumstances as of August 14, 2014. Except for statements of historical fact relating to the Company, including our 50% interest in Huckleberry, certain information contained herein constitutes forward-looking statements. When we discuss: mine plans; our costs and timing of current and proposed exploration; development; production and marketing; capital expenditures; the construction of transmission lines; cash flow; working capital requirements; and the requirement for additional capital; operations; revenue; margins and earnings; future prices of copper and gold; future foreign currency exchange rates; future accounting changes; future prices for marketable securities; future resolution of contingent liabilities; or other things that have not yet happened in this review we are making statements considered to be *forward-looking information* or *forward-looking statements* under Canadian and United States securities laws. We refer to them in this review as *forward-looking information.*

The forward-looking information in this review typically includes words and phrases about the future, such as: *plan, expect, forecast, intend, anticipate, estimate, budget, scheduled, believe, may, could, would, might, will.* We can give no assurance that the forward-looking information will prove to be accurate. It is based on a number of assumptions management believes to be reasonable, including but not limited to: the return to operations of the Company's mining operations, the successful commissioning of the Red Chris mine, no material adverse change in the market price of commodities and exchange rates, and the Red Chris mine will be completed in accordance with its current estimate and achieve expected production outcomes, volatility in the Company's share price and such other assumptions and factors as set out herein.

It is also subject to risks associated with our business, including but not limited to: risks inherent in the mining and metals business; commodity price fluctuations and hedging; competition for mining properties; sale of products and future market access; mineral reserves and recovery estimates; currency fluctuations; interest rate risk; financing risk; environmental risk; foreign activities; legal proceedings; and other risks that are set out in our annual information form and below.

If our assumptions prove to be incorrect or risks materialize, our actual results and events may vary materially from what we currently expect as set out in this review.

We recommend that you review our annual information form and this MD&A, which include a discussion of material risks that could cause actual results to differ materially from our current expectations. Forward-looking information is designed to help you understand management's current views of our near and longer term prospects, and it may not be appropriate for other purposes. We will not necessarily update this information unless we are required to by securities laws.

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