

VANCOUVER, British Columbia, March 31, 2017 (GLOBE NEWSWIRE) -- [Imperial Metals Corp.](#) (the "Company") (TSX:III) reports financial results for its fiscal year ended December 31, 2016. Revenues increased to \$428.2 million in 2016 compared to \$128.7 million in 2015, an increase of \$299.5 million or 232.7%. Revenue from the Red Chris mine in 2016 was \$295.3 million compared to \$100.6 million in 2015. This increase was attributable to the fact that Red Chris mine entered commercial production on July 1, 2015 and only recorded revenue for six months in 2015. Revenue from the Mount Polley mine in 2016 was \$131.5 million compared to \$23.3 million in 2015. This increase was attributable to the fact that Mount Polley mine restarted operations on August 5, 2015 and only recorded revenue for five months in 2015. There were 17 concentrate shipments in 2016 from the Red Chris mine (2015-six concentrate shipments) and five concentrate shipments from the Mount Polley mine in 2016 (2015—one concentrate shipment). Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rates, and period end revaluations of revenue attributed to concentrate shipments where copper and gold prices will settle at a future date.

Revenue in 2016 was increased by a \$4.4 million positive revenue revaluation compared to a negative revenue revaluation of \$5.9 million in 2015. Positive revenue revaluations are the result of the copper price on the settlement date and/or the current period balance sheet date being higher than when the revenue was initially recorded or the copper price at the last balance sheet date and vice versa for negative revenue revaluations.

Selected Annual Financial Information

expressed in thousands, except share and per share amounts

	Years Ended December 31		
	2016	2015	2014
Total revenues	\$ 428,218	\$ 128,701	\$ 130,909
Net loss	\$ (54,080)	\$ (96,961)	\$ (37,285)
Net loss per share	\$ (0.66)	\$ (1.25)	\$ (0.50)
Diluted loss per share	\$ (0.66)	\$ (1.25)	\$ (0.50)
Adjusted net (loss) income ⁽¹⁾	\$ (56,784)	\$ (50,254)	\$ 11,261
Adjusted net (loss) income per share ⁽¹⁾	\$ (0.69)	\$ (0.65)	\$ 0.15
Adjusted EBITDA ⁽¹⁾	\$ 106,624	\$ 3,370	\$ 48,213
Working capital deficiency ⁽²⁾	\$ 89,108	\$ 197,952	\$ 55,470
Total assets	\$ 1,527,778	\$ 1,479,352	\$ 1,338,357
Total long term debt (including current portion)	\$ 822,088	\$ 889,707	\$ 706,847
Cash flow ⁽¹⁾⁽³⁾	\$ 107,591	\$ 14,135	\$ (6,782)
Cash flow per share ⁽¹⁾⁽³⁾	\$ 1.32	\$ 0.19	\$ (0.09)

(1) Refer to *Non-IFRS Financial Measures* in Management's Analysis & Discussion for further details. The 2015 and 2014 amounts have been revised to conform with the presentation adopted for 2016.

(2) Defined as current assets less current liabilities. The 2015 amount includes \$166,072 related to the senior credit facility that was classified as current at December 31, 2015 prior to the renewal of the facility.

(3) "Cash flow" is defined as the cash flow from operations before the net change in non-cash working capital balances, income and mining taxes, and interest paid. "Cash flow per share" is defined as Cash flow divided by the weighted average number of common shares outstanding during the year

Select Items Affecting Net Loss (presented on an after-tax basis)

expressed in thousands

	Years Ended December 31	
	2016	2015
Net income (loss) before undernoted items	\$ 6,540	\$ (14,563)
Interest expense	(51,979)	(26,321)
Foreign exchange gain (loss) on debt, net of gains on cross currency swaps	10,004	(51,029)
Provision for rehabilitation, net of insurance recoveries	-	7,082
Impairment of mineral properties	(7,300)	-
Idle mine costs	-	(10,739)
Gains on derivative instruments related to commodities	-	1,645
Share of loss in Huckleberry	(11,345)	(3,036)
Net loss	\$ (54,080)	\$ (96,961)

Net loss for 2016 was \$54.1 million (\$0.66 per share) compared to net loss of \$97.0 million (\$1.25 per share) in 2015. The decrease in net loss of \$42.9 million was primarily due to the following factors:

- Income/loss from mine operations went from a loss of \$11.5 million in 2015 to income of \$27.9 million 2016, a decrease in net loss of \$39.4 million.
- Interest on non-current debt increased from \$35.8 million in 2015 to \$65.3 million in 2016, an increase to net loss of \$29.5 million.
- Foreign exchange gains/losses on current and non-current debt went from a loss of \$79.7 million in 2015 to a gain of \$14.6 million in 2016, a decrease in net loss of \$94.3 million.
- Gains/losses on derivative instruments went from a gain of \$30.0 million in 2015 to a loss of \$4.5 million in 2016, an increase in net loss of \$34.5 million.
- Impairment on mineral properties went from \$nil in 2015 to \$7.3 million in 2016, an increase in net loss of \$7.3 million.

- The Company's equity loss in Huckleberry went from loss of \$3.0 million in 2015 to a loss of \$11.3 million in 2016, an increase in net loss of \$8.3 million.
- Tax recovery went from a recovery of \$20.9 million in 2015 to a recovery of \$3.2 million in 2016, an increase in net loss of \$17.7 million.

The 2016 net loss included foreign exchange gain related to changes in CDN/US Dollar exchange rate of \$13.6 million compared to foreign exchange losses of \$81.9 million in 2015. The \$13.6 million foreign exchange gain in 2016 is comprised of a \$13.2 million gain on the senior notes, a \$1.3 million gain on long term equipment loans, and a \$0.9 million loss on short-term debt and operational items. The average CDN/US Dollar exchange rate in the 2016 was 1.326 compared to an average of 1.279 in 2015.

Cash flow was \$107.6 million in 2016 compared to cash flow of \$14.1 million in 2015. 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.

Capital expenditures were \$150.5 million in 2016, up from \$125.0 million in 2015. The 2016 expenditures included \$57.2 million for the Company's share of construction of the Northwest Transmission Line that it is obligated to reimburse to BC Hydro.

At December 31, 2016 the Company had \$14.3 million in cash (December 31, 2015-\$9.2 million). The Company had \$13.3 million of short-term debt at December 31, 2016 (December 31, 2015-\$24.8) and has classified \$18.7 million of its non-current debt as current at December 31, 2016 (December 31, 2015-\$182.0 million).

NON-IFRS FINANCIAL MEASURES

The Company reports four non-IFRS financial measures: Adjusted net income, Adjusted EBITDA, Cash flow and Cash cost per pound of copper produced. 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 below.

Adjusted Net Loss and Adjusted Net Loss per Share

Adjusted net loss in 2016 was \$56.8 million (\$0.69 per share) compared to an adjusted net loss of \$50.3 million (\$0.65 per share) in 2015. 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 net income or loss is calculated by removing the gains or losses, resulting from mark to market revaluation of derivative instruments not related to the current period, net of tax, unrealized foreign exchange gains or losses on non-current debt, net of tax.

Adjusted EBITDA

Adjusted EBITDA in 2016 was \$106.6 million compared to \$3.4 million in 2015. 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 in 2016 was \$107.6 million compared to \$14.1 million in 2015. Cash flow per share was \$1.32 in 2016 compared to \$0.18 in 2015. 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.

Cash Cost Per Pound of Copper Produced

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. Management uses this non-IFRS financial measure to monitor operating costs and profitability.

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

	Year Ended December 31, 2016 **						
	Huckleberry				Red	Mount	Total per Sterling & Financial
	100	%	50	%	Chris	Polley	Corporate Statements Composite
Cash cost of copper produced in US\$	\$ 41,765		\$ 20,881		\$ 114,166	\$ 46,306	\$ 181,353
Copper produced – pounds	20,438		10,219		83,614	25,338	119,171
Cash cost per lb copper produced in US\$	\$ 2.04		\$ 2.04		\$ 1.37	\$ 1.83	\$ 1.52
	Year Ended December 31, 2015***						
	Huckleberry				Red	Mount	Total per Sterling & Financial
	100	%	50	%	Chris	Polley	Corporate Statements Composite
Cash cost of copper produced in US\$	\$ 84,546		\$ 42,273		\$ 64,725	\$ 18,099	\$ 125,097
Copper produced – pounds	43,273		21,637		41,039	8,007	70,683
Cash cost per lb copper produced in US\$	\$ 1.95		\$ 1.95		\$ 1.58	\$ 2.26	\$ 1.77

** Huckleberry was not in operation during the fourth quarter of 2016 and therefore the exchange rate used for the twelve months ended December 31, 2016 shown above is the rate for the nine months ended September 30, 2016 and the exchange rate used for the Composite amount is a weighted-average of these two rates.

*** Mount Polley and Red Chris did not commence production until the third quarter of 2015 therefore the exchange rate used is the average for the six months ended December 31, 2015, while for Huckleberry the exchange rate used is for the twelve months ended December 31, 2015 and the exchange rate used for the Composite amount is a weighted-average of these two rates.

DEVELOPMENTS DURING 2016

Red Chris Mine

Metal production for 2016 was 83.6 million pounds copper and 47,088 ounces gold with an average throughput of 26,371 tonnes per day. During the fourth quarter all mill feed came from the Main Zone pit and metal production for the quarter was 14.7 million pounds copper and 4,661 ounces gold. Copper recovery for the fourth quarter 2016 of 75.96% was up slightly from the 73.70% achieved in the fourth quarter 2015, but gold recovery dropped from 41.78% in the fourth quarter 2015 to 32.83%.

The mill achieved an average throughput of 24,904 tonnes per calendar day for the fourth quarter 2016. Throughput was impacted by three unplanned downtime events, including replacement of a SAG mill pinion shaft, a BC Hydro outage in October, and a replacement of pinion gear on the SAG mill in December.

Copper recovery for the fourth quarter 2016 increased slightly compared to the third quarter of 2016 with the copper head grade dropping from 0.436% to 0.382%. The revised reagent scheme, started in October, appeared to have a positive impact. Gold recoveries in the fourth quarter also dropped compared to the third quarter, as all of the mill feed was supplied by the lower gold grade more pyritic Main zone.

Construction work on installation of an additional rougher cell is proceeding with the required concrete work having recently been completed. The M-240 permit under the Mines Act has been received for the operation of the South Dam. Currently we expect to begin using that portion of the basin to store tailings after the spring runoff.

Production targets for 2017 are 85-92 million pounds copper and 40-45,000 ounces gold.

Exploration, development and capital expenditures were \$123.1 million in 2016 compared to \$93.8 million in 2015. The 2016 expenditures included \$57.2 million for the Company's contribution towards the construction of the Northwest Transmission Line that it is obligated to reimburse to BC Hydro.

Mount Polley Mine

Metal production of 25.3 million pounds copper and 46,444 ounces gold was up significantly compared to 2015 as a result of the additional throughput in 2016. Copper recovery was 69.66% and gold recovery was 69.78%. In 2016 the Mount Polley mine treated 6.7 million tonnes of ore for an average throughput of 18,265 tonnes per calendar day, compared to throughput of 1.8 million tonnes when the mine only operated from August 5 to December 31, 2015. Regulatory approvals authorizing the mine to return to normalized operations using the repaired and buttressed TSF were received on June 23, 2016.

In 2016 underground operations in the Boundary zone supplied 315,053 tonnes grading 1.29% copper and 0.79 g/t gold. Mining in the Boundary zone was complete by the end of the year, except for one stope of approximately 20,000 tonnes that is expected to be completed in March 2017.

Significant rehabilitation has been completed in the areas impacted by the Mount Polley Breach. Rehabilitation of the terrestrial and aquatic zones has progressed, informed by an ongoing detailed site investigation, risk assessments and environmental monitoring. The work will be ongoing and in cooperation with the regulatory authorities, First Nations and the local communities. Legal proceedings for the recovery of losses related to the Mount Polley Breach were initiated by the Company.

In 2016 Mount Polley applied for an amendment to its Environmental Management Act permit to implement its long-term water management plan which will include installation of a water line from the water treatment plant to diffusers in Quesnel Lake.

Exploration, development, and capital expenditures were \$26.7 million in 2016 compared to \$30.3 million in 2015.

An underground drill program consisting of 6,600 metres over 25 holes was completed in early 2017. The program focused on two areas discovered in 2004 but unexplored since that time. The recent drilling further defined a portion of the Martel zone, located beneath the Wight pit approximately 400 metres east of the Boundary zone, with some of the holes extended to test the sparsely drilled Green zone. The historic wide spaced drilling from surface defined a measured and indicated underground resource of approximately 6.3 million tonnes grading about 1.17% copper, 0.40 g/t gold and 7.38 g/t silver. Once all results are received from the underground drilling, the information will be used to revise the resource estimate, followed by mine planning to determine the economics of developing this zone for underground mining.

Huckleberry Mine

Huckleberry mine operations were suspended on August 31, 2016 and the mine has been placed on care and maintenance pending an increase in the price of copper. The focus in 2017 will be to maintain the Huckleberry mine site and plant, so mine operations could efficiently be restarted when conditions improve.

A small exploration program, conducted on the Whiting Creek portion of the Huckleberry claim group, to meet the assessment requirement for these claims was successful in expanding the Creek zone. Follow up drilling at the Creek zone, and drilling along the southwest margin of the Main Zone pit, are both being planned. Mine planning work to determine the possibility of extending the life of mine from the currently planned 5 years after restart of operations, and improvements in mining efficiency, is also being conducted.

Sterling Mine

Subsequent to December 31, 2016, the Company announced that it has entered into a Letter of Intent ("LOI") to sell its interest in the Sterling gold mine property and related assets. The closing is subject to completion of a formal agreement, board and regulatory approvals, completion of due diligence and conventional conditions for such a transaction.

Impairment Testing

At December 31, 2016 the Company conducted an assessment to see if there was any evidence of impairment for the Company's mineral properties. Based on the Company's assessment the only mineral property which showed potential indicators of impairment was the Sterling mine. The Company used the LOI dated February 14, 2017 as the basis for calculating the fair value less cost to sell of Sterling mine and concluded the carrying value of Sterling mine exceeded its fair value less cost to sell and an impairment was required at December 31, 2016. The Company recorded an impairment charge of \$7.3 million for the Sterling mine.

Working Capital

At December 31, 2016 the Company had a working capital deficiency of \$89,108, which included \$32,210 of other obligations compared to a working capital deficiency of \$205,057 at December 31, 2015, which included \$166,072 related to the senior secured revolving credit facility.

Derivative Instruments

In the March 2014 quarter the Company entered into cross currency swaps 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 2016, the Company sold the US\$110.0 million cross currency swaps for proceeds of \$25.5 million.

In 2016 the Company recorded net losses on derivative instruments of \$4.4 million compared to net gains of \$30.0 million in 2015. The \$4.4 million loss in 2016 consisted of a \$26.2 million realized gain, primarily from the sale of the cross currency swaps, and a reversal of \$30.6 million unrealized gain on the foreign currency swaps as at December 31, 2015.

In 2015 the \$30.0 million gain consisted of a net gain of \$2.5 million on gold derivative instruments and a net gain of \$27.5 million on the foreign currency swaps. 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 has not applied hedge accounting for its 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.

In the past the Company has utilized a variety of derivative instruments including the purchase of puts, forward sales, currency swaps 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 rates compared to the copper and gold prices and CDN/US exchange rate at the time when these contracts were entered into or the latest balance sheet date and the type and length of time to maturity of the contracts.

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

FOURTH QUARTER RESULTS

Revenue in the fourth quarter of 2016 was \$78.1 million compared to \$69.5 million in 2015. Sales revenue is recorded when title for concentrate is transferred on ship loading. Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rates, and period end revaluations of revenue attributed to concentrate shipments where copper and gold prices will settle at a future date.

The Company recorded a net loss of \$47.1 million (\$0.57 per share) in the fourth quarter of 2016 compared to net loss of \$35.9 million (\$0.44 per share) in the prior year quarter.

Expenditures for exploration and ongoing capital projects at Mount Polley, Red Chris and Sterling totaled \$88.3 million during the three months ended December 31, 2016 compared to \$7.1 million in the 2015 comparative quarter. The fourth quarter of 2016 included \$57.2 million for the Company's share of construction of the Northwest Transmission Line that it is obligated to reimburse to BC Hydro.

OUTLOOK

Operations, Earnings and Cash Flow

The 2016 annual base and precious metals production from Red Chris, Mount Polley and Huckleberry (Imperial's share) mines was 119.17 million pounds copper and 94.93 thousand ounces gold. Metal production targets for 2017 are 110-118 million pounds copper and 95-104 thousand ounces gold. Production will be weighted to the second half of the year as grades are expected to be slightly lower for the first six months and slightly higher in the second half of 2017. At March 30, 2017 the Company has not hedged any copper, gold or CAD/US dollar exchange. 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. Exploration will be focused at existing mining operations but will include some follow up work on the 2016 discovery at Giant Copper.

Development

A total of 9.65 million tonnes of ore were treated at the Red Chris mine, achieving 88% of the design capacity during its first full year of operations. Progress is being made on copper recoveries, which have been below feasibility predictions, due largely to the higher clay content in the near surface mineralization. With an increase in ore mined from lower benches of the Main zone pit, and a revised reagent scheme implemented in late 2016, copper recovery in the fourth quarter was 75.96% up about 3% from the comparative 2015 quarter. The increase in recovery during the fourth quarter was achieved while treating ore with a significantly lower copper head grade; 0.382% copper compared to 0.502% copper in the comparative 2015 quarter. To further enhance recovery, an additional floatation cell is being installed. In addition, a drill program was completed to collect drill core samples of ore that will be milled later in 2017 for a comprehensive off-site program of metallurgical test-work to further investigate possible improvements to copper recoveries.

At Red Chris, the reconciliation of the exploration block model to the mining block model has been good overall, with reductions in tonnage and grade from the East zone being offset by similar sized gains in the Main zone. Tonnage mined from the high grade ores were down 6% at the predicted copper grade, while the gold grade increased by 5%. When lower grade ores are included, overall tonnage was up 2% with copper grade down 6% and gold grade up 1%.

Looking to the future, we have initiated engineering studies to determine the optimum path to develop the deep resource below the current designed pit at Red Chris. Based on the preliminary studies, it appears the best method will be a block cave that will include the deep resource below both the East and Main zones.

Mount Polley mine returned to normal operations in June utilizing the repaired and buttressed tailings storage facility. A permit application has been submitted for discharge of treated water, via a pipeline and diffuser system, deep into Quesnel Lake, and the requisite review process is nearing completion. This permit will provide the site, which has a positive water balance, with a solution enabling the discharge of excess site water.

Mount Polley to the end of 2016 has treated over 103 million tonnes of ore, almost 50% more than the 70 million tonnes planned in the original feasibility study for the project completed by Wright Engineers Limited in 1990. Exploration continues, and two areas hold great promise to further extend mine life.

Martel zone underground drill results at Mount Polley have been promising, and we are optimistic an economic underground mine plan can be developed and integrated into future mine plans. This would have a positive impact on overall mine operations by providing higher-grade feed to the mill. South Springer is another area with the potential to significantly increase the mineral resource. South Springer mineralization is well situated under the saddle separating the Cariboo and Springer Phase 6 pits, which presents an ideal location for additional low stripping ratio reserves, should drilling extend mineralization to this area. At the end of 2017, the configuration of the Cariboo pit will provide an excellent platform to conduct an exploration drilling program to follow up on the drilling conducted in 2012.

The Huckleberry mine was placed on care and maintenance at the end of August 2016. It will remain on care and maintenance until there is a sustained improvement in the copper price. Preliminary mine planning to develop a longer mine life by converting part of the large resource into reserves is being conducted. As a result of this work, an exploration drilling program in the southwest quadrant of the Main zone has been recommended.

For detailed financial information, refer to the Company's 2016 Annual Report available on imperialmetals.com and sedar.com.

An Earnings Announcement Conference Call
is scheduled for April 3, 2017 at 10:00am PDT | 1:00pm EDT

Management will discuss the Company's 2016 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 11:59pm on April 10, 2017 by dialing 888.390.0541 or 416.764.8677 |
playback passcode 207032#

About Imperial

Imperial is a Vancouver based exploration, mine development and operating company. 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.

Company Contacts

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Forward-Looking Information and Risks Notice

The information in this news release provides a summary review of the Company's operations and financial position as at and for the year ended December 31, 2016, and has been prepared based on information available as at March 30, 2017.

Except for statements of historical fact relating to the Company, including our 50% interest in Huckleberry Mines Ltd., 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 news release includes, without limitation, statements regarding: use of proceeds from financings and credit; the 2017 production targets for the Red Chris and Mount Polley mines; mining of an additional underground stope in the Mount Polley Boundary zone expected to be completed in March 2017; the potential for Mount Polley's Martel zone and South Springer to further extend mine life; timing of ongoing rehabilitation activities at the Mount Polley mine; plans to implement Mount Polley's long term water management plan; use of the Red Chris South Dam to store tailings after the spring runoff; installation of an additional floatation cell and the milling of drill core samples as part of a Red Chris program to pursue improvements in copper recoveries; results of preliminary engineering studies indicating that block caving may be the best method to develop Red Chris's deep resource below the current designed pit; maintaining the Huckleberry mine site and plant so that mine operations can be efficiently restarted when market conditions for copper improve; plans for follow up drilling at the Huckleberry mine Creek zone and along the southwest margin of the Main Zone pit; the closing of the sale of the Company's interest in the Sterling gold mine property in the second quarter of 2017; mine plans; costs and timing of current and proposed exploration and development; production and marketing; capital expenditures; adequacy of funds for projects and liabilities; the receipt of necessary regulatory permits, approvals or other consents; outcome and impact of litigation; cash flow; working capital requirements; the requirement for additional capital; results of operations, production, revenue, margins and earnings; 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; 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 implementation of Mount Polley's long term water management plan; the Company's initial rehabilitation activities at Mount Polley will be successful in the long term; all required permits, approvals and arrangements to proceed with planned rehabilitation and Mount Polley's long term water management plan will be obtained in a timely manner; there will be no material operational delays at the Red Chris or Mount Polley mines; equipment will operate as expected; there will not be significant power outages; the Company's use of derivative instruments will enable the Company to achieve expected pricing protection; there will be no material adverse change in the market price of commodities and exchange rates; the Red Chris and Mount Polley mines will achieve expected production outcomes (including with respect to mined grades and mill recoveries); and Imperial will have access to capital as required and satisfy financial covenants contained in its credit facilities and other loan documents. 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 satisfy financial covenants contained in its credit facilities and other loan documents; uncertainty regarding the outcome of sample testing and analysis being conducted on the area affected by the Mount Polley Breach; risks relating to the timely receipt of necessary approvals and consents to proceed with the rehabilitation plan and Mount Polley's long term water management plan; risks relating to the remaining costs and liabilities and any unforeseen longer-term environmental consequences arising from the Mount Polley Breach; uncertainty as to actual timing of completion of rehabilitation activities and the implementation of Mount Polley's long term water management plan; risks relating to the impact of the Mount Polley 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 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 the Management's Discussion and Analysis for the year ended December 31, 2016 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.