

Imperial Reports 2018 Financial Results

29.03.2019 | [GlobeNewswire](#)

VANCOUVER, March 29, 2019 - [Imperial Metals Corp.](#) (the "Company") (TSX:III) reports financial results for its fiscal year ended December 31, 2018.

Select Annual Financial Information	Years Ended December 31		
	2018	2017	2016
expressed in thousands, except share and per share amounts			
Total revenues	\$360,173	\$453,113	\$428,218
Net income (loss)	\$(125,595)	\$ 77,113	\$(54,080)
Net income (loss) per share	\$ (1.06)	\$ 0.82	\$ (0.66)
Diluted income (loss) per share	\$ (1.06)	\$ 0.82	\$ (0.66)
Adjusted net loss ⁽¹⁾	\$(84,763)	\$(62,626)	\$(56,784)
Adjusted net loss per share ⁽¹⁾	\$(0.71)	\$(0.66)	\$(0.69)
Adjusted EBITDA ⁽¹⁾	\$33,268	\$ 88,457	\$106,624
Working capital deficiency	\$789,470	\$238,269	\$89,108
Total assets	\$1,573,903	\$1,723,768	\$1,527,778
Total debt (including current portion)	\$871,268	\$852,378	\$835,365
Cash flow ⁽¹⁾⁽²⁾	\$143,449	\$88,381	\$107,591
Cash flow per share ⁽¹⁾⁽²⁾	\$1.21	\$0.94	\$1.32

(1) Refer to *Non-IFRS Financial Measures* in the Management's Discussion & Analysis.

(2) 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 Income (Loss) (presented on an after-tax basis)	Years Ended December 31	
expressed in thousands	2018	2017
Net income (loss) before undernoted items	\$(26,923)	\$(6,182)
Interest expense	(57,249)	(55,887)
Foreign exchange gain (loss) on non-current debt	(36,949)	29,280
Impairment of mineral properties	(79,719)	-
Gain on bargain purchase of Huckleberry and revaluation of equity investment in Huckleberry	-	109,818
Settlement and insurance recoveries	74,949	-
Gain on sale of Sterling	296	641
Share of loss in Huckleberry	-	(557)
Net Income (Loss)	\$(125,595)	\$77,113

Revenues decreased to \$360.2 million in 2018 compared to \$453.1 million in 2017, a decrease of \$92.9 million or 20.5%.

Revenue from the Red Chris mine in 2018 was \$255.7 million compared to \$289.1 million in 2017. Revenue from the Mount Polley mine in 2018 was \$104.4 million compared to \$163.5 million in 2017. There were 12.0 concentrate shipments in 2018 from the Red Chris mine (2017-15.0 concentrate shipments) and 3.0 concentrate shipments from the Mount Polley mine in 2018 (2017-4.7 concentrate shipments). 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 metal prices will settle at a

future date.

Net loss for 2018 was \$125.6 million (\$1.06 per share) compared to net income of \$77.1 million (\$0.82 per share) in 2017. The majority of decrease in net income of \$202.7 million was primarily due to the following factors:

- Loss from mine operations went from income of \$19.5 million in 2017 to a loss of \$33.0 million in 2018, an increase in net loss of \$52.5 million.
- Interest expense increased from \$75.5 million in 2017 to \$78.4 million in 2018, an increase to net loss of \$2.9 million.
- Foreign exchange gain on current and non-current debt went from a gain of \$30.2 million in 2017 to a loss of \$36.9 million in 2018, an increase in net loss of \$67.1 million.
- Impairment on mineral properties went from \$nil in 2017 to \$109.2 million in 2018, an increase in net loss of \$109.2 million.
- A gain on bargain purchase of Huckleberry and revaluation of equity investment in Huckleberry of \$109.8 million in 2017 compared to \$nil in 2018, an increase in net loss of \$109.8 million.
- Rehabilitation costs of \$0.2 million in 2018 compared to \$5.8 million in 2017, a decrease in net loss of \$5.6 million.
- Other income totalled \$108.1 million in 2018 largely due to the settlement of \$106.2 million, net of costs pertaining to the August 4, 2014 tailings dam breach at the Mount Polley Mine ("Mount Polley Breach") compared to an expense of \$0.3 million in 2017, a decrease in net loss of \$107.8 million.
- An income and mining tax recovery of \$38.1 million in 2018 compared to a recovery of \$10.6 million in 2017, a decrease in net loss of \$27.5 million.

The 2018 net loss included foreign exchange loss related to changes in CDN\$/US\$ exchange rate of \$38.4 million compared to foreign exchange gain of \$30.4 million in 2017. The \$38.4 million foreign exchange loss in 2018 is comprised of a \$36.4 million loss on the Senior Notes, a \$0.6 million loss on short term loans, and a \$1.4 million loss on operational items. The average CDN\$/US\$ exchange rate in the 2018 was 1.296 compared to an average of 1.298 in 2017.

Cash flow was \$143.4 million in 2018 compared to cash flow of \$88.4 million in 2017. 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 \$77.0 million in 2018, down from \$92.9 million in 2017. The 2018 expenditures included \$34.8 million for tailings dam construction, \$35.7 million on equipment and components and \$6.5 million for other capital items.

At December 31, 2018 the Company had \$18.6 million in cash (December 31, 2017-\$51.9 million). The Company has classified \$603.6 million of its non-current debt as current at December 31, 2018 (December 31, 2017-\$213.9 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 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.

Adjusted Net Loss and Adjusted Net Loss per Share

Adjusted net loss in 2018 was \$84.8 million (\$0.71 per share) compared to an adjusted net loss of

\$62.6.million (\$0.66 per share) in 2017. 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 loss, resulting from acquisition and disposal of property, 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 2018 was \$33.3 million compared to \$88.5 million in 2017. 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 2018 was \$143.5 million compared to \$88.4 million in 2017. Cash flow per share was \$1.21 in 2018 compared to \$0.94 in 2017.

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 mines, Red Chris, Mount Polley and Huckleberry, and on a composite basis for these mines.

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 Huckleberry mine was 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, 2018		
	Red	Mount	Composite
Cash cost of copper produced in US\$	\$141,223	\$29,032	\$170,255
Copper produced – pounds	60,349	14,974	75,323
Cash cost per lb copper produced in US\$	\$2.34	\$1.94	\$2.26

	Year Ended December 31, 2017		
	Red	Mount	Composite
Cash cost of copper produced in US\$	\$143,891	\$44,183	\$188,073
Copper produced – pounds	74,636	19,071	93,707
Cash cost per lb copper produced in US\$	\$1.93	\$2.32	\$2.01

DEVELOPMENTS DURING 2018

Red Chris Mine

Fourth quarter metal production was 15.57 million pounds copper and 12,366 ounces gold, an increase of 15% and 41% respectively from the 13.55 million pounds copper and 8,741 ounces gold produced in the third quarter of 2018. Metal recoveries in the fourth quarter were 76.21% copper and 50.57% gold, compared to 74.92% copper and 45.65% gold in the third quarter of 2018. Annual recoveries for 2018 were 75.60% for copper and 47.13% for gold.

Annual metal production for 2018 was 60.35 million pounds copper and 41,935 ounces gold, both at 97% of the revised production targets. The mill achieved 97.4% of design capacity, treating an average of 29,228 tonnes per calendar day.

Annual Production for the Years Ended December 31	2018	2017
Ore milled - tonnes	10,668,313	10,378,181
Ore milled per calendar day - tonnes	29,228	28,433
Grade % - copper	0.339	0.413
Grade g/t - gold	0.259	0.233
Recovery % - copper	75.60	79.01
Recovery % - gold	47.13	43.00
Copper – 000's pounds	60,349	74,636
Gold – ounces	41,935	33,416
Silver – ounces	103,634	133,157

The five haul trucks from Huckleberry mine were fully operational within the first quarter of 2018. The newly procured electric hydraulic shovel was operational in the third quarter of 2018.

In the third and fourth quarters of 2018, the Company used its own resources for the construction of the tailings impoundment area because the independent contractors constructing the tailings impoundment area were redirected to respond to the wildfires in the local region. This diversion of primary mine operations hauling units to the tailings impoundment area resulted in a lower productivity in mining operations during those periods.

MillSlicer was installed on the SAG mill in July 2018 to improve overall control of the mill. This vibration-based signal is in addition to the electronic ear, bearing pressure and mill power used in controlling mill fill level. Expectations from the increased response time of these new signals is improved production and mill liner life.

Work was initiated on the diagnosing of the high clay ore in the mineralized faults present in the Main zone and East zone, with results integrated into operational recovery models in advance of the 2019 Production Plan. Segregation of faulted material for plant-scale batch processing of fault material commenced in the fourth quarter of 2018, with the first planned plant-scale 'baseline' run in January 2019.

Work advanced on the underground resource conceptualization in conjunction with Golder Associates. In the second quarter of 2018, a geotechnical hole was completed to gather geotechnical information regarding the proposed block cave; notably, this hole also intersected significant copper and gold mineralization below the East zone pit. Work on a preliminary economic assessment of the block cave potential, incorporating the information from the geotechnical drill hole, was initiated in 2018 by Golder Associates.

In the 2018 third quarter, the management structure at Red Chris mine was reorganized. Randall Thompson, Imperial Vice President Operations, was appointed as Red Chris Mine General Manager, with a mandate to direct improvements of the mine operations.

Exploration, development and capital expenditures were \$62.9 million in 2018 compared to \$57.8 million in 2017.

Mount Polley Mine

Fourth quarter metal production was 3.18 million pounds copper and 7,983 ounces gold. Mill throughput averaged 17,467 tonnes per calendar day during the 2018 fourth quarter. Metal recoveries in the fourth quarter were 39.05% copper and 59.71% gold. The mill treated an average of 16,975 tonnes per calendar day while achieving recoveries of 52.89% copper and 67.25% gold.

Annual metal production for 2018 was 14.97 million pounds copper and 37,120 ounces gold, respectively 96% and 94% of the revised production targets.

Milling of low grade stockpiles is targeted to continue until May 2019, at which time the mine will be placed on care and maintenance until the economics of mining at Mount Polley improve.

Annual Production for the Years Ended December 31	2018	2017
Ore milled - tonnes	6,195,760	6,723,188
Ore milled per calendar day - tonnes	16,975	18,420
Grade % - copper	0.207	0.199
Grade g/t - gold	0.277	0.322
Recovery % - copper	52.89	64.53
Recovery % - gold	67.25	68.93
Copper – 000's pounds	14,974	19,071
Gold – ounces	37,120	48,009
Silver – ounces	33,458	36,626

Dredging of tailings, deposited in the Springer pit in 2015-2016 to allow for restart of milling operations prior to repair of the tailings storage facility, commenced in early 2018. Mining operations in the Cariboo pit were completed in late 2018, and the mill relied on feed from the low grade stockpiles since that time. Dredging work in the Springer pit was suspended for the winter.

The South Springer is an area with potential to significantly increase mineral resource estimates. The mineralization is under the saddle separating the Cariboo and Springer Phase 6 pits, which presents an ideal location for additional low stripping ratio reserves, assuming planned drilling is positive. With the configuration of the Cariboo pit providing an excellent platform to conduct exploration drilling, follow up on 2012 drilling is planned for a future date.

During the spring of 2018 a four hole diamond drill program was completed totalling 953.12 m. The holes were drilled in the Saddle area between the Springer and Cariboo pits to confirm mineralization in this area for future mining plans. This information has been incorporated into the mine's block model.

In early 2018, Mount Polley was in mediation with USW Local 1-2017 to renew a collective agreement which had terminated December 31, 2017. Mediation efforts proved unsuccessful, and on May 23, 2018 Mount Polley initiated a lock out of its employees, following which unionized employees began strike action. Following further negotiations, in August 2018 unionized employees voted 79% to accept a new three year contract, effective as at January 1, 2018.

In November 2018, the legal action for damages arising from the Mount Polley Breach was settled among all parties to the action, in consideration of net payments to the Company totaling approximately CDN\$108 million. This settlement represents compromises of disputed claims and does not constitute an admission of liability on the part of any party to the action.

Exploration, development, and capital expenditures were \$13.3 million in 2018 compared to \$27.7 million in 2017.

Huckleberry Mine

Huckleberry mine ceased mine operations in August 2016, and remains on care and maintenance.

A preliminary plan to restart the mine has been developed, and will be under consideration for implementation, at such time when the economics of mining improve. In the interim, the Company will develop exploration programs designed to expand the resource.

Ruddock Creek Project

The Ruddock Creek lead-zinc project is operated by way of a joint venture with Imperial, Mitsui Mining and Smelting Co. Ltd. and Itochu Corporation. Imperial operates the project through its wholly owned subsidiary Ruddock Creek Mining Corporation. Japan Oil, Gas and Metals National Corporation agreed to fund Imperial's share of the 2018 drill program and upon the completion of the program has the assignable right to be vested in an approximate 1.57% Participating Interest in the joint venture. At that time Imperial's interest will reduce to approximately 48.43%.

Drill results from the first surface diamond drill hole RD-18-V41 at the Ruddock Creek Project were reported in September 2018 (of a planned three hole program targeting the deep extension of the V-Zone). Results from the first surface diamond drill hole RD-18-V41, included 21.7 m grading 16.99% zinc, 3.44% lead and 2.41 g/t silver, which included 10.4 m grading 25.70% zinc, 5.41% lead and 3.44 g/t silver. The drill hole targeted the V-Zone mineralization 425 m below surface and about 300 m below the deepest previous mineralized intercept in the zone. Drill hole RD-18-V41 was collared near the valley floor of Oliver Creek at an elevation of approximately 1,191 m above sea level and drilled to a final depth of 828.8 m.

The V-Zone is located near the western edge of the Ruddock Creek massive sulphide horizons, which have an indicated strike length of about five km, and is approximately two km west of the Creek Zone, the nearest zone of detailed drilling. Little or no exploration drilling has been conducted along the intervening section of the horizon. The V-Zone strikes east-west and dips at about 70° to the north. The zone had been traced with surface showings and by shallow drilling for a horizontal distance of about 700 m, and with this recent intersection, to a depth of approximately 425 m. Due to the steep terrain, long nearly flat drill holes from near the valley bottom were designed to test the zone at depth. Hole RD-18-V41 was drilled using an underground diamond drill rig bolted to a road accessible cliff face at an azimuth of 27° and a dip of plus 10°. Core size was HQ to a depth of 450 m. When the core size was reduced to NQ size, the hole was drilled to a final depth of 828.8 m.

The decision to drill test the V-Zone at such a depth beneath the nearest intercept was supported by the highly predictable nature of the zinc-lead mineralization intercepted in the shallower helicopter supported surface diamond drill holes, electromagnetic and magnetic geophysical anomalies, and a re-interpretation of the geology. The V-Zone in hole RD-18-V41, which was projected to be intersected at a depth of 750 m, was intersected at 751.5 m, confirming the anticipated predictability of the zone at depth. The highest grades previously intersected in the V-Zone were in holes RD-12-V38, which intercepted 17.77% zinc and 3.72% lead over a true width of approximately 7.6 m, and RD-12-V40, which intercepted 10.00% zinc and 1.80% lead over a true width of approximately 10.9 m.

Drill hole RD-18-42, drilled at -10° below RD-18-41 to a final depth of 1,003.9 m, targeted the mineralization 300 m below the intersection in hole RD-18-41, at an estimated in hole depth of 834 m. Unfortunately, the hole intersected a late stage pegmatite dyke or sill from a depth of 805-956 m with no significant base metal mineralization intersected.

Drill hole RD-18-43, drilled at 0° (flat) in between RD-18-41 and 42 to a final depth of 831.5 m, targeted the mineralization 120 m below the intersection in hole RD-18-41 at an estimated in hole depth of 790-800 m. The favorable calc-silicate host rock was intersected from 747-775 m with narrow 2-10 cm, stringer semi-massive sphalerite-galena mineralized bands intersected but not comparable to the intersection in hole RD-18-41. The best two intervals intersected were 6.31% zinc, 0.5% lead and 11.0 g/t silver over 0.5 m from 751.44 m to 751.94 m, grading 5.89% zinc and 0.04% lead over 0.5 m from 767.18 m to 767.68 m. The intervals are approximately true thickness.

SJ Geophysics completed an in-hole EM and Magnetic survey in hole RD-18-43 but holes RD-18-41 and 42 were not able to be surveyed due to hole conditions. The survey outlined a significant off-hole EM and Magnetic response for such a zinc rich system in the area of the favorable calc-silicate host and stringer style zinc-lead mineralization.

Jim Miller-Tait, P.Geo., VP Exploration is the designated Qualified Person as defined by National Instrument 43-101 for the exploration program, and has reviewed and approved disclosure relating to drill hole RD-18-V41. Ruddock Creek samples for the 2018 drilling reported were analyzed at Bureau Veritas Mineral Laboratories in Vancouver, British Columbia. A full QA/QC program using blanks, standards and duplicates was completed.

Plans for further exploration of the western edge of the massive sulphide horizons have been developed and are being discussed with our joint venture partners.

FOURTH QUARTER RESULTS

Revenue in the fourth quarter of 2018 was \$91.7 million compared to \$140.5 million in 2017. 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 along with finalization of contained metals as a result of final assays.

The Company recorded a net loss of \$44.3 million (\$0.37 per share) in the fourth quarter of 2018 compared to net loss of \$2.1 million (\$0.02 per share) in the prior year quarter. The fourth quarter of 2017 involved \$35.0 million of the net income related to the finalization of the gain on bargain purchase of Huckleberry and revaluation of equity investment in Huckleberry.

Expenditures for exploration and ongoing capital projects at Mount Polley, Red Chris and Huckleberry totaled \$14.2 million during the three months ended December 31, 2018 compared to the expenditures for exploration and ongoing capital projects at Mount Polley, Red Chris and Sterling which totaled \$17.3 million in the 2017 comparative quarter.

OUTLOOK

Corporate and Operations

At December 31, 2018 the Company had not hedged any copper, gold or CDN\$/US\$ exchange. Quarterly revenues will fluctuate depending on copper and gold prices, the CDN\$/US\$ exchange rate, and the timing of concentrate sales, which is dependent on concentrate production and the availability and scheduling of transportation.

The 2018 annual base and precious metals production from the Red Chris and Mount Polley mines was 75.32 million pounds copper and 79,056 ounces gold.

On March 10, 2019, Imperial entered into an agreement to sell a 70% interest in the Red Chris mine to Newcrest for US\$806.5 million in cash. Imperial and Newcrest will form a joint venture for the operation of the Red Chris mine going forward, with Newcrest acting as operator. This joint venture partnership will enable Imperial to unlock significant value at Red Chris by leveraging Newcrest's unique technical expertise in block caving operations. With a stronger financial position and highly actionable path to exploiting the underground mining potential of Red Chris, Imperial will be in a much stronger position to create value and opportunities for its shareholders, stakeholders and the Tahltan Nation. The closing is expected to occur in the third quarter of 2019, with an outside date for closing of August 15, 2019.

Imperial announced on January 7, 2019 that due to declining copper prices, Mount Polley operations would be suspended.

Exploration

Imperial has interests in various other early stage exploration properties, and sufficient work will be

conducted to keep these properties in good standing.

At Mount Polley, future additional diamond drilling is planned in the vicinity of the Springer pit to infill areas where information is lacking and additional mineralization may be present. And, a program of ground magnetometer surveying will continue in conjunction with targeted areas of soil sampling, prospecting and geological mapping.

At Huckleberry, the Company will develop exploration programs designed to expand the resource.

At Ruddock Creek, plans for further exploration of the western edge of the massive sulphide horizons have been developed and are being discussed with our joint venture partners.

Development

The 2019 Red Chris production plan was developed following an in-depth review of historic data, with key assumptions being identified and validated against past performance. The plan reflects a lower mining rate as compared to 2018 (105,000 tonnes per day vs. 130,000 tonnes per day). The metal for 2019 was estimated by a similar application of historic data for incorporation of mill availability, throughput (tonnes per operating hour) and recovery.

In February 2019, extreme cold temperatures resulted in freezing of available water beyond expectations. There was sufficient free water to maintain operations, however only at a reduced rate (24,785 tonnes per day vs 30,000 tonnes per day). The poor quality of the water available also had a negative impact on copper recoveries. Operations are returning to normal, as volumes of run-off increase, and as ice thaws with the warmer early Spring temperatures.

At Mount Polley, extreme cold winter temperatures impacted Mount Polley mill throughput during the latter part of January and all of February 2019. Freezing ore in chutes and stockpiles limited the milling rates. During February 2019, only 9,764 dry metric tonnes were treated per calendar day milled (versus 17,531 dry metric tonnes during February 2018). Since then, warmer Spring temperatures have helped to improve mill throughput, however, to achieve the production targets, throughput during April and May will need to increase.

Milling of low grade stockpiles are targeted to continue until May 2019, at which time the mine will be placed on care and maintenance until the economics of mining at Mount Polley improve. There will be no impact to ongoing environmental monitoring and remediation programs.

At Huckleberry, a preliminary plan to restart the mine has been developed, and will be under consideration for implementation, at such time when the economics of mining improve.

For detailed information, refer to Imperial's 2018 Annual Report available on imperialmetals.com and sedar.com.

Earnings Announcement Conference Call

April 1, 2019 at 8:00am PDT | 11:00pm EDT

Management will discuss the Company's 2018 Financial Results.

To participate in the earnings announcement conference call dial toll-free 833.231.8250 (North America) or 647.689.5116 (International).

A recording of the conference call will be available for playback until April 8, 2019 by calling 855.859.2056 (North America-toll free) playback code 5188586

About Imperial

Imperial is a Vancouver based exploration, mine development and operating company. The Company, through its subsidiaries, owns the Red Chris, Mount Polley and Huckleberry copper mines in British Columbia. Imperial also holds a 50% interest in the Ruddock Creek lead/zinc property. Imperial recently announced an agreement with Newcrest to sell a 70% interest in Red Chris to Newcrest for US\$806.5 million, while retaining a 30% interest in the mine. The Company and Newcrest will form a joint venture for the operation of the Red Chris mine going forward, with Newcrest acting as the operator.

Company Contacts

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Forward-Looking Information & 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, 2018, and has been prepared based on information available as at March 29, 2019. Except for statements of historical fact relating to the Company, certain information contained herein constitutes 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 document includes, without limitation, statements regarding: expectations that the agreement to sell a 70% interest in the Company's Red Chris mine to Newcrest will successfully close and within necessary time frames, resulting in the joint venture between the parties for the operation of the Red Chris asset going forward, with Newcrest acting as operator; the 2019 production targets for the Red Chris and Mount Polley mines; expectations that Red Chris mine operations are expected to return to normal as run-off water volumes increase due to the warmer early Spring temperatures; expectations that milling of the low grade stockpiles at Mount Polley will continue until May 2019, at which time that mine will be put on care and maintenance until the economics of mining at Mount Polley improve; consideration for implementation of a preliminary plan to restart the Huckleberry mine at such time when the economics of mining improve; costs and timing of current and proposed exploration and development, including plans to conduct future additional diamond drilling at Mount Polley in the vicinity of the Springer pit and ground magnetometer surveying, and plans to further explore the western edge of the massive sulphide horizons at Ruddock Creek; 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 agreement to sell a 70% interest in

the Company's Red Chris mine to Newcrest will successfully close and within necessary time frames, enabling the Company to satisfy its debt obligations and repay its credit facilities as they become due; the Company will have access to capital as required and will be able to fulfill its funding obligations as the Red Chris minority joint venture partner; 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 mine; equipment will operate as expected; there will not be significant power outages; there will be no material adverse change in the market price of commodities and exchange rates; the Red Chris mine will achieve expected production outcomes (including with respect to mined grades and mill recoveries and access to water as needed). 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: the risk that the agreement to sell a 70% interest in the Company's Red Chris mine to Newcrest will not successfully close and within necessary time frames, jeopardizing the Company's ability to satisfy its debt obligations and repay its credit facilities as they become due, and undermining the Company's ability to continue as a going concern; the risk that the Company's ownership of the Red Chris mine may be diluted over time should it not have access to capital as required and will not be able to meet its funding obligations as the Red Chris minority joint venture partner; that additional financing that may be required may not be available to Imperial on terms acceptable to Imperial or at all; 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, and natural phenomena such as weather conditions and water shortages negatively impacting the operation of the Red Chris 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, 2018, 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.

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