Imperial Metals

News Release

Imperial Reports Second Quarter 2017 Financial Results & Covenant Waiver Under Senior Credit Facility

Vancouver | **August 14 , 2017** | **Imperial Metals Corporation** (the "Company") (TSX:III) reports comparative financial results for the three and six months ended June 30, 2017 and 2016, as summarized in this release and discussed in detail in the Management's Discussion & Analysis. The Company's financial results are prepared in accordance with International Financial Reporting Standards. The reporting currency of the Company is the Canadian ("CDN") Dollar.

Select Quarter Financial Information

expressed in thousands, except share and per share amounts

	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
Total revenues	$106,741	$116,200	$222,490	$252,985
Net income (loss)	$64,080	$(4,160)	$45,328	$13,569
Net income (loss) per share	$0.68	$(0.05)	$0.48	$0.17
Diluted income (loss) per share	$0.68	$(0.05)	$0.48	$0.17
Adjusted net loss (1)	$(22,250)	$(1,214)	$(44,546)	$(15)
Adjusted net loss per share (1)	$(0.24)	$(0.01)	$(0.48)	$(0.00)
Adjusted EBITDA(1)	$12,851	$40,488	$28,039	$90,339
Total assets	$1,611,646	$1,446,200	$1,611,646	$1,446,200
Total debt (including current portion)	$849,917	$835,214	$849,917	$835,214
Cash flow (1)(2)	$12,341	$40,327	$27,406	$89,752
Cash flow per share (1)(2)	$0.13	$0.49	$0.29	$1.10

(1) Refer to table under heading *Non-IFRS Financial Measures* for further details.

(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.

Revenues decreased to $106.7 million in the June 2017 quarter compared to $116.2 million in the 2016 comparative quarter, a decrease of $9.5 million or 8%.

Revenue from the Red Chris mine in the June 2017 quarter was $62.3 million compared to $92.0 million in the 2016 comparative quarter. This decrease was attributable to lower grade ore processed and lower recoveries in the 2017 quarter compared to the 2016 quarter.

Revenue from the Mount Polley mine in the June 2017 quarter was $44.1 million compared to $24.0 million in the 2016 comparative quarter. This increase was primarily due a higher quantity of copper sold along with an increased quantity of gold by-product sold as the mine had not returned to normal operations for the entire June 2016 quarter.

In the June 2017 quarter, there were 3.5 concentrate shipments from Red Chris mine (2016-5.0 concentrate shipments) and 1.3 concentrate shipments from Mount Polley mine (2016-1.0 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.

The London Metals Exchange cash settlement copper price per pound averaged US$2.57 in the June 2017 quarter compared to US$2.14 in the 2016 comparative quarter. The London Metals Exchange cash settlement gold price per troy ounce averaged US$1,257 in the June 2017 quarter compared to US$1,259 in the June 2016 quarter. The average CDN/US$ Dollar exchange rate was 1.345 in the June 2017 quarter, 4.3% higher than the exchange rate of 1.289 in the June 2016 quarter. In CDN Dollar terms the average copper price in the June 2017 quarter was CDN$3.46 per pound compared to CDN$2.76 per pound in the 2016 comparative quarter and the average gold price in the June 2017 quarter was CDN$1,691 per ounce compared to CDN$1,623 per ounce in the 2016 comparative quarter.

Revenue in the June 2017 quarter was decreased by $0.5 million negative revenue revaluation compared to $0.3 million positive revenue revaluation in the 2016 comparative quarter. Revenue revaluations are the result of the copper price on the settlement date and/or the current period balance sheet date being higher or lower than when the revenue was initially recorded or the copper price at the last balance sheet date.

Net income for the June 2017 quarter was $64.1 million ($0.68 per share) compared to net loss of $4.2 million ($0.05 per share) in the 2016 comparative quarter. The increase in net income of $68.3 million was primarily due to the following factors:

- Income/loss from mine operations went from income of $20.2 million in June 2016 to a loss of $5.9 million in June 2017, a decrease in net income of $26.1 million.
- Foreign exchange gains/losses on current and non-current debt went from a loss of $1.6 million in June 2016 to a gain of $12.4 million in June 2017, an increase in net income of $14.0 million.
- The Company's equity loss in Huckleberry went from loss of $1.7 million in June 2016 to income of $1.0 million in June 2017, an increase in net income of $2.7 million.
- Tax expense went from $2.5 million in June 2016 to a recovery of $3.5 million in June 2017, an increase in net income of $6.0 million.
- The Company recorded an increase in net income in the June 2017 quarter of $74.8 million as a result of the gain on bargain purchase for the additional 50% share of Huckleberry.

The June 2017 quarter net income included foreign exchange gain related to changes in CDN/US Dollar exchange rate of $12.4 million compared to foreign exchange loss of $2.1 million in the 2016 comparative quarter. The $12.4 million foreign exchange gain is comprised of a $11.1 million gain on the senior notes, a $0.3 million gain on long term equipment loans, and a $1.0 million gain on short-term debt and operational items. The average CDN/US Dollar exchange rate in the June 2017 quarter was 1.345 compared to an average of 1.289 in the 2016 comparative quarter.

Cash flow was $12.3 million in the June 2017 quarter compared to cash flow of $40.3 million in the 2016 comparative quarter. 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 $28.8 million in the June 2017 quarter, up from $24.2 million in the 2016 comparative quarter. The June 2017 expenditures included $8.4 million for tailings dam construction, $10.8 million for component changes on mobile equipment, $2.8 million for mobile equipment and $6.8 million relating to non-cash consideration received by the Company in the Sterling gold mine sale in the form of a Net Smelter Royalty ("NSR") and Net Operating Profit ("NOP") which have been included in mineral properties for the quarter. Further discussion on the Sterling sale can be found under the heading Sterling Mine.

Liquidity & Capital Resources and Covenant Waiver

At June 30, 2017, the Company had cash of $8.7 million, $5.2 million undrawn on the senior secured revolving credit facility ("Senior Credit Facility") and a working capital deficiency of $910.8 million, which includes $842.5 million current portion debt.

Based on the results of operations for the second quarter of 2017 the Company met three of four financial covenants contained in its Senior Credit Facility. But for the waiver referred to below, the Company would not have been in compliance with one of the financial covenants of the facility. The Senior Credit Facility matures on March 15, 2018 and has been classified as a current liability since March 15, 2017.

The Company has obtained a waiver from the Senior Credit Facility lenders such that no event of default has occurred under the facility. The waiver covers the period to September 30, 2017 and requires the Company to deliver a financing plan to the Senior Credit Facility lenders for their approval prior to September 30, 2017.

International Accounting Standard 1 requires all debt to be classified as a current liability where the Company does not have an unconditional right to defer settlement of the debt for at least twelve months after the relevant reporting period. Accordingly, even though no present event of default exists, all debt, which could, under any circumstances, be accelerated due to any potential action which could be taken by lenders prior to twelve months from June 30, 2017 must be classified as a current liability. Consequently, the second lien secured revolving credit facility, the senior unsecured notes, the convertible debentures, the junior credit facility and certain equipment loans are required to be classified as current liabilities as of June 30, 2017.

On July 31, 2017 the Company closed a $20.0 million bridge loan financing ("Bridge Loan") with affiliates of its two major shareholders. The Bridge Loan matures on the earlier of October 15, 2017 or the date the Company secures additional financing.

The Company is reviewing its mine plans and its capital requirements as a result of lower than expected metal production in the first half of 2017. This review may require the Company to secure additional financing or request extension of the maturity dates of some of its debt. There can be no assurance that adequate additional financing will be available on terms acceptable to the Company or at all or that the holders of the Company's debt will agree to extend maturity dates. This creates a material uncertainty that could have an adverse impact on the Company's financial condition and results of operations, and may cast significant doubt on the Company's ability to continue as a going concern.

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.

expressed in thousands, except share and per share amounts	Three Months Ended June 30	
	2017	2016
Adjusted net loss	$(22,250)	$(1,214)
Adjusted net loss per share	$(0.24)	$(0.01)
Adjusted EBITDA	$12,851	$40,488
Cash flow	$12,341	$40,327
Cash flow per share	$0.13	$0.49

Adjusted Net Loss and Adjusted Net Loss per Share

Adjusted net loss in the June 2017 quarter was $22.3 million ($0.24 per share) compared to an adjusted net loss of $1.2 million ($0.01 per share) in the 2016 comparative quarter. Adjusted net income or loss reflects 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 the June 2017 quarter was $12.9 million compared to $40.5 million in the 2016 comparative quarter. 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 the June 2017 quarter was $12.3 million compared to $40.3 million in the 2016 comparative quarter. Cash flow per share was $0.13 in the June 2017 quarter compared to $0.49 in the 2016 comparative quarter.

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

The cash cost per pound of copper produced is derived from the sum of cash production costs, transportation and offsite costs, treatment and refining costs, royalties, net of by-product and other revenues, divided by the number of pounds of copper produced during the period.

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.

Cash Cost Per Pound of Copper Produced

expressed in thousands, except cash cost per pound of copper produced

	Three Months Ended June 30, 2017				
	Huckleberry		Red	Mount	
	100%	50%	Chris	Polley	Composite
Cash cost of copper produced in US$	$ -	$ -	$35,372	$9,758	$45,130
Copper produced – pounds	-	-	*15,423*	*5,606*	*21,029*
Cash cost per lb copper produced in US$	$ -	$ -	$2.29	$1.74	$2.15

	Three Months Ended June 30, 2016				
	Huckleberry		Red	Mount	
	100%	50%	Chris	Polley	Composite
Cash cost of copper produced in US$	$14,315	$7,157	$23,174	$14,548	$44,879
Copper produced – pounds	*7,713*	*3,857*	*26,737*	*5,314*	*35,908*
Cash cost per lb copper produced in US$	$1.86	$1.86	$0.87	$2.74	$1.25

	Six Months Ended June 30, 2017				
	Huckleberry		Red	Mount	
	100%	50%	Chris	Polley	Composite
Cash cost of copper produced in US$	$ -	$ -	$75,028	$20,600	$95,628
Copper produced – pounds	-	-	*31,751*	*11,067*	*42,818*
Cash cost per lb copper produced in US$	$ -	$ -	$2.36	$1.86	$2.23

	Six Months Ended June 30, 2016				
	Huckleberry		Red	Mount	
	100%	50%	Chris	Polley	Composite
Cash cost of copper produced in US$	$28,939	$14,470	$46,476	$23,080	$84,026
Copper produced – pounds	*15,991*	*7,995*	*50,242*	*13,493*	*71,730*
Cash cost per lb copper produced in US$	$1.81	$1.81	$0.93	$1.71	$1.17

OPERATIONS

Due to weaker than expected results in the second quarter as previously announced, the production target for the year for the Red Chris and Mount Polley mines were adjusted to 102-107 million pounds copper compared to the initial target of 110-118 million pounds copper.

Red Chris Mine

Metal production for the June 2017 quarter was 15.4 million pounds copper and 6,159 ounces gold. These results were weaker than targeted and similar to the production levels achieved in the March 2017 quarter. Copper recovery was 75.79%, down from the 78.34% achieved in the June 2016 quarter, while treating substantially lower copper grades of 0.341% compared to 0.587% treated in the June 2016 quarter. The mill achieved average throughput of 29,707 tonnes per calendar day for the June 2017 quarter which was 99% of design and up 3% from the comparable quarter in 2016. We have continued to make progress with throughput and operating time and in July throughput averaged 32,303 tonnes per calendar day, setting a new record for monthly average mill throughput at Red Chris.

Mining the upper benches of the Phase 3 pushback is still yielding significant volumes of high clay ore. Mill throughput is being maximized, while treating this softer ore, to offset the lower recoveries achieved while treating these ores. In late May 2017 the installation of a seventh rougher cell was completed and began operation.

Red Chris Production	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
Ore milled - *tonnes*	2,703,363	2,636,332	5,106,864	4,780,129
Ore milled per calendar day - *tonnes*	29,707	28,971	28,215	26,264
Grade % - copper	0.341	0.587	0.363	0.606
Grade g/t - gold	0.192	0.400	0.196	0.391
Recovery % - copper	75.79	78.34	77.64	78.78
Recovery % - gold	36.92	53.77	37.27	54.49
Copper – *000's pounds*	15,423	26,737	31,751	50,242
Gold – *ounces*	6,159	18,213	11,971	32,772
Silver – *ounces*	26,875	66,054	54,827	122,435

Exploration, development and capital expenditures were $18.7 million in the June 2017 quarter compared to $11.0 million in the comparative 2016 quarter.

Mount Polley Mine

On July 15, 2017 Mount Polley mine operations were temporarily suspended as a result of an Evacuation Order and restrictions on highway use issued by the Cariboo Regional District for the City of Williams Lake. The mine recalled crews and restarted operations on July 31, after the Evacuation Order was downgraded to an Evacuation Alert, allowing employees to return to their homes. Some restrictions on highway use remain in place.

Metal production for the June 2017 quarter was 5.6 million pounds copper and 13,958 ounces gold, up 5% for copper and 47% for gold respectively from the June 2016 quarter metal production. Throughput was up 13% averaging 19,544 tonnes per day and the gold grade was up 20% for the June 2017 quarter compared to the June 2016 quarter. Production in the third quarter will be impacted by the two weeks of operating time lost due to the Evacuation Order.

Mount Polley Production	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
Ore milled - tonnes	1,779,403	1,573,542	3,472,164	3,282,690
Ore milled per calendar day - tonnes	19,554	17,292	19,183	18,037
Grade % - copper	0.212	0.224	0.209	0.268
Grade g/t - gold	0.334	0.277	0.344	0.304
Recovery % - copper	67.33	68.33	69.23	69.52
Recovery % - gold	73.15	67.62	72.35	69.82
Copper – *000's pounds*	5,606	5,314	11,067	13,493
Gold – ounces	13,958	9,476	27,769	22,389
Silver – ounces	10,537	17,104	21,414	52,135

Exploration, development and capital expenditures were $3.1 million in the June 2017 quarter compared to $13.2 million in the comparative 2016 quarter.

The 2016/2017 Martel drilling program was successful in expanding the understanding of the geology and economic potential for the Martel zone. A new resource has been completed from the drill program results as provided in the following table:

Martel Zone Resource Estimate

	Cut-off	$MHV	Tonnes	$MHV	Copper %	Gold g/t	Silver g/t
Measured	>=	30	6,417,850	53.86	0.92	0.28	5.83
Indicated	>=	30	390,953	49.58	0.77	0.38	5.16
Inferred	>=	30	635,620	87.92	1.29	0.59	8.32
M&I	>=	30	6,808,804	53.62	0.91	0.28	5.79

The Company's Qualified Person (as defined by National Instrument 43-101) for the drill program is Chris Rees, Ph.D., P.Geo., and for the resource estimate is Greg Gillstrom, P.Eng.

Huckleberry Mine

The Huckleberry open pit copper mine, currently on care and maintenance, is located 88 kilometres from Houston in west central British Columbia. The Huckleberry property consists of two mining leases covering 2,422 hectares and 39 mineral claims encompassing approximately 17,358 hectares.

On April 28, 2017 the Company became the sole owner of Huckleberry by virtue of Huckleberry exercising its right of first refusal to purchase for cancellation all the shares of Huckleberry held by a syndicate of Japanese companies in exchange for cash consideration of $2.0 million. Huckleberry became a wholly-owned subsidiary of the Company on that date.

The Company had a 50% interest in Huckleberry that was accounted for on the equity basis of accounting. The Company has accounted for the acquisition of the remaining 50% interest in Huckleberry as a business combination whereby the net assets acquired are recorded at fair value. The fair values disclosed at June 30, 2017 are provisional estimates because the acquisition only occurred on April 28, 2017, and due to a number of factors, including the complexity of valuing mineral property interests at various stages of development, further work will be required to confirm the final fair values. The finalization of the fair values of the assets and liabilities acquired is expected to be reported no later than the Company's December 31, 2017 financial statements, the final fair values may be materially different than the provisional fair values outlined below.

The Company has provisionally estimated the acquisition date fair values of the acquired assets and liabilities of Huckleberry and the fair value of the Company's previously held 50% interest in Huckleberry by reference to their pre-acquisition carrying values, a level 3 fair value measurement. These pre-acquisition carrying values had been subject to normal impairment assessment pre and post-acquisition with no impairment charges recorded.

The following table summarizes the consideration transferred to acquire 100% interest in Huckleberry and the provisional fair values of identified assets acquired and liabilities assumed at the acquisition date:

expressed in thousands of dollars

Assets Relinquished	
Accrued receivable due to the Company	$1,009
Fair value of the Company's initial 50% investment in Huckleberry	77,832
	$78,841
Identifiable Assets Acquired and Liabilities Assumed	
Cash	$18,440
Reclamation bonds	14,135
Prepaid and other receivables	648
Inventory	7,941
Mineral properties	164,265
Trade and other payables	(1,668)
Deferred trade payables	(4,925)
Future site reclamation provisions	(45,171)
	$153,665
Gain on bargain purchase of Huckleberry	$74,824

From the date of acquisition on April 28, 2017 to June 30, 2017, Huckleberry incurred idle mine costs comprised of $1.0 million in operating costs and $0.9 million in depreciation expense.

- - -

Refer to Imperial's 2017 Second Quarter Report on *imperialmetals.com* and *sedar.com* for detailed information.

Earnings Announcement Conference Call is scheduled for August 15, 2017 at 10:00am PDT | 1:00pm EDT
Management will discuss the 2017 Second Quarter Report. Conference call-in numbers:

778.383.7413 Vancouver
416.764.8688 Toronto
587.880.2171 Calgary
888.390.0546 North America – toll free

Conference call playback is available until 11:59pm August 22, 2017 by calling 888.390.0541 or 416.764.8677 | playback passcode 542839#

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 in British Columbia.

Company Contacts
Brian Kynoch | President | 604.669.8959
Andre Deepwell | Chief Financial Officer | 604.488.2666
Steve Robertson | Vice President Corporate Affairs | 604.488.2669
Gordon Keevil | Vice President Corporate Development | 604.488.2677
Sabine Goetz | Shareholder Communications | 604.488.2657 | investor@imperialmetals.com

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 period ended June 30, 2017, and plans for the future based on facts and circumstances as of August 14, 2017. Except for statements of historical fact relating to the Company, including our past 50% interest in Huckleberry, 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 MD&A includes, without limitation, statements regarding: the potential for the Company's review of its mine plans necessitating additional financing or extension of the maturity dates for some of its debt; use of proceeds from financings and credit; the 2017 production targets for the Red Chris and Mount Polley mines; improved recoveries at Red Chris mine as a result of higher grade ore from lower benches in the Main zone pit; 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; 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 and/or obtain amendments of 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 and/or obtain amendments of financial covenants contained in its credit facilities and other loan documents; that the Company's lenders may not agree to extend the maturity dates of some of its debt and may thereby create material uncertainty that could have an adverse impact on the Company's financial condition and results of operations casting significant doubt on the Company's ability to continue as a going concern; 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 plans; 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 the Company's 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 this Management's Discussion and Analysis for the three and six months ended June 30, 2017 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.