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## Imperial Commences Financial and Business Restructuring Process

Vancouver | **September 17, 2018** | **Imperial Metals Corporation** (“Imperial” or the “Company”) (TSX:III) commences a financial and business restructuring process.

As of the close of business on September 14<sup>th</sup> Imperial completed the following actions:

Extension of the due date of the Company’s Secured Revolving Senior Credit Facility of \$200 million from October 1, 2018 to February 15, 2019. The Secured Revolving Senior Credit Facility is now supported by a guarantee from Edco Capital Corporation, a company controlled by a significant shareholder of the Company, for an annual fee of 225 basis points. The annual guarantee fee is less than the reduction in the interest rate charged on the extended Senior Credit Facility, and results in reduced interest expense to the Company. All the financial covenants that were in place on the Senior Credit Facility have been removed from the extended credit facility.

Extension of the due date of the Company’s Second Lien Credit Facility of \$50 million from December 1, 2018 to February 15, 2019 and a reduction in the annual fee for the guarantee of this facility by Edco Capital Corporation, a company controlled by a significant shareholder of the Company, from 387.5 basis points to 225 basis points.

Extension of the due date of the Company’s Bridge Loan of \$26 million from January 5, 2019 to February 28, 2019.

Sale of a one half of one percent (0.5%) net smelter return royalty interest on the Red Chris project for US\$17 million to a company of which a significant shareholder of the Company is a minority equity shareholder. This royalty is subject to a 100% buyback option granted to Imperial for four years at the sum of US\$17 million plus simple interest thereon at 11% per annum less the aggregate amount of royalty payments paid. If bought back within four months, the sum would be US\$17 million plus simple interest thereon at the rate of 6% per annum less the aggregate amount of royalty payments paid.

Steps have been taken to both rationalize and improve operations at both of the Company’s operating mines and these steps are expected to have a positive operational impact in the fourth quarter of 2018.

The Board of Directors of the Company has also established a Special Committee. The Special Committee is authorized to identify, consider, negotiate and potentially implement all strategic alternatives including sales of some of the Company’s assets, joint ventures, a recapitalization, and a sale or merger of the Company.

The Company has had preliminary discussions with a potential joint venture partner. There are no assurances that the consideration of any strategic alternative will result in a transaction. Imperial does not intend to comment on or disclose developments regarding the process unless it deems further disclosure is appropriate or required.

Said Brian Kynoch, President of the Company “We are thankful to our major shareholders and lenders for supporting the process designed to help us emerge from a very difficult period. We are highly confident in the strength and long term value of our assets”.

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## **About Imperial**

Imperial is a Vancouver 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 an interest in the Ruddock Creek lead/zinc property.

## **Company Contacts**

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## **Forward-Looking Information and Risks Notice**

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, specific statements regarding: the Company's commencement of a financial and business restructuring process which, in addition to the above-outlined actions completed as of the close of business on September 14, 2018, will also include consideration by a newly-constituted Special Committee of all strategic options available to the Company; and expectations that steps taken to both rationalize and improve operations at both of the Company's operating mines will have a positive operational impact in the fourth quarter of 2018. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "outlook", "budget", "scheduled", "estimates", "forecasts", "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", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document certain forward-looking statements are identified by words including "expectations", "plan", "planned", "estimated" and "expected". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risk factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on [sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements.