



Press Release

Imperial Update on Tailings Storage Facility Breach at Mount Polley Mine

Vancouver – **August 5, 2014 | Imperial Metals Corporation (III-TSX)**. The tailings dam breach that caused a water and tailings discharge at Imperial Metals' Mount Polley mine early Monday morning has stabilized.

Our first priority is the health and safety of our employees and neighbours, and we are relieved no loss of life or injury have been reported. We are deeply concerned and are working to mitigate immediate effects and understand the cause.

Exact quantities of water and tailings discharged have yet to be determined. The tailings are alkaline with an average pH of 8.5 and are not acid generating.

The cause of the breach is unknown at this time. The dam is an independently engineered structure that operated within design limits and specifications. Monitoring instruments and onsite personnel had no indication of an impending breach.

Mount Polley mine has been placed on care and maintenance, and business interruption and physical damage insurers have been notified. While the damaged area is relatively small compared to the overall size of the dam, it is not known at this time how long it will take to restore operations.

We are working closely with provincial ministries, local agencies, and emergency response officials. Further updates will be provided as more information becomes available.

About Imperial

Imperial is an exploration, mine development and operating company based in Vancouver, British Columbia. The Company operates the Mount Polley copper/gold mine in British Columbia and the Sterling gold mine in Nevada. Imperial has 50% interest in the Huckleberry copper mine and has 50% interest in the Ruddock Creek lead/zinc property, both in British Columbia. Imperial is in development of its wholly owned Red Chris copper/gold property in British Columbia.

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Cautionary Note Regarding “Forward-Looking Information”

This press release contains “forward-looking information” or “forward-looking statements” within the meaning of Canadian and United States Securities Laws, which we will refer to as “forward-looking information”. Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking information. If we discuss mine plans; costs and timing of current and proposed exploration, development, production and marketing; capital expenditures; construction of transmission lines; cash flow; working capital requirements and the requirement for additional capital; operations; revenue; margins and earnings; future prices of copper and gold; future foreign currency exchange rates; future accounting changes; future prices for marketable securities; future resolution of contingent liabilities; receipt of permits; or other matters that have not yet occurred, we are making statements considered to be *forward-looking information* or *forward-looking statements* under Canadian and United States Securities Laws.

The forward-looking information in this press release may include words and phrases about the future, such as: *plan, expect, forecast, intend, anticipate, estimate, budget, scheduled, believe, may, could, would, might or will*. We can give no assurance the forward-looking information will prove to be accurate. It is based on a number of assumptions management believes to be reasonable, including but not limited to: the continued operation of the Company's mining operations, no material adverse change in the market price of commodities or exchange rates, that the mining operations will operate and the mining projects will be completed in accordance with their estimates and achieve stated production outcomes and such other assumptions and factors as set out herein. It is also subject to risks associated with our business, including but not limited to: risks inherent in the mining and metals business; commodity price fluctuations and hedging; competition for mining properties; sale of products and future market access; mineral reserves and recovery estimates; currency fluctuations; interest rate risks; financing risks; regulatory and permitting risks; environmental risks; joint venture risks; foreign activity risks; legal proceedings; and other risks that are set out in the Company's current Management's Discussion & Analysis. If our assumptions prove to be incorrect or risks materialize, our actual results and events may vary materially from what we currently expect as provided in this press release. We recommend review of the Company's current Management's Discussion & Analysis, which includes discussion of material risks that could cause actual results to differ materially from our current expectations. Forward-looking information is designed to help you understand management's current views of our near and longer term prospects, and it may not be appropriate for other purposes. We will not necessarily update this information unless we are required to by securities laws.