

Imperial Reports 2014 Production

Vancouver, **January 26, 2015** | **Imperial Metals Corporation (III-TSX)** reports its 2014 annual base and precious metals production from Mount Polley, Huckleberry and Sterling mines was 41.5 million pounds copper, 33.0 thousand ounces gold and 166.4 thousand ounces silver. Production in 2014 was impacted by the interruption of Huckleberry operations due to a SAG mill bull gear failure on February 26, and the suspension of Mount Polley operations due to the tailings dam breach on August 4. The production represents 97.6%, 92.8% and 102.6% respectively of the targeted copper, gold and silver production reported in the Management's Discussion & Analysis in the third quarter report.

ANNUAL PRODUCTION	2014 ⁽¹⁾	2013 ⁽¹⁾
Copper - lbs	41,498,394	59,107,574
Gold - oz	33,038	54,456
Silver - oz	166,380	243,013
QUARTER PRODUCTION	4Q 2014 ⁽¹⁾	4Q 2013 ⁽¹⁾
Copper - lbs	4,375,026	14,426,595
Gold - oz	1,338	11,857
Silver - oz	22,261	58,075

⁽¹⁾ 100% production from Mount Polley & Sterling mines + 50% production from Huckleberry mine

RED CHRIS MINE

Commissioning of the Red Chris mine is well underway, and mill operations are expected to commence in late January or early February with production ramp up to follow. This is a significant milestone for the Company. The exploration and development of the Red Chris mine has been a primary focus for Imperial since the property was acquired in 2007.

Power was delivered to the Red Chris mine on November 7, 2014. The Iskut extension of the Northwest Transmission Line (NTL) was built by Highway 37 Power Corp., a subsidiary of Imperial, from the terminus of the NTL at the Bob Quinn substation to a newly constructed substation at Tatogga Lake. A 16 kilometre 287kV power line which connects the Red Chris mine to the Tatogga substation was built by Imperial.

Commissioning of various sections of the 25kV site power systems began immediately following energization of the 287kV power line. The crushing and conveying system is now operational in preparation for commissioning the mill. The reclaim water system has been commissioned, and water supply loops in the plant have been charged with water. The SAG and ball mills are in the final stage of commissioning. Mining is well underway on both the East and Main zones. Mining will initially be from two pits, which will eventually form one large pit.

MOUNT POLLEY MINE

On August 4, 2014 the tailings dam at Mount Polley mine breached. Since then, Imperial and Mount Polley personnel, and a team of experts with global experience have been working on the rehabilitation and restoration of the breach and surrounding affected areas.

As part of the rehabilitation of lower Hazeltine Creek, two sediment ponds were commissioned in the fourth quarter, resulting in a significant reduction (in excess of 95%) in the turbidity of the water draining into Quesnel Lake. Rehabilitation and restoration work is now focusing on the upper reaches of Hazeltine Creek, and its outlet from Polley Lake.

Approval has been obtained to commence tailings dam embankment repair to a sufficient height so the anticipated Spring runoff does not impact the environment. The government appointed independent expert review panel investigating the root cause of the dam failure is expected to issue their report by January 31, 2015. Alternatives for a modified restart of mine operations have been studied and consulted on with First Nations, and an application has been submitted to the province. In the restart plan, mining would begin in the Cariboo pit with tailings deposited into the Springer pit.

Imperial maintains its resolve to mitigate the effects of the breach. The Company continues to work together with regulators, the local community, the Xat'sull First Nation and the Williams Lake Indian Band.

Mount Polley production for the period up to August 4 when operations were suspended was 24.5 million pounds copper, 25.9 thousand ounces gold and 74.7 thousand ounces silver. Production in 2015 is dependent upon receiving regulatory permission to restart operations.

ANNUAL PRODUCTION	Jan 1-Aug 4 2014	2013
Ore milled - tonnes	4,548,182	7,956,738
Ore milled per calendar day - tonnes	21,056	21,799
Grade % - copper	0.321	0.295
Grade g/t – gold	0.260	0.263
Recovery % – copper	76.02	74.46
Recovery % – gold	68.11	68.09
Copper – lbs	24,489,725	38,501,165
Gold – oz	25,901	45,823
Silver – oz	74,770	123,999

HUCKLEBERRY MINE

At Huckleberry the failure of the SAG mill bull gear on February 26 resulted in an interruption of operations until April 6, when the SAG mill was able to continue operating with the damaged bull gear rotating in the opposite direction. Installation of the new bull gear on the SAG mill was completed in December, and the mill has been operating well since.

Imperial's share of copper production from Huckleberry in 2014 was 17.0 million pounds copper and 91.6 thousand ounces silver, 94.5% and 105% respectively of the targeted production. Imperial's share of the targeted production for 2015 is approximately 22.0 million pounds copper.

ANNUAL PRODUCTION*	2014	2013
Ore milled – tonnes	5,080,503	5,895,193
Ore milled per calendar day – tonnes	13,919	16,151
Grade % – Copper	0.338	0.346
Recovery % – Copper	89.9	91.6
Copper – lbs	34,017,340	41,212,818
Gold – oz	2,702	2,983
Silver – oz	183,221	238,028

*production stated 100% - Imperial's allocation is 50%

STERLING MINE

Sterling shipped 5,725 ounces gold in 2014. Underground mine operations in the 144 zone have been completed. Gold will continue to be recovered from the heap for several months, and a plan for an open pit mine and an expanded leach pad is in the final stages of permitting.

ANNUAL PRODUCTION	2014	2013
Ore Stacked – tons	45,217	160,789
Gold Grade – oz/ton	0.121	0.083
Gold ounces – added to heap	5,471	13,348
Gold ounces – in-process & poured	5,787	7,142
Gold shipped – ounces	5,725	7,431

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 a 50% interest in the Huckleberry copper mine and a 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”

The information in this press release provides a review of the Company's production as at and for the year ended December 31, 2014. Except for statements of historical fact relating to the Company, including our 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", "targets", "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 press release includes, without limitation, statements regarding: mine plans; costs and timing of current and proposed exploration and development; production and marketing; capital expenditures; future expenses relating to ongoing recovery, remediation, rehabilitation and restoration activities at the Mount Polley mine; use of proceeds from financings; expectations relating to the completion of the Red Chris mine; adequacy of funds for projects and liabilities; expectations relating to the receipt of insurance proceeds; the construction of transmission lines; outcome and impact of litigation; cash flow; working capital requirements; expectations relating to the requirement for additional capital; expectations relating to results of operations, revenue, margins and earnings; future prices of copper and gold; future foreign currency exchange rates; 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 Imperial operates, including assumptions that: Imperial will be able to advance and complete recovery, remediation, rehabilitation and restoration activities within expected timeframes; that there will be no significant delay or other material impact on the expected timeframes for completion of remediation and restoration of the Mount Polley mine and the recommencement of operations at the mine; that Imperial's initial recovery activities have been successful as planned; that all required permits, approvals and arrangements to proceed with planned remediation and restoration will be obtained in a timely manner; that there will be no interruptions that will materially delay Imperial's progress with its remediation plans; and that Imperial will have access to capital if required; that there will be no material delay in the completion and commissioning of the Red Chris mine; that insurance proceeds will be available to contribute materially to the remediation at the Mount Polley mine; that equipment will operate as expected; that the Company's use of derivative instruments will enable to Company to achieve expected pricing protection; that there will be no material adverse change in the market price of commodities and exchange rates; and that the Red Chris mine will be completed materially in accordance with current budgeted capital expenditures and will achieve expected production outcomes. 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: uncertainty regarding the outcome of sample testing and analysis being conducted on the area affected by the tailings dam breach; risks relating to the timely receipt of necessary approvals and consents to proceed with the remediation plan; risks relating to timing of the remaining costs and liabilities relating to the tailings dam breach; uncertainty as to actual timing of completion of recovery, remediation and restoration activities and the recommencement of commercial operations at the Mount Polley mine; risks relating to the impact of the tailings dam breach on Imperial's reputation; the quantum of claims, fines and penalties that 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; risk of costs arising from any unforeseen longer-term environmental consequences of the tailings dam breach at Mount Polley mine; risks that additional financing that may be required may not be available to Imperial on terms acceptable to Imperial or at all; risks of protesting activity and other civil disobedience restricting access to the Company's properties; equipment failure, labour unrest, power shortages, natural phenomena such as weather conditions negatively impacting the progress of remediation or the completion of the Red Chris mine; and other hazards and risks disclosed within Imperial's Management's Discussion and Analysis for the year ended December 31, 2013, in Imperial's Annual Information Form for the year ended December 31, 2013 and other public filings which are available on Imperial's profile on SEDAR at www.sedar.com. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Imperial does not undertake to update any forward looking information, except in accordance with applicable securities laws.