
Imperial Provides Update on Financings and Red Chris Commissioning Progress

Vancouver – **June 26, 2015** | **Imperial Metals Corporation (the “Company”) (III-TSX)** reports that it has filed with all securities regulatory authorities in Canada and the Toronto Stock Exchange (“TSX”) a draft rights offering circular (the “Rights Offering Circular”) in respect of the proposed issue to holders of its common shares of rights (“Rights”) to subscribe for common shares of the Company (the “Rights Offering”). The Company also wishes to update the terms of the previously announced financings (including the Rights Offering) for aggregate gross proceeds of approximately \$80 million. The Company also provides an update of Red Chris commissioning progress.

Update on Financings

The Company previously announced its intention to raise approximately \$80 million in gross proceeds from a combination of rights to purchase common shares of the Company and the issuance of convertible debentures.

The proposed offerings will now comprised of three tranches (the “Financings”):

- a. The Rights Offering to be made only to holders of common shares by the issue of the Rights entitling them to subscribe for \$44 million of Rights Shares at a price to be determined in the context of the market at the time of filing the final Rights Offering Circular. Overallotment subscription privileges will be extended to all shareholders. N. Murray Edwards, has advised that he intends to exercise all of his Rights and cause all of his affiliates to do so, and Fairholme Capital Management, LLC has advised that it intends to exercise not less than 13,474,530 of the Rights to be received by certain funds or accounts over which it exercises discretionary management authority.
- b. A private placement for \$6 million of common shares of the Company (the “Common Share Private Placement”) at a price to be determined in the context of the market at the time of filing the final Rights Offering Circular. N. Murray Edwards and The Fairholme Partnership, LP have advised that they intend to purchase approximately \$2.4 million and approximately \$1.9 million of the Common Share Private Placement, respectively.
- c. A private placement of \$30 million of convertible debentures of the Company (the “Convertible Debentures Private Placement”) the terms of which will be determined in the context of the market at the time of filing the final Rights Offering Circular. N. Murray Edwards and The Fairholme Partnership, LP have advised that they intend to purchase approximately \$15 million and approximately \$7.5 million of the convertible debentures, respectively.

At the time of filing the final Rights Offering Circular, the Company expects, N. Murray Edwards and The Fairholme Partnership, LP (the “Guarantors”) to commit to purchase 66.67% and 33.33%, respectively, of: (i) all the common shares which remain unsubscribed for by the holders of the Rights; (ii) all the common shares which remain unpurchased pursuant to the Common Share Private Placement; and (iii) of all the convertible debentures which remain unpurchased under the Convertible Debenture Private Placement.

In exchange for backstopping the Financings, the Company expects to pay the Guarantors a fee of 3% of the gross proceeds of the Financings, excluding proceeds from the exercise of Rights issued in respect of common shares owned or over which the Guarantors or their affiliates have control and excluding common shares and convertible debentures the Guarantors or their affiliates have committed to purchase pursuant to the Common Share Private Placement and the Convertible Debenture Private Placement.

The Financings are subject to all necessary regulatory and TSX approvals. Further information regarding the proposed Financings will follow in due course through subsequent announcements as well as the final Rights Offering Circular which will be filed and sent to shareholders of record on a date to be determined.

Red Chris Commissioning Update

Red Chris commissioning is progressing with a third shipment of concentrate scheduled to begin loading tomorrow. Once the third ship is loaded approximately 30,000 tonnes of concentrate containing about 15.6 million pounds of copper and 5,160 ounces of gold will have been shipped during the second quarter. The 2015 program for the construction of the

tailings dam is well underway with about 30% of the planned 2015 construction having been completed to date. Water supply continues to cause some downtime to mill operations although its impact has lessened in June. Metallurgical recoveries are improving as adjustments continue to be made to milling operations.

The following table details production for the Red Chris mine to date:

Production	Three Months Ended March 31			
	2015	April 2015	May 2015	June 1-24, 2015*
Ore milled - tonnes	815,771	524,439	631,958	563,600
Grade % - copper	0.443	0.474	0.472	0.570
Grade g/t - gold	0.254	0.237	0.197	0.260
Recovery % - copper	59.21	60.66	58.30	64.00
Recovery % - gold	31.63	32.10	21.40	39.00
Copper - pounds	4,720,000	3,441,000	3,834,000	4,480,000
Gold - ounces	2,110	1,283	855	1,800

* Amounts and values for the first 24 days of June are approximate and subject to change following the month end reconciliation.

About Imperial

Imperial is an exploration, mine development and operating company based in Vancouver, British Columbia. The Company is commissioning the Red Chris mine in northern 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.

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Cautionary Note Regarding “Forward-Looking Information”

Certain information contained herein constitutes forward-looking information which is 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 the filing of the Company's Rights Offering circular for review by securities regulators, details of the proposed three-tranche structure of the Financings, details of the commitment of N. Murray Edwards and The Fairholme Partnership, LP to backstop all three tranches of the Financings, and the status of commissioning, production and metallurgical recoveries at the Red Chris mine.

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: the Company will receive all necessary regulatory, stock exchange and third party approvals in respect of the Rights Offering, Common Share Private Placement and Convertible Debenture Private Placement financings; N. Murray Edwards and The Fairholme Partnership, LP will back stop the Financings; the timing of the Financings will meet the Company's expectations based on its business and operational requirements; there will be no material delay in the completion and full commissioning of the Red Chris mine; equipment will operate as expected; mining, processing, exploration and development activities will achieve expected outcomes; geological, mining and metallurgical estimates will be accurate; no significant and continuing adverse changes in financial markets will occur that will have a material impact on production; there will be no material unanticipated operational or technical difficulties; personnel will continue to be available to achieve expected outcomes at Red Chris; there will be no material unanticipated challenges with stakeholders at the Red Chris mine; and the Red Chris mine 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: risks that the Rights Offering, Common Share Private Placement and Convertible Debenture Private Placement financings will not provide the expected liquidity or benefits to the Company's business or operations; risks that required consents and approvals will not be received in order to advance or complete the Rights Offering, Common Share Private Placement and Convertible Debenture Private Placement financings; risks that the final terms of the Financings or any back stop thereof will be materially different from those disclosed herein; operational risks and hazards, including unanticipated environmental, industrial and geological events and developments and the inability to insure against all risks; risks of failure of plant, equipment, processes, transportation and other infrastructure to operate as anticipated; risks related to changes in project parameters as plans continue to be refined; risks related to economic factors (including future commodity prices, currency fluctuations, energy prices and general cost escalation) that may impact the Red Chris mine; uncertainties relating to mineral resource estimates; uncertainties related to the geology, continuity, grade and estimates of mineral resources and the potential for variations in grade and recovery rates; labour pool constraints; unanticipated difficulties with or shortages of labour or interruptions in production; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses and that Imperial may not achieve stated production outcomes; and other hazards and risks disclosed within Imperial's Management's Discussion and Analysis for the year ended December 31, 2014 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.