

Imperial Reports on Underground Drilling at Mount Polley Mine

Vancouver | **February 28, 2017** | **Imperial Metals Corporation** (the “Company”) (TSX:III) reports on the results from the first nine holes from an underground drilling program completed at the Martel and Green zones located beneath the Wight pit, approximately 400 metres east of the recently developed and mined Boundary zone. Martel zone highlights include 110.0 metres grading 1.27% copper and 0.24 g/t gold in drill hole MU-17-7, which included 56.9 metres grading 1.90% copper and 0.37 g/t gold. MU-17-8 was extended in length to intersect the Green zone mineralization where it intercepted 17.8 metres grading 4.49% copper and 1.44 g/t gold.

The drilling was designed to delineate two higher-grade zones discovered in 2004, prior to development of the Wight Pit. The holes, except MU-16-5, were designed to intersect the Martel zone, and five of the holes were extended to test the sparsely drilled Green zone located east of the Martel zone. Drill hole MU-16-5 was drilled to test below the Martel zone. At depth approximately 230 metres beneath the Martel zone, it intercepted two intervals of mineralization: 37 metres of 0.70% copper and 0.45 g/t gold, and 34.9 metres of 0.94 % copper and 0.27 g/t gold.

This first underground exploration of the Martel zone consisted of 6,600 metres in 25 holes, and complements surface drilling done mainly in 2003-2005. Four drill stations were established at 25 metre intervals along an exploration drift about 400 metres east of the Boundary zone underground workings. Holes were drilled on azimuths ranging from 070° to 090° at shallow to moderate angles, crossing the Brown Wall fault and into the Martel breccia. Mineralized intercepts in the Martel and Green zones are summarized in the table below.

Martel Zone Intercepts

Hole #	Total Length (m)	Interval from (m)	Interval to (m)	Interval Length (m)	Copper %	Gold g/t
MU-16-1	369.1	97.9	262.5	164.6	0.59	0.34
incl.		162.5	176.3	13.8	1.02	0.25
incl.		188.0	216.9	28.9	1.07	0.70
MU-16-2	359.7	113.7	251.7	138.0	0.96	0.25
incl.		145.0	163.5	18.5	1.06	0.55
incl.		184.6	247.5	62.9	1.45	0.30
MU-16-3	350.6	110.9	212.0	101.1	0.94	0.32
incl.		137.5	155.0	17.5	2.25	0.96
incl.		166.8	182.5	15.7	1.48	0.23
MU-16-4	341.4	132.1	207.2	75.1	1.23	0.40
incl.		132.1	156.1	24.0	2.03	0.50
incl.		164.9	202.6	37.7	1.12	0.44
MU-16-6	270.4	92.5	240.0	147.5	1.03	0.20
incl.		99.5	185.3	85.8	1.03	0.21
incl.		196.7	212.5	15.8	1.89	0.30
MU-17-7	252.1	92.5	202.5	110.0	1.27	0.24
incl.		117.5	174.4	56.9	1.90	0.37
MU-17-8	359.7	122.5	250.5	128.0	0.66	0.24
incl.		153.5	170.5	17.0	1.46	0.58
MU-17-9	230.7	94.2	202.3	108.1	1.15	0.15
incl.		115.0	154.7	39.7	1.89	0.21

Green Zone Intercepts

Hole #	Total Length (m)	Interval from (m)	Interval to (m)	Interval Length (m)	Copper %	Gold g/t
MU-16-1	369.1	345.4	347.5	2.1	0.83	1.44
MU-16-2	359.7	300.0	308.8	8.8	3.17	1.91
and		323.9	332.5	8.6	3.91	0.77
MU-16-3	350.6	267.5	274.3	6.8	0.77	0.40
MU-16-4	341.4	265.4	278.6	13.2	0.64	0.61
MU-17-8	359.7	293.0	310.8	17.8	4.49	1.44

Note all intervals are the entire length and true widths have not been determined.

The mineralization is believed to have formed in a vertical hydrothermal breccia body within a complex of monzonitic intrusions. It now occurs in two segments which were formerly contiguous but are now separated by the steeply southwest-dipping Brown Wall fault. The upper hanging wall portion was mined in the Wight pit (2005-2009). The deeper portion was dropped down slightly and offset to the northwest, and is known as the Martel zone, the top of which was exposed in the bottom of the final Wight pit. Mineralization generally begins immediately after the fault, and consists of chalcopyrite and bornite disseminated in a polyolithic breccia matrix, in fine to coarse infill between clasts or in veins. Late to post-mineral monzonitic dikes cut the breccia, the largest being 10-14 metres thick, obliquely bisecting the Martel zone, otherwise internal dilution by dikes is limited.

The Martel zone measures approximately 130 metres long, 170 metres high, and 140 metres wide, perpendicular to the Brown Wall fault plane. Along its northeastern fringe, the Martel zone gives way to monzonitic wall rock and dikes. The easternmost body of mineralization intersected in this drilling is the Green zone which is hosted in a distinct style of breccia and is intermittent but can be very high grade. The Martel zone is open in all directions except to the southwest where the Brown Wall fault cuts-off the zone.

Assays from the remaining holes are expected by the end of March 2017. Once all results are received, they will be loaded into the block model for this area and a revised resource estimate will be completed followed by mine planning. Based on the results to date, two options for mine development may be considered. The longer lower grades such as 147.5 metres of 1.03% copper and 0.20 g/t gold in drill hole MU-16-6 may be amenable to sub-level caving, while shorter higher grade sections may be amendable to conventional long hole mining.

Resignation of Vice President Finance

Imperial's Vice President Finance, Saurabh Handa, will resign effective March 17, 2017 to pursue other opportunities. The Company and the board of directors would like to thank Mr. Handa for his contributions to the Company, and wish him well in his future endeavours.

About Imperial

Imperial is a Vancouver based exploration, mine development and operating company. The Company, through its subsidiaries, owns the Red Chris and Mount Polley copper/gold mines in British Columbia, and the Sterling gold mine in Nevada. Imperial also holds a 50% interest in Huckleberry Mines Ltd. and in the Ruddock Creek lead/zinc property, both in British Columbia.

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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 expectations that assays will be obtained by the end of March 2017 for the remaining drill holes in the Mount Polley mine underground drilling program targeting the Martel and Green zones located beneath the Wight pit; expectations that all results, once received, will be loaded into the block model for this area, a revised resource estimate will be completed, and based on the results to date, mine planning with two options for mine development will be considered; and in general, statements with respect to the estimation of mineral reserves and mineral resources. 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 "guidance", "expectations", "targeted", "plan", "planned", "estimated", "calls for" 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, risks related to changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in ore reserves, grade or recovery rates; accidents; dependence on key personnel; labour pool constraints; labour disputes; availability of infrastructure required for the

development of mining projects; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; counterparty risks associated with sales of our metals; changes in general economic conditions; increased operating and capital costs; and other risks of the mining industry as well as those 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 at **imperialmetals.com** and **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.