Press Release

Report by the Mount Polley Independent Expert Engineering Investigation and Review Panel

Vancouver, **January 30, 2015 | Imperial Metals Corporation (III-TSX)**

The Mount Polley Independent Expert Engineering Investigation and Review Panel (the "Panel") released today its report (the "Report") on the cause of the August 4, 2014 tailings storage facility ("TSF") breach at the Mount Polley mine.

The Panel's determination of the cause of the breach is in agreement with the results of the investigation of mine operator Mount Polley Mining Corporation ("MPMC"). The Panel found no evidence of failure due to human intervention, overtopping, or piping and/or cracking resulting in internal erosion. The Panel indicated that the water accumulation within the TSF was not a cause of failure but contributed to the release of tailings. The Company had earlier recognized that water levels would increase in the TSF, and had taken steps commencing in 2006 to address this issue.

The Panel concluded that the Perimeter Embankment of the TSF failed because a glacio-lacustrine layer (the "GLU") lying approximately 8 metres below the base of the dam in the area of the breach was not as strong as had been assumed in the design of the TSF.

Construction over the 18 year life of the TSF was at all times carried out in accordance with design criteria provided by the Engineers of Record and approved by the Ministry of Energy and Mines ("MEM"). The Panel noted that the omissions associated with site characterizations remained undetected notwithstanding the large number of experienced geotechnical engineers associated with the TSF over the years.

Design criteria accepted for the TSF required a factor of safety of 1.3 during the operating life of the mine, increasing to 1.5 at closure. Based on the calculations presented in the design reports, the factor of safety of the Perimeter Embankment where the failure occurred exceeded 1.5 at the time of failure.

The Panel stated in its Report that it "considers the technical qualifications of the MEM Geotechnical Staff as among the best that it has encountered among agencies with similar duties." MEM's September 13, 2013 geotechnical inspection report to MPMC stated that "based on our observations and information reviewed we consider that the TSF is being designed, constructed, and operated in general conformance with the requirements of the geotechnical components of the [Health, Safety and Reclamation Code], Permit M-200, and accepted engineering practices." The Ministry observed that a quality control and quality assurance program was in place, and considered MPMC's revised Operations, Maintenance and Surveillance Manual to be well thought out.

In summary, the TSF was constructed in accordance with design criteria established by the Engineers of Record and accepted by MEM. Had the GLU beneath the TSF been as strong as assumed by design criteria, this sudden and unanticipated failure would not have occurred.

The Company continues to make good progress in repairing the effects of the breach working closely with the Ministry of Environment in cooperation with First Nations and local communities.

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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