

## NEWS RELEASE

### IMPERIAL REPORTS 2012 THIRD QUARTER FINANCIAL RESULTS

Vancouver – **November 8, 2012 - Imperial Metals Corporation (III-TSX)** – Imperial reports comparative financial results for the three and nine months ended September 30, 2012 and September 30, 2011 which are summarized below and discussed in detail in the Management’s Discussion and Analysis. The Company’s financial results are prepared in accordance with International Financial Reporting Standards (“IFRS”).

(unaudited) in thousands of CDN\$ except per share amounts	THREE MONTHS ENDED SEPT 30		NINE MONTHS ENDED SEPT 30	
	2012	2011	2012	2011
Revenues	\$49,163	\$69,409	\$190,409	\$205,994
Income from mine operations	\$15,226	\$8,531	\$49,468	\$56,614
Net Income	\$4,343	\$17,617	\$20,908	\$45,405
Net Income Per Share	\$0.06	\$0.24	\$0.28	\$0.62
Adjusted Net Income <sup>(1)</sup>	\$7,432	\$4,755	\$26,172	\$23,104
Adjusted Net Income Per Share <sup>(1)</sup>	\$0.10	\$0.06	\$0.35	\$0.31
Cash Flow <sup>(1)</sup>	\$17,172	\$17,441	\$59,869	\$64,051
Cash Flow Per Share <sup>(1)</sup>	\$0.23	\$0.24	\$0.81	\$0.87

<sup>(1)</sup> Adjusted Net Income, Adjusted Net Income Per Share, Cash Flow and Cash Flow Per Share are measures used by the Company to evaluate its performance; however, they are not terms recognized under IFRS in Canada. Adjusted Net Income is defined as net income adjusted for certain items of a non-operational nature that pertain to future periods as described in further detail in the Management’s Discussion and Analysis under the heading Adjusted Net Income. Cash Flow is defined as cash flow from operations, excluding mining and income taxes and before net change in working capital balances. Adjusted Net Income and Cash Flow Per Share are the same measures divided by the weighted average number of common shares outstanding during the period. *The Company believes these measures are useful to investors because they are included in the measures that are used by management in assessing the financial performance of the Company.*

Revenues were \$49.2 million in the September 2012 quarter compared to \$69.4 million in the 2011 quarter. The September 2012 quarter includes one concentrate shipment from Mount Polley mine and two concentrate shipments from Huckleberry mine, compared to two concentrate shipments from Mount Polley mine and two concentrate shipments from Huckleberry mine in the comparative 2011 quarter. Variations in quarterly revenue attributed to the timing of concentrate shipments can be expected in the normal course of business. Mount Polley had over 9,000 tonnes of concentrate in inventory at the end of the quarter end and a concentrate shipment was made in October 2012.

The Company recorded net income of \$4.3 million in the September 2012 quarter compared to net income of \$17.6 million in the 2011 quarter. Adjusted net income in the quarter was \$7.4 million or \$0.10 per share, versus \$4.8 million or \$0.06 per share in the September 2011 quarter. Adjusted net income is calculated by removing the unrealized gains and losses, net of related income taxes, resulting from mark to market revaluation of copper and foreign exchange derivative instruments. Adjusted net income is not a measure recognized under IFRS in Canada. It is intended to show the current period financial results excluding the effect of items not settling in the current period.

Losses on derivative instruments were \$4.3 million in the September 2012 quarter compared to gains of \$16.7 million in the September 2011 quarter including unrealized net losses on copper derivatives of \$4.1 million in the September 2012 quarter compared to \$17.5 million of gains in the September 2012 quarter. The Company realized losses of \$0.2 million on copper derivatives in the September 2012 quarter compared to losses of \$0.8 million in the September 2011 quarter.

Cash flow was virtually the same as in the same quarter last year, at \$17.2 million in the three months ending September 30 compared to \$17.4 million in the comparative 2011 quarter.

Capital expenditures increased to \$62.3 million from \$13.4 million in the comparative 2011 quarter. The Company financed \$8.6 million of the capital additions in the September quarter via long term debt compared to \$0.7 million in the comparative quarter. The balance of the expenditures were financed from cash flow from the Mount Polley and Huckleberry mines and from short term debt. At September 30, 2012 the Company had \$45.2 million in cash and short term investments.

During the September 2012 quarter the Company did not purchase any common shares for cancellation.

## MOUNT POLLEY MINE OPERATIONS

PRODUCTION	NINE MONTHS ENDED SEPT 30	
	2012	2011
Ore milled (tonnes)	6,136,202	5,742,244
Ore milled per calendar day (tonnes)	22,395	21,034
Grade % - copper	0.274	0.262
Grade g/t - gold	0.303	0.266
Recovery % - copper	65.70	57.16
Recovery % - gold	65.00	62.16
Copper (lbs)	24,390,575	18,939,711
Gold (oz)	38,917	30,496
Silver (oz)	85,620	67,555

Throughput continues to exceed plan averaging 22,395 tonnes per day for the first nine months of 2012. Throughput for the quarter averaged 22,278 tonnes per calendar day, which was up from 22,160 achieved in the comparable period in 2011.

Increased throughput, improved recoveries, and better grades resulted in increased copper and gold production of 29% and 28% respectively from the levels achieved in the first nine months of 2011. Gold production for the third quarter was 13,869 ounces up slightly from 13,703 ounces produced in the second quarter, setting another record quarterly gold production since the restart of Mount Polley operations in 2005.

## MOUNT POLLEY EXPLORATION

Surface diamond drilling continues at Mount Polley with two exploration drill rigs onsite. The drill program is testing for mineralization beneath and adjacent to the Springer pit, and at the Quarry zone north of the Wight pit. During the 2012 third quarter 12,200 metres of diamond drilling were completed in 22 drill holes. The two surface drills are still working beneath the Cariboo pit, immediately adjacent to Springer, and at Quarry zone. Underground drilling resumes at the Boundary zone in the first week of November, at which time one surface rig will be shut down.

## HUCKLEBERRY MINE OPERATIONS

PRODUCTION	NINE MONTHS ENDED SEPT 30	
	2012	2011
[stated 100% - Imperial's allocation= 50%]		
Ore milled (tonnes)	4,410,800	4,480,300
Ore milled per calendar day (tonnes)	16,098	16,411
Grade (%) – copper	0.299	0.382
Recovery (%) – copper	89.8	90.2
Copper (lbs)	26,096,000	34,044,000
Gold (oz)	1,946	2,758
Silver (oz)	139,155	173,127
Molybdenum (lbs)	4,556	6,929

Copper grade and recovery were both lower in the first nine months of 2012 compared to the same period in 2011. A significant portion of the mill feed this year is from low grade stockpiles. Throughput for the period averaged 16,098 tonnes per day, virtually the same as for 2011. With lower grade and recovery, copper production was just over 26 million pounds, down about 23% from the same nine month period in 2011.

Work on the construction of the new tailings facility was suspended in October after a successful first year of construction. The starter dam at the new tailings storage facility was completed to an elevation of approximately 927 metres, exceeding the target elevation of 924 for the first year construction program by three metres. Over 2.1 million cubic metres of material was placed in the starter dam to the end of September 2012.

The financial results from Huckleberry continue to have a significant impact on Imperial's results. Imperial's share of Huckleberry's income from mine operations was \$4.1 million in the September 2012 quarter compared to \$3.9 million in the September 2011 quarter. Although Huckleberry had two shipments in each of the September 2012 and 2011 quarters, Huckleberry's income from mine operations increased due to positive revenue revaluations in 2012 compared to large negative revenue revaluations in 2011.

## HUCKLEBERRY EXPLORATION

Three main targets were the focus of the exploration drilling program at Huckleberry: MZ Deep, Old Nag Quarry and NW MZO. Review of the Titan-24 data collected in 2011 led to drilling two holes, totalling 1,148 metres, designed to test a moderate chargeability/resistivity anomaly beneath the limits of known mineralization in the Main zone deposit. Both holes returned significant mineralized intervals, shown on the table below, confirming the extension of the deposit to depth and to the east. These results may indicate the presence of a continuous zone of copper mineralization at depth that connects the Main zone and East zone deposits. Additional drill holes are planned to further assess the potential of this target.

Drill Hole #	Total length (m)	Interval from (m)	Interval to (m)	Interval length (m)	Copper %	Molybdenum %
MZDP12-6	526.39	273.41	465.43	192.02	0.342	0.006
including		303.89	373.99	70.10	0.511	0.007
MZDP12-7	621.18	343.81	514.50	170.69	0.318	0.004
including		423.06	490.12	67.06	0.421	0.003

Eight holes totalling 2,053 metres drilled in late 2011, and a follow-up drilling program of eight holes totalling 2,206 metres in 2012, defined the western extension of the Main zone deposit beneath the Old Nag Quarry located directly adjacent to the planned MZO pit. The quarry was a source of non-acid generating rock early in the mine life. Results from this drilling indicated the presence of a significant volume of low-grade (0.20–0.25% Cu) material near surface.

Five holes totalling 1,650 metres were drilled in late 2011 to the northwest of the MZO pit, where the Titan-24 survey had defined several targets of interest. These holes returned local intersections of ore-grade material, and three additional holes totalling 604 metres were drilled in 2012 to determine if there was continuity between these zones and the mineralization in the active pit. Drilling in the area did not define any significant continuous zones of mineralization, and no further exploration is planned for the NW MZO.

Follow-up exploration in 2012 will include, drilling one more hole to further test the area between the East and Main zones at depth, completing a further Titan geophysical survey to the south of the previous survey, and additional drilling along the southern margin of the MZO pit.

## RED CHRIS CONSTRUCTION UPDATE

Mass excavation is complete in the process plant but is ongoing in the truck shop and reclaim tunnel areas. Completion is expected by the end of October. Concrete aggregates have been produced from a gravel source located within the tailings impoundment area (TIA) and are being hauled to the plant site area via the TIA access road. The first foundation pour for the concentrate storage shed was on September 24. Concrete pours are planned to mid-November 2012. Concrete placement will then be suspended until Spring 2013.

A Nordberg 54" x 80" gyratory crusher, purchased used, was completely dismantled and trucked from Sahuarita, Arizona to Mount Polley for refurbishing. The right of way for conveyors, light vehicle road and heavy vehicle road has been cleared and grubbed for the first 1.4 km between the coarse ore stockpile and the primary crusher. The main access road has been completed to single lane access from 3.2 km to 8 km at Coyote Creek.

Engineering is approximately 59% complete.

The work at Red Chris is being funded by cash flow from operations and an expanded line of credit. Discussions with BC Hydro are underway regarding service from the Bob Quinn substation at the end of the new Northwest Transmission Line to the Red Chris mine. Work on the Northwest Transmission Line is underway and BC Hydro expects the facilities to be in service by the end of May 2014.

## RED CHRIS EXPLORATION UPDATE

Exploration results from all the Red Chris drilling are now available on the Company's website. The most significant of the new drilling is RC12-580 which has extended the deep mineralization discovered below the Gully zone in late 2011. The mineralized intersection is 605.8 metres grading 0.39% copper, 0.43 g/t gold and 2.00 g/t silver. The drill hole was collared approximately 200 metres grid north from previously reported hole RC11-477, which intersected 807.5 metres grading 0.31% copper, 0.29 g/t gold and 1.61 g/t silver.

Two higher grade intervals contained within the mineralized intersection in RC12-580 were 47.5 metres grading 1.00% copper, 1.06 g/t gold and 3.87 g/t silver and 95.0 metres grading 0.77% copper, 0.73 g/t gold and 2.69 g/t silver. These two intervals contain breccia fragments displaying alteration and mineralization very similar to the high grade feeder system observed in the deep portions of the East zone. The presence of these breccia fragments support the exploration model that the Gully zone mineralization is related to a separate feeder system to the one defined below the East zone.

Exploration drilling at Red Chris was suspended once construction began in May 2012 and the project focus shifted to mine development.

## STERLING MINE

Underground mining developed 948 feet of drift on the 3292, 3260, and 3220 levels. Cross cuts from the main access drifts into and through the ore body were driven. From these cross cuts and from the main access, longhole drilling and blasting will commence in the fourth quarter. Underground core drilling focused on delineating the extents of the 144 zone ore body within the stoping area, and drilling into the hanging wall for geo-technical assessment.

Installation of a refurbished main ventilation fan near the bottom of the ventilation raise was completed during the third quarter. The ventilation system was modified utilizing the new main fan to draw fresh air down the main haulage ramp and out the vent raise. The new system provides sufficient airflow to allow for the use of a larger more efficient haulage vehicle.

PRODUCTION	NINE MONTHS ENDED SEPT 30 2012
Ore Stacked (tons)	64,505
Grade (oz/t) – gold	0.083
Gold (oz) – in-heap	5,354
Gold (oz) – in-process & poured	2,799
Gold shipped (oz)	2,077

Loading of the leach pad continued, and in the quarter an additional 14,000 tons containing approximately 1,250 ounces were loaded onto the leach pad. A total of 2,077 ounces of gold was poured and shipped to the refinery.

## RUDDOCK CREEK

The 2012 exploration program commenced in early July and was completed the last week of October. The program included surface diamond drilling on the V and Creek zones, underground diamond drilling of the Lower E zone and an additional 69 metres of underground development of the Lower E zone for the collection of a metallurgical bulk sample. In total 18 holes were completed in the V zone, 7 holes in the Creek zone and 26 holes from underground for a total of 10,081 metres of surface drilling and 5,843 metres of underground drilling.

Mitsui Mining and Smelting Co. Ltd. and Itochu Corporation have an option to earn a 50% interest in the Ruddock Creek Property. Mitsui and Itochu spent \$14 million by March 31, 2012 to earn a 35% working interest. They elected to spend a further \$6 million by March 31, 2013 to earn an additional 15% working interest, at which point Ruddock Creek Joint Venture will be owned 50% Imperial, 30% Mitsui and 20% Itochu.

## OUTLOOK

Production from Mount Polley and Imperial's 50% share of Huckleberry for the nine months of 2012 totalled 37,438,357 pounds copper, 39,890 ounces gold and 155,197 ounces silver, which is respectively 99%, 111% and 129% of the planned production. We expect to be very close to our production target of 50.5 million pounds of copper by year end, and exceed our target of 48,000 ounces of gold, with Mount Polley exceeding budget.

Construction at Red Chris is well underway. Mass excavation is complete in the process plant area, and is ongoing in the truck shop and reclaim tunnel areas. The access road from the plant area to the tailings impoundment area (TIA) is also complete, enabling haulage to the process plant of concrete aggregates produced from a gravel source located in the TIA. September 24 marked the first concrete pour of the project, in the foundation of the concentrate storage shed. Red Chris is on schedule for plant start-up in 2014.

The first construction of the new tailing storage facility at Huckleberry is ahead of schedule and should be ready to receive tailings when required next summer.

Work at Red Chris is currently being financed through cash flow from existing operations and an existing \$75 million credit facility from the Company's bankers. To provide Imperial with additional working capital, the Company's bankers have agreed to increase Imperial's credit facility from \$75 million to \$150 million, and to extend the maturity date of the entire credit facility to September 30, 2013. The Company's forecast cash flow and the increased credit facility will support Red Chris construction until mid-2013 and will enable the Company to substantially reduce the risk related to the development prior to completing additional financing, as more than 50% of development costs are projected to be spent or committed by that date. This will also enable the Company to finalize arrangements for power supply with BC Hydro prior to completing additional financing.

**DETAILED FINANCIAL INFORMATION IS PROVIDED IN THE COMPANY'S MANAGEMENT'S DISCUSSION & ANALYSIS CONTAINED IN THE THIRD QUARTER REPORT AVAILABLE ON [WWW.SEDAR.COM](http://WWW.SEDAR.COM) AND [WWW.IMPERIALMETALS.COM](http://WWW.IMPERIALMETALS.COM)**

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CAUTIONARY NOTE REGARDING "FORWARD-LOOKING INFORMATION":

THIS INFORMATION IS A REVIEW OF THE COMPANY'S OPERATIONS AND FINANCIAL POSITION AS AT AND FOR THE PERIOD ENDED SEPTEMBER 30, 2012, AND PLANS FOR THE FUTURE BASED ON FACTS AND CIRCUMSTANCES AS OF NOVEMBER 5, 2012. EXCEPT FOR STATEMENTS OF HISTORICAL FACT RELATING TO THE COMPANY, INCLUDING OUR 50% INTEREST IN HUCKLEBERRY, CERTAIN INFORMATION CONTAINED HEREIN CONSTITUTES FORWARD-LOOKING STATEMENTS.

WHEN WE DISCUSS MINE PLANS; COSTS AND TIMING OF CURRENT AND PROPOSED EXPLORATION; DEVELOPMENT; PRODUCTION AND MARKETING; CAPITAL EXPENDITURES; THE CONSTRUCTION OF THE NORTHWEST TRANSMISSION LINE; 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 THINGS THAT HAVE NOT YET HAPPENED IN THIS REVIEW WE ARE MAKING STATEMENTS CONSIDERED TO BE *FORWARD-LOOKING INFORMATION* OR *FORWARD-LOOKING STATEMENTS* UNDER CANADIAN AND UNITED STATES SECURITIES LAWS. WE REFER TO THEM IN THIS NEWS RELEASE AS *FORWARD-LOOKING INFORMATION*.

THE FORWARD-LOOKING INFORMATION IN THIS NEW RELEASE TYPICALLY INCLUDES WORDS AND PHRASES ABOUT THE FUTURE, SUCH AS: *PLAN, EXPECT, FORECAST, INTEND, ANTICIPATE, ESTIMATE, BUDGET, SCHEDULED, BELIEVE, MAY, COULD, WOULD, MIGHT, WILL*. WE CAN GIVE NO ASSURANCE THAT 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 AND 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, VOLATILITY IN THE COMPANY'S SHARE PRICE 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 RISK; FINANCING RISK; ENVIRONMENTAL RISK; FOREIGN ACTIVITIES; LEGAL PROCEEDINGS; AND OTHER RISKS THAT ARE SET OUT IN OUR ANNUAL INFORMATION FORM AND BELOW.

IF OUR ASSUMPTIONS PROVE TO BE INCORRECT OR RISKS MATERIALIZE, OUR ACTUAL RESULTS AND EVENTS MAY VARY MATERIALLY FROM WHAT WE CURRENTLY EXPECT AS SET OUT IN THIS REVIEW. WE RECOMMEND YOU REVIEW THE COMPANY'S MANAGEMENT'S DISCUSSION & ANALYSIS IN THE QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED JUNE 30, 2012 AND THE ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011, WHICH INCLUDES A 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.