Imperial Metals

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NEWS RELEASE

Imperial Reports 2009 Financial Results

Vancouver, BC – **March 31, 2010 – Imperial Metals Corporation (TSX:III)** reports operating income of $24.8 million for its fiscal year ended 2009, close to the level achieved in 2008 ($25.4 million). Non cash losses on derivative instruments pushed overall results into negative territory with a net loss of $0.39 per share for 2009 compared to net income of $1.83 per share in 2008 when falling metal prices had the reverse effect on derivative instrument accounting. Adjusted net income, a better reflection of overall results, was $1.16 per share in 2009 compared to $1.71 in 2008.

For the Years Ended	2009	2008
[expressed in thousands of dollars, except share amounts]		
Total Revenues	$201,137	$229,745
Net (Loss) Income	$(12,759)	$59,617
Net (Loss) Income per share	$(0.39)	$1.83
Diluted (Loss) Income per share	$(0.39)	$1.83
Adjusted Net Income (2)	$37,525	$55,468
Adjusted Net Income per share (2)	$1.16	$1.71
Working Capital (3)	$28,054	$54,211
Total Assets	$373,071	$384,901
Total Long Term Debt (including current portion)	$2,656	$4,648
Cash dividends declared per common share	$0.00	$0.00
Cash Flow (1)	$54,552	$76,334
Cash Flow per share (1)	$1.68	$2.35

(1) Cash flow and cash flow per share are measures used by the Company to evaluate its performance however, they are not terms recognized under generally accepted accounting principles. Cash flow is defined as cash flow from operations before the net change in non-cash working capital balances and cash flow per share is the same measure divided by the weighted average number of common shares outstanding during the period.
(2) Adjusted net income is calculated by removing the gains or losses, net of related income taxes, resulting from mark to market revaluation of copper and foreign exchange hedging not related to the current period, removing the unrealized share based compensation expense, net of taxes, removing writedown of mineral properties, net of taxes, and removing adjustment to depletion on units-of-production assets, net of taxes.
(3) Defined as current assets less current liabilities.

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 $201.1 million in 2009 compared to $229.7 million in 2008. The decrease is the result of lower sales volumes on lower copper prices. The London Metals Exchange cash settlement copper price per pound averaged US$2.34 in 2009 compared to US$3.15 in 2008. The US Dollar compared to the CDN Dollar averaged about 7% higher in 2009 than in 2008. In CDN Dollar terms the average copper price in 2009 was 20% less than the 2008 average copper price.

Revenue in the fourth quarter of 2009 was increased by a positive $4.1 million revenue revaluation due to increasing copper prices compared to a negative $27.1 million revenue revaluation in the fourth quarter of 2008 when copper prices fell sharply. Positive revenue revaluations are the result of the copper price on the settlement date and/or the current period balance sheet date being higher than when the revenue was initially recorded or the copper price at the last balance sheet date.

Operating income decreased slightly to $24.8 million from $25.4 million in 2008. In 2009 lower depletion and depreciation expense was offset by higher share based compensation expense with the total equal to that of 2008 for these two expense items. The 2008 operating income was after a mineral property writedown of $16.2 million and foreign exchange gains of $5.6 million versus a $7.4 million foreign exchange loss in 2009.

Net loss for the year ended December 31, 2009 was $12.8 million ($0.39 per share) compared to net income of $59.6 million ($1.83 per share) in 2008. The decrease was primarily due to the change in realized and unrealized gains and losses on derivative instruments of a net loss of $42.7 million in 2009 versus a gain, net of provisions for loss on counterparty default, of $56.2 million in 2008.

Cash flow decreased to $54.6 million in 2009 from $76.3 million in 2008. The $21.7 million decrease is primarily the result of increased cash income taxes. Cash flow is a measure used by the Company to evaluate its performance, however, it is not a term recognized under generally accepted accounting principles. Cash flow is defined as cash flow from operations before the net change in non-cash working capital balances. The Company believes cash flow is useful to investors and it is one of the measures used by management to assess the financial performance of the Company.

Capital expenditures were $26.7 million, down from $46.7 million in 2008 as the Company reduced capital expenditures in response to lower cash flow. Expenditures in 2009 were financed by cash flow from the Mount Polley and Huckleberry mines.

At December 31, 2009 the Company had $23.9 million (2008-$41.4 million) in cash and cash equivalents and short term investments, inclusive of the Company's share of cash and cash equivalents of Huckleberry of $24.1 million (2008-$18.3 million).

Derivative Instruments

The Company has not hedged gold or silver, only copper and the CDN/US Dollar exchange rate. During 2009 the Company recorded losses of $42.7 million on derivative instruments, primarily for copper, compared to gains of $84.5 million in 2008. These gains and losses result from the mark to market valuation of the derivative instruments based on changes in the price of copper and the CDN/US Dollar exchange rate. These amounts include realized gains of $19.7 million in 2009 and $40.3 million in 2008. The rapid decline in the price of copper during the latter part of 2008 resulted in large unrealized gains being recorded by the Company however these gains were reversed in 2009 with the recovery of the copper price. The Company does not use hedge accounting therefore accounting rules require that derivative instruments be recorded at fair value on each balance sheet date, with the adjustment resulting from the revaluation being charged to the statement of income as a gain or loss.

The Company utilizes a variety of instruments for hedging including the purchase of puts, forward sales and the use of min/max zero cost collars. Imperial's income or loss from derivative instruments may be very volatile from period to period as a result of changes in the copper price and exchange rates compared to the copper price and exchange rate at the time when these contracts were entered into and the type and length of time to maturity of the contracts.

During the year ended December 31, 2008 a portion of the Company's derivative instruments were with Lehman Brothers Commodity Services Inc. ("LBCS"), a subsidiary of Lehman Brothers Holdings Inc. ("Lehman"). Both Lehman and LBCS have filed for bankruptcy protection. As a result of the bankruptcy filing of LBCS and Lehman, the uncertainty regarding the timing of, and the ultimate recovery of the LBCS derivatives, the Company has made a provision $28.3 million for the full amount of the LBCS derivatives.

Hedges for Mount Polley cover about 50% of copper settlements through the first quarter of 2011 via min/max zero cost collars. Hedges for Huckleberry include puts and forwards extending out to the second quarter of 2011 covering about 70% of copper settlements in the period.

At December 31, 2009 the Company has unrealized losses on its derivative instruments. This represents an decrease in fair value of the derivative instruments from the dates of purchase to December 31, 2009 due to the decline in the price of copper in the last half of 2008. Refer to Note 13 to the audited consolidated financial statements for the year ended December 31, 2009 for further details.

The Company has granted security to certain hedge counterparties to cover potential losses in excess of the credit facilities granted by the counterparties. At December 31, 2009 the Company had $2.6 million on deposit with counterparties.

General

In US Dollars, copper prices were 25% lower in 2009 than in 2008, averaging about US$2.34/lb compared to US$3.15/lb in 2008. The US Dollar declined against the CDN Dollar during 2009 ending the year weaker however the US Dollar averaged higher against the CDN Dollar during 2009 than during 2008. Factoring in the increase in the average exchange rate the price of copper averaged CDN$2.67/lb in 2009, about 20% less than the 2008 average of CDN$3.36/lb. The copper price averaged US$3.01/lb or CDN$3.18/lb in the last quarter of 2009.

Mount Polley

Annual Production For the Years Ended December 31	2009	2008	2007
Ore milled (tonnes)	7,045,737	6,848,983	6,444,112
Ore milled per calendar day (tonnes)	19,303	18,713	17,655
Grade % - Copper	0.371	0.552	0.461
Grade g/t – Gold	0.322	0.306	0.242
Recovery % – Copper	58.80	72.41	78.66
Recovery % – Gold	67.70	69.71	69.34
Copper produced (lbs)	33,860,500	60,305,759	51,506,144
Gold produced (oz)	49,412	47,001	34,833
Silver produced (oz)	202,992	522,340	370,731

The majority of mill feed in 2009 was supplied by the Springer pit, which will continue to supply the bulk of the mill feed at Mount Polley. In 2009 the Southeast and Wight also provided a portion of mill feed.

Daily mill through put in the fourth quarter 2009 averaged 19,303 tonnes per day up significantly from the 18,467 tonnes per day achieved in the fourth quarter 2008. This trend of increasing through put continues into January 2010, with an average of 20,652 tonnes per day compared with 13,411 tonnes per day achieved in January 2009. Mild weather conditions along with upgrades to materials handling systems have facilitated this significant increase in winter through put.

In January 2010, 120,000 tonnes was delivered to the mill from the Southeast pit. This ore graded 0.24% copper and 0.47 grams per tonne gold. This higher gold grade material along with excellent winter through put enabled production of over 5,000 ounces gold. Copper production for January 2010 was 2.7 million pounds.

Pond zone pit began delivering ore to the mill with 35,000 tonnes delivered in January 2010.

Exploration in 2009 focused on the Junction, Springer, Boundary, Pond and Southeast zones. Drilling returned significant intervals of copper/gold mineralization at all of the zones.

Junction zone lies northwest of the Springer pit and the drill program followed up on anomalies from trenching and other surveys which had revealed erratic low grade mineralization. Systematic drilling of the area has discovered several areas of significant mineralization, including some near surface intercepts.

Drilling at Boundary zone was designed to confirm high grade copper/gold mineralization. Highlights include drill hole ND09-92 which intersected 8.9 metres grading 1.50% copper and 0.90 g/t gold starting at 177.4 metres below surface and 37.3 metres grading 2.08% copper and 1.13 g/t gold starting at 260.2 metres. Drill hole WB09-254, a flat hole, was drilled to the Boundary zone drilling, from the west wall of the Wight pit, encountered significant mineralization including an intercept of 16.6 metres grading 2.29% copper and 1.58 g/t gold starting at 473.4 metres from the collar. Exploration at the Boundary zone in 2010 will include driving a 500 metre underground ramp from the Wight pit to the Boundary zone, intersecting it at approximately 250 metres below surface. Further exploration and delineation drilling of the zone will be completed from the underground development.

Exploration drilling resumed in late January 2010. A 11 line Titan geophysical survey completed at Mount Polley in the fall of 2009 will be used to guide exploration drilling in the coming season where possible.

Mount Polley exploration expenditures were $5.4 million in 2009 compared to $3.2 million in 2008. With the expanded land base, ongoing exploration at Mount Polley focused on identification of additional mineralized zones and expansion of identified zones. Drilling in 2009 tested seven zones on the property and provided further encouraging results. Drilling in 2009 included 127 diamond drill holes totaling 42,115 metres compared to 63 diamond drill holes totaling 19,440 metres in 2008.

Huckleberry

The financial results of Huckleberry continue to have a significant impact on Imperial's results. Imperial's share of Huckleberry's net loss in 2009 was $10.6 million compared to net income of $8.3 million in 2008. Huckleberry's net income declined due to higher losses on derivative instruments.

Annual Production (50% allocable to Imperial) For the Years Ended December 31	2009	2008	2007
Ore milled (tonnes)	6,133,700	6,031,300	6,477,600
Ore milled per calendar day (tonnes)	16,805	16,479	17,747
Grade % – Copper	0.377	0.316	0.442
Grade % – Molybdenum	0.006	0.006	0.013
Recovery % – Copper	90.20	88.5	87.4
Recovery % – Molybdenum	1.87	23.2	8.1
Copper produced (lbs)	45,931,532	37,219,000	55,145,000
Gold produced (oz)	3,482	3,058	5,847
Silver produced (oz)	266,940	245,781	212,735
Molybdenum produced (lbs)	14,467	187,798	304,224

All mill feed continues to come from the Main Zone Extension and the current mine plan provides for mill operations until August 2012. In 2009, Huckleberry completed an exploration program focused on drilling the Main Zone Stirrup target; a prism of rock which had not been adequately tested between the backfilled Main Zone pit and the currently producing Main Zone Saddle pit. The goal of this program was to ensure that all resources in the target area were adequately defined to allow economic evaluation.

In addition, drilling tested the lateral and depth extent of the resource below the Main pit. Of particular significance is DDH90ST-F which intersected 0.38% copper and 0.010% molybdenum over 486 metres from 12 to 498 metres. Since exploration began nearly 47 years ago, this is the longest intersection of continuous mineralization reported from Huckleberry. In 2010, a mine plan that includes mining of the resource below the Main Zone pit will be investigated.

Red Chris

At the Red Chris copper/gold property, Imperial continued with deep exploration of the East zone. The highlight of the season was hole RC09-350 which intersected 647.5 metres grading 1.50% copper and 2.68 grams per tonne gold. RC09-350 contains the highest grades returned from the Red Chris property to date. The 2009 exploration program also included completion of an airborne magnetic survey covering the bulk of the project, a 13 line Titan 24 geophysical survey, bobcat diamond drilling, geologic mapping, in addition to the nine deep drill holes which totaled 11,528 metres. Two other significant milestones for the project have been achieved concurrent with the completion of the successful exploration program. In mid September the provincial and federal governments announced they had both dedicated funds towards completion of the Northwest Transmission Line (NTL) which will bring the BC Hydro grid to within 120 kilometres of the Red Chris project. The other key event for Red Chris was the Supreme Court of Canada decision, in January 2010, which confirmed that Red Chris has completed all of the necessary Environmental Review for development of the project and may proceed toward development.

Plans for 2010 include an aggressive diamond drilling program estimated to complete 50,000 metres of drilling, while pursuing the Mines Act permits which would allow predevelopment clearing to begin this year. Exploration and geotechnical drilling started in January 2010.

Sterling

At Sterling during 2009 an underground diamond drilling program was completed which extended the 144 zone gold mineralization to the north, west and south. High grade gold mineralization was discovered in the latite dike that divides the 144 zone from its east extension. In advance of drilling, the north drift of the 144 zone decline was extended by 187 feet, and a new drill station was excavated at its face. A total of nine holes were drilled from this station, and were designed to test the northern extent of the 144 zone. Collectively the drill results added significantly to the size of the 144 zone. Extension of the underground development is being completed, that will include drifting across the 144 zone. The results of the 2009 drilling and underground development will be incorporated into the geologic model of the 144 zone and then the gold resource estimate will be updated, followed by a study to investigate whether the resource is sufficient to reopen the Sterling gold mine. The site has been permitted and bonding has been put in place to allow for a restart of mine operations.

Selkirk Metals Corp.

A business combination with Selkirk Metals Corp. was completed in November 2009. Selkirk's portfolio of BC early stage and advanced exploration properties include the Catface and Ruddock Creek projects. Imperial looks forward to working with the Selkirk team to further explore and develop these assets. Imperial issued 2.2 million common shares and paid approximately $2.6 million on closing to complete the acquisition of 100% of the issued and outstanding shares of Selkirk. Imperial welcomed Mr. Ted Muraro to the Board of Directors. Mr. Muraro, a director of Selkirk, has a long and distinguished career of over forty years in the mineral exploration industry.

Ruddock Creek

During 2009 a Universal Receiver Electromagnetic survey (UREM) was completed to augment the previous geophysical surveys completed in previous years including airborne, ground and borehole geophysical surveys. The known mineralization responds readily to these electromagnetic surveys in this geological environment which is devoid of conductive sediments and graphitic units. There were 24.05 kilometres of ground survey completed in two grids. The results, when incorporated with the known geology, drill hole results and previous surveys identified specific targets which will be drill tested during future drilling campaigns.

Catface

An extensive community consultation process with the Ahousaht First Nation continued following the business combination of Selkirk and Imperial. As part of the consultation process, the Company maintains an office in the Ahousaht village and continues to work extensively with local leadership in support of the project. In October 2009 operations commenced to rehabilitate the main access road that had been used by previous logging operations and Falconbridge Limited for exploration access. Approximately 60% of the proposed rehabilitation was completed before the end of 2009. The balance of the rehabilitation has now been completed and construction of an exploration camp is underway. A diamond drilling program is planned for 2010 to further define and extend the Cliff zone, which hosts all the resource outlined to date, to test the Irishman Creek zone, and the area between these two zones. Further baseline sampling and testing will also be completed in support of environmental studies and permitting.

Detailed financial information is available in the Company's 2009 Annual Report, available on www.sedar.com and www.imperialmetals.com.

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