

JOINT NEWS RELEASE

Imperial and American Bullion Report on Status of Arrangement

Vancouver – **May 12, 2011** – **Imperial Metals Corporation (III-TSX), American Bullion Minerals Ltd. (“ABML”)** and Red Chris Development Company Ltd. (“RCDC”) (collectively, the “Parties”) announced on April 21, 2011 that they had entered into a settlement agreement in connection with the outstanding class action by two ABML minority shareholders, brought on behalf of all ABML minority shareholders, against RCDC, ABML and a former director of ABML, and an amended and restated arrangement agreement setting forth the terms and conditions on which RCDC agreed to acquire all of the outstanding common shares of ABML not already owned by RCDC by way of a plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (British Columbia).

ABML reports that on May 2, 2011 a notice of meeting, management information circular, notice of class certification and related documents were mailed to its registered shareholders with share certificates in connection with the special meeting of shareholders to be held on June 9, 2011. On May 6, 2011 the same documents were mailed to Canadian beneficial shareholders, with shares held by intermediaries, and to US beneficial shareholders on May 10, 2011. At the meeting, shareholders of ABML will be asked to approve the Arrangement. The completion of the Arrangement is subject to customary closing conditions, including approval of ABML’s shareholders and approval of the Supreme Court of British Columbia.

ABML reports that on May 9, 2011 it entered into a loan agreement (the “Loan Agreement”) with RCDC under which RCDC has agreed to advance to ABML a further loan of up to \$500,000 (the “Loan”) in tranches of \$50,000 each. The Loan bears interest at the rate of 10% per year, calculated monthly, matures on June 30, 2011 and is secured by a general security agreement creating a charge over all of the ABML’s assets. ABML intends to use the proceeds from the Loan for working capital.

ABML also reports that on May 9, 2011 it entered into an amending agreement with RCDC under which RCDC agreed to extend, from May 31, 2011 to June 30, 2011, the maturity date of the loans made by RCDC to ABML pursuant to the loan agreements dated February 18, 2005, October 22, 2008 and October 7, 2010, as amended.

Copies of the notice of meeting, management information circular, notice of class certification and certain related documents are available on SEDAR at www.sedar.com and on the Imperial website at www.imperialmetals.com under “*American Bullion Minerals Ltd. Information*”.

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This news release is for informational purposes only and does not constitute an offer to buy or an invitation to sell, or the solicitation of an offer to buy or invitation to sell, any of the securities of ABML, nor shall there be any acquisition of any of the securities of ABML in any jurisdiction in which such offer, invitation, solicitation or acquisition would be unlawful.

CAUTIONARY NOTE REGARDING “FORWARD-LOOKING INFORMATION”

CERTAIN OF THE STATEMENTS AND INFORMATION IN THIS NEWS RELEASE CONSTITUTE “FORWARD-LOOKING INFORMATION” WITHIN THE MEANING OF APPLICABLE CANADIAN PROVINCIAL SECURITIES LAWS RELATING TO IMPERIAL AND ABML. ALL STATEMENTS, OTHER THAN STATEMENTS OF HISTORICAL FACT, ARE FORWARD-LOOKING STATEMENTS OR INFORMATION. THIS FORWARD-LOOKING INFORMATION RELATES TO, AMONG OTHER THINGS, THE TIMING AND PROSPECTS FOR APPROVAL OF THE TRANSACTION BY THE COURT AND ABML’S SHAREHOLDERS AND THE IMPLEMENTATION THEREOF. THESE STATEMENTS REFLECT THE CURRENT VIEWS OF IMPERIAL AND ABML, RESPECTIVELY WITH RESPECT TO FUTURE EVENTS AND ARE NECESSARILY BASED UPON A NUMBER OF ASSUMPTIONS AND ESTIMATES THAT, WHILE CONSIDERED REASONABLE BY EACH OF THE IMPERIAL AND ABML, RESPECTIVELY, ARE INHERENTLY SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES. MANY FACTORS, BOTH KNOWN AND UNKNOWN, COULD CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM THE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT ARE OR MAY BE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE AND BOTH IMPERIAL AND ABML, RESPECTIVELY, HAVE MADE ASSUMPTIONS BASED ON OR RELATED TO MANY OF THESE FACTORS. SUCH FACTORS INCLUDE WITHOUT LIMITATION: LITIGATION; FLUCTUATIONS IN MARKETS FOR GOLD, BASE METALS AND CERTAIN OTHER COMMODITIES (SUCH AS NATURAL GAS, FUEL OIL AND ELECTRICITY); FLUCTUATIONS IN CURRENCY MARKETS; RISKS RELATED TO THE TECHNOLOGICAL AND OPERATIONAL NATURE OF IMPERIAL AND ABML’S BUSINESSES, RESPECTIVELY; CHANGES IN NATIONAL AND PROVINCIAL GOVERNMENT, PERMITTING, LEGISLATION, TAXATION, CONTROLS OR REGULATIONS AND POLITICAL OR ECONOMIC DEVELOPMENTS IN CANADA; RISKS AND HAZARDS ASSOCIATED WITH THE BUSINESS OF MINERAL EXPLORATION, DEVELOPMENT AND MINING; AVAILABILITY AND INCREASING COSTS ASSOCIATED WITH MINING INPUTS AND

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LABOUR; CHALLENGES TO IMPERIAL'S AND ABML'S TITLE TO OR INTEREST IN PROPERTIES; RESULTS OF CURRENT EXPLORATION ACTIVITIES; COMPETITION IN THE MINING INDUSTRY FOR PROPERTIES, EQUIPMENT, QUALIFIED PERSONNEL, AND THEIR COSTS; AND THOSE FACTORS IDENTIFIED UNDER THE HEADING "GENERAL DESCRIPTION AND DEVELOPMENT OF THE BUSINESS – RISK FACTORS" IN IMPERIAL'S MOST RECENT ANNUAL INFORMATION FORM FILED WITH THE CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES AND ELSEWHERE IN IMPERIAL'S DOCUMENTS FILED FROM TIME TO TIME WITH SUCH AUTHORITIES. INVESTORS ARE CAUTIONED AGAINST ATTRIBUTING UNDUE CERTAINTY OR RELIANCE IN FORWARD-LOOKING INFORMATION. ALTHOUGH IMPERIAL AND ABML, RESPECTIVELY, HAVE ATTEMPTED TO IDENTIFY IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY, THERE MAY BE OTHER FACTORS THAT CAUSE RESULTS NOT TO BE AS ANTICIPATED, ESTIMATED, DESCRIBED OR INTENDED. IMPERIAL AND ABML DO NOT INTEND, AND DO NOT ASSUME ANY OBLIGATION, TO UPDATE THIS FORWARD-LOOKING INFORMATION TO REFLECT CHANGES IN ASSUMPTIONS OR CHANGES IN CIRCUMSTANCES OR ANY OTHER EVENTS AFFECTING SUCH INFORMATION, OTHER THAN AS REQUIRED BY APPLICABLE LAW.