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NEWS RELEASE

Imperial Reports 2010 Financial Results

Vancouver, BC – **March 31, 2011 – Imperial Metals Corporation (TSX:III)** reports financial results for its fiscal year ended December 31, 2010. Operating income was $51.4 million, an increase from $24.8 million in 2009 as result of higher contribution margins from mine operations.

Net income was $35.3 million ($0.98 per share) compared to net loss of $12.8 million ($0.39 per share) in 2009. The increase was primarily due to the change in realized and unrealized gains and losses on derivative instruments, which resulted in a net loss of $11.2 million in 2010 versus a net loss of $42.7 million in 2009. Adjusted net income was $42.6 million ($1.18 per share) compared to $41.1 million ($1.27 per share) in 2009.

Cash flow increased to $65.5 million in 2010 from $54.6 million in 2009. The $10.9 million increase is primarily the result of increased operating margins at Mount Polley and Huckleberry mines due to higher copper prices and slightly higher sales volumes. 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.

Selected Annual Financial Information		Years Ended December 31	
[expressed in thousands of Canadian dollars, except share amounts]	2010	2009	2008
Total Revenues	$246,851	$201,137	$229,745
Net Income (Loss)	$35,323	$(12,759)	$59,617
Net Income (Loss) per share	$0.98	$(0.39)	$1.83
Diluted Income (Loss) per share	$0.96	$(0.39)	$1.83
Adjusted Net Income (2)	$42,643	$41,112	$55,468
Adjusted Net Income per share (2)	$1.18	$1.27	$1.71
Working Capital (3)	$65,589	$28,054	$54,211
Total Assets	$440,041	$373,071	$384,901
Total Long Term Debt (including current portion)	$2,515	$2,656	$4,648
Cash dividends declared per common share	$0.00	$0.00	$0.00
Cash Flow (1)	$65,518	$54,552	$76,334
Cash Flow per share (1)	$1.81	$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 and removing the unrealized share based compensation expense, 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.

The reporting currency of the Company is the CDN Dollar. The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles.

Capital expenditures were $48.5 million, up from $27.8 million in 2009 as the Company increased capital expenditures, primarily in the exploration and development of its mineral properties. Expenditures in 2010 were financed by cash flow from the Mount Polley and Huckleberry mines except for two mobile mining units financed by long term debt.

At December 31, 2010 the Company had $30.3 million (2009-$23.9 million) in cash and cash equivalents and short term investments, inclusive of the Company's share of cash and cash equivalents of Huckleberry of $28.7 million (2009-$24.1 million).

Revenues were $246.9 million compared to $201.1 million in 2009. The increase is the result of higher copper prices and slightly higher sales volumes. The London Metals Exchange cash settlement copper price per pound averaged US$3.42 in 2010 compared to US$2.34 in 2009. The US Dollar compared to the CDN Dollar averaged about 10% lower in 2010 than in 2009. In CDN Dollar terms the average copper price in 2010 was 32% higher than the 2009 average copper price.

Revenue of $55.3 million in the fourth quarter of 2010 included a $6.1 million positive revenue revaluation due to increasing copper prices compared to a positive $4.1 million revenue revaluation included in the $63.6 million fourth quarter 2009 revenue. 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.

Derivative Instruments

The Company has no derivative instruments related to gold or silver, only copper and the CDN/US Dollar exchange rate. During 2010 the Company recorded losses of $11.2 million on derivative instruments, primarily for copper, compared to losses of $42.7 million in 2009. 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 losses of $10.1 million in 2010 and gains of $19.7 million in 2009. 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 derivative instruments 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.

Derivative instruments for Mount Polley cover about 70% of copper settlements through the first quarter of 2012 via min/max zero cost collars. For Huckleberry derivative instruments include puts, forwards and min/max zero cost collars extending out to the second quarter of 2012 covering about 80% of copper settlements in the period.

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 LBCS and Lehman filed for bankruptcy protection and as a result of the uncertainty regarding the timing of, and the ultimate recovery of the LBCS derivatives totalling $28.3 million (US$21.9 million), the Company made a provision for the full amount of the LBCS derivatives in 2008. The Company would have recognized gains in 2008 and 2009 on these derivative instruments of $8.2 million (US$7.0 million) if LBCS and Lehman had not filed for bankruptcy and settled the derivative instruments in the normal course.

During the last quarter of 2010 the Company's claims were confirmed by the Trustee for LBCS and Lehman at US$18.5 million. There is an active market for LBCS claims and the Company could monetize the contingent gain however management's intention is continue to hold the claims as it expects this will provide a higher recovery than selling the claims. Claim buyers are offering to purchase the claims at between 50% and 60% of the US$18.5 million claim amount.

Update for 2010

Mount Polley

The reserve estimate for Mount Polley has been updated as of March 30, 2011. The current estimate incorporates open pit mining of the Springer, Boundary, C2 and WX zones, and reflects twelve months of mine production since the January 1, 2010 estimate.

As of January 1, 2011 total Mount Polley reserves are 45.8 million tonnes of 0.306% copper, 0.262 g/t gold and 0.471 g/t silver compared to 40.5 million tonnes of 0.318% copper, 0.282 g/t gold and 0.606 g/t silver at January 1, 2010. The current mine life for Mount Polley is to the third quarter of 2016.

Additional information is provided in the Company's Annual Information Form available on www.sedar.com and on www.imperialmetals.

Annual Production For the Years Ended December 31	2010	2009	2008
Ore milled (tonnes)	7,894,596	7,045,737	6,848,983
Ore milled per calendar day (tonnes)	21,629	19,303	18,713
Grade % - Copper	0.322	0.371	0.552
Grade g/t – Gold	0.281	0.322	0.306
Recovery % – Copper	62.19	58.80	72.41
Recovery % – Gold	65.62	67.70	69.71
Copper (lbs)	34,842,611	33,860,500	60,305,759
Gold (oz)	46,771	49,412	47,001
Silver (oz)	206,812	202,992	522,340

In 2010 the Springer pit supplied 77% of the mill feed, with the balance from the Southeast and Pond zone pits. The Southeast and Pond zone pits were completed by January 2011 and the mill feed for the remainder of 2011 is scheduled to come from the Springer pit. Daily mill throughput in the fourth quarter 2010 averaged 21,203 tonnes per day up from the 19,869 tonnes per day achieved in the fourth quarter 2009. Mill throughput for 2010 set a new record, with 7,894,596 tonnes being milled for the year, up 12% from the 2009 level. Weather in January and February 2011 was more adverse than the mild conditions experienced in 2010 and, as a result, mill throughput during this period in 2011 was down about 9% from the same period in 2010.

A circuit was installed at Mount Polley in late 2010 to recover magnetite from the tailings. The magnetite is sold to coal mines for use in coal wash plants.

Mount Polley exploration expenditures totalled $7.1 million in 2010 compared to $5.4 million in 2009. A total of 108 holes totalling 44,822.8 metres of surface drilling, along with 374 metres of underground ramping, were completed at Mount Polley in 2010.

Exploration at Mount Polley was highlighted by completion of the first underground development at the property. A 500 metre ramp was driven to provide access for underground drilling of the high grade mineralization in the Boundary zone at depth. This drilling is now underway. Following the drilling, we anticipate completing the design of a test stope that we intend to mine in 2011 to confirm an appropriate underground mining method for the Boundary zone mineralization.

Huckleberry

The financial results of Huckleberry continue to have a significant impact on Imperial's results. Imperial's share of Huckleberry's net income in 2010 was $18.8 million compared to net loss of $9.6 million in 2009. Huckleberry's net income increased due to lower losses on derivative instruments and improved operating margins.

The reserve estimate for Huckleberry has been updated as of December 31, 2010. The current estimate incorporates open pit mining of the Main Zone Extension, including the Pushback Plan, and reflects twelve months of mine production since the December 31, 2009 estimate.

As of December 31, 2010 total Huckleberry reserves are 11.75 million tonnes of 0.359% copper. The current mine life for Huckleberry is to January 2014.

Additional information is provided in the Company's Annual Information Form available on www.sedar.com and on www.imperialmetals.

Annual Production(*) For the Years Ended December 31	2010	2009	2008
Ore milled (tonnes)	5,684,300	6,133,700	6,031,300
Ore milled per calendar day (tonnes)	15,573	16,805	16,479
Grade % – Copper	0.396	0.377	0.316
Grade % – Molybdenum	0.007	0.006	0.006
Recovery % – Copper	91.7	90.2	88.5
Copper (lbs)	45,510,000	45,931,532	37,219,000
Gold (oz)	3,195	3,482	3,058
Silver (oz)	223,557	266,940	245,781
Molybdenum (lbs)	84,027	14,467	187,798

**50% allocable to Imperial*

Lower throughput in 2010 was offset by higher copper grades and better recovery. As a result, copper production was down just under 1%. All mill feed continues to come from the Main Zone Extension pit, and a further expansion (the "Pushback Plan) of this pit will provide feed for milling operations to the end of 2013. This plan extends the life to 2013, and includes low grade stockpiles providing a significant portion of the 2011 mill feed. As a result, 2011 Huckleberry copper production will decline to about 39 million pounds in 2011.

A mine plan for extending Huckleberry's mine life by expanding the Main Zone pit is currently being developed. A study, which includes the construction of a new tailings storage facility, is expected to be completed by the third quarter of 2011.

Red Chris

The 2010 exploration program focused on drilling the Red Chris mineralized system to at least 1,000 metres below surface in the area of the proposed open pit. A total of 110 drill holes totalling 58,179 metres were completed in 2010, including 46 exploration, 23 condemnation and 41 geotechnical holes at the proposed open pit, tailings impoundment and plant site areas.

Exploration and development expenditures in 2010 totaled $17.5 million compared to $4.9 million for the year ended 2009. The Red Chris exploration budget for 2011 is $2.7 million.

Positive assay results were received, in particular from drill hole RC10-393, which included 317.5 metres grading 1.08% copper, 1.46 g/t gold and 4.28 g/t silver within a 1,112.5 metre mineralized section grading 0.54% copper, 0.61 g/t gold and 1.96 g/t silver. This is one of the longest mineralized intercepts obtained to date at Red Chris. Drill hole RC10-388, one of the first holes in the deep Main Zone since 2007, tested the western edge of the known Main Zone and intersected five intervals of copper/gold mineralization including 380.0 metres grading 0.34% copper and 0.50 g/t gold.

Assaying of the core from 2010 drilling was suspended in June 2010 by agreement with the Special Committee of American Bullion Minerals Ltd. to allow the parties to complete negotiations for the buy out of the minority shareholders of American Bullion Minerals Ltd. Core from holes RC10-402 to 425 remain unassyed.

The Northwest Transmission Line received its Environment Assessment approval on February 24, 2011 from the Provincial government. Construction is expected to be completed in late 2013. The Northwest Transmission Line will extend from Meziadin Junction through to Bob Quinn, a distance of 120 kilometres from the Red Chris mill site. The Red Chris project has Federal and Provincial approvals, and is in the final stage of Mines Act permitting.

The Red Chris property in northwest British Columbia is 80 kilometres south of Dease Lake and 18 kilometres southeast of the village of Iskut.

Sterling

Initiated in mid-February 2010, the 3220 access ramp provides access to the western edge of the 3220 level of the 144 Zone. The 3220 level was driven east along the footwall of the 144 Zone breccia to confirm gold grades and provide samples for further metallurgical testing. Gold grades from face and wall sampling of the 3220 level exceeded expectations and averaged 4.11 g/t gold over 368.5 feet, including several higher grade assays up to 16.46 g/t.

Extension of the underground drifts will provide additional samples to further characterize the gold mineralization, information on the limits of the 144 Zone and access for additional exploration drilling. The underground development is being completed to confirm mining methods, complete further metallurgical testing and to define a reserve sufficient to justify reopening of the Sterling gold mine.

The Sterling property is located 115 miles northwest of Las Vegas, Nevada.

Ruddock Creek

Exploration at the Ruddock Creek zinc/lead property restarted in early July 2010 and included surface diamond drilling testing the Creek Zone, and the installation and operation of a pumping system to dewater the E Zone decline. The Creek Zone drilling, completed mid-October with 17 holes totalling 3583.0 metres, confirmed the massive sulphide mineralization is continuous over a length down plunge to the west of over 400 metres and down dip to the north for approximately 150 metres. The objective of the current Ruddock Creek underground exploration program is to extend the lower E Zone to the west in a previously undrilled area with a view to increasing the resource defined to date and advance the project toward mine development. The program will include 400 metres of underground development and 11,000 metres of underground diamond drilling together with additional surface exploration, geological mapping, sampling and further diamond drilling of the Creek Zone and other selected zones within the Ruddock Creek Sulphide Horizon The existing workings have been dewatered and development work has started. The current program of underground development and drilling is expected to continue to mid-2011.

Mitsui Mining and Smelting Co. Ltd. (“Mitsui”) and Itochu Corporation (“Itochu”) have an option to earn a 50% interest in the Ruddock Creek Property. Their commitment is to spend at least $14 million before March 31, 2012 to earn a 35% working interest with the right to spend a further $6 million before March 31, 2013 to earn an additional 15% working interest at which point the property will be held by Imperial 50%, Mitsui 30% and Itochu 20%. Imperial will continue to operate the project through its wholly owned subsidiary Selkirk Metals Corp.

Ruddock Creek is located in the Scrip Range of the Monashee Mountains in southeast British Columbia, approximately 155 kilometres northeast of Kamloops.

Catface

The 2010 diamond drill program at the Catface copper/molybdenum property was completed in late September. A total of 3,547.9 metres of diamond drilling was completed in 13 NQ2 drill holes. Due to difficult drilling conditions, of the thirteen holes started, only six were successful in reaching the target depth.

The Catface property is located on Catface Peninsula on the west coast of Vancouver Island, west of Port Alberni, British Columbia.

Outlook for 2011

Operations, Earnings and Cash Flow

Imperial's production from the Mount Polley mine and its share from the Huckleberry mine is expected to be about 51.5 million pounds of copper, 45,400 ounces of gold and 149,000 ounces of silver during 2011. At current metal prices it is expected to generate sufficient cash flow for repayment of debt and to fund the Company's exploration and development plans. Cash flow protection for 2011 is supported by derivative instruments that will see the Company receive certain minimum average copper prices and exchange rates as disclosed under the heading Derivative Instruments. However, the quarterly revenues will fluctuate depending on copper and gold prices, the US Dollar/CDN Dollar exchange rate, and the timing of concentrate sales which is dependant on the availability and scheduling of transportation.

Exploration

Exploration plans for 2011 include programs at the Mount Polley, Red Chris, Ruddock Creek and Sterling properties. Ruddock Creek exploration will be funded by joint venture partners earning an interest in the project. Mount Polley exploration will continue to focus on defining underground, higher grade mineralization, and further testing of the mineralized zones in the vicinity of the Springer pit. Red Chris exploration will focus on completing a 10,000 metre diamond drill program with two diamond drills in operation. At Sterling the underground development and drilling will continue in the 144 Zone and some surface drilling may be conducted to test near surface mineralization in the vicinity of the historic Sterling workings.

Financing

Based on current plans and assumptions, the Company expects to have sufficient cash resources to support its normal operating requirements on an ongoing basis. The Company expects to continue to utilize short term debt facilities to manage its day to day financing needs. The Company is looking at alternatives to secure debt financing that will be required to fund 2012 and 2013 construction costs for the Red Chris project.

Detailed financial information provided in the Company's 2010 Annual Report available on www.sedar.com and 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 YEAR ENDED DECEMBER 31, 2010, AND PLANS FOR THE FUTURE BASED ON FACTS AND CIRCUMSTANCES AS OF MARCH 31, 2011. 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; OUR COSTS AND TIMING OF CURRENT AND PROPOSED EXPLORATION; DEVELOPMENT; PRODUCTION AND MARKETING; CAPITAL EXPENDITURES; THE CONSTRUCTION OF THE NORTHWEST TRANSMISSION LINE; CASHFLOW; 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; ACQUISITION OF MINORITY INTEREST IN AMERICAN BULLION MINERALS LTD.; 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 REVIEW AS *FORWARD-LOOKING INFORMATION*.

THE FORWARD-LOOKING INFORMATION IN THIS REVIEW 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 that you review our annual information form and this news release, which include 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.