

**IMPERIAL'S UNDERGROUND DRILLING AT MOUNT POLLEY BOUNDARY ZONE
 INTERSECTS 4.73% CU AND 2.61 G/T GOLD OVER 12.8 METRES**

Vancouver – **January 7, 2013 - Imperial Metals Corporation (III-TSX)** reports results from 2012 Mount Polley mine site exploration at the Boundary zone which continues to demonstrate the discovery potential at this established mining property.

Underground drilling⁽¹⁾⁽²⁾ in the Boundary zone workings was initiated in early November to explore and further define mineralization at Zuke zone, which is near but not included in the Boundary zone mineralization currently being prepared for underground test mining. All the drilling from two of the three drill stations at 812 level intersected breccia hosted copper/gold mineralization, confirming continuity and extending the known limits of the Zuke zone. The Zuke zone is currently modelled as two steeply dipping breccia lenses, approximately 8 metres wide, 30 metres high and 75 metres long. The two lenses are separated by a 5 metre wide unmineralized core and are also cut by a post mineral dyke. The post mineral dyke has a strike of 55° and dips 48 ° to the southeast. Breccias at Mount Polley are normally irregular bodies with no specific orientation, but the Zuke zone breccias have a planar geometry so true thicknesses have been estimated for drill holes that cross the zone.⁽³⁾

Drill hole NDU12-196 returned 12.8 metres (estimated true width 8.0 metres) grading 4.73% copper, 2.61 g/t gold and 30.05 g/t silver starting at 22.1 metres, and drill hole NDU12-197 intersected a higher grade interval of 9.66% copper, 6.42 g/t gold and 52.81 g/t silver over 2.8 metres.

Other holes from the first drill station include NDU12-198 which returned 10.0 metres (estimated true width 5.1 metres) grading 3.18% copper, 2.92 g/t gold and 28.29 g/t silver and NDU12-199 which had two distinct intervals, 7.3 metres (estimated true width 6.0 metres) grading 2.47% copper, 1.45 g/t gold and 17.34 g/t silver at 29.4 metres and 7.2 metres (estimated true width 5.8 metres) of 3.10% copper, 0.68 g/t gold and 17.04 g/t silver at 54.4 metres. These holes were expected to define the western end of Zuke breccia, but since all of them intersected mineralization, additional drilling will be required to complete that task.

Drill holes NDU12-203 through NDU12-210 were collared from the second drill station, located at the end of 812 level, and were intended to drill down the length of the Zuke breccia in an attempt to define the eastern limit. Drilling revealed the Zuke zone breccia extends higher and further east than previously modelled. Copper/gold mineralization was intercepted only a few centimetres from the wall of the drift, and therefore the 812 drift is being extended to the east for an additional 60 to 70 metres. Based on drill results it is expected the drift extension will drive through a mineralized section of one of the lenses making up the Zuke zone and will also provide access to the eastern end of the Zuke zone for further drilling.

Selected significant Boundary zone intercepts:⁽³⁾

| Drill Hole # | Total Length (m) | Interval from (m) | Interval to (m) | Interval Length (m) | *True Width (m) | Copper % | Gold g/t | Silver g/t |
|--------------|------------------|-------------------|-----------------|---------------------|-----------------|----------|----------|------------|
| NDU12-196 | 87.5 | 22.1 | 34.9 | 12.8 | 8.0 | 4.73 | 2.61 | 30.05 |
| NDU12-197 | 84.4 | 23.7 | 26.5 | 2.8 | 2.8 | 9.66 | 6.42 | 52.81 |
| NDU12-198 | 79.9 | 38.7 | 48.7 | 10.0 | 5.1 | 3.18 | 2.92 | 28.29 |
| NDU12-199 | 99.7 | 29.4 | 36.7 | 7.3 | 6.0 | 2.47 | 1.45 | 17.34 |
| and | | 54.4 | 61.6 | 7.2 | 5.8 | 3.10 | 0.68 | 17.04 |
| NDU12-203 | 74.7 | 0.0 | 19.5 | 19.5 | n/a | 2.12 | 1.20 | 19.79 |
| incl. | | 0.0 | 10.0 | 10.0 | n/a | 3.31 | 1.77 | 29.62 |
| NDU12-204 | 84.4 | 2.1 | 13.8 | 11.7 | 10.5 | 3.37 | 1.23 | 23.12 |
| NDU12-207 | 61.6 | 0.0 | 15.1 | 15.1 | n/a | 2.92 | 0.79 | 15.44 |
| incl. | | 0.0 | 7.5 | 7.5 | n/a | 4.45 | 0.84 | 20.40 |
| NDU12-208 | 78.3 | 0.0 | 35.0 | 35.0 | n/a | 1.72 | 2.22 | 21.08 |
| incl. | | 0.0 | 10.0 | 10.0 | n/a | 3.95 | 6.53 | 39.55 |
| NDU12-210 | 131.7 | 82.5 | 99.9 | 17.4 | n/a | 2.64 | 1.66 | 24.05 |

*true width not calculated for those holes drilled "along strike"

Drill holes NDU12-212 through NDU12-214 were drilled from a third drill station for condemnation purposes related to a ventilation raise. Each of these drill holes intercepted mineralization but also confirmed the vent raise can be located in an area that will not be compromised by future stoping.

During 2012 approximately 986 metres of ramping and drifting were completed in the Boundary zone including the decline which was extended down to the 782 metre level. This work is being conducted to allow for test mining of a selected block of the high grade Boundary zone breccia mineralization approximately 60 metres long and 18 metres wide, extending from the 752 to the 842 metre levels.

Surface drilling has also continued at the south end of the active Springer pit and results from this drill program will be released when assaying is completed. The high success rate from the 2012 drilling at Mount Polley has provided excellent opportunities for follow-up exploration in 2013. Underground drilling will resume at Boundary zone in early 2013, contingent on availability of drilling areas, as the mining crews will have priority. Surface drilling is expected to resume in the spring of 2013.

Steve Robertson, P.Geo., the designated Qualified Person as defined by National Instrument 43-101 for the exploration programs, has reviewed this news release. Mount Polley samples for the diamond drilling reported were analyzed at the Mount Polley mine laboratory and some samples have been sent to Acme Analytical Laboratories in Vancouver for further analysis. A full QA/QC program using blanks, standards and duplicates was maintained for all diamond drilling samples submitted to the labs. The porphyry and breccia related mineralized areas at Mount Polley are usually irregular in shape. True thicknesses estimates have been provided in this release for Zuke zone breccias which appear to be somewhat unique to Mount Polley, having a planar dimension based on the drilling intercepts in that zone to date.

Imperial is an exploration, mine development and operating company based in Vancouver, British Columbia. The Company operates the Mount Polley open pit copper/gold mine and has 50% interest in the Huckleberry open pit copper/molybdenum mine. Imperial is developing its wholly owned Red Chris copper/gold property and the Ruddock Creek lead/zinc property (65% joint venture), and is operator of its wholly owned Sterling gold heap leach property. All the Company's properties are located in British Columbia with the exception of Sterling which is in Nevada, USA.

Documents available on www.imperialmetals.com:

⁽¹⁾ Boundary underground drill plan; ⁽²⁾ Boundary underground 3D View; ⁽³⁾ 2012 Mount Polley drill data

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