

Imperial Reports 2013 First Quarter Financial Results

Vancouver – **May 14, 2013** | **Imperial Metals Corporation (III-TSX)** – reports comparative financial results for the three months ended March 31, 2013 and March 31, 2012, summarized in the table 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”).

In thousands of CDNS\$ except per share amounts	THREE MONTHS ENDED MARCH 31	
	2013	2012
Revenues	\$50,866	\$60,261
Income from mine operations	\$13,546	\$13,782
Net Income	\$10,621	\$4,599
Net Income Per Share	\$0.14	\$0.06
Adjusted Net Income ⁽¹⁾	\$10,217	\$8,205
Adjusted Net Income Per Share ⁽¹⁾	\$0.14	\$0.11
Cash Flow ⁽¹⁾	\$16,451	\$17,895
Cash Flow Per Share ⁽¹⁾	\$0.22	\$0.24

⁽¹⁾ 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.*

Effective January 1, 2013 the Company adopted IFRS11 *Joint Arrangements* which establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The Company has reviewed its joint arrangements and concluded that its investment in the Huckleberry Mines Ltd. joint venture should be accounted for on the equity basis. The Ruddock Creek Joint Venture and the Porcher Island Joint Venture continue to be accounted for as joint operations whereby the assets, liabilities, revenues and expenses of these entities will be proportionately consolidated. As a result of the change in the requirements for the application of the equity method when accounting for investments in associates and joint ventures from proportionate consolidation for Huckleberry the comparative consolidated financial statements have been restated. Refer to Note 28 of the condensed consolidated interim financial statements for the three months ended March 31, 2013 for details of the changes to the comparative financial statements.

The Sterling mine recommenced operations on July 2012 and reached commercial production in March 2013. In accordance with the Company’s accounting policy, all revenue and related operating costs prior to commercial production are applied to the carrying value of the Sterling mineral property.

Revenues were \$50.9 million in the March 2013 quarter compared to \$60.3 million in the 2012 quarter. There were two concentrate shipments from the Mount Polley mine in each of the 2013 and 2012 quarters.

The Company recorded net income of \$10.6 million in the March 2013 quarter compared to net income of \$4.6 million in the 2012 quarter. Adjusted net income in the quarter was \$10.2 million or \$0.14 per share, versus \$8.2 million or \$0.11 per share in the March 2012 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.

The Company had unrealized net gains on copper derivatives of \$0.5 million in the March 2013 quarter compared to \$2.2 million of unrealized losses in the comparative quarter. The Company had no realized losses or gains on copper derivatives in the 2013 quarter, and minimal gains in the 2012 quarter.

Cash flow decreased to \$16.5 million in the three months ended March 31, 2013 from \$17.9 million in the comparative quarter. The \$1.4 million decrease is primarily the result of lower cash flow from operations and higher administration costs.

Capital expenditures increased to \$58.3 million from \$12.8 million in the comparative 2012 quarter. Expenditures were financed from cash flow from the Mount Polley mine and from short term debt. At March 31, 2013 the Company had \$0.1 million in cash.

During the March 2013 quarter the Company did not purchase any common shares for cancellation.

MOUNT POLLEY MINE OPERATIONS

PRODUCTION	THREE MONTHS ENDED MARCH 31	
	2013	2012
Ore milled (tonnes)	1,969,909	1,924,701
Ore milled per calendar day (tonnes)	21,888	21,151
Grade % - copper	0.267	0.268
Grade g/t - gold	0.255	0.289
Recovery % - copper	70.8	65.65
Recovery % - gold	63.7	63.42
Copper (lbs)	8,207,487	7,455,346
Gold (oz)	10,311	11,346
Silver (oz)	28,703	24,832

Through-put for the first quarter 2013 averaged 21,888 tonnes per calendar day, an increase from the 21,151 tonnes per day achieved in the comparable 2012 quarter. Copper production was 10% higher compared to the same quarter in 2012 from virtually the same grade, with slightly more tonnes milled but much better copper recovery. Copper recovery increased to 70.8% up from the 65.65% achieved in the first quarter 2012, as lower copper oxide mineral content ore was mined from deeper levels in the Springer pit. Waste stripping for quarter ending March 31, 2013 focused on a pushback in the Cariboo pit.

Underground ramping and drifting in the Boundary zone continued with 340 metres completed in the first quarter 2013.

MOUNT POLLEY EXPLORATION

SURFACE DRILLING

During the 2013 March quarter, two surface diamond drill holes were completed for a total of 1,095 metres. The holes were drilled to complete the designed program that was largely completed in the 2012 fourth quarter to test deep mineralization in the southeast area of Springer zone.

UNDERGROUND DRILLING

Underground diamond drilling resumed in the Boundary zone on February 1. During the first quarter 2013 a total of 41 holes were completed totalling 3,415 metres of NQ diamond drilling. The drilling continued into April to ensure all targets had been adequately tested.

HUCKLEBERRY MINE OPERATIONS

PRODUCTION [stated 100% - Imperial's allocation= 50%]	THREE MONTHS ENDED MARCH 31	
	2013	2012
Ore milled (tonnes)	1,480,669	1,446,300
Ore milled per calendar day (tonnes)	16,452	15,893
Grade (%) – copper	0.326	0.291
Recovery (%) – copper	90.9	89.0
Copper (lbs)	9,679,968	8,269,000
Gold (oz)	710	643
Silver (oz)	57,872	42,065

Copper production for the first quarter 2013 increased 17% with increases in through-put, recovery and grade compared to the first quarter 2012. The major contributor to the higher production was grade, as the majority of ore milled was from the Main Zone Extension pit, not low grade stockpiles.

HUCKLEBERRY EXPLORATION

In February 2013 a comprehensive geophysical model of the mine site area was completed, incorporating data from historical magnetometer and IP surveys with data from Titan-24 DC-IP/MT surveys conducted in 2011 and 2012. Huckleberry staff is currently developing a drill program for 2013 that will build off of this information and drill results from 2012. Regional work in 2013 will include a soil sampling program on the Huckleberry North claims, directed towards developing new geophysical or drill targets for 2014/2015.

RED CHRIS CONSTRUCTION UPDATE

Red Chris mine development is proceeding with 85% of the engineering complete as of March 31, 2013. Start of commissioning is scheduled for May 2014. The 287 kV Northwest Transmission Line (NTL) from Skeena substation to Bob Quinn is under construction by BC Hydro with a planned completion date of May 2014. A subsidiary of Imperial will construct the 93 km extension (NTL Extension) from Bob Quinn to Tatogga. The permit applications are with the provincial ministries for review and consultation. Construction of power line structures access will begin summer of 2013 upon receipt of permits, with completion scheduled May 2014.

Site work continued unhindered through the relatively mild winter weather. Work items in the first quarter included:

- site clearing
- erection of a truck shop for the open pit equipment
- construction of a 2.7 km heavy haul road between the truck shop and primary crusher
- construction of a 2.5 km overland conveyor right of way and service road from the primary crusher to the coarse ore bin
- excavation for primary crusher and mechanically stabilized earth (MSE) wall at 95%, final blast scheduled for early May
- topsoil stripping in the tailings impoundment area
- installation of additional camp modules (camp facility capacity now 480 persons)

The first concrete pour in 2013 was on March 24. Concrete pours are planned to mid-November 2013. The process plant building structural steel has begun arriving on site for erection starting July 1 with completion by October 31. The primary crusher, MSE wall, overland conveyor and coarse ore reclaim tunnel are to be installed this year.

Sediment control and water diversion structures are under construction in the Tailings Impoundment Area (TIA) in preparation for building the North Starter Dam. Earthworks in the TIA area are to be completed utilizing a combination of equipment owned by Red Chris with support from the Tahltan Nation Development Corporation.

The work at Red Chris to date has been funded by cash flow from operations and the expanded line of credit. Red Chris development project has made expenditures and commitments totalling \$258.2 million and has paid for \$140.0 million of these to the end of March 2013.

RED CHRIS EXPLORATION UPDATE

The Red Chris exploration program was suspended in May 2012 when the project focus shifted from exploration to mine development.

STERLING MINE

Stoping operations from the 3292 level produced 26,931 tons and development of 744 feet of drift on the 3320, 3285, and 3260 levels resulted in an additional 6,934 tons of ore.

Improvements were made to the mine ventilation system by developing a raise between the 3260 and 3320 levels, creating a less restrictive pathway for providing fresh air to the 3260 level. Further changes will be required once active mining resumes on the 3320 level, which will include a drive-through ventilation curtain and/or door.

PRODUCTION	THREE MONTHS ENDED	YEAR ENDED
	MARCH 31, 2013	DECEMBER 31, 2012
Ore Stacked – tons	29,688	77,944
Gold Grade – oz/ton	0.072	0.082
Gold ounces – added to heap	2,138	6,393
Gold ounces – in-process & poured	1,760	3,613
Gold shipped – ounces	769	2,852

In the 2013 first quarter an additional 29,688 tons containing approximately 2,138 ounces were stacked on the leach pad, of which 12,821 tons containing 1,068 ounces was stacked in March. With the main 144 zone stope now well established, ore can be released at a higher rate. A second underground haul truck is being acquired to increase the mining rate.

RUDDOCK CREEK

The Ruddock Creek Joint Venture is owned by Imperial (50%), Mitsui Mining and Smelting Co. Ltd. (30%) and Itochu Corporation (20%). During the March 2013 quarter, an updated resource calculation for the Ruddock Creek property was completed.

The Joint Venture is currently planning the 2013 program which will include metallurgical testing of dense media separation, flotation, acid base accounting, paste backfill, humidity cell testing and site infrastructure studies. Metallurgical work will include the collecting and testing of the Upper E, Lower E, Creek and V zones separately. Also continuing is the collection of baseline environmental and geotechnical information for future permitting and engineering studies.

OUTLOOK

Base and precious metals production allocable to Imperial in 2013 from the Mount Polley, Huckleberry and Sterling mines is anticipated to be 58.5 million pounds copper, 54,600 ounces gold and 195,000 ounces silver.

At Mount Polley the focus will be on increasing mining productivity to ensure the stripping required by the new mine plan to access the ore is completed in a timely and cost effective manner. The first underground stoping operations in the Boundary zone are expected to begin this year. Mount Polley is expected to produce 38.5 million pounds copper, 43,000 ounces gold and 100,000 ounces silver in 2013.

At Huckleberry the focus will be the completion and commissioning of the new tailings storage facility, and on increasing mining productivity to ensure the Main Zone Optimization pit is able to supply mill feed when the Main Zone Extension pit is completed. Huckleberry is expected to produce 40.0 million pounds copper, 3,200 ounces gold and 190,000 ounces silver in 2013.

At Sterling the focus will be on mining the sub-level cave which was started in January 2013. Pulling ore from this caving operation will be key to achieving the 2013 production target of 10,000 ounces gold. At Sterling, a record 12,821 tons containing 1,068 ounces of gold was mined and stacked on the leach pad in March. To further increase the mining rate an additional underground haulage truck is being acquired to increase the mining rate, to our target of 18,000 tons per month.

Engineering at Red Chris was 85% complete as of March 31, 2013. In 2013 the focus on-site will be the erection of the mill building and to have the structure enclosed by October 2013. This will enable the installation of equipment inside the building to proceed during the winter of 2013-2014 and start commissioning in May 2014. Key to meeting this schedule will be the completion of the 287kV Northwest Transmission Line (NTL) from Skeena substation to Bob Quinn, and a 93 kilometre extension from Bob Quinn to Tatogga (NTL Extension). The Company will need to secure further financing in 2013 to fund construction costs at Red Chris. Completion of this funding is expected by the summer of 2013.

Ruddock Creek expenditures will be funded by Imperial and the joint venture partners. The work at Ruddock Creek will include metallurgical testing and environmental and engineering studies.

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Information Related to this Press Release

Detailed financial information is provided in the Management's Discussion & Analysis within the 2013 First Quarter Report available on www.imperialmetals.com and on www.sedar.com.

About Imperial

Imperial is an exploration, mine development and operating company based in Vancouver, British Columbia. The Company operates the Mount Polley copper/gold mine in British Columbia and the Sterling gold mine in Nevada. Imperial has 50% interest in the Huckleberry copper/molybdenum mine and has 50% interest in the Ruddock Creek lead/zinc property, both in British Columbia. The Company is in development of its wholly owned Red Chris copper/gold property in British Columbia.

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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 March 31, 2013, and plans for the future based on facts and circumstances as of May 14, 2013. Except for statements of historical fact relating to the Company, including our 50% interest in Huckleberry, certain information contained herein constitutes forward-looking information.

When we discuss mine plans; costs and timing of current and proposed exploration; development; production and marketing; capital expenditures; construction of transmission lines; 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 matters that have not yet occurred, we are making statements considered to be *forward-looking information* or *forward-looking statements* under Canadian and United States Securities Law. We refer to them in this press release as *forward-looking information*.

The forward-looking information in this press release may include words and phrases about the future, such as: *plan, expect, forecast, intend, anticipate, estimate, budget, scheduled, believe, may, could, would, might or will*. We can give no assurance 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 or 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 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 risks; financing risks; regulatory and permitting risks; environmental risks; joint venture risks; foreign activity risks; legal proceedings; and other risks that are set out in the Company's Management's Discussion & Analysis in the 2012 Annual Report.

If our assumptions prove to be incorrect or risks materialize, our actual results and events may vary materially from what we currently expect as provided in this press release. We recommend you review the Company's Management's Discussion & Analysis in the 2012 Annual Report, which includes 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.