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NEWS RELEASE

IMPERIAL REPORTS 2012 FINANCIAL RESULTS

Vancouver, BC – **March 28, 2013 – Imperial Metals Corporation (TSX:III)** reports financial results for its fiscal year ended December 31, 2012. Net income for the year ended December 31, 2012 was $32.6 million ($0.44 per share) compared to net income of $48.7 million ($0.66 per share) in 2011. In addition to variances in revenues and income from mine operations described above, variations in net income period over period are predominately attributable to movements in foreign exchange, realized and unrealized gains and losses on derivative instruments, share based compensation, bad debt recovery and taxes.

In 2012 net income was negatively impacted by net realized and unrealized losses on derivative instruments of $6.8 million compared to gains of $14.3 million in 2011, and by foreign exchange losses of $1.0 million in 2012 compared to foreign exchange gains of $1.7 million in 2011. In 2011 the Company recorded a $14.1 million bad debt recovery related to derivative instruments held by Lehman Brothers.

Revenues were $257.8 million in 2012 compared to $253.2 million in 2011. Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rate, and period end revaluations of revenue attributed to concentrate shipments where copper price will settle at a future date. The increase in revenue in 2012 over 2011 is due to more shipments of copper and gold in concentrate from Mount Polley and higher gold prices which more than offset the lower copper prices and fewer shipments from Huckleberry in 2012 compared to 2011. There were thirteen concentrate shipments in 2012 consisting of seven from Mount Polley and six from Huckleberry, compared to fourteen shipments in 2011 consisting of six from Mount Polley and eight from Huckleberry.

The London Metals Exchange cash settlement copper price per pound averaged US$3.61 in 2012 compared to US$4.01 in 2011. The London Metals Exchange cash settlement gold price per troy ounce averaged US$1,669 in 2012 compared to US$1,568 in 2011. The US Dollar compared to the CDN Dollar averaged about 1.0% higher in 2012 than in 2011. In CDN Dollar terms the average copper price in 2012 was 9.3% lower than in 2011 and the average gold price in 2012 was 7.6% higher than in 2011.

Revenue in 2012 was decreased by a $1.2 million negative revenue revaluation compared to a negative revenue revaluation of $16.3 million in 2011. Negative revenue revaluations are the result of the copper price on the settlement date and/or the current period balance sheet date being lower than when the revenue was initially recorded or the copper price at the last balance sheet date. The copper price started the year at US$3.48 per pound and ended the year at US$3.59 per pound, and fluctuated through the year with a high of US$3.93 per pound and a low of US$3.32 per pound. Compared to the prior period where the copper price started the year at US$4.33 per pound and ended the year US$3.43 per pound.

Selected Annual Financial Information	For the Years Ended December 31		
[expressed in thousands of Canadian dollars, except share amounts]	2012	2011	2010
Total Revenues	$257,783	$253,175	$246,271
Net Income	$32,626	$48,708	$38,375
Net Income per share	$0.44	$0.66	$0.53
Diluted Income per share	$0.43	$0.65	$0.52
Adjusted Net Income (2)	$36,807	$31,333	$45,695
Adjusted Net Income per share (2)	$0.50	$0.42	$0.63
Working Capital (deficiency) (3)	$(28,858)	$76,499	$71,631
Total Assets	$659,732	$486,379	$442,020
Total Long Term Debt (including current portion)	$8,341	$1,612	$2,515
Cash dividends declared per common share	$0.00	$0.00	$0.00
Cash Flow (1)	$83,946	$87,715	$78,392
Cash Flow per share (1)	$1.13	$1.19	$1.08

(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 IFRS. 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) Refer to previous table under heading Calculation of Adjusted Net Income for details of the calculation of these amounts for 2012 and 2011.

(3) Defined as current assets less current liabilities.

The reporting currency of the Company is the Canadian Dollar.

Income from mine operations increased to $69.3 million from $64.3 million in 2011 as result the reduced negative revenue revaluations.

Income and mining tax expense decreased by $15.1 million from 2011 to 2012 due to reduced income before tax and a lower effective tax rate at 38.8% in 2012 compared to 42.4% in 2011 as the Company recognized the benefit of certain tax assets.

Adjusted net income in 2012 was $36.8 million ($0.50 per share) compared to $31.3 million ($0.42 per share) in 2011. Adjusted net income is calculated by removing the gains or losses, net of related income taxes, resulting from mark to market revaluation of copper derivative instruments not related to the current period, net of taxes, as further detailed below.

Calculation of Adjusted Net Income	Years Ended December 31	
[expressed in thousands of Canadian dollars, except share amounts]	2012	2011
Net income as reported	$32,626	$48,708
Unrealized (gain) loss on derivative instruments, net of tax (a)	4,181	(17,375)
Adjusted Net Income (b)	$36,807	$31,333
Adjusted Net Income Per Share (b)	$0.50	$0.42

(a) Derivative financial instruments are recorded at fair value on the Company's Statement of Financial Position, with changes in the fair value, net of taxes, flowing through net income. The amounts ultimately realized may be materially different than reflected in the financial statements due to changes in prices of the underlying copper and foreign exchange hedged.

(b) Adjusted net income and adjusted net income per share are not terms recognized under IFRS in Canada, however it does show the current year's financial results excluding the effect of items not settling in the current year. 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.

Cash flow decreased to $83.9 million in 2012 from $87.7 million in 2011. Cash flow, excluding the $14.1 million non recurring bad debt recovery realized in 2011, increased by $10.3 million in 2012. Cash flow is a measure used by the Company to evaluate its performance, however, it is not a term recognized under IFRS in Canada. 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 inclusive of equipment financed via long term debt and capitalized interest, were $192.0 million, up from $71.5 million in 2011. Expenditures in both 2012 and 2011 were primarily financed by cash flow from the Mount Polley and Huckleberry mines and short term debt. At December 31, 2012 the Company had $37.4 million (2011-$62.0 million) in cash and short term investments, inclusive of the Company's share of cash and short term investments of Huckleberry of $34.6 million (2011-$55.9 million). The short term debt balance at December 31, 2012 was $118.1 million compared to $26.9 million at December 31, 2011.

DERIVATIVE INSTRUMENTS

In the year ending December 31, 2012 the Company only had derivative instruments for copper. During 2012 the Company recorded losses of $6.8 million on derivative instruments compared to gains of $14.3 million in 2011. These gains and losses result from the mark to market valuation of the derivative instruments based on changes in the price of copper. These amounts include realized losses of $1.2 million in 2012 and $9.3 million in 2011. The Company does not use hedge accounting therefore accounting rules require that derivative instruments be recorded at fair value on each statement of financial position 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. The Company's income or loss from derivative instruments may be very volatile from period to period as a result of changes in the copper price compared to the copper price 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 39% of the estimated copper settlements through March 2014 via min/max zero cost collars. Derivative instruments for Huckleberry include puts and min/max zero cost collars extending out to April 2014 covering about 33% of the estimated copper settlements in the period.

At December 31, 2012 the Company has unrealized losses on its derivative instruments. This represents a decrease in fair value of the derivative instruments from the dates of purchase to December 31, 2012.

Huckleberry is required to provide security to certain derivative instrument counterparties to cover potential losses in excess of the credit facilities granted by the counterparties. At December 31, 2012 the Company had no security deposits to its counterparties.

FOURTH QUARTER 2012 RESULTS

Mineral sales revenues in the fourth quarter of 2012 was $67.4 million, $20.2 million higher than in the same quarter of 2011. There were a total of three shipments in each of the fourth quarters of 2012 and 2011, two from Mount Polley and one from Huckleberry in 2012 and one from Mount Polley and two from Huckleberry in 2011. Sales revenue is recorded when title for concentrate is transferred on ship loading. Variations in quarterly revenue attributed to the timing of concentrate shipments can be expected in the normal course of business.

The increase in revenue in the 2012 quarter is largely due to higher sales volumes attributable to the Company.

The Company recorded net income of $11.7 million ($0.16 per share) in the fourth quarter of 2012 compared to net income of $3.3 million ($0.05 per share) in the prior year quarter.

Expenditures for exploration and ongoing capital projects at Mount Polley, Huckleberry, Red Chris and Sterling totalled $64.1 million during the three months ended December 31, 2012 compared to $19.6 million in the 2011 comparative quarter. The increase of $44.5 million in 2011 was primarily due to higher development expenditures at Red Chris and Huckleberry.

DEVELOPMENTS DURING 2012

MOUNT POLLEY MINE

Throughput was up 5% from 2011 with over 8.1 million tonnes milled in 2012 compared to 7.7 million tonnes in 2011. Increased throughput, improved recoveries and better grades resulted in increased copper and gold production of 27% and 22% respectively from the levels achieved in 2011. Mount Polley is expected to produce 38.5 million pounds copper and 43,000 ounces gold in 2013.

Annual Production for the Years Ended December 31	2012	2011	2010
Ore milled (tonnes)	8,121,878	7,716,856	7,894,596
Ore milled per calendar day (tonnes)	22,191	21,142	21,629
Grade % – Copper	0.280	0.265	0.322
Grade g/t – Gold	0.304	0.272	0.281
Recovery % – Copper	67.40	58.70	62.19
Recovery % – Gold	65.70	62.90	65.62
Copper (lbs)	33,789,600	26,450,426	34,842,611
Gold (oz)	52,236	42,514	46,771
Silver (oz)	116,101	95,786	206,812

During the 2012 exploration program 45 drill holes totalling 24,715 metres were drilled in the Springer pit. The results were successful and the data has increased the resource. The results of the drilling beneath the Springer pit enabled a further extension of the Springer open pit to be designed.

As of January 1, 2013 reserves for Mount Polley are 98.4 million tonnes grading 0.294% copper and 0.297 g/t gold. The reserve has increased approximately 15% from the 2012 update. Milling this reserve and the low grade stockpiles would extend Mount Polley's mine life to the end of 2025. To achieve the updated mine life extension, additional stripping will be necessary. Two additional 793 haul trucks have been purchased to provide the haulage capacity required to accomplish the required stripping.

Initial test stoping from the Boundary zone is expected to begin in the second half of 2013. Underground drilling is currently underway targeting the Zuke zone, and the Halo zone, both of which are adjacent to the Boundary zone.

Exploration, development and capital expenditures at Mount Polley were $29.5 million in 2012 compared to $25.3 million in 2011.

HUCKLEBERRY MINE

Recoveries continued to be excellent throughout 2012. Huckleberry's annual copper production of 35.1 million pounds exceeded the 2012 forecast by 6.4%. In 2013 copper production is estimated to be 40.0 million pounds.

Annual Production* for the Years Ended December 31	2012	2011	2010
Ore milled (tonnes)	5,876,900	5,929,700	5,684,300
Ore milled per calendar day (tonnes)	16,057	16,246	15,573
Grade % – Copper	0.301	0.365	0.396
Grade % – Molybdenum	0.007	0.007	0.007
Recovery % – Copper	90.0	89.9	91.7
Copper (lbs)	35,112,000	42,830,000	45,510,000
Gold (oz)	2,578	3,520	3,195
Silver (oz)	191,787	218,150	223,557
Molybdenum (lbs)	4,556	6,929	84,027

*50% allocable to Imperial

The financial results from Huckleberry continue to have a significant impact on Imperial's results. Imperial's share of Huckleberry's income from mine operations was $12.4 million in 2012 compared to $38.1 million in 2011. Huckleberry's income decreased due to a fewer number of shipments in the period (six in 2012 versus eight in 2011).

In 2012 Huckleberry completed 15 drill holes for a total of 5,141 metres of diamond drilling in the mine site area. Drilling was divided between deep and near-surface targets located adjacent to the Main Zone Optimization (MZO) pit. Near-surface drilling focused primarily on an abandoned non-acid generating (NAG) quarry which was also a target in 2011. This work has added a significant low grade resource to the deposit.

Deep drilling tested for the extension of ore grade material along the eastern portions of the Main zone ore body. Drilling of a coincident moderate chargeability/resistivity anomaly resulted in the discovery of the MZ Deep target, an extensive zone located between the Main zone and East zone ore bodies. The correlation between this type of anomaly and copper mineralization led to an expanded Titan-24 DC-IP/MT survey, comprising 10 line kilometres designed to build on survey data from 2011 and seek new targets. Huckleberry plans to continue with a strategy of drilling both deep and shallow targets in the mine site area, using historical drilling and geophysical data as guides.

Huckleberry ore reserves at December 31, 2012 were 49,907,500 tonnes grading 0.334% copper and 0.009% molybdenum. The strip ratio is approximately 0.9 to 1.0 including the backfilled waste and tailings that must be removed from the Main zone pit.

Construction of a new tailings storage facility (TMF3) began in early 2012. The new starter dam was completed to the 924 metre level by the end of the construction season. The main diversion ditch and seepage collection systems related to this new facility were also completed in 2012. Approximately 1.2 million cubic metres of earthworks will be required to complete the TMF3 starter dam to the 945 metre level. This work is expected to begin in April 2013 and to be completed by July 2013. The TMF3 will then be used for storage of tailings and potentially acid generating (PAG) waste, generated by the operation.

Exploration, development and capital expenditures at Huckleberry were $44.2 million in 2012 compared to $6.8 million in 2011.

Imperial holds a 50% interest in Huckleberry Mines Ltd. The remaining 50% interest is held by a consortium consisting of Mitsubishi Materials Corporation, Marubeni Corporation, Dowa Mining Co. Ltd. and Furukawa Co.

Notes 20 and 23 to the audited Consolidated Financial Statements of the Company for the year ended December 31, 2012 discloses information on the impact of Huckleberry operations on the financial position and results of operations of Imperial.

RED CHRIS PROJECT

Red Chris mine development is proceeding with approximately 81% of the engineering complete as of February 28, 2013. The development of the Red Chris mine is proceeding, with start of commissioning scheduled for 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). Further to an agreement recently signed by the Company and BC Hydro, the NTL Extension will be constructed by a subsidiary of Imperial. Upon completion, the NTL Extension will be acquired by BC Hydro. That portion of the costs which exceeds $52.0 million will be borne by Imperial as its contribution to the NTL Extension in order to make the 287kV service connection to the Red Chris mine. The expected in service date for both the NTL Extension and the NTL is May 31, 2014. Construction of the NTL Extension will commence upon receipt of required permits.

On-site work began in May 2012. The process plant site was excavated to grade and 4,912 m^3 of concrete had been poured by November 2012 when the concrete placement was suspended for winter. The status of site work as of January 2013 is:

- main access road along new alignment completed and opened
- concrete aggregate washed and stockpiled
- phase 1 tailings impoundment area, 220 hectares of 240 hectares cleared
- tailings and reclaim water pipeline right of ways are 85% cleared
- mass excavation of primary crusher and conveyor alignment begun
- stripping of top soils from till borrow area commenced
- installation of additional camp modules to reach a 480 room camp facility, with occupation available in March 2013
- installation of a 65' x 120' maintenance shop complex to be completed in March 2013

During 2012 Red Chris capital expenditures, including capitalized interest of $1.4 million, were $111.4 compared to $32.6 million 2011. Commitments have been made for a further $124.1 million in expenditures.

The cost of constructing the Red Chris mine is now estimated to be $500.0 million, a 12.7 % increase from the previous estimate of $443.6 million. The major areas of increase are noted below, the first a scope change, the second labour inflation, and the third impact of BC's new sales tax regime:

- Process building footprint was expanded to provide a more functional operational layout, to provide for the concentrate thickener to be installed within the building, and to provide increased concentrate storage capacity which resulted in increased concrete and steel volumes. In the case of concrete quantities for the process plant, the increase was 70% due to the increased building size and geotechnical requirements.
- Labour cost increased by 30% from initial budget.
- Impact of change from HST to PST on April 1, 2013.

Cost savings have been achieved in other areas including the maintenance and warehouse complex, and the pit equipment. In addition to the cost increase, the Company will fund $52.0 million in costs related to the construction of the 287kV NTL Extension. These costs will be recovered when the extension is completed and acquired by BC Hydro.

A total of five exploration drill holes totalling 5,415.42 metres were completed early in the year before exploration was suspended when construction activities commenced in May 2012. Exploration expenditures were $1.5 million in 2012 compared to $6.0 million in 2011.

STERLING MINE

Development in 2012 focused on the completion of the 3292 and 3260 levels. The start of production mining was delayed because the mineralization extended further to the west than had been anticipated, so time was taken to extend the 3292 level further to the west prior to starting the caving operation. The focus at Sterling in 2013 will be to get to its production goal of 600 tons of ore per day.

The construction of a 300,000 ton (3.7 acre) heap leach pad was completed in March 2012. Ore excavated from the development of the south limb was placed on the pad and leaching of the gold bearing material commenced on April 17, 2012. Processing of pregnant gold solution through the carbon adsorption plant commenced on April 24, 2012 followed by the first gold pour in July 2012.

Production, all from ore during the preproduction phase of the mine, for the year ended December 31, 2012 is provided below:

Sterling Production for the Year Ended	December 31, 2012
Ore Stacked – tons	77,944
Gold Grade – oz/ton	0.082
Gold ounces – in-heap	6,393
Gold ounces – in-process & poured	3,613
Gold Shipped – ounces	2,852
Gold Recovery – project to date	56.5%

On-site core drilling at Sterling continued in 2012 with the purpose of further delineation of the 144 zone. Over the course of the year 21 holes were drilled for a total footage of 4,115 feet. The target zones of these holes ranged from testing mineralization along the dike and along the north limb, to further detailing areas where drill hole density was relatively low.

Exploration, development and capital expenditures at Sterling were $6.2 million in 2012 compared to $6.1 million in 2011.

RUDDOCK CREEK JOINT VENTURE PROJECT

The Ruddock Creek property is owned 50% by Imperial, 30% by Mitsui Mining & Smelting Company Ltd. and 20% by Itochu Corporation (Mitsui/Itochu). The 2012 program and related studies were funded by Mitsui/Itochu under the terms of an option agreement. The joint venture is currently working on finalizing a program on the Ruddock Creek property for 2013.

During 2012 a total of 3,879 metres of diamond drilling was completed on the Creek zone and 6,185 metres of diamond drilling was completed on the V zone. Drilling on the V zone expanded the mineralization both laterally and at depth and has shown this zone to be a priority target for future exploration. Drilling on the Creek zone was also successful and increased the known resource. In addition the underground workings were dewatered to allow for a further 5,843 metres of underground diamond drilling, which continued to expand the Lower E zone. Underground development consisted of a 69 metre drift through a section of the mineralization to allow for geological and geotechnical studies and the collection of a ten tonne bulk sample for metallurgical testing.

With the additional 2012 diamond drill results, an updated resource calculation for the Ruddock Creek property was completed in February 2013. The updated resource calculation is provided below, along with the March 2012 resource summary for comparison.

2013 Ruddock Creek Total Mineral Resource

Cut-Off Grade % Pb+Zn	INDICATED Tonnes *(000's)*	INDICATED % Zn	INDICATED % Pb	INDICATED % comb Pb+Zn	INFERRED Tonnes *(000's)*	INFERRED % Zn	INFERRED % Pb	INFERRED % comb Pb+Zn
3.0	7,083	6.07	1.25	7.32	8,048	5.74	1.08	6.81
4.0	**6,246**	**6.50**	**1.33**	**7.83**	**6,678**	**6.33**	**1.20**	**7.52**
5.0	5,131	7.10	1.45	8.55	5,350	6.99	1.31	8.30
6.0	4,121	7.73	1.57	9.30	4,258	7.62	1.43	9.04

2012 Ruddock Creek Total Mineral Resource

Cut-Off Grade % Pb+Zn	INDICATED Tonnes *(000's)*	INDICATED % Zn	INDICATED % Pb	INDICATED % comb Pb+Zn	INFERRED Tonnes *(000's)*	INFERRED % Zn	INFERRED % Pb	INFERRED % comb Pb+Zn
3.0	5,450	6.20	1.28	7.48	6,253	6.17	1.21	7.38
4.0	**4,654**	**6.77**	**1.38**	**8.16**	**5,382**	**6.69**	**1.31**	**8.00**
5.0	3,773	7.48	1.53	9.01	4,562	7.22	1.41	8.64

As outlined in the above tables, at a 4% combined lead/zinc grade the indicated resource has increased by 34% and the inferred resource has increased by 24% since the 2012 resource estimation was calculated.

Exploration, development and capital expenditures on the property were $6.1 million compared to $9.9 million in 2011.

OUTLOOK FOR 2013

OPERATIONS, EARNINGS AND CASH FLOW

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. Cash flow from the Company's operations and the corporate line of credit funded the exploration and development programs of 2012. Additional financing will be required in 2013 to fund accelerating expenditures at Red Chris. Management plans to finance a large part of the Red Chris development costs through a debt facility to minimize equity dilution.

Cash flow protection for 2013 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 dependent on concentrate production and the availability and scheduling of transportation.

EXPLORATION

Exploration in 2013 will be limited in scope and focus on exploration at our existing mining operations: Mount Polley, Huckleberry and Sterling. Ongoing exploration at Mount Polley will continue to focus on defining underground higher grade mineralization at the Boundary zone, and further testing of the mineralized zones in the vicinity of the Springer pit. Ruddock Creek exploration will be funded by Imperial and the joint venture partners. Underground development and drilling at Sterling will continue in the 144 zone. The Company continues to evaluate exploration opportunities both on currently owned properties and new prospects.

DEVELOPMENT

At Mount Polley the focus will be on increasing mining productivity to ensure the stripping required to access the deeper Springer 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 (TMF3). Huckleberry is expected to produce 40.0 million pounds copper, 3,200 ounces gold and 190,000 ounces silver in 2013.

Engineering at Red Chris was 81% complete as of February 28, 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). Further to an agreement recently signed by the Company and BC Hydro, the NTL Extension will be constructed by a subsidiary of Imperial. Upon completion, the NTL Extension will be acquired by BC Hydro. That portion of the costs which exceeds $52.0 million will be borne by Imperial as its contribution to the NTL Extension in order to make the 287kV service connection to the Red Chris mine. The expected in service date for both the NTL Extension and the NTL is May 31, 2014. Construction of the NTL Extension will commence upon receipt of required permits.

At Sterling the focus will be on mining the sub-level cave which was started in January 2013, about three months behind schedule. Pulling ore from this caving operation will be key to achieving the 2013 production target of 10,000 ounces gold.

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 will need to secure further debt financing in 2013 to fund construction costs for the Red Chris project. Completion of this funding is expected by the summer of 2013.

Documents available on www.imperialmetals.com and www.sedar.com: 2012 Annual Report; 2012 Annual Information Form

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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, 2012, AND PLANS FOR THE FUTURE BASED ON FACTS AND CIRCUMSTANCES AS OF MARCH 28, 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; OUR 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 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 NEWS RELEASE AS *FORWARD-LOOKING INFORMATION*.

THE FORWARD-LOOKING INFORMATION IN THIS NEWS RELEASE TYPICALLY INCLUDES 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 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 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 OUR ANNUAL INFORMATION FORM AND THE COMPANY'S MANAGEMENT'S DISCUSSION AND ANALYSIS CONTAINED WITHIN 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 SET OUT IN THIS NEWS RELEASE.

WE RECOMMEND YOU REVIEW OUR ANNUAL INFORMATION FORM AND THE 2012 ANNUAL REPORT WHICH INCLUDE A DISCUSSION OF MATERIAL RISKS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM CURRENT EXPECTATIONS. FORWARD-LOOKING INFORMATION IS DESIGNED TO HELP YOU UNDERSTAND MANAGEMENT'S CURRENT VIEWS OF 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.