

NEWS RELEASE

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IMPERIAL REPORTS 2012 FIRST QUARTER FINANCIAL RESULTS

Vancouver, BC – **May 11, 2012** – **Imperial Metals Corporation (TSX:III)** – Imperial reports comparative financial results for the three months ended March 31, 2012 and March 31, 2011 which are summarized 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”).

SELECTED FINANCIAL INFORMATION (unaudited) in thousands of CDN\$ except per share amounts	THREE MONTHS ENDED MARCH 31	
	2012	2011
Revenues	\$72,225	\$97,180
Income from mine operations	\$17,111	\$36,277
Net Income	\$4,599	\$19,753
Net Income Per Share	\$0.06	\$0.27
Adjusted Net Income ⁽¹⁾	\$8,205	\$12,995
Adjusted Net Income Per Share ⁽¹⁾	\$0.11	\$0.18
Cash Flow ⁽¹⁾	\$20,856	\$35,400
Cash Flow Per Share ⁽¹⁾	\$0.28	\$0.48

⁽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.*

Revenues were \$72.2 million in the March 2012 quarter compared to \$97.2 million in the 2011 quarter. The March 2012 quarter includes two concentrate shipments from the Mount Polley mine and one concentrate shipment from the Huckleberry mine, compared to two concentrate shipments from Mount Polley mine and three from Huckleberry mine in the comparative 2011 quarter. Variations in quarterly revenue attributed to the timing of concentrate shipments can be expected in the normal course of business.

The Company recorded net income of \$4.6 million in the March 2012 quarter compared to net income of \$19.8 million in the 2011 quarter. Adjusted net income in the quarter was \$8.2 million or \$0.11 per share, versus \$13.0 million or \$0.18 per share in the March 2011 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 term recognized under IFRS in Canada however, it does show the current period financial results excluding the effect of items not settling in the current period.

Losses on derivative instruments were \$5.3 million in the March 2012 quarter compared to gains of \$2.8 million in the March 2011 quarter including unrealized net losses on copper derivatives of \$4.8 million in the March 2012 quarter compared to unrealized net gains of \$9.2 million in the March 2011 quarter. The Company realized losses of \$0.5 million on copper derivatives in the March 2012 quarter compared to losses of \$6.4 million in the March 2011 quarter.

Cash flow decreased to \$20.9 million in the three months ending March 31, 2012 from \$35.4 million in the comparative 2011 quarter. The \$14.5 million decrease is primarily the result of reduced income from mine operations resulting from lower sales volumes.

Capital expenditures increased to \$20.9 million from \$11.2 million in the comparative 2011 quarter. All expenditures in the March 2012 quarter were financed from cash flow from the Mount Polley and Huckleberry mines and from short term debt. At March 31, 2012 the Company had \$53.5 million in cash and short term investments.

During the March 2012 quarter the Company did not purchase any common shares for cancellation.

MOUNT POLLEY MINE OPERATIONS

PRODUCTION	THREE MONTHS ENDED MARCH 31	
	2012	2011
Ore milled (tonnes)	1,924,701	1,714,950
Ore milled per calendar day (tonnes)	21,151	19,055
Grade % - copper	0.268	0.279
Grade g/t - gold	0.289	0.260
Recovery % - copper	65.65	58.50
Recovery % - gold	63.42	64.30
Copper (lbs)	7,455,346	6,163,206
Gold (oz)	11,346	9,232
Silver (oz)	24,832	22,815

Throughput was up 12% from the comparable quarter in 2011 and as a result, copper and gold production were both up from the levels achieved in 2011. Copper recovery increased 12% as less oxidized ore from deeper in the phase three Springer pit was treated. This higher throughput and copper recovery more than offset the lower copper grade achieved. Gold production was up almost 23% on higher grade and throughput and slightly lower recovery.

March and April were very good months for gold production with over 9,800 ounces produced during the two month period. Gold grades averaged over 0.3 g/t in each month, as slightly higher than expected gold grades were mined in the north central portion of the Springer pit.

To more fully utilize the loading capacity of the P&H 2300 shovel recently commissioned, Mount Polley has acquired two Caterpillar 793 (240 tonne) haul trucks. These larger trucks will help reduce mining costs, and free up five Caterpillar 777 (85 tonne) haul trucks for transfer to Red Chris for use during construction.

MOUNT POLLEY EXPLORATION

Underground work continues in the Boundary zone, with ramping underway that will provide access to all levels of the proposed test stope. During the 2012 first quarter 166 metres of ramp and cross cuts were completed.

Surface drilling continues, with two rigs currently onsite. The drilling is focusing on testing the mineralization beneath the Springer pit, and gathering more data in the area where the higher than expected gold grades were encountered. During the 2012 first quarter, 4,451 metres of diamond drilling were completed.

HUCKLEBERRY MINE OPERATIONS

PRODUCTION [stated 100% - Imperial's allocation is 50%]	THREE MONTHS ENDED MARCH 31	
	2012	2011
Ore milled (tonnes)	1,446,300	1,360,100
Ore milled per calendar day (tonnes)	15,893	15,112
Grade (%) - copper	0.291	0.477
Recovery (%) - copper	89.0	92.3
Copper (lbs)	8,269,000	13,194,000
Gold (oz)	643	877
Silver (oz)	42,065	74,064
Molybdenum (lbs)	-	6,929

As expected, copper grade and recovery were lower in the 2012 first quarter compared to the 2011 first quarter as the mine plan included a significant portion of mill feed from low grade stockpiles, while the pushback of the Main Zone extension pit is being completed. In January 2012, heavy snowfalls negatively impacted mill throughput. Throughput for January averaged 14,275 tonnes per day (13% less than budget) however, with March throughput averaging 17,334 tonnes per day (6% over budget) and copper grades delivered being about 4% over budget for the quarter, by the end of the first quarter Huckleberry was back on budget for copper production.

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 \$3.3 million in the March 2012 quarter compared to \$24.5 million in the March 2011 quarter. Huckleberry's income from mine operations decreased due to significantly lower sales volumes in 2012 over 2011. There was only one concentrate shipment in the 2012 March quarter compared to three shipments in the 2011 quarter. Huckleberry's concentrate inventory at March 31, 2012 was more than six times the quantity of inventory compared to March 31, 2011 (8,898 tonnes versus 1,318 tonnes).

HUCKLEBERRY MINE EXPLORATION

Exploration continues and a follow-up program of diamond drilling that includes drilling of two deep (+500 metre holes) and three shallower holes in the Main zone was recently approved. This drill program is underway and preliminary results are expected by July, 2012. The goal of the shallower drilling to the northwest of the Main Zone Optimization pit will be to identify higher grade near surface mineralization. The deep drilling will constitute the deepest test to date of the mineralization in the Main zone.

RED CHRIS

Exploration at Red Chris continues with one drill rig. A total of two holes have been drilled in the Gully zone, and one hole in each of the Main, Saddle and East zones. This drilling will be suspended once construction activities begin as the exploration camp will be required to support the initial construction activities.

Engineering work continues and the detailed design is now estimated to be 38% complete. Five Caterpillar 777 haul trucks and a Caterpillar 992 front end loader are being released from Mount Polley mine to Red Chris, to aid in the construction of the Red Chris facility. In addition two Caterpillar D-10 bulldozers, two Caterpillar 16G motor graders, three Atlas Copco 780 drills and various support equipment purchased from the Kemess mine are also being mobilized to Red Chris to be used in the construction of the mine.

On May 4 the Province of British Columbia issued a Mines Act permit for Red Chris, which will allow for construction activities to begin.

STERLING

In March the loading of the pad with stockpiled material was started and leaching commenced. By the end of March a total of 32,583 tonnes grading 0.082 ounces per ton were placed on the pad.

RUDDOCK CREEK

In the March 2012 quarter, joint venture partners Mitsui Mining and Smelting Co. Ltd. and Itochu Corporation confirmed they would proceed with their Year 3 option to earn an additional 15% interest in the Ruddock Creek property by spending an additional \$6.0 million by March 31, 2013.

OUTLOOK

At Sterling, pregnant solution was initially delivered to the recovery plant on April 24, and the first gold pour is expected in the second quarter.

At Huckleberry, extremely heavy snowfalls in January negatively impacted production, however, this was offset by better than average throughput in March and slightly higher than budgeted copper head grades for the first quarter. Mount Polley also had good production in March, with over 3.5 million pounds copper and 4,900 ounces gold being produced. Overall metal production for Imperial's account was close to guidance, with 11.6 million pounds copper, 11,668 ounces gold and 45,865 ounces silver being produced. This quarter production was 92%, 97%, and 115% of guidance respectively. As winter conditions typically make the first quarter the lowest production quarter, we expect to be able to meet our target production of 50.5 million pounds copper, 48,000 ounces gold and 160,000 ounces silver for 2012. Only one shipment was made during the quarter from Huckleberry, but two are scheduled for the second quarter.

With substantially high gold production (+23%), increased copper production, and slightly lower total cost of production at Mount Polley compared to the same quarter in 2011, cash flow from Mount Polley was \$16.3 million for the quarter, an increase of 10% from 2011. These items more than offset the sharply lower copper prices averaging US\$3.77/lb in the 2012 first quarter compared to US\$4.38/lb in the comparative 2011 quarter. It will be important to maintain good production levels so that cash flow from Mount Polley can be used to fund expenditures to the greatest extent possible.

The extension of the reserve at Mount Polley that will allow the mine to continue production to 2023 was announced during the first quarter. With this in place, both the Huckleberry and Mount Polley mines are expected to be in operation during the initial years of operation at Red Chris.

With the receipt of a Mines Act permit for the Red Chris project, work on the construction of the Red Chris mine can now commence. A significant fleet of mine equipment owned by Imperial is being mobilized to Red Chris to complete the required earthworks. By using this equipment, we hope to offset some of the inflationary pressures on construction costs being experienced in northern British Columbia.

Engineering and procurement for Red Chris has been funded by cash flow from operations and the line of credit. Initial construction at Red Chris will be funded in the same manner. However, with the construction permit now in hand, work to finalize approximately \$300 million in debt financing for Red Chris can proceed.

**DETAILED FINANCIAL INFORMATION IS PROVIDED IN THE COMPANY'S MANAGEMENT'S DISCUSSION & ANALYSIS
CONTAINED IN THE FIRST QUARTER 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 PERIOD ENDED MARCH 31, 2012, AND PLANS FOR THE FUTURE BASED ON FACTS AND CIRCUMSTANCES AS OF MAY 10, 2012. 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; COSTS AND TIMING OF CURRENT AND PROPOSED EXPLORATION; DEVELOPMENT; PRODUCTION AND MARKETING; CAPITAL EXPENDITURES; THE CONSTRUCTION OF THE NORTHWEST TRANSMISSION LINE; 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 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 NEWS RELEASE AS *FORWARD-LOOKING INFORMATION*.

THE FORWARD-LOOKING INFORMATION IN THIS NEW RELEASE 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 YOU REVIEW THE COMPANY'S MANAGEMENT'S DISCUSSION & ANALYSIS IN THE QUARTERLY FINANCIAL REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND THE ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011 WHICH INCLUDES 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.