

NEWS RELEASE

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Imperial Reports 2011 Second Quarter Financial Results

Vancouver, BC – **August 15, 2011** – **Imperial Metals Corporation (TSX:III)** reports comparative financial results for the three and six months ended June 30, 2011 and June 30, 2010, 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"). All dollar amounts are in thousands of Canadian dollars, unless otherwise specified.

	Three Months Ended June 30		Six Months Ended June 30	
<i>(unaudited) in thousands except per share amounts</i>	2011	2010	2011	2010
Revenues	\$39,405	\$53,435	\$136,585	\$122,755
Income from mine operations	\$11,806	\$4,790	\$48,083	\$21,086
Net Income	\$8,035	\$13,596	\$27,788	\$11,909
Net Income Per Share	\$0.22	\$0.38	\$0.75	\$0.33
Adjusted Net Income ⁽¹⁾	\$5,354	\$1,815	\$18,349	\$9,469
Adjusted Net Income Per Share ⁽¹⁾	\$0.15	\$0.05	\$0.50	\$0.27
Cash Flow ⁽¹⁾	\$11,094	\$8,504	\$46,431	\$25,219
Cash Flow Per Share ⁽¹⁾	\$0.30	\$0.23	\$1.26	\$0.71

⁽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 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 \$39.4 million in the June 2011 quarter compared to \$53.4 million in the 2010 quarter. The June 2011 quarter includes one concentrate shipment from the Mount Polley mine and one concentrate shipment from the Huckleberry mine, compared to two concentrate shipments from each mine in the comparative quarter. Variations in quarterly revenue attributed to the timing of concentrate shipments can be expected in the normal course of business.

Income before taxes for the three months ended June 2011 decreased to \$11.0 million from \$17.4 million in the June 2010 quarter. The Company recorded a net income of \$8.0 million in the June 2011 quarter compared to net income of \$13.6 million in the 2010 quarter. Adjusted net income in the quarter was \$5.4 million or \$0.15 per share, versus \$1.8 million or \$0.05 per share in the June 2010 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 and in 2010, unrealized share based compensation expense. 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.

Gains on derivative instruments were \$1.7 million in the June 2011 quarter compared to gains of \$11.1 million in the June 2010 quarter including unrealized net gains on copper and currency derivatives of \$3.7 million in the June 2011 quarter compared to unrealized net gains of \$12.1 million in the June 2010 quarter. The Company realized losses of \$2.0 million on copper and currency derivatives in the June 2011 quarter compared to losses of \$1.0 million in the June 2010 quarter.

Cash flow increased to \$11.1 million in the June 2011 quarter compared to \$8.5 million in the 2010 quarter. The \$2.6 million increase is primarily the result of improved operating margins resulting from substantially higher copper and gold prices offset by the effect of the weaker US Dollar and lower sales volumes from the Mount Polley and Huckleberry mines.

Capital expenditures increased to \$28.7 million from \$13.6 million in the comparative 2010 quarter and included the first equipment purchases for the Red Chris project. In addition, in June 2011 the Company purchased the minority interest in American Bullion Minerals Ltd. for \$25.1 million to now hold 100% of the Red Chris project. All expenditures in the June 2011 quarter were financed from short term debt and cash flow from the Mount Polley and Huckleberry mines except for \$0.7 million of mobile mining equipment financed by long term debt. At June 30, 2011 the Company had \$47.0 million in cash, cash equivalents and short term investments.

During the June 2011 quarter the Company did not purchase any common shares for cancellation.

Mount Polley Mine

Production	Six Months Ended June 30	
	2011	2010
Ore milled (tonnes)	3,703,519	3,868,170
Ore milled per calendar day (tonnes)	20,461	21,371
Grade % - copper	0.277	0.323
Grade g/t - gold	0.271	0.300
Recovery % - copper	58.24	63.42
Recovery % - gold	61.91	67.49
Copper (lbs)	13,156,684	17,442,703
Gold (oz)	20,002	25,160
Silver (oz)	45,970	83,289

Mill throughput averaged 21,852 tonnes per day for the 2011 second quarter, up substantially from the 2011 first quarter when weather hampered throughput averaging 19,055 tonnes per day. Copper and gold production was up compared to the 2011 first quarter at approximately 7 million pounds copper and 10,770 ounces gold. All ore continues to come from the Phase 3 pushback of the Springer pit. Shipments of dense media magnetite in June 2011 were 5,111 tonnes.

Exploration at Mount Polley continued with two surface diamond drills and one underground diamond drill. Surface drilling of 12,290 metres in 21 drill holes were completed in the WX, C2, Cariboo and Springer areas and 4,020 metres was cored in 29 drill holes from underground at the Boundary zone. Surface exploration remains focused on targets within the C2 and Cariboo areas, and further underground development is planned for the Boundary zone now that the initial phase of underground drilling is complete.

The wholly owned Mount Polley open pit copper/gold mine is located 56 kilometres northeast of Williams Lake, British Columbia.

Huckleberry Mine

Production (100% - Imperial owns 50%)	Six Months Ended June 30	
	2011	2010
Ore milled (tonnes)	2,900,100	2,805,400
Ore milled per calendar day (tonnes)	16,022	15,500
Grade (%) – copper	0.409	0.382
Recovery (%) – copper	90.6	91.3
Copper (lbs)	23,701,000	21,564,000
Gold (oz)	1,785	1,536
Silver (oz)	124,913	96,269
Molybdenum (lbs)	6,923	58,958

Copper production was 10.5 million pounds in the 2011 second quarter compared to 13.2 million in the 2011 first quarter as a significant portion of the mill feed was from lower grade stockpiles, while mining focused on the pushback of the Main Zone Extension highwall. Copper recovery from these stockpiled ores 88.5%, lower than the 92.3% achieved in the first quarter when higher grade freshly mined ores were treated.

An application for an amendment to Huckleberry's Mines Act permit was submitted to allow for the development and operation of the Main Zone Optimization pit, an expansion of the Main Zone pit that could add up to 8 years to Huckleberry's mine life. The amendment is anticipated to be approved by the Province in the third quarter 2011.

A Titan 24 Magnetotellurics and IP/ Resistivity survey consisting of four lines covering 9,300 metres was completed to test potential deep copper mineralization below the Main Zone Optimization pit design as well as previously established copper and aeromagnetic anomalies. Follow up rock chip sampling and diamond drilling is planned to test the resulting IP anomalies.

Imperial owns 50% of the Huckleberry open pit copper/molybdenum mine located 123 kilometres southwest of Houston, British Columbia.

Red Chris

The results from 40 deep diamond drill holes completed during the period from June 2010 to May 2011 are expected to be received by the end of September following which an updated mineral resource will be calculated for Red Chris.

Three deep drill holes totalling 3,060.8 metres were drilled during the second quarter, completing the deep drilling program which was designed to define the mineralized system to at least 1,000 metres below surface in the area of the proposed open pit.

The focus at Red Chris will be on permitting, engineering, procurement and development. Engineering for the 30,000 tonne per day mine has started. The contract to complete the detailed design has been awarded to AMEC. Two major pieces of used equipment, a 12,000 hp 34 foot diameter SAG mill and a 40 cubic yard P&H 2800 electric shovel, have been purchased from Northgate's Kemess mine.

The Northwest Mine Development Review Committee is scheduled to meet in mid-September to review the Red Chris project. BC Hydro indicated in a recent news release that design and geotechnical work is underway that will lead to actual construction of the Northwest Transmission Line, scheduled to begin next year. Hydro did note that clearance of right-of-ways and other work is already underway.

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

Sterling

Underground sampling and drilling continued on the 3180 and 3220 levels to investigate the northerly down dip extent of the 144 zone. Underground development for the current quarter totalled 540 feet. A total of 27,200 tons of heap leachable material grading approximately 0.095 ounces per ton has been generated by development in the 144 zone.

During the remainder of 2011 plans are to complete construction of a new leach pad and recovery plant that will allow the restart of gold production at Sterling. These facilities will be put in place to generate cash flow to fund further development and exploration of the 144 Zone. The total capital cost implementing this plan is estimated to be US\$8 million.

The Sterling gold property is located 185 kilometres northwest of Las Vegas, Nevada.

Ruddock Creek

At the Ruddock Creek property during the second quarter, underground development and diamond drilling continued in the lower E-Zone. The decline was extended a further 49.5 metres, while 28 holes totaling 4,972.9 metres of underground diamond drilling were completed. Total underground drilling to June 30 in the current program was 66 holes totalling 11,959.2 metres, while the decline has been extended a total of 306.5 metres. The underground drilling program will be completed in early August 2011 and surface drilling programs have commenced on the Q, Creek and U Zones.

The Ruddock Creek zinc/lead property is located 155 kilometres northeast of Kamloops in the Scrip Range of the Monashee Mountains in southeast British Columbia.

Outlook

An application for an amendment to Huckleberry's Mines Act permit was submitted to allow for the development and operation of the Main Zone Optimization pit, an expansion of the Main Zone pit that could add up to 8 years to Huckleberry's mine life. The amendment is anticipated to be approved by the Province in the third quarter 2011.

A second phase of underground development is planned at Mount Polley's Boundary zone to follow up on the excellent results obtained in the underground drilling.

A leach pad and other infrastructure will be constructed at Sterling so the production of gold can be restarted. This will enable Sterling to generate cash, while underground development and exploration continues.

Detailed engineering and procurement for Red Chris has begun. AMEC has been engaged to complete detailed engineering for the 30,000 tonne per day mine. Two key pieces of equipment, a 34 foot diameter SAG mill and 40 cubic yard electric shovel have been purchased. Once assays from all the 2010 and 2011 diamond drilling are received, a new resource estimate will be completed for Red Chris. This is expected to be completed in the fourth quarter 2011.

The acquisition of the minority interest in American Bullion Minerals Ltd. in June 2011 gives Imperial 100% ownership of the Red Chris project. Funding for the American Bullion Minerals Ltd. share acquisition and equipment purchases from Kemess was provided by an expanded line of credit from the Bank of Montreal and by cashflow from Mount Polley.

Detailed financial information is provided in the Company's Management's Discussion & Analysis contained in the Second 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 JUNE 30, 2011, AND PLANS FOR THE FUTURE BASED ON FACTS AND CIRCUMSTANCES AS OF AUGUST 10, 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; 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 YOU REVIEW THE COMPANY'S MANAGEMENT'S DISCUSSION & ANALYSIS IN THE QUARTER FINANCIAL REPORT AND THE ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2010 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.