



NEWS RELEASE

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Huckleberry Mine Expansion Approved

Vancouver – **January 3, 2012** - **Imperial Metals Corporation (III-TSX)** reports permit amendments for Huckleberry mine have been received. The board of directors of Huckleberry Mines Ltd. (HML) has formally approved the Main Zone Optimization (MZO) plan⁽¹⁾ to extend the life of Huckleberry mine to 2021.

This seven year extension will preserve 230 full time and 30 contract positions on site. In addition, about 70 new positions will be created. Over the life of this mine expansion, HML is expected to spend approximately \$254.4 million on wages and benefits (excluding contractors), \$119.0 million on new acquisitions, and \$82.0 million on dam construction.

The MZO plan is estimated to have a net present value of \$150.0 million, at a discount rate of 8% based on US\$3.40 per pound copper for 2012, and a price of US\$3.14 per pound copper from 2013 to 2021 with the US/Cdn exchange rate at par. The MZO plan is based on the development of a mineral reserve (beneath the original Main zone pit) of 39.7 million tonnes grading 0.343% copper. The strip ratio for the MZO plan, including the Main Zone extension pit, is 1.46 to 1.0.

From start-up in 1997 to December 31, 2010 the aggregate production was approximately 870.0 million pounds copper, 8.0 million pounds molybdenum, 105,000 ounces gold and 3.4 million ounces silver. With the implementation of the MZO plan, production from 2011 to 2021 is estimated to be 424.0 million pounds copper, with copper production averaging 43.2 million pounds per year from 2011 to 2019. Production in 2020 and 2021 will be reduced as low grade stockpiles are milled.

Imperial Metals Corporation 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.

Imperial is a mine development and operating company based in Vancouver, British Columbia. In addition to its 50% share in the Huckleberry mine near Houston, British Columbia, Imperial owns and operates the Mount Polley open pit copper/gold mine near Williams Lake, British Columbia. Imperial's other key properties are the development stage Red Chris copper/gold property in British Columbia and the Sterling gold property in Nevada.

Document available on www.imperialmetals.com/huckleberry:

⁽¹⁾ Technical Report on the Main Zone Optimization – Huckleberry Mine – November 22, 2011

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WHEN WE DISCUSS CURRENT AND FUTURE PRODUCTION AND EXPECTATIONS OR ASSUMPTIONS BASED ON PRODUCTION RESULTS, 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 AND WILL.*

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