

**NEWS RELEASE****Imperial Announces Normal Course Issuer Bid**

Vancouver, BC – **October 10, 2012 - Imperial Metals Corporation (III-TSX)** announces that the Toronto Stock Exchange (the “TSX”) has accepted for filing the Company’s Notice for its normal course issuer bid (the “Bid”) to be transacted through the facilities of the TSX and other Canadian market places.

Pursuant to the Bid, the Company may purchase up to 2,006,120 common shares, which represents 2.7% of the total 74,300,750 common shares of the Company issued and outstanding as of October 4, 2012. Purchases will be made, at the discretion of the Company at prevailing market prices, commencing October 12, 2012 and ending no later than October 11, 2013. Pursuant to TSX policies, daily purchases made by the Company will not exceed 14,560 common shares or 25% of the Company’s average daily trading volume of 58,241 common shares on the TSX, subject to certain prescribed exceptions. The shares acquired under the Bid will either be cancelled or used to satisfy the Company’s obligations under its Non-Management Directors’ Plan (“the Plan”). The funding for any purchase pursuant to the Bid will be financed out of the working capital of the Company.

The Board of Directors believes the underlying value of the Company may not be reflected in the current market price of its common shares, and the Board has determined that the Bid is in the best interest of the Company and its shareholders. In the previous 12 months, the Company has repurchased 5,800 of its outstanding common shares at the average price per share of \$12.42. Of this amount, 5,800 common shares have or will be allocated to satisfy the Company’s obligations under the Plan.

A copy of the Company’s Notice filed with the TSX may be obtained, by any shareholder without charge, by contacting the Company’s Chief Financial Officer.

*Imperial is an exploration, mine development and operating company based in Vancouver, British Columbia. The Company operates the Mount Polley open pit copper/gold mine and has 50% interest in the Huckleberry open pit copper/molybdenum mine. Imperial is developing its wholly owned Red Chris copper/gold property and the Ruddock Creek lead/zinc property (65% joint venture) and is operator of its wholly owned Sterling gold heap leach property. All the Company’s properties are located in British Columbia with the exception of Sterling which is in Nevada, USA.*

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CAUTIONARY NOTE REGARDING “FORWARD-LOOKING INFORMATION”:

THIS NEWS RELEASE CONTAINS “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF CANADIAN AND UNITED STATES SECURITIES LAWS. EXCEPT FOR STATEMENTS OF FACT RELATING TO THE COMPANY, CERTAIN INFORMATION CONTAINED HEREIN CONSTITUTES FORWARD-LOOKING STATEMENTS.

WHEN WE DISCUSS THE TERMS OF OUR NORMAL COURSE ISSUER BID OR OTHER THINGS THAT HAVE NOT YET HAPPENED IN THIS NEWS RELEASE, 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*.

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, 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 RISK; FINANCING RISKS; ENVIRONMENTAL RISKS; FOREIGN ACTIVITIES; LEGAL PROCEEDINGS; AND OTHER RISKS THAT ARE SET OUT IN OUR ANNUAL INFORMATION FORM AND MANAGEMENT’S DISCUSSION & ANALYSIS. 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 ANNUAL MANAGEMENT’S DISCUSSION AND ANALYSIS, WHICH INCLUDE 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 TIME 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.