

Imperial Metals Announces Closing of Previously Announced Financings

Vancouver – **March 12, 2014** | **Imperial Metals Corporation (the “Company”) (III-TSX)** announces it has closed its previously announced offering of US\$325 million 7% Senior Notes (the “Notes”). The Notes are unsecured and will mature on March 15, 2019. Interest on the Notes will accrue and be payable semi-annually on each March 15 and September 15, commencing September 15, 2014.

References to dollar amounts in this press release are to Canadian dollars unless otherwise indicated.

Concurrently with the closing of the Notes offering, the Company entered into a five year senior secured credit facility (the “Senior Credit Facility”) with a syndicate of lenders providing for a \$200 million revolving credit facility consisting of two tranches: a \$50 million revolving working capital tranche for general corporate purposes and a \$150 million revolving construction tranche to fund Red Chris project costs.

The Company has used a portion of the net proceeds of the Notes offering and borrowings under the Senior Credit Facility to repay the outstanding amounts under its \$250 million unsecured line of credit with Edco Capital Corporation (“Edco”) and its revolving demand loan agreement with a commercial lender. The Company intends to use the balance of such proceeds and borrowings to fund capital expenditures related to the Red Chris project and for general corporate purposes.

In addition, the Company entered into a five year \$75 million junior unsecured loan facility with Edco (the “Subordinated Credit Facility”). Edco is owned by Mr. N. Murray Edwards, a significant shareholder of the Company. Interest is payable at 10% per annum on amounts borrowed under the facility. The Subordinated Credit Facility is available to fund project cost overruns associated with the Red Chris project, backstop the payment of certain third party reimbursement obligations relating to an extension of the Northwest Transmission Line, and for general corporate purposes. In connection with this facility, Edco will receive a \$750,000 commitment fee and warrants to acquire 750,000 of the Company’s shares at \$20 per share. The Subordinated Credit Facility advances, the fees thereunder and the warrants granted in connection therewith constitute a related party transaction within the meaning of Multilateral Instrument 61-101. Management considers the Subordinated Credit Facility to be advantageous as it provides additional timing and flexibility for financing the completion of the Red Chris project. Management also considers the terms and conditions of the Subordinated Credit Facility and related warrants to be reasonable, in the context of the market. These arrangements were reviewed and approved by the independent members of the Company’s Board of Directors. The material change report in relation to this transaction will be filed less than 21 days before closing as the Company completed this transaction on March 12, 2014 as all necessary approvals had been received and the Company wished to complete the transaction as soon as commercially feasible after such approvals were obtained.

Edco purchased US\$50 million principal amount of Notes and directors and officers of the Company purchased an additional US\$3.35 million principal amount of Notes. These purchases were made on the same terms and conditions as purchases of Notes by other investors. These transactions also constitute related party transactions within the meaning of Multilateral Instrument 61-101.

The Subordinated Credit Facility transaction with Edco and the purchases of Notes referred to above are exempt from the formal valuation and minority approval requirements of Multilateral Instrument 61-101 as they represent less than 25% of the Company’s market capitalization.

The offer and sale of the Notes will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or the securities laws of any state or the securities laws of any other jurisdiction. The Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes will be offered and sold in the United States only to “qualified institutional buyers” in accordance with Rule 144A under the Securities Act, and outside the United States in reliance on Regulation S under the Securities Act. In addition, in all cases, the Notes may only be offered and sold on a private placement basis pursuant to an exemption from the prospectus requirements of the Securities Act (British Columbia) and, if applicable, securities laws in other provinces and territories in Canada. Further, the Notes may only be offered and sold outside the United States and Canada on a private placement basis pursuant to certain exemptions from applicable securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Notes, nor shall there be any offer or sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Imperial

Imperial is an exploration, mine development and operating company based in Vancouver, British Columbia. The Company operates the Mount Polley copper/gold mine in British Columbia and the Sterling gold mine in Nevada. Imperial has 50% interest in the Huckleberry copper/molybdenum mine and has 50% interest in the Ruddock Creek lead/zinc property, both in British Columbia. The Company is in development of its wholly owned Red Chris copper/gold property in British Columbia.

Imperial Contact Information

Brian Kynoch | President | 604.669.8959

Andre Deepwell | Chief Financial Officer | 604.488.2666

Gordon Keevil | Vice President Corporate Development | 604.488.2677

Sabine Goetz | Shareholder Communications | 604.488.2657 | investor@imperialmetals.com

Cautionary Note Regarding “Forward-Looking Information”

This press release contains “forward-looking information” or “forward-looking statements” within the meaning of Canadian and United States securities laws, which we will refer to as “forward-looking information”. Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking information. When we discuss mine plans; costs and timing of current and proposed exploration or development; 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, 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 press release as forward-looking information. The forward-looking information in this press release may include words and phrases about the future, such as: *plan, expect, forecast, intend, anticipate, estimate, budget, scheduled, targeted, believe, may, could, would, might or will*. Forward-looking information includes disclosure relating to project development plans, costs and timing. We can give no assurance 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: the risk that further advances may not be available under credit facilities; 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 the Company’s Management’s Discussion & Analysis in its 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 provided in this press release. We recommend you review the Company’s most recent Annual Information Form and Management’s Discussion & Analysis in its 2012 Annual Report, which includes 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.