/NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES/

Press Release

Imperial Metals Reports Launch of US$325 Million Senior Notes Offering and Associated Financings; New Non-IFRS Financial Measures; Guidance on 2013 Annual Financial Results; and Update on the Red Chris Project

Vancouver – **March 3, 2014 | Imperial Metals Corporation (the "Company") (III-TSX)** today announced the launch of a US$325 million senior notes offering, guidance on 2013 annual financial results, and an update on the Red Chris project.

US$325 MILLION SENIOR NOTES OFFERING AND ASSOCIATED FINANCINGS

Imperial reports it intends to offer US$325 million of senior unsecured notes maturing in 2019 (the "Notes"). The interest rate and other terms of the Notes will be determined based on prevailing market conditions. The Company intends to use the net proceeds of the Notes to repay existing indebtedness, to fund capital expenditures related to the Red Chris project, and for general corporate purposes.

Concurrently with the consummation of the Notes offering, the Company intends to enter into a new senior secured credit facility with a syndicate of banks. The new facility is expected to be comprised of a $50 million tranche to be used for general corporate purposes, and a second $150 million tranche to be used to fund Red Chris project costs. The closing of the offering of the Notes and the completion of the new senior secured credit facility are conditional on one another.

In addition, concurrent with the closing of the offering of the Notes and the completion of the new senior secured credit facility, the Company intends to enter into a $75 million junior unsecured loan facility with Edco Capital Corporation. This corporation is owned by Mr. N. Murray Edwards, a significant shareholder of the Company. This junior unsecured 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 the Iskut extension of the Northwest Transmission Line ("NTL") and for general corporate purposes. In connection with this facility, Edco Capital Corporation will receive a $750,000 commitment fee and warrants to acquire 750,000 of the Company's shares at $20 per share. These transactions with Edco Capital Corporation 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.

The material change report in relation to the above transactions will be filed less than 21 days before the expected date of the closing as the Company intends to complete this transaction as soon as commercially feasible.

NEW NON-IFRS FINANCIAL MEASURES

In an offering memorandum to be distributed to prospective investors of the Notes, the Company has disclosed certain information relating to the Company's cash cost per pound of copper produced and Adjusted EBITDA. The Company is furnishing such information in Schedule A to this press release.

GUIDANCE ON 2013 ANNUAL FINANCIAL RESULTS

The Company expects to report its financial results for the year ended December 31, 2013 in the last week of March. In connection with the Notes offering, the Company is providing to prospective purchasers of the Notes certain preliminary information with respect to its expected results for the year ended December 31, 2013 as set forth below:

Revenues: Sales volumes for the Mount Polley mine for the fourth quarter of 2013 were similar to the prior quarters in 2013 and therefore the Company expects revenues to be in the range of $178 million to $196 million for the year 2013.

Adjusted EBITDA: In conjunction with the disclosure of this new non-IFRS financial measure as disclosed in Schedule A to this press release the Company expects Adjusted EBITDA for 2013 to be in the range of $82 million to $91 million.

Capital expenditures: The Company expects capital expenditures to be approximately $367.0 million to $405.0 million for the year ended December 31, 2013.

The financial data set forth in the paragraphs above are preliminary and are subject to revision based upon the completion of the Company's 2013 financial statements and the related audit of the Company's 2013 period by its independent chartered accountants. Once the Company has completed its 2013 financial statements and its independent chartered accountants have completed the audit of the Company's financial statements for 2013, the Company may report financial results that could differ, and such differences could be material.

RED CHRIS PROJECT UPDATE

To December 31, 2013 the Company had incurred $438.8 million on the construction of Red Chris of which $47.8 million was in accounts payable and accruals at that date. Between October 1, 2013 and December 31, 2013, the Company had borrowed $90.0 million under an existing line of credit facility with Edco Capital Corporation. Between January 1, 2014 and February 28, 2014, the Company borrowed an additional $47.5 million under such line of credit facility. These borrowings were primarily used to fund the Red Chris project. As at February 28, 2014, the Company had borrowed $242.5 million under its $250.0 million existing line of credit facility with Edco Capital Corporation and expects to borrow the remaining $7.5 million available under that facility in the coming weeks.

The 287kv NTL from Skeena substation to Bob Quinn is under construction by BC Hydro with a targeted completion date of May 2014. The 93 kilometre Iskut extension of the NTL from Bob Quinn to Tatogga is under construction by the Company with a targeted completion date of June 2014.

Construction of access roads and right of way clearing for the Iskut extension of the NTL is 100% complete. A 150 person camp and laydown yards were established along the route to store and assemble lattice structure components. An experienced powerline constructor has installed to date approximately 57% of the foundations and assembled 82% of the structures; the remaining foundations and structures, hardware and conductor will be installed in the coming months.

Red Chris on-site work began in May 2012. The current status of site work is:

- A construction camp to house 480 employees and contractors is fully operational;
- truck shop, warehouse and concentrate shed is complete and currently being used as dry storage for equipment;
- concrete placement and structural steel erection are complete for the coarse ore handling facilities, the primary crusher building, the mechanically stabilized earth wall, the overland conveyor, the transfer towers and the reclaim tunnel;
- concrete foundations for the 287kv main substation and the reagent building are complete;
- pre-engineered process plant building is fully enclosed and internal concrete is approximately 97% complete;
- mechanical installations site wide are approximately 50% complete;
- North Starter Dam has been built to 1097 metre elevation providing adequate water storage for mill startup;
- tailings and reclaim system of pipelines and booster pump house is approximately 25% complete.

Planned activities in 2014 will include the final installation of the primary crusher, process water tanks, interior steel, grinding mills, electrical equipment, reagent building and tailings system. Construction of the 287kv 17 kilometre powerline from Tatogga to the mine site began in January 2014. Mine pre-development began in January 2014 with the start of stripping of overburden from the East zone of the Red Chris mine. The Company is targeting to commence commissioning of the Red Chris mine in June 2014 and to achieve full operations in the fourth quarter of 2014.

The cost of constructing the Red Chris mine is now forecast to be $540 million, approximately 8.0% over the December 2012 estimate. The major areas of increase are:

- Certain contractor tenders for 2013 Request for Proposals were above the cost estimate. These increases were mitigated in part by Red Chris choosing to self-perform the mechanical and piping installations;
- Tailings impoundment area earthwork construction costs overran as additional borrow materials were excavated to uncover suitable filter zone and till core for placement and compaction. The filter zone was screened, hauled and placed with small equipment at extra cost. The additional sand and gravel overburden exposed during borrow development was placed on the future 2015-2016 dam construction footprint, which will result in lower tailing dam construction costs in 2015 than previously forecast. Both these activities were not budgeted in the original estimate.

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 the Notes offering; 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 the launch of the Notes offering and the guidance on 2013 annual financial results (including expected revenues) and 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 the financing may not be completed on the terms expected or at all, involving the need to negotiate and execute a purchase agreement and related documents, the need for continued cooperation of the dealers and the need to successfully market the Notes; 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.

SCHEDULE A

NON-IFRS FINANCIAL MEASURES

The Company is disclosing for the first time two non-IFRS financial measures which are described further below. The Company expects to include these financial measures in future quarterly and annual financial reports.

CASH COST PER POUND OF COPPER PRODUCED

The cash cost per pound of copper produced, derived from the sum of cash production costs, transportation and offsite costs, treatment and refining costs, net of by-product and other revenues, divided by the number of pounds of copper produced during the period, is a non-IFRS financial measure that does not have a standardized meaning under IFRS, and as a result may not be comparable to similar measures presented by other companies. Management uses this non-IFRS financial measure to monitor operating costs and profitability. The Company is primarily a copper producer and therefore calculates this non-IFRS financial measure individually for its two copper producing mines, Mount Polley and Huckleberry, and on a composite basis for these two mines.

Cash costs of production include direct labour, operating materials and supplies, equipment and mill costs, and applicable overhead. Offsite costs include transportation, warehousing, marketing, and related insurance. Treatment and refining costs are costs for smelting and refining concentrate.

Treatment and refining costs applicable to the concentrate produced during the period are calculated in accordance with the contracts the Company has with its customers.

By-product and other revenues represent (i) revenue calculated based on average metal prices for by-products produced during the period based on contained metal in the concentrate; and (ii) other revenues as recorded during the period.

Cost of sales, as reported on the consolidated statement of comprehensive income, includes depletion and depreciation and share based compensation, non-cash items. These items, along with management fees charged by the Company to Huckleberry, are removed from cash costs. The resulting cash costs are different than the cost of production because of changes in inventory levels and therefore inventory and related transportation and offsite costs are adjusted from a cost of sales basis to a production basis. The cash costs for copper produced are converted to US$ using the average US$ to Cdn$ exchange rate for the period divided by the pounds of copper produced to obtain the cash cost per pound of copper produced in US$.

The following tables reconcile cost of sales as shown on the consolidated statement of comprehensive income to the cash cost per pound of copper produced in US$:

Estimated Cash Cost per Pound of Copper Produced – *Twelve Months Ended December 31, 2012*

[Cdn$ in thousands, except quantity amounts]	Huckleberry 100%	Huckleberry 50%	Mount Polley	Corporate	Total per Financial Statements*	Composite
		A	**B**			**C=A+B**
Cost of Sales	$93,154	$46,577	$142,052	$410	$142,462	$188,629
Less:						
Depletion and depreciation	(11,743)	(5,871)	(15,112)	(488)	(15,600)	(20,983)
Share based compensation	-	-	(214)	-	(214)	(214)
Management fees paid by Huckleberry to Imperial eliminated on consolidation	(1,096)	(548)	-	-	-	(548)
Cash costs before adjustment to production basis	80,315	40,158	126,726	$(78)	$126,648	166,884
Adjust for inventory change	4,602	2,301	(3,663)			(1,362)
Adjust transportation and offsite costs	626	313	(686)			(373)
Treatment and refining costs	13,460	6,730	6,671			13,401
By-product and other revenues	(10,286)	(5,143)	(88,560)			(93,703)
Cash cost of copper produced in Cdn$	$88,717	$44,359	$40,488			$84,847
US$ to Cdn$ exchange rate	*0.9994*	*0.9994*	*0.9994*			*0.9994*
Cash cost of copper produced in US$	$88,664	$44,386	$40,512			$84,898
Copper produced (000's lbs)	*35,112*	*17,556*	*33,790*			*51,346*
Cash cost per pound of copper produced in US$	$2.53	$2.53	$1.20			$1.65

*after giving effect to restatement for IFRS11

Estimated Cash Cost per Pound of Copper Produced – *Nine Months Ended September 30, 2013*

[Cdn$ in thousands, except quantity amounts]	Huckleberry 100%	Huckleberry 50%	Mount Polley	Sterling	Total per Financial Statements	Composite
		A	**B**			**C=A+B**
Cost of Sales	$76,491	$38,246	$88,535	$2,980	$91,515	$126,781
Less:						
Depletion and depreciation	(13,989)	(6,995)	(11,714)	(725)	(12,439)	(18,709)
Share based compensation	-	-	(103)	-	(103)	(103)
Management fees paid by Huckleberry to Imperial recorded as revenue by Imperial on the equity basis of accounting for Huckleberry	(809)	(405)	-	-	-	(405)
Cash costs before adjustment to production basis	61,693	30,846	76,718	$2,255	$78,973	107,564
Adjust for inventory change	1,265	633	(3,728)			(3,096)
Adjust transportation and offsite costs	421	210	(1,068)			(858)
Treatment and refining costs	11,647	5,823	5,966			11,789
By-product and other revenues	(7,868)	(3,934)	(53,501)			(57,435)
Cash cost of copper produced in Cdn$	$67,158	$33,578	$24,387			$57,964
US$ to Cdn$ exchange rate	*1.0236*	*1.0236*	*1.0236*			*1.0236*
Cash cost of copper produced in US$	$65,609	$32,803	$23,825			$56,628
Copper produced (000's lbs)	*30,833*	*15,417*	*29,264*			*44,681*
Cash cost per pound of copper produced in US$	$2.13	$2.13	$0.81			$1.27

ADJUSTED EBITDA (EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION)

We define Adjusted EBITDA as net income (loss) before interest expense, taxes and depletion and depreciation and as adjusted for the items described in the reconciliation table below.

Adjusted EBITDA is not necessarily comparable to similarly titled measures used by other companies. We believe that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about certain non-cash or unusual items that we do not expect to continue at the same level in the future, or other items that we do not believe to be reflective of our ongoing operating performance. We further believe that our presentation of this non-IFRS financial measure provides information that is useful to investors because it is an important indicator of the strength of our operations and the performance of our core business.

Adjusted EBITDA is not a measurement of operating performance or liquidity under IFRS and should not be considered as a substitute for earnings from operations, net income or cash generated by operating activities computed in accordance with IFRS. Adjusted EBITDA has limitations as an analytical tool. Some of the limitations are:

- adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- although depletion and depreciation are non-cash charges, the assets being depleted and depreciated will often have to be replaced in the future. Adjusted EBITDA does not reflect any cash requirements for such replacements. In particular, as a company in the mining business, we record the depletion of our mineral reserves as we extract minerals from our mines, but we expect to use cash in the future to acquire other mineral reserves in the ordinary course of our business.
- although accretion expense is a non-cash charge, this represents the accretion of the liability related to the future site reclamation costs, calculated on a net present value basis, that will exist at the end of each mine life, based on the mining area disturbed at a given statement of financial position date. Adjusted EBITDA does not reflect any cash requirements for such reclamation activities, as those will occur upon the closing of each mine; and
- other companies in our industry may calculate Adjusted EBITDA differently that we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

A reconciliation of net income to Adjusted EBITDA is set out below and for all of the periods presented, the Company has given effect to the adoption of IFRS11 in order to be able to compare all periods on the same basis.

Adjusted EBITDA

			Year Ended	Nine Months Ended		Twelve Months Ended
	Dec 31	Dec 31	Dec 31	Sept 30	Sept 30	Sept 30
[Cdn$ in thousands]	2010	2011	2012	2012	2013	2013
Net Income (a)	$38,375	$48,708	$32,626	$20,908	$32,883	$44,601
Adjustments:						
Interest expense	581	1,040	667	341	35	361
Accretion of debt	154	-	-	-	-	-
Accretion of future site reclamation provisions	226	208	292	224	220	288
Depletion and depreciation	21,615	20,110	15,600	11,058	12,845	17,387
Income and mining tax expense	1,816	17,049	18,540	11,412	17,038	24,166
Unrealized losses (gains) on derivative instruments	2,290	(8,031)	2,377	3,652	(141)	(1,416)
Foreign exchange losses (gains)	1,543	(1,231)	455	173	557	839
Share based compensation	8,636	5,165	2,945	2,385	1,399	1,959
Bad debt recovery	-	(14,112)	-	-	-	-
Revaluation (gains) losses on marketable securities	(168)	(4)	(209)	(139)	343	273
Gains on sale of mineral properties	(90)	(1,437)	(708)	(76)	(48)	(680)
Adjusted EBITDA (a)	$74,978	$67,465	$72,585	$49,938	$65,131	$87,778

(a) Net income and Adjusted EBITDA include our 50% portion of the net income from Huckleberry to reflect our adoption of IFRS11. For the years ended December 31, 2010, 2011 and 2012, our 50% interest in the net income of Huckleberry was $22.8 million, $27.7 million and $5.5 million, respectively. For the nine months ended September 30, 2012 and 2013, our 50% interest in the net income of Huckleberry was $3.8 million and $3.9 million, respectively. However, we are not able to control the timing and amount, if any, of cash distributions that Huckleberry may make to us.