NEWS RELEASE

For Immediate Distribution

Innovation Metals Corp. Announces the Successful Separation of High-Value Rare-Earth Elements from Mineração Serra Verde Concentrate Using the RapidSX™ Process

TORONTO 11 August, 2016 - Innovation Metals Corp. ("IMC"), a private Canadian company and the developer of the patent-pending RapidSX™ process, announced today the successful completion of a demonstration program to produce commercial-grade Pr-Nd oxide, using feedstock from the Mineração Serra Verde ("MSV") deposit in Goias State, Brazil. IMC's proprietary RapidSX solvent-extraction ("SX") process was developed for the low-cost separation of rare-earth elements ("REEs"), nickel, cobalt and other technology metals.

Pr-Nd oxide is in increasing demand for the production of high-performance permanent magnets, used in a wide variety of industrial, automotive, defense and clean-tech applications.

"We were pleased to work with MSV to demonstrate the effectiveness of the RapidSX process on Serra Verde REE concentrates," commented Gareth Hatch, President of IMC. "Combining the time-proven chemistry of SX with IMC's proprietary column-based approach, avoids the risks associated with novelty separation approaches that require expensive resins and other complex methods, not yet demonstrated at scale."

"As we aim to be a reliable and cost-competitive supplier of high-quality REE concentrates to the international market, we are assessing the various well-established and developing separation technologies," said Luciano Borges, Serra Verde's CEO. "The positive results obtained through IMC's innovative technology are an important confirmation of the commercial potential and versatility of the product we intend to offer the market's separation segment in the late 2018."

The demonstration project was conducted at IMC's pilot-plant facility in Mississauga, Canada, capable of producing 2 tonnes of REEs / month. The RapidSX process was developed as a result of

funding from the US Army Research Laboratory, part of the US Department of Defense. The approach dramatically reduces the number of REE separation stages in the SX chemical circuits by up to 90%, when compared to conventional SX systems, leading to a significant reduction in plant footprint and associated capital expenditures. The process also leads to major reductions in operating costs and time to process completion, reducing processing times from weeks to just days for each REE separation completed.

The high-value Pr-Nd oxide was separated to 99.5% total REE purity using the RapidSX process; La oxide was also produced as a by-product of the demonstration program, with 99.97% total REE purity.

Although the process needs to be further demonstrated at a larger scale, these initial results indicate average separation costs of below $2.00/kg for a suite of high-value separated REEs, with capital costs for a 2,500 t REE / year RapidSX-based facility in the region of $10-15M or less (all $ in US dollars).

"The future production of commercial-grade REE products is going to require the application of new, cost-effective approaches to the separation and purification of concentrates," said Dr. Hatch. "IMC's RapidSX process is one such approach, applicable not only to REEs, but to concentrates containing nickel, cobalt, copper, zirconium, scandium and other critical metals."

"These outcomes demonstrate the potential that IMC's process has to become a new and competitive alternative for separating REEs," noted Mr. Borges. "For Serra Verde, any technology that can amplify the market for our REE concentrates will always be welcome."

About Innovation Metals Corp.

Innovation Metals Corp. ("IMC") is a private Canadian-based company and the developer of the patent-pending RapidSX™ process for the separation of rare-earth elements (REEs), nickel (Ni), cobalt (Co) and other technology metals. The process will provide low-cost separation to REE, Ni-Co and other producers and assuring security of supply for end users and sovereign governments.

About Mineração Serra Verde

Mineração Serra Verde is an advanced development-stage rare-earth project located near Brasilia, in the State of Goias, a mining-friendly jurisdiction. The size of the resource and the project's ionic

clay geology and freely liberated mineralization is similar in geology to the well-known heavy-rare-earth Chinese deposits. The weathered rock, saprolite ore allows for open pit, truck-and-shovel extraction — providing for cheaper, simpler processing and lower capex versus peers. Further, a large portion of the deposit is comprised of heavy and critical rare earths, which have a higher value as compared to light rare earths, giving the project the potential to supply global demand in the heavy and critical rare-earth market.

Forward-Looking Statements

This news release contains projections and statements that may constitute "forward-looking statements" within the meaning of applicable Canadian and United States laws. Forward-looking statements in this release may include, among others, statements regarding the future plans, costs, objectives or performance of Innovation Metals Corp. ("IMC"), or the assumptions underlying any of the foregoing. In this news release, words such as "may", "could", "would", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "goal", "estimate" and similar words and the negative forms thereof are used to identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that are beyond IMC's control, and which may cause the actual results, level of activity, performance or achievements of IMC to be materially different from those expressed or implied by such forward-looking statements. Such risks and uncertainties could cause actual results and IMC's plans and objectives to differ materially from those expressed in the forward-looking information. IMC can offer no assurance that its plans will be completed. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. Except as required by law, IMC assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

Media Contacts:

For Innovation Metals Corp.:

Mr. Patrick Wong, CEO
Telephone: +1-416-477-2412
Email: info@innovationmetals.com
Web: www.innovationmetals.com

For Mineração Serra Verde:

Ms. Krystal Patout
Phone: +1 713 627-2223
Email: kpatout@piercom.com
www.mineracaoserraverde.com.br

###