

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT PROXY CIRCULAR**

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**IMPERIAL MINING GROUP LTD.**

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This information is provided in connection with the solicitation by the management of Imperial Mining Group Ltd. of proxies to be voted at the Annual and Special Meeting of Shareholders of the Corporation on February 6, 2024 at 10:00 a.m. (Montréal time) to be held online by webcast. Imperial Mining Group Ltd. is conducting a virtual only shareholders' meeting. Registered Shareholders and duly appointed proxyholders (as defined in this Circular) can attend the meeting online at <https://meetnow.global/MXFWMUL> to participate, vote, or submit questions during the meeting's live webcast.

**DATED JANUARY 8, 2024**

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PROXY FORM

IMPERIAL MINING GROUP LTD.



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that an Annual and Special Meeting (the “**Meeting**”) of the holders of common shares (the “**Common Shares**”) of Imperial Mining Group Ltd. (the “**Corporation**”) will be held on February 6, 2024 at 10:00 a.m. (Montréal time) online by webcast (Registered Shareholders and duly appointed proxyholders (as defined in this Circular) can attend the meeting online at <https://meetnow.global/MXFWMUL> to participate, vote, or submit questions during the meeting’s live webcast) for the following purposes:

1. receive the annual financial statements for the fiscal years ended August 31, 2022 and 2023, as well as the auditors’ report thereto;
2. proceed with the election of the Directors of the Corporation;
3. appoint the auditors of the Corporation and authorize the Directors to fix their compensation;
4. approve the rolling Stock Option Plan of the Corporation;
5. approve the rolling Restricted Share Units Plan of the Corporation;
6. approve an amendment to the articles of the Corporation in order to change the Corporation’s name to “Scandium Canada Ltd. / Scandium Canada Ltée”; and
7. transact such other business as may properly come before the Meeting or any adjournment thereof.

The Management Proxy Circular and the proxy form (the “**Proxy**”) are appended hereto.

Shareholders may exercise their rights by attending the Meeting or by completing the Proxy. Should you be unable to attend the Meeting, kindly complete and sign the enclosed Proxy and return same as soon as possible in the envelope provided herein. Your shares will be voted in accordance with your instructions as indicated on the Proxy. Please note that said Proxy will not be valid unless it is deposited at the offices of Computershare Investor Services Inc. (“Computershare”), 650 de Maisonneuve Blvd. West, 7<sup>th</sup> Floor, Montréal, Québec H3A 3T2, or 100 University Street, 8th Floor, Toronto, Ontario M5J 2Y1, no later than forty-eight (48) open hours preceding the Meeting or any adjournment thereof, or unless it is delivered to the Chairman of the Meeting prior to the commencement of the Meeting, or any adjournment thereof. A person appointed as Proxy need not be a shareholder of the Corporation.

Notice is also hereby given that the Corporation's Board of Directors has fixed the record date for the Meeting at the close of business on January 2, 2024 (the "**Record Date**"). Only holders of Common Shares as of the Record Date will be entitled to receive notice of the Meeting. Shareholders at the Record Date will be entitled to vote their shares at the Meeting, unless any such shareholder transfers his/her shares after the Record Date, in which case the transferee of such shares will be entitled to vote such shares at the Meeting if the transferee establishes that he owns said shares and requests, no later than ten (10) days prior to the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting.

SIGNED at Montréal, this 8<sup>th</sup> day of January 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) Pierre Neatby

Pierre Neatby  
Director and President

Enclosure:            Management Proxy Circular  
                             Proxy  
                             Pre-paid mail envelope

**IMPERIAL MINING GROUP LTD.**  
**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**FEBRUARY 6, 2024**



**MANAGEMENT PROXY CIRCULAR**  
**SOLICITATION OF PROXIES**

**This Management Proxy Circular (the “Circular”) is provided in connection with the solicitation by the management of Imperial Mining Group Ltd. (the “Corporation” or “Imperial”) of proxies to be voted at the Annual and Special Meeting of the shareholders of the Corporation (the “Meeting”) to be held at the input time and place and for the purposes set forth in the accompanying Notice of Annual and Special Meeting (the “Notice of Meeting”).** Solicitation of proxies will be accomplished by mail, but may also be by telephone, by Internet or verbal communication by the directors and officers of the Corporation, at no additional compensation. The cost of the solicitation of proxies will be paid by the Corporation.

Bank, brokers and other depositories, nominees or trustees shall forward the solicitation documents to their principals and obtain the authorizations required for the signature of the proxies. The Corporation may also reimburse brokers and other persons holding shares in their own name or in the names of their nominees for their proxy documents delivery costs to the beneficial owners, and in obtaining their proxies, but solicitations will not be made by employees engaged for that purpose or by soliciting agents.

**Appointment and Revocation of Proxies**

An instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or agent thereof.

The persons designated as proxy holders in the instrument of proxy (the “**Proxy**” or “**Proxy Form**”) accompanying the Notice of Meeting are officers and directors of the Corporation. **A shareholder submitting a Proxy shall have the right to appoint a person to represent the shareholder at the Meeting other than the person or persons designated in the Proxy provided by the Corporation. To exercise this right, the shareholder must either insert the name of the desired proxy holder in the blank space provided in the Proxy and by striking out the names printed, or submit another Proxy.** An instrument of proxy will not be valid unless it is deposited at the offices of Computershare Investor Services Inc. (“**Computershare**”), 650 de Maisonneuve Blvd. West, 7<sup>th</sup> Floor, Montréal, Québec H3A 3T2, or 100 University Street, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 or via the internet at [www.investorvote.com](http://www.investorvote.com), no later than forty-eight (48) open hours preceding the Meeting or any adjournment thereof. If a shareholder who has submitted a Proxy attends the Meeting via webcast, any votes cast online by such shareholder on a ballot will be counted and the votes previously submitted will be disregarded.

A person giving a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, an instrument of proxy may be revoked in writing executed by the shareholder or by his authorized agent in writing or, if the shareholder is a corporation, by an officer or agent duly authorized, and delivered to the Corporation’s head office, 236-410 Saint-Nicolas St., Montréal, Québec, Canada, H2Y 2P5, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which such Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deliveries the Proxy shall be revoked.

## ATTENDING THE MEETING ONLINE

Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://meetnow.global/MXFWMUL>. Note that Internet Explorer is not a supported browser. **It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.** You are a **“Registered Shareholder”** if your name appears on a share certificate or a Direct Registration System statement confirming your holdings. If you are a Registered Shareholder, you have received a “Form of Proxy” for this Meeting. You are a **“Non-Registered Shareholder”** if your shares are held through an intermediary (broker, trustee, financial institution, etc.). If you are a Non-Registered Shareholder, you have received a “Voting Instruction Form” for this Meeting. Please make sure to follow instructions on your Voting Instruction Form to be able to attend and vote at this Meeting.

**Registered Shareholders and duly appointed proxyholders** can participate in the Meeting by clicking **“Shareholder”** and entering a Control Number or an Invite Code before the start of the Meeting. Registered Shareholders: the 15-digit control number is located on the Form of Proxy or in the email notification you received. Duly appointed proxyholders: Computershare will provide the proxyholder with an Invite Code by email after the voting deadline has passed.

Attending and voting at the Meeting is only available for Registered Shareholders and duly appointed proxyholders. **Non-Registered Shareholders** who have not appointed themselves as proxyholders to participate and vote at the Meeting may login as a guest, by clicking on **“Guest”**; however, they will not be able to vote or submit questions.

Shareholders who wish to appoint a third-party proxyholder to represent them at the virtual Meeting **must submit their Proxy or Voting Instruction Form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a shareholder has submitted their Proxy or Voting Instruction Form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.** To register a proxyholder, shareholders MUST visit <https://www.computershare.com/ImperialMining> by February 2, 2024, 10:00 a.m. EST and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with an Invite Code by email. **In order to participate online, shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invite Code.**

### Participating in the Meeting

The Meeting will only be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the virtual Meeting is provided below.

- **Registered Shareholders and appointed proxyholders:** Only those who have a 15-digit control number, along with duly appointed proxyholders who were assigned an Invite Code by Computershare will be able to vote and submit questions during the Meeting. To do so, please go to <https://meetnow.global/MXFWMUL> prior to the start of the Meeting to login. Click on **“Shareholder”** and enter your 15-digit control number or click on **“Invitation”** and enter your Invite Code.
- **United States Beneficial Shareholders:** To attend and vote at the virtual Meeting, you must first obtain a valid Legal Proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with the Proxy materials or contact your broker or bank to request a Legal Form of Proxy. After first obtaining a valid Legal Proxy from your broker, bank or other agent, you must submit a copy of your Legal Proxy to Computershare in order to register to attend the Meeting. Requests for registration should be sent by: mail to: Computershare, 100 University Av. 8<sup>TH</sup> Floor, Toronto, ON M5J 2Y1; email at: [USLegalProxy@computershare.com](mailto:USLegalProxy@computershare.com).

Requests for registration must be labeled as “Legal Proxy” and be received no later than February 2, 2024, 10:00 a.m. EST. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares at <https://meetnow.global/MXFWMUL> during the Meeting. Please note that you are required to register your appointment at <http://www.computershare.com/ImperialMining>.

### Voting at the Meeting

A Registered Shareholder (or a Non-Registered Shareholder) who has appointed themselves or appointed a third-party proxyholder to represent them at the Meeting, will appear on a list of proxyholders prepared by Computershare, who is appointed to review and tabulate proxies for this Meeting. To be able to vote their shares at the Meeting, each Registered Shareholder or proxyholder will be required to enter their control number or Invite Code provided by Computershare at <https://meetnow.global/MXFWMUL> prior to the start of the Meeting. In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder MUST register with Computershare at <http://www.computershare.com/ImperialMining> AFTER submitting their voting instruction form in order to receive an Invite Code.

## QUESTIONS AND ANSWERS ON PROXY VOTING

**Q: Who is entitled to vote?**

A: Each common share (a “**Common Share**”) entitles its holder to exercise one vote on the matters specified in the Notice of Meeting. Registered shareholders as of the record date, being January 2, 2024 (the “**Registered Shareholders**”) are entitled to vote.

**Q: How do I vote?**

A: There are two ways you can vote your Common Shares if you are a Registered Shareholder. You may vote in person at the Meeting or you may sign the enclosed Proxy appointing the named persons or some other person you chose, who need not be a shareholder, to represent you as proxyholder and vote your shares at the Meeting.

**Q: What if I plan to attend the Meeting and vote in person?**

A: If you are a Registered Shareholder with the transfer agent and plan to attend the Meeting to vote your Common Shares in person at the Meeting, do not complete or return the Proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent on February 6, 2024, upon arrival at the Meeting.

**Q: Who is making the solicitation?**

A: The solicitation of proxies pursuant to the Proxy is being made by the Corporation and the associated cost will be paid by the Corporation. The solicitation will be made primarily by mail but may also be made by telephone, in writing or in person by employees of the Corporation.

**Q: How does the Board of Directors recommend I vote?**

A: The Board of Directors of the Corporation (the “**Board**” or the “**Board of Directors**”) unanimously recommends voting “FOR” each proposition. Please refer to the information included in this Circular regarding each item which is subject to shareholder approval at the Meeting.

**Q: What if I sign the Proxy enclosed with the Circular?**

A: Signing the enclosed Proxy gives authority to Jeffrey Swinoga, Chairman of the Board, and Pierre Neatby, Director and President, or to another person you will have appointed, to exercise the voting rights attached to your Common Shares at the Meeting.

**Q: Can I appoint someone else than these directors to exercise the voting rights attached to my shares?**

A: Yes. Insert the name of this person, who need not be a shareholder, in the blank space provided in the Proxy. It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to exercise the voting rights attached to your Common Shares. Proxyholders should, upon arrival at the Meeting, register themselves with a representative of Computershare.

**Q: What do I do with my completed Proxy?**

A: The Proxy has to be sent to the transfer agent, Computershare, in the enclosed prepaid mail envelope, no later than forty-eight (48) open hours preceding the Meeting or any adjournment thereof. Your vote will then be counted. The address of the transfer agent is: 650 de Maisonneuve Blvd. West, 7<sup>th</sup> Floor, Montréal, Québec H3A 3T2, or 100 University Street, 8th Floor, Toronto, Ontario M5J 2Y1 or via the internet at [www.investorvote.com](http://www.investorvote.com).

**Q: If I change my mind, can I revoke my Proxy once it has been given?**

A: YES. You may revoke your Proxy. In addition to revocation by any other manner permitted by law, a Proxy may be revoked in writing executed by the shareholder or by his authorized agent or, if the shareholder is a corporation, by an officer or agent duly authorized, and delivered to the Corporation's head office, 236-410 rue Saint-Nicolas, Montréal, Québec, Canada, H2Y 2P5, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which such Proxy is to be used, or deposited with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deliveries the Proxy shall be revoked.

***Q: How will my Common Shares be voted if I give my Proxy?***

A: The persons named on the Proxy must vote for or against or withhold from voting your shares on the matters to be acted upon at the Meeting in accordance with your instructions. **In the absence of such instructions, your Common Shares will be voted in favour of the proposal submitted with the present.**

***Q: What if amendments are made to these matters or if other matters are brought before the Meeting?***

A: The persons named in the Proxy will have discretionary authority with respect to amendments or changes of those matters specified in the Notice of Meeting and with respect to other matters which may be brought at the Meeting. As of the date of this Circular, the management of the Corporation knows of no such amendment, change or other matter expected to be brought at the Meeting, other than those matters referred to in the Notice of Meeting.

***Q: How many Common Shares are entitled to vote?***

A: As of January 2, 2024, and as of the date hereof, there were 216,372,826 outstanding Common Shares. Each Registered Shareholder has one vote for each Common Share held at the record date on January 2, 2024 (the “**Record Date**”).

***Q: Who are the Registered Shareholders?***

A: A shareholder is a Registered Shareholder if, at the Record Date, the shareholder appears on the list of shareholders held by the transfer agent and registrar of the Corporation regarding the Common Shares, in which case a share certificate has been issued to such shareholder, indicating the name and the number of shares held by such shareholder.

***Q: What is the final date by which the Corporation must receive a proposal?***

A: As of the date of this Circular, the Corporation has not received a proposal. The period during which the Corporation must receive a proposal from a shareholder entitled to vote at the annual meeting of the Corporation in 2025 is from September 9, 2024, to November 8, 2024.

***Q: How will the votes be counted?***

A: Each matter brought at the Meeting is decided by a majority of shares voted thereupon, except for the special resolution regarding the approval of the Change of Name of the Corporation which requires the approval of 66 2/3 % of the votes cast, in person or by proxy at the Meeting.

**Validity of a Proxy**

The articles of the Corporation provide that a proxy or an instrument appointing a duly authorized representative of a corporation shall be in writing, under the hand of the appointer or his duly authorized agent in writing, or if such appointer is a corporation, either under its seal or under the hand of an officer or agent duly authorized for that purpose.

**Voting by Proxy and Exercise of the Discretionary Authority**

**Common Shares represented by a Proxy are to be voted or withheld from voting on any ballot by the proxy named in the enclosed Proxy in accordance with the instructions of the shareholders. The directors who are soliciting the proxy agree to respect the instructions given by the shareholders in the Proxy. IF NO INSTRUCTIONS ARE INDICATED, THE SHARES WILL BE VOTED IN FAVOUR OF THE ADOPTION OF THE RESOLUTIONS SPECIFIED IN THE NOTICE OF MEETING. The enclosed Proxy confers discretionary authority to the persons named therein with respect to matters not specifically mentioned in the Notice of Meeting and which may be brought at the Meeting and on any amendments or variations to matters specified in the Notice of Meeting.**



## Notice to Beneficial Shareholders or Non-Registered Shareholders

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold shares in their own name but via an intermediary (usually a bank, trust company, securities broker or other financial institution) or indirectly via a financial intermediary. Shareholders who do not hold their shares in their own name (the “**Beneficial Shareholders**” or “**Non-Registered Shareholders**”) should note that only Proxies deposited by shareholders whose names appear on the records of the Corporation as the Registered Shareholders will be recognized and will be entitled to act upon at the Meeting. Even if the Common Shares are mentioned in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Consequently, each Beneficial Shareholder must ensure that its voting instructions are transmitted to the appropriate person. The Beneficial Shareholder may attend the Meeting as a proxy holder to the Registered Shareholder and exercise, as such, the voting rights of such shares.

If you are not a Registered Shareholder, in order to vote you must obtain the materials relating to the Meeting from your broker or other intermediary, complete the request for voting instructions sent by the broker or other intermediary and follow the directions of the broker or other intermediary with respect to voting procedures.

In accordance with *National Instrument 54-101 on Communication with Beneficial Owners of Securities of a Reporting Issuer*, adopted by the Canadian securities regulatory authorities, the Corporation is distributing copies of the materials related to the Meeting to the clearing agencies and intermediaries for distribution to beneficial owners of shares of the Corporation. Intermediaries must forward the materials related to the Meeting to beneficial owners of Common Shares and often use a service company (such as Broadridge Investor Communications Solutions) to permit you, if you are not a Registered Shareholder, to direct the voting of the Common Shares which you beneficially own. Since the Corporation does not have access to the names of its Non-Registered Shareholders, those who wish to attend the Meeting and vote must write their own name in the blank space provided in the Proxy form in order to appoint themselves as a proxy and follow the instructions of their intermediary in order to return the form to it.

## Securities Having a Right to Vote and Principal Holders

As of January 2, 2024 and as of the date hereof, only 216,372,826 Common Shares of the Corporation's share capital were issued and outstanding, each carrying the right to one vote per share. Only Registered Shareholders at the close of business on January 2, 2024, are entitled to receive the Notice of Meeting and to vote at the Meeting, unless after that date a Registered Shareholder of Common Shares and the transferee, upon delivering properly endorsed certificates evidencing such shares or otherwise establishing that he owns said shares, requests not later than ten (10) days before the Meeting that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee is entitled to vote such Common Shares at the Meeting.

## OWNERSHIP OF THE CORPORATION'S SHARES

As of the date hereof, to the knowledge of the directors and executive officers of the Corporation and based on existing information, no person owns, directly or indirectly, as beneficial owner or as holder of record, more than 10% of the issued and outstanding Common Shares.

As at the date hereof, the current directors and officers were, as a group, directly or indirectly, the beneficial owners of 4,383,094 Common Shares representing approximately 2.03% of the currently issued and outstanding Common Shares.

## Interest of Certain Persons in Matters to be Acted Upon

Other than as specifically discussed under the heading “Matters to be Acted Upon at the Meeting”, no director or officer of the Corporation, past or present, or any associate or affiliate of such persons, or any person on behalf of whom this solicitation is made, has any interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the general affairs of the Corporation, with the exception that certain directors and officers have been granted stock options.

## EXECUTIVE COMPENSATION

### Compensation of Directors and Named Executive Officers

The following summary table sets forth selected compensation information for the years ended August 31, 2022 and 2023 for: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; (iii) the most highly compensated executive officer of the Corporation, other than the individuals listed above, whose total compensation for the most recent fiscal year was more than \$150,000 (collectively, the “**Named Executive Officers**”); and (iv) the directors of the Corporation.

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fee (\$)	Value of perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Pierre Neatby, President, Chief Executive Officer and Director <sup>(1)</sup>	2023	10,417	-	-	-	-	10,417
Peter J. Cashin, Former President, Chief Executive Officer and Director <sup>(2)</sup>	2023	169,565	-	-	-	375,000 <sup>(12)</sup>	544,565
	2022	257,535	-	-	-	-	257,535
Isabelle Gauthier, Chief Financial Officer (non-member of the Board) <sup>(3)</sup>	2023	38,600	-	-	-	-	38,600
Mpoyi P. Musampa, Former Chief Financial Officer (non-member of the Board) <sup>(4)</sup>	2023	42,000	-	-	-	-	42,000
	2022	36,750	-	-	-	-	36,750
Martin Nicoletti, Former Chief Financial Officer (non-member of the Board) <sup>(5)</sup>	2022	30,000	-	-	-	-	30,000
Jeffrey Swinoga, Chairman of the Board <sup>(6)</sup>	2023	-	-	2,333	-	-	2,333
	2022	-	-	-	-	-	-

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fee (\$)	Value of perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Steven Brunelle, Former Director <sup>(7)</sup>	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-
Alain Bureau, Director <sup>(8)</sup>	2023	-	-	2,000	-	-	2,000
	2022	-	-	-	-	-	-
Philippe Cloutier, Director	2023	-	-	2,000	-	-	2,000
	2022	-	-	-	-	-	-
Brooke DeLong, Director <sup>(9)</sup>	2023	-	-	2,000	-	-	2,000
	2022	-	-	-	-	-	-
Nick Nikolakakis, Director <sup>(10)</sup>	2023	-	-	2,000	-	-	2,000
	2022	-	-	-	-	-	-
Siri Genik, Former Director <sup>(11)</sup>	2022	-	-	-	-	-	-

Notes :

- (1) Mr. Neatby was appointed President and Chief Executive Officer on August 15, 2023, and became Director on September 8, 2023.
- (2) Mr. Cashin ceased to be the President and Chief Executive Officer on April 19, 2023.
- (3) Ms. Isabelle Gauthier became Chief Financial Officer on May 1<sup>st</sup>, 2023.
- (4) Mr. Musampa was the Chief Financial Officer from February 1<sup>st</sup>, 2022, to May 1st, 2023.
- (5) Mr. Nicoletti ceased to be the Chief Financial Officer on February 1<sup>st</sup>, 2022.
- (6) Mr. Swinoga became Chairman of the Board on October 12, 2021.
- (7) Mr. Brunelle ceased to be an insider on May 19, 2023.
- (8) Mr. Bureau became director on May 3, 2022, and was Interim President and Chief Executive Officer from April 19, 2023 to August 15, 2023, until the appointment of Mr. Neatby.
- (9) Ms. DeLong became director on July 5, 2022.
- (10) Mr. Nikolakakis became director on November 26, 2021.
- (11) Ms. Genik ceased to be an insider on March 22, 2022.
- (12) Other compensation represents the aggregate severance payment payable to Mr. Cashin following his departure.

The following charts set forth for each director and Named Executive Officer, all of the options and restricted share units granted to them during the financial year ended on August 31, 2023.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class (1)(2)(3)(4)(5)	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Pierre Neatby, President, Chief Executive Officer and Director	Option	1,500,000 (1,500,000 Common Shares) (12.00%)	August 15, 2023	0.10	0.105	0.095	August 15, 2028
Isabelle Gauthier, Chief Financial Officer	Option	250,000 (250,000 Common Shares) (2.00%)	July 24, 2023	0.09	0.09	0.095	July 24, 2028
Jeffrey Swinoga, Chairman of the Board	Option	-	-	-	-	-	-
Alain Bureau, Director	Option	500,000 (500,000 Common Shares) (4.00%)	May 5, 2023	0.09	0.08	0.095	May 5, 2028
Philippe Cloutier, Director	Option	-	-	-	-	-	-
Brooke DeLong, Director	Option	-	-	-	-	-	-
Nick Nikolakakis, Director	Option	-	-	-	-	-	-

**Notes :**

- (1) Options to purchase Common Shares of the Corporation are granted pursuant to and in accordance with the terms and conditions set forth in the Corporation's stock option plan described at item "Stock Option Plan" of this Circular.
- (2) There has been no compensation security that has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year, including the original and modified terms, the effective date, the reason for the modification, and the name of the holder.
- (3) There are no restrictions or conditions for converting, exercising or exchanging the compensation securities.
- (4) As of August 31, 2023, Mr. Neatby held an aggregate of 1,500,000 options (1,125,000 options not vested as of August 31, 2023), Mr. Swinoga held an aggregate of 750,000 options, Mr. Bureau held an aggregate of 900,000 options, Mr. Cloutier held an aggregate of 900,000 options, Mr. Nikolakakis held an aggregate of 450,000 options, Ms. DeLong held an aggregate of 400,000 options, Ms. Gauthier held an aggregate of 250,000 options.
- (5) All of these options vested immediately on the date of grant, except for Mr. Neatby's options which vested 25% upon issue and will continue to vest in 25% increments on each of the dates that are 6, 12, and 18 months after the date of issue.

## Stock Option Plan

Ten percent (10%) of the Common Shares of the capital stock of the Corporation issued and outstanding from time to time is reserved for the issuance of stock options pursuant to the rolling Stock Option Plan of the Corporation (the “**Plan**”) and for grants under all other security-based compensation arrangements (the RSU Plan of the Corporation, described at item “Approval of the Restricted Share Unit Plan” of this Circular). Only directors, officers, employees or consultants of the Corporation or of its subsidiaries may receive stock options pursuant to the Plan (an “**Eligible person**”). The exercise price and the term of stock options are determined by the Board of Directors and are subject to approval by the TSX Venture Exchange. However, the exercise price cannot be lower than the closing market price of the Corporation's shares on the last trading day prior to the issuance of options less any discount allowed by the TSX Venture Exchange, subject to a minimal price of five cents (\$0.05). Stock options under the Plan are exercisable for a period no longer than ten (10) years and the exercise price must be paid in full upon exercise of the option. The Board of Directors may amend the Plan, subject to, as the case may require, the approval of the shareholders, the TSX Venture Exchange and, beneficiaries of issued options. See the proposed resolution to approve the Stock Option Plan by the shareholders at the Meeting under section “Approval of the Stock Option Plan”.

Together with any other Common Shares reserved under any other security-based compensation plan in force implemented by the Corporation (including the Corporation's RSU Plan): the aggregate number of Common Shares reserved for issuance under stock options granted to insiders (as a group) cannot exceed 10% of the outstanding Common Shares in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares; and the aggregate number of Common Shares issued to insiders (as a group), under the Plan, together with any other securities granted to insiders (as a group) under any other security-based compensation plan in force implemented by the Corporation, within a one-year period cannot exceed 10% of the outstanding Common shares calculated as at the date any security-based compensation is granted or issued to any insider. Together with any other Common Shares reserved under any other security-based compensation plan in force implemented by the Corporation (including the Corporation's RSU Plan), the aggregate number of stock options granted to any one Eligible Person (and to companies wholly owned by that Eligible Person) in a 12-month period, must not exceed 5% of the issued Common Shares of the Corporation, calculated on the date an option is granted to the Eligible Person, unless the Corporation has obtained the requisite disinterested shareholder approval and complied with the Exchange policies.

Together with any other Common Shares reserved under any other security-based compensation plan in force implemented by the Corporation (including the Corporation's RSU Plan), the number of options granted to any consultant, whether an individual or legal person, over a twelve (12) month period, must not exceed two percent (2%) of the issued and outstanding listed Common Shares, calculated at the date the option is granted to the consultant. This two percent (2%) limit is included within the limitation of the aggregate number of Common Shares that can be reserved, as indicated in the first paragraph of this section. Furthermore, the aggregate number of options granted to individuals or legal persons employed to provide investors relation activities must not exceed, over a twelve (12) month period, two percent (2%) of the issued and outstanding listed Common Shares, calculated at the date the option was granted. This two percent (2%) limit is included within the limitation of the aggregate number of Common Shares that can be reserved, as indicated in the first paragraph of this section.

Options issued to persons retained to provide investor relations activities must vest in stages over a period of not less than twelve (12) months with no more than 1/4 of the options vesting in any three (3) month period. In the event that the Corporation wishes to proceed to any acceleration of said period, the Corporation shall obtain the prior approval of the Exchange.

In the event an Eligible Person is dismissed as a director, officer, employee or consultant by the Corporation for cause, all unexercised options rights shall terminate immediately. In the event of the death of the Eligible Person, the options granted to such Eligible Person may be exercised, during a period commencing on the date of death and ending twelve (12) months thereafter or the expiry date, whichever comes first. Options granted to any Eligible Person will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the optionee at any time prior to expiry of the stock option) after the date the optionee ceases to be an Eligible Person, and only to the extent that such option was vested at the date the optionee ceased to be an Eligible Person.

If a Take-Over Bid (as defined in Multilateral Instrument 62-104) is made to the shareholders generally then the Corporation shall immediately upon receipt of notice of the Take-Over Bid, notify each optionee currently holding options of the Take-Over Bid, with full particulars thereof whereupon such options may, notwithstanding particular vesting requirements, be immediately exercised in whole or in part by the optionee, subject to approval by the TSX Venture

Exchange for vesting requirements imposed by the TSX Venture Exchange's Policies. In the event of a change of control occurring, options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the change of control, excluding options granted to an Eligible Person engaged in investor relations activities, subject to approval of the TSX Venture Exchange for vesting requirements imposed by the TSX Venture Exchange's Policies. See also section "Approval of the Stock Option Plan".

The following chart sets forth, as of August 31, 2023, compensation plans under which equity securities of the Corporation were authorized for issuance:

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	12,500,000	\$0.13	8,117,282

### Employment Agreements, Termination and Change of Control Benefits

During the financial year ended August 31, 2023, the Corporation entered into an employment agreement with Mr. Pierre Neatby. Under said employment agreement, Mr. Neatby has accepted to act as President and Chief Executive Officer of the Corporation for an undetermined period. In the event his employment with the Corporation is terminated without cause, Mr. Neatby shall be indemnified for an amount equal to six (6) months of his annual base salary of currently \$250,000 (hereinafter, the "Base Salary") if the termination occurs before the first twelve (12) months of employment, or twelve (12) months Base Salary thereafter. If terminated for just cause, no indemnity is payable to Mr. Neatby under his employment agreement.

If Mr. Neatby's employment is terminated during the 6-month period following the occurrence of a change of control event, Mr. Neatby shall be entitled to a lump sum payment equal to eighteen (18) months of his Base Salary in lieu of severance payment. Within a 3-month period following a change of control, Mr. Neatby may elect to terminate his employment with the Corporation and be entitled to a lump sum amount equal to eighteen (18) months of his Base Salary. All unvested stock options granted to Mr. Neatby shall vest immediately upon the occurrence of a change of control event.

The Corporation has entered into a management services agreement with Ms. Isabelle Gauthier in virtue of which she has accepted to hold the office of Chief Financial Officer for an undetermined period. Ms. Gauthier's management services agreement can be terminated at any time by the Corporation without cause by paying a lump sum amount equivalent to six (6) months of her annual consulting fee of currently \$102,000 (hereinafter, the "Consulting Fee"). For cause, the engagement of Ms. Gauthier can be terminated at any time without notice or indemnity by the Corporation.

If Ms. Gauthier's engagement is terminated without cause during the 12-month period following the occurrence of a change in control event, the Corporation will be obligated to pay Ms. Gauthier an additional lump sum amount equivalent to six (6) months of the Consulting Fee in lieu of indemnity.

Mr. Neatby and Ms. Gauthier's respective agreements also contain customary confidentiality covenants in favor of the Corporation.

### Pension Plan

There is no pension plan for the Named Executive Officers.

## Compensation Analysis

### *General Principles of Executive Compensation*

Although the Corporation has not adopted a formal compensation program due to its current development stage, remuneration plays an important role to attract, motivate and retain key members of the management team required for its success and to drive strategic growth initiatives.

Compensation is designed so as to constitute adequate reward for services and incentive for the executive management team to implement strategies aimed at increasing share value and creating economic value. The compensation is also established according to the duties and responsibilities that rest on the individuals and their own level of performance. Compensation is developed by keeping in mind the limitations of the Corporation, which are due to the activities of the Corporation, as it is a small mining exploration corporation and has no precedents of benefits.

The Corporation is committed to a total compensation that: (a) will be competitive with the compensation received by executives employed by other small mining exploration corporations, without conducting formal benchmark with peers; (b) will link the executives' interests with those of the shareholders; and, (c) will reward superior performance. The Compensation Committee did not consider the implications of the risks associated with the Corporation's compensation policies and practices.

### *Determining Compensation*

The compensation of the Named Executive Officers is established by the Board of Directors, upon the recommendation of the Compensation Committee. As of the date hereof, Philippe Cloutier (Chair), Brooke DeLong and Nick Nikolakakis are the members of the Compensation Committee.

The compensation of the Named Executive Officers, other than the President and Chief Executive Officer, is proposed by the President and Chief Executive Officer to the Compensation Committee, which recommends the adoption by the Board of Directors after independent negotiations with each Named Executive Officer. The compensation of the President and Chief Executive Officer is established by the Compensation Committee, which recommends the adoption by the Board of Directors.

### *Components of Overall Compensation*

When assessing total direct annual compensation, the Corporation focuses on four key components which are intended to collectively make up most of an executive total compensation opportunity and to reward past and current performance and to create incentives with respect to future performance. These four key components are comprised of fixed elements, namely base salary and the possibility to participate to the collective insurance plans, and variable compensation elements provided through incentives bonus and the grant of Common Shares stock options of the Corporation.

### *Base Salary*

For the fiscal years ended August 31, 2022 and 2023, base salary is evaluated based on comparisons to the base salaries offered by small capital stock companies in the mining industry, as well as on more subjective criteria such as internal equity and individual contributions to the results of the Corporation. The Corporation's view is that a competitive base salary is a necessary element for retaining qualified executive officers. Base salaries are negotiated on an individual basis with each of the executive officers and are subject to an annual review.

Based upon their respective experience in the mining sector, the members of the Compensation Committee re-evaluate the base salary component of the compensation for the Named Executive Officers of the Corporation on a going forward basis to ensure that it reflects salaries offered for positions involving similar responsibilities and complexity, internal equity comparisons, as well as the ability and experience of the Corporation's Named Executive Officers. Therefore, compensation paid during the most recently completed financial year is not necessarily indicative of expected compensation levels in the future.

### *Incentive Bonus*

The Corporation is currently in a growth period, and as such, incentive bonuses are being granted, based on the satisfactory work accomplished by the Named Executive Officers. These incentive bonuses are approved by the Compensation Committee.

### *Option-Based Award Plan*

The grant of stock options is part of the long-term incentive component of executive compensation and is an essential part of compensation. The Named Executive Officers may participate in the Corporation's stock option plan, which is designed to encourage optionneers to link their interests with those of shareholders, in order to increase the value for shareholders. Besides the complementary aspect to compensation, the stock options award to Members of the Board and Named Executive Officers of the Corporation aims to encourage their participation in the growth and development of the Corporation by providing them with the opportunity through common shares options to acquire or increase a financial stake in the Corporation and thereby motivate them to carry out the strategic initiatives of the Corporation. The number of options granted is determined following deliberations of the Board of Directors, upon the recommendation of the Compensation Committee, and based on several factors, such as the investment in time and money, the functions and responsibilities related to the position, the level of responsibility and the general contribution that an individual can bring to the Corporation in terms of experience, knowledge of the mining sector and other qualities of the individual, the whole, without taking into account previous grants. There is no specific weighting given to each of these criteria, which are considered as a whole and according to the specificities of the Participants. The terms of the plan are described below under the heading "Stock Option Plan" of this Circular.

## **INTEREST OF MANAGEMENT AND CERTAIN RELATIONSHIPS IN MATERIAL TRANSACTIONS**

Except as it may be disclosed in the latest financial statements of the Corporation, to the knowledge of Management of the Corporation, no director or officer, insider, nor any of their respective associates, affiliates or member of their group have any material interests in a transaction having been concluded since the beginning of the last fiscal year or has an interest in any planned transaction that has or could affect in a material manner the Corporation or one of its subsidiaries.

## **INDEBTEDNESS OF OFFICERS AND DIRECTORS TO THE CORPORATION**

As of the date hereof, no director, officer, or any of their respective associates or affiliates is indebted to the Corporation.

## **DIRECTORS AND OFFICERS INSURANCE**

As part of the risk insurance program, the directors' and officers' liability insurance policy provides for a reimbursement by the corporation and a coverage limit of \$5,000,000 for each and every loss experienced by the directors and officers of the Corporation. A \$25,000 deductible per loss is payable. The annual premium paid by the Corporation is approximately \$16,800.

Subject to the limitations of the *Canada Business Corporations Act*, a director or officer is entitled to claim from the Corporation his incurred costs, charges and expenses (including amounts paid to settle an action or satisfy a judgement) in respect of any action or proceeding to which he is a party by reason of being a director or officer of the Corporation.



## MATTERS TO BE ACTED UPON AT THE MEETING

### PRESENTATION AND RECEIPT OF THE ANNUAL FINANCIAL STATEMENTS

The management report, the audited financial statements, as well as the related auditors' report for the fiscal years ended August 31, 2022 and 2023 will be presented to the shareholders at the Meeting, but no vote is required, nor will a vote be taken for their approval.

### ELECTION OF DIRECTORS

The Corporation's articles provide that the Board of Directors shall be composed of a minimum of one (1) and a maximum of ten (10) directors as determined by the Board of Directors from time to time. The directors are elected every year. Each of the nominees named hereunder has advised the management of the Corporation that he would be willing to serve as a director if elected. **Management of the Corporation proposes the nomination of five (5) directors for the current year, and the persons named in the accompanying Proxy annexed hereto intend to vote in favour of the election of the persons named below as directors. The candidates registered on the following list are current members of the Board of Directors of the Corporation except for Guy Bourassa. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy reserve the right to vote for another nominee in their discretion.** Each nominee elected as a director will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless he ceases to hold office pursuant to the *Canada Business Corporations Act* or his office is earlier vacated pursuant to the by-laws of the Corporation.

**UNLESS INSTRUCTIONS ARE GIVEN TO DECLINE TO VOTE CONCERNING THE ELECTION OF THE FOLLOWING CANDIDACIES, THE PERSONS WHOSE NAME APPEAR IN THE INSTRUMENT OF PROXY INTEND TO VOTE AT THE MEETING IN FAVOUR OF THE ELECTION OF THE FOLLOWING CANDIDATES.**

The *Canada Business Corporations Act* and the applicable securities laws require that the Corporation has an audit committee. The Corporation has thus created a permanent Audit Committee (the "**Audit Committee**"). The Board of Directors also created the Corporate Governance Committee, responsible for corporate governance issues and the Compensation Committee, responsible for all nomination and compensation matters, the whole as more fully described under the heading "Statement of Corporate Governance Practices" of this Circular.

The following table states, for each nominee proposed as director of the Corporation, her or his name, her or his municipality of residence, the year during which she or he became a member of the Board of Directors, her or his main duties and information regarding the Common Shares she or he beneficially owns or controls or directs, directly or indirectly, as of the date hereof.

<u>Name and municipality of residence</u>	<u>Position</u>	<u>Principal positions during the last years</u>	<u>Number and percentage of Common Shares held or controlled<sup>(1)(2)</sup></u>
Guy Bourassa Petite-Rivière-Saint-François Québec	"Proposed Director"	Mr. Guy Bourassa has graduated in law from the Université Laval, Québec, in 1983. He has been member of the Québec Bar from 1983 to October 2011. During his career as an attorney, he has mainly worked with Québec mining exploration businesses. He has been President and Director of Radisson Mining Resources inc. from November 1988 to June 1991. He has also been President and director of Dufresnoy Industrial minerals inc. from May 1994 to November 1996, and corporate secretary of Mazarin Mining Corporation from September 1991 to June 1994. He was President and CEO of Monarch Gold Corporation from March 2011 to October 2012 and director until April 2020. He has acted as director of Nouveau Monde Graphite Inc. from February 2017 to June 2019. He was the founder, director and has acted as President and CEO of Nemaska Lithium Inc. from January 2008 to February 2020.	1,090,000 0.50%

<b><u>Name and municipality of residence</u></b>	<b><u>Position</u></b>	<b><u>Principal positions during the last years</u></b>	<b><u>Number and percentage of Common Shares held or controlled<sup>(1)(2)</sup></u></b>
Alain Bureau <sup>(B)(D)</sup> Rio Hato Coclé Panama	Director since May 3, 2022 "Proposed Director"	<p>Mr. Alain Bureau is a Canadian professional engineer with over 20 years of experience in the mining and construction sector, having worked in 11 countries across the Americas. Mr. Bureau brings to the company significant experience in the junior mining industry through his roles as President &amp; CEO of Pershimco Resources (November 2006 to December 2016), President of Atico Mining Corporation (September 2019 to now), President &amp; CEO of Toachi Mining Inc. (January 2018 to September 2019), Director of Orla Mining Ltd (December 2016 to June 2017) and Director of Pershimex Exploration Corporation (2018). He also received numerous important industry acknowledgements, including TSX's Top 10 exploration companies award in 2012 and the prestigious PwC's Top performing mining explorers award in 2013. As a third-generation miner, his early career led him to be involved in numerous large construction projects including the Glencore's Raglan Mine located in the extreme limit of Northern Québec.</p> <p>While with Agnico Eagle, he was the plant construction manager for the Pino's Alto mine in the remote Mexican mountains as well as in the Atacama desert working on BHP's Escondida mine expansion, currently the largest copper producer in the world. His exploration and construction abilities as well as his M&amp;A experience and understanding of the capital markets allowed him to successfully deliver growth through the development of logistically challenging projects by providing technical solutions and financial alternatives to create value for shareholders. Alain graduated with high honours in Mechanical Engineer from the Royal Military College of Canada and is a member of the OIQ "Ordre des Ingénieurs du Québec". He also currently serves on the Mining Chamber of Ecuador Board of Directors and has served as Director for Terranueva Corporation, a cannabis producer (December 2018 to April 2021).</p>	1,989,898 0.92%
Brooke DeLong <sup>(A)(B)(C)</sup> Etobicoke, Ontario	Director since July 5, 2022 "Proposed Director"	<p>Ms. Brooke DeLong has more than 20 years of corporate and operations experience within the mining industry. Ms. DeLong brings to the company significant experience as a trusted advisor on communications, change management and global governance matters through her current role as Director, Change Management &amp; Internal Communications at Centerra Gold Inc. and previously, as Manager, Communications at Vale, where she also led the change management and governance practices for the company's Base Metals business. Ms. DeLong holds a Bachelor of Arts (Hons) from the University of New Brunswick (UNB) and Bachelor of Public Relations from Mount St. Vincent University. She is an Accredited Business Communicator through the International Association of Business Communicators and earned Change Management Certification from Prosci. Ms. DeLong is a member of UNB's Board of Governors since 2017 and Chair of its Advancement Committee. She is also a past President of the UNB Associated Alumni. She is an alumna of the Governor General's Canadian Leadership Conference and in 2011, was recognized by Northern Ontario Business as one of its Top 40 Under Forty leaders.</p>	-

<b><u>Name and municipality of residence</u></b>	<b><u>Position</u></b>	<b><u>Principal positions during the last years</u></b>	<b><u>Number and percentage of Common Shares held or controlled<sup>(1)(2)</sup></u></b>
Pierre Neatby Etobicoke, Ontario	Director since September 8, 2023, President and Chief Executive Officer since August 15, 2023 “Proposed Director”	Pierre Neatby is an experienced metals and minerals executive who had increasingly responsible commercial positions during 20 years with Noranda in base metals and non-LME traded commodities in Toronto and London. He has extensive rare earth experience having spent 9 years with Avalon Advanced Materials. In his latest role Mr. Neatby was responsible for Marketing of nickel and cobalt, and for Business Improvement for the Ambatovy Joint Venture based in Madagascar. Mr. Neatby is an Economics graduate from Queen's University and is a trained Lean Six Sigma Black Belt.	150,000 0.07%
Jeffrey Swinoga <sup>(A)(D)</sup> Oakville, Ontario	Director and Chairman since October 12, 2021 “Proposed Director”	Jeff Swinoga is a highly accomplished mining executive with more than 25 years of executive and management experience in the areas of finance, project development and project construction. Most recently, he was the National Mining and Metals co Leader at EY Canada and CEO of an international gold company. He was also the chief financial officer of Torex Gold Resources Inc. where, during his four-year tenure, he led the financing of Torex's El Limon-Guajes gold mine on the Morelos property and led his team during Torex's transition from an exploration and development company to a mid-tier gold producer. Prior to Torex, Swinoga spent four years as the CFO of North American Palladium Ltd., during which time NAP financed and constructed the underground offset zone expansion project for the Lac des Iles Mine and acquired and built two gold producing mines in Québec. In addition, he spent three years as CFO of HudBay Minerals Inc. Jeff also spent seven years at Barrick Gold Corporation as a senior officer with responsibilities that included project financing of Barrick's Bulyanhulu and Veladero projects and chairman of Barrick's pension committee. He is a Chartered Professional Accountant and holds a Master of Business Administration degree from the University of Toronto as well as a Bachelor's degree (Honours) in Economics from the University of Western Ontario. Jeff was elected to the Board of PDAC in 2022 and is also a member of their audit committee.	597,223 0.28%

**Notes:**

- (A) Current member of the Audit Committee.
- (B) Current member of the Corporate Governance Committee.
- (C) Current member of the Compensation Committee.
- (D) Current member of the Technical Committee.
- (1) The above-mentioned candidates have personally provided the information regarding the Common Shares they hold, directly or indirectly, or on which they exercise control.
- (2) Number of Common Shares outstanding as of January 2, 2024: 216,372,826.

To the Corporation's knowledge, no proposed director is, as of this day, or has been in the past ten (10) years before this date, a director, Chief Executive Officer or Chief Financial Officer of the Corporation or of any other company that was the subject of a cease trade or similar order, or an order that denied to the Corporation the access to any exemption under securities legislation for a period or more than thirty (30) consecutive days and pronounced:

- a) while that person was acting in that capacity; or
- b) after the director or executive officer ceased to be a director or executive officer in the Corporation arising from an event arising while that person was acting in that capacity.

To the Corporation's knowledge, no proposed director:

- a) is, as of this day, or has been within ten (10) years before this date, a director or executive officer of any other company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- b) has, within the ten (10) years before this date, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- c) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- d) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On December 23, 2019, Nemaska Lithium Inc., of which Guy Bourassa was then a director and officer, applied for and was granted protection from their creditors under the Companies' Creditors Arrangement Act ("CCAA") pursuant to the provisions of an order of the Superior Court of Québec (Commercial Division), as amended, updated and completed since December 23, 2019. The CCAA reorganization was finalized on December 1, 2020.

#### APPOINTMENT OF AUDITORS

At the Meeting, you will be asked to vote for the appointment of Raymond Chabot Grant Thornton LLP, as independent auditors of the Corporation until the next annual meeting. Management of the Corporation proposes that Raymond Chabot Grant Thornton LLP, be nominated as auditors of the Corporation and that directors of the Corporation be authorized to establish their remuneration. Raymond Chabot Grant Thornton LLP have been the auditors of the Corporation since August 15, 2018.

**UNLESS INSTRUCTIONS ARE GIVEN TO DECLINE TO VOTE CONCERNING THE APPOINTMENT OF THE AUDITORS, THE PERSONS WHOSE NAME APPEAR IN THE INSTRUMENT OF PROXY INTEND TO VOTE AT THE MEETING IN FAVOUR OF THE APPOINTMENT OF RAYMOND CHABOT GRANT THORNTON LLP, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE CORPORATION AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION.**

Measures have been taken to assure that one or more representatives of Raymond Chabot Grant Thornton LLP will be present at the Meeting. Representatives of Raymond Chabot Grant Thornton LLP will have the opportunity to discuss and answer pertinent questions.

In addition to performing the audit of the Corporation's financial statements, Raymond Chabot Grant Thornton LLP provided other services to the Corporation and invoiced the following fees for the fiscal years ended August 31, 2023 and 2022:

Professional fees	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2022
Audit Fees <sup>(1)</sup>	\$55,000	\$43,375
Audit-Related Fees <sup>(2)</sup>	-	-
Tax Fees <sup>(3)</sup>	-	-
All other Fees <sup>(4)</sup>	-	-
<b>TOTAL</b>	<b>\$55,000</b>	<b>\$43,375</b>

Notes:

- (1) Refers to the aggregate professional fees invoiced by the Corporation's external auditor for audit services.
- (2) Refers to the aggregate professional fees invoiced for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under note (1) above, including professional services rendered by the Corporation's external auditor for accounting consultations on proposed transactions and consultations related accounting and reporting standards.
- (3) Refers to the aggregate professional fees invoiced for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning. These fees refer to various consultations with the external auditors relating to general taxation.
- (4) Refers to the aggregate professional fees invoiced for products and services provided by the Corporation's external auditor, other than the services reported under notes (1), (2) and (3) above, namely fees relating to translation services.

### **APPROVAL OF THE STOCK OPTION PLAN**

Under the Corporation's rolling Stock Option Plan initially adopted by its shareholders on September 11, 2017, the Board of Directors of the Corporation may, by resolution, grant options to directors, officers, employees of, and consultants to, the Corporation, provided that the total number of shares issued under the Plan and all other security-based compensation arrangements (the RSU Plan of the Corporation, described at item "Approval of the Restricted Share Unit Plan" of this Circular) shall not exceed 10% of the number of Common Shares of the Corporation outstanding at the time of the grant of option. As of January 2, 2024, this number represents 21,637,282 Common Shares. As of January 2, 2024, 12,925,000 stock options and no RSU are issued and outstanding. The said Plan is described hereinabove in the section entitled "Stock Option Plan". The shareholders therefore are being asked to consider and, if appropriate, approve the following resolution.

**UNLESS INSTRUCTIONS ARE GIVEN TO DECLINE TO VOTE OR TO VOTE AGAINST CONCERNING THE FOLLOWING RESOLUTION, THE PERSONS WHOSE NAME APPEAR IN THE INSTRUMENT OF PROXY INTEND TO VOTE AT THE MEETING IN FAVOUR OF THE FOLLOWING RESOLUTION.**

"WHEREAS it is in the best interest of the Corporation to approve the Corporation's rolling Stock Option Plan (the "Plan");

BE IT RESOLVED THAT the Plan and all granting, cancellation and exercise of stock options since the adoption of the Plan are and they are hereby approved, ratified and confirmed according to the terms and conditions approved by the Board of Directors;

BE IT RESOLVED THAT any director or officer is hereby authorized, for and on behalf of the Corporation, to execute and deliver any documents, instruments or other writings and to do all other acts as may be necessary or desirable to give effect to the foregoing resolution."

### **APPROVAL OF THE RESTRICTED SHARE UNIT PLAN**

The Corporation is seeking the approval of shareholders at the Meeting to adopt a rolling restricted share unit plan for which a summary of certain provisions of the RSU Plan is set out below (the "**RSU Plan**"). The aggregate number of Common Shares issuable pursuant to the RSU Plan and all other security-based compensation arrangements (the Stock Option Plan of the Corporation) could not exceed 10% of the issued and outstanding Common Shares at the time of the grant of RSUs.

As a result of the Corporation's desire for more flexibility in granting certain equity incentive awards in addition to stock options, the RSU Plan allows the Corporate Governance Committee or the Board of Directors of the Corporation to grant restricted share units which may include a right granted as compensation on a deferred basis (including without limitation deferred share units or DSUs) (collectively such rights shall refer to as "**RSUs**"), which, upon vesting following satisfaction of time, performance or events conditions, results in the holder thereof being paid in cash or issued Common Shares. The RSU Plan remains subject to the final acceptance from the TSX Venture Exchange and shareholder approval.

#### **Purpose of the RSU Plan**

The purpose of the RSU Plan is to assist the Corporation in attracting and retaining individuals with experience and ability, to allow certain officers, employees, consultants or directors of the Corporation to participate in the long-term

success of the Corporation and to promote a greater alignment of interests between the officers, employees, consultants or directors designated under the RSU Plan and the shareholders of the Corporation.

### **Administration of the RSU Plan**

The RSU Plan shall be administered by the Board, the Corporate Governance Committee or such other committee of the Board comprised of members of the Board, which comes under the authority of the Board which can administer it as well. No member of the Board or Corporate Governance Committee shall be liable for any action or determination made in good faith pursuant to the RSU Plan.

### **Eligibility**

The Corporate Governance or the Board designates, from time to time and at its sole discretion, the directors, officers, consultants or key employees of the Corporation who are entitled to participate in the RSU Plan (the “**Participants**”). Investor relations service providers cannot receive any RSU under this Plan but only stock options under the Corporation's stock option plan.

### **Grant of RSUs**

Periodically, the Corporate Governance Committee or the Board will determine, at its sole discretion, the number of RSUs granted in respect of any Participant, with respect to the past or future contribution by such Participant, to the success of the Corporation, together with the applicable vesting conditions which cannot be prior to the first anniversary of the grant date and no later than ten (10) years following the grant of the RSUs to a Participant.

The Corporate Governance Committee or the Board may establish vesting conditions, such as time, performance or events conditions, which, if met or realized by the Participant or the Corporation, as the case may be, will entitle the Participant to receive the number of RSUs specified in a grant.

Unless otherwise indicated by the Corporate Governance Committee or the Board upon grant provided that no vesting can occur before the date that is one (1) year following the grant date and no later than ten (10) years following the grant, and in its sole discretion, RSUs shall vest as to one-third (1/3) of the total number of RSUs granted on each of the first, second and third anniversaries of the grant date. However, the Corporate Governance Committee or the Board will then have the entire discretion to accelerate or not the terms of vesting of any RSUs subject to the restrictions above-mentioned.

Upon a change of control within the meaning of the RSU Plan, the outstanding RSUs of a Participant shall vest if the Participant ceases to be an eligible Participant under the RSU Plan as a result of such change of control and the RSU Plan will thus be terminated unless a written disposition regarding such change of control provides for the continuance of the RSU Plan, with appropriate adjustments, including as to number and kind of RSU, in which case the Plan at that time will continue according to the terms provided for.

### **Dividend Entitlement**

Whenever, and if dividends are paid on Common Shares, the Corporate Governance Committee or the Board may, at its sole discretion, grant additional RSUs to each Participant who holds RSUs on the record date for such dividend. The number of such RSUs (rounded down to the nearest whole RSU) to be credited as of a dividend payment date shall be determined by dividing the aggregate dividends that would have been paid to such Participant if the Participant's RSUs had been Common Shares by the market value (as defined in the RSU Plan) on the date on which the dividends were paid on the Common Shares; notwithstanding the foregoing, dividends to be granted as additional RSUs are included in the Plan's limits outlined in the section “Allotment of Shares for Issuance by the Corporation” hereinbelow and any dividend may be paid in cash to the Participant by the Corporation if the allotment of Common Shares as described below is insufficient. RSUs granted to a Participant hereunder shall be subject to the same vesting as the RSUs to which they relate. The foregoing does not obligate the Corporation to declare or pay dividends on Common Shares and nothing in the RSU Plan shall be interpreted as creating such an obligation.

## Termination of RSUs

Unless otherwise determined by the Corporate Governance Committee or the Board, the following provisions shall apply in the event that a Participant ceases to be eligible as Participant:

- a. if a Participant who is an officer, consultant or key employee is terminated for cause, all its outstanding RSUs shall be terminated, effective as of the date notice is given to the Participant of such termination;
- b. if a Participant ceases to be an officer, consultant or key employee as a result of resignation, retirement, death, long-term disability, or termination not for cause or if a Participant ceases to be a director following its death or long-term disability, all its vested RSUs granted to such Participant shall be settled in accordance with the terms of the RSU Plan and RSU agreements executed with each Participants (the “**RSU Agreement**”), and all its unvested RSUs shall be terminated, unless the Board or Corporate Governance and Human Resources Committee determine that unvested RSUs should vest, expressly subject to the requirement that such accelerated vesting may only be permitted one year after the date of grant, except in the case of the Participant's death;
- c. if a Participant is a director who is not also an employee, officer or consultant and ceases to be a director as a result of (i) his resignation as member of the Board, (ii) his decision not to stand for re-election as member of the Board, or (iii) the non proposal of such Participant for re-election as member of the Board, all vested RSUs granted to such Participant shall be settled in accordance with the terms of the RSU Plan and RSU Agreements, and all its unvested RSUs shall be terminated, unless the Board or Corporate Governance Committee determines that those unvested RSUs should vest, expressly subject to the requirement that such accelerated vesting may only be permitted one year after the date of grant, except in the case of the Participant's death. However, if the director ceases to be a director as a result of his dismissal from the Board, all its outstanding RSUs shall be terminated; and
- d. if a Participant deceases, all its RSUs shall be settled to the Participant's heirs or administrators not later than one (1) year following the date of the Participant's death.

## Settlement of RSUs

Following the vesting of RSUs, provided that the Participant, or his succession, still qualifies as a Participant on such date, the Corporation, through its Corporate Governance Committee or the Board, shall have the entire discretion of settling payment for the RSUs by any of the following methods or by a combination of such methods:

- a. payment, net of any applicable tax withholdings, in cash equal to the number of vested RSUs multiplied by the closing price of a Common Share on the day before the date of settlement; or
- b. subject to applicable law, payment, net of any applicable tax withholdings, in Common Shares equal to the number of vested RSUs.

Qualifying Participants may elect to defer the settlement date of its RSUs until after the applicable vesting date but no later than the Participant's retirement, termination of employment or death by providing to the Corporation a written notice of such date not later than sixty (60) days prior to the expiration of the applicable vesting date.

## Allotment of Shares for Issuance by the Corporation

The Corporation shall allot for issuance from treasury such number of Common Shares corresponding to the maximum number of Common Shares that may be deliverable to Participants upon the vesting of all RSUs granted to Participants under the RSU Plan.

Notwithstanding any other provision of the RSU Plan:

- a. the maximum number of Common Shares to be issued in settlement of RSUs shall be limited to 10% of the total number of Common Shares outstanding as at the date of grant of RSU when combined with all other security-based compensation arrangements (including the Stock Option Plan of the Corporation) in effect at the time;
- b. the maximum number of Common Shares issuable pursuant to outstanding RSUs and all other security-based compensation arrangements, within a 12 month period, to any one consultant must not exceed 2% of the Common Shares outstanding from time to time;

- c. the maximum number of Common Shares issuable pursuant to outstanding RSUs and all other security-based compensation arrangements to insiders (as a group) must not exceed 10% of the Common Shares outstanding from time to time. The maximum number of Common Shares issuable pursuant to outstanding RSUs and all other security-based compensation arrangements, within a 12 month period, to insiders (as a group) must not exceed 10% of the Common Shares outstanding from time to time;
- d. the maximum number of Common Shares issuable pursuant to outstanding RSUs and all other security-based compensation arrangements, within a 12 month period, to any one individual (and any companies that are wholly owned by that individual) shall not exceed 5% of the Common Shares outstanding from time to time.

### **Rights of Participants**

A Participant shall not have any of the rights or privileges of a Shareholder of the Corporation in respect of any Common Shares issuable pursuant to a RSU until such Participant becomes the holder of the underlying Common Shares.

The RSUs, rights and interests of a Participant in respect of the RSU Plan are not transferable or assignable other than by will or the laws of succession to the legal representative of the Participant.

Neither participation in the RSU Plan nor any action taken under the RSU Plan shall give or be deemed to give any Participant a right to continued employment with the Corporation and shall not interfere with any right of the Corporation to dismiss any Participant.

### **Amendment, Suspension or Termination of the RSU Plan**

The Board may from time to time amend, suspend or terminate the RSU Plan in whole or in part or amend the terms of RSUs credited in accordance with the RSU Plan. If any such amendment, suspension or termination will materially or adversely affect the rights of a Participant with respect to RSUs credited to such Participant, the written consent of such Participant to such amendment, suspension or termination shall be obtained. Notwithstanding the foregoing, the obtaining of the written consent of any Participant to an amendment, suspension or termination which materially or adversely affects the rights of such Participant with respect to any credited RSUs shall not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Corporation are listed.

If the Board terminates the RSU Plan, RSUs previously credited to Participants shall remain outstanding and in effect and be settled in due course in accordance with the terms of the RSU Plan (which shall continue to have effect, but only for such purposes) on the settlement date.

### **Shareholder Approval Requirements**

Pursuant to the policies of the TSX Venture Exchange, since the aggregate number of Common Shares issuable pursuant to the RSU Plan and all other security-based compensation arrangements (the Stock Option Plan of the Corporation) could not exceed 10% of the issued and outstanding Common Shares at the time of the grant of RSUs, the ordinary resolution approving the RSU Plan must be passed by a majority of the votes cast by shareholders present in person or by proxy at the Meeting. As of January 2, 2024, this number represents 21,637,282 Common Shares. As of January 2, 2024, 12,925,000 stock options and no RSU are issued and outstanding.

Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of the approval of the RSU Plan. In order to be passed, a majority of the votes cast at the Meeting by shareholders in person or by proxy must be voted in favour of the resolution.

**UNLESS INSTRUCTIONS ARE GIVEN TO DECLINE TO VOTE OR TO VOTE AGAINST CONCERNING THE APPROVAL OF THE FOLLOWING RESOLUTION BY SHAREHOLDERS, THE PERSONS WHOSE NAME APPEAR IN THE INSTRUMENT OF PROXY INTEND TO VOTE AT THE MEETING IN FAVOUR OF THE FOLLOWING RESOLUTION.**

“BE IT RESOLVED THAT the restricted share unit plan of Imperial Mining Group Ltd. (the “Corporation”), as described in the Corporation’s Management Information Circular, pursuant to which the directors may, from time to time, authorize the issuance of up to 10% of the total number of Common Shares outstanding as at the date of grant of RSU when



combined with all other security-based compensation arrangements in effect at the time to directors, officers, employees, and consultants of the Corporation in accordance with the restricted share unit plan, is hereby authorized, ratified, approved and confirmed, subject to final regulatory approval; and

BE IT RESOLVED THAT any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments, whether under the seal of the Corporation or otherwise, and to do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.”

### **CHANGE OF NAME**

At the meeting, the shareholders will be called upon to consider and, if deemed appropriate, adopt a special resolution to amend the articles of the Corporation to change the corporate name of the Corporation to “Scandium Canada Ltd. / Scandium Canada Ltée”, subject to approval by the TSX Venture Exchange (the “**Change of Name**”). The underlying goal of the Change of Name is to better reflect the strategic focus of the Corporation on its Crater Lake scandium project and to highlight the Corporation’s unique position as the only primary scandium company in North America, and one of the few in the world. Furthermore, the Change of Name better positions the Corporation as a company focused on the benefits to the green economy of scandium.

Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of the approval of the Change of Name. In order to be approved, the Change of Name special resolution requires the approval of at least two thirds (2/3) of the votes cast in Person or by proxy, at the Meeting.

**UNLESS INSTRUCTIONS ARE GIVEN TO DECLINE TO VOTE OR TO VOTE AGAINST CONCERNING THE APPROVAL OF THE FOLLOWING SPECIAL RESOLUTION BY SHAREHOLDERS, THE PERSONS WHOSE NAME APPEAR IN THE INSTRUMENT OF PROXY INTEND TO VOTE AT THE MEETING IN FAVOUR OF THE FOLLOWING SPECIAL RESOLUTION.**

“WHEREAS it is in the interest of the Corporation to change its corporate name;

IT IS RESOLVED THAT:

Article 1 of the Corporation’s articles of incorporation is hereby repealed and replaced by the following:

1. Name of the Corporation :

“Scandium Canada Ltd. / Scandium Canada Ltée”;

That any director or officer of the Corporation is, and they are, hereby authorized to sign and deliver to the director at Industry Canada and to the Québec Registrar of Enterprises, articles of amendment and amending declaration giving effect to the previously mentioned change of name, to sign any other document or take any further action necessary or useful to give full effect to the present resolution; and

That the Board of Directors is hereby authorized, if it deems appropriate, and in the interest of the Corporation, to cancel the present resolutions, before effect is given hereto, without further authorization from the shareholders.”

### **AUDIT COMMITTEE**

The Audit Committee of the Corporation examines in a direct manner, with the assistance of the auditors, the financial statements of the Corporation and recommends their approval to the Board of Directors. Members of the Audit

Committee are Messrs. Nick Nikolakakis, Jeffrey Swinoga and Ms. Brooke DeLong. Schedule "B" contains the Audit Committee Charter.

## CORPORATE GOVERNANCE

The Board of Directors of the Corporation considers that good practices regarding corporate governance constitute one of the important factors contributing to the general success of the Corporation. In accordance with *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* and *Policy Statement 58-201 to Corporate Governance Guidelines*, the Corporation must reveal its practices on the matter. Schedule "A" contains a description of the practices of the Corporation.

## ADDITIONAL INFORMATION

Additional financial information relating to the Corporation is included in its comparative financial statements for the years ended August 31, 2022 and 2023, as well as in the document entitled Management's Discussion and Analysis for the last fiscal year.

The Corporation shall deliver the following documents in English or French (or both) to any person who requests them from the Corporate Secretary, at 410 St-Nicolas, suite 236, Montréal, Qc, H2Y 2P5:

- a copy of Management's Discussion and Analysis and the financial statements of the Corporation for its last fiscal years ended August 31, 2022 and 2023 and the auditors' report thereon.

These documents and other information respecting the Corporation are also available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

## BOARD OF DIRECTORS' APPROVAL

The contents and the mailing of this Circular and proxy statement have been approved by the Board of Directors of the Corporation.

## IMPERIAL MINING GROUP LTD.

(Signed) Pierre Neatby

Pierre Neatby  
Director and President

Signed at Montréal, Québec  
January 8, 2024

## SCHEDULE A

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian Securities Administrators (the “**Authorities**”) adopted Regulation 52-110 *respecting Audit Committees*. (the “**Authorities’ Audit Committee Regulation**”). The Authorities’ Audit Committee Regulation include requirements regarding audit committee composition and responsibilities, as well as reporting obligations with respect to audit related matters. The Corporation complies with these rules and appropriate disclosure is made, where applicable, in connection therewith in the following table.

The Authorities also adopted Regulation 58-101 *respecting Disclosure of Corporate Governance Practices* (the “**Authorities’ Governance Disclosure Regulation**”) and Policy Statement 58-201 *to Corporate Governance Guidelines* (the “**Authorities’ Governance Policy**”). The Authorities’ Governance Policy provides guidance on corporate governance practices to Canadian issuers, while the Authorities’ Governance Disclosure Regulation requires issuers to make the prescribed disclosure regarding their corporate governance practices, if necessary. The disclosure made hereunder refers to the items of the Authorities’ Governance Disclosure Regulation as well as to the Authorities’ Governance Policy, where appropriate. The Corporation believes that its corporate governance practices meet the requirements of the Authorities’ Governance Disclosure Regulation and the Authorities’ Governance Policy, as reflected in the disclosure made hereunder.

The Corporation periodically reviews its corporate governance practices in order to respond to the evolution of best practices.

Authority Guidelines	Corporate Governance Practices of the Corporation
<b>1. Board of Directors</b>  (a) Disclose how the Board of Directors of the Corporation (the “ <b>Board</b> ”), facilitates its exercise of independent supervision over management, including: <ul style="list-style-type: none"> <li>i) the identity of directors who are independent; and</li> <li>ii) the identity of directors who are not independent, and the basis for that determination.</li> </ul>	<p>Of the current six (6) members of the Board, five (5) directors are independent within the meaning of the Authorities’ Governance Disclosure Regulation. They are Alain Bureau, Philippe Cloutier, Brooke DeLong, Nick Nikolakakis and Jeffrey Swinoga.</p> <p>After having examined the relationship of each of its members, the Board has determined that the following director was not independent: Mr. Pierre Neatby is the President and Chief Executive Officer of the Corporation and therefore, he does not qualify as “independent” within the meaning of the Authorities’ Governance Disclosure Regulation.</p> <p>During all meetings of the Board and meetings of committees of the Board, the independent directors have the opportunity to meet without any representatives of management being present.</p>
(b) If a director is currently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	<p>The directorships of all current directors and director nominees are as follow:</p> <p>Alain Bureau: Atico Mining Corporation</p> <p>Philippe Cloutier: Cartier Resources Inc.; and QC Copper and Gold Inc.</p> <p>Nick Nikolakakis: Maritime Resources Corp.; and Arizona Sonoran Copper Company Inc.</p> <p>Jeffrey Swinoga: Radisson Mining Resources Inc.; and Exploits Discovery Corp.</p>

Authority Guidelines	Corporate Governance Practices of the Corporation
<p><b>2. Orientation and Continuing Education</b></p> <p>Describe what steps, if any, the Board takes to orient new Board members, and describe any measures to provide continuing education for directors.</p>	<p>The Corporate Governance Committee is responsible for monitoring the Corporation's orientation and continuing education program for new directors.</p> <p>The Corporation offers new directors an orientation and continuing education program which focuses on strategic thrusts, financial information and human resources, including the roles, responsibilities and liabilities of directors.</p> <p>Presentations on the Corporation's business are made by management at each Board meeting.</p>
<p><b>3. Ethical Business Conduct</b></p> <p>Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board has adopted an internal Confidentiality and Disclosure Policy, a Trading Restrictions and Blackout Periods Policy and a Whistle Blower Policy.</p> <p>The Board, through its Audit Committee and Corporate Governance Committee, has the responsibility to periodically review the corporate governance policies and monitor adherence thereto by management.</p> <p>The policies are available upon request addressed to the Corporation's Secretary.</p> <p>In accordance with applicable law, when a conflict of interest arises, a director is required to disclose his or her interest and abstain from voting on the matter. In practice, the Board requests every director to disclose any direct or indirect interest he or she has in any organization, business or association, which could place the director in a conflict of interest. Should there be a discussion or decision relating to an organization, business or association in which a director has an interest, the Board would request such director not to participate in any such discussion or decision.</p>
<p><b>4. Nomination of Directors</b></p> <p>Disclose what steps, if any, are taken to identify new candidates for Board nominations, including:</p> <p>(a) who identifies new candidates;</p>	<p>The Compensation Committee is responsible to receive and review the candidates, and recommend to the Board the hiring of executive management, or the appointment or election of directors of the Corporation.</p>
<p>(b) the process of identifying new candidates.</p>	<p>The Compensation Committee has the responsibility of recommending to the Board adequate procedures for the selection of new directors and to periodically review the criteria adopted by the Board. It also has the responsibility of recommending to the Board candidates who are deemed competent and capable of becoming members of the Board, in accordance with the criteria of the new directors adopted from time to time by the Board and established according to the Charter of the Compensation Committee.</p> <p>In addition to receiving and to reviewing the applications of candidates and recommend the hiring, the Compensation Committee considers and approves the requests to hire special counsels, recommends the opportunity to create new functions</p>

Authority Guidelines	Corporate Governance Practices of the Corporation
	in the Corporation, analyses the needs of the Board if there are any vacancies and recommends the dismissal of a director or a member of the Executive Management, if necessary.
<p><b>5. Diversity</b></p>	<p>The Board has not adopted a formal policy with respect to term limits for directors or other mechanisms for board renewal as it has not considered such mechanisms to be appropriate given the size and stage of development of the Corporation. The Board is of the view that limiting the term of office may result in a loss of beneficial contributions by directors and may be detrimental to the Corporation.</p> <p>The Board has not adopted a formal policy with respect to the nomination and appointment of directors who are women, Aboriginal Peoples, persons with disabilities and members of visible minorities (collectively, the "<b>designated groups</b>"). The Board recognizes the benefits of diversity on its Board, at the senior management level and at all levels of the organization, but does not believe that the adoption of a formal policy would further increase the representation of designated groups over the current recruitment and selection process. The board has not set formal representation goals for designated group members on the board or in senior management positions. The Corporation assesses the competencies, skills, experience and other necessary qualifications of each candidate as a whole, and the representation of the designated groups is one of many factors considered in the recruitment and selection of candidates for board or senior management positions. Currently, no member of the Corporation's Board or senior management team is a member of the Designated Groups except one woman who is part of the senior management team and another woman on the Board (or senior management team: 33.33%; Board: 16.67%).</p>
<p><b>6. Compensation</b></p> <p>Disclose what steps, if any, are taken to determine compensation for the directors and Chief Executive Officer, including:</p> <p>(a) who determine compensation;</p>	<p>The Corporation's compensation program concerning directors and executive management is the responsibility of the Compensation Committee.</p> <p>The Committee also approves the recruiting as well as the levels of compensation of all the members of Executive Management and shares its decisions in this respect with the Board.</p>

Authority Guidelines	Corporate Governance Practices of the Corporation
(b) the process of determining compensation.	<p>The Compensation Committee has the responsibility to periodically review the compensation of executive management.</p> <p>The Compensation Committee is responsible for periodically reviewing and evaluating the performance and contribution of all directors and the effectiveness of the Board as a whole; and, annually reviewing the compensation of the directors in their capacity as directors and make recommendations to the Board.</p> <p>The Compensation Committee has namely the responsibility of examining and approving the goals and objectives of the Corporation relating to the compensation of the President and Chief Executive Officer, to evaluate the performance of the President and Chief Executive Officer with respect to these goals and objectives, to account for the results of such an evaluation of the Board and to recommend to the Board the level of remuneration of the President and Chief Executive Officer according to this evaluation.</p>
<p><b>7. Other Board Committees</b></p> <p>If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has created the Corporate Governance Committee, the Compensation Committee and the Technical Committee.</p> <p>The Corporate Governance Committee assists the Board within the exercise of its functions with respect to all corporate governance issues. The Compensation Committee supervises the Executive Management of the Corporation with respect to the policies and decisions regarding the appointment and remuneration of both executive management and directors of the Corporation and its subsidiaries.</p> <p>The Technical Committee assists the Board within the exercise of its functions with respect to various technical matters arising from Imperial's exploration and mining activities.</p> <p>The Corporate Governance Committee is currently composed of three (3) directors of the Corporation, namely Brooke DeLong (Chair), Philippe Cloutier and Alain Bureau, all are "independent" within the meaning of the Authorities' Governance Disclosure Regulation.</p> <p>The Compensation Committee is currently composed of three (3) directors of the Corporation, namely Philippe Cloutier (Chair), Nick Nikolakakis and Brooke DeLong, all are "independent" within the meaning of the Authorities' Governance Disclosure Regulation.</p> <p>The Technical Committee is currently composed of three (3) directors of the Corporation, namely Alain Bureau (Chair), Philippe Cloutier and Jeffrey Swinoga, all are "independent" within the meaning of the Authorities' Governance Disclosure Regulation.</p>
<p><b>8. Assessments</b></p> <p>Disclose what steps, if any, the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>The Board has an informal process for assessing its effectiveness and that of its committees. The Chairman of the Board bears this responsibility along with the President of the Corporate Governance Committee. On an annual basis, each director and Corporate Governance Committee member</p>

Authority Guidelines	Corporate Governance Practices of the Corporation
	evaluates the performance of the Board or Corporate Governance Committee of which he is a member, taking into account various criteria, namely the composition, functioning, responsibilities, surveillance activities and efficiency of the Board or Corporate Governance Committee, as well as the comprehension of the business and the remuneration of its members. The observations of each member are informally submitted to the Chairman of the Board or Corporate Governance Committee. They are discussed within the Corporate Governance Committee and are then presented to the Chairman of the Board.
The Authorities' Audit Committee Regulation states that the Audit Committee must be composed of a minimum of three (3) members, where a majority must be "independent" directors.	The Audit Committee is composed of three (3) directors, namely Nick Nikolakakis (Chair), Brooke DeLong and Jeffrey Swinoga, all of which are "independent" within the meaning of the Authorities' Audit Committee Regulation.
The Authorities' Audit Committee Regulation states that each audit committee member must be financially literate.	<p>All three (3) members of the Audit Committee are "financially literate" within the meaning of <i>Policy Statement 52-110</i>.</p> <p>In determining whether or not a director is "financially literate", the Board considers whether the director has "the ability to read and understand a set of financial statements that presents breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements".</p> <p>All members of the Audit Committee have acquired their relevant experience through their work, their education and other directorships and senior management positions held at various companies, the whole as more particularly described at item "Election of Directors" of this Circular.</p>
The Authorities' Audit Committee Regulation states that the Audit Committee must have a written charter that sets out its mandate and responsibilities.	The charter of the Audit Committee, submitted in the schedule hereto, explicitly describes the role and oversight responsibilities of the Audit Committee.
The Authorities' Audit Committee Regulation states that the Audit Committee must recommend to the Board: (a) the external auditor to be nominated for the purposes of preparing or issuing an auditors' report or performing other audit, review or attest services for the issuer; and (b) the compensation of the external auditor.	The charter of the Audit Committee states that the Audit Committee is responsible for: (a) appointing, terminating and compensating, subject to the Board's ratification and shareholders' approval, the external auditor; and (b) approving any compensation payable by the Corporation for any approved audit or non-audit services to the external auditor, including the fees, and the terms and conditions for the performance of such services.
The Authorities' Audit Committee Regulation states that the Audit Committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting.	<p>The Charter of the Audit Committee states that the Audit Committee is responsible for: (a) evaluating and overseeing the work of the external auditor of the Corporation for the purpose of preparing or issuing an audit report or related work, and the external auditor must report directly to the Audit Committee; and (b) resolving disagreements between management and the external auditor regarding financial reporting.</p> <p>At least once annually, the Audit Committee obtains a report by the external auditor describing, to the extent permitted under applicable auditing standards: (a) the external auditor's internal quality-control procedures; and (b) all relationships between the external auditor and the Corporation.</p>

Authority Guidelines	Corporate Governance Practices of the Corporation
The Authorities' Audit Committee Regulation states that the Audit Committee must pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the issuer's external auditor.	The Charter of the Audit Committee states that the Audit Committee is responsible for approving, in advance of the provision thereof; all audit services and all non-audit services to be provided to the Corporation by the external auditor. The Committee may delegate such authority to one or more members of the Committee.
The Authorities' Audit Committee Regulation states that the Audit Committee must review the issuer's financial statements, MD&A and annual and interim earnings press releases before the issuer publicly discloses this information. These rules also mention that the Audit Committee must be satisfied that adequate procedures are in place for the review of the issuer's public disclosure of financial information extracted or derived from the issuer's financial statements, other than the public disclosure referred to in the preceding sentence, and must periodically assess the adequacy of such procedures.	The Charter of the Audit Committee provides that the Audit Committee is responsible for reviewing the annual and quarterly financial statements of the Corporation and accompanying information including the Corporation's MD&A disclosure and earnings press releases, prior to their release, filing and distribution. The Audit Committee must also review with management the financial information contained in documents required to be disclosed or filed by the Corporation before their disclosure or filing with regulatory authorities in Canada.
The Authorities' Audit Committee Regulation states that the Audit Committee must establish procedures for: (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.	The Audit Committee has set up procedures for: (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. A Disclosure Policy has been adopted by the Corporation.
The Authorities' Audit Committee Regulation states that the Audit Committee must review and approve the issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.	The Audit Committee is responsible for establishing policies for the Corporation's hiring of employees or former employees of the Corporation's external auditor.
The Authorities' Audit Committee Regulation states that the Audit Committee must have the authority: (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties; (b) to set and pay the compensation for any advisors employed by the Audit Committee; and (c) to communicate directly with the internal and external auditors.	The Charter of the Audit Committee states that the Audit Committee or its members may, without further approval of the Board, obtain such advice and assistance, including without limitation, the performance of special audits, reviews and other procedures, from outside accounting, legal or other advisors as the Audit Committee determines to be necessary or advisable in connection with the discharge of its duties and responsibilities. The Audit Committee meets separately with management and with the external auditor.
Reliance on exemptions.	Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the following exemptions of Regulation 52-110 respecting the Audit Committee: section 4, subsections 4, 5 or 6 of section 6.1.1 or part 8 of such regulation but has relied on subsection 3 of section 6.1.1.



## **SCHEDULE B**

### **IMPERIAL MINING GROUP LTD.**



#### **ORGANIZATIONAL CHARTER - Audit Committee**

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##### **1. General Objectives**

In accordance with its functions, the audit committee (hereinafter referred to as the “Audit Committee”), must encourage the continuous improvement and to see compliance with guidelines, procedures and financial practices of Imperial Mining Group Ltd. and its subsidiaries (hereinafter collectively referred to as the “Corporation”).

The primary and principal roles of the Audit Committee include acting as an independent and objective party so as to : (i) verify the Corporation’s financial reporting process as well as its internal control procedures; (ii) verify and evaluate the reporting process of the Corporation’s external auditors; (iii) provide better communication between the Corporation’s external auditors and executive management (hereinafter referred to as “Executive Management”) and the board of directors (hereinafter referred to as the “Board of Directors”); and (iv) insure that the Corporation adopts an appropriate disclosure policy.

The Audit Committee will act as to accomplish its responsibilities by executing the tasks enumerated in section 4 of this Charter.

##### **2. Composition**

The Audit Committee shall be composed of a minimum of three directors of the Corporation a majority of which must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation according to Regulation 52-110 respecting Audit Committee (the “Regulation 52-110”).

Even if it is an asset for an efficient and balanced Audit Committee to have diversification in competence and experience among its members, all members shall be financially literate and at least one member of the Audit Committee shall have specialized knowledge in accounting or financial management.

The expression “financially literate” shall mean the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

A member will be deemed to have “specialized knowledge” if he has professional experience in finance or accounting, a professional accreditation in that field or another experience or background that made him develop specialized knowledge in financial matters.

Members of the Committee will be appointed by the Board of Directors and will hold their function until the next meeting of the Board of Directors following the annual meeting of shareholders or until their successors are duly appointed. Unless the President of the Audit Committee is appointed by all the members of the Board of Directors, members of the Committee will be entitled to appoint a President by way of a majority vote in the presence of all the members of the Audit Committee.

### 3. Organization

Except as specifically provided herein, or adopted from time to time, the by-laws of the Corporation shall govern the meetings of the Audit Committee. In particular, it is agreed that the Audit Committee shall meet at least four (4) times per year or more if justified by the circumstances. In order to foster open and straightforward communications between key players, the Audit Committee shall meet, at least annually, with Executive Management and the external auditors of the Corporation. These meetings shall be held distinctively and privately in order to discuss any matter that the Audit Committee or each of these groups will consider important or useful.

Moreover, the Audit Committee, or at least its president, shall discuss with the external auditors or the Executive Management at each end period, the whole in order to review the conformity of the quarterly financial statements of the Corporation.

### 4. Responsibilities and Duties

In order to satisfy its duties and roles, the Audit Committee shall namely:

#### External Auditors

1. Recommend the appointment of the external auditors to the Board of Directors, who will consider their independence and performance for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation as well as to approve their remuneration, treatment and other compensation to be paid;
2. Review and discuss periodically with the external auditors the relationship between the Corporation and the external auditors in order to analyze the independence and objectivity of the external auditors;
3. Consult at least annually the external auditors, without the attendance of the Executive Management, in order to discuss the internal audit control process of the Corporation and other matters of concern;
4. Require from the external auditors a declaration of independence while filing the annual report and preceding each mandate granted;
5. Evaluate the performance of the external auditors and recommend their replacement if the Audit Committee believe it advisable;
6. For the duration of the annual financial statements review process and before their filing, review independently with the Executive Management and the external auditors any important difficulties incurred during the review process, including any restrictions on the work load completed or the access to required information;
7. Resolve any important disagreements between the Executive Management and the external auditors regarding financial statements;
8. Pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the issuer's external auditor. The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services but, this pre-approval must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. The Audit Committee satisfies to the pre-approval requirement if it adopts specific policies and procedures for the engagement of the non-audit services, if: (a) the pre-approval policies and procedures are detailed as to the particular service; (b) the Audit Committee is informed of each non-audit service; and (c) the procedures do not include delegation of the Audit Committee's responsibilities to Executive Management;
9. Be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between the Executive Management and the external auditor regarding financial reporting;

10. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

#### Financial Reporting and Disclosure of Documents

11. Review the integrity of the financial disclosure process in consultation with the external auditors and the Executive Management of the Corporation;
12. Discuss the quality of the accounting principles with the external auditors of the Corporation, including accuracy of the financial information disclosure, highly judgmental areas such as reserves or estimates and the application of accounting principles by Executive Management;
13. In case of changes to accounting principles adopted by the Corporation as suggested by the Executive Management and endorsed by the external auditors, review and submit these changes for approval to the Board;
14. Review with the Executive Management the Corporation's financial statements, MD&A and annual and interim profit or loss press releases before the Corporation publicly discloses this information as well as any report or any other financial information to be disclosed or filed in compliance with the disclosure rules enacted by the regulatory authorities or the disclosure policy of the Corporation;
15. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in the previous paragraph, and must periodically assess the adequacy of those procedures;
16. Review any certificate, report, opinion, letter or correspondence sent by the external auditors of the Corporation and, if applicable, any answers from the Executive Management to the said correspondence;
17. Prepare and recommend annually to the Board of Directors a "Summary of the Audit Committee Practices" to be included in the annual report or in the management proxy circular;
18. Review and reassess the adequacy of this Charter annually and recommend any proposed changes;

#### Disclosure Policy and other

19. See to the establishment and respect by the Corporation's Executive Management of the disclosure policy regarding; i) financial information; ii) operations, activities, facts or events having a material effect on the Corporation's financial condition;
20. Ensure that the Executive Management acts in compliance with the Corporation's disclosure policy;
21. Establish procedures for the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
22. Establish procedures permitting the confidential, anonymous submission of information by employees regarding questionable accounting or auditing practices;
23. Obtain, without further approval of the Board of Directors, such advice and assistance, including without limitation, the performance of special audits, reviews and other procedures, from independent accounting, legal or other advisors as the Audit Committee determines to be necessary or advisable in connection with the discharge of its duties and responsibilities and to set and pay the compensation for these advisors; and
24. Meets separately with the Executive Management, with the Corporation's internal auditor and with the external auditor.