



## Compensation Committee Charter

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### **I. Purpose**

The primary objective of the Compensation Committee (the “Committee”) of Imperial Metals Corporation (the “Company”) is to discharge the Board's responsibilities relating to compensation and benefits of the executive officers and directors of the Company.

### **II. Organization**

Members of the Committee shall be directors and the Committee membership shall satisfy the laws governing the Company and the independence requirements of securities law, stock exchanges and any other regulatory requirements. The Committee shall be composed of three or more members of the Board. The members of the Committee shall be appointed by the Board upon the recommendation of the Corporate Governance and Nominating Committee. Each member of the Committee shall be independent within the meaning of the provisions of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as may be amended or replaced from time to time (“NI 58-101”).

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

The Committee may form and delegate authority to subcommittees when appropriate.

### **III. Committee Chair**

The members of the Committee shall select a chair (the “Committee Chair”) who will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting. The Committee Chair shall be an independent director within the meaning of the provisions of NI 58-101.

In the absence of the Committee Chair at a meeting of the Committee, the members of the Committee present may appoint a chair from their number for such meeting.

### **IV. Meetings**

The Committee shall meet at least once per year and as many times as the Committee deems necessary. The Committee Chair, any member of the Committee, the Chair of the Board, or the President may call a meeting of the Committee by notifying the Company’s Corporate Secretary or the Committee Chair who will notify the members of the Committee.

A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present.

The Committee Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as each other director in advance of the meeting.

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board, with such redaction as the Committee considers appropriate in the case of circulation to directors who are executives of the Company. However, the Committee Chair may report orally to the Board on any matter in their view requiring the immediate attention of the Board.

## **V. Authority and Responsibilities**

To fulfill its responsibilities, the Committee shall:

1. Periodically review and advise the Board (supported in the discretion of the Committee, by internal or external experts) on (i) current trends in industry-wide compensation practices in the Company's industry and such jurisdictions as a material portion of its business is conducted, and (ii) how the Company's compensation programs and practices compare to those of comparable companies in the industry, and in discharging this responsibility, the Committee shall take into account factors it deems appropriate from time to time, including the Company's business strategy and whether the effects of the compensation program create risks that are reasonably likely to have material adverse effect on the Company and its business.
2. Review on an annual basis corporate goals and objectives relevant to the President's compensation, evaluate the President's performance in light of those goals and objectives and set the President's compensation level based on this evaluation. In determining the long-term incentive component of the President's compensation, the Committee will also consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to President's at comparable companies and the awards given to the President in past years.
3. Review and make recommendations to the Board on an annual basis with respect to the adequacy and form of compensation and benefits of all executive officers and directors.
4. Review and recommend for Board approval any compensation disclosure of the Company before it is publicly disclosed, including the Compensation Discussion & Analysis section of the Company's Management Information Circular (the "Circular") and reporting annually to the Company's shareholders in the Circular on the Company's approach to compensation.
5. Administer and make recommendations to the Board with respect to the Company's employees' and directors' equity incentive plan(s) and any other incentive compensation plans and equity-based plans.
6. Determine the recipients of, and the nature and size of share compensation awards and bonuses granted from time to time, in compliance with applicable securities law, stock exchange and other regulatory requirements.
7. Prepare any report as may be required under governing corporate statute, applicable securities law, stock exchange and any other regulatory requirements, as are in effect from time to time or as the Board otherwise deems necessary or appropriate.
8. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Committee.
9. The Committee shall review annually management's succession plans for Executive Management, including specific development plans and career planning for potential successors and the executive team.
10. Periodically review the Company's human resources organizational structure and report any significant organizational changes to the Board.
11. Monitor and review any strategic labour and/or socio-economic issues that may have an impact on compensation.
12. Review its own performance annually.
13. Report regularly to the Board.
14. Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

**VI. Resources**

The Committee shall have the authority to retain outside advisors, including (i) the sole authority to retain or terminate consultants to assist the Committee in the evaluation of compensation of senior management and directors; and (ii) the sole authority to determine the terms of engagement and the extent of funding necessary for payment of compensation to any consultant retained to advise the Committee.

**VII. No Rights Created**

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all Applicable Requirements, as well as in the context of the Company's Articles, it is not intended to establish any legally binding obligations.