

# IMPERIAL METALS CORPORATION

## NOTICE OF RIGHTS OFFERING

Notice to security holders –May 19, 2022

The purpose of this notice is to advise holders of common shares (the "**Common Shares**") of Imperial Metals Corporation (the "**Company**") of an offering of rights (the "**Rights**") of the Company (the "**Rights Offering**").

References in this notice to we, our, us and similar terms mean to the Company. References in this notice to you, your and similar terms mean to the Company's shareholders.

### 1. Who can participate in the Rights Offering?

Rights will be issued to holders of Common Shares as at the close of business (5:00 p.m. Pacific Time) on May 31, 2022 (the "**Record Date**").

### 2. Who is eligible to receive Rights?

Rights will be issued to registered shareholders (the "**Eligible Holders**") in:

- (a) each province and territory of Canada; and
- (b) the United States, excluding the states of Arizona, Arkansas, California, Minnesota, Ohio, Utah and Wisconsin;

(collectively, the "**Eligible Jurisdictions**").

You will be presumed to be resident in the place shown in our records as your registered address, unless the contrary is shown to our satisfaction.

This notice is not to be construed as an offering of the Rights, nor are the Common Shares issuable upon exercise of the Rights offered for sale, in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (the "**Ineligible Holders**").

*Ineligible Holders will not receive a Rights DRS Advice (as described in No. 6 below), but will be sent a letter advising them that their Rights will be held by Computershare Investor Services Inc., who will hold such rights as agent for the benefit of all such Ineligible Holders. The letter will also describe how certain Ineligible Holders may participate in the Rights Offering.*

### 3. How many Rights are we offering?

We expect to issue 141,395,941 Rights entitling their holders to subscribe for an aggregate of 17,674,492 Common Shares.

#### 4. How many Rights will you receive?

Each Eligible Holder will receive one Right for each one Common Share of the Company held as at the Record Date.

#### 5. What does one Right entitle you to receive?

One Right entitles an Eligible Holder to subscribe for 0.125 Common Shares at a subscription price of \$3.04 per Common Share (the "**Basic Subscription Privilege**") until 2:00 p.m. (Pacific Time) on June 24, 2022 (the "**Expiry Time**"). No fractional Common Shares will be issued. Where the exercise of Rights would appear to entitle a holder of Rights to receive fractional Common Shares, the holder's entitlement will be reduced to the next lowest whole number of Common Shares.

Any Eligible Holder who exercises all of their Rights under the Basic Subscription Privilege will also have the additional privilege of subscribing, pro rata, for additional Common Shares at the subscription price (the "**Additional Subscription Privilege**"). The Common Shares available under the Additional Subscription Privilege will be those Common Shares issuable under the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege by the Expiry Time.

Any Eligible Holder who exercises their Rights must enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc.

#### 6. How will you receive your Rights?

**Registered Eligible Holders** - If you are a registered Eligible Holder of Common Shares, a subscription form and a statement issued under the Depository's direct registration system (the "**Rights DRS Advice**") representing the total number of Rights which you are entitled to as at the Record Date is enclosed with this notice.

**Beneficial Eligible Holders** - You are a beneficial holder of Common Shares if you hold your shares through a securities broker or dealer, bank or trust company or other participant (a "**Participant**") in the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**") or The Depository Trust Company ("**DTC**"). The total number of Rights to which all beneficial holders as at the Record Date are entitled will be issued to and deposited with CDS or DTC following the Record Date. If you are a beneficial Eligible Holder, we expect you will receive a confirmation of the number of Rights issued to you from the applicable Participant in accordance with the practices and procedures of that Participant. CDS or DTC will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

#### 7. When and how can you exercise your Rights?

If you are a registered Eligible Holder who receives a Rights DRS Advice, you must complete and deliver your Rights DRS Advice on or before the Expiry Time.

If you are a beneficial Eligible Holder, you must arrange exercises, transfers or purchases of Rights through your Participant on or before 2:00 p.m. (Pacific Time) on the Expiry Time or such earlier time as required by your Participant. We expect that each beneficial Eligible Holder will receive a customer confirmation of issuance or purchase, as applicable, from their Participant through which the Rights are issued in accordance with the practices and policies of such Participant.

**8. What are the next steps?**

***This notice contains key information that you should know about the Company. You can find more details in our Rights Offering Circular, a copy of which can be obtained on the Company's profile at [www.SEDAR.com](http://www.SEDAR.com) or at [www.imperialmetals.com](http://www.imperialmetals.com) or you can ask your dealer representative for a copy or contact Computershare Investor Services Inc. at 1-800-564-6253. You should read the Rights Offering Circular, along with the Company's continuous disclosure record, to make an informed decision.***

DATED May 19, 2022.

*"Brian Kynoch"*

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Brian Kynoch, P. Eng.  
President  
Imperial Metals Corporation