

IMPERIAL MINING GROUP LTD.
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

MARCH 3, 2021



MANAGEMENT PROXY CIRCULAR

(Information are as at February 1st, 2021 unless indicated otherwise)

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 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, *prête-noms* 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**”) 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**”), 1500 Robert-Bourassa Boulevard, Suite 700, Montreal, Quebec H3A 3S8, 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.

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.

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 27, 2021 (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 March 3, 2021, 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 Mr. Peter J. Cashin, President, Chief Executive Officer and Director of the Corporation, or Mr. Donald S. Bubar, Director of the Corporation 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: 1500 Robert-Bourassa Boulevard, Suite 700, Montreal, Quebec H3A 3S8, or 100 University Street, 8th Floor, Toronto, Ontario M5J 2Y1.

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 27, 2021, there were 132,206,886 outstanding Common Shares. Each Registered Shareholder has one vote for each Common Share held at the record date on January 27, 2021 (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: The final date by which the Corporation should have received a proposal from a shareholder entitled to vote at the Meeting is November 12, 2020. As of the date of this Circular, the Corporation has not received a proposal. The final date which the Corporation must receive a proposal from a shareholder entitled to vote at the annual meeting of the Corporation in 2022 is November 3, 2021.

Q: How will the votes be counted?

A: Each matter brought at the Meeting is decided by a majority of shares voted thereupon.

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 27, 2021, only 132,206,886 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 27, 2021, 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

To the knowledge of the directors and executive officers of the Corporation, as at January 27, 2021, there is no shareholder who has a right of ownership or control or management, directly or indirectly, on more than 10% of the voting shares of the Corporation.

As at the date hereof, the directors and Named Executive Officers were, as a group, directly or indirectly, the beneficial owners of 11,678,173 Common Shares representing 8.83% 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 compensation table presents all of the annual compensation information for each of the members of the Board of Directors and Senior Executives for the fiscal years ended August 31, 2019 and 2020.

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fee ⁽¹⁾ (\$)	Value of perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Peter J. Cashin, President, Chief Executive Officer and Director	2020	175,736	-	-	-	-	175,736
	2019	183,875	-	-	-	-	183,875
Martin Nicoletti, Chief Financial Officer (non-member of the Board)	2020	72,000	-	-	-	-	72,000
	2019	68,000	-	-	-	-	68,000
Donald S. Bubar, Director	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Siri C. Genik, Director	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Steven Brunelle, Director	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Philippe Cloutier, Director	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-

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, 2020.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	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
Peter J. Cashin	Option	500,000 Options	2019/12/30	0.06	-	0.085	2024/12/30
Donald S. Bubar	Option	350,000 Options	2019/12/30	0.06	-	0.085	2024/12/30
Siri C. Genik	Option	250,000 Options	2019/12/30	0.06	-	0.085	2024/12/30
Steven Brunelle	Option	250,000 Options	2019/12/30	0.06	-	0.085	2024/12/30
Philippe Cloutier	Option	250,000 Options	2019/12/30	0.06	-	0.085	2024/12/30
Martin Nicoletti	Option	250,000 Options	2019/12/30	0.06	-	0.085	2024/12/30

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**”). 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 ten cents (\$0.10). 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 amendments to the Stock Option Plan to be approved by the shareholders at the Meeting under section “Approval of the Stock Option Plan”.

The aggregate number of Common Shares reserved for issuance under stock options granted to insiders (as a group) cannot exceed ten percent (10%) of the issued Common Shares. The aggregate number of options granted to insiders (as a group), within a twelve (12) month period, cannot exceed ten percent (10%) of the issued Common Shares, calculated at the date an option is granted to the person. The aggregate number of stock options granted to any one Admissible Person (and to companies wholly owned by that Admissible 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 Admissible Person, unless the Corporation has obtained the requisite disinterested shareholder approval and complied with the Exchange policies.

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 Admissible 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 an Admissible Person ceases to be a director, officer, employee or consultant of the Corporation, the Corporation or the Resulting Issuer (as such term is defined in the Exchange policies) as a result of: i) disability or illness preventing the Admissible Person from performing the duties routinely performed by such Admissible Person; ii) retirement at the normal retirement age; iii) resignation; or iv) such other circumstances as may be approved by the Board of Directors; then each option granted to such Admissible Person shall be exercisable only for a period ending on the greater of: i) ninety (90) days (or thirty (30) days if the Admissible Person is providing investor relations activities) thereafter or 12 months after the Completion of the Qualifying Transaction (as such term is defined in the Exchange policies). In the event of the death of the Admissible Person, the options granted to such Admissible 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.

The Plan contains provisions to terminate the Plan in certain cases of the liquidation, dissolution, re-organization, merger, arrangement, consolidation or sale of substantially all of the Corporation's property or more than 50% of the then outstanding shares of the Corporation, except where such transaction provides for the continuance of the Plan and for the assumption of options theretofore granted, or the substitution for such options of new options covering the shares of a successor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to number and kind of shares and exercise prices. Moreover, in the same circumstances, the Corporation shall cause the acceleration of the time for the exercise of any unvested options and of the time for the fulfillment of any conditions or restrictions on such exercise in order to allow all option holders to exercise their options before the Plan's termination and participate in the transaction giving rise to such acceleration. See also section "Approval of the Stock Option Plan".

The following chart sets forth, as of August 31, 2020, 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	5,950,000	\$ 0.09	4,299,629

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 Corporate Governance 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 Corporate Governance Committee. As of the date hereof, Messrs. Steven Brunelle and Donald S. Bubar are the members of the Corporate Governance 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 Corporate Governance 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 Corporate Governance 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 a 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, 2019 and 2020, 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 Corporate Governance 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. This incentive bonus are approved by the governance 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 optionees 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 Corporate Governance 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

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 \$2,000,000 for each and every loss experienced by the directors and officers of the Corporation. A \$10,000 deductible per loss is payable. The annual premium paid by the Corporation is approximately \$ 8,166.

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, 2019 and 2020 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; that number is currently fixed at five (5). 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. 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 all nomination and compensation matters, as well as other corporate governance issues, 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⁽¹⁾⁽²⁾</u>
Peter J. Cashin ^(A) Ontario, Canada	Director, President and Chief Executive Officer since December 28, 2017 "Proposed Director"	Peter Cashin is a respected minerals industry executive with over 40 years experience in all facets of the Canadian mining exploration and development sector. Mr. Cashin obtained his Bachelor of Science in Geology from the University of New Brunswick in 1979 and a Masters of Science degree in Mineral Exploration from McGill University in 1985. Most recently, prior to joining Imperial Mining Group, Peter was the President & CEO of Peak Mining Corporation from April 2015 to the present and the President & CEO of Quest Rare Minerals Ltd between January 2008 and April 2015. It was with Quest that Peter and his exploration team was credited with the discovery of the Strange Lake B-Zone heavy rare earth deposit in northeastern Quebec in 2009, considered the largest deposit of it's type in the world outside of China. He lead the company through the advance development stages of the deposit and was acknowledged for this exploration and deposit development success with the awarding by the Quebec Mineral Exploration Association with their 2010 Quebec Prospector of the Year Award. Peter was born and raised in Montreal and currently lives with his family in Burlington, Ontario. Mr. Cashin has been a Practicing Professional Geoscientist with the Association of Professional Geoscientists Ontario (PGO) since 2008.	8,663,584 ⁽³⁾ 6,55%

<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⁽¹⁾⁽²⁾</u>
Donald S. Bubar ^(B) Ontario, Canada	Director since December 28, 2017 "Proposed Director"	Donald Bubar is a geoscientist with over 40 years experience in mineral exploration and development in Canada. Mr. Bubar is a graduate of McGill University (B.Sc.1977) and Queen's University (M.Sc.1981). From 1984 to 1994, he worked for Aur Resources Inc. as Exploration Manager and later VP, Exploration where he was involved in gold and base metal exploration on numerous projects in the Abitibi region of Quebec. Since 1995, Mr. Bubar has been President and CEO of Avalon Advanced Materials Inc., a mineral development company with a primary focus on technology metals, including lithium, tin, indium and the rare earths. He also serves on the Boards of Wolfden Resources Corp., Northern Shield Resources Inc. and Copper Lake Resources Ltd. Mr. Bubar serves on several not-for-profit Boards including the Advisory Board to the Faculty of Science of McGill University, the Board of Directors of PDAC's Mining Matters geoscience education program and the Foundation Board for the Canadian Museum of Nature.	570,000 ⁽⁴⁾ 0.43%
Siri C. Genik ^(A) Ontario, Canada	Director since March 26, 2018 "Proposed Director"	Siri C. Genik has over 25 years working on major capital projects around the world. She has also worked in Canada and the Arctic. Working at the level of project development and project delivery, Siri brings to the table on-the-ground experience in the integration of international workforce, local communities and indigenous communities, aligning governments, industry and civil society. Siri has consistently worked with the Board Room and the Project Delivery teams, bridging gaps and creating vision through strategic leadership. It is Siri's experience with ESG and Stakeholder Engagement that will be particularly valuable as community cooperation and participation constitute key components of Imperial's exploration and development work. Siri is the Vice-Chair of Women in Mining Canada, as well as a director of the PDAC, and co-chair of its Lands and Regulations committee. Siri is a lawyer, member of the Bar of Québec, as well as a qualified mediator. She is fluent in English, French and Spanish. Siri is a Canadian and her family is from Winnipeg, Manitoba. She was born in Bogotá, Colombia, and grew up in South America, Africa, France, Spain and the UK. During her career she has worked throughout the Americas, Asia, Australasia, as well as Canada and the Arctic.	-

<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⁽¹⁾⁽²⁾</u>
Steven Brunelle ^{(A)(B)} Ontario, Canada	Director since December 28, 2017 “Proposed Director”	Mr. Brunelle is a graduate in geological sciences from Queen’s University with over 30 years of exploration and management experience of Canadian and international exploration projects. Mr. Brunelle was an Officer and Director of Corner Bay Silver Inc. and played an integral part in the discovery and assessment of the Alamo Dorado silver-gold project in Sonora, Mexico. Corner Bay Silver (TSX) was merged with Pan American Silver Corp. in 2003. Mr. Brunelle was a founder, Officer and Director of Stingray Copper Inc. that took the El Pilar Copper Property, Sonora to feasibility after which Stingray was acquired by Mercator Minerals Ltd. in a plan of arrangement in December 2009. Mr. Brunelle is currently a Director of Rio Silver Inc., Peruvian Metals Corp., Klondike Gold Corp., Eagle Graphite Inc. and Bold Ventures Inc.	231,818 0.18%
Philippe Cloutier Quebec, Canada	Director since December 28, 2017 “Proposed Director”	Philippe Cloutier, P.Geo., holds a B.Sc. in Geology from the University of Montreal in 1986 and a certificate in Human Resource Management at University of Quebec Abitibi-Temiskaming and has over 25 years of experience in the mining exploration and development business. Mr. Cloutier is currently the President & CEO of Cartier Resources Inc. and had previously worked for industry leaders such as Noranda Inc., Aur Resources Inc., and Soquem. Philippe played a significant role in the discovery and delineation of the Bell-Allard South Cu-Zn Mine in Matagami, Quebec. He has served as member of the Order of Geologist professional inspection committee as well as the board of directors of the AEMQ.	125,000 0,09%

Notes:

- (A) Current member of the Audit Committee.
- (B) Current member of the Corporate Governance 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 at January 27, 2021: 132,206,886
- (3) Of which 7,503,334 Common Shares are held indirectly through Peak Mining Corporation
- (4) Of which he controls 30,000 Common Shares registered to Marcia A. Mazurski.

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.

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, 2020 and 2019:

Professional fees	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2019
Audit Fees ⁽¹⁾	\$ 29,000	\$ 28,000
Audit-Related Fees ⁽²⁾	-	-
Tax Fees ⁽³⁾	-	-
All other Fees ⁽⁴⁾	-	-
TOTAL	\$ 29,000	\$ 28,000

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 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 27, 2021, this number represents 10,100,000 Common Shares. On January 27, 2021, 13,220,689 stock options 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:

"

WHEREAS it is in the best interest of the Corporation to approve the Corporation's amended 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.

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 Mrs. Siri C. Genik, Messrs. Steven Brunelle and Peter J. Cashin. Schedule "B" contains the Audit Committee Charter.

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.

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, 2019 and 2020, 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, 2019 and 2020 and the auditors' report thereon.

These documents and other information respecting the Corporation are also available on the SEDAR website at www.sedar.com.

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) Peter J. Cashin

Peter J. Cashin
President and Chief Executive Officer

Signed at Montréal, Québec
February 1st, 2021

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
1. Board of Directors (a) Disclose how the Board of Directors of the Corporation (the “ Board ”), facilitates its exercise of independent supervision over management, including: i) the identity of directors who are independent; and ii) the identity of directors who are not independent, and the basis for that determination.	Of the current five (5) members of the Board, four (4) directors are independent within the meaning of the Authorities’ Governance Disclosure Regulation. They are Mrs. Siri C. Genik, Messrs. Donald S. Bubar, Steven Brunelle and Philippe Cloutier. After having examined the relationship of each of its members, the Board has determined that the following director was not independent: Mr. Peter J. Cashin 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. 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.
(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.	The directorships of all current directors and director nominees are described in this Circular.

Authority Guidelines	Corporate Governance Practices of the Corporation
2. Orientation and Continuing Education Describe what steps, if any, the Board takes to orient new Board members, and describe any measures to provide continuing education for directors.	The Corporate Governance Committee is responsible for monitoring the Corporation's orientation and continuing education program for new directors. 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. Presentations on the Corporation's business are made by management at each Board meeting.
3. Ethical Business Conduct Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Board has adopted an internal Confidentiality and Disclosure Policy, a Trading Restrictions and Blackout Periods Policy and a Whistle Blower Policy. 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. The policies are available upon request addressed to the Corporation's Secretary. 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.
4. Nomination of Directors Disclose what steps, if any, are taken to identify new candidates for Board nominations, including: (a) who identifies new candidates;	The Corporate Governance 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.
(b) the process of identifying new candidates.	The Corporate Governance 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 Corporate Governance Committee. In addition to receiving and to reviewing the applications of candidates and recommend the hiring, the Corporate Governance Committee considers and approves the requests to hire special counsels, recommends the opportunity to create

Authority Guidelines	Corporate Governance Practices of the Corporation
	new functions 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.
5. Diversity	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. 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 "designated groups"). 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 on the Board (or senior management team: 0%; Board: 20%).
6. Compensation Disclose what steps, if any, are taken to determine compensation for the directors and Chief Executive Officer, including: (a) who determine compensation;	The Corporation's compensation program concerning directors and executive management is the responsibility of the Corporate Governance Committee. 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.

Authority Guidelines	Corporate Governance Practices of the Corporation
(b) the process of determining compensation.	The Corporate Governance Committee has the responsibility to periodically review the compensation of executive management. The Corporate Governance 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. The Corporate Governance 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.
7. Other Board Committees If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board has created the Corporate Governance Committee. The Corporate Governance Committee assists the Board within the exercise of its functions, 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. The Corporate Governance Committee is currently composed of two (2) directors of the Corporation, namely Messrs. Steven Brunelle and Donald S. Bubar, of all are “independent” within the meaning of the Authorities’ Governance Disclosure Regulation.

8. Assessments Disclose what steps, if any, the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.	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 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 Mrs. Siri C. Genik, Messrs. Steven Brunelle and Peter J. Cashin. of which two members 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.	All three (3) members of the Audit Committee are "financially literate" within the meaning of <i>Policy Statement 52-110</i>. 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".
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.	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. 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.
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.

SCHEDULE B

IMPERIAL MINING GROUP LTD.



ORGANIZATIONAL CHARTER - Audit Committee

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 the 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.