
Imperial Announces up to \$53 million Non-Brokered Private Placement of Debentures

Vancouver | **December 9, 2022** | **Imperial Metals Corporation** (“Imperial” or the “Company”) (TSX:III) announces its intention to secure additional financing for ongoing operations at the Mount Polley mine and continued exploration and feasibility study work at the Red Chris mine by way of a non-brokered private placement of up to \$53 million aggregate principal amount of non-convertible Debentures (the “Debentures”).

The Debentures will have a 4 year term ending December 16, 2026. The Company intends to issue 6,625,000 warrants which will be exercisable into common shares of the Company at a price of \$2.10, subject to all required shareholder and regulatory approvals. Interest at 10% per annum will be payable semi-annually in cash with the first payment due on June 16, 2023. Should the warrants not receive the requisite approvals, interest on the Debentures will increase to 12% per annum. N. Murray Edwards, the largest shareholder of the Company, has advised that he intends to purchase at least \$40 million of the Debentures.

The issuance of the Debentures involves certain related parties (as such term is defined under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”)), including Mr. Murray Edwards, which constitutes related party transactions under MI 61-101. These transactions are exempt from the formal valuation requirement of Section 5.4 of MI 61-101 and the minority approval requirement of Section 5.6 of MI 61-101 as neither the fair market value of the Debentures issued to related parties, nor the consideration for such Debentures, exceed 25% of the Company’s market capitalization.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Debentures, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

At Mount Polley the highest monthly copper and gold production to date since restart was achieved with 1.78 million pounds of copper and 2,639 ounces of gold being produced in November. The operation is still being impacted by unanticipated electrical failures which have reduced mill throughput rates. However, with pebble mill #3 now operational, copper and gold recoveries in November were in line with historical recoveries and the highest since restart at 76.9% for copper and 69.8% for gold.

About Imperial

Imperial is a Vancouver based exploration, mine development and operating company with holdings that include the Mount Polley mine (100%), the Huckleberry mine (100%), the Red Chris mine (30%). Imperial also holds a portfolio of 23 greenfield exploration properties in British Columbia.

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Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this news release are not statements of historical fact and are “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management’s expectations or beliefs regarding future events and include, but are not limited to, statements regarding the Company’s business and operations; the size, terms, timing, interest payable and expected purchasers with respect to the private placement of the Debentures; the number of warrants issuable; obtaining required shareholder and regulatory approvals; costs and required work for the Mount Polley rehabilitation; and metal production guidance and estimates.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “outlook”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or

achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In making the forward-looking statements in this news release, the Company has applied certain factors and assumptions that are based on information currently available to the Company. These factors and assumptions include the assumption that the private placement of the Debentures will be completed on the announced terms and obtaining the required shareholder and regulatory approvals. Additionally, forward-looking information involve a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements. Such risks include, without limitation, unanticipated costs as well as the risk factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended, many of which are beyond the Company's ability to control or predict. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and all forward-looking statements in this news release are qualified by these cautionary statements.