

**SCHEDULE “E”****IMPERIAL METALS CORPORATION**  
(the “Company”)**COMPENSATION COMMITTEE CHARTER****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 members of the Committee shall be appointed by the Board upon the recommendation of the Corporate Governance and Nominating 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.

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

**III. Meeting**

The Committee shall meet as many times as the Committee deems necessary.

The members of the Committee shall select a 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 Chair shall be an independent director.

The 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.

**IV. Authority and Responsibilities**

To fulfill its responsibilities, the Committee shall:

1. Review and approve 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.
2. 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.
3. 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.
4. 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.
5. Prepare any report as may be required under applicable securities law, stock exchange and any other regulatory requirements.

6. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Committee.
7. The Committee shall review annually management's succession plans for Executive Management, including specific development plans and career planning for potential successors.
8. Review its own performance annually.
9. Report regularly to the Board.

**V. 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.

*As at April 26, 2004.*



## CORPORATE INFORMATION

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**Imperial Metals Corporation**  
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**Auditors**  
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Vancouver, BC

**Bankers**  
Bank of Nova Scotia  
Calgary, AB

Royal Bank of Canada  
Vancouver, BC

**Legal Counsel**  
Fasken Martineau DuMoulin LLP  
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Shareholder inquiries with respect to change of address, registration, transfer and lost share certificates should be directed to Computershare.

## DIRECTORS

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**Pierre Lebel** <sup>1/2/3</sup>  
Chairman

**Brian Kynoch** <sup>3</sup>  
**Larry Moeller** <sup>1/2/3</sup>  
**Ed Yurkowski** <sup>1/2</sup>

<sup>1</sup> Audit Committee  
<sup>2</sup> Compensation Committee  
<sup>3</sup> Corporate Governance & Nominating Committee

## MANAGEMENT

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**Brian Kynoch**  
President

**Andre Deepwell**  
Chief Financial Officer  
& Corporate Secretary

**Don Parsons**  
Vice President Operations

**Patrick McAndless**  
Vice President Exploration

**Kelly Findlay**  
Treasurer

## ANNUAL GENERAL MEETING

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May 8, 2006 at 2:00pm  
Computershare Boardroom  
510 Burrard Street, 3rd Floor,  
Vancouver, BC

A corporate presentation will follow the formal meeting.