Quebec, Canada set to become a critical battery materials' production hub

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Imperial Mining's world-class Crater Lake Scandium-Rare Earth Project in Quebec will soon complete a PEA

There have been some great news releases recently of new lithium ion battery materials projects coming to Quebec, Canada. The first was BASF's cathode active materials and recycling facility planned to be located in Bécancour, Quebec. The second was General Motors and POSCO Chemical's $400 million facility to produce cathode active materials for vehicle batteries, also in Bécancour, Quebec. It is looking like Bécancour in Quebec is to become Canada's battery cathode manufacturing hub. This bodes well for the development of an EV manufacturing industry in Quebec at some stage.

Today's company has key EV related metals, scandium and the magnet rare earths, as well as gold exploration; with three projects located in Quebec, Canada.

Imperial Mining Group Ltd's. (TSXV: IPG | OTCQB: IMPNF) (Imperial) three projects in Quebec are the:

- Crater Lake Scandium-Rare Earth Project,
- the Opawica Project (gold exploration), and the
- La Roncière Project (gold exploration)

Imperial has progressed significantly over the past 6 months,

announcing a Maiden Resource, drill results, and commencement of a PEA at their 100% owned Crater Lake Scandium-Rare Earth Project. Today we will look at the Crater Lake project and at what's next for the Company.

Crater Lake Scandium-Rare Earth Project

Maiden Resource

As announced in September 2021, Imperial's NI 43-101 Maiden Resource estimate for the TG Scandium-Rare-Earth Zone at its Crater Lake Scandium-Rare Earth Project is an **Indicated Resources of 7.3 million tons grading 282 g/t Sc_2O_3** and **Inferred Resources of 13.2 million tonnes grading 264 g/t Sc_2O_3.** This is an excellent result putting the Crater Lake Project among the top scandium resources in the world. The Resource estimate also highlighted valuable magnet rare earths Nd, Pr, Dy and Tb. The Resource remains open to further expansion.

Maiden Resource estimate and Resource Model for the TG Zone at the Crater Lake Scandium-Rare Earth Project

Source: Imperial Mining Group company presentation

Recent drill results

Since the Maiden Resource, Imperial has had some stellar drill results including:

- **115.8 m (379.9') grading 252 g/t scandium oxide (Sc_2O_3)** at the STG Zone. There are also elevated levels of total rare earth oxides plus yttrium (TREO+Y) of up to 0.475 %. The STG Zone is a new discovery, 2km south of the TG North Lobe Resource.

PEA

Work on a 43-101 Preliminary Economic Assessment (PEA) on the TG Zone scandium-rare earth zone resource is advancing well, despite some delays. The PEA results were targeted for Q1, 2022, but now look like being in Q2, 2022.

Imperial's Crater Lake Project location map and highlights

Source: Imperial Mining Group company presentation

Next steps and targets

- Q2, 2022 – PEA results for the Crater Lake Scandium-Rare Earth Project to be announced.
- Late June 2022 – A 2,500m drill program on the TG Zone (Northern Lobe and Southern Lobe) to commence.
- End Q3, 2022 – Hydrometallurgical flowsheet development program results due.
- H2, 2022 – An update to the previous 43-101 Maiden Resource Estimate of the TG Zone.
- Late 2022 – Engineering design for Imperial's pilot plant program.
- Mid-2023: Definitive Feasibility Study (DFS), IBA, receipt of construction permits.
- Late Q4, 2025/Early Q1 2026: Delivery of first product (subject to permits and funding).

Closing remarks

Imperial Mining Group is making good progress and has already delivered a solid Maiden Resource at their flagship 100% owned Crater Lake Scandium-Rare Earth Project. The PEA is expected to be out soon in Q2, 2022, with numerous catalysts to follow.

Meanwhile, the magnet rare earths prices keep rising. All of this bodes well for the Company, as shown by the successful recent raise of C$3 million and a C$245,355 Quebec Government award to optimize their Crater Lake Scandium recovery process.

Scandium is the rarest of the “rare earth” metals. Small additions of scandium to alloys with aluminum give properties of corrosion resistance, tensile strength, ductility, and low weight that make them ideal for weight reduction and safety in large scale battery boxes for EVs and in load bearing aircraft parts.

Imperial Mining Group trades on a market cap of C$26 million and looks to be in the right place at the right time. And let’s not forget their gold exploration potential. Stay tuned.