Imperial Intersects 113.9 m and 95.5 m of Strong Scandium and Rare Earth Mineralization at Crater Lake

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Highlights:

- *Remaining drill results from the winter drilling continue to return impressive grades of 95.5 m grading 314 g/t scandium oxide (Sc_2O_3), including 16.3 m grading 353 g/t $Sc_2O_3$and 113.9 m grading 310 Sc_2O_3, including 354 g/t Sc_2O_3 over 12.0 m*
- *Elevated levels of total rare earth oxides plus yttrium (TREO+Y) of up to 0.622% characterize the scandium-bearing horizon.*
- *This broad scandium and rare earth mineralized package can be traced to surface, making it potentially amenable to open pit mining.*
- *A new mineralized unit has also been identified 70 m east of the main horizon requiring further evaluation.*

MONTREAL, June 18, 2019 -- Imperial Mining Group Ltd. ("Imperial") (TSX VENTURE: IPG) is pleased to announce that the final three holes from the 2019 winter drilling program all intersected significant widths and grades of scandium and rare earths (REE) mineralization in the TG Zone (TGZ) target, Crater Lake project, northeastern Québec.

A five-hole diamond drilling program for 1,014 m was completed on April 20, 2019 over the TG Zone target to evaluate the scandium potential of a high-intensity magnetic anomaly (Figure 1, *see* Press Release: May 22, 2019). The new drilling is located 600 m north of a historical drill hole which had returned scandium grades of up to *506 g/t* Sc_2O_3 *over 19.0m along the western side of the Crater Lake intrusion on the same magnetic trend. The current results represent the remaining significant analyses from the drilling program. The diamond drill contractor was Avataa Rouillier Drilling Inc. of Amos, Quebec.*

“The winter drilling results for the Crater Lake property continues to exceed all expectations, as they confirm wide intervals of scandium and TREO+Y at the TGZ target,” said Peter Cashin, Imperial’s President & Chief Executive Officer. “This new drill section 100N, fully 400 m south of the previously announced results of Section 500N, is now defining an important zone of mineralization that can be traced to surface, making it a likely low-cost, open pit mining opportunity. Using a Sc_2O_3 price of $1,500US per kg, these scandium results have a gold (Au) equivalent value of up to 12.4 g/t (0.40 oz/t), assuming the recent gold price close of $1,330US per ounce.”

Table 1 - Crater Lake Drilling Best Assay Results:

Hole #	From (m)	To (m)	Interval (m)	Sc (ppm)	Sc2O3 (ppm)	TREO+Y (%)
CL19031	115.80	148.75	33.0	207	318	0.340
Including	115.80	123.00	7.2	241	370	0.399
Including	134.15	145.00	10.9	276	423	0.408
CL19031	190.95	208.45	17.5	192	295	0.335
CL19032	145.15	220.00	74.9	251	341	0.421
Including	151.35	164.00	12.7	240	368	0.551
Including	171.85	180.70	8.8	344	528	0.622
Including	188.25	200.70	12.5	309	474	0.552

CL19033	4.85	39.85	35.0	181	278	0.412
Including	18.00	25.50	7.5	216	331	0.464
CL19033	63.75	177.65	113.9	202	310	0.370
Including	89.00	101.00	12.0	231	354	0.398
CL19035	13.35	108.80	95.5	205	314	0.371
Including	43.00	59.30	16.3	230	353	0.381

NOTES: - * *1 ppm of Sc metal equals 1.5338 ppm scandium oxide (Sc_2O_3); ** 1 g/t equals 1 ppm*

TG Zone Geology

Drilling has currently defined the TGZ to be upwards of 125 m thick, steeply east-dipping, arcuate Crater Collapse ring-fault zone containing large fragments and clasts of felsic syenite and feldspar crystals in a matrix of pyroxenite-rich material. The pyroxenite-rich matrix contains all the scandium and REE in the mineralized system. Individual assays from this material grade as high as 730 g/t Sc_2O_3. The mineralized zone has been traced from surface to at least 200 m down-dip and at least 400 m of strike length and remains open at depth and along strike. A 15-25 m wide alteration halo characterizes the contacts to the mineralized system. There is an apparent increase in scandium grade at depth along the drill section. The new drilling has also identified a second mineralized horizon to the east of the main trend (see Figure 3, top of drillhole CL19034) that may hold important economic implications for the project. *Imperial’s intention now is to intensify the surface investigation work to evaluate the economic potential along the full 4.5 km strike length of the magnetic anomaly.*

Scandium and Rare Earth Markets

The broader adoption of scandium in the aluminum alloys sector has been constrained by the limited availability of scandium in western commercial markets from the primary supply sources in China and Russia. The lack of reliable long-term supply sources to provide material for additional applications has also limited scandium market growth. This has resulted in much higher prices for Sc compared to competing alloy materials, such as titanium, and has limited its broader use. The current price of the metal oxide published by USGS indicates that it trades in a range of approximately US$2,000-4,000/kg for 99.99% purity.

Scandium acts as a grain-refiner and hardener of aluminum alloys. Aluminum-scandium alloys combine high strength, ductility, weldability, improved corrosion resistance and a lower density. The combination of all these properties makes aluminum-scandium alloys well-suited for the aerospace, automotive and defense industries. Scandium-modified aluminium alloys is highly valued as an important lightweighting material as it is one-third the weight of steel and is 60 % of the weight of titanium alloys.

In addition, Imperial is actively monitoring the impact of the current trade war between the US & China and what this means for investors, manufacturers and producers of Rare Earth and Technology material products for the Defence, Electronics and Automotive industries. China now controls over 70% of the global rare earth supply chain and provides 80% of the US rare earth demand. With China threatening to cut off supplies to the US and Global rare earth supply chains face significant risk of disruption, much like what happened in 2010 when China cut off supplying Japan with rare earths leading to a dramatic rise in global REE prices.. Major consumers of rare earths have just been reminded of the need to establish their own domestic critical materials supply chains.

QA-QC Protocol

Strict QA/QC protocols have been implemented for the Crater Lake Project, including the insertion of certified reference materials (standards), duplicates and blanks at regular intervals throughout the sequence of samples.

A total of 820 samples, including 48 QA-QC samples, were sent to an analytical laboratory. All sample preparation and analytical work was carried out by Actlabs at their facilities in Ancaster, Ontario. Several analytical techniques were used to characterize the samples, which are combined at Actlabs into the

analytical package “8-REE”. This package includes whole-rock and trace element analytic techniques. Whole Rock analyses are done via a lithium metaborate/tetraborate fusion inductively coupled plasma (ICP) finish. Trace elements are also analyzed by fusion ICP/MS.

The technical content in this press release was prepared, reviewed and certified by Pierre Guay, P. Geo., Imperial's Vice-President, Exploration, a Geologist and Qualified Person as defined by NI43-101.

ABOUT IMPERIAL MINING GROUP LTD.

Imperial is a Canadian mineral exploration and development company focussed on the advancement of its copper-zinc, gold and technology metals properties in Québec. Imperial is publicly listed on the TSX Venture Exchange as “IPG” and is led by an experienced team of mineral exploration and development professionals with a strong track record of mineral deposit discovery in numerous metal commodities.

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Photos accompanying this announcement are available at

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