

PLAN OF ALLOCATION

THE DEFINED TERMS

1. The definitions set out in the settlement agreement reached between the Plaintiffs and Imperial Defendants dated January 31, 2023 (“**Agreement**”), except as modified or defined herein, apply to and are incorporated into this Plan of Allocation:
 - (a) **Acquisition Expense** means the price paid by the Claimant (including brokerage commissions) to acquire a Qualified Security;
 - (b) **Administrator** means RicePoint Administration Inc.;
 - (c) **Authorized Claimant** means a Class Member who: (i) submitted a properly completed Claim Form and all required supporting documentation to the Administrator prior to the Claims Bar Deadline; and (ii) is eligible to receive a Distribution from the Compensation Fund;
 - (d) **Claimant** means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;
 - (e) **Class Period** means the period from August 15, 2011 through to August 4, 2014, inclusive;
 - (f) **Compensation Fund** means the Settlement Amount less Class Counsel Fees, Administration Expenses and other expenses authorized by the Court, if any. The Compensation Fund is the same as the Escrow Settlement Amount;
 - (g) **Court** means the Ontario Superior Court of Justice;
 - (h) **Database** means the database in which the Administrator stores information received from the Claimants and/or acquired through the claims process;

- (i) ***Disposition Proceeds*** means the price received by the Claimant (without deducting any brokerage commissions) on the disposition of a Qualified Security;
- (j) ***Distribution*** means payment to Authorized Claimants in accordance with this Plan of Allocation, the Agreement and any order of the Court;
- (k) ***Distribution List*** means a list containing the name and address of each Authorized Claimant, the calculation of their net loss and the calculation of the Authorized Claimant's *pro rata* share of the Compensation Fund;
- (l) ***Notional Entitlement*** means the Authorized Claimant's notional damages as calculated pursuant to the formulae set forth in this Plan of Allocation, which forms the basis upon which each Authorized Claimant's *pro rata* share of the Compensation Fund is determined for purposes of the Distribution.
- (m) ***Qualified Securities*** means Securities purchased or acquired during the Class Period and held until after August 4, 2014;
- (n) ***Securities*** means Imperial Metals Corporation's common shares, 7% Unsecured Notes due March 2019, or such other securities as defined in the Securities Legislation;
- (o) ***Settlement Amount*** means \$6,000,000 less the Administration Expenses, Class Counsel Fees, interest, taxes and any other costs or expenses related to the Action or the Settlement; and
- (p) ***Website*** means the website at <https://www.imperialmetalsclassaction.com/>.

THE OVERVIEW

2. This Plan of Allocation contemplates a determination of eligibility and an allocation and Distribution to each Authorized Claimant of a share of the Compensation Fund determined on the basis of the calculations set forth herein.

CALCULATION OF THE DISTRIBUTION

3. The Administrator shall apply first in first out principles (whereby securities are deemed to be sold in the same order that they were purchased) to determine the purchase transactions that correspond to the sale of Qualified Securities, including in the calculation of a Claimant's Notional Entitlement.
4. The Administrator shall first determine a Claimant's Notional Entitlement. If the Claimant has a Notional Entitlement greater than zero, they become an Authorized Claimant, and the Administrator will go on to calculate the Authorized Claimant's monetary compensation. A Claimant must have a Notional Entitlement greater than zero in order to be eligible to receive a payment from the Compensation Fund.
5. Transfers of Imperial Metals Corporation's securities between accounts belonging to the same Claimant will not be taken into account in determining a Claimant's Notional Entitlement.
6. The date of an acquisition or disposition shall be the trade date of the transaction, as opposed to the settlement of the transaction or the payment date,
7. **The Notional Entitlement for Qualified Securities will be calculated as follows:**
 - a. No Notional Entitlement shall be recognized for any Qualified Securities disposed of before the close of trading on the Toronto Stock Exchange on August 1, 2014;

Common Shares

- b. For each common share disposed on or before August 18, 2014 (10 trading days post-correction), the Notional Entitlement is the difference between the Acquisition Expense and the Disposition Proceeds;
- c. For each common share disposed of after August 18, 2014 (10 trading days post-correction), the Notional Entitlement shall be the lesser of:
 - i. the difference between the Acquisition Expense and the Disposition Proceeds; and;
 - ii. the difference between the Acquisition Expense and \$9.97¹;
- d. For each common share not yet disposed of, the Notional Entitlement is the difference between the Acquisition Expense and \$9.97².

7% Unsecured Notes due March 2019 (“Notes”)

- e. For each Note disposed of after August 4, 2014 and prior to March 15, 2019, the Notional Entitlement is the Acquisition Expense less the Disposition Proceeds and any interest payments received on the Note; and
 - f. For each Note redeemed, paid in full or extended on or before March 15, 2019, the Notional Entitlement is nil.
8. Each Authorized Claimant’s actual compensation shall be the portion of the Compensation Fund equivalent to the ratio of their Notional Entitlement to the total Notional Entitlement of all Authorized Claimants multiplied by the Compensation Fund, as calculated by the

¹ The post-correction 10-day volume weighted average share price.

² *Ibid.*

Administrator (defined herein as the “*Pro Rata Distribution*”). However, the amount payable on account of the Notes shall not exceed 10% of the Compensation Fund.

9. Compensation shall be paid to Authorized Claimants in Canadian currency.

GENERAL PRINCIPLES OF THE ADMINISTRATION OF THE SETTLEMENT

10. The administration process to be established shall:
- (a) implement and conform to the Plan of the Allocation;
 - (b) employ secure, paperless, web-based systems with electronic registration and record keeping, wherever practical; and
 - (c) be bilingual (English, French) in all respects and include a bilingual website and a bilingual toll-free telephone helpline.

THE ADMINISTRATOR

11. The Administrator shall have such powers and rights reasonably necessary to discharge its duties and obligations to implement and administer the Escrow Account and the Plan of Allocation in accordance with their terms, subject to the direction of the Court.

THE ADMINISTRATOR’S DUTIES AND RESPONSIBILITIES

12. The Administrator shall administer the Plan of Allocation under the oversight and direction of the Courts and act as trustee in respect of the monies held within the Escrow Account upon receipt from Class Counsel.
13. The Administrator shall, wherever practical, develop, implement and operate an administration system utilizing web-based technology and other electronic systems for the following:

- (a) receipt of information from Computershare and/or TMX Equity Transfer Services or Broadridge Financial Solutions Inc. concerning the identity and contact information of registered holders or beneficial owners of Securities, respectively;
 - (b) Class notification, as required;
 - (c) claim filing and document collection;
 - (d) claim evaluation, and analysis;
 - (e) distribution analysis and Distribution;
 - (f) cy près award distribution, if any, and reporting thereon;
 - (g) Administration Expense payments; and
 - (h) cash management, audit control and reporting thereon.
14. The Administrator's duties and responsibilities shall include the following:
- (a) receiving the monies in the Escrow Account from Siskinds LLP and investing them in trust in accordance with the Agreement;
 - (b) preparing any protocols required for submissions to and approval of the Court;
 - (c) providing notice of (i) the Second Motion, namely the Settlement was approved, and (ii) details of how, where, and by when to submit completed Claim Forms;
 - (d) providing the hardware, software solutions and other resources necessary for an electronic web-based bilingual claims processing centre to function in a commercially-reasonable manner;
 - (e) providing, training and instructing personnel in such reasonable numbers as are required for the performance of its duties in the most expedient, commercially reasonable manner;

- (f) developing, implementing and operating electronic web-based systems and procedures for receiving, processing, evaluating and decision-making respecting the claims of Class Members, including making all necessary inquiries to determine the validity of such claims;
- (g) if practicable, providing any Claimant whose Claim Form is not properly completed or does not include some of the required supporting documentation, an opportunity to remedy the deficiency as stipulated in the Agreement;
- (h) making timely assessments of eligibility for compensation and providing prompt notice thereof;
- (i) paying all taxes accruing on the interest earned in the Escrow Account and adding that interest (net of taxes) to the Compensation Fund;
- (j) making Distributions from the Compensation Fund in a timely fashion;
- (k) dedicating sufficient personnel to communicate with a Claimant in English or French as the Claimant elects;
- (l) using its best efforts to ensure that its personnel provide timely, helpful and supportive assistance to Claimants in completing the claims application process and in responding to inquiries respecting claims;
- (m) distributing and reporting on any *cy près* awards;
- (n) making payments of Administration Expenses;
- (o) maintaining a Database with all information necessary to permit the Courts to evaluate the progress of the administration, as may, from time to time, be required;

- (p) reporting to the Court respecting claims received and administered, and Administration Expenses; and
 - (q) preparing such financial statements, reports and records as directed by the Court.
15. The Administrator shall pay all of the costs and expenses reasonably and actually incurred in connection with the provision of notices, locating Class Members for the sole purpose of providing notice to them, soliciting Class Members to submit a Claim Form, including the notice expenses reasonably and actually incurred by the Administrator and brokerage firms in connection with the provision of notice of this Settlement to Class Members (provided, however, that the Administrator shall not pay in excess CAD\$30,000.00 in the aggregate to all brokerage firms and, if the aggregate amount claimed by such brokerage firms exceeds CAD\$30,000.00, then the Administrator shall distribute the sum of CAD\$30,000.00 to such brokerage firms on a *pro rata* basis).
16. The Administrator shall keep up to date information on the Website on the status of the administration.
17. Once a Claim Form and required supporting documentation is received by the Administrator, the Administrator shall:
- (a) decide whether the Claimant is eligible to participate in the Distribution; and
 - (b) calculate the *Pro Rata* Distribution.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

18. No Distribution shall be made by the Administrator in respect of any amount under \$5, and the name(s) of the Authorized Claimant(s) with claims under this amount shall be excluded from the Distribution List in respect of such claims.

19. Each Authorized Claimant whose name appears on the Distribution List shall comply with any condition precedent to Distribution that the Court may impose.
20. The Administrator shall make Distributions from the Compensation Fund to the Authorized Claimants whose names are on the Distribution List.
21. If the Escrow Account is in a positive balance (whether by reason of tax refunds, uncashed cheques or otherwise) in an amount greater than 10% of the net Settlement Amount after one hundred eighty (180) days from the date of Distribution of the Compensation Fund to the Authorized Claimants, the Administrator shall allocate such balance among Authorized Claimants whose names are on the Distribution List in an equitable fashion up to the limit of each person's actual loss. The Administrator may wait until a CRA T-5 tax slip for investment income is issued by the Schedule 1 bank in respect of the Escrow Account before making this second distribution. If there is a balance in the Escrow Account after each Authorized Claimant is paid up to his/her/its actual loss, the remaining funds shall be paid *cy près* to a recipient selected by Class Counsel.

IRREGULAR CLAIMS AND RESTRICTION ON CLAIMS

22. Where a Claim Form contains minor omissions or errors or there are minor errors or omissions in supporting documentation, the Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Administrator and it is a proportionate and efficient use of resources for them to do so.
23. In order to remedy any deficiency in the completion of a Claim Form, the Administrator may require and request that additional information be submitted. This information must be submitted sixty (60) days from the date of the request from the Administrator or the Claims Bar Deadline to rectify the deficiency. Any person who does not respond to such a request

for information within this period shall be forever barred from receiving any payments pursuant to the Settlement, subject to any order of the Court to the contrary, but will in all other respects be subject to and bound by the provisions of the Agreement and the releases contained therein.

24. Any Class Member who does not submit a Claim Form and required supporting documentation with the Administrator on or before the Claims Bar Deadline will have their claim disallowed unless the Claims Administrator, in their absolute discretion, determines that allowing the claim would not delay the administration or otherwise impact the efficiency of the administration.
25. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Administrator believes that the claim contains unintentional errors which would materially exaggerate the Notional Entitlement of the Claimant, then the Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Notional Entitlement is allocated to the Claimant. If the Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Notional Entitlement of the Claimant, then the Administrator shall disallow the claim in its entirety.
26. Where the Administrator disallows a claim in its entirety, the Administrator shall send to the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice advising that the claim has been disallowed and that the Claimant may request the Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the

Claimant disputes the amount of his, her or its Notional Entitlement or his, her or its individual compensation.

27. Any request for reconsideration must be received by the Administrator within 45 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.
28. Where a Claimant files a request for reconsideration with the Administrator, the Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.
29. Following its determination in an administrative review, the Administrator shall advise the Claimant of its determination. In the event the Administrator reverses a disallowance, the Administrator shall send the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice specifying the revision to the Administrator's disallowance.
30. The determination of the Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.
31. Any matter not referred to above shall be determined by analogy by the Administrator in consultation with Class Counsel.
32. No action shall lie against Class Counsel or the Administrator for any decision made in the administration of the Agreement and the Distribution Protocol without an order from a Court authorizing such an action.

ADMINISTRATION EXPENSES

33. The Administrator shall pay the fees, disbursements, taxes, levies, and other costs of:

- (a) the Administrator; and
- (b) such other persons at the direction of the Court,

out of the Settlement Amount in accordance with the provisions of the Agreement, the Second Order and any other orders of the Court.

34. The costs of giving the notices required pursuant to the Second Order and the Plan of Allocation are not to be paid by the Administrator from its fee.

NO ASSIGNMENT

35. No amount payable under this Plan of Allocation may be assigned without the written consent of the Administrator.