

Imperial Mining is set to announce a Resource Estimate that will Highlight Significant Grades of Scandium and Related Technology Metals

written by InvestorNews | September 7, 2021

[Imperial Mining Group Ltd.](#) (TSXV: IPG | OTCQB: IMPNF) ("Imperial") is due to shortly release a 43-101 preliminary Resource Estimate for their 100% owned Crater Lake Scandium-Rare Earth Project in northeastern Quebec, Canada. What can investors expect?

The Crater Lake Project consists of 57 contiguous claims covering 27.8km². The Project has [~14 km of potential mineralized horizon](#) (only 1/4 drill tested) spread over several zones, some of which have drill tested high-grade scandium and some rare earths deposits, including and yttrium. There is also potential for niobium and tantalum.

Imperial Mining's Crater Lake location showing excellent infrastructure nearby



Drilling has defined several mineralized zones of over 600m in total strike length and from surface to a vertical depth of up to 200m.



Source: [Company presentation](#)

Excellent drill results at Crater Lake continue in 2021

Past drilling has shown some excellent long length, high-grade, scandium oxide results ranging from 0.0235% to 0.056% (235-506 g/t).

For example, in April 2021 the Company [announced](#) excellent drill results at Crater Lake that included **92.5 m @ 291g/t scandium oxide (Sc_2O_3)**. Elevated levels of total rare earth oxides plus yttrium of up to 0.42% were also found. There is also a parallel niobium target showing grab assay results of between [0.20% and 1.42% Nb205](#) which sits 250m west of the scandium target.

Then in May 2021, Imperial [announced](#):

- “Assay results from the first four drill hole continue to return impressive intercepts of **111.9 m (367.0') grading 298 g/t scandium oxide (Sc_2O_3)**, including 40.5 m (132.8') grading 336 g/t Sc_2O_3 and 34.77 m (114.0') grading 321 g/t Sc_2O_3 .
- Elevated levels of **total rare earth oxides plus yttrium (TREO+Y) of up to 0.38 %.**”

More recent drill results [announced](#) in June 2021 included:

- “**99.8 m (327.3') grading 299 g/t scandium oxide (Sc_2O_3)**, including 24.2 m (79.4') grading 331 g/t Sc_2O_3 and 77.3 m (253.5') grading 313 g/t Sc_2O_3 .
- Elevated levels of **total rare earth oxides plus yttrium (TREO+Y) of up to 0.46%** characterize the scandium-bearing intercepts.”

Crater Lakes' critical minerals mean a 10MT resource can potentially be very valuable

Imperial's 'target' at Crater Lake is to define a scandium-REE

mineral resource of a minimum of 10 Mt, sufficient for a 25-year operating model. What some investors miss is that a small relatively shallow resource-rich in valuable metals such as scandium, niobium, and rare earths can be highly valuable. The chart below highlights this by expressing the results as 6.5 to 12.0 g/t 'gold equivalent'. If Imperial Mining was able to achieve 10MT of ore at say 6.5 g/t Au equivalent (lower range) that would be equivalent to 65 million grams (2.1 million troy ounces) of gold in terms of value. If the grade was in the higher range then the gold equivalent would be almost double. Of course, the 10MT is a 'target' and not yet a reality, as we will have to wait to see what the upcoming resource estimate is.

The Crater Lake TG Zone drill results are equivalent to 6.5 to 12.0 g/t gold equivalent



Source: [Company presentation](#)

Once a resource is grown the other important issue is the extraction method and recovery rates. In June 2021 news Imperial [announced](#) that they had developed a "high-recovery extraction process for scandium and rare earth elements for Crater Lake mineralization....as part of its current Phase 3 Hydrometallurgical Development Program." Scandium extraction was at **84-87%**, and total rare earth elements, including yttrium (TREE+Y) was **84%**. This is excellent news.

Near term stock catalysts

Imperial President & CEO, Peter Cashin, [stated](#) in August: "We are now in the final stages of the surface evaluation of our Crater Lake property. In addition to delivering the inaugural 43-101 resource estimation on our TG Zone later this month, we look forward to delivering on the results of the remainder of

the targets present on the Crater Lake property. We clearly believe that much additional critical metal potential remains to be evaluated on our property as we have only drill-tested one-quarter of the favourable 14-km-long mineralized horizon. We also intend to assess a high-grade niobium-tantalum mineralized area identified in 2010, north and northwest of the scandium-bearing Crater Lake Complex.”

Imperial will now embark on a Summer 2021 campaign that will include surface evaluation of additional high priority scandium rare earth exploration targets outside of the drilled TG Zone mineralized area. 50-tonne bulk samples at the STG mineralized Zone will be used in a pilot plant study to further test and optimize Imperial’s metallurgical process method. Next, a detailed assessment of historical high grade rare earth, niobium, tantalum occurrences at the Crater Lake Extension property area will be undertaken. Following this will be a pilot plant study and a Preliminary Economic Assessment.

Closing remarks

Imperial Mining trades on a market cap of a mere C\$20 million. Considering the outstanding drill results over the past year, outstanding hydromet recovery rates achieved to date, and the impending 43-101 preliminary Resource Estimate due out any day now the stock looks likely to be potentially re-rated higher soon. Don’t wait too long!