As filed with the Securities and Exchange Commission on May 19, 2022 **Registration Statement No. 333-**

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-7

REGISTRATION STATEMENT
UNDER THE
SECURITIES ACT OF 1933

Imperial Metals Corporation

(Exact name of Registrant as specified in its charter)

British Columbia	**1040**	**None**
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number (if applicable))	(I.R.S. Employer Identification Number (if applicable))

580 Hornby Street, Suite 200
Vancouver, British Columbia, Canada
V6C 3B6
(Address and telephone number of Registrant's principal executive offices)

DL Services Inc.
701 Fifth Avenue, Suite 6100
Seattle, WA 98104
(206) 903-2372
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Copies to:

Jason K. Brenkert
Dorsey & Whitney LLP
1400 Wewatta Street, Suite 400
Denver, Colorado 80202-5549
(303) 629-3400

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

This registration statement and any amendment thereto shall become effective upon filing with the Commission in accordance with Rule 467(a).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box. ☐

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per common share[(1) (2)]	Proposed maximum aggregate offering price [(1) (2)]	Amount of registration fee [(1) (2)]
Common Shares	17,674,492	U.S.$2.37	U.S.$41,888,546	U.S.$3,883.07

(1) Calculated in accordance with General Instruction II.F to Form F-7.

(2) Based on the Canadian offering price of Cdn$3.04 per share converted using the exchange rate of Cdn.$1.00 to U.S.$0.7788, the daily average rate as reported by the Bank of Canada on May 18, 2022.

If, as a result of stock splits, stock dividends or similar transactions, the number of securities purported to be registered on this registration statement changes, the provisions of Rule 416 under the Securities Act of 1933, as amended, shall apply to this registration statement.

PART I—INFORMATION REQUIRED TO BE SENT TO SHAREHOLDERS

Item 1. Home Jurisdiction Document

Rights Offering Circular and Notice of Rights Offering, attached hereto.

All references to CDN $ or $ in the Rights Offering Circular or Notice of Rights Offering refer to Canadian Dollars.

Item 2. Informational Legends

See outside front cover page of the Rights Offering Circular, attached hereto.

Item 3. Incorporation of Certain Information by Reference

None.

Item 4. List of Documents Filed with the Commission

The documents filed with the United States Securities and Exchange Commission as part of this registration statement are listed in the Rights Offering Circular under the caption "Documents Filed as Part of the Registration Statement".

IMPERIAL METALS CORPORATION

NOTICE OF RIGHTS OFFERING

Notice to security holders –May 19, 2022

The purpose of this notice is to advise holders of common shares (the "**Common Shares**") of Imperial Metals Corporation (the "**Company**") of an offering of rights (the "**Rights**") of the Company (the "**Rights Offering**").

References in this notice to we, our, us and similar terms mean to the Company. References in this notice to you, your and similar terms mean to the Company's shareholders.

1. Who can participate in the Rights Offering?

Rights will be issued to holders of Common Shares as at the close of business (5:00 p.m. Pacific Time) on May 31, 2022 (the "**Record Date**").

2. Who is eligible to receive Rights?

Rights will be issued to registered shareholders (the "**Eligible Holders**") in:

(a) each province and territory of Canada; and
(b) the United States, excluding the states of Arizona, Arkansas, California, Minnesota, Ohio, Utah and Wisconsin;

(collectively, the "**Eligible Jurisdictions**").

You will be presumed to be resident in the place shown in our records as your registered address, unless the contrary is shown to our satisfaction.

This notice is not to be construed as an offering of the Rights, nor are the Common Shares issuable upon exercise of the Rights offered for sale, in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (the "**Ineligible Holders**").

Ineligible Holders will not receive a Rights DRS Advice (as described in No. 6 below), but will be sent a letter advising them that their Rights will be held by Computershare Investor Services Inc., who will hold such rights as agent for the benefit of all such Ineligible Holders. The letter will also describe how certain Ineligible Holders may participate in the Rights Offering.

3. How many Rights are we offering?

We expect to issue 141,395,941 Rights entitling their holders to subscribe for an aggregate of 17,674,492 Common Shares.

4. How many Rights will you receive?

Each Eligible Holder will receive one Right for each one Common Share of the Company held as at the Record Date.

5. What does one Right entitle you to receive?

One Right entitles an Eligible Holder to subscribe for 0.125 Common Shares at a subscription price of $3.04 per Common Share (the "**Basic Subscription Privilege**") until 2:00 p.m. (Pacific Time) on June 24, 2022 (the "**Expiry Time**"). No fractional Common Shares will be issued. Where the exercise of Rights would appear to entitle a holder of Rights to receive fractional Common Shares, the holder's entitlement will be reduced to the next lowest whole number of Common Shares.

Any Eligible Holder who exercises all of their Rights under the Basic Subscription Privilege will also have the additional privilege of subscribing, pro rata, for additional Common Shares at the subscription price (the "**Additional Subscription Privilege**"). The Common Shares available under the Additional Subscription Privilege will be those Common Shares issuable under the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege by the Expiry Time.

Any Eligible Holder who exercises their Rights must enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc.

6. How will you receive your Rights?

Registered Eligible Holders - If you are a registered Eligible Holder of Common Shares, a subscription form and a statement issued under the Depositary’s direct registration system (the "**Rights DRS Advice**") representing the total number of Rights which you are entitled to as at the Record Date is enclosed with this notice.

Beneficial Eligible Holders - You are a beneficial holder of Common Shares if you hold your shares through a securities broker or dealer, bank or trust company or other participant (a "**Participant**") in the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**") or The Depository Trust Company ("**DTC**"). The total number of Rights to which all beneficial holders as at the Record Date are entitled will be issued to and deposited with CDS or DTC following the Record Date. If you are a beneficial Eligible Holder, we expect you will receive a confirmation of the number of Rights issued to you from the applicable Participant in accordance with the practices and procedures of that Participant. CDS or DTC will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

7. When and how can you exercise your Rights?

If you are a registered Eligible Holder who receives a Rights DRS Advice, you must complete and deliver your Rights DRS Advice on or before the Expiry Time.

If you are a beneficial Eligible Holder, you must arrange exercises, transfers or purchases of Rights through your Participant on or before 2:00 p.m. (Pacific Time) on the Expiry Time or such earlier time as required by your Participant. We expect that each beneficial Eligible Holder will receive a customer confirmation of issuance or purchase, as applicable, from their Participant through which the Rights are issued in accordance with the practices and policies of such Participant.

8. What are the next steps?

This notice contains key information that you should know about the Company. You can find more details in our Rights Offering Circular, a copy of which can be obtained on the Company's profile at www.SEDAR.com or at www.imperialmetals.com or you can ask your dealer representative for a copy or contact Computershare Investor Services Inc. at 1-800-564-6253. You should read the Rights Offering Circular, along with the Company's continuous disclosure record, to make an informed decision.

DATED May 19, 2022.

"Brian Kynoch"

Brian Kynoch, P. Eng.
President
Imperial Metals Corporation

**PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 2:00 P.M.
(PACIFIC DAYLIGHT TIME) ON June 24, 2022**

This rights offering circular is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this circular. Any representation to the contrary is an offence.

This is the circular we referred to in the May 19, 2022 rights offering notice, which you should have already received. Your rights statement and relevant forms were enclosed with the rights offering notice. This circular should be read in conjunction with the rights offering notice and our continuous disclosure prior to making an investment decision.

The offer of these securities is made in all provinces of Canada, in each state of the United States, except Arizona, Arkansas, California, Minnesota, Ohio, Utah, and Wisconsin, and in all jurisdictions outside Canada and the United States excluding any jurisdiction that does not provide a prospectus exemption substantially similar to the exemption provided in Canada or that otherwise requires obtaining any approvals of a regulatory authority in the such jurisdiction or the filing of any document by the Company in the such jurisdiction in connection with this offering. In addition, the offering is not being made in jurisdictions where the Company is not eligible to make such offer.

Rights Offering Circular **May 19, 2022**

Imperial Metals

IMPERIAL METALS CORPORATION

OFFERING OF RIGHTS TO SUBSCRIBE FOR 17,674,492 COMMON SHARES AT A PRICE OF $3.04 PER SHARE

References in this circular to **we, our, us** and similar terms mean to Imperial Metals Corporation (the "**Company**"). References in this circular to **you, your** and similar terms mean to holders of the Company's common shares (the "**Common Shares**"). Unless otherwise indicated, references herein to "**$**" or "**dollars**" are to Canadian dollars.

This rights offering is made by a Canadian issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this rights offering circular in accordance with the disclosure requirements of Canada. Prospective investors should be aware that those requirements are different from those of the United States. Financial statements included or incorporated herein have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein.

The enforcement by investors of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that the issuer is organized under the laws of British Columbia, Canada, that a majority of its directors and

officers named in this Circular are residents of Canada, and that a substantial portion of the assets of the issuer and of said persons are located outside the United States.

THE SECURITIES OFFERED BY THIS RIGHTS OFFERING CIRCULAR HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY STATE SECURITIES REGULATOR NOR HAS THE SEC OR ANY STATE SECURITIES REGULATOR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

SUMMARY OF THE RIGHTS OFFERING

Why are you reading this circular?	We are issuing transferable rights (the "**Rights**") to the holders of our outstanding Common Shares of record at the close of business on May 31, 2022 (the "**Record Date**"). The Rights entitle their holders to subscribe for Common Shares on the terms described in this circular. The purpose of this circular is to provide you with detailed information about your rights and obligations in respect of the offering of Rights (the "**Offering**"). This circular should be read in conjunction with the offering notice which you should have already received by mail.
What is being offered?	The Company will issue one Right for each one Common Share held.
Who is eligible to receive and exercise rights?	The Rights will be issued only to shareholders (the "**Eligible Holders**") resident in a province or territory of Canada and, the United States (subject to restrictions in certain states as set forth in the following paragraph) (collectively, the "**Eligible Jurisdictions**"). All jurisdictions other than the Eligible Jurisdictions are referred to in this circular as "**Ineligible Jurisdictions**". This circular covers the offer and sale of the Common Shares issuable upon exercise of the Rights within the United States under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). Notwithstanding registration under the U.S. Securities Act, the securities or blue sky laws of certain states (including Arizona, Arkansas, California, Minnesota, Ohio, Utah, and Wisconsin) may not permit the Company to offer Rights and/or Common Shares in such states, or to certain persons in those states, or may otherwise limit the Company's ability to do so, and as a result the Company will treat those states as Ineligible Jurisdictions under the Offering. In these states, Rights may only be exercised by shareholders to which solicitations may be addressed without registration under the relevant state securities laws. ("**Eligible U.S. Institutions**"). Shareholders resident in, or that hold their securities for the account or benefit of any person in, any such jurisdiction that wish to determine if they are Eligible U.S. Institutions should contact the Company. Holders in, or that hold their securities for the account or benefit of any person in, such jurisdictions that are not Eligible U.S. Institutions will not be permitted to exercise their Rights ("**Ineligible U.S. Holders**") but may transfer the Rights outside of the United States in accordance with Regulation S under the U.S. Securities Act. Shareholders will be presumed to be resident in the place shown on their registered address, unless the contrary is shown to our satisfaction. Neither the offering notice nor this circular is to be construed as an offering of the Rights, nor are the Common Shares issuable upon exercise of the Rights offered for sale in any jurisdiction outside of Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (the "**Ineligible Holders**"). Instead, Ineligible Holders will be sent a letter advising them that their Rights will be held by Computershare Investor Services Inc. (the "**Depository**"), located at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (the "**Subscription Office**"), who will hold such rights as agent for the benefit of all such Ineligible Holders. The letter will also describe the conditions that must be met, and the procedure that must be followed, in order for an Ineligible Holder to particulate in the Offering. Neither the rights offering notice nor this circular is to be constructed as an offering of the Common Shares issuable upon exercise of the Rights to any Ineligible U.S. Holder

What does one right entitle you to receive?	You are entitled to subscribe for 0.125 Common Shares for every one Right held upon payment of the Subscription Price for each one Common Share (called the "**Basic Subscription Privilege**"). No fractional Common Shares will be issued. Where the exercise of Rights would appear to entitle a holder of Rights to receive fractional Common Shares, the holder's entitlement will be reduced to the next lowest whole number of Common Shares. If you exercise your Basic Subscription Privilege in full, you will also be entitled to subscribe pro rata for Common Shares (the "**Additional Common Shares**") not otherwise purchased, if any, pursuant to the Basic Subscription Privilege (called the "**Additional Subscription Privilege**").
What is the Subscription Price?	$3.04 per Common Share (the "**Subscription Price**").
When does the offer expire?	2:00 p.m. (Pacific Daylight Time) on June 24, 2022 (the "**Expiry Time**").
What are the significant attributes of the rights issued under the rights offering and the securities to be issued upon the exercise of the rights?	The Rights are transferable securities within Canada that entitle their holders to subscribe for Common Shares on the terms described in this circular. The Rights may not be transferred to any person within the United States. Holders of Common Shares in the United States who receive Rights may transfer or resell them only in transactions outside of the United States in accordance with Regulation S under the U.S. Securities Act, which generally will permit the resale of the Rights through the facilities of the Toronto Stock Exchange (the "**TSX**") provided that the offer is not made to a person in the United States, neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, and no “directed selling efforts”, as that term is defined in Regulation S under the US Securities Act, are conducted in the United States in connection with the resale. Certain additional conditions are applicable to the Corporation’s “affiliates”, as that term is defined under the U.S. Securities Act. In order to enforce this resale restriction, holders thereof will be required to execute a declaration certifying that such sale is being made outside the United States in accordance with Regulation S under the U.S. Securities Act. Any person within the United States that acquires the Rights through the facilities of the TSX or otherwise, other than pursuant to the initial distribution of Rights by the Company, may be unable to exercise such Rights in accordance with the U.S. Securities Act or applicable securities laws of any state of the United States. The Company reserves the right to reject any such exercise of the Rights by a person within the United States that subsequently acquires the Rights and the acquisition of the Rights by such person within the United States does not constitute an offer of the underlying Common Shares to such person. We are authorized to issue an unlimited number of Common Shares, of which 141,395,941 are issued and outstanding as at the date hereof. Holders of Common Shares are entitled to dividends if, as and when declared by our directors, to one vote per share at meetings of our shareholders and, upon liquidation, to receive such assets of the Company as are distributable to the holders of the Common Shares.

What are the minimum and maximum number or amount of Common Shares that may be issued under the rights offering?	The Offering is not subject to a minimum subscription. The maximum number of Common Shares that may be issued pursuant to the Offering is 17,674,492 (the "**Maximum Offering**").
Where will the rights and the securities issuable upon the exercise of the rights be listed for trading?	The Common Shares are listed on the TSX under the trading symbol "III". The Rights will trade on the TSX under the trading symbol "III.RT.A" until 9:00 a.m. (Pacific Daylight Time) on June 24, 2022.

FORWARD-LOOKING STATEMENTS

This circular contains "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" , or variations or the negative of such words and phrases, or statements that certain actions, events or results "may" , " could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. Forward-looking statements in this circular include, without limitation, statements with respect to: the estimated costs of the Offering; the net proceeds to be available upon completion of the Offering; our working capital requirements over the next twelve months; and the use of proceeds from the Offering.

Forward-looking statements in this circular are subject to a number of risks and uncertainties that may cause the Company's actual results to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Risk factors that could cause actual results or events to differ materially from those expressed in the forward-looking statements include, among other things: uncertainties relating to the cost of completing the Offering; delays in obtaining or failure to obtain required approvals to complete the Offering; and risks that could cause the Company to allocate the proceeds of the Offering in a manner other than as disclosed in this circular, including all of the risks related to the Company's business, financial condition, results of operations and cash flows.

Please refer to our most recently filed Annual Information Form and management's discussion and analysis for the year ended December 31, 2021 and the three months ended March 31, 2022 in respect of material assumptions and risks related to our business financial condition, results of operations and cash flows.

The material factors and assumptions used to develop the forward-looking statements in this circular include: management’s expectations regarding the cost of completing the Offering; that no unforeseen events will affect the Company’s existing working capital; that the Company’s working capital requirements over the next twelve months will be substantially as projected; and that current plans and expected metal prices and exchange rates will proceed in accordance with or remain within range of management's expectations.

Any forward-looking statements in this circular are stated as of the date of this document and the Company does not intend, and does not assume any obligation, to update such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events unless required to do so by applicable laws.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the rights offering?

The Company estimates that it will have the following funds available after giving effect to the Offering:

		Assuming 15% of the Offering	Assuming 50% of Offering	Assuming 75% of Offering	Assuming 100% of Offering
A	Amount to be raised by this offering	$ 8,059,568	$ 26,865,228	$ 40,297,842	$ 53,730,456
B	Selling commissions and fees	$ Nil	$ Nil	$ Nil	$ Nil
C	Estimated offering costs (e.g., legal, accounting, audit)	$ 250,000	$ 250,000	$ 250,000	$ 250,000
D	Available funds	$ 7,809,568	$ 26,615,228	$ 40,047,842	$ 53,480,456
E	Additional sources of funding required	$ Nil	$ Nil	$ Nil	$ Nil
F	Working capital as of March 31, 2022	$ (44,107,000)	$ (44,107,000)	$ (44,107,000)	$ (44,107,000)
G	**Total**	$ (36,297,432)	$ (17,491,772)	$ (4,059,158)	$ 9,373,456

The change in working capital of ($19,060,000) at December 31, 2021 to ($44,107,000) at March 31, 2022 was due to an additional increase in our credit facility of $50,000,000 and subsequent draw downs to fund the restart of the Mount Polley mine and to fund capital expenditures at the Red Chris mine.

How will we use the available funds?

The following table below provides a detailed breakdown of how the Company will use its available funds, including those received pursuant to the Offering.

Description of intended use of available funds listed in order of priority	Assuming 15% of the Offering	Assuming 50% of Offering	Assuming 75% of Offering	Assuming 100% of Offering
Capital expenditures	$ Nil	$ Nil	$ Nil	$ 5,000,000
General working capital purposes	$ Nil	$ Nil	$ Nil	$ 4,373,456
Total	$ Nil	$ Nil	$ Nil	$ 9,373,456

The Company intends to use all of the proceeds from the Rights Offering to pay down its existing credit facility and will make subsequent draw downs to fund capital expenditures at the Red Chris mine and for general working capital purposes. Included within the category “general working capital purposes” are general working capital requirements for all of the Company's business operations, general corporate and administrative activities and exploration activities. The funds currently drawn under the credit facility were used to fund the restart of the Mount Polley mine and to fund capital expenditures at Red Chris mine.

The allocation of the net proceeds of the Offering may be adjusted within the stated categories of expenditures above depending on, among other things, timing of availability of equipment and services, and general political and market conditions. Further, while the Corporation intends to spend the available funds as set forth above, there may be circumstances where, for sound business reasons, a reallocation of the available funds may be necessary. In any event, the available funds will be used by the Corporation in furtherance of its business. See *"Forward-Looking Information"* above.

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

How long will the available funds last?

The Company believes that the combination of cash on hand, proceeds from the Offering, cash flow from current operations and funds from additional financing relating to the restart of Mount Polley will be sufficient to finance the Company's cash requirements through the next 12 months. As disclosed above, a significant amount of the proceeds of the Offering are intended to be used for capital expenditures at the Red Chris mine and general working capital purposes. The period of time that available funds will last is highly dependent on copper and gold prices and production at both the Red Chris and Mount Polley mine.

See "Risk Factors" in the Company's management's discussion and analysis for the audited consolidated annual financial statements for the year ended December 31, 2021 and "Risk Factors" in the Company's management's discussion and analysis for the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2022. See also *"Forward-Looking Information"* above.

INSIDER PARTICIPATION

Will insiders be participating?

To the extent known to the Company after reasonable enquiry, certain directors, officers and shareholders of the Company, have indicated an intention to exercise their rights.

Who are the holders of 10% or more of our securities before and after the rights offering?

To the knowledge of the directors and executive officers of the Company, there are no persons who currently hold 10% or more of the Common Shares or would own 10% or more upon completion of the Offering, except as set forth below:

	Common Shares Held before the Offering		**Common Shares Held after the Offering**	
Name of Shareholder	Number	%	Number	%
Edwards and Edco Financial Holdings Ltd. ("**Edco**")	59,622,910	42.17%	59,622,910	37.48%[(1)]
Fairholme Capital Management, LLC ("**Fairholme**")[(2)]	25,461,804	18.01%	25,461,804	16.01%[(3)]

Notes:

1. Assumes no Rights are exercised by Edco but all Rights in the Offering are exercised.
2. Represents Common Shares held by funds and accounts managed by Fairholme on a discretionary basis, over which Fairholme has direction or control.
3. Assumes no Rights are exercised by Fairholme but all Rights in the Offering are exercised.

DILUTION

If you do not exercise your rights, by how much will your security holdings be diluted?

Assuming issuance of the maximum number of Common Shares under the Offering, your shareholdings will be diluted by approximately 12.50%.

MANAGING DEALER, SOLICITING DEALER AND UNDERWRITING CONFLICTS

Who is the managing dealer/soliciting dealer and what are its fees?

The Company has not retained any party to solicit subscriptions for Common Shares pursuant to the Offering.

HOW TO EXERCISE THE RIGHTS

How does a security holder that is a registered holder participate in the rights offering?

If you are a registered holder of Common Shares (a "**Registered Holder**") in an Eligible Jurisdiction, a subscription form (the "**Rights Subscription Form**") and statement issued under the Depositary's direct registration system (the "**Rights DRS Advice**") representing the total number of Rights to which you are entitled as at the Record Date has been mailed to you with a copy of the Offering notice. To exercise the Rights represented by the Rights DRS Advice, you must complete and deliver the Rights Subscription Form, together with the Rights DRS Advice and the Subscription Price for each Right exercised, in accordance with the instructions set out below. Rights not exercised at or prior to the Expiry Time will be void and of no value. The method of delivery is at the discretion and risk of the holder of the Rights DRS Advice and delivery to the Depository will only be effective when actually received by the Depository at its Subscription Office set forth below under "*Appointment of Depository*". Rights DRS Advices and payments received after the Expiry Time will not be accepted.

In order to exercise your rights you must:

1. **Complete and sign Form 1 on the Rights Subscription Form**. The maximum number of Rights that you may exercise under the Basic Subscription Privilege is shown on the first page of the Rights DRS Advice. If you complete Form 1 so as to exercise some but not all of the Rights evidenced by the Rights DRS Advice, you will be deemed to have surrendered the unexercised balance of such Rights, unless you otherwise specifically advise the Depository at the time the Rights DRS Advice is surrendered to the Depository.

2. **Additional Subscription Privilege**. Complete and sign Form 2 on the Rights Subscription Form only if you wish to also participate in the Additional Subscription Privilege. See "*How to exercise the rights - What is the Additional Subscription Privilege and how can you exercise this privilege?"* below.

3. **Payment**. Enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc. To exercise the Rights, you must pay the Subscription Price per Common share. In addition to the amount payable for any Common Shares you wish to purchase under the Basic Subscription Privilege, you must also pay the amount required for all of the Common Shares you subscribe for under the Additional Subscription Privilege.

4. **Delivery**. You must deliver or mail the completed Rights Subscription Form and Rights DRS Advice and payment in the enclosed return envelope addressed to the Depository so that it is received by the Subscription Office of the Depository set forth below before the Expiry Time. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery.

The signature of the Registered Holder on Form 1 and, if applicable, Form 2 of the Rights Subscription Form must correspond to every particular with the name that appears on the face of the Rights DS Advice.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a corporation or any other person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Depository.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any exercise will be determined by the Company in its sole discretion, and any determination by the Company will be final and binding on the Company and its security holders. Any subscription for Common Shares will be irrevocable once submitted and subscribers will be unable to withdraw their subscriptions for Common Shares once submitted. The Company reserves the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Common Shares pursuant thereto could be unlawful. The Company also reserves the right to waive any defect in respect of any particular subscription. Neither the Company nor the Depository is under any duty to give any notice of any defect or irregularity in any exercise, nor will they be liable for the failure to give any such notice.

How does a security holder that is not a registered holder participate in the rights offering?

You are a beneficial Eligible Holder if you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (each, a "**Participant**") in the book-based system administered by CDS Clearing and Depository Services lnc. ("**CDS**") or The Depository Trust Company ("**DTC**"). The total number of Rights to which all beneficial Eligible Holders as at the Record Date are entitled will be issued to CDS or DTC and will be deposited with CDS or DTC following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from its Participant in accordance with the practices and procedures of that Participant. CDS or DTC will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Neither we nor the Depository will have any liability for (i) the records maintained by CDS or DTC or Participants relating to the rights or the book-entry accounts maintained by them, (ii) maintaining, supervising or reviewing any records relating to such rights, or (iii) any advice or representations made or given by CDS or DTC or Participants with respect to the rules and regulations of CDS or DTC or any action to be taken by CDS or DTC or Participants.

If you are a beneficial Eligible Holder:

1. to exercise your rights held through a Participant, you must instruct such Participant to exercise all or a specified number of such Rights, and forward to such Participant, the Subscription Price for each Common Share that you wish to subscribe for;

2. you may subscribe for Additional Common Shares pursuant to the Additional Subscription Privilege by instructing such Participant to exercise the Additional Subscription Privilege in respect of the number of Additional Common Shares you wish to subscribe for, and forwarding to such Participant the Subscription Price for such Additional Common Shares requested.

Any excess funds will be returned to the relevant Participant for the account of the beneficial holder, without interest or deduction.

Who is eligible to receive the rights?

Registered holders of Rights

The Rights are being offered to shareholders of the Company resident in Eligible Jurisdictions. Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to the satisfaction of the Company. This circular is not to be construed as an offering of the Rights, nor are the Common Shares issuable upon exercise of the Rights offered for sale, in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions.

Ineligible Holders who are registered holders of their Common Shares will be sent a letter advising them that their Rights DRS Advices will be issued to, and held on their behalf by, the Depository and a form of representation letter (the "**Representation Letter**"). The Representation Letter will set out the conditions required to be met, and procedures that must be followed, in order for an Ineligible Holder to participate in the Offering.

Rights DRS Advices in respect of Rights issued to registered Ineligible Holders will be issued to and held by the Depository as agent for the benefit of Ineligible Holders. The Depository will hold the Rights until 5:00 p.m. (Pacific Time) on June 17, 2022 (the "**Qualification Deadline**") in order to provide Ineligible Holders an opportunity to claim a Rights DRS Advice by satisfying us that the issue of Common Shares pursuant to the exercise of Rights will not be in violation of the laws of the applicable jurisdiction. Following such date, the Depository, for the account of registered Ineligible Holders, will, prior to the Expiry Time, attempt to sell the Rights of such registered Ineligible Holders represented by Rights DRS Advices in the possession of the Depository on such date or dates and at such price or prices as the Depository determines in its sole discretion. No charge will be made for the sale of Rights by the Depository except for a proportionate share of any brokerage commissions incurred by the Depository and the costs of or incurred by the Depository in connection with the sale of the rights. Registered Ineligible Holders will not be entitled to instruct the Depository in respect of the price or the time at which the rights are to be sold. The Depository will endeavor to effect sales of Rights on the open market and any proceeds received by the Depository with respect to the sale of Rights net of brokerage fees and costs incurred and, if applicable, the Canadian tax required to be withheld, will be divided on a pro rata basis among such registered Ineligible Holders and delivered by mailing cheques (in Canadian funds) of the Depository therefor as soon as practicable to such registered Ineligible Holders at their addresses recorded on the Company's books. Amounts of less than $10.00 will not be remitted. The Depository will act in its capacity as agent of the registered Ineligible Holders on a best efforts basis only and we and the Depository do not accept responsibility for the price obtained on the sale of, or the inability to sell, the Rights on behalf of any registered Ineligible Holder.

Beneficial holders of Rights

CDS Participants receiving Rights on behalf of Ineligible Holders will be instructed by CDS not to permit the exercise of such Rights unless the holder has completed a Representation Letter. After the Qualification Deadline, CDS Participants should attempt to sell the Rights of Ineligible Holders for the accounts of such holders and should deliver any proceeds of sale to such holders.

Beneficial owners of Common Shares registered in the name of a resident of an Ineligible Jurisdiction, who are not themselves resident in an Ineligible Jurisdiction, who wish to receive Rights and who believe that their Rights DRS Advices may have been delivered to the Depository, should contact their broker at the earliest opportunity to request to have their Rights DRS Advices mailed to them.

The Rights and the Common Shares issuable on the exercise of the Rights have not been qualified for distribution in any Ineligible Jurisdiction and, accordingly, may only be offered, sold, acquired, exercised or transferred in transactions not prohibited by applicable laws in Ineligible Jurisdictions. Notwithstanding the foregoing, persons located in certain Ineligible Jurisdictions may be able to exercise the Rights and purchase Common Shares provided that they furnish the Representation Letter satisfactory to the Company on or before the Qualification Deadline. The form of Representation Letter will be available from the Company or the Depository upon request. Beneficial owners of Rights or Common Shares should contact their broker to obtain the Representation Letter. A holder of Rights in an Ineligible Jurisdiction holding on behalf of a person resident in an Eligible Jurisdiction may be able to exercise the Rights provided the holder certifies in the Representation Letter that the beneficial purchaser is resident in an Eligible Jurisdiction and satisfies the Company that such subscription is lawful and in compliance with all securities and other applicable laws.

U.S. Shareholders

The Company has filed with the SEC in the United States a Registration Statement on Form F-7 under the U.S. Securities Act (the "**Registration Statement**") so that the Common Shares issuable upon the exercise of the Rights will not be subject to transfer restrictions. Notwithstanding registration under the U.S. Securities Act, the securities or blue sky laws of certain states (including Arizona, Arkansas, California, Minnesota, Ohio, Utah and Wisconsin) may restrict exercise of the Rights. In those states, Rights may only be exercised by shareholders to which solicitations may be addressed without registration under the relevant state securities laws ("**Eligible U.S. Institutions**"). Shareholders resident in, or that hold their securities for the account or benefit of any person in, any such jurisdiction any such jurisdiction that wish to determine if they are Eligible U.S. Institutions should contact the Company, Attention Darb Dhillon, telephone 604-488-2658. Holders in, or that hold their securities for the account or benefit of any person in, any such jurisdiction that are not Eligible U.S. Institutions will not be permitted to exercise their Rights but may transfer the Rights outside of the United Sates in accordance with Regulation S under the U.S. Securities Act as described below

The Rights may not be transferred to a person within the United States and may be transferred only in transactions outside of the United States in accordance with Regulation S under the U.S. Securities Act, which will permit the resale of the Rights by persons through the facilities of the TSX, provided that the offer is not made to a person in the United States, neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, and no "directed selling efforts", as that term is defined in Regulation S under the U.S. Securities Act, are conducted in the United States in connection with the resale. Certain additional conditions are applicable to the Company's "affiliates", as that term is defined under the U.S. Securities Act. In order to enforce this resale restriction, holders thereof will be required to execute a declaration certifying that such sale is being made outside the United States in accordance with Regulation S under the U.S. Securities Act, which is included as part of Form 3. Any person within the United States that acquires the Rights through the facilities of the TSX or otherwise, other than pursuant to the initial distribution of Rights by the Company, may be unable to exercise such Rights in accordance with the U.S. Securities Act or applicable securities laws of any state of the United States. The Company reserves the right to reject any such exercise of the Rights by a person within the United States that subsequently acquires the Rights and the acquisition of the Rights by such person within the United States does not constitute an offer of the underlying Common Shares to such person.

What is the Additional Subscription Privilege and how can you exercise this privilege?

Registered holders of Rights

If you exercise all of your Rights under the Basic Subscription Privilege, you may subscribe for additional Common Shares that have not been subscribed and paid for pursuant to the Basic Subscription Privilege (the "**Additional Common Shares**") pursuant to the Additional Subscription Privilege. If you wish to exercise the Additional Subscription Privilege, you must first exercise your Basic Subscription Right in full by completing Form 1 on the Rights Subscription Form for the maximum number of Common Shares that you may subscribe for and also complete Form 2 on the Rights Subscription Form, specifying the number of Additional Common Shares desired. Send the purchase price for the Additional Common Shares under the Additional Subscription Privilege with your Rights Subscription Form and Rights DRS Advice to the Depository. The purchase price is payable in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc. These funds will be placed in a segregated account pending allocation of the Additional Common Shares, with any excess funds being returned by mail without interest or deduction. Interest, if any, earned on such funds will be for our benefit.

If the aggregate number of Additional Common Shares subscribed for by those who exercise their Additional Subscription Privilege is less than the number of available Additional Common Shares, each such holder of rights will be allotted the number of Additional Common Shares subscribed for under the Additional Subscription Privilege.

If the aggregate number of Additional Common Shares subscribed for by those who exercise their Additional Subscription Privilege exceeds the number of available Additional Common Shares, each such holder of rights will be entitled to receive the number of Additional Common Shares equal to the lesser of:

1. the number of Additional Common Shares subscribed for by the holder under the Additional Subscription Privilege; and

2. the product (disregarding fractions) obtained by multiplying the aggregate number of Additional Common Shares available through unexercised rights by a fraction, the numerator of which is the number of rights previously exercised by the holder and the denominator of which is the aggregate number of rights previously exercised by all holders of rights who have subscribed for Additional Common Shares under the Additional Subscription Privilege.

As soon as practicable after the Expiry Time, the Depository will mail to each holder of rights who completed Form 2 on the Rights Subscription Form, a statement for the Additional Common Shares which that holder has purchased and shall return to the holder any excess funds paid for the subscription of Additional Common Shares by such holder under the Additional Subscription Privilege, without interest or deduction.

Beneficial holders of Rights

If you are a beneficial holder of rights through a Participant in CDS and you wish to exercise your Additional Subscription Privilege, you must deliver your payment and instructions to the Participant sufficiently in advance of the Expiry Time to allow the Participant to properly exercise the Additional Subscription Privilege on your behalf.

How does a rights holder sell or transfer rights?

Registered Holders of Rights

The rights will trade on the TSX under the trading symbol "III.RT.A" until 9:00 a.m. (Pacific Daylight Time) on June 24, 2022. Holders of Rights DRS Advices not wishing to exercise their rights may sell or transfer them directly or through their securities broker or dealer at the shareholder’s expense, subject to any applicable resale restrictions. Rights DRS Advices will not be issued and forwarded to Ineligible Shareholders. Holders of Rights DRS Advices may elect to exercise only a part of their rights and dispose of the remainder, or dispose of all of their rights. Any commission or other fee payable in connection with the exercise or any trade of rights is the responsibility of the holder of such rights. Depending on the number of rights a holder may wish to sell, the commission payable in connection with a sale of rights could exceed the proceeds received from such sale.

If you wish to transfer your rights, a Stock Power of Attorney form (the "**Transfer Form**") will need to be obtained from the Depositary and completed, have the signature guaranteed by an "eligible institution" to the satisfaction of the Depository and deliver the Rights DRS Advice and Transfer Form to the transferee. For this purpose, eligible institution means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program, or a member of the Stock Exchange Medallion Program. Members of these programs are usually members of a recognized stock exchange in Canada or members of the Investment Industry Regulatory Organization of Canada.

It is not necessary for a transferee to obtain a new Rights DRS Advice to exercise the rights or the Additional Subscription Privilege, but the signature of the transferee on Forms 1 and 2 must correspond in every particular with the name of the transferee shown on the Transfer Form. If the Transfer Form is properly completed, the Company and the Depository will treat the transferee as the absolute owner of the Rights DRS Advice for all purposes and will not be affected by notice to the contrary. A Rights DRS Advice so completed should be delivered to the appropriate person in ample time for the transferee to use it before the expiration of the rights.

Beneficial holders of Rights

If you hold Common Shares through a Participant, you must arrange for the exercise, transfer or purchase of rights through that Participant.

U.S. Restriction

The Rights may not be transferred to a person within the United States and may be transferred only in transactions outside of the United States in accordance with Regulation S under the U.S. Securities Act, which will permit the resale of the Rights by a Rights holder through the facilities of the TSX, provided that the offer is not made to a person in the United States, neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, and no "directed selling efforts", as that term is defined in Regulation S under the U.S. Securities Act, are conducted in the United States in connection with the resale. Certain additional conditions are applicable to the Company's "affiliates", as that term is defined under the U.S. Securities Act. In order to enforce this resale restriction, a Rights holder thereof will be required to execute a declaration certifying that such sale is being made through the facilities of the TSX in accordance with Regulation S under the U.S. Securities Act.

When can you trade securities issuable upon the exercise of your rights?

The Common Shares are listed on the TSX under the trading symbol "III" and will be available for trading as soon as practicable after June 27, 2022.

Are there restrictions on the resale of securities?

Rights offered to holders in Canada and the Common Shares issuable on exercise of such Rights may be resold without hold period restrictions under the applicable Canadian securities laws, including through the facilities of the TSX, by such holders provided that: (i) the sale is not by a "control person" of the Company; (ii) no unusual effort is made to prepare the market or create a demand for the securities being resold; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the resale; and (iv) if the selling security holder is an insider or officer of the Company, the selling security holder has no reasonable grounds to believe that the Company is in default of securities legislation.

The Company has filed with the SEC in the United States the Registration Statement so that the Common Shares issuable upon the exercise of the Rights will not be subject to transfer restrictions in the United States. However, the Rights may be transferred only in transactions outside of the United States in accordance with Regulation S under the U.S. Securities Act. See "How does a rights holder sell or transfer rights? – U.S. Restriction" above.

Each holder is urged to consult their professional advisor to determine the exact conditions and restrictions applicable to the right to trade in securities.

Will we issue fractional underlying securities upon exercise of the rights?

No. Where the exercise of Rights would appear to entitle the holder of rights to fractional Common Shares, the holder's entitlement will be reduced to the next lowest whole number of Common Shares, and no cash or other consideration will be paid in lieu thereof.

APPOINTMENT OF DEPOSITORY

Who is the Depository?

Computershare Investor Services Inc. is the Depository for the Offering. The Depository has been appointed to receive subscriptions and payments from holders of Rights and to perform the services relating to the exercise and transfer of Rights.

ADDITIONAL INFORMATION

Where can you find more information about us?

You can access our continuous disclosure documents filed with the Canadian securities regulators under our issuer profile at www.sedar.com.

MATERIAL FACTS AND MATERIAL CHANGES

There is no material fact or material change about the Company that has not been generally disclosed.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been filed with the SEC as part of the Registration Statement of which this Circular forms a part: (i) the Company’s Annual Information Form for the year ended December 31, 2021; (ii) the Company’s audited consolidated annual financial statements as at and for the years ended December 31, 2021 and 2020; (iii) the Company’s management's discussion and analysis for the audited consolidated annual financial statements for the year ended December 31, 2021; (iv) the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2022 and the corresponding management’s discussion and analysis; (v) the management information circular dated April 1, 2022 (vi) the consent of Deloitte LLP; (v) the consent of certain technical experts; (vi) the press release dated May 19, 2022 relating to the Rights; and (vii) powers of attorney. Shareholders in the U.S. are encouraged to read the Registration Statement, including exhibits, carefully and in their entirety prior to making any investment decision.

PART II—INFORMATION NOT REQUIRED TO BE SENT TO SHAREHOLDERS

The exhibits to this registration statement are:

Exhibit	Description
99.1	Annual Information Form dated March 25, 2022 for the year ended December 31, 2021
99.2	Audited Consolidated Annual Financial Statements as at and for the years ended December 31, 2021 and 2020
99.3	Management's Discussion and Analysis for the year ended December 31, 2021
99.4	Unaudited Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2022 and 2021
99.5	Management's Discussion and Analysis for the three months ended March 31, 2022
99.6	Management Information Circular dated April 1, 2021
99.7	Consent of Deloitte LLP
99.8	Consent of Ryan Brown
99.9	Consent of Gary Roste
99.10	Consent of Janice Baron
99.11	Consent of Chris Rees
99.12	Consent of Rob Stewart
99.13	Consent of Brett Swanson
99.14	Consent of Michael Sykes
99.15	Consent of Laurie Reemeyer
99.16	Consent of Bing Wang
99.17	Consent of Philip Stephenson
99.18	Powers of Attorney (contained on the signature pages of this registration statement)
99.19	Press Release dated May 19, 2022 regarding the Rights Offering

PART III—CONSENT TO SERVICE OF PROCESS

Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-7 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Vancouver, British Columbia, Canada, on May 19, 2022.

IMPERIAL METALS CORPORATION

By: /s/ J. Brian Kynoch
Name: J. Brian Kynoch
Title: President

SIGNATURES AND POWER OF ATTORNEY

The Registrant and each person whose signature appears below constitutes and appoints each of Brian Kynoch and Darb Dhillon as his or her true and lawful attorney-in-fact and agent with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this registration statement and registration statements filed pursuant to Rule 429 under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ J. Brian Kynoch J. Brian Kynoch	President and Director (Principal Executive Officer)	May 19, 2022
/s/ Darb Dhillon Darb Dhillon	Chief Financial Officer (Principal Financial and Accounting Officer)	May 19, 2022
/s/ Pierre Lebel Pierre Lebel	Chairman	May 19, 2022
/s/ Larry G. Moeller Larry G. Moeller	Lead Director	May 19, 2022
/s/ Theodore W. Muraro Theodore W. Muraro	Director	May 19, 2022
/s/ Janine North Janine North	Director	May 19, 2022
/s/ Edward A. Yurkowski Edward A. Yurkowski	Director	May 19, 2022
/s/ James P. Veitch James P. Veitch	Director	May 19, 2022

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of Section 6(a) of the Securities Act of 1933, the undersigned has signed this Registration Statement, solely in its capacity as the duly authorized representative of Imperial Metals Corporation in the United States, on May 19, 2022.

STERLING GOLD MINING CORPORATION

By: /s/ J. Brian Kynoch

Name: J. Brian Kynoch

Title: President

INDEX TO EXHIBITS

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Exhibit 99.1

Imperial Metals Corporation

Annual Information Form

For the Year Ended December 31, 2021

March 25, 2022

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Table of Contents

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Content Information

All references in this Annual Information Form (“AIF”) to “Imperial”, “Company”, “we” and “our” apply collectively to Imperial Metals Corporation and its subsidiaries.

Cautionary Note Regarding Forward-Looking Information

This AIF provides material information about Imperial Metals Corporation and its business, operations and developments for the year ended December 31, 2021, and plans for the future based on facts and circumstances as at March 25, 2022.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking information which are prospective in nature and reflect the current views and/or expectations of Imperial. Often, but not always, forward-looking information can be identified by the use of statements such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such information includes, without limitation, statements regarding: future impacts of the COVID-19 pandemic; the ability to continue operations in lieu of the COVID-19 pandemic; the effectiveness of preventative actions put in place by the Company to respond to the COVID-19 pandemic; mine plans; plans and timing of current and proposed exploration, drilling and development; production and marketing; capital expenditures; expectations regarding the care, maintenance and rehabilitation activities at Mount Polley mine; expectations regarding updates to the mine restart plans and timelines for milling operations at Mount Polley mine; the Company’s ability to secure financing to fund the restart of Mount Polley mine; anticipated benefits and proceeds of the joint venture partnership with Newcrest Mining Limited (“Newcrest”) including expectations that it will enable the Company to unlock significant value at Red Chris by leveraging Newcrest’s unique technical expertise in block caving operations; plans to construct a portal site and exploration decline into the deep East Zone; expectations and timing regarding an ore reserve estimate; expectations and timing regarding a pre-feasibility study initiated by the Operator on the development of an underground block cave mining operation at Red Chris; expectations and timing regarding the initiation of a feasibility study at Red Chris; expectations regarding the potential cost and length of life mine of Red Chris; adequacy of funds for projects and liabilities, including the payment of fees related to the guarantee of the Company’s Credit Facility; expectations relating to the receipt of necessary regulatory permits, approvals or other consents; the Company’s belief in the merit of and expectations regarding the allegations of a securities class action claim; outcome and impact of litigation; cash flow; working capital requirements; expectations relating to the requirement for additional capital; expectations relating to results of operations, production, revenue, margins and earnings; future prices of copper and gold; future foreign currency exchange rates and impact; future accounting changes; future prices for marketable securities; expectations with respect to declaring cash dividends or distributions on securities; and expectations regarding opportunities and standing with respect to greenfield exploration properties.

Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates, including, but not limited to, assumptions that: the scope and duration of the COVID-19 pandemic and its impact on our business will not be significant and the Company's operations will be able to return to normal after the COVID-19 pandemic has subsided; the Company will have access to capital as required and will be able to fulfill its funding obligations as the Red Chris minority joint venture partner; there are risks related to holding non-majority investment interest in the Red Chris mine; the Company will be able to advance and complete remaining planned rehabilitation activities within expected timeframes; there will be no significant delay or other material impact on the expected timeframes or costs for completion of rehabilitation of the Mount Polley mine and implementation of the Mount Polley long term water management plan; the Company's initial rehabilitation activities at Mount Polley will be successful in the long term; all required permits, approvals and arrangements to proceed with planned rehabilitation and the Mount Polley long term water management plan will be obtained in a timely manner; the Company's belief that the appeals with respect to decisions in favour of the Company are without merit; there will be no material operational delays at the Red Chris mine; equipment will operate as expected; there will not be significant power outages; there will be no material adverse change in the market price of commodities and exchange rates; and the Red Chris mine will achieve expected production outcomes (including with respect to mined grades and mill recoveries and access to water as needed). Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. We can give no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Imperial's actual results, revenues, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements constituting forward-looking information. Important risks that could cause Imperial's actual results, revenues, performance or achievements to differ materially from Imperial's expectations include, among other things: the risk that the Company's beneficial interest of the Red Chris mine may be diluted over time should it not have access to capital as required and will not be able to meet its funding obligations as the Red Chris minority joint venture partner; additional financing that may be required may not be available to Imperial on terms acceptable to Imperial or at all; uncertainty regarding the outcome of sample testing and analysis being conducted on the area affected by the Mount Polley Breach; risks relating to the timely receipt of necessary approvals and consents to proceed with the rehabilitation plan and the Mount Polley long term water management plan; risks relating to the remaining costs and liabilities and any unforeseen longer-term environmental consequences arising from the Mount Polley Breach; uncertainty as to actual timing of completion of rehabilitation activities and the implementation of the Mount Polley long term water management plan; risks relating to the impact of the Mount Polley Breach on Imperial's reputation; risks relating to mining operations; uncertainty regarding general economic conditions; uncertainty regarding the short-term and long-term impact of the COVID-19 pandemic on the Company's operations and investments and on the global economy and metals prices generally; risks associated with competition within the mining industry; the Company's dependency on third party smelters; risks relating to trade barriers; the quantum of claims, fines and penalties that may become payable by Imperial and the risk that current sources of funds are insufficient to fund liabilities; risks that Imperial will be unsuccessful in defending against any legal claims or potential litigation; risks of protesting activity and other civil disobedience restricting access to the Company's properties; failure of plant, equipment or processes to operate in accordance with specifications or expectations; cost escalation, unavailability of materials and equipment, labour unrest, power outages, and natural phenomena such as weather conditions and water shortages negatively impacting the operation of the Red Chris mine; changes in commodity and power prices; changes in market demand for our concentrate; risks that the COVID-19 pandemic may adversely affect copper prices, impact our ability to transport or market our concentrate, cause disruptions in our supply chains and create volatility in commodity prices and demand; inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources); uncertainty relating to mineral resource and mineral reserve estimates; uncertainty relating to production estimates; risks associated with mineral exploration and project development; fluctuations in exchange rates and interest rates; risks associated with permitting and government regulations; environmental and health and safety matters; risks relating to joint venture projects; risks relating to foreign operations; dependence on key management personnel; taxation risk; conflicts of interest; cyber threats; risks relating to the use of derivative contracts and other hazards and risks disclosed within the Management's Discussion & Analysis for the year ended December 31, 2021 and other public filings which are available under the Company's profile on sedar.com. For the reasons set forth above, investors should not place undue reliance on forward-looking information. Imperial does not undertake to update any forward- looking information, except in accordance with applicable securities laws.

Date of Information

Unless otherwise stated, the information within this AIF is for Imperial's financial year ended December 31, 2021.

Currency

The reporting currency of the Company is the Canadian ("CDN") Dollar, unless otherwise indicated.

Reference for Select Abbreviations

The following abbreviations may be used in this document:

mm = millimetre	oz = ounces
cm = centimetre	lbs = pounds
m = metre	kg = kilogram
Masl = metres above sea level	g = gram
m^3 = cubic metre	g/t = grams per tonne
km = kilometre	t/d = tonnes per day
ha = hectare	kV = kilovolt
M = million	kW = kilowatt
MT = million tonnes	hp = horsepower
ppm = parts per million	SAG = semi autogenous
NAG = non acid generating	QA/QC = Quality Assurance/Quality Control
PAG = potentially acid generating	mRL = metres Relative Level

Provincial BC Ministries:
MFLNRORD = Ministry of Forest, Lands, Natural Resource Operations and Rural Development
MECCS = Ministry of Environment and Climate Change Strategy
MEMLCI = Ministry of Energy, Mines and Low Carbon Innovation

Reference for Conversions

Imperial Measure Conversion to Metric Unit

2.470acres	=	1 hectare
3.280feet	=	1 metre
0.620miles	=	1 kilometre
2.205pounds	=	1 kilogram
1.102(short) tons	=	1 tonne

Metric Unit Conversion to Imperial Measure

0.4047	hectare	=	1 acre
0.3048	m	=	1 foot
1.6093	kilometre	=	1 mile
0.4540	kilograms	=	1 pound
0.9072	tonnes	=	1 ton

Definitions for Mineral Resource & Mineral Reserve Estimates

Resource and Reserve Classifications

This AIF adheres to the resource/reserve definitions and classification criteria developed by the Canadian Institute of Mining and Metallurgy ("CIM"). The CIM Definition Standards on Mineral Resources and Reserves ("CIM Definition Standards") establish definitions and guidance on the definitions for mineral resources, mineral reserves, and mining studies used in Canada. The Mineral Resource, Mineral Reserve, and Mining Study definitions are incorporated by reference into National Instrument 43-101–*Standards of Disclosure for Mineral Projects* ("NI 43-101"). The CIM Definition Standards are summarized below. For additional information refer to *cim.org*.

Mineral Resource

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Indicated Mineral Resource

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Measured Mineral Resource

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

Mineral Reserve

Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

Probable Mineral Reserve

A Probable Mineral Reserve is the economically mineable part of an Indicated Mineral Reserve, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

The Qualified Person (as defined in NI 43-101) may elect, to convert Measured Mineral Resources to Probable Mineral Reserves if the confidence in the modifying factors is lower than that applied to a Proven Mineral Reserve. Probable Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study.

Proven Mineral Reserve

A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the modifying factors.

Application of the Proven Mineral Reserve category implies the Qualified Person (as defined in NI 43-101) has the highest degree of confidence in the estimate with the consequent expectation in the minds of the readers of the report. The term should be restricted to that part of the deposit where production planning is taking place and for which any variation in the estimate would not significantly affect the potential economic viability of the deposit. Proven Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study. Within the CIM Definition standards the term Proved Mineral Reserve is an equivalent term to a Proven Mineral Reserve.

Mineral Resource & Mineral Reserve Classification

The CIM Definition Standards provide for a direct relationship between Indicated Mineral Resources and Probable Mineral Reserves and between Measured Mineral Resources and Proven Mineral Reserves. In other words, the level of geoscientific confidence for Probable Mineral Reserves is the same as that required for the in situ determination of Indicated Mineral Resources and for Proven Mineral Reserves is the same as that required for the in situ determination of Measured Mineral Resources.

Company Business & Corporate Structure

Imperial is a Vancouver based mining company active in the acquisition, exploration, development, mining and production of base and precious metals.

The Company's registered and records office address is Suite 200, 580 Hornby Street, Vancouver, British Columbia, Canada V6C 3B6. Imperial was incorporated under the British Columbia *Company Act*, which was superseded by the British Columbia *Business Corporations Act*, on December 6, 2001 under the name IMI Imperial Metals Inc. Imperial changed its name to Imperial Metals Corporation on April 10, 2002.

Principal Properties	Metals Mined	Mining Method	Location
Mount Polley[(1)]	copper/gold	open pit & underground	British Columbia
Red Chris[(2)]	copper/gold	open pit	British Columbia

[(1)] Mine on care & maintenance status. Operations suspended May 31, 2019.
[(2)] Imperial holds 30% interest. Newcrest Mining Limited holds 70% interest and is the project operator

Principal Subsidiaries	Ownership	Jurisdiction of Incorporation
Red Chris Development Company Ltd.	100%[(1)]	British Columbia
Mount Polley Mining Corporation	100%	British Columbia
CAT-Gold Corporation	100%[(1)]	Canada

[(1)] Imperial owns 100% of CAT-Gold Corporation, which in turn owns 100% of Red Chris Development Company Ltd.

A list of Imperial subsidiaries is provided in Note 16 of the December 31, 2021 financial statements.

Employees

At December 31, 2021, Imperial and its subsidiaries had 49 employees. Mount Polley is on care and maintenance status, but when operating, the mine employs approximately 300-350 workers. The Red Chris mine had approximately 678 employees at year end.

Principal Markets & Distribution

Copper concentrate produced at the Red Chris mine is trucked to and shipped from the Port of Stewart. When in operation, copper concentrate from the Mount Polley mine is trucked to and shipped from the Port of Vancouver.

The primary market for copper concentrate is Asia.

Revenue by Product (000's)	2021	2020
Copper	$ 94,950	$ 93,921
Gold	$ 36,098	$ 51,313
Silver	$ 1,570	$ 1,058

Competitive Conditions and Cycles

The Company's business is to produce and sell metal concentrates at prices determined by world markets over which we have no influence or control. These markets are cyclical. Our competitive position is determined by our costs compared to those of other producers throughout the world, and by our ability to maintain our financial capacity through metal price cycles and currency fluctuations. Costs are governed principally by the location, grade and nature of mineral deposits, labour, costs of equipment, fuel, power and other inputs, as well as by operating and management skill. Over the long term, our competitive position will be determined by our ability to locate, acquire and develop economic mineral deposits and replace current production, as well as by our ability to hire and retain skilled employees. In this regard, we also compete with other mining companies for employees, mineral properties, joint venture agreements, capital and the acquisition of investments in other mining companies.

Environmental Protection

Our current and future operations, including development activities and production on our properties or areas in which we have an interest, are subject to laws and regulations governing protection and remediation of the environment, site reclamation, management of toxic substances and similar matters. Compliance with these laws and regulations can affect the planning, designing, operating, closing and remediating of our mines.

We work to apply technically proven and economically feasible measures to protect the environment throughout exploration, construction, mining, processing and closure. Although we believe that our operations and facilities are currently in substantial compliance in all material respects with all existing laws, regulations and permits, there can be no assurance that additional significant costs will not be incurred to comply with current or future regulations or that liabilities associated with non-compliance will not be incurred.

The total liability for reclamation and closure cost obligations, which represent the Company's estimate of the present value of future cash outflows required to settle estimated reclamation obligations at the end of a mine's life associated with the Mount Polley, Red Chris, Huckleberry and Ruddock Creek properties, as calculated for financial disclosure purposes as at December 31, 2021, was $147.6 million (2020-$127.8 million). The estimated future cash flows were then inflated using inflation rates between 1.5% and 2.0% (December 31, 2020-1%). The total provision for closure and decommissioning costs is calculated using discount rates between 1.76% to 3.76% (December 31, 2020-2.24% to 3.24%). Changes in any of these factors can result in a change to future site reclamation liabilities and the related accretion of future site reclamation provisions. At December 31, 2021, the Company had a provision of $0.5 million (2020-$1.1 million) for future rehabilitation activities related to the August 4, 2014 tailings dam breach ("Mount Polley Breach").

Specialized Skill and Knowledge

The nature of the Company's business requires specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, implementation of exploration programs, operations, treasury and accounting. To date, Imperial has been successful in locating and retaining employees and consultants with such skills and knowledge and believes it will continue to be able to do so.

There are material risks that could cause actual results to differ materially from our current expectations. The risks associated with our business, include those related to, but are not limited to: risks associated with the rehabilitation activities from the Mount Polley Breach; risks inherent in the mining and metals business; commodity price fluctuations and the effects of hedging; general economic conditions; competition for mining properties; sale of products and future market access; risks resulting from the global COVID-19 pandemic; availability and cost of key inputs; reliance on third parties; risks associated with trade barriers; mineral reserves and resource estimates; production estimates; exploration and development; currency fluctuations; interest rate risks; exchange rate risks; financing risks; the risk that further advances may not be available under credit facilities; risks associated with maintaining substantial levels of indebtedness, including potential financial constraints on operations; regulatory and permitting risks; environmental risks; joint venture risks; foreign activity risks; legal proceedings; infrastructure risks; dependence on key management personnel; taxation risks; conflicts of interest; reclamation risks; accounting risks and other risks and uncertainties. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of these events actually occur our business, prospects, financial condition, cash flows and operating results could be materially harmed. Full disclosure of the Company's *Risk Factors* is provided in the December 31, 2021 Management's Discussion & Analysis available under Imperial's profile on sedar.com or on the Imperial website imperialmetals.com.

General Development & Outlook

Corporate General

On January 7, 2019, the Company announced that, due to declining copper prices, the operations at the Mount Polley mine will be suspended. Mount Polley mine was placed on care and maintenance status effective May 30, 2019.

On January 17, 2019, the Company issued 3,542,814 common shares in payment of $4.3 million of interest due on the Convertible Debentures.

On February 15, 2019, the Company issued 2,785,080 common shares in payment of $3.8 million of interest due on September 30, 2018 and December 31, 2018 for the Junior Credit Facility.

In mid-February and early March, the Company extended the maturity dates on several of its credit facilities to mature on March 15, 2019.

On March 10, 2019, the Company entered into an agreement to sell a 70% interest in the Red Chris mine to Newcrest for US$804.4 million, subject to debt and working capital adjustments. The Company would retain a 30% interest in the mine.

On March 14, 2019, the Company extended the maturity dates on the following credit facilities:

- the Senior Credit Facility extended from March 15, 2019 to September 5, 2019
- the Second Lien Credit Facility extended from March 15, 2019 to September 9, 2019
- the Junior Credit Facility from March 15, 2019 to September 12, 2019
- the Bridge Loan extended from March 15, 2019 to September 11, 2019

On March 15, 2019, the Company refinanced US$98.4 million of its US$325.0 million Senior Unsecured Notes due March 15, 2019 (the "Senior Notes"). Edco Capital Corporation ("Edco") subscribed for US$98.4 million of additional Senior Notes on the same terms and conditions as the existing Senior Notes. Such funding enabled the Company to repay an equal dollar amount of the principal of the Senior Notes that were payable in full on March 15, 2019, being US$98.4 million. The remaining existing holders of Senior Notes in the principal amount of US$226.6 million agreed, as did Edco in respect to the additional Senior Notes, to extend the maturity date of the Senior Notes until September 15, 2019.

On July 9, 2019, the Company issued 1,379,695 common shares in payment of $3.4 million of interest due on the 2014 Convertible Debentures.

On August 15, 2019, the Company completed the sale of a 70% interest in its Red Chris copper and gold mine to Newcrest for a final purchase price of US$804.4 million, subject to debt and working capital adjustments. A joint venture was formed between the Company and Newcrest for the operation of Red Chris mine, with Newcrest acting as operator. Upon receipt of the sale proceeds, the Company repaid substantially all its debt totalling US$775 million, as follows:

- Senior secured revolving credit facility of $200.0 million
- Second lien secured revolving credit facility of $50.0 million
- Secured bridge loan of $26.0 million
- Unsecured junior credit facility of $75.0 million
- Unsecured convertible debentures (2014) of $115.0 million
- Unsecured convertible debentures (2015) of $30.0 million
- Unsecured line of credit of $10.0 million

- Certain equipment loans of about $1.7 million
- Senior unsecured notes of US$325.0 million

The Company’s remaining obligations are related to letters of credit, which are supported by a $50.0 million credit facility for future reclamation liabilities entered into in October 2019, and a 30% share of Red Chris Joint Venture equipment loans and obligations related to the Northwest Transmission Line.

The $50.0 million credit facility was due in October 2020 but was extended into October 2021. The facility is secured by shares of all material subsidiaries and a floating charge on certain assets of the Company.

With the exception of the advent of the COVID-19 pandemic in early 2020, there were no significant developments during 2020 which had an influence on the Company’s general business.

Mining was declared an essential service in British Columbia in early 2020, and the Company implemented measures to reduce and mitigate the risk to employees, operations and projects. The continuing impact of COVID-19 to travel and other operating restrictions established to curb the spread of COVID-19, could materially and adversely impact the Company’s current plans by causing a temporary closure of the Red Chris mine, suspending planned exploration work, causing an economic slowdown resulting in a decrease in the demand for copper and gold, negatively impacting copper and gold prices, impacting the Company’s ability to transport or market the Company’s concentrate or causing disruptions in the Company’s supply chains.

On February 10, 2021, the Company reported that construction had commenced on the portal site for an exploration decline into the deep East zone at Red Chris mine. The Red Chris Joint Venture approved $135.0 million (on a 100% basis) of funding for the construction of the exploration decline and associated infrastructure and permitting costs.

On March 10, 2021, the Company entered into a $10.0 million promissory note financing (“Note”) with an affiliate of its major shareholder. The Note matures on April 1, 2022 and bears interest of 8.0% per annum. The Note was fully repaid on June 28, 2021, prior to its maturity date.

On March 15, 2021, the Company acquired a 30% interest in the GJ Property for a payment of $3.0 million to Newcrest Red Chris Mining Limited.

On March 30, 2021, the Red Chris Mineral Resource update was released, and it is a key input into the Pre-Feasibility Study (“PFS”) which had been initiated on the development of a high margin underground block cave mine at Red Chris. An ore reserve estimate which for the first time will include a block cave operation at Red Chris is expected to be released within the same timeframe as the PFS.

On April 27, 2021, the Company announced a Normal Course Issuer Bid to provide for purchases of its common shares to satisfy its obligations under the Non-Management Directors’ Plan and the Share Purchase Plan.

On June 25, 2021, the Company completed a Rights Offering pursuant to which it issued a total of 12,853,267 common shares at a price $4.70 per common shares for gross proceeds of approximately $60.4 million. The Company issued a total of 10,992,281 common shares under basic subscription privileges in the Rights Offering and a total of 1,860,986 common shares under additional subscription privileges.

On July 2, 2021, the Red Chris Joint Venture received a Notice of Proposed Transfer and Right of First Refusal Offer regarding the sale of an existing 1% Net Smelter Returns Royalty in consideration of US$165.0 million. The Right of First Refusal was not exercised by the Red Chris Joint Venture.

On July 8, 2021, the Company acquired 100% interest in the Ruddock Creek high grade zinc-lead project by purchasing the remaining 54.72% interest held by its previous joint venture partners.

On July 15, 2021, the Company's subsidiary, Huckleberry Mines Ltd., purchased five mineral tenures from ArcWest Exploration Inc. ("ArcWest"). The claims cover 2,526 hectares and are located north of the Huckleberry Mine mining lease. Consideration payable was $50,000 cash and the granting to ArcWest a 1% Net Smelter Returns Royalty.

On July 26, 2021, the Company granted PJX Resources Inc. ("PJX") a five-year option to acquire 100% interest in the Estella Property located northeast of Cranbrook, B.C. The property consists of 14 Crown granted mineral claims covering approximately 224 hectares. Consideration payable to Imperial are staged payments totalling $250,000 and the granting to PJX of a 2% Net Smelter Returns Royalty.

On October 11, 2021, the Company reported highlights of the Red Chris Block Cave Pre-Feasibility Study ("PFS"). With the completion of the PFS, the Operator has approved preparation of a Feasibility Study which is expected to be completed in the first half 2023. On November 29, 2021, the NI 43-101 Technical Report for Red Chris was filed.

On October 20, 2021, the Company received notice that the binding arbitration of the claim from a contractor filed in the June 2020 period was completed. The arbitrator's partial final award dismissed all of the contractor's claims and found the contractor liable for numerous misrepresentations and for overbilling. Damages payable by the contractor will be determined in the next phase of arbitration.

On October 29, 2021, the existing Credit Facility was increased from $50.0 million to $75.0 million maturing October 9, 2022. The increase of $25.0 million in the facility is guaranteed by an affiliate of the Company's major shareholder, to which the Company will pay certain fees for providing the guarantee.

On December 7, 2021, the Company acquired four mineral claims totalling 6,834.47 hectares from Freeport-McMoRan Mineral Properties Canada Inc. for the consideration of claim assessment work expenditures and a 0.5% Net Smelter Return Royalty.

Subsequent to December 31, 2021, the Company reported the following:

On January 19, 2022, the Company reached an agreement with the Province of British Columbia for the surrender of Giant Copper mineral claims located 37 km east of Hope, BC, Canada. The Company received $24.0 million as consideration that covers all prior investments in the Giant Copper claim area.

On February 28, 2022, the Company increased its existing Credit Facility from $75.0 million to $100.0 million. This additional increase of $25.0 million in the facility is guaranteed by a related party.

Outlook

The Company's plans for 2022 and beyond could continue to be impacted by the effects of the COVID-19 pandemic.

The Operator provided metals production guidance (100%) for Red Chris mine, for the period July 1, 2021, to June 30, 2022 (period conforms to the Operator's June 30 annual year end), in the range of 50.7 to 55.1 million pounds copper and 40 to 42 thousand ounces gold.

Exploration for 2022 will be focused on Red Chris, with 100,000 metres of drilling planned and continuing development of the exploration decline to provide access for underground exploration planned at Red Chris.

The work on the restart of Mount Polley is underway and milling operations are targeted to start in the second quarter of 2022.

The Company will need to conclude further financing arrangements to fund its share of cost of the ongoing development of a block cave mine at Red Chris and to fund the reopening of the Mount Polley mine.

Imperial maintains a large portfolio of greenfield exploration properties in British Columbia. These properties have defined areas of mineralization and exploration potential. Management continues to evaluate various opportunities to advance many of these properties.

Operations | Red Chris Mine

The Company owns a 30% interest in the Red Chris copper/gold property in northwest British Columbia through its unincorporated joint venture with Newcrest, finalized in August, 2019. The Red Chris property was originally acquired in April 2007 by Red Chris Development Company Ltd. ("RCDC"), a wholly owned subsidiary of the Company.

RCDC conducted exploration from 2007 through May 2012. Construction of the 30,000 tonne per day mill processing plant began in mid-2012 and was completed in early 2015. The mine achieved commercial production in July 2015. RCDC was operator of the Red Chris mine.

RCDC initiated preliminary engineering studies to determine the optimum method to mine the deep resource below the designed pits. Based on this work, the block cave method was selected for advancement. A drill program was designed to provide information required to further advance block cave studies. Golder Associates were engaged to develop a plan to mine the deep resource using block cave methods. A preliminary economic assessment of the block cave mining potential, incorporating geotechnical data gathered from earlier diamond drill hole programs, was completed by the end of 2018.

During 2018, MillSlicer system components were installed on the SAG mill to improve overall control of the mill. This vibration-based signal is in addition to the bearing pressure and mill power sensors used in controlling mill fill level. The addition of this new control system improved production and mill liner life.

The metallurgical response of the high clay ore in the mineralized faults present in the Main and East Zones were diagnosed, with results integrated into operational recovery models in advance of the 2019 production plan. Segregation of faulted material for plant-scale batch processing of fault material commenced in late 2018, with the first planned plant-scale 'baseline' run in January 2019.

During 2019, a production plan was developed following an in-depth review of historic data, with key assumptions being identified and validated against past performance. The plan reflected a lower mining rate as compared to 2018 (105,000 tonnes per day versus 130,000 tonnes per day). The metal production for 2019 was estimated by a similar application of historic data for incorporation of mill availability, throughput (tonnes per operating hour) and recovery. Mine teams followed the plan with the intent of targeting higher grades using an internal GeoMet process which focused on daily reviews by the on-site teams relating to geological and metallurgical performance. The maintenance teams focused on both scheduled and unscheduled downtimes in the plant which included formal measures as part of the business KPI system. These initiatives proved to be successful.

On August 15, 2019, Newcrest Red Chris Mining Ltd. ("NRCML"), a subsidiary of Newcrest, acquired a 70% interest in the Red Chris mine. RCDC and NRCML formed Newcrest Red Chris joint venture ("NRCJV"), with NRCML acting as the operator of the mine. The NRCJV is expected to bring significant value by leveraging Newcrest's unique technical expertise in block caving operations.

In late 2019, two drill programs were initiated by NRCML. The East Zone Resource Definition Program, designed to obtain geological, geotechnical, and metallurgical data to support future studies for underground block cave mining, and the Brownfields Exploration Program to search for additional zones of higher-grade mineralization within the Red Chris porphyry corridor. On the operation side, NRCML commenced mine and processing plant optimization.

In early 2020 with the advent of the COVID-19 pandemic, mining was declared an essential service in British Columbia. NRCML implemented measures that met or exceeded Canadian and provincial requirements. The Tahltan Central Government, Iskut First Nation and Tahltan Band agreed with NRCML's implementation of measures which proactively protect and support communities and enable Tahltan members to support their families and communities, helping Red Chris to continue to operate during the COVID-19 pandemic. Measures included changing the employee roster to provide for longer on/off-site periods to decrease the amount of travel required and enable First Nation employees increased time to self-isolate before returning to their local communities. Most of the measures were maintained through 2021 to reduce and mitigate risks.

Several initiatives were implemented by NRCML in 2020 to improve efficiencies across the site, including optimization of haul road conditions and dumping locations to reduce truck cycle times, introduction of *just in time fueling* to increase operating time, installation of a dispatch system in the mine, and the fitting of lighter weight boxes on CAT 793 haul trucks to increase capacity. Six new launders were installed in the mill in 2020, designed to increase the mass pull in the rougher circuit and lead to increased recovery of copper and gold. The installation of additional cleaner flotation capacity was begun to further increase metal recoveries.

In the first quarter of 2021, mill output was temporarily impacted by a major power outage during an extreme winter weather event in February. Metallurgical test work completed in 2021 confirmed that a conventional processing flowsheet incorporating crushing, grinding, flotation and concentrate dewatering was suitable for ore from the planned block cave. In the mine concentrator, an additional cleaner column cell was commissioned in June with early results showing improved gold recovery.

Construction of a portal site for an exploration decline into the deep East Zone commenced in early 2021, with completion of the box cut in June and the subsequent start of underground development on June 25. By the end of the calendar year the decline had advanced 652 metres. The exploration decline will be constructed to accommodate access for underground drilling to provide more detailed geological and geotechnical information on the initial block cave design. Options are being studied to extract one of the higher-grade pods in the East Zone using another mining method to increase cash flow prior to the start of block cave mining.

In October 2021, NRCML released the positive results of the PFS, which began in June 2020, confirming Red Chris as a Tier 1 asset with the potential to become a long life, low cost mine, and approving progression of the Block Cave project to the Feasibility Stage (first phase of Feasibility Study [MB1] expected completion 2023(1H)). This was followed in November 2021 by the release of a NI 43-101 technical report with updated reserve and resource calculations for Red Chris (excluding the East Ridge resource which is still being explored). A final, positive decision to develop a block cave mine is still subject to the successful completion of the exploration program, further studies, and favorable market and operating conditions.

Operations | Mount Polley Mine

Mount Polley Mining Corporation ("MPMC") is owner/operator of the Mount Polley copper-gold mine in south-central British Columbia. In January 2019, following a lengthy sustained period of declining copper prices, the Company announced operations would be suspended. The mine was placed on care and maintenance status at the end of May 2019.

Legal action for damages arising from the August 2014 Mount Polley Breach were settled among all parties to the action in November 2018, in consideration of net payments to the Company totaling approximately $108 million. The settlement represents compromises of disputed claims and does not constitute an admission of liability on the part of any party to the action.

On September 12, 2019, Pollution Abatement Order 107461 ("PAO") issued by the Ministry of Environment, now the Ministry of Environment and Climate Change Strategy ("MECCS"), dated August 5, 2014 under Section 83 of the BC Environmental Management Act was cancelled when MECCS deemed all PAO requirements had been complied with, including MECCS's acceptance of the final remediation plan.

Rehabilitation of terrestrial and aquatic zones informed by ongoing detailed site investigation, risk assessments and environmental monitoring, is ongoing and in cooperation with regulatory authorities, First Nations and the local communities.

During 2019, an exploration program was conducted. The Frypan/Morehead is a largely till covered magnetic high which has a similar magnetic response to that obtained over the Mount Polley mine host rock of monzonite and hydrothermally altered monzonite breccia pipes. The area is located west and north of the mine and is approximately 3x3 km in size. There were 948 soil samples collected and analyzed using the Mobile Metal Ion (MMI) technique. SJ Geophysics also completed an 80.7 line km Volterra-3D Induced Polarization (IP) survey covering the same grid area. Numerous, high priority targets were outlined for future testing.

In 2020, MPMC acquired an option to earn a 100% interest in seven mineral claims (3,331 ha) adjacent to the mine. Three target settings occur within the optioned claims and adjacent Mount Polley claims, including a potential northern projection of the high-grade Quarry zone beneath a post-mineral conglomerate unit, a partially tested glacial till covered area where regional magnetics suggests a faulted offset of the Mount Polley Intrusive complex, which hosts the Mount Polley orebodies, is present and a till covered prospective area immediately east of the Southeast Zone. A deep looking IP survey, along with a soil sampling program, was completed over the optioned claims. A similar IP survey was conducted over the Mount Polley mine site to identify the geophysical response of the known mineralization to aid in prioritizing targets on the Frypan/Morehead area. The survey consisted of 81.5 line km and was successful in delineating the known mineralization, as well as outlining several new un-tested areas in the vicinity of the mine.

Drill programs were planned to test the targets outlined on the optioned claims and to expand the copper and gold resource near historic deposits, with a focus on gold rich zones. The drill program set out to improve drill hole data density of mineralization near the historic mining areas where the use of underground mining is being considered, and to drill new geophysical and geochemical anomalies outlined by recent surveys in the Trio Creek area located north and northwest of the mine. Six drill holes totalling 3,792 metres were completed.

The WX Zone is the most recent major discovery (2009) at Mount Polley. Located south of the Springer Pit, it is noted for its high gold grades and high gold/copper ratio mineralization. Drill hole WX-20-78 was designed test and confirm the continuity of the mineralization in an area of proposed underground mining. Drilled down the plunge, this hole served to confirm the continuity of this modelled higher grade target within the WX Zone.

The C2 Zone is located south of the Cariboo Pit. Two holes were drilled to test a zone of higher gold grade along the Polley fault at depth. Historic drilling in this zone yielded an intercept of 55 metres grading 2.14 g/t gold and 1.19% copper in drill hole C2-11-97. Both holes were successful in extending this lower gold zone.

Drill hole SD-20-162 was designed to fill a gap in drilling on the eastern side of the target area beneath the Springer Pit. The Springer Zone contains most of the reserves in the current open pit mine plan. Historic drilling beneath the currently planned Springer Pit confirmed the mineralization continues for at least 250 metres below the pit bottom.

The Trio Creek target area is located north and northwest of the mine. This area is covered by glacial till with limited bedrock exposure. Using new geophysical and geochemical anomalies outlined by recent surveys, the goal was to gain an understanding of the geological system. Drill holes TC-20-01 and TC-20-02 were designed to test new anomalies north and west of the mine. The targeted areas feature favorable geophysics that match the geophysical fingerprint of the Mount Polley mineralized host rock. Drill holes TC-20-01 and TC-20-02 have defined a clear extension to the north of similar geology and associated hydrothermal alteration zones to that which hosts the mineralization at Mount Polley. Additional exploration is planned to further define the targets located in this area.

The 2021 exploration program included the acquisition of high density ground magnetic data over top of high priority areas within the mine site and areas immediately to the north. This ground magnetic survey was successful in providing high resolution magnetic data overtop of high priority targets located north of the Junction Zone, north of the old Bell Pit, west of the Wight Pit, adjacent to Polley Lake and south of the South East Rock Dump. The ground magnetic data has highlighted many magnetic anomalies around the property that have a similar geophysical signature as the known mineralization found at Mount Polley. Several more magnetic surveys have been planned to cover areas where data and exploration is limited. Additional exploration is planned to further define the anomalies derived from the ground magnetic surveys.

Through 2019 into 2021, site personnel continued to maintain access, fire watch, manage collection, treatment and discharge of site contact water, and actively monitor the tailings storage facility. In the fourth quarter of 2021, MPMC took the initial steps towards recommencement of operations at the Mount Polley mine. Stripping operations began to enable milling operations to restart in 2022. Mechanical and electrical contractors began on refurbishing the plant, including work on the tailings slurry and reclaim water pipelines and pumps, crushers, conveyors, screens, grinding mills, flotation and plant water systems. The crushing plant was commissioned by year end providing crush material for winter road maintenance.

Outlook for 2022 includes continued stripping of Springer Pit, building of an ore stockpile and a plant restart targeted for second quarter 2022.

COVID-19 has impacted mine restart scenarios with some absenteeism, delays and deliveries of key items.

Material Properties

For the purposes of this AIF, the Company has identified the Red Chris Mine and the Mount Polley Mine as material properties.

Mineral Property | Red Chris Mine

The RED CHRIS OPERATIONS, BRITISH COLUMBIA, CANADA NI 43-101 Technical Report, ("2021 Red Chris Report") with an effective date of June 30, 2021, was filed November 29, 2021 on sedar.com.

Description, Location & Access

Red Chris mine is located in northwest British Columbia, 18 km southeast of Iskut and 80 km south of Dease Lake. Road access to the property from Highway 37 is via an 18 km gravel road. Power is accessed via a 16 km 287 kV power line from the Tatogga substation. Mining and milling operations proceed year-round. Elevations range from 1,100 masl to 1,550 masl.

The Town of Smithers and the City of Terrace are the closest supply centres. Commercial aircraft service the Dease Lake airport located 118 km north by road from the mine site along Highway 37. Stewart is the nearest port with ship loading facilities a distance of 320 km (by road) from the Red Chris property.

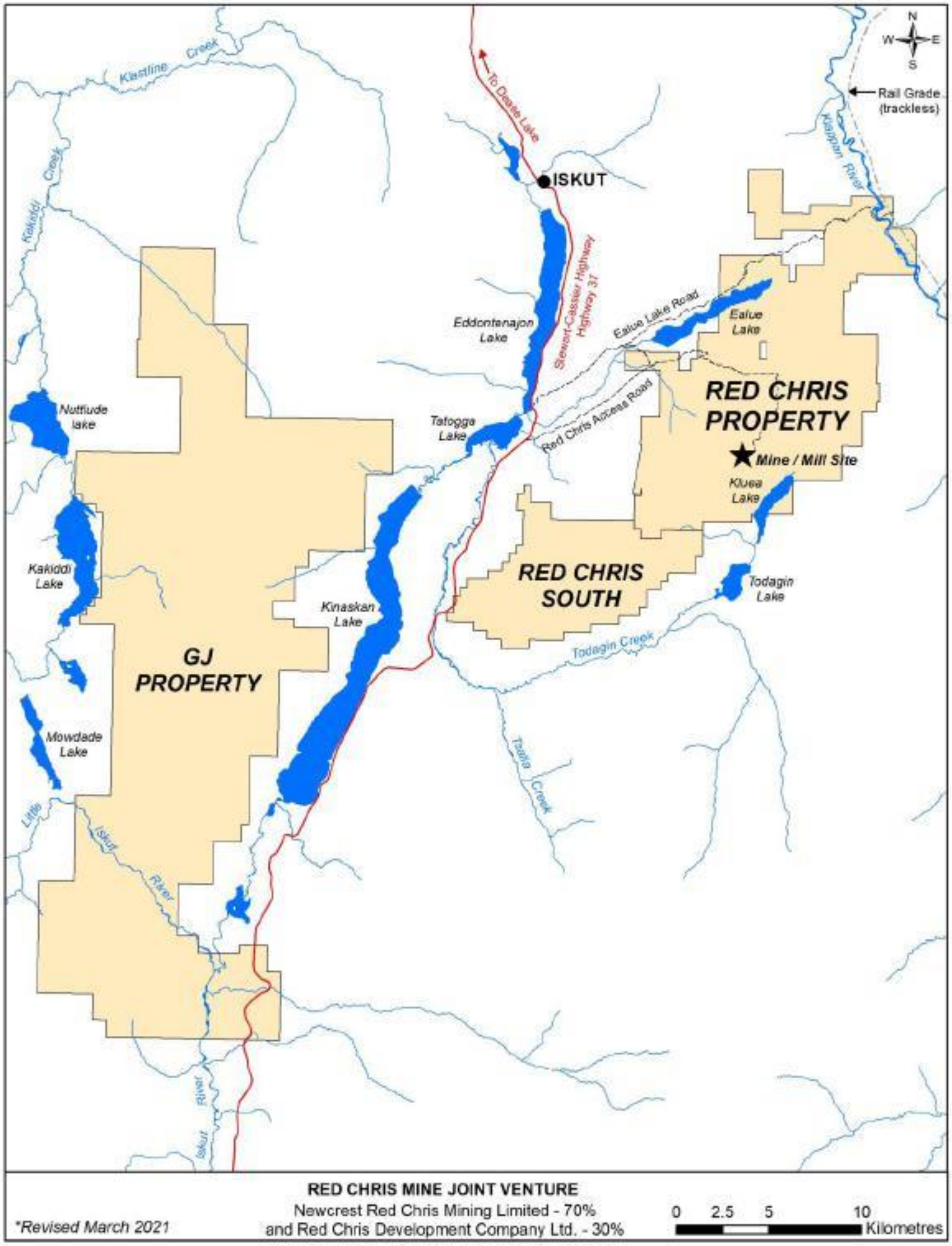
The mine operates as a fly-in/fly-out site with the majority of employees on a two-week rotation. Chartered aircraft fly employees to the Dease Lake airstrip from where they are transported by bus to the mine site.

RCDC owns a 30% beneficial interest in the Red Chris mine, following the August 15, 2019 sale of a 70% interest to NRCML. RCDC and NRCML have formed a joint venture for the operation of Red Chris, with NRCML acting as operator ("the Operator").

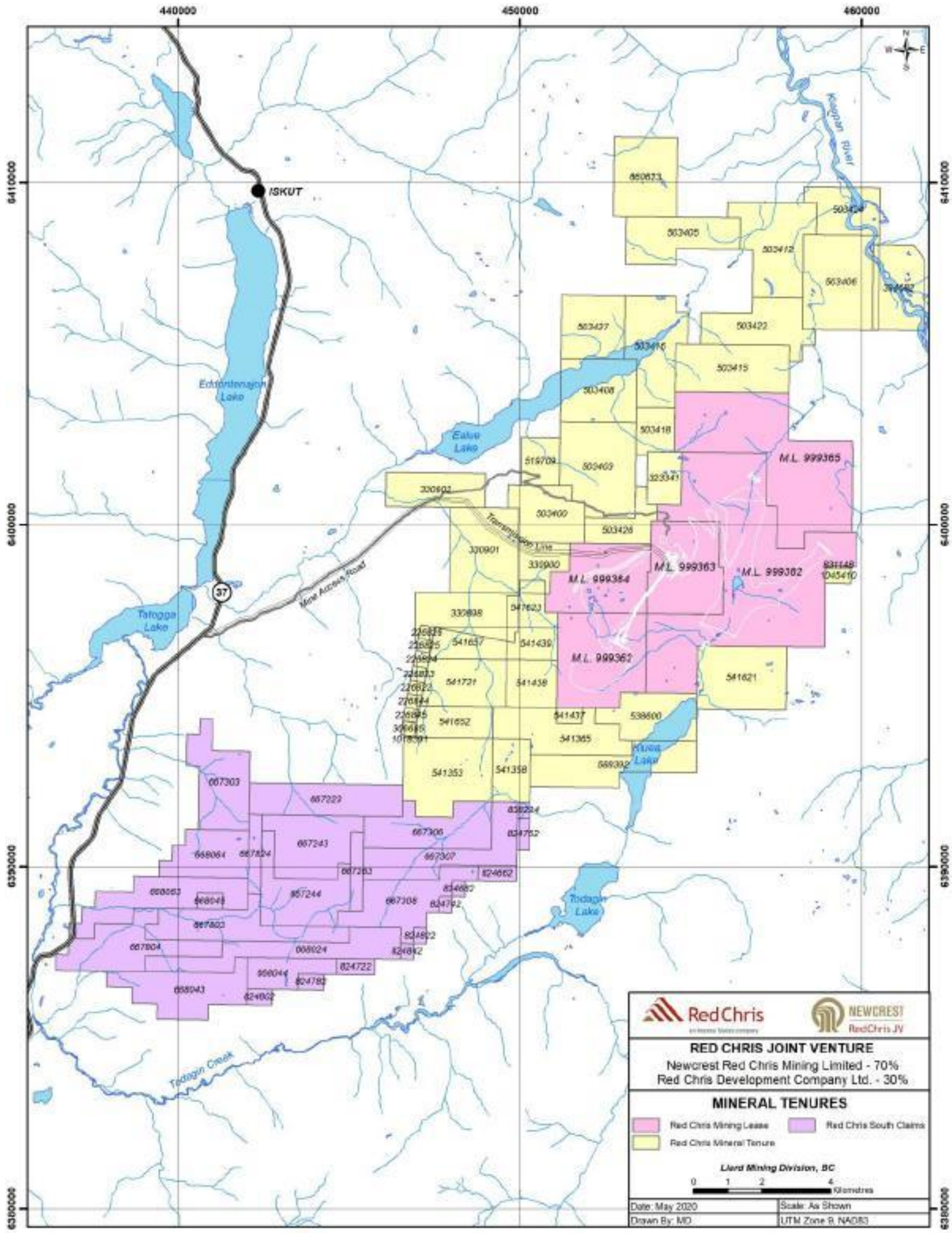
The Red Chris property comprises the Red Chris Main claim group and the Red Chris South group, and consists of 77 mineral tenures that cover a total area of 23,142 ha. All mineral tenures are issued in accordance with the *Mineral Tenure Act* of British Columbia and are 100% owned by NRCML. The Red Chris Main claim group consists of 50 mineral tenures covering 17,046 ha, five of which are 30-year mining leases valid until June 20, 2042 that cover 5,141 ha in addition to 45 mineral claims (eight valid until October 31, 2022, 35 to October 31, 2026, one valid to April 8, 2022 and one valid to July 18, 2022) encompassing 11,905 ha.

The five mining leases and 31 mineral claims at the property are subject to a net smelter return royalty held by the Tahltan Central Government. Annual advance royalty payments commenced in October 2016. All or portions of four of the mining leases and 19 mineral claims are also subject to a 1.0% net smelter return royalty held by International Royalty Corporation, who acquired the royalty from Glencore Canada Corporation in August 2021. A right of first refusal is retained by NRCML on any further disposition of the net smelter royalty by International Royalty Corporation. The Red Chris South claim group comprises 27 mineral tenures (one valid to March 12, 2027 and 26 valid until November 11, 2027) covering 6,097 ha. It was subject to a 1.5% net smelter return royalty held by Canada Carbon Inc.; however, in August 2020 the royalty was acquired by NRCML on behalf of the NRCJV and extinguished.

On March 15, 2021, Imperial acquired from NRCML a 30% interest in the GJ Property located approximately 30 km west-southwest of the Red Chris Mine. The property has been incorporated into the NRCJV and consists of 87 mineral tenures (one valid to November 15, 2022, one valid to December 13, 2022 and 85 valid to March 17, 2026) covering 39,432 ha. The claims are subject to net smelter return royalties in favour of Teck Resources Limited amounting to 0.51% on 14 claims and 1.02% on 66 claims; and in favour of TF R&S Canada Ltd. amounting to 0.49% on 14 claims and 0.98% on 66 claims.



N
W
E
S
Rail Grade (trackless)
Klastline Creek
Kakiddi Creek
To Dease Lake
ISKUT
Klappan River
Stewart-Cassiar Highway Highway 37
Eddontenajon Lake
Ealue Lake Road
Ealue Lake
RED CHRIS PROPERTY
Nuttlude lake
Tatogga Lake
Red Chris Access Road
Mine / Mill Site
Kluea Lake
Kakiddi Lake
RED CHRIS SOUTH
Todagin Lake
Kinaskan Lake
Todagin Creek
GJ PROPERTY
Mowdade Lake
Tsaybahe Creek
Little Iskut River
Iskut River
RED CHRIS MINE JOINT VENTURE
Newcrest Red Chris Mining Limited - 70%
and Red Chris Development Company Ltd. - 30%
*Revised March 2021
0
2.5
5
10
Kilometres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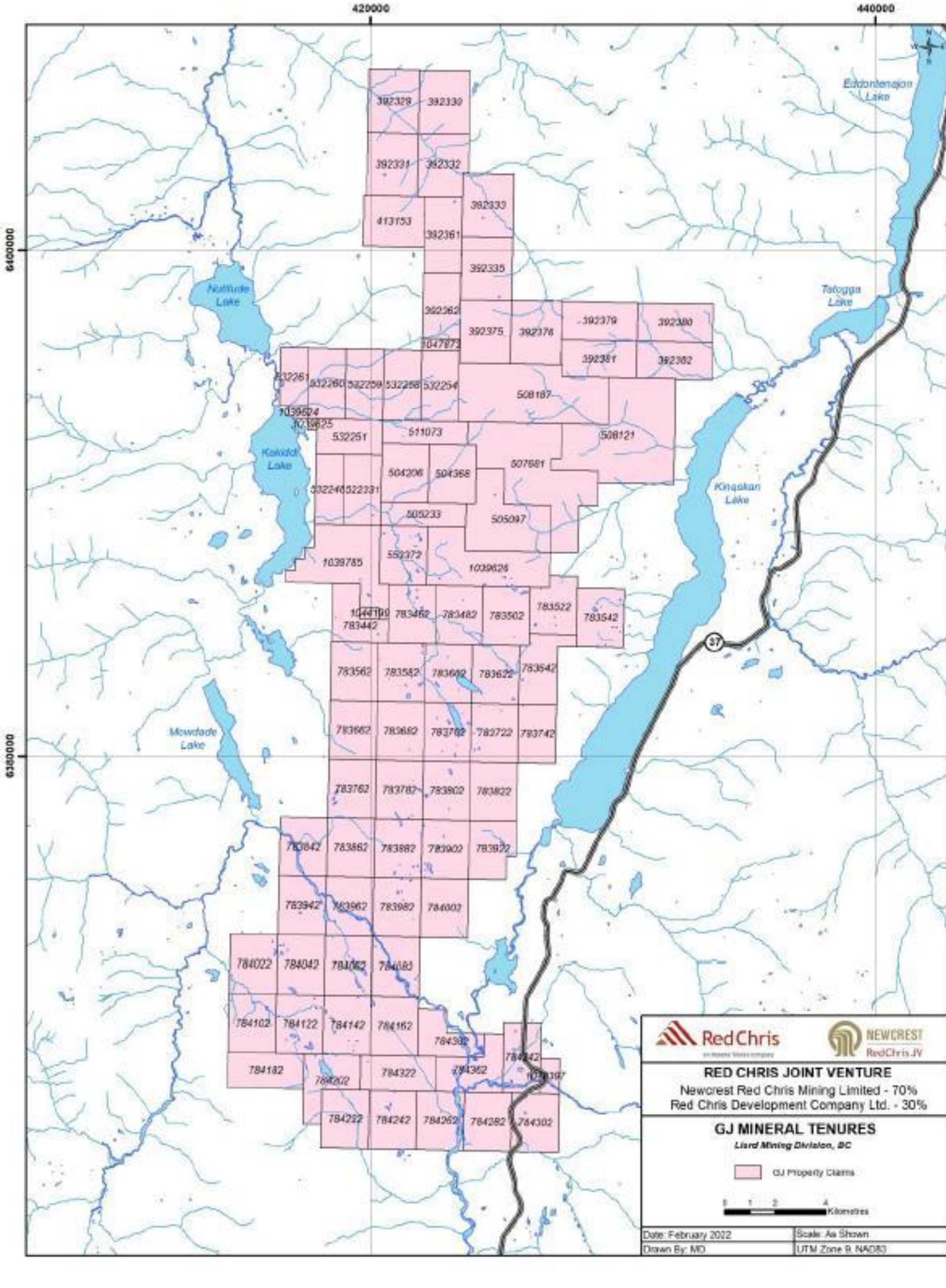
ISKUT
Eddontenajon Lake
Tatogga Lake
Ealue Lake
Kinaskan Lake
Todagin Lake
Todagin Creek
Klappan River
37
Mine Access Road
Transmission Line
M.L. 999365
M.L. 999363
M.L. 999364
M.L. 999362
M.L. 999362
Red Chris
NEWCREST
RedChris JV
RED CHRIS JOINT VENTURE
Newcrest Red Chris Mining Limited - 70%
Red Chris Development Company Ltd. - 30%
MINERAL TENURES
Red Chris Mining Lease
Red Chris South Claims
Red Chris Mineral Tenure
Liard Mining Division, BC
Kilometres
Date: May 2020
Drawn By: MD
Scale: As Shown
UTM Zone 9, NAD83


420000
440000
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Eddontenajon Lake
Tatogga Lake
Kinaskan Lake
Kakiddi Lake
Nuttlude Lake
Mowdade Lake
37
RedChris
NEWCREST
RedChris JV
RED CHRIS JOINT VENTURE
Newcrest Red Chris Mining Limited - 70%
Red Chris Development Company Ltd. - 30%
GJ MINERAL TENURES
Liard Mining Division, BC
GJ Property Claims
0 1 2 4
Kilometres
Date: February 2022
Scale: As Shown
Drawn By: MD
UTM Zone 9 NAD83

Permitting & Environment Management

All phases of mining and reclamation are authorized and/or regulated by the Province of British Columbia and the Federal Government of Canada. Mine operations are primarily authorized and regulated under the British Columbia *Environmental Management Act* ("*EMA*") and the *Mines Act*, both as administered by the MECCS and the Ministry of Energy, Mines and Low Carbon Innovation ("MEMLCI"), respectively.

Mine operations and supplementary activities are also authorized and/or regulated under legislation such as the British Columbia *Water Sustainability Act*, implemented by the Ministry of Forest, Lands, Natural Resource Operations and Rural Development ("MFLNRORD"). A summary of key Red Chris mine permits under these regulations is provided below.

Ministry	Authorization	Purpose	Permit	First Issued	Comment
MEMLCI	Permit Approving Mining & Reclamation Program	Mining activities	M-240	May 2012	Last amended August 2017
MECCS	Effluent Discharge Permit	Tailings Impoundment Area, North Reclaim Dam & sediment pond discharges	105017	September 2013	Last amended June 2018 to reflect changes to monitoring program and add detail to scope of permit conditions
MECCS	Waste Water Discharge Registration	Waste water under the Municipal Wastewater Regulation	106004	August 2012	Operation of camp and office facilities
MECCS	Air Discharge Permit	Incinerator & controlled open burning & fugitive dust	106668	June 2013	Last amended November 2017
MFLNRORD	Road Use Permit	Mine access road	S25481	June 2012	Construction & maintenance of roads & bridges

In 2016, the Red Chris mine received approval to amend the *EMA* Permit 105017 and *Mines Act* Permit M-240 to authorize construction and operation of the South Reclaim Dam and South Dam for the TIA. Red Chris received permission to build the South Reclaim Dam in July 2016, and permission to build the South Dam in August 2016; construction of both dams began mid-2016. The *Mines Act* Permit M-240 amendment approving the operation of the raised Temporary Saddle Dam was received in January 2017; the South Dam operation amendment was issued in February 2017, and the PAG Tailings Deposition in South Basin was approved in August 2017.

Federal authorizations for the installation of a bridge on Highway 37 at Snapper Creek were received in July 2016.

- Schedule 2 Amendment under the federal *Fisheries Act* ("*Fisheries Act*"), and
- Department of Fisheries and Oceans Canada – *Fisheries Act 35(2)(b)* Authorization.

The bridge at Snapper Creek creates fish habitat by removal of culverts that were access barriers to fish. This project is to offset impacts to fish and fish habitat resulting from the construction of the South Dam. The Snapper Creek Bridge installation was completed in 2017, and the bridge has been in use since mid-October 2017. Monitoring of the remediated fish habitat is ongoing according to the offsetting commitments.

The BC Environmental Assessment Certificate was amended in 2016 to accommodate design changes to the South Dam recommended by the Engineer of Record for the TIA after extensive hydrogeology and geotechnical investigations. The design changes included an upstream geomembrane liner, sand and gravel construction and downstream buttress. This BC Environmental Assessment Certificate process is aligned with the regulatory permitting through the Mine Development Review Committee.

Environmental monitoring programs at the Red Chris mine continue as required under authorizations from the MECCS and the MEMLCI. Such programs include monitoring of surface water (streams, lakes, and diversions), groundwater, seepage and hydrometric data. RCDC is committed to the future reclamation of the site and has been stockpiling soil recovered from the plant site, mine, rock storage areas and TIA.

The Red Chris Monitoring Committee ("RCMC") is a requirement of *Mines Act* Permit M-240. The RCMC is chaired by representatives from RCDC and the Tahltan Nation. The committee includes members from the MECCS, the MEMLCI and the MFLNRORD.

In conjunction with the RCMC, the Environmental Oversight Committee has been established under the Red Chris Impact Benefit and Co-Management Agreement. The Environmental Oversight Committee is a forum for dialogue between RCDC, the Tahltan Central Government and Tahltan Nation representatives, and the committee's terms of reference lay out environmental management mechanisms for the committee relating to:

- the Environmental Management System,
- Red Chris project's environmental compliance, monitoring and performance,
- all Red Chris project-related environmental information and recommendations concerning environmental matters,
- Federal and Provincial Permit applications, and
- environmental monitoring programs.

Red Chris History

The first recorded exploration on the property now known as Red Chris was in 1956 when Conwest Exploration Limited examined copper showings on the Todagin plateau. In 1968 Great Plains Development Co. of Canada staked the Chris and Money claims and subsequently completed geological, geochemical and geophysical surveys. In 1970 Silver Standard Mines Ltd. staked the Red and Sus claims to the north and east of the Chris claim group, and followed up in 1971 with mapping, soil surveys and trenching. In 1973 Ecstall Mining Limited (which later became Texasgulf Canada Limited ("Texasgulf")) optioned the Silver Standard claims and drilled 14 percussion holes, intersecting low grade copper mineralization. In 1974 Texasgulf acquired an option on 60% of the combined Red and Chris groups of claims and initiated a major program from 1974-1976 comprising 67 diamond drill holes and 30 percussion holes. From 1978 to 1980, Texasgulf drilled seven holes and completed property-wide geological, geochemical and geophysical surveys, resulting in the delineation of the Red stock and within it the Main and East Zones of quartz-stockwork hosted mineralization.

No exploration was conducted from 1981 to 1994.

In 1994, a series of corporate takeovers and reorganizations resulted in the ownership of the property divided amongst Falconbridge (60%), Norcen Energy (20%), and Teck Corporation (20%). American Bullion Minerals Ltd. (ABML) acquired an 80% interest in early 1994, with Teck Corporation retaining their 20%. In 1994 and 1995, ABML completed mineral claim staking, comprehensive geochemical and geophysical surveys, and diamond drilling totaling 58,187 m over 170 holes. Significant near-surface copper-gold mineralization was also discovered in the Gully and Far West Zones.

In 2003, Red Chris was under the control of bcMetals Corporation ("bcMetals"). bcMetals drilled 49 holes over 16,591 m and updated the measured, indicated, and inferred resources early in 2004 (ref: NI 43-101 Technical Report on the Red Chris Copper-Gold Project, filed by bcMetals December 16, 2004). Subsequent infill drilling of 25 holes over 6,927 m resulted in the re-modelling of the Main and East Zones as a single unit, incorporated into the feasibility study completed by AMEC Americas Ltd. Exploration in 2006 consisted of 14 drill holes (4,679 m) over the reserve and in the Gully Zone, and additional drilling required under the terms of a joint venture agreement between bcMetals and Global International Jiangxi Copper Company Ltd., which had previously been announced for the development of Red Chris.

In mid-2006, the Company launched a takeover bid for Red Chris which was successfully completed in the acquisition of bcMetals in April 2007 at a cost of $68.6 million, which was funded from cash on hand and a $40 million short term loan facility.

Historical exploration at Red Chris by previous operators focused on establishing open-pit mineable reserves above a depth of approximately 400 m. The Company's strategy now was to explore for mineral potential below the planned pit for longer term mine planning. Beginning in 2007, the Company established the vertical extent and strength of the system with deep drilling exploration programs (total approximately 102,000 metres drilled over 91 holes through 2018) primarily in the East and Main Zones, leading to a redesigned block model and a new reserve calculation in 2012. Several geophysical surveys were undertaken during the period for regional assessment. Camp and road infrastructure were upgraded. Exploration was suspended in May 2012 to allow for mine construction, which was completed in early 2015. Commercial production was achieved in July, with RCDC as operator. A 2016 review by Golder Associates of the potential for utilizing block cave methods to mine the deep East Zone resource led to preliminary engineering studies and geotechnical and metallurgical assessments through 2016-2018, which supported block cave mining as the optimal method.

Effective August 15, 2019, Red Chris mine operations were under NRCML, with the Company holding a 30% interest through RCDC, and NRCML holding a 70% interest. Subsequently in 2019, NRCML initiated two drill programs. The East Zone Resource Definition Program was designed to obtain geological, geotechnical and metallurgical data to support future studies for underground block cave mining, and the Brownfields Exploration Program which was designed to search for additional zones of higher grade mineralization within the Red Chris porphyry corridor. By late 2019, six diamond drill rigs were deployed; approximately 17,000 metres were drilled in 20 holes completed or partially completed at year end.

During 2020, exploration continued to focus on the expansion of the Brownfields Exploration program with drilling across the East Zone, Main Zone and Gully Zone, following up on historic drilling information along a 3-km trend of copper-gold mineralization which could expand the mining potential. Results from the East Zone continued to confirm the footprint of the western high-grade pod. Drilling showed the potential for additional high-grade mineralization south of the South Boundary Fault, which historically had been assumed to define the southern extent of mineralization. Drilling between the Main Zone and the Gully Zone intersected a new zone of higher grade mineralization approximately 100 m west of the Main Zone Pit. Late in the year, deep drilling several hundred metres east of the East Zone Pit and south of the South Boundary fault confirmed mineralization found by Imperial in 2011 in an isolated drill hole. Named the East Ridge Zone, this became the focus of exploration drilling through 2021.

Geophysics programs in 2020 included a property wide airborne electro-magnetic and gravity survey, and a high resolution airborne magnetics survey conducted over a portion of the property to provide complete coverage. These programs aim to generate drill targets across the entire claim package.

Geological Setting, Mineralization & Deposit Types

Red Chris is a porphyry copper deposit in the northern Intermontane Belt of the Canadian Cordillera. It is situated in the accreted geological terrane of Stikinia, which is dominated by island arc volcanic, sedimentary, and plutonic rocks of the Middle to Late Triassic Stuhini Group, and the Early to Middle Jurassic Hazelton Group. Stikinia hosts many important mineral deposits in the region, known as the *Golden Triangle,* ranging from active mine operations to early stage exploration projects.

Red Chris is in the Iskut district, on the northern edge of the Skeena Mountains. Most of the property is situated on the Todagin Upland plateau. The Red Chris deposit on the southern edge of the plateau is hosted by the Red stock, which was emplaced in the very Late Triassic into deformed Stuhini Group sedimentary and volcanic rocks. Lower Hazelton Group volcanic and sub-volcanic rocks, possibly comagmatic with the Red stock, dominate the western part of the Todagin plateau, unconformably overlying tilted Stuhini Group. Post-mineralization erosion during the Early Jurassic was followed by deposition of mainly sedimentary upper Hazelton Group rocks, and the succeeding Bowser Lake Group in the Middle Jurassic; these units originally covered the partly eroded Red stock and Stuhini Group, but they are now preserved only along the southern margin of the plateau due to southeastward tilting in the Late Cretaceous.

The Red stock is an ENE-elongate intrusive complex up to 8 km long by 1.5 km wide at surface. It consists of a series of porphyries beginning with pre-mineral leucodiorite, which forms the bulk of the complex. This was intruded by quartz monzonite porphyries which were coincident with potassic alteration and quartz vein-hosted copper-gold mineralization. Finally, late and post-mineralization porphyries and dikes were intruded. The current Red Chris reserve, where open pit mining is ongoing, consists of the East Zone and the Main Zone each of which contain pods or clusters of copper-gold ore centred on the mineralizing porphyries. At surface, combined East Zone and Main Zone mineralization extends about 2,000 m along the stock's east-northeast axis; in width, it ranges from at least 100 m in the East Zone to 650 m in the Main Zone. The depth of significant mineralization is over 1,200 m in the East Zone and about 1,000 m in the centre of the Main Zone. A further 1.5 km to the west of the open pit are the Gully and Far West exploration Zones, which have similar geological characteristics to the East and Main Zones. The Gully Zone footprint is approximately 400-500 m across, east-west. The Far West Zone has a smaller footprint and has seen less drilling than the other zones. The new East Ridge Zone several hundred metres east of the East Zone extends the known mineralized corridor at Red Chris to approximately 4 kilometres.

Mineralization consists of thin wavy or thicker planar quartz veins and stockworks containing chalcopyrite, bornite and magnetite; these minerals are also disseminated outside the veins. In the upper part of the deposit, where the present open pit reserve lies, potassic alteration is rarely preserved and the rocks are dominated by sericite-pyrite and clay-carbonate-hematite overprinting alterations; here, chalcopyrite and pyrite are the dominant sulfides, with bornite best preserved in the core of the East Zone. Gold occurs as microscopic inclusions in the copper sulfides. Molybdenite occurs locally in quartz veins, especially deeper and outside the high-grade core. The Red Chris deposit has been modified by syn-to post-mineralization faulting, including the Late Cretaceous South Boundary fault.

Red Chris is a typical porphyry copper deposit based on the composition of its host rocks, its alteration pattern and sequence, and its ore mineralogy. It may be classified as belonging to the high-potassium calc-alkalic type of porphyry system, which includes several world-class deposits such as Bingham (Utah).

Exploration

Drilling in 2021 was very successful, with up to 8 diamond drill rigs operating (total 98,522 metres drilled over 96 holes, exploration and geotechnical). In the Brownfields Exploration program (total 77,371 metres over 65 holes) the new East Ridge Zone was confirmed in the first hole RC678 with the discovery of a high-grade gold-copper centre which intersected 198 metres grading 0.89 g/t gold and 0.83% copper from 800 metres, including 76 metres grading 1.8 g/t gold and 1.5% copper from 908 metres. Later in the year drill hole RC700 returned 366 metres of 1.1 g/t gold and 0.93% copper from a depth of 738 metres, including 146 metres grading 2.1 g/t gold and 1.6% copper from 780 metres. A step-out hole, RC701, drilled 700 metres east of RC678 intersected lower grades of gold (0.2 g/t) and copper (0.49%) over 206 metres from 1,816 metres, but this was encouraging for the persistence of East Ridge mineralization in an east-west direction, and also extended the known mineralized corridor at Red Chris. The East Ridge Zone is being explored systematically from west to east with angle holes to delineate the vertical height and width of the mineralized porphyries as well as to trace continuity along the trend. The East Ridge Zone (>0.4 g/t gold and >0.4% copper) now measures over 800 metres long, up to 800 metres high and 125 metres wide, with higher grade (>0.8 g/t gold and >0.8% copper) in several smaller pods over a volume 500 metres high, 400 metres long and 100 metres wide. The East Ridge is outside Newcrest's current Mineral Resource estimate; its addition would increase the resource base and potentially provide another mining front proximate to the planned East Zone block cave, possibly utilizing different underground methods.

The exploration program in 2021 also included infill drilling in the East Zone (4,441 metres over 3 holes) for improved definition of deep high-grade mineralization in the planned block cave. Geotechnical drilling continued as part of the East Zone Resource Definition Program (20,369 metres over 19 holes) aimed at improving grade and geological controls in high-grade pods for feasibility.

Exploration in the Main Zone in 2021 (11,687 metres over 13 holes) followed up on historic results southwest of the Main Zone Pit. Drilling confirmed the potential to outline additional copper-gold zones beyond the limits of the presently designed open pit. Drill hole RC-679 returned 456 metres grading 0.37 g/t gold and 0.42% copper from 418 metres, including 98 metres grading 0.71 g/t gold and 1.0% copper.

A soil survey covering an area approximately 1 square km was conducted over the centre of the East Ridge Zone to help characterize its surface expression. Most of the results were muted in copper and gold, with a few sites with elevated values.

Sampling, Analysis & Data Verification

During the period from 2007 to August 2019, exploration at Red Chris was conducted by RCDC and followed standard practices and security measures involving the handling, geological and geotechnical logging, processing, and sampling of drill core, and quality controls to assure consistency and reliable results. Assays were obtained from accredited analytical laboratories. Since August 2019, sampling, analysis and data verification at Red Chris has been conducted by the Operator. The following account and comparison with previous procedures is summarized from NRCML.

In the historic drill programs, core was split and sampled at nominal 3 m intervals. During the RCDC exploration programs, samples were taken at maximum 2.5 min intervals from sawn, halved-core. NRCML took nominal 2 m samples from sawn, halved-core. Core samples are organised into shipments and the primary laboratory takes possession of the samples at site and transports them to the laboratory location.

All geological logging of core is completed at the Red Chris mine. Geological logging records qualitative descriptions of lithology, alteration, mineralization, veining and structure, including orientation of key geological features. Geotechnical measurements are recorded including Rock Quality Designation (RQD) fracture frequency, solid core recovery and qualitative rock strength measurements. Magnetic susceptibility measurements are recorded every metre. All drill core is photographed, prior to cutting and/or sampling the core.

Third-party, independent analytical and sample preparation laboratories have included Min-En Laboratories in Smithers, BC; Chemex Laboratories Ltd. in North Vancouver, BC; International Plasma Laboratory Ltd. in Vancouver BC; ALS Chemex in Vancouver, BC (successor to Chemex); Acme Laboratories in Vancouver BC; and Bureau Veritas Commodities Canada Ltd. in Vancouver, BC. Imperial used the Mount Polley and Red Chris mine laboratories, which are not independent, for check assaying and grade control, respectively.

Sample preparation and analytical methods varied over time. Initially copper assays were performed using AAS on a three- or four-acid digest. Later, copper and iron were analysed by ICP atomic emission spectroscopy ("AES") with an aqua-regia digestion. During early programs, gold was assayed using fire assay on a 30 g or one assay ton sample weight. Later programs used a 30 g sample by fire assay with an ICP–AES finish. Selected samples were analysed using a 30-, 31-, 36- or 48-element suite via ICP. Carbon and sulphur were determined by Leco.

QA/QC procedures were in place for the RCDC and NRCML drill programs. The process generally involved submission and analysis of standard reference materials, blanks, and duplicates. The Operator conducted a detailed QA/QC review of the data in the database as at end-February 2021. Drilling reviewed was primarily from the RCDC (2007–2018) and the Operator (2019–2021) campaigns. Overall, the dataset is acceptable for use in preparing a Mineral Resource estimate for copper and gold.

Over 90% of the RCDC assay data were electronically loaded into acQuire from the original laboratory assay files. Historical assay data prior to RCDC's Project interest were imported and validated as part of verification in support of technical reports prepared under NI 43-101.

The Operator includes both internal verification processes and independent third-parties in the data verification steps:

- internal verification: laboratory inspections; review of geological procedures, resource models and drill plans; sampling protocols, flow sheets and data storage; specific gravity data; logging consistency, down hole survey, collar coordinate and assay QA/QC data; geology and mineralization interpretation; and

- external verification: a number of data verification programs were conducted in support of technical reports from 2004–2021. These indicated that at the time each database iteration was reviewed, there were no significant issues that would have precluded Mineral Resource estimation or imposed confidence classification limits on certain data support.

The Operator has implemented a steering committee, the Resources & Reserves Steering Committee ("RRSC"), to ensure appropriate governance of development and management of resource and reserve estimates, and the public release of those estimates. This is achieved by ensuring regular RRSC review meetings, and internal and external reviews.

No material issues with the database including sampling protocols, flowsheets, check analysis programs or data storage have been identified to date from the checks performed. The database is acceptable for use in Mineral Resource and Mineral Reserve estimation.

Mineral Resource Estimate

Updated Mineral Reserve/Resource estimates were reported by Newcrest on February 17, 2022, with an effective date of December 31, 2021. They were reported with the Reserve being inclusive within the Mineral Resources. Proven and Probable Mineral Resources become Mineral Reserves when they demonstrated economic viability at current assumptions and conditions.

Factors that may affect the Mineral Resource estimate include changes in local interpretations of mineralization geometry and continuity of mineralized zones; changes to geological and grade shape and geological and grade continuity assumptions; changes to metallurgical recovery assumptions; changes to the input assumptions used to derive the conceptual open pit used to constrain the estimate; changes to the input assumptions for assumed block caving operations; changes to the NSR cut-offs applied to the estimates; variations in geotechnical, hydrogeological and mining assumptions; forecast dilution; and changes to environmental, permitting and social license assumptions.

These Resources were estimated using a constraining open pit and block cave underground volume solids, along with preliminary mining assumptions. These constraints and assumptions are laid out in detail in the current 43-101 report produced by Newcrest, (effective date of June 30, 2021, available on SEDAR and the Company's website).

Mineral Resources reported in the table are quoted at 100%, and were prepared by Newcrest.

31 December 2021 Measured and Indicated Mineral Resources

			Grade		**Contained Metal**	
Resource Classification	**Assumed Mining Method**	**Tonnes (Mt)**	**Au (g/t)**	**Cu (%)**	**Au (Moz)**	**Cu (Mt)**
Measured	Open pit and stockpiles	10	0.17	0.24	0.062	0.025
Indicated		290	0.28	0.34	2.6	0.97
Measured	Underground	—	—	—	—	—
Indicated		670	0.46	0.40	10	2.7
Total Measured and Indicated	***Open pit and underground***	***970***	***0.41***	***0.38***	***13***	***3.7***

31 December 2021 Inferred Mineral Resources

			Grade		**Contained Metal**	
Resource Classification	**Assumed Mining Method**	**Tonnes (Mt)**	**Au (g/t)**	**Cu (%)**	**Au (Moz)**	**Cu (Mt)**
Inferred	Open pit and stockpiles	11	0.23	0.27	0.082	0.030
Inferred	Underground	180	0.32	0.30	1.8	0.54
Total Inferred	***Open pit and underground***	***190***	***0.31***	***0.30***	***1.9***	***0.57***

Notes to Accompany Red Chris Mineral Resource Tables:

1. Mineral Resources are reported with an effective date of December 31, 2021, using the 2014 CIM Definition Standards. Assumptions and methodology can be found in the 43-101 report titled The RED CHRIS OPERATIONS, BRITISH COLUMBIA, CANADA NI 43-101 Technical Report, ("2021 Red Chris Report") with an effective date of June 30, 2021 (filed November 29, 2021 on sedar.com, found on SEDAR and the Company's website).

2. Mineral Resources are reported on a 100% basis. Imperial holds a 30% interest.

3. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

4. Mineral Resources that are potentially amenable to open pit mining methods are constrained within a conceptual open pit shell that uses the following input assumptions: metal prices of US$3.40/lb Cu, US$1,400/oz Au; mining costs of C$2.27/t mined, and process and general and administrative (G&A) costs of C$12.20/t processed; a conventional sulphide flotation producing a gold-bearing copper concentrate; metallurgical recoveries that average 50–61% for gold and 81–83% for copper; a relative level restriction of 1,112 mRL to define the open pit to underground interface; and overall pit slope angles that range from 34–46º. Mineral Resources are reported above a net smelter return of C$12.20/t.

5. Mineral Resources that are potentially amenable to underground mass mining methods are constrained within a conceptual cave footprint, and reported using the following assumptions: metal prices of US$3.40/lb Cu, US$1,400/oz Au; mining costs of C$6.56/t mined, and process and general and administrative (G&A) costs of C$14.38/t processed; a conventional sulphide flotation producing a gold bearing copper concentrate; metallurgical recoveries that average 50–61% for gold and 81–83% for copper; below the open pit to underground interface; and an underground footprint based on a minimum approximate footprint of 160 x 160 m area with vertical walls and variable height of draw. Mineral Resources are reported above a net smelter return of C$21.00/t.

6. Tonnages are metric tonnes. Gold ounces are estimates of metal contained in tonnages and do not include allowances for processing losses. Copper tonnes are estimates of metal contained in tonnages and do not include allowances for processing losses.

7. Rounding as required by reporting guidelines may result in apparent differences between tonnes, grade and contained metal content. Rounding is to two significant figures.

8. Dilution was assumed to be fully accounted for in the resource block model. No ore loss or dilution was applied to the Mineral Reserves.

These Mineral Reserves reported in the table below were prepared by Newcrest.

31 December 2021 Mineral Reserves

			Grade		Contained Metal	
Reserve Classification	**Mining Method**	**Tonnes (Mt)**	**Au (g/t)**	**Cu (%)**	**Au (Moz)**	**Cu (Mt)**
Proven		—	—	—	—	—
Probable (Open pit)	Open pit	60	0.39	0.45	0.74	0.27
Probable (O/P stockpiles)		10	0.16	0.24	0.053	0.025
Proven	Underground	—	—	—	—	—
Probable		410	0.55	0.45	7.2	1.8
Total Proven and Probable	***Open pit and underground***	***480***	***0.53***	***0.45***	***8.0***	***2.1***

Notes to Accompany Red Chris Mineral Reserves Table:

1. Mineral Reserves are reported with an effective date of 31 December, 2021, using the 2014 CIM Definition Standards. Assumptions and methodology can be found in the current 43-101 report titled The RED CHRIS OPERATIONS, BRITISH COLUMBIA, CANADA NI 43-101 Technical Report, (“2021 Red Chris Report”) with an effective date of June 30, 2021 (filed November 29, 2021 on sedar.com, found on SEDAR and the Company’s website).

2. Mineral Reserves are reported on a 100% basis. Imperial holds a 30% interest.

3. Mineral Reserves that will be mined using open pit mining methods are constrained within a pit design that uses the following input assumptions: metal prices of US$3.00/lb Cu, US$1,300/oz Au; metallurgical recoveries that average 79% for copper and 51% for gold; mining costs of C$3.2/t mined, and process and general and administrative (G&A) costs of C$12.5/t processed; and pit slope angles that range from 34–46º. Mineral Reserves are reported above a net smelter return of >C$15.5/t. Full mine recovery is assumed, and Mineral Reserves do not have additional dilution over that incorporated in the resource block model.

4. Mineral Resources that will be mined using underground mass mining methods are constrained within a block cave design that uses the following input parameters: metal price of US$3.00/lb Cu, US$1,300/oz Au; CA$:US$ exchange rate of 0.8; metallurgical recoveries that range from 81–86% for copper and 60–75% for gold; a life-of-mine operating cost of C$20.34/t milled; and shut- off values of MB1: C$22.00/t, MB2 and MB3: C$22.80/t, resulting in an approximate dilution of 5%.

5. Tonnages are metric tonnes. Gold ounces and copper tonnes are estimates of in-situ metal and do not include allowances for processing losses.

6. Rounding as required by reporting guidelines may result in apparent differences between tonnes, grade and contained metal content. Rounding is to two significant figures.

Production

Red Chris metals production for the year ended December 31, 2021 was 65.4 million pounds copper, 60,160 ounces gold, and 171,045 ounces silver. Imperial's 30% portion of Red Chris production for 2021 was 19.6 million pounds copper and 18,048 ounces gold.

The Operator has provided production guidance in the range of 50.7 to 55.1 million pounds copper and 40 to 42 thousand ounces gold for the period July 1, 2021 to June 30, 2022 from the open pit mining operation.

Table represents 100% of annual production.

Year Ended December 31	2021	2020	2019
Ore milled - tonnes	9,324,304	9,381,881	10,430,762
Ore milled per calendar day - tonnes	25,546	25,634	28,577
Grade % - copper	0.403	0.529	0.412
Grade g/t - gold	0.358	0.451	0.244
Recovery % - copper	79.1	80.7	76.0
Recovery % - gold	56.0	54.2	44.5
Copper – lbs	65,426,160	88,343,342	71,880,182
Gold – oz	60,160	73,787	36,471
Silver – oz	171,045	176,376	133,879

Block Cave Project

The proposed mine plan uses technology conventional to block cave operations, including mine design and equipment. The planned mining equipment is conventional to block cave operations. The 2021 PFS envisages that the tonnage profile transitions from a predominantly open pit feed in FY26 to an exclusively underground mill feed in FY30 when the nameplate capacity of 13.6 Mt/a is scheduled to be reached. The projected underground mine life is from FY2026 to FY2057.

The ground conditions at Red Chris are interpreted to be "very good", based on data collected from 2018–2020. Six geotechnical domains were assessed for the proposed underground development and cave extents. Cave fragmentation analyses concluded that orebody pre-conditioning via high undercut, blast, and hydraulic means will be required due to the rock quality. All pre-conditioning works will extend from the extraction level of the macroblocks to within 75 m of the ultimate floor of the open pit (580 m above the underground footprint). Modelled cave subsidence shows no major risks with respect to surface mining infrastructure or surface features such as Kluea Lake. Camp Creek may be impacted, and further study is required in terms of in-situ stress measurements and rock mass characterisation. The crater limit will be at the end of the Life of Mine ("LOM"), at year 34, and the crater depth will be 350–400 m below the bottom of the final pit.

The main source of water that will present to the underground was determined to come from direct precipitation (rain and snowmelt) flowing through the caved mass. The planned water management capacity will range from 200–1,500 m^3/hr over the LOM plan.

Each macroblock footprint will consist of an extraction level, undercut level, and infrastructure development. A single crusher and tipple arrangement will be used for all macroblocks. A perimeter drive on the extraction and undercut level will provide extraction and drill drive access and ventilation to the working areas. The footprint will be ventilated via the access decline and a return air raise. A series of internal ventilation raises will provide exhaust ventilation for the crusher, conveyor, and tipple areas. Access to the mine will be via two declines: the exploration/access and conveyor declines. The mine layout includes declines, ventilation infrastructure, footprint access, crusher location, and footprint layout. Primary ventilation will be achieved through three fresh air intakes, and two exhaust raises. Heating will be employed.

Extraction levels for all macroblocks are based on the standard extraction level layout using an El Teniente layout. The planned mining sequence is based on a combination of grade and geotechnical considerations. MB1, which hosts the high-grade portion of the Mineral Reserve will be the first to be mined. MB2 will be a southern extension of MB1, and with cave rules and stress orientation dictating that MB3 is opened from southeast to northwest, MB2 must be opened prior to MB3.

Infrastructure required to support the block cave will include primary crushers, five-way tipple arrangements, ROM and crushed ore bins, and conveyor systems. Equipment requirements include primary development, cave development, and production equipment. A secondary production fleet will support this equipment. These equipment types will be conventional to block cave mining operations. Underground workshops, offices, and refuge stations will support the underground operations.

Processing and Recovery Operations

Current Plant

Plant design for treating open pit ores was based on metallurgical testwork, and was a standard porphyry copper flowsheet employing SAG and ball milling, flotation, regrinding, thickening and filtering to produce a copper concentrate at a moisture content of 8% for export. Subsequent to the initial construction, the plant has undergone the following changes: installation of a pebble bypass system on the SAG mill, installation of an additional rougher flotation cell to increase rougher flotation residence time, and installation of a third flotation column to increase capacity of the cleaner circuit.

The plant as at May 2021 consisted of a SAG mill–ball mill–pebble crushing (SABC) comminution circuit housed in a single process building. The target grind size was a P80 of 150 µm, with throughput taking precedence over grind size, resulting in typical grind sizes closer to 170–180 µm. The flotation circuit was configured to produce a copper concentrate with a grade of 23–24% Cu. Originally configured as a two-stage cleaning circuit, the plant was often operated with only a single stage of cleaning due to insufficient capacity in the cleaner columns; this was addressed by installation of the third flotation column.

Block Cave Project Plant

The 2021 PFS evaluated two process options:

a Central Case, that would treat 13.6 Mt/a of underground ore through the existing SABC circuit plus a new single-stage SAG circuit; this concept was within the current maximum permitted throughput of 38,000 t/d average, 13.87 Mt/a; and

an Upside Case, that would treat 15 Mt/a of underground ore through the existing SABC circuit plus a new single-stage SAG circuit, with SAG mill discharge configurations modified to allow coarsening of grind size, and addition of a HydroFloat coarse particle flotation circuit.

In both cases, flotation and concentrate dewatering upgrades were included to allow processing of higher head grade underground ore. The Central Case was selected as the basis for the 2021 PFS.

The Central Case expansion will largely keep the existing process operation, adds an additional grinding line and expands some unit operations to suit block cave ore. Upgrades will include a new coarse ore stockpile, single-stage SAG mill, pre-rougher StackCells, new regrind circuit and expansion of the concentrate dewatering circuit. The ore properties of underground ore are expected to be sufficiently favourable to discontinue sulphide scavenger flotation, which is required for most open pit ores. The existing regrind ball mill would be removed to create space for an expanded cleaner flotation circuit. The expansion scenario considered that the ongoing process improvement projects would be online prior to the block cave expansion, including Cleaner Column 3, Phase 1 pre-rougher StackCells (treating cyclone overflow from the existing SABC circuit), and NAG tailings thickening.

Infrastructure, Permitting, and Compliance Activities

Infrastructure

The existing mine infrastructure includes an open pit, divided between the East and Main Zones; two stockpiles (low-grade, coarse ore); one WRSF; the tailings impoundment area (TIA) complex; non-contact water diversion structures; power supply; process plant, process facilities; exploration facilities; medical and ambulance facilities administrative and warehouse facilities; maintenance facilities; water treatment facilities; waste treatment facilities; and accommodations camp.

The transition to block cave mining and associated changes to processing will be supported by existing infrastructure as well as infrastructure upgrades. Infrastructure upgrades are required in the following areas: new mobile equipment maintenance and workshop facility; pumping upgrade from the north reclaim dam to the booster station; seepage mitigation modifications for the TIA; new cyclone sand plants and tailings thickener for dewatering NAG tailings cyclone overflow; associated modifications to tailings pipelines for the cyclone sand plants, thickeners. and short term tailings deposition; dust cover for the coarse ore stockpile; and accommodations camp upgrades.

New infrastructure requirements for the block cave project envisaged in the 2021 PFS include: operations accommodation complex, site asset operation centre, mine dry, concrete/shotcrete batch plant; expansion of existing North dam and South dam, new Northeast dam, relocated North Reclaim dam and South Reclaim dam, new Northeast Reclaim dam. North Valley pumping wells, North Valley seepage wells, make-up water booster pumps and pipelines for fresh and reclaim water, potable water treatment plant, fire water supply to operations accommodation complex, decline conveyor; propane, diesel storage and distribution; air compressors to supply compressed to underground utility stations; sewage treatment plant, septic field; ditches around the operations accommodation complex; expansions to switchgear and substations, mine substation, site-wide reticulation; communications backbone feeding surface and underground facilities; surface haul roads, access to conveyor portal, ventilation raises, process plant, TIA dam access roads; laydown areas, construction offices, warehouse, maintenance shops, water utility supply pump/pipeline from south reclaim pond; and stockpile pads, TIA reclaim dam diversion ditches, Camp Creek diversion, and Beaver Creek diversion.

Road access to the mine site is constructed, and operational. There will be new haul roads and site roads as envisaged in the 2021 PFS to allow access to the various locations, including the TIA, conveyor portal area, exploration portal, ventilation pads and reclaim dams at the TIA.

Concentrate is transported 320 km from the mine south to the Stewart Bulk Terminals at the Port of Stewart. Concentrate is stored in sheds at the bulk terminal until there is a sufficient stockpile to ship load. The current philosophy of shipping concentrate through the Stewart Bulk Terminals is assumed to be maintained for the block cave project.

Current Environmental, Permitting and Social Status

Extensive environmental baseline data collection and monitoring of the area has occurred since 2003. Site-specific baseline studies were completed to support the 2004 Environmental Assessment Application and subsequent 2010 Joint *Mines Act* and *Environmental Act* Permit Application, as well as associated addendums to permit applications.

Following receipt of the EA certificate (M05-02), *Mines Act* permit (M-240), and *EMA* permit (105017), approvals for mine construction commencement (2012) and operational authorization (June 2015), the Red Chris Operations have continued to collect comprehensive environmental monitoring data to support effective environmental management.

Baseline characterization studies included data collection on dust, noise and vibration, potential visual impacts, air quality and meteorology, groundwater and surface water quality and quantity, hydrogeology, aquatic resources and fisheries, terrestrial ecosystems including vegetation and wildlife, and cultural heritage and archaeological studies. The 2021 PFS noted that additional information would need to be collected in the areas of dust, noise, and air quality in support of future block cave operations.

Environmental Considerations

There is an environmental management system ("EMS") in place for the open pit operations, which includes associated plans, procedures, policies, guidelines, auditing, and compliance. The EMS and environmental management plans ("EMPs") will be updated to incorporate the block cave project. Key mitigation measures that have been identified for impacts assessed during the 2021 PFS will inform the updates to the EMPs.

Stockpiles, Waste Rock Storage Facilities, and Tailings Storage Facilities

The Red Chris Operations use a grade binning ore control system based on NSR value of mineralized material. High- and medium-grade ore is generally fed to the crusher directly with low-grade ore stockpiled for later use as required. A mineralized waste stockpile has been retained as a potential buffer for the mill in the event of production interruptions from the mine, should low-grade ore stockpiles become depleted. Mineralized waste treatment would be contingent on sufficiently high metal spot prices to make processing the material economically viable. The stockpile is not included in the Mineral Reserves but is based on a cut-off that pays for processing, general and administration plus stockpile rehandle costs.

Sufficient WRSF space was designed to store 150 Mt of NAG and PAG waste. The open pit schedule requires 120 Mt of waste be stored. The block cave mine will produce about 2.9 Mt of PAG waste, which will be stored on the existing permitted facilities. NAG material will be used for site construction, including the TIA.

The TIA is currently permitted for 302 Mt of tailings, the containment of which is provided by a single impoundment with natural topography, and the LOM design incorporates three dams, the North, South, and Northeast dams. To support the proposed block cave operation, the TIA will be expanded to a capacity of about 550 Mt. The design assumes raises on the North, South and Northeast dams above that which is currently permitted, and relocation of certain of the reclaim dams and associated seepage interception systems.

Water Supply and Water Management

The main source of water for the process plant is reclaim from the main pond at the TIA and, when constructed, will be from the planned thickener and cyclone sand plant. Groundwater pumping from a deep aquifer is the main source of makeup water when needed to meet process water demands.

The TIA will be the main water management reservoir for the Red Chris Mine. Inputs to the TIA will include water from the tailings, runoff from the TIA catchment area, direct precipitation, and pump-back from the reclaim dams. Collected water from the pit and WRSFs, including the low-grade ore stockpile, will be initially routed through the mill for process use before reporting to the TIA with the tailings. Diversion ditches around the TIA will divert non-contact runoff water to the north and south of the TIA as much as practicable.

Closure and Reclamation Planning

A closure plan was developed for the 2021 PFS for the closure of the proposed block cave operation in its entirety, including works associated with the existing open pit operations. Under the British Columbia *EMA* the Mines Act, maintenance of a five-year mine plan and a closure plan are required for mines operating in British Columbia. The closure plan currently approved is for the closure of the existing facilities to support the open pit mine at Red Chris. A reclamation bond is required to be updated according to the disturbance areas and facilities associated with the M-240 permit.

Permitting Considerations

The Red Chris Operations are fully permitted for open pit mining.

The BC Reviewable Projects Regulation sets out the criteria for determining which projects are required to undergo an EA; however, it is understood that the block cave project does not meet or exceed the thresholds defined in the Reviewable Projects Regulation; therefore, except in the event that the Project is designated by the Ministry of Environment and Climate Change Strategy, British Columbia ("ENV"), the Project will not require a new EA certificate. However, amendments to the EA certificate will be required in connection with certain phases of the block cave project (such as underground mining) where the activities to be undertaken during such phases are not authorized by the existing EA certificate. The permitting strategy will follow a phased approach. Permitting for development of the exploration decline (Phases 1 and 2) is complete and the decline is under construction. MB1 is expected to be able to be permitted at the provincial level, through an EA certificate amendment and amendments to the *Mines Act* and *EMA* permits. The application for an EA certificate amendment in terms of the *Environmental Assessment Act* may be subject to the agreement yet to be concluded between the Tahltan Central Government and the Province under Section 7 of the *Declaration on the Rights of Indigenous Peoples Act*. *Mines Act* and *EMA* permit amendment applications are expected to be submitted and reviewed concurrently during the EA certificate amendment process.

Extension of the mine's operating life beyond 2040 through the mining of MB2 and MB3 may trigger the need for environmental review at the federal level under the *Impact Assessment Act* and additional permitting under the *Fisheries Act*. These permitting activities are estimated to be initiated after 2035.

Social Considerations

The mining operations are located entirely within the Tahltan Nation's territory. The proposed block cave project requires an approach that aligns with the Tahltan Nation and leadership and with provincial governments. Since initiating discussions on exploration activities and Red Chris Mine activities, representatives continued to meet regularly with Tahltan Central Government representatives, Tahltan leadership, and the Tahltan Nation. While feedback has been largely positive, a range of concerns and interests have been raised.

Outlook

Exploration for 2022 will be focused on Red Chris, with 100,000 metres of drilling planned and continuing development of the exploration decline to provide access for underground exploration planned at Red Chris.

Work is underway on the Feasibility Study of a block cave mine and it is expected to be completed in the second half of 2023.

Mineral Property | Mount Polley Mine

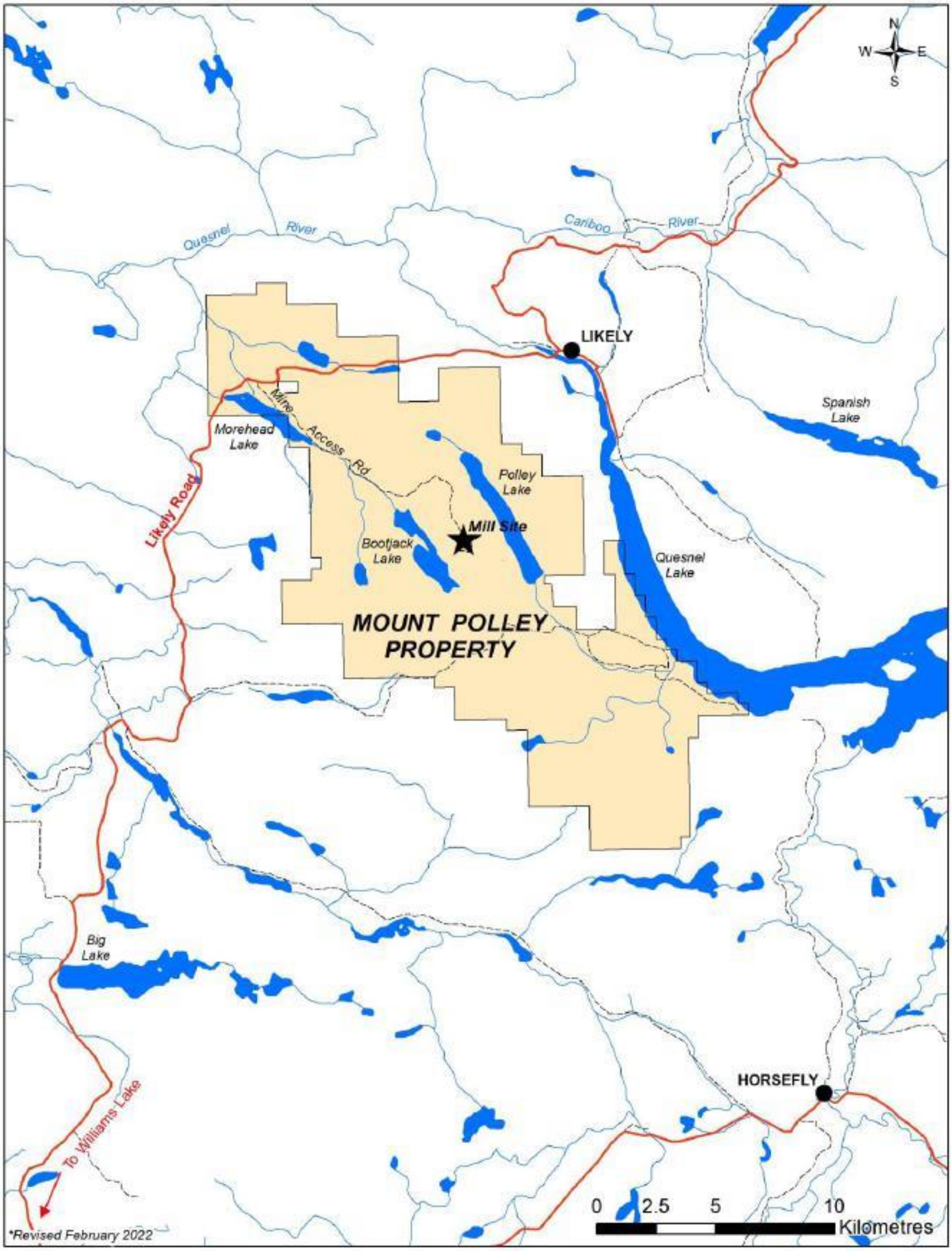
The NI 43-101 Technical Report for the Mount Polley Mine, Cariboo Mining Division, British Columbia, ("2016 Mount Polley Report") dated May 20, 2016, was filed on May 26, 2016 and is available on sedar.com.

Description, Location & Access

The Mount Polley copper-gold mine commenced operations in 1997. The mine site is located in south-central British Columbia, eight km southwest of Likely and 56 km northeast of Williams Lake. The property lies near the eastern edge of the Fraser Plateau physiographic sub-division, which is characterized by rolling topography and moderate relief. Elevations range from 920 masl at Polley Lake to 1,266 masl at the summit of Mount Polley. Road access from Williams Lake to the Mount Polley property is 15 km southeast on Highway 97 to 150 Mile House, 76 km north on Likely Road past Morehead Lake, and then 14 km south on the unpaved Bootjack Forest Access Road. The mine is connected to the BC Hydro power grid. Mining and milling operations proceed year-round. When in operation, the mine has between 300-350 employees, the majority of whom commute from Williams Lake and the smaller communities in the region.

The property consists of 58 mineral tenures covering 24,077 ha and comprises seven mining leases (valid to August 22, 2026, September 29, 2034, December 19, 2035, September 21, 2037, January 9, 2038, and November 28, 2036) totaling 2,007 ha and 51 mineral claims (one valid to January 27, 2023, 48 valid to June 1, 2026 and two valid to November 1, 2029) encompassing 22,070 ha. All mineral tenures are issued in accordance with the *Mineral Tenure Act of British Columbia* and are owned by MPMC.

In October 2019, MPMC optioned seven adjacent mineral tenures (3,331 hectares) from Commander Resources Ltd. These are included in the aggregate figures above. Upon the exercising of the option on or before December 31, 2022, these claims will be subject to a production royalty of $1.25 per tonne payable on ore mined from the claims and milled in the Mount Polley processing plant. Mining lease 933970 is subject to a production royalty held by Commander Resources Ltd. of $2.50 per tonne on the first 400,000 tonnes of ore mined and milled and $1.25 per tonne on any additional ore mined and milled, a rate that may be reduced to $0.62 per tonne by payment of $1 million. No production was undertaken from mining lease 933970 during 2019-2021.



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Quesnel
River
Cariboo
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LIKELY
Spanish
Lake
Morehead
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Mine
Access
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Polley
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Likely Road
Mill Site
Bootjack
Lake
Quesnel
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MOUNT POLLEY
PROPERTY
Big
Lake
HORSEFLY
To Williams Lake
0
2.5
5
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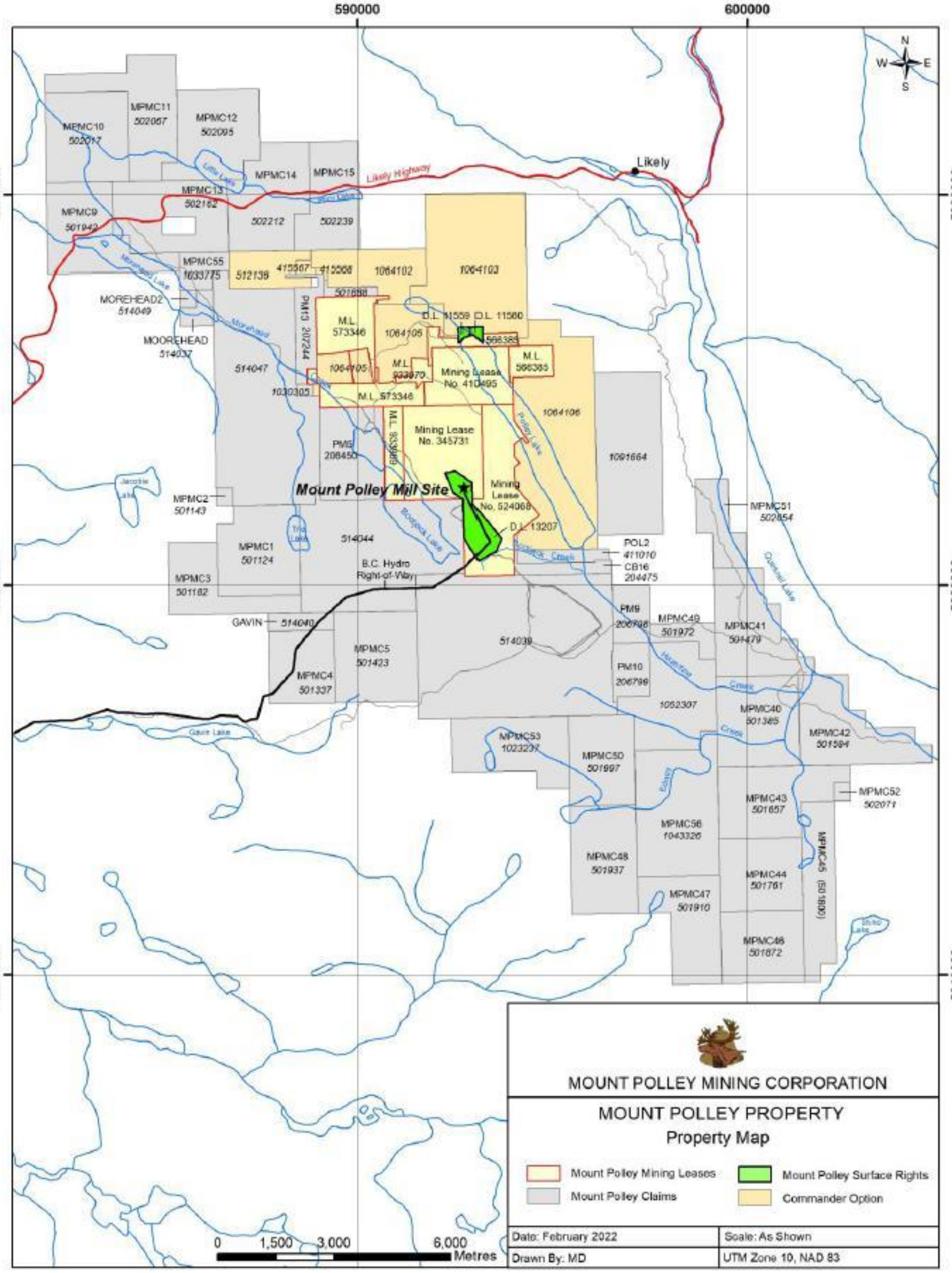
Kilometres
*Revised February 2022



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MPMC12
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502162
MPMC9
501942
502212
502239
MPMC55
1033775
512138
415567
415568
1064102
1064103
MOREHEAD2
514049
MOOREHEAD
514037
PM13 207244
M.L. 573346
1064105
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M.L. 566385
M.L. 933970
Mining Lease No. 410495
514047
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M.L. 573346
1064106
Mining Lease No. 345731
PM5 206450
1091664
Mount Polley Mill Site
Mining Lease No. 524068
MPMC2
501143
MPMC51
502054
D.L. 13207
MPMC1
501124
514044
B.C. Hydro Right-of-Way
POL2
411010
CB16
204475
MPMC3
501182
GAVIN
514040
PM9
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MPMC49
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MPMC45 (501800)
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MPMC47
501910
MPMC46
501872
MOUNT POLLEY MINING CORPORATION
MOUNT POLLEY PROPERTY
Property Map
Mount Polley Mining Leases
Mount Polley Surface Rights
Mount Polley Claims
Commander Option
0
1,500
3,000
6,000
Metres
Date: February 2022
Scale: As Shown
Drawn By: MD
UTM Zone 10, NAD 83

Permitting & Environmental Management

All phases of mining and reclamation are authorized and/or regulated by the Province of British Columbia and the Federal Government of Canada. Mine operations are primarily authorized and regulated under the *EMA* and the *Mines Act*, both as administered by respective ministries of the Province of British Columbia. Mine operations and supplementary activities are also authorized and/or regulated under legislation such as the *Water Act* and that implemented by the MFLNRORD.

Ministry	Authorization	Purpose	Permit #	Date Issued	Comment
MEMLCI	Permit Approving Mining and Reclamation Program	Mining activities	M-200	August 1995	many amendments; most recent 2020
MECCS	Effluent Discharge Permit	Effluent discharge for tailings and site contact water	11678	May 1997	many amendments; most recent 2020
MECCS	Conditional Water License	use of water for dust suppression and industrial processes.	111741	December 1996	
MECCS	Conditional Water License	diversion of water from Polley Lake for use in processing	101763	December 1996	amended 1997, 2002
MECCS	Waste Discharge Permit	Landfill	14590	March 1997	amended 2019
MECCS	Waste Generator Registration	Special Waste Regulation	01559	July 1997	amended 2012
MECCS	Effluent Discharge (Biosolids) Permit	Store and apply biosolids for use in reclamation	15968	December 1999	amended 2007, 2014
MECCS	Air Discharge Permit	air contaminants from mill and crusher	15087	August 1997	amended 2007
MFLNRORD	Road Use Permit	Mine access	01-5654-96	June 1996	Morehead – Bootjack FSR
MFLNRORD	Conditional Water License	Storage of water in Polley Lake	C132360	August 2015	for rehabilitation purposes below Polley Lake

Federal regulation of the activities at the Mount Polley mine is primarily through the *Fisheries Act*, which aims to protect fish habitat by prohibiting the entry of deleterious substances into fish-bearing waters, as well as the disruption or disturbance of fish habitat without the necessary approvals. Protection of fish habitat also includes the Metal Mining Effluent Regulations (annexed under the *Fisheries Act*) which regulate deposition of mining effluent into fish-bearing waters.

The Mount Polley Breach resulted in the release of tailings and TSF supernatant into the adjacent environment. As a result, MPMC was issued a Pollution Abatement Order pursuant to the *EMA* and an Engineer's Order pursuant to the *Water Act* (the "Orders"). Both Orders set out a number of requirements for environmental investigation and remediation of the affected area. MPMC carried out the investigations, monitoring and remediation planning requirements of the Pollution Abatement Order and the Order was cancelled by MECCS in 2019. Remediation work of terrestrial and fish habitat is continuing under the guidance of the Engineer's Order. In doing so, MPMC is working with local First Nations and with the applicable government agencies to ensure that it complies with the MECCS approved Conceptual Remediation Plan. Investigation of the Mount Polley Breach by Fisheries and Oceans Canada, Environment and Climate Change Canada, and the BC Conservation Officer Service is ongoing.

The Comprehensive Environmental Monitoring Program at the Mount Polley mine continues as required under authorizations from the MECCS and the MEMLCI. Such programs include monitoring of groundwater, surface water (streams, lakes, and mine contact water collection sites), weather, and hydrological conditions. MPMC submits an annual Environmental and Reclamation Report to the MECCS and MEMLCI. That report outlines all current and planned mining and reclamation activities, as well as environmental monitoring activities and results.

MPMC is committed to the progressive on-site reclamation of disturbed areas during the mine-life cycle and has been actively completing such work since 1998. Reclamation work since 2014 has been limited, as efforts have been focused on remediation activities in the areas affected by the Mount Polley Breach. The total on-site area reclaimed to date is 72.15 ha. On-site Mine contact water is collected, treated with a Veloia Actiflo® water treatment plant then discharged via a pipeline at depth into Quesnel Lake.

MPMC is actively engaged in research projects with academic partners to refine site reclamation and closure methods, as well as to contribute to improving industry best practices. In 2016, MPMC completed a second three-year term of partnership with Genome BC. The major component completed under this partnership, the Anaerobic Biological Reactor ("ABR"), continued operation until 2014, but was put into care and maintenance on account of the Mount Polley Breach and has since been decommissioned as part of the buttressing works around the TSF. The ABR was a fully contained passive water treatment pilot project that was developed in conjunction with Genome BC and a research group consisting of mining industry partners and the University of British Columbia. Additionally, at the time of the Mount Polley Breach, MPMC was in the first year of a partnership with Thompson Rivers University to develop a wetland passive treatment research project at the ABR outflow. After the Mount Polley Breach, MPMC and Thompson Rivers University leveraged existing grants from the Natural Sciences and Engineering Research Council of Canada and non-profit, national research organization, Mitacs, to obtain additional funding from Genome BC and Genome Canada in order to adapt the research project and use metagenomics to study passive remediation of disturbed areas and tailings material downstream of the Mount Polley Breach. The initial phase of this project was completed in 2017, although longer-term research potential exists using the baseline data that were collected and the bio-augmentation plots that were installed. In 2016, a new partnership was initiated with the University of British Columbia, with support from the Natural Sciences and Engineering Research Council of Canada, to support Mount Polley Breach rehabilitation works. Specifically, PhD research is being conducted into methods for rehabilitating soil biological communities in order to improve nutrient cycling and build soil, with the objective of improving revegetation success.

In 2017, a separate research project was initiated at the University of British Columbia, with support from the Natural Sciences and Engineering Research Council *Engage* program to investigate progressive remediation in waste rock piles and implications for water quality on the mine site. Lab and field research on passive water treatment approaches through consultants is ongoing and continues into 2021.

A pilot scale Constructed Wetland Treatment System was constructed on the west drainage of the mine operating from June 2019 to December 2020. The laboratory data will be used to refine the potential full-scale design and implementation of an on-site demonstration project.

Environment monitoring is ongoing during the current care and maintenance period.

History

Ownership history and early exploration of the Mount Polley property is provided in the 43-101 Technical Report for Mount Polley Mine Feasibility Study filed August 5, 2004 on sedar.com. That report contains information on the period from Mount Polley's formal discovery in 1964, through to the formation of MPMC and subsequent mine construction in 1996. Mount Polley mine operated from 1997 through to the fall of 2001, at which time operations were suspended, and the mine placed on care and maintenance, due to a sustained period of low commodity prices. At that time, the originally designed Cariboo Pit had been completed, while the Bell Pit was in process of being mined.

In late 2003, following discovery of the high-grade Northeast Zone, exploration resumed at Mount Polley and preparations for the restart of mining and milling began. In 2004, Imperial conducted a new feasibility study which incorporated the Northeast Zone, as well as the Springer and Bell Zones. In March 2005, mining began in the new Wight Pit (Northeast Zone) and resumed in the Bell Pit. In subsequent years, drilling exploration was carried out in a number of other areas focused on expanding or deepening known deposits or testing new targets revealed by trenching, mapping and sampling programs, or by geophysical anomalies. As a result, significant copper-gold resources were delineated in the Southeast Zone (mined 2008-2010), the Pond Zone (mined 2009-2010), the C2 Zone (now incorporated in the Cariboo Zone), the WX Zone, and the Boundary Zone. Mining was completed in the Bell Pit in 2008, and in the Wight Pit in 2009. Mining in the Springer Zone, which contains the majority of the remaining reserves at Mount Polley, began in 2008. Deep drilling since late 2003 has resulted in a substantial increase in Springer resources.

The first underground exploration development at Mount Polley began in 2010 in the deep Boundary Zone, which was mined between 2013 and early 2017. Substantial resources also exist in the deep Northeast Zone beneath the Wight Pit, known as the Martel Zone. The underground workings were extended from the Boundary Zone for a program of delineation drilling in the Martel in winter 2016-2017 (see below).

Operations were suspended on August 4, 2014 following the Mount Polley Breach. Rehabilitation work was immediately initiated at the TSF and the affected areas downstream.

An Independent Expert Engineering and Investigation Review Panel, commissioned by the MEMLCI, investigated the Mount Polley Breach and released its report on January 30, 2015. The report concluded that the breach was sudden and without warning and was due to the fact the independent engineering firms retained by MPMC to design the TSF did not take into account the strength of the glaciolacustrine layer approximately 8 m below the foundation of the embankment in the area of the breach.

On July 9, 2015 MPMC received regulatory approvals authorizing restart of mine operations under a modified operating plan. With the TSF not authorized for continued mill process tailings deposition at the time, the modified operating plan included use of the Springer Pit for tailings deposition. Operations resumed on August 5, 2015, with mill processing on a one-week-on/one-week-off schedule, and ore feed sourced from the Cariboo Pit and the Boundary Zone underground operation. In late November 2015, due to the complexity of operating the mill under winter conditions and considering weakened commodity prices, the mill transitioned into operating on a continuous basis.

On December 17, 2015, the Chief Inspector of Mines for the Province of British Columbia released his report on the Mount Polley Breach. The report concluded, as had the Independent Expert Engineering and Investigation Review Panel report, that the root cause of the Mount Polley Breach was associated with an engineering design that had not properly characterized the strength of a clay (glaciolacustrine) unit in the native soil foundation.

In Spring 2016, a diamond drill program was completed in the Cariboo Zone (six holes, 819 m) and WX Zone (five holes, 1,010 m) to assist in mine planning. On June 23, 2016 MPMC received regulatory approvals authorizing the mine to return to full operations and for use of the repaired TSF for tailings deposition.

In late 2016 and into early 2017, exploration of the deep Northeast Zone known as the Martel Zone, continued with an underground drilling program. The Martel Zone is about 400 m east of the Boundary Zone and vertically below the Wight Pit. Wide spaced drilling from surface, mainly in 2004, had defined a measured and indicated below-pit resource of approximately 6.27 MT grading approximately 1.12% copper, 0.40 g/t gold and 7.38 g/t silver. The objective of the 2016-2017 drilling was to define a high-grade portion within the Martel Zone for future underground mining. Access for the drilling was by a ramp and drift driven in 2016 to within about 100 m of the Martel mineralization. Holes were drilled on azimuths ranging from 070° to 090° at shallow to moderate angles from four drill stations at 25 metre intervals along the drift. Four holes (1,421 m) were completed before yearend 2016 and the remaining 21 holes in the 6,680 metre program were completed in February 2017.

Drill results and geological details were given in news releases dated February 28, 2017 and April 10, 2017. The Martel Zone consists of strongly mineralized breccia and measures approximately 130 metre long, 170 metre high, and 140 metre wide; the southernmost hole in the program indicates the zone is thinning in this direction but is still open. Along its northeastern fringe, the Martel breccia gives way to monzonitic wall rock and dikes, in between which are discontinuous lenses of distinct and very high-grade, bornite-rich mineralization collectively termed the Green Zone. The Green Zone was intercepted in several holes over various but mainly narrow widths and displays a roughly vertical disposition; it may be more structurally controlled than the main body of the Martel.

A new resource for the Martel Zone was announced August 14, 2017. The Zone as presently delineated consists of 6.8 MT in the measured and indicated category, grading 0.91% copper, 0.28 g/t gold, and 5.79 g/t silver. In addition, there is an inferred resource of 635,600 tonnes grading 1.29% copper, 0.59 g/t gold, and 8.32 g/t silver. These underground resources will be incorporated into the future open pit and underground mine planning.

In 2018, all open pit production came from the Cariboo, supplemented by previously stockpiled ore. Rehabilitation work at the TSF and areas affected by the Mount Polley Breach continued through all phases of operations and in care and maintenance.

In January 2019, the Company announced Mount Polley mine operations would be suspended due to low and declining copper prices. Milling of low grade stockpiles continued through until the end of May 2019, at which time the mine was placed on care and maintenance status.

Historic production, from all zones at Mount Polley since start-up in 1997 through the temporary suspension of operations in May 2019, is approximately 594 million pounds copper and 928,000 ounces gold from about 118 MT mill throughput.

During 2019, a comprehensive exploration program was conducted of the Frypan/Morehead area, a largely till covered magnetic high which has a similar magnetic response to that obtained over the Mount Polley mine host rock of monzonite and hydrothermally altered monzonite breccia pipes. The area is located west and north of the mine and is approximately 3x3 km in size. There were 948 soil samples collected and analyzed using the Mobile Metal Ion (MMI) technique. A 80.7 line km Volterra-3D Induced Polarization (IP) survey covering the same grid area was also completed. A similar IP survey was conducted over the mine site to identify the geophysical response of the known mineralization to aid in prioritizing targets on the Frypan/Morehead area. This survey consisted of 81.5 line km and was successful in delineating the known mineralization, as well as outlining several new un-tested areas in the vicinity of the mine.

In the fourth quarter of 2021, MPMC took the initial steps towards recommencement of operations at Mount Polley mine. Stripping operations began to enable milling operations to restart in 2022. Mechanical and electrical contractors began on refurbishing the plant, including work on the tailings slurry and reclaim water pipelines and pumps, crushers, conveyors, screens, grinding mills, flotation and plant water systems. The crushing plant was commissioned by year end providing crush material for winter road maintenance. The Mount Polley management team is targeting the plant to be ready for a spring 2022 restart of plant operations.

Environment monitoring is ongoing during the current care and maintenance period. Site personnel continue to maintain access, fire watch, manage collection, treatment and discharge of site contact water, and actively monitor the tailings storage facility.

Geological Setting, Mineralization & Deposit Types

Mount Polley is an alkalic porphyry copper-gold deposit. It lies in the tectono-stratigraphic Quesnel terrane or Quesnellia, which is characterized by a Middle Triassic to Early Jurassic assemblage of volcanic, sedimentary and plutonic rocks which formed in an island arc tectonic setting outboard of the ancestral North American continental margin. Quesnellia hosts several major porphyry copper deposits such as Highland Valley, Copper Mountain, Afton-Ajax, Gibraltar and Mount Milligan, all generated by early Mesozoic, calc-alkalic or alkalic arc magmatism.

In the Mount Polley region, the Triassic arc rocks are assigned to the Nicola Group and comprise alkalic basaltic to andesitic volcanics and sedimentary rocks, which are intruded by sub-volcanic stocks; all are overlain by post-Nicola, Early Jurassic clastic rocks and rare volcanics. Mount Polley itself is a complex of alkalic intermediate porphyritic intrusions and related magmatic-hydrothermal breccias. It was emplaced into the Nicola Group in the Late Triassic around 205 million years ago. The intrusive complex is about 6 km long (north-northwest) and 3 km wide, lying between Polley Lake in the east and Bootjack Lake in the west. The intrusions range from diorite (oldest) to monzonite (youngest) and are marginally undersaturated in silica. The Mount Polley Intrusive Complex is in the centre of the Mount Polley property; the remainder of the property is underlain mainly by Nicola Group volcanics and post-Nicola conglomerate, and small intrusions in which no economic mineralization has been found to date.

Mineralization in the Mount Polley Intrusive Complex ("MPIC") is primarily hosted by irregular zones of hydrothermal breccia, which are closely related to the porphyry intrusions and were formed by magmatic devolatization processes. Mineralization and brecciation were accompanied by potassic or calc-potassic, albite, and magnetite alteration; the MPIC is bounded on most sides by propylitic country rocks. As in many alkalic porphyry systems, there is no single or simple zoned mineralization pattern, but instead a number of copper-gold zones of various size, shape and grade characteristics, distributed around the MPIC from the far north to the south. There is no clear structural control on the location of these mineralized breccia zones, although the greatest continuity and the bulk of the past and present resources occur in the centre of the MPIC (e.g. Springer, Cariboo, Bell Zones) between two pre-mineral diorite intrusions. Dimensions of mineralized breccias in the MPIC range up to many hundred metres in length and width, such as in the Springer Zone. Elsewhere, smaller zones (generally less than 100 m across) may form mineable bodies if grades and other factors are favourable. Post-mineral faulting probably did not disrupt the continuity of mineralized zones very significantly, except in the Northeast Zone where deeper mineralization was offset along a fault a few hundred metres laterally and dropped vertically slightly.

In the deposits, the degree of brecciation and associated hydrothermal alteration is usually a reliable guide as to grade. There is relatively little post-mineralization dike dilution. Chalcopyrite is the dominant copper mineral, typically accompanied by pyrite; bornite is relatively uncommon in the centre of the MPIC. Here, copper sulfides occur as disseminations or veins and fracture coatings in brecciated intrusion, or they are disseminated in the matrix of breccias, in both cases precipitated along with alteration minerals. Mineralization has been traced by deep drilling in the Springer Zone to a depth of around 900 m (from pre-mining surface).

In the north of the MPIC are much higher grade orebodies, namely the Northeast (mined in the Wight Pit, 2005-2009) and Boundary Zones, where copper grades can reach several percent per tonne. Chalcopyrite and significant bornite form coarse-grained infill in breccias, and intense vein and microvein stockworks. As in the zones in the centre of the MPIC, gold and silver occur mainly as microscopic inclusions in the copper sulfides and in pyrite.

Exploration has always proceeded alongside mining at Mount Polley, leading to the expansion and deepening of known deposits, or to the discovery of new zones, or raising the status or resource category of marginal prospects, potentially towards feasibility for profitable mining. Geological and geotechnical logging of drill core is integrated with down-hole assay data and used with software for computation of the resource block model and mine design. In addition, exploration and research since the restart of operations in 2004-2005 have considerably advanced understanding of geology, structure and deposit genesis at Mount Polley, improving interpretation of mineralization geometry and the design of drill programs. New underground development is followed where appropriate by wall mapping and rib sampling to further characterize the mineralization, fill gaps in the resource model, and help guide stope design.

Airborne and ground magnetic signature are regarded as the most important geophysical tool for identifying new mineralization, although tellingly it was not effective in the Northeast Zone, possibly delaying discovery of that high-grade but magnetite-poor orebody until 2003. An 11-line Titan-24 deep Induced Polarization-Magnetotelluric survey was completed by Quantec Geoscience Ltd. in Fall 2009 to potentially locate blind sulfide targets and guide exploration drilling where appropriate. Outlying parts of the Mount Polley property, away from the mine site, have been explored by geological mapping, sampling and trenching and by soil surveys over intrusive bodies, with no significant results to date. Mineral potential remains most promising within the MPIC itself, or possibly buried beneath the unconformity with cover rocks (conglomerate, breccia) immediately to its north.

Exploration

MPMC acquired an option to earn a 100% interest in seven mineral claims (3,331 ha) adjacent to the mine in 2020. Three target settings occur within the optioned claims and adjacent Mount Polley claims, including a potential northern projection of the high-grade Quarry Zone beneath a post-mineral conglomerate unit, a partially tested glacial till covered area where regional magnetics suggests a faulted offset of the Mount Polley Intrusive complex, which hosts the Mount Polley orebodies, is present and a till covered prospective area immediately east of the Southeast Zone. A deep looking IP survey, along with a soil sampling program, was completed over the optioned claims. Drill programs have been designed to test the targets outlined on the optioned claims and to expand the copper and gold resource near historic deposits, with a focus on gold rich zones.

The 2020 exploration program was planned to improve drill hole data density of mineralization near historic mining areas where the use of underground mining is being considered, and to drill new geophysical and geochemical anomalies outlined by recent surveys in the Trio Creek area located north and northwest of the mine. Six drill holes totalling 3,792 metres were completed.

The WX Zone is the most recent major discovery (2009) at Mount Polley. Located south of the Springer Pit, it is noted for its high gold grades and high gold/copper ratio mineralization. Drill hole WX-20-78 was designed test and confirm the continuity of the mineralization in an area of proposed underground mining. Drilled down the plunge, this hole served to confirm the continuity of this modelled higher grade target within the WX Zone.

The C2 Zone is located south of the Cariboo Pit. Two holes were drilled to test a zone of higher gold grade along the Polley fault at depth. Historic drilling in this zone yielded an intercept of 55 metres grading 2.14 g/t gold and 1.19% copper in drill hole C2-11-97. Both holes were successful in extending this lower gold zone.

Drill hole SD-20-162 was designed to fill a gap in drilling on the eastern side of the target area beneath the Springer Pit. The Springer Zone contains most of the reserves in the current open pit mine plan. Historic drilling beneath the currently planned Springer Pit confirmed the mineralization continues for at least 250 metres below the pit bottom. Studies are underway to evaluate the potential for bulk underground mining beneath the planned pit.

The Trio Creek target area is located north and northwest of the mine. This area is covered by glacial till with limited bedrock exposure. Using new geophysical and geochemical anomalies outlined by recent surveys, the goal was to gain an understanding of the geological system. Drill holes TC-20-01 and TC-20-02 were designed to test new anomalies north and west of the mine. The targeted areas feature favorable geophysics that match the geophysical fingerprint of the Mount Polley mineralized host rock. Drill holes TC-20-01 and TC-20-02 have defined a clear extension to the north of similar geology and associated hydrothermal alteration zones to that which hosts the mineralization at Mount Polley. Additional exploration is planned to further define the targets located in this area.

The 2021 exploration program was planned to acquire high density ground magnetic data over top of high priority areas within the mine site and areas immediately to the north while remaining available to support geotechnical drilling that was ongoing on site.

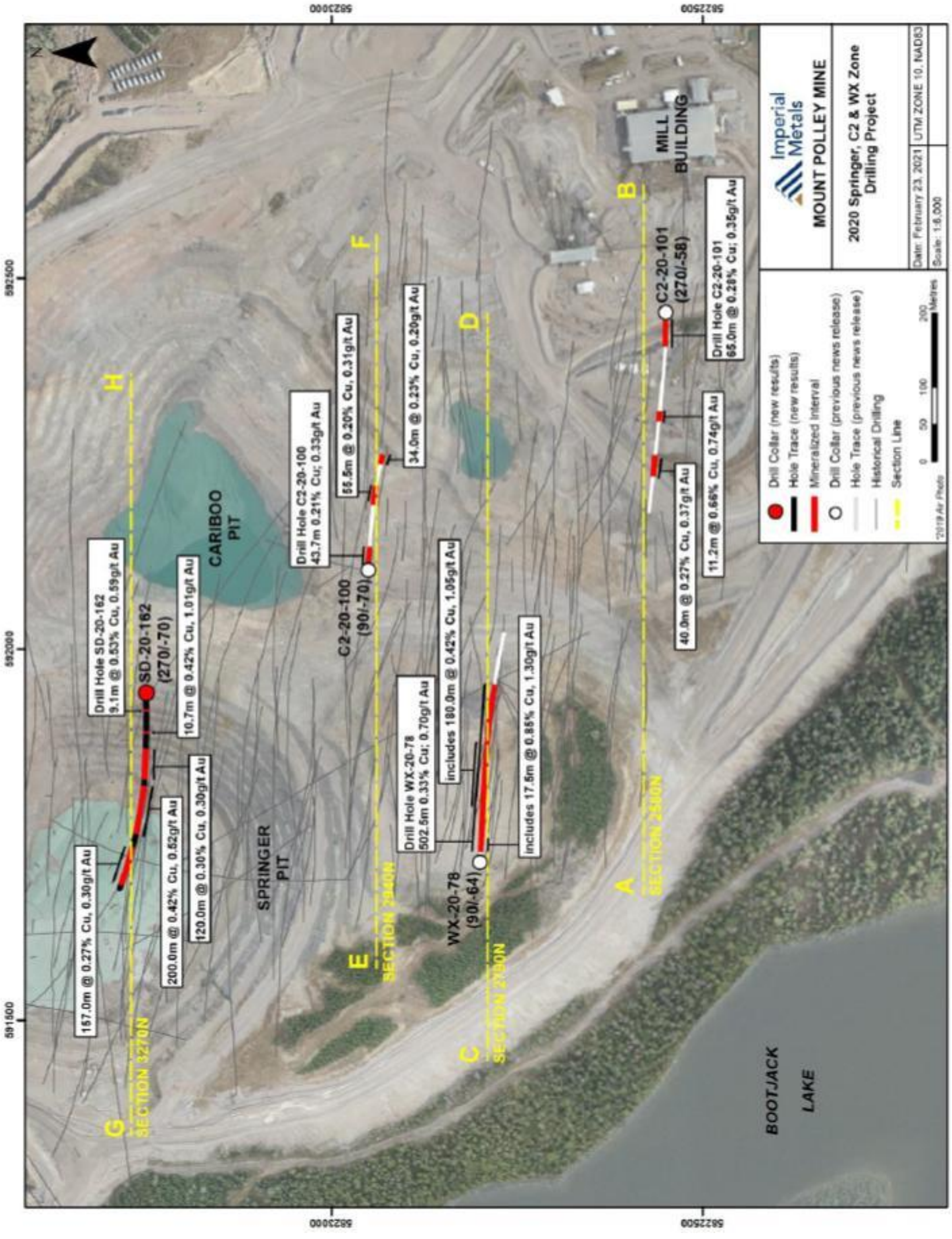
The ground magnetic survey was successful in providing high resolution magnetic data overtop of high priority targets located north of the Junction Zone, north of the old Bell Pit, west of the Wight Pit, adjacent to Polley Lake and south of the South East Rock Dump. The ground magnetic data has highlighted many magnetic anomalies around the property that have a similar geophysical signature as the known mineralization found at Mount Polley. Several more magnetic surveys have been planned to cover areas where data and exploration is limited. Additional exploration is planned to further define the anomalies derived from the ground magnetic surveys.

At December 31, 2021, a total of 2,783 exploration holes (surface and underground combined) had been drilled.

Sampling, Analysis & Data Verification

Early drill core from 1966 to 1980 has largely been lost to vandalism. All core samples from 1981 onwards were collected in wooden core boxes at the drill. The average core size was NQ2, but HQ diameter drill core has become more common with deep drilling in recent years. Each core box holds approximately 4 m. Mount Polley drill core is sampled in its entirety, in most cases, with sample length of 1.0-2.5 m. The standard maximum length of a 2.5 m sample may be broken into smaller intervals where required by significant changes in geology, faults, or mineralization intensity. The core is first logged geotechnically and geologically photographed and then sample lengths are cut axially with a rock saw. One half of the core is sent for analysis and the other half stored on the property in covered core racks for future reference as a geological record, or for any necessary test work at a later date. The core library and core logging facility are located at the mine site, securely inside the mine perimeter. Pulps and rejects are stored in the same facility. All drill core post-1980 was assayed for gold, total copper, and iron while non-sulphide copper, silver and some other analyses were completed on core from certain areas of the property where the additional data was considered to be important. Much of the pre-1980 core was assayed only for total copper. Over the life of the mine, exploration samples have been assayed at a number of labs in British Columbia.

From 2006 to 2017 approximately 80% of core samples were analyzed by the on-site mine laboratory. Thereafter, core samples have been analysed at Bureau Veritas Mineral Laboratories in Vancouver. A full QA/QC program using blanks, standards and duplicates was completed for all diamond drilling samples submitted to the labs. Significant assay intervals reported represent apparent widths. Insufficient geological information is available to confirm the geological model and true width of significant assay intervals.


Imperial Metals
MOUNT POLLEY MINE
2020 Springer, C2 & WX Zone Drilling Project
Date: February 23, 2021
UTM ZONE 10, NAD83
Scale: 1:6,000
Drill Collar (new results)
Hole Trace (new results)
Mineralized Interval
Drill Collar (previous news release)
Hole Trace (previous news release)
Historical Drilling
Section Line
2019 Air Photo
CARIBOO PIT
SPRINGER PIT
BOOTJACK LAKE
MILL BUILDING
SECTION 3270N
SECTION 2940N
SECTION 2790N
SECTION 2580N
Drill Hole SD-20-162
9.1m @ 0.53% Cu, 0.59g/t Au
SD-20-162
(270/-70)
10.7m @ 0.42% Cu, 1.01g/t Au
120.0m @ 0.30% Cu, 0.30g/t Au
200.0m @ 0.42% Cu, 0.52g/t Au
157.0m @ 0.27% Cu, 0.30g/t Au
Drill Hole C2-20-100
43.7m 0.21% Cu; 0.33g/t Au
C2-20-100
(90/-70)
55.5m @ 0.20% Cu, 0.31g/t Au
34.0m @ 0.23% Cu, 0.20g/t Au
Drill Hole WX-20-78
502.5m 0.33% Cu; 0.70g/t Au
includes 180.0m @ 0.42% Cu, 1.05g/t Au
includes 17.5m @ 0.85% Cu, 1.30g/t Au
WX-20-78
(90/-64)
C2-20-101
(270/-58)
Drill Hole C2-20-101
65.0m @ 0.28% Cu; 0.35g/t Au
11.2m @ 0.66% Cu, 0.74g/t Au
40.0m @ 0.27% Cu, 0.37g/t Au
591500
592000
592500
5823000
5822500

Mineral Reserve and Mineral Resource Estimates: Effective date January 1, 2019

Mineral Resources are inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Ore grade cutoffs are based on the same cost assumptions used January 1, 2018.

Mount Polley Mineral Reserves at January 1, 2020

		Grade			Contained Metal			
Zone/Pit	Tonnes Ore	Copper %	Gold g/t	Silver g/t	Copper lbs	Gold oz	Silver oz	Stripping Ratio
Springer	42,500,000	0.303	0.258	0.577	284,000,000	353,000	788,000	2.44
Cariboo	depleted							
WX	8,400,000	0.270	0.484	0.576	50,000,000	131,000	155,000	5.65
Boundary OP	600,000	0.647	0.579	4.392	9,000,000	11,000	85,000	8.67
Martel UG	2,272,000	1.145	0.299	7.205	57,000,000	22,000	526,000	n/a
Total Reserve	53,772,000	0.337	0.299	0.899	400,000,000	517,000	1,554,000	3.12

Mount Polley Mineral Resources at January 1, 2020

		Grade			Contained Metal		
	Tonnes Ore	Copper %	Gold g/t	Silver g/t	Copper lbs	Gold oz	Silver oz
Measured	103,193,000	0.319	0.300	0.823	725,000,000	996,000	2,730,000
Indicated	91,127,000	0.266	0.269	0.619	534,000,000	787,000	1,814,000
Total Measured & Indicated	194,320,000	0.294	0.285	0.727	1,259,000,000	1,783,000	4,544,000
Total Inferred	5,619,000	0.374	0.276	2.187	46,000,000	50,000	395,000

The 2019 Mineral Reserve estimate includes open pit mining of the Springer, Boundary, and WX Zones, and underground mining of the Martel Zone. The Cariboo reserve was mined to completion in 2018. The Mineral Reserve estimate was calculated using a detailed mine schedule based upon open pit and underground mine designs created using the following metal price assumptions: US$3.00/lb copper, US$1,250/oz gold, US$18.00/oz silver and a $0.80 US/CDN exchange rate. The Mineral Reserve for the Martel Zone was generated using detailed stope designs. Ore cut-off grades were calculated using a mill head value ("MHV") calculation which is similar to a net-smelter return calculation with unit site operating costs included to provide an estimation of ore value after all costs except direct mining costs. For open pit mining, a $1 per tonne MHV cut-off is employed, while a $40 MHV reserve cutoff was used for the Martel Zone.

The 2019 Mineral Resource estimate includes both open pit and underground Mineral Resources. All Mineral Resources were calculated using the following metal price assumptions: US$3.40/lb copper, US$1,300/oz gold, US$21.00/oz silver and a $0.80 US/CDN exchange rate. Open Pit Mineral Resources were calculated using a Lerchs-Grossman algorithm to define the largest incrementally profitable pit pushback using the stated metal price assumptions and current pit wall angles. This pushback was restricted from encroaching within 100 m of the mill facility. Open Pit Mineral Reserves are contained within this Open Pit Mineral Resource shape, with ore cut-offs utilizing a $1 per tonne MHV cutoff using Mineral Resource metal prices. Underground Mineral Resources were calculating by applying a MHV cutoff of either $30 or $40 per tonne depending on zone and potential mining costs. A manual removal of isolated or small areas of modelled mineralization was also undertaken to ensure that the Underground Mineral Resource has reasonable prospects for economic extraction.

The Mineral Resource and Mineral Reserve estimates for the Mount Polley property were prepared by Art Frye, Mine Operations Manager, MPMC, under the supervision of Greg Gillstrom, P.Eng.. Refer to the 2016 Mount Polley Report for detailed information.

Mining and Mineral Processing

The Mount Polley mine is a 20,000 tonne per day open pit conventional milling operation. In the Mount Polley mine mill, run-of-mine ore from the open pits and underground is hauled to the crusher. The crusher has three stages of crushing involving five crushers, twenty conveyors and four sets of screens. Ore is deposited by rock trucks into the feed pocket of the primary gyratory crusher and is then crushed in three stages to produce a product for the grinding circuit. Pebbles obtained from the triple deck screen in the crushing plant are used as grinding media in the pebble mills. Periodically, the crusher is also used for production of aggregates used in TSF construction and other tasks.

The grinding circuit consists of two parallel rod mill/ball mill circuits and a pebble mill circuit. Crusher product is first split between two rod mills where water is added, and a slurry is formed to grind the product down to a sand like texture. The rod mill discharge is pumped to the primary hydrocyclones that classify the particles by size. The larger particles flow to feed the ball mills while the fine particles report to two flash flotation cells. The ball and pebble mills are in "closed circuit", meaning that the discharge is pumped to the classifying units (primary hydrocyclones) and the particles will not pass to the next stage until the particle sizes are fine enough. The flash flotation product can report directly to the dewatering circuit or to the cleaner circuit for further upgrading. The overflow from the pebble mill hydrocyclones reports to the flotation circuit.

The flotation circuit separates the valuable minerals from the rest of the ground particles. With the addition of reagents, the valuable minerals, mostly in the form of sulphides, are separated by flotation and are collected and upgraded to produce a concentrate. Initial separation is completed in a rougher/scavenger circuit, where the remaining minerals are discarded as tailings (which flow by gravity to the TSF). Rougher concentrate is reground in a regrind mill and further upgraded in a cleaner circuit to produce the final concentrate product. Cleaner tailings report to the cleaner scavenger circuit, and the tailings from the cleaner scavenger circuit are recycled to the rougher scavenger circuit to maximize recovery.

The concentrate from the flotation circuit is dewatered in two stages. In the first stage the thickener settles particles and decants water so that the settled particles form a sludge that has a reduced water content of roughly 25%-30%. In the second stage, pressure filtration further reduces water content to approximately 8%. The water removed is utilized as process water. The filtered concentrate is stored in the load-out building and loaded onto 40-tonne trucks for shipping. Tailings materials generated by mill operations are piped via gravity to the TSF.

Information on Mining, Milling, Infrastructure, Permitting and Compliance Activities, Environmental, Permitting, Social or Community factors, and Capital and Operating Costs can be viewed in the 2016 Mount Polley Report.

Production

Mount Polley mine has been on care and maintenance status since operations were suspended in May 2019.

The mine restart plan was updated in early 2021 to include revised pit designs, results of recent drilling, and current metal prices. The COVID-19 pandemic has had an impact on mine restart scenarios; however, MPMC took the initial steps towards recommencement of operations in late 2021 with the introduction of mine pre-stripping and plant refurbishing activities under a protective COVID-19 plan.

Other Properties

In addition to the material properties outlined in this AIF, the Company also has the Huckleberry Mine, which is not considered a material property for the purposes of the Company's AIF.

Huckleberry Mine

Huckleberry Mines Ltd. ("HML") is owner/operator of the Huckleberry copper mine in west-central British Columbia. Imperial holds 100% of the shares of HML through HML Mining Inc., a wholly owned subsidiary of Imperial.

On January 6, 2016, HML suspended pit mining operations. Stockpiles were then milled until the end of August 2016. Huckleberry mine remains on care and maintenance.

The Huckleberry mine lies on the southern flank of Huckleberry Mountain, the highest point at 1,542 masl and north of Tahtsa Reach, the lowest point at 860 masl on the Nechako Reservoir. The deposits have an average surface elevation of 1,036 masl. Access to the property is along 121 km of gravel forest service roads and a private access road. A 138 kV power line supplies hydro power to the site. The District of Houston is 307 km west of Prince George, 411 km east of Prince Rupert and served by Highway 16 and the Canadian National Railway. When in operation the mine employs approximately 260 people from nearby Houston and surrounding local communities.

The Huckleberry property covers 25,767 ha and consists of two mining leases having terms to June 25, 2027 and April 26, 2022, respectively, and totaling 2,422 ha and 49 mineral claims (one valid to May 18, 2022, 39 valid to August 31, 2022, six valid to August 31, 2023, two valid to February 1, 2024 and one valid to July 17, 2026) encompassing 23,345 ha.

Three contiguous claims (3,059 ha / included in aggregate figures above) approximately eight km north of the mine and identified as the Whiting Creek property are subject to a 60% interest buyback provision in favour of Rio Tinto Exploration Canada Inc.

Pursuant to an agreement dated July 15, 2021, HML purchased a 100% interest in five mineral tenures (2,526 ha / included in aggregate figures above) from ArcWest. The claims are situated in and around Sweeney Lake between the Whiting Creek property and the Huckleberry Mine and are subject to a 1% net smelter return royalty in favour of ArcWest with no buyout provision.

Other Exploration Properties

Imperial holds a portfolio of 23 greenfield exploration properties in British Columbia. These properties have defined areas of mineralization and clear exploration potential. Management continues to evaluate various opportunities to advance many of these properties, and work will be conducted to keep these properties in good standing.

Dividends and Distributions

Imperial has not declared, and does not intend to declare, cash dividends or distributions on its securities. Payment of dividends is within the discretion of the Company's Board of Directors and will depend on Imperial's future earnings, if any, its capital requirements and financial condition, and other relevant factors.

Capital Structure

Imperial's Authorized Share Capital:

- 50,000,000 First Preferred shares without par value with special rights and restrictions to be determined by the directors, of which 3,100,000 have been designated as Series A First Preferred shares (issued & outstanding–nil).
- 50,000,000 Second Preferred shares without par value with rights and restrictions to be determined by the directors (issued & outstanding–nil).
- An unlimited number of Common Shares without par value.
- As at December 31, 2021 there were 141,392,191 Common Shares issued & outstanding.

Each Common Share entitles its holder to notice of all meetings of holders of Common Shares and to attend and vote at such meetings. All of the Common Shares rank equally as to participation in dividends as and when declared and in the distribution of Imperial's remaining assets on a liquidation, dissolution or winding-up.

The directors of Imperial are authorized to issue the First Preferred shares and the Second Preferred shares in one or more series, to set the number of shares in and determine the designation of each such series and to attach such rights and restrictions to each series as they may determine. No First Preferred shares or Second Preferred shares have been issued subject to call or assessment. Currently, there are no pre-emptive or conversion or exchange rights attached to First Preferred shares or Second Preferred Shares and no provisions for redemption, retraction, or purchase for cancellation, surrender, or sinking or purchase funds.

Provisions as to the modification, amendment or variation of the authorized share structure of Imperial are contained in the British Columbia *Business Corporations Act.*

Market for Securities

Imperial's common shares are listed on The Toronto Stock Exchange and trade under symbol III.

2021	High	Low	Volume Traded
Jan	6.25	3.95	1,672,679
Feb	5.02	4.05	1,340,691
Mar	4.79	4.01	1,019,959
Apr	5.38	4.33	838,951
May	5.95	4.75	994,853
Jun	5.08	4.43	894,014
Jul	4.73	4	395,044
Aug	4.75	3.86	379,003
Sep	4.23	3.37	521,405
Oct	4.4	3.83	609,459

Nov	4.1	3.3	584,759
Dec	3.55	2.95	504,276

Directors & Executive Officers

The term of office for each director will expire at Imperial's 2022 Annual General Meeting, or when their successor is duly elected or appointed, unless their office is earlier vacated in accordance with the articles of the Company.

Name, Province and Country of Residence	Current Position with Imperial	Present Principal Occupation and Preceding Five Years	Director Since
Pierre Lebel *British Columbia, Canada*	Chairman Director [1.3.4.]	Chairman	2001 Dec 6
J. Brian Kynoch *British Columbia, Canada*	President Director [4.]	President	2002 Mar 7
Larry G. Moeller *Alberta, Canada*	Lead Director [1.2.3.]	President, Kimball Capital Corporation	2002 Mar 7
Theodore Muraro *British Columbia, Canada*	Director [2.4.5.]	Geological Engineer	2009 Nov 4
Janine North *British Columbia, Canada*	Director [1.2.5.]	Professional Director	2018 May 22
JP Veitch *Alberta, Canada*	Director [1.5.]	Director, Secretary/Treasurer of a private consultancy company	2018 May 22
Edward Yurkowski *British Columbia, Canada*	Director [1.2.3.4.5.]	Retired mining contractor & mining executive	2005 May 20
Darb Dhillon *British Columbia, Canada*	Chief Financial Officer & Corporate Secretary	Chief Financial Officer & Corporate Secretary (2020); prior thereto: Vice President Finance (2017); Director of Finance, Newmarket Gold Inc., Kirkland Lake Gold (2017).	-
Don Parsons *British Columbia, Canada*	Chief Operating Officer	Chief Operating Officer	-
Randall Thompson *British Columbia, Canada*	Vice President Operations	Vice President Operations (2018); prior thereto: Red Chris Mine General Manager (2018); Chief Operating Officer, JDS Silver Inc.(2017); President, Huckleberry Mines Ltd. (2016).	-
Jim Miller-Tait *British Columbia, Canada*	Vice President Exploration	Vice President Exploration (2017); Exploration Manager (2009)	-
Sheila Colwill *British Columbia, Canada*	Vice President Marketing	Vice President Marketing (2017); Marketing Manager (2011)	-

Committees: [1.] Audit [2.] Compensation [3.] Corporate Governance & Nominating [4.] Health & Safety [5.] Special: Mount Polley Breach

Shareholdings of Directors and Executive Officers

The directors and executive officers beneficially owned, or controlled, or directed, directly or indirectly, a total of 6,282,299 common shares of Imperial, representing approximately 4.4% of the total 141,392,191 issued and outstanding common shares of Imperial as at December 31, 2021.

Audit Committee

The Audit Committee is structured to comply with National Instrument 52-110 (“NI 52-110”) and is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors.

All members of the Audit Committee are independent, financially literate, and understand the breadth and level of complexity of the issues that may reasonably be expected to be raised by the Company's financial statements.

Larry Moeller, B. Comm., CPA, CA, CBV – *Audit Committee Chair*

President, Kimball Capital Corporation, a private company in Calgary, Alberta, and Director, Magellan Aerospace Corporation and Orbus Pharma Inc.

Pierre Lebel, LL.B., MBA

Director & Audit Committee, HomeEquity Bank and West Vault Mining Inc., and Director, Business Council of British Columbia, Lions Gate Hospital Foundation and Vancouver Opera Association.

Janine North, ICD.D.

Director, Conifex Timber Inc., BC Ferry Services Corp., Mercer International Inc. and Fraser Basin Council.

J.P Veitch

Director & Secretary/Treasurer, a private consultancy company.

Edward Yurkowski, P.Eng.

Mining industry Engineer & Consultant, and Director & Audit Committee, Fortune Minerals Ltd.

Audit Committee Charter

The Audit Committee is responsible for reviewing the Company’s financial reporting procedures, internal controls and the performance of the Company’s external auditors. The Audit Committee Charter is available in the Corporate Governance section on imperialmetals.com.

Reliance on Certain Exemptions

At no time since commencement of the Company’s most recently completed financial year has the Company relied on the exemptions in Sections 2.4, 3.2, 3.3(2), 3.4, 3.5, 3.6 or 3.8 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee Oversight

At no time since commencement of the Company’s most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of non-audit services and to consider the independence of the external auditors. The Audit Committee has delegated to the Chair of the Audit Committee the authority to act on behalf of the Committee with respect to the pre-approval of the audit and permitted non-audit services provided by Deloitte LLP from time to time. The Chair reports on any such pre-approval at each meeting of the Audit Committee.

External Auditor Service Fees

Fees paid to Deloitte LLP:

Years Ended	2021	2020
Audit fees [1]	$ 477,755	$ 438,700
Audit related fees	$ -	$ -
Total	$ 477,755	$ 438,700

[1] For professional services rendered for the audit and review of our financial statements or services provided in connection with statutory and regulatory filings or engagements.

Complaint Procedures

The Company has implemented detailed procedures for receipt, retention and treatment of complaints or submissions regarding accounting, internal accounting controls or auditing matters, and confidential and anonymous submission of concerns from employees of the Company or any of its subsidiaries about questionable accounting or auditing matters. Imperial's procedures for filing complaints relating to accounting and auditing matters is available in the Corporate Governance section on imperialmetals.com.

Compensation Committee

Larry Moeller, Chair; Ted Muraro; Janine North; Edward Yurkowski

The Committee is to discharge the Board's responsibilities relating to compensation and benefits of the executive officers and directors of the Company.

Corporate Governance & Nominating Committee

Pierre Lebel, Chair; Larry Moeller; Edward Yurkowski

The Committee is to assist the Board in fulfilling its oversight responsibilities to identify and recommend qualified individuals for appointment or election to the Board, and to develop and recommend to the Board corporate governance guidelines and practices for the Company.

Health & Safety Committee

Ted Muraro, Chair; Brian Kynoch; Pierre Lebel; Edward Yurkowski

The Committee is to oversee the development and implementation of appropriate policies and to review the performance of the Company with respect to industrial health and safety matters.

Special Committee: Mount Polley Breach

J.P. Veitch, Chair; Ted Muraro; Janine North; Edward Yurkowski

The Committee is to provide oversight on the legal and technical work resulting from the Mount Polley Breach.

Corporate Cease Trade Orders or Bankruptcies

Mr. Yurkowski was a Director of Chieftain Metals Corp. (Chieftain) from May 22, 2013 to September 1, 2016. On August 31, 2016, Chieftain and its wholly owned subsidiary (Chieftain Metals Inc.) was served with an application by West Face Capital Inc., as agent for West Face Long Term Opportunities Global Master LP, seeking the appointment of Grant Thornton Limited as receiver of all of the assets, undertakings and properties of Chieftain. On September 6, 2016, the Ontario Superior Court of Justice issued an order appointing Grant Thornton Limited as the receiver and manager of all the assets, undertakings and properties of Chieftain. On June 2, 2017, the Ontario Superior Court of Justice issued an order authorizing Grant Thornton Limited to file a proposal under the *Bankruptcy and Insolvency Act* (Canada) in respect of Chieftain and its wholly owned subsidiary.

Conflicts of Interest

Certain of the Company's directors and officers also serve as directors or officers of other companies or they may have significant shareholdings in other companies. As a result, they may be in a position where their duty to another company conflicts with their duty to Imperial. To the extent that other companies may transact with the Imperial or participate in ventures in which Imperial may participate, the directors and officers of Imperial may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event a conflict of interest arises at a meeting of the Board, a director or officer who has a conflict will disclose the nature and extent of their interest to the meeting and abstain from voting in respect of the matter.

Interest of Management & Others in Material Transactions

During its three most recently completed financial years, the Company closed various financings that involved its significant shareholders and other insiders of the Company. Details are provided in General Development & Outlook, Corporate General in this AIF.

On March 10, 2019, the Company entered into an agreement to sell a 70% interest in the Red Chris mine to Newcrest. The sale was completed on August 15, 2019 for a final purchase price of US$804.4 million subject to debt and working capital adjustments.

On March 10, 2021, the Company entered into a $10.0 million promissory note financing with an affiliate of its major shareholder. The Note matures on April 1, 2022 and bears interest of 8.0% per annum. The Note was fully repaid on June 28, 2021 prior to its maturity date.

In October 2021, the existing Credit Facility was increased from $50.0 million to $75.0 million maturing October 9, 2022. The increase of $25 million in the facility is guaranteed by an affiliate of the Company’s major shareholder, to which the Company will pay certain fees for providing the guarantee.

Subsequent to December 31, 2021, the Company increased its existing Credit Facility from $75.0 million to $100.0 million. This additional increase of $25.0 million in the facility is guaranteed by a related party.

Except as otherwise disclosed herein, no director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any other transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or is reasonably expected to materially affect the Company.

Material Contracts

On October 2, 2019, the Company entered into a one year $50 million revolving credit facility (“Credit Facility”). The Credit Facility is used to support letters of credit relating to future reclamation liabilities and general corporate purposes. The Credit Facility includes various restrictive covenants that, subject to exceptions, limit the Company's ability to, among other things, incur or assume indebtedness, grant or assume security, engage in affiliate transactions, undertake material changes in the Company's business or enter into acquisitions, mergers and consolidations. The Credit Facility also requires compliance with financial covenants pertaining to minimum cash balances on hand. As stated above, the Credit Facility was increased from $50.0 million to $75.0 million in October 2021, and further increased from $75.0 million to $100.0 million in February 2022 maturing October 9, 2022.

Legal Proceedings

The nature of the Company's business may subject it to numerous regulatory investigations, claims, lawsuits and other proceedings. The results of these legal proceedings cannot be predicted with certainty. In the opinion of management, these matters, unless otherwise described herein, are not expected to have a material effect on the Company's consolidated financial position, cash flow or results of operations.

During the third quarter of 2014, a securities class action under section 138 of the Ontario Securities Act was filed against the Company and certain of its directors, officers and others. On September 23, 2020, the Ontario Superior Court denied leave to proceed with this claim. The Plaintiff's appeal of this decision was partially successful with the action being returned to the Ontario Superior Court for reconsideration of the leave application.

The Company is of the view that the allegations contained in the claim are without merit and are unlikely to succeed.

The Company prevailed at the arbitration of a claim filed by a contractor for additional compensation owed for work previously carried out. The arbitrator ruled that no further amounts are owed and that the contractor had overbilled the Company in an amount exceeding $2.0 million. The contractor has appealed the ruling.

The Company was partially successful in its action against its insurance underwriters to recover business interruption losses incurred at the Mount Polley mine. The insurance company has filed an appeal.

Transfer Agent & Registrar

The Company's transfer agent and registrar is Computershare Investor Services Inc. (Canadian offices in Vancouver and Toronto).

Interests of Experts

Deloitte LLP, the Company's auditors, have prepared an opinion with respect to the Company's consolidated financial statements for the year ended December 31, 2021 available on imperialmetals.com and sedar.com. Deloitte LLP is independent of Imperial within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The following persons prepared or certified a statement, report, opinion or valuation described or included in, or referred to in, a filing made under National Instrument 51-102 by the Company, and whose profession or business gives authority to such statement, report, opinion or valuation. Some of these persons were employees of the Company at the date of the stated reports, and may have had registered or beneficial interests, direct or indirect in the securities of the Company; however such securities would represent substantially less than one per cent of the Company's outstanding securities.

2021 Red Chris Report: Rob Stewart, FAusIMM; Brett Swanson, MMSAQP.; Michael Sykes, FAusIMM; Laurie Reemeyer, P.Eng.; Dr. Bing Wang, P.Eng.; Philip Stephenson, FAusIMM. Report filed on SEDAR November 29, 2021.

2016 Mount Polley Report: Ryan Brown, P.Eng.; Gary Roste, P.Geo.; Janice Baron, P.Eng.; and Chris Rees, Ph.D., P.Geo. Report filed on SEDAR May 26, 2016.

Additional Information

Additional information, including details of director and officer remuneration and indebtedness, principal holders of Imperial shares, securities authorized for issuance or equity compensation plans, options to purchase Imperial shares and certain other matters, is contained in the Company's Information Circular for its most recent annual general meeting of shareholders that involved the election of directors, and on sedar.com. Complete financial disclosure is provided in the Company's consolidated comparative financial statements, and management's discussion and analysis for the fiscal year ended December 31, 2021. Copies of these and other disclosure documents are available at imperialmetals.com and sedar.com, or by contacting the Company's Shareholder Communications at 604.669.8959.

Exhibit 99.2

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements and all information in the annual report are the responsibility of management. These consolidated financial statements have been prepared by management in accordance with the accounting policies described in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates of the outcome of events and transactions. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances. The financial information elsewhere in the annual report has been reviewed to ensure consistency with that in the consolidated financial statements.

Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss or unauthorized use and financial records are properly maintained to provide reliable information for preparation of financial statements. Deloitte LLP, Chartered Professional Accountants, has been engaged, as approved by a vote of the shareholders at the Company's most recent Annual General Meeting, to audit the consolidated financial statements in accordance with Canadian generally accepted auditing standards and provide an independent auditor's opinion. Their report is presented with the consolidated financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises this responsibility through the Audit Committee of the Board. This Committee, which is comprised of a majority of non-management Directors, meets with management and the external auditors to satisfy itself that management's responsibilities are properly discharged and to review the consolidated financial statements before they are presented to the Board of Directors for approval. The consolidated financial statements have been approved by the Board of Directors on the recommendation of the Audit Committee.

/s/ J. Brian Kynoch	*/s/ Darb S. Dhillon*
J. Brian Kynoch	Darb S. Dhillon
President	Chief Financial Officer

March 16, 2022

Independent Auditor's Report

To the Shareholders and the Board of Directors of Imperial Metals Corporation:

Opinion

We have audited the consolidated financial statements of Imperial Metals Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Mineral Properties —Impairment Analysis – Refer to Notes 2 and 4 to the financial statements

Key Audit Matter Description

The Company determined that impairment indicators exist at the Red Chris Mine, Mount Polley Mine and Huckleberry Mine cash generating units ("identified CGUs") at December 31, 2021. The recoverable amount for the identified CGUs is the greater of the fair value less cost of disposal and the value in use. The value in use for these identified CGUs was calculated using discounted cash flow techniques which factor future metal prices, the amount of reserves, resources and exploration potential, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, future site reclamation costs, and a discount rate. As the recoverable amounts exceeded the carrying values for the identified CGUs, no impairment was recorded.

While there are several estimates and assumptions that are required to determine the recoverable amounts for the identified CGUs, the estimates and assumptions with the highest degree of subjectivity are future metal prices and the selected discount rates. This required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the future metal prices and the selected discount rates used in the calculation of the recoverable amounts for the identified CGUs included the following, among others:

- With the assistance of fair value specialists, evaluated the reasonableness of:

    - Future metal prices by comparing management's forecasts to independent third-party forecasts.
    - Discount rates by developing a range of independent estimates and comparing to the discount rates selected by management.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Leigh Derksen.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 16, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

expressed in thousands of Canadian dollars

	Notes	December 31 2021	December 31 2020
ASSETS			
Current Assets			
Cash		$ 33,308	$ 34,019
Marketable securities		81	130
Trade and other receivables	5	8,887	5,968
Inventory	3	27,616	12,420
Prepaid expenses and deposits		3,603	2,840
		73,495	55,377
Mineral Properties	4	1,064,720	979,484
Other Assets	3, 6	38,087	45,230
Deferred Income Tax Assets	14	10,039	11,230
		$ 1,186,341	$ 1,091,321
LIABILITIES			
Current Liabilities			
Trade and other payables		$ 59,582	$ 44,170
Taxes payable		91	313
Provision for rehabilitation costs		486	762
Short term debt	7	29,500	-
Current portion of debt	8	2,896	840
		92,555	46,085
Provision for Rehabilitation Costs		-	308
Non-Current Debt	8	2,579	1,582
Future Site Reclamation Provisions	9	147,622	127,828
Deferred Income Tax Liabilities	14	180,489	187,035
		423,245	362,838
EQUITY			
Share Capital	10	379,570	319,216
Contributed Surplus		41,385	41,028
Currency Translation Adjustment		7,604	7,632
Retained Earnings		334,537	360,607
		763,096	728,483
		$ 1,186,341	$ 1,091,321
Commitments and Pledges	19		
Contingent Liabilities	20		

See accompanying notes to these consolidated financial statements.

Approved by the Board and authorized for issue on March 16, 2022

/s/ Larry G. Moeller
Director

/s/ J. Brian Kynoch
Director

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Years Ended December 31, 2021 and 2020
expressed in thousands of Canadian dollars, except share and per share amounts

	Notes	2021	2020
Revenue		$ 133,591	$ 148,097
Cost of Sales	11	(123,162)	(127,470)
Income from Mine Operations		10,429	20,627
General and Administration		(4,386)	(3,352)
Idle Mine Costs		(24,884)	(22,342)
Mine Restart Costs		(11,350)	-
Reversal of Impairment on Exploration and Evaluation Assets, net of write downs	4	3,634	-
Interest Expense		(1,497)	(1,358)
Other Finance Loss	12	(2,599)	(2,472)
Other Income		31	31
Loss before Taxes		(30,622)	(8,866)
Income and Mining Tax Recovery	14	4,552	3,974
Net Loss		(26,070)	(4,892)
Other Comprehensive Loss			
Currency translation adjustment		(28)	(130)
Total Comprehensive Loss		$ (26,098)	$ (5,022)
Loss Per Share			
Basic	15	$ (0.19)	$ (0.04)
Diluted	15	$ (0.19)	$ (0.04)
Weighted Average Number of Common Shares Outstanding			
Basic		135,223,279	128,490,174
Diluted		135,223,279	128,490,174

See accompanying notes to these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years Ended December 31, 2021 and 2020

expressed in thousands of Canadian dollars, except share and per share amounts

	Share Capital			Currency		
	Number of Shares	Amount	Contributed Surplus	Translation Adjustment	Retained Earnings	Total
Balance December 31, 2019	128,490,174	$ 319,216	$ 40,302	$ 7,762	$ 365,499	$ 732,779
Share based compensation expense	-	-	726	-	-	726
Total comprehensive loss	-	-	-	(130)	(4,892)	(5,022)
Balance December 31, 2020	128,490,174	$ 319,216	$ 41,028	$ 7,632	$ 360,607	$ 728,483
Balance December 31, 2020	128,490,174	$ 319,216	$ 41,028	$ 7,632	$ 360,607	$ 728,483
Rights offering (Note 10)	12,853,267	60,208	-	-	-	60,208
Exercised options	48,750	146	(48)	-	-	98
Share based compensation expense	-	-	405	-	-	405
Total comprehensive loss	-	-	-	(28)	(26,070)	(26,098)
Balance December 31, 2021	141,392,191	$ 379,570	$ 41,385	$ 7,604	$ 334,537	$ 763,096

See accompanying notes to these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 and 2021

expressed in thousands of Canadian dollars, except share and per share amounts

	Notes	2021	2020
OPERATING ACTIVITIES			
Net Loss		$ (26,070)	$ (4,892)
Items not affecting cash flows			
Deferred mining and income tax recovery	14	(5,279)	(4,326)
Depletion and depreciation		40,953	40,288
Write down of exploration cost		523	-
Reversal of impairment on exploration costs		(4,157)	-
Share based compensation		405	726
Accretion of future site reclamation provisions		3,110	2,764
Interest expense		1,497	1,358
Unrealized foreign exchange losses		31	1,113
Other		21	(122)
		11,034	36,909
Net change in non-cash operating working capital balances	13	6,183	(10,302)
Income and mining taxes paid		(949)	(483)
Interest paid		(1,252)	(1,241)
Cash provided by operating activities		15,016	24,883
FINANCING ACTIVITIES			
Proceeds from short term debt		55,000	-
Repayment of short term debt		(25,500)	(437)
Proceeds from non-current debt		10,000	-
Repayment of non-current debt		(10,049)	-
Share capital issued for rights offering, net of issue costs		60,132	-
Share capital issued for exercised options		98	-
Lease payments	8	(2,467)	(1,060)
Cash provided by (used in) financing activities		87,214	(1,497)
INVESTING ACTIVITIES			
Acquisition and development of mineral properties	4	(102,192)	(73,601)
Net change in investing working capital balances		(712)	(1,040)
Payments of other obligations		-	(3,933)
Proceeds on sale of mineral properties		27	438
Other investing items		(29)	(45)
Cash used in investing activities		(102,906)	(78,181)
EFFECT OF FOREIGN EXCHANGE ON CASH		(35)	(1,139)
DECREASE IN CASH		(711)	(55,934)
CASH, BEGINNING OF YEAR		34,019	89,953
CASH, END OF YEAR		$ 33,308	$ 34,019

See accompanying notes to these consolidated financial statements.

1. NATURE OF OPERATIONS

Imperial Metals Corporation (the "Company") is incorporated under the laws of the Province of British Columbia, Canada, and its principal business activity is the exploration, development, and production of base and precious metals from its mineral properties. The head office, principal address and registered and records office of the Company are located at 580 Hornby Street, Suite 200, Vancouver, British Columbia, Canada V6C 3B6. The Company's shares are listed as symbol "III" on the Toronto Stock Exchange.

The Company's key projects are:

- 30% interest in the Red Chris copper-gold mine in northwest British Columbia; and
- Mount Polley copper-gold mine in central British Columbia.

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue operating in the foreseeable future and will be able to service its debt obligations, realize its assets and discharge its liabilities in the normal course as they come due. The Company has in place a planning, budgeting, and forecasting process to determine the funds required to support the Company's operations and expansionary plans.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Although, the widespread impact of COVID-19 on global commerce have been far-reaching, it had limited adverse effect on the Company's operating and financing capabilities as Mount Polley and Huckleberry mine sites have been on care and maintenance during 2020-2021 periods. We continue to act to protect the safety and health of our employees, contractors and the communities in which we operate in accordance with guidance from governments and public health authorities. Should the length or severity of the pandemic be prolonged for an extended period, this could have a significant adverse impact on the Company's financial position and results of operations for future periods.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Basis of Presentation

The Company's consolidated financial statements and those of all of its controlled subsidiaries are presented in Canadian dollars as this is the presentation and functional currency for all its operations except for the Company's US subsidiary, Sterling Gold Mining Corporation, which has US dollars as its functional currency.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and those entities which are controlled by the Company. Control is achieved when the Company has power over the investee; is exposed to or has rights to variable returns from its investment with the investee; and has the ability to use its power to affect its returns. All inter-company balances, transactions, revenues and expenses have been eliminated upon consolidation.

Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and whereby each party has rights to the net assets of the arrangement. Joint control is considered to exist when all parties to the joint arrangement are required to reach unanimous consent over decisions about relevant business activities pertaining to the contractual arrangement. Interests in joint ventures are recognized as an investment and accounted for using the equity method of accounting.

Joint Operations

A joint operation is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and whereby each party has rights to the assets and liabilities relating to the arrangement. Joint control is considered to exist when all parties to the joint arrangement are required to reach unanimous consent over decisions about relevant business activities pertaining to the contractual arrangement. Interests in joint operations are accounted for by recognizing the Company's share of assets, liabilities, revenues and expenses incurred jointly.

Joint Operations Without Sharing Control

The Company participates in an unincorporated arrangement relating to its interest in the Red Chris mine and has rights to its share of the undivided assets, liabilities, revenues and expenses of the property, subject to the arrangement, rather than a right to a net return, and does not share joint control. All such amounts are measured in accordance with the terms of the arrangement, which is based on the Company's proportionate interest in the asset, liabilities, revenues and expenditures of the property and recorded in the financial statements in the appropriate line items according to their nature. The Company's proportionate share includes certain adjustments to ensure consistency of accounting policies with those of the Company.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests ("NCI") in the acquiree. For each business combination, the Company elects whether to measure the NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Company acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Mineral reserves, resources and exploration potential that can be reliably measured are recognized separately in the assessment of fair values on acquisition. Other potential reserves, resources and rights, for which fair values cannot be reliably measured, are not recognized separately, but instead are subsumed in goodwill.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition-date fair value, and any resulting gain or loss is recognized in the statement of profit or loss and other comprehensive income. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 is measured at fair value, with changes in fair value recognized in profit or loss in the statement of profit or loss and other comprehensive income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the fair value of the identifiable net assets acquired and liabilities assumed). If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in statement of profit or loss and other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Inventory

Copper concentrates, inclusive of contained gold and silver, and costs associated with stockpile ore are valued on a first in first out basis at the lower of production cost to produce saleable metal and net realizable value. Net realizable value is calculated as described under "Revenue Recognition". Production costs include direct labour, operating materials and supplies, transportation costs and applicable overhead, and depletion and depreciation.

Stores and supplies inventories are valued at the lower of cost and net realizable value. Cost includes acquisition cost and any directly related costs, including freight.

The portion of the ore stockpile and supplies that are to be processed/used more than 12 months from the reporting date and critical spare items, which might impact production if unavailable, are classified as other assets.

Materials and supplies are valued at the lower of cost or net realizable value. Any provision for obsolescence is determined by reference to specific items of stock and a general allowance for obsolescence. A regular review is undertaken to determine the extent of any provision for obsolescence.

Mineral Properties

Mineral properties represent capitalized expenditures related to the development of mining properties, related plant and equipment, expenditures related to exploration activities and expenditures arising from property acquisitions. Capitalized costs include interest and financing costs for amounts borrowed to develop mining properties and construct facilities, and operating costs, net of revenues, incurred prior to the commencement of commercial production.

The costs associated with mineral properties are separately allocated to reserves, resources and exploration potential, and include acquired interests in production, development and exploration stage properties representing the fair value at the time they were acquired. The value associated with resources and exploration potential is the value beyond proven and probable reserves assigned through acquisition. The value allocated to reserves is depleted on a unit-of-production method over the estimated recoverable proven and probable reserves at the mine. The reserve value is noted as mineral properties being depleted in Note 4.

The resource value represents the property interests that are contained in the measured and indicated resources that are not within the proven and probable reserves. Exploration potential is (i) mineralization included in inferred resources; (ii) areas of potential mineralization not included in any resource category.

Resource value and exploration potential value is noted as mineral properties not being depleted in Note 4. At least annually or when otherwise appropriate and subsequent to its review and evaluation for impairment, value from the non-depletable category is transferred to the depletable category if resources or exploration potential have been converted into reserves.

Capitalized costs for mineral properties being depleted are depleted by property using the unit-of-production method over the estimated recoverable proven and probable reserves at the mines to which they relate.

Commencement of Commercial Production

On the commencement of commercial production, net costs are charged to operations using the unit-of-production method by property based upon estimated recoverable reserves. Management considers a number of factors related to the ability of a property to operate at its design capacity over a specified period of time in determining when a property has reached commercial production. These factors include production levels as intended by management, plant throughput quantities, recovery rates, and number of uninterrupted days of production.

Property, Plant and Equipment

Property, plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Capitalized costs include the fair value of consideration given to acquire or construct an asset, capitalized interest related to that asset and includes the direct charges associated with bringing the asset to the location and condition necessary for placing it into use along with the future cost of dismantling and removing the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The costs of major overhauls of parts of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in income or loss as incurred.

Milling equipment and related buildings, intangible assets used in production, and tailings facilities are depleted on a unit-of-production basis over the estimated recoverable proven and probable reserves at the mines to which they relate.

Mobile mine equipment and vehicles are depreciated over the estimated useful lives of the assets either on a unit-of-production basis or using the straight line method with useful lives of 4-12 years. Office, computer and communications equipment are depreciated using the straight line method with useful lives of 4-5 years. The estimated residual value and useful lives are reassessed at each year end and depreciation expense is adjusted on a prospective basis.

Stripping Costs

Costs associated with the removal of overburden and rock that are incurred in the production phase of mining operations are included in the cost of the inventory produced in the period in which they are incurred, except when the charges represent a betterment to the mineral property. Charges represent a betterment to the mineral property when the stripping activity provides access to reserves that will be produced in future periods that would not have been accessible without the stripping activity. When charges are deferred in relation to a betterment, the charges are amortized over the reserve accessed by the stripping activity using the unit-of-production method as these reserves will directly benefit from the deferred stripping costs incurred.

Assessment of Impairment

Management reviews the carrying value of exploration and evaluation properties at the end of each reporting period for evidence of impairment. This review is generally made with reference to timing of exploration work, work programs proposed, and the exploration results achieved by the Company and by others in the related area of interest.

Post-feasibility exploration properties, producing mining properties and plant and equipment are reviewed at the end of each reporting period for evidence of impairment at the cash generating unit (CGU) level. A CGU is defined as the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If any such indication exists, the entity shall estimate the recoverable amount of the CGU to determine if it exceeds the CGU's carrying value.

The recoverable amount for a CGU is the greater of the fair value less cost of disposal (FVLCD) and the value in use. Fair value less cost of disposal is the amount that would be received by the Company to sell a CGU in a transaction between arms-length parties less any costs directly attributable to the disposal of the CGU. Value in use is the present value of future cash flows expected to be derived by the Company from the CGU, which is estimated using discounted cash flow techniques. When it is not possible to determine fair value less cost of disposal by quotes from an active market, a written offer to purchase the CGU, or a binding sales agreement to purchase the CGU, the Company estimates the fair value less cost of disposal using discounted cash flow techniques. Resources in the measured and indicated categories are valued using estimated fair values based on market transactions.

Discounted cash flow techniques are dependent on a number of factors, including future metal prices, the amount of reserves, resources and exploration potential, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and future site reclamation costs. Additionally, the reviews take into account factors such as political, social, legal and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The Company uses its best efforts in assessing these factors.

Post-feasibility exploration properties, producing mining properties and plant and equipment that have been impaired in prior periods are tested for evidence of possible impairment reversal whenever events or significant changes in circumstances indicate that the impairment may have been reversed. Indicators of a potential reversal of an impairment loss mainly mirror the indicators present when the impairment was originally recorded

An impairment loss or reversal thereof is recognized in income or loss to the extent that the carrying amount exceeds or is below the recoverable amount.

Leases

- *Right-of-use assets.* The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- *Lease liabilities.* At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term leases and leases of low-value assets.* The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

- *Significant judgement in determining the lease term of contracts with renewal options*. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Future Site Reclamation Costs

The Company's mining and exploration activities are subject to various statutory, contractual or legal obligations for protection of the environment. At the date the obligation is incurred, the Company records a liability, discounted to net present value, for the best estimate of future costs to retire an asset including costs for dismantling, remediation and ongoing treatment and monitoring of the site. The present value is determined using a pre-tax interest rate reflecting the time of value of money. The liability is accreted over time to the estimated amount ultimately payable through periodic charges to income or loss. The estimated present value of the future site reclamation costs are reviewed for material changes at each reporting date and re-measured at least annually or when there are significant changes in the assumptions giving rise to the estimated cash flows.

Future site reclamation costs are capitalized as part of the carrying value of the related mineral property at its initial discounted value and amortized over the useful life of the mineral property using the unit-of-production method. Subsequent changes to future site reclamation costs are recorded with a corresponding change to the carrying amounts of related mineral property.

Income and Mining Taxes

The Company accounts for income and mining taxes using the liability method. Under this method, deferred tax assets and deferred tax liabilities are recorded based on temporary differences between the financial reporting basis of the Company's assets and liabilities and their corresponding tax basis. The future benefits of deferred tax assets, including unused tax losses and tax credits, are recognized to the extent that it is probable that taxable profit will be available against the deductible temporary difference and the tax loss and tax credits can be utilized. These deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates and laws that are expected to apply when the tax liabilities or assets are to be either settled or realized.

In a business combination, temporary differences arise as a result of differences in the fair values of identifiable assets and liabilities acquired and their respective tax bases. Deferred tax assets and liabilities are recognized for the tax effects of these differences. Deferred tax assets and liabilities are not recognized for temporary differences arising from goodwill or from the initial recognition of assets and liabilities acquired in a transaction other than a business combination which does not affect either accounting or taxable income or loss. Government assistance, including investment tax credits, is credited against the expenditure generating the assistance when it is probable that the government assistance will be realized.

Revenue Recognition

The revenue from sale of concentrate is recognized at an amount that reflects the consideration that the Company expects to receive. The Company established a five-step model to account for revenue arising from contracts with customers: to identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied. The Company exercises judgement, taking into consideration all of the relevant facts and circumstances when applying each step of revenue recognition model to contracts with customers.

The revenue from the sale of concentrate is recognized at the point in time when control of the concentrate passes to the customer which occurs when title transfer to the customer which is generally on the date of shipment.

Revenue is recorded in the statement of income and comprehensive income net of treatment and refining costs and royalties paid to counterparties under terms of the off take arrangements. The estimated revenue is recorded based on metal prices and exchange rates on the date of shipment and is adjusted at each reporting date to the metal prices at the date of settlement. The actual amounts will be reflected in revenue upon final settlement, which could be as long as four to five months after the date of shipment. These adjustments reflect changes in metal prices and changes in quantities arising from final weight and assay calculations. The adjustments are constrained and are only recognized to the extent that it is highly probable that a significant reversal of in the amount of cumulative revenue recognized will not occur.

Financial Assets

Financial assets are initially measured at fair value and are subsequently measured at either amortized cost or fair value through profit or loss, depending on the classification of the financial assets.

The classification of assets is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics and the Company's business model for managing them. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of a year or less, are measured at the transaction price determined under IFRS 15 in accordance with revenue recognition accounting policy. For other financial assets, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs. The Company records the fair value of marketable securities at the reporting date using quoted market prices.

The Company has categorized its financial assets in accordance with International Financial Reporting Standard 9, Financial Instruments ("IFRS 9") into one of the following two categories:

Fair Value Through Profit or Loss

Includes equity investments, gold and copper price contract assets, gold and copper swap contracts, copper forward contracts, and other financial assets designated to this category under the fair value option. The Company has assessed the contractual cash flows of its provisionally priced contracts in accordance with IFRS 9 and has classified these receivables as fair value through profit or loss ("FVTPL").

Financial Assets at Amortized Cost

Includes cash, future site reclamation deposits and trade receivables at amortized cost.

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. The quoted market price used for financial assets held by the Company is the last bid price of the day.

Financial assets measured at amortized cost are subject to an allowance for expected credit losses based on the historic experience realizing these assets and information available about the probability of future collection. The Company applies a simplified lifetime expected credit loss model to measure expected credit losses for trade and other receivables that are not measured at FVTPL.

Impairment losses are recognized in income or loss in the period they occur based on the difference between the carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The Company recognizes an impairment gain or loss in profit or loss for its financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial Liabilities

Financial liabilities are accounted for at amortized cost except for those at FVTPL which includes liabilities designated as FVTPL and derivatives. Financial liabilities classified as FVTPL or those which are designated as FVTPL under the fair value option are measured at fair value with unrealized gains and losses recognized in net earnings. In cases where financial liabilities are designated as FVTPL, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statements of operations. Financial liabilities at amortized cost are initially measured at fair value net of transaction costs, and subsequently measured at amortized cost.

The Company has classified its financial liabilities in accordance with IFRS 9 into one of the following two categories:

Fair Value Through Profit or Loss

Includes settlement payables related to copper price option contract liabilities.

Financial Liabilities at Amortized Cost

Includes trade and other payables and long-term debt.

Foreign Currency Translation

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Foreign currency transactions are translated into the functional currency using the actual rate prevailing at the date of transaction. Each reporting period foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of the entity are recognized in the statement of income and comprehensive income.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the period end rates of exchange, and the results of their operations are translated at the actual rate prevailing at the date of transaction. Equity is translated at historical cost. The resulting translation adjustments are included in currency translation adjustment in other comprehensive income. Additionally, foreign exchange gains and losses related to the settlement of certain intercompany loans are also included in equity as the settlement of these loans is neither planned nor likely to occur in the foreseeable future.

Foreign exchange gains and losses that relate to debt are presented in the statement of income and comprehensive income within “Finance Costs”. All other foreign exchange gains and losses are presented in the statement of income and comprehensive income within “General and Administration”.

Reportable Segment Information

The Company's operations are primarily directed towards the exploration, development and production from its mineral properties in Canada. The Company has five reportable segments, Red Chris, including related exploration and development activities, Mount Polley, including related exploration and development activities, Huckleberry, including related exploration and development activities, Sterling, including related exploration and development activities and Corporate, including all other properties and related exploration and development activities.

Share Based Payments

The Company has a share option plan that provides all option holders the right to receive common shares in exchange for the options exercised which is described in Note 10. The fair value of each option award that will ultimately vest is estimated on the date of grant using the Black-Scholes option-pricing model. Compensation expense is determined when stock options are granted and recognized in operations over the vesting period of the option. Consideration received on the exercise of stock options is recorded as share capital and the related share-based amounts of contributed surplus are credited to share capital.

Borrowing Costs

The Company expenses borrowing costs when they are incurred, unless they are directly attributable to the acquisition of mineral properties or construction of property, plant and equipment extending over a period of more than twelve months.

Income (Loss) Per Common Share

Basic net income (loss) per common share is computed using the weighted average number of common shares outstanding during the period. Diluted net income (loss) per common share is computed in accordance with the treasury stock method and "if converted" method, as applicable, which uses the weighted average number of common shares outstanding during the period and also includes the dilutive effect of potentially issuable common shares from outstanding stock options, warrants and convertible debentures.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

(i) Critical Judgments

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Revenue Recognition

Determination of performance obligations. The Company applied judgement to determine if a good or service that is promised to a customer is distinct based on whether the customer can benefit from the good or service on its own or together with other readily available resources and whether the good or service is separately identifiable. Based on these criteria, the Company determined the primary performance obligation relating to its sales contracts is the delivery of the concentrates. Shipping and insurance services arranged by the Company for its concentrate sales customers that occur after the transfer of control are also considered to be performance obligations.

Transfer of control. Judgement is required to determine when transfer of control occurs relating to the sale of the Company's concentrate to its customers. Management based its assessment on a number of indicators of control, which include, but are not limited to whether the Company has present right of payment, and whether the physical possession of the goods, significant risks and rewards and legal title have been transferred to the customer.

Variable consideration. Variable consideration should only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company identified a variable component of its revenue for concentrate sales relating to adjustments to the final sales price based on differences between the original and final assay results relating to the quantity and quality of concentrate shipments. Based on the Company's proficiency in its assaying process, evidenced by the insignificant amount of historical adjustments from the initial to final assays, the Company concluded the variability in consideration caused by assaying results was negligible. Therefore, the Company does not expect a significant amount of reversal in revenue related to assaying differences.

Impairment of Mineral Properties

Both external and internal information is reviewed and considered by management in their assessment of whether there are indicators that mineral properties and goodwill are impaired. External sources of information include changes in the market, economic and legal environment, in which the Company operates, that are not within its control and affect the recoverable amount of its mineral properties, plant and equipment. The internal sources of information include the manner in which mineral properties, plant and equipment are being used or are expected to be used and indications of economic performance of assets. In determining the recoverable amounts of producing mineral properties and goodwill management estimates the discounted future pre-tax cash flows expected to be derived from the Company's producing mineral properties. Reductions in commodity prices, increases in estimated future production and capital costs, reductions in mineral reserves and exploration potential and adverse economic events can result in impairment charges. In determining the economic recoverability and probability of future economic benefit of non-producing mineral properties management also considers geological information, likelihood of conversion of resources to reserves, estimated market values of measured and indicated resources, scoping and feasibility studies, permitting, infrastructure, development costs, and life of mine plans.

Interests in Other Entities

As part of its process in determining the classification of its interests in other entities, the Company applies judgment in interpreting these interests such as

- the determination of the level of control or significant influence held by the Company;
- the accounting standard's applicability to the operations;
- the legal structure and contractual terms of the arrangement;
- concluding whether the Company has rights to assets and liabilities or to net assets of the arrangement; and
- when relevant, other facts and circumstances.

The Company has determined that Newcrest Red Chris Joint Venture represents joint operations without sharing control and Ruddock Creek Joint Venture represented joint operations with shared control until the Company acquired 100% interest and dissolved the Ruddock Creek Joint Venture.

Functional Currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. The Canadian dollar is the functional currency for all operations of the Company except for the Company's US subsidiary which uses the US dollar as its functional currency. Determination of the functional currency involves certain judgments to determine the primary economic environment of each entity. If events and conditions in this environment change then the Company may need to reconsider the functional currency of these entities.

Contingencies

Contingencies can be either possible assets or liabilities arising from past events which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. Such contingencies include, but are not limited to, environmental obligations, litigation, regulatory proceedings, tax matters and losses that result from other events and developments. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgement regarding the outcome of future events.

(ii) Critical Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Reserve and Resource Estimates

The Company estimates its reserves and resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43-101 *Standards for Disclosure of Mineral Projec*ts. There are numerous uncertainties inherent in estimating reserves and resources, including many factors beyond the Company's control. Assumptions used in estimating reserves and resources include the forecast prices of commodities, exchange rates, production and capital costs, recovery rates and judgments used in engineering and geological interpretation of available data. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Estimated reserves are used in the calculation of depreciation and depletion, impairment assessment on mineral properties and goodwill, assessment of life of pit stripping ratios and for forecasting the timing of future site reclamation costs. Therefore, changes in the estimates and assumptions used to determine reserves could have a material effect in the future on the Company's financial position and results of operations.

Depletion and Depreciation of Mineral Properties

Depletion and depreciation of mineral properties is based on the estimated mineral reserves for each mineral property subject to depletion and estimated useful lives and depreciation rates for property, plant and equipment. Should asset life, depletion rates or depreciation rates differ from the initial estimate then this would impact the carrying value of the assets resulting in the adjustment being recognized in the consolidated statement of income.

Stripping Costs

The determination of costs associated with the removal of overburden and rock involve estimates related to whether or not these costs represent a betterment to the mineral property. Management uses several factors to determine whether to capitalize stripping costs including quantity and grade of materials being accessed, estimated future commodity prices, operating costs and life of mine plan. If any of these factors change then the determination of which materials are included in stripping costs may change resulting in higher mine operating costs in future periods.

Future Site Reclamation Provisions

Future site reclamation provisions represent management's estimate of the present value of future cash outflows required to settle estimated reclamation obligations at the end of a mine's life. The provision incorporates estimated future costs, inflation, and risks associated with the future cash outflows, discounted at the pre-tax interest rate reflecting the time value of money for the future cash outflows. Estimating the inflation rates and discount rates for obligations beyond 2051 requires significant management judgement due to its high degree of estimation uncertainty. Changes in any of these factors can result in a change to future site reclamation provisions and the related accretion of future site reclamation provisions. Changes to future site reclamation provisions are charged or credited to mineral properties and may result in changes to future depletion expense.

Provision for Rehabilitation Costs

The provision for rehabilitation costs represents management's estimate of the future cash outflows required to settle the estimated rehabilitation costs related to the August 4, 2014 Mount Polley mine tailings dam breach. The provision incorporates the Company's estimate of costs for rehabilitation, including geotechnical investigations, environmental monitoring, community relations, communications and related corporate support costs. The provision is based on the scope and timing of work as determined by the Company in consultation with regulatory agencies and incorporates the risks associated with each activity. Changes in any of these factors can result in a change to the provision for rehabilitation costs.

expressed in thousands of Canadian dollars, except share and per share amounts

Income Taxes

In determining tax assets and liabilities and related tax expense management makes estimates of future taxable income, tax rates, expected timing of reversals of existing temporary differences and the likelihood that tax returns as filed by the Company will be assessed by taxation authorities as filed. Recoveries of deferred tax assets require management to assess the likelihood that the Company will generate sufficient taxable income in future periods to recognize the deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets could be impacted.

Share Based Compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share based compensation. This pricing model requires the input of subjective assumptions including expected price volatility, interest rate and estimated forfeiture rate. Changes in these assumptions can materially affect the fair value estimate of share based compensation and the related equity accounts of the Company.

New Standards, Interpretations and Amendments

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

In August 2020, the IASB issued amendments to IFRS 9, Financial Instruments (IFRS 9), IAS 39, Financial Instruments: Recognition and Measurement (IAS 39), IFRS 7, Financial Instruments: Disclosures (IFRS 7), IFRS 4, Insurance Contracts (IFRS 4) and IFRS 16, Leases (IFRS 16) as a result of Phase 2 of the IASB's Interest Rate Benchmark Reform project. The amendments address issues arising in connection with reform of benchmark interest rates including the replacement of one benchmark rate with an alternative one. The amendments were effective January 1, 2021. These amendments did not affect our financial statements as the Company does not have financial instruments which are based on LIBOR settings.

Amendments to IAS 12 – Income Taxes

In May 2021, the IASB issued amendments to IAS 12, Income Taxes (IAS 12). The amendments will require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments will typically apply to transactions such as leases for the lessee and decommissioning and restoration obligations related to assets in operation. An entity is required to apply these amendments for annual reporting periods beginning on or after January 1, 2023. Early application is permitted. The amendments are applied to transactions that occur on or after the beginning of the earliest comparative period presented. We do not expect these amendments to have a material effect on our financial statements.

3. INVENTORY

	December 31 2021	December 31 2020
Stockpile ore	$ 12,609	$ 9,873
Concentrate	7,410	1,725
Supplies	31,271	31,643

Total inventories		51,290		43,241
Less non-current inventories included in other assets (Note 6)		(23,674)		(30,821)
Total current inventories	$	27,616	$	12,420

During the year ended December 31, 2021, inventory of $115,309 was recognized in cost of sales (2020-$118,661) and an impairment charge of $133 (2020-$1,158) on stockpile ore, concentrate and supplies inventory was included in cost of sales.

At December 31, 2021, the Company had $23,736 (2020-$23,893) of inventory pledged as security for the credit facility (Note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021 and 2020
expressed in thousands of Canadian dollars, except share and per share amounts

4. MINERAL PROPERTIES

Cost	Mineral Properties being Depleted	Mineral Properties not being Depleted: Projects not in Production	Mineral Properties not being Depleted: Exploration & Evaluation Assets	Plant & Equipment	Total
Balance December 31, 2019	667,445	2,568	173,588	562,193	1,405,794
Additions and reclasses	20,676	13,801	(1,428)	40,605	73,654
Change in estimates of future site reclamation provisions	9,946	-	(43)	-	9,903
Disposals	-	-	-	(1,255)	(1,255)
Foreign exchange movement	-	-	(130)	(16)	(146)
Balance December 31, 2020	$ 698,067	$ 16,369	$ 171,987	$ 601,527	$ 1,487,950
Additions	15,558	33,488	2,865	56,673	108,584
Change in estimates of future site reclamation provisions	16,471	-	(62)	-	16,409
Disposals and write down	-	-	(531)	(1,471)	(2,002)
Reversal of impairment on exploration cost	-	-	4,157	-	4,157
Foreign exchange movement	-	-	(27)	(3)	(30)
Balance December 31, 2021	$ 730,096	$ 49,857	$ 178,389	$ 656,726	$ 1,615,068

Accumulated depletion & depreciation & impairment losses	Mineral Properties being Depleted	Mineral Properties not being Depleted: Projects not in Production	Mineral Properties not being Depleted: Exploration & Evaluation Assets	Plant & Equipment	Total
Balance December 31, 2019	263,156	-	1,645	204,832	469,633
Depletion and depreciation	17,613	-	-	22,065	39,678
Disposals	-	-	-	(829)	(829)
Foreign exchange movement	-	-	-	(16)	(16)
Balance December 31, 2020	$ 280,769	$ -	$ 1,645	$ 226,052	$ 508,466
Depletion and depreciation	22,430	-	-	20,934	43,364
Disposals and write down	-	-	(8)	(1,471)	(1,479)
Foreign exchange movement	-	-	-	(3)	(3)
Balance December 31, 2021	$ 303,199	$ -	$ 1,637	$ 245,512	$ 550,348
Carrying Amount					
Balance December 31, 2019	$ 404,289	$ 2,568	$ 171,943	$ 357,361	$ 936,161
Balance December 31, 2020	$ 417,298	$ 16,369	$ 170,342	$ 375,475	$ 979,484
Balance December 31, 2021	$ 426,897	$ 49,857	$ 176,752	$ 411,214	$ 1,064,720

At December 31, 2021, the net carrying value of the deferred stripping costs was $22,806 (December 31, 2020-$21,001) and is included in mineral properties.

At December 31, 2021, leased mobile equipment at cost of $10,541 (December 31, 2020-$5,124) and accumulated depreciation of $2,992 (December 31, 2020-$1,062) was included with plant and equipment.

At December 31, 2021, the Company had provided $28,370 (December 31, 2020-$28,370) of security for reclamation bonding obligations by securing certain plant and equipment.

At December 31, 2021, the Company had $28,389 of contractual commitments (2020-$2,741) for expenditures on property, plant and equipment.

Red Chris Mine

Red Chris Development Company Ltd., a subsidiary of the Company, owns a 30% beneficial interest in the Red Chris copper/gold mine in northwest British Columbia. The Company and Newcrest formed a joint venture for the operation of Red Chris, with Newcrest Red Chris Mining Limited acting as operator. The property is comprised of the Red Chris Main claim group and the Red Chris South group, consisting of 77 mineral tenures (23,142 hectares). Five of these tenures are mining leases (5,141 hectares). Net smelter royalties between 1.0% to 2.0% are payable on production from the Red Chris mine.

On March 15, 2021, the Company acquired a 30% interest in the GJ Property for a payment of $3,038 to Newcrest Red Chris Mining Limited. The GJ Property consists of 87 mineral tenures (39,432 hectares).

Mount Polley Mine

The Mount Polley copper/gold mine in south-central British Columbia is owned by Mount Polley Mining Corporation, a wholly owned subsidiary of the Company. The property encompasses 23,369 hectares (including claims under option) consisting of seven mining leases (2,007 hectares) and 50 mineral claims (21,362 hectares). A production royalty is payable on ore mined from Mining Lease 933970 but no production occurred on this tenure in 2021. In October 2019, Mount Polley Mining Corporation optioned seven adjacent mineral tenures (3,331 hectares). Upon the exercising of the option on or before December 31, 2022, these claims will be subject to a production royalty payable on ore mined from the claims and milled in the Mount Polley processing plant.

Mount Polley mine operations were suspended in May 2019. The mine restart plan prepared in 2021 is being updated to include revised pit designs, results of recent drilling and current metal prices. The Company is actively seeking to secure financing to fund the restart of the mine.

Huckleberry Mine

The Huckleberry copper mine in west-central British Columbia is owned by Huckleberry Mines Ltd., a wholly owned subsidiary of the Company. The property encompasses 25,767 hectares, consisting of two mining leases (2,422 hectares) and 49 mineral claims (23,345 hectares).

Huckleberry mine operations were suspended in August 2016. The mine remains on care and maintenance status until the economics of mining and COVID-19 restrictions improve.

Other Exploration Properties

In July 2021, the Company acquired 100% interest in the Ruddock Creek high grade zinc-lead project by purchasing the remaining 54.72% interest previously held by its joint venture partners.

As at December 31, 2021 the Company reversed a previously recognized impairment charge of $4,157 in relation to Giant Copper project. This reversal resulted from a positive change in the estimates used to determine the recoverable amount as new information on fair value became available subsequent to the reporting period (Note 21).

As at December 31, 2021 the Company dropped 3 mineral tenure and written down related exploration and evaluation assets in amount of $523.

Imperial has a portfolio of 20 greenfield exploration properties consisting largely in British Columbia. These properties have defined areas of mineralization and clear exploration potential.

Impairment Analysis of Mineral Properties

In accordance with its accounting policies and processes, each asset or cash-generating unit ("CGU") is evaluated to determine whether there are any indications of impairment or impairment reversal. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

Based on the Company's assessment with respect to possible indicators of either impairment or reversal of previous impairments to its mineral properties, including the impact of COVID-19 on the operations and the prevailing market metals prices, the Company concluded that as of December 31, 2021, an impairment indicator of mineral properties exists and performed an impairment analysis. As the recoverable amounts exceeded the carrying values, no impairment was recorded.

expressed in thousands of Canadian dollars, except share and per share amounts

5. TRADE AND OTHER RECEIVABLES

	December 31 2021	December 31 2020
Trade receivables	$ 4,244	$ 3,834
Tax credit receivable	4,643	2,134
	$ 8,887	$ 5,968

6. OTHER ASSETS

	December 31 2021	December 31 2020
Future site reclamation deposits	$ 14,388	$ 14,359
Non-current inventory – ore stockpile	12,609	9,873
Non-current inventory – supplies	11,065	20,948
Other	25	50
	$ 38,087	$ 45,230

7. CREDIT FACILITY

The Company has the following debt facilities:

Promissory Note

On March 10, 2021, the Company entered into an unsecured $10,000 promissory note financing (“Note”) with an affiliate of its major shareholder. The Note matures on April 1, 2022, and bears interest of 8.0% per annum. The Note was fully repaid on June 28, 2021, prior to its maturity date.

Credit Facility

At December 31, 2021, a credit facility aggregating $75,000 (December 31, 2020-$50,000) is in effect until expiry on October 9, 2022. The facility is secured by shares of all material subsidiaries and a floating charge on certain assets of the Company. The increase in the credit facility in 2021 in the amount of $25,000 is guaranteed by a related party. The Company paid an arrangement fee of $125 in relation to the $25,000 guarantee and a standby fee on the $25,000 guarantee payable monthly at a rate of 2.0% per annum. By virtue of the $25,000 guarantee, any funds borrowed under this portion of the credit facility bears an interest rate of 4.0% compared to the rate of 3.5% under the base $50,000 portion of the credit facility.

A total of $68,546 (December 31, 2020-$38,478) has been utilized, that consists of bankers acceptances in amount of $29,500 and $39,046 for letters of credit pledged for settlement of future site reclamation provisions and other obligations.

8. FINANCE LEASES AND EQUIPMENT LOANS

Amounts due for non-current debt are:

		December 31 2021	December 31 2020
Equipment loans	(a)	$ 29	$ 78
Equipment leases	(b)	5,446	2,344
		5,475	2,422
Less portion due within one year		(2,896)	(840)
		$ 2,579	$ 1,582

Equipment Loans

The outstanding amount of equipment loans is $29 (December 31, 2020-$78) at a weighted average interest rate of 4.30% with monthly payments of $4. All equipment loans are secured by the financed equipment.

expressed in thousands of Canadian dollars, except share and per share amounts

Equipment Leases

The outstanding amount of equipment leases is $5,446 (December 31, 2020-$2,344) at weighted average interest rate of 3.36% with monthly payments of $159.

Contractual Lease Payments	December 31 2021	December 31 2020
Due in less than one year	$ 2,925	$ 960
Due in one to three years	2,722	1,520
Total undiscounted lease liabilities, end of year	$ 5,647	$ 2,480

9. FUTURE SITE RECLAMATION PROVISIONS

The Company has recognized provisions for future site reclamation at its Red Chris, Mount Polley, Huckleberry, Ruddock Creek and Catface properties. Although the ultimate amounts of the future site reclamation provisions are uncertain, the provision of these obligations is based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation, water treatment, demolition of facilities, monitoring and other costs.

The total undiscounted amount of estimated cash flows required to settle the Company's estimated future closure and decommissioning costs is $240,524 (December 31, 2020-$234,531). The estimated future cash flows were then inflated using inflation rates between 1.5% and 2.0% (December 31, 2020-1%). The total provision for closure and decommissioning costs is calculated using discount rates between 1.76% to 3.76% (December 31, 2020-2.24% to 3.24%). Obligations in the amount of $121,609 are expected to be settled in the years 2022 through 2051.

	2021	2020
Balance, beginning of year	$ 127,828	$ 115,187
Accretion	3,110	2,764
Change in estimates of future costs and discount rate	16,409	9,903
Increase (Dilution) in Ruddock Creek project	275	(26)
Balance, end of year	$ 147,622	$ 127,828

The amount and timing of closure plans for the mineral properties will vary depending on a number of factors including exploration success and alternative mining plans.

10. SHARE CAPITAL

(i) Share Capital

Authorized	
50,000,000	First Preferred shares without par value with special rights and restrictions to be determined by the directors, of which 3,100,000 have been designated as "Series A First Preferred shares" (issued and outstanding – Nil)
50,000,000	Second Preferred shares without par value with rights and restrictions to be determined by the directors (issued and outstanding – Nil)

An unlimited number of Common Shares without par value

On June 25, 2021, the Company completed a rights offering transaction and issued 12,853,267 common shares at $4.70 per share for gross proceeds of $60,410 and incurred transaction cost of $278.

expressed in thousands of Canadian dollars, except share and per share amounts

(ii) Share Option Plans

Under the Share Option Plans, options not exceeding 10% of the issued common shares of the Company, may be granted to its directors, officers and employees. As at December 31, 2021, a total of 11,876,969 common share options had remained available for grant under the plans. Under the plans, the exercise price of each option cannot be greater than the market price of the Company's shares on the date of grant and an option's maximum term is 10 years. Options are granted from time to time by the Board of Directors and vest over a three or five year period.

During the year ended December 31, 2021, the Company granted nil stock options (2020 – 1,305,000) at a weighted average exercise price of $nil (2020 - $2.00). The weighted average fair value for the options granted in the year ended December 31, 2020 was $0.99 per option, which was estimated at the date of the grant using the Black-Scholes option pricing model using the following weighted average assumptions: risk-free interest rate – 0.40%; expected dividend yield - $nil; expected stock price volatility – 71.82%; expected option life - 5 years; and, estimated forfeiture rate – 5.00%.

Movements in Share Options

The changes in share options were as follows:

	2021			2020		
	Number of Shares		Weighted Average Exercise Price	Number of Shares		Weighted Average Exercise Price
Outstanding at beginning of year	2,345,000	$	4.60	1,996,000	$	9.62
Granted	-	$	-	1,305,000	$	2.00
Exercised	(48,750)	$	2.00	-	$	-
Forfeited	(7,500)	$	2.00	-	$	-
Cancelled	(24,000)	$	8.00	(6,000)	$	8.00
Expired	(2,500)	$	2.00	(950,000)	$	11.55
Outstanding at end of year	2,262,250	$	4.63	2,345,000	$	4.60
Options exercisable at end of year	1,278,000	$	6.62	1,014,000	$	7.91

The following table summarizes information about the Company's share options outstanding at December 31, 2021:

	Options Outstanding		Options Exercisable	
Exercise Prices	Options Outstanding	Remaining Contractual Life in Years	Options Outstanding & Exercisable	Remaining Contractual Life in Years
$2.00	1,246,250	3.33	275,000	3.33
$5.75	65,000	6.00	52,000	6.00
$8.00	951,000	3.93	951,000	3.93
	2,262,250	3.66	1,278,000	3.89

11. COST OF SALES

	2021	2020
Operating expenses	$ 85,609	$ 92,291
Depletion and depreciation	37,553	35,179
	$ 123,162	$ 127,470

Included in cost of sales for the year ended December 31, 2021 is $133 of impairment charge (year ended December 31, 2020 - $1,158) in relation to concentrate, stockpile and supplies inventory.

expressed in thousands of Canadian dollars, except share and per share amounts

12. OTHER FINANCE LOSS

	2021	2020
Accretion of future site reclamation provisions	$ (3,110)	$ (2,764)
Foreign exchange gain (loss)	177	(557)
Fair value adjustment to marketable securities	(49)	91
	(2,982)	(3,230)
Interest income	383	758
Other finance loss	$ (2,599)	$ (2,472)

13. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash operating working capital balances:

	2021	2020
Trade and other receivables	$ (410)	$ 31
Inventory	(6,376)	1,255
Prepaid expenses and deposits	(763)	129
Trade and other payables	13,589	(5,726)
Income and mining tax payable	727	352
Deferred trade payables	-	(5,329)
Provision for rehabilitation costs	(584)	(1,014)
	$ 6,183	$ (10,302)

14. INCOME AND MINING TAX RECOVERY

The reported income tax provision differs from the amounts computed by applying the Canadian federal and provincial statutory rates to the loss before income taxes due to the following reasons:

	2021		2020	
	Amount	%	Amount	%
Loss before taxes	$ (30,622)	100.0	$ (8,866)	100.0
Tax recovery thereon at statutory rates	(8,268)	(27.0)	(2,394)	(27.0)
Decrease (increase) resulting from:				
Non-deductible share based compensation	109	0.4	196	2.2
Revisions to prior year estimates, including change in valuation allowance	4,925	16.1	(3,741)	(42.2)
B.C. mineral tax	(1,319)	(4.3)	1,962	22.1
Other	1	-	3	-
Income and mining tax recovery	$ (4,552)	(14.9)	$ (3,974)	(44.8)
Current income and mining tax expense	$ 727		$ 352	
Deferred income and mining tax recovery	(5,279)		(4,326)	
	$ (4,552)		$ (3,974)	

	December 31 2021	December 31 2020
Deferred income and mining tax assets	$ 10,039	$ 11,230
Deferred income and mining tax liabilities	(180,489)	(187,035)
Net deferred income and mining tax liabilities	$ (170,450)	$ (175,805)

expressed in thousands of Canadian dollars, except share and per share amounts

	December 31 2021	December 31 2020
Deferred income and mining tax assets and (liabilities)		
Mineral properties	$ (213,049)	$ (209,162))
Mineral properties – mineral tax	(24,723)	(26,586)
Net operating tax losses carried forward[1]	63,213	55,912
Other	4,109	4,031
Net deferred income and mining tax liabilities	$ (170,450)	$ (175,805)

[1] The Company believes that it is probable that the results of future operations will generate sufficient taxable income to realize the above noted deferred income tax assets.

At December 31, 2021, the Company had net operating tax loss carry forwards in Canada of $254,816 which can be applied to reduce future Canadian taxable income and will expire between 2026 and 2041. In addition, the Company had net operating tax loss carry forwards in the United States of US$20,653 which can be applied to reduce future US taxable income and will expire between 2030 to 2036.

The Company had the following tax effected temporary differences and tax effected unused tax losses at December 31, 2021 in respect of which no deferred tax asset has been recognized:

	Mineral Properties & Other	Tax Losses	Total
Expiry 2026 and beyond	$ -	$ 14,678	$ 14,678
No expiry date	38,621	8,866	47,487
	$ 38,621	$ 23,544	$ 62,165

15. LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of ordinary shares outstanding during the year. The basic and diluted loss per share are the same as there are no instruments that have a dilutive effect on loss.

	2021	2020
Net Loss	$ (26,070)	$ (4,892)
Weighted-average number of common shares outstanding	135,223,279	128,490,174
Basic and diluted loss per common share	$ (0.19)	$ (0.04)

The following common shares that may be issued in relation to the following items have been excluded from the calculation of diluted loss per common share as the result would be anti-dilutive:

	2021	2020
Stock options	2,262,250	2,345,000

expressed in thousands of Canadian dollars, except share and per share amounts

16. RELATED PARTY TRANSACTIONS AND COMPENSATION TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

The consolidated financial statements include the financial statements of Imperial Metals Corporation and its subsidiaries and joint ventures listed in the following tables:

		% Equity Interest	
Subsidiaries	Incorporation	2021	2020
416898 BC Ltd.	Canada	100%	100%
Bethlehem Resources Corporation	Canada	100%	100%
Catface Copper Mines Limited	Canada	100%	100%
CAT-Gold Corporation	Canada	100%	100%
Goldstream Mining Corporation	Canada	100%	100%
HML Mining Inc.	Canada	100%	100%
High G Minerals Corporation	Canada	100%	100%
Highway 37 Power Corp.	Canada	100%	100%
Huckleberry Mines Ltd.	Canada	100%	100%
Mount Polley Mining Corporation	Canada	100%	100%
Princeton Exploration Ltd.	Canada	100%	100%
Red Chris Development Company Ltd.	Canada	100%	100%
Ruddock Creek Mining Corporation	Canada	100%	100%
Selkirk Metals Corp.	Canada	100%	100%
Sterling Gold Mining Corporation	USA	100%	100%

		% Interest in JV	
Joint Ventures (Unincorporated)		2021	2020
Red Chris Joint Venture	Canada	30%	30%
Ruddock Creek Joint Venture[1]	Canada	n/a	45.3%

[1] Ruddock Creek Joint Venture represented joint operations with shared control until the Company acquired in 2021 100% interest and dissolved the Ruddock Creek Joint Venture (Note 4).

Related Party Transactions

Related party transactions with a joint venture, a significant shareholder, companies controlled by a significant shareholder, companies in which directors are owners, and with the Company's directors and officers are as follows:

Statement of Loss	2021	2020
Equipment rental revenue from Red Chris Joint Venture	$ 970	$ 1,566
Credit facility arrangement guarantee and standby fee	$ 209	$ -
Interest expense	$ 241	$ -

The Company incurred the above transactions and balances in the normal course of operations.

Compensation of Directors and Key Management Personnel

The remuneration of the Company's directors and other key management personnel are as follows:

	2021	2020
Short term benefits[1]	$ 1,784	$ 1,486
Share based payments[2]	$ -	$ 518

[1] Short term employee benefits include salaries, estimated bonuses payable within the year of the Statement of Financial Position date and other annual employee benefits.
[2] Share based payments are the fair value of options granted in the year to directors and other key management personnel.

expressed in thousands of Canadian dollars, except share and per share amounts

17. REPORTABLE SEGMENTED INFORMATION

The Company operates primarily in Canada. All of the Company's assets are located in Canada, except for assets in relation to Sterling mine totaling $6,448 as December 31, 2021 (December 31, 2020-$6,477) which are located in the USA. The Company's reportable segments reflect the internal reporting used by the Company's management to report to the chief operating decision maker.

Reportable Segments	December 31, 2021				
	Red Chris	Mount Polley	Huckleberry	Corporate and Others	Total
Reportable segmented revenues	$ 132,618	$ 295	$ 1,064	$ 2,521	$ 136,498
Less inter-segment revenues	-	(89)	(319)	(2,499)	(2,907)
Revenues from external sources	$ 132,618	$ 206	$ 745	$ 22	$ 133,591
Depletion and depreciation	$ 36,913	$ 2,783	$ 1,229	$ 28	$ 40,953
Interest expense and other finance loss	$ (819)	$ (1,557)	$ (1,363)	$ (357)	$ (4,096)
Net income (loss)	$ 7,568	$ (23,451)	$ (4,856)	$ (5,331)	$ (26,070)
Capital expenditures	$ 99,508	$ 3,965	$ 2,150	$ 2,961	$ 108,584
Total assets	$ 740,112	$ 152,339	$ 242,934	$ 50,956	$ 1,186,341
Total liabilities	$ 244,621	$ 64,954	$ 82,090	$ 31,580	$ 423,245

Reportable Segments	December 31, 2020				
	Red Chris	Mount Polley	Huckleberry	Corporate and Others	Total
Reportable segmented revenues	$ 146,292	$ 492	$ 1,614	$ 1,654	$ 150,052
Less inter-segment revenues	-	(79)	(484)	(1,392)	(1,955)
Revenues from external sources	$ 146,292	$ 413	$ 1,130	$ 262	$ 148,097
Depletion and depreciation	$ 34,581	$ 4,517	$ 1,163	$ 27	$ 40,288
Interest (expense) and other finance (loss) income	$ (569)	$ (1,527)	$ (1,465)	$ (269)	$ (3,830)
Net income (loss)	$ 15,709	$ (6,625)	$ (11,748)	$ (2,228)	$ (4,892)
Capital expenditures	$ 73,243	$ 939	$ 903	$ (1,431)	$ 73,654
Total assets	$ 644,102	$ 146,767	$ 242,628	$ 57,824	$ 1,091,321
Total liabilities	$ 222,079	$ 53,709	$ 82,880	$ 4,170	$ 362,838

Customers by Geographic Area

	2021	2020
Switzerland	$ 43,790	$ 79,258
Singapore	31,890	35,657
China	56,938	23,527
Australia	-	7,850
Canada	973	1,805

	$ 133,591	$ 148,097

In the year ended December 31, 2021, the Company had 4 principal customers individually accounting for more than 10% each for a total 79% of revenues: 24%, 22%, 19%, and 14% (December 31, 2020 – 4 principal customers accounting for 78% of revenues: 24%, 20%, 18%, and 16%).

The Company's principal product is copper concentrate (contains copper, gold, and silver) which is sold at prices quoted on the London Metals Exchange and London Bullion Market Association, London gold price. All concentrate production is sold to third party traders and smelters.

expressed in thousands of Canadian dollars, except share and per share amounts

Revenue by Major Product and Service

	2021	2020
Copper	$ 94,950	$ 93,921
Gold	36,098	51,313
Silver	1,570	1,058
Other	973	1,805
	$ 133,591	$ 148,097

18. FINANCIAL INSTRUMENTS, INTEREST RATE AND CREDIT RISK

During the year, the Company examined the various financial instrument risks to which it is exposed and assessed the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and other price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity comprised of share capital, contributed surplus, currency translation adjustment and retained earnings.

Credit Risk

The Company's credit risk is limited to cash, trade and other receivables, and future site reclamation deposits in the ordinary course of business. The credit risk of cash and future site reclamation deposits is mitigated by placing funds in financial institutions with high credit quality.

The Company's maximum exposure to credit risk is as follows:

	2021	2020
Cash	$ 33,308	$ 34,019
Marketable securities	81	130
Trade receivables	8,887	5,968
Future site reclamation deposits	14,388	14,359
	$ 56,664	$ 54,476

Liquidity Risk

The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. The Company ensures that in addition to cash balances there are sufficient committed credit facilities, including the advance payment facilities with its customers, to provide cash necessary to meet projected cash requirements.

The Company holds investments in mineral and exploration properties. While these may be convertible to cash they are not considered when assessing the Company's liquidity as they are part of the risk management program of the

Company, long-term strategic holdings, or are only convertible to cash over a longer time horizon if realizable values exceed management's assessment of fair value, respectively.

Cash balances on hand, the projected cash flow and the available credit facility, are expected to be sufficient to fund the Company's obligations as they come. However, there are inherent risks related to the operation of the Company's mines which could require additional sources of financing.

Liquidity risk is also impacted by credit risk, although the Company considers this risk low.

expressed in thousands of Canadian dollars, except share and per share amounts

Currency Risk

Financial instruments that impact the Company's net loss and comprehensive loss due to currency fluctuations include US dollar denominated cash, trade, and other accounts receivable, reclamation deposits, trade and other payables and debt. If the US dollar had been 10% higher/lower and all other variables were held constant, net loss and comprehensive loss for the year ended December 31, 2021 would have been higher/lower by $523.

Interest Rate Risk

The Company is exposed to interest rate risk on its credit facilities (Note 7). The Company monitors its exposure to interest rates and is comfortable with its current exposure. The Company has not entered into any derivative contracts to manage this risk. If interest rates had been 100 basis points higher/lower on the Company's floating rate debt and all other variables were held constant, the amount of interest expense in the year ended December 31, 2021 would have increased/decreased by $685.

Provisionally Priced Revenues

As a result of the provisional pricing terms in its sales contracts, the Company is exposed to commodity price risk until final pricing is determined. Therefore, revenues in subsequent periods will be adjusted for any changes to provisionally priced accounts receivables outstanding at period end. Final pricing is usually four to five months after the date of shipment and therefore changes in metal prices may have a material impact on the final revenue.

Provisionally priced revenues is comprised of the following:

	December 31 2021		December 31 2020	
	Provisional lb/oz	Provisional Price per lb/oz	Provisional lb/oz	Provisional Price per lb/oz
	000's	*US$*	*000's*	*US$*
Copper	3,798.3	$ 4.42	5,884.7	$ 3.52
Gold	2.4	$ 1,806	2.9	$ 1,894

The following tables summarize the realized and unrealized gains (losses) on provisionally priced sales:

	2021			2020		
	Copper	Gold & Silver	Total	Copper	Gold & Silver	Total
Realized	$ 3,532	$ (545)	$ 2,987	$ 996	$ 1,351	$ 2,347
Unrealized	(186)	(58)	(244)	4,148	664	4,812
Total	$ 3,346	$ (603)	$ 2,743	$ 5,144	$ 2,015	$ 7,159

Fair Value Estimation

The fair value of financial instruments traded in active markets (such as marketable securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Company is the current bid price. The fair value of derivative instrument assets and liabilities are determined by the counterparties using standard valuation techniques for these derivative instruments. The carrying value less impairment provision, if necessary, of trade and other receivables and trade and other payables are assumed to approximate their fair values.

IFRS 13 *Fair Value Measurement* requires disclosures about the inputs to fair value measurement, including their classifications within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities; and
Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – inputs that are not based on observable market data.

expressed in thousands of Canadian dollars, except share and per share amounts

The fair value of the Company's financial instruments has been classified within the fair value hierarchy at December 31, 2021 as follows:

Financial Assets	Level 1	Level 2	Total
Cash	$ 33,308	$ -	$ 33,308
Marketable securities	81	-	81
Provisionally priced accounts receivables	-	2,350	2,350
Future site reclamation deposits	14,388	-	14,388
	$ 47,777	$ 2,350	$ 50,127

19. COMMITMENTS AND PLEDGES

a) At December 31, 2021, the Company has pledged the following assets for settlement of future site reclamation provisions:

Future site reclamation deposits included with other assets (Note 6)	$ 14,388
Mineral property, plant and equipment	28,370
Other assets secured by Letters of Credit (Note 7)	34,390
	$ 77,148

b) At December 31, 2021, the Company had commitments of $28,389 for expenditures on mineral properties.

20. CONTINGENT LIABILITIES

The Company is from time to time involved in various claims and legal proceedings arising in the conduct of its business.

During the third quarter of 2014, a securities class action under section 138 of the Ontario Securities Act was filed against the Company and certain of its directors, officers and others. On September 23, 2020, the Ontario Superior Court denied leave to proceed with this claim. The Plaintiff's appeal of this decision was partially successful with the action being returned to the Ontario Superior Court for reconsideration of the leave application.

The Company is of the view that the allegations contained in the claim are without merit and are unlikely to succeed.

The Company prevailed at the arbitration of a claim filed by a contractor for additional compensation owed for work previously carried out. The arbitrator ruled that no further amounts are owed and that the contractor had overbilled the Company in an amount exceeding $2,000. The contractor has appealed the ruling.

The Company was partially successful in its action against its insurance underwriters to recover business interruption losses incurred at the Mount Polley mine. The insurance company has filed an appeal.

21. SUBSEQUENT EVENTS

Subsequent to December 31, 2021 the Company:

a) Increased its existing Credit Facility from $75,000 to $100,000 (Note 7). This additional increase of $25,000 in the facility is guaranteed by a related party.

b) Reached an agreement with the Province of British Columbia for the surrender of Giant Copper mineral claims located 37km east of Hope, BC, Canada. The Company received $24,000 as a consideration that covers all prior investments in the Giant Copper claim area.

Exhibit 99.3

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for Imperial Metals Corporation ("Imperial", the "Company", "we", "us" or "our") should be read in conjunction with the audited Consolidated Financial Statements and related notes for the year ended December 31, 2021. The Consolidated Financial Statements and comparative information have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The reporting currency of the Company is the Canadian ("CDN") Dollar.

This MD&A contains statements that may be considered forward-looking information, and therefore investors are directed to review the *Forward-Looking Statements & Risks Notice* within this MD&A.

Imperial is a Vancouver based mining company active in the acquisition, exploration, development, mining and production of base and precious metals. The Company owns the Mount Polley and Huckleberry copper mines, and holds a 30% interest in the Red Chris copper/gold mine. Imperial also maintains a large portfolio of greenfield exploration properties. Management continues to evaluate various opportunities to advance many of these properties.

Imperial's principal business registered and records office address is Suite 200, 580 Hornby Street, Vancouver, British Columbia V6C 3B6 Canada. The Company was incorporated under the British Columbia *Company Act*.

The Company is listed on The Toronto Stock Exchange, and its shares trade as symbol III. At March 16, 2022, the Company had 141,395,941 common shares outstanding, and on a diluted basis 141,395,941 common shares outstanding.

Additional Company disclosure can be obtained from imperialmetals.com or sedar.com.

FORWARD-LOOKING STATEMENTS & RISKS NOTICE

This MD&A is a review of the Company's operations and financial position, as at and for the year ended December 31, 2021, and plans for the future based on facts and circumstances as of March 16, 2022.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking information which is prospective in nature and reflect the current views and/or expectations of Imperial. Often, but not always, forward-looking information can be identified by the use of statements such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such information in this MD&A includes, without limitation, statements regarding: future impacts of the COVID-19 pandemic; the ability to continue operations in lieu of the COVID-19 pandemic; changes to the Company's business and operations in order to minimize the risks to employees, communities and other stakeholders; the effectiveness of preventative actions put in place by the Company and Newcrest, including measures taken in accordance with PHO orders, to respond to the COVID-19 pandemic as well as to implement a prevention plan for all communicable diseases; expectations regarding the care, maintenance and rehabilitation activities at the Mount Polley mine and Huckleberry mine; expectations regarding updates to the mine restart plans and timelines for the Mount Polley mine and Huckleberry mine; the Company's ability to secure financing to fund the restart of the Mount Polley mine; expectations regarding the potential cost and length of life mine of Red Chris; expectations and timing regarding current and future exploration and drilling programs; expectations and timing regarding the Red Chris Block Cave PFS; expectations regarding metal recoveries; capital expenditures; adequacy of funds for projects and liabilities; our belief in the merit of and expectations regarding the allegations of a securities class action claim; outcome and impact of litigation; cash flow; working capital requirements; the requirement for additional capital; the ability for the Company to continue as a going concern, including sufficient funding of the Company's obligations as they come due; the ability to generate sufficient taxable income from future operations to realize deferred income tax assets; results of operations, production, revenue, margins and earnings; authorizations and permits; potential acquisitions; future prices of copper and gold; future foreign currency exchange rates, including its impact on derivative instruments; future accounting changes, including the effect of amendments to accounting standards on the Company's financial statements; future prices for marketable securities; and the use of non-IFRS financial measures including adjusted net loss, adjusted EBITDA, cash earnings and cash earnings per share.

Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates, including, but not limited to, assumptions that: the scope and duration of the COVID-19 pandemic and its impact on our business will not be significant and the Company's operations will be able to return to normal after the COVID-19 pandemic has subsided; the Company will have access to capital as required and will be able to fulfill its funding obligations as the Red Chris minority joint venture partner; there are risks related to holding non-majority investment interests in the Red Chris mine Joint Venture; the Company will be able to advance and complete remaining planned rehabilitation activities within expected timeframes; there will be no significant delay or other material impact on the expected timeframes or costs for completion of rehabilitation of the Mount Polley mine and Huckleberry mine; the Company's rehabilitation activities at Mount Polley and Huckleberry will be successful in the long term; all required permits, approvals and arrangements to proceed with planned rehabilitation at Mount Polley and Huckleberry will be obtained in a timely manner; the Company's belief that the appeals with respect to decisions in favour of the Company are without merit; there will be no material operational delays at the Red Chris mine; equipment will operate as expected; there will not be significant power outages; there will be no material adverse change in the market price of commodities and exchange rates; and the Red Chris mine will achieve expected production outcomes (including with respect to mined grades and mill recoveries and access to water as needed). Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. We can give no assurance that the forward-looking information will prove to be accurate.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Imperial's actual results, revenues, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements constituting forward-looking information.

Important risks that could cause Imperial's actual results, revenues, performance or achievements to differ materially from Imperial's expectations include, among other things: the risk that the Company's beneficial interest of the Red Chris mine may be diluted over time should it not have access to capital as required and will not be able to meet its funding obligations as the Red Chris minority joint venture partner; additional financing that may be required may not be available to Imperial on terms acceptable to Imperial or at all; uncertainty regarding the outcome of sample testing and analysis being conducted on the area affected by the Mount Polley Breach; risks relating to the timely receipt of necessary approvals and consents to proceed with the rehabilitation plan at Mount Polley and Huckleberry; risks relating to the remaining costs and liabilities and any unforeseen longer-term environmental consequences arising from the Mount Polley Breach; uncertainty as to actual timing of completion of rehabilitation activities at Mount Polley and Huckleberry; risks relating to the impact of the Mount Polley Breach on Imperial's reputation; risks relating to mining operations and mine restart timelines; uncertainty regarding general economic conditions; uncertainty regarding the short-term and long-term impact of the COVID-19 pandemic on the Company's operations and investments and on the global economy and metals prices generally; risks relating to the potential ineffectiveness of the measures taken in response to the COVID-19 pandemic; risks associated with competition within the mining industry; the Company's dependency on third party smelters; risks relating to trade barriers; the quantum of claims, fines and penalties that may become payable by Imperial and the risk that current sources of funds are insufficient to fund liabilities; risks that Imperial will be unsuccessful in defending against any legal claims or potential litigation; risks of protesting activity and other civil disobedience restricting access to the Company's properties; failure of plant, equipment or processes to operate in accordance with specifications or expectations; cost escalation, unavailability of materials and equipment, labour unrest, power outages, and natural phenomena such as weather conditions and water shortages negatively impacting the operation of the Red Chris mine; changes in commodity and power prices; changes in market demand for our concentrate; risks that the COVID-19 pandemic may adversely affect copper and gold prices, impact our ability to transport or market our concentrate, cause disruptions in our supply chains and create volatility in commodity prices and demand; inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources); uncertainty relating to mineral resource and mineral reserve estimates; uncertainty relating to production estimates; risks associated with mineral exploration and project development; fluctuations in exchange rates and interest rates; risks associated with permitting and government regulations; environmental and health and safety matters; risks relating to joint venture projects; risks relating to foreign operations; dependence on key management personnel; taxation risk; conflicts of interest; cyber threats; risks relating to the use of derivative contracts and other hazards and risks disclosed within this MD&A for the year ended December 31, 2021 and other public filings which are available on Imperial's profile at sedar.com. For the reasons set forth above, investors should not place undue reliance on forward-looking information. Imperial does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

SIGNIFICANT EVENTS AND LIQUIDITY

The Company's audited Consolidated Financial Statements have been prepared on a going concern basis which assumes the Company will continue operating in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course as they come due.

On March 11, 2020, the World Health Organization declared the rapidly spreading coronavirus 2019-nCoV ("COVID-19") outbreak as a global pandemic. The Company has been closely monitoring developments of the COVID-19 outbreak and has implemented preventive measures to ensure the safety of our workforce and local communities. Throughout the COVID-19 pandemic, mining operations at Red Chris, the Company's various exploration activities, and the care and maintenance of Mount Polley and Huckleberry have been conducted under strict guidance and directives of federal, provincial and regional health authorities. To date, there have been no significant disruptions to production, to the shipment of concentrate or to the supply chain. Changes have been implemented to our business and how we operate in order to minimize the risks to our employees, communities and other stakeholders.

The Company has actively responded to the COVID-19 pandemic at operations controlled by the Company through a variety of means such as:

- restricting travel;
- shifting employees to remote work arrangements wherever possible, including at the corporate office;
- implementing and promoting preventative measures in place at all operations, including social distancing and frequent handwashing;
- adhering to the most up to date guidance from governments and public health authorities in each jurisdiction in which we operate;
- implementing enhanced cleaning and disinfecting protocols; and
- restricting employees with any potential symptoms of COVID-19 from attending Company facilities.

The Company holds a 30% interest in the Red Chris mine through our wholly owned subsidiary. Newcrest Mining Limited ("Newcrest") holds a 70% interest through its wholly owned subsidiary and is the project operator. The Company understands Newcrest has implemented the below precautionary measures at Red Chris. These measures continue to be refined in accordance with the Provincial Health Officer orders for work camps which in turn continue to be refined as BC moves through its stages of the restart plan.

The order requirements have been broadened to all communicable diseases rather than just COVID-19. These include:

- the requirement for a communicable disease prevention plan, which replaces the requirement for a COVID-19 infection prevention and control protocol;
- the appointment of a communicable disease prevention and control co-ordinator (new term of the current infection prevention and control coordinator) who is responsible for oversight of the communicable disease prevention plan and liaison with the health authority;
- maintaining high standards of camp hygiene;
- ensuring workers have an opportunity to consult a health professional and arrange for symptomatic worker testing when recommended by Medical Health Officer ("MHO") or medical professional;
- establishing a plan for ready access to, the medical, nursing and allied professional support necessary to support the management by public health of cases, clusters and outbreaks of communicable diseases among workers;
- developing procedures for the isolation of a worker exposed to, or with a confirmed or suspected case of communicable disease, and ensuring that a worker in isolation has the supplies, support and services the worker needs;
- reporting of cases, clusters or outbreaks of communicable diseases and related information to the MHO and working with the MHO to deal with the situation; and
- facilitating access to a vaccination program.

Red Chris has implemented the above requirements since early 2020 with the following precautions by:

- conducting rapid antigen and PCR screening and health checks for all employees, contractors, and visitors entering site and whilst on site;
- minimizing visitor numbers with no ‘ad-hoc’ entry;
- providing the opportunity for all employees, contractors and visitors to be vaccinated with an approved vaccine through the work camp vaccination program;
- providing paid pandemic leave for applicable cases;

- maintaining hygienic practices: mask wearing, social distancing and hand washing to minimize spread of infection;
- employing additional trained medical personnel on-site and providing enhanced medical service on site and supporting local Tahltan communities;
- providing regular written and verbal communication updates to employees on all sites, particularly on personal hygiene practices and what to do if they present symptoms;
- providing medical supplies and provisions to local Tahltan communities;
- working with Tahltan Central Government Emergency Management Committee ("EMC") to facilitate testing COVID-19 management within the three neighbouring Tahltan communities;
- supporting the weekly EMC meeting which brings together representatives from the three neighbouring Tahltan communities and other Northern British Columbia mining and exploration companies to share COVID-19 management experiences;
- preparing business continuity plans and contingencies in the event of a significant number of operational employees and contractors being exposed or contracting the virus to minimize disruptions to operations; and
- establishing and maintaining an emergency management team of key management at site level.

The Company also understands that the Tahltan Central Government, Iskut First Nation and Tahltan Bands are supportive of Newcrest's implementation of this package of measures which proactively protects and supports communities and enables Tahltan members to support their families and communities, while helping Red Chris to continue to operate during the COVID-19 pandemic.

As Newcrest is the operator of the Red Chris mine, the preventative measures implemented with respect to the project lie outside the direct control of the Company. Any violations to acts and regulations may have an adverse impact on the Company.

Despite the uncertainties and changes relating to the COVID-19 pandemic, and current market conditions, we remain confident in the long-term outlook for our major commodities. However, the extent to which the COVID-19 pandemic impacts the Company's business, including exploration, development and production activities and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the COVID-19 outbreak.

The resumption of normal operating activities is highly dependent on the progression of the pandemic and the success of measures taken to prevent transmission, which will influence when health and government authorities remove various restrictions on our business activities. Even after the COVID-19 pandemic has subsided, we may continue to experience material adverse impacts to our business as a result of its global economic impact, including any related recession.

On February 10, 2021, the Company reported that construction had commenced on the portal site for an exploration decline into the deep East zone at Red Chris mine. The Red Chris Joint Venture approved $135 million (on a 100% basis) of funding for the construction of the exploration decline and associated infrastructure and permitting costs.

On March 10, 2021, the Company entered into a $10.0 million promissory note financing ("Note") with an affiliate of its major shareholder. The Note matures on April 1, 2022 and bears interest of 8.0% per annum. The Note was fully repaid on June 28, 2021, prior to its maturity date.

On March 15, 2021, the Company acquired a 30% interest in the GJ Property for a payment of $3.0 million to Newcrest Red Chris Mining Limited.

On March 30, 2021, the Red Chris Mineral Resource update was released, and it is a key input into the Pre-Feasibility Study ("PFS") which had been initiated on the development of a high margin underground block cave mine at Red

Chris. An ore reserve estimate which for the first time will include a block cave operation at Red Chris is expected to be released within the same timeframe as the PFS.

On April 27, 2021, the Company announced a Normal Course Issuer Bid to provide for purchases of its common shares to satisfy its obligations under the Non-Management Directors' Plan and the Share Purchase Plan.

On June 25, 2021, the Company completed a Rights Offering pursuant to which it issued a total of 12,853,267 common shares at a price $4.70 per common shares for gross proceeds of approximately $60.4 million. The Company issued a total of 10,992,281 common shares under basic subscription privileges in the Rights Offering and a total of 1,860,986 common shares under additional subscription privileges.

On July 2, 2021, the Red Chris Joint Venture received a Notice of Proposed Transfer and Right of First Refusal Offer regarding the sale of an existing 1% Net Smelter Returns Royalty in consideration of US$165.0 million. The Right of First Refusal was not exercised by the Red Chris Joint Venture.

On July 8, 2021, the Company acquired 100% interest in the Ruddock Creek high grade zinc-lead project by purchasing the remaining 54.72% interest previously held by its joint venture partners.

On July 15, 2021, the Company's subsidiary, Huckleberry Mines Ltd., purchased five mineral tenures from ArcWest Exploration Inc. ("ArcWest"). The claims cover 2,526 hectares and are located north of the Huckleberry Mine mining lease. Consideration payable was $50,000 cash and the granting to ArcWest of a 1% Net Smelter Returns Royalty.

On July 26, 2021, the Company granted PJX Resources Inc. ("PJX") a five-year option to acquire 100% interest in the Estella Property located northeast of Cranbrook, B.C. The property consists of 14 Crown granted mineral claims covering approximately 224 hectares. Consideration payable to Imperial are staged payments totalling $250,000 and the granting to PJX of a 2% Net Smelter Returns Royalty.

On October 11, 2021, the Company reported highlights of the Red Chris Block Cave Pre-Feasibility Study ("PFS"). With the completion of the PFS, Newcrest has approved preparation of a Feasibility Study which is expected to be completed in the first half 2023. On November 29, 2021, the NI 43-101 Technical Report for Red Chris was filed.

On October 20, 2021, the Company received notice that the binding arbitration of the claim from a contractor filed in the June 2020 period was completed. The arbitrator's partial final award dismissed all of the contractor's claims and found the contractor liable for numerous misrepresentations and for overbilling. Damages payable by the contractor will be determined in the next phase of arbitration.

On October 29, 2021, the Company increased its existing Credit Facility from $50.0 million to $75.0 million. The increase of $25.0 million in the facility is guaranteed by a related party.

On December 7, 2021, the Company acquired four mineral claims totalling 6,834.47 hectares from Freeport-McMoRan Mineral Properties Canada Inc. for the consideration of claim assessment work expenditures and a 0.5% Net Smelter Return Royalty.

Subsequent to December 31, 2021, the Company reported the following:

On January 19, 2022, the Company reached an agreement with the Province of British Columbia for the surrender of Giant Copper mineral claims located 37km east of Hope, BC, Canada. The Company received $24.0 million as consideration that covers all prior investments in the Giant Copper claim area.

On February 28, 2022, the Company increased its existing Credit Facility from $75.0 million to $100.0 million. This additional increase of $25.0 million in the facility is guaranteed by a related party.

OVERVIEW

Select Annual Financial Information

expressed in thousands, except share and per share amounts	Years Ended December 31 2021	2020	2019[3]
Operations:			
Total revenues	$ 133,591	$ 148,097	$ 71,823
Net loss	$ (26,070)	$ (4,892)	$ (41,224)
Net loss per share	$ (0.19)	$ (0.04)	$ (0.32)
Diluted loss per share	$ (0.19)	$ (0.04)	$ (0.32)
Adjusted net loss [1]	$ (23,181)	$ (5,421)	$ (50,310)
Adjusted net loss per share [1]	$ (0.17)	$ (0.04)	$ (0.40)
Adjusted EBITDA[1]	$ 11,553	$ 36,034	$ (4,261)
Cash earnings [1][2]	$ 11,034	$ 36,909	$ (3,611)
Cash earnings per share [1][2]	$ 0.08	$ 0.29	$ (0.03)
Working capital (deficiency)	$ (19,060)	$ 9,292	$ 53,661
Total assets	$ 1,186,341	$ 1,091,321	$ 1,103,488
Total debt (including current portion)	$ 34,975	$ 2,422	$ 3,816

(1) Refer to table under heading *Non-IFRS Financial Measures* for further details.
(2) Cash earnings is defined as the cash flow from operations before the net change in non-cash working capital balances, income and mining taxes, and interest paid. Cash earnings per share is defined as cash earnings divided by the weighted average number of common shares outstanding during the year.
(3) Year ended 2019 has been restated to incorporate the finalization of fair values relating to the sale of Red Chris in August 2019.

Select Items Affecting Net Loss (presented on an after-tax basis)

expressed in thousands	Years Ended December 31 2021	2020
Net loss before undernoted items	$ (24,337)	$ (3,559)
Interest expense	(1,497)	(1,358)
Foreign exchange gain (loss) on debt	(236)	25
Net Loss	$ (26,070)	$ (4,892)

Revenue from the Red Chris mine in 2021 was $132.6 million compared to $146.3 million in 2020. In 2021, the Red Chris mine (100% basis) had 14.5 concentrate shipments (2020-18.3 concentrate shipments). Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rates, and period end revaluations of revenue attributed to concentrate shipments where copper and gold prices will settle at a future date.

The London Metals Exchange cash settlement copper price per pound averaged US$4.23 in 2021 compared to US$2.80 in 2020. London Bullion Market Association, London gold price per troy ounce averaged US$1,800 in 2021 compared to US$1,770 in 2020. The average US/CDN dollar exchange rate in 2021 was 1.254 compared to an average of 1.341 in 2020. In CDN dollar terms, the average copper price in 2021 was CDN$5.30 per pound compared to CDN$3.76 per pound in 2020, and the average gold price in 2021 was CDN$2,256 per ounce compared to CDN$2,374 per ounce in 2020.

Revenue in 2021 increased by a $1.6 million revenue revaluation compared to a revenue revaluation of $7.3 million in 2020. Revenue revaluations are the result of the metal price on the settlement date and/or the current period balance sheet date being higher or lower than when the revenue was initially recorded or the metal price at the last balance sheet date and finalization of contained metal as a result of final assays.

Net loss in 2021 was $26.1 million ($0.19 per share) compared to net loss of $4.9 million ($0.04 per share) in 2020. The majority increase in net loss of $21.2 million was primarily due to the following factors:

- Income from mine operations went from $20.6 million in 2020 to $10.4 million in 2021, an increase in net loss of $10.2 million.
- Mine restart costs went from $nil in 2020 to $11.4 million in 2021, an increase in net loss of $11.4 million.
- Reversal of impairment on exploration costs was $nil in 2020 compared to $4.2 million in 2021, a decrease in net loss of $4.2 million.

Capital expenditures including finance leases were $108.6 million in 2021, up from $73.7 million in 2020. Expenditures in 2021 included $36.4 million in exploration, $23.4 million for tailings dam construction and $48.8 million on stripping costs and other capital.

At December 31, 2021, the Company had $33.3 million in cash compared to $34.0 million at December 31, 2020.

NON-IFRS FINANCIAL MEASURES

The Company reports four non-IFRS financial measures: adjusted net loss, adjusted EBITDA, cash earnings and cash cost per pound of copper produced which are described in detail below. The Company believes these measures are useful to investors because they are included in the measures that are used by management in assessing the financial performance of the Company.

Adjusted net loss, adjusted EBITDA, cash earnings and cash cost per pound of copper are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Reconciliations are provided below.

Adjusted Net Loss and Adjusted Net Loss Per Share

Adjusted net loss is derived from operating net loss by removing the gains or loss, resulting from acquisition and disposal of property, mark to market revaluation of derivative instruments not related to the current period, net of tax, unrealized foreign exchange gains or losses on non-current debt, net of tax and other non-recurring items. Adjusted net loss in 2021 was $23.2 million ($0.17 per share) compared to an adjusted net loss of $5.4 million ($0.04 per share) in 2020. We believe that the presentation of Adjusted Net Loss helps investors better understand the results of our normal operating activities and the ongoing cash generating potential of our business as further detailed below.

Calculation of Adjusted Net Loss

	Years Ended December 31	
expressed in thousands, except share and per share amounts	2021	2020
Net loss	$ (26,070)	$ (4,892)
Foreign exchange (gain) loss on debt, net of tax [(1)]	236	(25)
Reversal of impairment on exploration and evaluation asset, net of write downs and tax	2,653	-
Insurance recovery, net of tax	-	(490)
Other, net of tax	-	(14)
Total Adjusted Net Loss	$ (23,181)	$ (5,421)
Basic weighted average number of common shares outstanding	135,223,279	128,490,174
Total Adjusted Net Loss Per Share	$ (0.17)	$ (0.04)

(1) Non-current debt is recorded on the Company's Statement of Financial Position at the foreign exchange rate in effect on that date, with changes in foreign exchange rates, net of taxes, flowing through net loss. The amounts of non-current debt ultimately payable may be materially different than reflected in the financial statements due to foreign currency movements.

Adjusted EBITDA

Adjusted EBITDA in 2021 was $11.6 million compared to $36.0 million in 2020. We define Adjusted EBITDA as net loss before interest expense, taxes, depletion, and depreciation, and as adjusted for certain other items described in the following reconciliation table.

We believe that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about certain non-cash items and is useful to investors as an important indicator of our operations and the performance of our core business.

Adjusted EBITDA is not a measurement of operating performance or liquidity under IFRS and should not be considered as a substitute for earnings from operations, net income or cash generated by operating activities computed in accordance with IFRS. Adjusted EBITDA has limitations as an analytical tool and therefore Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

A reconciliation of net loss to Adjusted EBITDA is as follows:

expressed in thousands	Years Ended December 31 2021	2020
Net loss	$ (26,070)	$ (4,892)
Adjustments:		
Income and mining tax recovery	(4,552)	(3,974)
Interest expense	1,497	1,358
Depletion and depreciation	40,953	40,288
Accretion of future site reclamation provisions	3,110	2,764
Share based compensation	405	726
Foreign exchange (gain) loss	(177)	557
Revaluation of marketable securities	49	(91)
Reversal of impairment on exploration costs	(4,157)	-
Write down of exploration cost	523	-
Insurance recovery	-	(671)
Other	(28)	(31)
Total Adjusted EBITDA	$ 11,553	$ 36,034

Cash Earnings and Cash Earnings Per Share

Cash earnings in 2021 was $11.0 million compared to $36.9 million in 2020. Cash earnings per share were $0.08 in 2021 compared to $0.29 in 2020. Cash earnings and cash earnings per share are measures used by the Company to evaluate its performance however they are not terms recognized under IFRS. We believe that the presentation of cash earnings and cash earnings per share is appropriate to provide additional information to investors about how well the Company can earn cash to pay its debts and manage its operating expenses and investment. Cash earnings is defined as cash flow from operations before the net change in non-cash working capital balances, income and mining taxes paid, and interest paid. Cash earnings per share is the same measure divided by the weighted average number of common shares outstanding during the year.

expressed in thousands, except per share and per share amounts	Years Ended December 31 2021	2020
Net loss	$ (26,070)	$ (4,892)
Items not affecting cash flows:		
Deferred mining and income tax recovery	(5,279)	(4,326)
Depletion and depreciation	40,953	40,288
Share based compensation	405	726
Accretion of future site reclamation provisions	3,110	2,764
Reversal of impairment on exploration costs	(4,157)	-
Write down of exploration cost	523	-
Unrealized foreign exchange losses	31	1,113
Interest expense	1,497	1,358
Other	21	(122)
Total Cash Earnings	$ 11,034	$ 36,909
Basic weighted average number of common shares outstanding	135,223,279	128,490,174
Total Cash Earnings Per Share	$ 0.08	$ 0.29

Cash Cost Per Pound of Copper Produced

Management uses this non-IFRS financial measure to monitor operating costs and profitability. The Company is primarily a copper producer and therefore calculates this non-IFRS financial measure individually for its three copper mines, Red Chris (30% share), Mount Polley and Huckleberry, and on a composite basis for these mines.

The cash cost per pound of copper produced is derived from the sum of cash production costs, transportation and offsite costs, treatment and refining costs, royalties, net of by-product and other revenues, divided by the number of pounds of copper produced during the period.

Cash costs of production include direct labour, operating materials and supplies, equipment and mill costs, and applicable overhead. Off-site costs include transportation, warehousing, marketing, related insurance and treatment and refining costs for smelting and refining concentrate.

Treatment and refining costs applicable to the concentrate produced during the period are calculated in accordance with the contracts the Company has with its customers.

By-product and other revenues represent (i) revenue calculated based on average metal prices for by-products produced during the period based on contained metal in the concentrate; and (ii) other revenues as recorded during the period.

Cost of sales, as reported on the consolidated statement of comprehensive income, includes depletion and depreciation, and share based compensation, non-cash items. The resulting cash costs are different than the cost of production because of changes in inventory levels and therefore inventory and related transportation and offsite costs are adjusted from a cost of sales basis to a production basis. The cash costs for copper produced are converted to US$ using the average US$ to CDN$ exchange rate for the period divided by the pounds of copper produced to obtain the cash cost per pound of copper produced in US$.

Variations from period to period in the cash cost per pound of copper produced are the result of many factors including: grade, metal recoveries, amount of stripping charged to operations, mine and mill operating conditions, labour and other cost inputs, transportation and warehousing costs, treatment and refining costs, the amount of by-product and other revenues, the US$ to CDN$ exchange rate and the amount of copper produced.

Idle mine and mine restart costs during the periods when the Huckleberry and Mount Polley mines are not in operation have been excluded from the cash cost per pound of copper produced.

The following tables reconcile cost of sales as shown on the consolidated statement of comprehensive income, to the cash cost per pound of copper produced in US$.

Calculation of Cash Cost Per Pound of Copper Produced

expressed in thousands, except cash cost per pound of copper produced	Three Months Ended December 31	
	2021	2020
Cost of sales	$ 23,247	$ 38,621
Less:		
Depletion and depreciation	(3,030)	(8,780)
Cash costs before adjustment to production basis	20,217	29,841
Adjust for inventory change	2,898	(5,626)
Adjust transportation and offsite costs	197	434
Treatment, refining and royalty costs	2,064	2,095
By-product and other revenues	(9,284)	(11,607)
Cash cost of copper produced in CDN$	16,092	$ 15,137
US$ to CDN$ exchange rate	*1.2601*	*1.3030*
Cash cost of copper produced in US$	12,771	11,617
Copper produced – pounds	*4,507*	*5,169*
Cash cost per lb copper produced in US$	$ 2.83	$ 2.25

Calculation of Cash Cost Per Pound of Copper Produced

expressed in thousands, except cash cost per pound of copper produced	Year Ended December 31	
	2021	2020
Cost of sales	$ 123,162	$ 127,470
Less:		
Depletion and depreciation	(37,553)	(35,179)
Cash costs before adjustment to production basis	85,609	92,291
Adjust for inventory change	6,748	(1,867)
Adjust transportation and offsite costs	196	318
Adjust for other costs	(387)	-
Treatment, refining and royalty costs	8,452	10,770
By-product and other revenues	(40,311)	(50,855)
Cash cost of copper produced in CDN$	60,307	$ 50,657
US$ to CDN$ exchange rate	*1.2536*	*1.3412*
Cash cost of copper produced in US$	48,107	37,770
Copper produced – pounds	*19,717*	*26,502*
Cash cost per lb copper produced in US$	$ 2.44	$ 1.43

DEVELOPMENTS DURING 2021

The current impact of the COVID-19 pandemic on our business is described under Significant Events and Liquidity. The Company's plans for 2022 and beyond could be adversely impacted by the effects of the COVID-19 pandemic. The continuing impact of COVID-19 to travel and other operating restrictions established to curb the spread of COVID-19, could materially and adversely impact the Company's current plans by causing a temporary closure of the Red Chris mine, suspending planned exploration work, causing an economic slowdown resulting in a decrease in the demand for copper and gold, negatively impacting copper and gold prices, impacting the Company's ability to transport or market the Company's concentrate or causing disruptions in the Company's supply chains.

Red Chris Mine

Metal production at Red Chris in 2021 was 65.4 million pounds of copper and 60,160 ounces of gold compared to 88.3 million pounds copper and 73,787 ounces gold produced in 2020. Copper and gold production decreased 26% and 19% respectively. The decreased metal production in 2021 was largely the result of treating of lower grades, with the copper grade down 24% and the gold grade down 21% from 2020 levels. Copper recovery was down 2% year on year to 79% while gold recovery increased 3% to 56% in 2021. Mill throughput for the year decreased about 0.6% with the rate averaging 25,546 tonnes per day.

Imperial's 30% portion of the production was 19.6 million pounds copper and 18,048 ounces gold.

Annual Production for the Year Ended December 31	2021	2020
Ore milled - *tonnes*	9,324,304	9,381,881
Ore milled per calendar day - *tonnes*	25,546	25,634
Grade % - copper	0.403	0.529
Grade g/t - gold	0.358	0.451
Recovery % - copper	79.1	80.7
Recovery % - gold	56.0	54.2
Copper – *000's pounds*	65,426	88,343
Gold – *ounces*	60,160	73,787

* 100% Red Chris mine production

Red Chris production (100%) for the 2021 fourth quarter was 14.7 million pounds copper and 13.6 thousand ounces gold compared to 17.2 million pounds copper and 15.2 thousand ounces gold in the 2021 third quarter, primarily due to lower mill throughput with 2,124,732 tonnes in the fourth quarter of 2021 compared to 2,543,495 tonnes in the prior quarter. The throughput was impacted by processing clay rich ores early in the reporting period impacting primary crusher availability, as well as weather-related BC Hydro power outages. This was partially offset by higher gold recoveries (60% versus 56%), reflecting the benefit of increased cleaner capacity.

A significant drilling campaign continues to be undertaken at Red Chris, with eight rigs currently operational and a total of 98,522 metres drilled in 2021. The exploration decline development continues having progressed a total of approximately 1,000 metres as of March 10, 2022.

In October 2021, the Red Chris Block Cave Pre-Feasibility Study ("PFS") was released and work has commenced on a feasibility study that is expected to be completed in the first half of 2023. The PFS confirmed the potential to develop a world class, low cost, long life mine at Red Chris. The PFS indicates the project has an estimated 17% IRR and a post-tax NPV of CAD$2.2 billion using a 4.5% discount rate over an initial 31-year mine life at prices of US$3.30 per pound copper and US$1,500 per troy ounce gold.

Some key results from the PFS are noted below:

- Block Cave Life-of-Mine All-In Sustaining Cost of negative US$144 per ounce of gold
- Mineral Reserve estimate of 2.2 million tonnes copper and 8.1 million ounces gold
- Payback of 3.2 years
- Block Cave First Ore targeted to be first half of 2026
- Further optimization underway to assess opportunities proximate to the mining area, including the mineralization being outlined in the East Ridge zone
- Studies are underway to consider “early mining” of high-grade pods to enhance cash flows prior to development of the Block Cave

Imperial’s 30% share of exploration, development, and capital expenditures was $99.5 million in 2021 compared to $73.2 million in 2020.

Mount Polley Mine

Mount Polley operations ceased in May 2019 and the mine remains on care and maintenance status. The mine restart plan prepared in 2019, has been updated to include revised pit designs, results of recent drilling and current metal prices. In the fourth quarter 2021, the Company began the work required to reopen the mine.

Management is targeting a second quarter 2022 mill startup. Plant mechanical and electrical refurbishing work has been completed and work is underway to prepare the tailings slurry and reclaim water pipelines as well as the pumps, ore conveyors, crushers, screens, grinding mills and plant water systems. Pre-stripping operation began in November 2021 with approximately 757,500 tonnes mined by the year end.

Mount Polley incurred idle mine costs of $16.2 million and restart costs of $11.4 million. In addition, $2.7 million in depreciation expense was incurred during the year ended December 31, 2021.

Exploration, development, and capital expenditures were $4.0 million in 2021 compared to $0.9 million in 2020.

Huckleberry Mine

Huckleberry operations ceased in August 2016 and the mine remains on care and maintenance status. The Company anticipates working towards the restart of Huckleberry following the start of operations at Mount Polley.

Site personnel continue to focus on maintaining site access, water management (treatment and release of mine contact water into Tahtsa Reach), snow removal, maintenance of site infrastructure and equipment, mine permit compliance, environmental compliance monitoring and monitoring tailings management facilities.

In late 2021, a geotechnical drilling program was conducted to gather the information required to update the tailings facility design for future operations and to provide information required for dam safety reviews.

Huckleberry incurred idle mine costs of $5.2 million. In addition, $0.7 million in depreciation expense was incurred during the year ended December 31, 2021.

Exploration, development, and capital expenditures were $2.2 million in 2021 compared to $0.9 million in 2020.

EXPLORATION

Mount Polley

The 2021 exploration program was planned to acquire high density ground magnetic data over top of high priority areas within the mine site and areas immediately to the north while remaining available to support geotechnical drilling that was ongoing on site.

The ground magnetic survey was successful in providing high resolution magnetic data overtop of high priority targets located north of the Junction Zone, north of the old Bell Pit, west of the Wight Pit, adjacent to Polley Lake, and south between the South East Rock Dump and Tailings. The ground magnetic data has highlighted many magnetic anomalies around the property that have a similar geophysical signature as the known mineralization found at Mount Polley. Several more magnetic surveys have been planned to cover areas where data and exploration are limited. Additional exploration is planned to further define the anomalies derived from the ground magnetic surveys.

In an area located south of the South East Rock Dump geotechnical trenching and drilling was undertaken to help provide data required for expansion of rock dump storage. Exploration was able to assist with the geotechnical drilling program as well as take rock samples whenever geotechnical work intercepted bedrock. The geotechnical drilling has provided bedrock samples in areas that remain largely underexplored at Mount Polley.

At December 31, 2021, a total of 2,783 exploration holes (surface and underground combined) had been drilled.

Huckleberry

In 2020, three drill holes totaling 2,491 metres were completed to test below the East Pit and the Historic East zone drilling at depth. Drill results confirmed that copper mineralization continues to significant depths below the East zone pit and historical drilling.

In addition, a Volterra 3-Dimensional Induced Polarization survey was conducted over the East zone to produce a geophysical signature over zones of known mineralization and enhance the geological model and ore controls. The data will be interpreted and used to locate new drill targets.

In June 2021, a ZTEM geophysical survey was completed over the entire Huckleberry claim block, including Whiting Creek and a large overburden covered area to the northeast of the mine. Geophysical results highlighted numerous exploration targets, both on and off the mine site. Geological investigation and diamond drilling are recommended for many of the ZTEM targets.

In the summer of 2021, 35 soil geochemical auger samples were collected from the swamp at Whiting Creek. These samples contributed to the geochemical compilation at Whiting Creek and further highlighted a copper anomaly. As well, the ZTEM survey highlighted a resistivity anomaly that roughly coincides with the geochemical copper anomaly. It is recommended to perform a geological investigation and diamond drilling on the Whiting Creek targets.

Exploration in 2022 should consist of geological investigations of the new ZTEM geophysical and geochemical targets, along with diamond drilling.

Greenfield Projects

In 2021, exploration was conducted on 6 properties:

Sustut: Metallurgical testing was completed on Sustut ore to determine if XRT based ore sorting techniques can be effectively applied to differentiate ore from Waste Rock. The analysis concluded that XRT based ore sorting could potentially improve the life of mine economics at the Sustut Deposit.

In the fall of 2021, the Company acquired the Freeport McMoRan claims adjacent to the Sustut deposit and contracted Geotech Ltd. to fly an airborne ZTEM geophysical survey over the entire claim block. The survey was only partially completed due to inclement weather but will be resumed at the beginning of the 2022 field season.

Fandora: Exploration in 2021 consisted of 3 phases. In the late winter mineralized ore was sampled for metallurgical testing.

In the early spring, a Very Low Frequency electromagnetic and magnetic survey was conducted over select areas of the property. Due to rugged terrain and thick bush, not enough ground was surveyed to identify any trends.

In the late summer, a high-resolution LiDAR and Orthographic imagery survey was carried out over the entire property. This survey highlighted numerous lineations of interest and identified troublesome cliffs and bluffs on the property, helping to guide future exploration.

Catface Copper: A soil geochemistry survey was carried out over an area with known anomalous chargeability and small zones of mapped intrusive at surface. In addition to the soil geochemistry a high-resolution LiDAR and Orthographic imagery survey was carried out over the entire property.

Wasi Creek: 800 soil samples were collected over areas with limited geochemical coverage on the property. Geochemical results tied other geochemical programs together and expanded the geochemical footprint of the existing “Greg” Pb-Zn mineral showing.

Two Star and Storey Creek: Soil geochemistry surveys and prospecting were carried out on both Two Star and adjoining Storey Creek. The surveys were successful in highlighting several zones of anomalous geochemistry and in locating new mineralization in outcrop. Future exploration is planned for 2022 to help define high-grade outcrops and anomalous geochemical regions.

Porcher Island: A high-resolution LiDAR and Orthographic imagery survey was carried out over the entire property. The survey was successful at highlighting new surface features that can be targeted for future exploration.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Significant Accounting Policies

Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and whereby each party has rights to the net assets of the arrangement. Joint control is considered to exist when all parties to the joint arrangement are required to reach unanimous consent over decisions about relevant business activities pertaining to the contractual arrangement. Interests in joint ventures are recognized as an investment and accounted for using the equity method of accounting.

Joint Operations

A joint operation is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and whereby each party has rights to the assets and liabilities relating to the arrangement. Joint control is considered to exist when all parties to the joint arrangement are required to reach unanimous consent over decisions about relevant business activities pertaining to the contractual arrangement. Interests in joint operations are accounted for by recognizing the Company's share of assets, liabilities, revenues and expenses incurred jointly.

Joint Operations Without Sharing Control

The Company participates in an unincorporated arrangement relating to its interest in the Red Chris mine and has rights to its share of the undivided assets, liabilities, revenues and expenses of the property, subject to the arrangement, rather than a right to a net return, and does not share joint control. All such amounts are measured in accordance with the terms of the arrangement, which is based on the Company's proportionate interest in the asset, liabilities, revenues and expenditures of the property and recorded in the financial statements in the appropriate line items according to their nature. The Company's proportionate share includes certain adjustments to ensure consistency of accounting policies with those of the Company.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests ("NCI") in the acquiree. For each business combination, the Company elects whether to measure the NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Company acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Mineral reserves, resources and exploration potential that can be reliably measured are recognized separately in the assessment of fair values on acquisition. Other potential reserves, resources and rights, for which fair values cannot be reliably measured, are not recognized separately, but instead are subsumed in goodwill.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition-date fair value, and any resulting gain or loss is recognized in the statement of profit or loss and other comprehensive income. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 is measured at fair value, with changes in fair value recognized in profit or loss in the statement of profit or loss and other comprehensive income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the fair value of the identifiable net assets acquired and liabilities assumed). If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in statement of profit or loss and other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Inventory

Copper concentrates, inclusive of contained gold and silver, and costs associated with stockpile ore are valued on a first in first out basis at the lower of production cost to produce saleable metal and net realizable value. Net realizable value is calculated as described under "Revenue Recognition". Production costs include direct labour, operating materials and supplies, transportation costs and applicable overhead, and depletion and depreciation.

Stores and supplies inventories are valued at the lower of cost and net realizable value. Cost includes acquisition cost and any directly related costs, including freight.

The portion of the ore stockpile and supplies that are to be processed/used more than 12 months from the reporting date and critical spare items, which might impact production if unavailable, are classified as other assets.

Materials and supplies are valued at the lower of cost or net realizable value. Any provision for obsolescence is determined by reference to specific items of stock and a general allowance for obsolescence. A regular review is undertaken to determine the extent of any provision for obsolescence.

Mineral Properties

Mineral properties represent capitalized expenditures related to the development of mining properties, related plant and equipment, expenditures related to exploration activities and expenditures arising from property acquisitions. Capitalized costs include interest and financing costs for amounts borrowed to develop mining properties and construct facilities, and operating costs, net of revenues, incurred prior to the commencement of commercial production.

The costs associated with mineral properties are separately allocated to reserves, resources and exploration potential, and include acquired interests in production, development and exploration stage properties representing the fair value at the time they were acquired. The value associated with resources and exploration potential is the value beyond proven and probable reserves assigned through acquisition. The value allocated to reserves is depleted on a unit-of-production method over the estimated recoverable proven and probable reserves at the mine. The reserve value is noted as mineral properties being depleted.

The resource value represents the property interests that are contained in the measured and indicated resources that are not within the proven and probable reserves. Exploration potential is (i) mineralization included in inferred resources; (ii) areas of potential mineralization not included in any resource category.

Resource value and exploration potential value is noted as mineral properties not being depleted in Note 6. At least annually or when otherwise appropriate and subsequent to its review and evaluation for impairment, value from the non-depletable category is transferred to the depletable category if resources or exploration potential have been converted into reserves.

Capitalized costs for mineral properties being depleted are depleted by property using the unit-of-production method over the estimated recoverable proven and probable reserves at the mines to which they relate.

Commencement of Commercial Production

On the commencement of commercial production, net costs are charged to operations using the unit-of-production method by property based upon estimated recoverable reserves. Management considers a number of factors related to the ability of a property to operate at its design capacity over a specified period of time in determining when a property has reached commercial production. These factors include production levels as intended by management, plant throughput quantities, recovery rates, and number of uninterrupted days of production.

Property, Plant and Equipment

Property, plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Capitalized costs include the fair value of consideration given to acquire or construct an asset, capitalized interest related to that asset and includes the direct charges associated with bringing the asset to the location and condition necessary for placing it into use along with the future cost of dismantling and removing the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The costs of major overhauls of parts of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in income or loss as incurred.

Milling equipment and related buildings, intangible assets used in production, and tailings facilities are depleted on a unit-of-production basis over the estimated recoverable proven and probable reserves at the mines to which they relate.

Mobile mine equipment and vehicles are depreciated over the estimated useful lives of the assets either on a unit-of-production basis or using the straight line method with useful lives of 4-12 years. Office, computer and communications equipment are depreciated using the straight line method with useful lives of 4-5 years. The estimated residual value and useful lives are reassessed at each year end and depreciation expense is adjusted on a prospective basis.

Stripping Costs

Costs associated with the removal of overburden and rock that are incurred in the production phase of mining operations are included in the cost of the inventory produced in the period in which they are incurred, except when the charges represent a betterment to the mineral property. Charges represent a betterment to the mineral property when the stripping activity provides access to reserves that will be produced in future periods that would not have been accessible without the stripping activity. When charges are deferred in relation to a betterment, the charges are amortized over the reserve accessed by the stripping activity using the unit-of-production method as these reserves will directly benefit from the deferred stripping costs incurred.

Assessment of Impairment

Management reviews the carrying value of exploration and evaluation properties at the end of each reporting period for evidence of impairment. This review is generally made with reference to timing of exploration work, work programs proposed, and the exploration results achieved by the Company and by others in the related area of interest.

Post-feasibility exploration properties, producing mining properties and plant and equipment are reviewed at the end of each reporting period for evidence of impairment at the cash generating unit (CGU) level. A CGU is defined as the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If any such indication exists, the entity shall estimate the recoverable amount of the CGU to determine if it exceeds the CGU's carrying value.

The recoverable amount for a CGU is the greater of the fair value less cost of disposal (FVLCD) and the value in use. Fair value less cost of disposal is the amount that would be received by the Company to sell a CGU in a transaction between arms-length parties less any costs directly attributable to the disposal of the CGU. Value in use is the present value of future cash flows expected to be derived by the Company from the CGU, which is estimated using discounted cash flow techniques. When it is not possible to determine fair value less cost of disposal by quotes from an active market, a written offer to purchase the CGU, or a binding sales agreement to purchase the CGU, the Company estimates the fair value less cost of disposal using discounted cash flow techniques. Resources in the measured and indicated categories are valued using estimated fair values based on market transactions.

Discounted cash flow techniques are dependent on a number of factors, including future metal prices, the amount of reserves, resources and exploration potential, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and future site reclamation costs. Additionally, the reviews take into account factors such as political, social, legal and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The Company uses its best efforts in assessing these factors.

Post-feasibility exploration properties, producing mining properties and plant and equipment that have been impaired in prior periods are tested for evidence of possible impairment reversal whenever events or significant changes in circumstances indicate that the impairment may have been reversed. Indicators of a potential reversal of an impairment loss mainly mirror the indicators present when the impairment was originally recorded

An impairment loss or reversal thereof is recognized in income or loss to the extent that the carrying amount exceeds or is below the recoverable amount.

Leases

- *Right-of-use assets.* The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- *Lease liabilities.* At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term leases and leases of low-value assets.* The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

- *Significant judgement in determining the lease term of contracts with renewal options*. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Future Site Reclamation Costs

The Company’s mining and exploration activities are subject to various statutory, contractual or legal obligations for protection of the environment. At the date the obligation is incurred, the Company records a liability, discounted to net present value, for the best estimate of future costs to retire an asset including costs for dismantling, remediation and ongoing treatment and monitoring of the site. The present value is determined using a pre-tax interest rate reflecting the time value of money. The liability is accreted over time to the estimated amount ultimately payable through periodic charges to income or loss. The estimated present value of the future site reclamation costs are reviewed for material changes at each reporting date and re-measured at least annually or when there are significant changes in the assumptions giving rise to the estimated cash flows.

Future site reclamation costs are capitalized as part of the carrying value of the related mineral property at its initial discounted value and amortized over the useful life of the mineral property using the unit-of-production method. Subsequent changes to future site reclamation costs are recorded with a corresponding change to the carrying amounts of related mineral property.

Income and Mining Taxes

The Company accounts for income and mining taxes using the liability method. Under this method, deferred tax assets and deferred tax liabilities are recorded based on temporary differences between the financial reporting basis of the Company's assets and liabilities and their corresponding tax basis. The future benefits of deferred tax assets, including unused tax losses and tax credits, are recognized to the extent that it is probable that taxable profit will be available against the deductible temporary difference and the tax loss and tax credits can be utilized. These deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates and laws that are expected to apply when the tax liabilities or assets are to be either settled or realized.

In a business combination, temporary differences arise as a result of differences in the fair values of identifiable assets and liabilities acquired and their respective tax bases. Deferred tax assets and liabilities are recognized for the tax effects of these differences. Deferred tax assets and liabilities are not recognized for temporary differences arising from goodwill or from the initial recognition of assets and liabilities acquired in a transaction other than a business combination which does not affect either accounting or taxable income or loss. Government assistance, including investment tax credits, is credited against the expenditure generating the assistance when it is probable that the government assistance will be realized.

Revenue Recognition

The revenue from sale of concentrate is recognized at an amount that reflects the consideration that the Company expects to receive. The Company established a five-step model to account for revenue arising from contracts with customers: to identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied. The Company exercises judgement, taking into consideration all of the relevant facts and circumstances when applying each step of revenue recognition model to contracts with customers.

The revenue from the sale of concentrate is recognized at the point in time when control of the concentrate passes to the customer which occurs when title transfer to the customer which is generally on the date of shipment.

Revenue is recorded in the statement of income and comprehensive income net of treatment and refining costs and royalties paid to counterparties under terms of the off take arrangements. The estimated revenue is recorded based on metal prices and exchange rates on the date of shipment and is adjusted at each reporting date to the metal prices at the date of settlement. The actual amounts will be reflected in revenue upon final settlement, which could be as long as four to five months after the date of shipment. These adjustments reflect changes in metal prices and changes in quantities arising from final weight and assay calculations. The adjustments are constrained and are only recognized to the extent that it is highly probable that a significant reversal of in the amount of cumulative revenue recognized will not occur.

Financial Assets

Financial assets are initially measured at fair value and are subsequently measured at either amortized cost or fair value through profit or loss, depending on the classification of the financial assets.

The classification of assets is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics and the Company's business model for managing them. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of a year or less, are measured at the transaction price determined under IFRS 15 in accordance with revenue recognition accounting policy. For other financial assets, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs. The Company records the fair value of marketable securities at the reporting date using quoted market prices.

The Company has categorized its financial assets in accordance with International Financial Reporting Standard 9, Financial Instruments (“IFRS 9”) into one of the following two categories:

Fair Value Through Profit or Loss

Includes equity investments, gold and copper price contract assets, gold and copper swap contracts, copper forward contracts, and other financial assets designated to this category under the fair value option. The Company has assessed the contractual cash flows of its provisionally priced contracts in accordance with IFRS 9 and has classified these receivables as fair value through profit or loss (“FVTPL”).

Financial Assets at Amortized Cost

Includes cash, future site reclamation deposits and trade receivables at amortized cost.

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. The quoted market price used for financial assets held by the Company is the last bid price of the day.

Financial assets measured at amortized cost are subject to an allowance for expected credit losses based on the historic experience realizing these assets and information available about the probability of future collection. The Company applies a simplified lifetime expected credit loss model to measure expected credit losses for trade and other receivables that are not measured at FVTPL.

Impairment losses are recognized in income or loss in the period they occur based on the difference between the carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The Company recognizes an impairment gain or loss in profit or loss for its financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial Liabilities

Financial liabilities are accounted for at amortized cost except for those at FVTPL which includes liabilities designated as FVTPL and derivatives. Financial liabilities classified as FVTPL or those which are designated as FVTPL under the fair value option are measured at fair value with unrealized gains and losses recognized in net earnings. In cases where financial liabilities are designated as FVTPL, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statements of operations. Financial liabilities at amortized cost are initially measured at fair value net of transaction costs, and subsequently measured at amortized cost.

The Company has classified its financial liabilities in accordance with IFRS 9 into one of the following two categories:

Fair Value Through Profit or Loss

Includes settlement payables related to copper price option contract liabilities.

Financial Liabilities at Amortized Cost

Includes trade and other payables and long-term debt.

Foreign Currency Translation

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Foreign currency transactions are translated into the functional currency using the actual rate prevailing at the date of transaction. Each reporting period foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of the entity are recognized in the statement of income and comprehensive income.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the period end rates of exchange, and the results of their operations are translated at the actual rate prevailing at the date of transaction. Equity is translated at historical cost. The resulting translation adjustments are included in currency translation adjustment in other comprehensive income. Additionally, foreign exchange gains and losses related to the settlement of certain intercompany loans are also included in equity as the settlement of these loans is neither planned nor likely to occur in the foreseeable future.

Foreign exchange gains and losses that relate to debt are presented in the statement of income and comprehensive income within “Finance Costs”. All other foreign exchange gains and losses are presented in the statement of income and comprehensive income within “General and Administration”.

Reportable Segment Information

The Company’s operations are primarily directed towards the exploration, development and production from its mineral properties in Canada. The Company has five reportable segments: Red Chris, including related exploration and development activities; Mount Polley, including related exploration and development activities; Huckleberry, including related exploration and development activities; Sterling, including related exploration and development activities; and Corporate, including all other properties and related exploration and development activities.

Share Based Payments

The Company has a share option plan that provides all option holders the right to receive common shares in exchange for the options exercised. The fair value of each option award that will ultimately vest is estimated on the date of grant using the Black-Scholes option-pricing model. Compensation expense is determined when stock options are granted and recognized in operations over the vesting period of the option. Consideration received on the exercise of stock options is recorded as share capital and the related share-based amounts of contributed surplus are credited to share capital.

Borrowing Costs

The Company expenses borrowing costs when they are incurred, unless they are directly attributable to the acquisition of mineral properties or construction of property, plant and equipment extending over a period of more than twelve months.

Income (Loss) Per Common Share

Basic net income (loss) per common share is computed using the weighted average number of common shares outstanding during the period. Diluted net income (loss) per common share is computed in accordance with the treasury stock method and "if converted" method, as applicable, which uses the weighted average number of common shares outstanding during the period and also includes the dilutive effect of potentially issuable common shares from outstanding stock options, warrants and convertible debentures.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

(i) Critical Judgments

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Revenue Recognition

Determination of performance obligations. The Company applied judgement to determine if a good or service that is promised to a customer is distinct based on whether the customer can benefit from the good or service on its own or together with other readily available resources and whether the good or service is separately identifiable. Based on these criteria, the Company determined the primary performance obligation relating to its sales contracts is the delivery of the concentrates. Shipping and insurance services arranged by the Company for its concentrate sales customers that occur after the transfer of control are also considered to be performance obligations.

Transfer of control. Judgement is required to determine when transfer of control occurs relating to the sale of the Company's concentrate to its customers. Management based its assessment on a number of indicators of control, which include, but are not limited to whether the Company has present right of payment, and whether the physical possession of the goods, significant risks and rewards and legal title have been transferred to the customer.

Variable consideration. Variable consideration should only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company identified a variable component of its revenue for concentrate sales relating to adjustments to the final sales price based on differences between the original and final assay results relating to the quantity and quality of concentrate shipments. Based on the Company's proficiency in its assaying process, evidenced by the insignificant amount of historical adjustments from the initial to final assays, the Company concluded the variability in consideration caused by assaying results was negligible. Therefore, the Company does not expect a significant amount of reversal in revenue related to assaying differences.

Impairment of Mineral Properties

Both external and internal information is reviewed and considered by management in their assessment of whether there are indicators that mineral properties and goodwill are impaired. External sources of information include changes in the market, economic and legal environment, in which the Company operates, that are not within its control and affect the recoverable amount of its mineral properties, plant and equipment. The internal sources of information include the manner in which mineral properties, plant and equipment are being used or are expected to be used and indications of economic performance of assets. In determining the recoverable amounts of producing mineral properties and goodwill management estimates the discounted future pre-tax cash flows expected to be derived from the Company's producing mineral properties. Reductions in commodity prices, increases in estimated future production and capital costs, reductions in mineral reserves and exploration potential and adverse economic events can result in impairment charges. In determining the economic recoverability and probability of future economic benefit of non-producing mineral properties management also considers geological information, likelihood of conversion of resources to reserves, estimated market values of measured and indicated resources, scoping and feasibility studies, permitting, infrastructure, development costs, and life of mine plans.

Interests in Other Entities

As part of its process in determining the classification of its interests in other entities, the Company applies judgment in interpreting these interests such as

- the determination of the level of control or significant influence held by the Company;
- the accounting standard's applicability to the operations;
- the legal structure and contractual terms of the arrangement;
- concluding whether the Company has rights to assets and liabilities or to net assets of the arrangement; and
- when relevant, other facts and circumstances.

The Company has determined that Newcrest Red Chris Joint Venture represents joint operations without sharing control and Ruddock Creek Joint Venture represented joint operations with shared control until the Company acquired 100% interest and dissolved the Ruddock Creek Joint Venture.

Functional Currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. The Canadian dollar is the functional currency for all operations of the Company except for the Company's US subsidiary which uses the US dollar as its functional currency. Determination of the functional currency involves certain judgments to determine the primary economic environment of each entity. If events and conditions in this environment change then the Company may need to reconsider the functional currency of these entities.

Contingencies

Contingencies can be either possible assets or liabilities arising from past events which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. Such contingencies include, but are not limited to, environmental obligations, litigation, regulatory proceedings, tax matters and losses that result from other events and developments. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgement regarding the outcome of future events.

(ii) Critical Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Reserve and Resource Estimates

The Company estimates its reserves and resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43-101 *Standards for Disclosure of Mineral Projec*ts. There are numerous uncertainties inherent in estimating reserves and resources, including many factors beyond the Company's control. Assumptions used in estimating reserves and resources include the forecast prices of commodities, exchange rates, production and capital costs, recovery rates and judgments used in engineering and geological interpretation of available data. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Estimated reserves are used in the calculation of depreciation and depletion, impairment assessment on mineral properties and goodwill, assessment of life of pit stripping ratios and for forecasting the timing of future site reclamation costs. Therefore, changes in the estimates and assumptions used to determine reserves could have a material effect in the future on the Company's financial position and results of operations.

Depletion and Depreciation of Mineral Properties

Depletion and depreciation of mineral properties is based on the estimated mineral reserves for each mineral property subject to depletion and estimated useful lives and depreciation rates for property, plant and equipment. Should asset life, depletion rates or depreciation rates differ from the initial estimate then this would impact the carrying value of the assets resulting in the adjustment being recognized in the consolidated statement of income.

Stripping Costs

The determination of costs associated with the removal of overburden and rock involve estimates related to whether or not these costs represent a betterment to the mineral property. Management uses several factors to determine whether to capitalize stripping costs including quantity and grade of materials being accessed, estimated future commodity prices, operating costs and life of mine plan. If any of these factors change then the determination of which materials are included in stripping costs may change resulting in higher mine operating costs in future periods.

Future Site Reclamation Provisions

Future site reclamation provisions represent management's estimate of the present value of future cash outflows required to settle estimated reclamation obligations at the end of a mine's life. The provision incorporates estimated future costs, inflation, and risks associated with the future cash outflows, discounted at the pre-tax interest rate reflecting the time value of money for the future cash outflows. Estimating the inflation rates and discount rates for obligations beyond 2051 requires significant management judgment due to its high degree of estimation uncertainty. Changes in any of these factors can result in a change to future site reclamation provisions and the related accretion of future site reclamation provisions. Changes to future site reclamation provisions are charged or credited to mineral properties and may result in changes to future depletion expense.

Provision for Rehabilitation Costs

The provision for rehabilitation costs represents management's estimate of the future cash outflows required to settle the estimated rehabilitation costs related to the August 4, 2014 Mount Polley mine tailings dam breach. The provision incorporates the Company's estimate of costs for rehabilitation, including geotechnical investigations, environmental monitoring, community relations, communications and related corporate support costs. The provision is based on the scope and timing of work as determined by the Company in consultation with regulatory agencies and incorporates the risks associated with each activity. Changes in any of these factors can result in a change to the provision for rehabilitation costs.

Income Taxes

In determining tax assets and liabilities and related tax expense management makes estimates of future taxable income, tax rates, expected timing of reversals of existing temporary differences and the likelihood that tax returns as filed by the Company will be assessed by taxation authorities as filed. Recoveries of deferred tax assets require management to assess the likelihood that the Company will generate sufficient taxable income in future periods to recognize the deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets could be impacted.

Share Based Compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share based compensation. This pricing model requires the input of subjective assumptions including expected price volatility, interest rate and estimated forfeiture rate. Changes in these assumptions can materially affect the fair value estimate of share based compensation and the related equity accounts of the Company.

New Standards, Interpretations and Amendments

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

In August 2020, the IASB issued amendments to IFRS 9, Financial Instruments (IFRS 9), IAS 39, Financial Instruments: Recognition and Measurement (IAS 39), IFRS 7, Financial Instruments: Disclosures (IFRS 7), IFRS 4, Insurance Contracts (IFRS 4) and IFRS 16, Leases (IFRS 16) as a result of Phase 2 of the IASB's Interest Rate Benchmark Reform project. The amendments address issues arising in connection with reform of benchmark interest rates including the replacement of one benchmark rate with an alternative one. The amendments were effective January 1, 2021. These amendments did not affect our financial statements as the Company does not have financial instruments which are based on LIBOR settings.

Amendments to IAS 12 – Income Taxes

In May 2021, the IASB issued amendments to IAS 12, Income Taxes (IAS 12). The amendments will require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments will typically apply to transactions such as leases for the lessee and decommissioning and restoration obligations related to assets in operation. An entity is required to apply these amendments for annual reporting periods beginning on or after January 1, 2023. Early application is permitted. The amendments are applied to transactions that occur on or after the beginning of the earliest comparative period presented. We do not expect these amendments to have a material effect on our financial statements.

RESULTS FROM OPERATIONS FOR 2021 COMPARED TO 2020

This review of the results of operations should be read in conjunction with the audited Consolidated Financial Statements of the Company for the years ended December 31, 2021 and December 31, 2020.

Overview

Revenues decreased to $133.6 million in 2021 compared to $148.1 million in 2020, a decrease of $14.5 million. Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rates, and period end revaluations of revenue attributed to concentrate shipments where copper and gold prices will settle at a future date.

Net loss in 2021 was $26.1 million ($0.19 per share) compared to net loss of $4.9 million ($0.04 per share) in 2020. The increase in net loss of $21.2 million was primarily due to the following factors:

- Income from mine operations went from $20.6 million in 2020 to $10.4 million in 2021, an increase in net loss of $10.2 million.
- Mine restart costs went from $nil in 2020 to $11.4 million in 2021, an increase in net loss of $11.4 million.
- Reversal of impairment on exploration costs was $nil in 2020 compared to $4.2 million in 2021, a decrease in net loss of $4.2 million.

The average US$/CDN$ dollar exchange rate in 2021 was 1.254 compared to an average of 1.341 in 2020.

Revenue

expressed in thousands of dollars, except quantity amounts	2021	2020
Sales		
Copper – 000’s pounds	19,220	27,151
Gold – ounces	17,769	22,430
Silver – ounces	49,976	54,064
Revenue		
Copper	$ 94,950	$ 93,921
Gold	36,098	51,313
Silver	1,570	1,058
	$ 132,618	$ 146,292
Corporate and Other	973	1,805
Total Revenue	$ 133,591	$ 148,097

During 2021, the Company sold 19.2 million pounds copper and 17,769 ounces gold compared to 27.2 million pounds copper and 22,430 ounces gold in 2020. Total revenue during 2021 was $133.6 million compared to $148.1 million during 2020.

The Red Chris mine had 14.5 concentrate shipments in 2021 (2020-18.3 concentrate shipments). The Company’s revenue was derived primarily from the sale of copper and gold in concentrate from the Red Chris mine. Copper accounted for 71.1% and gold accounted for 27.0% of the Company’s revenue.

Cost of Sales

expressed in thousands of dollars	2021	2020
Operating expenses	$ 85,609	$ 92,291
Depletion and depreciation	37,553	35,179
	$ 123,162	$ 127,470

Cost of sales for 2021 was $123.2 million compared to $127.5 million in 2020 due to the following major factors:

- operating expenses and salaries for 2021 were $85.6 million compared to $92.3 million in 2020;
- depletion and depreciation for 2021 was $37.6 million compared to $35.2 million in 2020; and
- included in cost of sales for 2021 are inventory impairment charges in relation to stockpile ore, concentrate inventory and supplies inventory of $0.1 million compared to $1.2 million in 2020.

Interest Expense

expressed in thousands of dollars	2021	2020
Interest on non-current debt	$ 418	$ 144
Other interest	1,079	1,214
	$ 1,497	$ 1,358

Interest expense was $1.5 million in 2021 compared to $1.4 million in 2020.

Other Finance Loss

expressed in thousands of dollars	2021	2020
Accretion of future site reclamation provisions	$ (3,110)	$ (2,764)
Foreign exchange gain (loss)	177	(557)
Fair value adjustment to marketable securities	(49)	91
	(2,982)	(3,230)
Interest income	383	758
Other finance loss	$ (2,599)	$ (2,472)

Other finance loss totalled $2.6 million in 2021 compared to a loss of $2.5 million in 2020.

Income and Mining Taxes Recovery

The reported income tax provision differs from the amounts computed by applying the Canadian federal and provincial statutory rates to the loss before income taxes due to the following reasons:

expressed in thousands of dollars, except percentages	December 31 2021		December 31 2020	
	Amount	%	Amount	%
Loss before taxes	$ (30,622)	100.0	$ (8,866)	100.0
Tax recovery thereon at statutory rates	(8,268)	(27.0)	(2,394)	(27.0)
Decrease (increase) resulting from:				
Non-deductible share-based compensation	109	0.4	196	2.2
Revisions to prior year estimates, including change in valuation allowance	4,925	16.1	(3,741)	(42.2)
B.C. mineral tax	(1,319)	(4.3)	1,962	22.1
Other	1	-	3	-
Income and mining tax recovery	$ (4,552)	(14.9)	$ (3,974)	(44.8)
Current income and mining tax expense	$ 727		$ 352	
Deferred income and mining tax recovery	(5,279)		(4,326)	
	$ (4,552)		$ (3,974)	

	December 31 2021	December 31 2020
Deferred income and mining tax assets	$ 10,039	$ 11,230
Deferred income and mining tax liabilities	(180,489)	(187,035)
Net deferred income and mining tax liabilities	$ (170,450)	$ (175,805)

	December 31 2021	December 31 2020
Deferred income and mining tax assets and (liabilities)		
Mineral properties	$ (213,049)	$ (209,162)
Mineral properties – mineral tax	(24,723)	(26,586)
Net operating tax losses carried forward(1)	63,213	55,912
Other	4,109	4,031
Net deferred income and mining tax liabilities	$ (170,450)	$ (175,805)

(1) The Company believes that it is probable that the results of future operations will generate sufficient taxable income to realize the above noted deferred income tax assets.

At December 31, 2021, the Company had net operating tax loss carry forwards in Canada of $254,816 which can be applied to reduce future Canadian taxable income and will expire between 2026 and 2041. In addition, the Company had net operating tax loss carry forwards in the United States of US$20,653 which can be applied to reduce future US taxable income and will expire between 2030 to 2036.

The Company had the following tax effected temporary differences and tax effected unused tax losses at December 31, 2021 in respect of which no deferred tax asset has been recognized:

	Mineral Properties & Other	Tax Losses	Total
Expiry 2026 and beyond	$ -	$ 14,678	$ 14,678
No expiry date	38,621	8,866	47,487
	$ 38,621	$ 23,544	$ 62,165

CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2020. The capital structure of the Company consists of current and non-current debt and equity comprised of share capital, contributed surplus, currency translation adjustment and retained earnings.

LIQUIDITY & CAPITAL RESOURCES AND FINANCING

Credit Risk

The Company's credit risk is limited to cash, trade and other receivables, and future site reclamation deposits in the ordinary course of business. The credit risk of cash and future site reclamation deposits is mitigated by placing funds in financial institutions with high credit quality.

The Company sells to a limited number of traders and smelters. These customers are large and well-capitalized, and credit risk is considered to be minimal. The balance of trade receivables owed to the Company in the ordinary course of business is significant and the Company utilizes short term debt facilities with customers to reduce the net credit exposure.

From time to time the Company enters into derivative instruments with a number of counterparties to limit the amount of credit risk associated with any one counterparty. The Company did not enter into any derivative instruments during the quarter ended December 31, 2021.

Liquidity Risk

The Company has in place a rigorous planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. The Company ensures that in addition to cash balances there are sufficient committed credit facilities, including the advance payment facilities with its customers, to provide cash necessary to meet projected cash requirements.

At December 31, 2021, the Company had a working capital deficiency of $19.1 million, including a cash balance of $33.3 million which compares to a working capital of $9.3 million and cash balance of $34.0 million at December 31, 2020.

The Company had a $50.0 million revolving credit facility, which was increased to $75.0 million on October 29, 2021. At December 31, 2021, a total of $68.5 million of the revolving credit facility, including banker's acceptances of $29.5 million, was utilized primarily for letters of credit to secure reclamation bonds.

On February 28, 2022, the credit facility was increased to $100.0 million.

Cash balances on hand, the projected cash flow from the Company's 30% share of Red Chris mine, the projected cash flow from the restart of the Mount Polley mine and the available credit facility are expected to be sufficient to fund the Company's ongoing operating obligations as they come due. The Company will be required to raise additional funds for capital projects through such methods as additional equity, additional debt and the monetization of assets such as the sale of Giant Copper as set out in Note 21(b) of the financial statements.

The Company holds mineral properties and marketable securities. While these may be convertible to cash, they are not considered when assessing the Company's liquidity as they are part of the risk management program of the Company, long-term strategic holdings, or are only convertible to cash over a longer time horizon if realizable values exceed management’s assessment of fair value, respectively. Therefore, as part of the Company’s planning, budgeting and liquidity analysis process, these items are not relied upon to provide operational liquidity.

Liquidity risk is also impacted by credit risk should a counterparty default on its payments to the Company, although the Company considers this risk low as described in the *Credit Risk* section above.

The following is an aging of the Company’s obligations as of December 31, 2021:

expressed in thousands of dollars	Within 1 Year	2 Years	3 Years	4 Years	5 years	Total
Trade and other payables	$ 59,582	$ -	$ -	$ -	$ -	$ 59,582
Short term debt	29,500	-	-	-	-	$ 29,500
Current portion of non-current debt	2,896	-	-	-	-	$ 2,896
Non-current debt	-	1,428	937	214	-	$ 2,579
Total	$ 91,978	$ 1,428	$ 937	$ 214	$ -	$ 94,557

Currency Risk

Financial instruments that impact the Company's net loss and comprehensive loss due to currency fluctuations include US dollar denominated cash, trade, and other accounts receivable, reclamation deposits, trade and other payables and debt. If the US dollar had been 10% higher/lower and all other variables were held constant, net loss and comprehensive loss for the year ended December 31, 2021 would have been higher/lower by $0.5 million.

Cash Earnings

Cash Earnings were $11.0 million in 2021 compared to $36.9 million in 2020. Refer to *Cash Earnings and Cash Earnings Per Share* under *Non-IFRS Financial Measures* for further details.

Working Capital

At December 31, 2021, the Company had cash of $33.3 million and a working capital deficiency of $19.1 million, which includes $32.4 million of current debt, compared to cash of $34.0 and a working capital of $9.3 million at December 31, 2020, which included $0.8 million of current debt.

Acquisition and Development of Mineral Properties

Acquisition and development of mineral properties totalled $108.6 million in 2021 compared to $73.7 million 2020.

Expressed in thousands of dollars	2021	2020
Capital and Development Expenditures		
Red Chris	$ 66,873	$ 61,221
Mount Polley	3,411	-
Other	1,800	11
	72,084	61,232
Exploration Expenditures		
Red Chris	32,635	12,022
Mount Polley	554	939
Huckleberry	350	892
Other	2,961	(1,431)
	36,500	12,422
	$ 108,584	$ 73,654

CONTINGENT LIABILITIES

The Company is from time to time involved in various claims and legal proceedings arising in the conduct of its business.

During the third quarter of 2014, a securities class action under section 138 of the Ontario Securities Act was filed against the Company and certain of its directors, officers and others. On September 23, 2020, the Ontario Superior Court denied leave to proceed with this claim. The Plaintiff's appeal of this decision was partially successful with the action being returned to the Ontario Superior Court for reconsideration of the leave application.

The Company is of the view that the allegations contained in the claim are without merit and are unlikely to succeed.

The Company prevailed at the arbitration of a claim filed by a contractor for additional compensation owed for work previously carried out. The arbitrator ruled that no further amounts are owed and that the contractor had overbilled the Company in an amount exceeding $2.0 million. The contractor has appealed the ruling.

The Company was partially successful in its action against its insurance underwriters to recover business interruption losses incurred at the Mount Polley mine. The insurance company has filed an appeal.

DERIVATIVE INSTRUMENTS

In the past, the Company has utilized a variety of derivative instruments including the purchase of puts, forward sales, currency swaps and the use of min/max zero cost collars. The Company's income or loss from derivative instruments may be very volatile from period to period as a result of changes in the copper and gold prices and US/CDN exchange rates compared to the copper and gold prices and US/CDN exchange rate at the time when these contracts were entered into; or the latest balance sheet date and the type and length of time to maturity of the contracts.

The Company had no derivative instruments for copper, gold, or foreign exchange at December 31, 2021 or at the date of this document, other than those embedded in revenue contracts for provisional pricing.

DEBT AND OTHER OBLIGATIONS

At December 31, 2021, the Company's debt was comprised of $29.5 million drawdown of banker's acceptances and equipment loans and leases denominated in both US$/CDN$ with a balance of $5.5 million. Detailed disclosure on the Company's debt including amounts owed, interest rates and security can be found in Note 7 and Note 8 of the Consolidated Financial Statements.

Interest Rate Risk

The Company is exposed to interest rate risk on its credit facilities. The Company monitors its exposure to interest rates and is comfortable with its current exposure. The Company has not entered into any derivative contracts to manage this risk. If interest rates had been 100 basis points higher/lower on the Company's floating rate debt and all other variables were held constant, the amount of interest expense in the year ended December 31, 2021 would have increased/decreased by $0.7 million.

Off-Balance Sheet Arrangements

At December 31, 2021, the Company did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Other Price Risks

The Company is exposed to equity price risk arising from marketable securities. Marketable securities are classified as held for trading because the Company intends to liquidate the marketable securities when market conditions are conducive to a sale of these securities.

Fair Value Estimation

The fair value of financial instruments traded in active markets (such as marketable securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Company is the current bid price. The fair value of derivative instrument assets and liabilities are determined by the counterparties using standard valuation techniques for these derivative instruments.

The carrying value less impairment provision, if necessary, of trade and other receivables and trade and other payables are assumed to approximate their fair values.

IFRS 13 *Fair Value Measurement* requires disclosures about the inputs to fair value measurement, including their classifications within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – inputs that are not based on observable market data.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy at December 31, 2021 as follows:

expressed in thousands of dollars	Level 1	Level 2	Total
Financial assets			
Cash	$ 33,308	$ -	$ 33,308
Marketable securities	81	-	81

Provisionally priced accounts receivables	-	2,350	2,350
Future site reclamation deposits	14,388	-	14,388
	$ 47,777	$ 2,350	$ 50,127

SELECT QUARTERLY FINANCIAL INFORMATION

Unaudited - expressed in thousands of dollars, except per share amounts, prices, and exchange rates	Three Months Ended			
	December 31 2021	September 30 2021	June 30 2021	March 31 2021
Total revenues	$ 29,262	$ 37,064	$ 34,215	$ 33,050
Net loss	$ (14,681)	$ (3,772)	$ (5,075)	$ (2,542)
Basic loss per share	$ (0.10)	$ (0.03)	$ (0.04)	$ (0.02)
Diluted loss per share	$ (0.10)	$ (0.03)	$ (0.04)	$ (0.02)
Adjusted net loss [(1)]	$ (12,016)	$ (3,489)	$ (5,111)	$ (2,565)
Adjusted net loss per share [(1)]	$ (0.08)	$ (0.02)	$ (0.04)	$ (0.02)
Adjusted EBITDA [(1)]	$ (7,497)	$ 8,136	$ 8,283	$ 2,631
Cash earnings [(1)]	$ (7,374)	$ 7,780	$ 8,102	$ 2,662
Cash earnings per share [(1)]	$ (0.05)	$ 0.06	$ 0.06	$ 0.02
Average LME copper price/lb in US$	$ 4.40	$ 4.25	$ 4.40	$ 3.85
Average LBMA gold price/troy oz in US$	$ 1,795	$ 1,789	$ 1,816	$ 1,798
Average US$/CDN$ exchange rate	$ 1.260	$ 1.260	$ 1.228	$ 1.267
Period end US$/CDN$ exchange rate	$ 1.268	$ 1.274	$ 1.240	$ 1.258

	December 31 2020	September 30 2020	June 30 2020[(2)]	March 31 2020[(2)]
Total revenues	$ 36,915	$ 38,161	$ 45,056	$ 27,965
Net income (loss)	$ (4,916)	$ 7,063	$ (182)	$ (6,857)
Basic income (loss) per share	$ (0.04)	$ 0.05	$ (0.00)	$ (0.05)
Diluted income (loss) per share	$ (0.04)	$ 0.05	$ (0.00)	$ (0.05)
Adjusted net income (loss) [(1)]	$ (5,553)	$ 7,015	$ (310)	$ (6,573)
Adjusted net income (loss) per share [(1)]	$ (0.04)	$ 0.05	$ (0.00)	$ (0.05)
Adjusted EBITDA [(1)]	$ 33	$ 17,243	$ 16,224	$ 2,535
Cash earnings [(1)]	$ 712	$ 17,412	$ 16,100	$ 2,477
Cash earnings per share [(1)]	$ 0.01	$ 0.14	$ 0.14	$ 0.02
Average LME copper price/lb in US$	$ 3.25	$ 2.96	$ 2.42	$ 2.56
Average LBMA gold price/troy oz in US$	$ 1,873	$ 1,911	$ 1,711	$ 1,583
Average US$/CDN$ exchange rate	$ 1.303	$ 1.332	$ 1.386	$ 1.345
Period end US$/CDN$ exchange rate	$ 1.273	$ 1.334	$ 1.363	$ 1.419

(1) Refer to tables under heading *Non-IFRS Financial Measures* for details of the calculation of these amounts.
(2) Quarterly periods from March 2020 to June 2020 have been restated to incorporate the finalization of fair values relating to the sale of Red Chris in August 2019.

The financial information for each of the most recently completed eight quarters has been prepared in accordance with IFRS other than in respect of the non-IFRS financial measures described in more detail under *Non-IFRS Financial Measures*.

Variations in the quarterly results are impacted by two primary factors:

(a) Fluctuations in revenue are due to the timing of shipping schedules and quantities of copper and gold sold on each ship, production volumes at the mines, changes in the prices of copper and gold, and the US/CDN exchange rate.

(b) Fluctuations in net income are due to the revenue changes described above and realized and unrealized gains/losses on derivative instruments based on movements in the reference item hedged, changes in foreign exchange rates on US$ denominated debt, changes in production cost inputs and changes in tax rates.

In addition to the variations in quarterly results caused by the primary factors discussed above the following periods had non-recurring transactions that further impacted net income:

(a) The primary reason for the decrease in net loss in the March 2020 quarter compared to the December 2019 quarter was due lower operating expenses in the March 2020 quarter.

(b) The primary reasons for the increase in net income in the June 2020 quarter compared to March 2020 quarter were due to increased production at Red Chris mine and higher metal prices which led to increased revenue.

(c) The primary reason for the increase in net income in the September 2020 quarter compared to June 2020 quarter was due to an increase in tax recovery compared to the prior quarter.

(d) The primary reason for the decrease in net income in the December 2020 quarter compared to September 2020 quarter was due to higher operating expenses at Red Chris mine.

(e) The primary reason for the decrease in net loss in the March 2021 quarter compared to December 2020 quarter was due to an increase in tax recovery compared to the prior quarter which was triggered by an increase in discount rate for future site reclamation provision. Compared to March 2020 quarter, net loss decreased due to an increase in tax recovery in the current year quarter compared to a tax expense in the prior year quarter.

(f) The primary reason for the increase in net loss in the June 2021 quarter compared to March 2021 quarter was due to a decrease in tax recovery compared to the prior quarter. Compared to June 2020 quarter, net loss increased primarily due to lower metal grades at Red Chris mine which led to decreased revenue in the current year quarter.

(g) The primary reason for the decrease in the net loss in the September 2021 quarter compared to June 2021 quarter was due to increased sale of copper and gold in the September 2021 quarter which led to increased revenue. However, compared to September 2020 quarter, net loss increased primarily due to higher operating expenses at Red Chris mine.

(h) The primary reason for the increase in net loss in the December 2021 quarter compared to September 2021 quarter was due to increase in restart costs for Mount Polley in the December 2021 quarter. Compared to December 2020 quarter, net loss increased primarily due to reduced sale of copper and gold.

FOURTH QUARTER RESULTS FROM OPERATIONS

Revenue in the fourth quarter of 2021 was $29.3 million compared to $36.9 million in 2020. Sales revenue is recorded when title for concentrate is transferred on ship loading. Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rates, and period end revaluations of revenue attributed to concentrate shipments where copper and gold prices will settle at a future date along with finalization of contained metals as a result of final assays.

The Company recorded a net loss of $14.7 million ($0.10 per share) in the fourth quarter of 2021 compared to net loss of $4.9 million ($0.04 per share) in the prior year quarter.

Expenditures for exploration and ongoing capital projects at Mount Polley, Red Chris and Huckleberry totalled $34.2 million during the three months ended December 31, 2021, compared to $17.5 million in the 2020 comparative quarter.

RELATED PARTY TRANSACTIONS

Corporate

Related party transactions with a joint venture, a significant shareholder, companies controlled by a significant shareholder, companies in which directors are owners, and with the Company's directors and officers are as follows:

expressed in thousands of dollars		2021		2020
Equipment rental revenue from Red Chris Joint Venture	$	970	$	1,566
Credit facility arrangement guarantee and standby fee	$	209	$	-
Interest expense	$	241	$	-

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. At the end of the period covered by this MD&A, management evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws.

Based on that evaluation, management has concluded that, as of the end of the period covered by this MD&A, the disclosure controls were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Internal Controls and Procedures

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and disclosure controls and procedures. The Company's internal control system over financial reporting is designed to provide reasonable assurance to management and the Board of Directors regarding the preparation and fair presentation of published financial statements in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

The Company's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting at December 31, 2021. In making this assessment, management used the criteria set forth in the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that, as of December 31, 2021, the Company's internal control over financial reporting were effective.

Following the sale of a 70% interest in the Red Chris mine to Newcrest on August 15, 2019, the Company's management has limited the scope of the design of the Company's disclosure controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of the Red Chris mine, in which the Company now holds a 30% beneficial interest and is proportionately consolidated in the Company's consolidated financial statements. As the minority partner in the Red Chris Joint Venture, the Company's management does not have the ability to dictate or modify controls at this entity and does not have the ability to assess, in practice, the controls at the entity. The Red Chris Joint Venture constitutes 64.9% of the Company's net assets, 62.4% of total assets and 99.3% of revenues of the consolidated financial statement amounts as of and for the year ended December 31, 2021. The Red Chris Joint Venture is not a taxable entity as each joint venture participant calculates its own income taxes on its share of income from the joint venture. The Company's share of the Red Chris Joint Venture's pre-tax income totalled $8.6 million for the year ended December 31, 2021.

Limitations

The Company's management believes that any disclosure controls and procedures or internal controls over financial reporting, no matter how well designed and operated, can only provide reasonable and not absolute assurance that the objectives of the control system are met. Therefore, even those systems determined effective cannot provide absolute assurance that all control issues and instances of fraud within the Company, if any, have been prevented or detected.

RISK FACTORS

The Company's business involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this MD&A and the audited Consolidated Financial Statements of the Company. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition, results of operations and cash flow would suffer. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See *Forward-Looking Statements & Risks Notice*.

There are material risks and uncertainties associated with rehabilitation activities resulting from the Mount Polley Breach which may adversely affect our business.

The Mount Polley Breach resulted in loss of production from the mine, the primary source of cash flow for the Company, for a significant period and necessitated extensive response and rehabilitation activities. The Company may not receive approvals and consents necessary to proceed with the remaining rehabilitation plans in a timely manner. The timing and amount of the remaining costs and the liabilities relating to the Mount Polley Breach are as yet unknown, as is the actual timing of completion of rehabilitation activities. Furthermore, there may be unforeseen or long-term environmental consequences as a result of the Mount Polley Breach.

It is also unknown at this time whether the Company may become subject to regulatory charges or claims, fines and penalties or the potential quantum thereof. The Company may be unsuccessful in defending against any material legal claims that may arise from the Mount Polley Breach, and current sources of funds may be insufficient to fund liabilities arising from the aforementioned charges or claims. Any additional financing that may be required may not be available to the Company on terms acceptable to the Company or at all.

Mining is inherently dangerous and subject to conditions or events beyond our control, which could have a material adverse effect on our business.

The business of exploring for and producing minerals is inherently risky. Few properties that are explored are ultimately developed into producing mines. Mineral properties are often non-productive for reasons that cannot be anticipated in advance. Title claims can impact the exploration, development, operation and sale of any natural resource project. Availability of skilled people, equipment and infrastructure (including roads, ports and power supply) can constrain the timely development of a mineral deposit. Even after the commencement of mining operations, such operations may be subject to risks and hazards, including environmental hazards, industrial accidents, metallurgical and other processing and performance problems, unusual or unexpected geological conditions, ground control problems, periodic interruptions due to inclement or hazardous weather conditions, including as a result of climate change and flooding. The occurrence of any of the foregoing could result in damage to or destruction of mineral properties and production facilities, personal injuries, environmental damage, delays or interruption of production, increases in production costs, monetary losses, legal liability and adverse governmental action. The Company's property, business interruption and liability insurance may not provide sufficient coverage for losses related to these or other hazards. Insurance against certain risks may not be available to the Company (including certain liabilities for environmental pollution or other hazards) or to other companies within the industry. In addition, the Company may elect not to insure against certain hazards where insurance coverage may not continue to be available at economically feasible premiums, or at all. These risks could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to our properties or the properties of others, delays in mining, increased production costs, monetary losses and possible legal liability. Losses from these events may cause us to incur significant costs that would materially adversely affect our business, results of operations, financial condition and cash flows.

Changes in the price of base and precious metals in the world markets, which can fluctuate widely, could adversely affect our business, results of operations, financial condition and cash flows.

The results of the Company's operations are significantly affected by the market price of base and precious metals which are cyclical and subject to substantial price fluctuations. Market prices can be affected by numerous factors beyond the Company's control, including levels of supply and demand for a broad range of industrial products, expectations with respect to the rate of inflation, the relative strength of the US dollar and of certain other currencies, interest rates, speculative activities, global or regional political or economic crises and sales of gold and base metals by holders in response to such factors. If prices should decline below the Company's cash costs of production and remain at such levels for any sustained period, the Company could determine that it is not economically feasible to continue commercial production at any or all of its mines.

The objectives of any hedging programs that are in place are to reduce the risk of a decrease in a commodity's market price while optimizing upside participation, to maintain adequate cash flows and profitability to contribute to the long-term viability of the Company's business. There are, however, risks associated with hedging programs including, among other things, an increase in the world price of the commodity, an increase in gold lease rates (in the case of gold hedging), an increase in interest rates, rising operating costs, counterparty risks, liquidity issues with funding margin calls to cover mark to market losses and production interruption events.

In addition to adversely affecting our reserve estimates and our financial condition, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

General economic conditions or changes in consumption patterns may adversely affect our growth and profitability.

The copper market is volatile and cyclical, and consumption of copper is influenced by global economic growth, trends in industrial production, conditions in the housing and automotive industries and economic growth in China, which is the largest consumer of refined copper in the world. Should demand weaken and consumption patterns change (in particular, if consumers seek out cheaper substitute materials), the price of copper could be adversely affected, which could negatively affect our results of operations.

Many industries, including the copper mining industry, can be adversely impacted by market conditions. A downturn in the financial markets or other economic conditions, including, but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates could adversely affect our growth and profitability. Specifically:

- a reduction of the base-metal prices could impact the cost and availability of debt or equity financing and our overall liquidity and, further, the availability of financing on terms favourable to us;
- as China consumes a significant amount of global copper production, the overall state of the Chinese economy, including credit/lending levels, fluctuations in inflation and interest rates and fiscal policy, could have an impact on global demand for copper, thereby potentially affecting copper prices realized by the Company;
- the volatility of metal prices would impact our revenues, profits, losses and cash flows; and
- volatile energy prices, commodity and consumables prices and currency exchange rates would impact our production costs.

Any of these factors would adversely affect our business, results of operations, financial condition and cash flows.

We may be impacted by the spread of COVID-19 or other infectious diseases

The continued presence of infectious diseases, such as COVID-19, emerging infectious diseases or the threat of widespread outbreaks, pandemics or epidemics of viruses or other contagions or diseases, could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows, prospects or any potential mine restart scenarios by causing operational and supply chain delays and disruptions (including as a result of governmental regulations and prevention measures), labour shortages and shutdowns, social unrest, breach of material contracts and customer agreements, governmental or regulatory actions or inactions, increased insurance premiums, decreased demand for or the inability to sell and delivery the Company's products, declines in the price of copper and other base metals, delays in permitting or approvals, stock market volatility (including volatility in the trading price of the common shares), capital markets volatility, interest rate volatility, exchange rate volatility, or other unknown but potentially significant impacts. In addition, governments may impose strict emergency measures in response to the threat or existence of an infectious disease.

The full extent and impact of COVID-19 is unknown and to date has included extreme market volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices, and has raised the prospect of global recession. The international response to COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility, and a general reduction in global consumer activity.

To date, there have been no significant disruptions to production, shipment of concentrate or supply chain. Since the onset of the COVID-19 in early 2020, the Company has continued to take measures to mitigate the possible impact of COVID-19 on its workforce and operations (see *Significant Events and Liquidity* above for details on mitigation measures). There is no guarantee that this will continue to be the case. The extent to which COVID-19 will impact the Company's workforce, operations or supply chains will depend on future developments which are highly uncertain and cannot be predicted with confidence. These future developments include, but are not limited to, the duration of the outbreak, new information that may emerge concerning the severity of COVID-19 and the mutations thereto, and the actions taken to contain COVID-19 (e.g., further restrictions on travel, business closures and quarantines) or treat it. The impact of governmental restrictions and health and safety protocols could improve or worsen relative to the Company's assumptions, depending on how each jurisdiction manages potential outbreaks of COVID-19 and mutations thereto, the development and adequate supply of vaccines, and the roll-out of vaccination programs in each jurisdiction.

Accordingly, the continued presence, or spread, of COVID-19 and mutations thereto, and any future emergence and spread of COVID-19 mutations or other infectious diseases could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

We may be adversely affected by the availability and cost of key inputs.

Our competitive position depends on our ability to control operating costs. The cost structure of each operation is based on the location, grade and nature of the mineral deposit, and the management skills at each site as well as the price of labour, electricity, fuel, steel, chemicals, blasting materials, transportation and shipping and other cost components. If such supplies become unavailable or their cost increases significantly, the profitability of our mines would be impacted and operations at our mines could be interrupted or halted resulting in a significant adverse impact on our financial condition. Our management prepares its cost and production guidance and other forecasts based on its review of current and estimated future costs, and management assumes that the materials and supplies required for operations will be available for purchase. Lack of supply or increased costs for any of these inputs would decrease productivity, reduce the profitability of our mines, and potentially result in us suspending operations at our mines.

Many of our costs are driven by supply and market demand. For example, the cost of local materials such as cement, explosives and electricity, will vary based on demand. Our main cost drivers include the cost of labour plus consumables such as electricity, fuel and steel. Wages can be affected by inflation and currency exchange rates and by the shortage of experienced human resources. The costs of fuel and steel are driven by global market supply and demand. In recent years, the mining industry has been impacted by increased worldwide demand for critical resources such as input commodities, drilling equipment, tires and skilled labour, and these shortages may cause unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

Concentrate treatment charges and transportation costs are also a significant component of operating costs. Concentrate treatment and refining charges have been volatile in recent years. We are dependent on third parties for rail, truck and maritime services to transport our products, and contract disputes, demurrage charges, rail and port capacity issues, availability of vessels, weather and climate and other factors can have a material adverse impact on our ability to transport our products according to schedules and contractual commitments.

Our operations, by their nature, use large amounts of electricity and energy. Energy prices can be affected by numerous factors beyond our control, including global and regional supply and demand, political and economic conditions, and applicable regulatory regimes. The prices of various sources of energy may increase significantly from current levels. An increase in electricity and energy prices could negatively affect our business, financial condition, liquidity and results of operations.

Increases in these costs would adversely affect our business, results of operations, financial condition and cash flows.

We may be unable to compete successfully with other mining companies.

The mining industry is competitive in all of its phases. We face strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, metals. Many of these companies have greater financial resources, operational experience and technical capabilities and a longer operating history than us. We may also encounter increasing competition from other mining companies in our efforts to hire experienced mining professionals. In addition, competition for exploration resources at all levels is very intense. Increased competition could adversely affect our ability to attract necessary capital funding, to acquire it on acceptable terms, or to acquire suitable producing properties or prospects for mineral exploration in the future. At certain times when copper prices increase, such increase encourages increases in mining exploration, development and construction activities, which can result in increased demand for and cost of contract exploration, development and construction services and equipment.

Increased demand for and cost of services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment. Any of these outcomes could materially increase project exploration, development or construction costs, result in project delays, or both. As a result of this competition, we may be unable to maintain or acquire attractive mining properties or attract better or more qualified employees, which would adversely affect our business, results of operations, financial condition and cash flows.

We are dependent upon third party smelters for processing our products.

The Company's project interests primarily produce concentrates. These must be processed into metal by independent smelters under concentrate sales agreements in order for the Company to be paid for its products. There can be no assurance or guarantee the Company will be able to enter into concentrate sales agreements on terms that are favourable to the Company or at all.

We may become unable to access our markets due to trade barriers.

Access to the Company's markets is subject to ongoing interruptions and trade barriers due to policies and tariffs of individual countries, and the actions of certain interest groups to restrict the import of certain commodities. Although there are currently no significant trade barriers existing or impending of which the Company is aware that do, or could, materially affect the Company's access to certain markets, there can be no assurance that the Company's access to these markets will not be restricted in the future.

Undue reliance should not be placed on estimates of reserves and resources since these estimates are subject to numerous uncertainties and may be revised. Our actual reserves could be lower than such estimates, which could adversely affect our operating results, financial condition and cash flows.

Disclosed reserve estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations. The Company estimates its mineral reserves in accordance with the requirements of applicable Canadian securities regulatory authorities and established mining standards. Mineral resources are concentrations or occurrences of minerals that are judged to have reasonable prospects for economic extraction, but for which the economics of extraction cannot be assessed, whether because of insufficiency of geological information or lack of feasibility analysis, or for which economic extraction cannot be justified at the time of reporting. Consequently, mineral resources are of a higher risk and are less likely to be accurately estimated or recovered than mineral reserves. The Company's reserves and resources are estimated by persons who are employees of the respective operating company for each of our operations under the supervision of employees of the Company. These individuals are not "independent" for purposes of applicable securities legislation. The Company does not use outside sources to verify reserves or resources. The mineral reserve and mineral resource figures are estimates based on the interpretation of limited sampling and subjective judgments regarding the grade and existence of mineralization, as well as the application of economic assumptions, including assumptions as to operating costs, foreign exchange rates and future metal prices. The sampling, interpretations or assumptions underlying any reserve or resource figure may be incorrect, and the impact on mineral reserves or mineral resources may be material. In addition, short term operating factors relating to mineral reserves, such as the need for orderly development of mineral deposits or the processing of new or different ores, may cause mineral reserve estimates to be modified or operations to be unprofitable in any particular fiscal period. There can be no assurance that the indicated amount of minerals will be recovered or that they will be recovered at the prices assumed for purposes of estimating reserves.

The volume and grade of reserves we actually recover, and rates of production from our current mineral reserves, may be less than estimates of the reserves. Short-term operating factors relating to the mineral reserves, such as the need for orderly development of the deposits or the processing of new or different grades, may cause the mining operation to be unprofitable in any particular accounting period and may also prompt us to modify mineral reserves estimates. There can be no assurance that the indicated amount of reserve will be recovered or that it will be recovered at prices we have assumed in determining the mineral reserves. Fluctuations in the market price of copper, gold and other metals, changing exchange rates and operating and capital costs may make it uneconomical to mine certain mineral reserves in the future.

Reserve estimates can be uncertain because they are based on limited sampling. As we gain more knowledge and understanding of the deposit through on-going exploration and mining activity, the reserve estimate may change significantly, either positively or negatively.

Due to the uncertainty which are attached to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven and probable mineral reserves as a result of continued exploration.

Cautionary notice regarding mineral reserve and mineral resource estimates.

Disclosure of mineral reserve and mineral resource classification terms and certain mineral resource estimates that are made in accordance with Canadian National Instrument 43-101-Standards of Disclosure for Mineral Projects ("NI43-101"). NI43-101 is a rule developed by the Canadian Securities Administrators (CSA) that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all reserve and resource estimates have been prepared in accordance with NI43-101. These standards differ significantly from the mineral reserve disclosure requirements of the Securities and Exchange Commission ("SEC") set out in Industry Guide 7. Consequently, the Company's mineral reserve and resource information is not comparable to similar information that would generally be disclosed by U.S. companies in accordance with the rules of the SEC.

The terms 'mineral resources', 'measured mineral resources', 'indicated mineral resources' and 'inferred mineral resources' comply with the reporting standards in Canada. Further, inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, investors are also cautioned not to assume that all or any part of an inferred resource exists. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or pre-feasibility studies. It cannot be assumed that all or any part of mineral resources, measured mineral resources, indicated mineral resources or inferred mineral resources will ever be upgraded to a higher category. Investors are cautioned not to assume that any part of the reported mineral resources, measured mineral resources, indicated mineral resources or inferred mineral resources is economically or legally mineable.

Production estimates may be materially different from actual production, which would adversely affect our business, results of operations, financial condition and cash flows.

Actual production could be different for a variety of reasons, including:

- short-term operating factors relating to the mineral reserves, such as the need for sequential development of mineral deposits and the processing of new or different grades;
- risks and hazards associated with mining, including geotechnical issues such as pit slope stability at open pit operations and structural issues at underground mines;
- the actual material mined could vary from estimates, with respect to grades and/or tonnage;
- mine failures;
- industrial accidents;
- natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes;
- unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants;
- plant and equipment failure;
- the inability to process certain types of ore;
- labour shortages or strikes;
- civil disobedience and protests; and
- restrictions or regulations imposed by government authorities or other changes in the regulatory environment applicable to the mining industry.

Furthermore, as Newcrest is the operator of the Red Chris mine, we are reliant on the production guidance provided by Newcrest and there can be no assurance that we will achieve such production estimates.

We must continually replace and expand our mineral reserves and mineral resources and the depletion of our mineral reserves may not be offset by future discoveries or acquisitions of mineral reserves.

Mines have limited lives based on proven and probable mineral reserves. As a result, we must continually replace and expand our mineral reserves. This is done by expanding known mineral reserves or by locating or acquiring new mineral deposits. There is, however, a risk that depletion of reserves will not be offset by future discoveries of mineral reserves. The life-of-mine estimates for each of our operating mines are based on our best estimate given the information available to us. These estimates may not be correct. Our ability to maintain or increase our annual production of copper, gold and other metals depends in significant part on our ability to find and/or acquire new mineral reserves and bring new mines into production, and to expand mineral reserves at existing mines.

Exploration for minerals is highly speculative in nature and the projects involve many risks. Many projects are unsuccessful and there are no assurances that current or future exploration programs will be successful. Further, significant costs are incurred to establish mineral reserves and to construct mining and processing facilities. Development projects have no operating history upon which to base estimates of future cash flow and are subject to the successful completion of feasibility studies, obtaining necessary government permits, obtaining title or other land rights and availability of financing. In addition, assuming discovery of an economic mineral deposit, depending on the type of mining operation involved, many years may elapse from the initial phases of drilling until commercial operations are commenced. Accordingly, there can be no assurances that our current work programs will result in any new commercial mining operations or yield new reserves to replace and/or expand current reserves.

Our exploration and development of new and existing mines may be unsuccessful.

Because the life of a mine is limited by its mineral reserves, we continually look for opportunities to replace and expand our reserves by exploring existing properties and by looking for potential acquisitions of new properties or companies that own new properties.

Exploration and development of mineral properties involve significant financial and operational risk. There is no assurance that we will be successful in our efforts. Very few properties that are explored are later developed into an operating mine. Developing a property involves many risks and unknowns, such as establishing mineral reserves by drilling, completion of feasibility studies, obtaining and maintaining various permits and approvals from governmental authorities, constructing mining and processing facilities, securing required surface or other land rights, finding or generating suitable sources of power and water, confirming the availability and suitability of appropriate local area infrastructure and developing it if needed, and obtaining adequate financing. Substantial spending may be made on properties that are later abandoned due to a failure to satisfy any of such factors.

The capital expenditures and timeline needed to develop a new mine are considerable and the economics of a project can be affected by changes to them. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Actual costs may increase significantly, and economic returns may differ materially from our estimates. Whether a mineral deposit will be commercially viable depends on a number of factors, including, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. We may be unable to satisfactorily resolve fiscal and tax issues or fail to obtain permits and approvals necessary to operate a project so that the project may not proceed, either on the original timeline, or at all. New mining operations may experience unexpected problems during start-up, which can cause delays and require more capital than anticipated. The combination of these factors may cause us to expend significant resources (financial and otherwise) on a property without receiving a return on investment and could result in the Company being unsuccessful in developing new mines. This, in turn, would adversely affect our business, results of operations, financial condition and cash flows.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternatives may not allow us to meet our scheduled debt service obligations.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations.

Fluctuations in exchange rates may adversely affect our operating and capital costs.

The Company's operating results and cash flow are affected by changes in the CDN$ exchange rate relative to the currencies of other countries, especially the US$. Exchange rate movements can have a significant impact on operating results as a significant portion of the Company's operating costs are incurred in CDN$ and most revenues are earned in US$. To reduce the exposure to currency fluctuations, the Company may enter into foreign exchange contracts from time to time, but such hedges do not eliminate the potential that such fluctuations may have an adverse effect on the Company. In addition, foreign exchange contracts expose the Company to the risk of default by the counterparties to such contracts, which could have a material adverse effect on the Company.

Changes in interest rates may adversely affect our operating and capital costs.

The Company's exposure to changes in interest rates results from investing and borrowing activities undertaken to manage liquidity and capital requirements. The Company has incurred indebtedness that bears interest at fixed and floating rates and may enter into interest rate swap agreements to manage interest rate risk associated with that debt. There can be no assurance that the Company will not be materially adversely affected by interest rate changes in the future, notwithstanding its possible use of interest rate swaps. In addition, the Company's possible use of interest rate swaps exposes it to the risk of default by the counterparties to such arrangements. Any such default could have a material adverse effect on the Company.

We may be adversely affected by loss of access to capital.

In general, mining is an extremely capital intensive business. Mining companies need significant amounts of ongoing capital to maintain and improve existing operations, invest in large scale capital projects with long lead times, and manage uncertain development and permitting timelines and the volatility associated with fluctuating metals and input prices. The amount of cash currently generated by the Company's operations may not be sufficient to fund projected levels of exploration and development activity and associated overhead costs. The Company may then be dependent upon debt and equity financing to carry out its exploration and development plans. Financial markets, including banking, debt and equity markets, can be extremely volatile and can prevent us from gaining access to the capital required to maintain and grow our business. Failure to obtain, or difficulty or delay in obtaining, requisite financing could result in delay of certain projects or postponement of further exploration, assessment or development of certain properties or projects, and would adversely affect our business, results of operations, financial condition and cash flows.

We are required to obtain government permits and comply with other government regulations to conduct operations.

Regulatory and permitting requirements have a significant impact on the Company's mining operations and can have a material and adverse effect on future cash flow, results of operations and financial condition. In order to conduct mineral exploration and mining activities the Company must obtain or renew exploration or mining permits and licenses in accordance with the relevant mining laws and regulations required by governmental authorities having jurisdiction over the mineral projects. There is no guarantee that the Company will be granted the necessary permits and licenses, that they will be renewed, or that the Company will be in a position to comply with all the conditions that are imposed. Mining is subject to potential risks and liabilities associated with pollution and the disposal of waste from mineral exploration and mine operations. Costs related to discovery, evaluation, planning, designing, developing, constructing, operating, closing and remediating mines and other facilities in compliance with these laws and regulations are significant. In addition to environmental protection, applicable laws and regulations govern employee health and safety. Not complying with these laws and regulations can result in enforcement actions that may include corrective measures requiring capital expenditures, installation of additional equipment, remedial action and changes to operating procedures resulting in additional costs and temporary or permanent shutdown of operations. The Company may also be required to compensate those parties suffering loss or damage and may face civil or criminal fines or penalties for violating certain laws or regulations. Changes to these laws and regulations in the future could have an adverse effect on the Company's cash flow, results of operations and financial condition.

We are subject to various risks related to environmental, health and safety and other forms of government regulation.

Our mining, processing, development and exploration activities are subject to extensive laws and regulations, which include laws and regulations governing, among other things: the environment, climate change, employee health and safety, mine development, mine operation, mine safety, mine closure and reclamation, exploration, prospecting, taxes, royalties, toxic substances, waste disposal, land use, water use, land claims of local people and other matters. We require permits and approvals from a variety of regulatory authorities for many aspects of mine development, operation, closure and reclamation. Additionally, permits and approvals may be invalidated or subject to challenges after the date of issuance. Such acts could have a material adverse impact on us, our operations or results.

The Company's historical operations have generated chemical and metals depositions in the form of tailing ponds, rock waste dumps, and heap leach pads. Our ability to obtain, maintain and renew permits and approvals and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with our activities or of other mining companies that affect the environment, human health and safety.

No assurance can be given that new laws and regulations will not be enacted or that existing laws and regulations will not be applied in a manner that could have an adverse effect on our financial position and results of operations. Any such amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, would have a material adverse impact on us, such as increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties, or could require abandonment or delays in the development of new mining properties.

Failure to comply with any applicable laws, regulations or permitting requirements may result in enforcement actions against us, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. We are exposed to these potential liabilities through our current development projects and operations as well as operations that have been closed or sold. For example, we could be required to compensate others for losses or damages from our mining activities; and we could face civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Any such regulatory or judicial action could materially affect our operating costs and delay or curtail our operations. There can be no assurance that we have been or will be at all times in compliance with all laws, regulations and permits, that compliance will not be challenged or that the costs of complying with current and future environmental, health and safety laws, regulations and permits will not materially or adversely affect our business, operations or results.

Certain of our assets are not wholly owned or are owned through joint ventures, and any disagreement or failure of partners to meet obligations could have a material adverse effect on our results of operations and financial condition.

We hold a 30% interest in the Red Chris mine through our wholly owned subsidiary. Newcrest holds a 70% interest through its wholly owned subsidiary. Our interest in the Red Chris mine is subject to the risks normally associated with the conduct of a joint venture. While Newcrest is the operator of the project, we have approval rights for certain key decisions such as changes in share capital, merger, amalgamation, dissolution of the joint venture, dividends or earning distributions, capital expenditure and operating budgets, exploration budgets, financing and pledge of joint venture assets, suspension or cessation of operations, utilization of derivative instruments and changes in operator or the projects of the joint venture.

In addition, our co-investors or joint venture partners may have competing interests in our markets that could create conflict of interest issues, and otherwise may have economic or business interests or goals that are inconsistent with our interests or goals and may take actions contrary to our instructions, requests, policies or objectives.

Our co-investors or joint venture partners, such as the ones described above, may have the right to veto any of these decisions and this could therefore lead to a deadlock.

The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on our profitability or the viability of our interests in such assets, which could have a material adverse impact on our future cash flows, earnings, results of operations and financial condition: (i) disagreement with co-investors or joint venture partners on how to develop and operate mines efficiently; (ii) inability of our co-investors or joint venture partners to meet their obligations; (iii) litigation with our co-investors or joint venture partners regarding such assets or (iv) failure of our co-investors or joint venture partners to comply with applicable laws, rules or regulations.

We are not able to control the amounts of distributions the Red Chris mine Joint Venture may make to us.

The ability of the Red Chris mine Joint Venture to make distributions to us may be restricted by, among other things, the terms of each of their governing documents. Accordingly, we are not able to control if and when, and the amount of distributions that the Red Chris mine Joint Venture may make to us.

We face additional risks and uncertainties from past or future operations in foreign countries.

The Company operates from time to time in other foreign countries where there are added risks and uncertainties due to the different legal, economic, cultural and political environments. Some of these risks include nationalization and expropriation, social unrest and political instability, uncertainties in perfecting mineral titles, trade barriers and exchange controls and material changes in taxation. Further, developing country status or unfavourable political climate may make it difficult for the Company to obtain financing for projects in some countries.

We are, or may become, subject to regulatory investigations, claims, litigation and other proceedings, the outcome of which may affect our business, results of operations, financial condition and cash flows.

The nature of our business has and may continue to subject us from time to time to regulatory investigations, claims, lawsuits and other proceedings and the Company may be involved in disputes with other parties in the future, which may result in litigation. We cannot predict the outcome of any regulatory investigation, claims, litigation or other proceedings. Defence and settlement costs may be substantial, even with respect to claims that have no merit. If we cannot resolve these disputes favourably or successfully defend against any potential regulatory prosecution or other proceedings, our business, financial condition, results of operations and future prospects may be materially adversely affected.

Mineral rights or surface rights to our properties could be challenged, and, if successful, such challenges would adversely affect our business, results of operation, financial condition and cash flows.

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to mineral concessions may be disputed and title insurance is generally not available. There is no guarantee that title to any such properties will not be challenged or impaired. Third parties may have valid claims underlying portions of our interest, including prior unregistered liens, agreements, transfers or claims, including indigenous land claims, and title may be affected by, among other things, undetected defects. As a result, we may be constrained in our ability to operate our properties or unable to enforce our rights with respect to our properties. An impairment to or defect in our title to our properties would adversely affect our business, results of operations, financial condition and cash flows.

We are dependent on transportation facilities, infrastructure and certain suppliers, a lack of which could impact our production and development of projects.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply affect capital and operating costs and the completion of the development of our projects. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure in any of the jurisdictions in which we operate could adversely affect our business, operations or results. Disruptions in the supply of products or services required for our activities in any of the jurisdictions in which we operate would also adversely affect our business, results of operations, financial condition and cash flows.

We depend on key management personnel and may not be able to attract and retain such persons in the future.

Our business is dependent on retaining the services of a small number of key personnel of the appropriate calibre as the business develops. Our success is, and will continue to be to a significant extent, dependent on the expertise and experience of our directors and senior management, and the loss of one or more of such persons could have a materially adverse effect on us. We do not maintain any key person insurance with respect to any of our officers or directors.

We are subject to taxation risk.

We have operations and conduct business in a number of jurisdictions and are subject to the taxation laws of these jurisdictions. These taxation laws are complicated and subject to changes and are subject to review and assessment in the ordinary course. Any such changes in taxation law or reviews and assessments could result in higher taxes being payable by us which could adversely affect our profitability and cash flows.

Our ability to repatriate funds from foreign subsidiaries may be limited, or we may incur tax payments when doing so.

Should we generate cash flow and profits from foreign subsidiaries, we may need to repatriate funds from those subsidiaries to service our indebtedness or fulfil our business plans, in particular in relation to ongoing expenditures at our development assets. We may not be able to repatriate funds, or we may incur tax payments or other costs when doing so, as a result of a change in applicable law or tax requirements at local subsidiary levels or at the parent company level, which costs could be material.

Our directors may have interests which conflict with our interests.

Certain of our directors also serve as directors and/or officers of other companies involved in natural resource exploration and development or with other companies with which we transact and consequently there exists the possibility for such directors to be in a position of conflict. In all cases where directors have an interest in another resource company, such other companies may also compete with us for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director who has such a conflict will disclose the conflict to a meeting of our directors and will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, we will establish a special committee of independent directors to review a matter in which directors, or management, may have a conflict.

Actual costs of reclamation are uncertain, and higher than expected costs could negatively impact our results of operations and financial position.

Our operations are subject to reclamation plans that establish our obligations to reclaim properties after minerals have been mined from a site. These obligations represent significant future costs for us. Reclamation bonds or other forms of financial assurance are often required to secure reclamation activities. Governing authorities require companies to periodically recalculate the amount of a reclamation bond and may require bond amounts to be increased. It may be necessary to revise the planned reclamation expenditures and the operating plan for the mine in order to fund an increase to a reclamation bond. Reclamation bonds represent only a portion of the total amount of money that will be spent on reclamation over the life of a mine operation. The actual costs of reclamation set out in mine plans are estimates only and may not represent the actual amounts that will be required to complete all reclamation activity. If actual costs are significantly higher than our estimates, then our results from operations and financial position could be materially adversely affected.

Asset carrying values are evaluated quarterly and may be subject to write downs.

At each quarter end, we undertake an evaluation of our portfolio of producing mines, development projects, exploration and other assets to determine whether indication of impairment exists. Where an indication of impairment exists for post feasibility exploration properties, producing properties and plant and equipment, the recoverability of the carrying values of our properties are assessed by comparing carrying values to estimated future net cash flows from each property.

Factors which may affect carrying values include, but are not limited to, copper and gold prices, foreign exchange rates, capital cost estimates, mining, processing and other operating costs, grade and metallurgical characteristics of ore, mine design and timing of production. In the event of a prolonged period of depressed copper prices or in the event of other factors reducing estimated future net cash flows from exploration and development properties, we may be required to take additional material write downs of our exploration and development properties.

The review by management for impairment of the Company's exploration and evaluation properties may be affected by the timing of exploration work, funding priorities, work programs proposed, and the exploration results achieved by the Company and by others in the related area of interest.

The Company's critical operating systems may be compromised.

Cyber threats have evolved in severity, frequency and sophistication in recent years, and target entities are no longer primarily from the financial or retail sectors. Individuals engaging in cybercrime may target corruption of systems or data, or theft of sensitive data. The Company's mines and mills are automated and networked such that a cyber-incident involving the Company's information systems and related infrastructure could negatively impact its operations. A corruption of the Company's financial or operational data or an operational disruption of its production infrastructure could, among other potential impacts, result in: (i) loss of production or accidental discharge; (ii) expensive remediation efforts; (iii) distraction of management; (iv) damage to the Company's reputation or its relationship with suppliers and/or counterparties; or (v) in events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse effect on the Company's business, results of operations and financial condition.

While the Company invests in robust security systems to detect and block inappropriate or illegal access to its key systems and works diligently to ensure data and system integrity, there can be no assurance that a critical system is not inadvertently or intentionally breached and compromised. This may result in business interruption losses, equipment damage, or loss of critical or sensitive information.

Our use of derivative contracts exposes us to risk of opportunity loss, mark to market accounting adjustments and exposure to counterparty credit risk.

From time to time, we may enter into price risk management contracts to protect against fluctuations in the price of our products, exchange rate movements, and changes in the price of fuel and other input costs. These contracts could include forward sales or purchase contracts, futures contracts, precious metals streams, purchased put and call options and other contracts. Any such use of forward or futures contracts can expose us to risk of an opportunity loss. The use of derivative contracts may also result in significant mark to market accounting adjustments, which may have a material adverse impact on our reported financial results. We are exposed to credit risk with contract counterparties, including, but not limited to, sales contracts and derivative contracts. In the event of non-performance by a customer in connection with a contract, we could be exposed to a loss of value for that contract.

OUTLOOK

Corporate and Operations

At December 31, 2021, the Company had not hedged any copper, gold, or US$/CDN$ exchange. Quarterly revenues will fluctuate depending on copper and gold prices, the US$/CDN$ exchange rate, and the timing of concentrate sales, which is dependent on concentrate production and the availability and scheduling of transportation.

Newcrest provided metals production guidance (100%) for Red Chris mine, for the period July 1, 2021, to June 30, 2022 (period conforms to Newcrest June 30 annual year end), in the range of 50.7 to 55.1 million pounds copper and 40 to 42 thousand ounces gold.

The work on the restart of Mount Polley is underway and milling operations are targeted to start in the second quarter of 2022.

The Company will need to conclude further financing arrangements to fund its share of cost of the ongoing development of a block cave mine at Red Chris and to fund the reopening of the Mount Polley mine.

Exploration

Imperial maintains a large portfolio of greenfield exploration properties in British Columbia. These properties have defined areas of mineralization and exploration potential. Management continues to evaluate various opportunities to advance many of these properties.

Exploration for 2022 will be focused on Red Chris, with 100,000 metres of drilling planned and continuing development of the exploration decline to provide access for underground exploration planned at Red Chris.

Acquisitions

Management continues to evaluate potential acquisitions.

Exhibit 99.4

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2022 and December 31, 2021

expressed in thousands of Canadian dollars

	Notes	March 31 2022	December 31 2021
ASSETS			
Current Assets			
Cash		$ 15,172	$ 33,308
Marketable securities		83	81
Trade and other receivables	3	11,887	8,887
Inventory	4	29,479	27,616
Prepaid expenses and deposits		4,830	3,603
		61,451	73,495
Mineral Properties	5	1,080,576	1,064,720
Other Assets	6	38,177	38,087
Deferred Income Tax Assets		10,089	10,039
		$ 1,190,293	$ 1,186,341
LIABILITIES			
Current Liabilities			
Trade and other payables		$ 46,041	$ 59,673
Provision for rehabilitation costs		432	486
Short term debt	7	56,500	29,500
Current portion of leases	8	2,585	2,896
		105,558	92,555
Non-Current Leases	8	2,213	2,579
Future Site Reclamation Provisions	9	147,290	147,622
Deferred Income Tax Liabilities		179,094	180,489
		434,155	423,245
EQUITY			
Share Capital	10	379,581	379,570
Contributed Surplus		41,432	41,385
Currency Translation Adjustment		7,512	7,604
Retained Earnings		327,612	334,537
		756,138	763,096
		$ 1,190,293	$ 1,186,341
Commitments and Pledges	17		
Contingent Liabilities	18		

See accompanying notes to these condensed consolidated interim financial statements.

Approved by the Board and authorized for issue on May 6, 2022

/s/ Larry G. Moeller *   /s/ J. Brian Kynoch*

Director   Director

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the Three Months Ended March 31, 2022 and 2021

expressed in thousands of Canadian dollars, except share and per share amounts

	Notes	Three Months Ended March 31 2022	2021
Revenue		$ 33,126	$ 33,050
Cost of Sales	11	(31,109)	(34,996)
Income (Loss) from Mine Operations		2,017	(1,946)
General and Administration		(1,114)	(1,121)
Idle Mine Costs		(1,502)	(5,398)
Restart Costs		(22,427)	-
Gain on Disposal of Mineral Properties		16,232	-
Interest Expense		(834)	(260)
Other Finance Loss	12	(846)	(643)
Loss before Taxes		(8,474)	(9,368)
Income and Mining Tax Recovery		1,549	6,826
Net Loss		(6,925)	(2,542)
Other Comprehensive Loss			
Items that may be subsequently reclassified to profit or loss:			
Currency translation adjustment		(92)	(79)
Total Comprehensive Loss		$ (7,017)	$ (2,621)
Loss Per Share			
Basic		$ (0.05)	$ (0.02)
Diluted		$ (0.05)	$ (0.02)
Weighted Average Number of Common Shares Outstanding			
Basic		141,393,649	128,526,424
Diluted		141,393,649	128,526,424

See accompanying notes to these condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months Ended March 31, 2022 and 2021
expressed in thousands of Canadian dollars, except share and per share amounts

	Share Capital			Currency		
	Number of Shares	Amount	Contributed Surplus	Translation Adjustment	Retained Earnings	Total
Balance December 31, 2020	128,490,174	$ 319,216	$ 41,028	$ 7,632	$ 360,607	$ 728,483
Exercised options	36,250	109	(36)	-	-	73
Share based compensation expense	-	-	102	-	-	102
Total comprehensive loss	-	-	-	(79)	(2,542)	(2,621)
Balance March 31, 2021	128,526,424	$ 319,325	$ 41,094	$ 7,553	$ 358,065	$ 726,037
Balance December 31, 2021	141,392,191	$ 379,570	$ 41,385	$ 7,604	$ 334,537	$ 763,096
Exercised options	3,750	11	(4)	-	-	7
Share based compensation expense	-	-	52	-	-	52
Total comprehensive loss	-	-	-	(92)	(6,925)	(7,017)
Balance March 31, 2022	141,395,941	$ 379,581	$ 41,433	$ 7,512	$ 327,612	$ 756,138

See accompanying notes to these condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31, 2022 and 2021

expressed in thousands of Canadian dollars, except share and per share amounts

	Notes	Three Months Ended March 31 2022	2021
OPERATING ACTIVITIES			
Net Loss		$ (6,925)	$ (2,542)
Items not affecting cash flows			
Deferred mining and income tax		(1,446)	(6,962)
Depletion and depreciation		9,479	10,869
Gain on disposal of mineral properties		(16,232)	-
Share based compensation		52	102
Accretion of future site reclamation provisions		814	716
Unrealized foreign exchange losses		95	81
Interest expense		834	260
Other		(2)	2
		(13,331)	2,526
Net change in non-cash operating working capital balances	13	(19,997)	(5,934)
Income and mining taxes paid		(180)	(415)
Interest paid		(716)	(222)
Cash used in operating activities		(34,224)	(4,045)
FINANCING ACTIVITIES			
Proceeds from short term debt		30,000	5,981
Proceeds from non-current debt		-	10,000
Repayment of short term debt		(3,000)	-
Repayment of non-current debt		(12)	(12)
Lease payments		(856)	(287)
Share capital issued for exercised options		7	73
Cash provided by financing activities		26,139	15,755
INVESTING ACTIVITIES			
Acquisition and development of mineral properties		(31,262)	(14,539)
Net change in non-cash investing working capital		(610)	(965)
Proceeds on sale of mineral properties, net of transaction costs		21,893	-
Cash used in investing activities		(9,979)	(15,504)
EFFECT OF FOREIGN EXCHANGE ON CASH		(72)	(104)
DECREASE IN CASH		(18,136)	(3,898)
CASH, BEGINNING OF PERIOD		33,308	34,019
CASH, END OF PERIOD		$ 15,172	$ 30,121

See accompanying notes to these condensed consolidated interim financial statements.

expressed in thousands of Canadian dollars, except share and per share amounts

1. NATURE OF OPERATIONS

Imperial Metals Corporation (the "Company") is incorporated under the laws of the Province of British Columbia, Canada, and its principal business activity is the exploration, development, and production of base and precious metals from its mineral properties. The head office, principal address and registered and records office of the Company are located at 580 Hornby Street, Suite 200, Vancouver, British Columbia, Canada V6C 3B6. The Company's shares are listed as symbol "III" on the Toronto Stock Exchange.

The Company's key projects are:

- 30% interest in the Red Chris copper-gold mine in northwest British Columbia; and
- Mount Polley copper-gold mine in central British Columbia.

These condensed consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue operating in the foreseeable future and will be able to service its debt obligations, realize its assets and discharge its liabilities in the normal course as they come due. The Company has in place a planning, budgeting, and forecasting process to determine the funds required to support its operations and expansionary plans.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (IAS 34).

These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2021.

New Standards, Interpretations and Amendments

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards effective as of January 1, 2022. The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. TRADE AND OTHER RECEIVABLES

	March 31 2022	December 31 2021
Trade receivables	$ 7,305	$ 4,244
Tax credit receivable	4,582	4,643
	$ 11,887	$ 8,887

4. INVENTORY

	March 31 2022	December 31 2021
Stockpile ore	$ 15,631	$ 12,609
Concentrate	5,214	7,410
Supplies	32,404	31,271
Total inventories	53,249	51,290
Less non-current inventories included in other assets (Note 7)	(23,770)	(23,674)
Total current inventories	$ 29,479	$ 27,616

During the three month period ended March 31, 2022 inventory of $29,271 was recognized in cost of sales (March 31, 2021-$33,098). As at March 31, 2022, the Company had $27,166 (December 31, 2021-$23,736) of inventory pledged as security for debt.

expressed in thousands of Canadian dollars, except share and per share amounts

5. MINERAL PROPERTIES

		Mineral Properties not being Depleted			
Cost	Mineral Properties being Depleted	Projects not in Production	Exploration & Evaluation Assets	Plant & Equipment	Total
Balance December 31, 2020	$ 698,067	$ 16,369	$ 171,987	$ 601,527	$ 1,487,950
Additions	15,558	33,488	2,865	56,673	108,584
Change in estimates of future site reclamation provisions	16,471	-	(62)	-	16,409
Disposals and write down	-	-	(531)	(1,471)	(2,002)
Reversal of impairment on exploration cost	-	-	4,157	-	4,157
Foreign exchange movement	-	-	(27)	(3)	(30)
Balance December 31, 2021	$ 730,096	$ 49,857	$ 178,389	$ 656,726	$ 1,615,068
Additions	8,001	8,485	153	15,082	31,721
Change in estimates of future site reclamation provisions	(1,146)	-	-	-	(1,146)
Disposal of mineral properties	-	-	(5,660)	(616)	(6,276)
Foreign exchange movement	-	-	(92)	(12)	(104)
Balance March 31, 2022	$ 736,951	$ 58,342	$ 172,790	$ 671,180	$ 1,639,263

		Mineral Properties not being Depleted			
Accumulated depletion & *depreciation & impairment losses*	Mineral Properties being Depleted	Projects not in Production	Exploration & Evaluation Assets	Plant & Equipment	Total
Balance December 31, 2020	$ 280,769	$ -	$ 1,645	$ 226,052	$ 508,466
Depletion and depreciation	22,430	-	-	20,934	43,364
Disposals and write down	-	-	(8)	(1,471)	(1,479)
Foreign exchange movement	-	-	-	(3)	(3)
Balance December 31, 2021	$ 303,199	$ -	$ 1,637	$ 245,512	$ 550,348
Depletion and depreciation	4,082	-	-	4,885	8,967
Disposal of mineral properties	-	-	-	(616)	(616)
Foreign exchange movement	-	-	-	(12)	(12)
Balance March 31, 2022	$ 307,281	$ -	$ 1,637	$ 249,769	$ 558,687
Carrying Amount					
Balance December 31, 2020	$ 417,298	$ 16,369	$ 170,342	$ 375,475	$ 979,484
Balance December 31, 2021	$ 426,897	$ 49,857	$ 176,752	$ 411,214	$ 1,064,720
Balance March 31, 2022	$ 429,670	$ 58,342	$ 171,153	$ 421,411	$ 1,080,576

At March 31, 2022, the net carrying value of the deferred stripping costs was $27,725 (December 31, 2021-$22,806) and is included in mineral properties being depleted.

At March 31, 2022, leased mobile equipment at cost of $10,665 (December 31, 2021-$10,541) and accumulated depreciation of $3,721 (December 31, 2021-$2,992) was included with plant and equipment.

At March 31, 2022, the Company had provided $28,370 (December 31, 2021-$28,370) of security for reclamation bonding obligations by securing certain plant and equipment.

Red Chris Mine

Red Chris Development Company Ltd., a subsidiary of the Company, owns a 30% beneficial interest in the Red Chris copper/gold mine in northwest British Columbia. The Company and Newcrest formed a joint venture for the operation of Red Chris, with Newcrest Red Chris Mining Limited acting as operator. The property is comprised of the Red Chris Main claim group and the Red Chris South group, consisting of 77 mineral tenures (23,142 hectares). Five of these tenures are mining leases (5,141 hectares). Net smelter royalties between 1.0% to 2.0% are payable on production from the Red Chris mine.

Mount Polley Mine

The Mount Polley copper/gold mine in south-central British Columbia is owned by Mount Polley Mining Corporation, a wholly owned subsidiary of the Company. The property encompasses 23,369 hectares (including claims under option) consisting of seven mining leases (2,007 hectares) and 50 mineral claims (21,362 hectares). A production royalty is payable on ore mined from Mining Lease 933970 but no production occurred on this tenure in 2021. In October 2019, Mount Polley Mining Corporation optioned seven adjacent mineral tenures (3,331 hectares). Upon the exercising of the option on or before December 31, 2022, these claims will be subject to a production royalty payable on ore mined from the claims and milled in the Mount Polley processing plant.

Mount Polley mine operations were suspended in May 2019. The mine restart plan prepared in 2021 is being updated to include revised pit designs, results of recent drilling and current metal prices. The Company is actively seeking to secure financing to fund the restart of the mine.

Huckleberry Mine

The Huckleberry copper mine in west-central British Columbia is owned by Huckleberry Mines Ltd., a wholly owned subsidiary of the Company. The property encompasses 25,767 hectares, consisting of two mining leases (2,422 hectares) and 49 mineral claims (23,345 hectares).

Huckleberry mine operations were suspended in August 2016. The mine remains on care and maintenance status until the economics of mining and COVID-19 restrictions improve.

Other Exploration Properties

The Company reached an agreement with the Province of British Columbia for the surrender of Giant Copper mineral claims located 37km east of Hope, BC, Canada and received a cash consideration of $24,000 that covers all prior investments in the Giant Copper claim area.

Imperial has a portfolio of 20 greenfield exploration properties consisting largely in British Columbia. These properties have defined areas of mineralization and clear exploration potential.

Impairment Analysis of Mineral Properties

In accordance with its accounting policies and processes, each asset or cash-generating unit ("CGU") is evaluated to determine whether there are any indications of impairment or impairment reversal. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

Based on the Company's assessment with respect to possible indicators of either impairment or reversal of previous impairments to its mineral properties, including the impact of COVID-19 on the operations and the prevailing market metals prices, the Company concluded that as of March 31, 2022, an impairment indicator of mineral properties exists and performed an impairment analysis (December 31, 2021-indicators of impairment identified). As the recoverable amounts exceeded the carrying values, no impairment was recorded.

expressed in thousands of Canadian dollars, except share and per share amounts

6. OTHER ASSETS

	March 31 2022	December 31 2021
Future site reclamation deposits	$ 14,388	$ 14,388
Non-current inventory – ore stockpile	12,700	12,609
Non-current inventory – supplies, including critical spare parts	11,070	11,065
Other	19	25
	$ 38,177	$ 38,087

7. CREDIT FACILITY

At March 31, 2022, a credit facility aggregating $125,000 (December 31, 2021-$75,000) is in effect until expiry on October 9, 2022. The facility is secured by shares of all material subsidiaries and a floating charge on certain assets of the Company.

The increase in the credit facility during the three months ended March 31, 2022 in the amount of $50,000 is guaranteed by a related party and the Company paid an arrangement fee of $250 in relation to the increase. In total, $75,000 of the $125,000 of credit facility is guaranteed by a related party. The standby fee on the guarantee is payable monthly at a rate of 2.0% per annum. By virtue of the $75,000 guarantee, any funds borrowed under this portion of the credit facility bears a lower interest rate of CDOR plus 2.0%, compared to a rate of CDOR plus 3.5% under the base $50,000 portion of the credit facility.

A total of $91,405 (December 31, 2021-$68,546) has been utilized, that consists of bankers acceptances in amount of $56,500 (December 31, 2021-$29,500) and $34,905 (December 31, 2021-$39,046) for letters of credit pledged for settlement of future site reclamation provisions and other obligations.

8. LEASES AND EQUIPMENT LOANS

Amounts due for non-current debt are:

	March 31 2022	December 31 2021
Equipment loans	$ 17	$ 29
Equipment leases	4,781	5,446
	4,798	5,475
Less portion due within one year	(2,585)	(2,896)
	$ 2,213	$ 2,579

The outstanding amount of equipment leases is $4,781 (December 31, 2021-$5,446) at weighted average interest rate of 3.35% with monthly payments of $274.

Contractual Lease Payments

	March 31 2022	December 31 2021
Due in less than one year	$ 2,629	$ 2,925

Due in one to three years	2,273	2,722
Total undiscounted lease liabilities, end of period	$ 4,902	$ 5,647

expressed in thousands of Canadian dollars, except share and per share amounts

9. FUTURE SITE RECLAMATION PROVISIONS

The Company has recognized provisions for future site reclamation at its Red Chris, Mount Polley, Huckleberry, Ruddock Creek and Catface properties. Although the ultimate amounts of the future site reclamation provisions are uncertain, the provision of these obligations is based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation, water treatment, demolition of facilities, monitoring and other costs.

The total undiscounted amount of estimated cash flows required to settle the Company's estimated future closure and decommissioning costs is $242,450 (December 31, 2021 - $240,524). The estimated future cash flows were then inflated using an inflation rate of 2.0% (December 31, 2021 – 1.5% to 2.0%). The total provision for closure and decommissioning costs is calculated using discount rates between 2.41% to 4.41% (December 31, 2021 - 1.76% to 3.76%). Obligations in the amount of $123,185 are expected to be settled in the years 2022 through 2051.

	Three Months Ended March 31, 2022	Year Ended December 31, 2021
Balance, beginning of period	$ 147,622	$ 127,828
Accretion	814	3,110
Change in estimates of future costs and discount rate	(1,146)	16,409
Increase in Ruddock Creek project	-	275
Balance, end of period	$ 147,290	$ 147,622

The amount and timing of closure plans for the mineral properties will vary depending on a number of factors, including exploration success and alternative mining plans.

10. SHARE CAPITAL

(i) Share Capital

Authorized

50,000,000 First Preferred shares without par value with special rights and restrictions to be determined by the directors, of which 3,100,000 have been designated as "Series A First Preferred shares" (issued and outstanding – nil)

50,000,000 Second Preferred shares without par value with rights and restrictions to be determined by the directors (issued and outstanding – nil)

An unlimited number of Common Shares without par value

(ii) Share Option Plans

Under the Share Option Plans, options not exceeding 10% of the issued common shares of the Company, may be granted to its directors, officers and employees. As at March 31, 2022, a total of 11,881,094 common share options had remained available for grant under the plans. Under the plans, the exercise price of each option cannot be greater than the market price of the Company's shares on the date of grant and an option's maximum term is 10 years. Options are granted from time to time by the Board of Directors and vest over a three or five year period.

During the three months ended March 31, 2022 the Company did not grant any stock options to its directors, officers or employees.

expressed in thousands of Canadian dollars, except share and per share amounts

Movements in Share Options

The changes in share options were as follows:

	Three Months Ended March 31, 2022		Year Ended December 31, 2021	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of period	2,262,250	$ 4.63	2,345,000	$ 4.60
Exercised	(3,750)	$ 2.00	(48,750)	$ 2.00
Forfeited	-	-	(7,500)	$ 2.00
Cancelled	-	-	(24,000)	$ 8.00
Expired	-	-	(2,500)	$ 2.00
Outstanding at end of period	2,258,500	$ 4.63	2,262,250	$ 4.63
Options exercisable at end of period	1,598,000	$ 5.69	1,278,000	$ 6.62

The following table summarizes information about the Company's share options outstanding as at March 31, 2022:

	Options Outstanding		Options Exercisable	
Exercise Prices	Options Outstanding	Remaining Contractual Life in Years	Options Outstanding & Exercisable	Remaining Contractual Life in Years
$2.00	1,242,500	3.08	595,000	3.08
$5.75	65,000	5.76	52,000	5.76
$8.00	951,000	3.68	951,000	3.68
	2,258,500	3.41	1,598,000	3.52

11. COST OF SALES

	Three Months Ended March 31	
	2022	2021
Operating expenses	$ 22,567	$ 25,066
Depletion and depreciation	8,542	9,930
	$ 31,109	$ 34,996

12. OTHER FINANCE LOSS

	Three Months Ended March 31	
	2022	2021
Accretion of future site reclamation provisions	$ 814	$ 716
Foreign exchange loss	149	50
Fair value adjustment to marketable securities	(2)	2
	961	768

Interest income	(115)	(125)
Other finance loss	$ 846	$ 643

expressed in thousands of Canadian dollars, except share and per share amounts

13. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash operating working capital balances:

	Three Months Ended March 31	
	2022	2021
Trade and other receivables	$ (3,062)	$ 208
Inventory	(2,795)	(248)
Prepaid expenses and deposits	(1,227)	(510)
Trade and other payables	(12,858)	(5,472)
Income and mining taxes payable	-	136
Provision for rehabilitation costs	(55)	(48)
	$ (19,997)	$ (5,934)

14. RELATED PARTY TRANSACTIONS AND COMPENSATION TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

(a) Related Party Transactions

Related party transactions with a joint venture, a significant shareholder, companies controlled by a significant shareholder, companies in which directors are owners, and with the Company's directors and officers are as follows:

Statements of Financial Position

	March 31 2022	December 31 2021
Equipment rental trade receivables from Red Chris Joint Venture	$ 51	$ 54

Statements of Loss and Comprehensive Loss

	Three Months Ended March 31	
	2022	2021
Equipment rental and revenue from Red Chris Joint Venture	$ 126	$ 288
Credit facility arrangement guarantee and standby fee	$ 416	$ -
Interest expense	$ -	$ 48

The Company incurred the above transactions and balances in the normal course of operations.

(b) Compensation of Directors and Key Management Personnel

The remuneration of the Company's directors and key management personnel is $380 for the three months ended March 31, 2022 (three months ended March 31, 2021-$355).

expressed in thousands of Canadian dollars, except share and per share amounts

15. REPORTABLE SEGMENTED INFORMATION

The Company operates primarily in Canada. All of the Company's assets are located in Canada, except for assets comprised primarily of Sterling mine totalling $6,356 as March 31, 2022 (December 31, 2021-$6,448) which are located in the USA. The Company's reportable segments reflect the internal reporting used by the Company's management to report to the chief operating decision maker.

Reportable Segments

	Three Months Ended March 31, 2022				
	Red Chris	Mount Polley	Huckleberry	Corporate and Others	Total
Reportable segmented revenues	$ 33,000	$ -	$ 180	$ -	$ 33,180
Less inter-segment revenues	-	-	(54)	-	(54)
Revenues from external sources	$ 33,000	$ -	$ 126	$ -	$ 33,126
Depletion and depreciation	$ 8,408	$ 758	$ 308	$ 6	$ 9,480
Interest expense and other finance expense	$ (653)	$ (387)	$ (407)	$ (233)	$ (1,680)
Net (loss) income	$ 2,314	$ (6,479)	$ (1,657)	$ (1,103)	$ (6,925)
Capital expenditures	$ 29,087	$ 2,262	$ 255	$ 147	$ 31,721
Total assets	$ 737,391	$ 156,998	$ 244,496	$ 51,408	$ 1,190,293
Total liabilities	$ 279,128	$ 69,165	$ 83,978	$ 1,884	$ 434,155

	Three Months Ended March 31, 2021				
	Red Chris	Mount Polley	Huckleberry	Corporate and Others	Total
Reportable segmented revenues	$ 32,761	$ 15	$ 396	$ 3	$ 33,175
Less inter-segment revenues	-	(4)	(119)	(2)	(125)
Revenues from external sources	$ 32,761	$ 11	$ 277	$ 1	$ 33,050
Depletion and depreciation	$ 9,796	$ 759	$ 307	$ 7	$ 10,869
Interest expense and other finance expense	$ (147)	$ (341)	$ (324)	$ (91)	$ (903)
Net (loss) income	$ (976)	$ (2,546)	2,240	$ (1,260)	$ (2,542)
Capital expenditures	$ 16,427	$ 268	$ 28	$ 85	$ 16,808
Total assets	$ 651,196	$ 142,941	$ 228,847	$ 52,033	$ 1,075,017
Total liabilities	$ 215,106	$ 48,171	$ 66,155	$ 19,548	$ 348,980

expressed in thousands of Canadian dollars, except share and per share amounts

Customers by Geographic Area

	Three Months Ended March 31	
	2022	2021
Switzerland	$ 10,227	$ 17,458
China	12,127	8,992
Singapore	10,646	6,311
Canada	126	289
	$ 33,126	$ 33,050

Revenues are attributed to geographic area based on country of customer. In the period ended March 31, 2022, the Company had 3 principal customers individually accounting for more than 10% each for a total 99% of revenues (March 31, 2021– 4 principal customers accounting for 96% of revenues).

The Company's principal product is copper concentrate (contains copper, gold, and silver) which is sold at prices quoted on the London Metals Exchange and LBMA. The Company sells all concentrate production to third party traders.

Revenue by Major Product and Service

	Three Months Ended March 31	
	2022	2021
Copper	$ 24,069	$ 22,989
Gold	8,629	9,384
Silver	302	388
Other	126	289
	$ 33,126	$ 33,050

16. FINANCIAL INSTRUMENTS, INTEREST RATE AND CREDIT RISK

During the reporting period, the Company examined the various financial instrument risks to which it is exposed and assessed the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and other price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity comprised of share capital, contributed surplus, currency translation adjustment and retained earnings.

Credit Risk

The Company's credit risk is limited to cash, trade and other receivables, and future site reclamation deposits in the ordinary course of business. The credit risk of cash and future site reclamation deposits is mitigated by placing funds in financial institutions with high credit quality.

Liquidity Risk

The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. The Company ensures that in addition to cash balances there are sufficient committed credit facilities, including the advance payment facilities with its customers, to provide cash necessary to meet projected cash requirements.

The Company holds investments in mineral and exploration properties. While these may be convertible to cash they are not considered when assessing the Company's liquidity as they are part of the risk management program of the Company, long-term strategic holdings, or are only convertible to cash over a longer time horizon if realizable values exceed management's assessment of fair value, respectively.

expressed in thousands of Canadian dollars, except share and per share amounts

Cash balances on hand, the projected cash flow and the available credit facility, are expected to be sufficient to fund the Company's obligations as they come due. However, there are inherent risks related to the operation of the Company's mines which could require additional sources of financing.

Liquidity risk is also impacted by credit risk, although the Company considers this risk low.

Currency Risk

Financial instruments that impact the Company's net income (loss) and comprehensive income (loss) due to currency fluctuations include US dollar denominated cash, trade, and other accounts receivable, reclamation deposits, trade and other payables and debt. If the US Dollar had been 10% higher/lower and all other variables were held constant, net income (loss) and comprehensive income (loss) for the three months ended March 31, 2022 would have been higher/lower by $1,159.

Interest Rate Risk

The Company is exposed to interest rate risk on its credit facilities (Note 7). The Company monitors its exposure to interest rates and is comfortable with its current exposure. The Company has not entered into any derivative contracts to manage this risk. If interest rates had been 100 basis points higher/lower on the Company's floating rate debt and all other variables were held constant, the amount of interest expense during three months ended March 31, 2022 would have increased/decreased by $89.

Provisionally Priced Revenues

As a result of the provisional pricing terms in its sales contracts, the Company is exposed to commodity price risk until final pricing is determined. Therefore, revenues in subsequent periods will be adjusted for any changes to provisionally priced accounts receivables outstanding at period end. Final pricing is usually four to five months after the date of shipment and therefore changes in metal prices may have a material impact on the final revenue.

Provisionally priced revenues is comprised of the following:

	Three Months Ended March 31, 2022		Three Months Ended March 31, 2021	
	Provisional lb/oz	Provisional Price per lb/oz	Provisional lb/oz	Provisional Price per lb/oz
	000's	*US$*	*000's*	*US$*
Copper	4,202.8	$ 4.70	2,178.4	$ 4.00
Gold	1.4	$ 1,942	0.9	$ 1,713

The following tables summarize the realized and unrealized gains (losses) on provisionally priced sales:

	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
	Copper	Gold & Silver	Total	Copper	Gold & Silver	Total
Realized	$ 536	287	823	$ 2,625	$ (151)	$ 2,474

Unrealized	1,010	13	1,023	147	(98)	49
Total	$ 1,546	$ 300	$ 1,846	$ 2,772	$ (249)	$ 2,523

expressed in thousands of Canadian dollars, except share and per share amounts

17. COMMITMENTS AND PLEDGES

At March 31, 2022, the Company has pledged the following assets for settlement of future site reclamation provisions:

Future site reclamation deposits included with other assets (Note 6)	$	14,388
Mineral property, plant and equipment (Note 5)		28,370
Letters of credit and reclamation surety bonds		34,390
	$	77,148

18. CONTINGENT LIABILITIES

The Company is from time to time involved in various claims and legal proceedings arising in the conduct of its business.

During the third quarter of 2014, a securities class action under section 138 of the Ontario Securities Act was filed against the Company and certain of its directors, officers and others. On September 23, 2020, the Ontario Superior Court denied leave to proceed with this claim. The Plaintiff's appeal of this decision was partially successful with the action being returned to the Ontario Superior Court for reconsideration of the leave application.

The Company is of the view that the allegations contained in the claim are without merit and are unlikely to succeed.

The Company prevailed at the arbitration of a claim filed by a contractor for additional compensation owed for work previously carried out. The arbitrator ruled that no further amounts are owed and that the contractor had overbilled the Company in an amount exceeding $2,000. The contractor has appealed the ruling.

The Company was partially successful in its action against its insurance underwriters to recover business interruption losses incurred at the Mount Polley mine. The insurance company has filed an appeal.

Exhibit 99.5

MANAGEMENT’S DISCUSSION AND ANALYSIS

This Management’s Discussion and Analysis (“MD&A”) for Imperial Metals Corporation (“Imperial”, the “Company”, “we”, “us” or “our”) should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the three months ended March 31, 2022 (the “Interim Financial Statements”), as well as the audited consolidated financial statements and management’s discussion & analysis for the year ended December 31, 2021. The Interim Financial Statements and comparative information have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The reporting currency of the Company is the Canadian (“CDN”) Dollar.

This MD&A contains statements that may be considered forward-looking information, and therefore investors are directed to review the Forward-Looking Statements & Risks Notice within this MD&A.

Imperial is a Vancouver based mining company active in the acquisition, exploration, development, mining and production of base and precious metals. The Company owns the Mount Polley and Huckleberry copper mines, and holds a 30% interest in the Red Chris copper/gold mine. Imperial also maintains a large portfolio of greenfield exploration properties. Management continues to evaluate various opportunities to advance many of these properties.

Imperial’s principal business registered and records office address is Suite 200, 580 Hornby Street, Vancouver, British Columbia V6C 3B6 Canada. The Company was incorporated under the British Columbia *Company Act*.

The Company is listed on The Toronto Stock Exchange, and its shares trade as symbol III. At May 6, 2022, the Company had 141,395,941 common shares outstanding, and on a diluted basis 141,395,941 common shares outstanding.

Additional Company disclosure can be obtained from imperialmetals.com or sedar.com.

SIGNIFICANT EVENTS AND LIQUIDITY

The Company’s Interim Financial Statements have been prepared on a going concern basis which assumes the Company will continue operating in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course as they come due.

On March 11, 2020, the World Health Organization declared the rapidly spreading coronavirus 2019-nCoV (“COVID-19”) outbreak as a global pandemic. The Company has been closely monitoring developments of the COVID-19 outbreak and has implemented preventive measures to ensure the safety of our workforce and local communities. Throughout the COVID-19 pandemic, mining operations at Red Chris, the Company’s various exploration activities, and the care and maintenance of Mount Polley and Huckleberry have been conducted under strict guidance and directives of federal, provincial and regional health authorities. To date, there have been no significant disruptions to production, to the shipment of concentrate or to the supply chain. Changes have been implemented to our business and how we operate in order to minimize the risks to our employees, communities and other stakeholders.

The Company has actively responded to the COVID-19 pandemic at operations controlled by the Company through a variety of means such as:

- restricting travel;
- shifting employees to remote work arrangements wherever possible, including at the corporate office;
- implementing and promoting preventative measures in place at all operations, including social distancing and frequent handwashing;
- adhering to the most up to date guidance from governments and public health authorities in each jurisdiction in which we operate;
- implementing enhanced cleaning and disinfecting protocols; and
- restricting employees with any potential symptoms of COVID-19 from attending Company facilities.

The Company holds a 30% interest in the Red Chris mine through our wholly owned subsidiary. Newcrest Mining Limited ("Newcrest") holds a 70% interest through its wholly owned subsidiary and is the project operator. The Company understands Newcrest has implemented the below precautionary measures at Red Chris. These measures continue to be refined in accordance with the Provincial Health Officer orders for work camps which in turn continue to be refined as BC moves through its stages of the restart plan.

The order requirements have been broadened to all communicable diseases rather than just COVID-19. These include:

- the requirement for a communicable disease prevention plan, which replaces the requirement for a COVID-19 infection prevention and control protocol;
- the appointment of a communicable disease prevention and control co-ordinator (new term of the current infection prevention and control coordinator) who is responsible for oversight of the communicable disease prevention plan and liaison with the health authority;
- maintaining high standards of camp hygiene;
- ensuring workers have an opportunity to consult a health professional and arrange for symptomatic worker testing when recommended by the Medical Health Officer ("MHO") or medical professional;
- establishing a plan for ready access to, the medical, nursing and allied professional support necessary to support the management by public health of cases, clusters and outbreaks of communicable diseases among workers;
- developing procedures for the isolation of a worker exposed to, or with a confirmed or suspected case of communicable disease, and ensuring that a worker in isolation has the supplies, support and services the worker needs;
- reporting of cases, clusters or outbreaks of communicable diseases and related information to the MHO and working with the MHO to deal with the situation; and
- facilitating access to a vaccination program.

Red Chris has implemented the above requirements since early 2020 with the following precautions by:

- conducting rapid antigen and PCR screening and health checks for all employees, contractors, and visitors entering site and whilst on site;
- minimizing visitor numbers with no 'ad-hoc' entry;
- providing the opportunity for all employees, contractors and visitors to be vaccinated with an approved vaccine through the work camp vaccination program;
- providing paid pandemic leave for applicable cases;
- maintaining hygienic practices: mask wearing, social distancing and hand washing to minimize spread of infection;
- employing additional trained medical personnel on-site and providing enhanced medical service on site and supporting local Tahltan communities;
- providing regular written and verbal communication updates to employees on all sites, particularly on personal hygiene practices and what to do if they present symptoms;
- providing medical supplies and provisions to local Tahltan communities;
- working with Tahltan Central Government Emergency Management Committee ("EMC") to facilitate testing COVID-19 management within the three neighbouring Tahltan communities;
- supporting the weekly EMC meeting which brings together representatives from the neighbouring Tahltan communities and other Northern British Columbia mining and exploration companies to share COVID-19 management experiences;
- preparing business continuity plans and contingencies in the event of a significant number of operational employees and contractors being exposed or contracting the virus to minimize disruptions to operations; and
- establishing and maintaining an emergency management team of key management at site level.

The Company also understands that the Tahltan Central Government and Tahltan Bands are supportive of Newcrest's implementation of this package of measures which proactively protects and supports communities and enables Tahltan members to support their families and communities, while helping Red Chris to continue to operate during the COVID-19 pandemic.

As Newcrest is the operator of the Red Chris mine, the preventative measures implemented with respect to the project lie outside the direct control of the Company. Any violations to acts and regulations may have an adverse impact on the Company.

Despite the uncertainties and changes relating to the COVID-19 pandemic, and current market conditions, we remain confident in the long-term outlook for our major commodities. However, the extent to which the COVID-19 pandemic impacts the Company's business, including exploration, development and production activities and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the COVID-19 outbreak.

The resumption of normal operating activities is highly dependent on the progression of the pandemic and the success of measures taken to prevent transmission, which will influence when health and government authorities remove various restrictions on our business activities. Even after the COVID-19 pandemic has subsided, we may continue to experience material adverse impacts to our business as a result of its global economic impact, including any related recession.

On January 19, 2022, the Company reached an agreement with the Province of British Columbia for the surrender of Giant Copper mineral claims located 37km east of Hope, BC, Canada and received a cash consideration of $24.0 million that covers all prior investments in the Giant Copper claim area.

On February 28, 2022, the Company increased its existing credit facility from $75.0 million to $100.0 million. This additional increase of $25.0 million in the facility was guaranteed by a related party.

On March 31, 2022, the Company increased its existing credit facility from $100.0 million to $125.0 million. This additional increase of $25.0 million in the facility was guaranteed by a related party.

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The Company's significant accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2021.

New Standards, Interpretations and Amendments

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2021. The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

QUARTER HIGHLIGHTS

FINANCIAL

Total revenue was $33.1 million in the March 2022 quarter compared to $33.1 million in the 2021 comparative quarter.

In the March 2022 quarter, the Red Chris mine (100% basis) had 3.0 concentrate shipments (2021-3.7 concentrate shipments). Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rates, and period end revaluations of revenue attributed to concentrate shipments where copper and gold prices will settle at a future date.

The London Metals Exchange cash settlement copper price per pound averaged US$4.53 in the March 2022 quarter compared to US$3.85 in the 2021 comparative quarter. LBMA cash settlement gold price per troy ounce averaged US$1,874 in the March 2022 quarter compared to US$1,798 in the 2021 comparative quarter. The average US/CDN Dollar exchange rate was 1.266 in the March 2022 quarter, 0.0% lower than the exchange rate of 1.267 in the March 2021 quarter. In CDN Dollar terms the average copper price in the March 2022 quarter was CDN$5.73 per pound compared to CDN$4.88 per pound in the 2021 comparative quarter, and the average gold price in the March 2022 quarter was CDN$2,373 per ounce compared to CDN$2,277 per ounce in the 2021 comparative quarter.

A positive revenue revaluation in the March 2022 quarter was $1.2 million as compared to a $2.4 million of positive revenue revaluation in the 2021 comparative quarter. Revenue revaluations are the result of the metal price on the settlement date and/or the current period balance sheet date being higher or lower than when the revenue was initially recorded or the metal price at the last balance sheet date and finalization of contained metal as a result of final assays.

Net loss for the March 2022 quarter was $6.9 million ($0.05 per share) compared to net loss of $2.5 million ($0.02 per share) in the 2021 comparative quarter. The increase in net loss of $4.4 million was primarily due to the following factors:

- Mine operations went from a loss of $1.9 million in March 2021 to an income of $2.0 million in March 2022, decreasing net loss by $3.9million.

- Mount Polley restart costs went from $nil in March 2021 to $22.4 million in March 2022, increasing net loss by $22.4 million.

- Gain on disposal of mineral properties went from $nil in March 2021 to $16.2 million in March 2022, decreasing net loss by $16.2 million.

- Tax recovery went from $6.8 million in March 2021 to $1.5 million in March 2022, increasing net loss by $5.3 million.

Capital expenditures including leases were $31.7 million in the March 2022 quarter, an increase from $16.8 million in the 2021 comparative quarter. The March 2022 quarter expenditures included $8.6 million in exploration, $5.0 million for tailings dam construction and $18.1 million on stripping costs and other capital.

At March 31, 2022, the Company had not hedged any copper, gold or US/CDN Dollar exchange. Quarterly revenues will fluctuate depending on copper and gold prices, the US/CDN Dollar exchange rate, and the timing of concentrate sales, which is dependent on concentrate production and the availability and scheduling of transportation.

OPERATIONS

The current impact of the COVID-19 pandemic on our business is described under Significant Events and Liquidity. The Company's plans for 2022 and beyond could be adversely impacted by the effects of the COVID-19 pandemic. The continuing impact of COVID-19 to travel and other operating restrictions established to curb the spread of COVID-19, could materially and adversely impact the Company's current plans by causing a temporary closure of the Red Chris mine, suspending planned exploration work, causing an economic slowdown resulting in a decrease in the demand for copper and gold, negatively impacting copper and gold prices, impacting the Company's ability to transport or market the Company's concentrate or causing disruptions in the Company's supply chains.

Red Chris Mine

Metal production for the 2022 first quarter was 13.3 million pounds copper and 12,088 ounces gold, as compared to 15.9 million pounds copper and 15,850 ounces gold produced in the 2021 first quarter. Imperial's 30% portion of the production was 4.0 million pounds copper and 3,626 ounces gold.

	Three Months Ended March 31*	
	2022	2021
Ore milled - *tonnes*	2,025,457	2,162,759
Ore milled per calendar day - *tonnes*	22,505	24,031
Grade % - copper	0.411	0.433
Grade g/t - gold	0.357	0.419
Recovery % - copper	72.5	77.0
Recovery % - gold	51.9	54.3
Copper – *000's pounds*	13,310	15,885
Gold – *ounces*	12,088	15,850

* 100% Red Chris mine production

Metal production was lower by 9.6% for copper and 11.2% for gold compared to the fourth quarter of 2021 primarily due to lower recoveries (72.5% versus 81.1% for copper and 51.9% compared to 59.7% for gold) and mill throughput due to unscheduled downtime of the SAG mill and winter conditions affecting the tailings line.

Exploration drilling at Red Chris is ongoing with up to eight drills in operation during the first quarter with five drills focusing on expanding the East Ridge zone and three gathering geotechnical information for infrastructure related to the development of a block cave. The exploration decline had advanced 1,225 metres as of April 20, 2022 and surface infrastructure development related to the decline is expected to be substantially completed in June 2022. Work on the Block Cave Feasibility Study ongoing is targeted to be completed by June 2023.

Imperial's 30% share of exploration, development, and capital expenditures were $29.1 million in the March 2022 quarter compared to $16.4 million in the 2021 comparative quarter.

Mount Polley Mine

The Company began the work required to reopen the mine in the fourth quarter of 2021. Management is targeting to start the milling operations in the second quarter of 2022.

The plant refurbishing activities by mechanical and electrical contractors was ongoing during the quarter. The crusher is operational and is providing stemming, road crush and TSF filter material. Crews are active in the grinding bay, flotation and dewatering areas getting the plant ready for operation. Mining operations began in November 2021 and by March 31, 2022, approximately 4.5 million tonnes had been mined in preparation for the restart of operations.

For the March 2022 quarter, Mount Polley incurred restart costs comprised of $21.7 million in operating costs and $0.7 million in depreciation expense.

Exploration, development, and capital expenditures in the March 2022 quarter were $2.3 million compared to $0.3 million in the 2021 comparative quarter.

Huckleberry Mine

Huckleberry operations ceased in August 2016 and the mine remains on care and maintenance status. The Company anticipates working towards the restart of Huckleberry following the start of operations at Mount Polley.

Site personnel continue to focus on maintaining site access, water management (treatment and release of mine contact water into Tahtsa Reach), snow removal, maintenance of site infrastructure and equipment, mine permit compliance, environmental compliance monitoring and monitoring tailings management facilities.

Geotechnical programs conducted in 2021 have indicated that some work is required to upgrade the existing facility and provided information required to update the tailings facility design for future operations.

For the March 2022 quarter, Huckleberry incurred idle mine costs comprised of $1.3 million in operating costs and $0.2 million in depreciation expense.

EARNINGS AND CASH FLOW

Select Quarter Financial Information	Three Months Ended March 31	
expressed in thousands of dollars, except share and per share amounts	2022	2021
Operations:		
Total revenues	$ 33,126	$ 33,050
Net loss	$ (6,925)	$ (2,542)
Net loss per share	$ (0.05)	$ (0.02)
Diluted loss per share	$ (0.05)	$ (0.02)
Adjusted net loss [1]	$ (18,754)	$ (2,565)
Adjusted net loss per share [1]	$ (0.13)	$ (0.02)
Adjusted EBITDA[1]	$ (13,380)	$ 2,631
Cash earnings [1][2]	$ (13,331)	$ 2,526
Cash earnings per share [1][2]	$ (0.09)	$ 0.02
Working capital (deficiency) deficiency	$ (44,107)	$ 5,653
Total assets	$ 1,190,293	$ 1,075,017
Total debt (including current portion)	$ 61,298	$ 20,387

[1] Refer to table under heading Non-IFRS Financial Measures for further details.

(2) Cash earnings is defined as the cash flow from operations before the net change in non-cash working capital balances, income and mining taxes, and interest paid. Cash earnings per share is defined as cash earnings divided by the weighted average number of common shares outstanding during the year.

NON-IFRS FINANCIAL MEASURES

The Company reports four non-IFRS financial measures: adjusted net income (loss), adjusted EBITDA, cash earnings and cash cost per pound of copper produced which are described in detail below. The Company believes these measures are useful to investors because they are included in the measures that are used by management in assessing the financial performance of the Company.

Adjusted net income (loss), adjusted EBITDA, cash earnings and cash cost per pound of copper are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Reconciliations are provided below.

Adjusted Net Loss and Adjusted Net Loss Per Share

Adjusted net loss is derived from operating net loss by removing the gains or loss, resulting from acquisition and disposal of property, mark to market revaluation of derivative instruments not related to the current period, net of tax, unrealized foreign exchange gains or losses on non-current debt, net of tax and other non-recurring items. Adjusted net loss in the March 2022 quarter was $18.8 million ($0.13 per share) compared to an adjusted net loss of $2.6 million ($0.02 per share) in the 2020 comparative quarter. We believe that the presentation of Adjusted Net Loss helps investors better understand the results of our normal operating activities and the ongoing cash generating potential of our business as further detailed below.

Calculation of Adjusted Net Loss	Three Months Ended March 31	
expressed in thousands of dollars, except share and per share amounts	2022	2021
Net loss	$ (6,925)	$ (2,542)
Gain on disposal of mineral properties, net of tax	(11,849)	-
Foreign exchange (gain) loss on debt, net of tax [(1)]	20	(23)
Total Adjusted Net Loss	$ (18,754)	$ (2,565)
Basic weighted average number of common shares outstanding	141,393,649	128,526,424
Total Adjusted Net Loss Per Share	$ (0.13)	$ (0.02)

(1) Non-current debt is recorded on the Company’s Statement of Financial Position at the foreign exchange rate in effect on that date, with changes in foreign exchange rates, net of taxes, flowing through net income (loss). The amounts of non-current debt ultimately payable may be materially different than reflected in the financial statements due to foreign currency movements.

Adjusted EBITDA

Adjusted EBITDA in the March 2022 quarter was a loss of $13.4 million compared to an income of $2.6 million in the 2021 comparative quarter. We define Adjusted EBITDA as net income (loss) before interest expense, taxes, depletion, and depreciation, and as adjusted for certain other items described in the following reconciliation table.

We believe that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about certain non-cash items and is useful to investors as an important indicator of our operations and the performance of our core business.

Adjusted EBITDA is not a measurement of operating performance or liquidity under IFRS and should not be considered as a substitute for earnings from operations, net income or cash generated by operating activities computed in accordance with IFRS. Adjusted EBITDA has limitations as an analytical tool and therefore Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

A reconciliation of net loss to Adjusted EBITDA is as follows:

expressed in thousands of dollars	Three Months Ended March 31 2022	2021
Net loss	$ (6,925)	$ (2,542)
Adjustments:		
Income and mining tax recovery	(1,549)	(6,826)
Interest expense	834	260
Depletion and depreciation	9,479	10,869
Accretion of future site reclamation provisions	814	716
Share based compensation	52	102
Foreign exchange loss	149	50
Revaluation of marketable securities	(2)	2
Gain on disposal of mineral properties	(16,232)	-
Total Adjusted EBITDA	$ (13,380)	$ 2,631

Cash Earnings and Cash Earnings Per Share

Cash earnings in the March 2022 quarter was negative $13.3 million compared to positive $2.5 million in the 2021 comparative quarter. Cash earnings per share was ($0.09) in the March 2022 quarter compared to $0.02 in the 2021 comparative quarter.

Cash earnings and cash earnings per share are measures used by the Company to evaluate its performance however they are not terms recognized under IFRS. We believe that the presentation of cash earnings and cash earnings per share is appropriate to provide additional information to investors about how well the Company can earn cash to pay its debts and manage its operating expenses and investment. Cash earnings is defined as cash flow from operations before the net change in non-cash working capital balances, income and mining taxes paid, and interest paid. Cash earnings per share is the same measure divided by the weighted average number of common shares outstanding during the year.

expressed in thousands of dollars, except per share and per share amounts	Three Months Ended March 31 2022	2021
Net loss	$ (6,925)	$ (2,542)
Items not affecting cash earnings:		
Deferred mining and income tax recovery	(1,446)	(6,962)
Depletion and depreciation	9,479	10,869
Share based compensation	52	102
Accretion of future site reclamation provisions	814	716
Unrealized foreign exchange loss	95	81
Interest expense	834	260
Gain on disposal of mineral properties	(16,232)	-
Revaluation of marketable securities	(2)	2
Total Cash Earnings	$ (13,331)	$ 2,526
Basic weighted average number of common shares outstanding	141,393,649	128,526,424
Total Cash Earnings Per Share	$ (0.09)	$ 0.02

Cash Cost Per Pound of Copper Produced

Management uses this non-IFRS financial measure to monitor operating costs and profitability. The Company is primarily a copper producer and therefore calculates this non-IFRS financial measure individually for its three copper mines, Red Chris (30% share), Mount Polley and Huckleberry, and on a composite basis for these mines.

The cash cost per pound of copper produced is derived from the sum of cash production costs, transportation and offsite costs, treatment and refining costs, royalties, net of by-product and other revenues, divided by the number of pounds of copper produced during the period.

Cash costs of production include direct labour, operating materials and supplies, equipment and mill costs, and applicable overhead. Off-site costs include transportation, warehousing, marketing, related insurance and treatment and refining costs for smelting and refining concentrate.

Treatment and refining costs applicable to the concentrate produced during the period are calculated in accordance with the contracts the Company has with its customers.

By-product and other revenues represent (i) revenue calculated based on average metal prices for by-products produced during the period based on contained metal in the concentrate; and (ii) other revenues as recorded during the period.

Cost of sales, as reported on the consolidated statement of comprehensive loss, includes depletion and depreciation, and share based compensation, non-cash items. The resulting cash costs are different than the cost of production because of changes in inventory levels and therefore inventory and related transportation and offsite costs are adjusted from a cost of sales basis to a production basis. The cash costs for copper produced are converted to US$ using the average US$ to CDN$ exchange rate for the period divided by the pounds of copper produced to obtain the cash cost per pound of copper produced in US$.

Variations from period to period in the cash cost per pound of copper produced are the result of many factors including: grade, metal recoveries, amount of stripping charged to operations, mine and mill operating conditions, labour and other cost inputs, transportation and warehousing costs, treatment and refining costs, the amount of by-product and other revenues, the US$ to CDN$ exchange rate and the amount of copper produced.

Idle mine and mine restart costs during the periods when the Huckleberry and Mount Polley mines are not in operation have been excluded from the cash cost per pound of copper produced.

The following tables reconcile cost of sales as shown on the consolidated statement of comprehensive loss to the cash cost per pound of copper produced in US$ for the three months ended March 31, 2022 and 2021.

Calculation of Cash Cost Per Pound of Copper Produced	Three Months Ended March 31	
expressed in thousands of dollars and pounds, except cash cost per pound of copper produced	2022	2021
Cost of sales	$ 31,109	$ 34,996
Less:		
Depletion and depreciation	(8,542)	(9,930)
Cash costs before adjustment to production basis	22,567	25,066
Adjust for inventory change	(1,269)	140
Adjust transportation and offsite costs	(101)	24
Adjust for other costs	(45)	(141)
Treatment, refining and royalty costs	1,447	2,382
By-product and other revenues	(8,485)	(10,594)
Cash cost of copper produced in CDN$	$ 14,114	$ 16,877
US$ to CDN$ exchange rate	*1.2662*	*1.2665*
Cash cost of copper produced in US$	$ 11,147	$ 13,326
Copper produced – pounds	*3,993*	*4,765*
Cash cost per lb copper produced in US$	$ 2.79	$ 2.80

RESULTS FROM OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2022 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2021

Overview

Revenues were $33.1million in the March 2022 quarter compared to $33.1 million in the 2021 comparative quarter. Variations in revenue are impacted by the timing and quantity of concentrate shipments, metal prices and exchange rates, and period end revaluations of revenue attributed to concentrate shipments where copper and gold prices will settle at a future date.

Net loss for the March 2022 quarter was $6.9 million ($0.05 per share) compared to net loss of $2.5 million ($0.02 per share) in the 2021 comparative quarter. The increase in net loss of $4.4 million was primarily due to the following factors:

- Mine operations went from a loss of $1.9 million in March 2021 to an income of $2.0 million in March 2022, decreasing net loss by $3.9million.

- Mount Polley restart costs went from $nil in March 2021 to $22.4 million in March 2022, increasing net loss by $22.4 million.

- Gain on disposal of mineral properties went from $nil in March 2021 to $16.2 million in March 2022, decreasing net loss by $16.2 million.

- Tax recovery went from $6.8 million in March 2021 to $1.5 million in March 2022, increasing in net loss by $5.3 million.

The average US/CDN Dollar exchange rate in the March 2022 quarter was 1.266 compared to an average of 1.267 in the 2021 comparative quarter.

Revenue

expressed in thousands of dollars, except quantity amounts	Three Months Ended March 31	
	2022	2021
Sales		
Copper – 000's pounds	*4,400*	*4,721*
Gold – ounces	*3,958*	*4,626*
Silver – ounces	*11,831*	*9,920*
Revenue		
Copper	$ 24,069	$ 22,989
Gold	8,629	9,384
Silver	302	388
	$ 33,000	$ 32,761
Corporate and Other	126	289
Total Revenue	$ 33,126	$ 33,050

During the March 2022 quarter, the Company sold 4.4 million pounds copper and 3,958 ounces gold compared to 4.7 million pounds copper and 4,626 ounces gold in the 2021 comparative quarter.

In the March 2022 quarter, the Red Chris mine had 3.0 concentrate shipments (2021-3.7 concentrate shipments). The Company's revenue was derived primarily from the sale of copper and gold in concentrate from the Red Chris mine. Copper accounted for 72.7% and gold accounted for 26.0% of the Company's revenue.

Cost of Sales

expressed in thousands of dollars	Three Months Ended March 31			
	2022		2021	
Operating expenses	$	22,567	$	25,066
Depletion and depreciation		8,542		9,930
	$	31,109	$	34,996

Cost of sales for the March 2022 quarter was $31.1 million compared to $35.0 million in the 2021 comparative quarter, due to the following major factors:

- operating expenses for the March 2022 quarter were $22.6 million compared to $25.1 million in the March 2021 quarter; and
- depletion and depreciation for the March 2022 quarter was $8.5 million compared to $9.9 million in the March 2021 quarter.

Other Finance Loss

expressed in thousands of dollars	Three Months Ended March 31			
	2022		2021	
Accretion of future site reclamation provisions	$	814	$	716
Foreign exchange loss		149		50
Fair value adjustment to marketable securities		(2)		2
		961		768
Interest income		(115)		(125)
Other finance loss	$	846	$	643

Other finance loss totaled $0.8 million in the March 2022 quarter compared to a loss of $0.6 million in the 2021 comparative quarter.

CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2021. The capital structure of the Company consists of current and non-current debt and equity comprised of share capital, contributed surplus, currency translation adjustment and retained earnings.

LIQUIDITY & CAPITAL RESOURCES AND FINANCING

Credit Risk

The Company's credit risk is limited to cash, trade and other receivables, and future site reclamation deposits in the ordinary course of business. The credit risk of cash and future site reclamation deposits is mitigated by placing funds in financial institutions with high credit quality.

The Company sells to a limited number of traders and smelters. These customers are large and well-capitalized, and credit risk is considered to be minimal. The balance of trade receivables owed to the Company in the ordinary course of business is significant and the Company utilizes short term debt facilities with customers to reduce the net credit exposure.

From time to time the Company enters into derivative instruments with a number of counterparties to limit the amount of credit risk associated with any one counterparty. The Company did not enter into any derivative instruments during the quarter ended March 31, 2022.

Liquidity Risk

The Company has in place a rigorous planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. The Company ensures that in addition to cash balances there are sufficient committed credit facilities, including the advance payment facilities with its customers, to provide cash necessary to meet projected cash requirements.

At March 31, 2022, the Company had a working capital deficiency of $44.1 million, including a cash balance of $15.2 million which compares to a working capital deficiency of $19.1 million and cash balance of $33.3 million at December 31, 2021.

The Company had a $75.0 million revolving credit facility on December 31, 2021, which was increased to $125.0 million on March 31, 2022. At March 31, 2022, a total of $91.4 million of the revolving credit facility has been utilized, including banker's acceptances of $56.5 million and $34.9 million for letters of credit pledged for settlement of future site reclamation provisions and other obligations. In addition, the Company has $4.1 million in surety bonds.

Cash balances on hand, the projected cash flow from the Company's 30% share of Red Chris mine, the projected cash flow from the restart of the Mount Polley mine and the available credit facility are expected to be sufficient to fund the Company's ongoing operating obligations as they come due. The Company will be required to raise additional funds for capital projects through such methods as additional equity, additional debt and the monetization of assets such as the sale of Giant Copper.

The Company holds mineral properties and marketable securities. While these may be convertible to cash, they are not considered when assessing the Company's liquidity as they are part of the risk management program of the Company, long-term strategic holdings, or are only convertible to cash over a longer time horizon if realizable values exceed management's assessment of fair value, respectively. Therefore, as part of the Company's planning, budgeting and liquidity analysis process, these items are not relied upon to provide operational liquidity.

Liquidity risk is also impacted by credit risk should a counterparty default on its payments to the Company, although the Company considers this risk low as described in the *Credit Risk* section above.

The following is an aging of the Company's obligations as of March 31, 2022:

expressed in thousands of dollars	Within 1 Year	2 Years	3 Years	4 Years	5 years	Total
Trade and other payables	$ 46,041	$ -	$ -	$ -	$ -	$ 46,041
Short term debt	56,500	-	-	-	-	$ 56,500
Current portion of leases	2,585	-	-	-	-	$ 2,585
Non-current leases	-	1,302	882	29	-	$ 2,213
Total	$ 105,126	$ 1,302	$ 882	$ 29	$ -	$ 107,339

Currency Risk

Financial instruments that impact the Company's net income (loss) and comprehensive income (loss) due to currency fluctuations include US dollar denominated cash, trade, and other accounts receivable, reclamation deposits, trade and other payables and debt. If the US dollar had been 10% higher/lower and all other variables were held constant, net income (loss) and comprehensive income (loss) for the quarter ended March 31, 2022 would have been higher/lower by $1.1 million.

Cash Earnings

Cash earnings was negative $13.3 million in the March 2022 quarter compared to positive $2.5 million in the 2021 comparative quarter. Refer to *Cash Earnings and Cash Earnings Per Share* under *Non-IFRS Financial Measures* for further details.

Working Capital

At March 31, 2022, the Company had cash of $15.2 million and a working capital deficiency of $44.1 million, which included $59.1 million of current debt, compared to cash of $33.3 million and a working capital deficiency of $19.1 million at December 31, 2021, which included $32.4 million of current debt.

Acquisition and Development of Mineral Properties

Acquisition and development of mineral properties totaled $31.7 million in the March 2022 quarter compared to $16.8 million in the March 2021 quarter.

expressed in thousands of dollars	Three Months Ended March 31	
	2022	2021
Capital and Development Expenditures		
Red Chris	$ 20,661	$ 10,668
Mount Polley	2,255	-
Huckleberry	167	-
	23,083	10,668
Exploration Expenditures		
Red Chris	8,426	5,759
Mount Polley	7	268
Huckleberry	58	28
Other	147	85
	8,638	6,140
	$ 31,721	$ 16,808

CONTINGENT LIABILITIES

The Company is from time to time involved in various claims and legal proceedings arising in the conduct of its business.

During the third quarter of 2014, a securities class action under section 138 of the Ontario Securities Act was filed against the Company and certain of its directors, officers and others. On September 23, 2020, the Ontario Superior Court denied leave to proceed with this claim. The Plaintiff's appeal of this decision was partially successful with the action being returned to the Ontario Superior Court for reconsideration of the leave application.

The Company is of the view that the allegations contained in the claim are without merit and are unlikely to succeed.

The Company prevailed at the arbitration of a claim filed by a contractor for additional compensation owed for work previously carried out. The arbitrator ruled that no further amounts are owed and that the contractor had overbilled the Company in an amount exceeding $2.0 million. The contractor has appealed the ruling.

The Company was partially successful in its action against its insurance underwriters to recover business interruption losses incurred at the Mount Polley mine. The insurance company has filed an appeal.

DERIVATIVE INSTRUMENTS

In the past, the Company has utilized a variety of derivative instruments including the purchase of puts, forward sales, currency swaps and the use of min/max zero cost collars. The Company's income or loss from derivative instruments may be very volatile from period to period as a result of changes in the copper and gold prices and US/CDN exchange rates compared to the copper and gold prices and US/CDN exchange rate at the time when these contracts were entered into; or the latest balance sheet date and the type and length of time to maturity of the contracts.

The Company had no derivative instruments for copper, gold, or foreign exchange at March 31, 2022 or at the date of this document, other than those embedded in revenue contracts for provisional pricing.

DEBT AND OTHER OBLIGATIONS

At March 31, 2022, the Company's debt was comprised of $56.5 million drawdown of banker's acceptances, and equipment loans and leases denominated in both US$/CDN$ with a balance of $4.8 million. Detailed disclosure on the Company's debt including amounts owed, interest rates and security can be found in Note 7 and 8 of the Interim Financial Statements.

Interest Rate Risk

The Company is exposed to interest rate risk on its credit facilities. The Company monitors its exposure to interest rates and is comfortable with its current exposure. The Company has not entered into any derivative contracts to manage this risk. If interest rates had been 100 basis points higher/lower on the Company's floating rate debt and all other variables were held constant, the amount of interest expense in the three months ended March 31, 2022 would have increased/decreased by $nil.

Off-Balance Sheet Arrangements

At March 31, 2022, the Company did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Other Price Risks

The Company is exposed to equity price risk arising from marketable securities. Marketable securities are classified as held for trading because the Company intends to liquidate the marketable securities when market conditions are conducive to a sale of these securities.

SELECT QUARTERLY FINANCIAL INFORMATION

Unaudited - expressed in thousands of dollars, except per share amounts, prices, and exchange rates	Three Months Ended			
	March 31 2022	December 31 2021	September 30 2021	June 30 2021
Total revenues	$ 33,126	$ 29,262	$ 37,064	$ 34,215
Net loss	$ (6,925)	$ (14,681)	$ (3,772)	$ (5,075)
Basic loss per share	$ (0.05)	$ (0.10)	$ (0.03)	$ (0.04)
Diluted loss per share	$ (0.05)	$ (0.10)	$ (0.03)	$ (0.04)
Adjusted net loss (1)	$ (18,754)	$ (12,016)	$ (3,489)	$ (5,111)
Adjusted net loss per share (1)	$ (0.13)	$ (0.08)	$ (0.02)	$ (0.04)
Adjusted EBITDA (1)	$ (13,380)	$ (7,497)	$ 8,136	$ 8,283
Cash earnings (1)	$ (13,331)	$ (7,374)	$ 7,780	$ 8,102
Cash earnings per share (1)	$ (0.09)	$ (0.05)	$ 0.06	$ 0.06
Average LME copper price/lb in US$	$ 4.53	$ 4.40	$ 4.25	$ 4.40
Average LBMA gold price/troy oz in US$	$ 1,874	$ 1,795	$ 1,789	$ 1,816
Average US$/CDN$ exchange rate	$ 1.266	$ 1.260	$ 1.260	$ 1.228
Period end US$/CDN$ exchange rate	$ 1.250	$ 1.268	$ 1.274	$ 1.240

	March 31 2021	December 31 2020	September 30 2020	June 30 2020[2]
Total revenues	$ 33,050	$ 36,915	$ 38,161	$ 45,056
Net income (loss)	$ (2,542)	$ (4,916)	$ 7,063	$ (182)
Basic income (loss) per share	$ (0.02)	$ (0.04)	$ 0.05	$ (0.00)
Diluted income (loss) per share	$ (0.02)	$ (0.04)	$ 0.05	$ (0.00)
Adjusted net income (loss) (1)	$ (2,565)	$ (5,553)	$ 7,015	$ (310)
Adjusted net income (loss) per share (1)	$ (0.02)	$ (0.04)	$ 0.05	$ (0.00)
Adjusted EBITDA (1)	$ 2,631	$ 33	$ 17,242	$ 16,224
Cash earnings (1)	$ 2,662	$ 712	$ 17,655	$ 16,417
Cash earnings per share (1)	$ 0.02	$ 0.01	$ 0.14	$ 0.13
Average LME copper price/lb in US$	$ 3.85	$ 3.25	$ 2.96	$ 2.42
Average LBMA gold price/troy oz in US$	$ 1,798	$ 1,873	$ 1,911	$ 1,711
Average US$/CDN$ exchange rate	$ 1.267	$ 1.303	$ 1.332	$ 1.386
Period end US$/CDN$ exchange rate	$ 1.258	$ 1.273	$ 1.334	$ 1.363

(1) Refer to tables under heading *Non-IFRS Financial Measures* for details of the calculation of these amounts.

(2) Quarterly period June 2020 has been restated to incorporate the finalization of fair values relating to the sale of Red Chris in August 2019.

The financial information for each of the most recently completed eight quarters has been prepared in accordance with IFRS other than in respect of the non-IFRS financial measures described in more detail under *Non-IFRS Financial Measures*.

Variations in the quarterly results are impacted by two primary factors:

(a) Fluctuations in revenue are due to the timing of shipping schedules and quantities of copper and gold sold on each ship, production volumes at the mines, changes in the price of copper, gold and the US/CDN exchange rate.

(b) Fluctuations in net income (loss) are due to the revenue changes described above and realized and unrealized gains/losses on derivative instruments based on movements in the reference item hedged, changes in foreign exchange rates on US$ denominated debt, changes in production cost inputs and changes in tax rates.

In addition to the variations in quarterly results caused by the primary factors discussed above the following periods had non-recurring transactions that further impacted net income (loss):

(a) The primary reasons for the increase in net income in the June 2020 quarter compared to March 2020 quarter were due to increased production at Red Chris mine and higher metal prices which led to increased revenue.

(b) The primary reason for the increase in net income in the September 2020 quarter compared to June 2020 quarter was due to an increase in tax recovery compared to the prior quarter.

(c) The primary reason for the decrease in net income in the December 2020 quarter compared to September 2020 quarter was due to higher operating expenses at Red Chris mine.

(d) The primary reason for the decrease in net loss in the March 2021 quarter compared to December 2020 quarter was due to an increase in tax recovery compared to the prior quarter which was triggered by an increase in discount rate for future site reclamation provision. Compared to March 2020 quarter, net loss decreased due to an increase in tax recovery in the current year quarter compared to a tax expense in the prior year quarter.

(e) The primary reason for the increase in net loss in the June 2021 quarter compared to March 2021 quarter was due to a decrease in tax recovery compared to the prior quarter. Compared to June 2020 quarter, net loss increased primarily due to lower metal grades at Red Chris mine which led to decreased revenue in the current year quarter.

(f) The primary reason for the decrease in the net loss in the September 2021 quarter compared to June 2021 quarter was due to increased sale of copper and gold in the September 2021 quarter which led to increased revenue. However, compared to September 2020 quarter, net loss increased primarily due to higher operating expenses at Red Chris mine.

(g) The primary reason for the increase in net loss in the December 2021 quarter compared to September 2021 quarter was due to increase in restart costs for Mount Polley in the December 2021 quarter. Compared to December 2020 quarter, net loss increased primarily due to reduced sale of copper and gold.

(h) The primary reason for the decrease in net loss in March 2022 quarter compared to December 2021 quarter was due to the gain realized on the disposal of the Giant Copper Property. Compared to March 2021 quarter, net loss increased primarily due to lower tax recovery in the current year quarter.

RELATED PARTY TRANSACTIONS

Corporate

Related party transactions with a joint venture, a significant shareholder, companies controlled by a significant shareholder, companies in which directors are owners, and with the Company’s directors and officers are as follows:

Statements of Financial Position

expressed in thousands of dollars	March 31 2022	December 31 2021
Equipment rental trade receivables from Red Chris Joint Venture	$ 51	$ 54

Statements of Loss and Comprehensive Loss

expressed in thousands of dollars	Three Months Ended March 31	
	2022	2021
Equipment rental and revenue from Red Chris Joint Venture	$ 126	$ 288
Credit facility arrangement guarantee and standby fee	$ 416	$ -
Interest expense	$ -	$ 48

The Company incurred the above transactions and balances in the normal course of operations.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. At the end of the period covered by this MD&A, management evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws.

Based on that evaluation, management has concluded that, as of the end of the period covered by this MD&A, the disclosure controls were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Internal Controls and Procedures

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and disclosure controls and procedures. The Company's internal control system over financial reporting is designed to provide reasonable assurance to management and the Board of Directors regarding the preparation and fair presentation of published financial statements in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's Interim Financial Statements.

The Company's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting at March 31, 2022. In making this assessment, management used the criteria set forth in the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that, as of March 31, 2022, the Company's internal control over financial reporting were effective.

Following the sale of a 70% interest in the Red Chris mine to Newcrest on August 15, 2019, the Company's management has limited the scope of the design of the Company's disclosure controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of the Red Chris mine, in which the Company now holds a 30% beneficial interest and is proportionately consolidated in the Company's Interim Financial Statements. As the minority partner in the Red Chris Joint Venture, the Company's management does not have the ability to dictate or modify controls at this entity and does not have the ability to assess, in practice, the controls at the entity. The Red Chris Joint Venture constitutes 60.5% of the Company's net assets, 62.0% of total assets, 99.6% of revenues of the Interim Financial Statement amounts as of and for the period ended March 31, 2022. The Red Chris Joint Venture is not a taxable entity as each joint venture participant calculates its own income taxes on their share of income from the joint venture. The Company's share of the Red Chris Joint Venture's pre-tax loss totalled $1.1 million for the period ended March 31, 2022.

Limitations

The Company's management believes that any disclosure controls and procedures or internal controls over financial reporting, no matter how well designed and operated, can only provide reasonable and not absolute assurance that the objectives of the control system are met. Therefore, even those systems determined effective cannot provide absolute assurance that all control issues and instances of fraud within the Company, if any, have been prevented or detected.

RISK FACTORS

The Company's business involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this MD&A and the Interim Financial Statements of the Company. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition, results of operations and cash flow would suffer.

FORWARD-LOOKING STATEMENTS & RISKS NOTICE

This MD&A is a review of the Company's operations and financial position, as at and for the year ended December 31, 2021, and plans for the future based on facts and circumstances as of May 6, 2022.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking information which is prospective in nature and reflect the current views and/or expectations of Imperial. Often, but not always, forward-looking information can be identified by the use of statements such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such information in this MD&A includes, without limitation, statements regarding: future impacts of the COVID-19 pandemic; the ability to continue operations in lieu of the COVID-19 pandemic; changes to the Company's business and operations in order to minimize the risks to employees, communities and other stakeholders; the effectiveness of preventative actions put in place by the Company and Newcrest, including measures taken in accordance with Provincial Health Officer orders, to respond to the COVID-19 pandemic as well as to implement a prevention plan for all communicable diseases; potential impact of violations to acts and regulations with respect to the preventative measures; expectations regarding the care, maintenance and rehabilitation activities at the Mount Polley mine and Huckleberry mine; expectations regarding updates to the mine restart plans and timelines for the Mount Polley mine and Huckleberry mine; expectations regarding the potential cost and length of life mine of Red Chris; expectations and timing regarding current and future exploration and drilling programs; expectations and timing regarding the Red Chris Block Cave PFS; expectations regarding metal recoveries; capital expenditures; adequacy of funds for projects and liabilities; our belief in the merit of and expectations regarding the allegations of a securities class action claim; outcome and impact of litigation; cash flow; working capital requirements; the requirement for additional funding for capital projects; the ability for the Company to continue as a going concern, including sufficient funding of the Company's obligations as they come due; results of operations, production, revenue, margins and earnings; future prices of copper and gold; future foreign currency exchange rates, including its impact on derivative instruments; volatility of the Company's income or loss from derivative instruments; liquidation of marketable securities; and the use of non-IFRS financial measures including adjusted net income (loss), adjusted EBITDA, cash earnings and cash cost per pound of copper.

Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates, including, but not limited to, assumptions that: the scope and duration of the COVID-19 pandemic and its impact on our business will not be significant and the Company's operations will be able to return to normal after the COVID-19 pandemic has subsided; the Company will have access to capital as required and will be able to fulfill its funding obligations as the Red Chris minority joint venture partner; there are risks related to holding non-majority investment interests in the Red Chris mine Joint Venture; the Company will be able to advance and complete remaining planned rehabilitation activities within expected timeframes; there will be no significant delay or other material impact on the expected timeframes or costs for completion of rehabilitation of the Mount Polley mine and Huckleberry mine; the Company's rehabilitation activities at Mount Polley and Huckleberry will be successful in the long term; all required permits, approvals and arrangements to proceed with planned rehabilitation at Mount Polley and Huckleberry will be obtained in a timely manner; the Company's belief that the appeals with respect to decisions in favour of the Company are without merit; there will be no material operational delays at the Red Chris mine; equipment will operate as expected; there will not be significant power outages; there will be no material adverse change in the market price of commodities and exchange rates; and the Red Chris mine will achieve expected production outcomes (including with respect to mined grades and mill recoveries and access to water as needed). Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. We can give no assurance that the forward-looking information will prove to be accurate.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Imperial's actual results, revenues, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements constituting forward-looking information.

Important risks that could cause Imperial's actual results, revenues, performance or achievements to differ materially from Imperial's expectations include, among other things: the risk that the Company's beneficial interest of the Red Chris mine may be diluted over time should it not have access to capital as required and will not be able to meet its funding obligations as the Red Chris minority joint venture partner; additional financing that may be required may not be available to Imperial on terms acceptable to Imperial or at all; uncertainty regarding the outcome of sample testing and analysis being conducted on the area affected by the Mount Polley Breach; risks relating to the timely receipt of necessary approvals and consents to proceed with the rehabilitation plan at Mount Polley and Huckleberry; risks relating to the remaining costs and liabilities and any unforeseen longer-term environmental consequences arising from the Mount Polley Breach; uncertainty as to actual timing of completion of rehabilitation activities at Mount Polley and Huckleberry; risks relating to the impact of the Mount Polley Breach on Imperial's reputation; risks relating to mining operations and mine restart timelines; uncertainty regarding general economic conditions; uncertainty regarding the short-term and long-term impact of the COVID-19 pandemic on the Company's operations and investments and on the global economy and metals prices generally; risks relating to the potential ineffectiveness of the measures taken in response to the COVID-19 pandemic; risks associated with competition within the mining industry; the Company's dependency on third party smelters; risks relating to trade barriers; the quantum of claims, fines and penalties that may become payable by Imperial and the risk that current sources of funds are insufficient to fund liabilities; risks that Imperial will be unsuccessful in defending against any legal claims or potential litigation; risks of protesting activity and other civil disobedience restricting access to the Company's properties; failure of plant, equipment or processes to operate in accordance with specifications or expectations; cost escalation, unavailability of materials and equipment, labour unrest, power outages, and natural phenomena such as weather conditions and water shortages negatively impacting the operation of the Red Chris mine; changes in commodity and power prices; changes in market demand for our concentrate; risks that the COVID-19 pandemic may adversely affect copper and gold prices, impact our ability to transport or market our concentrate, cause disruptions in our supply chains and create volatility in commodity prices and demand; inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources); uncertainty relating to mineral resource and mineral reserve estimates; uncertainty relating to production estimates; risks associated with mineral exploration and project development; fluctuations in exchange rates and interest rates; risks associated with permitting and government regulations; environmental and health and safety matters; risks relating to joint venture projects; risks relating to foreign operations; dependence on key management personnel; taxation risk; conflicts of interest; cyber threats; risks relating to the use of derivative contracts and other hazards and risks disclosed within this MD&A for the three months ended March 31, 2022 and other public filings which are available on Imperial's profile at sedar.com. For the reasons set forth above, investors should not place undue reliance on forward-looking information. Imperial does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Exhibit 99.6

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**Meeting**") of the shareholders of **IMPERIAL METALS CORPORATION** (the "**Company**") will be held virtually by live audio webcast online at meetnow.global/M5QCU54 on **Wednesday, May 25, 2022** at 2:00 p.m. (Pacific time), for the following purposes:

1. To receive audited consolidated financial statements of the Company for the year ended December 31, 2021, together with the auditors' report thereon;

2. To elect directors of the Company for the ensuing year;

3. To appoint auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;

4. To approve all unallocated stock options under the Company's Amended and Restated Stock Option Plan (2007); and

5. To transact such further and other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Company is holding the Meeting as a completely virtual meeting, which will be conducted virtually via live audio webcast online at meetnow.global/M5QCU54. **Shareholders will not be able to attend the Meeting in person**. Registered shareholders and duly appointed proxyholders will be able to attend, ask questions and vote at the Meeting virtually through the above noted link. Non-registered shareholders (being shareholders who hold their shares, among others, through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as guests, but guests will not be able to vote or ask questions at the Meeting.

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her or it at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or voting instruction form and following the instructions in the Management Information Circular and on their form of proxy or voting instruction form.

If you are a registered shareholder of the Company and unable to attend the virtual Meeting, complete and return the accompanying form of proxy in accordance with the instructions set out in the proxy and in the Management Information Circular accompanying this Notice of Meeting. A proxy will not be valid unless it is received by Computershare Investor Services Inc, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) between the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. Telephone voting can be completed at 1-866-732-8683 and Internet voting can be completed at investorvote.com.

The Chairman of the Meeting has the discretion to accept proxies received after that time.

The accompanying Management Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to and expressly made a part of this Notice of Meeting.

DATED at Vancouver, British Columbia this 1st day of April, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "J. Brian Kynoch"

J. Brian Kynoch, President

If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by any other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

IMPERIAL METALS CORPORATION

MANAGEMENT INFORMATION CIRCULAR

(information as at April 1, 2022 unless indicated otherwise)

This Information Circular accompanies the Notice of Annual General Meeting (the "Meeting") of the shareholders of Imperial Metals Corporation (the "Company") to be held on Wednesday, May 25, 2022 at the time and place and for the purposes set out in the accompanying Notice of Meeting. This Information Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting and at any adjournment(s) or postponement(s) of the Meeting.

It is expected that solicitations of proxies will be made primarily by mail and possibly supplemented by email, telephone or other personal contact by directors, officers and employees of the Company at nominal cost. The Notice of Meeting and form of proxy (the "**Proxy"**) together with a financial statement request form will be posted on the Company's website as of April 13, 2022. The costs of solicitation will be borne by the Company. In this Information Circular, except where otherwise indicated, all dollar amounts are expressed in Canadian currency.

NOTICE-AND-ACCESS

The Company has elected to use the notice-and-access provisions ("**Notice-and-Access Provisions**") for the Meeting pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") with respect to the mailing to its registered and non-registered (beneficial) shareholders. The Notice-and-Access Provisions allow the Company to post proxy-related materials both on SEDAR and a non-SEDAR website, rather than delivering the materials by mail. Shareholders will receive a Notice-and-Access notification, which will contain information on how to obtain electronic and paper copy of the Notice of Meeting, and a form of proxy or voting instruction form along with a financial statement request form. Shareholders wishing to receive paper copies of the meeting materials may request copies by contacting 604-488-2659 or inquiries@imperialmetals.com.

The Company is not using procedures known as 'stratification' in relation to the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Information Circular to some, but not all, shareholders with the Notice of Meeting.

RECORD DATE

The board of directors of the Company (the "**Board"**) has set the close of business on April 1, 2022, as the record date (the "**Record Date"**) for determining which shareholders of the Company shall be entitled to receive notice of and to vote at the Meeting. Only shareholders of record as of the Record Date are entitled to receive notice of and to vote at the Meeting, unless after the Record Date a shareholder of record transfers his, her or its Common Shares and the transferee (the "**Transferee"**), upon establishing that the Transferee owns such Common Shares, requests in writing, at least ten days prior to the Meeting or at any adjournment(s) or postponement(s) thereof, that the Transferee may have his, her or its name included on the list of shareholders entitled to vote at the Meeting. In such case, the Transferee, upon fulfilling the necessary requirements, will be entitled to vote such shares at the Meeting. Such written request by the Transferee shall be filed with the Corporate Secretary of the Company at Suite 200, 580 Hornby Street, Vancouver, British Columbia, Canada V6C 3B6.

PROXIES AND VOTING RIGHTS

Management Solicitation and Appointment of Proxies

Registered Shareholders

The persons named in the accompanying Proxy are nominees of the Company’s management. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for and on the shareholder’s behalf at the Meeting other than the persons designated as proxyholders in the accompanying Proxy. To exercise this right, the shareholder must either:**

(a) on the accompanying Proxy, insert the name of the shareholder's nominee in the blank space provided; or

(b) complete another proper form of proxy.

To be valid, a Proxy must be signed by the shareholder or his or her legal personal representative. In the case of a corporation, the Proxy must be signed by a duly authorized representative of the corporation.

The completed Proxy, together with the power of attorney or other authority, if any, under which the Proxy was signed or a notarially certified copy of the power of attorney or other authority, must be received by Computershare Investor Services Inc. ("Computershare"), Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, by 2:00 pm (Pacific time) on May 20, 2022 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting is to be reconvened after any adjournment(s) or postponement(s) thereof. The Chairman of the Meeting has the discretion to accept proxies received after that time. Telephone voting can be completed at 1-866-732-VOTE (1-866-732-8683) and Internet voting can be completed at investorvote.com.

A registered shareholder or a Non-Registered Shareholder who has appointed themselves or a third party proxyholder to represent them at the Meeting, will appear on a list of shareholders prepared by Computershare (as defined below).

Non-Registered Shareholders

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered shareholders" because the shares they own are not registered in their name but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans); or (b) in the name of a depository (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of applicable securities laws, the Company has elected to send copies of the Notice-and-Access notification, and the Proxy together with a financial statement request form (collectively, the "**Meeting Materials**") to the depositories and Intermediaries for onward distribution to Non-Registered Holders. The Meeting Materials for those shareholders with existing instructions on their account to receive printed materials will also include a printed copy of the Notice of Meeting.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

a) be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit the Proxy should otherwise properly complete the Proxy and deliver it to the offices of the Company; or

b) more typically, be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a proxy authorization form) which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder's name in the blank space provided, or in the case of a proxy authorization form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

Non-Registered Holders who have not duly appointed themselves as proxyholders may attend the Meeting as guests. Guests will be able to listen to the Meeting but will not be able to vote or ask questions at the Meeting. This is because Computershare does not have a record of Non-Registered Holder of the Company and, as a result, will have no knowledge of shareholdings or entitlement to vote, unless the Non-Registered Holder appoints itself as proxyholder.

If you are a Non-Registered Holder and wish to vote at the Meeting, you must appoint yourself as proxyholder by inserting your own name in the space provided for appointing a proxyholder on the voting instruction form sent to you and follow all of the applicable instructions, including the deadline, provided by the intermediary/broker.

Attending the Meeting Online

Shareholders and duly appointed proxyholders can attend the Meeting online at meetnow.global/M5QCU54.

Registered shareholders and **duly appointed proxyholders** can participate in the Meeting by clicking "**Shareholder**" and entering a Control Number or an Invite Code before the start of the Meeting.

- **Registered shareholders**: the 15-digit control number is located on the Proxy or in the email notification you received.

- **Duly appointed proxyholders**: Computershare will provide the proxyholder with an Invite Code by email after the voting deadline has passed.

Attending and voting at the Meeting will only be available for registered shareholders and duly appointed proxyholders.

Non-Registered Holders who have not appointed themselves as proxyholders to participate and vote at the Meeting may login as a guest, by clicking on "**Guest**" and complete the online form; however, they will not be able to vote or submit questions.

Shareholders who wish to appoint a third-party proxyholder to represent them at the virtual meeting **must submit their Proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a shareholder has submitted their Proxy or voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.**

To register a proxyholder, shareholders MUST visit computershare.com/ImperialMetals by Friday, May 20, 2022 by 2:00 pm Pacific time and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invite Code by email.

In order to participate online, shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invite Code.

The virtual meeting platform is fully supported across most commonly used web browsers (note: Internet Explorer is not a supported browser). We encourage you to access the Meeting prior to the start time. **It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.**

Participating in the Meeting

The Meeting will be online by way of a live webcast.

- **Registered shareholders and appointed proxyholders**: Only those who have a 15-digit control number, along with duly appointed proxyholders who were assigned an Invite Code by Computershare (see details under the heading "Appointment of a Third Party as Proxyholder"), will be able to vote and submit questions during the Meeting. To do so, please go to meetnow.global/M5QCU54 prior to the start of the Meeting to login. Click on "**Shareholder**" and enter your 15-digit control number or click on "**Invitation**" and enter your Invite Code.

- **United States Beneficial Shareholders**: To attend and vote at the virtual meeting, you must first obtain a valid Legal Proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with the Proxy materials or contact your broker or bank to request a Legal Form of Proxy. After first obtaining a valid Legal Proxy from your broker, bank or other agent, you must submit a copy of your Legal Proxy to Computershare in order to register to attend the Meeting. Requests for registration should be sent:

By mail to:	Computershare 100 University Avenue 8th Floor Toronto, ON M5J 2Y1
By email at:	uslegalproxy@computershare.com

  Requests for registration must be labeled as "Legal Proxy" and be received no later than 2:00 pm Pacific time on Friday, May 20, 2022. You will receive a confirmation of your registration by email. You are required to register your appointment at computershare.com/ImperialMetals.

Appointment of a Third Party as Proxyholder

The following applies to shareholders who wish to appoint a person (a "**third party proxyholder"**) other than the management nominees set forth in the Proxy or voting instruction form as proxyholder, including non-registered shareholders who wish to appoint themselves as proxyholder to attend and participate at the Meeting.

Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting **must submit their Proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a shareholder has submitted their Proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.**

To register a proxyholder, shareholders MUST visit computershare.com/ImperialMetals by 2:00 pm Pacific time on May 20, 2022 and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invite Code via email.

Without an Invite Code, proxyholders will not be able to attend and vote at the Meeting.

Revocation of Proxies

A shareholder who has given a Proxy may revoke it at any time before the Proxy is exercised:

a) by an instrument in writing that is:

   (i) signed by the shareholder (or his or her attorney authorized in writing) or, where the shareholder is a corporation, a duly authorized representative of the corporation; and

   (ii) delivered to Computershare Investor Services Inc. or to the registered office of the Company at 200 – 580 Hornby Street, Vancouver, British Columbia, V6C 3B6 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or delivered to the chairperson of the Meeting prior to the commencement of the Meeting; or

b) in any other manner provided by law.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

Voting of Shares and Proxies and Exercise of Discretion by Proxyholders

If the Proxy is completed, signed and delivered to the Company, the person(s) named as proxyholders therein shall vote or withhold from voting the Common Shares in respect of which they are appointed as proxyholders at the Meeting in accordance with the instructions of the shareholder of the Company appointing them, on any ballot, and if the shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the person(s) appointed as proxyholder shall vote accordingly. The Proxy confers discretionary authority upon the person(s) named therein with respect to: (a) each matter or group of matters identified therein for which a choice is not specified; (b) any amendment to or variation of any matter identified therein; and (c) to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Information Circular, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

If no choice is specified by a shareholder of the Company with respect to any matter identified in the Proxy or any amendment or variation to such matter, it is intended that the persons designated by management in the Proxy will vote the shares represented thereby in favour of such matter.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company's authorized capital consists of an unlimited number of Common Shares without par value. As of April 1, 2022, there were a total of 141,395,941 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company as at the date hereof other than as set out below:

Name	Common Shares Held	Percentage of Outstanding

		Common Shares
Mr. N. Murray Edwards **("Edwards")** and Edco Capital Corporation, a company controlled by Mr. Edwards	59,622,910	42.17
Fairholme Capital Management, LLC, on behalf of funds or accounts managed by it	25,461,804	18.01

ELECTION OF DIRECTORS

The Board of Directors of the Company currently consists of seven directors and it is proposed to elect seven directors for the ensuing year.

The Board proposes to nominate the seven (7) persons named in the table below (the "**Nominees"**) for election as directors of the Company. Each Nominee elected as a director of the Company will hold office until the next annual general meeting of the shareholders of the Company or until the director sooner ceases to hold office.

The following table sets out the name of each Nominee, the place in which he or she is ordinarily resident, all offices of the Company now held by him or her, his or her present principal occupation, the period of time during which he or she has been a director of the Company, and the number of Common Shares of the Company beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as of the date of this Information Circular.

Name, Place of Residence and Position with Company [(1)]	**Principal Occupation** [(1)]	**Director Since**	**Common Shares Owned**[(1)]
Dr. Carolyn D. Anglin *British Columbia, Canada* *Nominee*	Principal consultant at Anglin & Associates Consulting; previously Chief Scientific Officer and Vice President, Environmental Affairs of the Company.	New Nominee	7,000
J. Brian Kynoch [5] *British Columbia, Canada* *Director and President*	President of the Company.	March 7, 2002	1,469,210
Pierre Lebel [2/4/5] *British Columbia, Canada* *Director and Chairman*	Chairman of the Board of Directors of the Company.	December 6, 2001	190,724
Larry G. Moeller [2/3/4] *Alberta, Canada* *Lead Director*	President, Kimball Capital Corporation, a private company.	March 7, 2002	4,213,575
Janine North[2/3/6] *British Columbia, Canada* *Director*	Professional Director.	May 22, 2018	60,134
James P. Veitch [2/6] *Alberta, Canada* *Director*	Businessman and Director and Secretary/Treasurer of a private consultancy company.	May 22, 2018	43,622
Edward A. Yurkowski [2/3/4/5/6] British Columbia, Canada *Director*	Retired Mining Contractor and Mining Executive.	May 20, 2005	26,249

(1) The information as to the place of residence, principal occupation and shares beneficially owned, or controlled or directed, directly or indirectly, has been furnished by the respective directors individually.
(2) Member of the Audit Committee

(3) Member of the Compensation Committee
(4) Member of the Corporate Governance and Nominating Committee
(5) Member of the Health and Safety Committee
(6) Member of the Special Committee | Mount Polley Breach

No Nominee is to be elected under any arrangement or understanding between the Nominee and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

Corporate Cease Trade Orders or Bankruptcies

Mr. Yurkowski was a director of Chieftain Metals Corp. ("**Chieftain**") from May 22, 2013 to September 1, 2016. On August 31, 2016, Chieftain and its wholly-owned subsidiary (Chieftain Metals Inc.) was served with an application by West Face Capital Inc., as agent for West Face Long Term Opportunities Global Master L.P., seeking the appointment of Grant Thornton Limited as receiver of all of the assets, undertakings and properties of Chieftain. On September 6, 2016, the Ontario Superior Court of Justice issued an order appointing Grant Thornton Limited as the receiver and manager of all the assets, undertakings and properties of Chieftain. On June 2, 2017, the Ontario Superior Court of Justice issued an order authorizing Grant Thornton Limited to file a proposal under the *Bankruptcy and Insolvency Act* (Canada) in respect of Chieftain and its wholly owned subsidiary.

Other than as described above, no proposed director of the Company is or has been, during the ten years preceding the date of this Information Circular, to the knowledge of the Company:

(a) a director, chief executive officer or chief financial officer of any company that:

   (i) was the subject of a cease trade or similar order or an order that denied such issuer access to any exemption under securities legislation that was in effect for a period of more than thirty consecutive days (an "**Order"**) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

   (ii) was subject to such an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the company that is the subject of the Order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company.

Individual Bankruptcies

During the ten (10) years preceding the date of this Information Circular, no proposed director of the Company has, to the knowledge of the Company, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

None of the proposed nominees for election as directors has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company's executive compensation program is administered by the Compensation Committee on behalf of the Board. The members of the Compensation Committee are all independent, non-management directors. The Compensation Committee is responsible for ensuring that the Company has in place an appropriate plan for executive compensation. The plan must be competitive and rewarding in order to attract, retain and motivate executives who will provide the leadership required to enhance the growth and profitability of the Company.

The Compensation Committee's overall policy for determining executive compensation is based on the following principles:

1. support the fundamental objective of maximizing long term shareholder value;
2. make performance the key determinant of pay for executive officers; and
3. establish clear management accountabilities for executive officers.

Executive compensation is comprised of several components: base salary, annual incentives which relate to specific accomplishments during the year and which are paid in cash and long term equity-based incentives in the form of stock options. To date, no specific formulae have been developed to assign a specific weighting to each of these components. The Company's compensation philosophy is to foster entrepreneurship at all levels of the organization by making long term equity-based incentives, through the granting of stock options, a significant component of executive compensation assuming the Company's common share price achieves good long term performance. The Compensation Committee uses third party compensation data to help determine appropriateness and competitiveness of its compensation program. The Compensation Committee reviews each component of executive compensation and, in addition, reviews total compensation for overall competitiveness.

The Company has not completed an assessment of the potential risks associated with the Company's compensation policies and practices. The Compensation Committee is responsible for annually reviewing the Company's compensation arrangements, as set out above, and may determine to undertake such an assessment during a later period.

The Company has not prohibited its executive officers or directors from purchasing financial instruments that are designed to hedge or off-set a decrease in market value of any securities of the Company granted as compensation or held, directly or indirectly, by an executive officer or director.

Base Salary

The Compensation Committee and the Board approve the salary ranges for all levels of the Company's employees. The Company believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. Base salaries for executives are determined by assessment of sustained performance and consideration of competitive compensation levels for the markets in which the Company operates. The Company uses third party compensation surveys (for mining and natural resource companies between 300 and 1,000 employees) to benchmark its base salary levels.

Salary increases for the named executive officers (the "Named Executive Officers" or "NEOs")[1] during the year ending December 31, 2021 averaged 5%.

Annual Incentives

The Compensation Committee believes that incentive compensation motivates individual performance to maximize shareholder value and aligns executive officer performance with the Company's objectives and shareholder interests.

The Board has approved a bonus plan that is meant to increase corporate performance, profitability and shareholder value. Under the plan, cash payments are made when predetermined operational and financial targets are met. In addition, the Compensation Committee factors into the bonus its assessment of each executive officer's respective contribution to this achievement.

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[1] For a further definition of the terms "Named Executive Officer" and "NEO", reference may be made to the section entitled "Summary Compensation Table" on page 11.

There are three elements used in determining the annual bonus (all excluding Huckleberry mine):

1. Financial target (33%) is defined as consolidated pretax cashflow from operations before bonus;
2. Operating target (33%) (based on the Red Chris mine) is comprised of three equally weighted elements: metal production in concentrate, mill throughput, and aggregate costs (Mount Polley and Huckleberry mines); and
3. Board discretion (34%), which provides the Board opportunity to evaluate the employee's performance.

The bonus calculation has two components, a target bonus and an extra bonus. The target bonus is payable for each bonus element if the targets for that bonus element are met. The extra bonus is payable if a bonus element target is exceeded.

66% of the target bonus is payable if the Company achieves its financial and operating targets. 34% of the target bonus is payable at Board discretion. No target bonus is payable on a bonus element if less than 80% of that target element is reached. The target bonus (other than the Board discretion component) is paid on a graduated scale commencing at 80% of the target and in full when the target element is met. Target elements are evaluated individually and aggregated to determine the overall contribution of that element toward the target bonus. Not all operating elements need to be achieved for payout under the operating target element.

The extra bonus is payable if the target element is exceeded on a graduated scale commencing at 100% of target up to 120% of target. The extra bonus is paid in full when 120% of the target element is achieved.

The maximum bonus payout as a percentage of their base salary for each NEO listed is as follows:

Brian Kynoch	75.00%
Darb Dhillon	52.50%
Don Parsons	52.50%
Randall Thompson	37.50%
James Miller-Tait	26.25%

In 2021, the mines operated by the Company were on care and maintenance and the Red Chris mine is operated by our Joint Venture Partner. The Compensation Committee updated the operating target element in the bonus calculation to include aggregate costs for Mount Polley and Huckleberry mines to align the annual bonus with the current operations of the Company. Cash bonus amounts for 2021 have not yet been determined.

Long Term Compensation (Option Grants)

The Company has a broadly-based employee stock option plan. The plan is designed to encourage stock ownership and entrepreneurship on the part of employees and, in particular, all executive officers. The plan aligns the interests of executive officers with shareholders by linking a significant component of executive compensation to the long term performance of the Company's common stock.

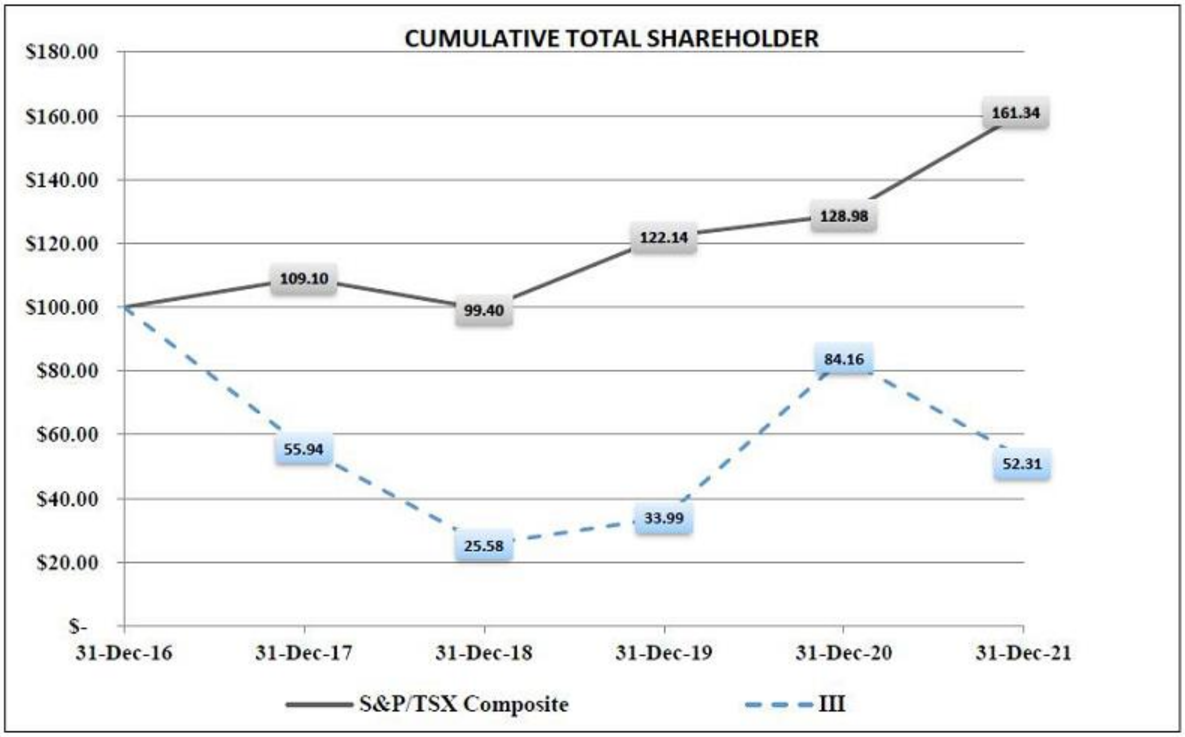
The President makes recommendations to the Compensation Committee regarding individual stock option based awards for all recipients. The Compensation Committee reviews the appropriateness of the stock option grant recommendations from the President for all eligible employees and accepts or adjusts these recommendations.

Previous stock option grants are taken into account when considering new option grants. Options are granted from time to time and vest over a three (3) or five (5) year period.

The Board is of the view that while fair compensation is an essential element of job satisfaction and performance, other elements such as employee recognition, inclusiveness, job ownership and autonomy, transparency and consistency are equally important and encourages loyalty and principled behavior.

Performance Graph

The following graph compares the cumulative total shareholder return on a $100 investment in Common Shares of the Company to a $100 investment in the S&P/TSX Composite Index (assuming the reinvestment of dividends), for the period from December 31, 2016 to December 31, 2021. The performance of the Common Shares as set out in the graph below does not necessarily indicate future price performance.



	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
S&P/TSX Composite	100.00	109.10	99.40	122.14	128.98	161.34
III	100.00	55.94	25.58	33.99	84.16	52.31

In the three (3) year period ended December 31, 2021, the NEO's cash compensation decreased by 8.7%, the NEO's total compensation decreased by 8.7% and the Common Share price increased by 53.9%. Factors impacting the change in the NEO's compensation were: (i) there was an option awarded to all NEO's in 2020 and were no options awarded to NEO's in 2021 and 2019; and (ii) cash bonuses were awarded in 2019 and 2020. The cash bonuses related to 2019 were paid in 2020, and the 2020 cash bonus was paid in 2021. Cash bonus amounts for 2021 have not yet been determined.

Summary Compensation Table

"Named Executive Officers" or "NEOs" means the Chief Executive Officer (the "**CEO**") and the Chief Financial Officer (the "**CFO**") of the Company and each of the Company's three most highly compensated executive officers, other than the CEO and the CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose compensation was more than $150,000. It also includes any individual who would have satisfied the foregoing criteria except that individual was not serving as an executive officer at the end of the most recently completed financial year.

The following table summarizes the compensation earned for each of the Company's three most recently completed financial years ended December 31, 2021 by each individual who during fiscal 2021 served as a Named Executive Officer.

					Non-Equity Incentive Plan Compensation ($)				
Name & Principal Position		**Salary ($)**	**Share-based awards ($)**	**Option-based awards ($)[1]**	**Annual incentive plans[2]**	**Long-term incentive plans**	**Pension value ($)**	**All other compensation ($)[3]**	**Total compensation ($)**
Brian Kynoch[4][5]	2021	290,937	-	-	103,941	-	-	10,183	405,061
President	2020	244,292	-	198,400	60,000	-	-	8,550	511,242
	2019	301,740	-	-	150,000	-	-	9,624	461,364
Darb Dhillon[6]	2021	205,000	-	-	34,960	-	-	3,528	243,488
Chief Financial Officer	2020	83,957	-	99,200	11,439	-	-	1,800	196,396
Don Parsons	2021	248,460	-	-	59,194	-	-	7,454	315,108
Chief Operating	2020	232,933	-	99,200	32,213	-	-	6,988	371,334
Officer	2019	241,500	-	-	61,156	-	-	7,245	309,901
Randall Thompson	2021	207,111	-	-	49,343	-	-	7,249	263,703
VP Operations	2020	194,723	-	99,200	26,852	-	-	6,815	327,590
	2019	201,265	-	-	44,177	-	-	7,000	252,442
James Miller-Tait	2021	175,890	-	-	20,646	-	-	5,277	201,813
VP Exploration	2020	163,493	-	99,200	11,235	-	-	4,905	278,833
	2019	166,650	-	-	28,241	-	-	4,999	199,890

(1) This column includes the option grants made by the Company to the Named Executive Officers. The Company uses the Black-Scholes option pricing model for determining fair value of stock options issued at grant date. The Black-Scholes option valuation is determined using the expected life of the stock option, expected volatility of the Company's Common Share price, expected dividend yield, and risk-free interest rate.

(2) Amounts referred to in this column include payments under the Bonus Plan which are typically paid after receipt of the Company's annual audited financial statements in the following year. The amounts shown for 2019 include bonuses paid upon the completion of the sale of a 70% interest in the Company's Red Chris mine to Newcrest Mining Limited, with the payments under the Bonus Plan in respect of 2019 paid on Nov 27, 2020. Payment under the Bonus Plan for 2020 was paid on August 11, 2021. Bonus amounts for 2021 have not yet been determined.

(3) Contributions by the Company to an Employee Share Purchase Plan or RRSP Plan.

(4) As a management director of the Company, Mr. Kynoch does not receive any compensation for serving as a director or for attending meetings of the Board. The 2019 amount includes a partial payout of accrued vacation.

[5] The Company does not have a Chief Executive Officer; however, Mr. Kynoch fulfills this role as the Company's principal executive officer.

[6] Appointed July 1, 2020.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets out for each NEO, the incentive stock options (option-based awards) outstanding as at December 31, 2021.

Name	Option-based Awards Number of securities underlying unexercised options (#)	Option exercise price ($)	Option Expiration Date	Value of unexercised in-the-money options ($) (1)
Brian Kynoch	200,000	8.00	Dec 03 2025	-
	200,000	2.00	Apr 30 2025	234,000
Darb Dhillon	65,000	5.75	Dec 31 2027	-
	100,000	2.00	Apr 30 2025	117,000
Don Parsons	100,000	8.00	Dec 03 2025	-
	100,000	2.00	Apr 30 2025	117,000
Randall Thompson	75,000	2.00	Apr 30 2025	87,750
James Miller-Tait	50,000	8.00	Dec 03 2025	-
	100,000	2.00	Apr 30 2025	117,000

(1) Based on the difference between the option exercise price and the closing price of the Company's shares on the TSX at December 31, 2021, which was $3.17.

Value Vested or Earned During the Year

The following table shows the incentive plan awards value vested or earned for each NEO for the year ending December 31, 2021.

Name	Option-based awards – Value vested during the year ($) (1)	Non-equity incentive plan compensation – Value earned during the year ($) (2)
Brian Kynoch	187,000	103,941
Darb Dhillon	93,500	34,960
Don Parsons	93,500	59,194
Randall Thompson	93,500	49,343
James Miller-Tait	93,500	20,646

(1) The amount represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the closing price of the Company's shares and the exercise price on such vesting date.

(2) Payment under the Bonus Plan for 2020 was paid on August 11, 2021.

See “Securities Authorized For Issuance Under Equity Compensation Plans – Stock Option Plan”.

Termination and Change of Control Benefits

There were no compensatory plans, contracts or arrangements where a Named Executive Officer is entitled to receive more than $50,000 from the Company or its subsidiaries, including periodic payments or installments, in the event of (i) resignation or retirement of the Named Executive Officer's employment with the Company and its subsidiaries; (ii) a change of control of the Company or any of its subsidiaries; or (iii) a change in the Named Executive Officer's responsibilities.

In the event of a termination without cause, Don Parsons is eligible for one month's payment in lieu of notice for each year of employment to a maximum of 12 months valued to be $250,920 as at December 31, 2021.

In the event of a termination without cause, Randall Thompson is eligible for six months payment in lieu of notice valued to be $104,581 as at December 31, 2021.

In the event of a termination without cause, James Miller-Tait is eligible for one month's payment in lieu of notice for each year of employment to a maximum of six months valued to be $90,090 as at December 31, 2021.

In the event of a termination without cause, Darb Dhillon is eligible for one month's payment in lieu of notice for each year of employment to a maximum of six months valued to be $107,500 as at December 31, 2021.

Director Compensation

Commencing July 1, 2008, the Company has paid compensation comprised of cash and Common Shares to its non-management directors, being each director who is not an officer, employee or consultant of the Company.

Until December 1, 2015, each non-management director, other than the Chairman, received an annual retainer of $40,000 payable in Common Shares plus a meeting fee of $1,000 payable in cash for each Board or committee meeting attended, subject to an aggregate maximum of $1,000 per day in meeting fees regardless of the number of meetings attended. The Company purchases the shares in the market for delivery to the directors.

On December 1, 2015, the annual retainer for each non-management director, other than the Chairman, was reduced to $36,000 payable in Common Shares plus a meeting fee of $900 payable in cash for each Board or committee meeting attended, subject to an aggregate maximum of $900 per day in meeting fees regardless of the number of meetings attended.

Effective July 1, 2021, the annual retainer for each non-management director, other than the Chairman, was reinstated to $40,000 payable in Common Shares plus a meeting fee of $1,000 payable in cash for each Board or committee meeting attended, subject to an aggregate maximum of $1,000 per day in meeting fees regardless of the number of meetings attended.

In 2015 the retainer for the Chairman of the Board was $8,333 per month. Subsequent to December 31, 2015, the monthly retainer was retroactively reduced by 10% effective December 1, 2015 such that the retainer is $6,825 per month.

On a quarterly basis, the number of Common Shares to be delivered to each non-management director of the Company is determined by dividing 25% of the annual retainer by the weighted average daily price of the Common Shares for the respective quarter.

Directors are also reimbursed for travel and out-of-pocket expenses incurred in connection with their duties as directors.

Director Compensation Table

The following table sets forth all compensation paid for the financial year ended December 31, 2021 to non-NEO members of the Board.

Name [(1)]	**Fees earned ($)**	**Share-based awards ($)**[(3)]	**Option-based awards ($)**	**Non-equity incentive plan compensation ($)**[(4)]	**Pension value ($)**	**All other compensation ($)**	**Total ($)**
Pierre Lebel [(2)]	81,900	-	-	17,500	-	-	99,400
Larry Moeller	7,400	37,000	-	-	-	-	44,400
Theodore Muraro	7,400	37,000	-	-	-	-	44,400
Janine North	2,700	41,700	-	-	-	-	44,400
James P. Veitch	6,500	37,000	-	-	-	-	43,500
Edward Yurkowski	7,400	37,000	-	-	-	-	44,400

(1) Mr. Kynoch, President of the Company, does not receive any compensation for serving as a director or for attending meetings of the Board. Disclosure for Mr. Kynoch's compensation is provided on page 11 of this Information Circular.

(2) In 2021, Mr. Lebel received compensation of $6,825 per month.

(3) Annual retainer payable in Common Shares, issued quarterly.

(4) Payment under the Bonus Plan for 2020 was paid on August 11, 2021.

Option-Based Awards to Directors

The following table sets out the awards outstanding at December 31, 2021 for non-NEO members of the Board.

	Option-based Awards			
Name[(1)]	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option Expiration Date**	**Value of unexercised in-the-money options ($)**[(2)]
Pierre Lebel	50,000	8.00	Dec 03 2025	-
	50,000	2.00	Apr 30 2025	58,500
Larry Moeller	-	-	-	-
Theodore Muraro	-	-	-	-
Janine North	-	-	-	-
James P. Veitch	-	-	-	-
Edward Yurkowski	-	-	-	-

(1) Mr. Kynoch, President of the Company, does not receive any compensation for serving as a director or for attending meetings of the Board. Disclosure for Mr. Kynoch's compensation is provided on page 11 of this Information Circular.

(2) Based on the difference between the option exercise price and the closing price of the Company's shares on the TSX at December 31, 2021, which was $3.17.

Value Vested or Earned During the Year

The following table shows the incentive plan awards value vested or earned for each non-NEO director for the fiscal year ending December 31, 2021.

Name[(1)]	**Option-based awards – Value vested during the year ($)**[(2)]	**Non-equity incentive plan compensation – Value earned during the year ($)**[(3)]
Pierre Lebel	46,750	17,500
Larry Moeller	-	-
Theodore Muraro	-	-
Janine North	-	-
James P. Veitch	-	-
Edward Yurkowski	-	-

(1) Mr. Kynoch, President of the Company, does not receive any compensation for serving as a director or for attending meetings of the Board. Disclosure for Mr. Kynoch's compensation is provided on page 11 of this Information Circular.

(2) The amount represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the closing price of the Company's shares and the exercise price on such vesting date.

(3) Payment under the Bonus Plan for 2020 was paid on August 11, 2021.

CORPORATE GOVERNANCE

The Company is a reporting issuer in British Columbia, Saskatchewan, Ontario and Quebec. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose the corporate governance practices that they have adopted. The following is a discussion of each of the Company's corporate governance practices for which disclosure is required by NI 58-101.

Board of Directors

The Board considers that six (6) of the seven (7) current directors are independent according to the definition of "independence" set out in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The six (6) directors considered independent are Ms. North, Messrs. Lebel, Moeller, Muraro, Veitch and Yurkowski.

Mr. Lebel, an independent director, is Chair of the Board and presides as such at each meeting. A description of the responsibilities of the Chair of the Board is available on the Company's website at imperialmetals.com.

Mr. Kynoch, by virtue of his office as President of the Company, is not considered to be an independent director of the Company and the Board considers that a majority of the directors are independent according to the definition of "independence" set out in NI 52-110.

Meetings of independent directors are not regularly scheduled but communication among this group occurs on an ongoing basis as needs arise from regularly scheduled meetings of the Board. The number of these informal meetings has not been recorded, but it would not be less than five (5) in the fiscal year that commenced on January 1, 2021. The Board believes that adequate structures and processes are in place to facilitate the functioning of the Board with a level of independence of the Company's Management.

The Board appointed Larry Moeller as Lead Director on May 19, 2010. The Lead Director facilitates the functioning of the Board independently of the Company's management and is generally charged with the responsibility of maintaining and enhancing the quality of the Company's corporate governance practices.

Term Limits and Representation of Women on the Board of Directors and Executive Officer Positions

There is currently one woman as an executive officer of the Company, representing 14% of all executive officers of the Company. The Company has not considered the level of representation of women in executive officer positions when making appointments for said positions because the Company believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve our business objectives, without reference to their age, gender, race, ethnicity or religion, is in the best interests of the Company and all of its stakeholders.

The Company has one female director on the Board. The Company has not adopted term limits for the directors of the Company or a target number of women on the Board and women in executive officer positions; however, the Company has adopted a written policy relating to the identification and nomination of women directors (the "**Board Diversity Policy**") because the Company believes that skills and backgrounds collectively represented on the Board should reflect the diverse nature of the business environment in which the Company operates.

The Company has not considered the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board because the Company is committed to a merit based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Company will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board. In addition, the Company will periodically assess the expertise, experience, skills and backgrounds of its directors in light of the needs of the Board, including the extent to which the current composition of the Board reflects a diverse mix of knowledge, experience, gender, skills and background.

Directorships

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction in Canada or foreign jurisdiction:

Pierre Lebel	West Vault Mining Inc.
Larry Moeller	Magellan Aerospace Corporation and Orbus Pharma Inc.
Janine North	Conifex Timber and Mercer International Inc.
James P. Veitch	Magellan Aerospace Corporation
Edward Yurkowski	Fortune Minerals Ltd.

Attendance

During the fiscal year that commenced on January 1, 2021 to December 31, 2021, the Board held a total of eight (8) meetings:

Directors	Board of Directors	Audit Committee	Corporate Governance and Nominating Committee	Compensation Committee	Health and Safety Committee
Brian Kynoch	8 of 8	n/a	n/a	n/a	5 of 5
Pierre Lebel	8 of 8	5 of 5	2 of 2	n/a	5 of 5
Larry Moeller	8 of 8	5 of 5	2 of 2	4 of 4	n/a
Theodore Muraro	8 of 8	n/a	n/a	4 of 4	5 of 5
Edward Yurkowski	8 of 8	5 of 5	2 of 2	4 of 4	5 of 5
Janine North	8 of 8	5 of 5	n/a	4 of 4	n/a
James P. Veitch	8 of 8	5 of 5	n/a	n/a	n/a

The Chair of the Special Committee | Mount Polley Breach met regularly with Management in 2021 to stay apprised of the progress on matters within its mandate and communicates with the Special Committee members as required.

Board Mandate

The responsibilities of the Board include setting long term goals and objectives for the Company, formulating the plans and strategies necessary to achieve those objectives and supervising senior management in their implementation. Although the Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management personnel, the Board retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business.

The Board fulfills its mandate through direct oversight, setting policy, appointing committees and appointing management.

The Board Mandate is available at imperialmetals.com.

Position Descriptions

The Board operates under the Board Mandate. In addition, the Board has approved written position descriptions for the positions of President (who acts as CEO), Chairman and Director. The position descriptions are available at imperialmetals.com.

Charters have been adopted for each of the committees of the Board outlining their principal responsibilities.

Orientation and Continuing Education

The Board requires that each new director be provided with a written orientation package relating to the Company as well as information on the responsibilities and liabilities of directors. New directors also meet with existing directors and senior management personnel of the Company to learn about the functions and activities of the Company.

The Corporate Governance and Nominating Committee has overall responsibility for regularly assessing the skills, experience and knowledge represented on the Board for adequacy and effectiveness. To date, no formal continuing education program has been established for Board members. As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experience of each director.

Corporate Disclosure and Confidentiality Policy

In March 2015, the Company adopted a Corporate Disclosure and Confidentiality Policy, with the objective to ensure that communications relating to the Company are: (i) timely, factual and accurate; and (ii) are disseminated in accordance with all applicable legal and regulatory requirements. The Corporate Disclosure and Confidentiality Policy confirms in writing the Company's existing disclosure policies and practices, and provides guidance on how the Company interacts with analysts and the public, and contains measures for the Company to avoid selective disclosure.

Anti-Bribery and Anti-Corruption Policy

In February 2014, the Company adopted an Anti-Bribery and Anti-Corruption Policy, which is applicable to all of the Company's entities and operations, whether operated by the Company, an affiliate, or a subsidiary, and to all Company employees and third party contractors.

The purpose of this Anti-Bribery and Anti-Corruption Policy is to reiterate the Company's commitment to full compliance by the Company, its subsidiaries and affiliates, and its officers, directors, employees and agents with Canada's Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act, and any local anti-bribery or anti-corruption laws that may be applicable.

Ethical Business Conduct

The Company does not currently have a formal written code for ethical business conduct; however, it is established under and is therefore governed by the provisions of the BCA. Pursuant to the BCA, a director or officer of the Company must disclose to the Company in writing or by requesting that it be entered in the minutes of meetings of the Board, the nature and extent of any interest that he or she has in material contract or material transaction, whether made or proposed, with the Company, if the director or officer: (a) has a material interest in the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. The interested director cannot vote on any resolution to approve such contract or transaction.

While there is no formal corporate policy on ethical business conduct, the Company carries out its business in accordance with the rules and regulations of all regulatory agencies to which it is subject. This culture of compliance is stressed to all levels of management of the Company to ensure that business is conducted in an ethical and proper manner at all times.

The Board monitors adherence to high standards of conduct through disclosure and inquiry mechanisms. Management is obligated to report to the Corporate Governance and Nominating Committee if instances of unethical behaviour are identified. The Board makes inquiries from time to time to ensure that the Company's business is conducted in an ethical and proper manner.

Complaint Procedures

In 2004 a policy was implemented which detailed procedures for receipt, retention and treatment of complaints or submissions regarding accounting, internal accounting controls or auditing matters, and confidential and anonymous submission of concerns from employees of the Company or any of its subsidiaries about questionable accounting or auditing matters.

Imperial's procedures for filing complaints relating to accounting and auditing matters is available at imperialmetals.com.

Nomination of Directors

The process by which the Board identifies new candidates for Board nomination is outlined in the Company's Corporate Governance and Nominating Committee Charter, which is available at imperialmetals.com.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is responsible for assisting the Board in fulfilling its oversight responsibilities by identifying individuals qualified to become Board and Board Committee members and recommending that the Board select director nominees for appointment or election to the Board; and developing and recommending to the Board corporate governance guidelines for the Company and making recommendations to the Board with respect to corporate governance practices. A full description of the responsibilities, powers and operation of the Corporate Governance and Nominating Committee are outlined in its Charter, which is available at imperialmetals.com.

The Corporate Governance and Nominating Committee is composed of three (3) independent directors, being Pierre Lebel (Chair), Larry Moeller and Edward Yurkowski.

Audit Committee

The primary objective of the Audit Committee is to act as a liaison between the Board and the Company's independent auditors (the "**Auditors**") and to assist the Board in fulfilling its oversight responsibilities with respect to the financial statements and other financial information provided by the Company to its shareholders, the public and others, the Company's compliance with legal and regulatory requirements, the qualification, independence and performance of the Auditors and the Company's risk management and internal financial and accounting controls, and management information systems. A full description of the responsibilities, powers and operation of the Audit Committee are outlined in its Charter, is available at imperialmetals.com.

The Audit Committee is composed of five (5) independent directors, being Larry Moeller (Chair), Pierre Lebel, Janine North, James Veitch and Edward Yurkowski.

Additional information regarding the Audit Committee, as required under *"Directors & Executive Officers – Audit Committee"* in the Company's Annual Information Form dated March 25, 2022. The Annual Information Form is available on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") which may be accessed at sedar.com under the Company's profile and is available at imperialmetals.com. A copy of the Company's

Annual Information Form will be provided to any shareholder of the Company without charge by request to the Corporate Secretary of the Company at 200 – 580 Hornby Street, Vancouver, BC V6C 3B6.

Compensation Committee

The Compensation Committee is responsible for reviewing the adequacy and form of compensation provided to Company's directors and officers. A full description of the responsibilities, powers and operation of the Compensation Committee are outlined in its Charter, which is available at imperialmetals.com.

The Compensation Committee is composed of four (4) independent directors, being Larry Moeller (Chair), Theodore Muraro, Janine North and Edward Yurkowski. Each member of the Compensation Committee has direct experience that is relevant to his responsibilities in executive compensation, as well as the skills and experience necessary to enable him to make decisions on the suitability of the Company's executive compensation. Each of the Committee members has held senior management positions or other roles in public companies.

During the fiscal year ended December 31, 2021, no outside consultant or advisor was retained by the Company.

Other Board Committees

Other than the Audit, Compensation and Corporate Governance and Nominating Committees, the Board has a Health and Safety Committee. The Health and Safety Committee Charter is available at imperialmetals.com.

The Health and Safety Committee is a standing committee of the Board. The primary function of the Committee is to oversee the development and implementation of appropriate policies, and to review the performance of the Company with respect to industrial health and safety matters.

The Health and Safety Committee is composed of four (4) directors, both independent and non-independent, being Theodore Muraro (Chair), Brian Kynoch, Pierre Lebel and Edward Yurkowski.

On August 7, 2014, the Company formed a Special Committee | Mount Polley Breach to oversee the legal and technical work resulting from the breach at the tailing storage facility at Mount Polley. The Special Committee meets on an ad hoc basis and is composed of four (4) independent directors, being James P. Veitch (Chair), Theodore Muraro, Janine North and Edward Yurkowski.

The Special Committee does not have a Charter.

Assessments

The Corporate Governance and Nominating Committee has the responsibility for reviewing the performance of the Board as outlined in its Charter. In addition to the Board assessment, each Committee of the Board, other than the two Special Committees, is to self-assess their effectiveness and contribution annually as outlined in their Charters.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Stock Option Plan

On March 20, 2007, the Board approved a 10% "rolling" Stock Option Plan (2007) (the "**Stock Option Plan**"), which was also approved by the Company's shareholders. The total number of Common Shares issuable pursuant to stock options outstanding under the Stock Option Plan, including any Common Shares issuable pursuant to outstanding options previously granted under the Company's former plans, will not exceed 10% of the issued and outstanding Common Shares of the Company.

On March 29, 2010, the Board approved an Amended and Restated Stock Option Plan (2007) (the "**Amended Plan**"), which was also approved by the Company's shareholders on May 19, 2010 and was ratified by the shareholders at the annual general meeting held on May 29, 2013, May 27, 2016 and June 25, 2019. Under the rules and policies of the Toronto Stock Exchange (the "**TSX**"), unallocated options, rights or other entitlements under a TSX-listed issuer's security-based compensation arrangement that does not have a fixed maximum number of securities issuable must be approved every three years by a majority of the issuer's directors and by the issuer's shareholders.

Accordingly, shareholder approval of all unallocated options under the Amended Plan will be sought at the Meeting, as more particularly described below under "Particulars of Other Matters to be Acted Upon – Approval of Unallocated Options under the Amended and Restated Stock Option Plan (2007)".

Summary of the Amended Plan

The Amended Plan is administered by the Board or a committee thereof (the "**Committee**"). At its discretion, the Committee, from time to time, grants options to directors, officers, employees and certain other persons providing services to the Company or any of its subsidiaries to purchase Common Shares of the Company.

The maximum number of Common Shares issuable pursuant to stock options outstanding under the Amended Plan at any time will not exceed 10% of the number of Common Shares which are issued and outstanding at that time, provided that if any stock option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of such expired or terminated stock options shall again be available for the purposes of granting stock options pursuant to the Amended Plan and reloading is permitted. The number of Common Shares issuable under the Amended Plan and all other established or proposed share compensation arrangements of the Company to insiders of the Company is not to exceed 10% of the outstanding Common Shares. The number of Common Shares issued to insiders of the Company within any one (1) year period pursuant to the Amended Plan and all other established or proposed share compensation arrangements of the Company is not to exceed 10% of the outstanding Common Shares.

The stock options will be exercisable at a price fixed by the Committee at the time of grant that will not be less than the Market Price of the Common Shares on the last trading day immediately prior to the date of the grant. "Market Price", on any date, will be the closing trading price of the Common Shares of the Company on the TSX (as reported by such exchange) on the date or, in the absence of a closing price on such date, on the most recent date (not exceeding 10 days) prior to such date or, if the Common Shares are not listed on the TSX, on such other stock exchange as the Committee may designate, and otherwise shall be as determined by the Committee, or such price allowed by the applicable regulatory body or exchange.

Options granted under the Amended Plan are exercisable for such term as may be determined by the Committee at the time of grant, subject to earlier termination after certain events such as the optionee's cessation of service to the Company or death. The Amended Plan provides that if a stock option would otherwise expire during, or within five business days after the end of a trading black-out period imposed by the Company, the expiry date of that stock option will be extended to the day which is ten business days after the end of that trading black-out and empowering the Company to accelerate the termination of stock options in certain circumstances. The Committee, at its sole discretion, may determine the method of vesting, if any, of stock options granted under the Amended Plan. If an optionee ceases to be a director, officer, employee or consultant of the Company for any reason (other than death or retirement), the optionee may, but only within a period determined by the Committee of up to a maximum of 90 days after the optionee's ceasing to be a director, officer, employee or consultant of the Company, exercise the stock option but only to the extent that the optionee was entitled to exercise it at the date of such cessation. If an optionee ceases to be a director, officer, employee or consultant of the Company by reason of his retirement from the Company, the optionee may exercise the stock option until its expiry date, but only to the extent that the optionee was entitled to exercise it at the date of such cessation. In the event of the death of an optionee, the stock options previously granted to such optionee shall be exercisable only within six months following the date of the death of the optionee or prior to the expiry date of such stock option, whichever is earlier, and then only by the person or persons to whom the optionee's rights under the stock option shall pass by the optionee's will or the laws of descent and distribution and if and to the extent that the optionee was entitled to exercise the stock option at the date of the optionee's death.

Options granted under the Amended Plan are non-assignable and non-transferable without the prior written consent of the Company, which may be withheld in the Company's sole discretion.

The Company will not provide financial assistance to facilitate the exercise of stock options.

The Amended Plan does not provide for the Company to transform stock options into stock appreciation rights.

The Committee, subject to the prior approval of the Board and, if required, any stock exchange or other regulatory body having jurisdiction which may in turn require the approval of the shareholders of the Company, may discontinue the Amended Plan or amend the Amended Plan or any stock options. Notwithstanding the foregoing, the Committee, subject to the prior approval of the Board, is specifically authorized to amend the terms of the Amended Plan and the terms of any stock options, without obtaining shareholder approval, for, among others, the following purposes:

(a) amendments of a housekeeping nature, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions therein and those of a typographical, grammatical or clerical nature and updating provisions therein to reflect changes in governing laws, including tax laws, or to comply with the requirement of any regulatory authority;

(b) changes to the vesting provisions;

(c) changes to the manner of determining the Market Price;

(d) a change to the termination provisions which does not entail an extension beyond the original expiry date;

(e) any change to the eligible participants as optionees which would have the potential of broadening or increasing insider participation;

(f) the addition of a deferred or restricted share unit or any other provision which results in optionees receiving securities while no cash consideration is received by the Company;

(g) provide any form of financial assistance;

(h) amend a financial assistance provision to be more favorable to the optionees;

(i) add a cashless exercise feature, payable in cash or securities, whether or not the feature provides for a full deduction of the number of underlying Common Shares from the reserved Common Shares; and

(j) any reduction in the exercise price or purchase price or the extension of the term of any stock option which benefits a non-insider of the Company.

However, no amendments to the Amended Plan may be approved by the Committee which:

(i) increase the number of Common Shares reserved for issuance under the Amended Plan (including a change from a fixed maximum percentage of Common Shares to a fixed maximum number of Common Shares but excluding the reloading of securities after exercise);

(ii) reduce the exercise price or purchase price or extend the term of any stock option which benefits an insider of the Company, which security holder approval must exclude the votes of securities held by the insiders benefiting from the amendment;

(iii) change the manner of determining the exercise price so that the exercise price is less than the Market Price of the Common Shares on the last trading day immediately prior to the date of grant;

(iv) increase the aggregate number of Common Shares in respect of which stock options have been granted and remain outstanding so that such number of Common Shares, when taken together with all of the Company's security based compensation arrangements then either in effect or proposed, shall at any time be such as to result in:

(A) the number of Common Shares reserved for issuance to insiders pursuant to stock options exceeding 10% of the issued and outstanding Common Shares;

(B) the issuance to insiders pursuant to stock options, within a one (1) year period, of a number of Common Shares exceeding 10% of the issued and outstanding Common Shares; or

(v) result in an amendment to any provision of the Amended Plan which does not fall within sections (a) through (j) above,

without obtaining approval of the shareholders of the Company in accordance with the requirements of any stock exchange on which the Common Shares of the Company are listed for trading.

All stock options are subject to the applicable rules and regulations of all regulatory authorities and stock exchanges to which the Company is subject.

As at the end of December 31, 2021, there were an aggregate of 2,262,250 stock options outstanding under the Amended Plan, representing 1.6% of the then issued and outstanding Common Shares, and 11,876,969 stock options remained available for grant, representing 8.40% of the then issued and outstanding Common Shares of the Company.

Burn Rate

The Amended Plan burn rate for each of the three most recently completed financial years is:

Year	Burn Rate
2021	0%
2020	1.8%
2019	0%

Share Purchase Plan

On March 2, 2005, the Board established a Share Purchase Plan, which was approved by the Company's shareholders on May 16, 2005.

The Share Purchase Plan allows full-time employees of the Company and its subsidiaries who have been employed by the Company or any of its subsidiaries for at least six (6) consecutive months to purchase shares in the Company and receive from the Company an equal number of shares (the "**Company's Contribution**") over and above the shares purchased. The Share Purchase Plan is designed to allow participation by Company employees in the future growth of the Company. Employees must subscribe no later than December 1st of every year to commence contributions for the following calendar year. Employees have the opportunity to contribute up to a maximum of 5% of their gross annual salaries excluding any overtime pay, bonuses or allowances of any kind. Except with the further approval of the shareholders of the Company given by the affirmative vote of a majority of the votes cast at a meeting of the shareholders of the Company, excluding the votes of insiders of the Company and such insider's associates, the Company may not cause (a) the issuance or delivery to insiders of the Company, within a one (1) year period, of Common Shares under the Share Purchase Plan and the Amended Plan to exceed 10% of the outstanding issue; and (b) the issuance or delivery to any one insider of the Company and such insider's associates, within a one (1) year period, of shares under this Share Purchase Plan and the Amended Plan to exceed 5% of the outstanding issue.

The Company may issue shares from its treasury or purchase shares in the market for delivery to the participants under the Share Purchase Plan. The Company's Contribution will not exceed 400,000 Common Shares in any calendar year and will not exceed 2,000,000 Common Shares in the aggregate (representing 1.4% of the issued Common Shares of the Company at December 31, 2021). As at the end of December 31, 2021, the Company had no outstanding shares awarded and 1,980,398 shares remaining available for grant under the Share Purchase Plan. This represents 1.4% of number of issued and outstanding Common Shares of the Company.

The Board reserves the right to amend, modify or terminate the Share Purchase Plan at any time if and when it is advisable in the absolute discretion of the Board.

Equity Compensation Plan Information

The following table summarizes the Company's compensation plans described in detail above under which equity securities of the Company are authorized for issuance at the end of the Company's most recent completed financial year:

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights** (a)	**Weighted-average exercise price of outstanding options, warrants and rights** (b)	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))** ©
Equity compensation plans approved by security holders:			
Amended & Restated Stock Option Plan (2007)	2,262,250	4.63	11,876,969
Share Purchase Plan	Nil	Nil	1,980,398
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,262,250	4.63	13,857,367

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness, no current or former executive officer, director or employee of the Company or any of its subsidiaries, or any proposed nominee for election as a director of the Company, or any associate of any such executive officer, director, employee or proposed nominee, is or has been indebted to the Company or any of its subsidiaries, or to any other entity that was provided a guarantee, support agreement, letter of credit or other similar arrangement or understanding by the Company or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Company.

MANAGEMENT CONTRACTS

Management functions of the Company or any subsidiary of the Company are not, to any substantial degree, performed by a person other than the directors or executive officers of the Company or its subsidiaries (if any).

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular, no informed person of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or will materially affect the Company or any of its subsidiaries, except as follows:

In October 2021, the Company's existing Credit Facility was increased from $50 million to $75 million maturing October 9, 2022. In February 2022, the Credit Facility was increased from $75 million to $100 million, and in March 2022, the Credit Facility increased to $125 million. The increase of $75 million in the Credit Facility is guaranteed by an affiliate of the Company’s major shareholder, to which the Company will pay certain fees for providing the guarantee.

APPOINTMENT OF AUDITORS

The shareholders will be asked to vote for the re-appointment of Deloitte LLP, Chartered Professional Accountants, as the auditors of the Company to hold office until the next annual general meeting of shareholders of the Company and to authorize the directors to fix their remuneration.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Unallocated Options under the Amended and Restated Stock Option Plan (2007)

As described above under "Securities Authorized for Issuance under Equity Compensation Plans - Stock Option Plan", on March 29, 2010, the Board of Directors of the Company approved the Amended Plan, which was approved by the Company's shareholders on May 19, 2010 and was ratified by the shareholders at the annual general meeting held on June 25, 2019.

Pursuant to the rules and policies of the TSX, unallocated options, rights or other entitlements under a TSX-listed issuer's security-based compensation arrangement that does not have a fixed maximum number of securities issuable (which includes the Amended Plan) must be approved every three years by a majority of the issuer's directors and by the issuer's shareholders. All allocated stock options will remain unaffected, regardless of the outcome of the voting of the shareholders of the Company on the resolution below. If the resolution below is not approved by the shareholders of the Company, any stock options which expire or are subsequently cancelled will not be available for reallocation.

When determining the number of stock options which may be granted under the Amended Plan, all outstanding stock options will be included. As at April 1, 2022, the maximum number of stock options which could be granted is 14,139,594, the number of stock options actually outstanding is 2,258,500 representing 1.6% of the number of common shares of the Company issued and outstanding, and the number of stock options available for future grant is 11,881,094 representing 8.4% of the number of common shares of the Company's issued and outstanding.

At the Meeting, the shareholders of the Company will be asked to consider and, if thought appropriate, to pass an ordinary resolution in substantially the following form:

"RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. all unallocated stock options under the Company's Amended and Restated Stock Option Plan (2007) ("Amended Plan") be and are hereby approved;

2. the Company have the ability to continue granting stock options under the Amended Plan until May 25, 2025, that is until the date that is three years from the date when shareholder approval is currently being sought, unless the Amended Plan is terminated earlier; and

3. any one director or officer of the Company is hereby authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company if applicable, all such documents and other writings as may be required to give effect to the true intent of this resolution."

A full copy of the Amended Plan will be available at the Meeting. Shareholders may obtain a copy of the Amended Plan in advance of the Meeting upon request to the Corporate Secretary of the Company, 200 - 580 Hornby Street, Vancouver, British Columbia, V6C 3B6, telephone 604-669-8959 or investor@imperialmetals.com.

OTHER MATTERS TO BE ACTED UPON

There are no matters to be considered at the Meeting which are known to the directors or executive officers at this time other than as referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting it is the intention of the persons named in the Proxy accompanying this Information Circular to vote the same in accordance with their best judgement of such matters exercising discretionary authority.

ADDITIONAL INFORMATION

Additional information concerning the Company, including the Company's consolidated interim and annual financial statements and management's discussion and analysis, is available through SEDAR at sedar.com under "Company Profiles – Imperial Metals Corporation". Copies of such information may also be obtained on the Company's website at imperialmetals.com or on request without charge from the Corporate Secretary of the Company, 200 – 580 Hornby Street, Vancouver, British Columbia, V6C 3B6, telephone 604-669-8959, inquiries@imperialmetals.com.

Financial information of the Company is provided in the Company's consolidated comparative financial statements, and management's discussion and analysis thereon, for the fiscal year ended December 31, 2021. Copies of such financial statements may be obtained in the manner set forth above.

APPROVAL OF THE BOARD OF DIRECTORS

The undersigned hereby certifies that the contents and sending of this Information Circular have been approved by the directors of the Company.

DATED at Vancouver, British Columbia, Canada, this 1st day of April, 2022.

By Order of the Board of Directors of

IMPERIAL METALS CORPORATION

(signed) *"J. Brian Kynoch"*

J. Brian Kynoch, President

Exhibit 99.7

CONSENT OF INDEPENDENT AUDITORS

We consent to the use in this Registration Statement on Form F-7 of our report dated March 16, 2022, relating to the financial statements of Imperial Metals Corporation.

/s/ DELOITTE LLP

Chartered Professional Accountants
Vancouver, Canada
May 19, 2022

Exhibit 99.8

CONSENT OF RYAN BROWN

In connection with Imperial Metals Corporation's (the "Company") Registration Statement on Form F-7 (the "Form F-7") being filed with the United States Securities and Exchange Commission, I consent to the references of my name and to the use of information of a scientific or technical nature attributed to me in the Company's Annual Information Form dated March 25, 2022 for the year ended December 31, 2021 being incorporated by reference and filed with the Form F-7.

DATED: May 19, 2022

/s/ Ryan Brown
Ryan Brown

Exhibit 99.9

CONSENT OF GARY ROSTE

In connection with Imperial Metals Corporation's (the "Company") Registration Statement on Form F-7 (the "Form F-7") being filed with the United States Securities and Exchange Commission, I consent to the references of my name and to the use of information of a scientific or technical nature attributed to me in the Company's Annual Information Form dated March 25, 2022 for the year ended December 31, 2021 being incorporated by reference and filed with the Form F-7.

DATED: May 19, 2022

/s/ Gary Roste

Gary Roste

Exhibit 99.10

CONSENT OF JANICE BARON

In connection with Imperial Metals Corporation's (the "Company") Registration Statement on Form F-7 (the "Form F-7") being filed with the United States Securities and Exchange Commission, I consent to the references of my name and to the use of information of a scientific or technical nature attributed to me in the Company's Annual Information Form dated March 25, 2022 for the year ended December 31, 2021 being incorporated by reference and filed with the Form F-7.

DATED: May 19, 2022

/s/ Janice Baron
Janice Baron

Exhibit 99.11

CONSENT OF CHRIS REES

In connection with Imperial Metals Corporation's (the "Company") Registration Statement on Form F-7 (the "Form F-7") being filed with the United States Securities and Exchange Commission, I consent to the references of my name and to the use of information of a scientific or technical nature attributed to me in the Company's Annual Information Form dated March 25, 2022 for the year ended December 31, 2021 being incorporated by reference and filed with the Form F-7.

DATED: May 19, 2022

/s/ Chris Rees
Chris Rees

Exhibit 99.12

CONSENT OF ROB STEWART

In connection with Imperial Metals Corporation's (the "Company") Registration Statement on Form F-7 (the "Form F-7") being filed with the United States Securities and Exchange Commission, I consent to the references of my name and to the use of information of a scientific or technical nature attributed to me in the Company's Annual Information Form dated March 25, 2022 for the year ended December 31, 2021 being incorporated by reference and filed with the Form F-7.

DATED: May 19, 2022

/s/ Rob Stewart

Rob Stewart

Exhibit 99.13

CONSENT OF BRETT SWANSON

In connection with Imperial Metals Corporation’s (the “Company”) Registration Statement on Form F-7 (the “Form F-7”) being filed with the United States Securities and Exchange Commission, I consent to the references of my name and to the use of information of a scientific or technical nature attributed to me in the Company’s Annual Information Form dated March 25, 2022 for the year ended December 31, 2021 being incorporated by reference and filed with the Form F-7.

DATED: May 19, 2022

/s/ Brett Swanson
Brett Swanson

Exhibit 99.14

CONSENT OF MICHAEL SYKES

In connection with Imperial Metals Corporation’s (the “Company”) Registration Statement on Form F-7 (the “Form F-7”) being filed with the United States Securities and Exchange Commission, I consent to the references of my name and to the use of information of a scientific or technical nature attributed to me in the Company’s Annual Information Form dated March 25, 2022 for the year ended December 31, 2021 being incorporated by reference and filed with the Form F-7.

DATED: May 19, 2022

/s/ Michael Sykes
Michael Sykes

Exhibit 99.15

CONSENT OF LAURIE REEMEYER

In connection with Imperial Metals Corporation's (the "Company") Registration Statement on Form F-7 (the "Form F-7") being filed with the United States Securities and Exchange Commission, I consent to the references of my name and to the use of information of a scientific or technical nature attributed to me in the Company's Annual Information Form dated March 25, 2022 for the year ended December 31, 2021 being incorporated by reference and filed with the Form F-7.

DATED: May 19, 2022

/s/ Laurie Reemeyer
Laurie Reemeyer

Exhibit 99.16

CONSENT OF DR. BING WANG

In connection with Imperial Metals Corporation's (the "Company") Registration Statement on Form F-7 (the "Form F-7") being filed with the United States Securities and Exchange Commission, I consent to the references of my name and to the use of information of a scientific or technical nature attributed to me in the Company's Annual Information Form dated March 25, 2022 for the year ended December 31, 2021 being incorporated by reference and filed with the Form F-7.

DATED: May 19, 2022

/s/ Bing Wang
Bing Wang

Exhibit 99.17

CONSENT OF PHILIP STEPHENSON

In connection with Imperial Metals Corporation's (the "Company") Registration Statement on Form F-7 (the "Form F-7") being filed with the United States Securities and Exchange Commission, I consent to the references of my name and to the use of information of a scientific or technical nature attributed to me in the Company's Annual Information Form dated March 25, 2022 for the year ended December 31, 2021 being incorporated by reference and filed with the Form F-7.

DATED: May 19, 2022

/s/ Philip Stephenson
Philip Stephenson

Exhibit 99.19

News Release

Imperial Announces Rights Offering

Vancouver | **May 19, 2022** | **Imperial Metals Corporation** (the "Company") (TSX:III) announces that it will conduct a rights offering (the "Rights Offering") to raise gross proceeds of up to approximately C$53,730,456 through the issuance of rights ("Rights") to subscribe for an aggregate of 17,674,492 common shares of the Company ("Common Shares") at a subscription price of C$3.04 per Common Share.

The Rights Offering is being made to all existing shareholders in eligible jurisdictions, as disclosed in the Company's rights offering circular dated May 19, 2022 (the "Rights Offering Circular").

The Company intends to use all of the proceeds from the Rights Offering to pay down its existing credit facility and will make subsequent draw downs to fund capital expenditures at the Red Chris mine and for general working capital purposes. Included within the category “general working capital purposes” are general working capital requirements for all of the Company's business operations, general corporate and administrative activities and exploration activities.

The Rights Offering is being made to the holders of Common Shares of record at the close of business (Pacific Time) on May 31, 2022.

The Company will issue one Right for each outstanding Common Share. Each Right will be exercisable to acquire 0.125 Common Shares of the Company, upon payment of the subscription price per Common Share (called the "Basic Subscription Privilege"). Fractional shares will not be issued and any fractions will be rounded down to the nearest whole number. To illustrate: an eligible holder of 10,000 shares as of the record date would be issued 10,000 Rights, which would entitle the holder to subscribe for 1,250 shares (10,000 x 0.125) for an aggregate price of C$3,800 (1,250 x C$3.04).

The Rights will trade on the Toronto Stock Exchange under the symbol "III.RT.A" commencing on May 31, 2022 and will trade until 9:00 a.m. (Pacific Time) on June 24, 2022. The Rights will expire at 2:00 p.m. (Pacific Time) on June 24, 2022 (the "Expiry Time"), after which time unexercised Rights will be void and of no value. Shareholders who fully exercise their Rights will be entitled to subscribe pro rata for additional Common Shares (the "Additional Common Shares") in the Rights Offering, if available, as a result of unexercised Rights prior to the Expiry Time, subject to certain limitations set out in the Rights Offering Circular (the "Additional Privilege").

A rights offering notice ("Notice") and Rights DRS advice statements ("Rights DRS") will be mailed to each registered shareholder of the Company resident in Canada and certain other eligible jurisdictions as at the record date. Registered shareholders who wish to exercise their Rights must forward the completed Rights DRS, together with the applicable funds, to the Rights agent, Computershare Investor Services Inc., on or before the Expiry Time. Eligible shareholders who own their Common Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary.

Further details of the Rights Offering are contained in the Rights Offering Circular, which will be filed on SEDAR under the Company's profile at www.sedar.com and will be available at the Company’s website at www.imperialmetals.com, from your dealer representative or by contacting the Chief Financial Officer at 604.488.2658 or by email at darb.dhillon@imperialmetals.com. The Company is also registering the offer and sale of the shares issuable on exercise of the Rights on a Form F-7 registration statement under the U.S. Securities Act of

1933, as amended. Shareholders in the United States should also review the Company's Registration Statement on Form F-7 which will be filed with the United States Securities and Exchange Commission and can be found at www.sec.gov and may also be obtained by contacting the Chief Financial Officer at 604.488.2658 or by email at darb.dhillon@imperialmetals.com.

The Rights Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the acceptance of the Toronto Stock Exchange.

This press release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

About Imperial

Imperial is a Vancouver based exploration, mine development and operating company. The Company, through its subsidiaries, owns a 30% interest in the Red Chris mine, and a 100% interest in both the Mount Polley and Huckleberry copper mines in British Columbia. Imperial also holds a portfolio of 23 greenfield exploration properties in British Columbia

Company Contacts

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Forward-Looking Information and Risks Notice

Certain information contained in this news release are not statements of historical fact and are "forward-looking" statements. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, specific statements regarding the Rights Offering, including the timing and completion of the Rights Offering, the intended use of proceeds raised under the Rights Offering and statements regarding subsequent draw downs of the Company's existing credit facility and intended use of funds with respect to any such draw down. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "outlook", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document certain forward-looking statements are identified by words including "guidance", "expectations", "targeted", "plan", "planned", "estimated", "calls for" and "expected". Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates, including, amongst other things, assumptions that: the Company will receive all necessary regulatory, stock exchange and third party approvals in respect of the Rights Offering; the timing of the Rights Offering will meet the Company's expectations based on its business and operational requirements; the Rights Offering will provide sufficient liquidity to support the Company's intended use of the proceeds therefrom. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. We can give no assurance that the forward-looking information will prove to be accurate.

By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks that the Rights Offering will not provide the expected liquidity or benefits to the Company's business or operations; risks that required consents and approvals will not be received in order to advance or complete the Rights Offering; uncertainties relating to the cost of completing the Rights Offering; risks that could cause the Company to allocate the proceeds of the Rights Offering in a manner other than as disclosed, including all of the risks related to the Company's business, financial condition, result of operations and cash flows; and other risks of the mining industry as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements.