

Imperial Reports Third Quarter 2024 Financial Results

Vancouver | **November 5, 2024** | **Imperial Metals Corporation** (the “Company”) (TSX:III) reports financial results for the three and nine months ended September 30, 2024.

QUARTER HIGHLIGHTS

FINANCIAL

Adjusted EBITDA increased by \$63.7 million to \$74.2 million in Q3 2024 compared to \$10.5 million in Q3 2023.

Total revenue was \$146.1 million in the September 2024 quarter compared to \$78.5 million in the 2023 comparative quarter.

In the September 2024 quarter, the Red Chris mine (100% basis) had 4.0 concentrate shipments (2023-3.4 concentrate shipments). Mount Polley mine had 2.0 concentrate shipments (2023-1.2 concentrate shipments).

Variations in revenue are impacted by the increased quantity of concentrate sold, 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\$4.17 in the September 2024 quarter compared to US\$3.79 in the 2023 comparative quarter. The LBMA (London Bullion Market Association) gold price per troy ounce averaged US\$2,476 in the September 2024 quarter compared to US\$1,929 in the 2023 comparative quarter. The average US/CDN Dollar exchange rate was 1.364 in the September 2024 quarter, 1.7% higher than the exchange rate of 1.341 in the September 2023 quarter. In CDN Dollar terms the average copper price in the September 2024 quarter was CDN\$5.69 per pound compared to CDN\$5.08 per pound in the 2023 comparative quarter, and the average gold price in the September 2024 quarter was CDN\$3,377 per ounce compared to CDN\$2,587 per ounce in the 2023 comparative quarter.

A revenue revaluation in the September 2024 quarter was \$1.1 million as compared to a negative revenue revaluation of \$(3.4) million in the 2023 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 and weights.

Net income for the September 2024 quarter was \$32.3 million (\$0.20 income per share) compared to net loss of \$2.9 million (\$0.02 loss per share) in the 2023 comparative quarter. The increase in net income of \$35.2 million primarily due to the following factors:

- Income from mine operations went from \$0.5 million in the September 2023 quarter to an income of \$60.4 million in September 2024, increasing net income by \$59.9 million
- Interest expense went from \$8.7 million in September 2023 to \$9.2 million in September 2024, reducing net income by \$0.5 million, and
- Income and mining tax went from a recovery of \$9.0 million in September 2023 to tax expense of \$14.3 million on September 2024, reducing net income by \$23.3 million.

Capital expenditures including leases were \$64.4 million in the September 2024 quarter, an increase of \$24.6 million from \$39.8 million in the 2023 comparative quarter. The September 2024 quarter expenditures included \$2.9 million in exploration and development, \$22.7 million for tailings dam construction, \$12.7 million on stripping costs, and \$26.1 million of other capital.

At September 30, 2024, 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

During the quarter ended September 30, 2024, Imperial's consolidated metal production was 15,515,080 pounds copper and 13,551 ounces gold, of which 9,821,882 pounds copper and 9,527 ounces gold were produced at Mount Polley and 5,693,198 pounds copper and 4,024 ounces gold from its 30% share of Red Chris mine production.

Mount Polley Mine

Mount Polley metal production for the third quarter of 2024 was 9,821,882 pounds copper and 9,527 ounces gold, compared to 9,281,498 pounds copper and 10,009 ounces gold produced during the second quarter of 2024.

Mill throughput in the third quarter was down by 2%, with 1.694 million tonnes being treated compared with 1.714 million tonnes treated in the second quarter of 2024. Copper production in the third quarter 2024 was up by 6% largely on higher copper grade, 0.316% copper versus 0.294% copper in the second quarter of 2024.

Compared to the third quarter of 2023, mill throughput was up 8.6%, with 1.694 million tonnes being treated compared with 1.560 million tonnes treated in the third quarter of 2023. Copper production in the third quarter 2024 was up by 21.9%, compared to the same quarter in 2023, with copper grade, recovery and mill throughput all higher. Gold production was lower at 9,527 ounces in the third quarter of 2024 compared to 11,321 ounces produced in the comparative quarter of 2023 on lower grades and recovery which were partially offset by higher throughput.

For the nine months of 2024, copper production was up 21% compared to the same period last year with 16% increase in throughput while gold production was down 6%, with lower gold grades and recovery offsetting the higher throughput.

Stripping for the Phase 5 pushback of the Springer pit continues and approximately 3.97 million tonnes from this pushback was mined to the end of September 2024, with much of this material hauled to the TSF for buttress construction.

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Ore milled - tonnes	1,694,355	1,560,270	5,080,190	4,380,748
Ore milled per calendar day - tonnes	18,417	16,959	18,541	16,047
Grade % - copper	0.316	0.295	0.287	0.282
Grade g/t - gold	0.251	0.322	0.265	0.320
Recovery % - copper	83.2	79.5	82.2	80.1
Recovery % - gold	69.7	70.1	68.2	69.9
Copper - 000's pounds	9,822	8,057	26,459	21,798
Gold - ounces	9,527	11,321	29,544	31,485

Exploration, development, and capital expenditures in the third quarter of 2024 were \$27.8 million compared to \$13.1 million in the 2023 comparative quarter.

Red Chris Mine

Red Chris production (100%) for the third quarter of 2024 was 18,977,325 pounds copper and 13,414 ounces gold compared to 20,731,379 pounds copper and 12,531 ounces gold during the second quarter of 2024.

The reduction in copper production was primarily due to lower throughput, which was partially offset by the higher recovery. The current quarter throughput was 21,690 tonnes per day compared to 27,357 tonnes per day to the second quarter 2024. There was a 21% decrease in throughput and an 8% increase in copper grade (0.504% vs 0.466%). Gold production in the third quarter 2024 was up 7% (13,414 oz vs 12,531 oz) compared to the second quarter 2024 as result of a 21% increase in gold grades (0.37 g/t gold vs 0.30 g/t gold), which was partially offset by lower throughput.

In the 2024 third quarter, Red Chris copper production was up 38% and gold production was up 33.5% compared to the third quarter of 2023. The increase in copper production was a result of a 45.7% increase in copper grade (0.50% vs 0.35%) and an 8.6% increase in recovery (85.6% vs 78.8%). The increase in gold production was a result of a 41.2% increase in gold grade (0.365 g/t vs 0.258 g/t) and an 8.5% increase in recovery (57.3% vs 52.8%).

For the nine months of 2024, copper production was up 44% compared to the same period last year on higher copper grades and gold production was up 4% on higher gold grades.

Imperial's 30% portion of Red Chris mine for the third quarter of 2024 was 5,693,198 pounds copper and 4,024 ounces gold.

<i>100% Red Chris mine production</i>	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Ore milled - tonnes	1,995,442	2,288,860	6,585,328	6,737,288
Ore milled per calendar day - tonnes	21,690	24,879	24,034	24,679
Grade % - copper	0.504	0.346	0.466	0.340
Grade g/t - gold	0.365	0.258	0.308	0.304
Recovery % - copper	85.6	78.8	83.2	77.3
Recovery % - gold	57.3	52.8	54.3	51.9
Copper - 000's pounds	18,977	13,753	56,369	39,072
Gold - ounces	13,414	10,048	35,452	34,224

Imperial's 30% share of exploration, development, and capital expenditures were \$36.1 million in the September 2024 quarter compared to \$26.0 million in the 2023 comparative quarter.

Several capital projects are underway to improve safety and site efficiency; a coarse ore stockpile cover is being installed, a tailings thickener is being added to the circuit to recycle water to the mill along with other improvements.

Block Cave Project Update

The Red Chris JV permitting group continue work to advance the required permitting approvals for the planned Block Cave mine, as they continue to work collaboratively with both Tahltan and British Columbia governments through the process.

Red Chris Block Cave feasibility study work is focused on permitting, capital cost estimate and schedule refinement to ensure accuracy and execution so that a feasibility study can be delivered in advance of receiving final permitting for the block cave.

The underground development has continued with a total of 10,762 metres (including all vent drives) completed to the end of September 2024, with 266 metres completed in the quarter. The work on the decline to access the extraction level (Nagha decline) did not advance in the quarter. Development work focused on the three conveyor declines which have advanced 2,408 metres to the end of September 2024.

Underground development activities will be aligned to the permitting schedule with the Nagha decline expected to be completed to the extraction level elevation by June 2025

Huckleberry Mine

Huckleberry operations ceased in August 2016 and the mine remains on care and maintenance status.

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.

For the September 2024 quarter, Huckleberry incurred idle mine costs comprised of \$1.9 million in operating costs and \$0.3 million in depreciation expense compared to \$2.0 million in operating cost and \$0.2 million in depreciation expense in the comparable quarter of 2023.

TECHNICAL INFORMATION

The technical and scientific information related to the Company's mineral projects has been reviewed and approved by Brian Kynoch, P.Eng., President of Imperial Metals, and a designated Qualified Person as defined by NI 43-101.

Jim Miller-Tait, P.Geo. Vice President Exploration with Imperial Metals, is the designated Qualified Person as defined by National Instrument 43-101 for the Red Chris, Mount Polley and Huckleberry mines and greenfield exploration programs.

EARNINGS AND CASH FLOW

Select Quarter Financial Information

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Operations:				
Total revenues	\$146,098	\$78,485	\$362,397	\$256,910
Net income (loss)	\$32,268	\$(2,911)	\$43,473	\$(26,213)
Net income (loss) per share	\$0.20	\$(0.02)	\$0.27	\$(0.17)
Diluted income (loss) per share	\$0.20	\$(0.02)	\$0.27	\$(0.17)
Adjusted net income (loss) ⁽¹⁾	\$32,268	\$(2,955)	\$43,397	\$(26,266)
Adjusted net income (loss) per share ⁽¹⁾	\$0.20	\$(0.02)	\$0.27	\$(0.17)
Adjusted EBITDA ⁽¹⁾	\$74,243	\$10,483	\$139,585	\$17,333
Cash earnings ⁽¹⁾⁽²⁾	\$72,720	\$9,841	\$137,174	\$16,515
Cash earnings per share ⁽¹⁾⁽²⁾	\$0.45	\$0.06	\$0.85	\$0.11
Working capital deficiency	\$(151,915)	\$(152,990)	\$(151,915)	\$(152,990)
Total assets	\$1,534,533	\$1,369,152	\$1,534,533	\$1,369,152
Total debt (including current portion)	\$378,347	\$292,419	\$378,347	\$292,419

⁽¹⁾ Refer to *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.

Adjusted Net Income (Loss) and Adjusted Net Income (Loss) Per Share

Adjusted net income (loss) is derived from operating net income (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 income in the September 2024 quarter was \$32.3 million (\$0.20 income per share) compared to an adjusted net loss of \$3.0 million (\$0.02 loss per share) in the 2023 comparative quarter. We believe that the presentation of Adjusted Net Income (Loss) helps investors better understand the results of our normal operating activities and the ongoing cash generating potential of our business.

Adjusted EBITDA

Adjusted EBITDA in the September 2024 quarter was \$74.2 million compared to an adjusted EBITDA of \$10.5 million in the 2023 comparative quarter. We define Adjusted EBITDA as net income before interest expense, taxes, depletion, and depreciation, and as adjusted for certain other items.

Cash Earnings and Cash Earnings Per Share

Cash earnings in the September 2024 quarter was \$72.7 million compared to \$9.8 million in the 2023 comparative quarter. Cash earnings per share was \$0.45 in the September 2024 quarter compared to \$0.06 in the 2023 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.

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.

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.

Calculation of Cash Cost Per Pound of Copper Produced

expressed in thousands, except cash cost per pound of copper produced

Cash cost of copper produced in US\$
Copper produced – 000's pounds
Cash cost per lb copper produced in US\$

Three Months Ended September 30, 2024		
Mount Polley	Red Chris	Composite
\$1,016	\$19,263	\$20,278
9,822	5,693	15,515
\$0.10	\$3.38	\$1.31

expressed in thousands, except cash cost per pound of copper produced

Cash cost of copper produced in US\$
Copper produced – 000's pounds
Cash cost per lb copper produced in US\$

Three Months Ended September 30, 2023		
Mount Polley	Red Chris	Composite
\$14,025	\$18,253	\$32,278
8,057	4,126	12,183
\$1.74	\$4.42	\$2.65

expressed in thousands, except cash cost per pound of copper produced

Cash cost of copper produced in US\$
Copper produced – 000's pounds
Cash cost per lb copper produced in US\$

Nine Months Ended September 30, 2024		
Mount Polley	Red Chris	Composite
\$21,130	\$57,389	\$78,520
26,458	16,910	43,368
\$0.80	\$3.39	\$1.81

expressed in thousands, except cash cost per pound of copper produced

Cash cost of copper produced in US\$
Copper produced – 000's pounds
Cash cost per lb copper produced in US\$

Nine Months Ended September 30, 2023		
Mount Polley	Red Chris	Composite
\$46,987	\$55,243	\$102,230
21,798	11,722	33,520
\$2.16	\$4.71	\$3.05

For detailed information, refer to Imperial's 2024 Third Quarter Management's Discussion and Analysis available on imperialmetals.com and sedarplus.ca.

About Imperial

Imperial is a Vancouver based exploration, mine development and operating company with holdings that include the Mount Polley mine (100%), the Huckleberry mine (100%), and the Red Chris mine (30%). Imperial also holds a portfolio of 23 greenfield exploration properties in British Columbia.

Company Contacts

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Cautionary Note Regarding Forward-Looking Statements

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 Company’s expectations with respect to its ability to remain on track to achieve 2024 guidance; the continuation of work (including refinements of capital cost estimates and schedules) to advance preparation for the feasibility study and required permitting approvals for Red Chris’ planned Block Cave mine; the alignment of Red Chris underground development activities to the permitting schedule and the expectation that the Red Chris Nagha decline will be completed to the extraction level elevation by the end of 2024; the care and maintenance activities at the Huckleberry mine; and more general statements regarding the Company’s expectations with respect to its business and operations; metal pricing and demand; fluctuation of revenues; metal production guidance and estimates; and expectations regarding the usefulness of non-IFRS financial measures including adjusted net income (loss), adjusted EBITDA, cash earnings and cash cost per pound of copper.

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. 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.

In making the forward-looking statements in this news release, the Company has applied certain factors and assumptions that are based on information currently available to the Company as well as the Company’s current beliefs and assumptions. These factors and assumptions and beliefs and assumptions include, the risk factors detailed from time to time in the Company’s interim and annual financial statements and management’s discussion and analysis of those statements, and the risk factors detailed in the Company’s Annual Information Form, all of which are filed and available for review on SEDAR+ at sedarplus.ca. 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, many of which are beyond the Company’s ability to control or predict. 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 and all forward-looking statements in this news release are qualified by these cautionary statements.