



Management's Discussion & Analysis
For the Three Months Ended March 31, 2025

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, 2025 (the "Interim Financial Statements"), as well as the audited consolidated financial statements and management's discussion & analysis for the year ended December 31, 2024. The Interim Financial Statements and comparative information have been prepared in accordance with IAS 34, Interim Financial Reporting of IFRS® Accounting Standards as Issued by the International Accounting Standards Board. 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 12, 2025, the Company had 162,477,841 common shares outstanding, and, on a fully diluted basis, 186,043,841 common shares that are issuable on the conversion of outstanding convertible debentures and exercise of outstanding common share purchase options and warrants.

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

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This MD&A is a review of the Company's operations and financial position, as at and for the three months period ended March 31, 2025, and plans for the future based on facts and circumstances as of May 12, 2025.

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: the continuation of work to advance preparation of the feasibility study, permitting activities and some underground development to support the Red Chris underground block cave project; Huckleberry mine's care and maintenance activities and 2025 plans to investigate and update the tailings facility design; capital expenditures; adequacy of funds for projects and liabilities; expectations regarding the date of maturity, interest payable and timing of non-convertible debentures; outcome and impact of litigation; the *Fisheries Act* direct indictment instituted against the Company and others, including its subsidiary Mount Polley Mining Corporation, on December 6, 2024 (the "Indictment"); the judicial review petition and injunction application filed by the Xat'süll First Nation in April 2025 ("Xat'süll Petition"); potential claims and probability of material loss or judgment against the Company; 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 and targets 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 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 Company will be successful in defending itself against the Indictment and the Xat'süll Petition, and any adverse findings or judgments resulting from the Indictment and/or the Xat'süll Petition will not have a material adverse impact; the scope and duration of communicable disease outbreaks ("Outbreaks"), and their impact on our business will not be significant and the Company's operations will be able to return to normal as they subside; 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 and Huckleberry mines; 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 Huckleberry will be obtained in a timely manner; there will be no material operational and/or permitting delays at the Red Chris and Mount Polley mines; there will be no material delay in the receipt of the Red Chris block cave feasibility study and subsequent, related expansion plans; 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 and Mount Polley mines will achieve expected production outcomes (including with respect to mined grades and mill recoveries and access to water as needed) with no material delays, shutdowns, property damage and/or loss as a result of climate change impacts, such as (but not limited to) those arising from wildfires, flooding and mudslides. 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; the risk that the Red Chris Block Feasibility Study is not finalized in a timely manner or at all, thereby materially or indefinitely delaying anticipated Red Chris expansion plans; additional financing that may be required may not be available to Imperial on terms acceptable to Imperial or at all; risks relating to the timely receipt of necessary approvals and consents to proceed with the rehabilitation plan at Huckleberry; risks relating to mining operations and mine restart timelines; uncertainty regarding general economic conditions; uncertainty regarding the short-term and long-term impact of Outbreaks on the Company's operations and investments and on the global economy and metals prices generally, risks that Outbreaks may adversely impact copper and gold prices, our ability to transport or market our concentrate, cause disruptions in our supply chains and create volatility in commodity prices and demand; risks relating to the potential ineffectiveness of the measures taken in response to Outbreaks; risks associated with competition within the mining industry; the Company's dependency on third party smelters; risks relating to geopolitical instability, tariffs and other trade barriers; the quantum of claims, fines and penalties that may become payable by Imperial, including any which may result from the Indictment, and the risk that current sources of funds are insufficient to fund liabilities; risks that Imperial will be unsuccessful in defending against the Indictment, the Xat'sull Petition, and any other 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, climate change impacts, such as (but not limited to) those arising from wildfires, flooding and mudslides and other natural phenomena such as weather conditions and water shortages, negatively impacting the operation of the Red Chris and Mount Polley mines and potentially causing material delays, shutdowns, property damage and/or loss; changes in commodity and power prices; changes in market demand for our concentrate; 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 and potential adverse impacts from the global incorporation of artificial intelligence and machine learning into business processes; credit risk related to cash, trade and other receivables, and future site reclamation deposits; risks relating to the use of derivative contracts and other hazards and risks disclosed within the "Risk Factors" section of the Company's current Annual Information Form, and other public filings which are available on Imperial's profile at [sedarplus.ca](https://www.sedarplus.ca). 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.

All of the forward-looking statements made in this document are qualified by these cautionary statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended and readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information.

Accordingly, there can be no assurance that forward-looking information will prove to be accurate and forward-looking information is not a guarantee of future performance. Readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this document. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.

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. The Company has in place a robust planning, budgeting, and forecasting process to determine the funds required to support its operations and expansionary plans. As a result, after considering all relevant information, management has concluded that there are no material uncertainties related to the events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern for at least the next year.

Significant events during the quarter ended March 31, 2025

The Company extended its credit facility to March 31, 2026.

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, 2024.

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, 2024, except for the adoption of new standards effective as of January 1, 2025. The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following 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:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current,
- Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants,
- Amendments to IAS 21 Lack of Exchangeability,
- IFRS 18 Presentation and Disclosures in Financial Statements, and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

Comparative Information

Certain comparative amounts have been reclassified to conform to current period presentation, and those reclassifications are not material.

QUARTER HIGHLIGHTS

FINANCIAL

Total revenue was \$176.6 million in the March 2025 quarter compared to \$84.6 million in the 2024 comparative quarter.

In the March 2025 quarter, Mount Polley mine had 1.9 concentrate shipments (2024-1.3 concentrate shipments). The Red Chris mine (100% basis) had 5.0 concentrate shipments (2024-4.0 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\$4.24 in the March 2025 quarter compared to US\$3.83 in the 2024 comparative quarter. The LBMA (London Bullion Market Association) Final and Initial gold price per troy ounce averaged US\$2,862 in the March 2025 quarter compared to US\$2,072 in the 2024 comparative quarter. The average US/CDN Dollar exchange rate was 1.435 in the March 2025 quarter, 6.4% higher than the exchange rate of 1.349 in the March 2024 quarter. In CDN Dollar terms the average copper price in the March 2025 quarter was CDN\$6.08 per pound compared to CDN\$5.17 per pound in the 2024 comparative quarter, and the average gold price in the March 2025 quarter was CDN\$4,108 per ounce compared to CDN\$2,795 per ounce in the 2024 comparative quarter.

A positive revenue revaluation in the March 2025 quarter was \$10.0 million as compared to a negative revenue revaluation of \$0.2 million the 2024 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 income for the March 2025 quarter was \$41.3 million (\$0.26 income per share) compared to net loss of \$9.2 million (\$0.06 loss per share) in the 2024 comparative quarter. The increase in net income of \$50.5 million was primarily due to the following factors:

- Income from mine operations increased to \$78.3 million in the March 2025 quarter from a loss of \$1.5 million in March 2024, an increase of \$79.8 million;
- Idle mine cost increased to \$2.2 million in March 2025 from \$1.9 million in the March 2024 quarter;
- Net interest expense of \$8.1 million in March 2025 down from \$10.1 million in March 2024, increasing net income by \$2.0 million;
- Tax recovery went from \$6.6 million in March 2024 to tax expense of \$23.3 million in March 2025, decreasing net income by \$29.9 million.

The average US/CDN Dollar exchange rate was higher by 6.4% in the March 2025 quarter of 1.435 compared to an average of 1.349 in the 2024 quarter.

Capital expenditures including leases were \$47.0 million in the March 2025 quarter, an increase of \$10.8 million from \$36.2 million in the 2024 comparative quarter. The March 2025 quarter expenditures included \$15.4 million in exploration, \$14.5 million on stripping costs, \$9.7 million for tailings dam construction and \$7.4 million of other capital.

At March 31, 2025, 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 March 31, 2025, Imperial's consolidated metal production was 15.84 million pounds copper (Q1 2024-12.35 million pounds copper) and 17,120 ounces gold (Q1 2024-12,861 ounces gold).

Mount Polley Mine

Mount Polley metal production for the first quarter of 2025 was 8,904,389 pounds copper and 10,621 ounces gold, compared to 7,355,191 pounds copper and 10,009 ounces gold produced during the first quarter of 2024. Mill throughput was up 3.0%, with 1.72 million tonnes being treated compared with 1.67 million tonnes treated in the first quarter of 2024. Copper production in the first quarter 2025 was up by 21.1% because of the increase in throughput and higher grade and recovery compared to first quarter of 2024. Gold production in the first quarter 2025 was up 6.1% with increased recovery and throughput offsetting lower gold grades compared to the first quarter 2024.

	Three Months Ended March 31 2025	Three Months Ended March 31 2024
Ore milled - <i>tonnes</i>	1,721,769	1,671,505
Ore milled per calendar day - <i>tonnes</i>	19,131	18,368
Grade % - copper	0.28	0.25
Grade g/t - gold	0.28	0.28
Recovery % - copper	83.3	79.4
Recovery % - gold	69.8	66.0
Copper - <i>000's pounds</i>	8,904	7,355
Gold - <i>ounces</i>	10,621	10,009

Most of the mill feed for the first quarter of 2025 came from the material mined from near the bottom of the Phase 4 pit. Stripping for the Phase 5 pushback of the Springer pit continued with approximately 3,584,917 million tonnes of rock stripped from this pushback in the first quarter of 2025. Approximately 1,806,705 tonnes of non-acid generating rock from the Phase 5 stripping was hauled to the tailing facility to buttress the tailings storage embankment.

Exploration, development, and capital expenditures in the first quarter of 2025 were \$27.2 million compared to \$15.8 million in the 2024 comparative quarter.

Red Chris Mine

Red Chris production (100%) for the first quarter of 2025 was 23,126,491 pounds copper and 21,663 ounces gold compared to 16,660,225 pounds copper and 9,507 ounces gold during the same quarter of 2024.

The 2025 first quarter Red Chris copper production was up 38.8% and gold production was up 127.9% compared to the first quarter of 2024. The increase in copper production was a result of a 43.6% increase in copper grade (0.62% vs 0.43%) offset by slightly lower recovery and throughput. Gold production in the first quarter of 2025 at Red Chris was up as result of higher gold grade in the mill feed (0.54 g/t gold versus 0.26 g/t gold) and better gold recovery (60.5% versus 53.6%) compared to the same quarter of the previous year.

Imperial's 30% portion of Red Chris mine for the first quarter of 2025 was 6,937,947 pounds copper and 6,499 ounces gold.

100% Red Chris mine production	Three Months Ended March 31 2025	Three Months Ended March 31 2024
Ore milled - <i>tonnes</i>	2,049,475	2,100,354
Ore milled per calendar day - <i>tonnes</i>	22,522	23,081
Grade % - copper	0.62	0.43
Grade g/t - gold	0.54	0.26
Recovery % - copper	82.6	83.4
Recovery % - gold	60.5	53.6
Copper - <i>000's pounds</i>	23,126	16,660
Gold - <i>ounces</i>	21,663	9,507

Imperial's 30% share of exploration, development, and capital expenditures were \$19.5 million in the March 2025 quarter compared to \$20.4 million in the 2024 comparative quarter.

Block Cave Feasibility Study

The Red Chris Block Cave Feasibility Study is advancing as are permitting activities and some underground development work and other work to support the underground block cave project. The total development completed up to March 31, 2025 was 11,413 metres, of which 7,681 metres were completed on the Nagha declines and conveyor galleries.

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, maintenance of site infrastructure and equipment, and mine permit compliance. Work is also planned in 2025 to investigate and update the tailings facility design for Huckleberry.

For the March 2025 quarter, Huckleberry incurred idle mine costs comprised of \$1.9 million in operating costs and \$0.3 million in depreciation expense compared to \$1.6 million in operating cost and \$0.3 million in depreciation expense in the comparable quarter of 2024.

TECHNICAL INFORMATION

The technical and scientific information in this MD&A 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.

EARNINGS AND CASH FLOW

Select Quarter Financial Information

expressed in thousands of dollars, except share and per share amounts	Three Months Ended March 31	
	2025	2024
Operations:		
Total revenues	\$176,619	\$84,568
Net income (loss)	\$41,337	\$(9,165)
Net income (loss) per share	\$0.26	\$(0.06)
Diluted income (loss) per share	\$0.25	\$(0.06)
Adjusted net income (loss) ⁽¹⁾	\$41,337	\$(9,165)
Adjusted net income (loss) per share ⁽¹⁾	\$0.26	\$(0.06)
Adjusted EBITDA ⁽¹⁾	\$97,669	\$9,874
Cash earnings ⁽¹⁾⁽²⁾	\$96,009	\$9,896
Cash earnings per share ⁽¹⁾⁽²⁾	\$0.59	\$0.06
Working capital (deficiency)	\$(153,300)	\$(159,132)
Total assets	\$1,697,512	\$1,426,794
Total debt (including current portion) ⁽³⁾	\$333,050	\$359,551

⁽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.

⁽³⁾ Total debt consists of credit facility, development loan, convertible and non-convertible debentures, equipment loans and leases.

NON-IFRS FINANCIAL MEASURES

The Company reports on 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 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 long term debt, net of tax and other non-recurring items. Adjusted net income in the March 2025 quarter was \$41.3 million (\$0.26 per share) compared to an adjusted net loss of \$9.2 million (\$0.06 loss per share) in the 2024 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 Income (Loss)

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

	Three Months Ended March 31	
	2025	2024
Net income (loss)	\$41,337	\$(9,165)
Foreign exchange (gain) loss on debt, net of tax ⁽¹⁾	-	-
Total Adjusted Net Income (Loss)	\$41,337	\$(9,165)
Basic weighted average number of common shares outstanding	161,890,963	161,871,341
Total Adjusted Net Income (Loss) Per Share	\$0.26	\$(0.06)

⁽¹⁾ Long term 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 long term 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 2025 quarter was \$97.7 million compared to \$9.9 million in the 2024 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:

	Three Months Ended March 31	
	2025	2024
	(000's)	(000's)
Net income (loss)	41,337	\$(9,165)
Adjustments:		
Income and mining tax expense (recovery)	23,268	(6,605)
Interest expense, net	8,123	10,130
Depletion and depreciation	23,347	14,601
Accretion of future site reclamation provisions	1,902	1,247
Share based compensation	74	153
Foreign exchange loss	(382)	(487)
Total Adjusted EBITDA	\$97,669	\$9,874

Cash Earnings and Cash Earnings Per Share

Cash earnings in the March 2025 quarter was \$96.0 million compared to \$9.9 million in the 2024 comparative quarter. Cash earnings per share was \$0.59 in the March 2025 quarter compared to \$0.06 in the 2024 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, except per share and per share amounts

	Three Months Ended March 31	
	2025	2024
Net income (loss)	\$41,337	\$(9,165)
Items not affecting cash flows:		
Deferred mining and income tax expense (recovery)	21,579	(6,745)
Interest expense, net	8,123	10,130
Depletion and depreciation	23,347	14,601
Accretion of future site reclamation provisions	1,902	1,247
Share based compensation	74	153
Unrealized foreign exchange gain	(353)	(325)
Total Cash Earnings	\$96,009	\$9,896
Basic weighted average number of common shares outstanding	161,890,963	161,871,341
Total Cash Earnings Per Share	\$0.59	\$0.06

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 two operating copper mines, Mount Polley and Red Chris (30% share), 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.

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, 2025 and 2024.

Calculation of Cash Cost Per Pound of Copper Produced

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

	Three Months Ended March 31, 2025		
	Mount Polley	Red Chris	Composite
	A	B	C=A+B
Cost of sales	\$43,993	\$54,322	\$98,315
Less:			
Depletion and depreciation	(7,058)	(15,955)	(23,013)
Share based compensation	(11)	-	(11)
Cash costs before adjustment to production basis	36,924	38,367	75,291
Adjust for inventory change	(1,524)	1,478	(46)
Adjust transportation and offsite costs	(239)	(841)	(1,080)
Adjust for other costs	(13)	-	(13)
Treatment, refining and royalty costs	(211)	938	727
By-product and other revenues	(43,155)	(26,196)	(69,351)
Cash cost of copper produced in CDN\$	\$(8,218)	\$13,746	\$5,528
US\$ to CDN\$ exchange rate	1.4352	1.4352	1.4352
Cash cost of copper produced in US\$	\$(5,726)	\$9,578	\$3,852
Copper produced – 000's pounds	8,904	6,938	15,842
Cash cost per lb copper produced in US\$	\$(0.64)	\$1.38	\$0.24

Calculation of Cash Cost Per Pound of Copper Produced

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

	Three Months Ended March 31, 2024		
	Mount Polley	Red Chris	Composite
	A	B	C=A+B
Cost of sales	\$42,800	\$43,307	\$86,107
Less:			
Depletion and depreciation	(4,361)	(9,973)	(14,334)
Share based compensation	(33)	-	(33)
Cash costs before adjustment to production basis	38,406	33,334	71,740
Adjust for inventory change	3,376	1,240	4,616
Adjust transportation and offsite costs	521	(167)	354
Adjust for other costs	(28)	-	(28)
Treatment, refining and royalty costs	2,197	1,538	3,735
By-product and other revenues	(27,532)	(7,694)	(35,226)
Cash cost of copper produced in CDN\$	\$16,940	\$28,251	\$45,191
US\$ to CDN\$ exchange rate	1.3488	1.3488	1.3488
Cash cost of copper produced in US\$	\$12,559	\$20,945	\$33,504
Copper produced – 000's pounds	7,355	4,998	12,353
Cash cost per lb copper produced in US\$	\$1.71	\$4.19	\$2.71

RESULTS FROM OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2025 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2024

Overview

This review of the results of operations should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2025 and 2024.

Revenues were \$176.6 million in the March 2025 quarter compared to \$84.6 million in the 2024 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 income for the March 2025 quarter was \$41.3 million (\$0.26 income per share) compared to net loss of \$9.2 million (\$0.06 loss per share) in the 2024 comparative quarter. The increase in net income of \$50.5 million was primarily due to the following factors:

- Income from mine operations increased to \$78.3 million in the March 2025 quarter from a loss of \$1.5 million in March 2024, an increase of \$79.8 million;
- Idle mine cost increased to \$2.2 million in March 2025 from \$1.9 million in the March 2024 quarter;
- Net interest expense of \$8.1 million in March 2025 down from \$10.1 million in March 2024, increasing net income by \$2.0 million;
- Tax recovery went from \$6.6 million in March 2024 to tax expense of \$23.3 million in March 2025, decreasing net income by \$29.9 million.

The average US/CDN Dollar exchange rate was higher by 6.4% in the March 2025 quarter of 1.435 compared to an average of 1.349 in the 2024 quarter.

Revenue

	Three Months Ended March 31	
	2025	2024
Quantities sold – contained metal		
Copper – 000's pounds	16,569	11,654
Gold – ounces	17,494	11,331
Silver – ounces	38,717	24,510
	Three Months Ended March 31	
	2025	2024
	(000's)	(000's)
Revenue		
Copper	\$99,597	\$54,182
Gold	75,369	29,710
Silver	1,576	505
	176,542	84,397
Corporate	77	171
Total Revenue	\$176,619	\$84,568

Cost of Sales

Cost of sales was \$98.3 million in the March 2025 quarter compared to \$86.1 million in the 2024 comparative quarter.

	Three Months Ended March 31	
	2025	2024
	(000's)	(000's)
Operating expenses	\$75,291	\$71,740
Stock-based compensation	11	33
Depletion and depreciation	23,013	14,334
	\$98,315	\$86,107

Interest Expense, Net

Interest expense, net of the capitalized interests and interest income was \$8.1 million in the March 2025 quarter compared to \$10.1 million in the 2024 comparative quarter.

	Three Months Ended March 31	
	2025	2024
	(000's)	(000's)
Interest and finance fees on long term debt:		
Convertible debentures	\$1,202	\$1,214
Non-convertible debentures	4,445	4,473
Equipment loans and leases	214	202
	<u>5,861</u>	<u>5,889</u>
Other interest and finance fees		
Credit facility	1,541	2,685
Advanced development loan	1,891	1,220
Other	972	751
	<u>4,404</u>	<u>4,656</u>
	10,265	10,545
Less capitalized interest	(1,891)	(10)
Less interest income	(251)	(405)
	<u>\$8,123</u>	<u>\$10,130</u>

Other Loss

Other loss totaled \$1.5 million in the March 2025 quarter compared to \$0.8 million in the 2024 comparative quarter.

	Three Months Ended March 31	
	2025	2024
	(000's)	(000's)
Accretion of future site reclamation provisions	\$1,902	\$1,247
Foreign exchange income	(382)	(487)
	<u>\$1,520</u>	<u>\$760</u>

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 2024. The capital structure of the Company consists of short term and long term 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, 2025.

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, 2025, the Company had a working capital deficiency of \$153.3 million, including a cash balance of \$44.0 million which compares to a working capital deficiency of \$197.5 million and cash balance of \$58.1 million at December 31, 2024.

The Company had a \$125.0 million revolving credit facility on March 31, 2025 (December 31, 2024-\$125.0). A total of \$57.2 million (December 31, 2024-\$100.2 million) has been utilized that consists of drawdowns in amount of \$47.5 million (December 31, 2024-\$90.5 million) and \$9.7 million (December 31, 2024-\$9.7 million) for letters of credit pledged for settlement of future site reclamation provisions and other obligations.

Cash balances on hand, the projected cash flow from the Company's 30% share of Red Chris mine, the projected cash flow from 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.

The Company holds mineral properties and greenfield exploration projects. 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 the end of March 31, 2025:

	March 31 2025					December 31 2024
	Within 1 Year	2 Years	3 Years	4 Years	5 years	Total
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Trade and other payables	\$97,363	\$500	\$500	\$500	\$3,500	\$102,363
Short term debt	129,451	-	-	-	-	129,451
Current portion of long term debt	109,339	-	-	-	-	109,339
Long term debt	-	51,909	47,169	9	-	99,087
Total	\$336,153	\$52,409	\$47,669	\$509	\$3,500	\$440,240
						\$480,711

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 quarter ended March 31, 2025 would have been higher/lower by \$3.1 million.

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 quarter ended March 31, 2025 would have increased/decreased by \$0.2 million.

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.

Cash Earnings

Cash earnings was \$96.0 million in the March 2025 quarter compared to \$9.9 million in the 2024 comparative quarter. Refer to *Cash Earnings and Cash Earnings Per Share* under *Non-IFRS Financial Measures* for further details.

Working Capital

At March 31, 2025, the Company had cash of \$44.0 million and a working capital deficiency of \$153.3 million, which includes \$238.8 million of short term debt, compared to cash of \$58.1 million and a working capital deficiency of \$197.5 million at December 31, 2024, which included \$277.5 million of short term debt.

Acquisition and Development of Mineral Properties

Acquisition and development of mineral properties totaled \$47.0 million during the quarter ended March 31, 2025 compared to \$36.2 in the first quarter of 2024.

	Three Months Ended March 31	
	2025	2024
	(000's)	(000's)
Capital Expenditures		
Red Chris	\$4,527	\$4,416
Mount Polley	26,954	15,287
Huckleberry	146	-
	<u>31,627</u>	<u>19,703</u>
Exploration and Development Expenditures		
Red Chris	15,018	16,020
Mount Polley	208	463
Huckleberry	9	9
Other	133	40
	<u>15,368</u>	<u>16,532</u>
	<u>\$46,995</u>	<u>\$36,235</u>

CONTINGENT LIABILITIES

The Company is from time to time involved in various claims and legal proceedings arising in the conduct of its business. At the reporting date, none of such claims and legal proceedings are considered probable of resulting in a material loss or judgment against the Company.

On December 6, 2024, the Federal Crown preferred a direct indictment against the Company and others, including its subsidiary Mount Polley Mining Corporation. The indictment alleges 15 contraventions of the Fisheries Act from events that occurred more than 10 years ago arising from the alleged discharge of deleterious substances from the tailings storage facility at the Mount Polley Mine on August 4, 2014. No trial date has been set and the required disclosure by the Crown has not been completed. Accordingly, the Company is unable to reasonably assess the potential outcomes of this indictment.

In April 2025, the Xat'sull First Nation (Xat'sull) commenced a petition for judicial review seeking to set aside two decisions granted by the Ministry of Mining and Critical Minerals and the Minister of Environment and Parks pertaining to the Mount Polley Mine. Shortly afterward, Xat'sull filed an application seeking to stop work under those decisions until the judicial review is heard.

No monetary relief is sought against Mount Polley Mining Corporation, but if successful, both the application and petition could result in increased costs to MPMC and could adversely affect mining operations.

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, 2025 or at the date of this document, other than those embedded in revenue contracts for provisional pricing.

DEBT AND OTHER OBLIGATIONS

At March 31, 2025, the Company's debt was comprised of \$47.5 million drawdown of credit facility, \$190.1 million of debentures, \$82.0 million of advanced development loan, equipment loans and leases with a balance of \$13.6 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 condensed consolidated interim financial statements.

Off-Balance Sheet Arrangements

At March 31, 2025, 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.

SELECT QUARTERLY FINANCIAL INFORMATION

Unaudited - expressed in thousands of dollars,
except per share amounts, prices, and exchange rates

	Three Months Ended			
	March 31 2025	December 31 2024	September 30 2024	June 30 2024
Total revenues	\$176,619	\$131,974	\$146,098	\$131,731
Net income	41,337	62,788	\$32,268	\$20,370
Basic income per share	\$0.26	\$0.39	\$0.20	\$0.13
Diluted income per share	\$0.25	\$0.39	\$0.20	\$0.13
Adjusted net income ⁽¹⁾	\$41,337	\$59,393	\$32,268	\$20,294
Adjusted net income per share ⁽¹⁾	\$0.26	\$0.37	\$0.20	\$0.13
Adjusted EBITDA ⁽¹⁾	\$97,669	\$70,203	\$73,668	\$54,009
Cash earnings ⁽¹⁾	\$96,009	\$73,844	\$72,145	\$53,099
Cash earnings per share ⁽¹⁾	\$0.59	\$0.46	\$0.45	\$0.33
Average LME copper price/lb in US\$	\$4.24	\$4.16	\$4.17	\$4.42
Average LBMA gold price/troy oz in US\$	\$2,862	\$2,662	\$2,476	\$2,338
Average US\$/CDN\$ exchange rate	1.435	1.399	1.364	1.368
Period end US\$/CDN\$ exchange rate	1.438	1.439	1.350	1.369

	March 31 2024	December 31 2023	September 30 2023	June 30 2023
Total revenues	\$84,568	\$87,545	\$78,485	\$85,761
Net loss	\$(9,165)	\$(10,502)	\$(2,911)	\$(16,049)
Basic loss per share	\$(0.06)	\$(0.06)	\$(0.02)	\$(0.10)
Diluted loss per share	\$(0.06)	\$(0.06)	\$(0.02)	\$(0.10)
Adjusted net loss ⁽¹⁾	\$(9,165)	\$(9,826)	\$(2,955)	\$(16,056)
Adjusted net loss per share ⁽¹⁾	\$(0.06)	\$(0.06)	\$(0.02)	\$(0.10)
Adjusted EBITDA ⁽¹⁾	\$9,874	\$6,911	\$9,880	\$687
Cash earnings ⁽¹⁾	\$9,896	\$6,410	\$9,238	\$1,030
Cash earnings per share ⁽¹⁾	\$0.06	\$0.04	\$0.06	\$0.01
Average LME copper price/lb in US\$	\$3.83	\$3.71	\$3.79	\$3.85
Average LBMA gold price/troy oz in US\$	\$2,072	\$1,976	\$1,929	\$1,978
Average US\$/CDN\$ exchange rate	1.349	\$1.362	\$1.341	\$1.343
Period end US\$/CDN\$ exchange rate	1.355	\$1.323	\$1.352	\$1.324

⁽¹⁾ Refer to tables under heading *Non-IFRS Financial Measures* for details of the calculation of these amounts.

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:

- 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 and gold, and the US/CDN exchange rate.
- 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 (loss):

- The primary reason for the decrease in net loss in the September 2023 quarter compared to the June 2023 quarter was due to a decrease in operating costs at both Red Chris and Mount Polley.
- The primary reason for the increase in net loss in the December 2023 quarter compared to the September 2023 quarter was due to higher production cost and lower tax recovery.

- (c) The slight improvement in net loss in March 2024 quarter compared to December 2023 quarter was due to decrease in loss from mine operations and idle mine costs, which was slightly offset by the increase in interest expense.
- (d) The primary reason for the increase in net income in the June 2024 quarter compared to March 2024 quarter was the increase in revenue at the Mount Polley and Red Chris mines, which was slightly offset by the increase in income tax expense versus income tax recovery in the March 2024 quarter.
- (e) The primary reason for the increase in net income in the September 2024 quarter compared to June 2024 quarter was the increase in revenue and income from mine operations at the Mount Polley and Red Chris mines, which was offset by the increase in income tax expense in the June 2024 quarter.
- (f) The primary reason for the increase in net income in the December 2024 quarter compared to September 2024 quarter was the reversal of a settlement provision and higher revenues at both Mount Polley and Red Chris.
- (g) The primary reason for the increase in net income in the March 2025 quarter compared to December 2024 quarter was higher revenues at both Mount Polley and Red Chris, which was offset by the increase in income and mining tax expense.

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 2025 (000's)	December 31 2024 (000's)
Assets		
Equipment rental trade receivables from Red Chris Joint Venture	\$51	\$51
Liabilities		
Debentures	\$139,380	\$139,380
Advanced Development Loan	\$81,951	\$77,463
Interest accrued	\$12,496	\$11,643

Statements of Income (Loss) and Comprehensive Income (Loss)

	Three Months Ended March 31	
	2025 (000's)	2024 (000's)
Equipment rental from Red Chris Joint Venture	\$77	\$154
Credit facility arrangement guarantee fee	\$462	\$466
Interest expense	\$3,617	\$4,917
Interest expense capitalized	\$(1,891)	\$(10)

The full amount of the \$125.0 million of credit facility is guaranteed by a related party. The guarantee fee is payable monthly at a rate of 1.5% per annum.

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 key management personnel is \$0.6 million for the three months ended March 31, 2025 (March 31, 2024-\$0.6 million). The remuneration includes salaries, estimated bonuses payable within the year of the Statement of Financial Position date and other annual employee benefits

MANAGING RISKS

Risks and Uncertainties

The Company's business activities are subject to a variety and wide range of inherent risks and uncertainties. Any of these risks could have an adverse effect on the Company, its business and prospects, and could cause actual outcomes and results to differ materially from those described in forward-looking statements relating to the Company.

For additional discussion on Imperial's risks, refer to the "Risk Factors" section of the Company's Annual Information Form ("AIF") for the year ended December 31, 2024 and the "Cautionary Statement on Forward-Looking Information" of this MD&A.

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 March 31, 2025. 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, 2025, the Company's internal control over financial reporting were effective.

As the Company holds 30% interest in the Red Chris mine since 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 81.3% of the Company's net assets, 64.0% of total assets and 39.2% of revenues of the consolidated financial statement amounts as of and for the period ended March 31, 2025. 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 \$9.1 million for the period ended March 31, 2025.

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.

ADDITIONAL INFORMATION

Additional information about Imperial, including the Company's Financial Statements and Annual Information Form, are available on Imperial's profile at sedarplus.ca.



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