



Management's Discussion & Analysis

For the Three and Six Months Ended June 30, 2025

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## 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 and six months ended June 30, 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 August 7, 2025, the Company had 163,334,091 common shares outstanding, and, on a fully diluted basis, 187,615,091 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](http://imperialmetals.com) or [sedarplus.com](http://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 and six months period ended June 30, 2025, and plans for the future based on facts and circumstances as of August 7, 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"); 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 financial measures including adjusted net loss, adjusted EBITDA, cash earnings and cash cost per pound of copper, which are not generally accepted accounting principles ("non-GAAP").

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 any adverse findings or judgments resulting from the Indictment 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, 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 six months ended June 30, 2025*

The Company extended its credit facility aggregating \$125.0 million to March 31, 2026.

The Company repaid \$90.5 million of the credit facility and \$20.0 million of unsecured non-convertible debentures.

### *Subsequent events after June 30, 2025*

On July 14, 2025 the Company announced its intention to redeem at par on August 18, 2025 (the "Redemption Date") all of its outstanding \$47,000,000 principal amount of the Senior Unsecured Convertible Debenture ("Debentures") due August 30, 2027. The Company has issued notice to the holders of the Debentures that it wishes to exercise its right to redeem the Debentures on the Redemption Date. Until five business days prior to the Redemption Date, each Holder retains the right to convert their Debenture into common shares of the Company ("Debenture Shares") in accordance with the terms of the Debenture at a conversion price of \$3.20 per share. Debenture Shares issuable upon such conversion will be delivered on the Redemption Date in lieu of the redemption price.

On August 6, 2025 the Supreme Court of British Columbia dismissed the application of the Xat'sull First Nation for an injunction and judicial review of two provincial approvals authorizing construction of a four-metre lift on the tailings storage facility at the Mount Polley mine.

## **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.

### **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 \$175.8 million in the June 2025 quarter compared to \$131.7 million in the 2024 comparative quarter.

In the June 2025 quarter, the Red Chris mine (100% basis) had 5.0 concentrate shipments (2024-5.0 concentrate shipments). Mount Polley mine had 1.9 concentrate shipments (2024-2.0 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\$4.32 in the June 2025 quarter compared to US\$4.42 in the 2024 comparative quarter. The LBMA (London Bullion Market Association) gold price per troy ounce averaged US\$3,280 in the June 2025 quarter compared to US\$2,338 in the 2024 comparative quarter. The average US/CDN Dollar exchange rate was 1.384 in the June 2025 quarter, 1.2% higher than the exchange rate of 1.368 in the June 2024 quarter. In CDN Dollar terms the average copper price in the June 2025 quarter was CDN\$5.98 per pound compared to CDN\$6.05 per pound in the 2024 comparative quarter, and the average gold price in the June 2025 quarter was CDN\$4,540 per ounce compared to CDN\$3,199 per ounce in the 2024 comparative quarter.

A positive revenue revaluation in the June 2025 quarter was \$2.2 million as compared to a negative revenue revaluation of \$4.3 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 June 2025 quarter was \$40.6 million (\$0.25 income per share) compared to net income of \$20.4 million (\$0.13 income per share) in the 2024 comparative quarter. The increase in net income of \$20.2 million primarily due to the following factors:

- Income from mine operations increased from \$39.0 million in the June 2024 quarter to an income of \$81.3 million in June 2025, increasing net income by \$42.3 million largely due to the increase in gold production and gold prices;
- Income and mining tax expense increased from \$7.7 million in June 2024 to \$26.5 million in the June 2025 quarter, reducing net income by \$18.8 million.

Capital expenditures including leases were \$64.1 million in the June 2025 quarter, an increase of \$8.2 million from \$55.9 million in the 2024 comparative quarter. The June 2025 quarter expenditures included \$20.4 million in exploration and development, \$17.4 million for tailings dam construction, \$14.8 million on stripping costs and \$11.5 million of other capital.

At June 30, 2025, the Company had not hedged any copper, gold or US/CDN Dollar exchange.

## OPERATIONS

During the quarter ended June 30, 2025, Imperial's consolidated metal production was 16,539,280 pounds copper and 17,848 ounces gold, of which 9,495,511 pounds copper and 11,061 ounces gold were produced at Mount Polley and 7,043,769 pounds copper and 6,787 ounces gold from its 30% share of Red Chris mine production. Consolidated copper production was up 4% from the 15,842,336 pounds copper produced in the first quarter 2025 and gold production was up 4% from the 17,120 ounces gold produced in the first quarter 2025.

### Mount Polley Mine

Mill throughput in the second quarter 2025 was up 2.6%, with 1.759 million tonnes being treated compared with 1.714 million tonnes treated in the second quarter of 2024. Copper production and gold production in the second quarter of 2025 were up versus the second quarter of 2024 on similar grades and recovery, reflecting the increase in throughput.

For the first six months of 2025, an increase in throughput, copper and gold grades and copper and gold recoveries resulted in copper production being up 10.6% and gold production up 8.3% compared to the same period last year.

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Ore milled - tonnes	1,759,093	1,714,330	3,480,862	3,385,835
Ore milled per calendar day - tonnes	19,331	18,839	19,231	18,603
Grade % - copper	0.295	0.294	0.288	0.273
Grade g/t - gold	0.286	0.263	0.280	0.272
Recovery % - copper	83.0	83.4	83.2	81.6
Recovery % - gold	68.4	69.2	69.1	67.6
Copper - 000's pounds	9,496	9,281	18,400	16,637
Gold - ounces	11,061	10,009	21,682	20,018

The majority (approximately 79%) of mill feed for the second quarter of 2025 came from near the bottom of Phase 4 of the Springer Pit and was supplemented by some ore from Phase 5 pushback and stockpiles. Stripping for the Phase 5 pushback of the Springer Pit continued with approximately 3,675,325 tonnes of rock stripped from this pushback in the second quarter of 2025. Approximately 2,527,380 tonnes of non-acid generating rock from Phase 5 were hauled to the tailings facility to buttress the tailings storage embankment.

Exploration, development, and capital expenditures in the second quarter of 2025 were \$33.7 million compared to \$23.0 million in the 2024 comparative quarter.

### Red Chris Mine

Red Chris production (100%) for the second quarter of 2025 was 23,479,231 pounds copper and 22,624 ounces gold compared to 23,126,491 pounds copper and 21,663 ounces gold during the first quarter of 2025. In the second quarter of 2025, copper production is up 2% compared to the first quarter of 2025.

In the second quarter of 2025, Red Chris copper production was up 13% compared to the second quarter of 2024. The increase in copper production was a result of a 17% increase in copper grade (0.547% vs 0.466%), offset by a small decrease in throughput. Gold production in the second quarter of 2025 was up 81% from the second quarter of 2024 as result of the increased gold grades and better recovery, offset by slightly lower throughput.

For the first six months of 2025, copper production was up 25% compared to the same period last year on higher copper grades and gold production was up 101% on higher gold grades and better recovery. Imperial's 30% portion of Red Chris mine for the second quarter of 2025 was 7,043,769 pounds copper and 6,787 ounces gold.

<i>100% Red Chris mine production</i>	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Ore milled - tonnes	2,393,788	2,489,532	4,443,263	4,589,886
Ore milled per calendar day - tonnes	26,305	27,357	24,414	25,219
Grade % - copper	0.547	0.466	0.580	0.450
Grade g/t - gold	0.490	0.302	0.514	0.284
Recovery % - copper	81.4	81.1	82.0	82.1
Recovery % - gold	60.0	51.8	60.3	52.6
Copper - 000's pounds	23,479	20,731	46,606	37,392
Gold - ounces	22,624	12,531	44,287	22,038

Imperial's 30% share of exploration, development, and capital expenditures were \$30.2 million in the June 2025 quarter compared to \$32.7 million in the 2024 comparative quarter.

#### *Block Cave Feasibility Study*

The Red Chris Block Cave Feasibility Study is advancing as are permitting activities and early-stage underground development work and other work to support the underground block cave project. The total development completed to June 30, 2025, was approximately 11,727 metres, completed on both the Nagha and conveyor declines.

#### **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.

Diamond drilling has been completed at the Whiting Creek area, 6.5 kilometres north of the Huckleberry mine and 1,000 metres east of the previously drilled Creek Zone. The target in this area is defined by a strong magnetic anomaly and a compilation of historic copper soil sampling results and is in the center of the host Whiting Creek stock.

For the June 2025 quarter, Huckleberry incurred idle mine costs comprised of \$1.7 million in operating costs and \$0.3 million in depreciation expense compared to \$1.5 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, 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 June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Operations:				
Total revenues	\$175,751	\$131,731	\$352,370	\$216,299
Net income	\$40,550	\$20,370	\$81,887	\$11,205
Net income per share	\$0.25	\$0.13	\$0.50	\$0.07
Diluted income per share	\$0.25	\$0.13	\$0.50	\$0.07
Adjusted net income <sup>(1)</sup>	\$40,550	\$20,294	\$81,887	\$11,129
Adjusted net income per share <sup>(1)</sup>	\$0.25	\$0.13	\$0.50	\$0.07
Adjusted EBITDA <sup>(1)</sup>	\$99,471	\$54,009	\$197,140	\$63,883
Cash earnings <sup>(1)(2)</sup>	\$97,697	\$53,099	\$193,706	\$62,995
Cash earnings per share <sup>(1)(2)</sup>	\$0.60	\$0.33	\$1.19	\$0.39
Working capital deficiency	\$(119,604)	\$(137,108)	\$(119,604)	\$(137,108)
Total assets	\$1,708,810	\$1,480,824	\$1,708,810	\$1,480,824
Total debt (including current portion) <sup>(3)</sup>	\$277,264	\$379,257	\$277,264	\$379,257

<sup>(1)</sup> Refer to table under heading *Non-GAAP Financial Measures* for further details.

<sup>(2)</sup> 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 and received. Cash earnings per share is defined as cash earnings divided by the weighted average number of common shares outstanding during the year.

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

## NON-GAAP FINANCIAL MEASURES

The Company reports on four non-GAAP 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<sup>®</sup> Accounting Standards ("IFRS") and might not be comparable to similar financial measures disclosed by other issuers. Reconciliations are provided below.

### Adjusted Net Income and Adjusted Net Income Per Share

Adjusted net income is derived from operating net income 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 June 2025 quarter was \$40.6 million (\$0.25 income per share) compared to an adjusted net income of \$20.3 million (\$0.13 income per share) in the 2024 comparative quarter. We believe that the presentation of Adjusted Net Income 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

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

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Net income	\$40,550	\$20,370	\$81,887	\$11,205
Gain on disposal of mineral properties, net of tax	-	(76)	-	(76)
Foreign exchange gain on debt	-	-	-	-
Total Adjusted Net Income	\$40,550	\$20,294	\$81,887	\$11,129
Basic weighted average number of common shares outstanding	162,648,009	161,871,341	162,271,577	161,871,341
Total Adjusted Net Income Per Share	\$0.25	\$0.13	\$0.50	\$0.07

<sup>(1)</sup> 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 June 2025 quarter was \$99.5 million compared to \$54.0 million in the 2024 comparative quarter. We define Adjusted EBITDA as net income 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 June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Net Income	\$40,550	\$20,370	\$81,887	\$11,205
Adjustments:				
Income and mining tax expense	26,503	7,719	49,771	1,114
Interest expense, net	6,785	6,745	14,908	16,875
Depletion and depreciation	22,570	18,045	45,917	32,646
Accretion of future site reclamation provisions	2,082	1,289	3,984	2,536
Share based compensation	71	160	145	313
Foreign exchange loss (gain)	910	(215)	528	(702)
Gain on disposal of mineral properties	-	(104)	-	(104)
Total Adjusted EBITDA	\$99,471	\$54,009	\$197,140	\$63,883

## Cash Earnings and Cash Earnings Per Share

Cash earnings in the June 2025 quarter were \$97.7 million compared to \$53.1 million in the 2024 comparative quarter. Cash earnings per share were \$0.60 in the June 2025 quarter compared to \$0.33 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 are 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 are 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 June 30 2024		Six Months Ended June 30 2024	
Net income	\$40,550	\$20,370	\$81,887	\$11,205
Items not affecting cash earnings:				
Deferred mining and income tax expense (recovery)	24,758	6,728	46,337	(17)
Interest expense, net	6,785	6,745	14,908	16,875
Depletion and depreciation	22,570	18,045	45,917	32,646
Accretion of future site reclamation provisions	2,082	1,289	3,984	2,536
Share based compensation	71	160	145	313
Unrealized foreign exchange loss (gain)	881	(134)	528	(459)
Gain on disposal of mineral properties	-	(104)	-	(104)
Total Cash Earnings	\$97,697	\$53,099	\$197,706	\$62,995
Basic weighted average number of common shares outstanding	162,648,009	161,871,341	162,271,577	161,871,341
Total Cash Earnings Per Share	\$0.60	\$0.33	\$1.19	\$0.39

## Cash Cost Per Pound of Copper Produced

Management uses this non-GAAP financial measure to monitor operating costs and profitability. The Company is primarily a copper producer and therefore calculates this non-GAAP 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 and six months ended June 30, 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 June 30, 2025		
	Mount Polley	Red Chris	Composite
	A	B	C=A+B
Cost of sales	\$40,092	\$54,329	\$94,421
Less:			
Depletion and depreciation	(7,849)	(14,386)	(22,235)
Share based compensation	(7)	-	(7)
Cash costs before adjustment to production basis	32,236	39,943	72,179
Adjust for inventory change	181	2,027	2,208
Adjust transportation and offsite costs	(1,193)	(765)	(1,958)
Adjust for other costs	(347)	-	(347)
Treatment, refining and royalty costs	(545)	954	409
By-product and other revenues	(49,642)	(30,359)	(80,001)
Cash cost of copper produced in CDN\$	\$(19,310)	\$11,800	\$(7,510)
US\$ to CDN\$ exchange rate	1.384	1.384	1.384
Cash cost of copper produced in US\$	\$(13,951)	\$8,525	\$(5,426)
Copper produced – 000's pounds	9,496	7,044	16,540
Cash cost per lb copper produced in US\$	\$(1.47)	\$1.21	\$(0.33)

#### **Calculation of Cash Cost Per Pound of Copper Produced**

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

	Three Months Ended June 30, 2024		
	Mount Polley	Red Chris	Composite
	A	B	C=A+B
Cost of sales	\$49,530	\$43,195	\$92,725
Less:			
Depletion and depreciation	(6,583)	(11,194)	(17,777)
Share based compensation	(30)	-	(30)
Cash costs before adjustment to production basis	42,917	32,001	74,918
Adjust for inventory change	(2,019)	1,697	(322)
Adjust transportation and offsite costs	(232)	(60)	(292)
Adjust for other costs	(435)	-	(435)
Treatment, refining and royalty costs	2,557	2,123	4,680
By-product and other revenues	(32,369)	(11,559)	(43,928)
Cash cost of copper produced in CDN\$	\$10,419	\$24,202	\$34,621
US\$ to CDN\$ exchange rate	1.368	1.368	1.368
Cash cost of copper produced in US\$	\$7,614	\$17,686	\$25,300
Copper produced – 000's pounds	9,281	6,219	15,500
Cash cost per lb copper produced in US\$	\$0.82	\$2.84	\$1.63

### Calculation of Cash Cost Per Pound of Copper Produced

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

Cost of sales	
Less:	
Depletion and depreciation	
Share based compensation	
Cash costs before adjustment to production basis	
Adjust for inventory change	
Adjust transportation and offsite costs	
Adjust for other costs	
Treatment, refining and royalty costs	
By-product and other revenues	
Cash cost of copper produced in CDN\$	
US\$ to CDN\$ exchange rate	
Cash cost of copper produced in US\$	
Copper produced – 000's pounds	
Cash cost per lb copper produced in US\$	

Six Months Ended June 30, 2025		
Mount Polley	Red Chris	Composite
A	B	C=A+B
\$84,085	\$108,651	\$192,736
(14,907)	(30,341)	(45,248)
(18)	-	(18)
69,160	78,310	147,470
(1,343)	3,505	2,162
(1,432)	(1,606)	(3,038)
(360)	-	(360)
(756)	1,892	1,136
(92,797)	(56,555)	(149,352)
\$(27,528)	\$25,546	\$(1,982)
1.410	1.410	1.410
\$(19,529)	\$18,123	\$(1,406)
18,400	13,982	32,382
\$(1.06)	\$1.30	\$(0.04)

### Calculation of Cash Cost Per Pound of Copper Produced

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

Cost of sales	
Less:	
Depletion and depreciation	
Share based compensation	
Cash costs before adjustment to production basis	
Adjust for inventory change	
Adjust transportation and offsite costs	
Adjust for other costs	
Treatment, refining and royalty costs	
By-product and other revenues	
Cash cost of copper produced in CDN\$	
US\$ to CDN\$ exchange rate	
Cash cost of copper produced in US\$	
Copper produced – 000's pounds	
Cash cost per lb copper produced in US\$	

Six Months Ended June 30, 2024		
Mount Polley	Red Chris	Composite
A	B	C=A+B
\$92,330	\$86,502	\$178,832
(10,944)	(21,167)	(32,111)
(63)	-	(63)
81,323	65,335	146,658
1,357	2,936	4,293
289	(227)	62
(463)	-	(463)
4,754	3,661	8,415
(59,901)	(19,253)	(79,154)
\$27,359	\$52,452	\$79,811
1.359	1.359	1.359
\$20,138	\$38,607	\$58,745
16,637	11,217	27,853
\$1.21	\$3.44	\$2.11

## RESULTS FROM OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2025 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 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 and six months ended June 30, 2025 and 2024.

Revenues were \$175.8 million in the June 2025 quarter compared to \$131.7 million in the 2024 comparative quarter, an increase of \$44.0 million or 33.4%. Variations in revenue are impacted by 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.

Net income for the June 2025 quarter was \$40.6 million (\$0.25 income per share) compared to net income of \$20.4 million (\$0.13 income per share) in the 2024 comparative quarter. The increase in net income of \$20.2 million primarily due to the following factors:

- Income from mine operations increased from \$39.0 million in the June 2024 quarter to an income of \$81.3 million in June 2025, increasing net income by \$42.3 million largely due to the increase in gold production and gold prices;
- Income and mining tax expense increased from \$7.7 million in June 2024 to \$26.5 million in the June 2025 quarter, reducing net income by \$18.8 million.

The average US/CDN Dollar exchange rate was higher by 1.2% in the June 2025 quarter of 1.384 compared to an average of 1.368 in the 2024 quarter.

### Revenue

	Three Months Ended June 30	
	2025	2024
Quantities sold – contained metal		
Copper – 000's pounds	16,531	15,970
Gold – ounces	17,490	14,691
Silver – ounces	39,552	37,798
	Three Months Ended June 30	
	2025	2024
	(000's)	(000's)
Revenue		
Copper	\$95,519	\$86,265
Gold	78,379	43,665
Silver	1,719	1,092
	175,617	131,022
Corporate	134	709
Total Revenue	\$175,751	\$131,731

During the June 2025 quarter, the Company sold 16.5 million pounds copper and 17,490 ounces gold compared to 16.0 million pounds copper and 14,691 ounces gold in the 2024 comparative quarter.

In the June 2025 quarter, the Red Chris mine (100% basis) had 5.0 concentrate shipments (2024-5.0 concentrate shipments), Mount Polley had 1.9 concentrate shipments (2024-2.0 concentrate shipments).

Copper accounted for 54.3% and gold accounted for 44.6% of the Company's revenue during the June 2025 quarter (65.5% and 33.1% accordingly in June 2024 quarter).

## Cost of Sales

Cost of sales was \$94.4 million in the June 2025 quarter compared to \$92.7 million in the 2024 comparative quarter.

	Three Months Ended June 30	
	2025	2024
	(000's)	(000's)
Operating expenses	\$72,179	\$74,918
Stock-based compensation	7	30
Depletion and depreciation	22,235	17,777
	<u>\$94,421</u>	<u>\$92,725</u>

## Interest Expense, Net

Interest expense, net of the capitalized interests and interest income was \$6.8 million in the June 2025 quarter compared to \$6.8 million in the 2024 comparative quarter.

	Three Months Ended June 30	
	2025	2024
	(000's)	(000's)
Interest and finance fees on long term debt:		
Convertible debentures	\$1,209	\$1,200
Non-convertible debentures	4,498	4,573
Equipment loans and leases	224	214
	<u>5,931</u>	<u>5,987</u>
Other interest and finance fees		
Credit facility	932	1,980
Advanced development loan	2,033	1,652
Other	998	1,055
	<u>3,963</u>	<u>4,687</u>
	9,894	10,674
Less capitalized interest	(2,033)	(2,875)
Less interest income	(1,076)	(1,054)
	<u>\$6,785</u>	<u>\$6,745</u>

## RESULTS FROM OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2025 COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2024

### Overview

Revenues increased to \$352.4 million during six months ended June 30, 2025 period compared to \$216.3 million in the 2024 comparative period, an increase of \$136.1 million or 62.9%. Variations in revenue are impacted by the increase in the quantity of the 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.

Net income for six months ended June 30, 2025 period was \$81.9 million (\$0.50 income per share) compared to \$11.2 million (\$0.07 income per share) in the 2024 comparative period. The increase in net income of \$70.7 million is primarily due to the following factors:

- Income from mine operations increased by \$122.1 million from \$37.5 million on income during six months ended June 30, 2024 to income of \$159.6 million in June 2025 period largely due to the increase in gold production and gold prices;
- Interest expense, net of capitalized interest and interest income decreased from \$16.9 million during six months ended June 30, 2024 to \$14.9 million in June 2025 period, increasing net income by \$2.0 million; and
- Tax expense increased from \$1.1 million in June 2024 period to \$49.8 million in June 2025 period, decreasing net income by \$48.7 million.

The average US/CDN Dollar exchange rate in the June 2025 period was \$1.410 compared to an average of 1.359 in the 2024 comparative period.

## Revenue

	Six Months Ended June 30	
	2025	2024
Quantities sold – contained metal		
Copper – <i>000's pounds</i>	33,100	27,625
Gold – <i>ounces</i>	34,984	26,022
Silver – <i>ounces</i>	78,269	62,308
	Six Months Ended June 30	
	2025	2024
	(000's)	(000's)
Revenue		
Copper	\$195,116	\$140,447
Gold	153,748	73,375
Silver	3,295	1,597
	352,159	215,419
Corporate	211	880
Total Revenue	\$352,370	\$216,299

During the June 2025 period, the Company sold 33.1 million pounds copper and 34,984 ounces gold compared to 27.6 million pounds copper and 26,022 ounces gold in the June 2024 comparative period.

In the June 2025 period, the Red Chris mine (100% basis) had 10.0 concentrate shipments (2024-9 concentrate shipments), and Mount Polley mine had 3.8 shipments (2024-3.3 concentrate shipments).

Copper accounted for 55.4% and gold accounted for 43.6% of the Company's revenue during six months ended June 30, 2025 (2024-64.9% and 33.9% accordingly).

## Cost of Sales

	Six Months Ended June 30	
	2025	2024
	(000's)	(000's)
Operating expenses	\$147,470	\$146,658
Share based compensation expense	18	63
Depletion and depreciation	45,248	32,111
	\$192,736	\$178,832

Cost of sales for the June 2025 period was \$192.7 million compared to \$178.8 million in the June 2024 comparative period:

- operating expenses for the June 2025 period were \$147.5 million compared to \$146.7 million in the June 2024 period, and
- depletion and depreciation for the June 2025 period was \$45.2 million compared to \$32.1 million in the June 2024 period.

## Interest Expense, Net

Interest expense, net of capitalized interest and interest income was \$14.9 million for the June 2025 period compared to \$16.9 million in the June 2024 comparative period.

	Six Months Ended June 30	
	2025	2024
	(000's)	(000's)
Interest and finance fees on debt:		
Convertible debentures	\$2,411	\$2,414
Non-convertible debentures	8,943	9,046
Equipment loans and leases	438	416
	11,792	11,876
Other interest and finance fees		
Credit facility	2,473	4,665
Advanced development loan	3,924	2,872
Other	1,970	1,806
	8,367	9,343
	20,159	21,219
Less: interest capitalized	(3,924)	(2,885)
Less: interest income	(1,327)	(1,459)
	\$14,908	\$16,875

## 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 June 30, 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 June 30, 2025, the Company had a working capital deficiency of \$119.6 million, including a cash balance of \$47.5 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 June 30, 2025 (December 31, 2024-\$125.0). A total of \$12.6 million (December 31, 2024-\$100.2 million) has been utilized that consists of drawdowns in amount of \$nil million (December 31, 2024-\$90.5 million) and \$12.6 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 June 30, 2025:

						June 30 2025	December 31 2024
	Within 1 Year	2 Years	3 Years	4 Years	More than 5 years	Total	Total
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Trade and other payables	\$105,166	\$500	\$500	\$500	\$3,000	\$109,666	\$102,475
Short term debt	91,461	-	-	-	-	91,461	167,963
Current portion of long term debt	89,295	-	-	-	-	89,295	109,560
Long term debt	-	52,470	47,894	266	137	100,767	100,713
Total	\$285,922	\$52,970	\$48,394	\$766	\$3,137	391,189	\$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 six months ended June 30, 2025 would have been higher/lower by \$1.9 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 six months ended June 30, 2025 would have increased/decreased by \$0.3 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 \$97.7 million in the June 2025 quarter compared to \$53.1 million in the 2024 comparative quarter. Cash earnings was \$193.7 million for the six months ended June 30, 2025 (\$63.0 million in the comparative 2024 period). Refer to *Cash Earnings and Cash Earnings Per Share* under *Non-GAAP Financial Measures* for further details.

## Working Capital

At June 30, 2025, the Company had cash of \$47.5 million and a working capital deficiency of \$119.6 million, which includes \$180.8 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, including leases and equipment loans, totalled \$64.1 million in the June 2025 quarter compared to \$55.9 million in the June 2024 quarter.

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
	(000's)	(000's)	(000's)	(000's)
Capital Expenditures				
Red Chris	\$11,149	\$12,621	\$15,676	\$17,037
Mount Polley	32,467	21,663	59,421	36,950
Huckleberry	55	20	201	20
	43,671	34,304	75,298	54,007
Exploration and Development Expenditures				
Red Chris	19,021	20,057	34,039	36,077
Mount Polley	1,252	1,312	1,460	1,775
Huckleberry	40	23	49	32
Other	115	243	248	283
	20,428	21,635	35,796	38,167
	\$64,099	\$55,939	\$111,094	\$92,174

## 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 interlocutory issues have been and continue to be argued before the court, with decisions under reserve. Accordingly, the Company is unable to reasonably assess the potential outcomes of this indictment.

In April 2025, the Xatśūll First Nation (Xatśūll) commenced a petition for judicial review seeking to set aside two decisions (the “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, Xatśūll filed an application seeking to stop work under those decisions until the judicial review is heard (collectively, the “Application”). On August 6, 2025, the Supreme Court of British Columbia released its oral decision to dismiss the Application on the basis that the Decisions were reasonable and correct and the consultation was adequate and conducted fairly.

## 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 June 30, 2025 or at the date of this document, other than those embedded in revenue contracts for provisional pricing.

## DEBT AND OTHER OBLIGATIONS

At June 30, 2025, the Company’s debt was comprised of \$nil million drawdown of credit facility, \$170.7 million of debentures, \$91.5 million of advanced development loan, equipment loans and leases with a balance of \$15.1 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 June 30, 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			
	June 30 2025	March 31 2025	December 31 2024	September 30 2024
Total revenues	\$175,751	\$176,619	\$131,974	\$146,098
Net income	\$40,550	\$41,337	\$62,788	\$32,268
Basic income per share	\$0.25	\$0.26	\$0.39	\$0.20
Diluted income per share	\$0.25	\$0.25	\$0.39	\$0.20
Adjusted net income <sup>(1)</sup>	\$40,550	\$41,337	\$59,393	\$32,268
Adjusted net income per share <sup>(1)</sup>	\$0.25	\$0.26	\$0.37	\$0.20
Adjusted EBITDA <sup>(1)</sup>	\$99,471	\$97,669	\$70,203	\$73,668
Cash earnings <sup>(1)</sup>	\$97,697	\$96,009	\$73,844	\$72,145
Cash earnings per share <sup>(1)</sup>	\$0.60	\$0.59	\$0.46	\$0.45
Average LME copper price/lb in US\$	\$4.32	\$4.24	\$4.16	\$4.17
Average LBMA gold price/troy oz in US\$	\$3,280	\$2,862	\$2,662	\$2,476
Average US\$/CDN\$ exchange rate	1.384	1.435	1.399	1.364
Period end US\$/CDN\$ exchange rate	1.364	1.438	1.439	1.350
	June 30 2024	March 31 2024	December 31 2023	September 30 2023
Total revenues	\$131,731	\$84,568	\$87,545	\$78,485
Net income (loss)	\$20,370	\$(9,165)	\$(10,502)	\$(2,911)
Basic income (loss) per share	\$0.13	\$(0.06)	\$(0.06)	\$(0.02)
Diluted income (loss) per share	\$0.13	\$(0.06)	\$(0.06)	\$(0.02)
Adjusted net income (loss) <sup>(1)</sup>	\$20,294	\$(9,165)	\$(9,826)	\$(2,955)
Adjusted net income (loss) per share <sup>(1)</sup>	\$0.13	\$(0.06)	\$(0.06)	\$(0.02)
Adjusted EBITDA <sup>(1)</sup>	\$54,009	\$9,874	\$6,911	\$9,880
Cash earnings <sup>(1)</sup>	\$53,099	\$9,896	\$6,410	\$9,238
Cash earnings per share <sup>(1)</sup>	\$0.33	\$0.06	\$0.04	\$0.06
Average LME copper price/lb in US\$	\$4.42	\$3.83	\$3.71	\$3.79
Average LBMA gold price/troy oz in US\$	\$2,338	\$2,072	\$1,976	\$1,929
Average US\$/CDN\$ exchange rate	1.368	1.349	\$1.362	\$1.341
Period end US\$/CDN\$ exchange rate	1.369	1.355	\$1.323	\$1.352

<sup>(1)</sup> Refer to tables under heading *Non-GAAP 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-GAAP financial measures described in more detail under [Non-GAAP 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.
- (h) The income from mine operations improved by \$3.0 million for the quarter ended June 2025 compared to March 2025 quarter due to overall lower operating costs.

## 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

	June 30 2025 (000's)	December 31 2024 (000's)
<b>Assets</b>		
Equipment rental trade receivables from Red Chris Joint Venture	\$40	\$51
<b>Liabilities</b>		
Debentures	\$126,170	\$139,380
Advanced Development Loan	\$91,461	\$77,463
Interest accrued	\$13,931	\$11,643

### Statements of Income and Comprehensive Income

	Three Months Ended June 30		Six Months Ended June 30	
	2025 (000's)	2024 (000's)	2025 (000's)	2024 (000's)
Equipment rental and revenue from Red Chris Joint Venture	\$76	\$133	\$153	\$287
Credit facility arrangement guarantee fee	\$468	\$466	\$930	\$932
Interest expense	\$5,678	\$5,346	\$11,186	\$10,263
Interest expense capitalized	\$(2,033)	\$(2,872)	\$(3,924)	\$(2,872)

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 other key management personnel \$0.5 million and \$1.1 million for the three and six months ended June 30, 2025, respectively (three and six months ended June 30, 2024-\$1.0 million and \$1.6 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 June 30, 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 June 30, 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 74.0% of the Company's net assets, 63.1% of total assets and 39.0% of revenues of the consolidated financial statement amounts as of and for the six months period ended June 30, 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 \$18.4 million for the period ended June 30, 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](https://sedarplus.ca).



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