



Management's Discussion & Analysis
For the Three Months Ended March 31, 2026

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 Consolidated Financial Statements and related notes for the three months ended March 31, 2026 (the "Interim Financial Statements"), as well as the audited Consolidated Financial Statements and Management's Discussion & Analysis for the year ended December 31, 2025. The Interim Financial Statements and comparative information have been prepared in accordance with IAS 34, Interim Financial Reporting of IFRS® Accounting Standards ("IFRS Accounting standards") as Issued by the International Accounting Standards Board ("IASB"). 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 900, 580 Hornby Street, Vancouver, British Columbia V6C 3B6 Canada. The Company was incorporated under the British Columbia *Company Act*.

The Company is listed on The Toronto Stock Exchange, and its shares trade as symbol III. At May 6, 2026, the Company had 178,171,166 common shares outstanding, and, on a fully diluted basis, 186,631,591 common shares including those issuable on the 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, 2026, and plans for the future based on facts and circumstances as of May 6, 2026.

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: ongoing advancement of the diamond drilling of Mount Polley's Bell Pit area which commenced in February 2026; expectations that the Red Chris feasibility study and joint venture approval will occur for the block cave (subject to the study outcomes and pending receipt of the necessary consents and permits) in the second half of 2026; ongoing negotiations regarding the finalization of permitting for the Red Chris block cave project between the Tahltan Central Government and the Province of BC; completion of the required upgrades for the Nagha Decline ground support by December 31, 2026; additional drilling planned in the Red Chris Far West zone and an interpreted zone of mineralization truncated and offset by the south boundary fault; surface exploration programs outside the known zones of mineralization and the continuing re-logging and modeling of the GJ property using the historic diamond drill core; updating plans for reopening the Huckleberry mine by adding data from diamond drilling and re-assayed historic core to develop a new, optimized block model for the Main zone; the commencement of preliminary work on the cost of restarting Huckleberry with a targeted completion of a reopening plan by the end of 2026; 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, the block cave funding decision 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 cave feasibility study is not finalized in a timely manner or at all, thereby materially or indefinitely delaying anticipated Red Chris expansion plans; the risk that the Red Chris joint venture approval will not occur for the block cave and/or permits for the block cave are delayed or not received; 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, threats to state sovereignty, 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; risks arising from 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. 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 audited Consolidated Financial Statements have been prepared on a going concern basis which assumes the Company will continue operating in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course as they come due. 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, 2026

On March 6, 2026, pursuant to a non-brokered, private placement, the Company purchased 10,000,000 Units of Andex Gold Inc. (“AndeX Gold”), a private company incorporated under the laws of Ontario, at a price of US\$1.00 per Unit for aggregate proceeds of US\$10.0 million. Each Unit consisted of one Class A common share in the capital of AndeX Gold and one Class A common share purchase warrant (each a “Warrant”), with each Warrant entitling the purchase of one Class A common share of AndeX Gold at a per share price of USD\$1.50 for up to 36 months following the Closing Date. AndeX Gold holds 96% of the issued and outstanding shares of AndeX Minerals Inc., a private company incorporated under the laws of Ontario, which owns the Sofia property (formerly known as the Anocarire project) in Chile. Proceeds will be used to fund the continued exploration and development of the Sofia property in Chile.

The Company accounts for this transaction as equity investments in associate.

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, 2025.

Investments in an associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Company’s investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company’s share of net assets of the associate since the acquisition date. The statement of income reflects Company’s share of the results of operations of the associate. Unrealized gains and losses resulting from the transactions between the Company and the associate are eliminated to the extent of the interest in the associate. The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

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, 2025, except for the adoption of new standards effective as of January 1, 2026. 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 21 Lack of Exchangeability;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures; and
- Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs, and amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for periods beginning on or after January 1, 2026, and adoption of these amendments did not have a material effect on our condensed interim consolidated financial statements. For financial liabilities settled in cash using an electronic payment system, we applied the election to deem these financial liabilities to be discharged before the settlement date. The amendments have been applied retrospectively with no restatement of comparative information, in accordance with transition requirements on initial application of IFRS 9. The adjustment to the cash balance is reflected as an \$1.7 million increase to the opening balance of cash and cash equivalents in the consolidated statement of cash flows.

IFRS 18 Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three main categories of operating, investing and financing, and by specifying certain defined totals and subtotals. An entity may use certain subtotals of income and expenses in public communications outside the financial statements to communicate management's view of an aspect of the financial performance of the entity as a whole to users, and these subtotals are not specifically required by IFRS Accounting Standards. IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures (MPMs). IFRS 18 also provides additional guidance on principles of aggregation and disaggregation that apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income (loss) and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted.

We are continuing to assess and quantify the effect of this standard on our condensed interim consolidated financial statements. The standard is expected to result in changes to the presentation of our consolidated statements of income, by requiring all income and expenses to be classified into the three main categories of operating, investing and financing. Specifically, we anticipate changes to the presentation of certain income and expense items, for example, that foreign exchange gains and losses will be classified in the same category as the items that gave rise to the exchange difference, rather than being combined into one line. The cash flow statement will begin with the new IFRS 18-specified subtotal of operating profit. We will also have enhanced note disclosures on any identified MPMs, such as adjusted EBITDA. We expect to apply IFRS 18 on its effective date with full retrospective application, including restated comparative information.

QUARTER HIGHLIGHTS

FINANCIAL

Total revenue was \$154.6 million in the March 2026 quarter compared to \$176.6 million in the 2025 comparative quarter.

In the March 2026 quarter, Mount Polley mine had 0.6 concentrate shipments (2025-1.9 concentrate shipments). The Red Chris mine (100% basis) had 4.0 concentrate shipments (2025-5.0 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.

At March 31, 2026, the Company had not hedged any copper, gold or US/CDN Dollar exchange.

The London Metals Exchange cash settlement copper price per pound averaged US\$5.83 in the March 2026 quarter compared to US\$4.24 in the 2025 comparative quarter. The LBMA (London Bullion Market Association) Final and Initial gold price per troy ounce averaged US\$4,877 in the March 2026 quarter compared to US\$2,862 in the 2025 comparative quarter. The average US/CDN Dollar exchange rate was 1.372 in the March 2026 quarter compared to the exchange rate of 1.435 in the March 2025 quarter. In CDN Dollar terms the average copper price in the March 2026 quarter was CDN\$8.00 per pound compared to CDN\$6.08 per pound in the 2025 comparative quarter, and the average gold price in the March 2026 quarter was CDN\$6,690 per ounce compared to CDN\$4,108 per ounce in the 2025 comparative quarter.

A negative revenue revaluation in the March 2026 quarter was \$3.8 million compared to a positive revenue revaluation of \$10.0 million the 2025 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 2026 quarter was \$14.4 million (\$0.08 income per share) compared to net income of \$41.3 million (\$0.26 income per share) in the 2025 comparative quarter. The decrease in net income of \$26.9 million was primarily due to the following factors:

- Income from mine operations decreased to \$47.8 million in the March 2026 quarter from an income of \$78.3 million in March 2025, a decrease of \$30.5 million;
- Net interest expense of \$3.5 million in March 2026 down from \$8.1 million in March 2025, increasing net income by \$4.6 million;
- Tax expense went from \$23.3 million in March 2025 to tax expense of \$22.0 million in March 2026, increasing net income by \$1.3 million.

Capital expenditures including leases were \$40.2 million in the March 2026 quarter, a decrease of \$6.8 million from \$47.0 million in the 2025 comparative quarter. The March 2026 quarter expenditures included \$20.8 million in exploration and development, \$7.8 million for tailings dam construction and \$11.6 million of other capital.

OPERATIONS

During the quarter ended March 31, 2026, Imperial's consolidated metal production was 10.1 million pounds copper (Q1 2025-15.8 million pounds copper) and 13,641 ounces gold (Q1 2025-17,120 ounces gold).

Mount Polley Mine

Mount Polley metal production for the first quarter of 2026 was 4.399 million pounds copper and 7,608 ounces gold, compared to 8.904 million pounds copper and 10,621 ounces gold produced during the first quarter of 2025. Copper production was down 51% and gold production was down 28%, on lower grades, recoveries and throughput compared to the first quarter of 2025. Compared to the fourth quarter of 2025, throughput was up 5%, gold production was up 15% and copper production was down 5%.

Guidance for 2026 production target for Mount Polley mine remains 19.0 – 21.0 million pounds copper and 40,000 - 44,000 ounces gold.

	Three Months Ended March 31 2026	Three Months Ended March 31 2025
Ore milled - <i>tonnes</i>	1,499,749	1,721,769
Ore milled per calendar day - <i>tonnes</i>	16,664	19,131
Grade % - copper	0.19	0.28
Grade g/t - gold	0.23	0.28
Recovery % - copper	71.5	83.3
Recovery % - gold	67.6	69.8
Copper - <i>000's pounds</i>	4,399	8,904
Gold - <i>ounces</i>	7,608	10,621

Mill feed for the first quarter of 2026 was sourced 28% from the Phase 5 pushback of Springer Pit, supplemented by 32% from Phase 4 Springer and C2 Pits, and 39% from lower grade stockpiles. Stripping activities for the Phase 5 pushback of the Springer Pit continued during the quarter, with approximately 5,246,935 tonnes of rock mined from this pushback. Of this amount, approximately 483,165 tonnes of non-acid generating rock were delivered to the tailings storage embankment for buttress construction.

Exploration program

Diamond drilling started in February 2026 and initially followed up on the successful results from the first drilling campaign at the Mount Polley mine in more than a decade in the Bell Pit area. Since February 2026 there have been 10 diamond drill holes completed totaling 2,834 metres focusing on the historic Bell Pit area.

Exploration, development, and capital expenditures in the first quarter of 2026 were \$15.8 million compared to \$27.2 million in the 2025 comparative quarter.

Red Chris Mine

Red Chris production (100%) for the first quarter of 2026 was 18.982 million pounds copper and 20,108 ounces gold compared to 23.126 million pounds copper and 21,663 ounces gold during the same quarter of 2025. Both copper and gold production were down compared with the first quarter of 2025, with copper production down 18% and gold production down 7%.

The decrease in copper production was a result of a 16% decrease in copper grade (0.52% vs 0.62%) with higher recovery and lower throughput. The decrease in gold production was a result of lower gold grade in the mill feed (0.49 g/t gold versus 0.54 g/t gold) and lower throughput, offset by better gold recovery (64.9% versus 60.5%) compared to the same quarter last year.

Both copper and gold production were however in line with the budgeted 2026 production, and the guidance for 2026 Red Chris production (100%) remains 60.0 – 66.0 million pounds of copper and 47,500 – 52,500 ounces of gold.

Imperial's 30% portion of Red Chris mine for the first quarter of 2026 was 5.695 million pounds copper and 6,032 ounces gold.

100% Red Chris mine production	Three Months Ended March 31 2026	Three Months Ended March 31 2025
Ore milled - <i>tonnes</i>	1,950,343	2,049,475
Ore milled per calendar day - <i>tonnes</i>	21,432	22,772
Grade % - copper	0.52	0.62
Grade g/t - gold	0.49	0.54
Recovery % - copper	85.4	82.6
Recovery % - gold	64.9	60.5
Copper - <i>000's pounds</i>	18,982	23,126
Gold - <i>ounces</i>	20,108	21,663

Imperial's 30% share of exploration, development, and capital expenditures were \$22.0 million in the March 2026 quarter compared to \$19.5 million in the 2025 comparative quarter.

Block Cave Feasibility Study

The Red Chris feasibility study for a block cave expansion operation is advancing, as are permitting activities to support the underground project. Completion of the feasibility study and, subject to the study outcomes, joint venture approval are expected in the second half of 2026.

Exploration Program

There have been three diamond drill holes totaling 2,081 metres completed in the first quarter at Red Chris. Two were for geotechnical information regarding the block cave and one hole was completed in the Far West zone. Additional drilling is planned in the Far West zone and an interpreted zone of mineralization truncated and offset by the South Boundary fault. There will be surface exploration programs outside the known zones of mineralization and the continuing re-logging and modeling of the GJ property using the historic diamond drill core.

Huckleberry Mine

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

Following the successful drilling program in 2025 of an underexplored area southwest of the Main Zone Pit, where all nine drillholes intersected copper, molybdenum, silver, and gold mineralization, a program of re-assaying available historic core for gold and silver was completed. Drillhole MZ-25-1 intersected 0.81% copper as well as elevated gold of 0.23 g/t over 22.6 metres, from 73.7 to 96.3 metres. A 2026 drilling program was completed to follow up on these results.

The historic drilling (pre-2020) at Huckleberry was not assayed for gold or silver and analysis of acid- base accounting was not completed on diamond drill core. Also, assaying for molybdenum was only completed sporadically. However, gold and silver were both recovered and present at payable levels in all the copper concentrate produced at Huckleberry when it was operating. At times, molybdenum was also produced at Huckleberry, and the best period of molybdenum recovery occurred while the original Main zone was being mined in the early 2000's. Also, though not included in the block model used then, during the mining of the original Main zone pit approximately 50% of the waste mined was non-acid generating ("NAG") and was used for dam construction material rather than having to be stored in the tailings storage facility ("TSF").

The Company is updating plans for reopening Huckleberry. The permitted plan is to mine from the Main zone. To optimize the plan, data from the diamond drilling and re-assaying of historic core will be added and used to develop a new block model for the Main zone.

With a new block model for the Main zone deposit, the mine plan can be optimized by:

- integrating gold and silver into mine planning where they are available;
- improving the modeling of the molybdenum grades and including them in mine planning; and
- modeling the volumes of NAG rock that can be stored outside the TSF rather than assuming all waste rock needs to be stored in the TSF and submerged.

The Company has commenced preliminary work on the cost of restarting Huckleberry and is targeting to have a completed reopening plan by the end of 2026 that includes a mine plan optimized with the new diamond drilling data.

For the March 2026 quarter, Huckleberry incurred idle mine costs comprised of \$2.1 million in operating costs and \$0.1 million in depreciation expense compared to \$1.9 million in operating cost and \$0.3 million in depreciation expense in the comparable quarter of 2025.

Exploration, development, and capital expenditures were \$2.1 million in March 2026 quarter compared to \$0.2 million in March 2025 quarter.

TECHNICAL INFORMATION

The technical and scientific information in this MD&A related to the Company's mineral projects has been reviewed and approved by Steve Robertson, P.Geo., Imperial's Vice President Corporate Development, 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	
	2026	2025
Operations:		
Total revenues	\$154,571	\$176,619
Net income	\$14,402	\$41,337
Net income per share	\$0.08	\$0.26
Diluted income per share	\$0.08	\$0.25
Adjusted net income ⁽¹⁾	\$14,393	\$41,337
Adjusted net income per share ⁽¹⁾	\$0.08	\$0.26
Adjusted EBITDA ⁽¹⁾	\$70,769	\$97,669
Cash earnings ⁽¹⁾⁽²⁾	\$68,541	\$96,009
Cash earnings per share ⁽¹⁾⁽²⁾	\$0.38	\$0.59
Working capital (deficiency)	\$(108,704)	\$(153,300)
Total assets	\$1,921,037	\$1,697,512
Total debt (including current portion) ⁽³⁾	\$196,662	\$333,050

⁽¹⁾ Refer to *Non-GAAP 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 period.

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

NON-GAAP FINANCIAL MEASURES

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

Adjusted net income, adjusted EBITDA, cash earnings and cash cost per pound of copper are not standardized financial measures under IFRS Accounting Standards 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, 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 2026 quarter was \$14.4 million (\$0.08 per share) compared to an adjusted net income of \$41.3 million (\$0.26 per share) in the 2025 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

	Three Months Ended March 31	
	2026	2025
expressed in thousands of dollars, except share and per share amounts		
Net income	\$14,402	\$41,337
Foreign exchange (gain) loss on debt, net of tax ⁽¹⁾	-	-
Gain on sale of mineral properties	(9)	
Total Adjusted Net Income	\$14,393	\$41,337
Basic weighted average number of common shares outstanding	178,159,989	161,890,963
Total Adjusted Net Income Per Share	\$0.08	\$0.26

⁽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 income (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 2026 quarter was \$70.8 million compared to \$97.7 million in the 2025 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 Accounting Standards 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 Accounting Standards. 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	
	2026 (000's)	2025 (000's)
Net income	\$14,402	\$41,337
Adjustments:		
Income and mining tax expense	22,029	23,268
Interest expense, net	3,545	8,123
Depletion and depreciation	27,221	23,347
Accretion of future site reclamation provisions	3,020	1,902
Share based compensation	331	74
Gain on sale of mineral properties	(12)	-
Foreign exchange loss (gain)	233	(382)
Total Adjusted EBITDA	\$70,769	\$97,669

Cash Earnings and Cash Earnings Per Share

Cash earnings in the March 2026 quarter was \$68.6 million compared to \$96.0 million in the 2025 comparative quarter. Cash earnings per share was \$0.38 in the March 2026 quarter compared to \$0.59 in the 2025 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 Accounting Standards. 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	
	2026	2025
Net income	\$14,402	\$41,337
Items not affecting cash flows:		
Deferred mining and income tax expense	19,801	21,579
Interest expense, net	3,545	8,123
Depletion and depreciation	27,221	23,347
Accretion of future site reclamation provisions	3,020	1,902
Share based compensation	331	74
Gain on sale of mineral properties	(12)	-
Unrealized foreign exchange loss (gain)	233	(353)
Total Cash Earnings	\$68,541	\$96,009
Basic weighted average number of common shares outstanding	178,159,989	161,890,963
Total Cash Earnings Per Share	\$0.38	\$0.59

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 months ended March 31, 2026 and 2025.

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
2026

	Mount Polley	Red Chris	Composite
	A	B	C=A+B
Cost of sales	\$58,115	\$48,609	\$106,724
Less:			
Depletion and depreciation	(9,591)	(17,476)	(27,067)
Share based compensation	(49)	-	(49)
Cash costs before adjustment to production basis	48,475	31,133	79,608
Adjust for inventory change	5,100	8,269	13,369
Adjust transportation and offsite costs	479	(866)	(387)
Adjust for other costs	(403)	(74)	(477)
Treatment, refining and royalty costs	408	191	599
By-product and other revenues	(49,754)	(40,564)	(90,318)
Cash cost of copper produced in CDN\$	\$4,305	\$(1,911)	\$2,394
US\$ to CDN\$ exchange rate	1.3717	1.3717	1.3717
Cash cost of copper produced in US\$	\$3,138	\$(1,393)	\$1,745
Copper produced – 000's pounds	4,399	5,695	10,094
Cash cost per lb copper produced in US\$	\$0.71	\$(0.24)	\$0.17

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

RESULTS FROM OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2025

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, 2026.

Revenues were \$154.6 million in the March 2026 quarter compared to \$176.6 million in the 2025 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 2026 quarter was \$14.4 million (\$0.08 income per share) compared to net income of \$41.3 million (\$0.26 income per share) in the 2025 comparative quarter. The decrease in net income of \$26.9 million was primarily due to the following factors:

- Income from mine operations decreased to \$47.8 million in the March 2026 quarter from an income of \$78.3 million in March 2025, a decrease of \$30.5 million;
- Net interest expense of \$3.5 million in March 2026 down from \$8.1 million in March 2025, increasing net income by \$4.6 million;
- Tax expense went from \$23.3 million in March 2025 to tax expense of \$22.0 million in March 2026, increasing net income by \$1.3 million.

The average US/CDN Dollar exchange rate the March 2026 quarter was 1.372 compared to an average of 1.435 in the 2025 quarter.

Revenue

	Three Months Ended March 31	
	2026	2025
Quantities sold – contained metal		
Copper – 000's pounds	9,355	16,569
Gold – ounces	12,127	17,494
Silver – ounces	21,803	38,717
	Three Months Ended March 31	
	2026	2025
	(000's)	(000's)
Revenue		
Copper	\$69,693	\$99,597
Gold	81,954	75,369
Silver	2,479	1,576
	154,126	176,542
Other	445	77
Total Revenue	\$154,571	\$176,619

The Company's revenue was derived primarily from the sale of copper and gold in concentrate from the Mount Polley and Red Chris mines. The Mount Polley mine accounted for 44% and the Red Chris Mine accounted for 56% of the Company's revenue in March 2026 quarter (March 2025-61% and 39% respectively).

Copper accounted for 45% and gold accounted for 53% of the Company's revenue in March 2026 quarter (March 2025-56% and 43% accordingly).

Cost of Sales

Cost of sales was \$106.7 million in the March 2026 quarter compared to \$98.3 million in the 2025 comparative quarter.

	Three Months Ended March 31	
	2026	2025
	(000's)	(000's)
Operating expenses	\$79,608	\$75,291
Stock-based compensation	49	11
Depletion and depreciation	27,067	23,013
	<u>\$106,724</u>	<u>\$98,315</u>

Interest Expense, net

Interest expense, net of capitalized interests and interest income was \$3.5 million in the March 2026 quarter compared to \$8.1 million in the 2025 comparative quarter.

	Three Months Ended March 31	
	2026	2025
	(000's)	(000's)
Interest and finance fees on long term debt:		
Convertible debentures	\$ -	\$1,202
Non-convertible debentures	1,500	4,445
Equipment loans and leases	158	214
	<u>1,658</u>	<u>5,861</u>
Other interest and finance fees		
Credit facility	651	1,541
Advanced development loan	2,778	1,891
Other	1,388	972
	<u>4,817</u>	<u>4,404</u>
	6,475	10,265
Less capitalized interest	(2,778)	(1,891)
Less interest income	(152)	(251)
	<u>\$3,545</u>	<u>\$8,123</u>

SELECT QUARTERLY FINANCIAL INFORMATION

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

	Three Months Ended			
	March 31 2026	December 31 2025	September 30 2025	June 30 2025
Total revenues	\$154,571	\$170,657	\$168,754	\$175,751
Net income	\$14,402	\$33,356	\$38,537	\$40,550
Basic income per share	\$0.08	\$0.19	\$0.23	\$0.25
Diluted income per share	\$0.08	\$0.18	\$0.22	\$0.25
Adjusted net income ⁽¹⁾	\$14,393	\$33,514	\$38,511	\$40,550
Adjusted net income per share ⁽¹⁾	\$0.08	\$0.19	\$0.23	\$0.25
Adjusted EBITDA ⁽¹⁾	\$70,769	\$92,073	\$92,469	\$99,471
Cash earnings ⁽¹⁾	\$68,541	\$90,423	\$90,352	\$97,697
Cash earnings per share ⁽¹⁾	\$0.38	\$0.51	\$0.53	\$0.60
Average LME copper price/lb in USD\$	\$5.83	\$5.03	\$4.44	\$4.32
Average LBMA gold price/troy oz in USD\$	\$4,877	\$4,145	\$3,454	\$3,280
Average USD/CAD exchange rate	1.372	1.395	1.377	1.384
Period end USD/CAD exchange rate	1.394	1.371	1.392	1.364

	March 31	December 31	September 30	June 30
	2025	2024	2024	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 USD\$	\$4.24	\$4.16	\$4.17	\$4.42
Average LBMA gold price/troy oz in USD\$	\$2,862	\$2,662	\$2,476	\$2,338
Average USD/CAD exchange rate	1.435	1.399	1.364	1.368
Period end USD/CAD exchange rate	1.438	1.439	1.350	1.369

⁽¹⁾ 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 Accounting Standards 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 USD/CAD 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 USD\$ 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 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.

- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) The income from mine operations reduced by \$9.2 million for the quarter ended September 2025 compared to June 2025 as less copper concentrate was sold in the third quarter.
- (g) Net income of \$33.4 million during quarter ended December 31, 2025 was lower compared to the September 2025 quarter due to an increase in deferred tax expense.
- (h) Net income was lower by \$19.0 million for the quarter ended March 2026 compared to December 2025 as less copper concentrate was sold in the first quarter of 2026, which was slightly offset by a reduction of \$1.2 million in interest expense and reduction of \$3.0 million in income and mining tax expense.

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 2025. 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, 2026.

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, 2026, the Company had a working capital deficiency of \$108.7 million, including a cash balance of \$76.8 million which compares to a working capital deficiency of \$121.6 million and cash balance of \$36.8 million at December 31, 2025.

The Company had a \$125.0 million revolving credit facility on March 31, 2026 (December 31, 2025-\$125.0 million). As at March 31, 2026, a total of \$21.3 million (December 31, 2025-\$12.7 million) has been utilized under the Credit Facility, that consists of drawdowns in amount of \$8.5 million (December 31, 2025-\$nil) and \$12.8 million (December 31, 2025-\$12.7 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 Company's 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, 2026:

						March 31	December 31
						2026	2025
	Within 1 Year	2 Years	3 Years	4 Years	5 years	Total	Total
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Trade and other payables	\$128,275	\$500	\$500	\$500	\$3,000	\$132,775	\$123,704
Short term debt	136,621	-	-	-	-	136,621	119,709
Long term debt	55,683	3,709	825	742	-	60,959	60,307
Total	\$320,579	\$4,209	\$1,325	\$1,242	\$3,000	\$330,355	\$303,720

Currency Risk

Financial instruments that impact the Company's net income and comprehensive income due to currency fluctuations include US dollar denominated cash, trade, and other accounts receivable, reclamation deposits, trade and other payables and debt. If the US Dollar had been 10% higher/lower and all other variables were held constant, net income and comprehensive income for the three months ended March 31, 2026 would have been higher/lower by \$2.6 million.

Interest Rate Risk

The Company is exposed to interest rate risk on its credit facilities and advanced development loan. The Company monitors its exposure to interest rates and is comfortable with its current exposure. The Company has not entered into any derivative contracts to manage this risk. If interest rates had been 100 basis points higher/lower on the Company's floating rate debt and all other variables were held constant, the amount of interest expense during three months ended March 31, 2026 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 were \$68.5 million during three months ended March 31, 2026 compared to \$96.0 million during the comparable quarter of 2025. Refer to *Cash Earnings and Cash Earnings Per Share* under *Non-GAAP Financial Measures* for further details.

Working Capital

At March 31, 2026, the Company had cash of \$76.8 million and a working capital deficiency of \$108.7 million, which includes \$191.4 million of short term debt and current portion of long term debt, compared to cash of \$36.8 million and a working capital deficiency of \$121.6 million at December 31, 2025, which included \$174.9 million of short term debt and current portion of long-term debt.

Acquisition and Development of Mineral Properties

Acquisition and development of mineral properties totaled \$40.2 million during the quarter ended March 31, 2026 compared to \$47.0 in the first quarter of 2025.

	Three Months Ended March 31	
	2026	2025
	(000's)	(000's)
Capital Expenditures		
Red Chris	\$4,278	\$4,527
Mount Polley	14,876	26,954
Huckleberry	243	146
	<u>19,397</u>	<u>31,627</u>
Exploration and Development Expenditures		
Red Chris	17,759	15,018
Mount Polley	900	208
Huckleberry	1,898	9
Other	259	133
	<u>20,816</u>	<u>15,368</u>
	<u>\$40,213</u>	<u>\$46,995</u>

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, 2026 or at the date of this document, other than those embedded in revenue contracts for provisional pricing.

DEBT AND OTHER OBLIGATIONS

At March 31, 2026, the Company's debt was comprised of \$8.5 million drawdown on the credit facility, \$47.5 million of debentures, \$128.1 million of advanced development loan and \$12.5 million of equipment loans and leases. Detailed disclosure on the Company's debt including amounts owed, interest rates and security can be found in Notes 7 and 8 of the Consolidated Interim Financial Statements.

Off-Balance Sheet Arrangements

At March 31, 2026, 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.

FAIR VALUE ESTIMATION

The fair value of financial instruments traded in active markets (such as marketable securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Company is the current bid price. The fair value of derivative instrument assets and liabilities are determined by the counterparties using standard valuation techniques for these derivative instruments.

The carrying value less impairment provision, if necessary, of trade and other receivables and trade and other payables are assumed to approximate their fair values.

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

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

The Company does not have any financial instruments measured at fair value through other comprehensive income (loss).

The fair value of the Company's financial instruments has been classified within the fair value hierarchy at March 31, 2026 as follows:

	Carrying value	Fair Value			Total
	at amortized	Through Profit or Loss			
	cost	Level 1	Level 2	Level 3	
	(000's)	(000's)	(000's)	(000's)	(000's)
Financial Assets					
Cash and cash equivalents	\$76,805	\$ -	\$ -	\$ -	\$76,805
Trade and other receivables	9,129	-	2,812	-	11,941
Equity investments	-	-	-	13,613	13,613
Future site reclamation deposits	-	416	-	-	416
	85,934	416	2,812	13,613	102,775
Financial Liabilities					
Trade and other payables	(129,200)	-	(2,131)	-	(131,331)
Short term debt	(136,621)	-	-	-	(136,621)
Long term debt	(60,041)	-	-	-	(60,041)
	(325,862)	-	(2,131)	-	(327,993)
	<u>\$(239,928)</u>	<u>\$416</u>	<u>\$681</u>	<u>\$13,613</u>	<u>\$(225,218)</u>

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:

Consolidated Statements of Financial Position

	March 31	December 31
	2026	2025
	(000's)	(000's)
Assets		
Equipment rental trade receivables from Red Chris Joint Venture	\$74	\$74
Equity investments - AndeX Gold Inc.	\$13,613	\$ -
Liabilities		
Debentures	\$36,995	\$36,995
Advanced Development Loan	\$128,121	\$119,709
Interest accrued	\$20,378	\$16,687

Consolidated Statements of Income and Comprehensive Income

	Three Months Ended March 31	
	2026	2025
	(000's)	(000's)
Equipment rental revenue from Red Chris Joint Venture	\$215	\$77
Credit facility arrangement guarantee and standby fee	\$462	\$462
Interest expense	\$3,690	\$3,617
Interest expense capitalized	\$(2,778)	\$(1,891)

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 \$0.7 million for the three months ended March 31, 2026 (March 31, 2025-\$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.

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. Accordingly, the Company is unable to reasonably assess the potential outcomes of this indictment.

In April 2025, the Xat'sül First Nation ("Xat'sül") 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, Xat'sül 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. Xat'sül has appealed, but is no longer seeking injunctive relief. The appeal hearing has been scheduled to occur on October 22-23, 2026.

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 Accounting Standards. 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 Accounting Standards, 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, 2026. 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, 2026, 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 60% of the Company's net assets, 58% of total assets and 56% of revenues of the consolidated financial statement amounts as of and for the three months ended March 31, 2026. 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 \$34.9 million for the three months ended March 31, 2026.

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://www.sedarplus.ca).



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