

# Imperial Reports Second Quarter 2024 Financial Results

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VANCOUVER, Aug. 12, 2024 - [Imperial Metals Corp.](#) (the "Company") (TSX:III) reports financial results for the three and six months ended June 30, 2024.

## QUARTER HIGHLIGHTS

"Operationally, the second quarter was aligned with guidance, driven largely by higher through-put and copper grades at both Mount Polley and Red Chris," said Brian Kynoch, President. "With consolidated production totalling 27,854,171 pounds copper and 26,629 ounces gold through the first half of the year, we remain on track to achieve 2024 guidance."

"During the quarter, we also achieved strong financial results, including adjusted EBITDA of \$55.1 million and cash earnings of \$54.2 million which was derived from strong operational results and higher metal prices."

## FINANCIAL

Adjusted EBITDA increased by \$54.2 million to \$55.1 million in Q2 2024 compared to \$0.9 million in Q2 2023.

Total revenue was \$131.7 million in the June 2024 quarter compared to \$85.8 million in the 2023 comparative quarter.

In the June 2024 quarter, the Red Chris mine (100% basis) had 5.0 concentrate shipments (2023-3.6 concentrate shipments). Mount Polley mine had 2.0 concentrate shipments (2023-1.4 concentrate shipments).

Variations in revenue are impacted by the increased quantity of concentrate sold, timing and quantity of concentrate shipments, metal prices and exchange rates, and period end revaluations of revenue attributed to concentrate shipments where copper and gold prices will settle at a future date.

The London Metals Exchange cash settlement copper price per pound averaged US\$4.42 in the June 2024 quarter compared to US\$3.85 in the 2023 comparative quarter. The LBMA (London Bullion Market Association) gold price per troy ounce averaged US\$2,338 in the June 2024 quarter compared to US\$1,978 in the 2023 comparative quarter. The average US/CDN Dollar exchange rate was 1.368 in the June 2024 quarter, 1.86% higher than the exchange rate of 1.343 in the June 2023 quarter. In CDN Dollar terms the average copper price in the June 2024 quarter was CDN\$6.05 per pound compared to CDN\$5.17 per pound in the 2023 comparative quarter, and the average gold price in the June 2024 quarter was CDN\$3,199 per ounce compared to CDN\$2,657 per ounce in the 2023 comparative quarter.

A negative revenue revaluation in the June 2024 quarter was \$4.3 million as compared to a negative revenue revaluation of \$8.2 million in the 2023 comparative quarter. Revenue revaluations are the result of the metal price on the settlement date and/or the current period balance sheet date being higher or lower than when the revenue was initially recorded or the metal price at the last balance sheet date and finalization of contained metal as a result of final assays and weights.

Net income for the June 2024 quarter was \$20.4 million (\$0.13 income per share) compared to net loss of

\$16.0 million (\$0.10 loss per share) in the 2023 comparative quarter. The increase in net income of \$36.4 million primarily due to the following factors:

- Income from mine operations went from a loss of \$10.5 million in the June 2023 quarter to an income of \$39.0 million in June 2024, increasing net income by \$49.5 million
- Interest expense went from \$7.4 million in June 2023 to \$7.8 million in June 2024, reducing net income by \$0.4 million, and
- Income and mining tax went from a recovery of \$5.1 million in June 2023 to tax expense of \$7.7 million on June 2024, reducing net income by \$12.8 million.

Capital expenditures including leases were \$55.9 million in the June 2024 quarter, an increase of \$13.4 million from \$42.5 million in the 2023 comparative quarter. The June 2024 quarter expenditures included \$21.6 million in exploration and development, \$15.4 million for tailings dam construction, \$7.6 million on stripping costs, and \$11.3 million of other capital.

At June 30, 2024, the Company had not hedged any copper, gold or US/CDN Dollar exchange. Quarterly revenues will fluctuate depending on copper and gold prices, the US/CDN Dollar exchange rate, and the timing of concentrate sales, which is dependent on concentrate production and the availability and scheduling of transportation.

## OPERATIONS

During the quarter ended June 30, 2024, Imperial's consolidated metal production was 15,500,912 pounds copper and 13,768 ounces gold, of which 9,281,498 pounds copper and 10,009 ounces gold were produced at Mount Polley and 6,219,414 pounds copper and 3,759 ounces gold from its 30% share of Red Chris mine production. Copper production was up 26% from the 12,353,259 million pounds copper produced in the first quarter 2024 and gold production was up 7% from the 12,861 ounces gold produced in the first quarter 2024.

### Mount Polley Mine

Mount Polley metal production for the second quarter of 2024 was 9,281,498 pounds copper and 10,009 ounces gold, compared to 7,355,191 pounds copper and 10,009 ounces gold produced during the first quarter of 2024.

Mill throughput in the second quarter was up 3%, with 1.714 million tonnes being treated compared with 1.671 million tonnes treated in the first quarter of 2024. Copper production in the second quarter 2024 was up by 26% largely on higher copper grade, 0.294 % copper versus 0.251% copper in the first quarter of 2024.

For the first six months of 2024, copper production was up 21% compared to the same period last year with 20% increase in throughput while gold production was down 1%, with lower gold grades and recovery offsetting the higher throughput.

Tailings removal from the Springer Pit was completed in May 2024. Stripping for Phase 5 pushback of the Springer Pit continued, with most of the non-acid generating rock from this pushback being delivered to the tailings dam for buttress construction.

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Ore milled - tonnes	1,714,330	1,430,842	3,385,835	2,820,478
Ore milled per calendar day - tonnes	18,839	15,724	18,603	15,583
Grade % - copper	0.294	0.280	0.273	0.275
Grade g/t - gold	0.263	0.324	0.272	0.318
Recovery % - copper	83.4	79.9	81.6	80.5
Recovery % - gold	69.2	68.3	67.6	69.8
Copper - 000's pounds	9,281	7,063	16,637	13,741

Gold - ounces	10,009	10,185	20,018	20,165
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At Mount Polley, a diamond drilling program was completed in May, the information collected will be used to update mine plans for the Springer Pit. The program totalled 7,377 metres of drilling.

Exploration, development, and capital expenditures in the second quarter of 2024 were \$23.0 million compared to \$9.8 million in the 2023 comparative quarter.

#### Red Chris Mine

Red Chris production (100%) for the second quarter of 2024 was 20,731,379 pounds copper and 12,531 ounces gold compared to 16,660,225 pounds copper and 9,507 ounces gold during the first quarter of 2024. In the second quarter of 2024, copper production is up 24% compared to the first quarter of 2024.

The increase in copper production was a result of an 8% increase in copper grade (0.466% vs 0.431%) and a 19% increase in throughput. The throughput was 27,357 tonnes per day compared to 23,081 tonnes per day. Gold production in the second quarter 2024 was up 32% (12,531 oz vs 9,507 oz) compared to the first quarter 2024 as result of the increased gold grades (0.30 g/t gold vs 0.26 g/t gold) and higher throughput.

For the first six months of 2024, copper production was up 48% compared to the same period last year on higher copper grades and gold production was down 9% on lower gold grades.

Imperial's 30% portion of Red Chris mine for the second quarter of 2024 was 6,219,414 pounds copper and 3,759 ounces gold.

100% Red Chris mine production	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Ore milled - tonnes	2,489,532	2,357,656	4,589,886	4,448,428
Ore milled per calendar day - tonnes	27,357	25,908	25,219	24,577
Grade % - copper	0.466	0.348	0.450	0.337
Grade g/t - gold	0.302	0.343	0.284	0.328
Recovery % - copper	81.1	75.9	82.1	76.6
Recovery % - gold	51.8	52.6	52.6	51.5
Copper - 000's pounds	20,731	13,729	37,392	25,319
Gold - ounces	12,531	13,680	22,038	24,176

Imperial's 30% share of exploration, development, and capital expenditures were \$32.7 million in the June 2024 quarter compared to \$32.5 million in the 2023 comparative quarter.

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

#### Block Cave Project Update

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

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

The underground development has continued with a total of 10,496 metres (including all vent drives) completed to the end of June 2024. The decline to access the extraction level (Nagha decline) had advanced 4,690 metres as of June 30, 2024, and was 84% complete. The portal for the conveyor decline has been established, and development work on the three conveyor declines has advanced 2,162 metres to the end of June 2024. Leg two of the conveyor decline was 65% complete by the end of the reporting quarter.

Underground development activities will be aligned to the permitting schedule with the Nagha decline expected to be completed to the extraction level elevation by the end of this year.

#### Huckleberry Mine

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

Site personnel continue to focus on maintaining site access, water management (treatment and release of mine contact water into Tahtsa Reach), snow removal, maintenance of site infrastructure and equipment, mine permit compliance, environmental compliance monitoring and monitoring tailings management facilities.

For the June 2024 quarter, Huckleberry incurred idle mine costs comprised of \$1.5 million in operating costs and \$0.3 million in depreciation expense compared to \$1.6 million in operating cost and \$0.2 million in depreciation expense in the comparable quarter of 2023.

#### TECHNICAL INFORMATION

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

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

#### 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	Year-to-Date
	2024	2023	2024	2023	2024	2023
<b>Operations:</b>						
Total revenues	\$131,731	\$85,761	\$216,299	\$120,000	\$216,299	\$120,000
Net income (loss)	\$19,165	(\$16,049)	) \$10,000	\$10,000	\$19,165	\$10,000
Net income (loss) per share	\$0.12	(\$0.10)	) \$0.06	\$0.06	\$0.12	\$0.06
Diluted loss per share	\$0.12	(\$0.10)	) \$0.06	\$0.06	\$0.12	\$0.06
Adjusted net income (loss) <sup>(1)</sup>	\$19,089	(\$16,056)	) \$9,924	\$9,924	\$19,089	\$9,924
Adjusted net income (loss) per share <sup>(1)</sup>	\$0.12	(\$0.10)	) \$0.06	\$0.06	\$0.12	\$0.06
Adjusted EBITDA <sup>(1)</sup>	\$55,063	\$927	\$65,342	\$65,342	\$55,063	\$927
Cash earnings <sup>(1)(2)</sup>	\$54,153	\$1,270	\$64,454	\$64,454	\$54,153	\$1,270
Cash earnings per share <sup>(1)(2)</sup>	\$0.33	\$0.01	\$0.40	\$0.40	\$0.33	\$0.01
Working capital deficiency						
deficiency	(\$137,108)	) \$(103,022)	) \$(137,108)	) \$(103,022)	(\$137,108)	) \$(103,022)
Total assets	\$1,479,174	\$1,357,554	\$1,479,174	\$1,357,554	\$1,479,174	\$1,357,554
Total debt (including current portion)	\$379,257	\$277,002	\$379,257	\$277,002	\$379,257	\$277,002

(1) Refer to *Non-IFRS Financial Measures* for further details.

(2) Cash earnings is defined as the cash flow from operations before the net change in non-cash working capital balances and mining taxes, and interest paid. Cash earnings per share is defined as cash earnings divided by the weighted average number of common shares outstanding during the year.

## NON-IFRS FINANCIAL MEASURES

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

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

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

Adjusted net income (loss) is derived from operating net income (loss) by removing the gains or loss, resulting from acquisition and disposal of property, mark to market revaluation of derivative instruments not related to the current period, net of tax, unrealized foreign exchange gains or losses on non-current debt, net of tax and other non-recurring items. Adjusted net income in the June 2024 quarter was \$20.3 million (\$0.13 income per share) compared to an adjusted net loss of \$16.1 million (\$0.10 loss per share) in the 2023 comparative quarter. We believe that the presentation of Adjusted Net Income (Loss) helps investors better understand the results of our normal operating activities and the ongoing cash generating potential of our business.

### Adjusted EBITDA

Adjusted EBITDA in the June 2024 quarter was \$55.1 million compared to an adjusted EBITDA of \$0.9 million in the 2023 comparative quarter. We define Adjusted EBITDA as net income before interest expense, taxes, depletion, and depreciation, and as adjusted for certain other items.

### Cash Earnings and Cash Earnings Per Share

Cash earnings in the June 2024 quarter was \$54.2 million compared to \$1.3 million in the 2023 comparative quarter. Cash earnings per share was \$0.33 in the June 2024 quarter compared to \$0.01 in the 2023 comparative quarter.

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

### Cash Cost Per Pound of Copper Produced

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

Variations from period to period in the cash cost per pound of copper produced are the result of many factors including: grade, metal recoveries, amount of stripping charged to operations, mine and mill operating

conditions, labour and other cost inputs, transportation and warehousing costs, treatment and refining costs, the amount of by-product and other revenues, the US\$ to CDN\$ exchange rate and the amount of copper produced.

*Calculation of Cash Cost Per Pound of Copper Produced*

expressed in thousands, except cash cost per pound of copper produced Three Months Ended June 30, 2024

	Red Chris	Composite
Cash cost of copper produced in US\$	<b>\$7,686</b>	\$25,300
Copper produced - 000's pounds	<b>8,289</b>	15,500
Cash cost per lb copper produced in US\$	<b>\$0.82</b>	\$1.63

expressed in thousands, except cash cost per pound of copper produced Three Months Ended June 30, 2023

	Red Chris	Composite
Cash cost of copper produced in US\$	<b>\$16,623</b>	\$34,350
Copper produced - 000's pounds	<b>7,069</b>	11,182
Cash cost per lb copper produced in US\$	<b>\$2.38</b>	\$3.07

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

	Mount Polley	Red Chris	Composite
Cash cost of copper produced in US\$	\$20,138	\$38,607	\$58,745
Copper produced - 000's pounds	16,637	11,217	27,853
Cash cost per lb copper produced in US\$	\$1.21	\$3.44	\$2.11

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

	Mount Polley	Red Chris	Composite
Cash cost of copper produced in US\$	\$32,954	\$37,313	\$70,267
Copper produced - 000's pounds	13,741	7,596	21,337
Cash cost per lb copper produced in US\$	\$2.40	\$4.91	\$3.29

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For detailed information, refer to Imperial's 2024 Second Quarter Management's Discussion and Analysis available on [imperialmetals.com](http://imperialmetals.com) and [sedarplus.ca](http://sedarplus.ca).

#### About Imperial

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

#### Company Contacts

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#### Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this news release are not statements of historical fact and are "forward-looking" statements. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, specific statements regarding the Company's expectations with respect to the update of Mount Polley's Springer Pit mine plans to incorporate information collected from recent diamond drilling; installation at Mount Polley of a coarse ore stockpile cover, and a tailings thickener in the circuit to recycle water to the mill; the continuation of work to advance preparation for the feasibility study and required permitting

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

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "outlook", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In making the forward-looking statements in this news release, the Company has applied certain factors and assumptions that are based on information currently available to the Company as well as the Company's current beliefs and assumptions. These factors and assumptions and beliefs and assumptions include, the risk factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, and the risk factors detailed in the Company's Annual Information Form, all of which are filed and available for review on SEDAR+ at [sedarplus.ca](http://sedarplus.ca). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended, many of which are beyond the Company's ability to control or predict. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and all forward-looking statements in this news release are qualified by these cautionary statements.

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