

IMPERIAL METALS CORPORATION

Report on Fighting Against Forced Labour and Child Labour in Supply Chains For the Financial Year Ended December 31, 2024

Imperial Metals Corporation (“**Imperial**” or the “**Company**”) has prepared this Fighting Against Forced Labour and Child Labour in Supply Chains Report (the “**Report**”) in accordance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023) (the “**Act**”) for the financial year ended December 31, 2024.¹ This is a joint report made under Section 11 of the Act on behalf of Imperial and the following entity, which we have determined is a reporting entity under the Act (“**Reporting Entity**”) for the reporting period:

Reporting Entity	Existing under the laws of	Activity
Mount Polley Mining Corporation	British Columbia	Operating open pit mine producing, selling and distributing copper/gold concentrate to buyers

Although Imperial owns a 30% beneficial interest in the Red Chris mine located in northwest British Columbia through its wholly-owned subsidiary Red Chris Development Company Ltd. (“**RCDC**”), the Company does not have the ability under its joint venture agreement with Newmont Corporation to exercise the requisite “control” to qualify RCDC as a reporting entity under the Act.

Imperial also owns 100% of its Huckleberry mine located 88km from Smithers, British Columbia through its wholly-owned subsidiary Huckleberry Mines Ltd. (“**HML**”); however, the mine is currently in care and maintenance and does not produce, sell or distribute any goods in Canada or elsewhere and therefore HML does not qualify as a reporting entity under the Act.

This Report describes the steps taken by Imperial and the Reporting Entity to assess and address Imperial’s risks with respect to forced labour and child labour (“**Modern Slavery Risks**”).² In this Report, unless otherwise stated, references to “Imperial”, the “Company”, “we”, “us”, “our” and similar expressions include the Reporting Entity. Monetary amounts in this Report are expressed in CAD dollars, unless otherwise stated.

¹ This Report has not been externally assured.

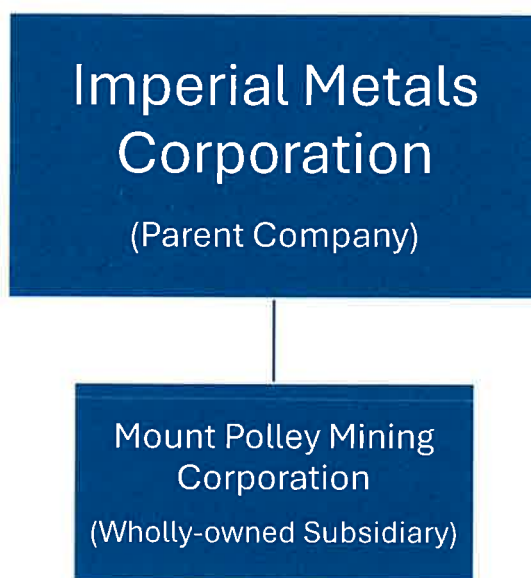
² Imperial has prepared this Report based on information available to it at the time of preparation. This Report contains forward-looking statements relating to Imperial’s policies and practices with respect to modern slavery risk management, including statements of current intention and expectation and statements of opinion. There can be no assurance that such statements will prove to be accurate, as Imperial’s actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed in the “Risk Factors” section in Imperial’s Annual Information Form dated March 31, 2025, which is available at www.imperialmetals.com or on SEDAR+. Except as required by applicable laws or regulations, Imperial does not undertake to publicly update or review any forward-looking statements.

ABOUT OUR BUSINESS

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 mine (“**Mount Polley**”) in south-central British Columbia, 56 kilometres northeast of Williams Lake. Mount Polley is Imperial’s sole producing asset in which it owns a 100% interest in (indirectly through a wholly-owned subsidiary) and over which it has the requisite “control” as of the date of the Report.

The Mount Polley mine commenced operations in 1997 and has been operating since then with only temporary periods of suspension. It is a 20,000 tonne per day open pit conventional milling operation that produces copper/gold concentrate for transport to ports in British Columbia where the concentrate is loaded onto ships for shipment to smelters. Metal production from Mount Polley in 2024 was 35,700,238 pounds of copper and 39,108 ounces of gold.

Imperial conducts its operations through the Reporting Entity. The following diagram depicts the corporate structure of Imperial and the Reporting Entity as at December 31, 2024:



As at December 31, 2024, Imperial had approximately 410 employees, almost all of whom were employed on a permanent basis. Twenty-six of its employees were based in the head office in Vancouver, Canada. The majority of the remaining employees work at the Mount Polley mine in British Columbia.

GOVERNANCE

Imperial’s Board oversees the Company’s approach to risk management, which includes risks related to Modern Slavery Risks. Each committee of the Board oversees risks within their functional area. Oversight of Modern Slavery Risks falls within the mandate of Imperial’s Health, Safety and Environment Committee (the “**HSE Committee**”).

Imperial’s President has ultimate responsibility for risk management, including Modern Slavery Risks. The President is assisted by the Chief Legal Officer (“**CLO**”), who is responsible for the management and governance of Modern Slavery Risks and compliance with applicable laws.

Imperial's CLO works with Mount Polley mine personnel responsible for procurement to identify, assess and manage Modern Slavery Risks in our supply chain. Similarly, the CLO works with the Company's human resources team to identify, assess and manage Modern Slavery Risks in our workforce. The CLO will report quarterly to the HSE Committee.

OVERVIEW OF OUR SUPPLY CHAIN

The vast majority of Imperial's procurement activities occur through a central procurement function at the Mount Polley mine. The Company procures a range of goods and services to support our exploration, mining, processing and transportation activities. A small portion of our procurement activities are handled out of the Vancouver office to meet the requirements of Imperial's executive team.

Our procurement is managed by our Mount Polley mine personnel based at the Mount Polley mine. This team is responsible for procurement governance, with local oversight by the Mount Polley mine general manager, and oversight by Imperial's Chief Financial Officer and CLO, all of whom are in Canada. By expenditure, most of our procurement is done pursuant to the Company's standard form purchase order or by contract.

Imperial has conducted a review of its list of suppliers to achieve a comprehensive understanding of the various Modern Slavery Risks that may be present in its supply chain. Most of Imperial's supply chain activities take place in Canada. In 2024, Imperial engaged with 159 direct suppliers globally, 146 (approximately 92%) of which were based in Canada.

When measured by value, Imperial's total procurement expenditure was almost entirely within Canada (approximately 97.5%) in 2024, much of which was spent supporting Western Canadian businesses and service providers. The remaining expenditure occurred internationally, primarily in the United States of America (approximately 1.2%), and in four other jurisdictions (Germany (approximately 1%) and Norway (approximately 0.9%), Hong Kong (approximately 0.3%) and Denmark (approximately 0.2%)) for ocean freight.

OUR POLICIES AND DUE DILIGENCE PROCESSES

Imperial's policies set out our commitment to acting lawfully, ethically and responsibly and define the Company's expectations of acceptable business practices. The Company's policy going forward is to require that our business partners and suppliers within our supply chain agree, as a part of each supply contract, to comply with Imperial's standards and policies.

Together, the following policies form a framework of standards required of our Board of Directors, officers, employees, contractors and suppliers to ensure human rights are respected, and to identify and appropriately address Modern Slavery Risks in our operations and supply chains:

- **Code of Business Conduct and Ethics** – requires directors, officers, employees, consultants and contractors of the Company to act honestly, with integrity and in compliance with all applicable laws and regulations in fulfilling their duties and responsibilities.
- **Supplier Standards of Conduct** – requires the Company's suppliers to uphold applicable standards of professional and ethical conduct.

- **Anti-Bribery, Anti-Corruption and Anti-Fraud Policy** – among other things, prohibits the making of bribes and improper payments, and places appropriate controls on the giving and receiving of gifts and donations.
- **Whistleblower Policy** – requires reporting of actual or suspected material violations of the Code of Business Conduct and Ethics or material legal or regulatory obligations and protects reporters from reprisal.

Contracting Arrangements

The Company has adopted purchase orders and other contracting procedures that include standard terms and conditions which require our suppliers to certify that they do not and will not, directly or indirectly, knowingly engage in forced labour or child labour practices. If a supplier breaches this term, the supplier is obligated to remedy that breach to the Company's satisfaction. Should the supplier fail to adequately remedy or take reasonable action to address modern slavery issues, the Company may have recourse against a supplier for breach of contract.

Grievance Mechanism

We believe that trusted, effective grievance mechanisms play a key role in identifying and remediating Modern Slavery Risks. We have a Whistleblower Policy to provide channels for stakeholders to raise concerns relating to unethical, illegal or any other inappropriate behaviour, such as modern slavery or any other human rights matter. Where we identify that we have caused or contributed to a Modern Slavery Risk, we are committed to providing for or cooperating in its remediation.

Imperial's grievance mechanism provides stakeholders with a clear process to express their concerns or complaints. It is a key component of our commitment to responsible mining and to respecting human rights and conducting our business in accordance with industry best practices. Grievances are to be submitted by email, marked "Confidential" and may be done so anonymously.

The Whistleblower Policy provides that individuals who have made complaints in good faith will receive protection from any negative consequences that could otherwise result from making a report. This channel is available to employees, contractors, suppliers (including their employees) and any other stakeholder.

The Company raises awareness about the grievance mechanism with employees and contractors on our website, during induction and refresher training, on posters around our offices and at sites. We also raise awareness with suppliers by directing them to the Whistleblower Policy during onboarding and referencing our policies in our requests for proposals (RFPs) and contract terms.

POTENTIAL MODERN SLAVERY RISKS

Our Operations

Imperial has assessed the risk of child labor within its own workforce as non-existent. All of Imperial's operations are within British Columbia, Canada where the minimum age for work is 16 years old. However, the legal minimum age for hazardous work or night shifts, both of which apply to mining, is 18 years old. As such, Imperial has adopted this as the minimum age of employment for the Company, with the exception of summer students (between the ages of 16 and 17) who may perform some non-hazardous or administrative duties. Furthermore, almost all aspects of Imperial's business require specialized skills and knowledge. The Company, through its head office and its onsite facilities, operates the Mount Polley mine which requires technical expertise in the areas of geology, drilling, Mineral Resource and Reserve estimation and mine planning, engineering, metallurgical processing, tailings facility management, mine operations and maintenance, environment compliance, construction, procurement, information technology, community and public relations, regulatory compliance, legal and accounting.

Furthermore, Imperial's employment practices ensure that our employees do not face exploitative treatment such as slavery, forced labour, or servitude. These employment practices include:

- our salaries are competitive according to the provincial British Columbia benchmark;
- working hours are within the legal approved work shifts and overtime within the limits stipulated by British Columbia employment standards laws;
- the majority of hourly workers at the Mount Polley mine are represented by a union; and
- other than as noted above, we do not hire individuals below the age of 18.

Our Supply Chain

At the time of this Report, the assessment of Modern Slavery Risks within Imperial's supply chain is a work in progress. However, as discussed above under "Overview of Our Supply Chain", Imperial has reviewed the number and location of the Company's direct suppliers and, by total annual expenditures, a breakdown by region and country to identify high-risk procurement activity. Moreover, in assessing our supply chain we considered the fact that according to the Global Slavery Index, Canada has a prevalence rating of 1.8 per 1,000 people. The proportion of suppliers based on spend with activities in areas rated with a high prevalence of modern slavery was less than 0.01%.

Based on this assessment, we identified the following procurement categories as presenting a potential risk in our supply chains because of geographical location, industry and product:

- Personal protective equipment (PPE) and other apparel;
- Information Technology (IT) equipment; and
- Construction – Raw Materials.

A brief description of Imperial's assessment of the risk of modern slavery associated with the potential risks identified above, is set out below.

1. *Personal Protective Equipment and Other Apparel:* Manufacturing of PPE and apparel generally involves lower skilled, lower paid workers, who may also have other risk factors,

including using migrant workers, increasing the risk of child and forced labour in these supply chains.³ Work is often undertaken in higher risk jurisdictions.⁴ In particular, apparel is often associated with long, complex, and non-transparent supply chains and include high risk inputs like raw materials.⁵

2. *IT Equipment*: IT equipment manufacturing generally involves lower skilled workers, who may also have other vulnerabilities (including migrant workers).⁶ This work is often undertaken in higher risk jurisdictions.⁷ IT equipment often has long, complex and non-transparent supply chains and includes higher risk inputs like raw materials.⁸
3. *Construction – Raw Materials*: Various commodities used in construction also carry heightened Modern Slavery Risks particularly when sourced from higher risk countries (e.g. bricks, gravel, cement, sand).⁹

Remediation Measures

As of the date of this Report, Imperial has not identified any instances or allegations of forced or child labour within its own workforce or its supply chain. If Imperial determines that it has caused or contributed to any instances of modern slavery, Imperial intends to cooperate with the impacted parties to develop an approach to remediation tailored to needs of the impacted parties. With no instances yet requiring remediation, Imperial's focus has been to prevent and mitigate potential adverse impacts.

TRAINING

Imperial provides internal training for the Company's employees whose duties encompass procurement or human resources. The training materials are prepared in house and focus on raising awareness about Modern Slavery Risks, the roles these teams have in identifying, preventing, and reporting on allegations or instances of modern slavery, and implementation of anti-Modern Slavery compliance mechanisms for the Company's suppliers.

ASSESSING EFFECTIVENESS

As Imperial continues the development of its program to prevent Modern Slavery Risks in 2025, it will consider and implement measures to assess the effectiveness of these processes.

³ US Department of Labor, "The List of Goods Produced by Child Labor or Forced Labor" updated as of September 5, 2024.

⁴ Global Fund to End Modern Slavery, "Apparel and Manufacturing".

⁵ Walk Free, "Beyond Compliance in the Garment Industry" at p. 7.

⁶ Walk Free, "Global Slavery Index 2023" at p. 4.

⁷ Walk Free, "Global Slavery Index 2023" at p. 4.

⁸ See generally, "Global Slavery Index 2023".

⁹ See generally, US Department of Labor, "The List of Goods Produced by Child Labor or Forced Labor" updated as of September 5, 2024.

OUR PLANS FOR 2025

Imperial is committed to continuous improvement in all aspects of our business operations, and this extends to our commitment to take meaningful steps to identify and combat Modern Slavery Risks and maintain a responsible and transparent supply chain.

In 2025, we intend to continue all current actions to address Modern Slavery Risks in our business and supply chain. In addition, we are planning the following actions for 2025:

- development of ongoing workforce training and awareness building;
- scheduled annual review of Imperial's policies and procedures;
- ongoing screening of all active vendors, including the use of a modern slavery questionnaire for all suppliers who are assessed to have a medium to high risk profile;
- ongoing awareness raising of Imperial's available reporting mechanisms;
- review of the effectiveness in practice of our Whistleblower grievance mechanisms.

APPROVAL AND ATTESTATION

This Report was approved by the Board of Directors of Imperial on May 8, 2025, on behalf of itself and the other Reporting Entity.

I have authority to bind Imperial Metals Corporation and the other Reporting Entity.



Brian Kynoch
President and Director
Imperial Metals Corporation
May 8, 2025

