



Condensed Consolidated Interim Financial Statements (unaudited)

For the Three and Six Months Ended June 30, 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2026 and December 31, 2025

expressed in thousands of Canadian dollars

	Notes	June 30 2026	December 31 2025
ASSETS			
Current assets			
Cash and cash equivalents		\$86,941	\$36,821
Trade and other receivables		31,912	32,093
Inventory	3	144,224	98,649
Prepaid expenses and deposits		6,369	7,280
		269,446	174,843
Mineral properties	5	1,675,990	1,557,747
Non-current inventory	3	30,329	57,471
Equity investments	4	14,173	-
Reclamation deposits		416	416
Deferred income tax assets		1,245	2,732
		<u>\$1,991,599</u>	<u>\$1,793,209</u>
LIABILITIES			
Current liabilities			
Trade and other payables	6	\$143,558	\$119,204
Taxes payable		3,788	2,367
Short term debt	7	136,506	119,709
Current portion of long term debt	8	55,543	55,177
		339,395	296,457
Long term debt	8	5,454	3,907
Non-current trade payables		14,394	2,989
Future site reclamation provisions	9	309,163	235,773
Deferred income tax liabilities		257,939	226,871
		<u>926,345</u>	<u>765,997</u>
EQUITY			
Share capital	10	491,109	490,764
Contributed surplus		46,975	46,433
Currency translation adjustment		8,898	8,127
Retained earnings		518,272	481,888
		<u>1,065,254</u>	<u>1,027,212</u>
		<u>\$1,991,599</u>	<u>\$1,793,209</u>
Commitments and pledges	19		
Contingent liabilities	20		

See accompanying notes to these condensed consolidated interim financial statements.

Approved by the Board and authorized for issue on August 6, 2026

/s/ Larry G. Moeller

Director

/s/ J. Brian Kynoch

Director

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the Three and Six Months Ended June 30, 2026 and 2025

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

	Notes	Three Months Ended June 30		Six Months Ended June 30	
		2026	2025	2026	2025
Revenue		\$166,517	\$175,751	\$321,088	\$352,370
Cost of sales	11	(119,211)	(94,421)	(225,935)	(192,736)
Income from mine operations		47,306	81,330	95,153	159,634
General and administration		(2,373)	(2,462)	(4,727)	(4,363)
Idle mine costs		(2,598)	(2,038)	(4,874)	(4,193)
Interest expense, net	12	(3,627)	(6,785)	(7,172)	(14,908)
Accretion of future site reclamation provisions	9	(3,020)	(2,082)	(6,040)	(3,984)
Loss on disposal of plant and equipment		(820)	-	(808)	-
Loss on equity investments		(36)	-	(36)	-
Foreign exchange gain (loss)		627	(910)	394	(528)
Income before taxes		35,459	67,053	71,890	131,658
Current income and mining taxes	13	(803)	(1,745)	(3,031)	(3,434)
Deferred income and mining taxes expense	13	(12,674)	(24,758)	(32,475)	(46,337)
Income and mining tax expense		(13,477)	(26,503)	(35,506)	(49,771)
Net income		21,982	40,550	36,384	81,887
Other comprehensive income (loss)					
Items that may be subsequently reclassified to profit or loss:					
Currency translation adjustment, net of tax effect		653	(373)	771	(380)
Total comprehensive income		\$22,635	\$40,177	\$37,155	\$81,507
Income per share					
Basic	15	\$0.12	\$0.25	\$0.20	\$0.50
Diluted	15	\$0.12	\$0.25	\$0.20	\$0.50
Weighted average number of common shares outstanding					
Basic	15	178,172,237	162,648,009	178,166,147	162,271,577
Diluted	15	183,537,014	168,693,709	184,228,650	166,460,988

See accompanying notes to these condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Three and Six Months Ended June 30, 2026 and 2025

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

	Share Capital		Contributed Surplus	Currency Translation Adjustment	Retained Earnings	Total
	Number of Shares	Amount				
Balance December 31, 2024	161,871,341	\$437,043	\$50,010	\$8,474	\$328,108	\$823,635
Exercised options	1,170,250	3,527	(1,171)	-	-	2,356
Share based compensation expense	-	-	145	-	-	145
Total comprehensive (loss) income	-	-	-	(380)	81,887	81,507
Balance June 30, 2025	163,041,591	\$440,570	\$48,984	\$8,094	\$409,995	\$907,643
Balance December 31, 2025	178,104,716	\$490,764	\$46,433	\$8,127	\$481,888	\$1,027,212
Exercised options	73,950	345	(119)	-	-	226
Share based compensation expense	-	-	661	-	-	661
Total comprehensive income	-	-	-	771	36,384	37,155
Balance June 30, 2026	178,178,666	\$491,109	\$46,975	\$8,898	\$518,272	\$1,065,254

See accompanying notes to these condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three and Six Months Ended June 30, 2026 and 2025

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

		Three Months Ended June 30		Six Months Ended June 30	
	Notes	2026	2025	2026	2025
OPERATING ACTIVITIES					
Net income		\$21,982	\$40,550	\$36,384	\$81,887
Items not affecting cash flows					
Deferred mining and income tax expense	13	12,674	24,758	32,475	46,337
Depletion and depreciation		27,305	22,570	54,526	45,917
Income from optioned out exploration projects		(6)	-	(18)	-
Loss on disposal of plant and equipment		826	-	826	-
Share based compensation		330	71	661	145
Accretion of future site reclamation provisions		3,020	2,082	6,040	3,984
Foreign exchange (gain) loss		(627)	881	(394)	528
Loss on equity investments		36	-	36	-
Interest income		(250)	(1,076)	(402)	(1,327)
Interest expense		3,877	7,861	7,574	16,235
		69,167	97,697	137,708	193,706
Net change in non-cash operating working capital balances	14	(10,114)	21,091	(6,828)	4,065
Income and mining taxes paid		-	(1,717)	(1,610)	(2,917)
Interest income received		250	1,076	402	1,327
Interest paid		(5,337)	(7,965)	(7,369)	(17,683)
Cash provided by operating activities		53,966	110,182	122,303	178,498
FINANCING ACTIVITIES					
Proceeds from short term debt	7	29,385	9,510	57,297	13,998
Repayment of short term debt	7	(29,500)	(47,500)	(40,500)	(90,500)
Repayment of current portion of long term debt		(1,157)	(1,506)	(2,193)	(2,406)
Repayment of debentures	8	-	(20,000)	-	(20,000)
Lease payments		(965)	(1,986)	(2,918)	(3,912)
Issue of share capital for exercised options		23	2,036	226	2,356
Cash (used in) provided by financing activities		(2,214)	(59,446)	11,912	(100,464)
INVESTING ACTIVITIES					
Acquisition and development of mineral properties		(61,192)	(56,484)	(93,975)	(98,931)
Net change in non-cash investing working capital balances		18,977	10,123	20,540	11,075
Equity investments	4	-	-	(13,613)	-
Proceeds on sale of minerals properties and other		6	-	18	-
Cash used in investing activities		(42,209)	(46,361)	(87,030)	(87,856)
EFFECT OF FOREIGN EXCHANGE ON CASH		593	(851)	1,275	(819)
INCREASE (DECREASE) IN CASH		10,136	3,524	48,460	(10,641)
January 1, 2026 opening balance prior to restatement for IFRS 9 amendments		-	-	36,821	-
Adjustment on adoption of IFRS 9 amendments for 2025 outstanding cheques on January 1, 2026	2	-	-	1,660	-
CASH, BEGINNING OF PERIOD		76,805	43,951	38,481	58,116
CASH, END OF PERIOD		\$86,941	\$47,475	\$86,941	\$47,475

See accompanying notes to these condensed consolidated interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2026 and 2025

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

1. NATURE OF OPERATIONS

Imperial Metals Corporation (the “Company”) is incorporated under the laws of the Province of British Columbia, Canada, and its principal business activity is the exploration, development, and production of base and precious metals from its mineral properties. The head office, principal address and registered and records office of the Company are located at 580 Hornby Street, Suite 900, Vancouver, British Columbia, Canada V6C 3B6. The Company’s shares are listed as symbol “III” on the Toronto Stock Exchange.

The Company’s key projects are:

- 100% interest in the Mount Polley copper-gold mine in central British Columbia, and
- 30% interest in the Red Chris copper-gold mine in northwest British Columbia.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes the Company will continue operating in the foreseeable future and will be able to service its debt obligations, realize its assets and discharge its liabilities in the normal course as they come due. The Company has in place a planning, budgeting, and forecasting process to determine the funds required to support the Company’s operations and expansionary plans.

The Company has financed its operating cash requirements primarily through revenues generated by its 100% interest in the Mount Polley mine, its 30% interest in the Red Chris mine, debt facility, debentures and equity raises. The Company’s ability to realize the carrying value of its assets and to continue as a going concern is based upon the continued support of our shareholders, senior lender and the operational success at our operating mines. It will be necessary for the Company to raise additional funds from time to time for the continued execution of its strategic plan which is to see increased cash generation from its operating mines. These additional funds may come from sources which could include the issuance of shares, the issuance of debt or alternative sources of financing.

The Company has in place a robust planning, budgeting, and forecasting process to determine the funds required to support its operations and expansionary plans. The Company has prepared the condensed consolidated interim financial statements on the basis that it will continue to operate as a going concern.

2. MATERIAL ACCOUNTING POLICIES

Statement of Compliance

The annual consolidated financial statements are prepared in accordance with IFRS® Accounting Standards (“IFRS Accounting Standards”) as Issued by the International Accounting Standards Board (“IASB”). These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (IAS 34).

These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2026 and 2025

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Government Grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attaching to the grants and that the grants will be received.

Government grants relating to the acquisition or construction of mineral property, plant and equipment or exploration and development assets are recognized as a reduction of the cost of the related assets. The grant is deducted in determining the carrying amount of the asset on initial recognition. The reduced carrying amount of the asset is depreciated over its estimated useful life in accordance with the Company's accounting policy for mineral property, plant and equipment, resulting in the grant being recognized in statement of income over the periods in which depreciation is recognized.

Government grants related to income are recognized in statement of income or loss on a systematic basis over the periods in which the Company recognizes the related expenses that the grants are intended to compensate. Such grants are presented as a deduction from the related expenses or as other operating income, as appropriate and consistent with the nature of the grant.

Where a government grant becomes repayable, the repayment is recognized prospectively as a change in accounting estimate. For grants related to assets, the carrying amount of the related asset is increased by the amount repayable, and the cumulative additional depreciation that would have been recognized in the absence of the grant is recognized immediately in statement of income or loss.

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; 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 \$1,660 increase to the opening balance of cash and cash equivalents in the consolidated statement of cash flows.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2026 and 2025

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

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.

Comparative Information

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

3. INVENTORY

	June 30 2026	December 31 2025
Stockpile ore	\$96,041	\$85,629
Concentrate	29,418	23,902
Supplies	49,094	46,589
Total inventories	174,553	156,120
Less non-current inventory	(30,329)	(57,471)
Total current inventory	\$144,224	\$98,649

During the six months period ended June 30, 2026 inventory of \$214,370 was recognized in cost of sales (June 30, 2025-\$173,621) and a net impairment charge of \$916 (June 30, 2025-\$5,253 of net impairment charge) on stockpile ore, concentrate and supplies inventory was included in cost of sales.

As at June 30, 2026, the Company had \$67,272 (December 31, 2025-\$60,965) of inventory pledged as security for the credit facility (Note 7).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2026 and 2025

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

4. EQUITY INVESTMENTS

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 an aggregate purchase price 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.

As at June 30, 2026 AndeX Gold is a private entity that is not listed on any public exchange. The Company has a 10.8% interest and representation on the Board of Directors of AndeX Gold. The investments in AndeX Gold is accounted for using the equity method in the condensed consolidated interim financial statements.

	June 30 2026
Balance, January 1, 2026	\$ -
Purchase of equity investments	13,613
Share of loss for the period	(36)
Currency translation adjustment	596
Balance, end of period	<u>\$14,173</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2026 and 2025

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

5. MINERAL PROPERTIES

Costs	Mineral Properties	Capitalized Stripping Costs	Exploration, Evaluation and Development	Plant & Equipment	Total
Balance December 31, 2024	\$629,647	\$195,737	\$376,823	\$911,336	\$2,113,543
Additions	9	68,961	77,176	97,158	243,304
Change in estimates of future site reclamation provisions	10,399	-	(46)	-	10,353
Disposals and write down	-	(104,420)	-	(216)	(104,636)
Foreign exchange valuation	-	-	(348)	-	(348)
Balance December 31, 2025	\$640,055	\$160,278	\$453,605	\$1,008,278	\$2,262,216
Additions	10	-	50,581	56,604	107,195
Change in estimates of future site reclamation provisions	67,583	-	-	-	67,583
Disposals and write down	-	-	-	(849)	(849)
Foreign exchange valuation	-	-	256	-	256
Balance June 30, 2026	\$707,648	\$160,278	\$504,442	\$1,064,033	\$2,436,401
<i>Accumulated depletion & depreciation & impairment losses</i>	<i>Mineral Properties</i>	<i>Capitalized Stripping Costs</i>	<i>Exploration & Evaluation</i>	<i>Plant & Equipment</i>	<i>Total</i>
Balance December 31, 2024	\$191,760	\$132,328	\$1,637	\$356,755	\$682,480
Depletion and depreciation	45,420	20,299	-	60,690	126,409
Disposals and write down	-	(104,420)	-	-	(104,420)
Balance December 31, 2025	\$237,180	\$48,207	\$1,637	\$417,445	\$704,469
Depletion and depreciation	21,429	6,931	-	27,605	55,965
Disposals and write down	-	-	-	(23)	(23)
Balance June 30, 2026	\$258,609	\$55,138	\$1,637	\$445,027	\$760,411
<i>Carrying Amount</i>					
Balance December 31, 2024	\$437,887	\$63,409	\$375,186	\$554,581	\$1,431,063
Balance December 31, 2025	\$402,875	\$112,071	\$451,968	\$590,833	\$1,557,747
Balance June 30, 2026	\$449,039	\$105,140	\$502,805	\$619,006	\$1,675,990

At June 30, 2026, leased mobile equipment at cost of \$30,550 (December 31, 2025-\$27,963) and accumulated depreciation of \$20,730 (December 31, 2025-\$19,152) was included with plant and equipment.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2026 and 2025

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

Red Chris Mine

Red Chris Development Company Ltd., a wholly owned subsidiary of the Company, owns a 30% beneficial interest in the Red Chris copper/gold mine in northwest British Columbia. The Company and Newmont Corporation ("Newmont") have a joint venture for the operation of Red Chris mine, with Newcrest Red Chris Mining Limited, a wholly owned subsidiary of Newmont, acting as operator. The property is comprised of the Red Chris Main claim group (51 tenures / 17,149 hectares), the Red Chris South group (27 tenures / 6,097 hectares), the GJ Connector (2 tenures / 972 ha), the GJ group (87 tenures / 39,432 hectares) and the Hawkeye group (McBride, Railway and Todogin claims, (37 tenures / 8,225 hectares) consisting of 204 mineral tenures (71,875 hectares). Five of the Red Chris Main tenures are mining leases (5,141 hectares). Net smelter royalties of 2.0% are payable on the current tenures which are being mined from the Red Chris mine.

Mount Polley Mine

The Mount Polley copper/gold mine in central British Columbia is owned 100% by Mount Polley Mining Corporation, a wholly owned subsidiary of the Company. The property encompasses 24,096 hectares consisting of seven mining leases (2,007 hectares) and 52 mineral claims (22,089 hectares). A production royalty of \$2.50 per tonne on the first 400,000 tonnes of ore milled and \$1.25 per tonne for any additional ore milled is payable from Mining Lease 933970. The rate may be reduced to \$0.62 per tonne by the Company making a payment of \$1,000,000. In October 2019, Mount Polley Mining Corporation acquired an option to acquire seven adjacent mineral tenures (3,331 hectares) and the option was exercised on December 30, 2022. These claims are subject to a production royalty of \$1.25 per tonne of ore milled. The Company has the right to make a payment of \$1,000,000 to have the production fee reduced by 50%. There is currently no ore being mined on tenures which are subject to the production royalties.

Huckleberry Mine

The Huckleberry copper mine in west-central British Columbia is 100% owned by Huckleberry Mines Ltd., a wholly owned subsidiary of the Company. The property encompasses 25,767 hectares, consisting of two mining leases (2,422 hectares) and 49 mineral claims (23,345 hectares).

Huckleberry mine operations were suspended in August 2016. The mine remains on care and maintenance status until the economics of mining improve.

Other Exploration Properties

The Company has a portfolio of 23 greenfield exploration properties located mainly in British Columbia.

Impairment or Impairment Reversal Analysis of Mineral Properties

In accordance with its accounting policies and processes, each asset or cash-generating unit ("CGU") is evaluated to determine whether there are any indications of impairment or impairment reversal. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

Based on the Company's assessment with respect to possible indicators of either impairment or reversal of previous impairments to its mineral properties, including the impact of current macroeconomic and geopolitical uncertainties on the operations and the prevailing market metals prices, the Company concluded that as of June 30, 2026, there were no impairment or impairment reversal indicators for the Company's mineral properties (December 31, 2025-no impairment or impairment reversal indicators identified).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2026 and 2025

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

6. TRADE AND OTHER PAYABLES

	June 30 2026	December 31 2025
Trade payables and accruals	\$109,912	\$89,667
Accrued payroll and payroll related taxes	11,118	12,815
Accrued interest on debt	22,528	16,722
	<u>\$143,558</u>	<u>\$119,204</u>

7. SHORT TERM DEBT

Amounts due for short term debt are:

	June 30 2026	December 31 2025
Credit Facility	\$ -	\$ -
Advanced Development Loan	136,506	119,709
	<u>\$136,506</u>	<u>\$119,709</u>

The movement of the amounts due for short term debt are:

	Six Months Ended June 30 2026	Year Ended December 31 2025
Balance, beginning of period	\$119,709	\$167,963
Amounts advanced	57,297	129,246
Amount repaid	(40,500)	(177,500)
Balance, end of period	<u>\$136,506</u>	<u>\$119,709</u>

Credit Facility

At June 30, 2026, a Credit Facility aggregating \$125,000 (December 31, 2025-\$125,000) is in effect until expiry on March 31, 2027. The Credit Facility is secured by the Company's shares and shares of all material subsidiaries and a floating charge on certain assets of the Company. A standby fee is payable to the bank with respect to the unused portion of the Credit Facility. The full amount of the \$125,000 of credit facility is guaranteed by a related party. The guarantee fee is payable monthly at a rate of 1.5% per annum. Any funds borrowed under the credit facility bear an interest rate of CORRA plus 1.25%.

As at June 30, 2026, a total of \$12,725 (December 31, 2025-\$12,725) has been utilized under the Credit Facility, that consists of drawdowns in amount of \$nil (December 31, 2025-\$nil) and \$12,725 (December 31, 2025-\$12,725) for letters of credit pledged for settlement of future site reclamation provisions and other obligations.

Advanced Development Loan

The Company signed a loan agreement with Newcrest Red Chris Mining Limited to finance the Company's 30% interest in advanced development works on the Red Chris block cave decline and related activities. The aggregate planned expenditures in respect of 100% of advanced development works is \$498,100. The Advanced Development Loan is repayable on demand (with certain restrictions) and bears interest at prime rate plus 3.5% per annum.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2026 and 2025

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8. LONG TERM DEBT

Amounts due for non-current debt are:

	June 30 2026	December 31 2025
Debentures	\$47,843	\$47,227
Equipment leases	6,105	5,564
Equipment loans	7,049	6,293
	60,997	59,084
Less portion due within one year	(55,543)	(55,177)
	<u>\$5,454</u>	<u>\$3,907</u>

Debentures

On December 23, 2022 the Company issued on a non-brokered private placement basis unsecured non-convertible debentures with an aggregate principal amount of \$48,450 which have a maturity date of December 23, 2026 and which bear interest at a rate of 10% per annum, with interest payable semi-annually in cash. In connection with the issuance of the debentures, the Company issued 6,056,250 common share purchase warrants which are exercisable into common shares of the Company at a price of \$2.10 per share.

At June 30, 2026 the total of 5,790,625 warrants remain outstanding. The warrants expire on December 23, 2026.

The movement of the debentures amounts are:

	Six Months Ended June 30 2026	Year Ended December 31 2025
Balance, beginning of period	\$47,227	\$189,535
Repayment of debentures	-	(99,470)
Conversion of debentures into shares	-	(44,715)
Accretion of debt	616	1,877
Balance, end of period	<u>\$47,843</u>	<u>\$47,227</u>

Equipment leases

The outstanding amount of equipment leases is \$6,105 (December 31, 2025-\$5,564) at weighted average interest rate of 4.89% with monthly payments of \$316.

The contractual lease payments are as follows:

	June 30 2026	December 31 2025
Due in less than one year	\$3,249	\$3,742
Due in more than one year but less than three years	2,740	1,788
Due in more than three years but less than five years	542	277
Total undiscounted lease liabilities, end of period	<u>\$6,531</u>	<u>\$5,807</u>

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9. FUTURE SITE RECLAMATION PROVISIONS

The Company has recognized provisions for future site reclamation at its Red Chris, Mount Polley, Huckleberry, Ruddock Creek and Catface properties. Although the ultimate amounts of the future site reclamation provisions are uncertain, the provision of these obligations is based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation, water treatment, demolition of facilities, monitoring and other costs.

The total undiscounted amount of estimated cash flows required to settle the Company's estimated future closure and decommissioning costs is \$538,230 (December 31, 2025-\$409,448). The estimated future cash flows were then inflated using inflation rate 2.0% (December 31, 2025-2.0%). The total provision for closure and decommissioning costs is calculated using discount rates between 3.76% to 4.76% (December 31, 2025-3.84% to 5.84%). Obligations in the amount of \$319,612 are expected to be settled in the years 2026 through 2055.

	Six Months Ended June 30 2026	Year Ended December 31 2025
Balance, beginning of period	\$235,773	\$217,242
Accretion	6,040	8,178
Paid cost	(233)	-
Change in estimates of future costs and discount rate	67,583	10,353
Balance, end of period	\$309,163	\$235,773

The amount and timing of closure plans for the mineral properties will vary depending on a number of factors, including exploration success and alternative mining plans.

10. SHARE CAPITAL

(i) Share Capital

Authorized

50,000,000 First Preferred shares without par value with special rights and restrictions to be determined by the directors, of which 3,100,000 have been designated as "Series A First Preferred shares" (issued and outstanding – nil)

50,000,000 Second Preferred shares without par value with rights and restrictions to be determined by the directors (issued and outstanding – nil)

An unlimited number of Common Shares without par value

(ii) Share Option Plans

Under the Share Option Plans, options not exceeding 10% of the issued common shares of the Company, may be granted to its directors, officers and employees. As at June 30, 2026, a total of 15,165,567 common share options had remained available for grant under the plans. Under the plans, the exercise price of each option cannot be greater than the market price of the Company's shares on the date of grant and an option's maximum term is 10 years. Options are granted from time to time by the Board of Directors and vest over a three or five year period.

During the six months ended June 30, 2026 the Company granted nil stock options (six months ended June 30, 2025-nil).

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Movements in Share Options

The changes in share options were as follows:

	Six Months Ended June 30 2026		Year Ended December 31 2025	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of period	2,736,250	\$3.54	3,552,250	\$3.76
Granted	-	-	1,575,000	\$4.32
Exercised	(73,950)	\$3.07	(1,280,250)	\$2.03
Forfeited	(5,000)	\$3.84	(63,750)	\$3.72
Expired	(5,000)	\$3.84	(1,047,000)	\$7.28
Outstanding at end of period	2,652,300	\$3.55	2,736,250	\$3.54
Options exercisable at end of period	1,204,800	\$3.12	1,246,250	\$3.15

The following table summarizes information about the Company's share options outstanding as at June 30, 2026:

	Options Outstanding		Options Exercisable	
	Options Outstanding	Remaining Contractual Life in Years	Options Outstanding & Exercisable	Remaining Contractual Life in Years
Exercise Prices				
\$2.00	63,750	0.92	63,750	0.92
\$2.40	1,032,500	1.61	725,000	1.56
\$4.32	1,491,050	4.42	351,050	4.42
\$5.75	65,000	1.50	65,000	1.50
	2,652,300	3.17	1,204,800	2.35

(iii) Warrants

In connection with the issuance of certain non-convertible debentures (Note 8), the Company issued 6,056,250 common share purchase warrants which are exercisable into common shares of the Company at a price of \$2.10 per share for a period of four years from the date of issuance. The warrants expire on December 23, 2026. The fair value of the warrants was estimated using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate of 3.38%, expected dividend yield of nil, expected stock price volatility of 67.62% and expected life of 4 years.

During the six months ended June 30, 2026, total of nil warrants were exercised and the company issued nil of common shares (year ended December 31, 2025, total of 265,625 warrants were exercised). At June 30, 2026 the total of 5,790,625 warrants remain outstanding.

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11. COST OF SALES

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Operating expenses	\$91,880	\$72,179	\$171,488	\$147,470
Share based compensation expense	49	7	98	18
Depletion and depreciation	27,282	22,235	54,349	45,248
	<u>\$119,211</u>	<u>\$94,421</u>	<u>\$225,935</u>	<u>\$192,736</u>

Included in cost of sales for the three months ended June 30, 2026 is \$842 of net impairment charge (June 30, 2025-\$784 of net impairment charge) in relation to concentrate, stockpile and supplies inventory.

Included in cost of sales for the six months ended June 30, 2026 is \$916 of net impairment charge (June 30, 2025-\$5,253 of net impairment charge) in relation to concentrate, stockpile and supplies inventory.

12. INTEREST EXPENSE, NET

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Interest and finance fees on debt:				
Non-convertible debentures (Note 8)	\$1,473	\$4,498	\$2,973	\$8,943
Convertible debentures (Note 8)	-	1,209	-	2,411
Equipment loans and leases (Note 8)	195	224	353	438
	<u>1,668</u>	<u>5,931</u>	<u>3,326</u>	<u>11,792</u>
Other interest and finance fees				
Credit facility (Note 7)	686	932	1,337	2,473
Advanced development loan (Note 7)	3,094	2,033	5,872	3,924
Other	1,523	998	2,911	1,970
	<u>5,303</u>	<u>3,963</u>	<u>10,120</u>	<u>8,367</u>
	6,971	9,894	13,446	20,159
Less: interest capitalized	(3,094)	(2,033)	(5,872)	(3,924)
Less: interest income	(250)	(1,076)	(402)	(1,327)
	<u>\$3,627</u>	<u>\$6,785</u>	<u>\$7,172</u>	<u>\$14,908</u>

13. INCOME AND MINING TAX EXPENSE

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Current income and mining taxes	\$803	\$1,745	\$3,031	\$3,434
Deferred income and mining taxes	12,674	24,758	32,475	46,337
	<u>\$13,477</u>	<u>\$26,503</u>	<u>\$35,506</u>	<u>\$49,771</u>

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14. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash operating working capital balances:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Trade and other receivables	\$(11,671)	\$18,177	\$8,305	\$650
Inventory	(1,332)	(3,117)	(18,059)	(4,909)
Prepaid expenses and deposits	1,776	1,422	912	2,235
Trade and other payables	310	2,864	(1,018)	2,655
Income and mining tax payable	803	1,745	3,032	3,434
	<u>\$(10,114)</u>	<u>\$21,091</u>	<u>\$(6,828)</u>	<u>\$4,065</u>

15. INCOME PER SHARE

Basic income per share is calculated by dividing the net income for the period by the weighted average number of ordinary shares outstanding during the period. The diluted net income is adjusted for an individual effect, net of tax of each class of instruments that affects earnings per share.

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Numerator:				
Net Income (for basic weighted-average number of common shares outstanding)	\$21,982	\$40,550	\$36,384	\$81,887
Effect of dilutive securities: interest and accretion on convertible debentures	-	877	-	1,760
Net Income (for diluted weighted-average number of common shares outstanding)	<u>\$21,982</u>	<u>\$41,427</u>	<u>\$36,384</u>	<u>\$83,647</u>
Denominator:				
Basic weighted-average number of common shares outstanding	178,172,237	162,648,009	178,166,147	162,271,577
Effect of dilutive securities: stock options, warrants and convertible debentures	5,364,777	6,045,700	6,062,503	4,189,411
Diluted weighted-average number of common shares outstanding	<u>183,537,014</u>	<u>168,693,709</u>	<u>184,228,650</u>	<u>166,460,988</u>
Basic net income per common share	\$0.12	\$0.25	\$0.20	\$0.50
Diluted net income per common share	\$0.12	\$0.25	\$0.20	\$0.50

The following common shares that may be issued in relation to the following items have been excluded from the calculation of diluted net income per common share:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Stock Options	-	986,000	-	986,000
Warrants	-	-	-	-
Convertible debentures	-	-	-	-

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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16. RELATED PARTY TRANSACTIONS AND COMPENSATION TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

(a) 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

	June 30 2026	December 31 2025
Assets		
Equipment rental trade receivables from Red Chris Joint Venture	\$147	\$74
Equity investments - AndeX Gold Inc.	\$14,173	\$ -
Liabilities		
Debentures (Note 8)	\$36,995	\$36,995
Advanced Development Loan (Note 7)	\$136,506	\$119,709
Interest accrued	\$22,509	\$16,687

Consolidated Statements of Income and Comprehensive Income

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Equipment rental from Red Chris Joint Venture	\$210	\$76	\$425	\$153
Credit facility arrangement guarantee fee	\$468	\$468	\$930	\$930
Interest expense	\$3,981	\$5,678	\$7,671	\$11,186
Interest expense capitalized	\$(3,094)	\$(2,033)	\$(5,872)	\$(3,924)
Loss on equity investments	\$(36)	\$ -	\$(36)	\$ -

The full amount of the \$125,000 of credit facility is guaranteed by a related party (Note 7). 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.

(b) Compensation of Directors and Key Management Personnel

The remuneration of the Company's directors and other key management personnel \$495 and \$1,175 for the three and six months ended June 30, 2026, respectively (three and six months ended June 30, 2025-\$479 and \$1,093). The remuneration includes salaries, estimated bonuses payable within the year of the Statement of Financial Position date and other annual employee benefits.

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17. REPORTABLE SEGMENTED INFORMATION

The Company operates primarily in Canada. All of the Company's assets are located in Canada, except for assets in relation to the Sterling mine totalling \$7,227 as at June 30, 2026 (December 31, 2025-\$6,971) which is located in the USA. The Company's reportable segments reflect the internal reporting used by the Company's management to report to the chief operating decision maker.

Reportable Segments

	Three Months Ended June 30, 2026			
	Red Chris	Mount Polley	Huckleberry	Corporate and Others
Reportable segmented revenues	\$79,081	\$87,226	\$1,439	\$1,097
Less inter-segment revenues	-	-	(1,229)	(1,097)
Revenues from external sources	\$79,081	\$87,226	\$210	\$ -
Depletion and depreciation	\$18,522	\$8,723	\$52	\$8
Interest expense, net	\$(1,268)	\$(2,056)	\$(225)	\$(78)
Accretion of future site reclamation provisions	\$(1,080)	\$(900)	\$(1,040)	\$ -
Net income (loss)	\$17,223	\$12,169	\$(4,447)	\$(2,963)
Capital expenditures	\$35,033	\$30,264	\$890	\$795
Total assets	\$1,158,278	\$491,878	\$258,420	\$83,023
Total liabilities	\$517,029	\$246,899	\$109,245	\$53,172

	Three Months Ended June 30, 2025			
	Red Chris	Mount Polley	Huckleberry	Corporate and Others
Reportable segmented revenues	\$68,291	\$107,384	\$108	\$ -
Less inter-segment revenues	-	-	(32)	-
Revenues from external sources	\$68,291	\$107,384	\$76	\$ -
Depletion and depreciation	\$14,313	\$7,849	\$408	\$ -
Interest expense, net	\$(3,491)	\$(4,649)	\$(156)	\$1,511
Accretion of future site reclamation provisions	\$(882)	\$(660)	\$(540)	\$ -
Net income (loss)	\$5,260	\$37,014	\$(776)	\$(948)
Capital expenditures	\$30,170	\$33,719	\$95	\$115
Total assets	\$1,079,027	\$377,918	\$204,636	\$47,229
Total liabilities	\$407,190	\$160,550	\$54,864	\$178,563

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	Six Months Ended June 30, 2026			
	Red Chris	Mount Polley	Huckleberry	Corporate and Others
Reportable segmented revenues	\$164,984	\$155,679	\$3,206	\$2,116
Less inter-segment revenues	-	-	(2,781)	(2,116)
Revenues from external sources	\$164,984	\$155,679	\$425	\$ -
Depletion and depreciation	\$35,960	\$18,314	\$236	\$16
Interest expense, net	\$(2,475)	\$(3,860)	\$(444)	\$(393)
Accretion of future site reclamation provisions	\$(2,160)	\$(1,800)	\$(2,080)	\$ -
Net income (loss)	\$38,291	\$13,061	\$(9,449)	\$(5,519)
Capital expenditures	\$57,070	\$46,040	\$3,031	\$1,054
Total assets	\$1,158,278	\$491,878	\$258,420	\$83,023
Total liabilities	\$517,029	\$246,899	\$109,245	\$53,172

	Six Months Ended June 30, 2025			
	Red Chris	Mount Polley	Huckleberry	Corporate and Others
Reportable segmented revenues	\$137,530	\$214,687	\$218	\$ -
Less inter-segment revenues	-	-	(65)	-
Revenues from external sources	\$137,530	\$214,687	\$153	\$ -
Depletion and depreciation	\$30,196	\$14,907	\$814	\$ -
Interest expense, net	\$(8,518)	\$(9,170)	\$(291)	\$3,071
Accretion of future site reclamation provisions	\$(1,764)	\$(1,170)	\$(1,050)	\$ -
Net income (loss)	\$10,702	\$74,957	\$(2,803)	\$(969)
Capital expenditures	\$49,715	\$60,881	\$250	\$248
Total assets	\$1,079,027	\$377,918	\$204,636	\$47,229
Total liabilities	\$407,190	\$160,550	\$54,864	\$178,563

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Customers by Geographic Area

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Switzerland	\$107,362	\$149,609	\$218,824	\$284,461
Singapore	38,467	-	60,912	-
China	20,260	12,533	40,591	40,782
Philippines	-	(279)	-	13,162
United States of America	-	13,754	(112)	13,754
Canada	428	134	873	211
	<u>\$166,517</u>	<u>\$175,751</u>	<u>\$321,088</u>	<u>\$352,370</u>

In the period ended June 30, 2026, the Company had 5 principal customers each individually accounting for more than 10% of revenues for a total 81% of revenues (June 30, 2025-3 principal customers each individually accounting for more than 10% of revenues for a total 67% of revenues).

The Company's principal product is copper concentrate (contains copper, gold, and silver) which is sold at prices quoted on the London Metals Exchange and LBMA. The Company sells all concentrate production to a limited number of traders and smelters.

Revenue by Major Product and Service

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Copper	\$89,065	\$95,519	\$158,758	\$195,116
Gold	74,302	78,379	156,256	153,748
Silver	2,722	1,719	5,201	3,295
Other	428	134	873	211
	<u>\$166,517</u>	<u>\$175,751</u>	<u>\$321,088</u>	<u>\$352,370</u>

18. FINANCIAL INSTRUMENTS, INTEREST RATE AND CREDIT RISK

During the reporting period, the Company examined the various financial instrument risks to which it is exposed and assessed the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and other price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

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 capital structure of the Company consists of equity comprised of share capital, contributed surplus, currency translation adjustment and retained earnings.

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.

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Liquidity Risk

The Company has a planning and budgeting process in place 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.

The Company holds investments in mineral and exploration properties. 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.

Cash balances on hand, the projected cash flow and the available credit facility, are expected to be sufficient to fund the Company's obligations as they come due. However, there are inherent risks related to the operation of the Company's mines which could require additional sources of financing.

Liquidity risk is also impacted by credit risk, although the Company considers this risk low.

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 six months ended June 30, 2026 would have been higher/lower by \$4,301.

Interest Rate Risk

The Company is exposed to interest rate risk on its credit facilities and advanced development loan (Note 7). 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 six months ended June 30, 2026 would have increased/decreased by \$549.

Provisionally Priced Revenues

As a result of the provisional pricing terms in its sales contracts, the Company is exposed to commodity price risk until final pricing is determined. Therefore, revenues in subsequent periods will be adjusted for any changes to provisionally priced accounts receivables outstanding at period end. Final pricing is usually four to five months after the date of shipment and therefore changes in metal prices may have a material impact on the final revenue.

Provisionally priced revenues is comprised of the following:

	Six Months Ended June 30, 2026		Six Months Ended June 30, 2025	
	Provisional lb/oz	Provisional Price per lb/oz	Provisional lb/oz	Provisional Price per lb/oz
	000's	US\$	000's	US\$
Copper (lb)	6,912.9	\$6.06	17,150.9	\$4.47
Gold (oz)	8.3	\$4,023	2.2	\$3,322

The following tables summarize the realized and unrealized gains (losses) on provisionally priced sales:

	Six Months Ended June 30, 2026			Six Months Ended June 30, 2025		
	Copper	Gold & Silver	Total	Copper	Gold & Silver	Total
Realized	\$1,621	\$2,897	\$4,518	\$4,434	\$6,763	\$11,197
Unrealized	\$(454)	\$(5,565)	\$(6,019)	3,242	(144)	3,098
Total	\$1,167	\$(2,668)	\$(1,501)	\$7,676	\$6,619	\$14,295

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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.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy at June 30, 2026 as follows:

	Carrying value at amortized cost	Fair value Through profit or loss			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	\$86,941	\$ -	\$ -	\$ -	\$86,941
Trade and other receivables	8,903	-	18,960	-	27,863
Future site reclamation deposits	-	416	-	-	416
	95,844	416	18,960	-	115,220
Financial Liabilities					
Trade and other payables	(150,706)	-	(7,246)	-	(157,952)
Short term debt	(136,506)	-	-	-	(136,506)
Long term debt	(60,997)	-	-	-	(60,997)
	(348,209)	-	(7,246)	-	(355,455)
	<u>\$(252,365)</u>	<u>\$416</u>	<u>\$11,714</u>	<u>\$ -</u>	<u>\$(240,235)</u>

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19. COMMITMENTS AND PLEDGES

The Company has pledged the following assets for settlement of future site reclamation provisions:

	June 30
	2026
Letters of credit and reclamation surety bonds	\$186,133
Reclamation deposits	416
	<u>\$186,549</u>

20. 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. Trial dates have been reserved commencing January 11, 2027. In the interim, 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 Xatśūll First Nation ("Xatśūll") commenced a petition for judicial review seeking to set aside two decisions (the "Decisions") granted by the Ministry of Mining and Critical Minerals and the Minister of Environment and Parks pertaining to the Mount Polley Mine. Shortly afterward, Xatśūll filed an application seeking to stop work under those decisions until the judicial review is heard (collectively, the "Application"). On August 6, 2025, the Supreme Court of British Columbia released its oral decision to dismiss the Application on the basis that the Decisions were reasonable and correct and the consultation was adequate and conducted fairly. Xatśūll has appealed, but is no longer seeking injunctive relief. The appeal hearing has been scheduled to occur on October 22-23, 2026.



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