884096

YGS→Huckleberry

Production Statistics *from start of mill operations March 8, 2005 to March 31, 2005* *(unaudited)*	
Ore milled (tonnes)	303,223
Ore milled per calendar day (tonnes)	12,634
Grade % - Copper	0.202
Grade g/t - Gold	0.328
Recovery % – Copper	51.79
Recovery % – Gold	57.44
Copper produced (lbs)	700,743
Gold produced (oz)	1,834

Under the current plan, the mine and mill complex will produce approximately 26 million pounds of copper and 33 thousand ounces of gold in concentrate this year. In 2006, when 40% of the mill feed will come from the newly developed Wight Pit, production will total 70 million pounds of copper and 50 thousand ounces of gold.

Imperial acquired 100% of the Mount Polley mine in 2001 maintaining it on care and maintenance during a three year suspension of operations until pre-production work began in 2004. The mine now employs more than 200 people, making a significant contribution to the economy of the Williams Lake area.

Exploration continued during the period with up to four drill rigs active. Exploration was concentrated in two areas, the deeper mineralization located north of the Wight Pit, and the Southeast Zone. In the area north of the Wight Pit, drilling was aimed at extending the Green Zone. In the Southeast Zone, the focus was on extending the near surface mineable tonnage of ore. + 92 zone

Drilling in the northern area has expanded the Green Zone to a strike length of 270 metres east-west and has extended the Northeast Zone mineralized trend a further 250 metres to the north. The entire Northeast Zone trend now extends 650 metres north-south.

Drilling in the Southeast Zone was successful in proving up near surface mineralization, and intersected deeper mineralization outside the projected pit area. This drilling also intercepted some molybdenum mineralization, with hole SE05-25 intercepting 10 metres of over 0.1 % molybdenum.

Huckleberry Mine

Imperial holds a 50% interest in the Huckleberry mine through a subsidiary. This open pit copper molybdenum mine is located 123 kilometres southwest of Houston in west-central British Columbia. Production statistics for the first quarter are provided below.

Production Statistics	Three Months Ended March 31	
(unaudited)	2005	2004
Ore milled (tonnes)	1,864,200	1,566,100
Ore milled per calendar day (tonnes)	18,807	17,210
Ore milled per operating day (tonnes)	21,107	19,079
Grade (%) – Copper	0.542	0.495
Grade (%) – Molybdenum	0.014	0.013
Recovery (%) – Copper	87.7	87.0
Recovery (%) – Molybdenum	26.6	18.6
Copper produced (lbs)	17,748,000	14,868,000
Molybdenum produced (lbs)	135,567	81,310

Imp. Metals Q1 Rpt. (2005)

An exploration program was conducted in late 2004 which identified a new potential deposit. The new copper-molybdenum zone, referred to as the Northwest Target, is directly north of the Huckleberry Main Zone Pit and easily accessible from the minesite. A program of delineation drilling on this target was started in April 2005. This drill program consists of about 30 drill holes, and will provide sufficient drill density to complete block modeling and pit designs. A mine design for the Northwest Target should be available by year end.

Outlook

In March 2005 Imperial completed a $20 million private placement of 6% unsecured convertible debentures. Each $8.65 of face value is convertible into one common share of Imperial at any time until 5 years plus one day after the date of closing. One half of this financing was placed through Haywood Securities Inc. as lead agent, along with First Associates Investments Inc. and Raymond James Ltd. Directors, officers, insiders and employees of the Company purchased, on a non brokered private placement basis, the other half of the debentures on the same terms as the brokered private placement with the exception that the price of the convertible debentures will be discounted 4% in place of commission being paid, resulting in the same net proceeds to the Company.

Subsequent to the end of the quarter, Imperial completed two financings. The first to fund the acquisition of eight new 150 tonne capacity haul trucks. The second to provide working capital during the initial months of operation when low grade stockpiles are being milled and copper concentrate inventories build up prior to the first ocean shipment of 10,000 tonnes planned for late June.

For the remainder of 2005 the Company will concentrate its efforts on the development of the Wight Pit to maximize mill head grades and metal production.

With mining and milling operations now well underway, ongoing exploration at Mount Polley will be aimed at extending existing mineable resources, now sufficient for a six year mine life.

Brian Kynoch
President

Bear

Discovered in 1972, the Bear property hosts significant molybdenum/copper mineralization. Imperial completed a drill program on this property in July 2004. All five holes returned long intercepts of molybdenum/copper mineralization. Results confirmed potential for the property to host the tonnage and the grade necessary for an economic deposit. The mineralized body remains open for expansion, both laterally and to depth.

The best results were from BD04-18 which returned 295.9 metres grading 0.059% molybdenum and 0.27% copper, or 0.56% copper equivalent (based on Gross Metal Value using long-term estimate prices of US$5.00/lb molybdenum and US$1.00/lb copper). Mineralization was continuous starting at the top of the bedrock. Hole BD04-17 was also well mineralized with 351.0 metres of 0.047% molybdenum and 0.21% copper or 0.44% copper equivalent. Both holes were still mineralized at the completed depth. Data will be compiled and analyzed in preparation for a 2005 summer program.

Infrastructure in the area is excellent with nearby rail, roads, power and airstrips. With the outlook for a sustained strong molybdenum market, Imperial is well positioned to move the Bear project forward quickly through the next stage of exploration, and further if warranted. The property is located 140 kilometres north of Smithers, British Columbia.

Huckleberry

Imperial holds a 50% interest Huckleberry Mines Ltd., which owns the Huckleberry copper/molybdenum open pit mine located approximately 123 kilometres southwest of Houston, British Columbia.

An exploration program completed in late 2004 identified a new potential deposit on the 1,825 hectare Huckleberry property. The new copper/molybdenum zone, referred to as the Northwest Target, is directly north of Huckleberry's Main Zone Pit and is easily accessible from the minesite. Drill highlights included 210.5 metres in hole 04-306 grading 0.50% copper and 0.004 molybdenum, 165.0 metres in hole 04-308 grading 0.35% copper and 0.043 molybdenum and 265.0 metres in hole 04-314 grading 0.54% copper and 0.006 molybdenum. Exploration will continue in 2005 to further expand the Northwest Target.

pot. add 2-3 yr. mine life

Mine production statistics for the current year ended December 31, 2004 and for 2003 are as follows.

The Huckleberry mine was commissioned in 1997 and built at a capital cost of approximately $142 million. Ore is mined with standard open-pit truck and shovel equipment, and processed through a SAG/ball mill circuit producing copper and molybdenum concentrates. The mill has a processing capacity of 21,000 tonnes of ore per day. The current reserves at Huckleberry have an estimated mine life of 3.5 years.

2005 30-35 more infill drills

	2004		2003
Ore milled (tonnes)	6,867,153		6,999,077
Ore milled per calendar day (tonnes)	18,763		19,176
Ore milled per operating day (tonnes)	20,543		20,771
Grade (%) – Copper	0.454		0.542
Grade (%) – Molybdenum	0.014		0.012
Recovery (%) – Copper	85.87		86.48
Recovery (%) – Molybdenum	20.41		17.61
Copper produced (lbs)	62,924,920	28,538t	72,269,310
Molybdenum produced (lbs)	426,658	193.7t	316,890

- nice slide

end 2005 - able to pay down substantial amt of ($123m) debt.

Total '05 exp. ~ $7M

Imp. Metals 2004 AR

Management's Discussion and Analysis

Overview

During the year ended December 31, 2004 the Company continued to focus its exploration activities on Mount Polley while preparing the mine for a restart of operations. Major activities for the restart of the Mount Polley mine included acquisition of additional mobile mine equipment, mill refurbishment, financing and concentrate sales arrangements.

The management of Huckleberry Mines Ltd. ("Huckleberry") was restructured on December 1, 2003, whereby Imperial relinquished certain elements of joint control and this resulted in a change in the method of accounting for Huckleberry, from the proportionate consolidation basis to the equity basis. This improved the Company's balance sheet by eliminating the large debt associated with Huckleberry. All of the assets and liabilities of Huckleberry previously recorded on a line by line basis were removed from Imperial's consolidated balance sheet. Instead, balance sheets after December 1, 2003 record the Company's investment in Huckleberry as a single line item under Share of Deficit of Huckleberry.

The Statement of Income for the year ended December 31, 2003 includes Huckleberry on the proportionate consolidation basis to November 30, 2003 and on the equity basis thereafter. This change in method of accounting for Huckleberry results in large variances between the years 2004 and 2003 and markedly affects comparison of financial position, operations and cash flow.

The Company's revenue subsequent to December 1, 2003, consists of management fee revenues from Huckleberry, interest income on cash and reclamation bonds, and other miscellaneous revenues. Other revenues fluctuate significantly from one period to another. Equipment rental revenue ceased by March 31, 2004 and other miscellaneous revenue is expected to continue. Mineral revenues will commence upon restart of operations at Mount Polley in 2005.

In March 2005 the Company issued $20 million of unsecured convertible debentures. The convertible debentures bear interest at 6% per annum and each $8.65 of face value is convertible into one common share of the Company at any time until 5 years plus one day from date of issue. This financing provides a substantial portion of the funds required to complete the restart of the Mount Polley mine scheduled for March 2005. The mobile mining equipment required to complete the mining fleet is expected to be financed via lease.

These financial resources will provide for preproduction stripping for the new Wight pit, capital expenditures for concentrate shipping facilities, acquisition and preparation of the new mobile mine equipment and tailings dam construction. Additionally, these funds will be used to complete the refurbishment of the mill and mine equipment, continue exploration activities and provide working capital.

Selected Annual Financial Information	Years Ended December 31		
	2004	2003 (1)	2002 (1)
Total Revenues	$ 1,124,665	$ 36,206,577	$ 35,934,239
Net Income (Loss)	$ 3,639,547	$ 1,780,949	$(23,466,320)
Net Income (Loss) per share	$ 0.14	$ 0.09	$ (1.49)
Diluted Income (Loss) per share	$ 0.13	$ 0.08	$ (1.49)
Working Capital (Deficiency)	$ 1,321,706	$ 11,036,075	$(31,585,636)
Total Assets	$ 48,747,213	$ 25,292,236	$ 72,489,890
Total Long Term Debt (including current portion)	$ 8,623,057	$ 5,891,809	$ 79,705,614
Cash dividends declared per common share	$ 0.00	$ 0.00	$ 0.00

(1) Results for 2003 and 2002 have been restated for the changes in accounting policies and presentation of mineral revenues as noted in the heading "Changes in Accounting Policies".

The reporting currency of the Company is the Canadian Dollar. The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles.

HUCKLERRY

At the end of 2004 it was estimated that Huckleberry's mine life would end in early 2007. As a result of the increase in copper prices Huckleberry is reevaluating its reserves to determine how much additional copper can be produced at these higher price levels. The reserves that could be added as a result of this evaluation may not be substantial because of the geometry of the ore body and the topography of the site.

During 2004 Huckleberry increased its exploration efforts with the aim of discovering additional reserves. Exploration in 2004 identified a new potential copper-molybdenum deposit directly north of the Huckleberry Main Zone Pit. Further exploration is planned for 2005.

The Company owns 50% of Huckleberry. All debt and other obligations of Huckleberry are non recourse to Imperial. In December 2004 Huckleberry repaid the $2.5 million of senior ranking debt owed to Imperial.

Since 1998 Huckleberry had been unable to meet its scheduled obligations for payment of interest and principal on its long term debt and had been operating under a financial restructuring package whereby payments of principal and interest were dependent on available cash.

To December 2004 Huckleberry had been receiving quarterly extensions of the repayment date from the debt holders ("Lenders"). Effective November 2004, Huckleberry and its Lenders finalized an amendment to the debt repayment terms, retroactive to January 1, 2003, such that payments during 2003 and subsequent years are subject to available cash. Huckleberry's income in 2004 increased by $3.6 million as a result of the debt restructuring. Minimum principal payments, including accrued interest are based on available cash as defined in the restructuring agreement. The available cash will fluctuate based on metal prices, currency exchange rates, capital expenditure requirements and operating results. Huckleberry has estimated that the available cash to be paid in 2005 is $3.1 million which has been included as a current liability.

At December 31, 2004 Huckleberry's total debt, including accrued interest, was $123.6 million. Huckleberry expects to begin making payments on this debt in accordance with the new loan terms in 2005. However, the repayment of all of Huckleberry's debt will depend on the ability of Huckleberry to generate sufficient cash flow prior to a depletion of its ore reserves. If the Lenders have not been repaid at that time they could enforce their security, resulting in Imperial losing its interest in Huckleberry. The ongoing operations of the Company would not be materially affected if Imperial lost its 50% interest in Huckleberry. Note 7 to the audited consolidated financial statements of the Company provides further information on the financial position of Huckleberry.

Risk Factors

The reader is cautioned that the following description of risks and uncertainties is not all-inclusive as it pertains only to conditions known to management at the time of writing. There can be no guarantee or assurance that other factors will or will not adversely affect the Company.

Risks Inherent in the Mining and Metals Business

The business of exploring for minerals is inherently risky. Few properties that are explored are ultimately developed into producing mines. Mineral properties are often nonproductive for reasons that cannot be anticipated in advance. Even after the commencement of mining operations, such operations may be subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding. The occurrence of any of the foregoing could result in damage to or destruction of mineral properties and production facilities, personal injuries, environmental damage, delays or interruption of production increases in production costs, monetary losses, legal liability and adverse governmental action. The Company's property, business interruption and liability insurance may not provide sufficient coverage for losses related to these or other hazards. Insurance against certain risks, including certain liabilities for environmental pollution, may not be available to the Company or to other companies within the industry. In addition, insurance coverage may not continue to be available at economically feasible premiums, or at all. Any such event could have a material adverse effect on the Company.

Imp. Metals 2004 AR