

# Imperial Metals selling 70 per cent stake in B.C.'s Red Chris mine to Newcrest

In addition to Red Chris, Imperial owns the Mount Polley and Huckleberry copper mines in B.C.

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The Imperial Metals Corp. logo is seen in this undated handout photo. *HO / THE CANADIAN PRESS*

VANCOUVER — Shares in Imperial Metals Corp. soared in early trading after the company announced a deal to sell a 70 per cent interest in its Red Chris copper and gold mine in B.C. to Australia's Newcrest Mining Ltd. for \$806.5 million US in cash.

Imperial shares were up \$1.37 or about 69 per cent at \$3.35 in early trading on the Toronto Stock Exchange.

Imperial president Brian Kynoch said in a statement that the deal allows the company to strengthen its balance sheet while forging a strategic partnership with a leading global mining company.

"We believe that this joint venture partnership will enable Imperial to unlock significant value at Red Chris by leveraging Newcrest's unique technical expertise in block caving operations," Kynoch said.

"With a stronger financial position and highly actionable path to exploiting the underground mining potential of Red Chris, Imperial will be in a much stronger position to create value and opportunities for its shareholders, stakeholders and the Tahltan Nation."

Under the deal, the company, which will retain a 30 per cent stake in the mine, will form a joint venture for the operation of the mine, with Newcrest acting as the operator.

Imperial says it plans to use the proceeds from the sale to repay debt and for working capital.

The sale is subject to customary conditions including regulatory approvals. It is expected to be completed in the third quarter of this year.

In addition to Red Chris, Imperial owns the Mount Polley and Huckleberry copper mines in B.C.

It also holds a 50 per cent interest in the Ruddock Creek lead-zinc property.

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