

IMPACT SILVER CORP.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**For the Three Months ended
March 31, 2026 and 2025**

IMPACT Silver Corp.

Condensed Consolidated Statements of Financial Position

(Canadian dollars)

ASSETS	March 31, 2026	December 31, 2025
Current		
Cash	\$ 45,340,575	\$ 23,699,168
Trade and other receivables (Note 3)	7,381,461	6,348,336
Income taxes receivable	146,242	182,015
Inventories (Note 4)	2,818,150	2,265,853
Investments (Note 5)	4,895,740	5,292,313
Prepaid expenses and deposits	1,107,796	820,187
	61,689,964	38,607,872
Value added taxes receivable (Note 3)	2,800,473	2,577,580
Right of use assets (Note 6)	165,036	194,797
Property, plant and equipment (Note 8)	29,671,146	28,921,482
Deferred income tax asset	794,970	1,060,539
	\$ 95,121,589	\$ 71,362,270
LIABILITIES		
Current		
Trade payables and accrued liabilities	\$ 6,844,526	\$ 5,393,914
Income taxes payable	6,822,640	1,478,942
Lease liabilities (Note 7)	56,075	84,412
	13,723,241	6,957,268
Lease liabilities (Note 7)	105,594	106,191
Reclamation provision (Note 9)	3,198,832	3,076,159
Deferred income tax liabilities	2,240,742	1,813,481
	19,268,409	11,953,099
SHAREHOLDERS' EQUITY		
Share capital	124,945,471	118,984,565
Warrants (Note 10 (c))	8,595,364	9,623,779
Contributed surplus	12,634,616	12,634,616
Accumulated other comprehensive loss	(924,037)	(1,150,671)
Accumulated deficit	(69,398,234)	(80,683,118)
	75,853,180	59,409,171
	\$ 95,121,589	\$ 71,362,270

Nature of operations (Note 1)

Contingency (Note 21)

ON BEHALF OF THE BOARD:

“F.W. Davidson”, Director

“J. Meiklejohn”, Director

-The accompanying notes form an integral part of these consolidated financial statements-

IMPACT Silver Corp.

Condensed Consolidated Statements of Income (Loss) and Comprehensive Income For the Three Months ended March 31

(Canadian dollars)

	2026	2025
Revenues (Note 11)	\$ 31,153,833	\$ 10,720,026
Cost of sales (Note 12)	<u>10,825,351</u>	<u>8,565,395</u>
Gross profit	<u>20,328,482</u>	<u>2,154,631</u>
General and administrative expenses (Note 13)	1,387,581	930,338
Exploration expenses (Note 14)	<u>1,031,385</u>	<u>782,430</u>
Operating income	<u>17,909,516</u>	<u>441,863</u>
Interest and finance income (expenses) (Note 15)	164,979	(21,505)
Foreign exchange gain (loss)	<u>708,558</u>	<u>(48,928)</u>
Income before income taxes	<u>18,783,053</u>	<u>371,430</u>
Current income tax expense	6,820,018	3,430
Deferred income tax expense	<u>678,151</u>	<u>463,467</u>
Net income (loss)	<u>\$ 11,284,884</u>	<u>\$ (95,467)</u>
Items that may be subsequently reclassified to profit or loss		
Cumulative translation adjustment	483,324	531,441
Items that will not be subsequently reclassified to profit or loss		
(Loss) gain on investments	<u>(256,690)</u>	<u>349,045</u>
Comprehensive income	<u>11,511,518</u>	<u>785,019</u>
Income (loss) per share		
Basic	\$ 0.03	\$ (0.00)
Diluted	<u>\$ 0.03</u>	<u>\$ (0.00)</u>
Weighted average number of shares outstanding		
Basic	341,763,568	247,428,622
Diluted	<u>353,926,763</u>	<u>247,428,622</u>

-The accompanying notes form an integral part of these consolidated financial statements-

IMPACT Silver Corp.

Condensed Consolidated Statement of Changes in Shareholders' Equity

(Canadian dollars)

	Shares Outstanding	Share Capital (\$)	Warrants (\$)	Contributed Surplus (\$)	Accumulated Other Comprehensive Loss (\$)	Accumulated Deficit (\$)	Total Shareholders' Equity (\$)
Balance at December 31, 2025	330,204,017	118,984,565	9,623,779	12,634,616	(1,150,671)	(80,683,118)	59,409,171
Net income for the period	-	-	-	-	-	11,284,884	11,284,884
Warrants exercised	15,302,507	5,960,906	(1,028,415)	-	-	-	4,932,491
Cumulative translation adjustments	-	-	-	-	483,324	-	483,324
(Loss) on investments	-	-	-	-	(256,690)	-	(256,690)
Balance at March 31, 2026	345,506,524	124,945,471	8,595,364	12,634,616	(924,037)	(69,398,234)	75,853,180

- The accompanying notes form an integral part of these consolidated financial statements -

IMPACT Silver Corp.
Consolidated Statements of Cash Flows
For the Three Months ended March 31
(Canadian dollars)

Cash resources provided by (used in)	2026	2025
Operating activities		
Net income (loss)	\$ 11,284,884	\$ (95,467)
Items not affecting cash		
Amortization and depletion	582,679	642,752
Deferred income tax expense	678,151	463,467
Non-cash option payment received	-	(460,000)
Accretion expense	70,741	52,267
Interest on lease liabilities	6,352	5,814
Interest on investments	(26,827)	-
Unrealized foreign exchange (gain)	(21,422)	(4,182)
Changes in non-cash working capital		
Trade and other receivables	(1,112,401)	(112,475)
Income taxes receivable	172,794	(116)
Inventories	(517,317)	194,696
Prepaid expenses and deposits	(279,816)	(265,626)
Trade payables and accrued liabilities	1,376,225	(68,247)
Income taxes payable	5,173,404	(107,126)
	17,387,447	245,757
Investing activities		
Proceeds on the sale of investments	166,710	69,830
Acquisition of property, plant and equipment	(733,896)	(721,240)
	(567,186)	(651,410)
Financing activities		
Repayment of lease liabilities	(37,271)	(94,610)
Proceeds from exercise of warrants	4,932,491	-
	4,895,220	(94,610)
Effect of exchange rates on cash	(74,074)	28,289
Net change in cash	21,641,407	(471,974)
Cash at the beginning of the period	23,699,168	7,062,715
Cash at the end of the period	\$ 45,340,575	\$ 6,590,741

Supplemental cash flow information (Note 20)

-The accompanying notes form an integral part of these consolidated financial statements-

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

1. Nature of operations

IMPACT Silver Corp. and its subsidiaries (“IMPACT” or the “Company”) are engaged in silver, gold, zinc and lead mining and related activities including exploration, development and mineral processing in Mexico. The Company’s mining operations are located near Zacualpan in the State of Mexico and in Guerrero State, as well as in the State of Chihuahua. The Company produces silver, gold, zinc, and lead sold in the form of lead and zinc concentrates.

IMPACT is incorporated under the laws of the Province of British Columbia, Canada. The Company’s registered address is located at 303 – 543 Granville Street, Vancouver, British Columbia, V6C 1X8. The Company’s common shares are publicly traded on the TSX Venture Exchange (“TSXV”) under the symbol of “IPT”, on the Frankfurt Stock Exchange (“FSE”) under the symbol “IKL” and on the Over-The-Counter Quality Best Market (“OTCQB”) under the symbol “ISVLF”.

2. Basis of Preparation

These condensed consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting (IAS 34).

These unaudited condensed consolidated interim financial statements do not include all disclosures required by IFRS Accounting Standards for annual consolidated financial statements and accordingly should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2025 prepared in accordance with IFRS Accounting Standards.

These unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods of computation and are subject to the same use of estimates and judgments as the Company’s consolidated annual financial statements for the year ended December 31, 2025.

These unaudited condensed consolidated interim financial statements were authorised for issue by the Board of Directors on May 19, 2026.

3. Trade and other receivables

	March 31, 2026	December 31, 2025
Value added taxes receivable – current portion	\$ 20,281	\$ 15,282
Trade and other receivables	7,361,180	6,333,054
Total trade and other receivables	\$ 7,381,461	\$ 6,348,336
Value added taxes receivable – non-current portion	\$ 2,800,473	\$ 2,577,580

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

4. Inventories

	March 31, 2026	December 31, 2025
Materials and supplies	\$ 1,866,297	\$ 1,609,109
Stockpile inventory	372,968	177,924
Concentrate inventory	578,885	478,820
	\$ 2,818,150	\$ 2,265,853

The amount of inventories recognized as an expense in cost of sales during the three months ended March 31, 2026 was \$9.7 million (March 31, 2025 - \$8.1 million).

The amount of write-down of inventories to net realizable value during the three months ended March 31, 2026 was \$231,411 (March 31, 2025 - \$18,672) relating to concentrate inventory.

5. Investments

	March 31, 2026	December 31, 2025
Marketable securities	\$ 843,150	\$ 1,266,550
Guaranteed investment certificates, including accrued interest	4,052,590	4,025,763
	\$ 4,895,740	\$ 5,292,313

6. Right of use assets

Balance at December 31, 2025	\$ 194,797
Amortization	(31,923)
Foreign exchange movement	2,162
Balance at March 31, 2026	\$ 165,036

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

7. Lease Liabilities

Balance at December 31, 2025	\$	190,603
Interest		6,352
Repayments		(37,271)
Foreign exchange movement		1,985
Balance at March 31, 2026	\$	161,669
Less: current portion	\$	56,075
Non-current lease liabilities	\$	105,594

The Company's leased assets are for land and buildings. The lease liabilities were discounted at the Company's incremental borrowing rate. The weighted average rate applied for leases was 15% (2025 – 13%).

The expected timing of undiscounted lease payments at March 31, 2026 is as follows:

Less than one year	\$	76,130
One to five years		175,437
	\$	251,567

8. Property, plant and equipment

	Plant and mine equipment (\$)	Office furniture and equipment (\$)	Surface rights (\$)	Mining Assets (\$)	Total (\$)
Cost					
Balance at December 31, 2025	17,104,321	1,285,840	815,685	40,648,032	59,853,878
Additions	744,238	3,436	-	-	747,674
Foreign exchange movement	299,268	23,163	13,912	712,065	1,048,408
Balance at March 31, 2026	18,147,827	1,312,439	829,597	41,360,097	61,649,960
Accumulated amortization					
Balance at December 31, 2025	9,406,304	986,172	-	20,539,920	30,932,396
Amortization for the year	265,802	34,738	-	263,468	564,008
Foreign exchange movement	171,114	18,206	-	293,090	482,410
Balance at March 31, 2026	9,843,220	1,039,116	-	21,096,478	31,978,814
Net book value					
At December 31, 2025	7,698,017	299,668	815,685	20,108,112	28,921,482
At March 31, 2026	8,304,607	273,323	829,597	20,263,619	29,671,146

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

9. Reclamation provision

The Company's reclamation provision is an estimate of the environmental restoration obligations and closure costs associated with the Company's mines, processing facilities and development sites. The total undiscounted amount of the estimated costs required to settle the provision are \$4,811,058.

Movements in the reclamation provision were as follows:

	Guadalupe	Plomosas	Capire	Total
Balance at December 31, 2025	\$ 1,250,726	\$ 577,973	\$ 1,247,460	\$ 3,076,159
Accretion	28,304	13,564	28,873	70,741
Foreign exchange movement	21,118	9,756	21,058	51,932
Balance at March 31, 2026	\$ 1,300,148	\$ 601,293	\$ 1,297,391	3,198,832

10. Equity

a) Share capital

Authorized share capital consists of an unlimited number of common shares without par value.

b) Share-based payments

On August 1, 2025, the Company's shareholders approved an omnibus equity incentive plan, whereby options, performance share units, restricted share units or deferred share units may be granted to directors, officers, consultants or employees at the discretion of the Company's board of directors, and vest immediately upon grant. The omnibus plan provides for the issuance of common shares from treasury with a maximum of 10% of the outstanding shares.

The following summarizes the continuity of the stock options:

	Number	Weighted Average Exercise Price (\$)
Balance at December 31, 2025	8,530,000	0.53
Expired	(1,770,000)	0.90
Balance at March 31, 2026	6,760,000	0.43

At March 31, 2026 the following stock options were outstanding:

Expiry Date	Exercise Price	Number of Options Outstanding	Weighted Average Remaining Life (Years)	Number of Options Exercisable
October 8, 2026	\$0.48	1,965,000	0.52	1,965,000
December 24, 2030	\$0.41	4,795,000	4.74	4,795,000
		6,760,000	3.51	6,760,000

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

c) Warrants

The following summarizes the continuity of share purchase warrants:

	Number	Weighted Average Exercise Price (\$)
Balance at December 31, 2025	133,261,684	0.36
Exercised	(15,302,507)	0.32
Balance at March 31, 2026	117,959,177	0.37

As at March 31, 2026 the following share purchase warrants were outstanding:

Expiry Date	Weighted Average Exercise Price	Warrants Outstanding	Remaining Outstanding Life (Years)
May 17, 2026	0.34	20,773,769	0.13
June 7, 2026	0.34	3,540,110	0.19
October 19, 2026	0.35	26,224,765	0.55
November 3, 2026	0.35	1,898,092	0.59
June 4, 2027	0.26	230,000	1.18
September 17, 2027	0.45	46,338,834	1.47
May 20, 2028	0.24	12,030,167	2.14
June 4, 2028	0.24	6,923,440	2.18
	0.37	117,959,177	1.09

11. Revenues

The disaggregated information is as follows:

	Three Months ended	
	March 31, 2026	March 31, 2025
Zinc-silver concentrate	\$ 1,331,039	\$ 3,081,654
Lead-silver concentrate	28,457,234	7,770,582
Provisional pricing adjustments	1,365,560	(132,210)
Total revenue	\$ 31,153,833	\$ 10,720,026

The Company sells 100% of its concentrate to one customer in Mexico.

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

12. Cost of sales

	Three Months ended	
	March 31, 2026	March 31, 2025
Raw materials and consumables	\$ 5,220,088	\$ 3,546,399
Salaries and employee benefits	3,684,501	2,540,648
Transportation	1,656,614	1,599,625
Depreciation and depletion	549,973	608,904
Change in inventories	(285,825)	228,141
Production taxes	-	41,678
	<u>\$ 10,825,351</u>	<u>\$ 8,565,395</u>

13. General and administrative expenses

	Three Months ended	
	March 31, 2026	March 31, 2025
Accounting, audit & legal	\$ 336,363	\$ 161,676
Amortization	32,707	33,848
Investor relations, promotion & travel	92,193	90,248
Management fees & consulting	334,396	290,805
Office & sundry	178,164	129,851
Office salaries & services	413,758	223,910
	<u>\$ 1,387,581</u>	<u>\$ 930,338</u>

14. Exploration expenses

	Three Months ended	
	March 31, 2026	March 31, 2025
Labour	\$ 459,603	\$ 326,293
Permits & Fees	190,177	188,448
Drilling	118,581	452,485
Supplies & Other	263,024	275,204
Option Payments	-	(460,000)
	<u>\$ 1,031,385</u>	<u>\$ 782,430</u>

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

15. Interest and finance income

	Three Months ended	
	March 31, 2026	March 31, 2025
Interest income	\$ 242,072	\$ 36,575
Interest (expense)	(6,352)	(5,813)
Accretion (expense)	(70,741)	(52,267)
	<u>\$ 164,979</u>	<u>\$ (21,505)</u>

16. Key management personnel compensation

Key management include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

	Three Months ended	
	March 31, 2026	March 31, 2025
Salaries, bonus and benefits	\$ 198,158	\$ 188,775
Consulting fees ⁽¹⁾	93,750	31,250
	<u>\$ 291,908</u>	<u>\$ 220,025</u>
Amounts payable at March 31	\$ 104,425	\$ 146,033

⁽¹⁾ Consulting fees were paid to VSBL Consulting, a company controlled by Jerry Huang, the VP Finance and former CFO of the Company, and to DPEK Consulting, a company controlled by Fernando Montoya, CFO of the Company.

17. Capital management

The Company considers items included in shareholders' equity as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to continue to explore financing opportunities, to provide an adequate return to shareholders and to support any growth plans.

To effectively manage the entity's capital requirements, the Company has in place a process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there is sufficient cash to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company is not subject to externally imposed capital requirements.

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

18. Financial instruments and risk management

	Amortized cost	FVTPL	FVOCI	Total
	\$	\$	\$	\$
March 31, 2026				
Financial assets				
Cash	45,340,575	-	-	45,340,575
Investments	4,052,590	-	843,150	4,895,740
Trade and other receivables	25,497	7,355,964	-	7,381,461
	<u>49,418,662</u>	<u>7,355,964</u>	<u>843,150</u>	<u>57,617,776</u>
Financial liabilities				
Trade payables and accrued liabilities	6,844,526	-	-	6,844,526
December 31, 2025				
Financial assets				
Cash and cash equivalents	23,699,168	-	-	23,699,168
Investments	4,025,763	-	1,266,550	5,292,313
Trade and other receivables	40,300	6,308,036	-	6,348,336
	<u>27,765,231</u>	<u>6,308,036</u>	<u>1,266,550</u>	<u>35,339,817</u>
Financial liabilities				
Trade payables and accrued liabilities	5,393,914	-	-	5,393,914

The categories of the fair value hierarchy that reflect the inputs to valuation techniques used to measure fair value are as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices include in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data

As at March 31, 2026, investments are measured as fair value using Level 1 inputs. The fair value of marketable securities is measured based on the quoted market price of the related common shares at each reporting date, and changes in fair value are recognized in accumulated other comprehensive income or loss.

Trade receivables are measured at fair value using Level 2 inputs. The fair value of trade receivables is measured based on inputs other than quoted prices for the underlying commodity prices (silver, gold, lead zinc) to which the receivable relates as the trade receivables are provisionally priced at the time of sale. The majority of the Company's trade receivables arose from provisional concentrate sales and are valued using quoted market prices based on the forward London Metal Exchange for silver, gold, lead and zinc.

The carrying value of cash, other receivables, and trade payables and accrued liabilities approximate their fair values because of their short-term nature.

The methodology and assessment of inputs for determining the fair value of financial assets and liabilities as well as the hierarchy for the Company's financial assets and liabilities measured at fair value remains unchanged from that at December 31, 2025.

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

Credit risk

As at March 31, 2026, the Company's maximum exposure to credit risk at the reporting date is the carrying value of its cash, trade and other receivables. The Company deposits its cash with high credit quality financial institutions as determined by ratings agencies, with the majority deposited with a Canadian Tier 1 bank.

The Company has entered into contracts with Mexican refining and smelting companies for the refining and sale of its silver, lead, zinc and gold contained in its lead and zinc concentrates. All contracts are currently with Trafigura Mexico, S.A. de C.V. As a result, the Company has a significant concentration of credit risk exposure to this company at any one time, but is satisfied that this company has an adequate credit rating as determined by Standard and Poor's. Management monitors and assesses the credit risk resulting from its concentrate sales, and believe it is not exposed to any significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through its planning and budgeting process to determine the cash flows required to meet its operating and growth objectives. The Company has cash at March 31, 2026 of \$45.3 million, guaranteed investment certificates maturing within three months from March 31, 2026 of \$4.0 million, and current assets exceeded current liabilities by \$48.0 million, in order to meet short-term business requirements. Trade payables have contractual maturities of approximately 30 to 90 days, or are due on demand and are subject to normal trade terms.

The Company's current contractual obligations are summarized in the following table:

	Year 1	Years 2-4	After 5 years	Total
Trade payables and accrued liabilities	\$ 6,844,526	\$ -	\$ -	6,844,526
Current income taxes	6,822,640	-	-	6,822,640
Operating leases	56,075	34,201	71,393	161,669
Total contractual obligations	\$ 13,723,241	\$ 34,201	\$ 71,393	13,828,835

Interest rate risk

The Company is exposed to interest rate risk on its cash. Generally, the Company's interest income will be reduced during sustained periods of lower interest rates as higher yielding cash equivalents and any short-term investments mature and the proceeds are invested at lower interest rates. The Company performs sensitivity tests each year on the interest rate and a 10% change had no material impact to the Company's net income for the three months ended March 31, 2026.

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

Market risk

Market risk includes currency, price and commodity risk.

The Company's operations in foreign countries are subject to currency fluctuations and such fluctuations may materially affect the Company's financial position and results. Silver, lead, zinc and gold are sold in U.S. dollars and the Company's costs are principally in Mexican pesos and Canadian dollars. At March 31, 2026, the Company is exposed to currency risk through the cash, trade and other receivables, and trade payables held in currencies other than the functional currencies of the Company and its subsidiaries. Based on these foreign currency exposures at March 31, 2026, a 10% depreciation or appreciation of these currencies against the Canadian dollar would result in an approximate \$3.0 million decrease or increase in the Company's net income for the three months ended March 31, 2026.

The Company has shares in a publicly traded company that are measured at FVOCI which are exposed to price risk.

The Company is subject to commodity price risk for all the principal metals that are recovered from the concentrates that it produces. These include silver, lead, zinc, and gold. These metal prices are subject to numerous factors beyond the control of the Company including central bank sales, producer hedging activities, interest rates, exchange rates, inflation and deflation, global and regional supply and demand, and political and economic conditions in major producing countries throughout the world. The Company has elected not to actively manage its exposure to metal prices at this time.

The only financial instrument affected by commodity price risk for the Company is trade accounts receivable. Assuming the same rate of production a 10% change in commodity prices would have increased or decreased the Company's trade accounts receivable balance as at March 31, 2026 by \$0.5 million (December 31, 2025 - \$0.6 million).

19. Segmented information

The Company has a corporate head office in Canada and two reportable operating segments in Mexico. The operating segments are determined based on the reports reviewed by the Chief Executive Officer (who is considered the Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Zacualpan segment includes mines from the Guadalupe and Capire production centres in the State of Mexico and neighbouring Guerrero state, Mexico. The Plomosas segment includes the mine located in the State of Chihuahua, Mexico.

As at March 31, 2026:

	Total Assets	Property, plant & equipment
Zacualpan (Mexico)	\$ 55,285,859	\$ 24,286,991
Plomosas (Mexico)	9,022,200	4,615,392
Corporate (Canada)	30,813,530	768,763
Total	\$ 95,121,589	\$ 29,671,146

As at December 31, 2025:

	Total Assets	Property, plant & equipment
Zacualpan (Mexico)	\$ 36,179,906	\$ 23,617,374
Plomosas (Mexico)	8,376,907	4,524,117
Corporate (Canada)	26,805,457	779,991
Total	\$ 71,362,270	\$ 28,921,482

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

For the three months ended March 31, 2026:

	Zacualpan (Mexico)	Plomosas (Mexico)	Corporate (Canada)	Total
Revenues	\$ 29,339,646	\$ 1,814,187	\$ -	\$ 31,153,833
Operating expenses	6,672,202	3,603,177	-	10,275,379
Amortization and depletion	375,023	174,949	-	549,972
Gross profit (loss)	22,292,421	(1,963,939)	-	20,328,482
General and administrative expenses	304,609	283,456	799,516	1,387,581
Exploration expenses	709,164	221,103	101,118	1,031,385
Operating income (loss)	21,278,648	(2,468,498)	(900,634)	17,909,516
Interest and finance (expenses) income	4,633	(13,564)	173,910	164,979
Foreign exchange gain (loss)	778,958	(162,861)	92,461	708,558
Loss before income taxes	22,062,239	(2,644,923)	(634,263)	18,783,053
Current income tax expense	6,820,018	-	-	6,820,018
Deferred income tax expense	678,151	-	-	678,151
Net income (loss)	\$ 14,564,070	\$ (2,644,923)	\$ (634,263)	\$ 11,284,884

For the three months ended March 31, 2025:

	Zacualpan (Mexico)	Plomosas (Mexico)	Corporate (Canada)	Total
Revenues	\$ 7,218,191	\$ 3,501,835	\$ -	\$ 10,720,026
Operating expenses	4,757,354	3,199,137	-	7,956,491
Amortization and depletion	273,227	335,677	-	608,904
Gross profit (loss)	2,187,610	(32,979)	-	2,154,631
General and administrative expenses	167,855	88,621	673,862	930,338
Exploration expenses	97,335	685,095	-	782,430
Operating income (loss)	1,922,420	(806,695)	(673,862)	441,863
Interest and finance (expenses) income	(40,980)	(11,333)	30,808	(21,505)
Foreign exchange gain (loss)	(39,127)	(8,071)	(1,730)	(48,928)
Loss before income taxes	1,842,313	(826,099)	(644,784)	371,430
Current income tax expense	3,430	-	-	3,430
Deferred income tax expense	463,467	-	-	463,467
Net income (loss)	\$ 1,375,416	\$ (826,099)	\$ (644,784)	\$ (95,467)

IMPACT Silver Corp.

Notes to the Condensed Consolidated Financial Statements

(Canadian dollars)

20. Supplemental cash flow information

The following table details additional supplementary cash flow information at:

	March 31, 2026	March 31, 2025
Cash received for interest income	\$ 159,180	\$ 33,962
Cash paid for income taxes	\$ 1,649,236	\$ -

The following are the significant non-cash financing and investing transactions during the three months ended:

	March 31, 2026	March 31, 2025
Fair value of shares received	\$ -	\$ (460,000)
Imputed interest on lease liabilities	\$ 6,352	\$ 5,813

21. Contingency

A former employee of MLAZ is claiming unjustified dismissal in a legal action against that company. The total amount of the claim is \$0.1 million of which approximately one-half has been accrued in MLAZ at March 31, 2026.
