

Entity Legal Name: IMPACT Silver Corporation

Financial Reporting Year: 2025

Business Number: 12091 6598

INDIVIDUAL report on the “Entity” IMPACT SILVER CORPORATION

The Corporation has determined that no single subsidiary represents an “Entity” as defined by the Act itself, however when considered on consolidated basis and as a result of the degree of control that the Entity holds on behalf of its subsidiaries located in Mexico, IMPACT SILVER CORPORATION can be considered an Entity for the purposes of the Act.

Requirement (a) - Structure, Activities and Supply Chains

IMPACT Silver Corp. is a Canadian company with its head office located in Vancouver, British Columbia, Canada. Its common shares are publicly traded on the TSX Venture Exchange under the symbol “IPT”, on the Frankfurt Stock Exchange under the symbol “IKL” and on the Over-The-Counter Quality Best Market in the U.S. under the symbol “TSVLF”.

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

The registered address of the Company is 303 – 543 Granville Street, Vancouver, British Columbia, V6C 1X8.

Activities of the control Entity include administration, management and overall coordination provided to the subsidiaries located in Mexico. The subsidiaries are actively engaged in mineral extraction operations and exploration activity including the operation of light and heavy equipment for the purposes of resource discovery and processing.

The Entity controls several subsidiaries, as listed below.

	Country	Nature of Operations	Employees	
			2025-01-01	2025-12-31
Minera Aguila Plateada, S.A. de C.V.*	Mexico	Mining/Exploration	28	46
Minera El Porvenir de Zacualpan, S.A. de C.V.	Mexico	Mining/Exploration	240	225
Minera Latin American Zinc, S.A.P.I. de C.V.	Mexico	Mining/Exploration	133	126
Minera Impact Silver de Mexico, S.A. de C.V.	Mexico	Mining Service Company	30	0
IMPACT Silver Corporation	Canada	Parent - Control Entity	6	5

* On January 31, 2025, Minera Impact Silver de Mexico, S.A. de C.V. was amalgamated with Minera Aguila Plateada de C.V.

Commented [SD1]: Delete original table directly below and replace with the 2nd table I've added which discloses the MISM/MAP amalgamation during the year. Alternatively, I don't believe you need to show the comparison of employees at start/end of year, so we could just shows the ending numbers, with dates.

The Entity derives its revenue from three operating centres in Mexico. All subsidiaries' supply chains include regional companies that provide goods and services common to mineral extraction including machinery, maintenance, transport, chemicals, and other kinds of support for hard assets and staffing services.

- 1) **Minera El Porvenir de Zacualpan, S.A. de C.V. and Minera Aguila Plateada, S.A. de C.V.** are the primary revenue-generating subsidiaries of the Company and are responsible for most of the Company's production and activities. In 2025, these subsidiaries milled 143,192 tonnes of feed, resulting in 635,778 ounces of silver after processing. Sales are made to Mexican-based customers.

The 5 largest suppliers for Minera El Porvenir de Zacualpan, S.A. de C.V.:

MAYRA EDITH HERNANDEZ DOMINGUEZ
CFE SUMINISTRADOR DE SERVICIOS BASICOS
DISTRIBUIDORA DE EXPLOSIVOS OVIEDO S.A DE C.V
TRANSPORTES MINEROS DEL COBRE, SA DE CV
GRUPO COMERCIAL DE MEXICO S.A DE C.V

The 5 largest suppliers for Minera Aguila Plateada, S.A. de C.V.:

DETECTOR EXPLORACIONES
BLANCA NIEVES REYES MARIN
ALBERTO CAMACHO ALBAVERA
ADELA PORCAYO RONCES
SERVICIO MABIAN

- 2) **Minera Latin American Zinc, S.A.P.I. de C.V.** is the smaller of the production subsidiaries operating in Mexico. In 2025, the subsidiary milled 46,875 tonnes.

The 5 largest suppliers for Minera Latin American Zinc, S.A.P.I. de C.V.:

ILDEFONSO ACOSTA ESPARZA (LA ESTACIÓN HOTEL)
SERVICIOS ECOLOGICOS Y RECICLADOS S. DE R.L.
COMBYLUB SA DE CV
EXPLOSIVOS MINEROS S.A. DE C.V.
JULIO EDUARDO ALVAREZ ALCANTAR

Requirement (b) - Policies and due diligence processes

The Entity maintains a steadfast commitment to ethical practices, particularly in combating forced labour and child labour within our operations and supply chain. Our policies are also conducted through our subsidiaries by local management teams who report directly and indirectly to the Entity's senior management in Vancouver, Canada, and are rigorously designed to uphold fundamental human rights and dignity, ensuring that every individual

involved in our business ecosystem is treated with respect and fairness. We conduct thorough due diligence processes to identify and mitigate any risks associated with forced labour and child labour. This includes comprehensive assessments of suppliers, subcontractors, and partners. Additionally, we foster transparent communication channels to empower workers to report any concerns or violations without fear of reprisal.

Through continuous communication with stakeholders, we strive to ensure that the business and its supply chain remains free of forced labour and child labour, contributing to a sustainable and responsible presence.

Requirement (c) – Forced labour and child labour risks

As part of our commitment to ethical business practices and responsible supply chain management, we recognize the importance of ensuring that all subsidiaries under our control uphold similar standards in addressing forced labour and child labour risks.

Management and employees are not aware of areas in its business and supply chains that carry a risk of forced labour or child labour.

Notwithstanding, we require controlled subsidiaries to diligently identify, assess, and manage these risks within their activities and supply chains. We work collaboratively with subsidiaries and the supply chain to establish communication tailored to their specific contexts, ensuring alignment with local and national regulations. Furthermore, we provide guidance and support to facilitate the implementation of effective risk management practices, and regular monitoring and evaluation. By promoting a culture of transparency and accountability across all controlled subsidiaries, we strive to collectively mitigate the risks of forced labour and child labour throughout our entire business ecosystem.

Requirement (d) – Remediation measures

None – Not applicable

The Company did not identify any instances of forced labour or child labour in its supply chains in 2025. Therefore, no measures have been taken to remediate forced labour or child labour in its activities and supply chains.

Requirement (e) – Remediation of loss income

None – Not Applicable

The Entity's management has judged that there has been no loss of income as a result of steps that the Entity has taken to eliminate forced labour or child labour and therefore, no measures have been taken in this area.

Requirement (f) - Training

Our Company recognizes the critical importance of educating and empowering our employees to identify and combat forced labour and child labour effectively. We integrate comprehensive literature that equip our workforce with the knowledge, skills, and tools necessary to recognize the signs of exploitation and take appropriate action. This literature is tailored to cover the broadest roles within the organization, ensuring that employees at every level understand their responsibilities in upholding ethical standards.

We foster a deep understanding of the complexities surrounding forced labour and child labour issues. Our corporate materials, training and corporate culture also emphasizes the importance of ethical sourcing practices and encourages employees to be vigilant in scrutinizing suppliers and partners for any indicators of abuse. By investing in continuous education and awareness-building initiatives, we empower our employees to become proactive advocates for human rights within our Company and throughout the broader community.

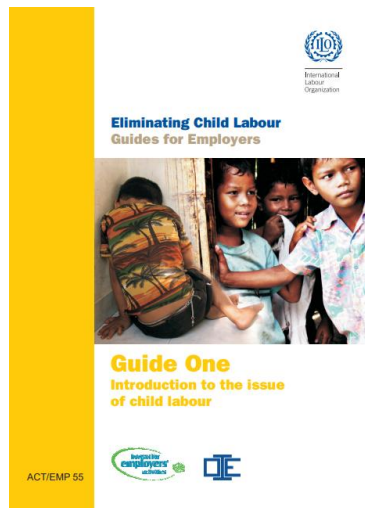
The Company will make the following literature available to its subsidiaries:

<https://www.ilo.org/sites/default/files/2025-11/Combating%20forced%20labour%20-%20A%20handbook%20for%20employers%20and%20business.pdf>

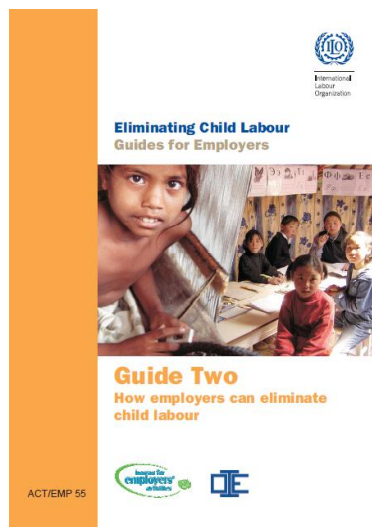


Management will regularly review the following publications on combatting child labour:

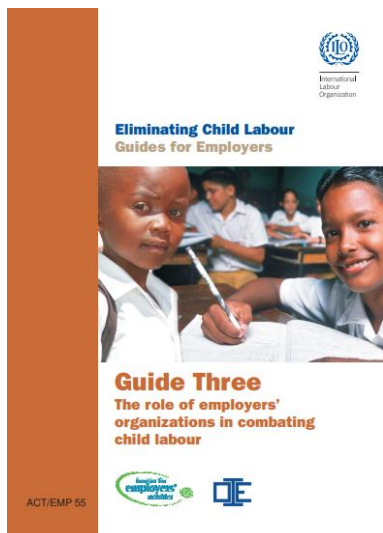
https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@asia/@ro-bangkok/documents/publication/wcms_117863.pdf



<https://respect.international/eliminating-child-labour-guides-for-employers-guide-two-how-employers-can-eliminate/>



https://betterwork.org/wp-content/uploads/12-child_guide3_en.pdf



Requirement (g) – Assessing effectiveness

Assessing the effectiveness of efforts to prevent forced labour and child labour within a business and its supply chains requires a systematic and comprehensive approach. Firstly, regular assessments via meetings with suppliers are conducted to evaluate overall performance. These discussions help identify any potential risks or violations. Additionally, gathering feedback from employees, suppliers, and other stakeholders can provide valuable insights into the efficacy of existing measures and areas for improvement. Monitoring key performance indicators related to labour standards, such as worker turnover rates and adherence to labour laws, can also help gauge progress over time. Furthermore, engaging with external experts, including trade unions, industry peers, and civil society organizations can provide valuable perspectives and benchmarking opportunities.

Attestation

This report was reviewed and approved by the governing body of the Entity, which in this case is the Board of Directors of IMPACT Silver Corporation.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the Entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Signed: "Frederick Davidson"

I HAVE THE AUHORITY TO BIND IMPACT SILVER CORPORATION (THE ENTITY)

NAME: FREDERICK DAVIDSON

TITLE: President, Chief Executive Officer, Director

DATE: May 17, 2026