

Entity Legal Name: IMPACT Silver Corporation**Financial Reporting Year: 2023****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. 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.

Activities of the control Entity include administration, management and overall coordination provided to the five subsidiaries located in Mexico. The five 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 five subsidiaries, as listed below.

	Country	Nature of Operations	Employees	
			01-Jan-23	31-Dec-23
Minera Impact Silver de Mexico, S.A. de C.V. (“MISM”)	Mexico	Mining Service Company	3	20
Minera Aguila Plateada, S.A. de C.V. (“MAP”)	Mexico	Mining/Exploration	35	48
Minera El Porvenir de Zacualpan, S.A. de C.V. (“MPZ”)	Mexico	Mining/Exploration	257	251
Minera Laureles, S.A. de C.V. (“ML”)	Mexico	Mining/Exploration	0	0
Latin American Zinc, S.A.P.I. de C.V. (“MLAZ”)	Mexico	Mining/Exploration	0	115
IMPACT SILVER CORPORATION	Canada	Parent - Control Entity	8	8

The Entity derives its revenue from two operating centres in Mexico. Both 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. (“MPZ”)** is the primary revenue-generating subsidiary of the Company and is responsible for the vast majority of the Company’s production and activities. In 2023, the subsidiary milled 147,444

tonnes of feed, resulting in 637,514 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. (“MPZ”):

CFE SUMINISTRADOR DE SERVICIOS BASICOS
DISTRIBUIDORA DE EXPLOSIVOS OVIEDO
GRUPO COMERCIAL DE MEXICO
EDWIN MARTIN PORCAYO GUTIERREZ
TRANSPORTES MINEROS DEL COBRE

2) Latin American Zinc, S.A.P.I. de C.V. (“MLAZ”) is the smaller of the two production subsidiaries operating in Mexico. In 2023, the subsidiary milled 3,774 tonnes of throughput.

The 5 largest suppliers for Latin American Zinc, S.A.P.I. de C.V. (“MLAZ”):

COMBYLUB SA DE CV
MARIO CESAR MANCILLA MENENDEZ
ENERGETICA CARVEL
ILDEFONSO ACOSTA ESPARZA (LA ESTACIÓN HOTEL)
TECNICA ELECTRICA DE PARRAL

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 monitoring, auditing, and collaboration 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 robust policies and procedures 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, including training literature, resources, 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 Entity’s activities and supply chains do not carry a risk of forced labour or child labour being used, and the question of remediation is considered not applicable. 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 have 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.

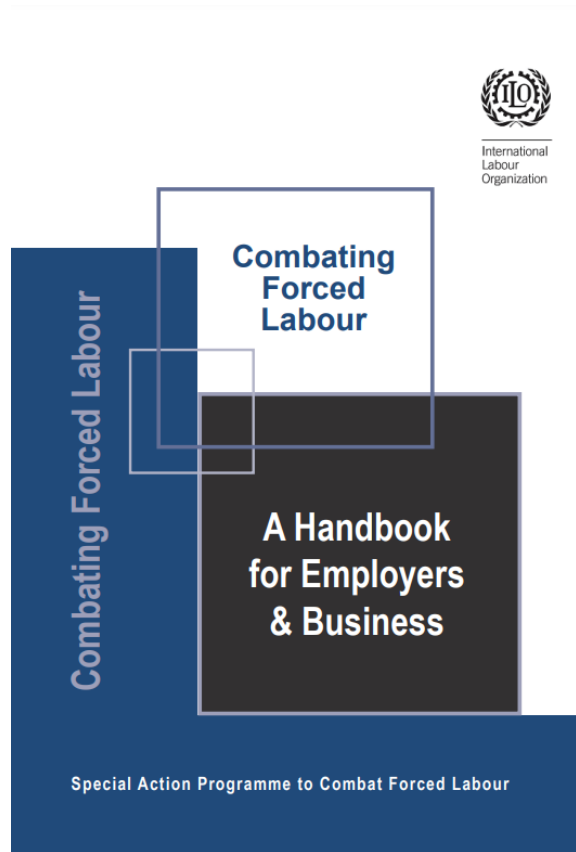
Requirement (f) - Training

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 training 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.

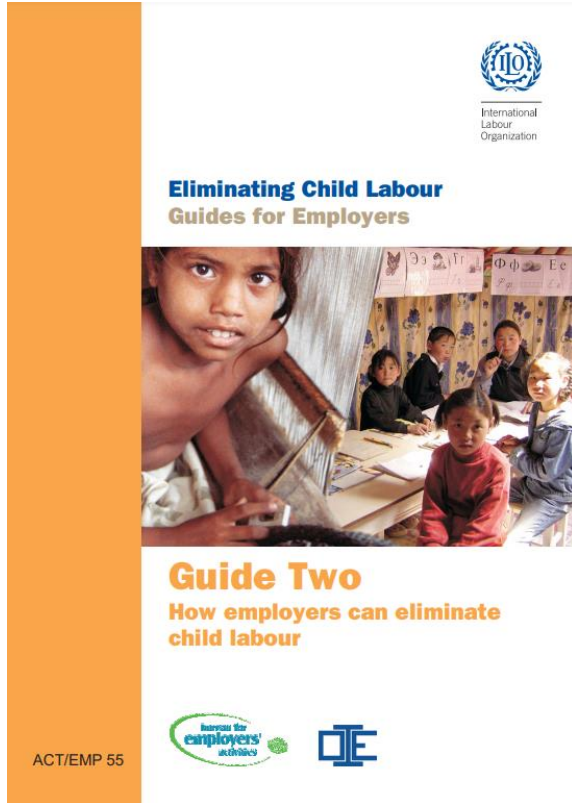
The Company will make the following literature available to its subsidiaries:

https://webapps.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_101171.pdf



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

https://webapps.ilo.org/wcmstp5/groups/public/---dgreports/---dcomm/---webdev/documents/instructionalmaterial/wcms_864260.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.

DocuSigned by:



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

NAME: Fred Davidson

TITLE: President

DATE: 5/16/2024