

IMPACT Silver Corp.
Form 51-102F1
Management's Discussion and Analysis
For the Three and Nine Months Ended September 30, 2025

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is for the three and nine months ended September 30, 2025 of IMPACT Silver Corp. ("IMPACT" or the "Company") prepared as at November 26, 2025 and should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended December 31, 2024 and the related notes contained therein. During the year ended December 31, 2024, the Company amended and restated certain of its financial information (see audited consolidated financial statements for the year ended December 31, 2024 posted on SEDAR+ for details). As a result, certain comparative quarterly amounts below have been restated to take these amendments and restatements into account. All amounts referred to herein are in Canadian dollars unless otherwise specified.

Additional information relating to the Company including material change notices, certifications of annual and interim filings and press releases are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedarplus.ca.

This document contains forward-looking statements. Please refer to "NOTE REGARDING FORWARD-LOOKING STATEMENTS."

CORPORATE OVERVIEW

IMPACT Silver Corp. is recognized as an intermediate miner with strength across the value chain including production, growth and exploration activities. The Company has extensive land positions in Mexico with production and tremendous exploration potential both at the legacy, silver-rich Royal Mines of Zacualpan district located southwest of Mexico City which includes the nearby Capire mineral district, as well as the high-grade Plomosas zinc-lead-silver property, located in northern Mexico, just 150 kilometres northeast of the city of Chihuahua. The Company has been producing silver from epithermal veins at Zacualpan since 2006 with five mines feeding a central processing plant. In April 2023, the Company acquired Plomosas and commenced significant upgrades to the mill, mobile equipment and associated infrastructure. The Company restarted intermittent production on a test basis at the mine late 2023. In the first half of 2025, the mine reached production levels of approximately 75% of the mill's design capacity. The Company continues rehabilitation and exploration of the Plomosas mine. Plomosas is a Carbonate Replacement Deposit ("CRD") which is in an early stage by producing, high grade zinc (lead-silver) mine.

The Company maintains aggressive exploration programs using its own diamond drills to continue to feed and expand its operations while providing shareholders with meaningful upside potential across the Company's projects. The Company has operated in Mexico for more than 19 years, and while mining legislation changes from time to time, the country remains a highly sought-after jurisdiction in which to operate. However, the industry remains uncertain as to the impact of proposed Mexican legislation related to mining and its judicial system.

On September 17, 2025 the Company closed a \$16.0 million bought LIFE private placement. In a highly volatile commodity market, the financing provides the opportunity to expand exploration programs, optimize production at the Zacualpan Mine and to aggressively look for new opportunities, primarily in the Mexican market. The Company is well capitalized with \$25.2 million in cash and no long-term debt.

Consolidated revenue for the nine months ended September 30, 2025 was \$31.2 million, up 44% from Q3 2024 of \$21.7 million, while Q3 2025 revenue was \$10.7 million up 24% from the comparative period in 2024 of \$8.6 million. The Company's year to date 2025 mine operating income continued to be positive at \$3.7 million, compared to a loss of \$3.2 million in 2024.

Since 2006, the Company has conducted aggressive exploration programs that have led to meaningful development and production activities, with more than ten sites in the Zacualpan District having been developed into new mining operations since inception. Over that period, Zacualpan has produced 13.7 million ounces of silver, generated more than \$307 million in revenues and contributed to the funding of capital expenditures, including property, plant and equipment, and mining assets, as well as exploration on both the Zacualpan and Plomosas properties. Drilling is carried out primarily with the Company's own drills, allowing for a cost-effective approach to exploration and mine development. During the nine months ended September 30, 2025, the Company continued with aggressive exploration drill programs across both Zacualpan and Plomosas.

The Company maintains strict cost controls and is focused on production efficiencies. Management regularly considers potential adjustments in mining processes and new technologies to improve margins and offset higher supplier and labour costs. IMPACT continues to operate with the objective of maximizing earnings while maintaining leading Environmental, Social and Governance ("ESG") programs and standards.

IMPACT is a reporting issuer in British Columbia, Ontario and Alberta. The Company's shares trade on the TSX Venture Exchange as a Tier 1 Issuer under the symbol IPT, in the U.S. on the OTCQB as ISVLF, and on the Frankfurt Stock Exchange under the symbol IKL.

We believe that our multi-decade experience building mines in Mexico, combined with our strong balance sheet, will allow IMPACT to become a leading high-grade zinc producer in Mexico at Plomosas.

Operating Highlights:

- Zacualpan processed 35,437 tonnes ("t")
- for the quarter up 8% from the prior year, which was achieved despite one of the ball mills being shut down for a major repair reducing mill capacity for 84 days.
- Development and initial mining commenced at the new Kena Vein South in the Guadalupe mine.
- The comprehensive infrastructure upgrade program continued at the Guadalupe mine at Zacualpan to improve production efficiency and costs.
- The Company completed over 13,000 metres of infill and exploratory diamond drilling across both properties during the nine months 2025, of which 3,800 metres was in Q3 2025.
- At Plomosas, in the newly developed Juarez zone, the Company intersected 18.03% ZnEq over 2.6m including 23.70% ZnEq over 0.73 metres and in a separate drill hole 10.38% Zn over 3.94 metres including 20.95% Zn over 1.7 metres.
- Despite a number of issues that impacted production at Plomosas, including equipment maintenance and local poor ground conditions causing the relocation of the mine's decline, year to date ("YTD") mill throughput was 37,704 tonnes a 48% increase over YTD 2024 production.

Financial Highlights

- On September 17, 2025, the Company closed a \$16.0 million bought deal LIFE Private Placement at \$0.36 per unit. Each unit consists of one common share and one share purchase warrant which entitles the holder to purchase one common share at a price of \$0.45 for two years.
- Consolidated revenue for YTD was \$31.2 million, representing a 44% increase compared to revenue of \$21.7 million YTD 2024.

- Mine operating income for the third quarter 2025 was \$0.5 million, and \$3.7 million YTD, compared to \$0.1 million in Q3 2024 and a loss YTD of \$3.2 million in 2024. Before amortization and depletion, mine operating income¹ for the nine months in 2025 was \$5.6 million, compared to a loss of \$0.8 million in 2024.
- In Q3 2025, the Company spent \$1.3 million on exploration (Q3 2024 - \$1.8 million), and YTD 2025 spent \$3.2 million (YTD 2024 - \$4.1 million). This was split between Zacualpan and Plomosas.
- While revenue from Plomosas in Q3 2025 was \$1.9 million down from \$2.6 million in Q3 2024, revenue YTD in 2025 increased to \$7.9 million compared to \$5.4 million in 2024.
- Zacualpan revenue was \$8.7 million in Q3 2025, up from \$6.1 million in Q3 2024. Revenue YTD 2025 was \$23.3 million on higher commodity prices (YTD 2024 - \$16.3 million).
- At September 30, 2025 the Company had cash of \$25.2 million and working capital of \$27.3 million, up from \$7.1 million in cash and \$9.0 million in working capital at December 31, 2024.
- During the three months ended September 30, 2025, the Company invested \$0.6 million in property, plant and equipment, including mining assets (YTD \$1.6 million).
- The net loss was \$0.6 million in Q3 2025, compared to a net loss of \$3.1 million in Q3 2024.

OPERATING REPORT

Zacualpan Silver Operation

During Q3 2025, the Guadalupe mill processed 35,437 t of mill feed at the Zacualpan/Guadalupe complex, up from 32,901 t in Q3 2024. Production was up during the quarter despite one ball mill not operating for approximately 84 days due to a major repair. Seasonal wet weather in Q3 2025 continued to cause power outages from the Mexican grid and delayed concentrate shipments to the smelter.

Despite the above, silver production from the Guadalupe complex in Q3 2025 was 150,394 ounces ("oz"), a 5% increase from 142,945 oz in Q3 2024. However, silver sales decreased by 1% over the same period in 2024 owing mostly to previously mentioned weather issues which caused delays in concentrate shipments. The average mill head grade for silver in Q3 2025 was down by 2% to 157 grams per tonne ("g/t") from 160 g/t in Q3 2024.

Revenue per tonne sold in Q3 2025 increased by 40% to \$253.33 from \$180.90 in Q3 2024 on higher commodity prices, while direct costs per tonne increased 23% to \$180.69. The increase in direct costs per tonne in Q3 2025 was due to several factors including the accrual of employee bonuses and certain employee benefits. As well, there were additional expenses associated with the extensive development and maintenance conducted during the period as the Company continues to optimize production and feed blend.

YTD revenue per tonne increased by 39% to \$224.28 compared to \$161.70 in the same period of 2024 while direct costs per tonne increased by 7% to \$152.91 from the same period in 2024.

Zacualpan - Guadalupe Production Complex

The Company remains committed to its strategy of increasing grade, optimizing production, and controlling costs at the Guadalupe processing plant. During the last several months it has been undertaking extensive rehabilitation of the Guadalupe mine shaft and track system, as well as conducting

¹ Mine operating earnings before amortization and depletion is a non-IFRS measure which the company believes provides meaningful information about the Company's financial performance. See "Non-IFRS MEASURES".

development and exploration programs at the recently discovered Kena Vein to outline the structure. In Q2 and Q3 2025, the Company delivered development “muck” from Kena to the mill.

The Company has begun developing the Noche Buena/Carlos Pacheco mine, with limited production in Q3 2025. The development is complemented by a surface drill program looking to delineate the current mineralized zones.

At San Ramon, development is moving forward to test the San Ramon SE Deepes area with underground drilling which is a potential fourth stope in the mine.

Looking ahead, mine management plans to shift the production mix toward higher-grade silver vein systems, including the Kena vein, which was announced in 2024. Additionally, a focused program of definition and step-out drilling is expected to provide additional feed from the San Ramon, Carlos Pacheco, Noche Buena and Guadalupe mines.

PRODUCTION AND SALES: ZACUALPAN - GUADALUPE MILL

	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2025	2024	% Change	2025	2024	% Change
Total tonnes milled	35,437	32,901	+8%	104,622	99,698	+5%
Tonnes produced per day (“tpd”)	385	358	+8%	383	364	+5%
Silver production (oz)	150,394	142,945	+5%	445,525	432,388	+3%
Lead production (t)	48	61	-21%	164	162	+1%
Gold production (oz)	94	176	-47%	331	326	+2%
Silver sales (oz)	145,894	147,206	-1%	445,534	440,292	+1%
Lead sales (t)	48	60	-20%	166	163	+2%
Gold sales (oz)	96	178	-46%	330	325	+2%
Average mill head grade –silver g/t	157	160	-2%	157	160	-2%
Revenue per tonne sold ²	\$253.33	\$180.90	+40%	\$224.28	\$161.70	+39%
Direct costs per production tonne ²	\$180.69	\$146.88	+23%	\$152.91	\$143.29	+7%

² Revenue per tonne sold and direct costs per production tonne are non-IFRS measures which the Company believes provides useful information on revenue and direct costs. See “NON-IFRS MEASURES”.

ROYAL MINES OF ZACUALPAN DISTRICT

At the Royal Mines of Zacualpan Silver-Gold District in central Mexico, several underground mines and an open pit mine on epithermal silver-gold (zinc-lead) veins feed the central Guadalupe processing plant which has a rated capacity of 500+ tonnes per day. Upgrading operations, enhancing production and expanding the tailings capacity is an ongoing process. Additional work on a third tailings dam is largely on standby until the dam is needed; it will add a provisional life of nine years of operations at the Guadalupe mill complex.

Guadalupe Silver Mine

The Guadalupe Mine, located adjacent to the Guadalupe mill, resumed commercial production in 2018 after a five-year hiatus and is now the largest producing mine on the property. Production comes from multiple veins at various levels within the largest known vein cluster on the site. In Q3 2025, the Guadalupe Mine supplied 53% of the mill feed, of which 6% came from the Kena mine, compared to 44% in Q3 2024. Monthly average mining grades during the quarter ranged from 157 to 163 g/t silver, augmented by higher grades of 172 to 210 g/t silver from the new Kena Vein. Production during the quarter was primarily sourced from the Kena, Delores, Santa Rosa, Rata, Carolina and Caballo veins on Levels 140, 165, 175 and 215. With its cost-efficient infrastructure and the discovery of the new Kena Vein, the Company is upgrading infrastructure within the mine for more efficient production going forward.

San Ramon Silver Mine

The San Ramón mine, located five kilometres southeast of the Guadalupe mill, has been a key production source since 2008. In September 2021, the Company completed mining of the San Ramon Deeps zone and shifted focus to the San Ramon South zone, which was discovered in early 2021. During Q3 2025, the San Ramon South zone contributed 21% of the feed to the Guadalupe mill, which is unchanged from Q3 2024. Monthly average mining grades at San Ramon during the quarter ranged from 161 to 173 g/t silver. Production in Q3 2025 came from Levels 2 and 9 in the San Ramon South zone.

Veta Negra Silver Mine

The Veta Negra Mine is a small open-pit operation that began production in 2019. Located four kilometres northwest of the Guadalupe mill, it contributes a silver-rich feed to the mill from a near-surface bulk tonnage zone. In Q3 2025, the Veta Negra Mine supplied 8% of the feed to the Guadalupe mill compared to 11% in Q3 2024. Monthly average mining grades during the quarter ranged from 166 to 172 g/t silver.

Cuchara Silver Mine

The Cuchara Mine, located 2.5 kilometres east of the Guadalupe mill, began production in 2013. In Q3 2025, the Cuchara Mine supplied 14% of the feed to the Guadalupe mill compared to 16% in Q3 2024. The mine provides a silver-lead-zinc feed to the mill, with current production coming from the Milmaravillas and La Blanca veins. Monthly average mining grades during the quarter ranged from 155 to 157 g/t silver.

Alacran Gold-Silver Mine

The Alacran Gold-Silver Mine, located three kilometres south of the Guadalupe mill, began production in March 2023. Production was temporarily suspended in late October 2023 for metallurgical studies aimed at improving gold recoveries and restarted in Q2 2024. In July 2025, production was suspended at the Alacran Mine, and equipment and personnel were relocated to the Noche Buena Mine (see below) to access better grades and metallurgical recoveries. In Q3 2025, the Alacran Mine contributed 2% of the feed to the Guadalupe mill compared to 8% in Q3 2024. The mine provided a gold-silver feed to the mill. Average July mining grades were 3.64 g/t gold and 26 g/t silver. Production came from the San Margarito Vein on Level 6.

Noche Buena-Carlos Pacheco Gold-Silver Mine

The Noche Buena-Carlos Pacheco Mine is located four kilometres southwest of the Guadalupe mill. The mine last produced between 2010-2014 and production has now restarted as of August 2025. Previous mine production came from three different sets of veins – Noche Buena to the west, Carlos Pacheco 170 metres to the east, and San Juan to the north. Most zones are interconnected with ramps and crosscut mine workings. During Q3 2025, initial new production totalled 788 tonnes grading 1.40 g/t Au and 77 g/t Ag from Level 6 of the Noche Buena Mine.

Zacualpan Exploration

Mines on epithermal veins that were drilled and built by the IMPACT team on the Zacualpan property include the Cuchara Silver Mine (currently in operation), San Ramon Mine (currently in operation), Veta Negra open pit mine (currently in operation), the Noche Buena-Carlos Pacheco Mine (operations restarted August 2025), Alacran Gold-Silver Mine (operated March 2023-July 2025), Chivo Silver Mine (operated 2007-2012), San Patricio (Chivo) Silver Mine (operated 2017-2018), and the Mirasol Silver Mine (operated 2014-2017), as well as the Capire VMS open pit silver mine (being assessed for restart of operations). Exploration is continuing with the goal of finding and developing new mines for the Company. Recent exploration highlights were as follows:

Drilling

In Q1 2025, IMPACT reported additional drill results from Kena Vein, including 597 g/t silver over 2.77 metres and 1,460 g/t silver over 0.55 metres (see IMPACT news release dated February 11, 2025).

In Q2 2025, IMPACT reported more drill results from Kena Vein, including 534 g/t silver over 8.50 metres including 2,320 g/t silver over 1.07 metres (see IMPACT news release dated June 9, 2025).

Exploration Field Work

IMPACT crews continue to explore over 5,000 old mine workings and prospects across the Zacualpan and Capire districts, while also investigating new areas to define drill targets. Exploration targets are identified and prioritized using an extensive computer database, compiled over many years from historical maps, current exploration, and other technical data related to the project. Surface drilling is planned for several new targets over the next year.

Mining Plans

At Zacualpan, the Company has commenced production on the new Kena Vein in the Guadalupe Mine as well as other veins in the Pachuqueno area, while optimizing silver production. In August 2025, the Company restarted the Noche Buena-Carlos Pacheco gold-silver mine.

CAPIRE PROCESSING PLANT AND MINE

The Capire Production Centre is located 16 kilometres southwest of the Guadalupe Production Centre. It is a volcanogenic (“VMS”) base and precious metal deposit. VMS mineralization in the Capire district is predominantly silver-rich with zinc and lead credits occurring in small massive sulphide lenses enveloped in disseminated mineralization.

In Q2 2013, IMPACT announced the commissioning of the Capire test open pit mine and completion of construction of the 200-tpd pilot plant but in February 2014 suspended operations mainly due to low silver prices and low silver grades. The Capire plant is currently on care and maintenance. Company engineers are reviewing Capire for potential restart of operations. The Company is also assessing the potential of an ore sorting system to upgrade the mineral feed at low cost to the Capire mill. The objectives of these studies at Capire are to improve the possible operating margins through reduced processing costs to minimize sensitivity of operations to metal price fluctuations.

Capire Mineral Resource

On January 18, 2016, IMPACT announced NI43-101 mineral resources for the Capire Zone as follows and then filed a supporting technical report on www.sedarplus.ca on March 3, 2016.

Total Resource at US Dollar per Tonne Cutoffs - Inferred and Unoxidized								
Cutoff	Inferred Mineral Resources							
US\$/t	Tonnes	US\$/t	g Ag/t	%Zn	%Pb	Oz Ag	lbs Zn	lbs Pb
10	4,465,000	36.20	44.21	0.72	0.31	6,346,000	71,183,000	30,212,000
15	3,450,000	43.24	53.03	0.85	0.37	5,881,000	64,914,000	28,072,000
20	2,707,000	50.37	62.22	0.98	0.43	5,414,000	58,444,000	25,755,000
25	2,177,000	57.19	71.06	1.10	0.49	4,974,000	52,766,000	23,522,000
30	1,786,000	63.74	79.49	1.22	0.54	4,563,000	47,975,000	21,423,000
35	1,490,000	69.96	87.65	1.33	0.59	4,199,000	43,692,000	19,504,000
40	1,242,000	76.47	96.20	1.45	0.65	3,842,000	39,596,000	17,666,000
45	1,035,000	83.30	105.37	1.56	0.70	3,507,000	35,693,000	15,905,000
50	859,000	90.69	115.49	1.69	0.75	3,189,000	31,983,000	14,203,000
60	636,000	103.31	133.60	1.88	0.84	2,732,000	26,339,000	11,793,000
70	489,000	114.89	150.72	2.04	0.92	2,370,000	22,034,000	9,909,000
80	381,000	126.33	167.97	2.20	0.99	2,057,000	18,455,000	8,338,000
90	294,000	138.53	187.15	2.34	1.07	1,772,000	15,194,000	6,966,000

The reported resource (“Base Case”) cutoff grade is US\$30/t in the table. The mineral resources in this disclosure were estimated by Mine Development Associates (“MDA”) of Reno, Nevada. The resources were estimated using Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) standards, definitions and guidelines. The resources were estimated diluted resources and are displayed at multiple cutoffs, but the resource is reported at a cutoff of US\$30/t lying within a pit optimized using \$31/oz silver, \$1.51/lb zinc, and \$1.69/lb lead. MDA considered a US\$30/t cutoff to be appropriate at the time for production using IMPACT’s 200 tonne per day (“tpd”) mill and recoveries around 80%, 50%, and 65% for silver, zinc and lead, respectively. The resources were generated within an optimized pit shell on the Capire zone that best conveyed “reasonable prospects for eventual economic extraction” at the time which is a requirement of the 2014 CIM Definition Standards, incorporated into Canadian National Instrument 43-101. There is additional mineralization too deep to fulfill the criteria of “reasonable prospects for eventual economic extraction” within an open pit, but that may be available for potential underground development. For further details on the Capire mineral resource see IMPACT’s news release dated January 18, 2016.

IMPACT has a track record of successful exploration and rapid mine development. The Company’s long-term vision sees potential for establishing multiple mills throughout the districts, each fed by multiple mines producing silver, lead and-zinc, as well as gold.

PLOMOSAS PROJECT

On April 3, 2023, IMPACT completed its acquisition of the Plomosas Zinc-(Lead-Silver) Mine located 150 kilometres northeast of Chihuahua City, northern Mexico. On October 23, 2023, after carrying out part of a program of extensive upgrading to mining equipment, and processing facilities as well as hiring of new technical and supervisory staff, IMPACT announced a limited restart of operations for testing purposes and shipped the first concentrate. Work continued to ramp up production to the plant design capacity, having reached approximately 75% by the end of 2024 and continued in the first half of 2025.

The district was discovered in 1832 and in recent years has seen small scale mining. Historical mining is reported in the global upper quartile for zinc grade with approximately 2.5 million tonnes mined between 1943-2022 grading 15-25% zinc, 2-7% lead and 40-60 g/t silver with low deleterious elements (*Footnote 1*).

The mine and mill were previously in production from September 2018 until late 2022. In 2021, the previous owner processed 31,695 tonnes producing 2,442 tonnes of zinc concentrate and 599 tonnes of lead concentrate (*Footnote 1*). Mine access is by a ramp reaching a depth of 250 m below surface and old shafts that potentially could be refurbished. Mine development is continuing as the underground is opened, expanded and upgraded. Mineral is fed to a refurbished 200 tonne per day conventional flotation plant.

Following the acquisition of the Plomosas high grade zinc (lead-silver) mine in 2023, the Company commenced a substantial drill program both on surface and underground and remains committed to further exploration across the under explored 3,019 hectare property.

Plomosas Zinc Operation

Although the Company resumed limited test production at Plomosas in October 2023, as part of a comprehensive rehabilitation program, meaningful production did not occur until Q4 2024, when the mill processed 13,633 t. In the third quarter of 2025, despite a number of issues that impacted production including local poor ground conditions which caused the relocation of the mine's decline, the mine was able to produce 9,957 tonnes at an average grade of 8.3% Zn, 4.5% Pb and 30.37 g/t Ag, bringing the YTD mill throughput to 37,704 tons, representing a 48% increase over YTD 2024 production.

Regular pauses in production have provided management an opportunity to review and optimize processes. Continued improvements are underway, including mine development, expansion of the tailings pond, and the acquisition and rehabilitation of mobile equipment. In parallel, the mine successfully commissioned a new lead oxide recovery circuit following extensive metallurgical testing. This new system has been performing well, recovering up to 60% of lead oxide material which occurs locally in the mine that was previously unrecoverable by the prior operator.

Development and drilling costs per tonne continue to resist cost reductions until larger mineral stopes can be established. Initial exploration and development have focused on immediately accessible mineralization, and as a result exploration and development costs are significantly higher than anticipated per tonne of mined production. The local ground stability issue has also reduced available mill feed and increased related associated mining costs, including the redevelopment of the mine's decline ramp. This is redefining the cut-off grades, until sufficient tonnage of mill feed can be defined and accessed.

In the second and third quarters, local unfavourable ground conditions required driving a second access to level 8 where most of the higher-grade mill feed is located. In the meantime, production was sourced from two lower grade stopes, as well as development muck. The resulting lower grades combined with lower metal prices during the third quarter reduced revenue per tonne to \$191.76/t from \$204.56/t in Q3 2024. The new development through more favourable ground was completed mid-third quarter and head grades rose to 8.3% zinc 4.5% Pb and 30.3g/t Ag compared to 6.8%Zn, 2.9%Pb, and 19.9g/t Ag in Q2 2025.

The Company feels that the property itself and the underlying geology is the prime asset. Longer-term projects are underway to assess the remaining property area which is under explored. This includes the re-interpretation of Induced Polarization, Magnetic, and Gravitational surveys, as well as a reconnaissance exploration program. As a result of earlier exploration success, the Plomosas team is now mining the Mina Juárez area, which was not included in the historic JORC resource.

Subsequent to the end of September, extraordinary rains flooded certain areas of the mine and damaged a number of the access roads at Plomosas. No equipment was lost and all personnel were safe but production was interrupted for a number of days.

PRODUCTION AND SALES: PLOMOSAS

For the Three Months ended

For the Nine Months ended

	September 30			September 30		
	2025	2024	% Change	2025	2024	% Change
Total tonnes milled	9,957	12,686	-22%	37,704	25,536	+48%
Tonnes produced per day	108	138	-22%	138	93	+48%
Average mill head grade						
Zinc (%)	8.3	11.4	-27%	8.0	13.0	-38%
Lead (%)	4.5	7.1	-37%	4.3	8.4	-50%
Silver (g/t)	30.3	50.7	-40%	30.3	48.3	-37%
Zinc production (t) - concentrate	1,119	1,739	-36%	4,632	3,446	+34%
Lead production (t) - concentrate	285	335	-15%	1,083	637	+70%
Zinc sales (t) – contained metal	534	865	-38%	2,277	1,701	+34%
Lead sales (t) – contained metal	160	159	1%	557	344	+62%
Silver sales (oz) – contained metal	8,189	10,347	-21%	25,852	22,234	+16%
Revenue per tonne sold ³	\$191.76	\$204.56	-7%	\$209.89	\$213.02	-2%
Direct costs per production tonne ³	\$327.86	\$229.93	+43%	\$258.67	\$326.00	-21%

Plomosas Exploration

The 3,019-hectare Plomosas property encompasses extensive carbonate replacement deposit-type (CRD) zinc-lead-silver mantos (beds) and chimneys. The previous operator reported an historic JORC-compliant mineral resource of 215,000 tonnes grading 13.5% zinc, 6.3% lead and 34.0 g/t silver (indicated), and 772,000 tonnes grading 13.1% zinc, 3.0% lead, and 19.0 g/t silver (inferred) as at December 31, 2021 (*Footnote 2*). The exploration upside potential is exceptional.

Before and during the first half of 2025, the Company compiled and reinterpreted historical geophysical studies, identifying several high-priority drill targets on the property. A robust drilling program is continuing aimed at expanding the known mineralization and testing potential new discovery targets. Mapping and sampling programs are also continuing to assess the exploration potential of the property.

Drilling

In the Q1 2025, IMPACT announced additional drill results from the Juarez Mine area at Plomosas, including 14.13% zinc, 1.59% lead, and 12 g/t silver over 2.2 metres (true width), with a high-grade interval of 26.06% zinc, 3.02% lead, and 23 g/t silver over 0.9 metres (see IMPACT news release dated January 16, 2025).

During Q3 2025, IMPACT announced more drill results from the Juarez zone at Plomosas, including 10.38% zinc, 0.32% lead, and 7.5 g/t silver over 3.9 metres (true width), with a high-grade interval of 20.95% zinc, 0.15% lead, and 10.8 g/t silver over 1.7 metres (see IMPACT news release dated July 7, 2025).

During Q3 2025, IMPACT announced first drill results from the Santo Domingo zone at Plomosas, including 18.03% zinc equivalent (11.08% zinc, 9.24% lead, and 30 g/t silver) over 2.60 metres (true width), with a high-grade interval of 23.70% zinc equivalent (12.50% zinc, 15.55% lead, and 37 g/t silver) over 0.73 metres (see IMPACT news release dated July 29, 2025).

³ Revenue per tonne sold and direct costs per production tonne are non-IFRS measures which the Company believes provides useful information on revenue and direct costs. See “NON-IFRS MEASURES”.

Subsequent to quarter end, IMPACT announced more drill results from the Juarez zone at Plomosas, including 15.14% zinc equivalent (13.09% zinc, 2.63% lead, and 14 g/t silver) over 3.07 metres (true width), with a high-grade interval of 24.69% zinc equivalent (22.08% zinc, 3.27% lead, and 19 g/t silver) over 1.47 metres (see IMPACT news release dated November 20, 2025).

The Juarez and Santo Domingo zones remain open for further exploration. Drilling is continuing and planned in both areas as well as on other exploration targets across the property.

Exploration potential is exceptional along a 6-kilometre CRD structure, with a number of historic mines and mineral prospects as well as other exploration targets including untested copper-gold targets to the northwest. Regionally, Plomosas lies in the same mineral belt as some of the largest CRD deposits in the world. (Reference to these nearby projects is for information purposes only and there are no assurances that Plomosas will achieve similar results.)

Footnotes:

1. Reference: Alexandri, A. Gonzalez, H., & Salas, H. (2022). *Plomosas Project (CZL), Field Visit Report*. IMPACT Silver Corp. private report on field visits and compilation of historic and recent data, 56 pages.

2. Plomosas mineral resources were reported by Consolidated Zinc Ltd. (CZL) (now Yari Minerals Ltd. (YAR:ASX)) on their website (<https://www.yariminerals.com.au>) under the Australian JORC (2012) Code as mineral resources “depleted as at December 2021” based on an independent report in compliance with JORC (2012) by Shaun Searle of Ashmore Advisory Pty Ltd. (Australia). IMPACT’s Qualified Person has reviewed but not verified in detail these reported mineral resources and is only reporting them as material mineral resources reported by CZL and available in the public record. IMPACT believes the estimates are relevant given they are reported to Australian JORC standards; however, IMPACT’s Qualified Person has not done sufficient work to classify them as current Canadian NI 43-101 mineral resources.

QP Statements: George Gorzynski, P. Eng., Vice President and Director of IMPACT Silver Corp., and a Qualified Person as defined under Canadian National Instrument 43-101, approved the technical information in this MD&A for the Royal Mines of Zacualpan Project, the Capire Mineral District (except information related to the Capire mineral resources), and the Plomosas project. Steven Ristorcelli, C.P.G. (U.S.A.), Principal Geologist for Mine Development Associates and a Qualified Person under the meaning of Canadian National Instrument 43-101, approved the Capire mineral resource estimate and directly related information cited in this MD&A. Details of the technical information in this MD&A are available in Company news releases posted on the Company website at www.IMPACTSilver.com and on www.sedarplus.ca.

Cautionary Statement: The Company’s decision to place a mine into production, expand a mine, make other production related decisions or otherwise carry out mining and processing operations, is largely based on internal non-public Company data and reports based on exploration, development and mining work by the Company’s geologists and engineers. The results of this work are evident in the discovery and building of multiple mines for the Company, and in the track record of mineral production and financial returns of the Company since 2006. Under NI43-101 the Company is required to disclose that it has not based its production decisions on NI43-101-compliant mineral resource or reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure.

SAFETY, SOCIAL AND ENVIRONMENTAL POLICY

IMPACT recognizes that exploration and mining create a physical change within the area of work. The Company believes in its responsibility to ensure that it minimizes the environmental impact of its efforts and conducts reclamation on sites disturbed by its activities. As a primarily underground mining operator, surface disturbances from mining activity have been minimal.

While IMPACT has always considered its responsibility to the community and the environment, it has initiated its report on those activities which is available on the Company’s website.

The Company has social, environmental, and other policies related to its operations and promotes a culture for working safely. It has established an effective relationship with the mine's workers, as well as local contractors and personnel. Work conducted by or on behalf of the Company is planned with a focus on safety and concern for the environment and the effect on local communities. The mining operations employ safety officers to implement and supervise the safety programs and first aid and emergency facilities at the mines.

The exploration surface drills used and owned by IMPACT are modular diamond drill rigs which minimize the area of disturbance due to their small size and mobility. These drills rigs require little in the way of drill pads or access trails, which minimizes surface disturbances, and the Company engages the local community for logistical support and assistance as part of the drill crews. All drill sites are reclaimed after use. Besides increasing our flexibility while keeping environmental disturbances to a minimum, the drill programs, utilizing Company-owned drills have proved to be very cost effective and flexible, and have contributed to ensuring the Company's exploration dollars are being spent in the most efficient manner.

Zacualpan Environmental and Social

Tailings dams are engineered to stringent standards. The tailings themselves are relatively benign and 100% of tailings water is either recycled or lost to evaporation. Recently, as part of a periodic review, the Company engaged independent engineers to conduct a study on the structural status of the Guadalupe (Zacualpan) tailings impoundment and are continuing to follow their recommendations.

Work on tailings pond facility #3 is largely on standby until the extra tailings capacity is needed. This facility is projected to accommodate approximately nine years of production tailings from the Guadalupe mill complex in the future. The site has now been fully permitted and cleared.

From 2022 onward, trees have been planted as part of permitting for the new tailing's facility #3, and as part of a larger program to improve areas of historical mining activity. In conjunction with the municipality and the Technological Baccalaureate Center, the Company has planted more than 18,800 trees of various indigenous species to date. A further 10,000 trees are expected to be planted over the next few years.

In areas surrounding the mine's property, tailings facilities and the complex's support facilities, the Company, collaborating with local farmers, have planted over 3,700 agave plants. The Company maintains a greenhouse for nurturing the initial plants before being transferred to the field. Plans are in place for further agave plants to be planted over the next few years. According to the Company's consultants, agave plants can reduce and isolate large quantities of atmospheric CO₂. They produce more biomass above and below ground than most other plant species. Estimates are they can absorb and store the dry weight equivalent of 30 to 60 tons of CO₂ per hectare per year. Once established, they do not require regular irrigation and are relatively insensitive to rising global temperatures and drought. From an economic standpoint, these agave plants have helped provide a source of income for local farmers and have contributed towards small business development in the area in terms of distillation activities and livestock feed.

The Company keeps community members informed of its activities and collaborates with the communities to address local concerns. The employment of most workers from local communities helps to foster understanding, cooperation and direct involvement in the Company's operations. Over the last several years, the Company has focused on investments to improve area infrastructure which may have been neglected by government in the past. Meanwhile, the Company continues to provide tools, materials and supplies while the communities provide labour for various community projects. Specifically, the Company regularly upgrades roads and has also built a new school and a modern health clinic. Regular investments in modern social facilities are made by the Company including soccer fields, basketball courts and other facilities for local communities as well as the building of water tanks and providing plastic pipes for water storage and distribution to the local residents and farmers.

On an ongoing basis, the Company takes on geology and engineering students for co-op semesters to provide them, under supervision, with essential work experience that is integral to their studies. In many cases, these students form the basis of the Company's future employment base.

Plomosas Environmental and Social

The Company educates its new employees and contract personnel as to its high standards related to environmental and safety issues which are reinforced on a regular basis to ensure compliance. The mine is located in a desert environment that is sparsely occupied and requires a sensitive program to enhance the environmental and social situation.

While operating in a relatively remote location, the Company uses the closest town approximately 25 minutes drive away to accommodate its workers, providing an opportunity for the community to generate employment. Discussions are ongoing as to opportunities to improve the local communities' infrastructure.

INVESTOR RELATIONS

The Company builds investor awareness and shareholder value by conducting institutional presentations and attends investment and mining related conferences. With dynamic changes occurring in the marketplace and the economy, the Company continues to also strengthen its presence via social media and other online marketing.

The Company is continually in the process of enhancing its website to assist stakeholders in understanding its activities and the potential of the entire Royal Mines of Zacualpan and Plomosas districts. The Company has a variety of investor resources available for viewing on its website www.IMPACTSilver.com. Investors are also encouraged to reach out to management using the contact info located on its website.

METALS MARKET OVERVIEW

Silver

According to *The Silver Institute*, global silver demand in 2025 is projected to remain stable at approximately 1.2 billion ounces. This stability is attributed to a 3% growth in industrial applications, particularly in green technologies like photovoltaics and electric vehicles, which is expected to push industrial demand to approximately 675 million ounces for the first time. Factors include:

- **Industrial Demand:** Silver's unique properties, including excellent electrical conductivity, make it a critical component in electronics, semiconductors, and medical devices.
- **Automotive Industry:** The rise of electric vehicles (EVs) is contributing to higher silver usage, especially in electronic components and connectors.
- **Investment:** Silver remains a preferred choice for investors during economic uncertainties, especially during unpredictable geopolitical and economic environments that many believe will persist over the next several years.

Straits Research anticipates the market will grow from US\$95.20 billion in 2025 to US\$202.07 billion by 2033, reflecting a CAGR of 9.86% during the period 2025-2033.

Zinc

Global refined zinc demand is projected to grow by approximately 1.1% year-on-year in 2025, primarily driven by increased consumption in China's construction sector and enhanced public infrastructure spending in India (*Source: International lead and Zinc Study Group*)

Zinc's prominence is expanding in renewable and green technology sectors, driven by its critical applications in energy and construction:

- **Energy Storage:** Zinc is a key component in zinc-air batteries, known for high energy density, commonly used in devices like hearing aids and emerging as a significant player in renewable energy storage systems.
- **Sustainable Energy:** Zinc is essential in manufacturing wind turbine components and solar panels, enhancing their durability and performance, making it a vital material in the transition to sustainable energy solutions.
- **Infrastructure Growth:** Global infrastructure projects increasingly rely on galvanized steel, which uses zinc for corrosion resistance, supporting extensive demand in the construction sector.
- **Automotive Sector:** The shift towards EVs has driven higher demand for zinc alloys due to their strength and lightweight properties.

The global zinc market is expected to grow at a CAGR of 5.0%, potentially reaching a valuation of \$90.0 billion by 2030, as industries focus on sustainability and technological advancements. *(Source: Lucintel Market Research)*

FINANCIAL DISCUSSION

Summary of Quarterly Results

In thousands except for earnings per share	Three months ended September 30	
	2025	2024
Revenue	\$ 10,681	\$ 8,645
Net loss	\$ (604)	\$ (3,101)
Loss per share – basic and diluted	\$ 0.00	\$ (0.01)

Net income for the third quarter of 2025 was impacted by the following factors:

- Consolidated revenue for Q3 2025 was \$10.7 million, up from \$8.6 million in Q3 2024, on higher silver prices impacting revenue from Zacualpan.
- Revenue from Zacualpan increased to \$8.7 million (\$253.33 per tonne sold) in Q3 2025 from \$6.1 million in Q3 2024 (\$180.90 per tonne sold), on 8% higher throughput and 34% higher silver prices. Silver grades decreased 2% to 157 g/t from 160 g/t in the comparative period in Q3 2024.
- Plomosas revenue in Q3 2025 decreased to \$1.9 million, down from \$2.6 million in Q3 2024. During the quarter, challenging ground conditions limited access to the higher grade stopes so production was sourced from lower grade areas and stockpiles, while the mine drove a second access to higher grade ore. As a result, production was reduced to 9,957 tonnes, down 22% from 12,686 tonnes in Q3 2024 and revenue per tonne in Q3 2025 decreased to \$191.76 per tonne sold from \$204.56 per tonne sold in Q3 2024, on grades of 8.3% zinc, 4.5% lead and 30.3 g/t silver.
- In Q3 2025, consolidated operating expenses were \$9.4 million up from \$7.6 million in Q3 2024.
- Operating costs at Plomosas were \$3.3 million up from \$2.7 million in Q3 2024 as production levels decreased to 108 tpd in Q3 2025 compared to 138 tpd in Q3 2024. Direct cost per tonne was \$327.86 compared to \$229.93 in Q3 2024 on lower throughput.
- Operating costs at Zacualpan were \$6.2 million in Q3 2025 compared to \$5.0 million in Q3 2024. Direct cost per tonne milled increased 23% to \$180.69 from \$146.88 in Q3 2024. The increase in direct cost per tonne in Q3 2025 was due several factors including the accrual of bonuses and certain

employee benefits, as well as increased underground development. As well there were additional expenses associated with the extensive development and maintenance conducted during the period.

- Consolidated mine operating income was \$0.5 million in Q3 2025, an improvement of \$0.4 million from \$0.1 million in Q3 2024.
- In Q3 2025, the Company invested \$1.3 million in exploration costs (Q3 2024 - \$1.8 million) which were expensed during the quarter.
- General and administrative costs in Q3 2025 were slightly lower than Q3 2024 at \$1.0 million.
- The Company recorded a provision for deferred income tax recovery of \$0.8 million in Q3 2025 (Q3 2024 - \$0.4 million expense).
- In Q3 2025, there was a foreign exchange gain of \$0.3 million (Q3 2024 - \$0.1 million).
- Net loss for Q3 2025 was \$0.6 million compared to a loss of \$3.1 million in Q3 2024.

Summary of Year to Date Results

All figures are in thousands of Canadian dollars except earnings per share.

In thousands except for earnings per share	Nine months ended September 30			
	2025		2024	
Revenue	\$	31,200	\$	21,714
Net loss	\$	(2,713)	\$	(11,362)
Loss per share – basic and diluted	\$	(0.01)	\$	(0.05)

Net loss for the first nine months of 2025 was impacted by the following factors:

- Consolidated revenue for the nine months ended September 30, 2025 was \$31.2 million, up from \$21.7 million in 2024 on higher silver prices as well as increased YTD production from Plomosas.
- Revenue from the Zacualpan increased to \$23.3 million (\$224.28 per tonne sold) in 2025 from \$16.3 million in 2024 (\$161.70 per tonne sold), on 29% higher silver prices. Silver grades decreased 2% to 157 g/t from 160 g/t in the comparative period in 2024.
- Revenue from Plomosas was \$7.9 million compared to \$5.4 million in 2024, as production increased 48% to 37,704 tonnes, up from 25,536 tonnes in 2024, on grades of 8.0% zinc, 4.3% lead and 30.3 g/t silver. During the second and third quarters of 2025, production was sourced from lower grade ore due to challenging ground conditions that limited access to higher grade stopes as the mine developed a second access to higher grade ore. Consequently, revenue per tonne for the nine months ended September 30, 2025 decreased to \$209.89 per tonne sold in 2025 from \$213.02 per tonne sold in 2024.
- YTD 2025 consolidated operating expenses were \$25.6 million up from \$22.5 in 2024 as Plomosas increased its operating activities.
- Operating costs at Plomosas were \$9.8 million up from \$8.1 million in 2024 as production levels increased to 138 tpd in 2025 compared to 93 tpd in 2024. Direct cost per tonne was lower at \$258.67 compared to \$326.00 in 2024 on higher throughput.

- Operating costs at Zacualpan were \$15.8 million in 2025 compared to \$14.5 million in 2024 on 5% higher production during the period. Direct costs per tonne milled increased 7% to \$152.91 from \$143.29 in 2024 due costs associated with ongoing development activities, and additional expenses related to employee bonuses, and certain employee benefits.
- Consolidated mine operating income was \$3.7 million in 2025, an improvement of \$6.9 million from the loss of \$3.2 million in 2024.
- In 2025 the Company invested \$3.2 million in exploration costs (net of an option payment received of \$460,000), which was expensed during the period (2024 - \$4.1 million).
- General and administrative costs in 2025 were marginally lower than in 2024 at \$3.1 million.
- The Company recorded a provision for deferred income tax expense of \$0.1 million in 2025 (2024 - \$1.0 million expense).
- In 2025 there was a foreign exchange gain of \$0.2 million.
- Net loss for 2025 was \$2.7 million compared to a loss of \$11.4 million in 2024 on higher silver prices and increased production from Plomosas.

OTHER FINANCIAL INFORMATION

Summary of Quarterly Results

The following table presents our unaudited quarterly results of operations for each of the last eight quarters.

For the Three Months Ended (\$ in thousands except for earnings per share)

	Sep 30	June 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31
	2025	2025	2025	2024	2024	2024	2024	2023
Revenue	10,681	9,799	10,720	10,187	8,645	7,722	5,347	5,389
Net loss	(604)	(2,013)	(95)	1,587	(3,101)	(3,860)	(4,402)	(9,563)
(Loss) earnings per share – Basic and Diluted	(0.00)	(0.01)	(0.00)	0.01	(0.01)	(0.02)	(0.02)	(0.05)
Total assets	72,303	54,718	52,130	51,154	51,189	57,041	53,927	56,890
Total liabilities	8,781	7,478	9,016	8,825	10,518	10,806	10,279	9,924

Liquidity, Financial Position and Capital Resources

Working Capital and Cash Flow

At September 30, 2025 the Company had cash of \$25.2 million compared to \$7.1 million at December 31, 2024. Working capital was \$27.3 million up from \$9.0 million at December 31, 2024.

During the three months ended September 30, 2025:

- On September 17, 2025, the Company closed a bought private placement financing and issued 44.4 million units at a price of \$0.36 per unit for aggregate gross proceeds of \$16.0 million. The Company paid certain registered dealers a cash commission of \$1.1 million and granted 2.9 million brokers warrants valued at \$0.3 million. Each unit issued consists of one common share and one share purchase warrant and entitles the holder to purchase one common share at a price of \$0.45 for a period of 24 months from the date of issuance. Each brokers warrant entitles the holder to purchase one common share at \$0.45 for a period of 24 months from the date of issuance.
- During the three months ended September 30, 2025, 3.7 million share purchase warrants were exercised for proceeds of \$0.8 million.
- In Q3 2025, the Company had cash outflows from operating activities of \$0.01 million compared to cash outflows of \$4.1 million in the comparative period in 2024, primarily due to improved operating results.
- In Q3 2025, the Company invested \$0.6 million (Q2 2024 - \$0.1 million) in property, plant and equipment.
- The Company realized \$0.2 million on the sale of investments in Q3 2025 and paid \$0.1 million for leases.

During the nine months ended September 30, 2025:

- The Company completed two private placements in the nine months ended September 30, 2024 for gross proceeds of \$21.2 million:
 1. In Q2 2025, Company completed a non-brokered private placement for gross proceeds of \$5.2 million consisting of a LIFE offering with gross proceeds of \$1.8 million consisting of 8.8 million units at a price of \$0.20 per unit, and a standard offering with gross proceeds of \$3.4 million consisting of 19.2 million units at \$0.18 per unit.
 2. In Q3 2025, the Company closed a private placement financing and issued 44.4 million units at a price of \$0.36 per unit for aggregate gross proceeds of \$16.0 million.

In the comparative period in 2024 the Company received net proceeds of \$8.6 million on the completion of a private placement.

- During the nine months ended September 30, 2025, the Company had cash outflows from operating activities of \$0.5 million compared to cash outflows of \$9.9 million in the comparative period in 2024, due to increased production from Plomosas as well as increased revenue due to higher silver prices.
- In the nine months ended September 30, 2025, the Company invested \$1.6 million (2024 - \$1.3 million) in property, plant and equipment.
- The Company realized \$0.3 million on the sale of investments to September 30, 2025 and paid \$0.3 million for leases.

Outstanding Share Data

The following common shares and convertible securities were outstanding at November 26, 2025:

	# of Shares	Exercise Price	Expiry Date
Issued and outstanding common shares	323,882,952		
Stock options	1,860,000	\$0.90	January 18, 2026
Stock options	2,075,000	\$0.48	October 8, 2026
Warrants	30,717,826	\$0.35	October 19, 2026
Warrants	2,454,092	\$0.35	November 3, 2026
Warrants	6,174,540	\$0.22	December 22, 2025
Warrants	21,928,657	\$0.34	May 17, 2026
Warrants	6,920,110	\$0.34	June 7, 2026
Warrants	4,145,000	\$0.26	May 20, 2027
Warrants	12,979,600	\$0.24	May 20, 2028
Warrants	230,000	\$0.26	June 4, 2027
Warrants	6,923,440	\$0.24	June 4, 2028
Warrants	47,333,334	\$0.45	September 17, 2027
Fully diluted	467,624,552		

All of the 3,935,000 stock options outstanding have vested.

FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments consist of cash, trade receivables, other receivables, investments, and trade payables. Cash and other receivables are measured at amortized cost. Trade receivables are measured at fair value through profit or loss. Investments are designated as fair value through other comprehensive income and measured at fair value as determined by reference to quoted market prices. Trade payables and lease obligations are measured at amortized cost.

Credit risk

As at September 30, 2025, 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 September 30, 2025 of \$25.2 million, and current assets exceeded current liabilities by \$27.3 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.

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.

Market risk

Market risk includes currency and price 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 September 30, 2025, 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 September 30, 2025, a 10% depreciation or appreciation of these currencies against the Canadian dollar would result in an approximate \$0.6 million decrease or increase in the Company's net income for the nine months ended September 30, 2025.

The Company has shares in a publicly traded company that are measured at FVOCI.

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 September 30, 2025 by \$0.3 million (September 30, 2024 - \$0.2 million).

POLITICAL, REGULATORY AND SECURITY ISSUES

The Company's operations are subject to control and scrutiny by several levels of government, and various departments within each level. The Company must also comply with corporate, environmental and mining legislation and regulations which are subject to change by governments and beyond the control of the Company. Permission must also be secured from local peoples for exploration and drilling permits, water and land surface use rights. Consequently, in carrying out its mining and exploration activities, the Company may be exposed to a large array of conditions to satisfy its activities on a daily basis. Risk exists that the Company might fail to be fully compliant in all respects in this political and regulatory environment, or that permits might not be issued on a timely basis to facilitate the Company's planned development activities. Furthermore, social, criminal, and political unrest may exist within a region covered by the Company's operations and such events may affect the feeling of safety and security of the local peoples and may affect the operating activities of the Company. From time-to-time, government regulatory agencies may review the books and records of the Company, which may result in changes in the Company's operating results.

APPROVAL

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements before the financial statements are approved by the Board of Directors and submitted to the

shareholders of the Company. The Board of Directors of IMPACT have approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

SUPPLEMENTARY INFORMATION

NON-IFRS MEASURES

The non-IFRS measures presented do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be directly comparable to similar measures presented by other issuers. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company uses both IFRS and non-IFRS measures to assess performance and believes the non-IFRS measures provide useful information to investors to help in evaluating the Company's performance. Following are the non-IFRS measures the Company uses in assessing performance:

Mine operating earnings before amortization and depletion is a measure that the Company believes provides additional information regarding how the Company's operations are performing. This measure is calculated as revenues less operating expenses, excluding amortization and depletion.

These measures are calculated as follows:

	For the Three Months Ended September 30		For the Nine Months ended September 30	
	2025	2024	2025	2024
Revenue	\$ 10,680,755	\$ 8,645,360	\$ 31,200,151	\$ 21,714,223
Operating expenses	9,427,104	7,614,212	25,551,126	22,541,805
Mine operating earnings (loss) before amortization and depletion	\$ 1,253,651	\$ 1,031,148	\$ 5,649,025	\$ (827,582)

Revenue per tonne sold and direct costs per tonne produced are measures that the Company believes are key indicators of performance and allow for more direct comparison of revenues and costs than comparing gross amounts.

These measures are calculated as follows for Zacualpan:

	For the Three Months ended September 30		For the Nine Months ended September 30	
	2025	2024	2025	2024
Operating expenses	\$ 6,150,360	\$ 4,955,778	\$ 15,789,42	\$ 14,482,622
Add (deduct) inventory	252,603	(123,299)	208,452	(196,690)
Direct costs	\$ 6,402,963	\$ 4,832,479	\$ 15,997,894	\$ 14,285,932
Tonnes milled	35,437	32,901	104,622	99,698
Direct costs per tonne	\$ 180.69	\$ 146.88	\$ 152.91	\$ 143.29
Revenue	\$ 8,745,117	\$ 6,088,998	\$ 23,323,263	\$ 16,322,779
Tonnes sold	34,520	33,659	103,993	100,945
Revenue per tonne sold	\$ 253.33	\$ 180.90	\$ 224.28	\$ 161.70

These measures are calculated as follows for Plomosas:

	For the Three Months ended September 30		For the Nine Months ended September 30	
	2025	2024	2025	2024
Operating expenses	\$ 3,276,744	\$ 2,658,434	\$ 9,761,684	\$ 8,059,183
Add (deduct): inventory	(12,258)	258,427	(8,776)	265,661
Direct costs	\$ 3,264,486	\$ 2,916,861	\$ 9,752,908	\$ 8,324,844
Tonnes milled	9,957	12,686	37,704	25,536
Direct costs per tonne	\$ 327.86	\$ 229.93	\$ 258.67	\$ 326.00
Revenue	\$ 1,935,638	\$ 2,556,362	\$ 7,876,888	\$ 5,391,444
Tonnes sold	10,094	12,497	37,529	25,309
Revenue per tonne sold	\$ 191.76	\$ 204.56	\$ 209.89	\$ 213.02

The Company's method of calculating these non-IFRS measures may differ from other entities, and accordingly, may not be comparable to measures used by other entities. Investors are cautioned, however, that these measures should not be construed as an alternative to measures determined in accordance with IFRS as an indicator of the Company's performance.

NOTE REGARDING FORWARD-LOOKING AND CAUTIONARY STATEMENTS

Except for historical information, this MD&A may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.

The factors that could cause actual results to differ materially include, but are not limited to, the following: general economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments in countries in which the Company operates; community relations, criminal activity, changes in the supply, demand and pricing of the metal commodities which the Company mines or hopes to find and successfully mine; changes in regulatory requirements impacting the Company's operations; pandemics; the ability to properly and efficiently staff the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. This list is not exhaustive and these and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The Company does not undertake to update forward-looking statements or forward-looking information, except as required by law. Additional information relating to IMPACT is on the Company website at www.IMPACTSilver.com and on SEDAR at www.sedarplus.com.

The Company's decision to place a mine into production, expand a mine, make other production related decisions or otherwise carry out mining and processing operations, is largely based on internal non-public Company data and reports based on exploration, development and mining work by the Company's geologists and engineers. The results of this work are evident in the discovery and building of multiple mines for the Company and in the track record of mineral production and financial returns of the Company since 2006. Under NI 43-101 the Company is required to disclose that it has not based its production decisions on NI 43-101 compliant mineral resource or reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure.

On behalf of the Board of Directors,

"Frederick W. Davidson" - President and Chief Executive Officer

November 26, 2025