IMPACT SILVER CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Months ended
September 30, 2026 and 2025

Unaudited

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51 – 102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators **WE HEREBY GIVE NOTICE THAT** the condensed consolidated interim financial statements which follow this notice have not been reviewed by an auditor.

IMPACT Silver Corp.

Condensed Consolidated Statements of Financial Position

(Canadian dollars)

		September 30, 2026		December 31, 2025
ASSETS				
Current				
Cash	**$**	**53,281,785**	$	23,699,168
Trade, value added taxes and other receivables *(Note 4)*		**3,822,606**		6,348,336
Income taxes receivable		**-**		182,015
Inventories *(Note 5)*		**2,579,418**		2,265,853
Investments *(Note 6)*		**630,200**		5,292,313
Prepaid expenses and deposits		**1,978,875**		820,187
		62,242,824		38,607,872
Value added taxes receivable *(Note 4)*		**3,417,773**		2,577,580
Right of use assets *(Note 7)*		**325,956**		194,797
Property, plant and equipment *(Note 8)*		**26,277,612**		28,921,482
Deferred income tax asset		**1,155,194**		1,060,539
	$	**93,469,419**	$	71,362,270
LIABILITIES				
Current				
Trade payables and accrued liabilities	**$**	**6,991,762**	$	5,393,914
Income taxes payable		**5,108,422**		1,478,942
Lease liabilities *(Note 9)*		**103,688**		84,412
		12,203,872		6,957,268
Lease liabilities *(Note 9)*		**219,438**		106,191
Reclamation provision *(Note 10)*		**3,388,784**		3,076,159
Deferred income tax liabilities		**747,240**		1,813,481
		16,559,334		11,953,099
SHAREHOLDERS' EQUITY				
Share capital		**126,632,321**		118,984,565
Warrants *(Note 11 (c))*		**6,582,974**		9,623,779
Contributed surplus		**14,328,511**		12,634,616
Accumulated other comprehensive income (loss)		**(821,638)**		(1,150,671)
Accumulated deficit		**(69,812,083)**		(80,683,118)
		76,910,085		59,409,171
	$	**93,469,419**	$	71,362,270

Nature of operations *(Note 1)*
Subsequent events *(Note 22)*

ON BEHALF OF THE BOARD:

"F.W. Davidson", Director "J. Meiklejohn", Director

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

IMPACT Silver Corp.

Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the Three and Nine Months ended September 30

(Canadian dollars)

	Three Months ended		Nine Months ended	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Revenues *(Note 12)*	**$ 18,450,223**	$ 10,680,755	**$ 71,559,876**	$ 31,200,151
Cost of sales (*Note 13)*	**10,619,696**	10,142,696	**34,650,977**	27,485,337
Gross profit	**7,830,527**	538,059	**36,908,899**	3,714,814
General and administrative expenses *(Note 14)*	**1,100,340**	984,509	**3,770,068**	3,146,716
Exploration expenses *(Note 15)*	**2,467,538**	1,324,540	**5,145,585**	3,235,384
Impairment of property and equipment *(Note 8)*	**4,268,828**	-	**4,268,828**	-
Loss on disposal of equipment	**-**	7,759	**-**	7,759
Operating (loss) income	**(6,179)**	(1,778,749)	**23,724,418**	(2,675,045)
Interest and finance income (expenses) *(Note 16)*	**415,071**	7,188	**775,240**	(39,489)
Foreign exchange (loss) gain	**702,230**	319,850	**747,374**	154,193
Gain on derecognition of financial liabilities	**300,979**	-	**300,979**	-
Income (loss) before income taxes	**1,412,101**	(1,451,711)	**25,548,011**	(2,560,341)
Current income tax expense	**5,865,058**	1,118	**15,865,536**	4,548
Deferred income tax (recovery) expense	**(1,195,225)**	(848,521)	**(1,188,560)**	148,364
Net (loss) income	**$ (3,257,732)**	$ (604,308)	**$ 10,871,035**	$ (2,713,253)
Items that may be subsequently reclassified to profit or loss				
Cumulative translation adjustment	**(2,320,614)**	1,391,689	**1,005,179**	2,643,791
Items that will not be subsequently reclassified to profit or loss				
(Loss) gain on investments	**(152,620)**	(15,854)	**(676,146)**	727,151
Comprehensive (loss) income	**$ (5,730,966)**	$ 771,527	**$ 11,200,068**	$ 657,689
(Loss) earnings per share				
Basic	**$ (0.01)**	$ (0.00)	**$ 0.03**	$ (0.01)
Diluted	**$ (0.01)**	$ (0.00)	**$ 0.03**	$ (0.01)
Weighted average number of shares outstanding				
Basic	**349,531,098**	284,153,282	**346,279,015**	263,721,374
Diluted	**349,531,098**	284,153,282	**351,183,861**	263,721,374

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

IMPACT Silver Corp.

Condensed Consolidated Statement of Changes in Shareholders' Equity

(Canadian dollars)

	Shares Outstanding	Share Capital ($)	Warrants ($)	Contributed Surplus ($)	Accumulated Other Comprehensive (Loss) income ($)	Accumulated Deficit ($)	Total Shareholders' Equity ($)
Balance December 31, 2024	247,428,622	101,375,443	5,291,969	11,306,243	(5,220,576)	(70,423,712)	42,329,367
Net loss for the period	-	-	-	-	-	(2,713,253)	(2,713,253)
Shares issued in relation to private placement	72,394,623	21,206,032	-	-	-	-	21,206,032
Share issue costs	-	(1,390,131)	(437,040)	-	-	-	(1,827,171)
Warrants issued in relation to private placement	-	(5,111,817)	5,432,705	-	-	-	320,888
Warrants exercised	3,727,007	1,032,316	(197,123)	-	-	-	835,193
Warrants expired	-	-	(90,281)	90,281	-	-	-
Cumulative translation adjustments	-	-	-	-	2,643,791	-	2,643,791
Gain on investments	-	-	-	-	727,151	-	727,151
Balance at September 30, 2025	**323,550,252**	**117,111,843**	**10,000,230**	**11,396,524**	**(1,849,634)**	**(73,136,965)**	**63,521,998**
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	-	-	-	-	-	10,871,035	10,871,035
Warrants exercised	19,327,081	7,647,756	(1,346,910)	-	-	-	6,300,846
Warrants expired	-	-	(1,693,895)	1,693,895	-	-	-
Cumulative translation adjustments	-	-	-	-	1,005,179	-	1,005,179
Loss on investments	-	-	-	-	(676,146)	-	(676,146)
Balance at September 30, 2026	**349,531,098**	**126,632,321**	**6,582,974**	**14,328,511**	**(821,638)**	**(69,812,083)**	**76,910,085**

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

IMPACT Silver Corp.

Condensed Consolidated Statements of Cash Flows
For the Three and Nine Months ended September 30

(Canadian dollars)

Cash resources provided by (used in)	Three Months ended September 30, 2026	Three Months ended September 30, 2025	Nine Months ended September 30, 2026	Nine Months ended September 30, 2025
Operating activities				
Net (loss) income	**$ (3,257,732)**	$ (604,308)	**$ 10,871,035**	$ (2,713,253)
Items not affecting cash				
Amortization and depletion	**659,217**	752,672	**1,864,633**	2,039,684
Gain on derecognition of financial liabilities	**(300,979)**		**(300,979)**	
Deferred income tax (recovery) expense	**(1,195,225)**	(848,521)	**(1,188,560)**	148,364
Impairment on property and equipment	**4,268,828**	-	**4,268,828**	-
Non-cash option payment received	**-**	-	**(240,000)**	(460,000)
Accretion expense	**73,458**	54,974	**216,344**	160,022
Loss on disposal of assets	**-**	7,759	**-**	7,759
Interest on lease liabilities	**6,583**	8,559	**18,479**	42,630
Interest on investments	**-**	-	**(26,827)**	-
Unrealized foreign exchange (gain)	**(5,730)**	(283,397)	**(116,196)**	(591,441)
Changes in non-cash working capital				
Trade and other receivables	**(87,465)**	(1,003,710)	**2,017,426**	(775,205)
Income taxes receivable	**-**	-	**172,794**	(109)
Inventories	**(469,147)**	(238,899)	**(241,634)**	(416,562)
Prepaid expenses and deposits	**(851,518)**	23,252	**(1,155,108)**	(243,446)
Trade payables and accrued liabilities	**1,152,249**	1,619,112	**1,726,383**	1,603,362
Income taxes payable	**2,799,534**	222,527	**3,421,337**	115,401
	2,792,073	(289,971)	**21,307,956**	(1,082,796)
Investing activities				
Proceeds on the sale of investments	**570**	170,527	**200,204**	333,101
Proceeds on redemption of guaranteed investment certificates	**-**	-	**4,052,590**	-
Acquisition of property, plant and equipment	**(929,079)**	(573,365)	**(2,334,753)**	(1,605,745)
	(928,509)	(402,838)	**1,918,041**	(1,272,644)
Financing activities				
Repayment of lease liabilities	**(36,207)**	(66,436)	**(110,348)**	(300,010)
Proceeds from exercise of warrants	**-**	820,585	**6,300,846**	835,193
Proceeds from private placement, net	**-**	14,689,916	**-**	19,699,749
	(36,207)	15,444,065	**6,190,498**	20,234,932
Effect of exchange rates on cash	**(738,056)**	141,108	**166,122**	251,439
Net change in cash	**1,089,301**	14,892,364	**29,582,617**	18,130,931
Cash at the beginning of the period	**52,192,484**	10,301,282	**23,699,168**	7,062,715
Cash at the end of the period	**$ 53,281,785**	$ 25,193,646	**$ 53,281,785**	$ 25,193,646

Supplemental cash flow information *(Note 21)*

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

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 ("Interim Financial Statements") are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements including International Accounting Standard ("IAS") 34, Interim Financial Reporting.

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 authorised for issue by the Board of Directors on November 25, 2026.

3. Material Accounting Policies, Estimates and Judgments

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.

The material accounting policies applied in these Interim Financial Statements are the same as those applied in the Company's Annual Financial Statements as at and for the year ended December 31, 2025. In preparing these Interim Financial Statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the Annual Financial Statements and should be read in conjunction with the Annual Financial Statements. The accounting policies applied in preparing these Interim Financial Statements have been applied consistently by the Company and by all subsidiaries in the group and are consistent with those disclosed in the Annual Financial Statements, except as described below:

a) Adoption of new accounting standards, interpretation or amendments

Classification and Measurement of Financial Instruments IFRS 9, IAS 7 and IFRS 7 (amendments)
During the three months ended March 31, 2026, the Company adopted amendments to IFRS 9 Financial Instruments, together with related amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, relating to the settlement of financial assets and financial liabilities through electronic payment systems. These amendments clarify the timing of recognition and derecognition for electronically settled transactions and introduce an optional exception for certain electronic payment arrangements. The amendments apply retrospectively to reporting periods beginning on or after January 1, 2026. For financial liabilities settled in cash using an electronic payment system, the Company applied the election to deem these financial liabilities to be discharged before the settlement date. The adoption of these amendments did not have a material impact on the Company's Interim Financial Statement.

b) New accounting standard issued but not yet adopted

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure of Financial Statements, which replaces IAS 1 – Presentation of Financial Statement. While carrying forward many of the requirements of IAS 1, IFRS 18 introduces new requirements including: presenting specified categories and defined subtotals in the statement of earnings, providing disclosures on management defined performance measures ("MPM's") in the notes to the financial statements, and improving aggregation and disaggregation in the financial statements. The new standard is effective for reporting periods beginning on or after January 1, 2027 and requires retrospective application.

The Company's is in the process of assessing the impact of this new standard, and determined that it will not have a material impact in the consolidated financial statements.

4. Trade, value added taxes and other receivables

		September 30, 2026		December 31, 2025
Value added taxes receivable – current portion	**$**	**10,403**	$	15,282
Trade and other receivables		**3,812,203**		6,333,054
Total trade and other receivables	**$**	**3,822,606**	$	6,348,336
Value added taxes receivable – non-current portion	**$**	**3,417,773**	$	2,577,580

5. Inventories

		September 30, 2026		December 31, 2025
Materials and supplies	**$**	**1,668,432**	$	1,609,109
Stockpile inventory		**538,256**		177,924
Concentrate inventory		**372,730**		478,820
	$	**2,579,418**	$	2,265,853

The amount of inventories recognized as an expense in cost of sales during the three months ended September 30, 2026 was $9.6 million (September 30, 2025 - $9.0 million), and during the nine months ended September 30, 2026 was $32.6 million (September 30, 2025 - $24.9 million).

The amount of write-down of inventories to net realizable value during the nine months ended September 30, 2026 was $nil (September 30, 2025 - $nil) relating to concentrate inventory.

6. Investments

		September 30, 2026		December 31, 2025
Marketable securities	**$**	**630,200**	$	1,266,550
Guaranteed investment certificates, including accrued interest		**-**		4,025,763
	$	**630,200**	$	5,292,313

7. Right of use assets

Balance at December 31, 2024	$	248,213
Additions		214,741
Amortization		(281,216)
Foreign exchange movement		13,059
Balance at December 31, 2025		194,797
Additions		220,629
Amortization		(93,608)
Foreign exchange movement		4,138
Balance at September 30, 2026	**$**	**325,956**

8. Property, plant and equipment

	Plant and mine equipment ($)	Office furniture and equipment ($)	Surface rights ($)	Mining Assets ($)	**Total ($)**
Cost					
Balance at December 31, 2024	15,228,524	1,400,078	741,522	44,945,723	62,315,847
Additions	2,445,121	64,958	150,771	150,771	2,660,850
Disposals	(2,256,307)	(351,986)	-	-	(2,608,293)
Change in reclamation provision	-	-	-	664,077	664,077
Impairment of property, plant and equipment (i)	-	-	-	(8,762,705)	(8,762,705)
Foreign exchange movement	1,686,983	172,790	74,163	3,650,166	5,584,102
Balance at December 31, 2025	17,104,321	1,285,840	815,685	40,648,032	59,853,878
Additions	2,214,947	119,805	-	-	2,334,752
Impairment of property, plant and equipment (i))	(4,268,828)	-	-	-	(4,268,828)
Foreign exchange movement	546,720	41,409	26,219	1,341,966	1,956,314
Balance at September 30, 2026	**15,597,160**	**1,447,054**	**841,904**	**41,989,998**	**59,876,116**
Accumulated amortization					
Balance at December 31, 2024	9,536,550	1,013,422	-	17,657,811	28,207,783
Amortization for the year	880,210	118,839	-	1,388,664	2,387,713
Disposals	(2,090,564)	(286,224)	-	-	(2,376,788)
Foreign exchange movement	1,080,108	140,135	-	1,493,445	2,713,688
Balance at December 31, 2025	9,406,304	986,172	-	20,539,920	30,932,396
Amortization for the year	828,905	98,425	-	843,695	1,771,025
Foreign exchange movement	315,961	33,314	-	545,808	895,083
Balance at September 30, 2026	**10,551,170**	**1,117,911**	**-**	**21,929,423**	**33,598,504**
Net book value					
At December 31, 2025	7,698,017	299,668	815,685	20,108,112	28,921,482
At September 30, 2026	**5,045,990**	**329,143**	**841,904**	**20,060,575**	**26,277,612**

(i) Impairment charge

At December 31, 2025 , the Company assessed the Plomosas cash generating unit ("Plomosas CGU"), for impairment and identified an impairment indicator as the underground performance did not consistently meet internally established operating thresholds required for sustainable results, which required management to determine the recoverable amount of the Plomosas CGU.

As a result, the Company performed an impairment assessment of the Plomosas CGU in accordance with IAS 36 Impairment of Assets. The carrying amount of the Plomosas CGU's property, plant and equipment was compared to its recoverable amount, defined as the higher of value in use and fair value less costs of disposal ("FVLCD"). The assessment incorporated key assumptions related to future production volumes, operating costs, and commodity prices. In addition, the discounted cash flow model reflected third party ore processing arrangements supported by negotiations, technical reviews, and site inspections conducted prior to the reporting date.

Based on the impairment assessment conducted, management determined that the carrying amount of the Plomosas CGU exceeded its recoverable amount. As a result, an impairment loss of $8.8 million was recognized against mining assets included in property, plant and equipment of the Plomosas CGU during the year ended December 31, 2025. The remaining recoverable amount for property, plant and equipment was $4.5 million included the mill and surface infrastructure necessary to support the recoverable amount primarily through external feed initiatives. The impairment loss was recognized in the consolidated statements of income and comprehensive loss and reduced the carrying amount of the affected assets to their recoverable amount.

On March 20, 2026, the Company announced a temporary suspension of underground mining operations at the Plomosas mine to allow for geological reinterpretation, mine plan optimization, development redesign and capital preservation. During the suspension of underground mining operations, the processing plant and surface infrastructure continued to operate.

During the quarter ended September 30,2026, adverse changes in negotiations with a third party mine to process third party ore occurred, and therefore the plant had no economic source of production. The negative change in the likelihood of a successfully executed agreement, triggered another impairment assessment during Q3 2026.

As of September 30,2026, it was determined that the carrying amount of the Plomosas CGU property, plant and equipment exceeded its recoverable amount as there was no source of production to generate cashflows from any known, or reasonably probable third party. Although the Company continues to explore the feasibility of operating the processing plant for third party mill feed suppliers as at September 30, 2026, no certainty exists over the future potential operation of the mill for cash flows to be estimated. As a result, an impairment loss of $4.3 million for the entire production assets, which included the mill and ancillary equipment, was recognized in the Q3 2026 consolidated statements of income and comprehensive loss, reducing the carrying amount of the affected assets to their recoverable amount. The remaining recoverable amount of $0.3 million relates to non-production assets required for the ongoing exploration program at Plomosas.

On October 13, 2026, the Company announced that the Plomosas facility was being transitioned to care and maintenance status, with activities directed toward maintaining permits and environmental authorizations, safeguarding the tailings facility and preserving the processing infrastructure, while the Company continues its exploration program for Plomosas with exploration costs expensed as incurred.

9. Lease Liabilities

Balance at December 31, 2024	$	251,133
Additions		214,741
Interest		49,736
Repayments		(337,090)
Foreign exchange movement		12,083
Balance at December 31, 2025		190,603
Additions		220,629
Interest		18,479
Repayments		(110,348)
Foreign exchange movement		3,763
Balance at September 30, 2026	**$**	**323,126**
Less: current portion	$	103,688
Non-current lease liabilities	$	219,438

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 14.9% (2025 – 13.2%).

The expected timing of undiscounted lease payments at September 30, 2026 is as follows:

Less than one year	$	146,716
More than one year		279,400
	$	426,116

10. 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 is$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	86,564	41,481	88,299	216,344
Foreign exchange movement	39,163	18,080	39,038	96,281
Balance at September 30, 2026	**$ 1,376,453**	**$ 637,534**	**$ 1,374,797**	**$ 3,388,784**

	Guadalupe	Plomosas	Capire
Anticipated settlement date	2034	2038	2036
Undiscounted value	$ 1,809,372	$ 1,006,206	$ 1,995,480
Estimated life of mine (years)	9.0	12.5	11.0
Discount rate (%)	8.83%	9.16%	9.03%
Inflation rate (%)	4.10%	4.16%	4.18%

11. 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 at the discretion of the directors. 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 September 30,2026	**6,760,000**	**0.43**

At September 30, 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	0.02	1,965,000
December 24, 2030	$0.41	4,795,000	4.24	4,795,000
		6,760,000	**3.01**	**6,760,000**

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	(19,327,081)	0.33
Expired	(20,289,305)	0.34
Balance at September 30, 2026	**93,645,298**	**0.38**

During the nine months ended September 30, 2026, the weighted average share price on the date of exercise of the share purchase warrants was $0.46 (2025 -$0.36).

As at September 30, 2026 the following share purchase warrants were outstanding:

Expiry Date	Weighted Average Exercise Price ($)	Warrants Outstanding	Remaining Outstanding Life (Years)
October 19, 2026	0.35	26,224,765	0.05
November 3, 2026	0.35	1,898,092	0.09
June 4, 2027	0.26	230,000	0.68
September 17, 2027	0.45	46,338,834	0.96
May 20, 2028	0.24	12,030,167	1.64
June 4, 2028	0.24	6,923,440	1.68
	0.38	**93,645,298**	**0.83**

12. Revenues

The disaggregated information is as follows:

	Three Months ended		Nine Months ended	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Zinc-silver concentrate	**$ 1,709**	$ 1,625,430	**$ 2,196,593**	$ 6,568,694
Lead-silver concentrate	**16,365,870**	8,871,550	**65,469,031**	24,191,507
Gold concentrate	**1,053,446**	-	**3,161,210**	-
Provisional pricing adjustments	**1,029,198**	183,775	**733,042**	439,950
Total revenue	**$ 18,450,223**	$ 10,680,755	**$ 71,559,876**	$ 31,200,151

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

13. Cost of sales

	Three Months ended		Nine Months ended	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Raw materials and consumables	**$ 4,212,502**	$ 4,064,415	**$ 14,719,985**	$ 11,634,068
Purchase of third party ore	**868,292**	-	**2,690,347**	-
Salaries and employee benefits	**3,471,209**	4,313,485	**11,013,175**	9,667,009
Transportation	**1,279,860**	1,292,795	**4,047,634**	4,385,860
Amortization and depletion	**623,134**	715,592	**1,761,244**	1,934,211
Change in inventories	**(492,570)**	(326,908)	**(238,949)**	(376,579)
Production taxes	**657,269**	83,317	**657,541**	240,768
	$ 10,619,696	$ 10,142,696	**$ 34,650,977**	$ 27,485,337

14. General and administrative expenses

	Three Months ended		Nine Months ended	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Accounting, audit & legal	**$ 243,201**	$ **214,691**	**$ 999,535**	$ **588,730**
Amortization	**36,083**	**37,082**	**103,389**	**105,473**
Investor relations, promotion & travel	**65,831**	**107,350**	**227,482**	**293,229**
Management fees & consulting	**370,110**	**234,454**	**1,181,370**	**762,321**
Office & sundry	**172,758**	**162,028**	**515,574**	**444,444**
Office salaries & services	**212,357**	**228,904**	**742,718**	**952,519**
	$ 1,100,340	$ **984,509**	**$ 3,770,068**	$ **3,146,716**

15. Exploration expenses

	Three Months ended		Nine Months ended	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Labour	**$ 758,010**	$ **552,093**	**$ 1,963,358**	$ **1,205,918**
Permits & fees	**213,112**	**205,099**	**652,865**	**566,744**
Drilling	**636,085**	**314,212**	**1,315,606**	**1,175,017**
Supplies & other	**860,331**	**253,136**	**1,453,756**	**747,705**
Option payments received	**-**	**-**	**(240,000)**	**(460,000)**
	$ 2,467,538	$ **1,324,540**	**$ 5,145,585**	$ **3,235,384**

16. Interest and finance income

	Three Months ended		Nine Months ended	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Interest income	**$ 495,112**	$ 70,721	**$ 1,010,063**	$ 163,163
Interest (expense)	**(6,583)**	(8,559)	**(18,479)**	(42,630)
Accretion (expense)	**(73,458)**	(54,974)	**(216,344)**	(160,022)
	$ 415,071	$ 7,188	**$ 775,240**	$ (39,489)

17. Related Parties

Compensation of key management personnel

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		Nine Months ended	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Salaries, bonus and benefits	**$ 216,625**	$ 183,750	**$ 649,875**	$ 737,000
Consulting fees [1]	**165,750**	130,513	**576,561**	350,692
	$ 382,375	$ 314,263	**$ 1,226,436**	$ 1,087,692

[1] Consulting fees were paid to VSBL Consulting, a company controlled by Jerry Huang, the VP Finance and former CFO of the Company, to George Gorzynski VP Exploration, to Armando Alexandri COO, and to DPEK Consulting, a company controlled by Fernando Montoya, CFO of the Company since December 12, 2025.

At September 30, 2026 the total payable was $85,208, and was $80,417 at December 31, 2025.

18. 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 a process in place 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.

19. Financial instruments and risk management

	Amortized cost	FVTPL	FVOCI	Total
September 30, 2026	$	$	$	$
Financial assets				
Cash	53,281,785	-	-	**53,281,785**
Investments	-	-	630,200	**630,200**
Trade and other receivables	-	3,812,203	-	**3,812,203**
	53,281,785	3,812,203	630,200	**57,724,188**
Financial liabilities				
Trade payables and accrued liabilities	6,991,762	-	-	**6,991,762**
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
	27,765,231	6,308,036	1,266,550	35,339,817
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 September 30, 2026, investments are measured at 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 December 31, 2025.

Credit risk

As at September 30, 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 September 30, 2026 of $53.3 million, and current assets exceeded current liabilities by $50.0 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	$ 6,991,762	$ -	$ -	$ 6,991,762
Current income taxes	5,108,422	-	-	5,108,422
Lease liabilities	136,535	98,180	44,685	279,400
Total contractual obligations	$ 12,236,719	$ 98,180	$ 44,685	$ 12,379,584

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 reporting period on the interest rate. A 10% change in the interest rates would result in an approximate $0.2 million increase or decrease in the Company's net income.

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 September 30, 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 September 30, 2026, a 10% depreciation or appreciation of these currencies against the Canadian dollar would result in an approximate $3.0 million increase or decrease in the Company's net income.

The Company has shares in a publicly traded companies 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 September 30, 2026 by $0.3 million (December 31, 2025 - $0.6 million).

20. 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 September 30, 2026:

	Total Assets	Property, plant & equipment
Zacualpan (Mexico)	**$** 54,907,955	$ 25,246,648
Plomosas (Mexico)	5,282,629	287,314
Corporate (Canada)	33,278,835	743,650
Total	**$ 93,469,419**	**$ 26,277,612**

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**

For the three months ended September 30, 2026:

	Zacualpan (Mexico)	Plomosas (Mexico)	Corporate (Canada)	Total
Revenues	$ 17,323,349	$ 1,126,874	$ -	$ 18,450,223
Operating expenses	(7,094,614)	(2,901,948)	-	(9,996,562)
Amortization and depletion	(430,890)	(192,244)	-	(623,134)
Gross profit (loss)	**9,797,845**	**(1,967,318)**	**-**	**7,830,527**
General and administrative expenses	261,310	115,094	723,936	1,100,340
Exploration expenses	1,289,228	1,178,310	-	2,467,538
Impairment of property and equipment	-	4,268,828	-	4,268,828
Operating income (loss)	8,247,307	(7,529,550)	(723,936)	(6,179)
Interest and finance income (expense)	163,692	(14,085)	265,464	415,071
Foreign exchange gain (loss)	1,350,896	(633,798)	(14,868)	702,230
Gain on derecognition of financial liabilities and provisions	-	300,979	-	300,979
Income (loss) before income taxes	9,761,895	(7,876,454)	(473,340)	1,412,101
Current income tax expense	5,865,058	-	-	5,865,058
Deferred income tax (recovery)	(1,195,225)	-	-	(1,195,225)
Net income (loss)	**$ 5,092,062**	**$ (7,876,454)**	**$ (473,340)**	**$ (3,257,732)**

For the three months ended September 30, 2025:

	Zacualpan (Mexico)	Plomosas (Mexico)	Corporate (Canada)	Total
Revenues	$ 8,745,117	$ 1,935,638	$ -	$ 10,680,755
Operating expenses	(6,150,360)	(3,276,744)	-	(9,427,104)
Amortization and depletion	(426,303)	(289,289)	-	(415,592)
Gross profit (loss)	2,168,454	(1,630,395)	-	538,059
General and administrative expenses	127,686	129,676	727,147	984,509
Exploration expenses	818,144	506,396	-	1,324,540
Loss on disposal of equipment	7,759	-	-	7,759
Operating income (loss)	1,214,865	(2,266,467)	(727,147)	(1,778,749)
Interest and finance (expense) income	(29,117)	(11,231)	47,536	7,188
Foreign exchange gain	39,368	267,421	13,061	319,850
Income (loss) before income taxes	1,225,116	(2,010,277)	(666,550)	(1,451,711)
Current income tax expense	1,118	-	-	1,118
Deferred income tax (recovery)	(848,521)	-	-	(848,521)
Net income (loss)	$ 2,072,519	$ (2,010,277)	$ (666,550)	$ (604,308)

For the nine months ended September 30, 2026:

	Zacualpan (Mexico)	Plomosas (Mexico)	Corporate (Canada)	Total
Revenues	$ 65,201,163	$ 6,358,713	$ -	$ 71,559,876
Operating expenses	(21,147,581)	(11,742,152)	-	(32,889,733)
Amortization and depletion	(1,209,408)	(551,836)	-	(1,761,244)
Gross profit (loss)	**42,844,174**	**(5,935,275)**	**-**	**36,908,899**
General and administrative expenses	837,862	546,669	2,385,537	3,770,068
Exploration expenses	3,029,500	2,116,086	-	5,145,585
Impairment of property and equipment	-	4,268,828	-	4,268,828
Operating income (loss)	38,976,812	(12,866,857)	(2,385,537)	23,724,418
Interest and finance income (expense)	198,609	(41,481)	618,112	775,240
Foreign exchange gain (loss)	1,056,514	(485,577)	176,437	747,374
Gain on derecognition of financial liabilities and provisions	-	300,979	-	300,979
Income (loss) before income taxes	40,231,935	(13,092,936)	(1,590,988)	25,548,011
Current income tax expense	15,701,734	-	163,802	15,865,536
Deferred income tax (recovery)	(1,188,560)	-	-	(1,188,560)
Net income (loss)	**$ 25,718,761**	**$ (13,092,936)**	**$ (1,754,790)**	**$ 10,871,035**

For the nine months ended September 30, 2025:

	Zacualpan (Mexico)	Plomosas (Mexico)	Corporate (Canada)	Total
Revenues	$ 23,323,263	$ 7,876,888	$ -	$ 31,200,151
Operating expenses	(15,789,442)	(9,761,684)	-	(25,551,126)
Amortization and depletion	(1,140,196)	(794,015)	-	(1,934,211)
Gross profit (loss)	6,393,625	(2,678,811)	-	3,714,814
General and administrative expenses	509,993	349,752	2,286,971	3,146,716
Exploration expenses	1,664,583	1,570,801	-	3,235,384
Loss on disposal of equipment	7,759	-	-	7,759
Operating income (loss)	4,211,290	(4,599,364)	(2,286,971)	(2,675,045)
Interest and finance (expense) income	(130,812)	(33,347)	124,670	(39,489)
Foreign exchange (loss) gain	(259,152)	451,054	(37,709)	154,193
Income (loss) before income taxes	3,821,326	(4,181,657)	(2,200,010)	(2,560,341)
Current income tax expense	4,548	-	-	4,548
Deferred income tax expense	148,364	-	-	148,364
Net income (loss)	$ 3,668,414	$ (4,181,657)	$ (2,200,010)	$ (2,713,253)

21. Supplemental cash flow information

The following table details additional supplementary cash flow information at:

	Three Months ended		Nine Months ended	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Cash received for interest income	**$ 495,112**	$ 53,654	**$ 1,010,063**	$ 146,096
Cash paid for income taxes	**$ 3,065,524**	$ -	**$ 12,262,800**	$ **-**

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

	Three Months ended		Nine Months ended	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
Fair value of shares received	**$ -**	$ -	**$ 240,000**	$ 460,000
Warrants issued for finders' fees	**-**	250,108	**-**	320,888
Imputed interest on lease liabilities	**$ 6,583**	$ 8,559	**$ 18,479**	$ 42,630

22. Subsequent events

i) On October 13, 2026, the Company announced that the Plomosas facility was being transitioned to care and maintenance status, with activities directed toward maintaining permits and environmental authorizations, safeguarding the tailings facility and preserving the processing infrastructure. While the plant is on care and maintenance the Company will continue it's exploration program at Plomosas, as well as continue discussions with potential third-party mill feed suppliers.

ii) On October 28, 2026, the Company announced the granting of 7,990,000 stock options at a price of $0.23 per common share to directors, officers, consultants and employees of the Company. The options vested immediately upon grant, are exercisable for a period of 5 years and have been granted in accordance with the terms of the Company's omnibus equity compensation plan, approved by the Company's shareholders on June 25, 2026 and by the TSX Venture Exchange.