

Impact Silver Announces Q1 2025 Financial Results with Near-Doubling of Revenue & Positive EBITDA of \$1.0 Million

Vancouver, British Columbia--(Newsfile Corp. - May 27, 2025) - **IMPACT Silver Corp. (TSXV: IPT) (OTC PINK: ISVLF) (FSE: IKL) ("IMPACT" or the "Company")** announces its financial and operating results for the first quarter ended March 31, 2025. The Company is pleased to report revenue of \$10.7 million for Q1 2025, double the \$5.3 million reported in Q1 2024. This significant increase was driven by the commencement of new production at the Plomosas mine and higher commodity prices. EBITDA for Q1 2025 was \$1.0 million, marking a strong recovery from the negative \$3.6 million in Q1 2024. Net loss for the quarter was \$0.1 million, a notable improvement compared to the net loss of \$4.4 million in the same period last year. This reflects a substantial year-over-year improvement, as inflationary pressures on costs eased and commodity prices remained strong, supported by a higher aggregate production volumes. At quarter-end, the Company had \$6.6 million in cash and no structured debt.

In 2024, the Company has revised its accounting policies for early-stage exploration. This change has been applied retrospectively, resulting in \$0.8 million in exploration costs being expensed in Q1 2025 and \$1.2 million in Q1 2024. Subsequent to quarter-end, the Company announced an equity financing of up to \$5.0 million.

Fred Davidson, President & CEO of IMPACT, stated, *"Following several years of mine rehabilitation and aggressive exploration, along with ongoing efforts to manage inflationary cost pressures, I'm pleased to see our first-quarter results reflect the strength of having two high-performing assets operating at, or near full capacity. The team's continued focus on maintaining positive net operating income profitability has now delivered positive results for the second consecutive quarter. With both operations online and production continuing to grow, we expect 2025 to reflect our commitment to delivering value to shareholders in a strong commodity price environment supported by streamlined and efficient operations."*

Q1 2025 Review

Zacualpan Silver-Lead-Zinc Operation

In Q1 2025, the Guadalupe mill processed 35,012 tonnes of mill feed at the Zacualpan/Guadalupe complex, representing a 10% increase from 31,735 tonnes in Q1 2024. This improvement reflects a recovery in throughput following the extreme weather event in September, which had caused power outages from the Mexican grid and washouts along key haul roads.

Silver production at the Guadalupe complex totaled 149,449 ounces in Q1 2025, up 9% from 137,291 ounces in the same period last year. Silver sales also rose by 10% year-over-year. The average silver head grade declined slightly by 2% to 157 grams per tonne (g/t), compared to 161 g/t in Q1 2024.

Revenue per tonne sold increased significantly, rising 50% to \$202.37 in Q1 2025 from \$134.59 in Q1 2024, while direct costs per tonne remained largely stable, increasing only 3% to \$132.32 from \$128.12.

Plomosas Zinc-Lead-Silver Operation

In Q1 2025, the mine processed 14,265 tonnes, a significant increase from 3,594 tonnes in Q1 2024. Average grades in Q1 2025 were 11.0% zinc, 7.7% lead, and 48 grams per tonne (g/t) silver. Sales for the quarter totaled 1,008 tonnes of zinc, 213 tonnes of lead, and over 12,087 ounces of silver.

Following nearly 18 months of rehabilitation work-including mobile equipment, processing facilities, infrastructure, and the underground mine-production has expanded substantially.

Initial exploration and development have focused on readily accessible mineralization; however, longer-term initiatives are also progressing to evaluate underexplored areas of the property. These efforts include the reinterpretation of historical Induced Polarization, Magnetic, and Gravitational surveys, as well as a new reconnaissance exploration program. As a result of recent exploration success, the Plomosas team has begun mining the "Mina Juárez" area, where extensions of historical workings by previous operators have been successfully delineated.

The production ramp-up has been both successful and consistent. Average daily throughput increased from approximately 39 tonnes per day (tpd) in Q1 2024 to 159 tpd in Q1 2025. The Company remains on track to achieve the targeted design capacity of 200 tpd later in 2025.

Outlook

Management believes the Company is now well positioned as an established intermediate producer, offering investors exposure to a diversified basket of strategic defensive and critical metals, supported by strong demand fundamentals.

Having successfully transitioned from a period of mine rehabilitation and operational adjustments; the Company has effectively doubled in size in under two years. While silver remains a core focus, increasing zinc and gold production is expected to further expand the Company's market presence and enhance shareholder value.

The Company is currently negotiating new offtake agreements with partners eager to secure long-term supply. Ongoing exploration across both assets is expected to support continued improvements in project economics and operational performance.

A recorded conference call reviewing the financial and production results of the quarter ended March 31, 2025 will be available on the Company website on May 28, 2025 at <https://impactsilver.com/media/conference-calls/>.

The information in this news release should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and Management's Discussion and Analysis, available on the Company website at www.impactsilver.com and on SEDAR at www.sedar.com. All amounts are stated in Canadian dollars unless otherwise specified.

ABOUT IMPACT SILVER

IMPACT Silver Corp. (TSXV: IPT) is a successful producer-explorer with two mining projects in Mexico.

- **Royal Mines of Zacualpan Silver-Gold District:** IMPACT owns 100% of the 211 km² Zacualpan Project in central Mexico where four producing underground silver mines and one open pit mine feed the central 500 tpd Guadalupe processing plant. To the south, the Capire Project includes a 200 tpd processing pilot plant adjacent to an open pit silver mine with an NI43-101 inferred mineral resource of over 4.5 million ounces silver, 48 million lbs zinc and 21 million lbs lead (see IMPACT news release dated January 18, 2016, for details and QP statement). Company engineers are reviewing Capire for a potential restart of operations to leverage improving commodity prices. Over the past 18 years, IMPACT has developed multiple exploration zones into commercial production and has produced over 13 million ounces of silver, generating revenue of more than \$284 million, with no long-term debt.
- **Plomosas Zinc-Lead-Silver District:** Plomosas is a high-grade zinc producer in northern Mexico with exceptional exploration upside potential. The Company recently restarted mining operations and is ramping up production toward design capacity levels. Exploration potential at Plomosas is

exceptional along the 6 km-long structure. This is in addition to other exploration targets on the 3,019 hectare property including untested copper-gold targets with indications of high-grade material at surface. Regionally, Plomosas lies in the same mineral belt as some of the largest carbonate replacement deposits in the world.

Qualified Person and NI 43-101 Disclosure

George Gorzynski, P.Eng., a Director and VP Exploration of IMPACT Silver Corp., is a "Qualified Person" within the meaning of NI 43-101 and has approved the technical information contained in this news release.

On behalf of IMPACT Silver Corp.
"Frederick W. Davidson"
President & CEO

For more information, please contact:

Jerry Huang
CFO | Investor Relations
(604) 664-7707 or inquiries@impactsilver.com
(778) 867 7909 Direct

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Forward-Looking and Cautionary Statements

This IMPACT News Release may contain certain "forward-looking" statements and information relating to IMPACT that is based on the beliefs of IMPACT management, as well as assumptions made by and information currently available to IMPACT management. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Such statements include, but are not limited to, statements with respect to the expected use of proceeds of the Private Placement.

Such forward-looking information involves known and unknown risks and assumptions, including with respect to, without limitations, exploration and development risks, expenditure and financing requirements, title matters, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices, and one-time events. Should any one or more risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements may vary materially from those described herein. IMPACT does not assume the obligation to update any forward-looking 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 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.

303-543 Granville Street
Telephone (604) 664-7707
Vancouver, BC, Canada V6C 1X8

www.impactsilver.com

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