

IMPACT Silver Announces Option Agreement with J2 Metals Inc. on a Portion of Zacualpan S.E.

Vancouver, British Columbia--(Newsfile Corp. - December 23, 2025) - IMPACT Silver Corp. (TSXV: IPT) (OTCQB: ISVLF) (FSE: IKL) ("IMPACT" or the "Company") announces that it has executed a Letter of Intent to option a portion of the Zacualpan S.E. area, which forms part of the approximately 211 km² Zacualpan Mining District, to J2 Metals Inc. (TSXV: JTWO) ("J2"). J2 has renamed the optioned area the "Sierra Plata Silver-Antimony Project." Under the agreement, J2 will conduct exploration on the approximately 22 km² property over a three-year period. The definitive agreement is expected to close within 60 days.

Fred Davidson, President and CEO of IMPACT Silver, commented: *"While IMPACT's strategy is focused on near-term increases in brownfield exploration and production opportunities close to our processing facilities, transactions such as this, partnering with a funded and experienced junior exploration team, allow us to unlock additional value and exploration upside without deploying our own financial or human capital. Against a backdrop of record silver prices, our team remains focused on optimizing existing operations, and we are excited to participate in J2's success as it advances exploration across this prospective area."*

The area is located on the northwest extension of the renowned Taxco mining district, a region with a centuries-long history of continuous silver-gold exploration and production. While this specific area lies beyond economical trucking distance of IMPACT's existing processing facilities, IMPACT has completed reconnaissance and limited exploration work on the Property with encouraging results to date, highlighting its standalone exploration potential.

Terms of Option

Upon execution of a definitive agreement, J2 may earn a 100% interest in the Property by making staged payments to IMPACT and incurring exploration expenditures, as follows:

- (i) \$250,000 in J2 common share subscription receipts within 3 days of TSX Venture Exchange approval of the LOI.
- (ii) Approximately \$1,353,600 in qualifying exploration expenditures, to be incurred in stages over three years; and
- (iii) Staged annual payments to IMPACT totalling up to 6,500,000 common shares of J2, with up to 25% of the share value at the time of issuance payable in cash, or up to \$375,000 in cash, over three years.

J2 will also be responsible for work requirements and taxes related to keeping the property in good standing over the course of the agreement. As well, J2 maintains the right to accelerate cash payments and issuances of J2's common shares at any time after the first year following the date of the agreement, by paying an additional \$500,000 in cash, J2 common shares, or a combination thereof, at IMPACT's election.

IMPACT will retain a 1.5% net smelter return (NSR) royalty on the Project, with J2 having the right to buy down the royalty to 0.75% upon payment of \$1.5 million.

The transaction will be subject to TSX Venture Exchange approval.

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 NI 43-101 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 19 years, IMPACT has developed multiple exploration zones into commercial production and has produced over 13.7 million ounces of silver, generating revenue of more than \$307 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. 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.

George Gorzynski, PEng, a director of the Company, 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

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release

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 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, criminal activity, 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 except as required by law.

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.



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