
NEWS RELEASE
IMPACT Silver Corp.

For release: November 26, 2010

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**IMPACT SILVER ANNOUNCES THIRD QUARTER RESULTS,
NET EARNINGS YEAR TO DATE UP 27%**

IMPACT Silver Corp. ("the Company" or "IMPACT") is pleased to announce results for the third quarter ending September 30, 2010.

THIRD QUARTER 2010 HIGHLIGHTS

- Revenues for the quarter reached \$3.2 million, excludes \$1.5 million in estimated net realizable valued concentrate in inventories. Revenue for the first nine months reached \$9.9 million.
- Net earnings for the quarter reached \$0.4 million (\$0.01 per share), or \$1.3 million (\$0.03 per share) for the first nine months, up 27% from the comparative period ended September 30, 2009.
- Mine operating earnings for the quarter reached \$1.3 million, or \$3.9 million year to date, up 4% from the nine months ended September 30, 2009.
- Silver production for the quarter reached 186,233 oz, down 14% from the same period in 2009.
- The average mill throughput in the third quarter was 387 tonnes per day ("tpd"), up 26% from 307 tpd in the third quarter 2009 and up 7% from the prior quarter despite weather conditions.
- Cash flows from operations before changes in non-cash working capital were \$1.0 million.
- After investing \$4.1 million in property, plant and equipment, resource properties and exploration during the first nine months of 2010, the Company's financial position remained strong at \$2.9 million in cash and cash equivalents, \$5.6 million in working capital with no long term debt.
- Subsequent to quarter end, the Company was pleased to announce a private placement offering of units to raise up to \$12.5 million on a reasonable efforts basis, due to overwhelming interest was oversubscribed and increased to \$15 million.

FINANCIAL SUMMARY (\$CDN)

	Three months ended September 30		Nine months ended September 30	
	2010	2009	2010	2009
Revenues	3,208,502	4,982,569	9,857,851	9,842,963
Mine Operating Earnings	1,280,619	1,882,380	3,892,167	3,745,280
Net Earnings	369,934	785,462	1,327,719	1,044,090
Earnings per Share	0.01	0.02	0.03	0.02
Cash Flow from Operations ¹	1,019,789	2,392,411	3,208,961	3,570,858

¹ Cash flows from operations before changes in non-cash working capital is a non-GAAP measure, which the Company believes provides a better indicator of the Company's ability to generate cash flows from its mining operations.

PRODUCTION

	Three months ended September 30		Nine months ended September 30	
	2010	2009	2010	2009
Total tonnes (t) produced	35,618	28,232	97,745	85,419
Tonnes produced per day (tpd)	387	307	358	313
Revenue per production tonne sold (\$CDN)	\$102.96	\$121.60	\$104.15	\$115.02
Direct costs per production tonne (\$CDN)	\$55.74	\$62.05	\$54.79	\$58.83
Silver production (oz)	186,233	215,558	547,000	662,958
Lead production (t)	180	229	560	764
Zinc production (t)	328	183	849	819
Silver sales (oz)	149,992	311,946	538,997	801,898
Lead sales (t)	171	282	611	848
Zinc sales (t)	303	913	853	1,011

IMPACT achieved another profitable quarter and increased mill throughput despite lower than budgeted silver production, resulting from continued inclement weather experienced during the second and third quarter 2010. The Company continued to revise cutoff grades and mine more medium grade ore because of significantly higher silver prices as compared in the prior quarter. This resulted in an increase in the total tonnes of economic mineral available and contained metal in finished goods concentrate inventories (estimated net realizable value of \$1.5 million); however, metal production subsequently decreased.

The Company continues to successfully produce silver from the Chivo Mine, San Ramon Mine and the new Noche Buena Mine. Production increased from 363 tpd during the second quarter to 387 tpd in the third quarter. IMPACT's new Noche Buena mine operates at 50 tpd and ramping up production to 80-120 tpd; the mine will become a significant contributor to the overall throughput at the Guadalupe processing plant.

During the quarter, the Chivo Mine continued to be the main producer, providing 55% (Q3 2009 – 79%) of mill feed. The San Ramon Mine provided 32% (Q3 2009 – 21%) of mill feed with increased production from the San Ramon Veins and the Chaparrita Vein. The Noche Buena Mine provided 13% (Q3 2009 – nil) of mill feed for the quarter. Plans are to expand production to the newly-identified Abalone Vein discovered 10 meters west of the Noche Buena Vein and averaging 200 g/t silver across two meters.

IMPACT's financial position remained strong with \$2.9 million in cash and cash equivalents and net working capital of \$5.6 million.

On [November 15th](#), the Company engaged Fraser Mackenzie Limited (Agent) as financial advisers in connection with a private placement offering of units to raise up to \$12.5 million on a reasonable efforts basis; subsequently increased to \$15 million on [November 22nd](#). Each Unit is priced at \$1.25 and will consist of one common share of the Company and one-half of one common share purchase warrant, each whole warrant exercisable at \$1.75 to purchase one common share for a term of 24 months from the closing date. In the event that the common shares trade on the TSX Venture Exchange at a volume weighted average price of \$2.50 or more for a period of at least 10 consecutive

trading days following the closing of the offering, the Company shall be entitled to accelerate the exercise upon 30 days notice to the holders of warrants.

The Company intends to use the net proceeds of the offering to accelerate the development and expansion of the Company's mineral properties in Mexico including the 423-square-kilometer Royal Mines of Zacualpan Silver-Gold District and the development of the initial construction phase of the pilot plant at the Capire Project in the 200-square-kilometer Mamatla Mineral District and general working capital. The Company also intends to accelerate its extensive exploration and drilling programs.

EXPLORATION

IMPACT's technical team has continued to fast track project areas toward mine development and production. Subsequent to quarter end, The Company was pleased to announce a new milestone in that over 2,000 old mine workings and prospects in the Zacualpan and Mamatla Districts have now been compiled in the GIS database representing almost 500 years of mining history in the districts.

In the 200-square-kilometer Mamatla Mineral District drilling was devoted to further develop the Capire VMS Project (formerly known as Capire-Aurora 1 project) in the first half of 2010, with 5,610 meters of infill and expansion drilling completed, testing extensions of the zone and confirming continuity of mineralization between the two bodies. Subsequent to quarter end on [November 1st](#), IMPACT was pleased to provide an update on the Capire Mine Development Project. The project is in the mine planning and economic assessment stage. Initial plans are to first install a 200-tpd pilot plant (already purchased) to optimize mining and processing methods toward planning for a larger operation and a starter open pit. Surface rights for all mining areas and the processing plant have been acquired and mine permitting has begun. The Capire Zone remains open to further expansion to the north, south and east. Based on results so far, the Capire VMS Project has the potential to become the Company's second production centre. Furthermore, an updated NI 43-101 Mineral Resource Estimate is currently being prepared.

Elsewhere on the property, exploration drilling has resumed on targets in the Golondrinas-Chontalpan-Cuchara ("GCC") Sector near the Guadalupe processing plant. The purpose of the first phase drill program is to determine the width, grade and orientation of the vein. The program is ongoing with several holes completed to date. On [October 19th](#) IMPACT announced drill results from the first 12 holes at Golondrinas, including 1,045 g/t silver across 1.03 meters; 2,120 g/t silver across 0.46 meters; and 289.5 g/t silver across 4.45 meters. Subsequent to quarter end on [November 10th](#), IMPACT announced drill results from an additional six holes at Golondrinas, including 277 g/t silver across 3.15 meters and 3,010 g/t silver across 0.25 meters. A second phase drill program will then be undertaken to provide detailed definition drilling on the most promising zones identified in the first pass program.

George Gorzynski, P. Eng., a Qualified Persons under the meaning of Canadian National Instrument 43-101, is responsible for the technical content of this news release.

IMPACT Silver Corp. is a profitable silver-focused mining and exploration company operating in Mexico with a producing silver operation at the 423-square-kilometer Royal Mines of Zacualpan District. The Company is also planning to commence operations on a 200-tonne-per-day pilot mill on the adjacent 200-square-kilometer advanced Mamatla Mineral District within the next 12 months and holds a portfolio of projects with an operational processing plant at Zacatecas. The Company has currently identified over 2,000 old mine workings, representing significant future long term exploration potential. Additional information on IMPACT and its projects can be found on the Company's website at www.IMPACTSilver.com.

A recorded conference call can be accessed at our website on November 29, 2010:
<http://www.impactsilver.com/s/Events.asp>

On behalf of the Directors of IMPACT Silver Corp.,

“Frederick W. Davidson”
President & CEO

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