
News Release

IMPACT Silver Corp.

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A Banner Year for IMPACT Silver Corp.'s Exploration in 2012

IMPACT Silver Corp. ("IMPACT" or "the Company") is pleased to provide its year-end review of exploration activities in 2012 at the Royal Mines of Zacualpan District and adjacent Mamatla District in central Mexico.

- Two new mines coming on-stream in Q1 2013 as a result of successful exploration programs.
- Significant silver discoveries at Mirasol and Condesa in 2012 will drive continued drilling in 2013.
- Advanced use of IMPACT's ArcGIS database resulted in 2012's substantial increase in drilling success.

ROYAL MINES OF ZACUALPAN SILVER-GOLD DISTRICT

2012 was the most successful year to date for IMPACT's exploration department.

Brian Hall, IMPACT's Chief Geologist, stated, "More exploration work was completed on all fronts (prospecting, geological mapping, and drilling) with the overall results being substantially better than in past years. Two factors have likely contributed to what we consider to be a banner year for IMPACT's exploration department. The first being the growing maturity of the ArcGIS computer database that the exploration department uses to prioritize areas for field work and drilling and, secondly, an overall increased level of the skill and experience of each member on the exploration team."

During 2012, fieldwork in the form of detailed geological mapping and rock sampling was completed for the Tepejuate, Santa Efignia, Santa Teresa, Cuetzillos Sud and El Gigante mapping areas of which all, except Tepejuate, are located in the Valle de Oro area adjacent to IMPACT's currently producing Noche Buena Mine. New areas where geological mapping fieldwork was initiated in 2012 included San Pablo Norte—a new area to the southeast of previous IMPACT work—as well as the El Orito and La Escondida areas, which are located in the Valle de Oro area. Favourable results have been obtained from each of these areas, with the San Pablo Norte exceeding expectations so far.

The number of rock samples collected in the field by IMPACT's prospecting and geological mapping teams were substantially greater in 2012 (3,607) than in 2011 (2,711), an increase of 33%. In terms of the average grades for these samples, a significant increase was evident for gold and copper contents overall, reflecting more focused fieldwork in the Valle de Oro area where these metals predominate, in preparation for a number of planned drill programs on a variety of different targets to be initiated in 2013. In terms of individual assay values, many high grade samples in silver, gold and copper were collected.

Drill programs in 2012 were conducted on the Oscar, Condesa, Carlos Pacheco and Mirasol areas of the Zacualpan Silver-Gold District, as well as expansion drilling on the Capire Mine development area of the Mamatla VMS District.

Total drilling increased by 20% in 2012 to 35,274 meters, up 5,793 meters from 2011. Past metrics which were used to ascertain the drilling success rate for new areas (drill intersections of 120 g/t silver over 2.0 meters was considered to be a minimum threshold) are now obsolete, as 2012 attained a success rate of 100%. Using a new form of metrics that counts the number of kilogram-plus grade intersections for silver (1,000+ g/t Ag) from the drill holes, 17 were intersected in 2012 versus ten in 2011. This 70% increase is a reflection of the higher grade targets that are now being selected for drilling to which the ArcGIS database is an integral part. A significant portion of

this increase in high grade silver intercepts was the result of identifying and drilling at the newly discovered Mirasol Silver Area.

The increased success in 2012 was driven by five GIS (Geographic Information System) specialists who added a considerable amount of information to the ArcGIS database, advancing it from a simple viewing platform into the field of data analysis. Numerous new protocols for analyzing data in this database have now been developed by IMPACT, allowing the exploration department to prioritize areas of highest mineral potential. A visual representation of IMPACT's mines in production, processing plants and drilled prospects is available on the Company website at www.IMPACTSilver.com under the "Projects Overview" page.

Summarized below are the results of the drilling for 2012 by project area.

Cuchara-Oscar Mine Area

The Cuchara-Oscar Vein Corridor ("Cuchara") is another IMPACT exploration success story taken from initial field exploration through drilling to mine construction and final permitting. Cuchara is located 2.5 kilometers east of IMPACT's Guadalupe Processing Plant. One of the main vein systems in the vicinity of the historic Cuchara Mine is the Oscar Vein Corridor, which links a series of high-grade silver veins from the Oscar Silver area to the new Santa Lucia Silver Zone for a drill defined strike length of 1,200 meters. Mapping in the Cuchara North Silver area indicates an additional 510 meters of strike length to Oscar Vein Corridor at the north end that will be drilled in the future.

In 2012 IMPACT announced final Phase 2 drill results from Oscar as follows:

Oscar Silver Area - Second Phase Drill Results (2012)

Drill Hole	Section	From meters	To meters	Interval meters	Silver (g/t)	Gold (g/t)	Lead (%)	Zinc (%)
Z11-55	19+50N	21.80	22.85	1.05	435	0.01	0.15	0.24
Z11-61	19+50N	256.20	257.16	0.96	216	1.71	11.03	19.73
Z11-64	20+00N	36.60	43.20	6.60	223	0.08	0.18	0.52
Including and		36.60 137.25	37.40 138.25	0.80 1.00	1,270 468	0.23 0.13	0.86 1.67	1.66 1.28
Z11-69 and	20+00N	0.70 71.05	3.35 72.10	2.65 1.05	408 536	0.62 0.17	0.73 1.67	1.12 3.20
Z11-71	20+00N	97.60	98.60	1.00	234	0.74	11.25	13.55
Z11-74 and	20+50N	21.35 90.00	22.35 91.24	1.00 1.24	1,875 835	0.74 0.12	2.65 1.28	6.88 1.78
Z11-76 including including including	20+50N	42.53 42.53 46.79 53.96	56.45 44.24 48.29 56.45	13.92 1.71 1.50 2.49	80 220 299 71	0.98 0.41 0.35 4.79	1.03 1.76 3.22 1.84	1.44 1.57 5.72 1.66
Z11-78	20+50N	102.15	103.70	1.55	250	0.02	0.01	0.03
Z12-05 including	17+00N	92.50 95.55	97.60 96.55	5.10 1.00	234 444	0.05 0.12	0.14 0.26	0.49 0.92
Z12-06	18+00N	86.25	87.15	0.90	564	0.01	0.16	1.22
Z12-08 including including	19+00N	22.36 22.36 44.50	45.75 23.85 45.75	23.39 1.49 1.25	115 510 297	0.02 0.06 0.08	0.12 0.36 0.36	0.36 1.27 0.87
Z12-09	19+00N	118.15	121.15	3.00	272	0.20	0.90	2.44
Z12-12	18+50N	153.45	153.95	0.50	346	0.03	0.242	0.88

Construction of the Cuchara-Oscar Silver Mine is largely complete and is now awaiting receipt of final permits (expected soon) to begin mining operations. Mine access utilizing the historical Cuchara Mine ramp has been

dewatered and refurbished while mining infrastructure and services have been installed and equipment committed to Cuchara-Oscar for commercial production.

Condesa Silver Zone

The Condesa vein system is located 200 meters west of and has historic underground access from the Cuchara Mine (see above) which was mined using a modern ramp to a depth of 240 meters. The intention of this Condesa drill program was to outline mineralization to augment the planned production from the Oscar Vein Corridor which would also use the existing Cuchara Mine workings but utilize a different mining area.

Summarized below are highlights from the 2012 Condesa drill program:

Condesa Silver Zone - First and Second Phases Drill Results (2012)

Drill Hole	Drill Section	Vein Name	From m	To m	Interval m	True Thickness m	Ag g/t	Au g/t	Pt %	Zn %
Z12-28	21+50 N	Resguardo	14.75	16.80	2.05	1.94	157.2	0.019	0.02	0.13
Z12-30	21+50 N	Resguardo	53.50	56.00	2.50	2.37	201.6	0.026	0.07	0.80
Z12-32	23+50 N	María de Jesús	124.83	126.88	2.05	1.52	204.0	0.108	0.33	2.32
and	23+00 N	Transverse Vein	61.85	63.30	1.45	0.89	1,773.1	0.068	0.20	1.48
Z12-36	23+00 N	María de Jesús	156.80	158.15	1.35	0.90	294.4	0.054	0.13	0.62
		Yerba buena								
Z12-38	24+00 N	buena	106.60	109.35	2.75	1.94	152.0	0.38	2.90	0.09
Z12-39	23+00 N	Resguardo	167.30	171.00	3.70	2.87	312.0	0.029	0.27	0.90
Z12-40	22+00 N	María de Jesús	164.00	168.00	4.00	3.96	127.0	0.005	0.05	0.16
Z12-42	21+50 N	María de Jesús	136.00	139.78	3.78	3.59	214.0	0.269	0.15	0.37
		María de Jesús								
Z12-43	21+00 N	A	123.85	129.50	5.65	5.64	129.8	0.021	0.09	0.08
Z12-44	24+00 N	Yerbabuena 3	136.43	140.40	3.97	3.47	116.0	0.001	0.10	0.29
		Yerba buena 3								
Z12-45	24+00 N	buena 3	177.90	179.00	1.10	0.98	1,655.0	0.010	0.25	0.08
Z12-46	24+50 N	María de Jesús	151.40	154.25	2.85	2.67	255.0	0.111	0.22	0.46
Z12-47	23+50 N	Resguardo	22.10	23.00	0.90	0.88	141.0	0.010	0.02	0.06
and	23+50 N	Transversa1	109.00	110.50	1.05	0.90	720.0	0.030	0.25	0.52
		María de Jesús								
Z12-49	24+50 N	A	185.00	186.45	1.45	1.36	200.2	0.038	0.19	0.79
		María de Jesús								
and	24+50 N	B	194.95	196.47	1.52	1.42	149.6	0.864	0.82	2.13
		María de Jesús								
Z12-54	24+50 N	B	242.70	243.30	0.60	0.56	320.0	0.260	0.18	0.95
Z12-55	21+00 N	Resguardo	57.80	59.60	1.80	1.76	245.3	0.030	0.12	0.36
Z12-58	25+00 N	María de Jesús	199.10	201.00	1.90	1.78	186.4	0.108	0.41	1.15
Z12-62	20+50 N	Resguardo	24.70	25.75	1.05	0.74	297.0	0.020	0.04	0.06
and	20+50 N	María de Jesús	79.05	79.90	0.85	0.54	198.2	0.018	0.11	0.25
Z12-63	20+50 N	María de Jesús	106.50	108.85	2.35	2.22	230.9	0.010	0.16	0.26
Z12-64	20+50 N	María de Jesús	101.10	105.55	4.45	3.99	199.8	0.035	0.21	0.49
Z12-65	20+50 N	María de Jesús	137.15	138.40	1.25	1.24	242.6	0.018	0.17	0.41
Z12-68	23+50N	María de Jesús	46.40	50.30	3.90	3.66	249.6	0.009	0.07	0.16

The mineralization at Condesa consists of two main northeasterly dipping structures (María de Jesús and Resguardo), plus a number of smaller northwesterly dipping transverse veins. To date, the veins have been mapped and sampled on surface, and in underground workings for a strike length of 2,300 meters of which only 500 meters have been drilled to date. Further drilling is planned in 2013 as the mineralization within the drilled portion of the Condesa Silver Area remains open for extension at depth and to the southeast.

Mirasol Silver Zone

In late 2012 IMPACT announced results from the first drill holes in the newly discovered Mirasol Silver Prospect, located 5.5 kilometers southeast of IMPACT'S Guadalupe Processing Plant.

Summarized below are the significant intersections from this first phase of drilling at Mirasol:

Mirasol Central Silver Zone - First Phase Drill Results (2012)

Drill Hole	Drill Section	Vein Name	From meters	To meters	Interval meters	True Width meters	Silver g/t	Gold g/t	Lead %	Zinc %
Z12-69	L03+50 S	Mirasol	98.60	110.90	12.26	12.25	112.0	0.130	0.18	0.43
including	L03+50 S	Mirasol Arriba I	101.20	103.10	1.95	1.95	352.0	0.410	0.74	1.84
including	L03+50 S	Mirasol Abajo	107.70	110.90	3.18	3.18	143.0	0.100	0.07	0.19
Z12-70	L03+50 S	Mirasol	120.10	128.20	8.13	7.48	78.0	0.060	0.09	0.37
including	L03+50 S	Mirasol Abajo	125.30	128.20	2.88	2.65	146.0	0.140	0.16	0.75
Z12-71	L03+00 S	Mirasol	73.90	82.90	8.98	8.94	183.0	0.030	0.07	0.14
including	L03+00 S	Mirasol Arriba I	75.20	82.40	7.15	7.15	216.0	0.040	0.08	0.16
including	L03+00 S	Mirasol Arriba I	75.20	77.50	2.30	2.30	376.0	0.040	0.10	0.12
including	L03+00 S	Mirasol Abajo	81.0	82.40	1.35	1.35	447.0	0.130	0.16	0.35
Z12-72	L03+00 S	Mirasol Arriba I	87.60	88.50	0.90	0.83	113.0	0.020	0.01	0.43
and	L03+00 S	Mirasol Arriba II	92.00	93.10	1.10	1.02	123.0	0.020	0.05	0.01
and	L03+00 S	Mirasol Abajo	101.20	103.10	1.90	1.76	94.5	0.030	0.04	0.13
including	L03+00 S	Mirasol Abajo	102.50	103.10	0.55	0.51	287.0	0.030	0.04	0.03
Z12-76	L00+50 N	La Colmena I	228.20	229.90	1.72	1.58	335.2	0.048	0.20	0.22
Z12-77	L03+50 S	El Deschuesado A	231.75	233.35	1.60	1.38	210.3	0.010	0.10	0.63
and	L03+50 S	El Deschuesado B	247.05	251.80	4.75	3.89	118.2	0.022	0.13	0.31
including	L03+50 S	El Deschuesado B	247.05	247.45	0.40	0.32	1,065.0	0.160	0.98	2.03

Mirasol Northwest Silver Zone - First Phase Drill Results (2012)

Drill Hole	Drill Section	Vein Name	From meters	To meters	Interval meters	True Width meters	Silver g/t	Gold g/t	Lead %	Zinc %
Z12-76	L00+50 N	La Colmena I	228.20	229.90	1.72	1.58	335.2	0.048	0.20	0.22

The principal veins of the Mirasol area represent a shear zone in which the veins strike northwesterly and dip to the southwest. The Mirasol Central and Mirasol NW Zones remain open in all directions. Drilling is continuing to expand the zone.

Carlos Pacheco Gold-Copper Zone

The Carlos Pacheco Gold-Copper Vein is located 4.5 kilometers southwest of IMPACT'S Guadalupe Processing Plant and 180 meters due east of IMPACT's currently producing Noche Buena Mine. It is a west dipping structure running parallel to the Noche Buena veins. Stratigraphic studies indicate that the Carlos Pacheco mineralization was emplaced 560 meters deeper than the Noche Buena mineralization; however, subsequent faulting juxtaposed these two zones. Consequently it is one of many zones within the central part of the Zacualpan project area that represent a deeper part of the mineralizing system enriched in gold and copper. Fieldwork in the Carlos Pacheco area began in 2007 with a systematic mapping and rock sampling program followed by an initial drill program that cut high grade gold intersections of up to **19.6 g/t gold across 2.9 meters** including **49.7 g/t gold across 1.0 meter** (see IMPACT News Releases dated [January 18, 2007](#) and [December 4, 2008](#)).

In 2012, additional drilling at depth on Carlos Pacheco returned more significant assays as follows:

Carlos Pacheco Vein – Second Phase Drill Results (2012)

Drill Hole	Drill Section	From meters	To meters	Interval meters	Gold (g/t)	Silver (g/t)	Copper (%)
Z12-13	12+50 N	192.30	199.00	6.70	3.84	28	0.54
including		192.30	195.05	2.75	8.47	56	1.12
Z12-17	12+75 N	198.25	200.99	2.74	1.83	56	0.54
Z12-21	12+25 N	190.65	195.30	4.65	0.96	43	0.60
including		190.65	191.00	0.35	0.53	265	5.12
Z12-23	12+25 N	229.85	230.95	1.10	3.82	84	0.54
Z12-27	13+50 N	156.65	158.60	1.95	0.84	88	1.52
including		156.65	157.40	0.75	0.67	204	3.47

Located between the Noche Buena and Carlos Pacheco Veins are ten Intermediate Veins intersected during drilling that targeted the Carlos Pacheco Vein. These Intermediate Veins represent a vein cluster located midway between the Noche Buena and Carlos Pacheco Veins that include numerous wide, lower grade intersections of silver, gold, lead and zinc.

Summarized below are some of more significant intersections from the Intermediate Veins:

Intermediate Veins - Second Phase Drill Results (2012)

Drill Hole	Drill Section	From meters	To meters	Interval meters	Silver (g/t)	Gold (g/t)	Copper (%)	Lead (%)	Zinc (%)
Z12-11	12+50 N	113.65	114.70	1.05	159	0.29	0.01	0.15	0.27
Z12-16	12+50 N	100.00	114.30	14.30	82	0.04	0.01	0.09	0.19
including		100.00	106.50	6.50	119	0.06	0.01	0.06	0.14
including		101.45	101.95	0.50	560	0.16	0.01	0.03	0.07
Z12-18	12+75 N	57.00	59.00	2.00	337	0.20	0.01	0.23	0.43
including		58.45	59.00	0.55	1,010	0.61	0.02	0.64	1.19
and		205.60	213.60	8.00	23	2.09	0.25	0.02	0.03
including		212.15	213.60	1.45	29	9.67	0.29	0.03	0.03
Z12-19	12+75 N	74.90	75.10	0.20	858	0.64	0.05	7.57	10.10
Z12-20	12+75 N	28.20	63.85	35.65	50	0.05	0.01	0.13	0.23
and		149.50	152.75	3.25	153	0.33	0.01	0.24	0.69
including		151.30	152.75	1.45	319	0.69	0.02	0.41	1.32
and		174.00	174.55	0.55	97	0.91	0.17	0.36	16.45
Z12-23	12+25 N	26.10	28.10	2.00	207	0.22	0.01	0.10	0.15
and		84.75	90.40	5.65	75	0.09	0.01	0.05	0.14

The current plan is to further define and potentially mine these Intermediate Veins via a proposed cross cut from the Noche Buena Mine that also would access the Carlos Pacheco Vein. For this reason a lower economic cutoff is contemplated for the mining of these Intermediate Veins. The work of IMPACT's exploration team for this portion of the Carlos Pacheco and Intermediate Veins is now complete and the data has been passed to the mine planning group for engineering studies and potential production.

MAMATLA VMS DISTRICT

The Mamatla VMS (Volcanogenic Massive Sulphide) District is located to the south of the Royal Mines of Zacualpan Silver Gold District and comprises approximately 140 square kilometers of the total property area. The Capire Silver Mine, which is currently in the final stages of construction, was the main focus of interest and was further drilled in 2012 with encouraging results. The integration into the GIS database of the soil sample data collected by a previous operator in the 1990s was completed this year and a number of VMS exploration targets were defined. A prospecting program was initiated late in the year to outline further drill targets beyond the Capire Mine area in 2013.

Capire Silver Mine Drilling and Mine Construction

The new open-pit Capire Mine is the second mine currently under construction with first concentrate shipments expected during the first quarter of 2013. It represents a new production center in a new mining district and an opportunity that, upon successful completion of the proposed exploration and development program, would propel the Company to become a multimillion ounce silver producer.

In February 2011, the updated NI 43-101 compliant Measured and Indicated Mineral Resources was announced and totaled **7.2 million ounces silver, 30,446 ounces gold; 95.6 million lbs zinc and 37.2 million lbs lead** (see IMPACT News Release dated [February 1, 2011](#) for details).

The 2012 drill program was planned to determine the limits of the Capire Deposit and to test for other mineralized zones in the immediate mine area. Fill-in drilling around known mineralized intersections and 200 m step-out holes from the perimeter of the deposit area were undertaken in a 78 hole, 11,870m drill program. Highlights of 2012 drill results include the following:

Capire - Fifth Phase Drill Results (2012)

Drill Hole	From meters	To meters	Interval meters	Silver (g/t)	Gold (g/t)	Lead (%)	Zinc (%)	Copper (%)
C12-06	78.25	80.3	2.05	507	1.81	2.20	4.02	0.41
Including	79.3	80.3	1.00	929	3.27	2.77	5.27	0.63
And	105.7	110.8	5.10	183	0.20	1.05	2.45	0.13
Including	109.8	110.8	1.00	322	0.35	0.44	1.31	0.07
C12-07	38.1	41.15	3.05	132	0.38	0.30	0.63	0.07
C12-08	44.7	47.75	3.05	100	0.82	0.23	0.39	0.07
And	94.5	97.6	3.10	82	0.23	0.55	1.45	0.16
C12-09	77.75	86.9	9.15	79	0.13	0.41	1.03	0.09
Including	79.3	80.8	1.50	302	0.32	1.20	2.40	0.26
C12-10	62.74	63.34	0.60	218	0.31	1.12	2.64	0.20
C12-11	80.3	103.7	23.40	46	0.17	0.36	0.95	0.07
Including	94.55	97.6	3.05	108	0.17	0.75	1.90	0.15
C12-12	65.51	74.2	8.69	60	0.14	0.49	1.39	0.10
C12-13	64.05	71.65	7.60	50	0.08	0.21	0.57	0.08
C12-21	83.35	100.1	16.75	153	0.40	1.14	2.71	0.21
Including	92.4	97	4.60	435	0.71	3.13	5.99	0.48
Including	95	96	1.00	1,390	1.39	1.49	2.82	0.63
C12-25	13.2	23.35	10.15	107	0.58	0.90	2.43	0.10
Including	13.2	18.3	5.10	150	0.79	1.29	3.54	0.12
Including	13.2	15.25	2.05	315	0.91	2.93	8.19	0.25
C12-35	123	125.05	2.05	219	0.76	1.09	2.89	0.20
C12-42	39.65	45.75	6.10	164	0.88	0.93	2.05	0.14
C12-49	22.35	24.4	2.05	257	0.16	1.14	2.22	0.22
C12-50	37.6	46.75	9.15	107	0.37	0.60	1.45	0.10

Including	38.6	42.7	4.10	164	0.45	0.70	1.65	0.14
C12-53	75.2	82.35	7.15	46	0.19	0.30	0.78	0.05
C12-58	85.4	91.5	6.10	73	0.28	0.51	1.30	0.08
Including	89.45	91.5	2.05	145	0.48	0.89	2.38	0.16
C12-68	43.7	48.8	5.10	154	0.66	0.76	1.65	0.15
C12-76	30.5	34.55	4.05	142	0.18	0.84	1.86	0.11
C12-77	61	66.05	5.05	69	0.25	0.65	1.59	0.10

The 2012 program holes were drilled vertically and intersections are estimated to be close to true width. These drill results combined with a series of holes reported earlier, have expanded and defined the extent of the Capire mineralization to the north and south while the zone remains open to the east.

Other Prospects in Capire Area

Drill results from the 2009 program on the Aurora II showing, located 1.3km southeast of the Capire minesite, were re-evaluated and a seven hole program is planned for 2013 to test the area immediately to the northeast. Mapping and sampling of the historical underground workings in the area suggest good potential for more extensive mineralization.

A prospecting program was undertaken in the Guadalupe Mamatla area, located 2.8km to the east of the Capire minesite, to determine the extent of the mineralization mapped in historical underground workings in preparation for a drill program that will be undertaken in early 2013.

ARCGIS DATABASE

Since 2007, the Company's exploration department has been constructing a state-of-the-art computer Geographic Information System (GIS) database capturing all relevant technical information for the Zacualpan and Mamatla Districts using ArcGIS software. At the core of this database is information pertaining to over 3,000 old mine workings and prospects representing almost 500 years of mining history in the districts. For several years the GIS database has been the main engine for generating and prioritizing new drill targets. In 2007 this database attained a critical mass of data such that it could be used to direct the drilling. At that time this database was used as simply a "viewer" of the data in much the same manner as a "light table". Nevertheless, a significant increase (31% to 61%) in the success rate IMPACT's exploration drilling in new areas was realized.

The year of 2011 represented another threshold year in the development of this GIS Database as different data sets were combined in an analytical and interpretive manner. This approach was further enhanced and expanded upon in 2012, and for the first time these enhanced data analysis methods were used to guide the drilling for the Company's exploration department. This resulted in yet another significant increase in the drilling success rate, not only in terms of finding intersections that exceeded the minimum metric but in finding many very high grade intersections that exceeded one kilogram per tonne silver (1,000 g/t Ag; see results above).

PLANS FOR 2013

Plans for 2013 are to move both Capire and Cuchara-Oscar into production during the first quarter and continue aggressive field work and drilling on targets in the Valle de Oro area and in the Capire Mine area. Additional drilling is also required for both the Condesa Silver area where the mineralization remains open to expansion at depth and to the southeast, and the Mirasol Central & Northwest areas where the mineralization is currently open in all directions. Additional fieldwork in the form of geological mapping and detailed rock sampling will continue in the Valle de Oro and the San Pablo Norte areas.

With a track record of successful exploration, rapid mine development and more than 3,000 old mine workings in the GIS database, IMPACT's long term growth strategy is to become a mid-tier multimillion ounce silver producer with multiple production centers each fed by multiple mines. The construction of a second production center at Capire is the next important step to fulfilling this vision. IMPACT's strong cash position and positive cash flow allows for accelerated growth through aggressive exploration and potential accretive acquisitions.

SUMMARY

2012 was a very successful year of exploration and mine development for IMPACT. The construction of the Capire Mine and pilot plant is nearing completion. The construction and permitting of the new high grade Cuchara-Oscar Mine is also nearing completion and is anticipated to increase silver production at the Guadalupe Processing Plant. Exploration field work and drilling in 2012 was successful in discovering significant zones of silver mineralization at Condesa and Mirasol, both of which will continue to be drilled in 2013 to build mineral inventories for mining.

New silver targets as well as a number of new gold-copper targets are also being prepared for drilling in 2013. IMPACT's exceptional discovery and mine development rate of four new mines in the last six years is attributed to its highly skilled technical team and a systematic approach to exploration and mine development.

Brian V. Hall, P. Geo., Chief Geologist is responsible for the technical information on the Zacualpan area and Wojtek Jakubowski, P. Geo., Senior Geologist, is responsible for the technical information on the Capire area. Both are Qualified Persons under the meaning of Canadian National Instrument 43-101. The Capire mineral resource estimates in this news release were taken from a technical report (posted on www.sedar.com) by Claus G. Wiese, P. Eng., I-Cubed LLC, an independent professional engineer.

IMPACT Silver Corp. is a precious metal mining and exploration company operating in central Mexico, with a producing silver operation at the 423-square-kilometer Royal Mines of Zacualpan Silver-Gold District which includes the Cuchara-Oscar Mine Construction Project, the adjoining 200-square-kilometer Mamatla VMS District which includes the Capire Mine Construction Project and a 16.5% shareholding in Defiance Silver Corp. who are advancing the Company's 200 tpd mill and mineral concessions in the Zacatecas Silver District. Additional information can be found on the Company website at www.IMPACTSilver.com.

On behalf of IMPACT Silver Corp.,

"Frederick W. Davidson"
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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. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including but not limited 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.

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