
NEWS RELEASE
IMPACT Silver Corp.

For Release: May 23, 2013

Trading Symbol: “IPT: TSX.V”

IMPACT Silver Announces First Quarter 2013 Financial and Production Results

IMPACT Silver Corp. (“IMPACT” or the “Company”) announces the financial and production results for the first quarter of 2013.

Late in the first quarter of 2013, IMPACT began initial production from both the Cuchara-Oscar Mine and the Capire Mine. Upon commencing initial production, the first 30 days of mining from Cuchara-Oscar and Capire was development muck, with the expectation of mining higher grade material later in 2013. Despite this, IMPACT’s prudent operations resulted in ending the first quarter with positive cash flow before changes in non-cash working capital and a strong working capital balance of \$16.8 million.

IMPACT’s President and CEO, Fred Davidson, stated, “Silver production is expected to increase quarter over quarter as we progress through 2013, and with both of the new mines now in initial production, we are able to focus on our next catalyst for growth, Zacualpan’s Mirasol Prospect, which has shown promising exploration results and may be the next mine project”. As part of an ongoing three-part strategy of exploration, development and mine production, IMPACT has established three key objectives to drive production and exploration success in 2013:

- Optimization of the Capire Production Centre to define the parameters for the future expansion of the open-pit mine and processing plant;
- Exploration across the large land package, focusing on expanding the Capire deposit and the gold-copper zones in the Valle de Oro subdistrict; and,
- Determine the economic potential for the recently discovered Mirasol Prospect for future mine development and production.

First Quarter 2013 Financial and Production Summary

- Losses before taxes for the three months ended March 31, 2013, were \$0.3 million compared to earnings before taxes of \$0.2 million for the same period of 2012.
- Revenues for the first quarter of 2013 were \$4.2 million, a decrease from \$4.5 million in the first quarter of 2012.
- Mine operating earnings for the first quarter of 2013 were \$1.1 million, a decrease from \$1.6 million in the first quarter of 2012 but an increase from \$0.5 million in the fourth quarter of 2012.
- Cash flows from operations before changes in non-cash working capital for the first quarter of 2013 were \$0.8 million, an increase from \$0.7 million in the same period for 2012.

- Net working capital remained strong at \$16.8 million on March 31, 2013, compared to \$21.4 million on December 31, 2012, after spending \$3.9 million on exploration and development of the Company's properties.
- Total tonnes milled during the first three months of 2013 increased slightly to 42,009 from 41,444 in the first three months of 2012 and remained consistent with 42,870 tonnes from the fourth quarter of 2012.
- Direct costs per tonne milled decreased 8% to \$64.28 for the first quarter of 2013 from \$70.03 in the fourth quarter of 2012.
- Average mill throughput for the first quarter of 2013 increased 4% to 472 tpd from 455 tpd in the first quarter of 2012 and also increased over 466 tpd from the fourth quarter of 2012.
- Average mill feed grade for silver has increased in the first quarter of 2013 to 146 grams per tonne (g/t) from 131 g/t in the fourth quarter of 2012. However, there has been an 8% decrease in the average price of silver for this same period offsetting the increase in mill feed grade.

A recorded conference call reviewing the first quarter's financial and production results will be available on May 24, 2013, on the Company's website at: <http://www.impactsilver.com/s/ConferenceCalls.asp>

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

IMPACT is a silver mining company with two production centres in central Mexico - the Guadalupe Processing Plant and Capire Processing Plant. At Guadalupe, the Company's 100% owned and operated underground silver mines feed a central 500 tpd processing plant located within the historic Royal Mines of Zacualpan Silver District. At Capire, the Company recently began initial pilot plant operations with plans to significantly expand operations. Additional information including the financial statements and Management's Discussion and Analysis can be viewed on the Company website at www.IMPACTSilver.com or on SEDAR at www.sedar.com.

On behalf of the Directors of IMPACT Silver Corp.,

"Frederick W. Davidson"
President & CEO

For more information, please contact:
Meghan Brush, Investor Relations
(604) 681-0172 or via email at inquiries@impactsilver.com

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

1100-543 Granville Street
Vancouver, BC, Canada V6C 1X8

Telephone 604 681-0172
Facsimile 604 681-6813