
NEWS RELEASE

IMPACT Silver Corp.

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IMPACT Silver Announces Fourth Quarter and Year ended December 31, 2015 Financial and Production Results

- **Record production of 950,059 ounces silver in 2015, a 31% increase over 2014**
- **2015 revenues totaled \$14.6 million, a 22% increase over 2014**
- **Q4 profit of \$168,212 despite lower silver prices**

IMPACT Silver Corp. (“IMPACT” or the “Company”) announced today its financial and production results for the three and twelve months ended December 31, 2015. IMPACT is celebrating 10 years of continuous production at the Royal Mines of Zacualpan Silver District.

In the fourth quarter of 2015 with rising grades and tonnage processed and despite lower silver prices, the Company succeeded in generating a profit after tax of \$168,212 compared to a loss of \$598,406 in the fourth quarter of 2014, a substantial achievement in light of the current market conditions for its principal products. The loss for the year was \$1,427,838 compared to \$3,486,754 in 2014.

Fred Davidson, President and CEO, stated, “Our production performance during the fourth quarter 2015 continues to demonstrate IMPACT Silver’s success and viability as a proven explorer and producer as it continues to manage its costs and mining grades. With a decade of production history, this quarter we continue to generate some of the highest grades in the Company’s history at 190 g/t silver. Despite lower silver prices persisting in 2015, our focus on profitability and higher grade zones of silver especially at San Ramon and Mirasol resulted in revenue per tonne of \$91.68 compared to \$68.75 in the comparative quarter for 2014. IMPACT is currently free from long-term debt and our operations are primarily funded by production cash flow. However, if the price of silver remains at current low levels, the Company may consider opportunities to improve its balance sheet and fund future developments through financing and/or acquisition or merger.”

Canadian \$ (000)	For the Three Months Ended December 31		For the Year Ended December 31	
	2015	2014	2015	2014
Revenue for the Period	3,883	3,132	14,638	12,009
Mine operating income after amortization and depletion	163	(552)	(101)	(2,572)
Income (loss) before taxes	(111)	(1,275)	(1,659)	(4,630)
Income tax expense (recovery)	279	(677)	(231)	(1,143)
Net income (loss)	168	(598)	(1,428)	(3,487)
Income (loss) per share-basic and diluted	\$0.00	(\$0.01)	(\$0.02)	(\$0.05)
EBITDA ¹	384	(745)	403	(2,018)

Financial Overview

- Revenues for the fourth quarter were \$3.9 million (2014 - \$3.1 million), and year to date were \$14.6 million (2014 - \$12.0 million). The 22% increase was due to significantly higher grade mineral being processed as well as greater production tonnage.
- Earnings before interest, taxes, depreciation and amortization (EBITDA¹) were \$0.4 million for the current year compared to a negative EBITDA of \$2.0 million in 2014.
- The Company generated net earnings of \$0.2 million in the fourth quarter of 2015, in spite of a \$0.6 million write-down in exploration and evaluation assets, compared to a net loss of \$0.6 million in the same quarter last year with no corresponding write-down. Net loss was \$1.4 million for 2015, of which non-cash items included \$2.1 million in amortization and depletion, compared to a \$3.5 million net loss in the prior year, of which non-cash items included \$2.6 million in amortization and depletion.
- Mine operating earnings before amortization and depletion² were \$2.3 million for the Guadalupe mill for the current year compared to \$0.7 million last year due to mining more tonnes of higher grade, despite lower silver prices.
- Cash flows generated from operations were \$1.0 million for the fourth quarter of 2015 (2014 - \$(0.1) million) and were \$2.4 million for the year (2014 - \$(0.7) million). Cash flows generated from operations before changes in non-cash working capital³ were \$0.9 million during the fourth quarter of 2015 (2014 - \$(0.9) million) and were \$1.0 million for the year (2014 - \$(2.1) million).
- Capital expenditures during the year included exploration and evaluation asset expenditures of \$2.2 million, compared to \$2.9 million in 2014. At December 31, 2015, cash was \$0.7 million and net working capital was \$2.9 million.

Production Overview

- Silver production was 233,740 ounces for the fourth quarter of 2015, up 9% from 213,928 ounces in the same period of 2014. Annual production was the highest in the Company's history at 950,059 ounces in 2015, a 31% increase from 725,733 ounces in 2014.
- Average mill feed grade for silver in 2015 was 193 grams per tonne (g/t), an increase of 21% compared to 159 g/t in 2014. This is the highest average grade achieved in the last four years.
- Total tonnes milled for the year increased 5% to 170,509 from 162,266 in 2014, raising production to 467 tonnes per day in 2015 from 445 tonnes per day in 2014.

Silver sales were 241,386 ounces in the fourth quarter of 2015, a 9% increase from the 221,684 ounces sold in the same period in 2014. Silver sales for the year were up 37% to 964,516 ounces from 701,878 ounces in 2014. Silver prices continue to be low, with the average for the year 2015 down 18% from the same period last year. Despite the lower prices, increases in both the grade and sales resulted in raising the Company's revenues to \$84.96 per tonne for the year in 2015, from \$74.17 in 2014.

The Company will continue exploration with the goal of putting some of the now 4,500+ compiled old mine workings in the Zacualpan and Capire districts on a faster track to potential production and build

¹ EBITDA is a non-IFRS measure which the Company believes provides meaningful information about the Company's financial performance.

² Mine operating earnings / loss before amortization and depletion is a non-IFRS measure which the Company believes provides a useful indicator of how the Company's operations are performing.

³ Cash flows from operations before changes in non-cash working capital is a non-IFRS measure which the Company believes provides a useful indicator of the Company's ability to generate cash flows from its mining operations.

See "NON-IFRS MEASURES" in the Company's Management Discussion and Analysis dated December 31, 2015 for additional information.

mineral inventories for mining. Currently, preliminary exploration work is focused on larger and higher grade targets close to current production areas at Alacran North.

A recorded conference call reviewing the financial and production results of the year ended December 31, 2015, will be available on the Company's website on Wednesday, March 16, 2016 at www.impactsilver.com/s/ConferenceCalls.asp.

IMPACT has control of the majority of two entire mineral districts in central Mexico: the Royal Mines of Zacualpan Silver District and the Capire-Mamatla Mineral District adjacent to and southwest of Zacualpan. The Company currently produces silver with lead, zinc and gold at its 500 tonne per day Guadalupe processing plant in the Royal Mines of Zacualpan District. Additional information about the Company and its operations can be found on the website, www.IMPACTSilver.com.

On behalf of the Directors of IMPACT Silver Corp.,

"Frederick W. Davidson"
President & CEO

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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. 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.

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.

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