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## NEWS RELEASE

### IMPACT Silver Corp.

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**For Release:** November 21, 2016

**Trading Symbol:** “IPT: TSX.V”

#### **IMPACT Silver Announces Third Quarter 2016 Financial and Production Results**

IMPACT Silver Corp. (“IMPACT” or the “Company”) is pleased to announce its financial and production results for the nine months ended September 30, 2016.

Fred Davidson, President and CEO, stated, “IMPACT continues to focus its efforts on upgrading mining operations, improving efficiency, and sourcing superior grade feed from its mines in order to keep production economical and adapt to price fluctuations. Operationally, the Company continues to improve its mine operating income, achieving income of \$1.6 million in the first three quarters of 2016 compared to a loss of \$0.2 million in 2015. EBITDA<sup>1</sup> improved 400% to \$0.8 million in the first three quarters of 2016 from \$0.02 million in 2015. The Company continues to achieve positive cash flows in each quarter of 2016. IMPACT is managing a lean operation during these challenging times in the mining industry. Our immediate goal is to enhance profitability in the next few quarters through: increasing our processing capacity, expanding our reserves, and carry out an exploration program which will include drilling a number of key targets.

IMPACT is a self-sufficient, debt-free, and growing explorer-producer in the Mexican silver space that has brought six mines from exploration to production through organic cash flow. Taking advantage of the slight mining equity recovery earlier in the year, IMPACT was able to raise capital from supportive long-term investors who share our vision. We are well underway in deploying this capital to grow IMPACT faster and generate more shareholder value.”

#### **Financial Overview**

- Revenues increased 15% in the third quarter to \$4.7 million from \$4.1 million in Q3 2015, due mainly to higher silver prices.
- Mine operating earnings before amortization and depletion improved 33% to \$1.2 million in Q3 2016 from \$0.9 million in Q3 2015.
- Net loss for the quarter was \$0.7 million which included \$1.1 million of non-cash items in amortization, depletion and share based compensation. This compared to a \$0.3 million net loss in the same quarter of last year, which included \$0.6 million of non-cash items in amortization and depletion. Excluding non-cash items, adjusted net earnings in Q3 2016 were \$0.4 million compared to \$0.3 million in Q3 2015.
- Cash flows generated from operations were \$1.3 million for the third quarter of 2016, compared to cash flows generated from operations of \$0.4 million in the same period of 2015.

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<sup>1</sup> Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-IFRS measure which the Company believes provides meaningful information about the Company's financial performance.

- The Company's cash position at September 30, 2016 improved substantially to \$8.2 million compared to \$0.7 million at December 31, 2015. Net working capital correspondingly improved to \$11.1 million at September 30, 2016 from \$2.9 million at December 31, 2015.

### **Production Overview**

- Production at the Guadalupe mill during the third quarter of 2016 came primarily from the Oscar Cuchara Mine (42% of the mill feed), the San Ramon Deeps Mine (40% of the mill feed) and the Mirasol Mine (18% of the total mill feed). The grade at San Ramon is highly variable and Mirasol is experiencing declining grade as it is reaching the end of its mine life. Both of these factors contributed to a lower grade mill feed in the quarter.
- Average mill feed grade for silver was 178 grams per tonne (g/t) in the third quarter of 2016, down slightly from 180 g/t in the second quarter.
- As a result of the lower silver grades, silver production was down 3% to 228,954 ounces for the third quarter of 2016 from 235,990 in the previous quarter.

As a result of the increased silver prices, and stronger US dollar, the Company's revenue per tonne increased to \$97.57 in the third quarter of 2016, from \$92.20 in the third quarter of 2015. For the first nine months of 2016 the revenue per tonne improved by 15% to \$94.85, compared to \$82.76 in the same period of 2015.

### **Health and Safety Awards**

IMPACT's mining team recently received recognition awards for excellence in health and safety standards by the Secretary of Labour and Social Welfare in Mexico. This recognition acknowledges the Company's effective working environment, strong relationships with its employees, and reduced workplace accidents, illnesses and absenteeism.

### **Exploration**

The Company will continue exploration with the goal of putting some of the 4,500+ compiled old mine workings in the Zacualpan and Capire districts on a faster track to potential production and build mineral inventories for mining. Utilizing new funds received in Q2 2016, the Company has initiated surface and underground drilling programs to expand resources. Currently, exploration work is focused on larger and higher grade targets at Guadalupe South and San Ramon Extensions. Surface drilling has begun to test extensions of the Mirasol Silver Mine after which the drill will move to San Patricio where a new mine is being developed. San Patricio was discovered by the IMPACT team and partially drilled in 2007-2008. Drill results included 4.6 metres grading 242 g/t silver and 1.9 metres grading 346 g/t silver. The additional drilling now planned will fully delineate this zone to realize its potential and fast track it to production.

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.

IMPACT has a track record of successful exploration and rapid mine development. The Company's long term vision sees potential for establishing mills throughout the two districts, each fed by multiple mines producing silver-lead-zinc as well as gold and copper.

A recorded conference call reviewing the financial and production results of the nine months ended September 30, 2016, will be available on the Company website on November 22, 2016, at [www.impactsilver.com/s/ConferenceCalls.asp](http://www.impactsilver.com/s/ConferenceCalls.asp).

The information in this news release should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and Management's Discussion and Analysis, available on the Company website at [www.impactsilver.com](http://www.impactsilver.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). All amounts are stated in Canadian dollars unless otherwise specified.

Additional information about the Company and its operations can be found on the website, [www.impactsilver.com](http://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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