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## NEWS RELEASE

### IMPACT Silver Corp.

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**For Release:** March 15, 2017

**Trading Symbol:** “IPT: TSX.V”

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

IMPACT Silver Corp. (“IMPACT” or the “Company”) is pleased to announce its financial and production results for the year ended December 31, 2016.

Fred Davidson, President and CEO, stated, “Recently, IMPACT was named to the 2017 TSX Venture 50. In 2016, our stock achieved over 442% returns from an all-time low in the year. Over the past decade, I have seen IMPACT bring six mines from exploration to production through organic cash flow and continue to operate through challenging economic times. Operationally, the Company continues to improve its mine operating income, achieving income of \$1.4 million in 2016 compared to a loss of \$0.1 million in 2015. EBITDA<sup>1</sup> improved to \$0.7 million in 2016 from \$0.4 million in 2015. The Company continues to achieve positive cash flows in each quarter of 2016. We continue to focus on improving profitability by increasing our processing capacity, expanding our resources, and carrying out an exploration program which will include drilling a number of key targets, all made possible by capital raised from supportive long-term investors who share our vision. We are excited to continue to deliver even more shareholder value in 2017.”

#### **Financial Overview**

- Mine operating earnings before amortization and depletion improved 84% to \$3.7 million in 2016 up from \$2.0 million in 2015.
- Revenues increased 14% in 2016 to \$16.7 million from \$14.6 million in 2015, due mainly to higher silver prices throughout the year.
- Net loss for the year was \$1.9 million which included \$3.1 million of non-cash items in amortization, depletion and share based compensation. This compared to a \$1.4 million net loss last year, which included \$2.1 million of non-cash items in amortization and depletion. Excluding non-cash items, adjusted net earnings in 2016 were \$1.2 million compared to \$0.7 million in 2015.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) improved 85% to \$0.7 million for 2016 from \$0.4 million in 2015.
- As a result of private placements in Q2 2016, and cash controls throughout the year, the Company’s cash position at December 31, 2016 improved substantially to \$8.1 million compared to \$0.7 million at December 31, 2015. Net working capital correspondingly improved to \$10.5 million at December 31, 2016 from \$2.9 million at December 31, 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.

## **Production Overview**

- Production at the Guadalupe mill during 2016 came primarily from the Cuchara Mine (42% of the mill feed), the San Ramon Deeps Mine (38% of the mill feed) and the Mirasol Mine (17% 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 2016 compared to 2015.
- Average mill feed grade for silver was 180 grams per tonne (g/t) in 2016, down from 193 g/t in the previous year.
- Silver production increased slightly to 952,768 ounces in 2016 from 950,059 ounces in 2015 due to higher tonnage throughput.

As a result of the increased silver prices, and stronger US dollar, the Company's revenue per tonne increased to \$91.73 in 2016, from \$84.96 in 2015.

## **Health and Safety Awards**

IMPACT's mining team recently received recognition with The Award 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. The IMPACT team have trenched areas of mineralization and carried out extensive soil sampling on 100-metre x 25-metre grids. Fieldwork in the form of detailed geological mapping and rock sampling in old mine workings was mainly focused on larger and higher grade target areas at Guadalupe South, San Ramon extensions and San Felipe. Utilizing new funds received in Q2 2016, the Company has initiated surface and underground drilling programs to expand resources. Surface drilling in 2017 will test the San Patricio extensions, Cuchara Mine extensions and the San Felipe prospect, located near the Guadalupe plant access road. In addition, compilation of historical maps and other mining data from the districts into a large computer database continues and is being used to plan future exploration programs.

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.

The Company continues to look for expansion either through discovery or merger and/or acquisition.

A recorded conference call reviewing the financial and production results of the year ended December 31, 2016, will be available on the Company website on March 16, 2017, 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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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.

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### **Forward-Looking and Cautionary Statements**

This IMPACT News Release contains certain "forward-looking" statements and information relating to IMPACT that are based on the beliefs of, and assumptions made by, IMPACT management, following consideration of the information currently available to IMPACT management. Such statements include statements regarding the discovery and commercialization of commercial quantities of minerals, improvements in profitability, increases to processing capacity, expansion of resource quality and quantity, exploration goals, future results, the operational goals and outcomes in the Zacualpan and Capire districts and generally, and future production as a result, expected 2017 drilling and testing operations, IMPACT's exploration program for 2017, the completion and effectiveness of the mining database project and other statements that are not historical facts. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, without limitation, 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 any obligation to update any forward-looking statement contained herein other than in accordance with applicable law.

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 National Instrument 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 and risk.

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