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## NEWS RELEASE

### IMPACT Silver Corp.

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**For Release:** November 20, 2017

**Trading Symbol:** “IPT: TSX.V”

#### **IMPACT Silver Announces Third Quarter 2017 Financial and Production Results**

IMPACT Silver Corp. (“IMPACT” or the “Company”) announces its financial and production results for the third quarter of 2017.

Fred Davidson, President and CEO, stated, “Earlier in the year, IMPACT was named to the 2017 TSX Venture 50. We started 2017 with a clean balance sheet and no debt. Currently working capital remains strong at \$7.4 million. Financial results improved slightly between Q3-2017 and the previous quarter. IMPACT continues to expand its in-mine exploration and development to provide additional tonnage throughput at the mill. We also have in place ongoing exploration plans for high potential targets and continue to evaluate strategic transactions to grow value for our shareholders.”

#### **Financial Overview**

- Revenue for Q3 2017 was \$4.0 million, a 12% improvement from Q2-2017. Improvement over Q2 2017 was due to slightly higher silver prices, silver recoveries and silver grades despite slightly lower production tonnes mainly due to unusually heavy rains during the quarter which delayed trucking of mineral to the mill, slower processing due to wet mill feed and electrical power interruptions.
- Mine operating loss improved in Q3 2017 to \$0.2 million compared to \$0.9 million in Q2 2017. Mine operating earnings before amortization and depletion were \$0.5 million for the three months ended September 30, 2017 compared to a loss of \$0.3 million in the previous quarter.
- Net loss for the three months ended September 30, 2017 was \$1.0 million which included \$1.3 million of foreign exchange loss and non-cash items of amortization, depletion and share based compensation. This compares to a \$0.7 million net loss for the same period in 2016, which included \$1.2 million of foreign exchange loss and non-cash items in amortization and depletion and share based compensation. Excluding foreign exchange and non-cash items, adjusted net earnings for the three months ended September 30, 2017 were \$0.3 million compared to \$0.5 million in the same period of 2016.
- Loss before interest, taxes, depreciation and amortization (EBITDA) improved to a loss of \$0.4 million for Q3 2017 compared to a loss of \$0.7 million in the previous quarter.
- The Company’s cash position at September 30, 2017 remains strong at \$6.0 million, with net working capital of \$7.4 million (2016 - \$11.1 million).

#### **Production Overview**

- Production at the Guadalupe mill during the third quarter of 2017 came primarily from the San Ramon Deeps Mine (46% of total mill feed), the Cuchara Mine (38% of mill feed) and the San Patricio (Chivo) Mine (16% of mill feed). The grade at San Ramon is highly variable and provided lower grades than in the comparable quarter of 2016. The mining grades at the new San Patricio

(Chivo) Mine had lower grades than the Mirasol mine that closed towards the beginning of Q3. These factors contributed to a slightly lower grade mill feed in the third quarter of 2017 compared to 2016.

- Average mill feed grade for silver was 175 grams per tonne (g/t) in the third quarter of 2017, down from 178 g/t in the same period of 2016.
- Silver production increased slightly to 229,898 ounces in the third quarter of 2017 from 228,954 ounces in comparable period of 2016 mainly due to higher tonnage throughput in 2017.

### **Health and Safety Awards**

In the third quarter of 2017, the Company's mine rescue team competed in a safety and rescue competition for the first time and placed fifth overall among teams. In 2016, IMPACT's mining team received the recognition of 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.

This award and others like it are testaments to IMPACT's dedication to an industry leading standard in the health and safety of our staff and contractors.

### **Exploration**

The Company is continuing 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 drilling and potential production, and building mineral inventories for mining. The Company is continuing surface and underground drilling programs to build resources. Currently, exploration work is focused on larger and higher grade targets at Alacran and Alacran North. Surface drilling is next being planned on the north extension of the San Ramon Mine and on the north extensions of the El Paso Vein located near the Guadalupe plant access road.

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 through ongoing exploration programs and/or strategic acquisitions and transactions.

A recorded conference call reviewing the financial and production results of the third quarter of 2017 will be available on the Company website on November 21, 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

For more information, please contact:

Frederick Davidson – President & Chief Executive Officer  
(604) 681-0172 or [inquiries@impactsilver.com](mailto:inquiries@impactsilver.com)

Or

Jerry Huang, Investor Relations Manager  
(604) 681-0172 or [inquiries@impactsilver.com](mailto:inquiries@impactsilver.com)

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

Telephone (604) 681-0172  
Facsimile (604) 681-6813