
NEWS RELEASE
IMPACT Silver Corp.

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IMPACT Silver Announces Third Quarter 2018 Financial and Production Results

IMPACT Silver Corp. (“IMPACT” or the “Company”) announces its financial and operating results for the nine months ending September 30, 2018.

The Company reported revenues for the quarter of \$3.1 million, a decrease from \$4.0 million for the same period in 2017, due to lower grades, the price of silver and fluctuating foreign exchange. EBITDA was negative \$1.5 million, with a net loss of \$1.4 million of which \$0.4 million was amortization and depletion.

Fred Davidson, President & CEO of IMPACT stated, “Over the last two quarters we encountered the perfect storm of lower silver prices, lower grades at our mill, and fluctuating currencies (Mexican Peso & USD). To address this headwind of lower revenue and rising costs, the team has initiated a program designed to ultimately raise mining grades and reduce overall costs. Going forward, the Company will focus on ore grade selection including access to higher zinc zones even at the expense of tonnage milled if required. Work continues on the exploitation of the new San Ramon Deeps 2 zone just south of our current active mining areas, and on development of the Lipton vein at the Guadalupe Mine.”

In 2018, IMPACT has a renewed emphasis on greenfield exploration, with successes at the Santa Teresa gold program, Guadalupe Mine, and San Ramon new zone. In Q2 2018, the Company announced a significant discovery at the San Ramon Deeps and underground at the Guadalupe Mine. As a junior mining producer and explorer, IMPACT believes our new discoveries will add considerable value to the Company’s successful decade of production history at the Royal Mines of Zacualpan.

IMPACT is currently raising a non-brokered financing at market price with full 2-year warrants at \$0.35. For those interested please contact the Company directly or via your broker. It is only the fourth capital raise in Company history and will be used for general working capital, exploration of high potential targets, and increasing efficiencies at the Guadalupe production mill.

Financial Overview

- Revenue for the third quarter was \$3.1 million, a decrease from Q3 2017 revenue of \$4.0 million.
- Operating expenses for Q3 2018 were \$4.0 million, an increase from Q3 2017 at \$3.5 million.
- Mine operating loss for Q3 2018 was \$1.3 million compared to \$0.2 million in Q3 2017.

- Net loss for the quarter was \$1.4 million which included foreign exchange loss of \$0.2 million and non-cash expenses of \$0.4 million for amortization and depletion and a recovery on deferred income taxes of \$0.4 million. This compares to a \$1.0 million net loss for the same period in 2017, which included \$0.1 million of foreign exchange loss and non-cash expenses of \$1.1 million for amortization, depletion, share-based compensation and a recovery on deferred income taxes of \$0.1 million.
- The Company's cash position at September 30, 2018 remains at \$0.7 million.
- The Company has no long-term debt.

Production Overview

- Silver production decreased to 179,479 ounces in Q3 2018 from 229,898 ounces in Q3 2017 due to lower feed grade and fewer tonnes mined.
- Average mill feed grade for silver in the quarter was 165 grams per tonne (g/t) in Q3 2018, up from 146 g/t in the prior quarter but down from 175 g/t in Q3 2017.
- Throughput at the mill decreased to 42,230 tonnes milled in Q3 2018 from 48,323 in Q3 2017.

Silver sales decreased in the third quarter 2018 to 180,222 ounces compared to 2017 same period sales of 224,649 ounces. A challenging quarter commenced for metals with trade wars, geopolitical uncertainties, and investor's reversion to safety in US dollars and treasuries. Silver prices at March 2018 were \$16.40/ounce and continued dropping below \$14.15/ounce during the third quarter. Revenue per tonne sold for the nine months ended September 30, 2018 dropped to \$73.59 versus \$85.73 per tonne in the same period of 2017 due to lower silver grades and prices. The Company will focus on improving ore grade to improve revenue per tonne and lowering tonnage costs.

Facing lower metal prices, cost control remains a high priority for IMPACT. Q3 2018 general and administrative costs dropped to \$0.3 million down from the previous quarter of \$0.4 million. Direct cost per tonne rose to \$88.71 in Q3 2018 compared to \$73.66 for Q3 2017.

In July, IMPACT announced a significant discovery at the San Ramon Deeps 2 Zone located 100 meters south of the current active mining areas. Underground drill results included 2.04 meters of 661 g/t Silver and 4.97 meters of 354 g/t Ag ([see IMPACT news release dated July 17, 2018 for details](#)). The zone remains open for extension upwards, downwards and to the south. Initial results of underground drilling at Guadalupe included 1,263g/t silver over 2.61 meters and 354 g/t over 8.82 meters ([see IMPACT news release dated September 5, 2018 for details](#)). Additional surface sampling at Santa Teresa returned encouraging results ([see IMPACT news release dated September 25, 2018 for details](#)) including 6.5 g/t gold across 1.66 meters along a 50 meter strike length.

George Gorzynski, P.Eng., a Qualified Person under the meaning of Canadian National Instrument 43-101, approved the technical content regarding exploration work in this news release.

A recorded conference call reviewing the financial and production results of the nine months ended September 30, 2018 will be available on the Company website on November 27, 2018 at 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 and on SEDAR at www.sedar.com. All amounts are stated in Canadian dollars unless otherwise specified.

About IMPACT Silver:

IMPACT Silver Corp. is a successful silver-gold explorer-producer with two processing plants on adjacent districts within its 100% owned mineral concessions covering 357km² in central Mexico's most prolific silver district in an area that has produced over 250 million ounces with well-known mines such as Taxco.

Over the past twelve years IMPACT has produced over 8.5 million ounces of silver, generating revenues over \$175 million, with no long-term debt. At the Royal Mines of Zacualpan Silver District several underground silver mines feed the central 550 tonnes per day (TPD) Guadalupe processing plant. To the south, in the Mamatla District the Capire processing pilot plant is an expandable 200 TPD with a NI-43-101 compliant resource of silver-lead-zinc awaiting higher metal prices to be restarted. Given the challenging markets the last few years, IMPACT has focused its exploration efforts on high success rate silver targets, with quick production profiles and proximity to the Guadalupe processing plant. Following a successful decade of exploration success to production cash flows, IMPACT has proven the Zacualpan District to be prolific in generating high grade epithermal silver-gold production feeds. With markets more perceptive to early exploration results, in 2018 IMPACT continues to add emphasis to exploration work.

Additional information about IMPACT and its operations can be found on the Company website at www.IMPACTSilver.com.

On behalf 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 NI43-101 the Company is required to disclose that it has not based its production decisions on NI43-101-compliant mineral resource or reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure.

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