

**NEWS RELEASE**  
**IMPACT Silver Corp.**

**For Release:** March 11, 2019

**Trading Symbol: “IPT: TSX.V”**

**IMPACT Silver Announces 2018 Financial and Production Results**

IMPACT Silver Corp. (“IMPACT” or the “Company”) announces its financial and operating results for the year ended December 31, 2018.

The Company reported \$13.1 million in revenues for 2018 compared to 2017 at \$15.4 million largely due to lower silver prices and grades. Mine operating losses before amortization and depletion was \$1.7 million for the year ended December 31, 2018 compared to earnings of \$0.5 million in 2017. With grade improving in Q4 2018 to some of the highest since 2017 the Company’s immediate plans are to focus on higher grade, reduced cost and lower tonnage operations.

Fred Davidson, President & CEO of IMPACT, stated, “Over 2018 we encountered a mixture of lower silver prices and fluctuating foreign exchange rates. Operational changes have been made to address cost concerns and to mitigate financial risk at current silver prices. Going forward, IMPACT’s objective is to achieve positive cash flow on existing production levels while exploring selective higher-grade targets which IMPACT can fast track to higher grade production.”

In Q2 2018, the Company announced a significant discovery at the San Ramon Deeps and underground at the Guadalupe Mine. In January 2019, IMPACT closed an oversubscribed financing for \$1.7 million and with the additional funds commenced diamond drilling on the El Canelo gold vein in the Santa Teresa area. The initial six-hole program is testing the vein system along strike and to a downdip depth of 100 meters at 50 meter intervals. As a junior mining producer and explorer, IMPACT believes our new discoveries have the potential to add considerable value to the Company’s successful decade of production history at the Royal Mines of Zacualpan.

**2018 Production Overview**

- Average mill feed grade for silver in the quarter was 170 grams per tonne (g/t) in Q4 2018, an increase from 162 g/t in Q4 2017 and the highest average feed grade since Q3 2017.
- Throughput at the mill decreased to 173,217 tonnes milled in 2018 from 194,266 tonnes in 2017 as the Company shifted focus to higher grade tonnes.

## 2018 Financial Overview

- Revenue for the year ended December 31, 2018 was \$13.1 million (2017 - \$15.4 million). Lower grades and silver prices impacted results for the year. Revenue for the fourth quarter of 2018 was \$3.0 million, a 4% decrease from Q4 2017 revenue of \$3.2 million.
- Mine operating loss for the quarter, before amortization and depletion, was \$1.7 million compared to earnings of \$0.5 million in 2017.
- Mine operating loss for the year 2018 was \$3.5 million compared to \$1.7 million in 2017.
- Loss before interest, taxes, depreciation and amortization for 2018 was \$3.2 million compared to \$1.9 million in 2017.
- Net loss for the year was \$5.1 million which included amortization and depletion of \$1.9 million. This compares to a \$4.7 million net loss in 2017 with \$3.5 million for amortization, depletion, share-based compensation and deferred income taxes.
- The Company's cash position at December 31, 2018 is over \$1.2 million which does not include \$0.7 million of the oversubscribed financing of \$1.7 million.
- The Company has no long-term debt.

The focus on higher grade is working and Q4 production averaged 170 g/t which is a 5% increase from Q4 2017 average. Revenue per tonne sold for Q4 increased to \$79.55 versus \$62.39, a 28% increase from the same period of 2017. IMPACT continues to focus on cost reductions and maximizing revenues per ounces sold.

Cost control remains a high priority for IMPACT. In addition to increasing efficiency and grade at operations, cost reduction initiatives are well under way to ensure IMPACT can weather the markets. 2018 general administrative expenses, even in an inflationary period, excluding share-based payments, dropped by 10%.

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 silver ([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 1,263 g/t silver over 2.61 meters and 306 g/t over 8.82 meters ([see IMPACT news release dated September 6, 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 year ended December 31, 2018 will be available on the Company website on March 12, 2019 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.

### **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 357km<sup>2</sup> in central Mexico with excellent infrastructure and labor force. Over the past thirteen years, IMPACT has produced over 9.4 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 Guadalupe processing plant. To the south, in the Mamatla District the Capire processing pilot plant is currently rated at 200 tpd but is expandable. It is adjacent to an open pit silver mine with a National Instrument 43-101 (“NI 43-101”) compliant resource of over 4.5 million oz silver, 48 million lbs zinc and 21 million lbs lead (see IMPACT news release dated January 18, 2016) that is awaiting higher silver prices to be restarted. Given the challenging markets the last few years, IMPACT has focused its exploration efforts on high probability gold and silver targets, with potentially rapid timelines to production and proximity to the Guadalupe processing plant. Following a decade of exploration successes leading to production cash flows, IMPACT has shown the Zacualpan District to be endowed with many high grade epithermal silver-gold zones. With markets more receptive to early exploration results, in 2019 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](http://www.IMPACTSilver.com).

On behalf of IMPACT Silver Corp.

*“Frederick W. Davidson”*

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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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