



NEWS RELEASE

IMPACT Silver Corp.

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IMPACT Silver Announces Full Year 2019 Financial & Production Results Adjusted Mining Earnings \$1.3 Million on \$13.3 Million Revenue And Complies with Mexican Government COVID-19 Decree

IMPACT Silver Corp. ("IMPACT" or the "Company") announces its financial and operating results for the year ended December 31, 2019, and temporary suspension of operations until April 30 to comply with a Mexican government decree for the mining industry in response to the COVID-19 pandemic.

2019 Financial and Production Results

The Company reported \$13.3 million in revenues for 2019 compared to 2018 at \$13.1 million due to increased grades and silver prices throughout year. Revenue for Q4 2019 was \$4.0 million compared to \$3.0 million in 2018. Mine operating earnings before amortization and depletion was \$1.4 million for the year ended December 31, 2019 compared to loss of \$1.6 million in 2018. With silver and precious metal prices fluctuating, but generally trending positively in 2019, our effort to streamline in 2018 started to pay dividends.

In Q4 2019 production at the Guadalupe mill came from the Guadalupe Mine (45% of total mill feed), the San Ramon Deeps Mine (22% of mill feed), the Cuchara Mine (23% of mill feed), and the Veta Negra Mine (10% of mill feed). Production at the new Veta Negra open pit mine continued to ramp up producing 3,258 tonnes grading 204g/t silver during the quarter. Subsequently in Q1 2020 exploration programs discovered high grade gold samples at Chapanial including 97.5g/t gold over 0.80 meters where work is continuing.

2019 Production Overview

- 2019 full year silver production, resulted in revenues increasing by 2% over 2018 on production of 664,056 ounces (2018 -743,950 ounces) due to higher grades in spite of fewer tonnes milled
- Revenue per tonne sold was \$105.47 in Q4 2019, an increase of over 33% from Q4 2018 at \$79.55. Revenue for 2019 per tonne sold was \$92.82 compared to \$74.88 in 2018.
- Average mill feed grade for silver was 182 grams per tonne (g/t) in Q4 2019, an increase of 7% from 170 g/t in Q4 2018. Average mill feed grade for the year was 173 g/t compared to 159 g/t in 2018.
- Throughput at the mill decreased to 140,878 tonnes milled in 2019 from 173,217 tonnes in 2018 as the Company shifted focus to higher grade tonnes.
- Adjusted mine operating income was \$1.3 million (excluding \$1.5 million in amortization and depletion) compared to a loss of \$1.6 million in 2018 (excluding \$1.9 million in amortization and depletion). Mine operating loss for the year was \$0.2 million compared to a loss of \$3.5 million in 2018.
- IMPACT continues to focus on cost reductions and maximizing revenues per ounces sold. Direct costs per production tonne were \$82.60 in Q4 2019, a 10% decrease from Q4 2018 at \$91.50.

2019 Financial Overview

- Revenue for Q4 was \$4.0 million compared to \$3.0 million in 2018 and for the year was \$13.3 million compared to \$13.1 million in 2018. Revenue increased despite lower mill throughput as a result of improved grades and higher silver prices.
- Net loss for the year was \$4.9 million which included non-cash items totalling \$4.8 million comprised of amortization and depletion of \$1.6 million, \$2.8 million in write-downs of property, plant and equipment and exploration assets, and share-based payments of \$0.4 million. This compares to a \$5.1 million net loss in 2018 which included \$1.9 million in amortization and depletion, with no write-downs or share-based payments.
- The Company's cash position at December 31, 2019 was \$3.8 million with working capital of \$3.6 million. Cash was \$1.2 million and working capital \$1.3 million in the comparative period in 2018.
- The Company has no long-term debt.

COVID-19 Medical Emergency in Mexico and IMPACT Operations Update

Operations at IMPACT Silver's Guadalupe production center in Mexico will be temporarily suspended until April 30, in accordance with the Mexican Ministry of Health's decree, to mitigate the spread and transmission of COVID-19. At this time there are no reported cases of COVID-19 at the Zacualpan mine site or in the local communities.

On March 31, 2020, the Ministry of Health issued the Decree requiring non-essential businesses, including mining, to temporarily suspend activities until April 30, 2020. Since the Decree was announced, the Company has been working with local and state officials, industry task force groups and other mining companies to make the case to the Federal Government that mining, especially silver mining, is essential and critical to the medical industry given silver's antibacterial properties which is proven to reduce the spread of viruses. The US Department of Homeland Security and Canada's National Strategy for Critical Infrastructure have previously defined mining an essential business in their respective countries. Industry and Company discussions to support silver mining as an essential business continue to be held in Mexico City, but the Ministry of Health has not changed their position.

As a result, the Company is in the process of ramping down workforce on site to abide by the official Decree and will implement care and maintenance activities during the suspension. Appropriate security, maintenance and environmental procedures will remain fully functional. Based on 30 day temporary stop in production activity the 2020 production figures will be affected but the Company applauded the proactive decision by Mexico to flatten the curve on COVID-19.

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, 2019 will be available on the Company website on April 7, 2020 at www.impactsilver.com/s/ConferenceCalls.asp.

The financial and production 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 211km² in central Mexico with excellent infrastructure and labor force. Over the past 15 years, IMPACT has produced over 10 million ounces of silver, generating revenues over \$180 million, with no long-term debt. At the Royal Mines of Zacualpan Silver District four 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 deposit 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 recent challenging markets, IMPACT has focused its exploration efforts on high probability silver and gold 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.

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”

Frederick W. Davidson
President & CEO

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