

**IMPACT SILVER CORP.**  
705 – 543 Granville Street  
Vancouver, British Columbia  
V6C 1X8

## **INFORMATION CIRCULAR**

**(Information herein is as at April 16, 2020, unless otherwise indicated)**

### **SOLICITATION OF PROXIES**

This Information Circular and the accompanying documents (the “**Meeting Materials**”) are furnished in connection with the solicitation of proxies by the management of IMPACT Silver Corp. (the “**Company**”) for use at the Annual General Meeting of Shareholders of the Company to be held on May 21, 2020 (the “**Meeting**”) at 10:00 a.m. and any adjournment thereof at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors and regular employees of the Company. All costs of solicitation will be borne by the Company.

These Meeting Materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary (as defined below) holding on your behalf. By choosing to send these Meeting Materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. (For further information relating to non-registered owners, see the discussion below under “INFORMATION FOR NON-REGISTERED (BENEFICIAL) OWNERS OF SHARES”).

***Due to the COVID19 Pandemic and given the restrictions on public gatherings and in the best interest of the health of all participants in the Company’s Meeting, the Company respectfully asks that all shareholders do not attend the Meeting in person. The Company requests that shareholders who wish to participate by listening to the Meeting, contact the Company by May 19, 2020 at fred@impactsilver.com or jerry@impactsilver.com to be included in the teleconference for the Meeting. The Company will arrange for teleconference participation for all shareholders who have requested it by May 19, 2020. However, the Company strongly recommends that shareholders vote by Proxy or VIF in advance to ease the voting tabulation at the Meeting by Computershare Investor Services Inc. If public health guidelines regarding physical distancing in British Columbia have changed by the meeting date of May 21, 2020, the Company will issue a news release advising of permitted Meeting attendance in accordance with such updated guidelines.***

### **APPOINTMENT AND REVOCATION OF PROXIES**

The individuals named in the accompanying form of proxy are directors and/or officers of the Company. A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM OR HER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES OR BY COMPLETING ANOTHER

FORM OF PROXY. To be valid, a proxy must be in writing and executed by the shareholder or its attorney authorized in writing, unless the shareholder chooses to complete the proxy on the internet as described in the enclosed form of proxy. Completed proxies must be received by Computershare Investor Services – Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof, or at the discretion of the Chair of the Meeting, delivered to the Chair of the Meeting prior to the commencement of the Meeting or an adjourned meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and to the Company's registrar and transfer agent or to the Company's head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chair of the Meeting on the day of the Meeting or any adjournment. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

## **INFORMATION FOR NON-REGISTERED (BENEFICIAL) OWNERS OF SHARES**

The shares owned by many shareholders of the Company are not registered on the records of the Company in the beneficial shareholders' own names. Rather, such shares are registered in the name of a securities dealer, bank or other intermediary, or in the name of a clearing agency (referred to in this Information Circular as an "**intermediary**" or "**intermediaries**"). Shareholders who do not hold their shares in their own names (referred to in this Information Circular as "**non-registered owners**") should note that only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. A non-registered owner cannot be recognized at the Meeting for the purpose of voting his shares unless such holder is appointed by the applicable intermediary as a proxyholder.

Non-registered owners who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as "**NOBOs**". Those non-registered owners who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as "**OBOs**".

In accordance with applicable securities regulatory policy, the Company has elected to seek voting instructions directly from NOBOs. The intermediaries (or their service companies) are responsible for forwarding this Information Circular and other Meeting Materials to each OBO, unless the OBO has waived the right to receive them. **The Company does not intend to pay for intermediaries to forward to OBOs under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and an OBO will not receive those materials unless the OBO's intermediary assumes the cost of delivery.**

Meeting Materials sent to non-registered owners who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "**VIF**"). This form is provided instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered owner is able to instruct the registered shareholder how to vote on behalf of the non-registered owner. VIFs, whether provided by the Company or by an intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered owners to direct the voting of the shares which they beneficially own. If a non-registered owner who receives a VIF wishes to attend the Meeting or have someone else attend on his behalf, then the non-registered owner may request a legal proxy as set forth in the VIF, which will grant the non-registered owner or his nominee the right to attend and vote at the Meeting. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request (in writing) to the Company or its intermediary, as applicable, without expense to the non-registered holder, that the non-registered holder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting.**

**IF YOU ARE A NON-REGISTERED OWNER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE REFER TO THE INSTRUCTIONS SET OUT ON THE "REQUEST FOR VOTING INSTRUCTIONS" (VIF) THAT ACCOMPANIES THIS INFORMATION CIRCULAR.**

## **EXERCISE OF DISCRETION**

Shares represented by proxy are entitled to be voted on a show of hands or any poll and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the shares will be voted or withheld from voting in accordance with the specification so made.

**SUCH SHARES WILL BE VOTED FOR EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER**

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As at the date hereof, the Company has issued and outstanding 116,992,012 fully paid and non-assessable common shares, each share carrying the right to one vote. **THE COMPANY HAS NO OTHER CLASSES OF VOTING SECURITIES.**

Any shareholder of record at the close of business on April 16, 2020 who either personally attends the Meeting or who has completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have his shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, there are no persons or companies who beneficially own, or control or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company.

## **ELECTION OF DIRECTORS**

The Board of Directors presently consists of six directors and it is intended to elect six directors for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia) (the "**Act**").

The Company has two committees, an Audit Committee and a Compensation Committee. Members of these committees are set out below.

The following table sets out the names of the nominees for election as directors, the province or state and the country in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, and the number of common shares of the Company beneficially owned, or controlled or directed by each, directly or indirectly, as at the date hereof.

<b>Name, Position, Province/State and Country of Residence <sup>(1)(2)</sup></b>	<b>Principal Occupation or Employment <sup>(1)</sup></b>	<b>Period as a Director of the Company</b>	<b>No. of Shares <sup>(1)</sup></b>
<b>Frederick W. Davidson</b> British Columbia, Canada Chief Executive Officer, President and Director	Chartered Professional Accountant; President and Chief Executive Officer of the Company	Since August 1999	591,750
<b>George A. Gorzynski</b> British Columbia, Canada Vice President Exploration and Director	Geological Engineer; Exploration Consultant & Vice President Exploration of the Company	Since April 2004	237,000
<b>Victor A. Tanaka <sup>(3)(4)</sup></b> British Columbia, Canada Director	Retired Exploration Geologist	Since March 1996	50,000
<b>Richard J. Mazur <sup>(3)(4)</sup></b> British Columbia, Canada Director	President and Chief Executive Officer of Forum Energy Metals Corp.; Chief Executive Officer of Alto Ventures Ltd.	Since May 1993	208,250
<b>Peter N. Tredger <sup>(3)(4)</sup></b> British Columbia, Canada Director	Professional Engineer; Consulting Geologist	Since October 2007	22,000
<b>Robert W. Lishman</b> California, USA Director	Managing General Partner of Yellowjacket, LP	Since February 2016	140,000 <sup>(5)</sup>

- (1) The information as to province/state and country of residence, principal occupation and shares beneficially owned is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) None of the proposed nominees for election as a director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation Committee.
- (5) Mr. Lishman also has indirect control of 350,000 common shares as trustee of the Grover T. Wickersham Employee Profit Sharing Plan.

### **Orders & Bankruptcies**

Other than as set out below regarding Mr. Davidson, none of the proposed nominees for election as a director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
- (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, which order was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,

- (b) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Frederick W. Davidson was a director and the chief executive officer of Energold Drilling Corp. (“Energold”) on September 16, 2019 when it announced that it had made a filing under the *Companies’ Creditors Arrangement Act* (Canada) (“CCAA”) to seek creditor protection. Energold’s interim management and financial adviser was Portage Point Partners and the Court appointed FTI Consulting Canada Inc. as monitor of Energold during the process. Mr. Davidson resigned as an officer of Energold on October 1, 2019 and as a director on October 7, 2019. On April 2, 2020, Energold announced that it had emerged from the CCAA process.

### **Penalties and Sanctions**

None of the proposed nominees for election as a director of the Company have been subject to any:

- (a) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **EXECUTIVE COMPENSATION**

During the Company’s most recently completed financial year, the Company had three Named Executive Officers (as defined below): Frederick W. Davidson, the Company’s CEO and President, George A. Gorzynski, the Company’s Vice President Exploration, and Jerry Huang, the Company’s CFO.

### **Compensation Discussion and Analysis**

#### *Compensation, Philosophy and Objectives*

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Company’s management team. The Company does not have a formal compensation program. The Compensation Committee meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis.

The Compensation Committee seeks to ensure that total compensation paid to all Named Executive Officers is fair and reasonable. In setting salaries, the Compensation Committee does not rely upon benchmarking, mathematical formulas or hierarchy. The Compensation Committee considers each officer’s qualifications, experience and responsibilities within the Company. The Committee also looks at the positioning of each executive on an individual basis and the competitiveness and suitability of the mix of that senior officer’s package for his individual circumstances. The Compensation Committee periodically reassesses salaries, considering such factors as an officer’s increased level of experience, whether or not the officer’s responsibilities have increased over the past year and the overall success of the Company for the prior year.

### *Analysis of Elements*

Each Named Executive Officer is compensated as set out herein with the expectation that they will perform their responsibilities to their best ability and in the best interest of the Company.

The Company entered into an executive employment agreement with Mr. Davidson on September 1, 2009 (the “**Davidson Agreement**”).

For the financial year ending December 31, 2019, the Company paid Mr. Davidson a salary of \$176,167 for his services as CEO and President. Mr. Davidson also earned an amount of \$13,200 for his services as a Director, of which the total amount of \$6,600 was accrued and not paid as at December 31, 2019. (See “Termination and Change of Control Benefits” for more information about Mr. Davidson’s Agreement.)

For the financial year ending December 31, 2019, Mr. Gorzynski earned a consulting fee of \$30,660 for his services as Vice President Exploration, of which \$4,725 was accrued and not paid as at December 31, 2019. Mr. Gorzynski also earned an amount of \$13,200 for his services as a Director, of which the total amount of \$6,600 was accrued and not paid as at December 31, 2019.

For the financial year ending December 31, 2019, the Company paid Mr. Huang, directly and indirectly to a company owned by Mr. Huang, an aggregate of \$205,263 for his services as CFO.

The compensation described above was determined by the Compensation Committee of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each Named Executive Officer’s efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to directors, officers, consultants and employees at the commencement of employment and periodically thereafter. The terms and conditions of the Company’s stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company’s Share Option Plan dated for reference May 25, 2017, as amended July 20, 2017 (the “**Share Option Plan**”) and as determined by the Board at the time of the grant. The purpose of granting options is to assist the Company in compensating, attracting, retaining and motivating the Named Executive Officers and Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

### **Option-based Awards**

The Company has no long-term incentive plans other than its Share Option Plan. The Company’s directors, officers, consultants and employees are entitled to participate in the Share Option Plan. The Share Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Share Option Plan aligns the interests of the Named Executive Officers and the Board with shareholders by linking a component of executive compensation to the longer-term performance of the Company’s common shares.

Options are granted by the Board of Directors. In monitoring or adjusting the option allotments, the Board takes into accounts its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the Named Executive Officers and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- (a) parties who are entitled to participate in the Share Option Plan;

- (b) the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than prescribed discount permitted by the TSX Venture Exchange (the "TSXV") from the market price on the date of grant;
- (c) the date on which each option is granted;
- (d) the vesting period, if any, for each stock option;
- (e) the other material terms and conditions of each stock option grant; and
- (f) any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Share Option Plan. The Board reviews and approves grants of options generally on an annual basis and periodically during a financial year.

Pursuant to the Share Option Plan, the Board grants options to directors, executive officers, employees and consultants as incentives.

The Compensation Committee recommends option grants to the Board. The Company granted 900,000 stock options exercisable to purchase shares of the Company to Named Executive Officers during the financial year ended December 31, 2019.

The Board is recommending to the Meeting the approval of the continuance of the Company's Share Option Plan, for particulars please see "Particulars of Other Matters to Be Acted Upon – Continuance of Share Option Plan".

### **Compensation Governance**

For more information about the Compensation Committee and its compensation policies, please see the "Corporate Governance – Compensation of Directors and the CEO".

### **Summary Compensation Table**

The table below sets out particulars of compensation paid to the following executive officers (each of whom is a "**Named Executive Officer**") for services to the Company during the three most recently completed financial years:

- (a) the individual who acted as the Company's CEO or acted in a similar capacity for any part of the most recently completed financial year;
- (b) the individual who acted as the Company's CFO or acted in a similar capacity for any part of the most recently completed financial year;
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and each individual who would be a Named Executive Officer under paragraph 2.4(c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the financial year.

Name and principal position	Year	Salary <sup>(1)</sup> (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		All other compensation <sup>(2)</sup> (\$)	Total Compensation (\$)
				Annual incentive plans	Long-term incentive plans		
Frederick W. Davidson, President and CEO	2019	171,167	62,109 <sup>(3)</sup>	Nil	Nil	13,200 <sup>(4)</sup>	246,476
	2018	174,000	Nil	Nil	Nil	13,200 <sup>(4)</sup>	187,200
	2017	174,000	50,987 <sup>(5)</sup>	Nil	Nil	13,500 <sup>(4)</sup>	238,487
George A. Gorzynski, Vice President Exploration	2019	Nil	62,109 <sup>(3)</sup>	Nil	Nil	43,860 <sup>(6)</sup>	105,969
	2018	Nil	Nil	Nil	Nil	35,685 <sup>(7)</sup>	35,685
	2017	Nil	50,987 <sup>(5)</sup>	Nil	Nil	52,525 <sup>(8)</sup>	103,512
Jerry Huang, CFO	2019	Nil	62,109 <sup>(3)</sup>	Nil	Nil	205,263 <sup>(9)</sup>	267,372
	2018	Nil	Nil	Nil	Nil	81,400 <sup>(9)</sup>	81,400

- (1) This figure includes the dollar value of cash and non-cash base salary the Named Executive Officer earned during the relevant financial year.
- (2) Perquisites and other personal benefits have not been included as they do not reach the prescribed threshold of the lesser of \$50,000 or 10% of the total annual salary.
- (3) These options were granted on October 25, 2019 with 100% vesting immediately. They are exercisable at a price of \$0.36 and expire on October 24, 2024. The fair value has been estimated using the Black Scholes option pricing model with the following assumptions: risk free rate of 1.68%, expected dividend yield of \$nil, expected stock price volatility of 128%, and expected life of 2.5 years.
- (4) Mr. Davidson earned \$13,200 in 2019, \$13,200 in 2018 and \$13,500 in 2017 in his capacity as Director of the Company. At December 31, 2019 \$6,600 was accrued and not paid.
- (5) These options were granted on September 21, 2017 with 100% vesting immediately. They are exercisable at a price of \$0.35 and expire on September 20, 2022. The fair value has been estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 1.58%, expected dividend yield of \$nil, expected stock price volatility of 104%, and expected life of option of 2.5 years.
- (6) This amount is for consulting fees of \$30,660 and director fees of \$13,200 earned by Mr. Gorzynski, of which \$11,325 was accrued and not paid in 2019.
- (7) This amount is for consulting fees of \$22,785 and director fees of \$12,900 earned by Mr. Gorzynski, of which \$7,455 was accrued and not paid in 2018.
- (8) This amount is for consulting fees of \$39,025 and director fees of \$13,500 earned by Mr. Gorzynski, of which \$8,350 was accrued and not paid in 2017.
- (9) Fees paid for Mr. Huang's services as CFO. Mr. Huang was paid directly and indirectly through a company owned by Mr. Huang. He is not an employee of the Company.

### Incentive Plan Awards

The Company has no long-term incentive plans other than its Share Option Plan.

#### *Outstanding Option-Based Awards*

The following table sets forth details of all awards outstanding for the Named Executive Officers at the end of the most recently completed financial year, including awards granted to the Named Executive Officers in prior years.



Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Frederick W. Davidson	275,000	0.98	July 27, 2021	Nil
	275,000	0.35	September 20, 2022	30,250
	300,000	0.36	October 24, 2024	30,000
George A. Gorzynski	275,000	0.98	July 27, 2021	Nil
	275,000	0.35	September 20, 2022	30,250
	300,000	0.36	October 24, 2024	30,000
Jerry Huang	50,000	0.98	July 27, 2021	Nil
	50,000	0.35	September 20, 2022	5,500
	300,000	0.36	October 24, 2024	30,000

(1) This amount is based on the difference between the market value of the securities underlying the options at the year ended December 31, 2018, being \$0.46, and the exercise price of the option.

#### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth details of the value vested or earned by the Named Executive Officers for incentive plan awards for the most recently completed financial year.

Name	Option-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Frederick W. Davidson	62,109	Nil
George A. Gorzynski	62,109	Nil
Jerry Huang	62,109	Nil

#### **Pension Plan Benefits**

The Company does not have any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

#### **Termination and Change of Control Benefits**

The Davidson Agreement is effective as of September 1, 2009 and will continue unless terminated in accordance with the terms of the Davidson Agreement. The Company may terminate the Davidson Agreement at any time without cause provided that the Company provides Mr. Davidson with severance payment in lieu of notice as outlined in the Davidson Agreement.

In the event that Mr. Davidson is terminated without cause by the Company or dies during the period of his employment, the Company will pay Mr. Davidson or his legal representative, as applicable, a severance payment which will consist of the following amounts:

- (a) the portion of Mr. Davidson's annual salary, at the rate in effect at the time of the notice of termination, then accrued to the date of termination which has not been paid to Mr. Davidson;

- (b) an amount equal to the amount, if any, of vacation pay and reimbursable expenses accrued to the date of termination which have not been paid to Mr. Davidson; and
- (c) an amount equal to 36 months' salary, at the rate in effect at the time of the notice of termination.

In the event of a Change of Control (as that term is defined below) of the Company if Mr. Davidson elects to terminate his employment within the period of 6 months following the date of the Change of Control, the Company will pay to Mr. Davidson, on or before the fifth business day following the Change of Control, the following amounts:

- (a) the portion of Mr. Davidson's annual salary, at the rate in effect at the time of the notice of termination, then accrued to the date of termination which has not been paid to Mr. Davidson;
- (b) an amount equal to the amount, if any, of vacation pay and reimbursable expenses then accrued to the date of termination which have not been paid to Mr. Davidson; and
- (c) an amount equal to 36 months' salary, at the rate in effect at the time of the notice of termination.

For the purposes of the Davidson Agreement, a Change of Control includes the occurrence of any of:

- (a) the purchase or acquisition of any common shares or securities of the Company convertible into common shares of the Company ("Convertible Securities") by a Holder (as defined below) which results in the Holder beneficially owning, or exercising control or direction over, common shares or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holders, the Holders would beneficially own, or exercise control or direction over, common shares of the Company carrying the right to cast more than 50% of the votes attaching to all such common shares;
- (b) Incumbent Directors (as defined below) ceasing to constitute a majority of the Board;
- (c) approval by the shareholders of the Company of:
  - (i) an amalgamation, arrangement, merger or other consolidation or combination of the Company with another corporation pursuant to which the shareholders of the Company immediately thereafter do not own shares of the successor or continuing corporation which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation which may be cast to elect directors of that corporation;
  - (ii) the liquidation, dissolution or winding up of the Company; or
  - (iii) the sale, lease or other disposition of all or substantially all of the assets of the Company.

Holder means a person, a group of persons or persons acting jointly or in concert or persons associated or affiliated, within the meaning of the Act with any such person, group of persons or any such persons acting jointly or in concert.

Incumbent Director means any member of the Company's Board who was a member of the Company's Board immediately prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended or elected or appointed to succeed any Incumbent Director by the affirmative vote of the directors, including a majority of the Incumbent Directors then on the Company's Board.

Shares mean the common shares of the Company and any other shares of the Company which have the right to vote in respect of the election of directors.

The following tables show the estimated compensation that would have been payable to Mr. Davidson assuming termination and/or Change of Control events occurring on December 31, 2019:

Name	Payment Upon Termination without Cause	Payment Upon Change of Control or Upon Constructive Dismissal
Frederick W. Davidson	\$600,000 <sup>(1)(2)</sup>	\$600,000 <sup>(1)(2)</sup>

(1) Pursuant to the terms of Mr. Davidson's Employment Agreement and a salary increase effective as of December 1, 2019, Mr. Davidson is paid an annual salary of \$200,000.

(2) Plus, any accrued vacation pay to the date of termination.

### Director Compensation

The Company has six directors, two of which are also Named Executive Officers. For a description of the compensation paid to the Company's Named Executive Officers who also act as directors, see "Summary Compensation Table".

#### *Director Compensation Table*

The following table sets forth details of all amounts of compensation provided to the directors other than the Named Executive Officers (the "Other Directors") for the Company's most recently completed financial year.

Name	Fees Earned (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total Compensation (\$)
Victor A. Tanaka	14,400	20,703	Nil	Nil	35,103
Richard J. Mazur	14,400	20,703	Nil	Nil	35,103
Peter N. Tredger	14,400	20,703	Nil	Nil	35,103
Robert W. Lishman	13,200	20,703	Nil	Nil	33,903

Under the Company's standard director compensation arrangements, Directors are compensated by the Company or its subsidiaries at \$12,000 per annum for their services in their capacity as directors, with an additional \$300 per meeting attended. As well, they are compensated for services as a consultant or an expert. As at December 31, 2019, the total amount of \$28,200 in directors' fees were accrued and not paid.

The Company granted 400,000 stock options exercisable to purchase shares of the Company to the Other Directors during the financial year ended December 31, 2019.

#### *Option-Based Awards and Non-Equity Incentive Plan Compensation*

The following table sets forth details of all awards outstanding for the Other Directors at the end of the most recently completed financial year, including awards granted to the Other Directors in prior years.

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Victor A. Tanaka	100,000	0.98	July 27, 2021	Nil
	100,000	0.35	September 20, 2022	11,000
	100,000	0.36	October 24, 2024	10,000
Richard J. Mazur	100,000	0.98	July 27, 2021	Nil
	100,000	0.35	September 20, 2022	11,000
	100,000	0.36	October 24, 2024	10,000
Peter N. Tredger	100,000	0.98	July 27, 2021	Nil
	100,000	0.35	September 20, 2022	11,000
	100,000	0.36	October 24, 2024	10,000
Robert W. Lishman	100,000	0.98	July 27, 2021	Nil
	100,000	0.35	September 20, 2022	11,000
	100,000	0.36	October 24, 2024	10,000

(1) This amount is based on the difference between the market value of the securities underlying the options at the year ended December 31, 2019, being \$0.46, and the exercise price of the option.

*Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth details of the value vested or earned by the Other Directors for incentive plan awards for the most recently completed financial year.

Name	Option-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Victor A. Tanaka	20,703	Nil
Richard J. Mazur	20,703	Nil
Peter N. Tredger	20,703	Nil
Robert W. Lishman	20,703	Nil

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out, as of the end of the Company's financial year ended December 31, 2019, all information required with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securityholders	35,752,322	\$0.385	6,514,201

## CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines*, establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines and, as prescribed by National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, the Company discloses the following:

### Board of Directors

The Company's Board of Directors facilitates its independent supervision over management through regular meetings of the Board, both with and without members of the Company's management (including members of management who are also directors) being in attendance.

### Independence of Members of Board

The Company's Board consists of six directors, four of whom are independent based upon the tests for independence set forth in NI 52-110. Victor A. Tanaka, Richard J. Mazur, Peter N. Tredger, and Robert W. Lishman are independent. Frederick W. Davidson is not independent as he is the President and CEO of the Company. George A. Gorzynski is not independent as he is the Vice President Exploration of the Company.

The mandate of the Board, as prescribed by the Act, is to manage or supervise management of the Company's business and affairs and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

### Management Supervision by Board

The Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors are, however, able to meet at any time without any members of management, including the non-independent directors, being present. Further supervision is performed through the Audit Committee which is composed of a majority of independent directors who meet with the Company's auditors without management being in attendance. The independent directors exercise their responsibilities for independent oversight of management through their majority control of the Board. The Board may appoint a lead director to direct Board operations.

### Participation of Directors in Other Reporting Issuers

The following directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
Frederick W. Davidson	N/A
George A. Gorzynski	Fireweed Zinc Ltd.
Victor A. Tanaka	Fjordland Exploration Inc. Westhaven Ventures Inc. Consolidated Woodjam Copper Corp.
Richard J. Mazur	Alto Ventures Ltd. Forum Energy Metals Corp. Midnight Sun Mining Corp.
Peter N. Tredger	N/A
Robert W. Lishman	N/A

### Board Mandate

The Board has not adopted a written mandate; however, it delineates certain roles and responsibilities as set out in its employment agreements.

### Position Descriptions

The Board has not adopted position descriptions for the Chair of the Board and for the chairs of each of its committees. The Board has adopted a position description for the CEO, as set forth in the Company's employment agreement with the CEO.

### Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

- (a) information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
- (b) access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
- (c) access to management and technical experts and consultants; and,
- (d) a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### Ethical Business Conduct

The Board of Directors has adopted a written Business Conduct Policy. A copy of the Business Conduct Policy is available on SEDAR at [www.sedar.com](http://www.sedar.com) (filed April 28, 2017) or on request as indicated under "Additional Information" in this Information Circular.

The Board views good corporate governance as an integral component to the Company's success and to meet responsibilities to shareholders.

The Board has adopted a series of policies in addition to the Business Conduct Policy (together, the "**Policies**"), concerning conduct of its employees and directors that are posted on its website at

www.impactsilver.com, under Policies of the Board. The Board has instructed its management and employees to abide by these Policies and to bring any breaches of these Policies to the attention of the Board. The Board conducts a continual review and updating of its Policies.

The Board requires that directors and executive officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material or if required to do so by applicable corporate or securities law.

### **Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining and financial services industries are consulted for possible candidates.

### **Compensation of Directors and the CEO**

The members of the Compensation Committee are Victor A. Tanaka, Peter N. Tredger, and Richard J. Mazur, all of whom are independent. The Compensation Committee is responsible for determining compensation for the directors and senior management.

To determine compensation payable, the Compensation Committee reviews compensation paid to directors and CEOs of companies of similar size and stage of development in the mineral exploration industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the Compensation Committee annually reviews the performance of the CEO in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives.

The Board has not yet adopted a written charter for the Compensation Committee.

### **Other Board Committees**

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Company's development.

### **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. To assist in its review, the Board conducts informal surveys of its directors and receives reports from each committee respecting its own effectiveness.

## **AUDIT COMMITTEE**

### **Audit Committee's Charter**

The Audit Committee Charter was adopted by the Company's Audit Committee and the Board of Directors. The full text of the Company's Audit Committee Charter is attached as Appendix "1" to the Company's Information Circular dated April 18, 2019 which was filed on SEDAR on April 26, 2019 and can be viewed under the Company's profile at [www.sedar.com](http://www.sedar.com).

### **Composition of the Audit Committee**

As at the date hereof, the members of the Audit Committee are Peter N. Tredger, Victor A. Tanaka and Richard J. Mazur. Each of the members of the Audit Committee is “independent” and “financially literate” as defined in National Instrument 52-110 Audit Committees (“NI 52-110”).

The Audit Committee met four times during the most recently completed financial year.

### **Relevant Education and Experience**

The educational background or experience of the following Audit Committee members has enabled each to perform his responsibilities as an Audit Committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting:

Peter N. Tredger is a professional engineer with over 50 years of mining industry experience, including executive management positions with Blue Pearl Mining/Thompson Creek Metals Company (now Centerra Gold Inc.) from 2004 to 2008; Glencairn Gold Corp. (now B2Gold Corp.) from 2002 to 2004; and, Wheaton River Minerals Ltd. (now Goldcorp Inc.) from 1992 to 2001. Previously, Mr. Tredger was an independent mining consultant, and for 11 years was employed by Amax Inc. in a variety of technical and management positions, prior to which he was an exploration geologist. Mr. Tredger has more than 30 years of experience as a public company director and Audit Committee member.

Victor A. Tanaka has been involved with public and private mining companies for over 50 years. He has a Bachelor of Science degree in Geology from McGill University and is a registered professional geoscientist (retired) in the Province of British Columbia (EGBC). Mr. Tanaka also sits on the boards of Fjordland Exploration Inc., Westhaven Ventures Inc. and Consolidated Woodjam Copper Corp.

Richard J. Mazur has been involved with public and private mining companies for over 40 years. He has an MBA (1985) from Queen’s University and a Bachelor of Science degree in Geology (1975) from the University of Toronto. Mr. Mazur worked as a Project Geologist, Financial Analyst and Senior Executive in the resource sector over that period. He has been a director and an Audit Committee member of public resource companies for over 25 years. Mr. Mazur is currently the President, CEO and Director of Forum Energy Metals Corp., the CEO and Director of Alto Ventures Ltd. and Director and Audit Committee member of Midnight Sun Mining Corp.

### **Audit Committee Oversight**

At no time since the commencement of the Company’s most recently completed financial year did the Board of Directors of the Company decline to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on an exemption under section 2.4, 6.1.1(4), (5) or (6), or granted under Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading “External Auditors” in the Company’s Audit Committee Charter.



### **External Auditors Service Fees (By Category)**

The table below sets out all fees billed by the Company's external auditors in each of the last two fiscal years for audit fees:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2019	\$48,375	Nil	Nil	Nil
2018	\$147,000	Nil	Nil	Nil

### **Exemption for Venture Issuers**

The Company is relying upon the exemption in section 6.1 of NI 52-110, which exempts issuers whose shares are listed only on the TSXV from the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations).

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of Directors and the approval of the stock option plan.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director, executive officer, employee or former director, executive officer or employee or any of their respective associates or affiliates or any proposed nominee for election as a director of the Company is or has been at any time since the beginning of the last completed financial year, indebted to the Company or any of its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Company or any of its subsidiaries.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed in this Information Circular, no informed person of the Company, proposed nominee for election as a director, or any associate or affiliate of the foregoing, had any material interest, direct or indirect, in any transaction or proposed transaction since the beginning of the Company's last completed financial year, which has materially affected or would materially affect the Company or any of its subsidiaries.

### **MANAGEMENT CONTRACTS**

No management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or its subsidiaries.

### **APPOINTMENT OF AUDITORS**

Unless otherwise instructed, the proxies given in this solicitation will be voted for the appointment of Davidson & Company LLP, Chartered Professional Accountants, of 1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1G6, as the Company's auditor to hold office until the next annual general meeting. The Company's Board of Directors is authorized to set the remuneration to be paid to the auditor.

Davidson & Company LLP has acted as the Company's auditor since August 2019. In accordance with applicable securities laws, the Company is attaching its change of auditor package as Schedule "A" to this Information Circular.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Continuance of Share Option Plan**

In accordance with the policies of the TSXV governing stock options, all issuers are required to adopt a share option plan pursuant to which stock options may be granted. As set forth under the heading "Executive Compensation – Option-Based Awards" above, the Company has in place a Share Option Plan dated for reference May 25, 2017, as amended July 20, 2017 (the "**Plan**") as previously approved by the directors, and as also first approved by the shareholders of the Company at the Annual General Meeting held on May 25, 2017. The Plan was most recently approved by shareholders at the Company's 2019 Annual General Meeting held on May 23, 2019.

The Plan is in place for the benefit of directors, officers, employees, management employees and consultants of the Company and of its subsidiaries (the "**Participants**"). As of April 16, 2020, a total of 5,185,000 options are outstanding under the Plan. The Plan provides that the directors of the Company may grant options to purchase common shares on terms that the directors may determine, within the limitations of the Plan. The maximum aggregate number of common shares that may be reserved for issuance under the Plan and all other share compensation arrangements of the Company is 10% of the Company's issued and outstanding shares at the date of grant. This is a "rolling" Plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase or decrease as the Company's issued and outstanding share capital changes. The exercise price of an option issued under the Plan is determined by the directors but may not be less than the closing market price of the Company's shares on the day preceding the date of granting of the option less any available discount, in accordance with the policies of the TSXV. No option may be granted for a term longer than 10 years. An option may expire on such earlier date or dates as may be fixed by the Board, subject to earlier termination in the event the optionee ceases to be eligible under the Plan by reason of death, retirement or otherwise.

The Plan provides for the following restrictions: (i) no Participant may be granted an option if that option would result in the total number of stock options granted to the Participants in the previous 12 months, exceeding 5% of the issued and outstanding common shares unless the Company has obtained disinterested shareholder approval in accordance with the policies of the TSXV; (ii) the aggregate number of options granted to Participants conducting Investor Relations Activities (as defined in the policies of the TSXV) in any 12 month period must not exceed 2% of the issued and outstanding common shares, calculated at the time of grant; and, (iii) the aggregate number of options granted to any one consultant in any 12 month period must not exceed 2% of the issued and outstanding common shares, calculated at the time of grant. In addition, Options granted to consultants conducting Investor Relations Activities will vest over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting or such longer vesting period as the Board may determine. Vesting of Options is otherwise at the discretion of the Board.

The policies of the TSXV require that the Plan be approved by shareholders annually, at the Company's annual general meeting. Continuation of the Plan will be subject to the approval of the shareholders of the Company and review and acceptance by the TSXV.

A copy of the Plan will be available at the Meeting for review by shareholders. In addition, a copy of the Plan is available on SEDAR at [www.sedar.com](http://www.sedar.com) (filed March 6, 2018), or shareholders may obtain a copy of the Plan from the Company prior to the Meeting, please see "Additional Information" below.

### *Shareholder Approval of Share Option Plan*

Accordingly, the shareholders of the Company will be requested at the Meeting to pass an ordinary resolution in the following terms:

“RESOLVED that:

1. the Company’s share option plan (the “**Plan**”), as described in the Information Circular of the Company dated April 16, 2020, is ratified, confirmed and approved, subject to acceptance by the TSX Venture Exchange with such changes as may be required by the TSX Venture Exchange;
2. the directors of the Company are authorized to amend such provisions of the Plan as may from time to time be necessary for the Plan to comply with the Policies of the TSX Venture Exchange and to facilitate acceptance of filing thereof by the TSX Venture Exchange;
3. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding capital of the Company at the time of the grant; and
4. any one director or officer of the Company is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in the opinion of such director or officer may be necessary or desirable to give effect to the foregoing resolutions and to complete all transactions in connection with the approval of the Plan.”

The Board of directors unanimously recommends that shareholders vote in favour of the resolution approving the Plan. The persons named in the enclosed proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.

#### **OTHER BUSINESS**

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at its offices located at 705 – 543 Granville Street, Vancouver, British Columbia V6C 1X8 or by telephone at 604-681-9501 to request copies of the Company’s financial statements and MD&A. Financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial year.

DATED at Vancouver, British Columbia, this 16<sup>th</sup> day of April, 2020.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

Per: (signed) “Frederick W. Davidson”  
Name: Frederick W. Davidson  
Title: President & Chief Executive Officer

**Schedule "A"**  
**Change of Auditor Package**

**NOTICE OF CHANGE OF AUDITOR**

**To: Pricewaterhouse Coopers LLP ("PwC")**

**And To: Davidson & Company LLP, Chartered Professional Accountants ("Davidson & Company LLP")**

**And To: Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission**

**Re: IMPACT Silver Corp. (the "Corporation")**

NOTICE IS HEREBY GIVEN that, in accordance with section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") the Audit Committee and the Board of Director of IMPACT Silver Corp. (the "**Corporation**"), have considered and approved:

- 1) the resignation of PwC as the former auditor of the Corporation, effective July 31, 2019, at the request of the Corporation; and
- 2) the appointment of Davidson & Company LLP as the Corporation's successor auditor, effective July 31, 2019.

There were no reservations contained in the former auditor's report on the financial statements of the Corporation for the fiscal years ended December 31 2018 and 2017; and

There are no reportable events to declare as defined in subparagraph 4.11 (1) of National Instrument 51-102;

The Board of Directors of the Corporation has reviewed the letter of PwC as the former auditor of the Corporation, and the letter of Davidson & Company LLP, as the successor auditor of the Corporation, and approved this Notice.

**DATED** at Vancouver, British Columbia this 31<sup>st</sup> day of July 2019

*"Frederick W. Davidson"*

President & CEO  
IMPACT Silver Corp.

August 7, 2019

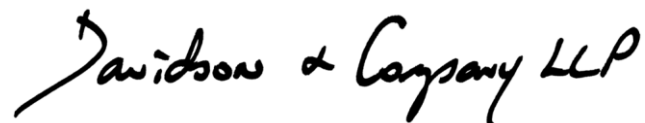
**British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission  
TSX Venture Exchange**

Dear Sirs / Mesdames:

**Re: IMPACT Silver Corp. (the "Company")  
Notice Pursuant to NI 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated July 31, 2019, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,



**DAVIDSON & COMPANY LLP**  
Chartered Professional Accountants

**cc: TSX Venture Exchange**





August 7, 2019

To: Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission

We have read the statements made by IMPACT Silver Corp. in the attached copy of change of auditor notice dated July 31, 2019, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements in the change of auditor notice dated July 31, 2019.

Yours very truly,

**(signed) PricewaterhouseCoopers LLP**

**Chartered Professional Accountants**

---

*PricewaterhouseCoopers LLP  
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7  
T: +1 604 806 7000, F: +1 604 806 7806, [www.pwc.com/ca](http://www.pwc.com/ca)*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.