



IMPACT SILVER CORP

NEWS RELEASE
IMPACT Silver Corp.

For Release: November 24th, 2022

Trading Symbol: “IPT: TSX-V”
“ISVLF:US” “X9X:FR”

IMPACT Silver Announces Q3 2022 Results
Revenue of \$3.8 Million, Mine Operating Loss of \$0.5 Million

IMPACT Silver Corp. (“IMPACT” or the “Company”) announces its financial and operating results for the third quarter ended September 30, 2022.

Despite both higher tonnage of ore processed and higher grade at the mill, the Company recorded \$3.8 million in revenue for the third quarter of 2022, a drop of 8% from \$4.1 million year before due to significantly lower and fluctuating silver prices down 21% same period. Silver production and grade were higher in Q3 2022 compared to Q3 2021. After non-cash costs, the Company incurred a mine operating loss of \$0.5 million.

Fred Davidson, President & CEO of IMPACT, stated, “Within this quarter we witnessed a global retraction in economic activities, surging inflation, a drastic rise in interest rates globally, and lower silver price resulting in lower revenues compared to 2021 and higher costs, cumulating in a loss. With this near unprecedented speed and timing of this interest rate hike, risk assets and non-yielding investments such as precious metals fell precipitously over the last few months resulting in challenging liquidity for junior resources sector.

To rectify the financial challenges in the short term, the Company initiated a hiring freeze as well as an initial round of layoffs. Having invested \$1.6 million in exploration expenditures and mining assets during the quarter (\$4.3 million so far 2022), the Company has decided to defer a number of non-critical projects and reduce the budget for exploration for the balance of 2022 to rein in costs to maximize revenue with better grades and higher output. The Company remains optimistic about silver’s long-term pricing outlook as well as rising demand for renewable energy (photovoltaic cells) and is well positioned to capitalize as one of the purest silver miners with 90% of revenue exposure to the silver metal.”

The cash position remains strong at \$16.5 million with working capital of \$17.6 million.

IMPACT is a primary silver producer and is highly leveraged to silver prices. It is our plan for the remaining months of 2022 to focus on operational efficiency and cost reduction strategies to advance into 2023 with strength. With a strong pipeline of project exploration programs underway, strong working capital, no long-term debt, and an efficient and nimble operation, IMPACT is well positioned to weather the short-term volatilities.”



IMPACT SILVER CORP

Q3 2022 FINANCIAL REVIEW

- Despite higher grades and silver production, lower silver prices of 15% resulted in a drop in revenue to \$3.8 million in Q3 2022, down from \$4.1 million in Q3 2021.
- The Company invested \$1.6 million in exploration and mining assets during the quarter (\$4.3 million year to date 2022).
- Mine operating loss before amortization and depletion for Q3 2022 was \$0.1 million compared to \$0.8 million income in Q3 2021, due to lower silver prices and higher costs.
- Net loss for Q3 2022 was \$1.2 million compared to net income of \$0.04 million in Q3 2021.
- Net working capital for the Company at September 30, 2022 was \$17.6 million with cash on hand of \$16.5 million.
- The Company continues to have no long-term debt.

Q3 2022 PRODUCTION REVIEW

- Throughput at the mill was 39,816 tonnes in Q3 2022 compared to 34,587 tonnes in Q3 2021.
- Q3 2022 silver sales were 169,835 ounces (Q3 2021 – 147,597 ounces), an increase of 15%.
- In spite of higher grades, revenue per tonne sold in the current quarter dropped to \$99.98 (Q3 2021 - \$114.52). During the quarter the price of silver was lower than the same period in 2021 by approximately US\$5 per ounce, impacting both revenue and earnings.
- Average mill head grade improved 5% to 165g/t Silver Q3 2022 (156 g/t Q3 2021)
- Direct costs per production tonne were \$104.45 in Q3 2022, an increase of 16% from 2021's comparative period of \$91.31 due to a recent Union settlement and ongoing development and drilling at the operating mines, some of which should translate to future cost reduction.

EXPLORATION & DEVELOPMENT PLANS

The 2022 exploration program of over 21,000m of drilling is wrapping up across the Company's extensive land package utilizing four Company owned drills (2 surface rigs, 2 underground rigs).

Exploration targets are defined and prioritized using a very large computer database including over 5,000+ old mine workings, compiled over many years from historical maps, Company exploration results, and other technical data on the project. During the first quarter, IMPACT announced drill results from the Veta Negra Mine area and extensions including 257 g/t silver over 19.8 metres and 487 g/t silver over 12.97 metres (see IMPACT news release dated February 7, 2022 for details). In the 2022 second and third quarters, drilling was carried out at Capire, Aurora 2, San Antonio and the northwest parts of the Guadalupe/Pachuqueno Mine and fieldwork continued in the Veta Negra Mine area, San Jorge, south extension of the San Ramon Mine, and the Noche Norte area. Drilling and exploration work is planned for the Veta Negra Mine area, San Ramon Mine south extensions, the Alacran area, and the San Jorge area.



IMPACT SILVER CORP

Tailings dams at the Guadalupe production center are engineered to current standards and 100% of (non-acidic) mine water is either recycled or lost to evaporation. In 2021, the Company, as part of a periodic review, engaged independent engineers to conduct a study on the status of the current Guadalupe tailing's impoundment and are following the recommendations for improved operations. Construction of tailings dam number 3 is almost complete and will accommodate approximately 9 years of production tailings from the Guadalupe mill complex.

Subject to prevailing market conditions and current technical studies including ore sorting, expanding the current pilot plant and infrastructure, in 2023 IMPACT is looking to potentially initiate the program to restart production at the Capire open pit mine .

ENVIRONMENTAL SOCIAL GOVERNANCE POLICIES (ESG)

IMPACT recognizes the paramount expectations that stakeholders and investors place on ESG and has been proactive in ESG activities well before this became a requirement from financiers globally.

Environmental

IMPACT recognizes that exploration and mining create a physical change within the area of work. The Company believes in its responsibility to ensure that it minimizes the environmental impact of its efforts and carries out reclamation on sites disturbed by its activities. As primarily an underground mining situation, surface disturbance from mining has been minimal in the past.

In 2021, the trees planted as part of preparation for the new tailings facility number 3, were part of a larger program to improve areas of past historical district wide physical disturbance. For each tree removed the Company planted a further 7 trees. In conjunction with the municipality and the Technological Baccalaureate Center, the Company planted approximately 6,000 trees of various indigenous species in 2021. Planting of a further 10,000 trees is planned for 2022/2023.

The exploration drills used and owned by IMPACT are modular diamond drill rigs which minimize the area of disturbance due to their small size and mobility. These drills rig require little in the way of drill pads or access trails, no building of new roads, and the Company engages the local community for logistical support and assistance as part of the drill crew.

On the Guadalupe Mine property surrounding the current tailings facilities and the complex's support facilities, the Company, working with local farmers, planted 833 agave plants. The Company maintains a greenhouse for nurturing the initial plants before being transferred to the field. Plans for the next 12 months are for a further 3,000 agaves to be planted. According to the Company's consultants, agave plants have the ability to reduce and isolate large quantities of atmospheric CO₂. They produce more biomass above and below ground than most other plant species. Estimates are they can absorb and store the dry weight equivalent of 30 to 60 tons of CO₂ per hectare per year. Once established they do not require irrigation and are relatively insensitive



IMPACT SILVER CORP

to rising global temperatures and drought. Agave also provides a cash crop for the local farmers as well as livestock feed.

Social

The Company keeps community members informed of its activities and works with the communities to address local concerns. The employment of most workers from the local communities' fosters understanding, and direct involvement in the Company's operations. The Company continues to provide tools, materials and supplies to local communities, and contributes to local festivals. During the year it has upgraded roads, and built a new school, as well as a badly needed health clinic. The Company has also built soccer fields, basketball courts and other facilities for local communities.

Governance

Good governance is a priority for the Board of Directors. The Company has a strong, experienced Board where a majority of Directors are independent and oversee governance of the Company through Compensation and Audit Committees. The average years of experience of IMPACT's board members in mining industry is 30 years and good governance is critical to earn the confidence of our stakeholders as the Board continues to guide IMPACT through recent tumultuous times.

For further details and media of our various ESG initiatives please visit website:

<https://impactsilver.com/corporate/esg/> or MD&A at <https://impactsilver.com/investors/financials/>.

A recorded conference call reviewing the financial and production results of the quarter ended Sept 30, 2022 will be available on the Company website on November 24th, 2022 at <https://impactsilver.com/media/conference-calls/>.

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 <https://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 16 years, IMPACT has produced over 11 million ounces of silver, generating revenues over \$234 million, with no long-term debt.



IMPACT SILVER CORP

At the Royal Mines of Zacualpan Silver District, three underground silver mines and one open pit mine feed the central Guadalupe processing plant. To the south, in the Mamatla District, the Capire Project includes a 200 tpd processing pilot plant adjacent to an open pit silver mine with a mineral 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](#) for details); Company engineers are reviewing Capire for potential restart of operations. With 15 years of exploration successes leading to production cash flows, IMPACT has shown the Zacualpan Silver-Gold District to be endowed with many high-grade silver-gold zones and has placed multiple zones into commercial production.

Additional information about IMPACT and its operations can be found on the Company website at <https://impactsilver.com/>. Follow us on Twitter [@IMPACT_Silver](#) and LinkedIn at <https://www.linkedin.com/company/impactsilver>

Qualified Person and NI 43-101 Disclosure

George Gorzynski, P.Eng., is a “qualified person” within the meaning of NI 43-101 and has approved the technical information contained in this news release.

On behalf of IMPACT Silver Corp.
“Frederick W. Davidson”
President & CEO

For more information, please contact:
Jerry Huang
CFO | Investor Relations
(604) 664-7707 or inquiries@impactsilver.com
[\(778\) 887 6489 Direct](tel:(778)8876489)

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Such statements include, but are not limited to, statements with respect to the expected use of proceeds of the Private Placement.



IMPACT SILVER CORP

Such forward-looking information involves known and unknown risks and assumptions, including with respect 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 NI 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 of failure.

303-543 Granville Street

Vancouver, BC, Canada V6C 1X8

Telephone (604) 664-7707

www.impactsilver.com

[Twitter](#)

[LinkedIn](#)