

IMPACT Silver Announces Second Quarter 2018 Financial and Production Results

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Trading Symbol: "IPT: TSX.V"

VANCOUVER, Aug. 23, 2018 - [Impact Silver Corp.](#) ("IMPACT" or the "Company") is pleased to announce its financial results for the six months ending June 30, 2018.

The Company reported revenues of \$3.1 million, a decrease of 13% from same period in 2017, due to lower grades and fluctuating foreign exchange. Net loss was \$1.0 million of which \$0.4 million is amortization and depletion. IMPACT continues to have no debt on its books and a cash position of \$2.9 million.

Fred Davidson, President & CEO of IMPACT stated, "This quarter we encountered the perfect storm of lower silver prices, lower grades at our mill, and fluctuating currencies. To address this headwind of lower revenue and rising costs, the team has done an admirable job of reining in costs and decreasing operating expenses to \$3.8 million from \$3.9 million in the same quarter of 2017 while still processing about the same tonnage. Going forward, the Company will focus on ore grade selection including access to higher zinc zones. On a positive note, we have had excellent drilling success with the discovery of the new San Ramon Deeps 2 Zone just south of our current active mining areas."

In 2018, IMPACT has a renewed emphasis on greenfield exploration, with successes at Santa Teresa and San Ramon announced so far. In Q2 2018, the Company announced a significant discovery at the San Ramon Deeps extension (see below and news release July 17, 2018). Exploration program results from both El Angel and Guadalupe area drilling are ongoing and results should be pending shortly. As a junior mining producer and explorer, IMPACT believes the potential in new discoveries will add more value to the successful decade of production history at the Royal Mines of Zacualpan.

Financial Overview

- Revenue for the second quarter was \$3.1 million, a decrease of 13% from Q2 2017 revenue of \$3.6 million.
- Operating expenses for Q2 2018 were \$3.8 million, a marginal decrease from Q2 2017 at \$3.9 million.
- Mine operating loss for Q2 2018 was \$1.1 million compared to \$0.9 million in Q2 2017.
- Net loss for the quarter was \$1.0 million which included non-cash expenses of \$0.4 million for amortization and depletion and a recovery on deferred income taxes and foreign exchange of \$0.5 million. This compares to a \$1.0 million net loss for the same period in 2017, which included \$0.2 million of foreign exchange loss and non-cash expenses of \$0.7 million for amortization, depletion, share-based compensation and a recovery on deferred income taxes of \$0.3 million.
- The Company's cash position at June 30, 2018 remains at \$2.9 million, with net working capital of \$3.1 million.
- The Company has no long-term debt.

Production Overview

- Silver production decreased to 194,223 ounces in Q2 2018 from 227,503 ounces in Q2 2017 due to lower feed grade.
- Average mill feed grade for silver in the quarter was 146 grams per tonne (g/t) in Q2 2018, down 16% from 173 g/t in Q2 2017.
- Throughput at the mill decreased slightly to 48,090 tonnes milled in Q2 2018 from 48,684 in Q2 2017

Silver sales decreased 17% in the second quarter 2018 to 172,701 ounces compared to 2017 same period figures of 207,908 ounces due to lower grades. A challenging quarter commenced for metals with trade

wars, geopolitical uncertainties, and investor's reversion to safety in US dollars and treasuries. Silver prices at March 2018 were \$16.4/ounce and continued dropping below \$16.0/ounce at the end of June 2018.

Revenue per tonne sold for the six months ended June 30, 2018 dropped to \$76.36 versus \$85.40 per tonne in the same period of 2017 due to lower silver grades and a weaker US dollar. The Company will focus on improving ore grade and optimizing mill capacity to improve revenue per tonne.

Facing lower metal prices, cost control remains a high priority for IMPACT. Q2 2018 general and administrative costs dropped to \$0.4 million from \$0.6 million in comparable 2017 period. Direct cost per tonne have also been reined in 5% at \$77.91 in Q2 2018 compared to \$81.94 for Q2 2017.

In July, IMPACT announced a significant discovery at the San Ramon Deeps 2 Zone located 100 meters south of the current active mining areas. Underground drill results included 2.04 meters of 661 g/t Silver and 4.97 meters of 354 g/t Ag (see IMPACT news release dated July 17, 2018 for details). The zone remains open for extension upwards, downwards and to the south.

Currently, results from two other exploration drilling programs are pending and should be announced shortly; the El Angel and Guadalupe-Lipton.

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 six months ended June 30, 2018 will be available on the Company website on August 24, 2018 at www.impactsilver.com/s/ConferenceCalls.asp.

The information in this news release should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and Management's Discussion and Analysis, available on the Company website at www.impactsilver.com and on SEDAR at www.sedar.com. All amounts are stated in Canadian dollars unless otherwise specified.

About IMPACT Silver:

[Impact Silver Corp.](http://www.impactsilver.com) is successful silver-gold explorer-producer with two processing plants on adjacent districts within its 100% owned mineral concessions covering 357km² in central Mexico's most prolific silver district in an area that has produced over 250 million ounces with well-known mines such as Taxco.

Over the past twelve years IMPACT has produced over eight million ounces of silver, generating revenues over \$160 million, with no long-term debt. At the Royal Mines of Zacualpan Silver District several underground silver mines feed the central 550 tonnes per day (TPD) Guadalupe processing plant. To the south, in the Mamatla District the Capire processing pilot plant is an expandable 200 TPD with a NI-43-101 compliant resource of silver-lead-zinc awaiting higher metal prices to be restarted. Given the challenging markets the last few years, IMPACT has focused its exploration efforts on high success rate silver targets, with quick production profiles and proximity to the Guadalupe processing plant. Following a successful decade of exploration success to production cash flows, IMPACT has proven the Zacualpan District to be prolific in generating high grade epithermal silver-gold production feeds. With markets more perceptive to early exploration results, in 2018 IMPACT continues to add emphasis to exploration work.

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

On behalf of [Impact Silver Corp.](http://www.impactsilver.com)

"Frederick W. Davidson"
President & CEO

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Forward-Looking and Cautionary Statements

This IMPACT News Release may contain certain "forward-looking" statements and information relating to IMPACT that is based on the beliefs of IMPACT management, as well as assumptions made by and information currently available to IMPACT management. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including but not limited to, without limitations, exploration and development risks, expenditure and financing requirements, title matters, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices, and one-time events. Should any one or more risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements may vary materially from those described herein. IMPACT does not assume the obligation to update any forward-looking statement.

The Company's decision to place a mine into production, expand a mine, make other production related decisions or otherwise carry out mining and processing operations, is largely based on internal non-public Company data and reports based on exploration, development and mining work by the Company's geologists and engineers. The results of this work are evident in the discovery and building of multiple mines for the Company and in the track record of mineral production and financial returns of the Company since 2006. Under NI43-101 the Company is required to disclose that it has not based its production decisions on NI43-101-compliant mineral resource or reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure.

SOURCE [Impact Silver Corp.](#)

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