

IMPACT Silver Provides Construction Update at the High-Grade Zinc-Silver Plomosas Property, Mexico

Vancouver, British Columbia--(Newsfile Corp. - August 1, 2023) - **IMPACT Silver Corp. (TSXV: IPT) (OTC Pink: ISVLF) (FSE: IKL) ("IMPACT" or the "Company")** is pleased to provide an update from the recently acquired Plomosas high-grade zinc-silver mine in Chihuahua State, Mexico.

"Significant progress has been made at Plomosas as the team nears operational status at the mine. Since closing the acquisition of Plomosas, our experienced team is nearing a major milestone with all rehabilitation efforts in the final stages both on time and within budget. We are excited to bring the mine and plant back online after a near one year hiatus". said IMPACT Silver President & CEO Fred Davidson.

The Company expects the Plomosas mine to contribute to the Company's existing silver production located to the south, in Zacualpan, Mexico. By diversifying the Company to include a meaningful zinc component against the backdrop of strong medium and long term fundamentals, management is transforming IMPACT into a diversified and growing production company with significant exploration potential.

Rehabilitation Update

- **Plant:** All necessary components of the mill have arrived on site or have been refurbished with assembly currently in the final stages. Testing and modification of the plant is expected to start in late summer, with ramp up to design capacity of nearly 200 tpd expected over the coming months. Construction is now approximately 85% complete.



Figure 1. Plant Rehabilitation

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/4729/175628_1c3d4910f43498a8_003full.jpg



Figure 2. Ball Mill & Flotation Cells

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- **Tailings Pond:** The Company has applied for the expansion of the current tailings pond which is expected to add at least an additional two years capacity. Meanwhile, an additional tailings pond is in the planning stages to accommodate years of future production and growth.



Figure 3. Power Infrastructure Improvements

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/4729/175689_1c3d4910f43498a8_005full.jpg

- **Underground Mine:** Refurbishments to ventilation, electrical and lighting systems are ongoing as activity increases underground. Mining has begun and is expected to ramp up as the Company deploys additional equipment to the mine including scoop trams and underground trucks. Underground drilling to better define and expand resources has begun and drill permits for surface brownfield and greenfield exploration targets have been received.



Figure 4. Underground Activity

To view an enhanced version of this graphic, please visit:

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- **Mine Planning:** The exploration team has initiated its first phase of the 2023-2024 mine plan. This includes extraction of high-grade material in line with previous grades in excess of 13% Zn.
- **Workforce & Personnel:** There are currently 70 Company employees on site and another 25 contract workers. The Company is fortunate to have inherited a strong workforce after the acquisition closed and is adding positions in specific areas centred around engineering, exploration and day-to-day operations.
- **ESG:** While generally remote, the Company engages with the nearest communities to ensure ongoing support and coordination. The State of Chihuahua provides the mine with a strong and experienced labour force from which to draw talent. The Company is currently studying proposals to reduce its reliance on fossil fuels with plans to be an industry leader in decarbonization in the mining sector.



Figure 5. Mill Feed Management

To view an enhanced version of this graphic, please visit:

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ABOUT IMPACT SILVER

IMPACT Silver Corp. (TSXV: IPT) is a successful intermediate mineral producer and explorer with multiple mining projects in Mexico.

Royal Mines of Zacualpan Silver-Gold District: IMPACT owns 100% of the 211 km² Zacualpan project where four underground silver mines and one open pit mine feed the central 500 tpd Guadalupe processing plant. To the south, the Capire Project includes a 200 tpd processing pilot plant adjacent to an open pit silver mine with an NI43-101 inferred 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 and QP statement, and Footnote 2 for report reference). Company engineers are reviewing Capire for a potential restart of operations to leverage improving commodity prices. Over the past 17 years, IMPACT has developed multiple exploration zones into commercial production and has produced over 12 million ounces of silver, generating revenues of more than \$241 million.

Plomosas Zinc-Lead-Silver District: Plomosas is a high-grade zinc-lead-silver producer with exceptional exploration upside potential. The Company is working to recommence operations in the near term followed by plans for expanding operations. Exploration potential at Plomosas is exceptional with only 600m of the 6 km-long structure having been explored to date. This is in addition to other exploration targets on the 3,019-hectare property including untested copper-gold targets with high-grade surface prospecting sampling¹. Regionally, Plomosas lies in the same mineral belt as some of the largest carbonate replacement deposits in the world.

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

Qualified Person and NI 43-101 Disclosure

George Gorzynski, P.Eng., a Director and officer of IMPACT Silver Corp., 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

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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.

Footnotes:

1. Reference: Alexandri, A. Gonzalez, H., & Salas, H. (2022). Plomosas Project (CZL), Field Visit Report. IMPACT Silver Corp. private report on field visits and compilation of historic and recent data, 56 pages.
2. Reference: Ristorcelli, S.J. & Gorzynski, G. (2016). Technical Report on Mineral Resources for the Capire Silver-Lead-Zinc Project, Pedro Ascencio Alquisiras Municipality, Guerrero, Mexico. Prepared for IMPACT Silver Corp. by Mine Development Associates, Reno, Nevada. 82

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 regarding the potential for defining and extending the known mineralization at Plomosas and plans for drilling and future operations at the Company's projects.

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.



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