

IMPACT Silver Announces Q3 2023 Results with Revenue Up 26% and Positive Operating Income

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Vancouver, November 21, 2023 - [Impact Silver Corp.](#) (TSXV: IPT) (OTCQB: ISVLF) ("IMPACT" or the "Company") announces its financial and operating results for the third quarter and nine months ended September 30, 2023. The Company reports revenue of \$4.8 million in Q3 2023, representing a 26% increase over revenue of \$3.8 million in Q3 2022. The improvement in revenue is due to higher silver prices as well as increased gold and lead sales in the period compared to last year. Mine operating income (before amortization and depletion) in Q3 2023 was \$0.01 million compared to a loss of \$0.1 million in Q3 2022. The net loss in Q3 2023 was \$1.5 million compared to a net loss of \$1.2 million in Q3 2022 and includes significant G&A costs associated with the successful integration of the new Plomosas mine acquisition, which came online subsequent to quarter-end.

Q3 2023 and YTD Highlights:

- The Company completed the final rehabilitation stages during the quarter to bring the Plomosas high-grade zinc mine back online subsequent to quarter-end.
- After investing \$3.8 million in exploration expenditures and mining assets during the quarter, the cash position remained strong at quarter-end at \$8.9 million with working capital of \$8.7 million.
- YTD the Company has invested \$7.3 million in exploration and mining assets of which \$4.9 million was spent at Plomosas toward start up of operations.
- The Company continues to have no long-term debt.

"Despite a challenging market, we are pleased with the performance of the Company in 2023. We have countered stagnant and declining commodity prices by substantially increasing our gold production while recently bringing online the transformative high-grade Plomosas zinc mine that will meaningfully diversify revenue and contribute to profitability as production continues to ramp up. With an eye on cost controls amidst a difficult inflationary environment coupled with a strong Mexican Peso, we continue to invest in exploration to improve silver grades at Zacualpan while aiming to grow our zinc resources and output at Plomosas," said Fred Davidson, President & CEO.

Zacualpan Silver District

The third quarter is typically a seasonally rainy period in the area leading to unpredictable production. In Q3 2023, mill throughput declined to 37,178 tonnes compared to 39,816 tonnes in Q3 2022. Despite this, revenue per tonne sold in Q3 2023 increased by 29% to \$129.46 from \$99.98 in Q3 2022. On a year-to-date basis, silver, lead and gold production have increased by 1%, 37% and 213%, respectively, while the average silver mill head grade was roughly flat at 160 g/t compared to 162 g/t in the same period of 2022.

The Company continued to focus on exploration and development of this mining district in Q3 2023 and spent \$0.9 million on these programs.

Direct costs per tonne increased by 23% in Q3 2023 to \$128.75 compared to \$104.45 in the same period last year. Much of this increase is due to foreign exchange pressures stemming from the strength of the Mexican Peso, as well as ongoing inflation across the operation. Management has started to see some moderation of these negative effects late in the third quarter. As well, wetter than usual conditions during this rainy season led to higher transportation and processing costs.

Ongoing economic uncertainty and risk premiums have increased due to higher, sustained interest rates as well as growing geopolitical crises in Eastern Europe and the Middle East, resulting in a flight to safety to the

US Dollar and selling pressure on commodities and other hard assets. While there are some expectations that interest rates have started to peak, investors remain risk-averse for the time being. Management has implemented strict cost controls but continues to invest in the operation, specifically through its ongoing exploration activities.

Plomosas High-Grade Zinc Mine

During the third quarter, the Company completed the final steps to bring back online the 200 tpd Plomosas high-grade zinc mine in northern Mexico and subsequent to quarter-end, the mine successfully restarted production following a one-year hiatus (see IMPACT news release dated October 23, 2023). Plomosas adds significant and high-grade metal diversification through its zinc (-lead-silver) deposit as well as exciting exploration opportunities across the property's under explored area.

Exploration potential at Plomosas is exceptional with only 600m of the 6-kilometre-long structure assessed plus other exploration targets including untested copper-gold targets. Regionally, Plomosas lies in the same mineral belt as some of the largest CRD (carbon replacement deposits) in the world.

The Company currently has an offtake partner for material produced at Plomosas and has received several expressions of interest from other parties wishing to buy concentrate. As zinc prices continue to recover, management is considering expanding production beyond the current design capacity of 200 tpd.

Outlook

The Company's rehabilitation efforts at the Plomosas high-grade zinc mine, combined with the legacy silver producing assets at Zacualpan will provide substantial cash flow diversification and potential going forward. Management expects production to ramp up in early 2024 at Plomosas at a time when zinc prices have started to rebound due to reduced global supply levels stemming from the closure of higher cost, lower grade mines as well as other events impacting new supply. Meanwhile, some recent moderation in the Mexican Peso and indications of peaking inflation could bode well for margins going forward.

IMPACT maintains a strong balance sheet allowing for continued exploration at both mining districts. The Company has the potential to meaningfully add to production and resources at Plomosas which should lead to ongoing improvement in revenues and add shareholder value while management expects cost pressures to continue to abate heading into 2024.

The Company's growth is expected to reflect its strong position as one of just a handful of intermediate miners offering investors exposure to three distinct verticals across the silver and zinc mining sector, including exploration, production, and growth.

A recorded conference call reviewing the financial and production results of the quarter ended September 30, 2023 will be available on the Company website on November 23, 2023 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.sedarplus.ca. All amounts are stated in Canadian dollars unless otherwise specified.

ABOUT IMPACT SILVER

[Impact Silver Corp.](#) (TSXV: IPT) is a successful intermediate mineral producer and explorer with three mining projects in Mexico.

Royal Mines of Zacualpan Silver-Gold District: IMPACT owns 100% of the 211 km² Zacualpan project in central Mexico 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 NI 43-101 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). 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 revenue more than \$256 million.

Plomosas Zinc-Lead-Silver District: Plomosas is a high-grade zinc producer in northern Mexico with exceptional exploration upside potential. The Company re-commenced operations and has plans for expansion in 2024. 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 indications of high-grade material from surface. 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 <http://www.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"
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Footnotes:

1. 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 pages. Available on www.sedarplus.ca.

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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