
NEWS RELEASE
IMPACT Silver Corp.

For Release: August 26, 2019

Trading Symbol: “IPT: TSX.V”

IMPACT Silver Announces Results of Successful Dense Media Separation (DMS) Study at Capire VMS Production Center

IMPACT Silver Corp. (“IMPACT” or the “Company”) (TSXV: IPT) is pleased to announce results of successful gravity test work using heavy liquid separation (HLS) on coarse composite samples from its Capire open pit VMS deposit and production center (“Capire”) on the Royal Mines of Zacualpan Project in Mexico. These preliminary tests indicate that it may be possible to pre-concentrate crushed run of mine material using a low cost Dense Medium Separation (DMS) plant prior to milling and mineral processing, thereby reducing the overall cost of processing at Capire and potentially bringing it back into economic production.

In an initial HLS test on a crushed sample of lightly-diluted mineralization from the Capire deposit, the results showed that 25% of the sample mass could be rejected to a coarse waste stream whilst retaining over 99% of silver, lead and zinc minerals, and over 97% of copper and gold in a HLS concentrate. A second test on a low-grade (below current cut-off, or waste grade) sample showed that over 42% of the mass could be rejected whilst retaining 93% of silver and lead minerals and 79% to 92% of Copper, gold and zinc in a HLS concentrate.

These results suggest that the addition of a DMS preconcentration plant to the Capire process flowsheet could unlock some significant operating cost improvements that would subsequently allow a lowering of cut off grade and access to otherwise uneconomic areas of the Capire deposit.

This is a similar operating philosophy to other operations around the world that utilize preconcentration steps between mine and mill, such as Kroondaal Platinum (Sibanye Stillwater) in South Africa, Comide Copper (Eurasian Resources Group) and Kamfundwa Copper (Gecamines) in the Democratic Republic of Congo, Navachab gold mine (QKR) in Namibia, Tati Nickel (LionOre/Norilsk/BCL) in Botswana, plus the former Nanisivik zinc-lead mine (Breakwater Resources) in Nunavut, Canada, DMS is also currently in use at the St. Lawrence Fluorspar project in Newfoundland and has been used worldwide since the late 1940’s in coal and diamond processing.

Fred Davidson, President & CEO of IMPACT stated, “We are encouraged by the results of this successful coarse gravity separation test work and with additional testing we will assess how the introduction of a DMS preconcentration process module may impact the economics to the point of turning a profit from operations. We are continuously working on reducing production costs and the application of innovative technologies have the potential to impart a significant positive impact on the cost structure of our operations. Combined with this positive news and improving sentiments in overall markets for precious metals in recent months – Capire now represents a realistic near term expansion production site for IMPACT.”

DMS Processing and HLS Testwork Details

The DMS plant utilizes a gravity separation process that relies on the small differences in density between mineralized rocks and non-mineralized rocks and uses a non-toxic slurry of heavy media and water to effect a separation. HLS testing is a bench-scale process that is used to simulate the full-scale DMS process, and

utilizes a static bath of organic heavy liquid at various densities to incrementally split out the heavier mineralization (which sinks in the liquid) from the lighter waste (which floats to the top of the liquid).

The industrial-scale DMS plant is designed to pre-process a coarse-crushed run of mine stream, and to significantly reduce the amount of sub-economic (waste) material that would otherwise be processed through the mill. As a relatively simple, environmentally friendly and cost-efficient metallurgical process, it can significantly reduce the overall processing costs of the operation.

The Capire HLS tests were performed on material from two 20-kilogram samples representing mineralization and waste rock which were collected from the Capire open pit. Both samples were crushed to 100% -1/2” in preparation for testing. The head grades of the samples are shown in Table 1 below:

Table 1- Sample Head Grades

	Cu %	Pb %	Zn %	Au g/t	Ag g/t	S %
Main Ore Body	0.21	2.33	5.79	0.54	412	6.27
Waste Material	0.03	0.12	0.39	0.20	18.9	1.64

For the first HLS test (Test T1), a 5-kg composite of 85% Main Ore Body + 15% Waste Material was created and for the second test (Test T2), a 5-kg sample of waste material alone was used. In both cases, a -0.5mm “fines” stream was screened out, as this is too fine for DMS separations. The -0.5mm fines are generally about 10% of the mass in a crushed product, and for the Capire samples the fines carried significant metal content (13-20% of the Ag). Fines were therefore considered to be a “concentrate” – ie. these products would be sent to the mill in combination with the DMS sinks.

Results of tests T1 and T2 are given below. Table 2- Results of T1

Product	Weight		Assays, %, g/t ¹						% Distribution					
	g	%	Cu	Pb	Zn	Au	Ag	S	Cu	Pb	Zn	Au	Ag	S
2.8 Sink	976	19.9	0.75	8.13	20.9	1.98	1594	19.5	76.9	84.8	86.4	67.1	73.0	72.7
2.7 Sink	704	14.3	0.08	0.25	0.74	0.30	98.0	2.36	5.9	1.9	2.2	7.3	3.2	6.3
2.65 Sink	1521	31.0	0.02	0.04	0.14	0.10	48.3	0.86	3.2	0.6	0.9	5.3	3.4	5.0
2.62 Sink	817	16.6	0.02	0.03	0.09	0.05	10.6	0.69	1.7	0.3	0.3	1.4	0.4	2.2
2.60 Sink	260	5.3	0.02	0.02	0.11	0.05	5.80	0.76	0.5	0.1	0.1	0.5	0.1	0.8
2.60 Float	131	2.7	0.02	0.05	0.18	0.14	19.2	1.53	0.3	0.1	0.1	0.6	0.1	0.8
Fines - 0.5mm	498	10.1	0.22	2.31	4.70	1.03	843	6.46	11.5	12.3	9.9	17.8	19.7	12.3
Head (calc.)	4908	100.0	0.19	1.91	4.81	0.59	434	5.34	100	100	100	100	100	100

Table 3- Results of T2

Product	Weight		Assays, %, g/t ¹						% Distribution					
	g	%	Cu	Pb	Zn	Au	Ag	S	Cu	Pb	Zn	Au	Ag	S
2.75 Sink	384	7.7	0.23	1.54	4.15	0.50	156	6.91	44.9	65.9	64.1	34.0	60.9	33.6
2.69 Sink	692	13.9	0.03	0.09	0.27	0.16	14.7	1.72	10.5	6.9	7.5	19.6	10.3	15.1
2.68 Sink	480	9.6	0.02	0.05	0.17	0.10	8.90	1.30	4.9	2.7	3.3	8.5	4.3	7.9
2.67 Sink	879	17.6	0.02	0.04	0.16	<0.02	4.70	0.79	8.9	3.9	5.7	3.1	4.2	8.8
2.64 Sink.	1260	25.3	0.02	0.03	0.07	<0.02	3.40	0.66	12.8	4.2	3.5	4.5	4.4	10.5
2.64 Float	837	16.8	0.01	0.02	0.12	0.12	3.10	0.88	4.3	1.9	4.0	17.8	2.6	9.3
Fines - 0.5mm	449	9.0	0.06	0.29	0.66	0.16	29	2.61	13.7	14.5	11.9	12.7	13.2	14.8
Head (calc.)	4980	100.0	0.04	0.18	0.50	0.11	19.8	1.59	100	100	100	100	100	100

Note 1: Cu, Pb, Zn and S assays in %, Au and Ag in g/t

The following charts show these results on a cumulative basis (including fines) and highlight how the incremental recovery of mass and metal drops towards the higher DMS “cut point” densities. The recoveries shown in these figures are for sinks and fines combined. Figure 1 illustrates the results of Test 1 (85% ore, 15% waste) and Figure 2 illustrates the results of Test 2 (100% waste). Red dotted lines on the two charts indicate the predicted performance at a cut point of 2.66 kg/l:

For Test T1: 68% of mass is retained, along with 98-99% of silver, lead and zinc, plus 96-97% copper and gold.

For Test T2: 73% of mass is retained, along with 95-96% of silver, lead and zinc, plus 91% of copper and 80% of gold

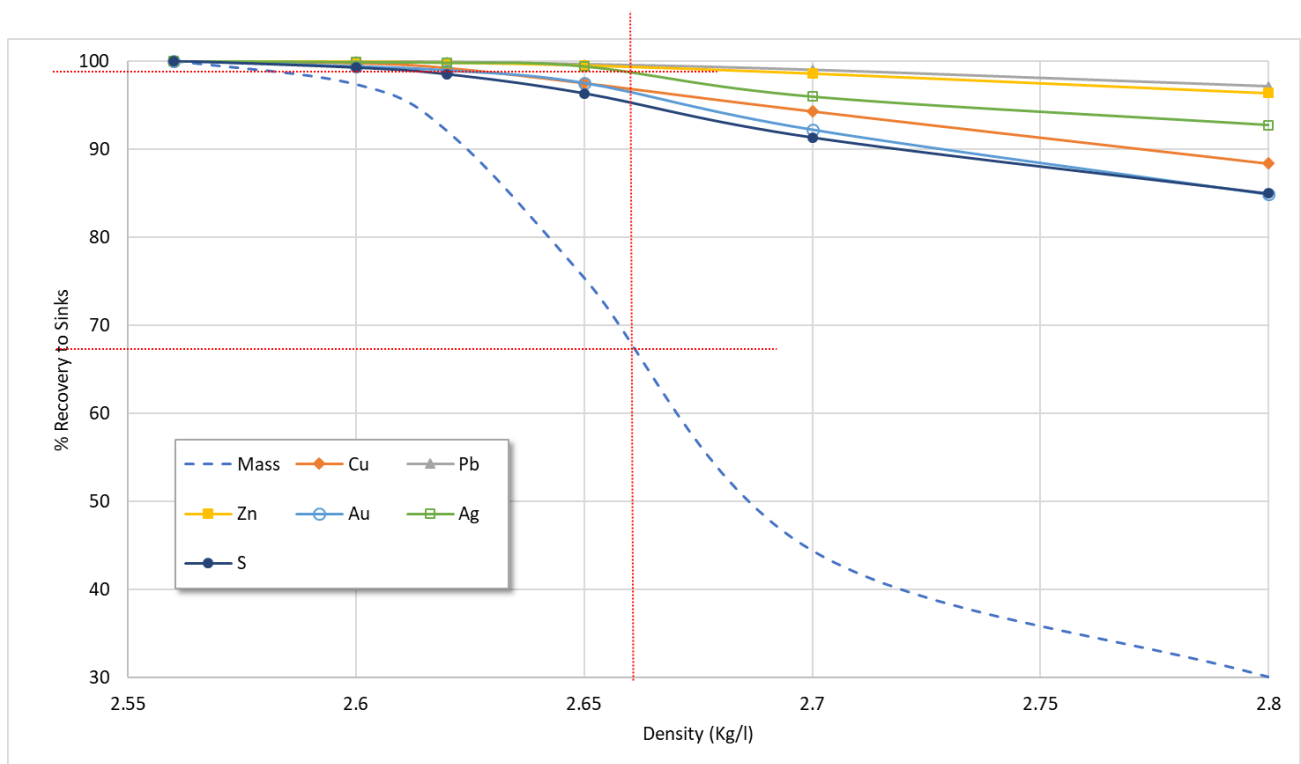


Figure 1 - Test T1 Results (Recovery vs Density)

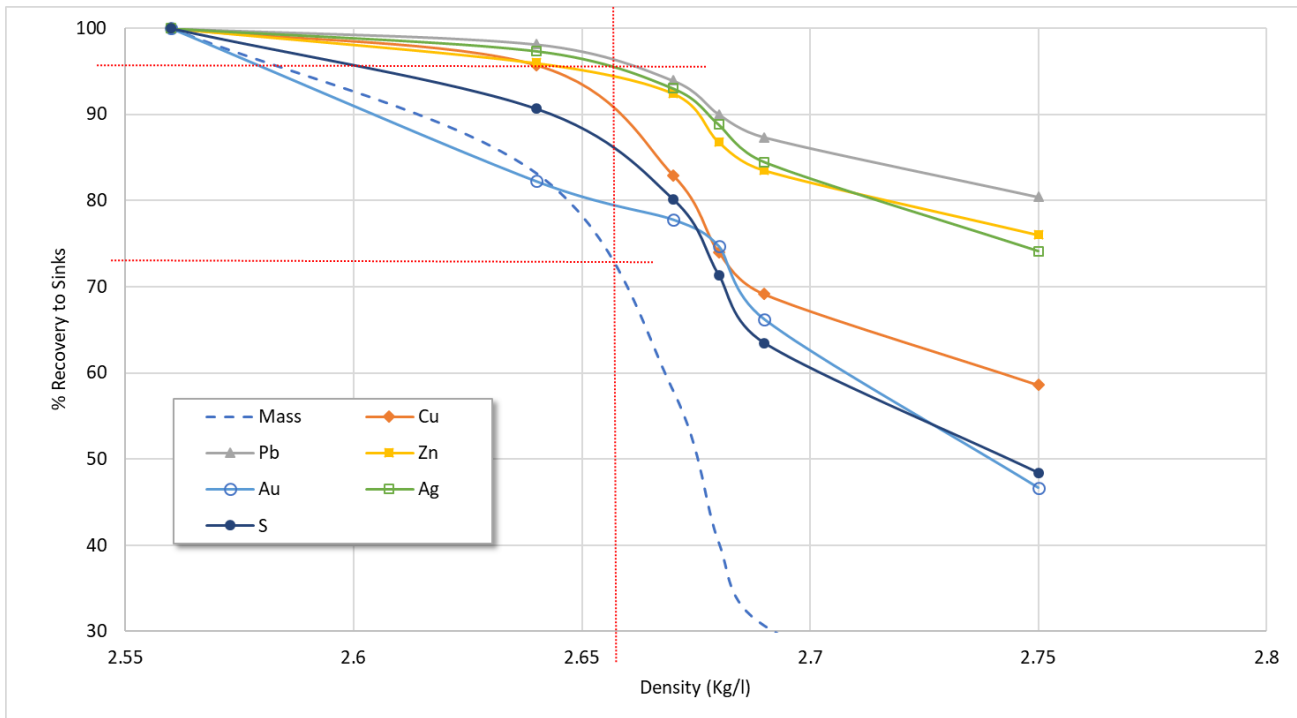


Figure 2 - Test T2 Results (Recovery vs Density)

About Capire VMS Deposit & Production Center

Capire is an open pit silver-lead-zinc(-copper) deposit located 16 kilometers southwest of IMPACT’s operating Guadalupe Production Center. The 200 tonne per day processing plant at Capire is on standby but available to restart processing of mineral from the adjacent open pit mine which has a NI 43-101 compliant inferred resource of 1,786,000 tonnes grading 79g/t silver, 1.22% zinc and 0.54% lead containing 4.5 Moz silver, 48 million lbs zinc and 21 million lbs lead at \$30/tonne cutoff. Additional mineralization not yet classified as mineral resources has been drilled below the planned open pit (see IMPACT news release dated [January 18, 2016](#) for details).

About Dense Media Separation (DMS)

Dense Media Separation is a relatively simple and inexpensive method of pre-concentrating mineralization before it enters the flotation process. It has been used extensively worldwide on many types of minerals, including projects similar to the Capire. After crushing, the material is run through cyclones using a ferro-silicon media that will allow un-mineralized rock to “float” and be collected as waste while mineralized material will “sink” and be collected as concentrator feed.

The benefits are significant as this process may reduce the amount of material hauled from the pit to the concentrator by approximately 50%-70%, may elevate the head grades to the concentrator by 200% to 300%, may reduce the capital required to construct the concentrator, may reduce the operating cost per ounce of silver produced and may reduce tailings produced by 50%-66. IMPACT already has a 200 tonnes per day (TPD) concentrator on site.

Andy Holloway, P.Eng., CEng., Principal Process Engineer for AGP Mining Consultants and a Qualified Person as defined under NI43-101, has approved the technical information contained in this news release related to the HLS and DMS test work. Steven Ristorcelli, C.P.G. (U.S.A.), Principal Geologist for Mine Development Associates and a Qualified Person as defined under NI43-101, is responsible for the Capire mineral resource estimate and directly related information in this news release. George Gorzynski, P. Eng., Vice President and Director of IMPACT Silver Corp. and a Qualified Person as defined under NI43-101, is responsible for the technical information in this news release that is not related to the DMS test information or the Capire mineral resources estimate.

About IMPACT Silver:

IMPACT Silver Corp. is a successful silver 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 thirteen years IMPACT has produced over 9.4 Moz of Silver generating revenues of \$180 million, with no long-term debt. In the historic Royal Mines of Zacualpan District three underground silver mines feed the central Guadalupe processing plant. To the south, in the Mamatla District the Capire processing plant is on standby but available to restart processing of mineral from the adjacent open pit or process any new zones of mineralization. The adjacent open pit silver mine has a NI43-101 compliant resource of 4.5 Moz Silver, 48 million lbs Zinc and 21 million lbs Lead (see IMPACT news release dated [January 18, 2016](#) for details). Since acquiring the project, IMPACT has compiled an exhaustive database at Zacualpan with over 5,000 old mine workings, assays for over 34,000 rock samples and over 54,000 drill core samples, analyses for over 50,000 soil samples, and put six mines into production. Additional information about IMPACT and its operations can be found on the Company website at www.IMPACTSilver.com.

On behalf of IMPACT Silver Corp.

“Frederick W. Davidson”

President & CEO

For more information, please contact:

Jerry Huang

CFO | Investor Relations

(604) 681 0172 or inquiries@impactsilver.com

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 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.

1100-543 Granville Street
Vancouver, BC, Canada V6C 1X8

Telephone 604 681-0172
Facsimile 604 681-6813