

# **IMPACT SILVER CORP.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**March 31, 2019 and 2018**

**Unaudited**

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51 – 102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators **WE HEREBY GIVE NOTICE THAT** the condensed consolidated interim financial statements which follow this notice have not been reviewed by an auditor.

# IMPACT Silver Corp.

## Condensed Consolidated Interim Statements of Financial Position

(Canadian dollars)

Unaudited

<b>ASSETS</b>	<b>March 31, 2019</b>	December 31, 2018
<b>Current</b>		
Cash	\$ 359,411	\$ 1,234,427
Trade and other receivables (Note 4)	1,586,758	1,117,763
Inventories (Note 5)	835,050	748,364
Investments	3,000	4,000
	<b>2,784,219</b>	3,104,554
<b>Value added and other taxes receivable</b>	<b>787,128</b>	667,373
<b>Right-of-use assets (Note 6)</b>	<b>48,561</b>	-
<b>Property, plant and equipment (Note 8)</b>	<b>21,769,723</b>	21,987,256
<b>Exploration and evaluation assets (Note 9)</b>	<b>24,006,029</b>	23,605,588
	<b>\$ 49,395,660</b>	\$ 49,364,771
<hr/>		
<b>LIABILITIES</b>		
<b>Current</b>		
Trade payables and accrued liabilities	\$ 2,751,228	\$ 2,813,404
Lease liabilities (Note 7)	23,740	-
	<b>2,774,968</b>	2,813,404
<b>Lease liabilities (Note 7)</b>	<b>24,429</b>	-
<b>Reclamation provision</b>	<b>345,114</b>	339,700
<b>Deferred income tax liabilities</b>	<b>4,898,915</b>	4,876,984
	<b>8,043,426</b>	8,030,088
<hr/>		
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share capital</b>	<b>60,913,134</b>	60,082,587
<b>Warrants (Note 12(c))</b>	<b>1,363,554</b>	1,061,916
<b>Contributed surplus</b>	<b>6,240,620</b>	6,240,620
<b>Accumulated other comprehensive loss</b>	<b>(4,831,317)</b>	(4,626,026)
<b>Accumulated deficit</b>	<b>(22,333,757)</b>	(21,424,414)
	<b>41,352,234</b>	41,334,683
	<b>\$ 49,395,660</b>	\$ 49,364,771

### Nature of operations and going concern (Note 1)

ON BEHALF OF THE BOARD:

"F.W. Davidson" \_\_\_\_\_, Director

"P. Tredger" \_\_\_\_\_, Director

-The accompanying notes form an integral part of these consolidated financial statements-

# IMPACT Silver Corp.

## Condensed Consolidated Interim Statements of Loss For the Three Months Ended March 31

(Canadian dollars)

Unaudited

	2019	2018
<b>Revenue</b>	<b>\$ 2,981,355</b>	\$ 3,876,116
<b>Cost of sales</b>		
Operating expenses (Note 11)	2,978,858	3,560,513
Amortization and depletion	382,570	391,362
	<b>3,361,428</b>	3,951,875
<b>Mine operating (loss) earnings</b>	<b>(380,073)</b>	(75,759)
<b>General and administrative expenses</b>		
Accounting, audit and legal	39,786	38,421
Amortization	3,572	4,382
Investor relations, promotion and travel	56,710	21,343
Management fees and consulting	61,550	55,659
Office, rent, insurance and sundry	71,531	64,853
Office salaries and services	151,405	152,035
Share-based payments (Note 12(b))	-	(18,459)
	<b>384,554</b>	318,234
<b>Operating (loss) income</b>	<b>(764,627)</b>	(393,993)
<b>Other income (expenses)</b>		
Finance cost	(8,463)	(7,544)
Finance income	4,531	10,833
Foreign exchange loss	(71,102)	(157,634)
Other (expense) income	(13,882)	2,230
	<b>(88,916)</b>	(152,115)
<b>Loss before taxes</b>	<b>(853,543)</b>	(546,108)
Current income tax expense	3,339	6,696
Deferred income tax (recovery) expense	48,641	(42,655)
<b>Net loss</b>	<b>\$ (905,523)</b>	\$ (510,149)
<b>Loss per share – Basic and Diluted (Note 12(d))</b>	<b>\$ (0.01)</b>	\$ (0.01)
Weighted average number of shares outstanding – Basic and Diluted	<b>91,184,873</b>	85,566,840

-The accompanying notes form an integral part of these consolidated financial statements-

# IMPACT Silver Corp.

## Condensed Consolidated Interim Statements of Comprehensive Income

For the Three Months Ended March 31

*(Canadian dollars)*

*Unaudited*

	<b>2019</b>	2018
<b>Net loss</b>	<b>\$ (905,523)</b>	\$ (510,149)
<b>Other comprehensive income</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
Cumulative translation adjustment	<b>(204,291)</b>	3,554,027
<b>Items that will not be subsequently reclassified to profit or loss</b>		
(Loss) gain on investments	<b>(1,000)</b>	8,688
<b>Comprehensive income</b>	<b>\$ (1,110,814)</b>	\$ 3,052,566

-The accompanying notes form an integral part of these consolidated financial statements-

# IMPACT Silver Corp.

## Condensed Consolidated Interim Statements of Changes in Equity

For the Three Months Ended March 31

(Canadian dollars)

Unaudited

	Shares Outstanding	Share Capital (\$)	Warrants (\$)	Contributed Surplus (\$)	Accumulated Other Comprehensive Income (\$)	Retained Deficit (\$)	Total Shareholders' Equity (\$)
Balance at January 1, 2018	85,566,840	59,651,422	973,378	6,259,079	(7,538,763)	(16,361,482)	42,983,634
Net loss for the period	-	-	-	-	-	(510,149)	(510,149)
Share-based compensation recovery	-	-	-	(18,459)	-	-	(18,459)
Cumulative translation adjustments	-	-	-	-	3,554,027	-	3,554,027
Gain on investments	-	-	-	-	8,688	-	8,688
Balance at March 31, 2018	85,566,840	59,651,422	973,378	6,240,620	(3,976,048)	(16,871,631)	46,017,741
Balance at January 1, 2019	87,598,340	60,082,587	1,061,916	6,240,620	(4,626,026)	(21,424,414)	41,334,683
Net loss for the period	-	-	-	-	-	(905,523)	(905,523)
Impact of adopting IFRS 16	-	-	-	-	-	(3,820)	(3,820)
Shares issued in relation to private placement	4,421,753	1,193,873	-	-	-	-	1,193,873
Share issue costs	-	(61,688)	-	-	-	-	(61,688)
Warrants issued in relation to private placement	-	(301,638)	301,638	-	-	-	-
Cumulative translation adjustments	-	-	-	-	(204,291)	-	(204,291)
Loss on investments	-	-	-	-	(1,000)	-	(1,000)
Balance at March 31, 2019	92,020,093	60,913,134	1,363,554	6,240,620	(4,831,317)	(22,333,757)	41,352,234

- The accompanying notes form an integral part of these consolidated financial statements -

# IMPACT Silver Corp.

## Condensed Consolidated Interim Statements of Cash Flows For the Three Months Ended March 31

(Canadian dollars)  
Unaudited

<b>Cash resources provided by (used in)</b>	<b>2019</b>	<b>2018</b>
<b>Operating activities</b>		
Net loss	\$ (905,523)	\$ (510,149)
Items not affecting cash		
Amortization and depletion	386,142	395,744
Share-based payments (recovery) expense	-	(18,459)
Deferred income tax expense (recovery)	48,641	(42,655)
Accretion expense	7,396	7,544
Unrealized loss on foreign exchange	(2,286)	(456)
Changes in non-cash working capital		
Trade and other receivables	(607,055)	354,565
Income taxes receivable	(37)	4,848
Inventories	(75,765)	(51,777)
Trade payables	129,042	(682,451)
Income taxes payable	3,339	27,493
	<b>(1,016,106)</b>	<b>(515,753)</b>
<b>Investing activities</b>		
Proceeds on sale of investments	-	305,463
Acquisition of property, plant and equipment	(295,102)	(258,520)
Exploration and evaluation expenditures	(196,821)	(493,940)
	<b>(491,923)</b>	<b>(446,997)</b>
<b>Financing activities</b>		
Repayment of lease liability	(7,322)	-
Proceeds from private placement, net	640,335	-
	<b>633,013</b>	<b>-</b>
<b>Net change in cash</b>	<b>(875,016)</b>	<b>(962,750)</b>
Cash - Beginning of period	1,234,427	4,713,580
<b>Cash - End of period</b>	<b>\$ 359,411</b>	<b>\$ 3,750,830</b>

-The accompanying notes form an integral part of these consolidated financial statements-

# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2019

*(Canadian dollars)*

*Unaudited*

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### **1. Nature of operations and going concern**

IMPACT Silver Corp. and its subsidiaries (collectively, "IMPACT" or the "Company") are engaged in silver mining and related activities including exploration, development and mineral processing in Mexico. The Company operates a series of mines near Zacualpan in the State of Mexico and in Guerrero State and produces silver, lead, zinc and gold sold in the form of lead and zinc concentrates. The registered address of the Company is 1100 – 543 Granville Street, Vancouver, British Columbia.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration and development programs will result in ongoing profitable mining operations. The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. The recovery of the Company's investment in these exploration and evaluation assets and the attainment of profitable operations are dependent upon future commodity prices, the ongoing discovery and development of economic ore on these properties and the ability to arrange sufficient financing to bring the ore estimates into production. The ultimate outcome of these matters cannot presently be determined because they are contingent on future events.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

During the three months ended March 31, 2019, the Company incurred a net loss of \$0.9 million and cash outflows from operating activities of \$1.0 million. At March 31, 2019, the Company had unrestricted cash of \$0.4 million, current assets of \$2.8 million and working capital of \$0.01 million. As IMPACT is a producing silver mining company, its performance is heavily impacted by the price of silver; therefore, it is possible that internally generated cash flows may not be sufficient in 2019 and may affect the Company's ability to cover its working capital and capital investments.

The Company's management is currently considering and pursuing various alternatives for future financing requirements, within the context of existing market conditions. These alternatives could include, but are not limited to equity financing, debt financing or other means depending on market conditions and other relevant factors at the time. Although the Company has been successful in closing recent private placements, there can be no assurance that management will continue to be successful in its efforts to finance all the activities of the Company, as there is still volatility in debt and equity capital markets and other factors which may adversely affect the Company's ability to implement a financing plan.

The risks surrounding the Company's ability to secure a source of funding together with the uncertainties over variability in commodity prices on operating cash flows cast significant doubt about the Company's ability to continue as a going concern. The Company's consolidated financial statements do not include the adjustments that would result if the Company is unable to continue as a going concern. These adjustments could be material.

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### **2. Basis of Preparation**

#### **Statement of compliance**

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. All material intercompany balances have been eliminated. The accounting policies applied in the preparation of these unaudited condensed financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2018, except as described in Note 3.



# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2019

(Canadian dollars)

Unaudited

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### 2. Basis of Preparation – continued

As all the disclosures required by IFRS are not included, these interim statements should be read in conjunction with the audited financial statements of IMPACT Silver Corp. (“the Company”) for the year ended December 31, 2018.

Except when otherwise stated, all amounts are presented in Canadian (“CDN”) dollars, which is the presentation currency of the Company.

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on May 23, 2019.

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### 3. Significant accounting policies

#### Change in accounting policies

##### IFRS 16 - Leases

In January 2016, the IASB issued IFRS 16 which sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 replaces IAS 17 – Leases and its associated interpretative guidance. The new standard applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces a single, on-balance sheet accounting model with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 and must be applied retrospectively.

The Company has applied IFRS 16 using the modified retrospective approach with the cumulative impact of application recognized as at January 1, 2019. The Company has elected to measure right-of-use assets at an amount equal to their carrying amount from commencement date discounted by the incremental borrowing rate at the date of initial application. Certain practical expedients were applied allowing for the exclusion of leases with a term of less than one year remaining at the transition date and using a single discount rate for a portfolio of leases with similar characteristics.

##### Policy applicable from January 1, 2019

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is measured at cost, which is comprised of:

- The initial measurement of the lease liability
- Lease payments made at or before the commencement date less lease incentives
- Initial direct costs incurred
- Decommissioning costs

The right-of-use asset is depreciated using the straight-line method over the earlier of the term of the lease or the useful life of the asset determined on the same basis as the Company’s property, plant and equipment.

# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2019

(Canadian dollars)

Unaudited

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### 3. Significant accounting policies - continued

The lease liability is initially measured at the present value of lease payments remaining at the lease commencement date, discounted using either the implicit rate of the lease or the Company's incremental borrowing rate when the implicit rate cannot readily be determined. Lease payments included in the measurement of the lease liability are comprised of:

- Fixed payments
- Variable payments linked to an index or rate
- Expected payments for residual value guarantee
- Purchase option, extension option or termination option when the Company is reasonably certain to exercise

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are expensed on a straight-line basis over the term of the lease.

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### 4. Trade and other receivables

The following table details the composition of trade and other receivables at:

	<b>March 31, 2019</b>	December 31, 2018
Value added taxes receivable – current portion	<b>\$ 346,511</b>	\$ 356,579
Trade and other receivables	<b>984,060</b>	501,819
Prepays	<b>256,187</b>	259,365
	<b>\$ 1,586,758</b>	\$ 1,117,763

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### 5. Inventories

The following table details the composition of inventories at:

	<b>March 31, 2019</b>	December 31, 2018
Materials and supplies	<b>\$ 409,097</b>	\$ 415,118
Stockpile inventory	-	14,024
Concentrate inventory	<b>425,953</b>	319,222
	<b>\$ 835,050</b>	\$ 748,364

The amount of inventories recognized as an expense during the period ended March 31, 2019 was \$2,978,858 (March 31, 2018 - \$3,560,513).

The amount of write-down of inventories to net realizable value during the three months ended March 31, 2019 was \$83,813 (March 31, 2018 - \$nil) relating to concentrate inventory.

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# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2019

(Canadian dollars)

Unaudited

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### 6. Right-of-use assets

Details are as follows:

	<u>Land</u>
<b>At December 31, 2018</b>	<b>\$ -</b>
Initial adoption of IFRS 16	<b>63,600</b>
Remeasurements	<b>(6,069)</b>
Amortization	<b>(8,808)</b>
Foreign exchange movement	<b>(162)</b>
<b>At March 31, 2019</b>	<b>\$ 48,561</b>

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### 7. Lease Liabilities

Details are as follows:

<b>At December 31, 2018</b>	<b>\$ -</b>
Initial adoption of IFRS 16	
Future aggregate minimum lease payments of operating leases	<b>70,012</b>
Discounted using the incremental borrowing rate	<b>(8,292)</b>
Lease liabilities on initial application of IFRS 16	<b>61,720</b>
Interest	<b>1,067</b>
Repayments	<b>(8,389)</b>
Remeasurements	<b>(6,069)</b>
Foreign exchange movement	<b>(160)</b>
<b>At March 31, 2019</b>	<b>48,169</b>
Less: current portion	<b>23,740</b>
Non-current lease liabilities	<b>\$ 24,429</b>

The Company's leased assets are for land. The lease liabilities were discounted at the Company's incremental borrowing rate. The weighted average rate applied at January 1, 2019 was 8.0%. Operating lease expenses relating to short-term and low-value leases not included in the measurement of lease obligations for the three months ended March 31, 2019 was \$9,523.

The expected timing of undiscounted lease payments at March 31, 2019 is as follows:

	<b>March 31, 2019</b>
Less than one year	<b>26,149</b>
One to five years	<b>28,091</b>
	<b>\$ 54,240</b>

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# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2019

(Canadian dollars)

Unaudited

### 8. Property, plant and equipment

Details are as follows:

	Plant and mine equipment (\$)	Vehicles (\$)	Office furniture and equipment (\$)	Surface rights (\$)	Mining Assets (\$)	Total (\$)
<b>Cost</b>						
Balance at January 1, 2018	9,079,150	452,611	214,850	1,048,190	26,735,744	<b>37,530,545</b>
Additions	11,168	-	4,669	-	1,279,380	<b>1,295,217</b>
Change in reclamation estimate	-	-	-	-	(93,159)	<b>(93,159)</b>
Foreign exchange movement	793,846	39,870	9,480	92,332	2,094,282	<b>3,029,810</b>
Balance at December 31, 2018	9,884,164	492,481	228,999	1,140,522	30,016,247	<b>41,762,413</b>
Additions	-	-	-	-	294,122	<b>294,122</b>
Foreign exchange movement	(56,566)	(2,837)	(701)	(6,572)	(155,609)	<b>(222,285)</b>
<b>Balance at March 31, 2019</b>	<b>9,827,598</b>	<b>489,644</b>	<b>228,298</b>	<b>1,133,950</b>	<b>30,154,760</b>	<b>41,834,250</b>
<b>Accumulated amortization</b>						
Balance at January 1, 2018	5,310,718	356,512	174,384	-	10,737,830	<b>16,579,444</b>
Amortization for the period	667,015	20,885	11,864	-	1,151,652	<b>1,851,416</b>
Foreign exchange movement	484,191	32,068	7,700	-	820,338	<b>1,344,297</b>
Balance at December 31, 2018	6,461,924	409,465	193,948	-	12,709,820	<b>19,775,157</b>
Amortization for the period	147,575	4,450	2,378	-	238,466	<b>392,870</b>
Foreign exchange movement	(37,505)	(2,377)	(580)	-	(63,037)	<b>(103,500)</b>
<b>Balance at March 31, 2019</b>	<b>6,571,994</b>	<b>411,538</b>	<b>195,746</b>	<b>-</b>	<b>12,885,249</b>	<b>20,064,527</b>
<b>Net book value</b>						
At December 31, 2018	3,422,240	83,016	35,051	1,140,522	17,306,427	<b>21,987,256</b>
<b>At March 31, 2019</b>	<b>3,255,604</b>	<b>78,106</b>	<b>32,552</b>	<b>1,133,950</b>	<b>17,269,511</b>	<b>21,769,723</b>

### 9. Exploration and evaluation assets

Balance at January 1, 2018	<b>\$ 20,722,197</b>
Additions	<b>1,479,732</b>
Foreign exchange	<b>1,403,659</b>
Balance at December 31, 2018	<b>\$ 23,605,588</b>
Additions	<b>506,618</b>
Foreign exchange	<b>(106,177)</b>
Balance at March 31, 2019	<b>\$ 24,006,029</b>

# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2019

(Canadian dollars)

Unaudited

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### 10. Key management personnel compensation

Key management includes the Chief Executive Officer, Chief Financial Officer, Vice-President Exploration and Board of Directors and Audit Committee members. The remuneration of directors and other members of key management personnel for the three months ended March 31 is as follows:

	<b>2019</b>		<b>2018</b>
Salaries and fees	<b>\$ 93,910</b>	\$	88,425
Share-based compensation	-		(10,917)
	<b>\$ 93,910</b>	\$	77,508

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### 11. Expenses by nature

The following table details the nature of expenses within cost of goods sold for the three months ended March 31:

	<b>2019</b>		<b>2018</b>
Production costs	<b>\$ 1,503,424</b>	\$	1,874,357
Administration	<b>78,578</b>		156,468
Transportation	<b>117,785</b>		146,070
Wages and salaries	<b>1,279,071</b>		1,383,618
	<b>\$ 2,978,858</b>	\$	3,560,513

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### 12. Equity

#### a) Share capital

Authorised share capital consists of an unlimited number of common shares without par value.

On January 18, 2019, the Company closed a non-brokered private placement which was completed in two tranches. The private placement raised aggregate gross proceeds of \$1,742,378 by issue of 6,453,253 units at a price of \$0.27 per unit. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.35 per common share for a period of 24 months from the date of issuance.

- On November 30, 2018, a total of 2,031,500 units were issued for aggregate gross proceeds of \$548,505.
- On January 18, 2019, a total of 4,421,753 units were issued for aggregate gross proceeds of \$1,193,873.

#### b) Stock options

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Under the terms of the Company's stock option plan, the maximum number of shares reserved for issuance is 10% of the issued shares of the Company on a rolling basis. Options granted must be exercised no later than five years from date of grant or extension or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant.

The total fair value of share-based payment expense on stock options granted to employees and consultants of the Company for the three months ended March 31, 2019 is \$nil (March 31, 2018 – recovery of \$18,459).

# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2019

(Canadian dollars)

Unaudited

### 12. Equity - continued

#### b) Stock options - continued

A summary of the Company's stock options as at March 31, 2019 and the changes for the periods ended on these dates is as follows:

	Number	Weighted Average Exercise Price (\$)
At January 1, 2018	6,745,000	0.80
Expired	(1,935,000)	1.20
Forfeited	(100,000)	0.67
At December 31, 2018	4,710,000	0.64
Expired	(1,210,000)	0.55
<b>At March 31, 2019</b>	<b>3,500,000</b>	<b>0.67</b>

The following table summarizes information about the stock options outstanding at March 31, 2019:

Exercise Price Per Share	Number of Options Outstanding	Weighted Average Remaining Life (Years)	Number of Options Exercisable	Expiry Date
\$0.98	1,780,000	2.33	1,780,000	July 27, 2021
\$0.35	1,720,000	3.48	1,720,000	September 20, 2022
	<b>3,500,000</b>	<b>2.89</b>	<b>3,500,000</b>	

#### c) Warrants

A summary of the Company's warrants as at March 31, 2019 and the changes for the periods ended on these dates is as follows:

	Number	Weighted Average Exercise Price (\$)
At January 1, 2018	4,385,965	0.90
Issued	2,031,500	0.35
At December 31, 2018	6,417,465	0.73
Issued	4,421,753	0.35
<b>At March 31, 2019</b>	<b>10,839,218</b>	<b>0.43</b>

The fair value of each warrant granted is estimated at the time of grant using the Black-Scholes option pricing model with assumptions as follows:

Date Granted	May 27, 2016	Jun 3, 2016	Jun 10, 2016	Jun 17, 2016	Nov 30, 2018	Jan 18, 2019
Expiry Date	May 26, 2019	Jun 2, 2019	Jun 9, 2019	Jun 16, 2019	Nov 29, 2020	Jan 17, 2021
Number of warrants granted	2,220,000	697,600	1,250,150	218,215	2,031,500	4,421,753
Risk-free interest rate	0.64%	0.51%	0.50%	0.52%	2.14%	1.93%
Expected dividend yield	Nil	Nil	Nil	Nil	Nil	Nil
Expected share price volatility	116.90%	117.29%	115.48%	113.19%	82.37%	82.07%
Expected warrant life in years	1.5	1.5	1.5	1.5	1.5	1.5

Pricing models require the input of highly subjective assumptions including the expected share price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2019

(Canadian dollars)

Unaudited

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### 12. Equity – continued

#### d) Loss per share

Details of the calculation of loss per share for the three months ended March 31 are set out below:

	<b>2019</b>	2018
Net loss attributable to shareholders	<b>\$ (905,523)</b>	\$ (510,149)
Weighted average number of shares outstanding – Basic and diluted	<b>91,184,873</b>	85,566,840
Loss per share – Basic and diluted	<b>(0.01)</b>	(0.01)

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### 13. Segmented information

The Company has one operating segment and three reportable segments based on geographic area: Mexico, the Caribbean, and Canada (Corporate). The segments are determined based on the reports reviewed by the Chief Executive Officer (who is considered the Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Details for the three months ended March 31 are as follows:

	<b>2019</b>	2018
Revenue by geographic area		
Mexico	<b>\$ 2,981,355</b>	\$ 3,876,116
Net (loss) earnings by geographic area		
Mexico	<b>\$ (595,280)</b>	\$ (272,477)
Canada	<b>(310,243)</b>	(237,672)
	<b>\$ (905,523)</b>	\$ (510,149)
	<b>March 31,</b>	December 31,
	<b>2019</b>	2018
Assets by geographical area		
Mexico	<b>\$ 48,903,432</b>	\$ 48,449,366
Canada	<b>492,228</b>	915,405
	<b>\$ 49,395,660</b>	\$ 49,364,771
Property, plant and equipment by geographical area		
Mexico	<b>\$ 21,757,506</b>	\$ 21,974,167
Canada	<b>12,217</b>	13,089
	<b>\$ 21,769,723</b>	\$ 21,987,256

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