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**NEWS RELEASE**  
**IMPACT Silver Corp.**

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**For Release:** November 25, 2013

**Trading Symbol:** “IPT: TSX.V”

**IMPACT Silver Reports a 33% Increase in Average Silver Grade and a  
16% Increase in Silver Production for the Third Quarter of 2013**

IMPACT Silver Corp. (“IMPACT” or the “Company”) announced today its financial results for the three months ended September 30, 2013. 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](http://www.impactsilver.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). All amounts are stated in Canadian dollars unless otherwise specified.

Fred Davidson, President and CEO, stated, “Our production performance during the third quarter was the strongest at year-to-date. With the new, high-grade Cuchara-Oscar Mine providing 27% of total mill feed to the Guadalupe Production Centre, which is now averaging 171 grams per tonne (“g/t”) silver, our objective is to increase the overall silver head grade in the Zacualpan District to our historical average of 200 g/t in 2014. We have been able to increase our silver production and grades substantially from the third quarter of 2012, and we will continue to employ a disciplined and prudent approach to our mining and exploration work to position IMPACT to benefit and grow when the market recovers.”

**Overview for the Quarter Ended September 30, 2013**

**Financial Overview**

- Revenues for the third quarter of 2013 were \$3.1 million, a slight decrease from \$3.2 million in the third quarter of 2012, despite a significantly lower silver price.
- Mine operating loss for the third quarter of 2013 was \$0.4 million, a decrease from mine operating earnings of \$0.7 in the third quarter of 2012.
- Losses before taxes for the third quarter of 2013 were \$1.2 million, compared to earnings before taxes of \$0.009 million for the same period in 2012.
- Cash flows used in operations before changes in non-cash working capital for the third quarter of 2013 were \$0.05 million, compared to cash flows provided in operations of \$0.5 million in the third quarter of 2012.
- Net working capital totaled \$9.9 million on September 30, 2013, compared to \$12.7 million on June 30, 2013. This is primarily due to \$2.0 million spent on exploration and development of IMPACT’s properties and \$0.4 million spent on property, plant and equipment in the quarter.

**Production Overview**

- Total tonnes milled during the third quarter of 2013 decreased to 38,520 from 44,699 in the third quarter of 2012 and 42,086 tonnes from the second quarter of 2013. This decrease is attributable to two major storms in Mexico that resulted in excessive rainfall in the Zacualpan area during September, 2013, which temporarily slowed the trucking of ore to the Guadalupe Production Centre.

- Silver production increased 16% to 177,366 ounces in the third quarter of 2013 from 153,018 ounces in the same period of 2012.
- Gold production for the third quarter of 2013 increased 102% to 348 ounces, from 172 ounces in the third quarter of 2012.
- Average mill feed grade for silver increased in the third quarter of 2013 to 171 g/t from 129 g/t in the third quarter of 2012.
- IMPACT began shipping concentrate during the start-up and testing phase of the Capire Production Centre during the third quarter. The 200 tonne-per-day Capire pilot plant has not yet entered into commercial production and its sales revenue is not included in reported sales results.

Subsequent to the end of the third quarter, the Mexican congress passed a legislation that would impact mining companies in Mexico. At this time, it is understood that there will be a two-tiered royalty system for precious metals companies operating in Mexico: 1) a royalty of 7.5% on earnings before interest, taxes, depreciation and amortization (“EBITDA”); 2) a further 0.5% royalty on revenue from gold and silver, based on Net Smelter Returns (“NSR”). NSR’s are normally calculated based on the net payment from the smelter to where the product is sold. While EBITDA is commonly used in finance, it is not an accounting terminology and will have to be defined under the regulation. Additionally, there have been further amendments to the Mexican income tax act. Therefore, the Company is currently unable to provide an evaluation of the expected impact upon the Company’s after-tax earnings of the royalties and the proposed income tax amendments. However, the Company is operationally redefining its definition of cut-off mineralization for the purposes of mining and will change its mine plans accordingly. This suggests that the new royalties and tax rules may reduce the total amount of tonnes the Company may mine in the future.

A recorded conference call reviewing the financial and production results of the three months ended September 30, 2013, will be available on the Company website on Tuesday, November 26, 2013, at [www.impactsilver.com/s/ConferenceCalls.asp](http://www.impactsilver.com/s/ConferenceCalls.asp).

IMPACT Silver operates two silver production centres within its 100%-owned 623 km<sup>2</sup> land package in south-central Mexico: the Guadalupe Production Centre and the new Capire Production Centre. At Guadalupe, three underground silver mines feed the central 500-tpd processing plant located within the historic Royal Mines of Zacualpan Silver District. At Capire, the Company’s first open-pit silver mine commenced initial pilot plant production at 200-tpd in early 2013. Additional information can be found on the Company website at [www.IMPACTSilver.com](http://www.IMPACTSilver.com).

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.

#### **Forward-Looking 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.

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