

FORM 51-102F3

Material Change Report

ITEM 1. NAME AND ADDRESS OF COMPANY

IMPACT Silver Corp. (the "Issuer")
900-543 Granville Street
Vancouver, British Columbia
V6C 1X8

ITEM 2. DATE OF MATERIAL CHANGE

August 25, 2011

ITEM 3. NEWS RELEASE

Issued August 25, 2011 and distributed through the facilities of Stockwatch, Northern Miner and Market News.

ITEM 4. SUMMARY OF MATERIAL CHANGE

See attached news release.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

See attached news release.

ITEM 6. RELIANCE ON SUBSECTION 7.1(3) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7. OMITTED INFORMATION

No information has been omitted on the basis that it is confidential information.

ITEM 8. EXECUTIVE OFFICER

Contact: Frederick W. Davidson, President, CEO, Director
Telephone: 604 681 9501

ITEM 9. DATE OF REPORT

DATED at Vancouver, BC, this 25th day of August, 2011.

NEWS RELEASE
IMPACT Silver Corp.

For release: August 25, 2011

TRADING SYMBOL: "IPT: TSX.V"

**IMPACT SILVER CORP. OPTIONS ZACATECAS ASSETS
TO DEFIANCE SILVER CORP.**

IMPACT Silver Corp. ("IMPACT") is pleased to announce the signing of an agreement with Defiance Silver Corp. ("Defiance") (TSX.V: DEF) to option its Veta Grande Project assets in Zacatecas, Mexico in exchange for a major shareholding in Defiance.

The Zacatecas Veta Grande Project assets include the 200-tonne-per-day ("tpd") Santa Gabriela processing plant, surface rights, 10 mineral concessions owned 100% by IMPACT and three mineral concessions owned 27% by IMPACT but subject to a right of first refusal for acquisition by joint venture partner Silver Sun Resource Corp.

The option agreement consists of two staged payments to IMPACT totaling 6,675,000 common shares of Defiance which will represent a major shareholding in Defiance. The initial payment of 1,668,750 common shares of Defiance is to occur on or before 90 days from the signing of the option agreement. The second and final payment of 5,006,250 common shares of Defiance is to occur on the final closing defined as on or before the earlier of two (2) years from signing of the option agreement or on achieving commercial production at the Santa Gabriela mill. Commercial production is defined as production of 160 tonnes in a 30 consecutive day period. During the term of the option, Defiance will be the operator responsible for carrying out work programs and maintaining the assets in good standing under terms of an operating licence with IMPACT. This includes an existing operating permit for the processing plant that requires a schedule of upgrades to be completed to keep it current. Defiance is also required to complete a financing for a minimum of \$1,500,000 prior to the final closing. This agreement is subject to approval by the TSX Venture Exchange. The potential creation of a control block is subject to approval by the shareholders of Defiance.

IMPACT management feels that signing this option agreement will unlock the value of these non-core assets for IMPACT in the form of a major shareholding in Defiance, a junior company with excellent management and a purposeful plan to advance these assets along with plans for additional acquisitions. This arrangement will also allow the Company to focus its resources on expanding its flagship mining operations at the Royal Mines of Zacualpan Silver District and, in the immediate future, the Capire Mine Development Project, scheduled for production in late 2011 as well as developing other projects and opportunities.

IMPACT Silver Corp. is a profitable silver-focused mining and exploration company operating in Mexico with a producing silver operation at the 423-square-kilometer Royal Mines of Zacualpan District; the adjacent 200-square-kilometer Mamatla Mineral District which includes the Capire Mine Development Project; and a portfolio of projects with an operational processing plant at Zacatecas under option to Defiance Silver Corp. Additional information including details of the Zacatecas assets can be found on the Company's website at www.IMPACTSilver.com.

On behalf of the Directors of IMPACT Silver Corp.,

“Frederick W. Davidson”
President & CEO

For further information, please contact:
Sunny Pannu, Investor Relations
(604) 681 0172 or via email at inquiries@impactsilver.com

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

Forward-Looking Statements

This IMPACT News Release may contain certain “forward-looking” statements and information relating to IMPACT that are 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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