

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 22, 2012

ITEM 3. NEWS RELEASE

Issued August 22, 2012 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 31st day of August, 2012.

NEWS RELEASE

IMPACT Silver Corp.

For Release: August 22, 2012

Trading Symbol: "IPT: TSX.V"

IMPACT Silver Announces Second Quarter 2012 Financial and Production Results

IMPACT Silver Corp. ("IMPACT" or "The Company") is pleased to announce the financial and production results for the second quarter ended June 30, 2012. IMPACT currently operates four underground silver mines (Chivo, San Ramon, Noche Buena and Gallega) and is building two new mines within the 100%-owned, 623 square kilometer (241 square miles) land package in Mexico. The new mines being constructed are the high-grade, underground silver Oscar Mine (which will replace the Chivo Mine) and the open-pit, poly-metallic Capire Mine, both of which are on schedule and on budget. The commencement of production at the new mines will represent the next phase of growth for the Company with the aim to establish IMPACT as a multi-million ounce silver producer.

Second Quarter 2012 Financial and Production Highlights

- Net income for the quarter increased 289% to \$0.3 million (\$0.00 per share) from a loss of \$0.1 million in the first quarter of 2012.
- Revenues for the quarter were \$3.6 million, compared to \$4.5 million the first quarter of 2012.
- Mine operating earnings for the quarter were \$1.3 million, compared to \$1.6 in the first quarter of 2012 and mine operating costs decreased by 25% to \$1.9 million from \$2.5 million in the first quarter of 2012.
- Cash flows from operations before changes in non-cash working capital increased 78% to \$1.2 million for the second quarter from \$0.7 million in the first quarter of 2012.
- Working capital for the quarter was \$29.5 million, compared to \$32.1 million in the first quarter of 2012.
- Silver production for the quarter was 154,406 ounces, down marginally from 164,758 ounces in the first quarter of 2012.
- Lead production for the quarter was 139 tonnes, compared to 149 tonnes in the first quarter of 2012.
- Zinc production for the quarter was 205 tonnes, compared to 260 tonnes in the first quarter of 2012.
- Average mill throughput for the quarter was 438 tonnes per day ("tpd"), compared to 455 tpd in the first quarter of 2012.

Second Quarter 2012 Operational Highlights

Production in the second quarter continued at modest but profitable levels as the transition from mining at the Chivo Mine to the new high grade Oscar Mine continues. It is anticipated that Oscar will begin production before year end and result in higher silver production from the higher grade mineralization. Recent drill results from Oscar include 1,875 grams per ton ("g/t") silver across one meter and 115 g/t silver across 23 meters, 1,007 g/t silver across six meters and 1,128 g/t silver across three meters (see IMPACT News Releases dated [April 23, 2012](#) and [October 26, 2011](#)).

Simultaneous construction of the new Capire Mine continues with first concentrate shipments anticipated this winter. Capire represents a new production centre in the south portion of the property. Initial production will be from a 200 tpd pilot plant which will be used to optimize the metallurgy and mining methods, with future plans to construct a much larger plant. Photographs chronicling the development of the Capire Mine are available on the Company's website at www.impactsilver.com.

IMPACT continued its aggressive exploration program during the quarter. On [July 11, 2012](#), IMPACT announced additional drill results from the Carlos Pacheco Gold-Silver-Copper Project including 3.84g/t Gold and 0.54% Copper across 6.7 meters. The Carlos Pacheco Project is located within the Valle de Oro Gold Sector, 200 meters from IMPACT's producing Noche Buena Silver Mine in the Royal Mines of Zacualpan Silver District. Within the Valle de Oro gold sector, high-grade gold and copper mineralization has been observed in the deeper valleys (at depths of 300 meters or 1,000 feet) and drill holes which support the concept of gold-copper mineralization lying at depth below the silver mineralization in the Zacualpan District. Exploration drilling in this area will continue to test the potential of adding gold and copper to IMPACT's future production profile.

George Gorzynski, P.Eng., a Qualified Person under the meaning of Canadian National Instrument 43-101, is responsible for the technical content of this news release. Additional information can be found on the Company website at www.impactsilver.com. The full version of the Company's financial statements and MD&A can be viewed on the Company's website or on SEDAR at www.sedar.com. A recorded conference call reviewing the second quarter 2012 results will be available on the Company's website on Thursday, August 23, 2012: www.IMPACTSilver.com/s/conferencecalls.asp

On behalf of the Directors of IMPACT Silver Corp.,

“Frederick W. Davidson”
President & CEO

For further information, please contact Meghan Brush, Investor Relations at (604) 681 0172 or inquiries@impactsilver.com

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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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