

**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**

February 12, 2014

**ITEM 3. NEWS RELEASE**

Issued February 12, 2014 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 13<sup>th</sup> day of February, 2014.

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## **NEWS RELEASE**

### **IMPACT Silver Corp.**

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#### **IMPACT Silver Announces Operational Changes at the Capire Production Centre; Will Process Gold and Copper**

IMPACT Silver Corp. (“IMPACT” or the “Company”) announces operational changes to the pilot plant operation at its Capire Production Centre in Mexico. After nearly one year of test production, the Company has made the strategic decision to process higher value gold and copper mineralization from the Carlos Pacheco/San Juan area and, at this time, suspend mining operations at the lower grade open-pit Capire Silver Mine. The larger Guadalupe Production Centre, located 16 kilometers to the north, will continue producing silver with lead-zinc by-products.

The Capire Production Centre has been operating as a 200-tpd (“tonne-per-day”) pilot plant operation with silver-lead-zinc feed from the adjacent open pit since March 2013, when the price of silver was over \$28 per ounce. In the course of this pilot plant work and in light of the current lower silver prices, recent Mexican mining tax changes and low overall silver grade being mined at Capire, IMPACT has recognized that the open pit test mining operation is not currently economic at its present small scale. Therefore, mining operations in the Capire open pit have been suspended. Management is reviewing the possibility of a write-down in the carrying cost of the open pit zone in the 2013 year-end financial statements. The Capire plant will continue operating and is now being converted to process gold-copper mineralization from the Carlos Pacheco/San Juan area.

Since 2008, drilling by IMPACT in the Carlos Pacheco/San Juan area has outlined two zones of gold-copper mineralization near and within the active workings of the Noche Buena Silver Mine. Recent drill results have further expanded this mineralization and led to a decision to begin mining and processing this higher value gold and copper mineralization in the Capire plant.

#### *Capire Production Centre*

The Capire Production Centre is located 12 kilometers south of the Carlos Pacheco/San Juan area. The purpose of the test mining and processing operations at the Capire pilot plant was to determine production costs and optimize mining and processing methods in planning for a larger operation in the future. To date, most of this test work has been completed. Processing methods have been optimized, and production costs and cut-off grades in the open pit at 200-tpd were determined during the test mining. Additional studies with respect to open pit optimal strip ratios, grade control and projections toward scaling up the operation have yet to be completed. Together, these will provide the foundation for the planning of a potentially larger, lower grade open pit operation in the future.

The Capire processing plant is now undergoing renovations which include minor adjustments to the crushing and grinding circuit, and metallurgical adaptations to the flotation circuit in order to optimize gold and copper recoveries. A gold gravity recovery unit is also being considered. Renovations are projected to be completed in the second quarter of 2014, and mineral feed to the plant will be ramped up through the second half of the year as additional mining faces at Carlos Pacheco/San Juan are developed.

Once renovations are completed, the Capire Production Centre will produce gold-copper concentrates while the larger Guadalupe Production Centre will continue to produce silver-lead-zinc concentrates. This flexibility in development is the product of organic exploration and mine development by the IMPACT team within the 100%-owned Royal Mines of Zacualpan project area. Corporately, this multi-metal production mix and higher value feed for the Capire plant should enhance IMPACT’s ability to weather the current downturn in the metals markets.

## *Carlos Pacheco Gold-Copper Vein*

The Carlos Pacheco Gold-Copper Vein is located 170 meters east of the Noche Buena Vein, where IMPACT has been mining silver since 2010. Drilling in 2008 on the Carlos Pacheco South Zone intersected high grade mineralization, including **19.6 g/t gold and 0.29% copper across 2.9 meters (true width)** (see IMPACT News Release dated [December 4, 2008](#) for details) and outlined the first gold-copper zone on the vein. The drill returned to the area in 2013 to test the San Juan area on the northern extension of the 2008 drill area. Results from this drilling include **17.1 g/t gold over 1.89 meters (true width)** and **3.4 g/t gold and 0.53% copper over 7.2 meters (true width)** (see IMPACT news releases dated [October 30, 2013](#) and [January 7, 2014](#) for details). Additional drill results are pending. This recent drilling has begun to outline a larger zone of gold-copper mineralization at San Juan, which remains open for further expansion (see drill section at [www.IMPACTSilver.com](http://www.IMPACTSilver.com) for details). Additional drilling is planned.

The IMPACT mining team has recently completed a 170-meter underground crosscut access from the Noche Buena Silver Mine to the Carlos Pacheco South Gold-Copper Zone and has begun to mine and stockpile gold-copper mineral for processing in the Capire plant, once renovations are completed. Construction of mine access into the larger San Juan Gold-Copper Zone further north has also begun and should reach the zone later this year. Mining and trucking of silver mineral from the nearby Noche Buena Vein System to the Guadalupe Silver Production Centre continues while these new mine headings at Carlos Pacheco/San Juan are developed.

George Gorzynski, P. Eng., Vice President Exploration and a Qualified Person under the meaning of Canadian National Instrument 43-101, is responsible for the technical content of this news release.

Additional information including a map showing the locations of places named in this news release 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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