

Impact Silver Announces Option Agreement on Nuevo Taxco Silver-Gold Project

Vancouver, British Columbia--(Newsfile Corp. - October 7, 2020) - IMPACT Silver Corp. (TSXV: IPT) (OTC Pink: ISVLF) ("IMPACT" or the "Company") announces that it has executed an arm's length Letter of Intent to option the Nuevo Taxco Project (the "Property") to Red Oak Mining Corp. (TSXV: ROC.H) ("Red Oak") under which Red Oak will undertake exploration of a portion of IMPACT's very large land position in Mexico.

CEO and President of IMPACT Silver, Fred Davidson, comments, "While IMPACT exploration focuses on near-term increases to mine area tonnage and brownfield opportunities, transactions such as this one with promising junior explorers with access to capital allow IMPACT to unlock additional value and exploration upside without time commitment and capital from our team. With over 200 square kilometers of land, we believe we have just scratched the surface and invite a dynamic company such as Red Oak to share our exploration upside.

The Taxco area has long been known for its silver-gold potential and is controlled by a major mining group. However the Nuevo Taxco area is beyond trucking distance of IMPACT's processing plants so we have only carried out minimal exploration programs in the area albeit with some very good results. We are excited to be working with the Red Oak team given their group's exploration success in Mexico and look forward to their coming exploration at Nuevo Taxco."

Under the terms of the agreement, Red Oak may earn a 100% interest in the Property by making certain staged payments to IMPACT and incurring exploration expenditures over a 3-year period as follows: (i) \$50,000 in cash and 500,000 Red Oak common shares upon TSXV approval of the Transaction and closing of their financing; (ii) \$200,000 in exploration expenditures on or before September 30th, 2021; (iii) \$100,000 in cash, 1,000,000 common shares and \$400,000 in exploration expenditures on or before September 30, 2022; and (iv) \$150,000 in cash, 2,000,000 common shares and \$800,000 in exploration expenditures on or before September 30, 2023. IMPACT will retain a 1% NSR on the project that Red Oak may buy back for \$1,000,000 CAD. The transaction is subject to TSX Venture Exchange approval.

About Nuevo Taxco Project

The Nuevo Taxco Project area covers an area of approximately 1,100 hectares with similar rock units as IMPACT's producing Zacualpan Silver-Gold District. The Property is part of the historic Pregones Mining District which has seen only limited modern exploration and no documented drilling, and is located on the northwest extension of the famous Taxco Silver District. The area is prospective for high grade silver and gold mineralization.

Qualified Person Statement

George Gorzynski, P.Eng., a "Qualified Person" within the meaning of NI 43-101, is responsible for the technical information disclosed in this news release.

About IMPACT Silver

IMPACT Silver Corp. is a successful silver-gold explorer-producer with two processing plants on adjacent districts within its 100% owned mineral concessions covering 211km² in central Mexico with excellent infrastructure and labor force. Over the past 15 years, IMPACT has produced over 10 million ounces of silver, generating revenues over \$194 million, with no long-term debt. At the Royal Mines of Zacualpan Silver District, three underground silver mines and one open pit mine feed the central Guadalupe processing plant. To the south, in the Mamatla District, the Capire processing pilot plant is adjacent to an open pit silver mine with a mineral resource of over 4.5 million oz silver, 48 million lbs zinc

and 21 million lbs lead (see IMPACT news release dated January 18, 2016 for details); Company engineers are reviewing Capire for restart of operations in light of current rising silver prices. With 15 years of exploration successes leading to production cash flows, IMPACT has shown the Zacualpan Silver-Gold District to be endowed with many high grade epithermal silver-gold zones.

Additional information about IMPACT and its operations can be found on the Company website at www.IMPACTSilver.com.

On behalf of IMPACT Silver Corp.

"Frederick W. Davidson"

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 and Cautionary 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, except as required by law.

The Company's decision to place a mine into production, expand a mine, make other production related decisions or otherwise carry out mining and processing operations, is largely based on internal non-public Company data and reports based on exploration, development and mining work by the Company's geologists and engineers. The results of this work are evident in the discovery and building of multiple mines for the Company and in the track record of mineral production and financial returns of the Company since 2006. Under NI 43-101 the Company is required to disclose that it has not based its production decisions on NI 43-101-compliant mineral resource or reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure.



IMPACT SILVER CORP

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