

Impact Silver Announces Full Year 2020 Results Net Income Rose to \$2.3 Million on \$15.6 Million Revenue

Vancouver, British Columbia--(Newsfile Corp. - March 24, 2021) - IMPACT Silver Corp. (TSXV: IPT) ("IMPACT" or the "Company") announces its financial and operating results for the year ended December 31, 2020.

The Company reported \$2.3 million net income on \$15.6 million in revenue for full year 2020 compared to a loss of \$4.9 million on \$13.3 million in revenue in 2019. The better results were primarily due to increased silver prices during the year, despite a temporary COVID-19 shut down earlier in the year. Mine operating earnings before amortization and depletion was \$4.7 million for the year ended December 31, 2020 compared to \$1.4 million in 2019.

Fred Davidson, President & CEO of IMPACT, stated, "In the tough market of 2018, we implemented foundations on the operational front that would set IMPACT up for success by focusing on grades and cost efficiency. I am pleased to report that in 2020 we saw each of our goals met and surpassed as our stakeholders reaped full rewards of a focused pure play silver miner in IMPACT."

"In 2020, operations in Mexico were suspended from April through June due to COVID-19. We are proud of our team for navigating through this unprecedented pandemic and implementing new health risk policies for the safety of our work force, their families and local communities."

"Operational excellency, in combination with continued elevated silver prices has generated another strong quarter in Q4 2020 with net income of \$1.7 million. With the positive cashflow and capital raised last year, we believe that the Company is in a good position to carry out its objectives in 2021 including one of IMPACT's largest greenfield exploration programs in years, ongoing advancements on various mine sites, unlocking the value of our land package, and evaluation of our Capire VMS plant and deposit."

"With 10.8 million ounces of silver (no equivalents) produced to date by IMPACT Silver, we are proud of our 2020 achievements of returning back to a profitable highly leveraged pure silver miner and look forward to 2021 with significant expectations."

2020 Financial Overview

- Net income for the year was \$2.3 million compared to a loss of \$4.9 million in 2019. Net income for the quarter was \$1.7 million compared to a loss of \$1.0 million in 2019.
- Revenue for Q4 2020 was \$4.5 million up from \$4.0 million in 2019. Revenue for the year was \$15.6 million, for 2019 \$13.3 million.
- Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA) for 2020 improved to \$2.5 million from a loss of \$3.8 million in 2019.
- Mine operating earnings before amortization and depletion for the year was \$4.7 million, an improvement of \$3.3 million from 2019.
- During the year, the Company closed two private placements for net proceeds of \$10.8 million, with the exercising of outstanding warrants and options generating a further \$5.3 million.
- At December 31, 2020, the cash position was \$20.4 million and working capital was \$20.3 million, much stronger than 2019 with cash of \$3.8 million and working capital of \$3.6 million.
- The Company has no long-term debt.

2020 Production Overview

- 2020 full year silver production was 646,534 ounces (2019 - 664,056 ounces) dropping only 3%

despite the COVID shutdown.

- Average mill feed grade for silver was 172 grams per tonne (g/t) in Q4 2020 comparable to 173 g/t in 2019.
- Throughput at the mill stayed at 140,069 tonnes milled in 2020 compared to 140,878 tonnes in 2019.

The rise in silver prices and improved throughput more than offset the effects of the COVID-19 shut down in Mexico in the first half and has generated strong cashflow as a result. Revenue per tonne sold was \$131.87 in Q4 2020, an increase of over 25% from Q4 2019 at \$105.47.

The Company shifted its strategy in Q3 2018 from utilizing capacity at its Guadalupe processing plant to focusing on lower cost, higher-grade production. The decrease in production tonnes allowed the Company to focus on mining higher margin areas in lower cost situations.

Direct costs per production tonne were \$80.82 in Q4 2020 were slightly lower than Q4 2019 at \$82.55.

In October 2020, IMPACT executed an arms-length Letter of Intent to option the Nuevo Taxco project to Red Oak Mining Corp., (now Pantera Silver, listed under PNTR:TSX-V) a promising junior explorer company with access to capital and talent. This approach allows the Company to unlock additional value and exploration upside on the large 200km land package without time commitment and capital from our team. With markets picking up interest for early staged precious metals assets, management are seeing more interests in deals and will evaluate and execute selective deals to benefit stakeholders.

George Gorzynski, P.Eng., a Qualified Person under the meaning of Canadian National Instrument 43-101, approved the technical content regarding exploration work in this news release.

A recorded conference call reviewing the financial and production results of the year ended December 31, 2020 will be available on the Company website on March 25, 2021 at www.impactsilver.com/s/ConferenceCalls.asp.

The information in this news release should be read in conjunction with the Company's audited condensed consolidated Financial Statements and Management's Discussion and Analysis, available on the Company website at www.impactsilver.com and on SEDAR at www.sedar.com. All amounts are stated in Canadian dollars unless otherwise specified.

ABOUT IMPACT SILVER CORP

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 16 years, IMPACT has produced over 10.8 million ounces of silver, generating revenues over \$207 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 elevated silver prices. With 16 years of exploration successes leading to production cash flows, IMPACT has shown the districts 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. Follow us on Twitter [@IMPACT_Silver](https://twitter.com/IMPACT_Silver) and LinkedIn at <https://www.linkedin.com/company/impactsilver>

On behalf of IMPACT Silver Corp.

"Frederick W. Davidson"

Frederick W. Davidson
President & CEO

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