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## NEWS RELEASE

### IMPACT Silver Corp.

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**TRADING SYMBOL: “IPT: TSX.V”**

### **IMPACT SILVER ANNOUNCES FIRST QUARTER REVENUES UP 154%, MINE OPERATING EARNINGS UP 101%**

IMPACT Silver Corp. (“the Company” or “IMPACT”) is pleased to announce the results for the first quarter ending March 31, 2010.

#### **FIRST QUARTER 2010 HIGHLIGHTS**

- Revenues for the quarter reached \$3.7 million, up 154% from \$1.5 million in first quarter 2009.
- Mine operating earnings for the quarter reached \$1.5 million, up 101% from \$0.7 million in first quarter 2009.
- Net earnings for the quarter reached \$0.6 million, up 839% from \$0.07 million in first quarter 2009.
- Silver production for the quarter reached 173,877 oz., down 24% from 229,710 oz. in first quarter 2009, however, up 8% from the prior quarter.
- Silver sales for the quarter reached 216,966 oz., up 114% from 101,476 oz. in first quarter 2009, and up 54% from the prior quarter.
- Revenue per production tonne sold for the quarter reached \$112.13, down 14% from \$129.69 in first quarter 2009, however, up 23% from the prior quarter. Direct costs per tonne produced increased marginally by 3% to \$54.98.
- Cash flows from operations before changes in non-cash working capital were \$1.4 million, up 161% from \$0.5 million in first quarter 2009.
- Cash and cash equivalents at \$4.2 million, working capital at \$6.1 million and no long term debt.

#### **PRODUCTION AND SALES**

<b>Three months ended</b>	<b>Mar 31, 2010</b>	Mar 31, 2009	Dec 31, 2009
Total tonnes (t) produced	<b>29,094</b>	29,569	28,921
Tonnes produced per day (tpd)	<b>323</b>	329	314
Revenue per production tonne sold (\$CAD)	<b>\$112.13</b>	\$129.69	\$91.08
Direct costs per production tonne (\$CAD)	<b>\$54.98</b>	\$53.19	\$65.02
<b>Silver production (oz)</b>	<b>173,877</b>	229,710	160,613
Lead production (t)	<b>207</b>	276	206
Zinc production (t)	<b>272</b>	343	279
<b>Silver sales (oz)</b>	<b>216,966</b>	101,476	140,615
Lead sales (t)	<b>275</b>	120	168
Zinc sales (t)	<b>285</b>	nil	255

Despite the marginal decrease in silver production, IMPACT had a very successful first quarter. Higher silver prices coupled with the absence of a sales disruption the Company experienced with its largest customer in the first quarter of 2009, contributed to increased silver sales during the quarter producing \$1.4 million in positive cash flow and net earnings of \$0.6 million, compared to \$0.07 million in first quarter 2009. With the significant increase in metal prices, the Company shifted production and was able to mine profitably in medium grade areas.

IMPACT's financial position remained strong with \$4.2 million in cash and cash equivalents and net working capital of \$6.1 million. The Company's working capital is expected to remain strong throughout 2010 as cash flow from mining operations should be sufficient to fund the Company's planned 2010 operating costs, exploration expenditures and equipment purchases.

During the quarter, the Chivo Mine provided 63% (2008 – 85%) of the mill feed. Due to higher silver, lead and zinc prices, mining of medium grade silver ore from Chivo is partly the reason that silver production decreased for the quarter compared to the same period in 2009. However, the Chivo Mine will continue to supply a significant amount of the higher grade material to the Guadalupe processing plant. The San Ramon Mine provided 34% (2008 – 15%) of mill feed from the mining of high grade mineral. Mining continues to expand at San Ramon as the Company also developed underground access to a parallel structure, the Chaparita Vein and to a new wide zone of silver-rich stockwork breccia style mineralization which is expected to increase production at San Ramon Mine. On March 4, 2010 IMPACT announced the start of mining at the new Noche Buena Mine with initial production from development muck, and is expected to increase to 120 tonnes per day (tpd). Noche Buena is the third mine that has been taken from discovery to production by the IMPACT technical team.

## **EXPLORATION**

IMPACT continues to execute its aggressive 20,000 meters surface and underground 2010 drill program whilst building its GIS database now reaching over 1,800 old mine workings. A second phase drilling program (5,610 meters) was recently completed at the Capire-Aurora project in the 200 km<sup>2</sup> Mamatla Mineral District. This program was designed to infill and expand the NI 43-101 Mineral Resources, and confirm the mineral continuity in the 200 meter gap between the zones enroute to a production decision. The orientation and shallow depth from surface of the mineralization indicates potential for open pit mining of at least a portion of the zones.

IMPACT Silver Corp. is a silver focused mining and exploration company operating in Mexico with a producing silver operation at the Royal Mines of Zacualpan Silver District; the 200 km<sup>2</sup> advanced Mamatla Silver District; a portfolio of projects and a 200 tpd mill in the Zacatecas Silver District.

A recorded conference call can be accessed at our website:

<http://www.impactsilver.com/s/Events.asp>

On behalf of the Directors of IMPACT Silver Corp.,

“Frederick W. Davidson”

President and Chief Executive Officer

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