
NEWS RELEASE
IMPACT Silver Corp.

For release: January 11, 2012

Trading Symbol: "IPT: TSX.V"

**IMPACT Silver Corp. Announces Commencement of Construction
at the Capire Open Pit Silver Mine**

IMPACT Silver Corp. ("IMPACT" or "the Company") is very pleased to announce that construction of the new Capire Open Pit Silver Mine ("Capire") has now commenced. Capire represents a new production center in a new mining district and an opportunity that, upon successful completion of the proposed exploration and development programs, would propel IMPACT to become a multimillion ounce silver producer. Capire is located in the Mamatla Mineral District, 16 kilometers southwest of IMPACT's active mining and processing operations at the Royal Mines of Zacualpan Silver District, Mexico.

With recent success receiving the final permits that are necessary to commence mining activities, IMPACT's mine development team has begun construction at Capire that includes:

- Immediate start of site preparation work, including road and infrastructure upgrades.
- Commencement of pre-stripping and tailings pond development.
- Installation of the 200 tonne-per-day ("tpd") pilot plant.
- Arrangements of initial silver-lead-zinc concentrate shipments to the smelter in late 2012.

On site, surface rights for all mining areas, including the tailings dam and the processing plant, have been secured. Condemnation drilling under the plant site, the tailings dam and rock waste piles have also been completed and subsurface water monitoring wells are currently in place and collecting data. Arrangements have been finalized with the national electricity company (Comisión Federal de Electricidad) to construct a 30-kilometer high voltage electric power line to the site, which will supply IMPACT with the sufficient electrical capacity to accommodate plans for future production expansion at Capire.

These initial operations will be used to optimize mining and processing parameters in preparation for future construction of a larger production operation at Capire, with the potential to host an 800- to 1,500-tpd processing plant. The initial 200-tpd pilot plant operation is designed to test metallurgical recoveries on a commercial scale; provide detailed information on mining costs; and, optimize mining and processing methods toward construction of a larger operation. The starter open pit will be excavated on the western portion of the Capire Zone to access near surface higher grade silver-zinc-lead (copper-gold) volcanogenic massive sulphide mineralization (VMS).

NI43-101 compliant Measured and Indicated Mineral Resources at Capire currently total 7.2 million ounces silver, 30,446 ounces gold, 95.6 million lbs zinc and 37.2 million lbs lead (see IMPACT news release dated [February 1, 2011](#)). Subsequent drilling (6,698 meters) has expanded the Capire Zone to the north, east and southeast beyond the limits of these previously defined Mineral Resources (see IMPACT news releases dated [May 24, 2011](#) and [August 17, 2011](#)).

IMPACT is also pleased to announce that it has appointed Meghan Brush to the position of Investor Relations. Subject to regulatory approval, IMPACT has issued Ms. Brush an option under IMPACT's stock option plan to purchase 10,000 of its common shares at the price of \$1.85 per share, for a period of five years from September 27, 2011.

George Gorzynski, P. Eng., Vice President, Exploration and Director of IMPACT Silver Corp., and a Qualified Person under the meaning of Canadian National Instrument 43-101, is responsible for the technical information in this news release. The Capire mineral resource estimates in this news release were taken from a technical report (posted on www.sedar.com) by Claus G. Wiese, P.Eng. of I-Cubed LLC, an independent professional engineer.

IMPACT Silver Corp. is a profitable, silver-focused mining and exploration company operating in Mexico with producing silver mines at the 423-square-kilometer Royal Mines of Zacualpan, the adjacent 200-square-kilometer advanced Mamatla Mineral District including the Capire Open Pit Silver Mine, and an option agreement for a share position in Defiance Silver Corp. (DEF:TSX-V) in return for IMPACT's 200-tpd processing plant and mineral concessions in the Zacatecas Silver District. Additional information including maps of IMPACT's projects can be found on the Company website at www.IMPACTSilver.com.

On behalf of the Directors of IMPACT Silver Corp.,

“Frederick W. Davidson”
President, CEO

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Forward-Looking Statements

This IMPACT News Release may contain certain “forward-looking” statements and information relating to IMPACT that are 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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