
NEWS RELEASE
IMPACT Silver Corp.

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IMPACT Silver Announces First Quarter 2014 Financial and Production Results

IMPACT Silver Corp. ("IMPACT" or the "Company") announced today its financial results for the three months ended March 31, 2014. The information in this news release should be read in conjunction with the Company's unaudited condensed consolidated interim 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.

Overview for the Quarter Ended March 31, 2014

Financial Overview

- Revenues for the first quarter of 2014 were \$3.0 million, a 30% decrease from \$4.2 million in the first quarter of 2013, resulting primarily from a decline in the silver price.
- Net loss of \$1.3 million for the quarter, of which non-cash items included \$0.7 million in depreciation and amortization and \$0.1 million in share based payments (stock option grants).
- Mine operating loss before amortization and depreciation of \$0.1 million compared to \$1.5 million earnings in the prior year. This was a direct reflection of the downturn in silver prices.
- Capital expenditures during the quarter included mineral property expenditures of \$1.0 million which brought cash down to \$2.5 million. The Company continues to be free of long term debt.

Production Overview

- Silver production decreased 10% to 148,696 ounces for the first quarter of 2014, down from 165,651 ounces in the same period of 2013.
- Average mill feed grade for silver in the first quarter of 2014 decreased to 137 grams per tonne (g/t) from 146 g/t in the first quarter of 2013.
- Total tonnes milled during the first quarter of 2014 decreased to 39,775 from 42,009 in the first quarter of 2013 but increased from the fourth quarter 2013 of 36,655 tonnes.
- The shutdown of the Capire open pit was completed during the quarter. Work commenced on modification of the Capire plant which is being planned to process higher value gold and copper mineralization from the Carlos Pacheco/San Juan area later in the year.
- The Cuchara-Oscar mine was put into production in February 2013. During 2013, the mine contributed 23% of total mill feed. For the first quarter of 2014 it provided 48%.

As noted, the Company increased tonnes produced in the current quarter to 39,775 over the previous two quarters of 36,655 and 38,520 for Q4 2013 and Q3 2013, respectively. This increase has been a result of

additional feed from the Cuchara-Oscar mine as it becomes the Company's principal producer, as well as strong contributions from the San Ramon and Noche Buena mines. Grades were lower in the quarter at 137 g/t compared with 146 g/t for the same period in 2013. With production materials being drawn from several mines with different feed grades, mine production can vary from quarter to quarter. However, with the Cuchara-Oscar Mine developing into higher grade mineral, the Company expects an increase in grades going forward in 2014.

In light of lower silver prices, recent Mexican mining tax changes and low overall silver grade being mined at Capire, the Company recognized that the open pit test mining operation was not economic at its present small scale. Thus, open pit operations at Capire were suspended in February 2014. The Capire plant is being reconfigured to process the gold-copper mineralization at Carlos Pacheco. However, the plant will not be reactivated until an industrial dispute with local truck haulers is resolved and metallurgical research is completed, and the Company anticipates the Capire plant will not be contributing to sales and production until later in the year.

A recorded conference call reviewing the financial and production results of the three months ended March 31, 2014, will be available on the Company website on Tuesday, May 28, 2014, at www.impactsilver.com/s/ConferenceCalls.asp.

IMPACT Silver Corp. owns two processing plants within its 100% owned 623-square-kilometer land package in south-central Mexico: the Guadalupe Production Centre and the Capire Processing Plant. At Guadalupe, three underground silver mines feed the central 500 tpd processing plant located within the historic Royal Mines of Zacualpan Silver District. At Capire, the 200 tpd processing plant is being adapted to process gold and copper mineralization from the Carlos Pacheco/San Juan Project. 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"
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 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.

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