

Royal Mines of Zacualpan Silver and Gold District, Mexico IMPACT Silver Corp.

LOCATION: IMPACT Silver controls the 272 km² Royal Mines of Zacualpan District and adjacent 200 km² Mamatla Mineral District. They are located 100 km southwest of Mexico City, in an area of very good infrastructure, including production facilities, modern power grid and a paved road to the mine gate.

STORY: Zacualpan is one of the oldest mining districts in North America, with Spanish Colonial mining dating back to at least 1527. Statistics for the early centuries of production are sporadic, but in modern times recorded production between 1975 and 2008 was approximately 18 M Oz Ag (30 M Oz Ag equivalent with by-product gold, lead and zinc credits). IMPACT Silver acquired the project in January 2006 and since then has upgraded and expanded the operations and is carrying out a major exploration program over the large project area.

GEOLOGY: The project is located in the northern portion of the Teloloapan Subterranean of the Guerrero Terrane. The Teloloapan Subterranean is a deformed volcano-sedimentary arc sequence of Late Jurassic to Early Cretaceous age, marked by low grade greenschist facies metamorphism and is host to VMS mineralization. Most significant epithermal prospects are hosted by intermediate to mafic volcanics. Multiphase deformation occurred throughout the region and controlled the emplacement of vein mineralization.

DEPOSITS: The Zacualpan-Mamatla Districts host over 900 historic mine workings and four modern mines which feed a central mill rated at 500 t /day. The Districts are host to Tertiary intermediate sulphidation epithermal Ag-Zn-Pb veins, mesothermal Au-Cu veins and Cretaceous volcanogenic massive sulphide (VMS) Ag-Zn-Pb-Cu deposits. In 2008, production was from four mines on Ag-Zn-Pb veins (Chivo, San Ramon, Guadalupe and Gallega). Production ore shoots vary from 2m to 20 m in width, 30 m to 400 m in length and 240m to 330 m in height. They are typically Ag-rich toward the top and Zn-Pb-Ag dominant toward the bottom, below which they appear to transition into Au-Cu mesothermal veins of unknown extent. Very high grade silver (>1000 g/t) and high grade gold (>10 g/t) are characteristic of the silver and gold portions respectively of these shoots.

Engineering studies are now underway to determine the feasibility of placing two open pit VMS deposits, the Capire and Aurora 1 deposits, into production. VMS mineralization is hosted by black shales and felsic volcanics.

DISPLAY: The core and rocks on display are from various mines and development areas on the property complemented by maps and other information.