



IMPACT MINERALS LIMITED
(and Controlled Entities)

ABN 52 119 062 261

HALF-YEAR FINANCIAL REPORT
31 December 2020

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DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2020.

DIRECTORS

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

- Peter Unsworth – Non-Executive Director
- Michael Jones – Managing Director
- Paul Ingram – Non-Executive Director
- Markus Elsasser – Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was exploration for deposits of nickel, gold, copper and platinum group elements.

REVIEW OF OPERATIONS

Commonwealth Gold-Silver-Zinc-Lead-Copper Project, NSW (IPT 100%)

The Commonwealth Project comprises six 100% owned exploration licences that cover about 853 km² of the highly prospective Lachlan Fold Belt about 100 km north of Orange in NSW. The belt is host to many major gold-silver-copper mines including the Cadia-Ridgeway deposits that contain at least 25 million ounces of gold and 5 million tonnes of copper.

Earlier in 2020 Impact identified five new undrilled targets along trend from the recent Boda-Kaiser porphyry copper-gold discovery (Alkane Resources Limited ASX:ALK).

Several campaigns of rock chip and soil geochemistry sampling together with a new airborne magnetic and radiometric survey commissioned by Impact, highlighted host rocks and alteration assemblages at three of the prospects that are similar to those at Cadia-Ridgeway, North Parkes and Boda. One of the prospects Apsley, was prioritised for a follow up soil geochemistry survey following the discovery of extensive fresh copper sulphides at surface.

The survey defined a near-textbook example of the zones of metal assemblages expected around major alkalic porphyry copper gold complexes over an area of about four square kilometres.

The assemblages included a classic example of a so-called "zinc doughnut" where an outer halo of zinc, lead and manganese surrounds a core of copper, gold and PGM's. Such doughnuts are well understood in porphyry copper-gold exploration.

An extensive Induced Polarisation ground survey was completed over the entire doughnut and whilst final interpretations are still pending, the results indicate priority drill targets are present in a number of places.

Broken Hill Project, NSW (IPT 100%)

The Broken Hill Project comprises 727 km² of exploration licences located southeast of Broken Hill, NSW and is prospective for: nickel-copper-cobalt-PGE mineralisation associated with ultramafic rocks; zinc-lead-silver mineralisation hosted by metasedimentary rocks and amphibolite (Broken Hill style); and pyrite-cobalt deposits similar to Thackaringa (72Mt at 852 ppm cobalt, 9.3% sulphur and 10% iron).

During the six months Impact completed a major drill programme of 13,263 metres which delivered break-through drill results at every prospect tested, driven mainly by Impact's discovery of a proprietary multi-element ratio that is a good predictor of PGM grade, a possible first in platinum exploration anywhere.

At the Plat Central prospect, the ratio led directly to the discovery of high-grade nickel-copper-PGM mineralisation in a Kambalda-style channel at the base of the target ultramafic unit, the first coherent zone of mineralisation found in over 40 years of exploration in the area. Final assays from this area are due shortly.

At the Little Broken Hill Gabbro-Rockwell prospects, the first ever drill holes into the basal unit of an intrusion that has many similarities to the world class Jinchuan mine in China have returned thick intercepts of strongly anomalous PGM +/-copper and nickel mineralisation over a distance of at least 1,500 metres. The results suggest the basal unit may host a vast repository of these metals.

In addition, the drill holes are at broad reconnaissance spacings and this is extremely encouraging for the discovery of a significant deposit given the remainder of the entire 6.5 kilometre extent of the Little Broken Hill Gabbro is untested.

At Red Hill, a recently reported stand out drill intercept suggests that this prospect may be a feeder zone for the Little Broken Hill Gabbro and a prime target for massive sulphide mineralisation at depth has now been identified.

Other Projects

During the half year Impact also rationalised its project portfolio.

In May the Company staked a new major project called Arkun in the SW Yilgarn Terrane, about 130 km east of Perth in the emerging new province for nickel-copper-PGM mineralisation following the Julimar discovery near Perth (Chalice Mining Limited ASX:CHN). During the period Impact added to the Arkun project with the recent purchase of the Beau project which covers an untested magnetic anomaly of similar dimension and magnitude to the Gonneville intrusion that hosts the mineralisation at Julimar.

In October Impact also purchased an 80% interest in the Doonia gold project, located 75 km east of Kambalda. Here, a significant gold-in-soil anomaly 2.5 km long and up to 1 km wide is centred over numerous small prominent magnetic anomalies and which has shallow gold-in-regolith anomalies that have not been followed up at depth. This is a walk-up drill target with significant size potential.

Impact also added two new 100% owned applications for Exploration Permits to its Blackridge gold project in central Queensland. Impact's tenements now cover 150 km² or about 90% of the southern part of the larger Miclere-Blackridge gold field that produced over 300,000 ounces of gold.

In addition Impact also purchased Silver City Minerals Limited's (ASX:SCI) 20% interest in the silver-lead-zinc rights to EL7390 at Broken Hill. Impact now owns 100% of all mineral rights to its entire tenement portfolio at Broken Hill and ends a long and complex history of joint ventures on the tenement inherited by Impact when it first purchased an interest in the project.

As well as adding to its portfolio, Impact also divested some of its non-core assets.

The Clermont gold project in Queensland was sold to private company Australasian Gold Limited for \$100,000 at a price of 10 cents per share. Australasian Gold has a suite of similar prospective gold assets in Queensland and will list on the ASX by Q2 2021 at a listing price of 20 cents per share.

Impact has also recently agreed to the sale of two tenements in the company's Lachlan Fold Belt portfolio, EL8632 and the northern part of E8505 (41 sub blocks) to Orange Minerals Pty Limited, an unrelated private company. Orange Minerals has acquired a number of other assets in the Lachlan Fold Belt with the aim of listing on the ASX in mid-2021.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

In July 2020, the Company raised \$3,245,000 (before costs) via a placement of 216,333,333 new shares at an issue price of 1.5 cents each.

During the half-year the Group reported an operating loss after tax of \$1,321,493 (half-year to 31 December 2019: loss of \$572,077). As at 31 December 2020 the Group had net assets of \$15,233,202 (30 June 2020: \$13,377,076) including \$2,594,456 of cash and cash equivalents (30 June 2020: \$2,431,426).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

AUDITOR'S DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Bentleys, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "Peter Unsworth".

Peter Unsworth
Chairman

Perth, 5 March 2021

Competent Person's Statement

The review of exploration activities and results contained in this report is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director of the Company and works for Impact Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Jones has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning Impact Minerals Limited's (Impact's) current expectations, estimates and projections about the industry in which Impact operates, and beliefs and assumptions regarding Impact's future performance. When used in this document, words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Impact believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Impact and no assurance can be given that actual results will be consistent with these forward-looking statements.

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the review of the financial statements of Impact Minerals Limited for the period ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Partner

Dated at Perth this 5th day of March 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Notes	CONSOLIDATED	
		31 Dec 2020 \$	31 Dec 2019 \$
Interest and other income	3	32,952	115,407
Research and development tax rebate		-	287,189
		32,952	402,596
Employee benefits expense		(248,680)	(588,693)
Corporate and administration expenditure		(394,289)	(267,575)
Depreciation and amortisation expense		(20,609)	(19,529)
Occupancy		(24,886)	(45,814)
Impairment of exploration expenditure	6	(665,981)	(53,062)
Profit/(Loss) before income tax expense		(1,321,493)	(572,077)
Income tax expense		-	-
Net Profit/(Loss) for the period		(1,321,493)	(572,077)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Change in the fair value of financial assets		-	-
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		-	16
Other comprehensive income (net of tax)		-	16
Total comprehensive Profit/(Loss) for the period		(1,321,493)	(572,061)
Total comprehensive Profit/(Loss) income attributable to the owners of Impact Minerals Limited		(1,321,493)	(572,061)
		Cents per share	Cents per share
Basic Profit/(Loss) per share	9	(0.08)	(0.04)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	CONSOLIDATED	
		31 Dec 2020 \$	30 Jun 2020 \$
Current Assets			
Cash and cash equivalents	4	2,594,456	2,431,426
Trade and other receivables		47,588	72,433
Other current assets		27,000	35,234
Assets held for sale	5	345,000	-
Total Current Assets		3,014,044	2,539,093
Non-Current Assets			
Property, plant and equipment		32,803	37,549
Exploration expenditure	6	12,881,432	10,946,163
Other non-current assets		239,055	151,055
Total Non-Current Assets		13,153,290	11,134,767
TOTAL ASSETS		16,167,334	13,673,860
Current Liabilities			
Trade and other payables		857,606	210,496
Short-term provisions		76,526	86,288
Total Current Liabilities		934,132	296,784
TOTAL LIABILITIES		934,132	296,784
NET ASSETS		15,233,202	13,377,076
EQUITY			
Issued capital	7	50,024,784	46,931,843
Option reserve	7	871,596	1,005,268
Transactions with non-controlling interest		(1,161,069)	(1,161,069)
Accumulated losses		(34,502,109)	(33,398,966)
TOTAL EQUITY		15,233,202	13,377,076

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Issued capital \$	Option reserve \$	Foreign currency translation reserve \$	Financial asset reserve \$	Transactions with non-controlling interest \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	44,900,024	577,577	(504,747)	(506,456)	(1,161,069)	(31,445,495)	11,859,834
Profit for the period	-	-	-	-	-	(572,077)	(572,077)
Other comprehensive income	-	-	16	-	-	-	16
Total comprehensive income for the half-year	-	-	16	-	-	(572,077)	(572,061)
Transactions with owners in their capacity as owners							
Fair value of options issued	-	472,533	-	-	-	-	472,533
Fair value of options expired	-	(226,150)	-	-	-	226,150	-
Balance at 31 December 2019	44,900,024	823,960	(504,731)	(506,456)	(1,161,069)	(31,791,422)	11,760,306
Balance at 1 July 2020	46,931,843	1,005,268	-	-	(1,161,069)	(33,398,966)	13,377,076
Profit for the period	-	-	-	-	-	(1,321,493)	(1,321,493)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	-	(1,321,493)	(1,321,493)
Transactions with owners in their capacity as owners							
Shares issued	3,253,750	-	-	-	-	-	3,253,750
Share issue costs	(214,969)	-	-	-	-	-	(214,969)
Exercise of options	54,160	(54,160)	-	-	-	-	-
Fair value of options issued	-	138,838	-	-	-	-	138,838
Fair value of options expired	-	(218,350)	-	-	-	218,350	-
Balance at 31 December 2020	50,024,784	871,596	-	-	(1,161,069)	(34,502,109)	15,233,202

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Notes	CONSOLIDATED	
		31 Dec 2020 \$	31 Dec 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(552,614)	(373,132)
Interest received		17,700	13,242
Government rebates		67,470	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(467,444)	(359,890)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(15,863)	-
Payments for exploration activities		(2,353,693)	(523,632)
Payments for the acquisition of tenements		(30,000)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(2,399,556)	(523,632)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,245,000	-
Share issue costs		(214,970)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		3,030,030	-
Net increase/(decrease) in cash and cash equivalents		163,030	(883,522)
Cash and cash equivalents at beginning of the period		2,431,426	2,002,624
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	2,594,456	1,119,102

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*.

This interim report is intended to provide users with an update on the latest annual financial statements of Impact Minerals Limited and its controlled entities (the consolidated entity). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the consolidated entity for the year ended 30 June 2020, together with any public announcements made during the half-year.

Except for Note 1(b) the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial statements have been prepared on the historical cost basis, except where stated. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

b) New accounting standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an annual accounting period that begins on or after 1 July 2020.

The adoption of the new and revised Standards and Interpretations have not had a material impact on this half-year financial report.

c) Going Concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Group generated a loss for the period of \$1,321,493 (2019: loss of \$572,077) and net cash outflows from operating activities of \$467,444 (2019: \$359,890). As at 31 December 2020 the Consolidated Group had a cash balance of \$2,594,456 (30 June 2020: \$2,431,426).

In July 2020, the Company raised \$3,245,000 (before costs) via a placement of 216,333,333 new shares at an issue price of 1.5 cents each.

The ability of the Consolidated Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters

are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast which indicates that the Consolidated Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 2: SEGMENT REPORTING

Management has determined that the Group has one material reportable segment, being mineral exploration in Australia.

The Board has considered the requirements of AASB 8 *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Managing Director) in allocating resources and have concluded at this time that there are no separately identifiable segments.

NOTE 3: INTEREST AND OTHER INCOME

	31 Dec 2020 \$	31 Dec 2019 \$
Interest income	14,002	10,776
Gain on sale of tenements	-	100,000
Other income	18,950	4,631
	32,952	115,407

NOTE 4: CASH AND CASH EQUIVALENTS

	31 Dec 2020 \$	30 Jun 2020 \$
Cash at bank and on hand	1,092,633	631,426
Short-term deposits	1,501,823	1,800,000
	2,594,456	2,431,426

NOTE 5: ASSETS HELD FOR SALE

	31 Dec 2020 \$	30 Jun 2020 \$
Tenements held for sale	345,000	-
	345,000	-

In November 2020, the Company announced that it had reached an agreement for the sale of its Clermont epithermal gold project (EPM14116) in central Queensland to Australasian Gold Limited, an unrelated company with a suite of similar prospective gold assets in Queensland. The terms of the sale are \$100,000 in shares in Australasian Gold at a price of 10 cents per share. Australasian Gold plan to list on the ASX in early 2021 at a listing price of 20 cents per share.

As at 31 December 2020 the licence subject to the Agreement was held at its sale price and the Company recognised an impairment on the tenement of \$757,594.

In February 2021, the Company announced that it had reached an agreement for the sale of tenement EL8632 and the northern part of block EI8505 in the Company's Lachlan Fold Belt portfolio to Orange Minerals Pty Ltd an unrelated company. The consideration is (a) a non-refundable deposit of \$15,000; (b) at Impact's election either \$134,000 in shares in a new listed company or \$50,000 in shares in the new listed company and cash of \$180,000 in cash; and (c) a 1% Net Smelter Royalty.

As at 31 December 2020 the licences subject to this agreement were held at their sale price.

NOTE 6: EXPLORATION EXPENDITURE

	31 Dec 2020 \$	30 Jun 2020 \$
Capitalised cost at the beginning of the period	10,946,163	9,777,828
Exploration expenditure incurred during the period	2,946,250	1,281,481
Sale of Clermont project (refer Note 5)	(100,000)	-
Sale of Lachlan Fold Belt tenements (refer Note 5)	(245,000)	-
Impairment expense for the period	(665,981)	(113,146)
	12,881,432	10,946,163

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

NOTE 7: ISSUED CAPITAL

	31 Dec 2020 \$	30 Jun 2020 \$
Ordinary shares fully paid	50,024,784	46,931,843

a) Movements in ordinary shares on issue

	HALF-YEAR ENDED 31 DEC 2020		YEAR ENDED 30 JUN 2020	
	No.	\$	No.	\$
At the beginning of the period	1,559,494,630	46,931,843	1,321,679,789	44,900,024
- Placement ^(a)	-	-	233,389,496	2,100,505
- Share issue ^(b)	-	-	4,425,345	35,000
- Placement ^(c)	216,333,333	3,245,000	-	-
- Share issue ^(d)	353,829	8,750	-	-
- Option conversion ^(e)	2,708,434	54,160	-	-
- Transaction costs	-	(214,969)	-	(103,686)
At the end of the period	1,778,890,226	50,024,784	1,559,494,630	46,931,843

(a) In February 2020, the Company raised \$2,100,505 (before costs) via a placement of 233,389,496 new shares at an issue price of 0.9 cents each.

(b) In May 2020, the Company issued 4,425,345 new shares as part consideration for geological consulting services in relation to the identification of, and application for, five tenements in the Yilgarn Craton in Western Australia.

(c) In July 2020, the Company raised \$3,245,000 (before costs) via a placement of 216,333,333 new shares at an issue price of 1.5 cents each.

(d) In November 2020, the Company issued 353,829 new shares as part consideration for geological consulting services in relation to the identification of, and application for, a tenement in the Mt. Belches Basin in Western Australia.

(e) During the half-year the Company issued 2,708,434 new shares for nil consideration on the cashless exercise of 8,000,000 employee options.

b) Movements in options on issue

	HALF-YEAR ENDED 31 DEC 2020		YEAR ENDED 30 JUN 2020	
	No.	\$	No.	\$
At the beginning of the reporting period	176,500,000	1,005,268	590,910,556	577,577
Fair value of options issued ^(a)	-	138,838	101,000,000	665,841
Options exercised	(8,000,000)	(54,160)	-	-
Options expired	(15,500,000)	(218,350)	(515,410,556)	(238,150)
At the end of the reporting period	153,000,000	871,596	176,500,000	1,005,268

(a) No options were issued during the reporting period. The fair value of options is determined at grant date and is expensed over the vesting period for those options.

NOTE 8: CONTINGENCIES

There has been no change in contingent liabilities or assets since the annual reporting date.

NOTE 9: EARNINGS PER SHARE

Basic profit/(loss) per share

Half-year ended 31 Dec 2020 Cents	Half-year ended 31 Dec 2019 Cents
(0.08)	(0.04)

The following reflects the income and share data used in the calculations of basic profit/(loss) per share:

Profit / (Loss) used in calculating basic earnings per share

Half-year ended 31 Dec 2020 \$	Half-year ended 31 Dec 2019 \$
(1,321,493)	(572,077)

Weighted average number of ordinary shares used in calculating basic loss per share

Half-year ended 31 Dec 2020 Number	Half-year ended 31 Dec 2019 Number
1,744,310,795	1,321,679,789

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The issue of potential ordinary shares is antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share has therefore not assumed the conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

NOTE 10: EVENTS SUBSEQUENT TO THE REPORTING DATE

No matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1) The financial statements and notes of Impact Minerals Limited are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year then ended; and
- 2) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "Peter Unsworth". The signature is fluid and cursive, with a long, sweeping tail.

Peter Unsworth

Chairman

Perth, Western Australia

5 March 2021

Independent Auditor's Review Report

To the Members of Impact Minerals Limited

Conclusion

We have reviewed the accompanying half-year financial report of Impact Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Impact Minerals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Impact Minerals Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1c in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$1,321,493 during the half year ended 31 December 2020. As stated in Note 1c, these events or conditions, along with other matters as set forth in Note 1c, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Impact Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Partner

Dated at Perth this 5th day of March 2021