

ASX ANNOUNCEMENT

Date: 21 April 2020

No. 669/210420

MARCH 2020 QUARTERLY REPORT

1. COMMONWEALTH PROJECT (IPT 100%)

- Five undrilled priority prospects for porphyry copper-gold deposits identified along trend from and close to the recent Alkane Resources Limited Boda-Kaiser discovery.
- All five prospects have copper+/-gold+pathfinder metals, alteration mineral assemblages and a spatial association with magnetic anomalies that suggest they are parts of large porphyry or other intrusive-related copper-gold systems.
- The prospects include **Boda South** which lies south of the Boda discovery hole along the same parent intrusion to the copper-gold mineralisation there; **Greenobbys** which comprises a gold-silver-pathfinder metal quartz vein system with rock chip assays up to 9 g/t gold and 215 g/t silver; **Apsley** which has strong similarities to Boda with rock chip assays of up to 8.1% copper and 13.1 g/t silver; **Spicers Creek** with rock chip assays of up to 1.45 g/t gold and 7.8% copper; and **Gladstone** along trend to the south of the significant prospects Bodangora and Lady Ilse recently identified by Magmatic Resources Limited.
- Follow up rock chip assays have been received and are being interpreted. Further ground exploration programmes will be warranted.

2. BROKEN HILL PROJECT, NSW (IPT 100%)

- Exploration for high grade palladium-platinum-rhodium-nickel-copper to recommence at a time of record prices.
- Impact signs non-binding MOU with Castillo Copper Limited and Squadron Resources Limited to seek a common investor for silver-lead-zinc exploration on the companies' ground holdings.
- Impact to retain the PGM-nickel-copper rights.

3. CORPORATE

- \$2.1 million raised via a placement.
- Cash at March 31st was \$3.0 million.

Market Cap

A\$10.9 m (0.007 p/s)

Issued Capital

1,555,069,285

Listed Options

499,910,556

IPTOA

Directors

Peter Unsworth
Chairman

Dr Michael Jones
Managing Director

Paul Ingram
Non-Executive Director

Markus Elsasser
Non-Executive Director

Bernard Crawford
Company Secretary

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1. COMMONWEALTH PROJECT (IPT 100%)

Follow up review and synthesis of exploration data is in progress at five recently identified priority prospects for large porphyry copper-gold deposits at Impact Minerals Limited's (ASX:IPT) 100% owned Commonwealth project in the prolific copper-gold rich Lachlan Fold Belt in New South Wales (Figure 1 and ASX Release 22nd November 2019).

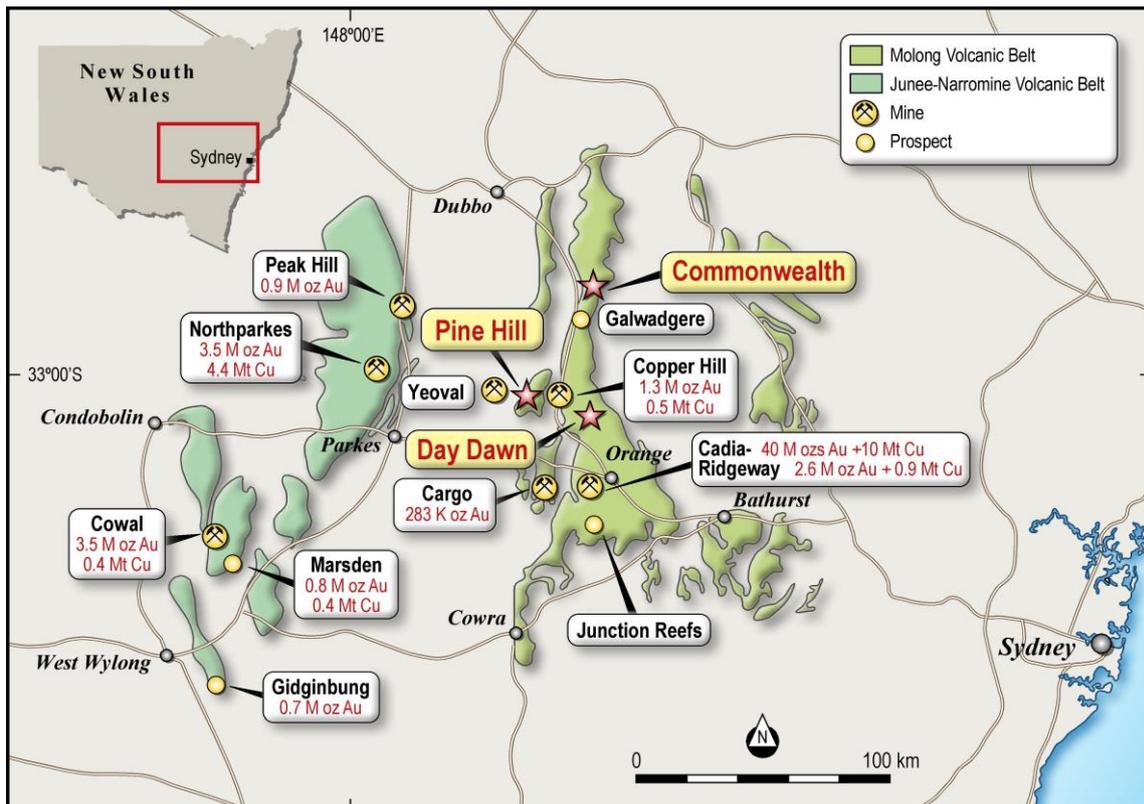


Figure 1. Location of Impact's Commonwealth, Pine Hill and Day Dawn Projects covering about 900 sq km of the Lachlan Fold Belt of NSW, home to many significant gold and copper mines.

The prospects were identified from reconnaissance field checking, new rock chip assays and interpretation of regional magnetic data (ASX Release January 14th 2020). This work was prompted by the recent discovery of significant porphyry copper-gold mineralisation at Boda by Alkane Resources Limited (**Alkane**) and where follow up drilling is in progress (Figures 2 and 3 of this report and see ASX Release by Alkane ASX:ALK 9th September 2019).

At Boda, which lies immediately along trend from Impact's Boda South target, a significant intercept of 502 m at 0.48 g/t gold and 0.20% copper was returned which included a higher grade "core" of 108 metres at 1.06 g/t gold and 0.41% copper (Figures 2 and 3).

Alkane's announcement reveals the gold-copper mineralisation and related alteration minerals are strongly zoned adjacent to, and within, the parent porphyry intrusion, called the Boda Intrusive Complex (**BIC**), and in addition, the high grade gold copper zone contains magnetite (in skarn-related alteration) that can be identified in regional magnetic data. The entire porphyry-mineralisation complex is about 500 metres wide.

FIVE PRIORITY PROSPECTS

Five prospects have been identified - **Boda South, Greenobbys, Apsley, Spicers Creek and Gladstone**. Gladstone was recently identified along trend to the south of the significant prospects Bodangora and Lady Ilse identified by Magmatic Resources Limited (Figures 2 to 5). All five prospects are characterised by features suggesting they form parts of large porphyry or other intrusive-related copper-gold system including:

1. Significant copper and/or gold rock chip assays with associated pathfinder metals;
2. Alteration minerals that suggest they lie within the outer (propylitic) to middle-inner (potassic) zones of large mineralised systems, the prospective centres of which may lie only within a few hundred metres of the areas sampled, either at depth or along trend; and
3. A spatial association with magnetic anomalies that are unexplained and which, like Boda, could be a direct indication of significant mineralisation.

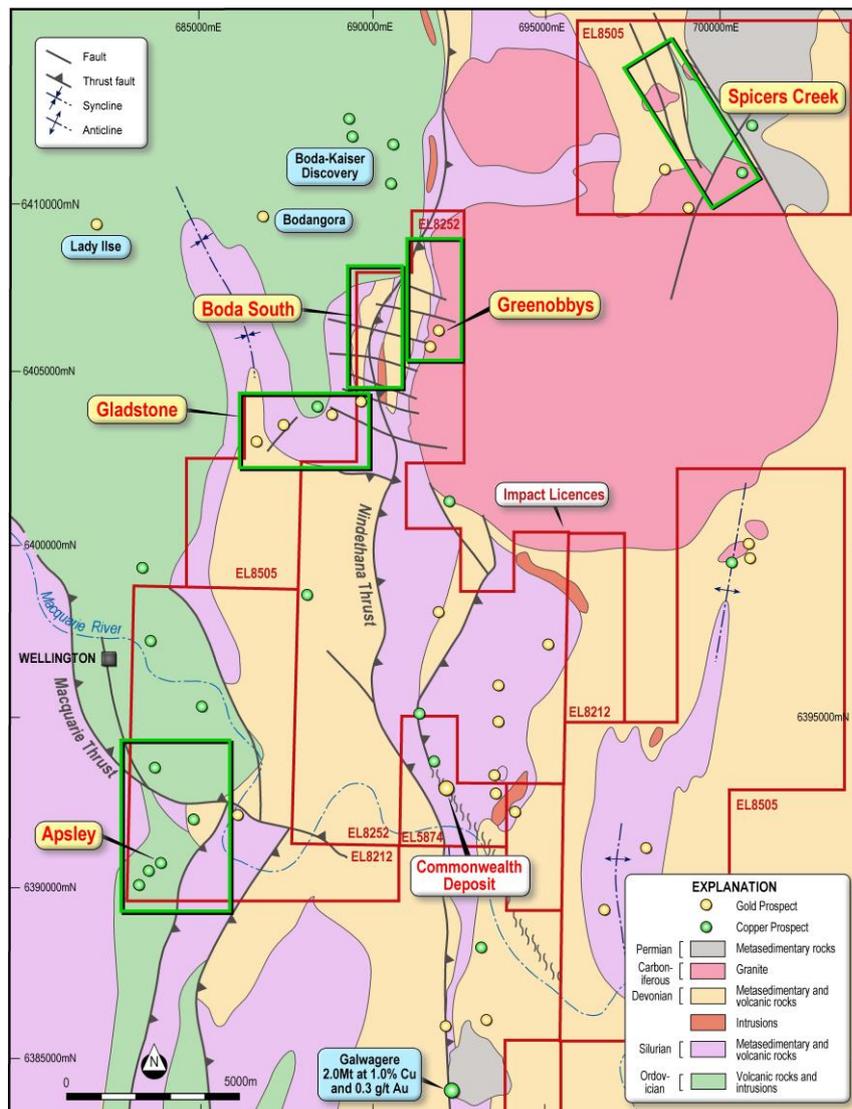


Figure 2. Geology of the Commonwealth Project showing key targets for follow up and location of the Boda-Kaiser discovery and key targets of Magmatic Resources Limited.

The **Boda South** target lies immediately along trend to the south of the Boda discovery (Figure 3). It has not been explored because it is partly covered by thin alluvial cover.

The regional magnetic data suggests that the southern end of the Boda-Kaiser intrusive complex extends onto Impact's ground for up to at least 500 metres where it is then truncated by the Nindethanna Thrust, a major deep-seated structure that traverses much of the central part of the project area (Figures 2 and 3).

This thrust may have buried extensions to the Boda-Kaiser complex and related skarns which are now manifest as numerous unexplained magnetic anomalies in the target area (Figure 3).

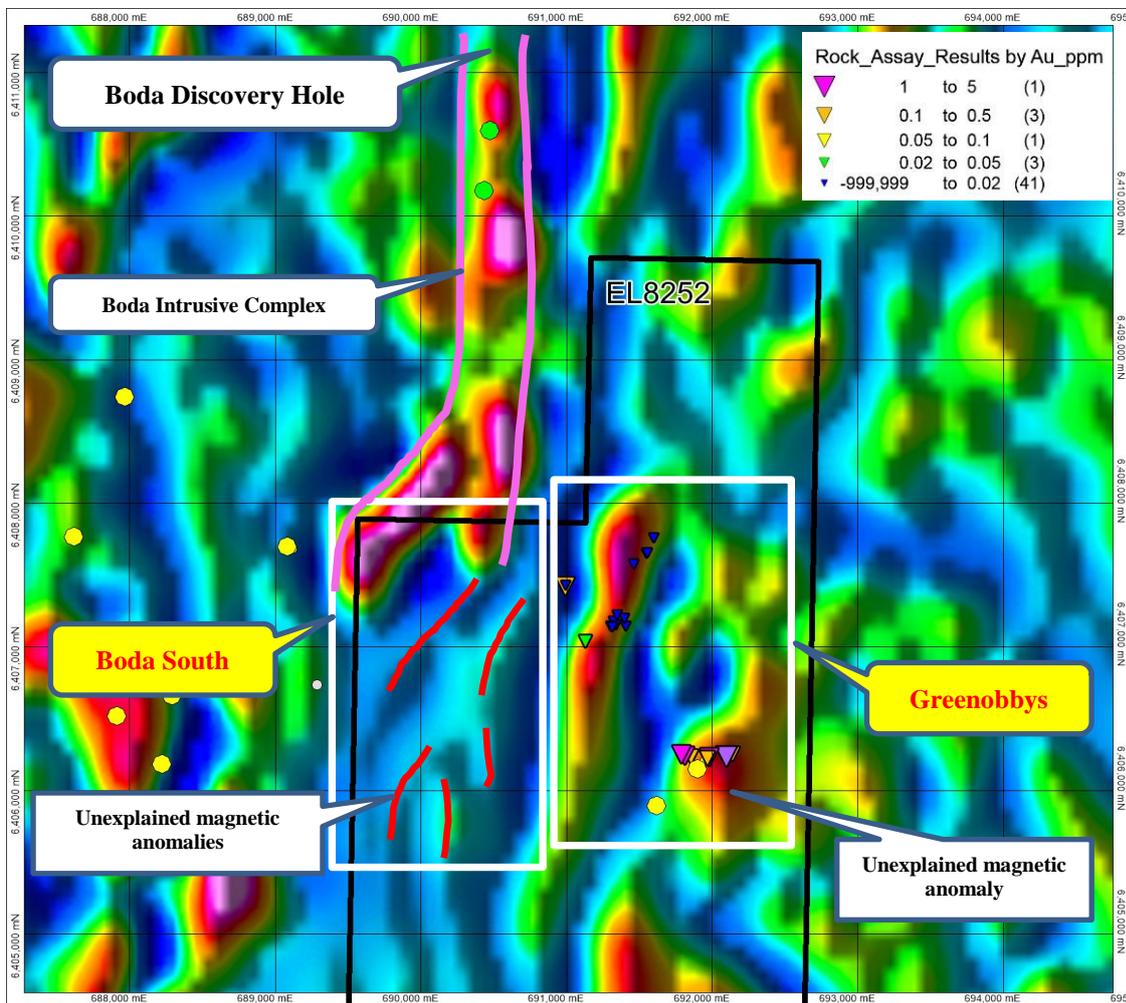


Figure 3. Airborne magnetic image (RTP 2VD) of the Boda South and Greenobbys targets. Triangles: new gold rock chip assays. Dots: gold occurrences (yellow) and copper (green).

Greenobbys: This target area lies immediately east of Boda South and covers rocks of Devonian and older age characterised by a number of magnetic anomalies (Figure 3).

A significant gold-in-quartz vein system was previously identified by Impact in the south east corner of the target area (ASX Release 21st April 2017). This vein system, which has not been drilled, extends over at least 500 metres east-west and rock chip samples returned up to 9 g/t gold, 215 g/t silver and lesser copper together with highly elevated values of the pathfinder metals molybdenum, bismuth and tellurium.

A circular strong magnetic anomaly some 300 m in diameter visible in the regional magnetic data is coincident with the Greenobbys vein and is a direct target for mineralised parent intrusion (Figure 3). Further field checking and geophysical modelling of the magnetic anomalies is required.

In the northern part of the Greenobbys target area field checking of part of a significant north east trending magnetic anomaly indicates the majority of the anomaly is not exposed and is covered by thin alluvium. Float (loose rock) samples of smoky to bucky quartz veins and sericite-altered felsic volcanic rocks with sulphide stringers returned assays up to **0.33 g/t gold, 4.6 g/t silver and 115 ppm molybdenum** (ASX Release 21st April 2017).

The **Apsley** target is centred 8 km south of Wellington and covers a number of magnetic anomalies within Ordovician basalts and andesites (Figures 2 and 4). These are direct analogies to the magnetic response at Boda associated with the skarn mineralisation and parent porphyry intrusion (Figures 3 and 4).

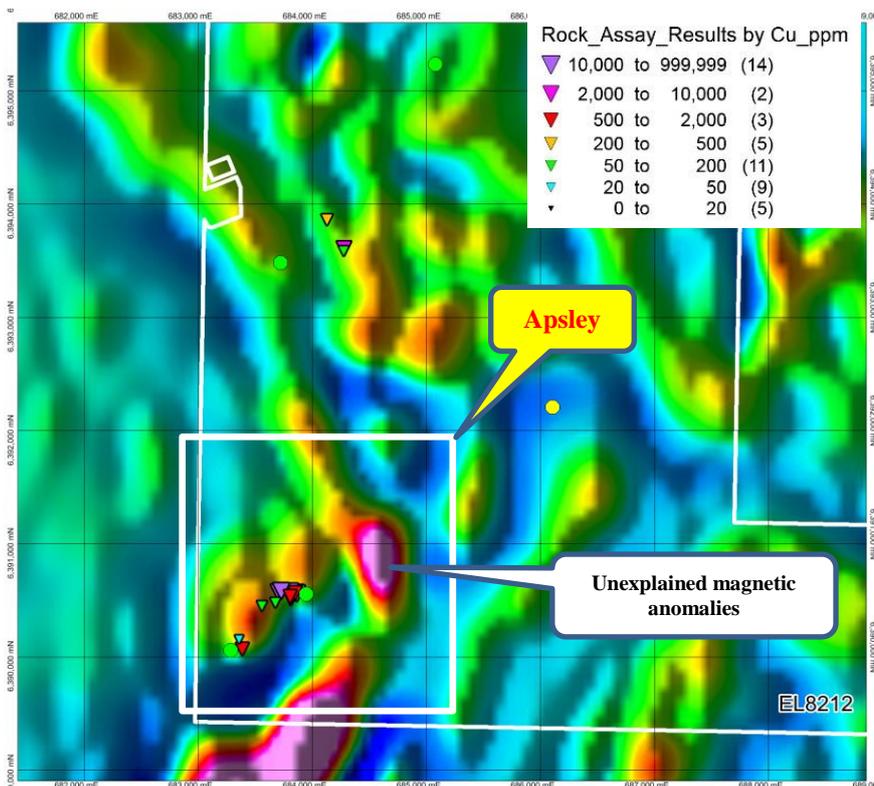


Figure 4. Airborne magnetic image (RTP 2VD) of the Apsley Prospect. Note the association of the anomalous copper samples adjacent to the modest magnetic anomalies. Triangles: new copper rock chip assays. Dots: gold occurrences (yellow) and copper (green).

Assay results from Impact's rock chip sampling returned up to 8.1% copper and 13.1 g/t silver in rocks with abundant copper oxides and fresh copper sulphides (chalcopyrite and bornite) (ASX Release 14th January 2020).

The volcanic rocks are variably magnetic and accordingly this area may be part of a more proximal skarn assemblage. A significant large magnetic anomaly some 500 m by 300 m in dimension is located 1,000 metres east of the area and this may represent skarn alteration (Figure 4).

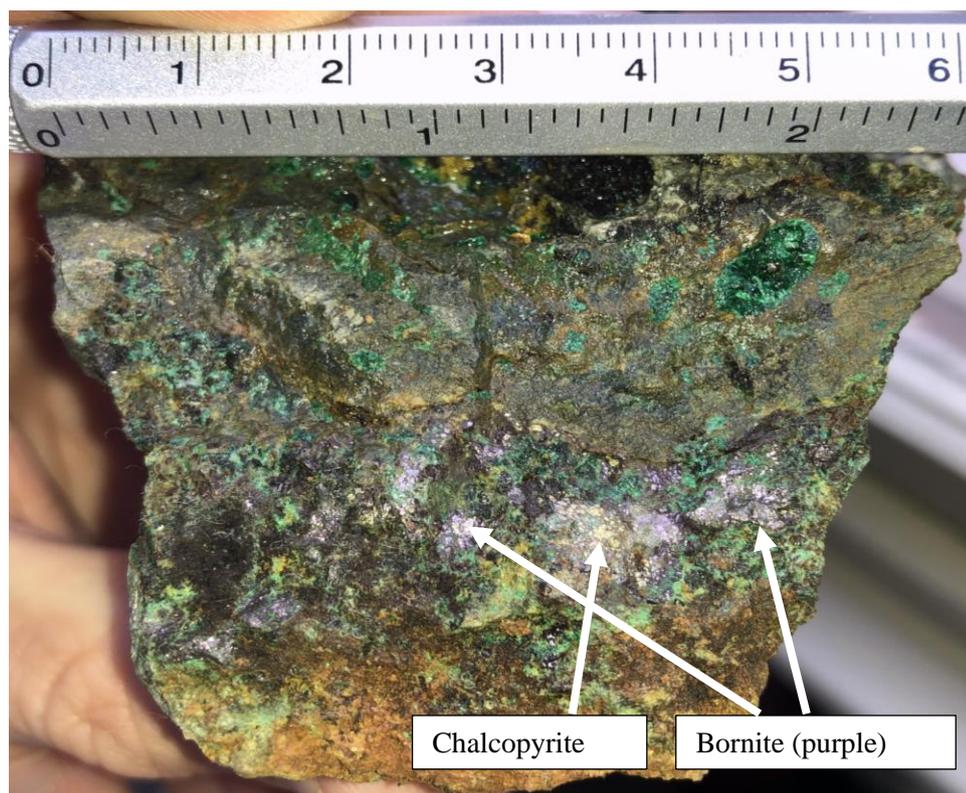


Figure 5. Apsley Prospect: Sample AP01: volcanic rock with extensive bornite (purple) and chalcopyrite (yellow) as well as copper oxides and carbonates (green) within moderately magnetic volcanic rock.

The **Spicers Creek** target occurs in the north east of the Commonwealth project and comprises a number of intriguing magnetic anomalies within Ordovician and Devonian volcanic and intrusive rocks (Figures 2 and 6). Field checking at a few locations in the south east of the target area by Impact has identified copper mineralisation associated with quartz veins within mafic schists with some epidote-garnet skarn alteration and all intruded by later porphyry dykes.

Rock chip assays taken by Impact returned up to 1.45 g/t gold and 7.8% copper associated with smoky quartz veins with visible copper sulphides and oxides including chalcopyrite, chalcocite, bornite, azurite, and malachite (Figure 7) (ASX Release 14th January 2020). The veins also contain the pathfinder metals molybdenum, bismuth, tellurium and tungsten.

Assays by previous explorers also returned significant assays up to 1.1 g/t gold, 5.9% copper, 25 g/t silver and 0.12% molybdenum (NSW Dept website).

The magnetic data indicates the area sampled is coincident with a broad weak linear magnetic anomaly that for 2,000 metres along trend (Figure 6).

Several other much stronger unexplained magnetic anomalies up to 2,000 metres long are occur in the northwest of the prospect area (Figure 6). Negotiations for land access to this area is in progress.

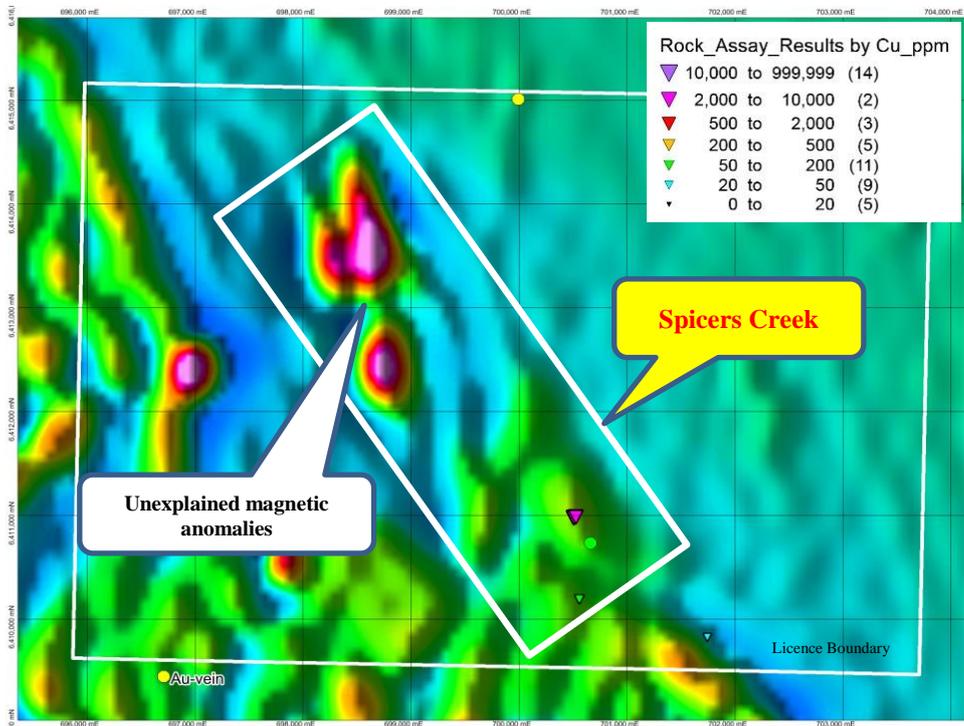


Figure 6. Airborne magnetic image (RTP 2VD) of the Spicers Creek area. Triangles: copper rock chip assays. Dots: gold occurrences (yellow) and copper (green).

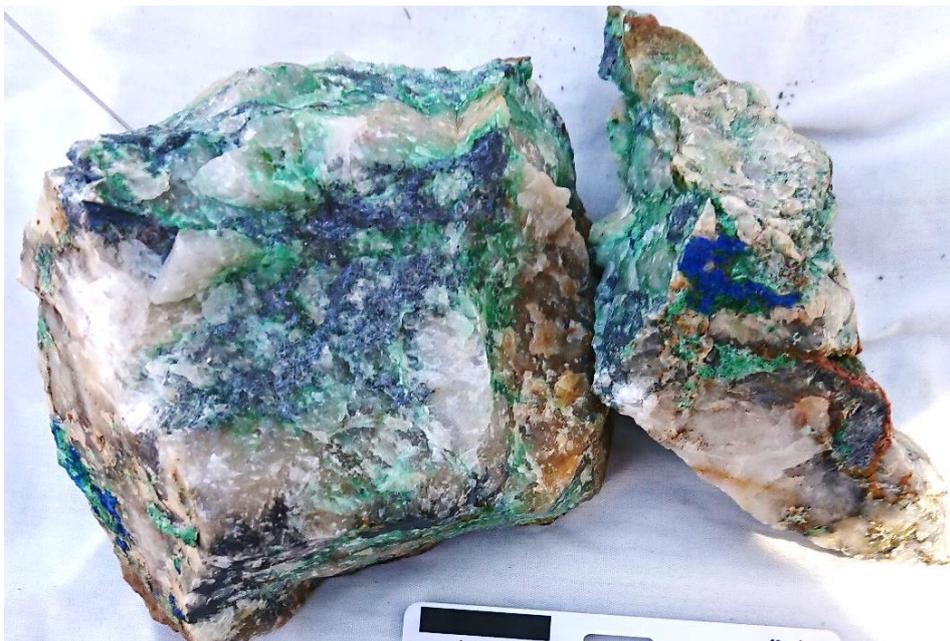


Figure 7. Spicers Creek Prospect: Sample GNO7 - smoky quartz vein with bornite (purple), malachite (green) and azurite (blue)

NEXT STEPS

This data has reinforced Impact’s belief that its tenements in the Lachlan Fold Belt are very prospective for the discovery of a major porphyry copper gold deposit.

Follow up rock chip sampling was conducted on four of the five targets during the Quarter. Assay results have been received and are being interpreted. Further on ground exploration programmes comprising soil geochemistry and ground geophysics to define drill targets will be warranted and will be prioritised on completion of the interpretation.

2. BROKEN HILL PROJECT (IPT 100%)

Exploration for platinum group metals, nickel and copper at the Broken Hill project is being invigorated in light of record prices for palladium and rhodium in particular. The new 2020 campaign will build on previous work by Impact and others in the Broken Hill area which discovered some of the highest grades of all six Platinum Group Metals (PGM: platinum, palladium, rhodium, osmium, ruthenium, iridium) in Australia, together with exceptional nickel-copper grades along a 40 km long belt southeast of Broken Hill (Figure 8). Three key prospects for follow-up work including drilling, have been identified.

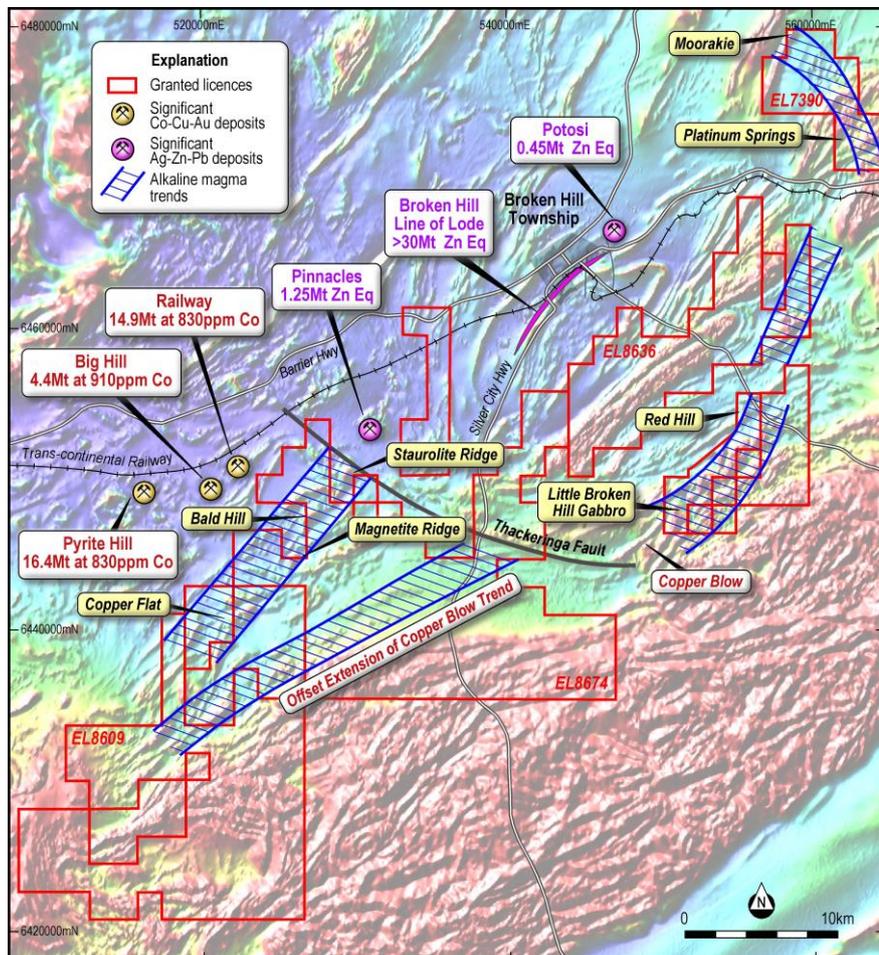


Figure 8. Location of magmatic trends prospective for nickel-copper-PGE in the Broken Hill area.

At Red Hill, exceptional grades were returned from drilling by Impact including a stand-out intercept of: **1.2 metres at 254 g/t (9.5 ounces) palladium, 10.4 g/t platinum, 10.9 g/t gold, 7.4% nickel, 1.8% copper, 19 g/t silver, 0.5% cobalt, 4.6 g/t rhodium, 7.2 g/t iridium, 5.6 g/t osmium and 3.1 g/t ruthenium** (ASX Release 26th October 2015).

A total of 12 out of 13 of Impact's drill holes at Red Hill returned robust widths and grades of similar mineralisation within 70 metres of surface. The mineralisation is open along trend and at depth and follow-up drilling to test for extensions to this remarkable mineralisation is being planned.

At Platinum Springs, drilling by Impact returned a very high grade intercept of unweathered magmatic massive sulphide mineralisation within 50 metres of surface that returned:

0.6 metres at 11.5 g/t platinum, 25.6 g/t palladium, 1.4 g/t gold, 7.6% copper, 7.4% nickel and 44.3 g/t silver, 1.3 g/t rhodium, 1.7 g/t iridium, 2.0 g/t osmium and 0.8 g/t ruthenium (ASX Releases 3rd February 2016 and 31st March 2016).

Platinum Springs lies at the southern end of the Moorkai Trend and is the only prospect to have been explored in detail. Exceptional high-grade rock chip samples have been returned from numerous prospects between the Platinum Springs and Moorkai Prospects, a distance of about 9 km along the Moorkai Trend (See ASX releases above). There has been limited follow-up exploration (Fig. 9).

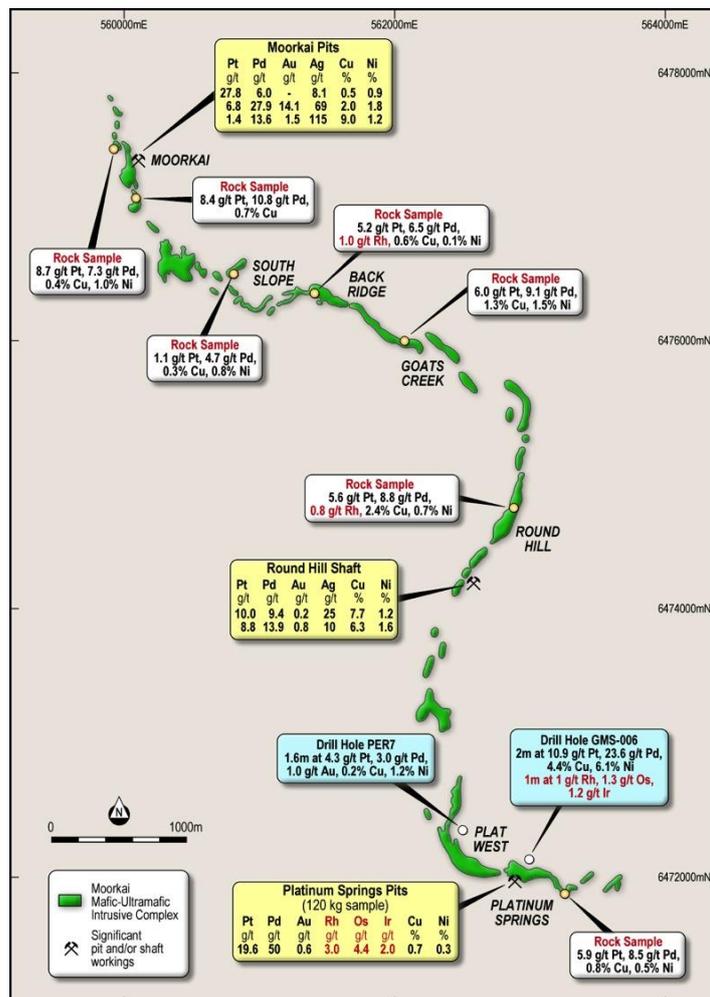


Figure 9. Rock chip samples and previous drill results from the Moorkai Intrusive Complex.

At Little Broken Hill, a mafic-ultramafic intrusive complex extends over 7 kilometres of trend that is very poorly explored and yet contains numerous soil geochemistry, RAB drill hole, VTEM and rock chip anomalies that are priority areas for follow-up work (ASX Release 13th December 2018). Field checking of several of these areas was completed during the Quarter. Rock chip assays are expected in May.

In addition, other belts of mafic-ultramafic rocks with anomalous PGM's have also been recognised for the first time by Impact Minerals. These too, are very under explored (Figure 8).

Impact Signs Non-Binding MOU

As part of the new 2020 focus on PGM-nickel-copper exploration at Broken Hill, Impact has signed a non-binding MOU with Castillo Copper Limited (ASX:CCZ) and Squadron Resources Limited, both also holders of large tenement packages around the world class Broken Hill Mine, to form the new Broken Hill Alliance (Alliance).

Impact will contribute the rights to silver-lead-zinc Broken Hill-style mineralisation and other associated styles of mineralisation to the Alliance (ASX Release 24th February 2020).

Impact will retain the rights to all of the platinum group metals (palladium-platinum-rhodium-osmium-iridium-ruthenium) as well as associated nickel-copper and other precious and associated metals across its entire tenement holding in the region.

Two key terms of the non-binding MOU are:

1. It is an initial six-month agreement to market the Alliance's ground holding to potential strategic partners, with the marketing to be led by Castillo Copper Limited.
2. If a suitable partner is found, then the three parties will form a special purpose vehicle (SPV) which will acquire the relevant tenements and metal rights from the three parties in return for equal shareholdings (33.3% each) in the new SPV company.

3. CORPORATE

In February, Impact raised \$2,100,505 (before costs) via a placement of 233,389,497 ordinary shares to sophisticated and professional investors at \$0.009 cents per share.

Cash at December 31st was \$3.0 million.



Dr Michael G Jones
Managing Director

Competent Persons Statement

Exploration Results

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.

Impact Minerals confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements referred to and in the case of mineral resource estimates, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Tenement Information in accordance with Listing Rule 5.3.3

Project / Tenement ID	Status	IPT Interest at start of quarter	IPT Interest at end of quarter
Commonwealth, NSW			
EL5874	Granted	100%	100%
EL8212	Granted	100%	100%
EL8252	Granted	100%	100%
EL8504	Granted	100%	100%
EL8505	Granted	100%	100%
EL8632	Granted	100%	100%
Broken Hill, NSW			
EL7390	Granted	100%	100%
EL8234	Granted	100%	100%
EL8636	Granted	100%	100%
EL8674	Granted	100%	100%
EL8609	Granted	100%	100%
Clermont, Qld			
EPM14116	Granted	100%	100%
Black Ridge, Qld			
EPM26806	Granted	100%	100%
ML2386	Granted	100%	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

IMPACT MINERALS LIMITED

ABN

52 119 062 261

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(37)	(148)
(e) administration and corporate costs	(120)	(382)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (R&D Rebate)	287	287
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	133	(227)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(5)	(5)
(d) exploration & evaluation (if capitalised)	(234)	(758)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(239)	(763)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,101	2,101
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(102)	(102)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,999	1,999

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,119	2,003
4.2	Net cash from / (used in) operating activities (item 1.9 above)	133	(227)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(239)	(763)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,999	1,999

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,012	3,012

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	712	619
5.2	Call deposits	2,300	500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,012	1,119

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Directors' fees, salary payments and superannuation.	86
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	133
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(234)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(101)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,012
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,012
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	29

- 8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 21 April 2020

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.