ASX ANNOUNCEMENT

Date: 13 December 2018
Number: 618/131218

EXPLORATION UPDATE: BROKEN HILL PROJECT, NSW

New rock chip samples confirm high grade gold and copper along trend from the recent discovery of high grade IOCG style mineralisation by Silver City Minerals Ltd.

Area is at southern end of a 40 km long corridor of very high grade gold-PGE-bearing ultramafic alkaline rocks known to be parent magmas to IOCG-style deposits.

Very high grade palladium and other precious metals interpreted as part of a mantle plume event with potential for major deposit. Numerous prospects require follow up work.

New rock chip data and in-house research at Impact Minerals Limited's (ASX:IPT) 100% owned Broken Hill Project in New South Wales (Figure 1), indicate that the recent discovery of Iron Oxide-Copper-Gold (IOCG)-style mineralisation at Copper Blow by Silver City Minerals Ltd (ASX:SCI) lies at the south end of, and may be related to, a 40 km trend of gold-copper-palladium-platinum rich alkaline ultramafic rocks, known to be parent magmas to some IOCG-style deposits.

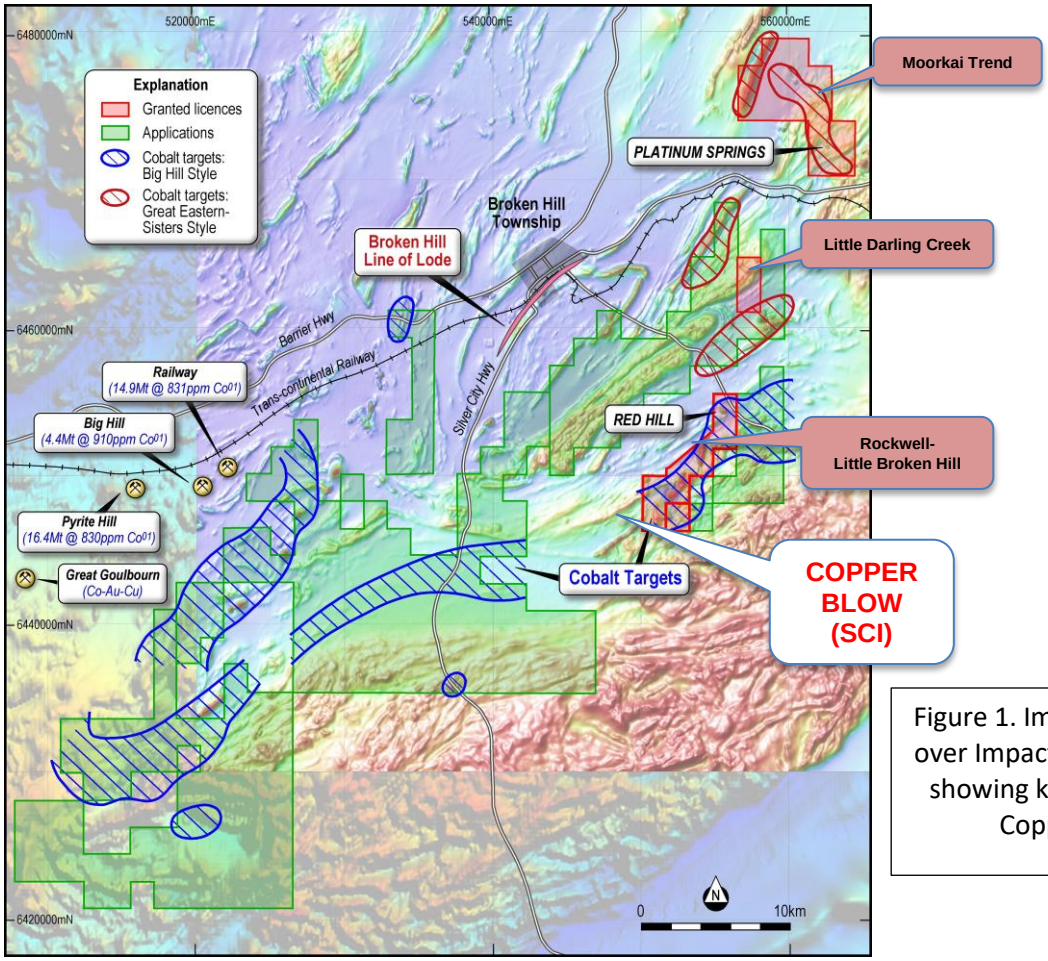

Figure 1. Image of magnetic data over Impact's Broken Hill project showing key locations and the Copper Blow area.

26 Richardson Street West Perth Western Australia 6005
Tel +61 (8) 6454 6666 Facsimile +61 (8) 6314 6670
Email info@impactminerals.com.au www.impactminerals.com.au

Iron Oxide Copper Gold Mineralisation at Copper Blow

Silver City Minerals Limited (ASX:SCI) has recently announced the discovery of extensive Iron Oxide Copper-Gold (IOCG) mineralisation at its Copper Blow prospect located along trend to the south west of Impact's Rockwell-Little Broken Hill prospect area (Figure 1).

The mineralisation has been compared to that at the large Starra and Ernest Henry mines in the Mt Isa Province of Queensland based on the style of mineralisation and associated cobalt, molybdenum, zinc and rare earth metals (see announcement by Silver City Minerals 28th November 2018).

Drill results reported by Silver City include **4 metres at 6.1% copper, 4.2 g/t gold, 13 g/t silver and 200 ppm cobalt**. Other intercepts (silver and cobalt not assayed) include **11.8 metres at 6.7% copper and 1.9 g/t gold and 3 metres at 4.6% copper** often associated with thicker lower grade intercepts which attest to a large mineralised system continuous over several kilometres where drilled; for example, **86 metres at 0.6% copper and 0.14 g/t gold.**

The mineralisation comprises ironstone-hosted copper-gold mineralisation that extends for over four kilometres of trend and is open to the east onto ground held by Impact. A northern and southern mineralised trend have been identified by Silver City, with all drilling focussed on the northern trend. The southern trend is covered by up to 15 metres of recent transported cover and is poorly explored (Figure 2).

Both trends are characterised by strong magnetic signatures and both units, in particular the southern, poorly exposed trend, extend on to Impact's tenement and abut or end at a large gabbro body called the Little Broken Hill Gabbro (LBHG - Figure 2).

New rock chip samples and previous work along the Little Broken Hill Gabbro-Rockwell Trend

New reconnaissance work by Impact suggests that further targets for IOCG-style mineralisation are present along the eastern contact of the Little Broken Hill Gabbro. Ten rock chip samples were taken from variably weathered gabbroic rocks and ironstone of which two returned highly anomalous results of:
6.5 g/t gold, 11.8% copper, 0.15 g/t palladium, 0.01 g/t platinum, 27 g/t silver, 414 ppm cobalt and 1,140 ppm zinc; and

0.4 g/t gold, 37 ppb palladium, 3 g/t silver, 0.8% copper, 139 ppm cobalt and 230 ppm zinc.

Both of these samples came from close to the southern magnetic unit where it deflects strongly to the north against the LBHG (Figure 2 and see Table below for complete results).

This magnetic unit has not been explored and indeed may actually occur at depth below the exposed contact of the Little Broken Hill Gabbro. **The gabbro is interpreted as a possible feeder zone to the IOCG mineralisation.**

Previous explorers also identified gold, copper and PGE bearing samples in this area. In 1986, Shell reported two anomalous rock chip samples, one from the eastern contact of the Little Broken Hill Gabbro (LBHG) which returned 105 ppb platinum, 115 ppb palladium and 820 ppm copper; and one from the western contact which returned 2.6 g/t gold (Figure 2).

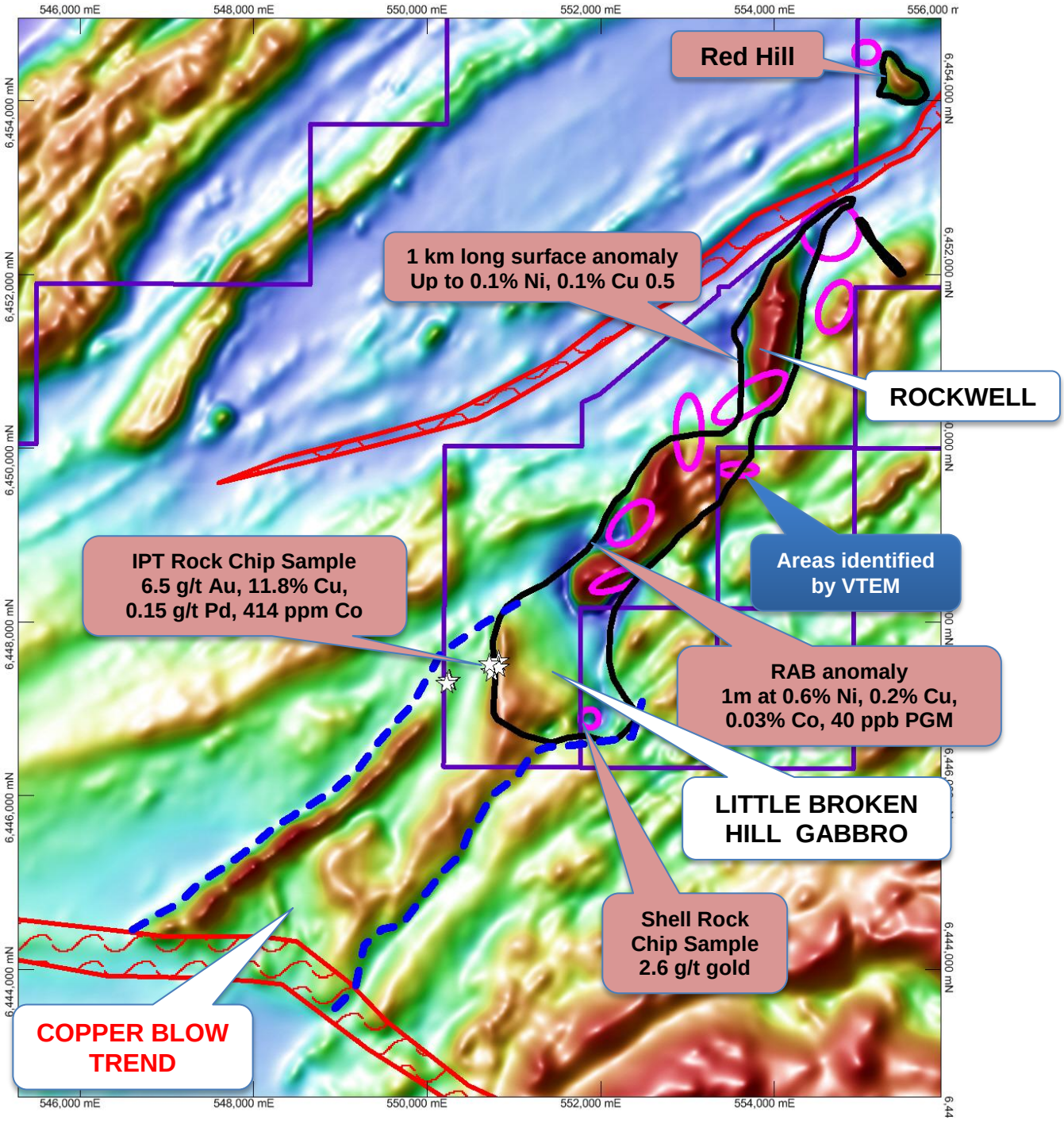

Figure 2. Image of magnetic data over the Rockwell-Little Broken Hill-Copper Blow Trend showing extension of magnetic units along trend from Copper Blow towards the LBHG. Areas identified by VTEM survey shown in pink together with key previous exploration results (see announcement 3rd May 2017).

These results add to previous work by Impact which has identified numerous areas for follow up work for high grade deposits of nickel-copper-platinum group metals (PGM)-cobalt both along the Rockwell to Little Broken Hill Trend (Figure 2) and along the entire length of a mafic-ultramafic complex interpreted from regional magnetic and gravity data to extend over about 40 km of strike north east to the Moorkai Trend (Figure 1 and ASX Announcement 3rd May 2017).

Very high grade primary nickel-copper-PGM-gold mineralisation has been discovered along this complex by Impact at both the Red Hill Prospect, at the northern end of the Rockwell-Little Broken Hill Trend; and also the Platinum Springs Prospect at the southern end of the Moorkai Trend (Figures 1, 2 and 3).

At Red Hill exceptional grades have been returned from drilling including a stand out intercept in vein hosted sulphide of
1.2 metres at 10.4 g/t platinum, 10.9 g/t gold, 254 g/t (9.5 ounces) palladium, 7.4% nickel, 1.8% copper, 19 g/t silver and 0.5% cobalt (ASX announcement 26th October 2015).

At Platinum Springs drilling returned a very high grade intercept in magmatic massive sulphide of
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 (cobalt not analysed)(see announcements 3rd February 2016 (ASX announcements 3rd February 2016 and 31st March 2016).

Both the Rockwell-Little Broken Hill Trend and the Moorkai Trend have been very poorly explored and many targets remain to be followed up.

For example, at Rockwell a coherent near-surface geochemical anomaly one kilometre long and 150 metres wide has been defined in shallow 2 metre deep auger drill holes along the north western margin of the complex with results of up to 0.1% nickel, 0.1% copper and 0.5 g/t PGM over a one metre thick intercept (Figure 2). There has been no drilling at depth.

Along the Moorkai Trend only Platinum Springs has 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 (Figure 3).

It is evident that considerable scope exists to discover a significant nickel-copper-PGM-cobalt deposit within Impact's Broken Hill project area.

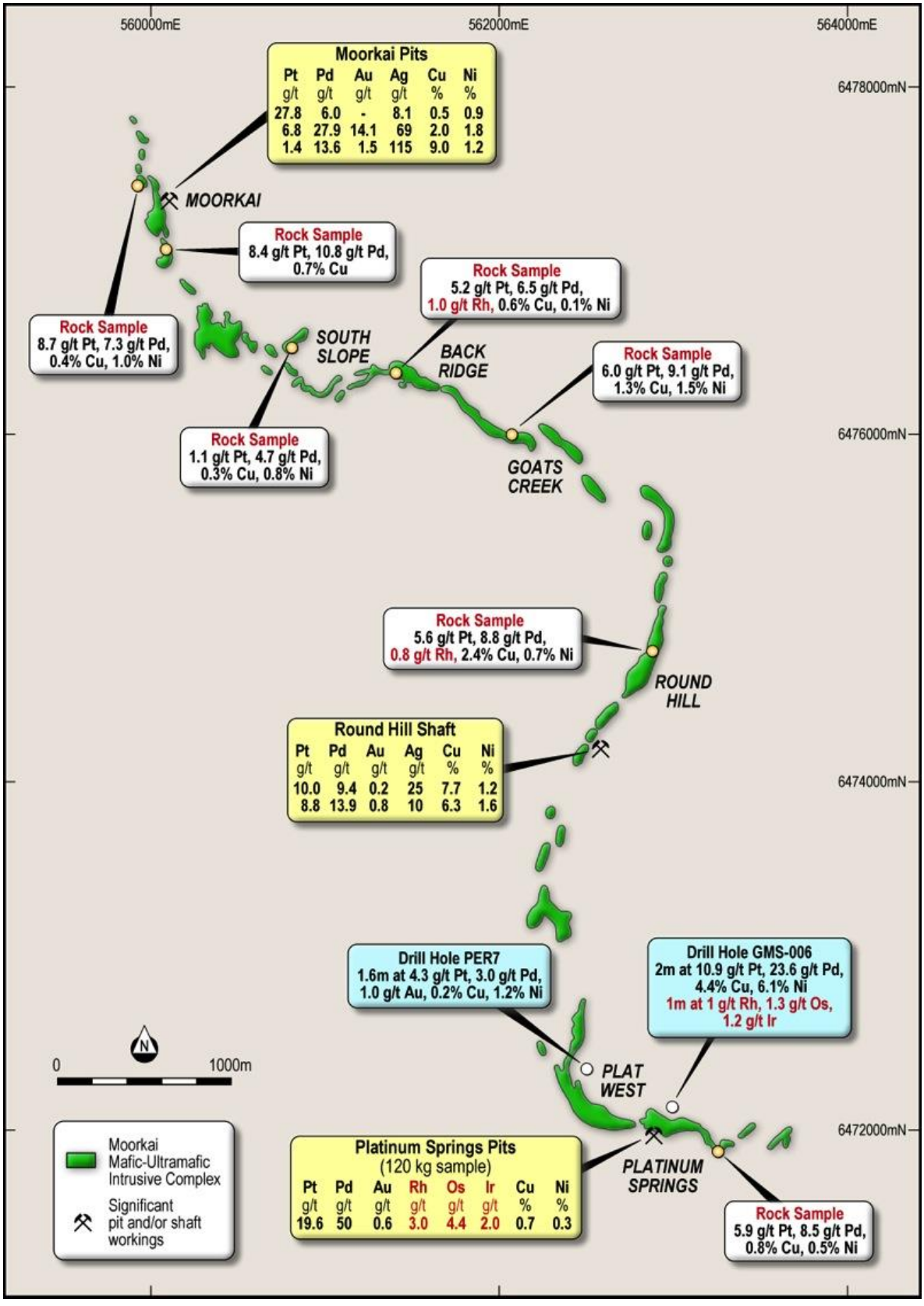

Figure 3. Rock chip samples and previous drill results from the Moorkai Intrusive Complex.

Evidence for alkaline magmas

Impact has completed several in-house research projects on the nature of the very unusual mafic-ultramafic rocks in the Broken Hill area. Much of this work has been done in conjunction with Professor Ken Collerson of the University of Queensland.

This work has demonstrated that the mafic-ultramafic rocks are alkaline in nature and are most likely to be related to a deep seated halogen-rich mantle plume event possibly related to a major tectonic event at about 825 million years ago.

The evidence for this includes extensive major and trace element data, petrography and isotope dating.

This work has shown that the mafic-ultramafic rocks at Broken Hill are very unusual on a world-wide basis given the exceptional grades in particular of the platinum group metals. Of special note are the very high grades of the rarer PGE metals osmium, iridium, ruthenium and rhodium returned from both the Red Hill and Platinum Springs Prospects which confirm a very deep seated origin for the parent magmas.

At Red Hill the 1.2 metres high grade intercept highlighted above also returned:
4.6 g/t rhodium, 7.2 g/t iridium, 5.6 g/t osmium and 3.1 g/t ruthenium (ASX 26th October 2015).

At Platinum Springs the 0.6 metre thick massive sulphide unit returned:
1.3 g/t rhodium, 1.7 g/t iridium, 2.0 g/t osmium and 0.8 g/t ruthenium (ASX 31 March 2016).

It has been shown that alkaline magmas are the deep seated parental magmas to many world-class Iron Oxide Copper Gold Deposits (Figure 4). Impact interprets all of its data, in particular the association of high grade gold-copper with the high grade PGE mineralisation, to indicate the unusual mafic-ultramafic rocks at Broken Hill to be parental magmas for IOCG style mineralisation throughout the region.

This is an important exploration breakthrough for the company and comes at a time of record prices for palladium. Exploration at Broken Hill will be reinvigorated as part of the 2019 field season.

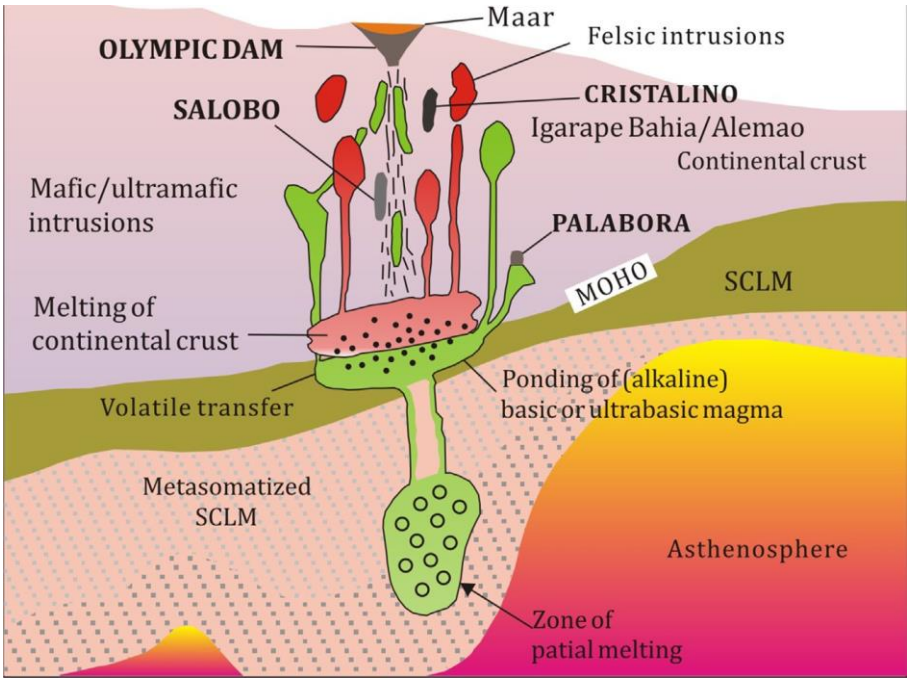

Figure 4. Model for IOCG Deposits from Groves and Santosh 2015: http://dx.doi.org/10.1016/j.gsf.2014.12.007

COMPLIANCE STATEMENT

This report contains new exploration results for 10 rock chip samples. Details are shown in the table below.

Sample	Easting	Northing	Au g/t	Pd g/t	Pt g/t	3PGM g/t	Ag g/t	Cu %	Ni %	Co_ppm	Zn_ppm	Fe_%
BG001	550866	6447612	0.36	0.037	0.001	0.40	3	0.84	0.026	139	230	7.5
BG002	550867	6447611	0.01	0.003	0.003	0.01	0.3	0.90	0.004	77	521	12.1
BG003	550866	6447613	6.48	0.15	0.01	6.64	27.3	11.81	0.035	414	1140	22.1
BG004	550941	6447667	0.00	0.002	0.004	0.01	0.3	0.04	0.148	139	143	7.7
BG005	550941	6447739	0.02	0.003	X	0.02	0.7	0.22	0.001	11	34	1.0
BG006	550839	6447699	X	X	X	X	X	0.00	0.001	2	36	0.9
BG007	550378	6447516	0.01	X	X	0.01	0.3	0.01	0.001	34	35	38.9
BG008	550375	6447514	X	X	X	X	X	0.00	0.001	12	90	3.9
BG009	550376	6447515	0.02	X	X	0.02	0.1	0.00	0.002	12	23	39.5
BG010	550345	6447478	X	X	X	X	X	0.02	0.000	36	23	7.0

Dr Michael G Jones
Managing Director

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). Mike 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.

APPENDIX 1 - SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	**Rock Chip Samples** Random rock samples were taken at surface which represented favourable geology and alteration to known mineralisation in the region. Samples are variably weathered. **Soil Samples** Soil samples were taken at 50 m intervals from a hole 15-20 deep and sieved to -2mm to collect about 250 g of material. **Diamond Drilling** Diamond drilling was used to produce drill core either with a diameter of 63.5 mm (HQ) or 47.6 mm (NQ). A handheld XRF instrument was used to analyse the drill core at 50 cm intervals.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	**Rock Chip Samples** Representative rock chip samples at each sample site weigh between 0.8 and 1.2 kg. Soil samples are taken at a consistent depth below surface and sieved. **Soil Samples and Drill Samples** Sample representivity was ensured by a combination of Company Procedures regarding quality control (QC) and quality assurance / testing (QA). Examples of QC include (but are not limited to), daily workplace and equipment inspections, as well as drilling and sampling procedures. Examples of QA include (but are not limited to) collection of "field duplicates", the use of certified standards and blank samples approximately every 50 samples.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	**Rock Chip and Diamond Drill Samples** Rock samples and split diamond core were sent to Intertek Adelaide where they were crushed, dried and pulverised (total prep) to produce a 25-30 g sub-sample for analysis by four acid digest with an ICP/AES finish for ore grade base metal samples and either lead collection or nickel sulphide fire assay with AAS or MS finish for gold and the PGMs. Weathered samples contained gossanous sulphide material. Soil samples were sent to SGS Perth for analysis by the MMI digest. The XRF data is qualitative only. A comparison between the XRF results and wet chemical assay data will be completed on receipt of final results.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Diamond Drilling comprises NQ (47.6 mm diameter) and HQ (63.5 mm diameter) sized core. Impact diamond core is triple tube and is oriented. Historical diamond core was not oriented.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	Diamond core recoveries for all holes are logged and recorded. Recoveries are estimated to be approximately >97% for the Red Hill Prospect. No significant core loss or sample recovery problems are observed in the drill core.

Criteria	JORC Code explanation	Commentary
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the driller.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No sample bias has been established.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological logging of samples followed company and industry common practice. Qualitative logging of samples included (but not limited to); lithology, mineralogy, alteration, veining and weathering. Diamond core logging included additional fields such as structure and geotechnical parameters. Magnetic Susceptibility measurements were taken for each 0.5 m diamond core interval. For diamond core, information on structure type, dip, dip direction, texture, shape and fill material has been recorded in the logs. RQD data has been recorded on selected diamond holes. Handheld XRF analysis was completed at 50 cm intervals on diamond core.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	All logging is quantitative, based on visual field estimates. Systematic photography of the diamond core in the wet and dry form was completed.
	The total length and percentage of the relevant intersections logged	All diamond drill holes were logged in full. Detailed diamond core logging, with digital capture was conducted for 100% of the core by Impact's on-site geologist.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	All core samples were sampled by half core. Selected intervals of quarter core will be selected for check assays if required.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No RC drilling results are reported.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Company procedures were followed to ensure sub-sampling adequacy and consistency. These included (but were not limited to) daily work place inspections of sampling equipment and practices, as well as sub-sample duplicates ("field duplicates").
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Laboratory QC procedures for rock sample and diamond drill core assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	**Rock and Soil Samples** Field duplicates were taken at selected sample sites.

Criteria	JORC Code explanation	Commentary
	Whether sample sizes are appropriate to the grain size of the material being sampled.	**Diamond Core Samples** Quarter core duplicate samples are taken randomly every 50 samples. Sample sizes at Red Hill are considered adequate due to mineralisation style.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	An industry standard fire assay technique for samples using lead collection with an Atomic Absorption Spectrometry (AAS) finish was used for gold and aqua regia digest for base metals and silver.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used to determine material element concentrations. A handheld XRF was used for qualitative analysis only.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	**Rock Chip Samples** For the rock chips, quality control procedures for assays were followed via internal laboratory protocols. Accuracy and precision are within acceptable limits. **Diamond Drill Samples** Reference standards and blanks are routinely inserted into every batch of samples at a rate of 1 in every 50 samples.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The results have not been verified by independent or alternative companies. This is not required at this stage of exploration.
	The use of twinned holes.	No drilling results are reported.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary assay data for rock chips has been entered into standard Excel templates for plotting in Mapinfo. All historical drill data has been entered digitally by previous explorers and verified internally by Impact.
	Discuss any adjustment to assay data.	There are no adjustments to the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Sample locations and drill holes were located by hand held GPS.
	Specification of the grid system used.	The grid system for Broken Hill is MGA_GDA94, Zone 54.
	Quality and adequacy of topographic control.	Standard government topographic maps have been used for topographic validation. For the diamond holes, down-hole single shot surveys were conducted by the drilling contractor. Surveys were conducted at 15 m, 30 m and then approximately every 30 m down-hole.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Sample spacing for the soil survey was on a 50 m by 50 m grid. Reconnaissance drill spacing is approximately 200 m.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Estimations of grade and tonnes have not yet been made.

Criteria	JORC Code explanation	Commentary
	Whether sample compositing has been applied.	Sample compositing has not been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Not relevant to soil and rock chip results. The orientation of mineralisation in RHD001 yet to be determined.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Not relevant to soil and rock chip results or early stage exploration drill results.
Sample security	*The measures taken to ensure sample security.*	Chain of custody is managed by Impact Minerals Ltd. Samples for Broken Hill are delivered by Impact Minerals Ltd by courier who transports them to the laboratory for prep and assay. Whilst in storage, they are kept in a locked yard. Tracking sheets have been set up to track the progress of batches of samples.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	At this stage of exploration a review of the sampling techniques and data by an external party is not warranted.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Broken Hill Project currently comprises 1 exploration licences covering 100 km^2. The tenement is held 100% by Golden Cross Resources Ltd. Impact Minerals Limited is earning 80% of the nickel-copper-PGE rights in the licence from Golden Cross. No aboriginal sites or places have been declared or recorded over the licence area. There are no national parks over the license area.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is in good standing with no known impediments.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	There has been no significant previous work at this prospect.
Geology	Deposit type, geological setting and style of mineralisation.	Nickel-copper-PGE sulphide mineralisation associated with an ultramafic intrusion.

Criteria	JORC Code explanation	Commentary
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	See Table in text.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	All reported assays have been length weighted. No top cuts have been applied. A cut-off of approximately 0.1% Cu, 0.4% Cu and 1.0% Cu has been applied for reporting of exploration results.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	High grade massive sulphide intervals internal to broader zones of disseminated sulphide mineralisation are reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents have been reported.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	The orientation of mineralisation in RHD001 is yet to be determined.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures in body of text.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results reported are representative

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Assessment of other substantive exploration data is not yet complete however considered immaterial at this stage.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	Follow up work programmes will be subject to interpretation of results which is ongoing.