



8 October 2012

Dear Shareholder,

Non-renounceable pro rata entitlement offer

I refer to Impact Minerals Limited's (**Company**) announcement dated 23 August 2012 announcing a proposed one (1) for one (1) non-renounceable pro rata entitlement offer at an issue price of \$0.03 per share (**New Share**) to raise up to approximately A\$5.53 million (before expenses) (**Offer**).

This letter is to inform you about the Offer and to explain why you will not be able to subscribe for New Shares under the Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

Documents relating to the Offer were lodged with ASIC and ASX on 4 October 2012 and are being mailed to Eligible Shareholders (as defined below in the section headed "Eligibility Criteria").

The Entitlement Offer is to be implemented under section 713 of the Corporations Act 2001 (Cth) (**Corporations Act**).

Eligibility criteria

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A of the Corporations Act, that it would be unreasonable to make offers to shareholders in all countries in connection with the Offer. This determination was made due to legal limitations on making or extending an offer of New Shares in some countries, the relatively small number of shareholders in those countries, the small number of securities they hold and the potential cost of complying with regulatory requirements in those countries.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, the Company wishes to advise you that it will not be extending the Offer to you and you will not be able to subscribe for New Shares under the Offer.

Shareholders who are eligible to participate in the Offer (**Eligible Shareholders**) are shareholders who:

- (a) are registered as holders of existing shares as at 7:00pm (AEDT) on Monday 15 October 2012 (**Record Date**); and
- (b) as at the Record Date
 - (i) have a registered address in Australia or New Zealand; or
 - (ii) are eligible under all applicable securities laws to receive an offer under the Offer without any requirement for a prospectus or offer document to be lodged or registered.

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder stated above, you will not be able to subscribe for New Shares under the Offer.

If you have any questions in relation to any of the above matters, please contact Computershare Investor Services Pty Limited (Share Registry) on +61 3 9415 4000 from 8.30am to 5.00pm (AEDT) Monday to Friday.

On behalf of the Board and management of Impact Minerals, thank you for your continued support.

Yours faithfully



James Cooper-Jones
Company Secretary