

ANNOUNCEMENT

Date: 24 February 2020

Number: 660/124022020

IMPACT TO FOCUS BROKEN HILL EXPLORATION ON PALLADIUM-PLATINUM AND OTHER PGM'S: SIGNS NON-BINDING MOU TO MARKET OTHER METAL RIGHTS

As part of the new 2020 focus on PGM-nickel-copper exploration at Broken Hill, Impact Minerals Limited (ASX:IPT) is pleased to announce that it 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.

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.

Further information can be found in the attached announcement from Castillo Copper.

Impact Minerals Managing Director, Dr Mike Jones:

“With palladium and rhodium yet again reaching record prices late last week and now being well funded following our recent successful capital raising, we are gearing up to return to exploration at our unique Broken Hill project where our previous drilling there has delivered exceptional grades of all six platinum group metals (palladium, platinum, rhodium, ruthenium, osmium and iridium) not to mention gold, nickel and copper as well.”

“As we move towards the follow up drill campaign it is important that we focus our exploration funds on the platinum group metals and therefore we are delighted to have signed this MOU with Castillo Copper and our major shareholder Squadron Resources Limited who also have tenements in the area, to search for a strategic partner for the non-PGM and associated metal rights on our ground holding. The Broken Hill region is highly prospective for silver-lead zinc mineralisation and it is only appropriate that we look for partners to help maximise the potential of our large strategic ground holding there. We look forward to working with the Alliance to achieve this goal.”

About the Broken Hill Project

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 1). Three key prospects for follow-up work including drilling, have been identified.

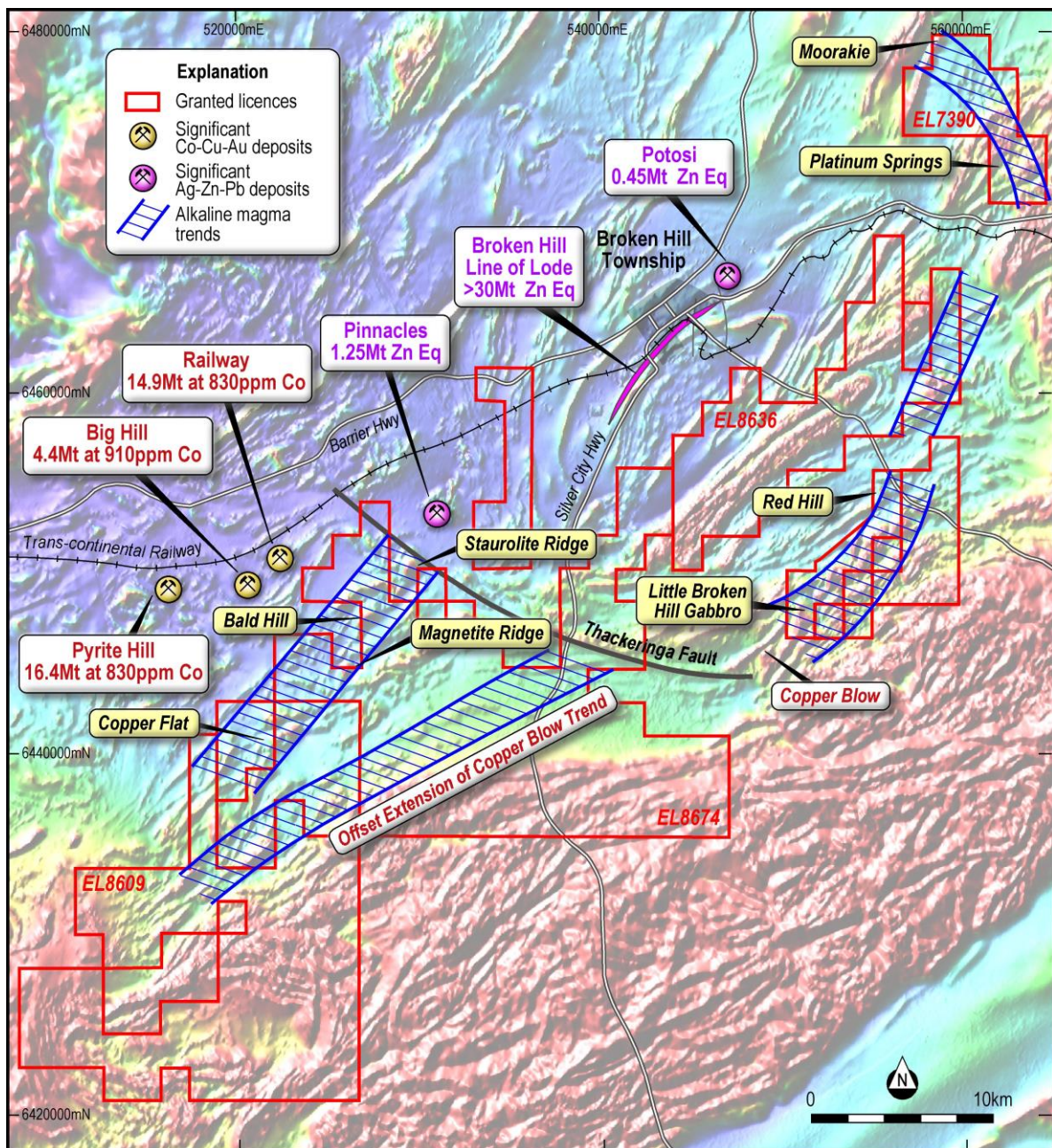


Figure 1. Location of Impact’s ground holding in the Broken Hill area. Impact will retain the rights to PGM-nickel-copper mineralisation and associated metals across all of its tenements.

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 Announcement 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. In addition, additional assays for rhodium, iridium, osmium and ruthenium from previous drill sample pulps are being organised. These metals were not previously routinely assayed for because of prohibitive cost.

At Platinum Springs, drilling by Impact returned a very high grade intercept of magmatic massive sulphide mineralisation 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 Announcements 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. There has been limited follow-up exploration (Figure 2).

At Little Broken Hill, a mafic-ultramafic intrusive complex extends over 7 very poorly explored kilometres and yet contains numerous soil geochemistry, RAB drill hole, VTEM and rock chip anomalies that are priority areas for follow-up work (ASX Announcement 13th December 2018). Field checking of these areas will commence shortly.

In addition, other belts of mafic-ultramafic rocks with anomalous PGM's have also been recognised for the first time by Impact Minerals - and these too, are very under explored (Figure 1).

COMPLIANCE STATEMENT

This announcement contains no new Exploration Results.

For further information please contact:

Dr Michael G Jones

Managing Director

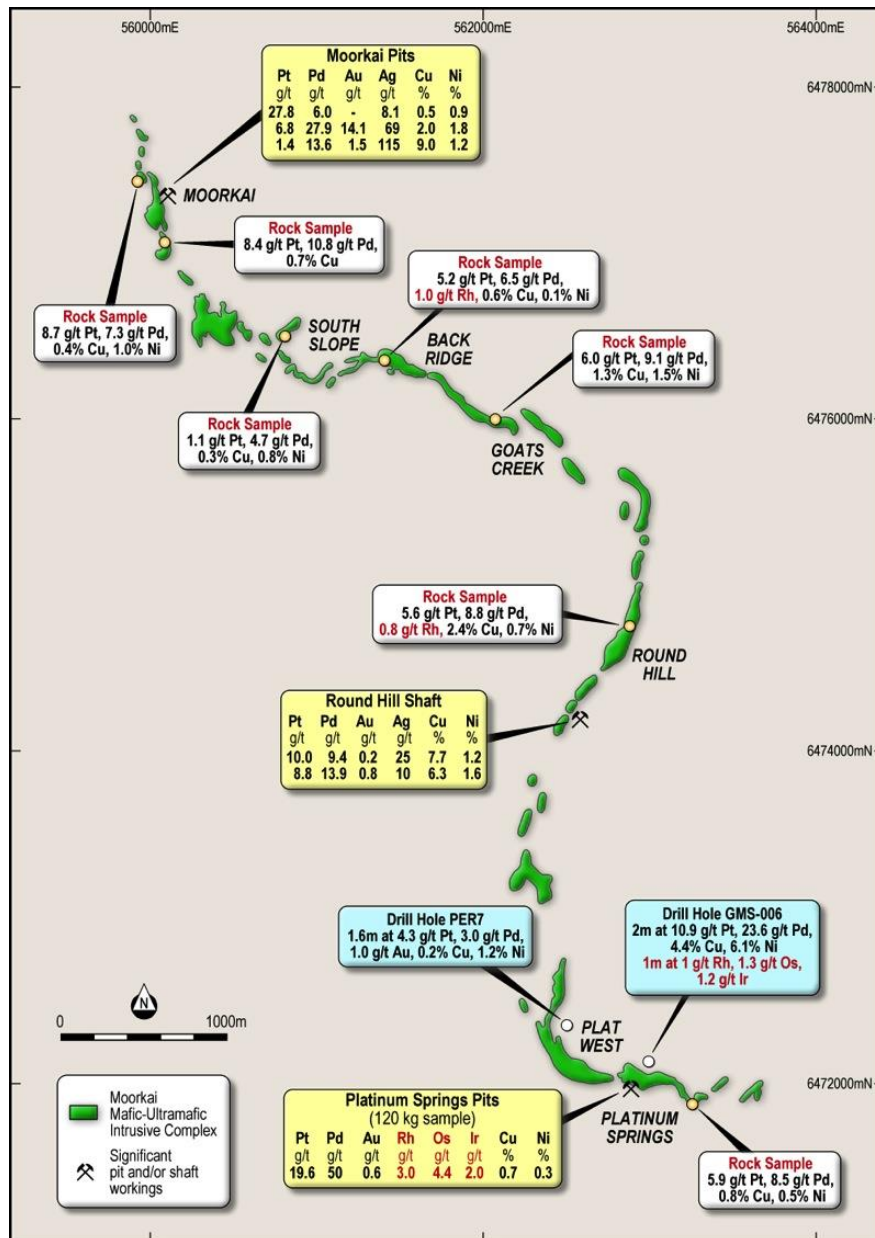


Figure 2. Rock chip samples and previous drill results from the Moorkai Intrusive Complex.

COMPETENT PERSON 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). 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.