

ASX ANNOUNCEMENT

Date: 19 April 2022

COMPANY UPDATE

FIRST-EVER LITHIUM IDENTIFIED AT HOPETOON PROJECT, WA

- Spodumene and yttrium-bearing apatite identified in pegmatite veins at the Kalahari Prospect.
- First recorded lithium in the Hopetoun area which covers an interpreted extension of the Ravensthorpe greenstone belt host to multiple mines and deposits of lithium (Mt Cattlin ASX:AKE), nickel (e.g. RAV 8 ASX: NIS) and copper-gold (Kundip, ASX:MM8).
- The veins occur within the Proterozoic Munglinup Gneiss and are thus younger and possibly of a different origin to 'classic' Archaean LCT pegmatites in the region.
- Application for a new exploration licence lodged to cover part of the Jerdacuttup Fault and the southern extension of the Ravensthorpe greenstone belt, extending the Joint Venture ground holdings in the area to 185 square kilometres.
- Diamond drill programme to test Top Knotch and Silverstar prospects almost complete. Anomalous copper discovered at Top Knotch with the combined geochemical-geophysical anomalies not yet explained. Soil geochemistry surveys extended to better define targets.
- Advanced negotiations in progress for the sale of the Blackridge Gold Project in Queensland.
- Deep-penetrating ground EM survey continues at the Broken Hill Joint venture with IGO.
- Several parties evaluating Commonwealth Project in the Lachlan Fold Belt of NSW.



Figure 1. Large spodumene crystal in pegmatite vein (left) and under UV light showing the distinctive pink fluorescence of this lithium-bearing mineral.

Outcrops of pegmatite veins with large spodumene and apatite crystals have been identified at the Kalahari Prospect, part of Impact Minerals Limited's Hopetoun Project near the mining centre of Ravensthorpe in Western Australia (Figures 1, 2 and 3).



Figure 2. Outcrop of pegmatite vein with large spodumene crystal (arrow) and grab sample with yttrium-bearing apatite (aquamarine crystals).

Impact Minerals' Managing Director Dr Mike Jones said *"The recognition of outcrops of lithium-bearing minerals is an exciting development for Impact and its joint venture partners at Hopetoun. Most of the previous work in the area has been focussed on the precious and base metal potential of the Albany Fraser belt given it the host to the Nova-Bollinger deposit.*

It is possible however that the belt also may host significant lithium and rare earth deposits and we look forward to the assay results from our initial samples. In the meantime we will extend our soil geochemistry surveys over more of the project area to define areas for follow up work. Dr Jones said.

The spodumene outcrops occur in a road base quarry in an area of generally poor outcrop about 500 metres to the east of the main Kalahari base and precious metal target (233,550 mE, 6,248,900 mN Zone51). The veins, which are steeply dipping and trend north east, occur as a swarm in a zone about 30 to 50 metres wide with individual veins up to 25 cm thick.

The veins clearly cross cut and are younger than the surrounding gneisses (Munglinup Gneiss) which are part of the Albany Fraser Mobile Belt. As such they are different in age, and likely to have a different origin to, the classic Archaean-aged LCT pegmatites that form many of the deposits discovered in the older Yilgarn and Pilbara cratons.

The spodumene crystals are up to 5 cm in dimension and exhibit classic pink fluorescence under ultra violet light (Figure 1). Some of the veins contain similar-sized crystals of aquamarine apatite, a phosphate mineral which has measurable levels of yttrium on a hand-held XRF instrument and which may be prospective for rare earth elements.

It should be noted that some of the exploration information in this announcement is based only on visual field observations. The company emphasises that the presence of lithium and other metals does require confirmation by chemical analyses. Grab samples of these veins have been submitted for geochemical assay with results expected by mid-May.

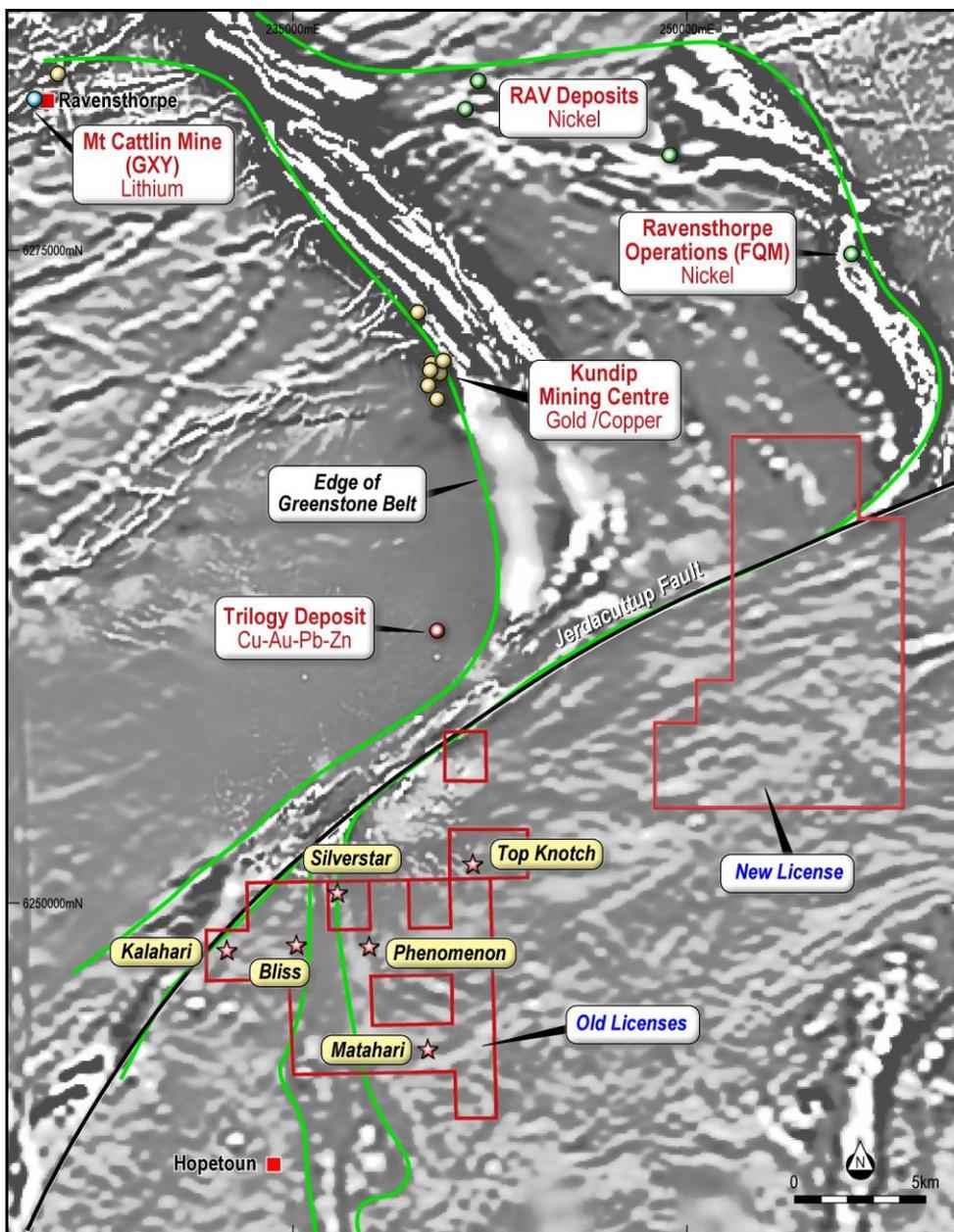


Figure 3. Image of airborne magnetic data over the Ravensthorpe-Hopetoun area showing the interpreted extension of the Ravensthorpe greenstone belt south of the Jerdacuttup Fault together with the licences in the Hopetoun Joint Venture. The new licence is E70/730.

Given the poor exposure in the area, Impact considers it likely that other vein swarms could be present in the Hopetoun-Ravensthorpe area. Accordingly, the Company has applied for a new exploration licence that is underlain by the Munglinup Gneiss, as well as an extension of the Ravensthorpe greenstone belt and associated Jerdacuttup Fault, a major terrane boundary. This will also form part of the Hopetoun Joint Venture. (Figure 3).

Drill Programme Update

The diamond drill programme to test the Top Knotch and Silverstar copper-silver-gold targets is nearing completion, with two shallow holes completed at Top Knotch and one in progress at Silverstar (Figure 3).

Disseminated copper minerals have been found in mafic rocks at Top Knotch but these are considered insufficient to explain the geochemical and geophysical anomalies. Accordingly, a detailed soil geochemistry survey has been undertaken over the target area to better refine the target, which was identified from earlier reconnaissance work. Samples will be dispatched to Perth shortly for assay, with results expected in June.

ABOUT THE HOPETOUN JOINT VENTURE PROJECT

The Hopetoun project is one of four recently announced joint venture projects where Impact is earning an 80% interest (Figure 4 and ASX Release 8th December 2021).

The project contains six drill-ready targets of which two, Top Knotch and Silverstar, were fully permitted for drill testing (Figure 1). Statutory approvals are being sought for the other targets and these are likely to be drilled later in the year.

The Hopetoun area has received very little exploration because of a perception that much of the area is underlain by barren Proterozoic gneisses. In addition, there is extensive younger cover which has hindered previous explorers.

However, a review of the regional airborne magnetic data over the area suggests that much of the gneiss terrane may comprise a reworked Archaean granite-greenstone terrane as shown in Figure 3.

Indeed, the area may be an extension of the Ravensthorpe greenstone belt to the north which contains numerous mines and deposits of lithium (Mt Cattlin mine, Allkem Limited, ASX:AKE), nickel sulphide (the dormant RAV 8 mine and associated deposits), copper-gold (including the Kundip historic mining centre where recent exploration has returned exceptional copper-gold results, Medallion Metals Ltd ASX:MM8), zinc-lead-copper (Trilogy deposit ASX:MM8) as well as nickel laterite (First Quantum Minerals Limited TSX:FM) (Figure 3).

The drill ready targets identified at Hopetoun include targets for nickel-copper-gold-silver and lithium.



Figure 4. Location of Impact's projects in Western Australia.

OTHER PROJECTS

BLACKRIDGE GOLD PROJECT, QUEENSLAND (IPT 100%)

Impact is in advanced discussions with a private company to sell the Blackridge gold project in Queensland. The project comprises one small mining lease and three exploration licences covering about 142 square kilometres.

BROKEN HILL PROJECT (IPT100%)

A large and significant electromagnetic survey has been underway since late January at Impact's Broken Hill Project in New South Wales and which is funded by IGO Limited (ASX:IGO). This work is part of a joint venture to explore for nickel-copper-PGM on EL7390 and EL8234 where IGO has the right to earn up to a 75% interest in the two tenements (ASX Release 9th November 2021).

A significant conductor modelled to be centred at a depth of about 350 metres below surface and 420 metres long has already been identified at the southern end of the nine kilometre long Moorkai Trend where previous drilling discovered high grade nickel-copper-PGM hosted by massive sulphides. This conductor is considered prospective for massive sulphide mineralisation based on its discrete dimensions and high conductance, and is a priority target for follow-up work (ASX Release 3rd March 2022).

The survey along the Moorkai Trend is now about 90% complete. The geophysical survey crew will then move to the Little Broken Hill Gabbro where previous drilling by Impact identified for the first time large areas of low grade PGM-copper-nickel in the basal ultramafic unit of the intrusion.

COMMONWEALTH PROJECT (IPT100%)

Impact has received several unsolicited approaches to evaluate its Commonwealth project which covers about 715 sq km in the Lachlan Fold Belt of central New South Wales which is prospective for porphyry copper-gold deposits, as well as volcanogenic massive sulphide deposits.

A data room has been set up and a number of companies are currently evaluating the data. Preliminary discussions regarding a potential transaction on the project have been held with several companies but terms are yet to be agreed.

COMPLIANCE STATEMENT

This report contains new geological observations at Kalahari.

Dr Mike 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	<i>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.</i>	Grab samples of a weight of about 500-1000 grams were taken from outcrops and loose boulders. Samples have been submitted to Intertek laboratories for assay.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	The grab samples were taken to cover a wide range of vein types in particular where spodumene was identified.
	<i>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</i>	The grab samples were taken using industry standard procedures.
Drilling techniques	<i>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).</i>	N/A
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	N/A
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Standard field procedures for grab samples were used.
	<i>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.</i>	No sample bias has been established.
Logging	<i>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.</i>	N/A
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	N/A
	<i>The total length and percentage of the relevant intersections logged</i>	N/A

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	N/A
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The size and distribution of the grab samples is appropriate for regional exploration.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Laboratory QC procedures for grab samples involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates.
	<i>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.</i>	No field duplicates were taken as this is not warranted at this early stage of exploration.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are appropriate
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Samples have been submitted to Intertek Laboratories in Perth.
	<i>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.</i>	N/A
	<i>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.</i>	Duplicate samples are not required at this early stage of exploration.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The results have not been verified by independent or alternative companies. This is not required at this stage of exploration.
	<i>The use of twinned holes.</i>	N/A
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary assay data will be entered into standard Excel templates for plotting in QGIS and IOGAS.
	<i>Discuss any adjustment to assay data.</i>	There are no adjustments to the assay data.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Sample locations were located by handheld GPS.
	<i>Specification of the grid system used.</i>	The grid system for Hopetoun is MGA_GDA94, Zone 51.

Criteria	JORC Code explanation	Commentary
	<i>Quality and adequacy of topographic control.</i>	N/A
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The samples were taken at 1 to 5 metre spacings.
	<i>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.</i>	N/A
	<i>Whether sample compositing has been applied.</i>	N/A
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	N/A.
	<i>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.</i>	N/A.
Sample security	<i>The measures taken to ensure sample security.</i>	Samples were taken by Impact staff delivered by them to a courier company.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	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 Hopetoun project comprises three tenements E74/563, E74/697 and E70/730 in joint venture with Octo Resources Pty Limited. Impact is earning an 80% interest in the tenement by free carrying SSE to a Decision to Mine. Octo has signed Land Access agreements with the various Native Title claimants that cover the 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 tenements are 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 project.
Geology	Deposit type, geological setting and style of mineralisation.	Nickel-copper-PGE sulphide mineralisation associated with mafic to ultramafic intrusions and gold-copper in deformed and metamorphosed greenstone belts. LCT Pegmatites, REE and Rb granites and pegmatites.

Criteria	JORC Code explanation	Commentary
Drill hole Information	<p>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:</p> <ul style="list-style-type: none"> • 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. 	N/A
Data aggregation methods	<p>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.</p>	N/A.
	<p>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.</p>	N/A
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	N/A
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>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').</p>	N/A
Diagrams	<p>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.</p>	Refer to Figures in body of text.
Balanced reporting	<p>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.</p>	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.