



**IMPACT MINERALS LIMITED**  
**(and Controlled Entities)**

ABN 52 119 062 261

**HALF-YEAR FINANCIAL REPORT**  
**31 December 2021**

## CONTENTS

---

DIRECTORS' REPORT .....	2
AUDITOR'S INDEPENDENCE DECLARATION .....	5
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021 .....	6
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 .....	7
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021 .....	8
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021 .....	9
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021 .....	10
DIRECTORS' DECLARATION.....	17
INDEPENDENT AUDITOR'S REVIEW REPORT.....	18

## DIRECTORS' REPORT

---

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2021.

### DIRECTORS

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

- Peter Unsworth – Non-Executive Director
- Michael Jones – Managing Director
- Paul Ingram – Non-Executive Director
- Frank Bierlein – Non-Executive Director (appointed 13 October 2021)
- Markus Elsasser – Non-Executive Director (retired 31 January 2022)

### PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was exploration for deposits of nickel, gold, copper and platinum group elements.

### REVIEW OF OPERATIONS

#### **Arkun Nickel-Copper-PGM Project, WA (IPT 100%)**

The Arkun project covers about 2,000 sq km in the central Wheatbelt of Western Australia and is prospective for a wide range of commodities. The Arkun project is very poorly explored with no previous drilling.

During the period 11 targets for Ni-Cu-PGM, 11 targets for lithium-cesium-tantalum (LCT) pegmatites and numerous targets for Rare Earth Elements (REE) and rubidium were identified with soil anomalies for both styles of mineralisation extending over significant areas of many hundreds of metres on reconnaissance traverses. The REE comprise both heavy and light rare earth elements including the valuable elements neodymium, praseodymium, dysprosium, terbium, ytterbium, cerium and lanthanum.

Follow up work including field checking and rock chip sampling is in progress with land access negotiations to commence as soon as practicable.

#### **New Projects in Western Australia**

In December 2021 Impact announced that it had entered into four joint venture projects with the right to earn up to an 80%. The projects are Jumbo, Narryer, Dalgara and Hopetoun, covering almost 1,000 square kilometres and prospective for nickel-copper-PGM, lithium and other metals.

At Hopetoun a copper-gold target was drill tested and a thick alteration zone with abundant pyrite sulphide over four metres at end-of-hole was intersected. However extremely difficult drilling conditions precluded the continuation of RC drilling. A diamond drill rig is being sourced for follow up work in 2022.

### **Doonia Gold Project, WA (IPT 80%)**

The Doonia gold project lies about 80 km east of the St Ives gold mining district and was acquired because of large poorly gold+bismuth soil geochemistry anomaly up to 2.5 km by 1.5 km in size centred over a cluster of smaller near-surface magnetic anomalies. The project has strong geophysical and geochemical similarities to the recent Burns discovery (ASX:LEX) located 20km west of Doonia.

During the period all statutory approvals were received and a drill programme to test the soil anomaly was commenced in January 2022.

### **Commonwealth Gold-Silver-Zinc-Lead-Copper Project, NSW (IPT 100%)**

The Commonwealth Project comprises six 100% owned exploration licences that cover about 853 km<sup>2</sup> of the highly prospective Lachlan Fold Belt about 100 km north of Orange in NSW. The belt is host to many major gold-silver-copper mines including the Cadia-Ridgeway deposits that contain at least 25 million ounces of gold and 5 million tonnes of copper.

During the period drill results were received from the Apsley prospect and a large halo of copper and associated altered rocks covering a 1,000 metre by 1,000 metre by 350 metre deep area was identified. The halo contains up to nearly 250 metre thick drill intercepts averaging from 100 ppm to 200 ppm copper with associated molybdenum and alteration minerals typical of the outer zones of a porphyry copper-gold system. Similar copper values and alteration at the Ridgeway Mine occur within only 200 metres to 300 metres of the high grade core.

Metal zonation patterns have identified three areas for follow up work.

### **Broken Hill Project, NSW (IPT 100%)**

The Broken Hill Project comprises 850 km<sup>2</sup> of exploration licences located southeast of Broken Hill, NSW and is prospective for: nickel-copper-cobalt-PGE mineralisation associated with ultramafic rocks; zinc-lead-silver mineralisation hosted by metasedimentary rocks and amphibolite (Broken Hill style); and pyrite-cobalt deposits similar to Thackaringa (72Mt at 852 ppm cobalt, 9.3% sulphur and 10% iron).

During the period IGO joint ventured into two of Impact's tenements that are prospective for nickel-copper-PGE. The principal terms of the Joint venture are: IGO to spend \$18 million over 8 years to earn a 75% interest in EL7390 and EL8234 in two stages: \$6 million to earn a 51% interest and a further \$12 million to earn a further 24% interest. There is a minimum expenditure of \$500,000 before withdrawal. IGO commenced a ground electromagnetic survey over the two tenements in January 2022.

## **FINANCIAL PERFORMANCE AND FINANCIAL POSITION**

During the half-year the Group reported an operating loss after tax of \$1,083,540 (half-year to 31 December 2020: loss of \$1,321,493). As at 31 December 2021 the Group had net assets of \$15,497,736 (30 June 2021: \$15,632,776) including \$1,479,003 of cash and cash equivalents (30 June 2021: \$3,415,778).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

## AUDITOR'S DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Hall Chadwick WA Audit Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "Peter Unsworth".

Peter Unsworth

**Chairman**

Perth, 11 March 2022

## Competent Person's 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). 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.

## Forward Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning Impact Minerals Limited's (Impact's) current expectations, estimates and projections about the industry in which Impact operates, and beliefs and assumptions regarding Impact's future performance. When used in this document, words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Impact believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Impact and no assurance can be given that actual results will be consistent with these forward-looking statements.

To the Board of Directors

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Impact Minerals Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully,

*Hall Chadwick*  
HALL CHADWICK WA AUDIT PTY LTD

*Mark Delaurentis*  
MARK DELAURENTIS CA  
Director

Dated this 11<sup>th</sup> day of March 2022  
Perth, Western Australia

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Notes	CONSOLIDATED	
		31 Dec 2021 \$	31 Dec 2020 \$
Interest and other income	3	2,840	32,952
Other income	3	114,859	-
		<b>117,699</b>	<b>32,952</b>
Employee benefits expense		(746,778)	(248,680)
Corporate and administration expenditure		(349,932)	(394,289)
Depreciation and amortisation expense		(8,505)	(20,609)
Occupancy		(40,297)	(24,886)
Impairment of exploration expenditure	7	(55,727)	(665,981)
<b>Loss before income tax expense</b>		<b>(1,083,540)</b>	<b>(1,321,493)</b>
Income tax expense		-	-
<b>Net Loss from continuing operations</b>		<b>(1,083,540)</b>	<b>(1,321,493)</b>
<b>Other comprehensive income / (loss)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Change in the fair value of financial assets	6	367,500	-
<b>Other comprehensive income (net of tax)</b>		<b>367,500</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(716,040)</b>	<b>(1,321,493)</b>
<b>Total comprehensive loss attributable to the owners of Impact Minerals Limited</b>		<b>(716,040)</b>	<b>(1,321,493)</b>
<b>Loss attributable to the owners of Impact Minerals Limited</b>		Cents per share	Cents per share
Basic Profit/(Loss) per share	13	<b>(0.05)</b>	<b>(0.08)</b>

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	CONSOLIDATED	
		31 Dec 2021 \$	30 Jun 2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	1,479,003	3,415,778
Trade and other receivables		94,889	38,999
Other current assets		27,049	27,047
Assets held for sale	5	-	115,141
<b>Total Current Assets</b>		<b>1,600,941</b>	<b>3,596,965</b>
<b>Non-Current Assets</b>			
Financial assets	6	562,500	145,000
Property, plant and equipment		22,281	25,319
Exploration expenditure	7	13,490,809	11,993,262
Other non-current assets		277,555	262,555
<b>Total Non-Current Assets</b>		<b>14,353,145</b>	<b>12,426,136</b>
<b>TOTAL ASSETS</b>		<b>15,954,086</b>	<b>16,023,101</b>
<b>Current Liabilities</b>			
Trade and other payables		324,010	299,789
Short-term provisions		132,340	90,536
<b>Total Current Liabilities</b>		<b>456,350</b>	<b>390,325</b>
<b>TOTAL LIABILITIES</b>		<b>456,350</b>	<b>390,325</b>
<b>NET ASSETS</b>		<b>15,497,736</b>	<b>15,632,776</b>
<b>EQUITY</b>			
Issued capital	8	53,787,639	53,787,639
Option reserve	8	1,330,196	901,996
Financial asset reserve	9	412,500	45,000
Transactions with non-controlling interest		(1,161,069)	(1,161,069)
Accumulated losses		(38,871,530)	(37,940,790)
<b>TOTAL EQUITY</b>		<b>15,497,736</b>	<b>15,632,776</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Issued capital \$	Option reserve \$	Financial asset reserve \$	Transactions with non-controlling interest \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2020</b>	<b>46,931,843</b>	<b>1,005,268</b>	-	<b>(1,161,069)</b>	<b>(33,398,966)</b>	<b>13,377,076</b>
Loss for the period	-	-	-	-	(1,321,493)	(1,321,493)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss for the half-year</b>	-	-	-	-	<b>(1,321,493)</b>	<b>(1,321,493)</b>
<b>Transactions with owners in their capacity as owners</b>						
Shares issued	3,253,750	-	-	-	-	3,253,750
Share issue costs	(214,969)	-	-	-	-	(214,969)
Exercise of options	54,160	(54,160)	-	-	-	-
Fair value of options issued	-	138,838	-	-	-	138,838
Fair value of options expired	-	(218,350)	-	-	218,350	-
<b>Balance at 31 December 2020</b>	<b>50,024,784</b>	<b>871,596</b>	-	<b>(1,161,069)</b>	<b>(34,502,109)</b>	<b>15,233,202</b>
<b>Balance at 1 July 2021</b>	<b>53,787,639</b>	<b>901,996</b>	<b>45,000</b>	<b>(1,161,069)</b>	<b>(37,940,790)</b>	<b>15,632,776</b>
Loss for the period	-	-	-	-	(1,083,540)	(1,083,540)
Other comprehensive income	-	-	367,500	-	-	367,500
<b>Total comprehensive loss for the half-year</b>	-	-	<b>367,500</b>	-	<b>(1,083,540)</b>	<b>(716,040)</b>
<b>Transactions with owners in their capacity as owners</b>						
Fair value of options issued	-	581,000	-	-	-	581,000
Fair value of options expired	-	(152,800)	-	-	152,800	-
<b>Balance at 31 December 2021</b>	<b>53,787,639</b>	<b>1,330,196</b>	<b>412,500</b>	<b>(1,161,069)</b>	<b>(38,871,530)</b>	<b>15,497,736</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Notes	CONSOLIDATED	
		31 Dec 2021 \$	31 Dec 2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(571,160)	(552,614)
Interest received		3,217	17,700
Government rebates		-	67,470
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>		<b>(567,943)</b>	<b>(467,444)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(5,467)	(15,863)
Payments for exploration activities		(1,418,365)	(2,353,693)
Proceeds from the sale of tenements		165,000	-
Payments for the acquisition of tenements		(110,000)	(30,000)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(1,368,832)</b>	<b>(2,399,556)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	3,245,000
Share issue costs		-	(214,970)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>-</b>	<b>3,030,030</b>
Net increase/(decrease) in cash and cash equivalents		(1,936,775)	163,030
Cash and cash equivalents at beginning of the period		3,415,778	2,431,426
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	4	<b>1,479,003</b>	<b>2,594,456</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

---

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Preparation

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*.

This interim report is intended to provide users with an update on the latest annual financial statements of Impact Minerals Limited and its controlled entities (the consolidated entity). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the consolidated entity for the year ended 30 June 2021, together with any public announcements made during the half-year.

Except for Note 1(b) the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial statements have been prepared on the historical cost basis, except where stated. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

#### b) New accounting standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an annual accounting period that begins on or after 1 July 2021.

The adoption of the new and revised Standards and Interpretations have not had a material impact on this half-year financial report.

#### c) Going Concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Group generated a loss for the period of \$1,083,540 (2020: loss of \$1,321,493) and net cash outflows from operating activities of \$567,943 (2020: \$467,444). As at 31 December 2021 the Consolidated Group had a cash balance of \$1,479,003 (30 June 2021: \$3,415,778).

The ability of the Consolidated Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast which indicates that the Consolidated Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

## NOTE 2: SEGMENT REPORTING

Management has determined that the Group has one material reportable segment, being mineral exploration in Australia.

The Board has considered the requirements of AASB 8 *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Managing Director) in allocating resources and have concluded at this time that there are no separately identifiable segments.

## NOTE 3: INTEREST AND OTHER INCOME

	31 Dec 2021 \$	31 Dec 2020 \$
Interest income	2,840	14,002
Gain on sale of tenements (refer Note 5)	114,859	-
Other income	-	18,950
	<b>117,699</b>	<b>32,952</b>

## NOTE 4: CASH AND CASH EQUIVALENTS

	31 Dec 2021 \$	30 Jun 2021 \$
Cash at bank and on hand	954,003	890,778
Short-term deposits	525,000	2,525,000
	<b>1,479,003</b>	<b>3,415,778</b>

## NOTE 5: ASSETS HELD FOR SALE

	31 Dec 2021 \$	30 Jun 2021 \$
Tenements held for sale	-	115,141
	-	<b>115,141</b>

In February 2021, the Company announced that it had reached an agreement for the sale of tenement EL8632 and the northern part of block EL8505 in the Company's Lachlan Fold Belt portfolio to Orange Minerals Pty Ltd an unrelated company. The consideration being (a) a non-refundable deposit of \$15,000; (b) \$50,000 in shares in a company to be listed (ultimately Orange Minerals NL ASX:OMX); (c) \$180,000 in cash; and (c) a 1% Net Smelter Royalty.

At 30 June 2021 the sale had not been completed and the licences subject to this agreement were held at their carrying value.

During the reporting period the sale was completed, and the Company recognised a gain on the sale of the tenements of \$114,859. The Company also holds 250,000 shares in Orange Minerals NL.

## NOTE 6: FINANCIAL ASSETS

	31 Dec 2021 \$	30 Jun 2021 \$
Opening balance	145,000	-
Additions (refer Note 5)	50,000	100,000
Change in fair value	367,500	45,000
Closing balance	<b>562,500</b>	<b>145,000</b>

The fair value of listed financial assets at fair value through profit and loss has been determined directly by reference to published price quotations in an active market, with movement in fair value recognised in other comprehensive income.

## NOTE 7: EXPLORATION EXPENDITURE

	31 Dec 2021 \$	30 Jun 2021 \$
Capitalised cost at the beginning of the period	11,993,262	10,946,163
Exploration expenditure incurred during the period	1,553,274	4,975,014
Sale of Lachlan Fold Belt tenements	-	(115,141)
Sale of Clermont project	-	(100,000)
Impairment expense for the period	(55,727)	(3,712,774)
	<b>13,490,809</b>	<b>11,993,262</b>

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

## NOTE 8: ISSUED CAPITAL

	31 Dec 2021 \$	30 Jun 2021 \$
Ordinary shares fully paid	<b>53,787,639</b>	53,787,639

### a) Movements in ordinary shares on issue

	HALF-YEAR ENDED 31 DEC 2021		YEAR ENDED 30 JUN 2021	
	No.	\$	No.	\$
At the beginning of the period	<b>2,023,794,919</b>	<b>53,787,639</b>	1,559,494,630	46,931,843
- Placement <sup>(a)</sup>	-	-	216,333,333	3,245,000
- Share issue <sup>(b)</sup>	-	-	838,065	18,750
- Option conversion <sup>(c)</sup>	-	-	2,708,434	54,160
- Share issue <sup>(d)</sup>	-	-	1,996,215	40,000
- Placement <sup>(e)</sup>	-	-	242,424,242	4,000,000
- Transaction costs	-	-	-	(502,114)
At the end of the period	<b>2,023,794,919</b>	<b>53,787,639</b>	2,023,794,919	53,787,639

(a) In July 2020, the Company raised \$3,245,000 (before costs) via a placement of 216,333,333 new shares at an issue price of 1.5 cents each.

(b) During the financial year ended 30 June 2021, the Company issued a total of 838,065 new shares as part consideration for geological consulting services in relation to the identification of, and application for, the Doonia project.

(c) During the financial year ended 30 June 2021, the Company issued 2,708,434 new shares for nil consideration on the cashless exercise of 8,000,000 employee options.

(d) In January 2021, the Company issued 1,996,215 new shares as part consideration for geological consulting services in relation to the grant of the five tenements in the Yilgarn Craton of Western Australia (Arkun project).

(e) In April 2021, the Company raised \$4,000,000 (before costs) via a placement of 242,424,242 new shares at an issue price of 1.65 cents each.

### b) Movements in options on issue

	HALF-YEAR ENDED 31 DEC 2021		YEAR ENDED 30 JUN 2021	
	No.	\$	No.	\$
At the beginning of the reporting period	<b>157,000,000</b>	<b>901,996</b>	176,500,000	1,005,268
Fair value of options issued	83,000,000	581,000	4,000,000	169,238
Options exercised	-	-	(8,000,000)	(54,160)
Options expired	(40,000,000)	(152,800)	(15,500,000)	(218,350)
At the end of the reporting period	<b>200,000,000</b>	<b>1,330,196</b>	157,000,000	901,996

## NOTE 9: FINANCIAL ASSET RESERVE

	31 Dec 2021 \$	30 Jun 2021 \$
<b>Financial asset reserve</b>		
Opening balance	45,000	-
Equity instruments at fair value through other comprehensive income	367,500	45,000
Closing balance	<b>412,500</b>	<b>45,000</b>

## NOTE 10: SHARE BASED PAYMENTS

On 30 November 2021, 62,000,000 unlisted options were granted to Directors (or their nominees) following shareholder approval at the 2021 Annual General Meeting. On 3 December 2021, 21,000,000 unlisted options were issued to employees under the Company's Director and Employee Acquisition Plan.

The fair value of options granted was determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free rate for the term of the option.

The following table lists the model inputs for the options granted during the half-year ended 31 December 2021:

Inputs	Issue 45	Issue 46
Number of options	62,000,000	21,000,000
Exercise price	\$0.0217	\$0.0217
Grant date	30 Nov 2021	3 Dec 2021
Expiry date	31 Oct 2025	31 Oct 2025
Vesting date	Immediate	Immediate
Share price at grant date	\$0.013	\$0.013
Historical volatility	91%	91%
Risk-free interest rate	1.3%	1.3%
Expected dividend yield	0%	0%

The share-based payment expense for the half-year was \$581,000 (2020: \$Nil).

## NOTE 11: CONTINGENCIES

There has been no change in contingent liabilities or assets since the annual reporting date.

## NOTE 12: COMMITMENTS

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the *Mining Act 1978* (Western Australia), the *Mining Act 1992* (New South Wales) and the *Mineral Resources Act 1989* (Queensland) and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

Since 30 June 2021, a number of new tenements have been acquired and this has had a material change in the exploration expenditure commitments on granted tenements held by the Group.

As at 31 December 2021, total exploration expenditure commitments on granted tenements held by the Group that have not been provided for in the financial statements and which cover the following 12 month period amount to \$1,520,201 (30 June 2021: \$2,112,089). For the period greater than 12 months to five years, commitments amount to \$9,856,959 (30 June 2021: \$5,143,297). For the period greater than five years, commitments amount to \$384,333 (30 June 2021: \$Nil). These obligations are also subject to variations by farm-out arrangements, or sale of the relevant tenements.

### NOTE 13: EARNINGS PER SHARE

	Half-year ended 31 Dec 2022 Cents	Half-year ended 31 Dec 2020 Cents
Basic profit/(loss) per share	(0.05)	(0.08)

The following reflects the income and share data used in the calculations of basic profit/(loss) per share:

	Half-year ended 31 Dec 2021 \$	Half-year ended 31 Dec 2020 \$
Profit / (Loss) used in calculating basic earnings per share	(1,083,540)	(1,321,493)

	Half-year ended 31 Dec 2021 Number	Half-year ended 31 Dec 2020 Number
Weighted average number of ordinary shares used in calculating basic loss per share	2,023,794,919	1,744,310,795

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The issue of potential ordinary shares is antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share has therefore not assumed the conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

### NOTE 14: EVENTS SUBSEQUENT TO THE REPORTING DATE

On 11 March 2022, the Company announced that it had received firm commitments from sophisticated and professional investors and pursuant to personal offers under section 708 of the *Corporations Act 2001* to raise \$2,000,000 (before costs) via a placement ("Placement") of 166,666,667 shares at 1.2 cents per share. Completion of the Placement is expected on 17 March 2022.

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

## DIRECTORS' DECLARATION

---

The Directors of the Company declare that:

- 1) The financial statements and notes of Impact Minerals Limited are in accordance with the *Corporations Act 2001*, including:
  - a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year then ended; and
- 2) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "Peter Unsworth". The signature is fluid and cursive, with a long, sweeping tail.

Peter Unsworth

**Chairman**

Perth, Western Australia

11 March 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IMPACT MINERALS LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Impact Minerals Limited (“the Company”) and Controlled Entities (“the Consolidated Entity”) which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors’ declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Impact Minerals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity’s financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor’s Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s review report.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$1,083,540 during the half year ended 31 December 2021. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity’s ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Hall Chadwick*  
HALL CHADWICK WA AUDIT PTY LTD

*Mark Delaurentis*  
MARK DELAURENTIS CA  
Director

Dated this 11<sup>th</sup> day of March 2022  
Perth, Western Australia