



ASX ANNOUNCEMENT

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IMPACT TO RECEIVE \$134,000 CO-FUNDING FROM THE W.A. GOVERNMENT FOR DRILLING AT THE MULGA TANK NICKEL PROJECT

Impact Minerals Limited (ASX:IPT) is pleased to announce that it will receive \$134,000 under the State Government's Industry Drilling Programme to help fund new exploration at the recently acquired Mulga Tank Nickel Joint Venture Project located 200 km northeast of Kalgoorlie in Western Australia (Figure 1).

The co-funded initiative managed by the Department of Mines and Petroleum has been designed to encourage innovative exploration in poorly explored areas. Awarded on a dollar-for-dollar basis for direct drilling costs, the program prioritised high quality, technically and economically sound proposals that could demonstrate new exploration concepts or exploration technologies.

Impact's Managing Director, Dr Mike Jones said, "The award of this significant grant by the Western Australian Government further emphasises the highly prospective nature of the Mulga Tank Joint Venture - the rights to which we purchased recently. Ground geophysical surveys and re-interpretation of previous drill hole data are in progress, and this funding will help advance the identification of priority exploration targets and allow Impact to increase the size of its planned drill programmes."

An on-going review and synthesis of previous exploration data is confirming Impact's view that the Mulga Tank Project is highly prospective for deposits of both nickel and gold, and in particular:

- bulk tonnage nickel deposits such as Mount Keith near Leinster, WA and the very large and significant Dumont deposit in Quebec that is progressing towards development (Royal Nickel Corporation (TSX: RNX): Reserve 1.1 Bt at 0.27% nickel, Measured, Indicated and Inferred Resources of 2.1 Bt at 0.26% nickel for a contained 8 Mt of nickel with significant credits for contained cobalt, PGE's and magnetite); and
- high-grade nickel sulphide deposits similar to those at the nearby major mining centres of Kambalda and Forrestania in Western Australia.

In addition two significant target areas, the North Feeder and South Feeder Prospects, have been identified with the potential to host high grade massive nickel sulphide deposits.

"In today's climate where every exploration dollar must be justified, the award of these funds is a credit to our Exploration Manager, Leo Horn and Project Geologist, Stephanie Wilk who successfully secured final round funding within five days of acquiring the joint venture rights," said Dr Jones.

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 December 2004 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.

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ABOUT THE MULGA TANK PROJECT

The Mulga Tank Project was recently acquired as part of a combined transaction with Impact's 75% owned Invictus Gold Limited (ASX: IVG) as announced on [30 January 2013](#) and [8 March 2013](#). The acquisition was completed on 13 June 2013, with Impact issuing 6,712,882 shares in the Company to Endeavour shareholders under the Company's 15% capacity under listing rule 7.1.

The Project covers 425 sq km and is located about 120 km north west of the recently discovered Nova nickel deposit (Sirius Resources Ltd), 50 km south west of the recent discovery of disseminated nickel sulphide at the Dragon Project (BHP Billiton Ltd/St George Mining Ltd), 100 km south east of the gold deposits at Tropicana (Anglogold/Independence Group Ltd) and 50 km west of the large and significant uranium deposit at Mulga Rocks (ERA Ltd: Inferred Resource of 24,520 t at 550 ppm U₃O₈) (Figure 1).

The Mulga Tank Project is highly prospective for:

- bulk tonnage nickel deposits such as Mount Keith near Leinster, WA and the very large and significant Dumont deposit in Quebec that is progressing towards development (Royal Nickel Corporation (TSX: RNX): Reserve 1.1 Bt at 0.27% nickel, Measured, Indicated and Inferred Resources of 2.1 Bt at 0.26% nickel for a contained 8 Mt of nickel with significant credits for contained cobalt, PGE's and magnetite);
- high-grade nickel sulphide deposits similar to those at the nearby major WA mining centres of Kambalda and Forrestania;
- gold deposits hosted in faults and shear zones within the greenstone belt stratigraphy similar to the many multi-million ounce deposits found throughout the Eastern Goldfields Province of the Yilgarn Craton; and
- uranium deposits hosted by Cainozoic palaeochannels such as the nearby Mulga Rock deposit.



EXPLORATION MODEL: VOLCANIC FEEDER VENT

High-grade massive nickel-sulphide deposits hosted within ultramafic intrusions such as at Perseverance commonly occur near feeder-vent systems close to the base of the intrusions. The previous diamond drill holes have shown that the Mulga Tank Dunite is shallow dipping and therefore there is significant potential to discover high grade massive sulphides at shallow depths (Figures 3 and 4).

Impact has identified two main possible feeder-vent structures at Mulga Tank from previous Induced Polarisation and airborne magnetic data (Figure 2). Coincident strong airborne magnetic and low frequency EM anomalies are interpreted to indicate the presence of highly magnetic and chargeable sulphide mineralisation adjacent to the interpreted feeder-vents (Figure 2). In addition, coincident highly elevated nickel-in-soil partial leach assays confirm the potential for significant deposits of massive nickel sulphide at depth near the interpreted feeder-vents (Figure 3 and 4).

The *North Feeder Prospect* covers an unusual structural and geological transition between northwest trending steeply dipping ultramafic units and the flat-lying Mulga Tank Dunite (Figure 2). Targets A and B have been identified on the basis of a coincident ground magnetic and low frequency EM anomaly and highly elevated coincident nickel-in-soil partial leach assays above 800 ppb and up to 1,420 ppb as well as copper up to 3,080 ppb (Figures 3 and 4).

The *South Feeder Prospect* is characterised by a coincident strong resistivity and chargeability anomalies in the IP data and located below the dunite (Figure 4). Targets C and D are identified by highly elevated coincident nickel-in-soil values above 800 ppb and up to 3,040 ppb as well as copper up to 2,840 ppb (Figure 4).

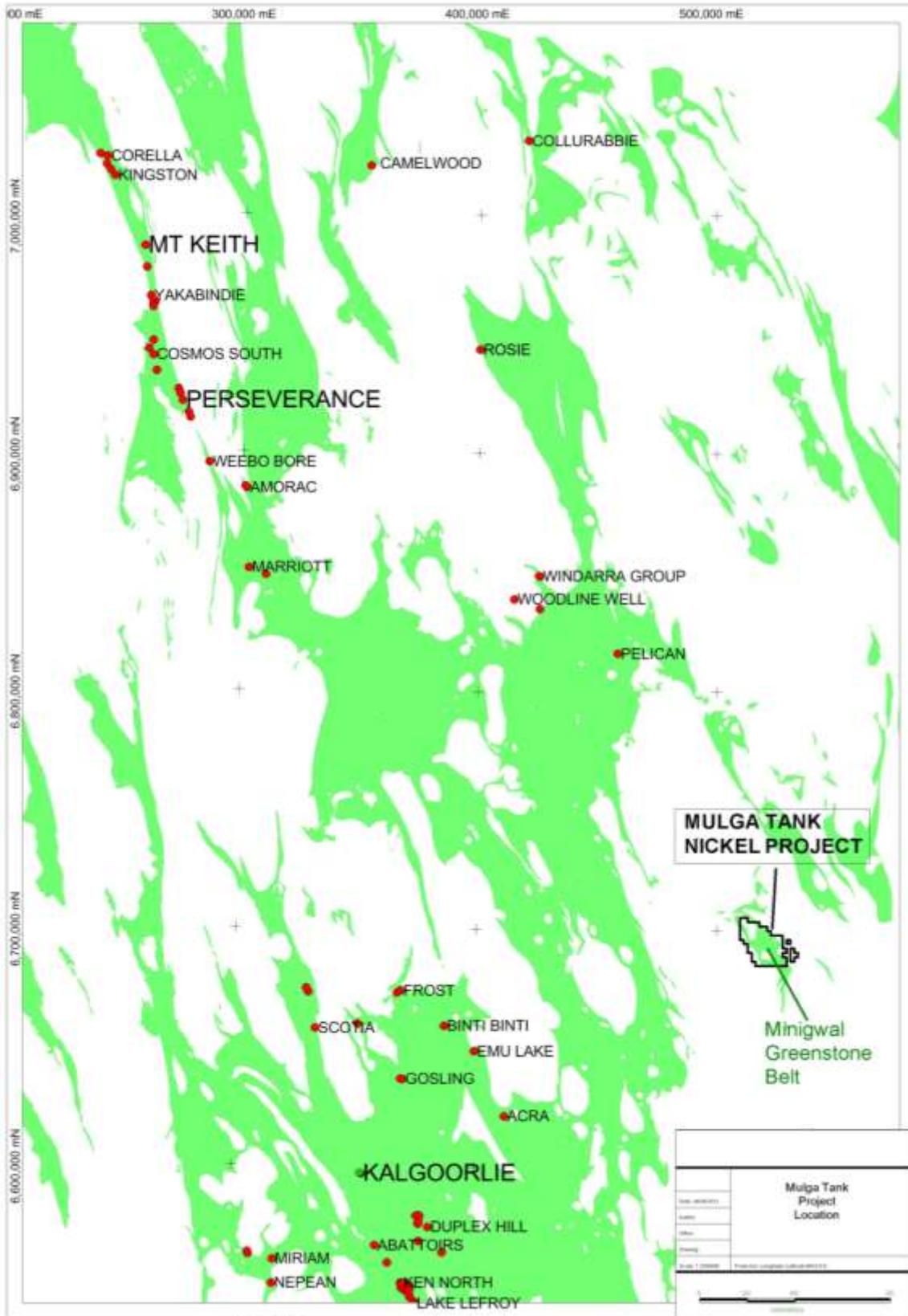


Figure 1: Location of the Mulga Tank Project and significant nickel sulphide deposits (red dots) including the world class Mount Keith and Perseverance deposits.

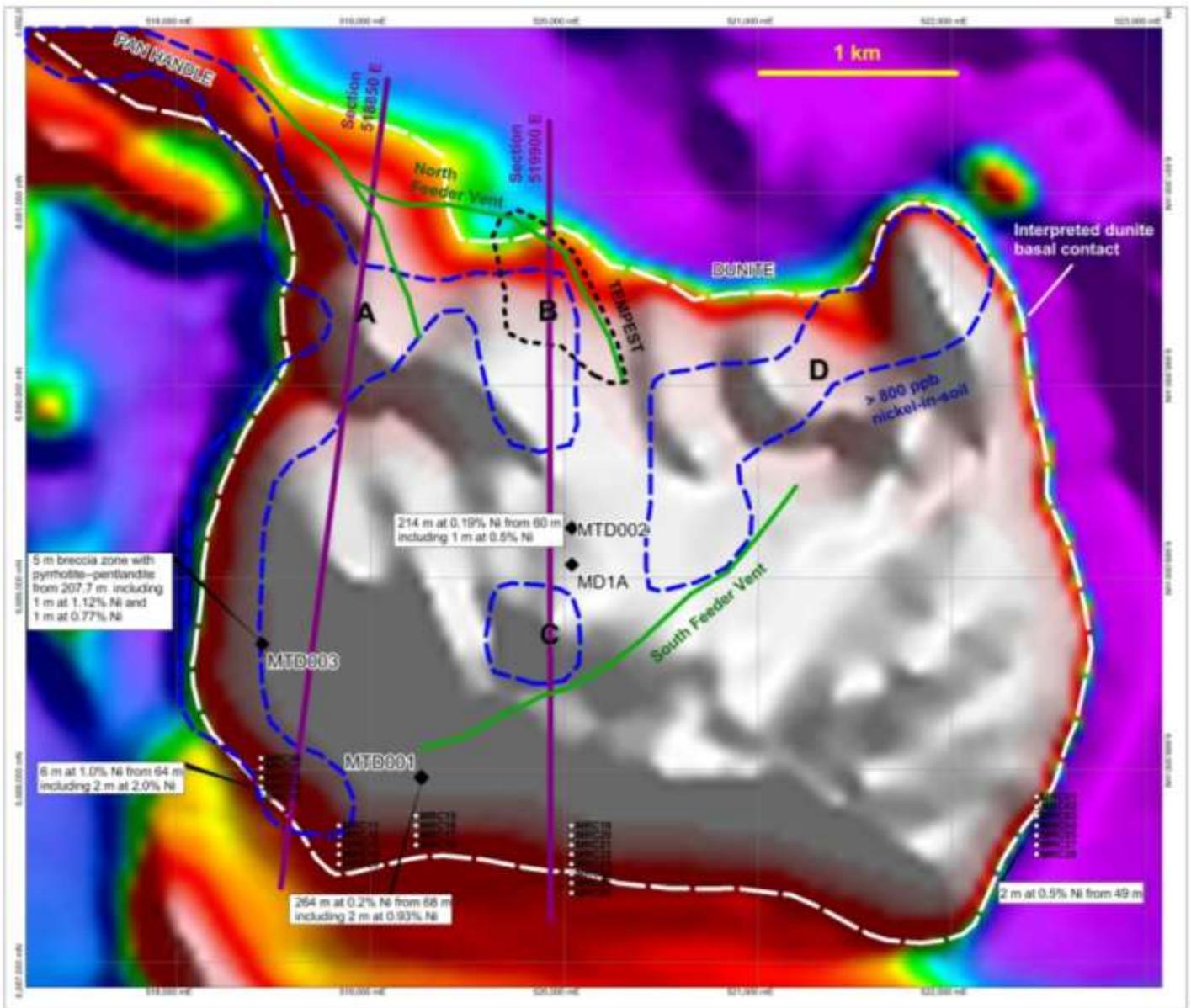


Figure 2: Plan map of the Mulga Tank Dunite (airborne magnetic TMI image) showing the basal contact of the dunite, Pan Handle located in the northwest, > 800 ppb nickel-in-soil outline, historic diamond holes (black diamonds), RC holes (white circles), significant results, section lines, and target areas (A to D).

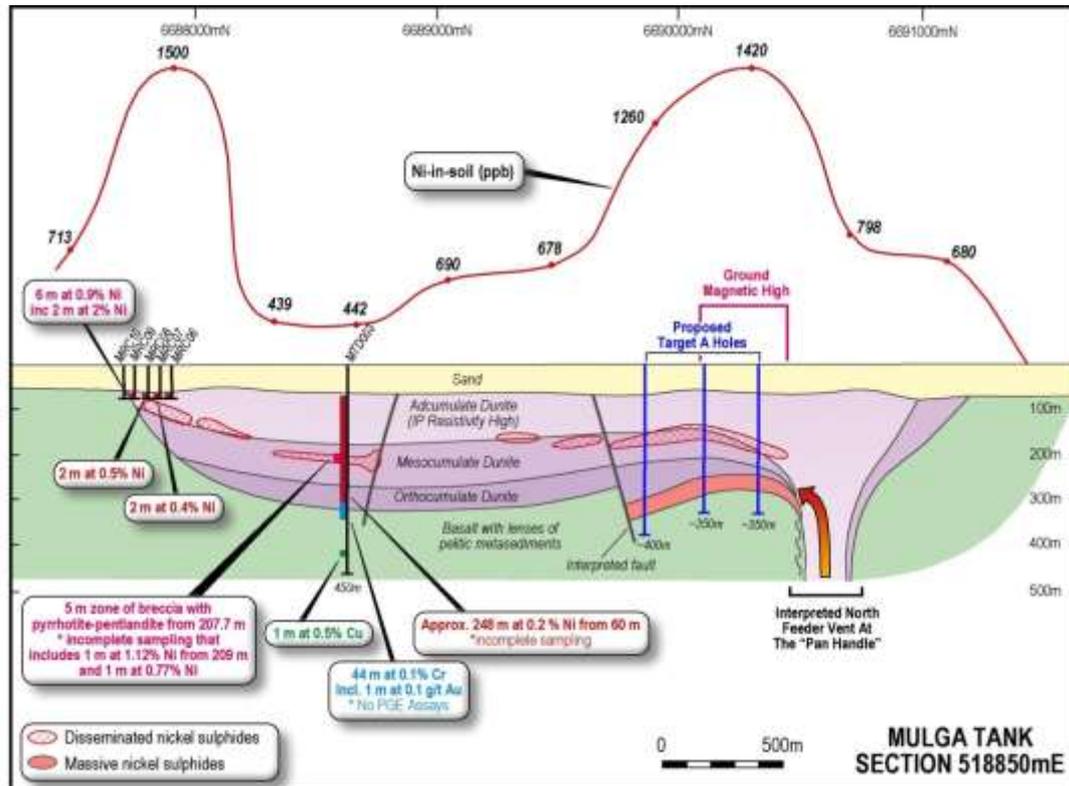


Figure 3: Section line 518850 mE showing the interpreted ultramafic rocks, nickel-in-soil values, previous drilling and results, and conceptual disseminated and massive nickel sulphide lenses associated with the northern feeder vent.

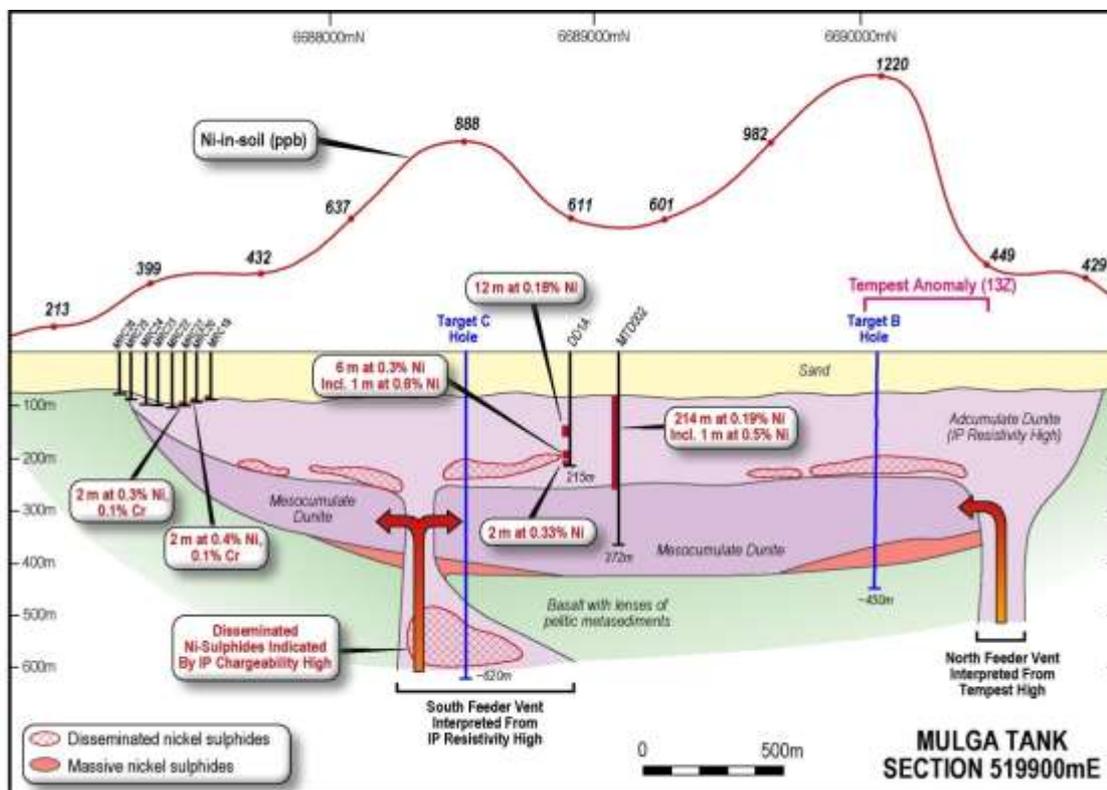


Figure 4: Section line 519900 mE showing the interpreted ultramafic rocks, nickel-in-soil values, previous drilling and results, and conceptual disseminated and massive nickel sulphide lenses associated with the southern feeder vent.