



ASX ANNOUNCEMENT

Date: 6 March 2014

ASX: IPT

Number: 339/060314

COMPANY UPDATE: 2014 STRATEGY

Impact to focus on:

1. **Drill programmes at its high-grade precious and base metal Commonwealth and Broken Hill projects in NSW in Q2 2014; and**
2. **Infill soil geochemistry and geophysical surveys to follow up the recent discovery of nickel-copper sulphides at the Mulga Tank project in WA and new surveys to define additional targets for drilling in Q3 2014.**

Other projects have been relinquished, scaled back or are available for sale or JV

Impact Minerals Limited (ASX:IPT) is pleased to provide this update on its corporate strategy for 2014 based on a review of all of the company's projects following the recent merger of Impact with Invictus Gold Limited.

1. Drill Programmes to start in Q2 2014 at Commonwealth and Broken Hill Projects, NSW

Impact will focus its exploration at the poorly explored Commonwealth and Broken Hill high-grade precious and base metal projects in New South Wales where drill programmes are planned to commence in May and June 2014.

At the 100% owned **Commonwealth Project**, Impact recently announced high grade rock chip samples with assays of up to 24 g/t gold, 1,100 g/t silver, 2.6% copper and 5.7% zinc that have doubled the prospective strike length of the known mineralised zone at the dormant Commonwealth Mine to at least 600 metres (Figure 1 and see announcement dated [12th February 2014](#)).

Production from the Commonwealth Mine in the early 1900's amounted 6,476 t at a grade of 6 g/t gold, 150 g/t silver, 2% copper, 15% zinc and 7% lead. Subsequent exploration was focused mainly along 300 m of strike close to the mine and only 66 drill holes at an average depth of only 56 metres were completed. Drill intercepts within 60 m of surface that remain open either along strike or at depth include:

- 7 m at 5.3 g/t gold, 346 g/t silver, 9.2% zinc and 3.2% lead** in CM85-1; and
- 9.8 m at 8.4 g/t gold and 357 g/t silver** from 54.2 m in CW29;
- 17 m at 3.5 g/t gold and 206 g/t silver** from 41 m in EMC06.
- 30 m at 6 g/t gold and 17 g/t silver** from 24 m incl. **2 m at 77.3 g/t gold** in PHC4; and
- 6.9 m at 3.4 g/t gold, 72 g/t silver, 2.2% zinc and 1% lead** from 30 m.

Further rock chip assays and the results of ground geophysical surveys have recently been received and are being interpreted. This will aid drill target definition.



At the **Broken Hill Project** Impact is earning an 80% interest in the nickel-copper-PGE rights from Golden Cross Resources Limited. Previous exploration has identified this project as one of the highest grade platinum group metal projects in Australia (see announcement [dated 16th July 2013](#)).

At the Red Hill Prospect, mining records sourced by Impact from the dormant Red Hill Mine suggest about 500 tonnes of ore was mined in the early 1900's with face samples returning a grade range of:

2% to 4% copper, 2% to 3% nickel, 5 to 41 g/t PGE and 22 to 77 g/t silver.

In addition, previous rock chip samples taken over an area of 130 m by 30 m along strike to the north west of the mine returned a grade range of:

0.2% to 6.1% copper, 0.2% to 1.9% nickel and 1 to 36 g/t PGE.

Impact has identified an electromagnetic anomaly in previous ground geophysical data that is in part coincident with the area of high grade mineralisation and which is a priority target for drilling. An interpretation of the previous data and newly received soil geochemistry data to define drill targets is in progress.

At the Platinum Springs Prospect, massive sulphide mineralisation has been identified close to surface by previous explorers. Drill results include:

4 m at 17.9 g/t Pt+Pd+Au, 2.3% nickel and 3.2% copper from 43 m; and

2.1 m at 8.3 g/t Pt+Pd+Au, 3% nickel and 3.5% copper from 45 metres.

Follow up drilling is required. A compilation of all previous exploration data for Platinum Springs is in progress.

2. Follow Up Work at the Mulga Tank Project, WA

The Mulga Tank Project covers 425 sq km of the poorly explored Minigwal greenstone belt 200 km north east of Kalgoorlie in WA and comprises 13 licences of which six are 100% owned by Impact and seven are in joint venture with Golden Cross Resources (Impact earning between 50% and 75%).

Impact's maiden drill programme at the project identified three different styles of high tenor nickel and copper sulphide mineralisation at four prospects over an area of about 15 sq km within and close to the Mulga Tank Dunite (see announcement dated [29th January 2014](#)):-

1. Extensive disseminated nickel sulphide within the Mulga Tank Dunite including results of **2 m at 1.3% nickel including 1 m at 2% nickel; 115 m at 0.3% nickel including multiple zones of 0.5 m at 0.5% to 1.2% nickel; and other thick intercepts of 21 m at 0.4% nickel and 59 m at 0.3% nickel**
2. Narrow veins of high tenor nickel and copper sulphide both within and at the base of the Mulga Tank Dunite which may be remobilised from zones of more massive sulphide and including results of: **0.25 m at 3.8% nickel, 0.7% copper and 0.7 g/t PGE and 0.3 m at 0.7% nickel**

3. Disseminated nickel sulphide and narrow veins of nickel and copper sulphide associated with a komatiite flow channel that probably lies immediately above the Mulga Tank Dunite and including results of:

**0.75 m at 0.85% nickel, 0.35% copper and 0.28 g/t PGE (Pt+Pd+Au); and
6.7 m at 0.5% nickel.**

Further soil geochemistry and ground geophysical surveys are required over these prospects to refine follow up drill targets. In addition a review of previous soil geochemistry data has identified numerous other targets away from the Mulga Tank Dunite that require follow up (see announcement [dated 29th January 2014](#)).

It is appropriate that all of this work is completed prior to further drilling and surveys will be completed over the coming months with the aim of drilling at Mulga Tanka in Q3-Q4 2014.

3. Other Projects

Queensland. Invictus Gold had a large ground holding in Queensland. Following the review all licences have been relinquished except for one licence near Clermont where Invictus identified a 10 km long mineralised structure that is host to significant mineralisation including the Retro and Retro Extended Prospects.

Botswana. Impact has the 100% owned Botswana Uranium Project and the 65% owned Xade Nickel-Copper-PGE Project both of which contain priority targets for follow up exploration.

Work on the projects has been put on hold pending the renewal of many licences and also a recovery in commodity prices. All staff have been retrenched and a sub-lease of the office is being arranged.

Turkey. Impact has decided to close Invictus Gold's Turkish operations. The political climate and costs of operating in Turkey have changed significantly in the past year and further expenditure is not warranted. Discussions are in progress with several parties with a view to an outright sale of the Turkish subsidiary company. If a buyer cannot be found the company will be wound up.

4. Funding

Impact is expecting to receive approximately \$800,000 cash in the coming months from rent, bond, VAT and the R and D rebates.

In addition a further \$200,000 cash and \$550,000 in shares in Shumba Resources Limited, a Botswana registered coal exploration and development company, is expected following completion of the sale of four uranium licences in Botswana (see announcement dated 15th May 2014).

The Botswana Department of Mines Energy and Water renews licences on a Quarterly basis. Impact is expecting that the licences will be renewed in April, however this is subject to the work load at the department. The renewal date will determine the completion date for the agreement with Shumba and the receipt of the proceeds.

As well as the reductions in costs achieved by the relinquishment of licences and the slowdown in overseas exploration, significant cost reductions have also been made at the Perth head office.



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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 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.



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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>	At Commonwealth and Broken Hill random rock samples were taken at surface which represented favourable geology and alteration to known mineralisation in the region. Samples are variably weathered. The targets at Mulga Tank have been drilled by Reverse Circulation (RC) and diamond drill holes (DD). Eight holes for 3,025 m were completed.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Representative samples at each sample site weigh between 0.8 and 1.2 kg. Sample site area was chosen due to historic rock and soil assay results and the EM survey conducted on the Commonwealth Project. Historic rock sample methods are unknown but are considered immaterial. RC samples at Mulga Tank have been collected by riffle splitter. Diamond core was used to obtain high quality samples that were logged for lithological, structural, alteration and other attributes. Sampling was carried out under Impact Minerals Ltd protocols and QAQC procedures as per industry best practice.
	<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>	Rock samples were sent to SGS Perth where they were crushed, dried and pulverised (total prep) to produce a 25-30 g sub-samples for analysis initially by Aqua Regia digest with ICP-MS finish for base metals then by four acid digest with an ICP/AES finish for ore grade base metal samples and lead collection fire assay with AAS finish for gold. Historical diamond and RC samples were sent to Fox Anamet, Brookvale NSW where gold was determined by fire assay, base metals by DCP and AAS methods. Weathered samples contained gossanous sulphide material and fresh samples containing visible pyrite, galena, sphalerite and chalcopyrite.
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>	Historical diamond drilling at Commonwealth accounts for 76 % of the drilling and comprises NQ sized core. Historical RC drilling accounts for 24% of the drilling and comprises 6.75 inch/17.1 cm sized core. Historic core is not oriented down hole but this is not material for the results reported here. Diamond core at Mulga Tank is mostly NQ2 size, sampled on geological intervals cut into half core to give sample weights under 3 kg. Reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised. Samples were crushed, dried and pulverised (total prep) to produce a sub-sample for analysis by four acid digest with an ICP/OES finish for base metals and lead collection fire assay with AAS finish for precious metals. Details of previous drill programmes and sampling at Broken Hill are being compiled. They are not material to this report.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	Diamond core recoveries for all projects for selected holes are logged and recorded. Overall recoveries have not yet been calculated but are estimated to be approximately >95% for the Commonwealth Project. No significant core loss or sample recovery problems are observed in the drill core or historic reports.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Depths were checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. RC samples were visually checked for recovery, moisture and contamination.

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Criteria	JORC Code explanation	Commentary
	<i>Whether a relationship exists between sample recovery and grade and if sample bias has occurred due to preferential loss/gain of fine/coarse material.</i>	No sample bias has been established. However there is an indication that wet RC samples may give lower gold grades due to loss of fine gold.
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>	For historical diamond core information on structure type, dip, dip direction, texture, shape and fill material has been recorded in the logs. Angles are measured to core axis since core orientation was not done. RQD data has been recorded on selected historic diamond holes.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of historic diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (DDH only), weathering, colour and other features of the samples.
	<i>The total length and percentage of the relevant intersections logged</i>	All historic diamond drill holes were logged in full.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	NQ core samples were half cored and selected intervals of quarter core were selected for check assays.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	RC samples were split using a riffle splitter.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The sample preparation of rock chips by Impact at Commonwealth follows industry best practice in sample preparation involving oven drying, coarse crushing down to ~10 mm followed by pulverisation of the entire sample (total prep) to a grind size of 85% passing 75 micron.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Laboratory QC procedures for rock sample assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates. The QC procedure for historical diamond and RC samples is unknown but considered immaterial.
	<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>	Sample duplicates from the historical drilling were taken from selected intervals and compared to the original assay. Quarter core was taken for diamond samples and riffle resplits for RC samples.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The samples sizes at Commonwealth are considered appropriate since gold has been identified as predominantly fine-grained by thin section analysis which would indicate the nugget effect is minimal.
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>	An industry standard fire assay technique for rock chips using lead collection with an Atomic Absorption Spectrometry (AAS) finish was used for gold. The quality of historical drill sample assays is unknown but is considered immaterial at this exploration stage.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis.</i>	No geophysical tools were used to determine material element concentrations.

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	<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>	For the rock chips, quality control procedures for assays were followed via internal SGS protocols. Accuracy and precision are within acceptable limits. The quality control of historical drill sample assays is unknown, however this is considered immaterial at this stage of exploration.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intersections from historic drilling or grab samples 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>	One twin historical diamond versus RC hole was drilled at Commonwealth South.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary assay data for rock chips has been entered into standard Excel templates for plotting on Mapinfo. All historical drill data has been entered digitally by previous explorers and verified internally by Impact.
	<i>Discuss any adjustment to assay data.</i>	Any identified historic data entry errors have been adjusted by Impact and recorded in the comments.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes, trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Recent drill holes have been located by DGPS. Historical drill holes and mine shafts have been verified by the DGPS.
	<i>Specification of the grid system used.</i>	The grid system for Commonwealth is MGA_GDA94, Zone 55.
	<i>Quality and adequacy of topographic control.</i>	Standard government topographic maps have been used for topographic validation. The DGPS is considered sufficiently accurate for elevation data.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Drill spacing of historical drill holes ranges between 10 and 30 m which is considered adequate for Exploration Results.
	<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>	Drill spacing of historical drill holes ranges between 10 and 30 m and may be considered adequate for Mineral Resource and Ore reserve estimation procedures. However estimations of grade and tonnes have not yet been made.
	<i>Whether sample compositing has been applied.</i>	Sample compositing has been applied for quoting drill composite results only.
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>	Historical drilling is oriented sub-perpendicular to the mineralised trend and stratigraphic contacts as determined by field data and cross section interpretation.
	<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>	No significant sample bias has been identified from historical drilling due to the optimum drill orientation described above. Where present, sample bias will be reported.
Sample security	<i>The measures taken to ensure sample security.</i>	For rock samples, chain of custody is managed by Impact Minerals Ltd. Samples for Commonwealth are delivered by Impact Minerals Ltd personnel to SGS Perth for prep and assay. Whilst in storage, they are kept in a locked yard. Tracking sheets have been set up to track the progress of batches of samples. Security of historic drill samples is unknown however is considered immaterial.

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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. An internal review of the sampling techniques and data will be completed in due course.

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 Commonwealth Project currently comprises 1 exploration licences covering 8 km ² . The tenement is held 100% by Endeavour Minerals Pty Ltd which has been acquired by Impact Minerals Limited. No aboriginal sites or places have been declared or recorded over the licence area. There are no national parks over the license 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 tenement is in good standing with no known impediments.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	A total of 66 drillholes have been completed over 300 m strike between the Commonwealth main shaft and Commonwealth South by previous explorers to an average depth of 53 m.
Geology	Deposit type, geological setting and style of mineralisation.	The Commonwealth and Commonwealth South deposits are considered gold-rich volcanic hosted massive sulphide (VMS) deposits that occur at and below the contact with a porphyritic rhyolite and overlying volcanic sedimentary rocks.
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. 	Further details are not material for this early stage of exploration. Information on the historic drill holes is currently being compiled.
Data aggregation methods	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.	All reported assays have been length weighted. No top cuts have been applied. A nominal cut-off of approximately 0.5 g/t Au has been applied.

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	<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> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>High grade massive sulphide intervals internal to broader zones of disseminated sulphide mineralisation are reported as included intervals.</p> <p>Gold equivalent values have been used in the long section. Metal prices used for the gold equivalent were \$1,650 for gold and \$30 for silver. Given the high grade results, it is assumed that very high recoveries will be achieved. However no metallurgical studies have been completed to verify this. Such studies will be done as and when appropriate.</p>
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>	<p>Historical drill holes to date have been sub-perpendicular to the mineralised trend and stratigraphy so intervals are close to true width or otherwise stated.</p>
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>	<p>Refer to Figures in body of text.</p>
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>	<p>All results reported are representative</p>
Other substantive exploration data	<p>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.</p>	<p>Assessment of other substantive exploration data is not yet complete however considered immaterial at this stage.</p>
Further work	<p>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</p>	<p>Follow up work programmes will be subject to interpretation of recent and historic results which is ongoing.</p>

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