



ASX ANNOUNCEMENT

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SIGNIFICANT TARGETS FOR NICKEL SULPHIDE DEPOSITS IDENTIFIED AT THE MULGA TANK PROJECT NEAR KALGOORLIE, WA

A review of the Mulga Tank Nickel Project near Kalgoorlie in Western Australia has significant potential for further massive nickel sulphide mineralisation with two priority areas identified for immediate follow up.

The results of the review were announced today by Perth-based Impact Minerals Limited (ASX:IPT) which is earning 50% of Mulga Tank (Figure 1), located 200 kilometres northeast of Kalgoorlie and which covers 50 km strike of the poorly explored Minigwal Greenstone Belt.

The rights to the current Mulga Tank joint venture are being purchased by Impact from Endeavour Minerals Pty Limited in a joint transaction with Impact's 75%-owned company, Invictus Gold (ASX:IVG) (see ASX announcement dated [15 March 2013](#) and details below).

Dr Mike Jones, Impact's Managing Director, said today that the review and synthesis of previous exploration data had confirmed the Company's view that the project is highly prospective for both nickel and gold deposits, and in particular for:

- mineralisation similar to bulk tonnage nickel deposits found at Mount Keith near Leinster, WA and the very large and significant Dumont deposit in Quebec, Canada, that is progressing towards development (Royal Nickel Corporation (TSX: RNX): Reserve of 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 WA mining centres of Kambalda and Forrestania.

"The results of the review have given us further confidence in Mulga Tank's potential to host high grade massive nickel sulphide deposits. The review also identified two very significant target areas for priority follow up, and ground geophysical surveys are scheduled to commence in June to identify drill targets," Dr Jones said.

SIGNIFICANT PREVIOUS DRILLING RESULTS EVIDENCE FOR DISSEMINATED AND MASSIVE NICKEL SULPHIDES

Previous exploration has focused on the Mulga Tank dunite, a circular, strongly magnetic feature 3.5 km by 4 km in diameter that is interpreted to represent a flat-lying ultramafic sill (Figure 2).

Disseminated Nickel Sulphides

Only four diamond holes have been drilled into the dunite. However, all of them returned wide intercepts of Mount Keith-style disseminated nickel mineralisation including:

MTD001: 264 m at 0.2% Ni from 68 m including 2 m at 0.93% Ni (Figure 2 and 3);

MTD002: 214 m at 0.19% Ni from 60 m including 1 m at 0.5 % Ni (Figure 2 and 4);

MTD003: Approximately **248 m at 0.2% Ni¹** from 60 m (Figure 3); and

DD1A: Approximately **14 m at 0.3% Ni¹** from 195 m including **1 m at 0.6% Ni** and **12 m at 0.18% Ni** from 148 m (Figure 2).

Thin section analysis of the disseminated nickel has identified extractable nickel-cobalt minerals such as pentlandite, heazlewoodite and linnaeite.

Massive Nickel Sulphides and Potential for PGE and Chromite Mineralisation

A five-metre zone of ultramafic mesocumulate breccia (Hole MTD003) hosts narrow zones of massive nickel sulphide mineralisation. Although sampling of the breccia is incomplete, limited previous assays returned:

MTD003: 1 m at 1.1% Ni from 209 m and **1 m at 0.8% Ni** from 212 m (Figure 2 & 3).

The drill holes also showed that the dunite is flat-lying and therefore is prospective for massive nickel sulphides at shallow depth and similar to the Perseverance nickel deposit north of Kalgoorlie that contains 45Mt at 2.05% nickel. Only two of the diamond drill holes intersected the basal contact of the dunite.

Limited bedrock-cover interface percussion drilling completed by previous explorers focused on the southern contact of the dunite and returned a best intercept of:

MRC09: 6 m at 0.9 % Ni from 64 m including **2 m at 2% Ni** (Figure 2).

A zone of anomalous gold up to 0.2 g/t and chromium up to 0.14% occurs below the nickel breccia zone in MTD003 which indicates potential for significant zones of precious metals such as Platinum Group Elements (PGE). None of the holes have been assayed for PGEs.

“Given the very limited number of drill holes and the large size of the Mulga Tank dunite, Impact considers the widespread presence of nickel sulphides in all of the diamond holes and anomalous nickel in bedrock-cover interface drill holes to be very encouraging for the discovery of both significant disseminated and massive nickel sulphide deposits,” Dr Jones said.

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 (Figures 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, with 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).

¹ Incomplete sampling



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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).

FUTURE EXPLORATION

The following work is planned at Mulga Tank:

1. a detailed programme of re-logging and sampling of the diamond core will commence soon; and
2. a moving loop ground EM survey over the dunite to identify conductive anomalies that may represent massive sulphide mineralisation near the interpreted feeder vents, **will commence in June**.

The results of this work will be used to prioritise drill targets for a drill programme that will commence later in the year.

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 covers 425 sq km and is located about 120 km north west of the recently discovered Nova nickel deposit (Sirius Resources Ltd), 50km south west of the recent discovery of disseminated nickel sulphide at the Dragon Project (BHP Billiton Ltd/St George Mining Ltd), 100km 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 550ppm 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.

ABOUT THE AGREEMENT WITH ENDEAVOUR MINERALS PTY LIMITED

On 30 January 2013, Impact and its 75%-owned company, Invictus Gold (ASX:IVG) announced that they had jointly agreed to acquire 100% of Endeavour Minerals Pty Ltd, a private company with four exploration and resource development projects in Australia.

Under the agreement, Impact and Invictus will acquire the joint venture rights and the outstanding shares in Endeavour for \$1,050,000, comprising \$650,000 cash and \$400,000 in shares as follows:

- a) a partly refundable payment of \$100,000 on signing of a Binding Term Sheet (completed) for an exclusive option to complete due diligence by 13 March 2013 (completed);
- b) apayment of \$200,000 cash payable on exercise of the option (completed); and
- c) a further payment of \$350,000 cash, \$200,000 in shares in Impact and \$200,000 in shares in Invictus within 16 weeks of the exercise of the option.

Completion (item c) has to occur on or before 20 June 2013.

In an announcement on [8 March 2013](#), Impact and Invictus agreed to separate Endeavour's assets with Impact acquiring the rights to Endeavour's nickel-copper-PGE joint ventures at Mulga Tank in Western Australia and Broken Hill in New South Wales.

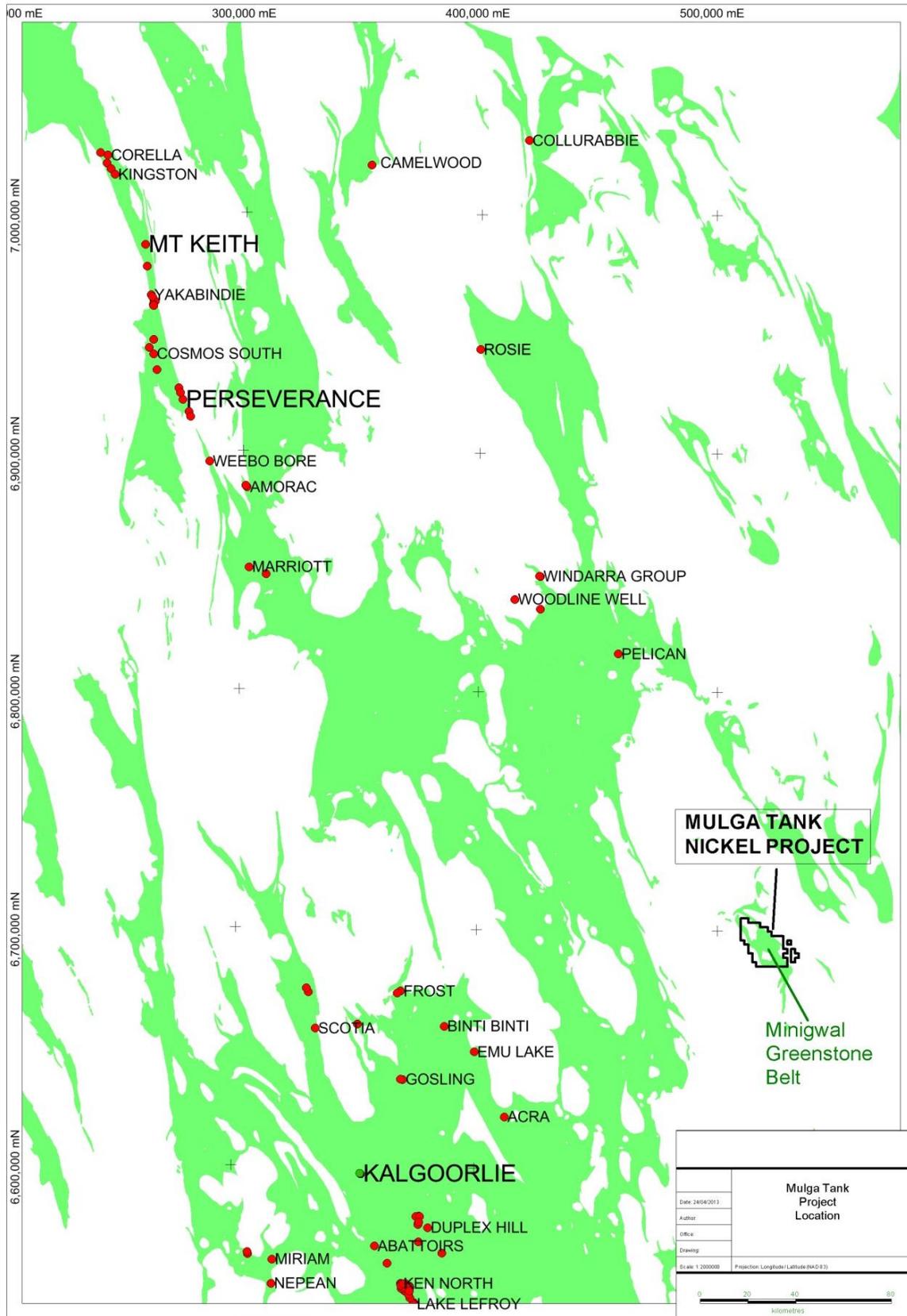


Figure 1: Location of the Mulga Tank Project and significant nickel sulphide deposits (red dots) including the world class Mount Keith and Perseverance deposits.

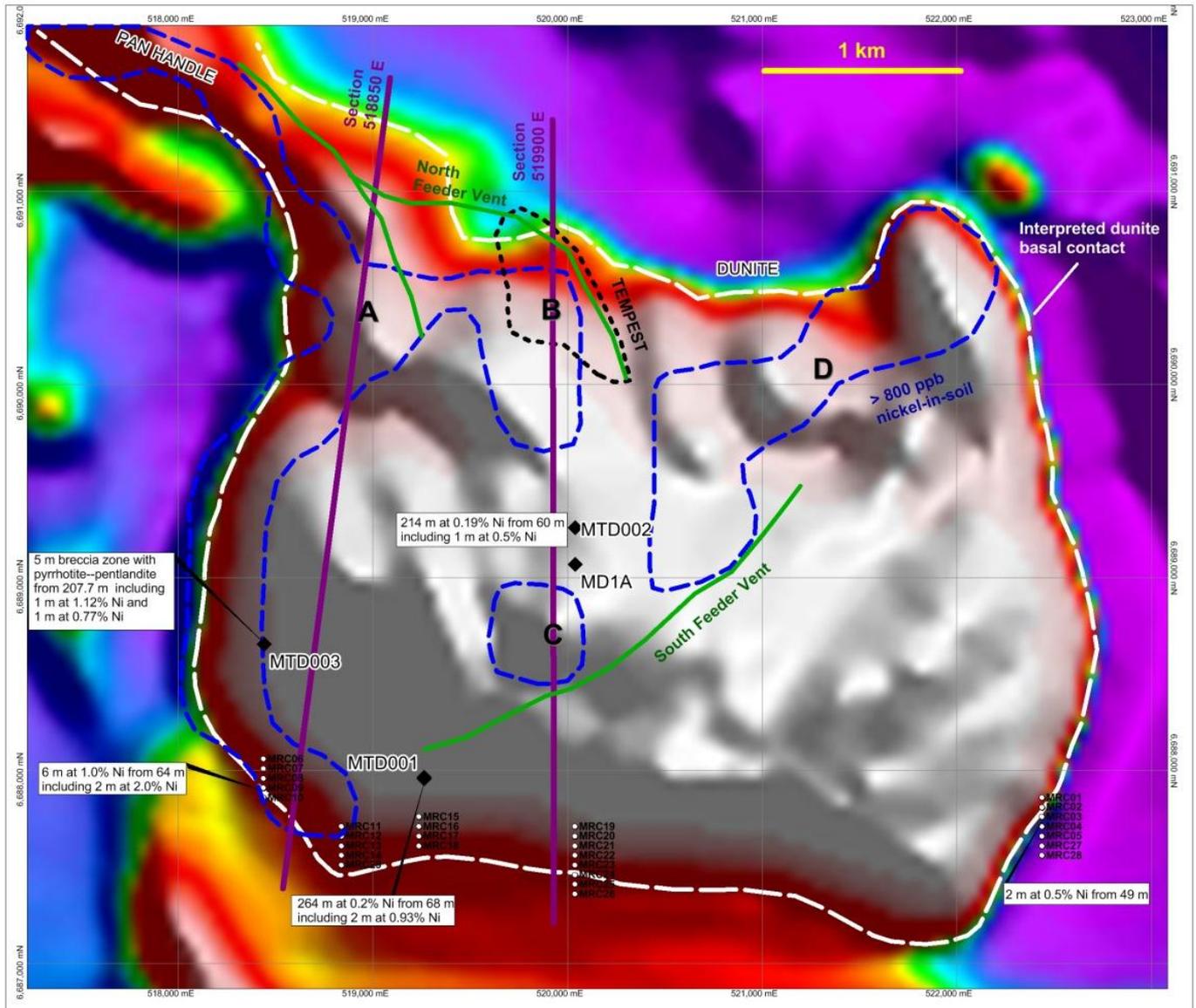


Figure 2: Plan map of the Mulga Tank Dunite (airborne magnetic TMI image) showing the basal contact of the dunite, Pan Handle located in the northwest, > 800 ppb nickel-in-soil outline, historic diamond holes (black diamonds), RC holes (white circles), significant results, section lines, and target areas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

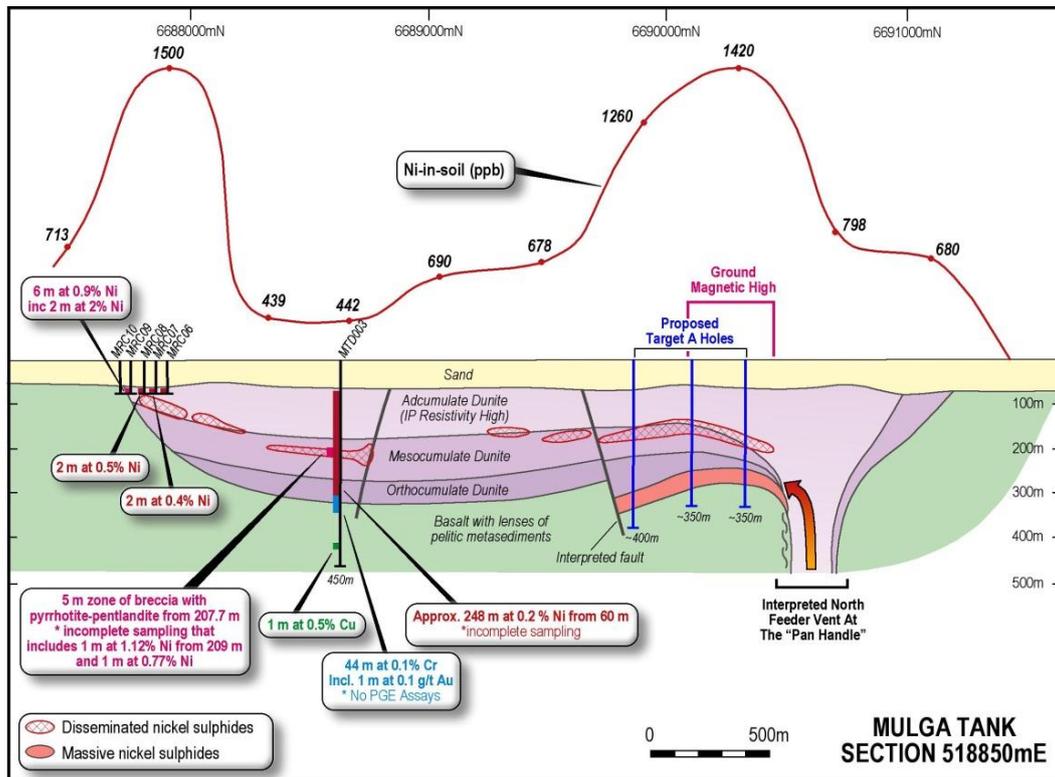


Figure 3: Section line 518850 mE showing the interpreted ultramafic rocks, nickel-in-soil values, previous drilling and results, and conceptual disseminated and massive nickel sulphide lenses associated with the northern feeder vent.

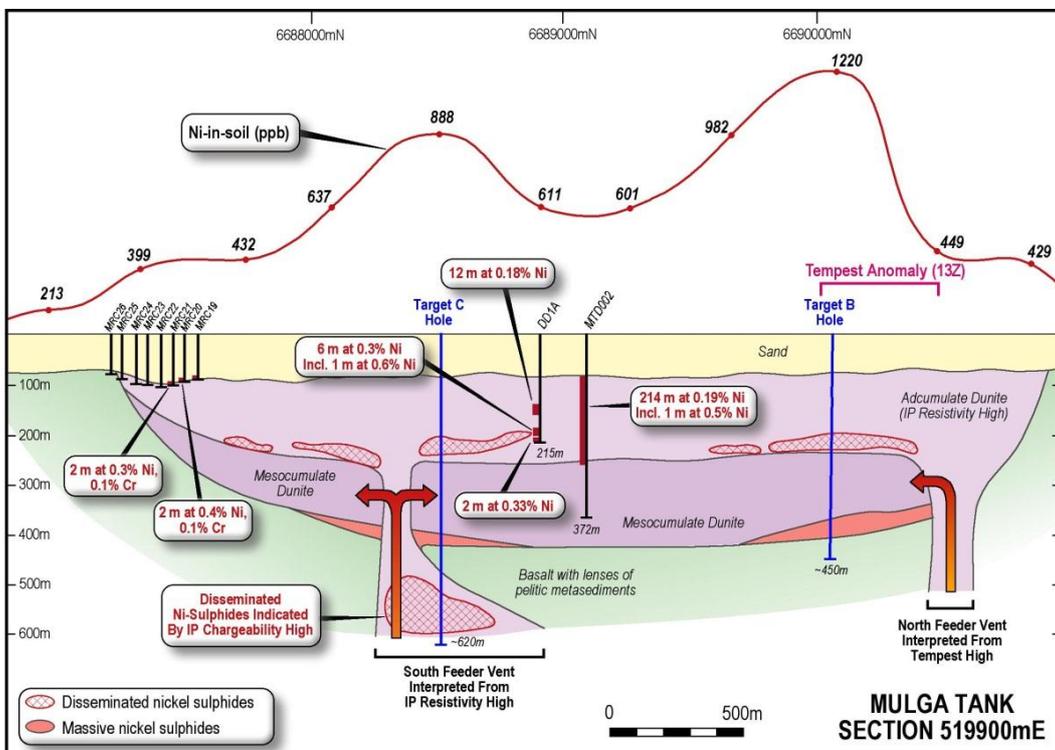


Figure 4: Section line 519900 mE showing the interpreted ultramafic rocks, nickel-in-soil values, previous drilling and results, and conceptual disseminated and massive nickel sulphide lenses associated with the southern feeder vent.