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EXPLORATION UPDATE: MULGA TANK PROJECT

Follow up drilling to test Down Hole EM anomalies at Conductor 1 in progress

Drilling at Conductor 3 fails to detect massive sulphide

Impact Minerals (ASX:IPT) announces the following update to its on-going work at the Mulga Tank Project 200 km northeast of Kalgoorlie in Western Australia where the company's maiden drill programme at the project is testing a number of electromagnetic (EM) anomalies identified in a ground survey within E39/988 (Figures 1 and 2).

For clarity, Impact has now completed three drill holes and is drilling a fourth hole at Mulga Tank. Holes MTD004 and Hole MTD007 (in progress) are at Conductor 1. Holes MTD005 is at Conductor 2 and Hole MTD006 is at Conductor 3. Holes MTD001 002 and 003 were drilled by a previous explorer.

Conductor 1

Hole MTD007 is in progress at Conductor 1 to test the first of two off-hole conductors that were identified by the down-hole EM survey in Hole MTD004 at about 290 m and 340 m depth and is expected to reach target depth within a few days. One drill hole into each of the down hole conductors is planned

These conductors are close to the Upper and Lower Ultramafic Units, each 20 m thick, which contain high grade (tenor) disseminated and remobilised massive nickel-copper sulphides interpreted as being lateral to two possible channels of massive nickel-copper sulphides (see announcement dated [14 November 2013](#)). Such channels may be the source of the newly identified conductors.

No black shales or sulphide-rich sediments were encountered in drill hole MTD004.

Conductor 3

Drill hole MTD006 at Conductor 3 designed to test a strong ground EM anomaly at a depth of about 425 metres below surface as modelled by Newexco consultants has now been completed. Drill progress was delayed by poor ground conditions.

The drill hole intersected two units of black shale with iron sulphides, each 15 m thick, at depths of 256 m and 310 m below surface and interlayered with other sedimentary rocks beneath a thick dunite unit. The dunite contains a narrow vein of pentlandite (nickel sulphide), chalcopyrite (copper sulphide) and sphalerite (zinc sulphide) at 213 metres. No massive sulphides were encountered.

The results of the down hole EM survey have now been received and indicate that Conductor 3 is likely to have been caused by the black sulphide-rich shale units at a much shallower depth than originally modelled.

A strong off-hole anomaly has been identified at about 300 m below surface and detailed modelling is in progress to determine if this is significant.



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Assay Result for Sphalerite Vein at Conductor 2, hole MTD005

A 10 cm wide quartz vein within a one metre wide zone of silica alteration was discovered at a depth of 167.5 m in Hole MTD005 at Conductor 2 within a 50 m wide zone of disseminated chalcopyrite that extends over at least 200 m of strike. (see announcement dated [19 November 2013](#)).

Assay results indicate that the vein contains elevated silver (0.3 g/t) and weak palladium (47 ppb) as well as zinc (1.47%). Weak palladium and platinum results of up to 50 ppb also occur in the surrounding zone of silica alteration.

These results together with on-going detailed logging and geochemical studies suggest late stage hydrothermal fluids carrying base and precious metal occur around the Mulga Tank Dunite.

A significant copper-gold-silver-in-soil anomaly identified over the south-east quadrant of the Mulga Tank Dunite may be related to these late stage fluids. The anomaly is in part coincident with Conductor 4 and several other conductors along the southern margin of the dunite (see announcement dated [21st November 2013](#)).

Conductor 4 will be tested after Conductor 1.

Impact owns 20% of E39/988 and is earning a further 50% in joint venture with Golden Cross Resources Limited for 70% in total.

Impact is exploring for high grade nickel-copper sulphide deposits at the base of ultramafic rocks similar to those at the Rocky's Reward and Perseverance Mines in WA (Figures 1 and 4).

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.

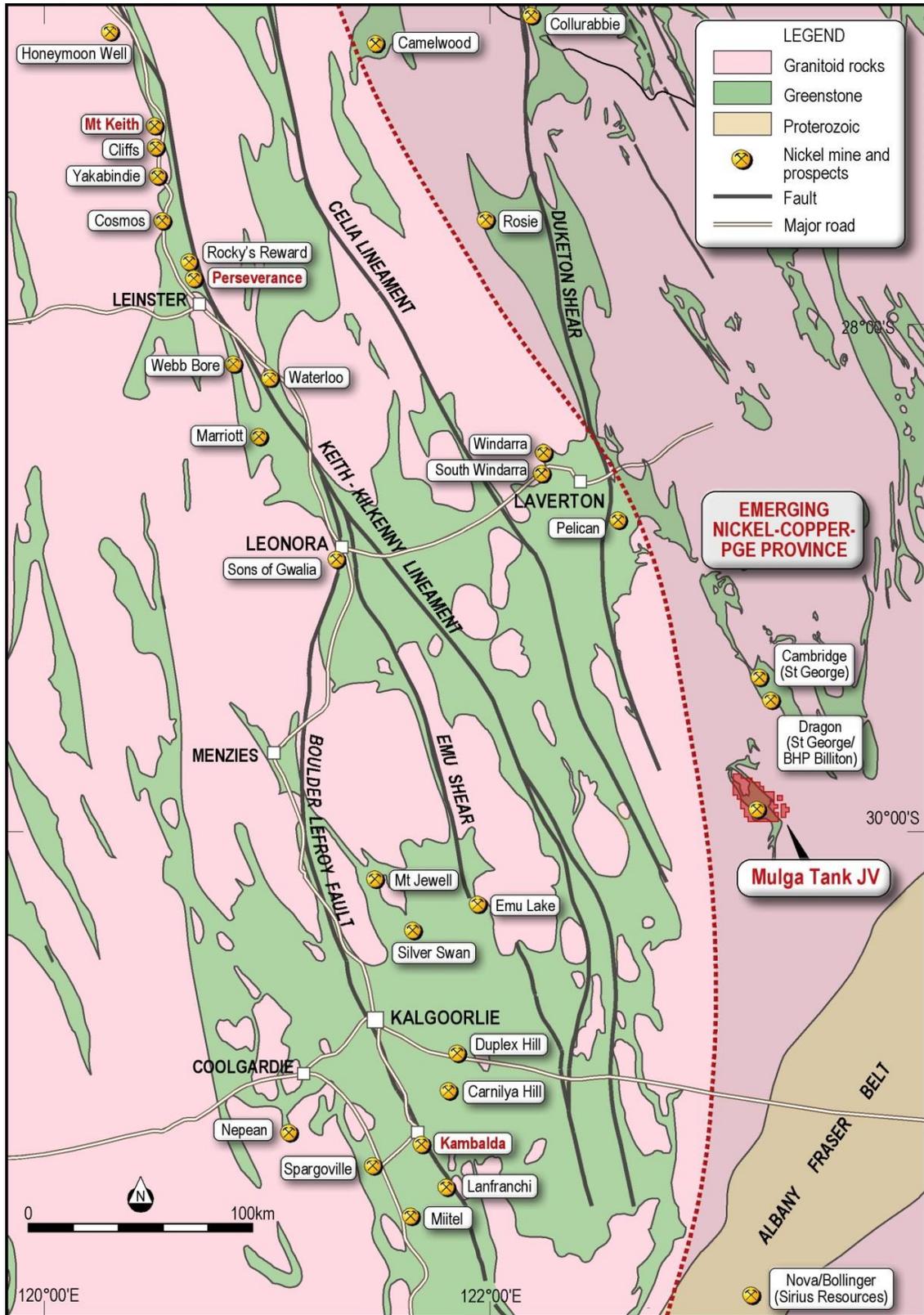


Figure 1: Location of Impact’s Mulga Tank Project and significant nickel sulphide mines and prospects including Perseverance and Rocky’s Reward deposits with new nickel-copper-PGE discoveries in the emerging nickel-copper province to the east.

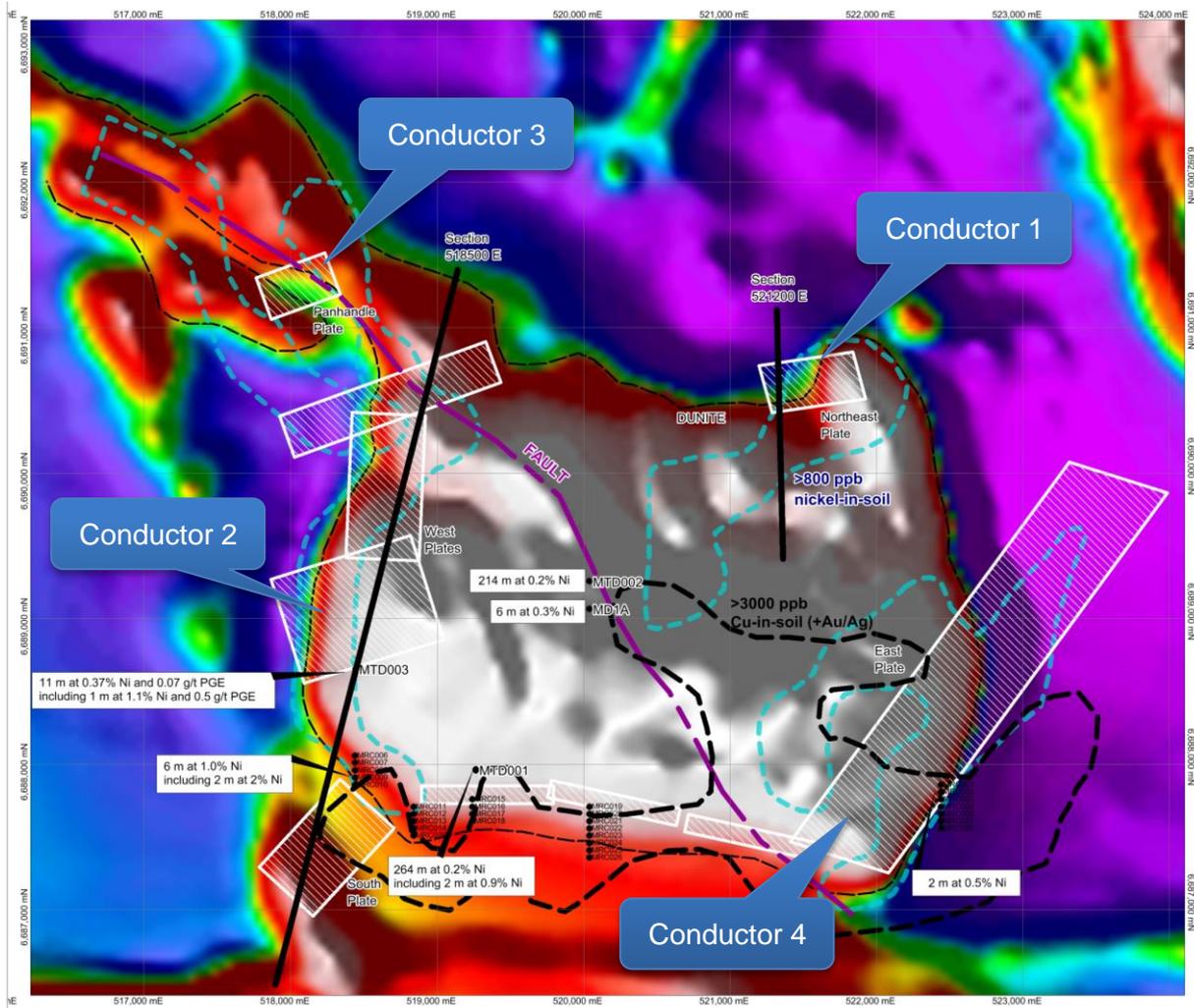


Figure 2. Image of the Total Magnetic Intensity from airborne magnetic data over the Mulga Tank Dunite (white outline) showing:

1. the location and modelled geometry of all seven of the priority EM targets;
2. the nickel-in-soil geochemistry contours at greater than 800 ppb. Note the coincidence with Conductor 1 and MTD003/Conductor 2 where elevated magmatic nickel sulphides have been identified; and
3. the copper in soil geochemistry contour at greater than 3,000 ppb.

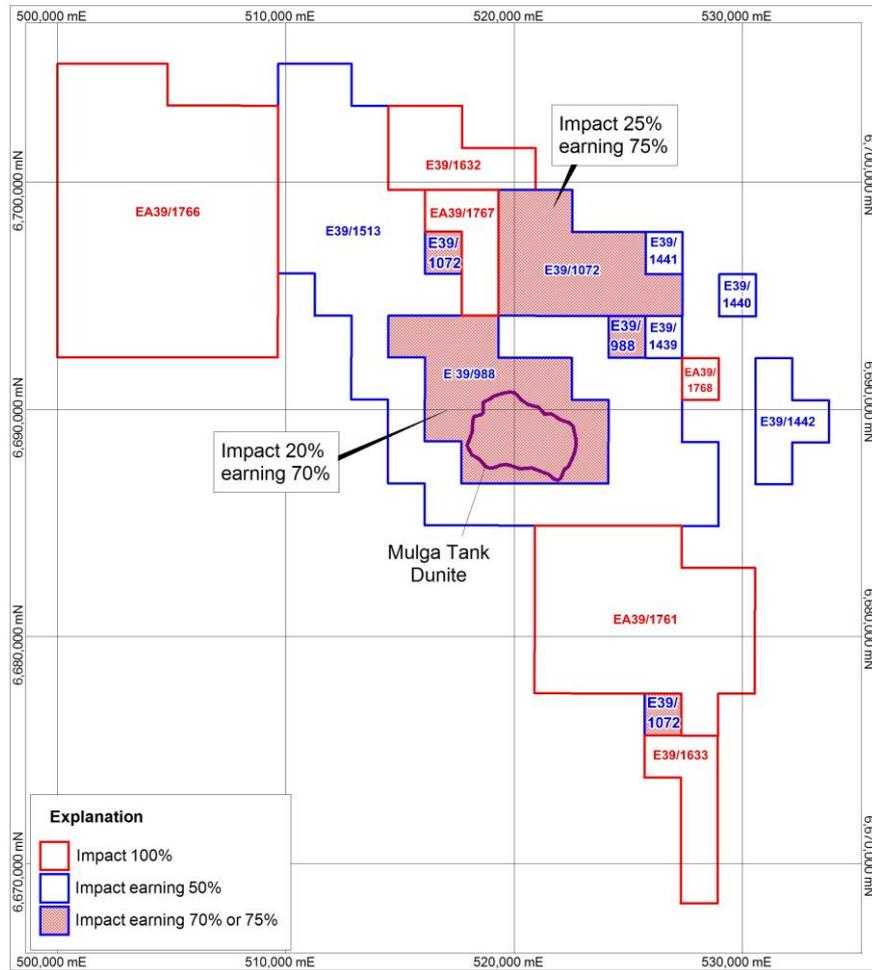


Figure 3. Tenement ownership at the Mulga Tank Project.

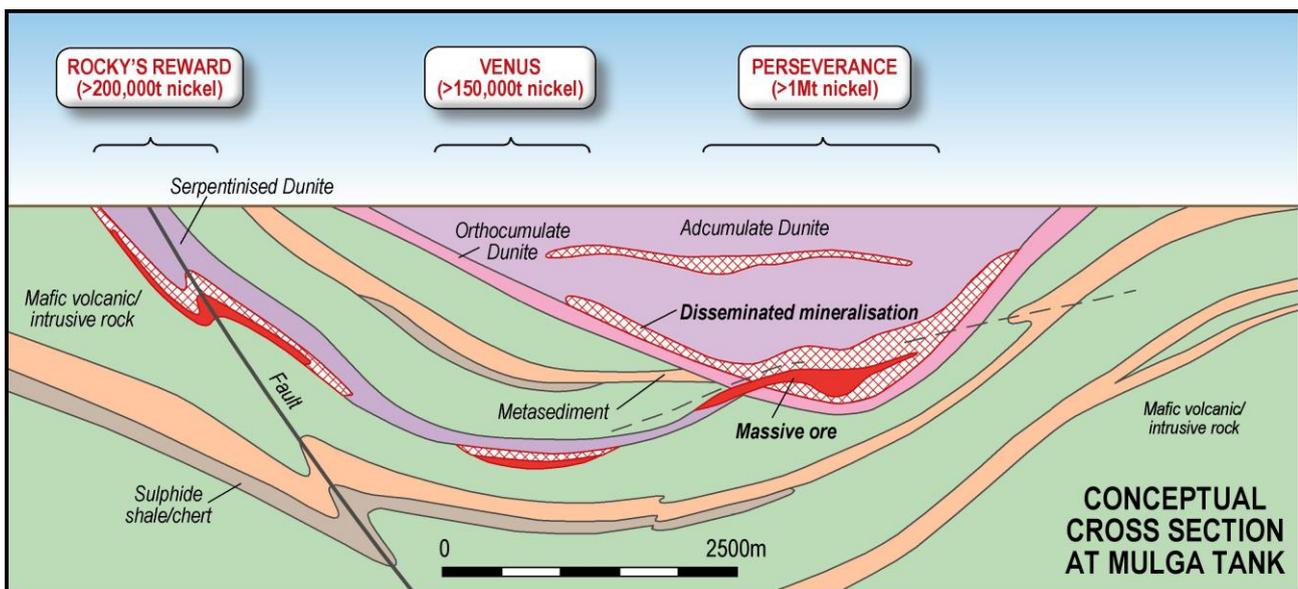


Figure 4. Conceptual cross-section for the Mulga Tank Dunite and surrounding area showing the Perseverance and Rocky's Reward exploration model.