

## ASX ANNOUNCEMENT

Date: 31 August 2017

Number: 535/310817

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### LODGEMENT OF PROSPECTUS

Impact Minerals Limited (**Company**) (ASX: IPT) is pleased to advise that the attached prospectus has today been lodged with the Australian Securities and Investments Commission (**Prospectus**).

On 15 May 2017, Impact Minerals Limited (ASX:IPT) issued a prospectus seeking to raise up to \$4,001,400 through the offer of 222,300,000 Shares together with 333,450,000 free attaching Quoted Options by way of a Share Purchase Plan to existing Shareholders, and a Shortfall Offer to the general public (together the **SPP**).

The Company raised \$1,073,971 under the SPP through the issue of 59,665,051 Shares and 89,497,590 free attaching Quoted Options, which was approved by Shareholders at a general meeting of the Company on 20 June 2017.

As announced to ASX today, the Company has received firm commitments from sophisticated and professional investors to raise \$2,000,000 by the issue of a portion of the Shortfall from the recent SPP, being 111,111,111 Shares and 166,666,667 free attaching Quoted Options (**Placement**).

The Shares and free attaching Quoted Options issued under the Placement will be issued on the same terms and conditions as those under the SPP, being \$0.018 for each Share, with three free attaching Quoted Options exercisable at \$0.04 on or before 15 June 2020 for every two New Shares subscribed for.

The attached Prospectus has been lodged with ASIC for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the Shares and free attaching Quoted Options issued under the Placement.

For further information please contact:

Dr Mike Jones  
Managing Director  
Impact Minerals Limited  
+61 8 6454 6666

**Impact Minerals Limited**  
ACN 119 062 261



## **PROSPECTUS**

### **Offer**

For the offer to the public of 100 Offer Shares at an issue price of \$0.018 per Offer Share, together with 3 free-attaching Offer Options exercisable at \$0.04 each on or before 15 June 2020 for every 2 Offer Shares subscribed, to raise up to \$1.80 (**Offer**).

Refer to Section 2 for further details.

### **Cleansing**

This Prospectus has also been prepared for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on Shares and Options issued under the Placement.

### **Offer Period**

The Offer opens on 31 August 2017 and closes at 5.00pm (WST) on 8 September 2017.

### **IMPORTANT NOTICE**

This Prospectus and the accompanying Application Form contain important information. Each document should be read in its entirety. Applicants who have any questions about the Offer or this Prospectus should speak to their professional advisors. The Securities offered by this Prospectus should be considered speculative.

# Important Information

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## General

This Prospectus is dated 31 August 2017 and was lodged with the Australian Securities and Investment Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange (**ASX**) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of 'continuously quoted securities' (as defined in the Corporations Act) prepared in accordance with section 713 of the Corporations Act. In preparing this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

Offer Securities will not be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.

## Electronic prospectus

This Prospectus may be viewed in electronic form at **www.impactminerals.com.au** by Australian investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of this Prospectus may be obtained free of charge on request during the Offer Period by contacting the Company. The information on the Company's website does not form part of this Prospectus.

## Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

## Applications

Applications for Offer Securities may only be made on printed copies of an Application Form attached to or accompanying this Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Form regarding making an application under the Offer. By returning an Application Form, lodging an Application Form with your stockbroker or otherwise arranging for payment for Offer Securities in accordance with the instructions on the Application Form, an Applicant will be taken to acknowledge that they have received and read this Prospectus, have acted in accordance with the terms of the Offer and have agreed to all of the terms and conditions as detailed in this Prospectus.

## Overseas Applicants

This Prospectus does not make any offer to investors who reside outside of Australia. The distribution of this Prospectus and the Application

Form (including electronic copies) outside Australia may be restricted by law. This Prospectus does not, and is not intended to, constitute an offer or invitation in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Persons who come into possession of these documents should observe such restrictions and should seek their own advice about the restrictions. Please refer to Section 2.7 for further information.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at **www.asx.com.au**). The contents of any website or filing with ASIC or ASX by the Company are not incorporated into this Prospectus and do not constitute part of the Offer unless otherwise expressly stated. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest the Company or subscribe for Offer Securities.

The Company has not authorised any person to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon.

## Forward-looking statements

This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, except during the Offer Period and otherwise as required by law, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

## Meaning of terms

Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 9.

## Currency

References to "\$", "A\$", "AUD", or "dollar" are references to Australian currency, unless otherwise stated.

## Time

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

# Corporate Directory

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## Directors

Mr Peter J Unsworth  
(Non-Executive Chairman)

Dr Michael Jones  
(Managing Director)

Mr Paul Ingram  
(Non-Executive Director)

Dr Markus Elsasser  
(Non-Executive Director)

Ms Felicity Gooding  
(Non-Executive Director)

## Company Secretary

Mr Bernard Crawford

## Registered Office and Principal Office

26 Richardson Street  
West Perth, Western Australia  
Australia 6005

Telephone: +61 (0)8 6454 6666

Email: [info@impactminerals.com.au](mailto:info@impactminerals.com.au)

## ASX Code

Shares – IPT

Quoted Options – IPTOA

## Website

[www.impactminerals.com.au](http://www.impactminerals.com.au)

## Solicitors to the Offer

Jackson McDonald  
Level 17, 225 St Georges Terrace  
Perth, Western Australia  
Australia 6000

Telephone: +61 8 9426 6611

Facsimile: +61 8 9321 2002

## Share Registry\*

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth, Western Australia  
Australia 6000

Telephone: 1300 850 505  
+61 8 9415 4000

## Auditor

Bentleys Audit and Corporate (WA) Pty Ltd  
London House  
Level 3, 216 St Georges Terrace  
Perth, Western Australia  
Australia 6000

\*Included for information purposes only. This entity has not been involved in the preparation of this Prospectus.

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## Key Offer information

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### Indicative Timetable

| Event   | Target Date       |
|---|-------------------|
| Lodgement of Prospectus with ASIC                   | 31 August 2017    |
| Despatch of Prospectus                              | 31 August 2017    |
| Opening Date of Offer                               | 31 August 2017    |
| Closing Date of Offer (5.00pm WST)                  | 8 September 2017  |
| Issue of Offer Securities                           | 11 September 2017 |
| Quotation of Offer Securities                       | 12 September 2017 |
| Despatch of Holding Statements for Offer Securities | 13 September 2017 |

**Note:** These dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close the Offer early, extend the Offer, or accept late Applications, either generally or in particular cases. Investors who wish to submit an Application and subscribe for Offer Securities under the Offer are encouraged to do so as soon as possible after the Offer opens.

# 1. Investment Overview

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## 1.1 Introduction

On 15 May 2017, the Company issued a prospectus (**May 2017 Prospectus**) seeking to raise up to \$4,001,400 through the offer of 222,300,000 Shares together with 333,450,000 Quoted Options by way of the Share Purchase Plan to existing Shareholders, and the Shortfall Offer to the general public.

On 20 June 2017, the issue of the Shares and free-attaching Quoted Options under the Share Purchase Plan and Shortfall Offer was approved by Shareholders at a general meeting of the Company held on 20 June 2017.

The Company raised \$1,073,971 (before costs) under the May 2017 Prospectus through the issue of 59,665,051 Shares together with 89,497,590 Options on identical terms to the Offer Options.

The Company is currently undertaking the Placement, being a placement of a portion of the remaining Shares and Quoted Options for which valid applications were not received under the May 2017 Prospectus offers (i.e. a shortfall), comprising 111,111,111 Shares and 166,666,667 free-attaching Quoted Options.

Shares issued under the Placement will be issued to Exempt Investors at the same issue price as those issued under the Share Purchase Plan and the Shortfall Offer, being \$0.018 each, to raise up to \$2,000,000 (before costs).

The Company has appointed Patersons Securities Limited to act as Lead Manager to the Placement. A summary of the mandate agreement with Patersons is set out in Section 7.2(a) below.

It is anticipated that Patersons will place to its clients, up to approximately 19,444,444 Shares and 29,166,666 free attaching Quoted Options to raise up to approximately \$350,000, and that the remainder of 91,666,667 Shares and 137,500,001 Options will be placed by the Company to existing Shareholders and other parties, to raise up to approximately \$1,650,000.

## 1.2 Purpose of Offer

### (a) Legislative provisions

Section 708A(11) of the Corporations Act provides that an offer of securities for sale does not need disclosure to investors if:

- (i) the relevant securities are in a class of securities that are quoted securities of the body;
- (ii) either:
  - A. a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - B. a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (iii) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

(b) **Disclosure and cleansing**

The primary purpose of this Prospectus is not to raise capital. Rather, the Prospectus is being issued to remove any secondary trading restrictions that may attach to the Securities issued under the Placement.

1.3 **Use of funds**

The funds raised under the Placement will be applied by the Company:

- (a) to fund a drill programme of up to 3,000 metres of reverse circulation and diamond drilling to test targets on the Silica Hill Prospect at the Company's 100% owned Commonwealth gold-silver-base metal project;
- (b) for follow up work at the high grade Broken Hill copper-nickel-PGM project and Mulga Tank; and
- (c) for general working capital requirements.

Details of the Company's current activities are set out in the announcements made to ASX and are available on the ASX website, [www.asx.com.au](http://www.asx.com.au), using the Company's ASX code 'IPT', or the Company's website at [www.impactminerals.com.au](http://www.impactminerals.com.au).

The table below provides a breakdown of how funds raised by the Placement are proposed to be applied.

| Item                                    | Amount             |
|---|--------------------|
| Drill programme at Commonwealth Project | \$1,000,000        |
| Follow up work at Broken Hill Project   | \$250,000          |
| Follow up work at Mulga Tank Project    | \$250,000          |
| Costs of the Placement and Offer        | \$63,366           |
| Working capital                         | \$436,634          |
| <b>Total</b>                            | <b>\$2,000,000</b> |

**Notes:**

- 1. This table does not include the nominal amount (up to \$1.80) that may be raised by the Offer.
- 2. A breakdown of the estimated costs of the Offer is detailed in Section 7.5.
- 3. Working capital costs comprises the Company's administration and overhead costs, and include operating expenses, accounting costs, auditing costs, insurance costs, legal costs, share registry costs, Directors' fees, ASX fees and regulatory compliance costs and expenses.

The information set out in the above table is a statement of present intention as at the Prospectus Date. The exact amount of funds spent by the Company will depend on many factors that cannot be accurately ascertained as at the Prospectus Date. Accordingly, the Directors reserve the right to alter how the funds raised will be applied.

1.4 **Company's exploration projects**

(a) **Commonwealth Project – Gold Silver-Base Metal**

The Commonwealth Project comprises 1,000km<sup>2</sup> of exploration licences located 100km north of Orange, NSW. The exploration project is focused on the Lachlan Fold Belt, host to the Cadia-Ridgeway mining centre (40 million ounces of gold and 12 million tonnes of copper).

Work by the Company at the Commonwealth prospect in 2014 outlined a maiden inferred resource (for the purposes of the JORC Code) of 720,000 tonnes at 2.8 g/t gold and 48 g/t silver centred on historic underground workings at the Commonwealth "Main Shaft". Mineralisation extends over 400 metres strike length, up to 25 metres width and contains a high-grade core of massive sulphides.<sup>1</sup>

Current exploration is focused on immediate additions to existing resources including:

- The depth projection of the massive sulphide lens at Main Shaft beyond a bonanza drill intersection of 7 metres at 6.3 g/t gold, 496 g/t silver, 7.2% zinc, 2.9% lead and 0.2% copper from 91 metres in CMIPT031, along with strike and depth extensions of the Inferred Resource envelope.<sup>2</sup>
- A new discovery at the Silica Hill prospect (located 200 metres northeast of Main Shaft) where drill hole CMIPT046 intersected 41.3 metres at 2.0 g/t gold and 176 g/t silver from 61 metres.<sup>3</sup>
- A new discovery at the Walls prospect (located 1,200 metres east of Commonwealth Main Shaft) where CMIPT027 intersected 20 metres at 0.5 g/t gold, 27 g/t silver and 1.1% zinc.<sup>4</sup>

**(b) Broken Hill Project – Ni-Cu-PGE**

The Broken Hill Project covers 517 square kilometres near Broken Hill, New South Wales. The project is prospective for both nickel-copper-PGE mineralisation associated with ultramafic rocks and zinc-lead-silver in "Broken Hill-style" deposits hosted mostly by metasedimentary rocks and amphibolite.

The Company has recently reported several significant high grade drill results from at least three prospects:

- The Red Hill prospect features the Company's drill hole RHD012, which recorded a bonanza drill intersection of 3.5 metres at 5 g/t platinum, 6 g/t gold, 144 g/t palladium, 2.9% nickel, 2.3% copper and 14.5 g/t silver in heavy matrix sulphide.<sup>5</sup>
- The Platinum Springs prospect revealed high grade massive nickel-copper-PGE sulphides with drill hole PSD02 intersecting 2.75 metres at 3.5 g/t platinum, 7 g/t palladium, 0.4 g/t gold, 2% copper, 1.9% nickel and 11.6 g/t silver from 55 metres down hole.<sup>6</sup>
- The Dora East prospect represents a new discovery of high grade zinc-lead-silver mineralisation with RHD018 intersecting 5.1 metres at 10% zinc, 0.8% lead, 40.4g/t silver from 148.4 metres in massive and disseminated sulphides. Note that Silver City Minerals Limited has a 20% free carried interest to a Decision to Mine in the silver-lead-zinc rights on E7390 which contains Dora East.<sup>7</sup>

<sup>1</sup> Company's announcement to ASX entitled "Maiden High Grade Resource at Commonwealth NSW", dated 19 February 2015.

<sup>2</sup> Company's announcement to ASX entitled "High Grade Extensions to the Commonwealth Deposit and Walls", dated 30 June 2016.

<sup>3</sup> Company's announcement to ASX entitled "High Grade Gold and Silver at Silica Hill", dated 13 September 2016.

<sup>4</sup> Company's announcement to ASX entitled "High Grade Extensions to the Commonwealth Deposit and Walls", dated 30 June 2016.

<sup>5</sup> Company's announcement to ASX entitled "Extremely High Grade Drill Intercept at Broken Hill", dated 23 October 2015.

<sup>6</sup> Company's announcement to ASX entitled "Very high grade Assays from Platinum Springs", dated 3 February 2016.

<sup>7</sup> Company's announcement to ASX entitled "Exceptional Zinc-Silver Grades at Red Hill", dated 8 December 2015.

<sup>8</sup> Company's announcement to ASX entitled "Mulga Tank Drill Assays", dated 29 January 2014.

The Company's exploration results to date indicate the potential for a platinum mineralisation stretching over a 40km belt of mafic-ultramafic rocks within the richly-endowed Curnamona Craton. The mafic intrusions are dated circa 820 Ma and appear coeval with a major global nickel-mineralising event which included the formation of the world-class Jinchuan nickel-copper deposit in China.

Numerous surface gossans have produced some of the highest platinum and palladium grades in Australia which the Company intends to test with more drilling in 2017.

(c) **Mulga Tank Project – Ni-Cu-PGE**

The Mulga Tank project covers about 420km<sup>2</sup> of the Minigwal greenstone belt located 200km east of Kalgoorlie, WA.

The Company has identified three styles of nickel sulphide mineralisation within the Mulga Tank Dunite and surrounding rocks:

- High grade veins in the basal adcumulate layer of the Mulga Tank Dunite with drill results of: 0.25m at 3.8% nickel, 0.7% copper and 0.7g/t PGE and 0.3m at 0.7% nickel.
- High grade nickel sulphide in multiple komatiites within a flow channel featuring drill results of 0.75m at 0.85% nickel, 0.35% copper and 0.28g/t PGE (Pt+Pd+Au).
- Disseminated nickel in the Mulga Tank Dunite with drill results of 115m at 0.3% nickel, 21m at 0.4% nickel and 59m at 0.3% nickel.<sup>8</sup>

The style of mineralisation and the nature of the ultramafic rocks are similar to those that host the significant nickel deposits elsewhere in the Yilgarn Craton, for example, Perseverance (45Mt at 2% nickel), Rocky's Reward (9.6Mt at 2.4% nickel) and Mt Keith (>2Mt contained nickel).

Exploration for nickel and gold is continuing with the completion of three major geophysical and geochemical surveys (airborne magnetic and radiometric survey covering most of the project area, an innovative combined ground and airborne electrical survey (HeliSAM) over the Panhandle and Mulga Tank Dunite prospects, and collection of 2,500 soil samples for geochemistry).

In the June quarter of 2016, the Company was awarded a grant of \$150,000 as part of the Western Australian Government's Exploration Incentive Scheme (**EIS**) for drilling at the Mulga Tank Project. The EIS is a co-funding initiative for exploration in under-explored areas of WA and awarded on a dollar-for-dollar basis for direct drilling costs. The program is designed to encourage innovative exploration and prioritise high quality, technically sound proposals that demonstrate new exploration concepts.

(d) **Competent Person**

Where identified in Section 1.4, information regarding mineralisation, exploration results and mineral resources (for the purposes of the JORC Code) has been extracted from the Company's announcements to ASX listed in the corresponding footnotes.

The Competent Person responsible for the information contained within those reports is Dr Michael Jones, who is a Member of the Australian Institute of Geoscientists. Dr Jones has sufficient experience with the style of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the JORC Code.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of mineral resources, that all material assumptions and

technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## 1.5 Key risks

The key risks of investing in the Company are set out below. These risks are not an exhaustive list. Further details of specific risks and general investment risks are set out in Section 4. These risks may adversely affect the Company's financial position, prospects and price of its Securities.

### (a) Exploration risks

The success of the Company depends on the delineation of economically mineable reserves and resources. Exploration of the Company's existing exploration tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration tenements.

### (b) Operational and technical risks

Mining and exploration development operations are vulnerable to a variety of operational and technical matters, and force majeure circumstances, including mechanical failure of plant and equipment and environmental and weather factors which prevent or impede land access. Such factors may prevent exploration and mining activities and/or lead to cost overruns.

### (c) Environmental risks

The operations and activities of the Company are subject to environmental laws and regulations. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company intends to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

### (d) Future capital requirements

The Company will most likely require further financing for its future business activities, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, undertaken at lower prices than the current market price or involve restrictive conditions which limit the Company's operations and business strategies.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a materially adverse effect on the Company's activities and its ability to continue as a going concern.

## 1.6 The Board

The Company is managed by the Board of Directors. The Board currently comprises five Directors, including one Executive Director and four Non-Executive Directors.

(a) **Mr Peter J Unsworth B.Comm – Non-Executive Chairman**

Mr Unsworth, formerly a chartered accountant, has more than 35 years' experience in the corporate finance, investment, and securities industries and has a wealth of management experience with both public and private companies. A former executive director with a leading Western Australian stockbroking company, he has been a director of a number of public exploration and mining companies.

Mr Unsworth is a director of the Western Australian Government owned Gold Corporation (operator of The Perth Mint), having previously been a director and chairman from 1996 to 2008. He does not currently hold any other directorships with public companies.

(b) **Dr Michael Jones PhD, MAIG – Managing Director**

Dr Jones completed undergraduate and post-graduate studies in Mining and Exploration Geology at Imperial College, London. His Ph.D. work on gold mineralisation saw him move to Western Australia in 1988 to work for Western Mining Corporation exploring for gold and nickel deposits in the Yilgarn Craton. From 1994 he consulted to the exploration and mining industry specialising in the integration of geological field mapping and the interpretation of geochemical, geophysical and remotely sensed data for target generation.

Dr Jones has worked on over 80 projects both in greenfields and near mine exploration in a wide variety of mineralised terrains and was the founding director of Lithofire Consulting Geologists in Perth, Australia. He was also the team leader during the discovery of a significant gold deposit at the Higginsville Mining Centre, near Kalgoorlie and an iron ore deposit near Newman, both in Western Australia.

Dr Jones does not currently hold any other directorships with public companies.

(c) **Mr Paul Ingram B. AppSc, AIMM, MICA – Non-Executive Director**

Mr Ingram is a geologist with extensive experience in managing major mineral exploration programs for several publicly listed companies and has been involved in the mining sector for over forty years. He has designed and implemented innovative techniques for exploration in remote areas, and has managed projects in countries throughout Australia and east Asia.

Mr Ingram is currently a director of A-Cap Resources Limited (since June 2009) and Consolidated Global Investments Limited (since September 2006).

(d) **Dr Markus Elsasser PhD – Non-Executive Director**

Dr Markus Elsasser is a German financier and investor in the mineral resources industry. He is Head of the Elsasser family office 'M. Elsasser & Cie AG 1971' in Dusseldorf, Germany. Dr Elsasser has previously been the Director of Finance at the Dow Chemical Company in Germany. He has extensive general management experience, having been formerly appointed as the Managing Director of Australian and Singaporean businesses in the chemical and food industries. Dr Elsasser has a degree and PhD in Business Administration from Cologne University, Germany.

Dr Elsasser does not currently hold any other directorships with public companies.

(e) **Ms Felicity Gooding B.Com, CA – Non-Executive Director**

Ms Gooding is the Chief Operating Officer and Chief Financial Officer of the Minderoo Group, the philanthropic and private business holdings of Mr and Mrs Andrew and Nicola Forrest.

A chartered accountant with more than 15 years' experience, Ms Gooding has specialised in due diligence, mergers and acquisitions, and equity and debt financing across various sectors in Washington DC, Singapore and London.

Ms Gooding has held senior positions at PwC, Diageo Plc and Fortescue Metals Group Ltd where she was instrumental in the raising of more than A\$5 billion for project expansion financing. Prior to joining Minderoo, Ms Gooding was an executive at potash development company, Sirius Minerals Plc.

Ms Gooding is a nominee director of Squadron Resources Pty Ltd, a substantial Shareholder of the Company.

Ms Gooding does not currently hold any other directorships with public companies.

## **2. Details of the Offer**

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### **2.1 The Offer**

This Prospectus invites the general public to participate in an offer of 100 Offer Shares at an issue price of \$0.018 each, together with 150 free-attaching Offer Options on the basis of 3 Offer Options for every 2 Offer Shares subscribed, to raise up to \$1.80 (before costs) (**Offer**).

Where the determination of an Applicant's entitlement to Offer Options results in a fraction of an Offer Option, such fraction will be rounded up to the nearest whole Offer Option.

Persons who are related parties of the Company under the Listing Rules (e.g. Directors or entities controlled by Directors) are not entitled to participate in the Offer unless specifically permitted to do so under the Listing Rules.

The Company reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for.

### **2.2 Terms of Offer Securities**

All Offer Shares issued pursuant to the Offer will be issued as fully paid and will rank equally in all respects with the Shares then on issue.

All Offer Options granted pursuant to the Offer will be exercisable at \$0.04 on or before 15 June 2020. They will rank equally in all respects with Quoted Options then on issue.

Further details of the rights attaching to Offer Securities are set out Section 5.

### **2.3 Minimum subscription**

The Offer is not subject to any minimum subscription condition or requirement.

### **2.4 Underwriting**

The Offer is not underwritten.

### **2.5 Timetable**

The Offer will open on Thursday, 31 August 2017 and will close at 5.00pm (WST) on Friday, 8 September 2017.

The Directors reserve the right to extend the Offer Period, or close the Offer prior to the Closing Date, subject to the requirements of the Corporations Act and the Listing Rules.

The full timetable for the Offer is set out on page 1 of this Prospectus.

### **2.6 Applications for Offer Securities**

Applications for Offer Securities under the Offer must be made on the Application Form which accompanies this Prospectus.

An Application Form must be accompanied by a personal cheque or money order, payable in Australian dollars, for an amount equal to the number of Offer Shares for which the Applicant wishes to apply, multiplied by the Offer Price (i.e. \$0.018 per Offer Share).

Cheques or money orders must be made payable to "Impact Minerals Limited" and should be marked "Not Negotiable".

Completed Application Forms and accompanying cheques or money orders must be received by the Company before **5.00pm (WST) on the Closing Date** at the following address:

**Impact Minerals Limited**  
26 Richardson Street  
West Perth WA 6005  
Australia

An Application Form may be submitted by post, by hand, or by email to the Company Secretary at [bernardc@impactminerals.com.au](mailto:bernardc@impactminerals.com.au).

An Application Form does not need to be signed to be a binding application for Offer Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Company's decision as to whether to treat a form as valid and how to construe, amend or complete the form is final.

## **2.7 Applicants from outside of Australia**

This Prospectus does not constitute an offer of Offer Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus or make the Offer.

It is the responsibility of any Applicant who is resident outside of Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional advisor as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued Offer Securities. Return of a duly completed Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such regulations.

The Company has not taken any action to register or qualify the Offer Securities, the Offer or this Prospectus, or otherwise to permit a public offering of the Offer Securities, in any jurisdiction outside Australia.

## **2.8 Application Moneys to be held on trust**

Application Money will be held by the Company on trust in accordance with the requirements of the Corporations Act until the Offer Securities to which the Application Money pertains are issued under the Offer, or a refund of Application Money occurs in the circumstances described in this Prospectus.

The Company will retain any interest earned on Application Money, including in the event of any refund of Application Money.

## **2.9 Issue and quotation of Offer Securities**

Offer Securities under the Offer are expected to be issued, and Holding Statements despatched, as soon as practicable after the Closing Date, in accordance with the Listing Rules and the timetable set out in the Key Offer Information section on page 1 of this Prospectus.

Application for official quotation on ASX of both Offer Securities offered pursuant to this Prospectus will be made within 7 days after the Prospectus Date.

Neither Offer Shares nor Offer Options will be issued unless and until ASX grants permission for quotation of both those Offer Securities.

ASX does not take any responsibility for the contents of this Prospectus. The fact that ASX may agree to grant official quotation of either Offer Security is not to be taken in any way as an indication of the merits of the Company or those Offer Securities.

If approval for quotation of the Offer Securities is not granted within 3 months after the Prospectus Date, the Company will not allot or issue any Offer Securities and will repay all Application Moneys without interest as soon as practicable.

The sale by an Applicant of Offer Securities prior to the receipt of a Holding Statement is at the Applicant's own risk.

## **2.10 Withdrawal**

The Directors may decide to withdraw this Prospectus or the Offer at any time before the issue of any Offer Securities.

## **2.11 No brokerage**

Brokerage or transfer/stamp duty is not payable in relation to the Offer.

## **2.12 CHESS**

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Rules. The Company operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of Securities.

Under CHESS, the Company will not issue certificates to successful Applicants. Instead, the Company will provide Applicants with a Holding Statement (similar to a bank account statement) that sets out the number of Offer Securities allotted to them under this Prospectus.

This statement also advises Shareholders of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer sponsored sub-register.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time. However, a charge may be incurred for additional statements.

## **2.13 Privacy**

The Company collects information about each Applicant from the Application Form for the purpose of processing the Applications and, if the Applicant is successful, to administer their Security holding in the Company.

By submitting an Application Form, an Applicant agrees that the Company may use the information in the form for the purposes set out in this Section 2.13.

The Company and the Share Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including but not limited to those listed below or as otherwise authorised under the Privacy Act:

- the Share Registry for ongoing administration of the Company's register;
- the Company's Related Bodies Corporate, agents, contractors and third party service providers, as well as to ASX, ASIC and other regulatory authorities (including the Australian Taxation Office); and
- the printers and the mailing house for the purposes of preparation and distribution of Holding Statements and for the handling of mail.

If an Applicant becomes a Security holder of the Company, the Corporations Act requires the Company to include information about the Security holder (name, address and details of the Securities held) in its public register. This information must remain in the Company's register even if that person ceases to be a Security holder of the Company. Information contained in

the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Security holders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

Under the Privacy Act, a person may request access to that person's personal information held by (or on behalf of) the Company or the Share Registry. An Applicant can request access to their personal information by writing to the Company through the Share Registry.

## **2.14 Taxation implications**

The taxation obligations and the effects of participating in the Offer can vary depending on the circumstances of each individual Applicant. Applicants who are in doubt as to their taxation position should seek professional advice. It is the sole responsibility of Applicants to inform themselves of their taxation position resulting from participation in the Offer.

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Offer Securities, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential Applicants.

Neither the Company nor any of its officers, employees or advisers accept any responsibility or liability for any taxation consequences to Applicants in relation to the Offer.

### 3. Effect of the Placement and the Offer

#### 3.1 Overview

The principal effects of the Placement and the Offer will be to, assuming the Placement and the Offer are fully subscribed:

- (a) increase the number of Shares on issue from 848,436,136 Shares as at the Prospectus Date to 959,547,347 Shares, representing a dilution of approximately 11.58% (assuming that other Shares are not issued before such time);
- (b) increase the number of Options on issue from 218,926,162 Options as at the Prospectus Date to 385,592,979 Options; and
- (c) increase cash reserves by up to approximately \$1,936,634 immediately after completion of the Offer and payment of the costs and expenses set out in Section 7.5, including the estimated expenses of the Offer.

#### 3.2 Effect on capital structure

The table below sets out the anticipated effect of the Placement and the Offer on the Company's capital structure, assuming other Shares are not issued (including on the exercise of Options or conversion of Convertible Notes) prior to the close of the Offer.

| Security type   | Number             | Percentage of total |
|---|--------------------|---------------------|
| <b>Shares – ordinary</b>  |                    |                     |
| Shares on issue prior to the Placement  | 848,436,136        | 88.42%              |
| Shares issued under the Placement   | 111,111,111        | 11.58%              |
| Offer Shares offered under Offer  | 100                | 0%                  |
| <b>Total Shares after the Placement and the Offer</b>   | <b>959,547,347</b> | <b>100%</b>         |
| <b>Options</b>  |                    |                     |
| Unquoted Options prior to the Placement – exercisable at \$0.0325 on or before 7 August 2018        | 45,000,000         | 11.67%              |
| Unquoted Options prior to the Placement – exercisable at \$0.0367 on or before 29 September 2018    | 27,000,000         | 7.00%               |
| Unquoted Options prior to the Placement – exercisable at \$0.045 on or before 29 September 2019;    | 15,500,000         | 4.02%               |
| Unquoted Options prior to the Placement – exercisable at \$0.07 on or before 29 September 2020      | 15,500,000         | 4.02%               |
| Unquoted Options prior to the Placement – exercisable at \$0.0325 each on or before 21 October 2018 | 26,428,572         | 6.85%               |
| Quoted Options granted prior to the Placement   | 89,497,590         | 23.21%              |
| Quoted Options granted under the Placement  | 166,666,667        | 43.22%              |

| Security type  | Number             | Percentage of total |
|--|--------------------|---------------------|
| Offer Options offered under the Offer                            | 150                | 0%                  |
| <b>Total Options after the Placement and the Offer</b>           | <b>385,592,979</b> | <b>100%</b>         |
| <b>Convertible Notes</b>   |                    |                     |
| Unquoted Convertible Notes prior to the Placement                | 2,000,000          | 100%                |
| Convertible Notes issued under the Placement                     | Nil                | 0%                  |
| Convertible Notes offered under the Offer                        | Nil                | 0%                  |
| <b>Total Convertible Notes after the Placement and the Offer</b> | <b>2,000,000</b>   | <b>100%</b>         |

**Note:**

1. All Convertible Notes currently on issue have a face value of \$1 each, mature on 7 August 2018, and are convertible into Shares at a conversion price that is the lower of \$0.021 per Share, and 80% of the 30 day volume weighted average price prior to the date of the conversion notice.
2. If all Convertible Notes were converted at an issue price of \$0.021 per Share, 95,238,095 new Shares would be issued.

### 3.3 Effect on financial position

The Company will raise up to approximately \$2,000,000 (before costs) under the Placement, assuming full subscription. Accordingly, the Placement will have a material effect on the Company's financial position.

Set out below is:

- the reviewed consolidated statement of financial position of the Company for the half year ended 31 December 2016;
- the utilisation of cash since 31 December 2016; and
- the unaudited pro forma consolidated statement of financial position of the Company for the half year ended 31 December 2016 incorporating the effect of the utilisation of cash since 31 December 2016 and the Offer assuming full subscription.

The unaudited pro forma consolidated statement of financial position has been prepared to provide potential Applicants with information on the assets and liabilities of the Company and pro forma assets and liabilities of the Company as noted below. It has been derived from the last half year financial statements of the Company and adjusted to reflect the utilisation of cash since 31 December 2016 and the pro forma assets and liabilities of the Company as if completion of the Placement and the Offer had occurred by 31 December 2016.

## Unaudited Consolidated Pro Forma Statement of Financial Position

|  | Consolidated<br>(reviewed)<br>31 Dec 2016<br>\$ | Utilisation of<br>Cash since<br>31 Dec 2016<br>\$ | Maximum subscription<br>(\$2,000,000)<br>Pro-forma<br>Adjustments<br>\$ | Pro-forma<br>After Issues<br>31 Dec 2016<br>\$ |
|--|---|---|---|--|
| <b>CURRENT ASSETS</b>                      |   |   |   |  |
| Cash and cash equivalents                  | 1,489,119                                       | (6,029)   | 1,936,634   | 3,419,724                                      |
| Trade and other receivables                | 1,137,463                                       | -   | -   | 1,137,463                                      |
| Other current assets                       | 201,457   | -   | -   | 201,457  |
| <b>TOTAL CURRENT ASSETS</b>                | <b>2,828,039</b>                                | <b>(6,029)</b>                                    | <b>1,936,634</b>  | <b>4,758,644</b>                               |
| <b>NON-CURRENT ASSETS</b>                  |   |   |   |  |
| Property and equipment                     | 3,432   | -   | -   | 3,432  |
| Exploration expenditure                    | 11,542,191                                      | 1,549,150   | -   | 13,091,341                                     |
| Other non-current assets                   | 176,883   | -   | -   | 176,883  |
| <b>TOTAL NON-CURRENT ASSETS</b>            | <b>11,722,506</b>                               | <b>1,549,150</b>                                  | <b>-</b>  | <b>13,271,656</b>                              |
| <b>TOTAL ASSETS</b>                        | <b>14,550,545</b>                               | <b>1,543,121</b>                                  | <b>1,936,634</b>  | <b>18,030,300</b>                              |
| <b>CURRENT LIABILITIES</b>                 |   |   |   |  |
| Trade and other payables                   | 446,591   | -   | -   | 446,591  |
| Financial liabilities                      | 2,000,000                                       | -   | -   | 2,000,000                                      |
| Provisions                                 | 99,466  | -   | -   | 99,466   |
| <b>TOTAL CURRENT LIABILITIES</b>           | <b>2,546,057</b>                                | <b>-</b>  | <b>-</b>  | <b>2,546,057</b>                               |
| <b>TOTAL LIABILITIES</b>                   | <b>2,546,057</b>                                | <b>-</b>  | <b>-</b>  | <b>2,546,057</b>                               |
| <b>NET ASSETS</b>                          | <b>12,004,488</b>                               | <b>1,543,121</b>                                  | <b>1,936,634</b>  | <b>15,484,243</b>                              |
| <b>EQUITY</b>                              |   |   |   |  |
| Issued capital                             | 35,950,384                                      | 983,226   | 1,936,634   | 38,870,244                                     |
| Option reserve                             | 1,199,068                                       | -   | -   | 1,199,068                                      |
| Foreign currency translation reserve       | (503,389)                                       | -   | -   | (503,389)                                      |
| Transactions with non-controlling interest | (1,161,069)                                     | -   | -   | (1,161,069)                                    |
| Accumulated losses                         | (23,480,506)                                    | 559,895   | -   | (22,920,611)                                   |
| <b>TOTAL EQUITY</b>                        | <b>12,004,488</b>                               | <b>1,543,121</b>                                  | <b>1,936,634</b>  | <b>15,484,243</b>                              |

**Notes:**

This table has been prepared on the basis of the following assumptions:

1. The Company issues 111,111,111 Shares at an issue price of \$0.018 each pursuant to the Placement, raising a total of \$2,000,000 before costs, and approximately \$1,936,634 after costs of the Placement.
2. An adjustment has been made for the exploration expenditure and operating costs of the Company between 31 December 2016 and the date of completion of the Placement.

The unaudited pro forma consolidated statement of financial position represents the Company's consolidated statement of financial position as at 31 December 2016, adjusted on the basis that there has not been any material movement in the assets and liabilities of the Company between that date and the Closing Date save for:

- raising \$1,073,971 (before costs) under the Share Purchase Plan and Shortfall Offer;
- the receipt of \$1,073,788 in respect of a research and development tax rebate;
- exploration expenditure of \$1,549,150;
- general administration and working capital expenditure of \$513,893;
- raising \$2,000,000 on full subscription under the Placement; and
- the Company incurring \$63,366 in relation to the costs of the Placement.

Allowance has not been made for expenditure incurred in the normal course of business from 31 December 2016 to the Closing Date.

The historical and pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual or half year financial statements. Accordingly, the statement of financial position above is to be read in conjunction with the notes to the financial statements as published in the Company's Half Year Financial Report for the period ended 31 December 2016 available on the Company's website, [www.impactmineals.com.au](http://www.impactmineals.com.au), and the ASX announcements platform, [www.asx.com.au](http://www.asx.com.au), using the Company's ASX code 'IPT'.

### 3.4 Effect on control

#### (a) Substantial holdings

A "substantial holding" is defined under the Corporations Act to mean a relevant interest (e.g. controlling interest) in 5% or more of the voting shares of a public company.

The table below sets out the Shareholders with a substantial holding as at the Prospectus Date.

| Name                       | Pre- Placement   |                     | Post- Placement  |                     |
|----------------------------|------------------|---------------------|------------------|---------------------|
|                            | Number of Shares | Percentage interest | Number of Shares | Percentage interest |
| Mrs Susanne Bunnenberg     | 200,199,999      | 23.60%              | 200,199,999      | 20.86%              |
| Squadron Resources Pty Ltd | 47,619,048       | 5.61%               | 47,619,048       | 4.96%               |

**Notes:**

1. The figures in the table assume that no Securities are issued to the above holders under the Placement and that additional Shares are not issued after the Prospectus Date.

2. The Shares in which Mrs Bunnenberg holds a relevant interest are held by JP Morgan Nominees Australia, which acts as a custodian.

(b) **Effect of the Placement**

The potential effect that the Placement could have on the control of the Company, and the consequences of that effect, will depend upon a number of factors, including investor demand and existing shareholdings.

The table below sets out the estimated dilutive effect of the Placement on existing Shareholders, including on the exercise of all Placement Options, assuming various subscription scenarios.

| Event                                    | Number pre-Placement | Placement Shares issued<br>(including Shares issued on exercise of Placement Options, where applicable) | Number post-Placement | Dilution (rounded) |
|--|----------------------|---|-----------------------|--------------------|
| <b>25% subscription under the Offer</b>  |                      |   |                       |                    |
| Issue of Offer Shares                    | 848,436,136          | 27,777,778  | 876,213,914           | 3.17%              |
| Exercise of Offer Options                | 848,436,136          | 69,444,445  | 917,880,581           | 7.57%              |
| <b>50% subscription under the Offer</b>  |                      |   |                       |                    |
| Issue of Offer Shares                    | 848,436,136          | 55,555,556  | 903,991,692           | 6.15%              |
| Exercise of Offer Options                | 848,436,136          | 138,888,890   | 987,325,026           | 14.07%             |
| <b>100% subscription under the Offer</b> |                      |   |                       |                    |
| Issue of Offer Shares                    | 848,436,136          | 111,111,111   | 959,547,247           | 11.58%             |
| Exercise of Offer Options                | 848,436,136          | 277,777,778   | 1,126,213,914         | 24.66%             |

**Notes:** The table above assumes that other Shares are not issued prior to the listed events occurring and that such events occur in the order listed.

The Company will not issue Shares under the Placement (or the Offer) to the extent that the recipient's voting power in the Company would exceed 20%.

The Company does not anticipate that any of the Placement investors will receive Shares which would provide them with voting power of 5% or more, or which will increase their existing voting power of more than 5%.

The Directors do not consider that the Placement (or the Offer) will have a material impact on the control of the Company.

## **4. Risk Factors**

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### **4.1 Introduction**

The business operations of the Company and its controlled entities, as in any business, are subject to risks which may impact upon the Company's future performance. There cannot be any guarantee that the Company will achieve its stated objectives.

Potential Applicants should read the entire Prospectus and review announcements made by the Company to ASX (at [www.asx.com.au](http://www.asx.com.au) under the code 'IPT') in order to gain an understanding of the Company, its activities, operations, financial position and prospects.

An investment in the Company's Securities should be considered speculative. Securities do not carry any guarantee with respect to the payment of any dividends, returns of capital or the market value of those Securities.

Potential Applicants should consider the risk factors set out in Section 1.5 above and in Sections 4.2, 4.3 and 4.4 below which the Directors believe represent some of the general and specific risks that Shareholders should be aware of when evaluating the Company and deciding whether to acquire any Securities in the Company. The following risk factors are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

### **4.2 Company specific risks**

In addition to the key risk set out in Section 1.5 above, the following risks have been identified as being key risks specific to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and the price of its quoted Securities.

#### **(a) Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value.

#### **(b) Key personnel**

Recruiting and retaining qualified personnel is important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. If such persons cease to be employed or otherwise engaged by the Company for whatever reason, the Company may be adversely affected.

#### **(c) Commodity price fluctuations**

In the event of exploration and development success, any future revenue derived through the future sale of gold exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for such commodities, forward selling by producers and the level of production costs. Moreover, prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, these commodities.

### 4.3 Mining industry risks

Mineral exploration and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which, by their nature, are subject to a number of inherent risks, including the following:

(a) **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Ability to exploit successful discoveries**

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as those of the Company.

(c) **Mining and development risks**

The profitability of the Company depends upon the successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

(d) **Realising value from projects**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Assurances cannot be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(e) **Title risks**

The Company's interests in tenements in Western Australia, New South Wales and Queensland are governed by legislation in each jurisdiction and are evidenced by the granting of mining tenements. Each mining tenement is granted subject to conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, tenements if the tenement conditions are not met.

(f) **Joint venture parties, agents and contractors**

There is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party, or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(g) **Competition**

The Company competes with other companies, including major mining companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There cannot be any assurance that the Company will be able to compete effectively with these companies.

(h) **Other**

Whilst the Company currently has not incurred any liabilities and is adequately insured, no assurance can be provided as to potential uninsured losses or liabilities that may arise in the future.

#### 4.4 **General investment risks**

(a) **Securities market conditions**

As with all securities market investments, there are risks associated with an investment in the Company. Security prices may rise or fall and the price of Shares might trade below or above the Offer Price under the Offer.

General factors that may affect the market price of Securities, include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity process, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) **Price and exchange rate fluctuation**

The revenue derived through the sale of mineral commodities targeted by the Company exposes the potential income of the Company to price and exchange rate risks. Prices of mineral commodities fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for such commodities, forward selling by producers and the level of production costs. Moreover, prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, these commodities.

(c) **Liquidity risk**

There cannot be any guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the Shares.

(d) **Securities investment risk**

Applicants should be aware that there are risks associated with any Securities investment. Securities quoted on a securities market, and in particular Securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Securities regardless of the Company's performance.

(e) **Other risks**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk, and other matters that may interfere with the business or trade of the Company.

## **5. Rights and Liabilities Attached to Offer Securities**

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### **5.1 Terms of Offer Shares**

The Offer Shares offered under this Prospectus will from the time of issue rank equally with all existing Shares.

Full details of the rights and liabilities attaching to the Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office and on the Company's website, [www.impactminerals.com.au](http://www.impactminerals.com.au).

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares:

**(a) Share capital**

All issued ordinary fully paid shares rank equally in all respects.

**(b) Voting rights**

At a general meeting of the Company, every holder of Shares present in person, by an attorney, representative or proxy has one (1) vote on a show of hands and on a poll, one (1) vote for each Share held, and for every partly paid Share held, a fraction of a vote equivalent to the proportion which the amount paid (not credited) on the Share is of the total amounts paid and payable (excluding amounts credited) on the Share. Where there is an equality of votes, the chairperson has a casting vote.

**(c) Dividend rights**

Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend (at present there are none), all dividends as declared by the Directors shall be payable on all Shares out of the Company's profits:

- (i) in accordance with the Corporations Act; and
- (ii) in proportion to the amount of capital paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid.

The Directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or other Securities of the Company.

**(d) Rights on winding-up**

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among Shareholders in the proportion which the amount paid (including amounts credited) on the Shares of a Shareholder is of the total amounts paid and payable (including amounts credited) on the Shares of all Shareholders.

A liquidator may, with the sanction of a special resolution of Shareholders:

- (i) distribute among the Shareholders the whole or any part of the property of the Company; and
- (ii) decide how to distribute the property as between the Shareholders or different classes of Shareholders.

No Shareholder is compelled to accept any property, including shares or other securities in respect of which there is any liability.

(e) **Transfer of Shares**

Shares in the Company may be transferred by such means in accordance with the Constitution, the Corporations Act, Listing Rules and ASX Settlement Rules.

The Company may refuse to register a transfer of Shares only in those circumstances permitted by the Company's Constitution, the Listing Rules and ASX Settlement Rules.

(f) **Further increases in capital**

Subject to the Company's Constitution, the Corporations Act, the Listing Rules and the ASX Settlement Rules, the Company may:

(i) issue and allot unissued Shares; and

(ii) grant Options,

to such persons, and on such terms, as the Directors determine.

(g) **Variation of rights attaching to Shares**

The rights attaching to any class of Shares (unless otherwise provided by their terms of issue) may be varied by a special resolution passed at a separate general meeting of the holders of those Shares of that class, or in certain circumstances, with the written consent of the holders of at least seventy-five percent (75%) of the issued Shares of that class.

(h) **General meeting**

Each holder of Shares will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Corporations Act and the Listing Rules.

## 5.2 **Terms and conditions of Offer Options**

The Offer Options offered under this Prospectus will from the time of issue rank equally with all existing Quoted Options (ASX code 'IPTOA').

The Offer Options are regulated by the Constitution, the Corporations Act, the Listing Rules, the ASX Settlement Rules and general law.

Each Offer Option will be issued on the following terms and conditions:

(a) **Entitlement**

Each Offer Option entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary Share in the Company.

(b) **No payment on grant**

The Option Holder is not required to pay any amount on the grant to the Option Holder of a Offer Option.

(c) **Exercise price**

The exercise price of each Offer Option is \$0.04 (**Exercise Price**).

(d) **Expiry date**

Each Offer Option may be exercised at any time before 5.00pm (WST) on 15 June 2020 (**Expiry Date**). Any Offer Option not exercised by the Expiry Date will automatically expire.

(e) **Holding Statement**

The Company must give the Option Holder a Holding Statement stating:

- (i) the number of Offer Options issued to the Option Holder;
- (ii) the Exercise Price of the Offer Options; and
- (iii) the date of issue of the Offer Options.

(f) **Transfer**

The Offer Options are transferable.

(g) **Quotation of Offer Options**

The Company will apply to ASX for Official Quotation of the Offer Options.

(h) **Quotation of Shares**

The Company will apply to ASX for Official Quotation of the Shares issued on the exercise of Offer Options.

(i) **New issues**

The Option Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company unless they have exercised their Offer Options before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

(j) **Bonus issues**

If the Company makes a bonus issue of Shares or other Securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Offer Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Offer Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Offer Option before the record date for determining entitlements to the issue.

(k) **Reorganisation**

- (i) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Offer Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (ii) Any calculations or adjustments which are required to be made will be made by the Company's Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (iii) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Offer Options held by the

Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on the exercise of a Offer Option.

(l) **Exercise**

- (i) To exercise Offer Options, the Option Holder must give the Company or its Share Registry, at the same time:
  - A. an exercise notice (in the form approved by the Board of the Company from time to time) specifying the number of Offer Options being exercised and Shares to be issued; and
  - B. payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company.
- (ii) The Option Holder may only exercise Offer Options in multiples of 10,000 Offer Options unless the Option Holder exercises all Offer Options held by the Option Holder.
- (iii) Offer Options will be deemed to have been exercised on the date the exercise notice and Exercise Price are received by the Company.

(m) **Re-issue of certificate or Holding Statement**

If the Option Holder exercises less than the total number of Offer Options registered in the Option Holder's name:

- (i) the Option Holder must surrender their Offer Option Holding Statement (if any); and
- (ii) the Company must cancel the Offer Option Holding Statement (if any) and issue the Option Holder a new Offer Option Holding Statement or Holding Statement stating the remaining number of Offer Options held by the Option Holder.

(n) **Issue**

- (i) Within five Business Days after receiving an application for exercise of Offer Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.
- (ii) Subject to the Constitution, all Shares issued on the exercise of Offer Options will rank in all respects (including rights relating to dividends) equally with the existing Shares of the Company at the date of issue.

(o) **Governing law**

These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

## 6. Continuous Disclosure Documents

### 6.1 Continuous disclosure obligations

This is a Prospectus for the offer of continuously quoted securities (as defined in the Corporations Act) of the Company and is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

The Company is a “disclosing entity” for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The Shares to be issued under this Prospectus are in a class of securities that were quoted on the stock market of ASX at all times in the 12 months before the issue of this Prospectus. Further, the Company will apply for quotation of the Offer Options to be granted under this Prospectus, which are also options to subscribe for continuously quoted securities (i.e. Shares).

### 6.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company’s 2016 annual financial report to Shareholders on 28 September 2016:

| Date           | Description of ASX Announcement                        |
|----------------|--|
| 31 August 2017 | Impact Raises \$2 Million                              |
| 30 August 2017 | Amended Announcement                                   |
| 29 August 2017 | Trading Halt   |
| 25 August 2017 | Silica Hill Continues to Grow                          |
| 15 August 2017 | Amended Announcement                                   |
| 15 August 2017 | High Grade Assays lead to Drill Programme Extension    |
| 4 August 2017  | Thick Widths of High Grade Precious & Base Metal Veins |
| 31 July 2017   | June 2017 Quarterly Reports                            |
| 20 July 2017   | Best Gold Results to date at the Silica Hill Project   |
| 26 June 2017   | Appendix 3Y x 2  |
| 23 June 2017   | Change in Substantial Holding                          |
| 23 June 2017   | Drilling Commences at Commonwealth, NSW                |
| 22 June 2017   | Change in Substantial Holding from Squadron            |
| 21 June 2017   | SPP and Shortfall Offer Appendix 3B                    |
| 20 June 2017   | Results of General Meeting                             |
| 20 June 2017   | Impact Raises \$1.07 Million                           |

| Date              | Description of ASX Announcement                              |
|-------------------|--|
| 7 June 2017       | Share Purchase Plan – Extension of Closing Date              |
| 6 June 2017       | New Drill Targets, Silica Hill East, Commonwealth Project    |
| 2 June 2017       | Exploration Update – VTEM-IP at Broken Hill                  |
| 31 May 2017       | Two New Trends for Gold-Silver at Commonwealth, NSW          |
| 30 May 2017       | Statutory Approvals received for Commonwealth drill program  |
| 25 May 2017       | Priority Drill Targets for Massive Sulphide at Commonwealth  |
| 19 May 2017       | Letter to Shareholders and Despatch of Prospectus            |
| 19 May 2017       | Notice of General Meeting/Proxy Form                         |
| 18 May 2017       | Company Update   |
| 16 May 2017       | Appendix 3B  |
| 15 May 2017       | Lodgement of Prospectus                                      |
| 11 May 2017       | Share Purchase Plan to raise up to \$4 Million               |
| 10 May 2017       | Trading Halt   |
| 9 May 2017        | Priority Drill Targets for Gold-Silver at Silica Hill, NSW   |
| 5 May 2017        | Cobalt-Copper-Gold Potential of the Broken Hill Project      |
| 3 May 2017        | VTEM at Broken Hill  |
| 28 April 2017     | March 2017 Quarterly Report                                  |
| 21 April 2017     | Exploration Update - Commonwealth Gold-Silver Project, NSW   |
| 3 March 2017      | The Cobalt Potential of the Broken Hill Project              |
| 24 February 2017  | Half Yearly Report and Accounts                              |
| 22 February 2017  | Silica Hill and Commonwealth Continue to Expand              |
| 17 February 2017  | Exploration Update   |
| 31 January 2017   | Quarterly Cashflow Report                                    |
| 17 January 2017   | Quarterly Activities Report                                  |
| 13 January 2017   | Impact Receives \$1.07 Million Research & Development Refund |
| 21 December 2016  | Drilling Update - Further Mineralisation at Silica Hill      |
| 5 December 2016   | Drilling Commences at the Silica Hill Gold-Silver Discovery  |
| 2 December 2016   | Appendix 3Y x 4  |
| 1 December 2016   | Expiry of Unlisted Options                                   |
| 25 November 2016  | Amended Announcement   |
| 25 November 2016  | Company Update   |
| 11 November 2016  | Early December Follow Up Drilling at Silica Hill             |
| 9 November 2016   | Results of Annual General Meeting                            |
| 9 November 2016   | 2016 AGM Presentation by Managing Director                   |
| 31 October 2016   | September 2016 Quarterly Report                              |
| 14 October 2016   | Impact Triples Groundholding Around Commonwealth             |
| 7 October 2016    | Notice of Annual General Meeting/Proxy Form                  |
| 28 September 2016 | Appendix 4G  |
| 28 September 2016 | Corporate Governance Statement                               |

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC, or the registered office of the Company during normal office hours.

Copies of documents lodged with ASX, in relation to the Company, including the Company's corporate governance policies, may be obtained from the Company's website, **[www.impactminerals.com.au](http://www.impactminerals.com.au)**, or at ASX's website, **[www.asx.com.au](http://www.asx.com.au)**, using ASX Code 'IPT'.

The Company will provide a copy of each of the following documents, free of charge, to any person on request from the Prospectus Date until the latter of the Closing Date:

- (a) the annual financial report of the Company for the financial year ended 30 June 2016, being the annual financial report of the Company most recently lodged with ASIC before the issue of this Prospectus;
- (b) the half year financial report of the Company for the half year ended 31 December 2016, being the half year financial report of the Company most recently lodged with ASIC before the issue of this Prospectus; and
- (c) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in Section 6.2(a) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

## 7. Additional Information

### 7.1 Market prices of Securities on ASX

Information about the closing market price of Shares and Quoted Options which are quoted on ASX during the 3 month period prior to the Prospectus Date is set out in the table below.

|                               | Price   | Date                          |
|-------------------------------|---------|-------------------------------|
| <b>Shares (IPT)</b>           |         |                               |
| Highest                       | \$0.026 | 15 August 2017                |
| Lowest                        | \$0.013 | 29 June 2017 and 30 June 2017 |
| Latest                        | \$0.020 | 28 August 2017                |
| <b>Quoted Options (IPTOA)</b> |         |                               |
| Highest                       | \$0.006 | 11 August 2017                |
| Lowest                        | \$0.002 | 5 July 2017 and 19 July 2017  |
| Latest                        | \$0.005 | 21 August 2017                |

**Note:** The trading data contained in the above table has been prepared by ASX, who has not consented to its use in this Prospectus.

### 7.2 Material and related party contracts

#### (a) Lead Manager Mandate

The Company and the Lead Manager have entered into a mandate agreement under which the Lead Manager was appointed to manage the Placement.

The material terms of the Lead Manager's engagement are as follows:

- The Lead Manager will act as the sole and exclusive lead manager to the Placement.
- The Company will pay the Lead Manager:
  - a lead manager fee of 1% of the amount raised under the Placement, excluding GST;
  - a placement selling fee of 5% of the amount raised under the Placement by the issue of Placement Securities to clients and contacts of the Lead Manager; and
  - reimbursement of the Lead Manager's reasonable costs, professional fees and expenses in relation, and incidental, to the Placement.
- The Company agrees to indemnify the Lead Manager and to hold the Lead Manager harmless from and against:
  - all actions, claims, demands or proceedings which may be instituted against the Lead Manager; and
  - all liabilities, losses, damages, costs and expenses including reasonable legal costs and expenses which may be suffered or incurred by the Lead Manager, in connection with the mandate.

The mandate otherwise contain terms and conditions considered standard for an agreement of this nature.

As set out in Section 1.1, it is anticipated that the Lead Manager will place to its clients up to approximately 19,444,444 Shares and 29,166,666 free attaching Quoted

Options to raise up to approximately \$350,000. Consequently, it is anticipated that the aggregate fee payable to the Lead Manager will be up to \$37,500.

(b) **Consultancy Services Agreement – Dr Michael Jones**

On 10 November 2010, the Company entered into a Consultancy Services Agreement with Image Interpretation Technologies Pty Ltd and Dr Michael Jones pursuant to which Dr Jones provides his services to the Company in the capacity of Managing Director. Under this agreement, Image Interpretation Technologies Pty Ltd is entitled to fees in the amount of \$273,550 per annum.

(c) **Investment agreement with Squadron Resources Pty Ltd**

On 17 July 2015, the Company announced that it had agreed the terms of the funding of up to \$7.3 million from Squadron Resources Pty Ltd (**Squadron**), being part of the Minderoo Group, Andrew Forrest's private investment vehicle (**Squadron Transaction**). The key terms of the Squadron Transaction were as follows:

- (i) an initial \$3 million investment comprising the issue of interest free Convertible Notes for \$2 million (convertible to Shares at the lower of \$0.021 and the price that is 80% of the 30 day volume weighted average price of Shares as at the date the notice of conversion is given), and a \$1 million placement of Shares at an issue price of \$0.021 per Share;
- (ii) the issue of 71,428,572 Options (comprising 45,000,000 Options exercisable at \$0.0325 each on or before 7 August 2018, and 26,428,572 Options exercisable at \$0.0325 each on or before 21 October 2018) to raise approximately \$2.3 million on exercise;
- (iii) an option to invest a further \$1 million into either or both of the Commonwealth Project and Broken Hill Project to earn a 19.9% interest in the nickel-copper-PGE rights on EL7390 (not including the Broken Hill style mineralisation on EL7390) and a 19.9% interest in EL8234; and
- (iv) the appointment of Squadron's nominee to the Board as a Non-Executive Director.

Ms Felicity Gooding was appointed to the Board as a Non-Executive Director on 18 February 2016 as Squadron's nominee.

(d) **Directors' Indemnity, Insurance and Access Deeds**

The Company has entered into Deeds of Indemnity, Insurance and Access with each Director.

Under the deeds, the Company has undertaken, subject to the restrictions in the Corporations Act, to:

- (i) indemnify each Director and officer in certain circumstances;
- (ii) maintain directors' and officers' insurance cover (if available) in favour of each Director whilst a Director and for 7 years after the Director has ceased to be a Director;
- (iii) cease to maintain directors' and officers' insurance cover in favour of each Director if the Company reasonably determines that the type of coverage is no longer available; and
- (iv) provide access to any Company records which are relevant to the Director's holding of office with the Company, for a period of 7 years after the Director has ceased to be a Director.

The deeds otherwise contain terms and conditions considered standard for deeds of this nature.

### 7.3 Security holding interests of Directors

At the Prospectus Date, the relevant interest of each of the Directors in the Shares and Options of the Company are as set out in the table below.

| Director             | Shares |            | Options    |           |
|----------------------|--------|------------|------------|-----------|
|                      | Direct | Indirect   | Direct     | Indirect  |
| Mr Peter J. Unsworth | Nil    | 15,994,098 | 8,000,000  | 3,333,335 |
| Dr Michael Jones     | Nil    | 7,715,052  | 20,000,000 | 1,250,001 |
| Mr Paul Ingram       | Nil    | 580,680    | 4,000,000  | Nil       |
| Dr Markus Elsasser   | Nil    | 23,310,402 | 4,000,000  | Nil       |
| Ms Felicity Gooding  | Nil    | Nil        | Nil        | Nil       |

**Notes:**

1. Mr Unsworth holds a relevant interest in 10,385,913 Shares as director and shareholder of PJ Enterprises Pty Ltd, and a relevant interest in 5,608,185 Shares and 3,333,335 Options exercisable at \$0.04 each on or before 15 June 2020, as a director and shareholder of Manotel Pty Ltd. Of the 8,000,000 Direct Options held by Mr Unsworth, 4,000,000 Options are exercisable at \$0.0367 each on or before 29 September 2018, 2,000,000 Options are exercisable at \$0.045 each on or before 29 September 2019, and 2,000,000 Options are exercisable at \$0.07 each on or before 29 September 2020.
2. Dr Jones holds a relevant interest in 7,715,052 Shares and 1,250,001 Options exercisable at \$0.04 each on or before 15 June 2020, as a director and shareholder of Image Interpretation Technologies Pty Ltd. Of the 20,000,000 Options held by Dr Jones, 10,000,000 Options are exercisable at \$0.0367 each on or before 29 September 2018, 5,000,000 Options are exercisable at \$0.045 each on or before 29 September 2019, and 5,000,000 Options are exercisable at \$0.07 each on or before 29 September 2020.
3. Mr Ingram holds a relevant interest in 580,680 Shares as a director and shareholder of Fabian Entertainment and Management Services Pty Ltd. Of the 4,000,000 Options held by Mr Ingram, 2,000,000 Options are exercisable at \$0.0367 each on or before 29 September 2018, 1,000,000 Options are exercisable at \$0.045 each on or before 29 September 2019, and 1,000,000 Options are exercisable at \$0.07 each on or before 29 September 2020.
4. Dr Elsasser holds a relevant interest in 23,310,402 Shares as a director and shareholder of M. Elsasser & Cie AG 1971. Of the 4,000,000 Options held by Dr Elsasser, 2,000,000 Options are exercisable at \$0.0367 each on or before 29 September 2018, 1,000,000 Options are exercisable at \$0.045 each on or before 29 September 2019, and 1,000,000 Options are exercisable at \$0.07 each on or before 29 September 2020.

### 7.4 Remuneration of Directors

The Constitution provides that the Directors may be paid for their services as Directors, as determined by the Company prior to the first annual general meeting. Such payment, in relation to Non-Executive Directors, is to be paid by way of a fixed sum and not by a commission or percentage of operating revenue or Company profits. The sum fixed, which is currently \$250,000, may be divided amongst the Directors as they may from time to time agree or, in the absence of agreement, in equal shares.

Subject to the provisions of any contract between the Company and any Executive Director, the remuneration for Executive Directors may be fixed by the Directors from time to time.

A Director may be paid fees or other amounts as the Directors determine, where a Director performs duties or provides services outside the scope of their normal duties. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The table below sets out the remuneration of each Director for the past two financial years.

| Director             | Financial year ended 30 June 2016   | Financial year ended 30 June 2017  |
|----------------------|---|--|
| Mr Peter J. Unsworth | \$131,338, comprising: <ul style="list-style-type: none"> <li>• a Director fee of \$65,000;</li> <li>• superannuation of \$6,175; and</li> <li>• Options to the value of \$60,163.</li> </ul>   | \$109,403, comprising: <ul style="list-style-type: none"> <li>• a Director fee of \$65,000;</li> <li>• superannuation of \$6,175; and</li> <li>• Options to the value of \$38,228.</li> </ul>  |
| Dr Michael Jones     | \$373,957, comprising: <ul style="list-style-type: none"> <li>• a fee of \$223,550 pursuant to the consultancy services agreement; and</li> <li>• Options to the value of \$150,407.</li> </ul> | \$360,788, comprising: <ul style="list-style-type: none"> <li>• a fee of \$265,217 pursuant to the consultancy services agreement; and</li> <li>• Options to the value of \$95,571.</li> </ul> |
| Mr Paul Ingram       | \$57,456, comprising: <ul style="list-style-type: none"> <li>• a Director fee of \$25,000;</li> <li>• superannuation of \$2,375; and</li> <li>• Options to the value of \$30,081.</li> </ul>    | \$46,489, comprising: <ul style="list-style-type: none"> <li>• a Director fee of \$25,000;</li> <li>• superannuation of \$2,375; and</li> <li>• Options to the value of \$19,114.</li> </ul>   |
| Dr Markus Elsasser   | \$57,456, comprising: <ul style="list-style-type: none"> <li>• a Director fee of \$27,375; and</li> <li>• Options to the value of \$30,081.</li> </ul>  | \$46,489, comprising: <ul style="list-style-type: none"> <li>• a Director fee of \$27,375; and</li> <li>• Options to the value of \$19,114.</li> </ul>   |
| Ms Felicity Gooding  | A Director fee of \$10,417.   | A Director fee of \$25,000.  |

**Note:** Ms Felicity Gooding's fees are payable to Squadron Resources Pty Ltd.

- Further information relating to the remuneration of Directors can be found in the Company's 2016 Annual Report, which can be found on the Company's website [www.impactminerals.com.au](http://www.impactminerals.com.au), or the ASX announcements webpage, [www.asx.com.au](http://www.asx.com.au), using the Company's ASX code 'IPT'.

## 7.5 Expenses of the Offer and Placement

The estimated costs and expenses (excluding GST) of the Placement and the Offer are set out in the table below.

| Expense  | Amount          |
|--|-----------------|
| ASIC fees  | \$2,400         |
| ASX fees   | \$8,466         |
| Lead Manager's fees                                | \$37,500        |
| Legal fees (exclusive of GST)                      | \$10,000        |
| Printing, distribution and Share Registry expenses | \$5,000         |
| <b>TOTAL</b>                                       | <b>\$63,366</b> |

## 7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus:

- all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this

Prospectus do not have, and have not had in the 2 years before the Prospectus Date, any interest in:

- (i) the formation or promotion of the Company;
  - (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
  - (iii) the Offer; and
- (b) amounts have not been paid or agreed to be paid (whether in cash, Securities or otherwise), and other benefits have not been given or agreed to be given, to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offer.

| Expert/advisor                            | Service or function     | Amount paid or to be paid   |
|---|-------------------------|---|
| Jackson McDonald (a partnership)          | Solicitors to the Offer | Jackson McDonald will be paid approximately \$10,000 (plus GST) for services related to this Prospectus, the Placement and the Offer.<br><br>Jackson McDonald has been paid or is entitled to be paid approximately \$90,526 (excluding GST) for legal services provided to the Company in the period 2 years prior to the Prospectus Date. |
| Bentleys Audit and Corporate (WA) Pty Ltd | Auditor                 | Bentleys has been paid or is entitled to be paid approximately \$46,067 (excluding GST) for auditing services provided to the Company in the period 2 years prior to the Prospectus Date.   |

## 7.7 Consents and liability statements

The following persons have given their written consent to be named in this Prospectus in the form and context in which they are named and to the inclusion of a statement or report in this Prospectus in the form and context in which it is included:

| Party                                       | Capacity in which named | Statement or report in this Prospectus |
|---|-------------------------|--|
| Jackson McDonald (a partnership)            | Solicitors to the Offer | Not applicable.                        |
| Computershare Investor Services Pty Limited | Share Registry          | Not applicable.                        |
| Bentleys Audit and Corporate (WA) Pty Ltd   | Auditor                 | Not applicable                         |

Each of the parties named above as providing their consent:

- (a) did not authorise or cause the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section 7.7; and
- (c) to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a

statement contained in this Prospectus with consent of that party as specified in this Section 7.7.

## **7.8 Litigation**

As at the Prospectus Date, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

## 8. Directors' Statement

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This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:



**Dr Michael Jones**  
Managing Director

Date: 31 August 2017

## 9. Glossary of Terms

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|   |   |
|---|---|
| <b>A\$ or \$</b>                            | Australian dollars.   |
| <b>Applicant</b>                            | A person who applies for Offer Securities under and in accordance with this Prospectus.   |
| <b>Application</b>                          | A valid application for Offer Securities offered under this Prospectus.   |
| <b>Application Form</b>                     | The application forms that accompany this Prospectus, being the application form for the Offer.   |
| <b>Application Moneys</b>                   | Money received from an Applicant in respect of an Application.  |
| <b>ASIC</b>                                 | The Australian Securities & Investments Commission.   |
| <b>ASX</b>                                  | ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'.  |
| <b>ASX Settlement</b>                       | ASX Settlement Pty Limited (ACN 008 504 532).   |
| <b>ASX Settlement Rules</b>                 | The settlement rules of ASX Settlement.   |
| <b>Board</b>                                | The board of Directors of the Company.  |
| <b>Business Day</b>                         | Has the meaning given to that term in the Listing Rules.  |
| <b>CHESS</b>                                | Clearing House Electronic Sub-register System operated by ASX Settlement.   |
| <b>CHESS Statement or Holding Statement</b> | A statement of shares registered in a CHESS account.  |
| <b>Closing Date</b>                         | The closing date of the Offer, being 5.00pm WST on Friday, 8 September 2017   |
| <b>Company or Impact</b>                    | Impact Minerals Limited (ACN 119 062 261).  |
| <b>Competent Person</b>                     | Has the meaning given to that term in the JORC Code.  |
| <b>Convertible Note</b>                     | An unsecured convertible note issued by the Company, being a debt instrument which may be converted and satisfied though the issue of Shares. |
| <b>Constitution</b>                         | The constitution of the Company.  |
| <b>Corporations Act</b>                     | <i>Corporations Act 2001</i> (Cth).   |
| <b>Custodian</b>                            | A custodian, trustee or nominee holder of Shares within the meaning of "custodian" in ASIC Class Order 09/425.                                |
| <b>Director</b>                             | A director of the Company as at the Prospectus Date.  |
| <b>Executive Director</b>                   | An executive Director of the Company.   |

|                               |   |
|-------------------------------|---|
| <b>Exempt Investor</b>        | An investor to whom a Security may be issued without giving disclosure under Chapter 6D of the Corporations Act, including but not limited to: <ul style="list-style-type: none"> <li>(a) a 'professional investor' as that term is defined in section 9 of the Corporations Act;</li> <li>(b) a 'sophisticated investor' for the purposes of sections 708(8) to (10) of the Corporations Act; and</li> <li>(c) a person, senior manager or a body corporate controlled by a senior manager for the purposes of section 708(12) of the Corporations Act.</li> </ul> |
| <b>GST</b>                    | Goods and services tax levied under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).  |
| <b>Holding Statement</b>      | A holding statement for Securities under CHESS or a Security Holder Reference Number.   |
| <b>JORC Code</b>              | 'The Australian Code for Reporting of Mineral Resources and Ore Reserves' (2012 edition) prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.  |
| <b>Lead Manager</b>           | The lead manager to the Placement, being Patersons Securities Limited (ACN 008 896 311).  |
| <b>Lead Manager Mandate</b>   | The mandate agreement between the Lead Manager and the Company under which the Lead Manager is engaged to manage the Placement and the Offer, as summarised in Section 7.2(a).  |
| <b>Listing Rules</b>          | The official listing rules of ASX.  |
| <b>May 2017 Prospectus</b>    | Has the meaning given to that term in Section 1.1.  |
| <b>Non-Executive Director</b> | A non-executive Director of the Company.  |
| <b>Offer</b>                  | The offer to the public of up to 100 Offer Shares at an issue price of \$0.018 per Share to raise up to \$1.80 (before costs), together with 3 free-attaching Offer Options for every 2 Offer Shares subscribed.  |
| <b>Offer Option</b>           | An Option offered under this Prospectus, exercisable at \$0.04 on or before 15 June 2020, and otherwise on the terms and conditions set out in Section 5.2.   |
| <b>Offer Period</b>           | With respect to the Offer, the period commencing on the Opening Date and ending on the Closing Date.  |
| <b>Offer Price</b>            | \$0.018 per Offer Share.  |
| <b>Offer Securities</b>       | An Offer Share or an Offer Option offered under this Prospectus.  |
| <b>Offer Share</b>            | A Share offered under this Prospectus.  |
| <b>Official Quotation</b>     | The admission of Securities to the official list of the ASX.  |
| <b>Opening Date</b>           | The opening date of the Offer, being 31 August 2017.  |

|                                 |   |
|---------------------------------|---|
| <b>Option</b>                   | An option to subscribe for a Share.   |
| <b>Quoted Option</b>            | An Option granted on the terms and conditions set out in Section 5.2.   |
| <b>Placement</b>                | The proposed placement by the Company to various Exempt Investors of up to 111,111,111 Shares at an issue price of \$0.018 each to raise up to \$2,000,000 (before costs), together with 3 free-attaching Quoted Options for every 2 Shares subscribed. |
| <b>Privacy Act</b>              | <i>Privacy Act 1988</i> (Cth).  |
| <b>Prospectus</b>               | This document, including the Application Form.  |
| <b>Prospectus Date</b>          | The date of lodgement of this Prospectus with ASIC, being 31 August 2017.   |
| <b>Related Bodies Corporate</b> | Has the meaning given to that term in the Corporations Act.   |
| <b>Section</b>                  | A section of this Prospectus.   |
| <b>Securities</b>               | Has the meaning given to that term in section 761A of the Corporations Act and includes a Share and an Option.  |
| <b>Share</b>                    | A fully paid ordinary share in the capital of the Company.  |
| <b>Shareholder</b>              | The holder of a Share.  |
| <b>Share Registry</b>           | The Company's Share Registry, Computershare Investor Services Pty Limited.  |
| <b>Share Purchase Plan</b>      | The Company's share purchase plan to raise up to \$4,001,400 (before costs) by offer of Shares with free-attaching Quoted Options to the Shareholders, made pursuant to the May 2017 Prospectus.  |
| <b>Shortfall</b>                | The Shares and Quoted Options offered under the Share Purchase Plan for which the Company did not receive valid applications.   |
| <b>Shortfall Offer</b>          | The offer by the Company of the Shortfall to the public, made under the May 2017 Prospectus.  |
| <b>WST</b>                      | Australian Western Standard Time, being the time in Perth, Western Australia.   |