



ASX ANNOUNCEMENT

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LETTER FROM THE MANAGING DIRECTOR TO SHAREHOLDERS ENTITLEMENT OFFER TO CLOSE FRIDAY 2nd NOVEMBER 2012 (2 PM WST; 5 PM EST)

Dear Shareholder of Impact Minerals,

You should by now have received a Prospectus for a one-for-one entitlement offer in Impact Minerals Limited which forms part of a major capital raising of \$7 million. This offer allows all shareholders to increase their shareholding in the Company at 3 cents per share, the same price at which substantial funding has been secured from two private investors.

These investors have already taken a placement in the company of \$1.5 million and one of the investors has agreed to take up their full entitlement of \$1 million and underwrite a further \$2.4 million of the entitlement offer.

Your Directors are very pleased with this investment. Not only has it been completed at a time when raising capital for junior explorers is as difficult as it has ever been, the new investors are also very supportive of the Board's strategy and the potential that exists for a major discovery at the Company's projects in Botswana.

The funds raised will be used to do three things:

- 1) complete Impact's maiden drill programme at the Xade copper-nickel-PGE Project which will also secure Impact's 51% interest in the project. The drill programme is due to start in early November;
- 2) undertake follow up drill programmes at the Red Hills Prospect in the Botswana Uranium Project where Impact discovered a major uranium and other metal alteration system in 2011 and which may be the outer zone around a very large mineral deposit; and
- 3) underwrite a capital raising in Invictus Gold Limited of which Impact owns 44% (undiluted).



ASX Code: **IPT**

The drill targets in Botswana are the most exciting targets drilled by Impact to date. At Xade several areas for drilling have been identified from detailed interpretation of magnetic data and also the recently completed soil geochemistry survey. At Red Hills the drilling will test a number of gravity targets close to the major alteration system and which could represent a major deposit of uranium and other metals.

In addition, Invictus Gold has a number of exciting gold and gold-copper projects and has drill programmes planned in Queensland and in Turkey where it has recently expanded its exploration activities. Impact considers that Invictus is very undervalued and that underwriting that company's capital raising is a worthwhile investment.

All of these drill programmes should commence within the next few months.

Impact Minerals and Invictus Gold were founded on the principal of exploring for World Class mineral deposits. Discovery of such deposits requires time, patience and of course funding. The next drill programmes have an excellent chance of a significant discovery and I would urge you to take up your rights.

The offer closes and monies have to be received by close of business on Friday 2nd November, that is 2 pm WST and 5 pm EST.

Chairman Peter Unsworth has subscribed for his full entitlement. The other Directors will be taking up their rights to the best of their financial ability.

Please contact me if you have any questions.

Dr Michael G Jones
Managing Director

The review of exploration activities and results contained in this report is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director of the company and works for Impact Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mike Jones has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.