

ASX ANNOUNCEMENT

Date: 30 July 2020

No. 694/300720

JUNE 2020 QUARTERLY REPORT

1. COMMONWEALTH PROJECT (IPT 100%)

- Significant porphyry copper-gold and epithermal gold-silver prospects confirmed near the Boda discovery (Alkane Resources Ltd).
- Many of the fundamental components required to form a large porphyry copper-gold deposit are present at the Apsley, Spicers Creek and Boda South Prospects, in particular:
 - Extensive areas of Ordovician aged shoshonite and related high potassium rocks; key components to the major porphyry copper gold deposits at Cadia Ridgeway and North Parkes as well as the host rocks at Boda.
 - Copper grades increasing in more shoshonitic rocks as seen in major deposits globally.
 - Extensive areas of copper+/-gold mineralisation over several square kilometres with up to 8% copper at Apsley and 14.4% copper and 6.8 g/t gold at Spicers Creek.
 - Pathfinder metal and alteration mineral assemblages that suggest the prospects lie within the outer (propylitic) to middle-inner (potassic) zones of porphyry copper-gold systems, the prospective centres of which may lie only within a few hundred metres of the areas sampled, either at depth or along trend.
 - A spatial association with magnetic anomalies that are unexplained and which, like Boda, could be a direct indication of significant copper-gold mineralisation.
- Rock chip assays return up to 9.5 g/t gold, 215 g/t silver (7 ounces) and 745 ppm bismuth from the Greenobbys prospect with pathfinder metal and alteration minerals indicating a telescoped epithermal gold-silver system driven by cooling of the host granite. The margin of the granite extends over many strike kilometres on Impact's ground and has not been previously explored.
- Airborne magnetic and radiometric geophysical survey and follow up soil geochemistry programme at Apsley completed.

Market Cap

A\$39 m (0.022 p/s)

Issued Capital

1,775,827,963

Directors

Peter Unsworth
Chairman

Dr Michael Jones
Managing Director

Paul Ingram
Non-Executive Director

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2. BROKEN HILL PROJECT, NSW (IPT 100%)

- Extensive high grade rare PGM's at Red Hill. New Assays for rhodium, iridium, osmium, and ruthenium in 7 drill holes add to previous high grade assays for palladium, platinum and gold (7PGE).
- Bulk-mineable intercepts of:
 - 29 metres at 10.9 g/t 7PGE 2.3% copper 0.4% nickel *including* 0.6 metres at 54.5 g/t 7PGE in RHD008
 - 25 metres at 5.7 g/t 7 PGE 0.9% copper, 0.6% nickel *including* 0.5 metres at 24.5 g/t 7PGE in RHD006
- Additional narrower intercepts such as:
 - 3.9 metres at 5.5 g/t 7PGE 1.4% copper 0.3% nickel *including* 0.5 metres at 14.5 g/t 7PGE in RHD015
 - 6.3 metres at 5.6 g/t 7PGE 0.9% copper 0.5% nickel *including* 0.5 metres at 15.2 g/t 7PGE in RHD019
- These add to the previous outstanding result of:
 - 3.5 metres at 162.4 g/t 7PGE, 2.3% copper 2.9% nickel *including* 1.2 metres at 335.8 g/t 7PGE in RHD012
- The tenor of mineralisation at Red Hill has been significantly upgraded at a time of near record prices for the PGE's.
- Impact awarded \$75,000 for drill testing of high-grade nickel-copper-PGM targets at Broken Hill as part of the New Frontiers Cooperative Drilling grants programme run by the NSW Government.
- Field checking and rock chip sampling of the exposed parts of the Rockwell-Little Broken Hill Gabbro Trend completed.
- Follow up drill programme is in progress.

3. ARKUN PROJECT, WA (IPT 100%)

- New nickel-copper-PGE-Gold project application located in the SW Yilgarn Terrane 130 km east of Perth comprising 8 exploration licence applications covering about 2165 sq kilometres.
- Five initial exploration licence applications lodged then expanded by a further 3 applications following lodgement by Anglo American plc of 10,130 sq km of Exploration Licence applications surrounding Arkun and lodged on the day of Impact's first Arkun announcement.
- Mafic and ultramafic rocks in major mobile belt.
- Deformed extension of terranes to the NE of Perth including the Julimar-Yarawindah-Moora areas.
- No previous exploration.

4. CORPORATE

- Cash at June 30th was \$2.4 million.

1. COMMONWEALTH PROJECT (IPT 100%)

The significant exploration potential for large porphyry copper-gold deposits at Impact Minerals Limited's (ASX:IPT) 100% owned Commonwealth project in the Lachlan Fold Belt copper-gold province in New South Wales was confirmed and enhanced by new rock chip assay results from four prospects received during the Quarter (Figure 1).

Relevant ASX announcements by Impact were released on 23rd April 2020 and 23rd June 2020.

The four targets are **Boda South, Apsley, Spicers Creek and Greenobbys** which are along trend from and close to the Boda-Kaiser porphyry copper-gold discovery (Figure 2 and ASX ALK Releases 9th September 2019 and 23rd March 2020). In addition, one new target area, Gladstone, has been identified along trend to the south of significant prospects recently identified by Magmatic Resources Limited (ASX:MAG) and including the Lady Ilse target where drilling is in progress (Figure 2).

At Boda, which lies immediately along trend from Impact's tenements, a significant drill intercept of 1,167 metres at 0.55 g/t gold and 0.25% copper including a higher grade "core" of 96.8 metres at 4 g/t gold and 1.5% copper was recently reported (ALK ASX Release 23rd March 2020).

The Boda deposit is currently about 400 metres wide (true width), shows strong zonation of metals and alteration minerals with higher grade copper-gold associated with magnetite in so called skarn-related alteration. The magnetite can be identified as an anomaly in regional magnetic data (ALK ASX Release 23rd March 2020).

In addition, Alkane has shown that Boda is hosted by rocks of a specific high potassium alkaline geochemistry called **shoshonites**. Importantly these are of the same chemistry and age (Ordovician) as the host rocks at Cadia-Ridgeway and North Parkes (Figure 1) and are generally accepted as crucial components to the formation of giant porphyry copper-gold deposits globally.

All five of Impact's prospects have characteristics suggesting they are parts of large porphyry or other intrusive-related copper-gold systems including:

1. Significant copper and/or gold with associated pathfinder metals in recent rock chip assays.
2. Alteration minerals that suggest they lie within the outer (propylitic) to middle-inner (potassic) zones of such intrusive-related systems, the prospective centres of which may lie only within a few hundred metres of the areas sampled, either at depth or along trend; and
3. A spatial association with unexplained magnetic anomalies and which, like Boda, could be a direct indication of significant copper-gold mineralisation.

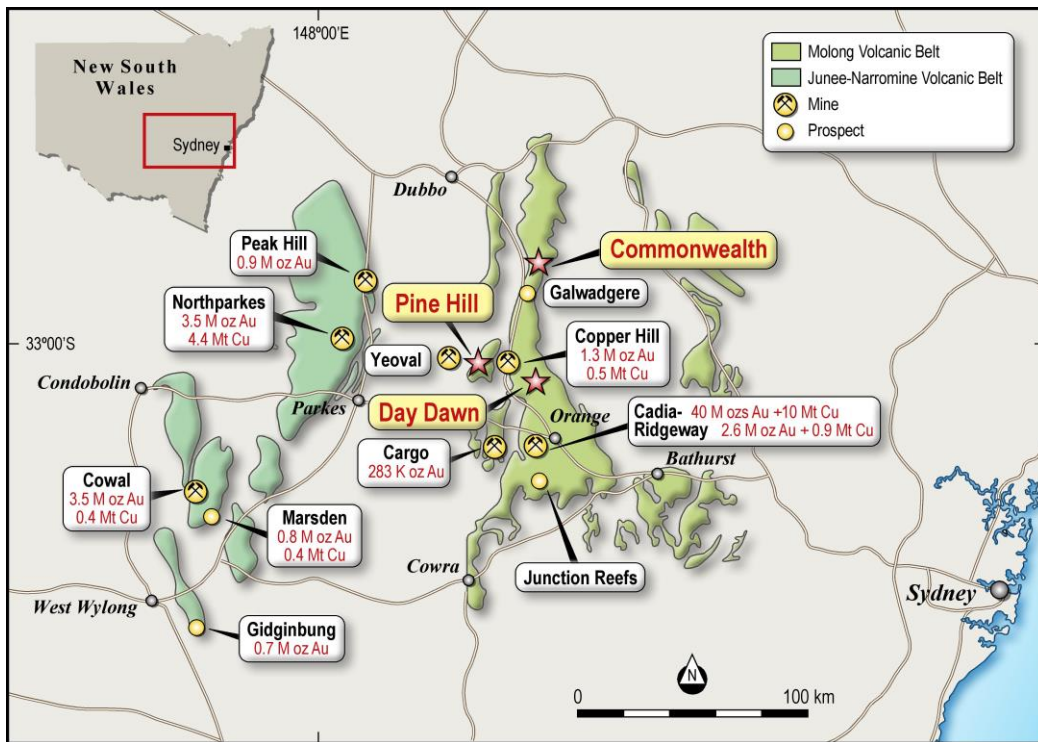


Figure 1. Location of Impact’s Commonwealth, Pine Hill and Day Dawn Projects covering about 900 km² of the Lachlan Fold Belt of NSW, home to many significant gold and copper mines.

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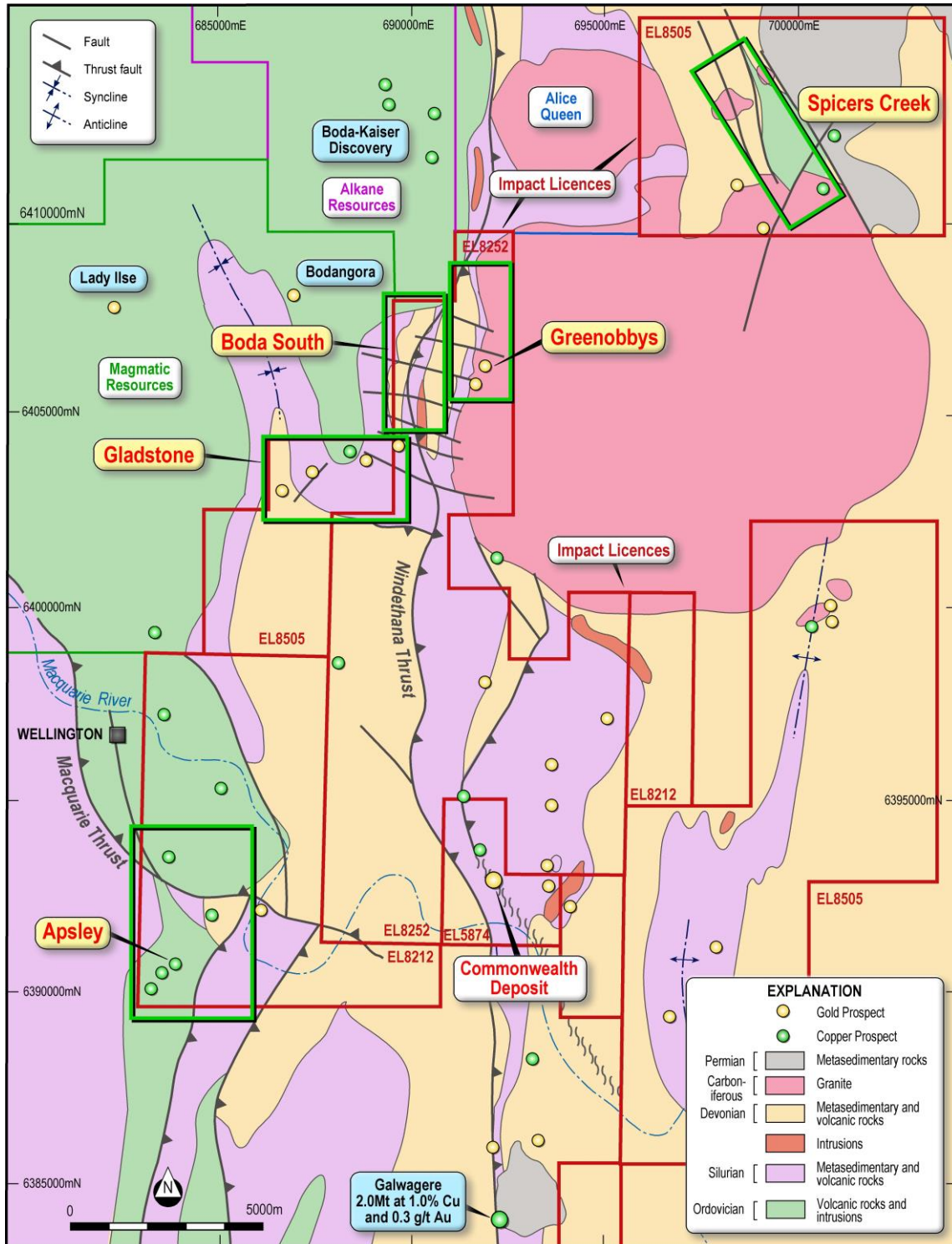


Figure 2. Priority prospects for follow up work and geology of the Commonwealth Project. Note the location of the Boda-Kaiser prospects (Alkane Resources) and the Lady Ilse prospect (Magmatic Resources Limited) where drilling is in progress.

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1.1 ORDOVICIAN COPPER-BEARING SHOSHONITES AT APSLEY, SPICERS CREEK AND BODA SOUTH

The new rock chip data and maps from the Geological Survey of New South Wales confirm that there are extensive areas of copper-rich shoshonite and related high potassium rocks of Ordovician age at the Apsley, Spicers Creek and Boda South prospects (Figure 3).

In addition, standard element ratio plots show that the shoshonites are also part of an igneous differentiation trend in which the rocks become more potassic (K_2O -bearing) and, very importantly, more copper-rich as they evolve towards shoshonite compositions (Figure 3).

Furthermore, the prospects also have extensive areas of copper+/-gold mineralisation as well as important pathfinder metal assemblages and alteration mineral assemblages typical of porphyry copper gold systems as described separately for each prospect below.

These features constitute a major breakthrough for Impact as it indicates that many of the crucial fundamental components required to form a large porphyry copper-gold deposit are present at both prospects.

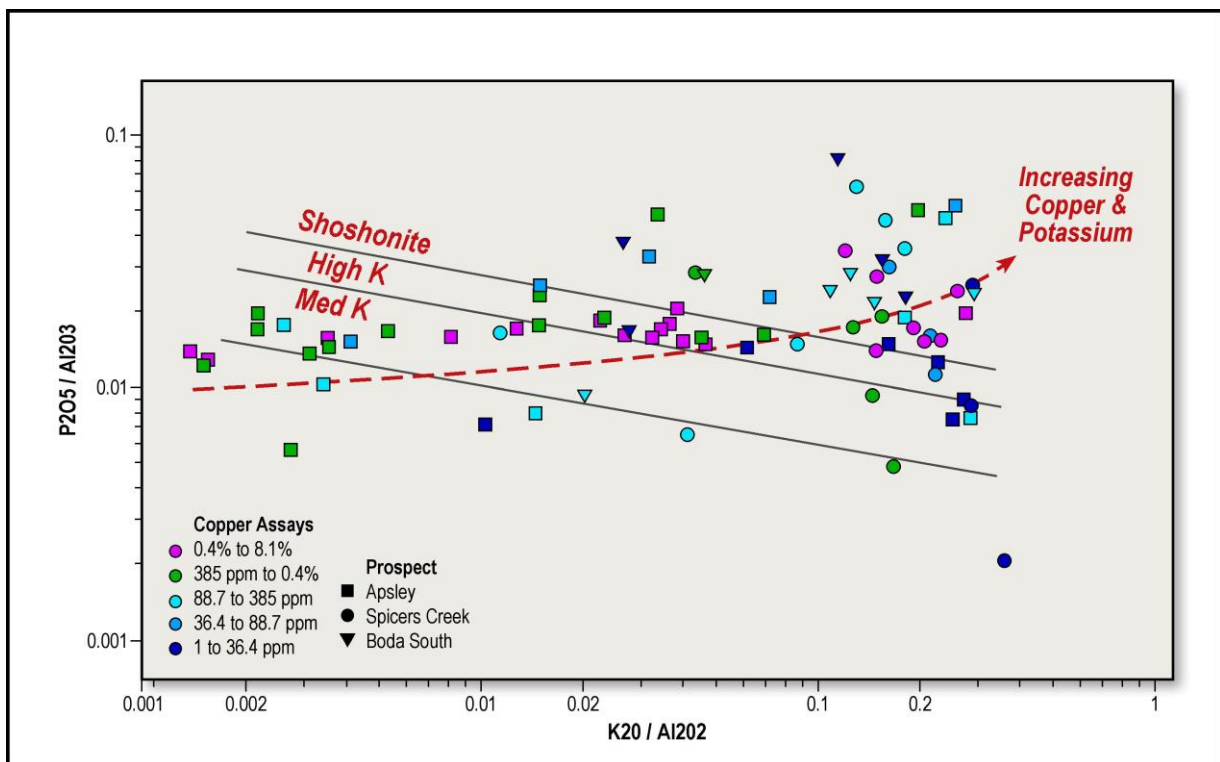


Figure 3. Major element ratio plot for Boda South (triangles) together with Apsley (squares) and Spicers Creek (circles) with copper results coloured by grade. An igneous differentiation trend towards copper-bearing high potassium-shoshonite rocks is evident; this is common to major porphyry copper deposits in the Lachlan Fold Belt.

1.2 APSLEY

A highly prospective target zone of about 2 square kilometres in size that has not been previously drilled has now been identified at Apsley.

Impact's work indicates that a major copper mineralised system is present at the prospect, potentially sourced from a buried porphyry intrusion with high grade copper-gold mineralisation that may lie within a few hundred metres from surface (Figure 4).

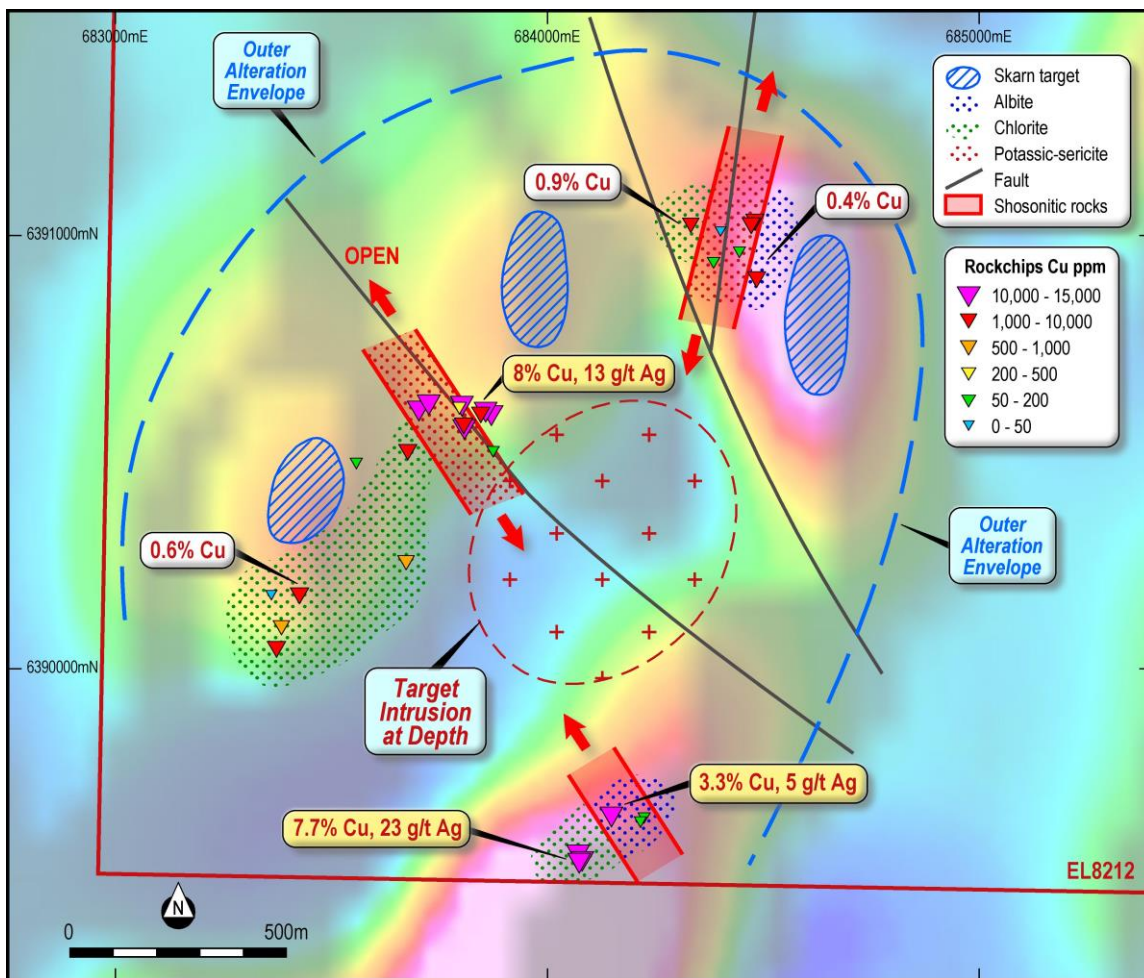


Figure 4. Airborne magnetic image (RTP 2VD) of the Apsley Prospect with copper assay results, interpreted alteration zones and possible parent intrusion at depth. The anomalous copper samples are adjacent to the magnetic anomalies which may represent skarn mineralisation. Warmer colours on the image represent stronger magnetic responses.

Key features identified at Apsley by Impact include:

1. Widespread and abundant copper oxides and fresh copper sulphides (malachite, azurite, chalcopyrite and bornite) which occur over at least a 2 square kilometre sized area with rock chip assays of up to 7.7% copper and 23 g/t silver with associated anomalous molybdenum, tellurium, tungsten and gold in places (Figure 4 and Table 1).

2. The alteration mineral and pathfinder metal assemblages are mostly typical of the outer distal zones of porphyry copper systems (Figure 5: chlorite-albite (propylitic) alteration with pathfinder metal assemblages of Tl-Li-Sb-As and Cu-Bi-Te-Se). Copper is widespread in the outer zones of many porphyry copper gold deposits, for example North Parkes.
3. Higher grade copper assays occur in focussed zones of more proximal sericite-potassic altered shoshonites and related high potassium rocks. These zones are interpreted to lie along faults that have tapped a mineralised intrusion at depth (Figures 4 and 5).
4. The entire area of extensive copper mineralisation is associated with several significant magnetic anomalies which may represent skarn assemblages directly associated with higher grade mineralisation at depth.

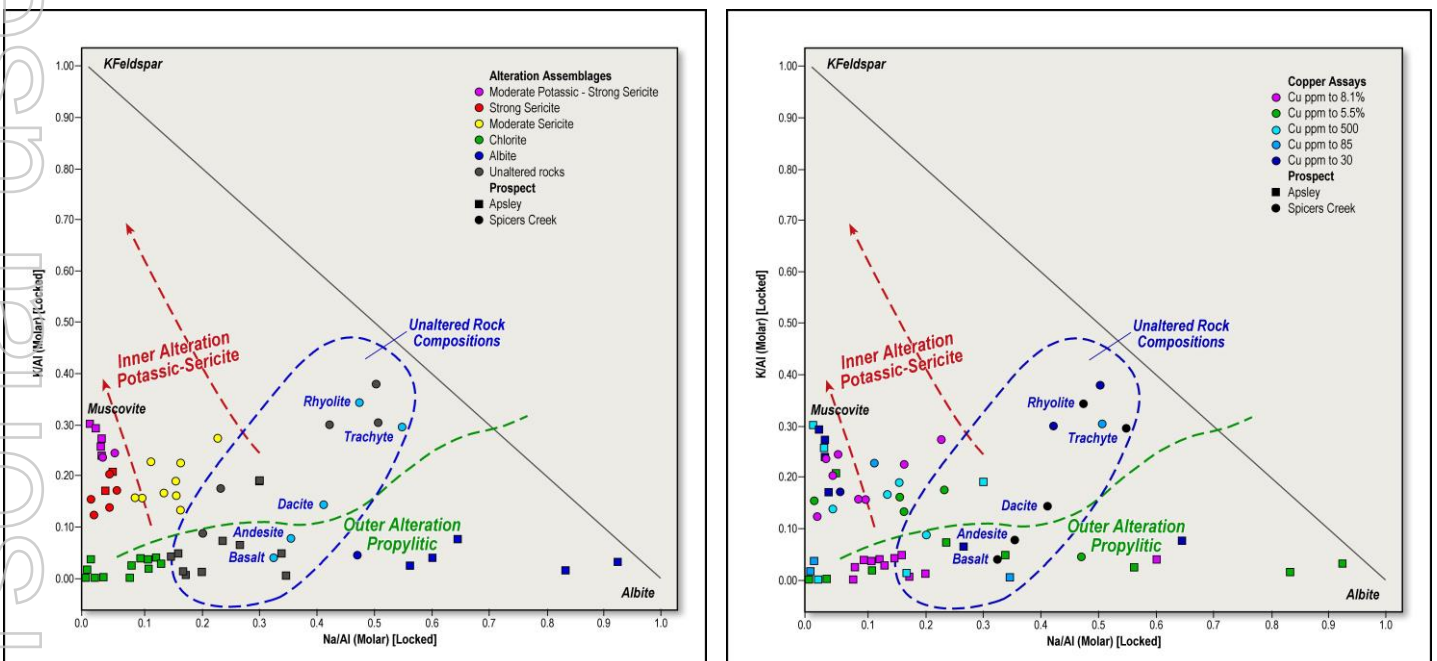


Figure 5. Industry-standard Feldspar-Sodium (Na)-Potassium (K) General Element Ratio plots showing alteration minerals (left) and the same samples coloured by copper results (right) for Apsley (squares) and Spicer's Creek (circles). A clear trend of increasing copper towards more proximal inner alteration assemblages is very evident and consistent with being related to significant porphyry copper-gold systems (note the two prospects are many kilometres apart and thus two separate systems are present).

GEOCHEMICAL EXPLORATION FOR PORPHYRY COPPER-GOLD DEPOSITS

A key driver in the exploration for large porphyry copper-gold deposits is to develop an understanding of the nature and distribution of the distinct zones of commodity metals, pathfinder metals and associated alteration minerals that form around such deposits in order to provide vectors to the high grade cores.

The zones, which are well understood in the scientific literature, vary from outer (distal) zones commonly characterised by chlorite-albite-epidote (propylitic) alteration and pathfinder metals such as antimony-arsenic-lithium-bismuth-tellurium-silver; to middle-inner zones (proximal) characterised by sericite-K feldspar (potassic) alteration and the pathfinder metals molybdenum-gold-copper-tungsten-tin.

These zones can be readily identified in industry-standard geochemical graphs such as potassium-aluminium-sodium molar ratio plots shown here (46 samples in total for Apsley and 23 samples from Spicer's Creek. Table 1 and samples from ASX Release 14th January 2020).

1.3 SPICERS CREEK

The **Spicers Creek** target occurs in the north east of the Commonwealth project and comprises a number of intriguing magnetic anomalies within Ordovician and Devonian volcanic and intrusive rocks (Figures 2 and 6).

A highly prospective target zone about 200 metres wide and at least 1,000 metres long has been identified at the south eastern part of the Spicers Creek prospect which is undrilled (Figure 6).

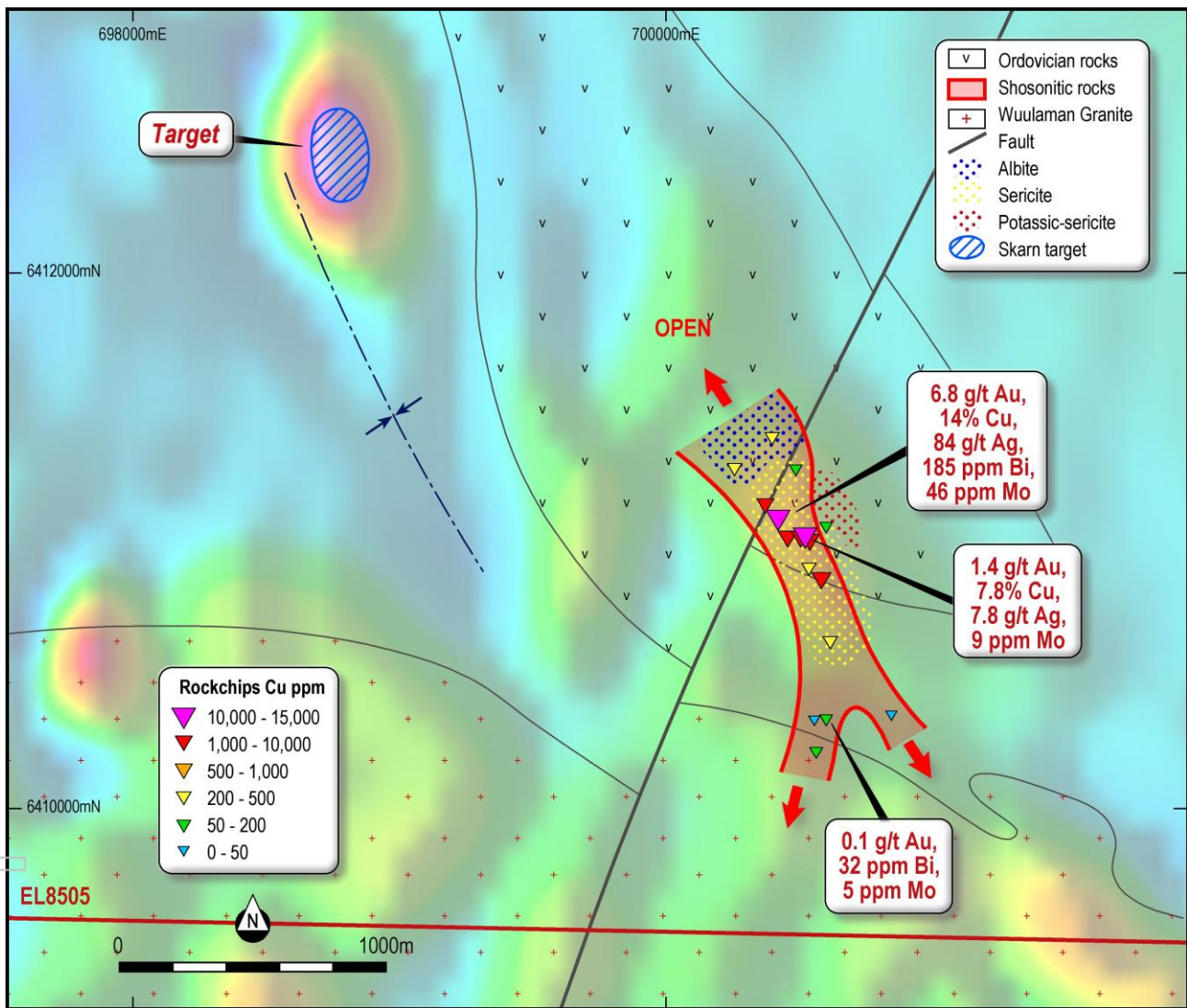


Figure 6. Image of magnetic data showing rock chip assay results, interpreted alteration zones and underlying geology at the Spicers Creek prospect. Warm colours in the magnetic image represent zones of stronger magnetic response.

Key features identified at Spicers Creek by Impact include:

1. Copper oxides and fresh copper sulphides (chalcopyrite, chalcocite, bornite, azurite, and malachite) occur intermittently over 700 metres of trend within a zone at least 1,000 metres long and up to 200 metres wide that contains smoky quartz veins within epidote-garnet skarn altered mafic schists with later cross-cutting porphyry dykes.
One stand-out rock chip sample returned 6.8 g/t gold, 14.4% copper and 83 g/t silver with strongly elevated molybdenum (46 ppm), bismuth (185 ppm), tellurium (18 ppm) and tungsten (88 ppm). The other rock chip samples returned values of up to 132 ppb gold, 4.7 g/t silver and 0.7% copper.
2. The alteration mineral assemblages indicate strong moderate to strong sericite alteration of shoshonite and related rocks and this is associated with the strongest copper results (Figure 5). The pathfinder metal assemblages of moderately elevated Tl-Li-Sb-As, Bi-Te-Se and Cu-Au-Bi-Mo is a mix of both outer and inner assemblages. This suggests the alteration zones have been “telescoped” along a fault that may have tapped a mineralised intrusion at depth or along trend.
3. The magnetic data indicates the prospect area sampled is coincident with a broad weak linear magnetic anomaly about 1,000 metres long. Several other much stronger unexplained magnetic anomalies up to 1,000 metres long occur in the northwest of the prospect area and all of these are targets for skarn-related mineralisation (Figure 6). Further work along trend to the north west is required.

1.4 BODA SOUTH PROSPECT

The Boda South prospect, which is undrilled, covers the faulted southern contact of the Boda Intrusive Complex (BIC), host to the Boda-Kaiser mineralisation and which is Ordovician in age (Figures 2 and 7). As demonstrated at Apsley and Spicers Creek, Boda South also contains the fundamental characteristics required to potentially host a significant porphyry copper-gold deposit:

1. Copper-bearing Ordovician shoshonites with weak to moderate copper assays of up to 0.1% with copper increasing as the rocks become more potassium rich (shoshonitic - Figure 2).
2. Metal assemblages of up to 40 ppm bismuth and 21 ppm tellurium as well as moderate epidote-chlorite alteration indicate the area may lie in the upper phyllic to outer (propylitic) zone of a porphyry copper-gold system. Typical values of both these pathfinders documented above known deposits are in the order of about 1 to 5 ppm.
3. An association with two sub-parallel magnetic anomalies within the BIC as evident in regional magnetic data (Figure 7). This is a similar position to the Boda deposit, located about 3,000 metres along trend to the north, where the high grade copper-gold mineralisation discovered by Alkane also occurs *between* two magnetic units of the BIC (Figure 2 and ASX:ALK Release 23rd March 2020).

Given the prospective nature of the BIC, modelling of magnetic data is required to determine the depth to the intrusive complex at Boda South. This work will be done when data from the recently completed magnetic survey is received and will help guide follow up work programmes.

1.5 GREENOBBYS

The **Greenobbys prospect** lies a few kilometres east of Boda South and covers the variably magnetic western margin of the very potassium-rich Wuuluman Granite which is of Carboniferous age (Figures 2 and 7). These rocks are much younger than the Boda Intrusive Complex and are in a different geological setting.

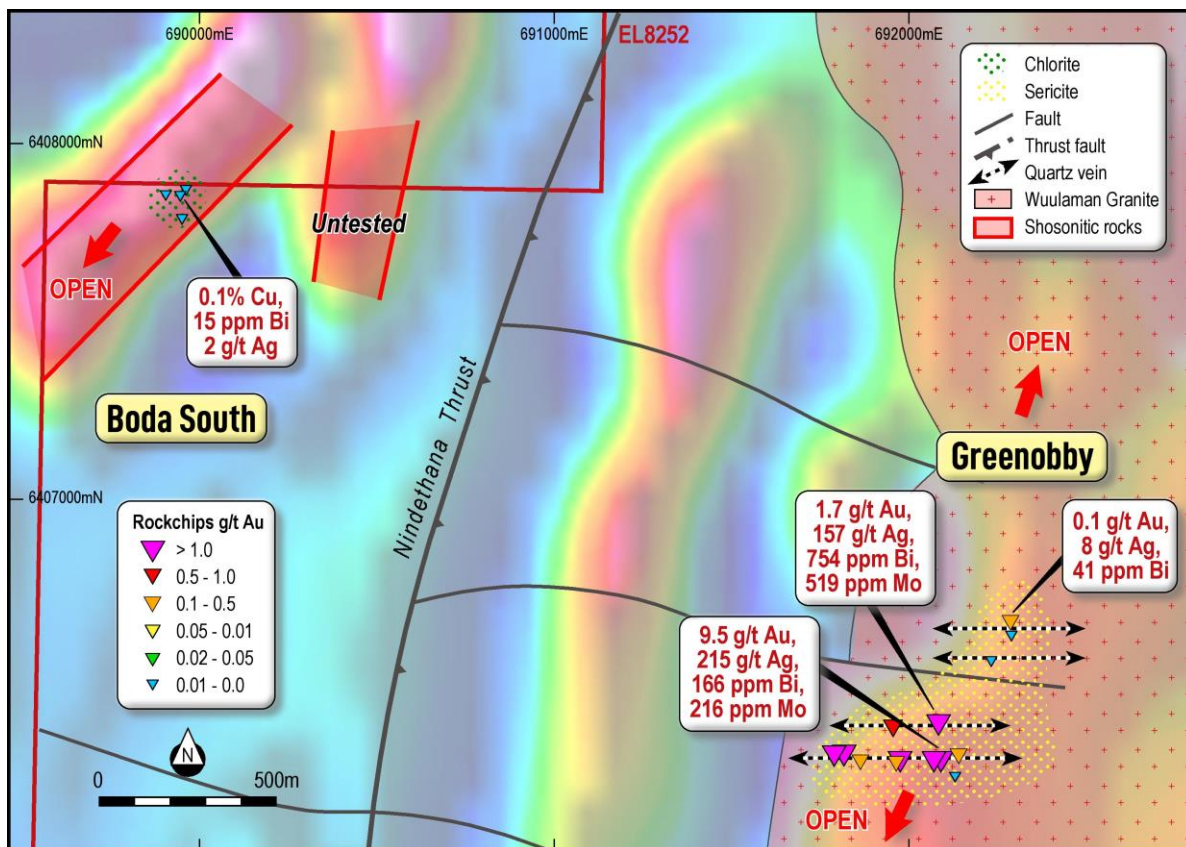


Figure 7. Airborne magnetic image of the Boda South and Greenobbys Prospects with gold assay results and interpreted alteration zones. Warmer colours on the image represent stronger magnetic responses.

Key features identified at Greenobbys include:

- Several north west trending zones of rubbly outcrop of quartz and potassium feldspar (“K-feldspar”) veins that each extend over at least 500 metres of trend. These zones are parallel to faults noted on the government Geological Survey maps and also the controlling faults at the rich Bodangora Mine located 4 km to the west and which produced about 250,000 ounces of gold at greater than 20 g/t in similar quartz veins (owned by Magmatic Resources Limited; Figure 2).

2. The veins show a gradation from coarse K-feldspar with lesser quartz (pegmatite), to K-feldspar and grey quartz in equal proportions to creamy white quartz with little or no K-feldspar (Figure 8).
3. The quartz dominant veins are vuggy and contain boxwork gossan formed by the weathering of sulphides including pyrite (Figure 8). There are a number of shallow pits along the vein system.



Figure 8. Gradation of veins from K-feldspar dominant (left photo) to quartz-dominant (right photo) with increasing boxwork gossan (dark brown colour) from weathered sulphides.

These veins contain up to 9.5g/t gold (six samples with more than 1 g/t gold) and 215 g/t silver (four samples with more than 1 ounce per tonne) (Figure 7). In addition, the veins contain a remarkable array of pathfinder metals that are anomalous on a regional scale compared to Impact’s other prospects in particular bismuth (up to 754 ppm), molybdenum (up to 519 ppm) and tellurium (up to 40 ppm).

Other pathfinder metals present include selenium-thallium-antimony-arsenic-lead-barium and tungsten as well as the rare metals indium and rhenium. In addition, preliminary interpretation suggests the metals are associated with sericite-adularia alteration.

All of these features are interpreted to indicate the veins are related to fluids released from a potassium rich granite, possibly the host Wuuluman Granite, and which may represent a “telescoped” epithermal system covering at least several hundred square metres. The veins are open along trend and at depth. There is no drilling recorded in the area.

Telescoping refers to the significant overlap between proximal and distal metal and mineral assemblages and suggests the possible rapid collapse of the parent hydrothermal system. This is encouraging for the discovery of bonanza gold-silver veins.

The scale and size of the vein and alteration system is very encouraging and further field checking and sampling is warranted.

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Impact's fifth priority area Gladstone is currently being evaluated and awaiting final airborne magnetic and radiometric data (Figure 2).

NEXT STEPS

The new rock chip results strongly support the potential for the Commonwealth Project to host not only significant porphyry copper-gold deposits but also intrusion-related epithermal gold-silver deposits. Further work is now required to refine and rank these target areas for drilling.

At present the Apsley target is ranked as the most prospective and a detailed soil geochemistry survey was completed in June and an interpretation of the results will be completed oin the next Quarter.

In addition, a detailed airborne magnetic and radiometric survey covering Impact's five priority areas was also completed and a detailed interpretation is in progress.

All of this new data will be interpreted and synthesised to help define follow up work programmes which will include drilling later in 2020.

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2. BROKEN HILL PROJECT (IPT 100%)

During the Quarter plans progressed for a major drill programme at the Broken Hill project to test three prospects with significant potential for the discovery of nickel-copper-platinum group metals (PGM) in a belt of mafic-ultramafic rocks that is about 40 km long stretching from Moorkai in the north east to the Little Broken Hill area in the south west (Figure 9).

Relevant ASX announcements by Impact were released on 7th May 2020 and 1st July 2020.

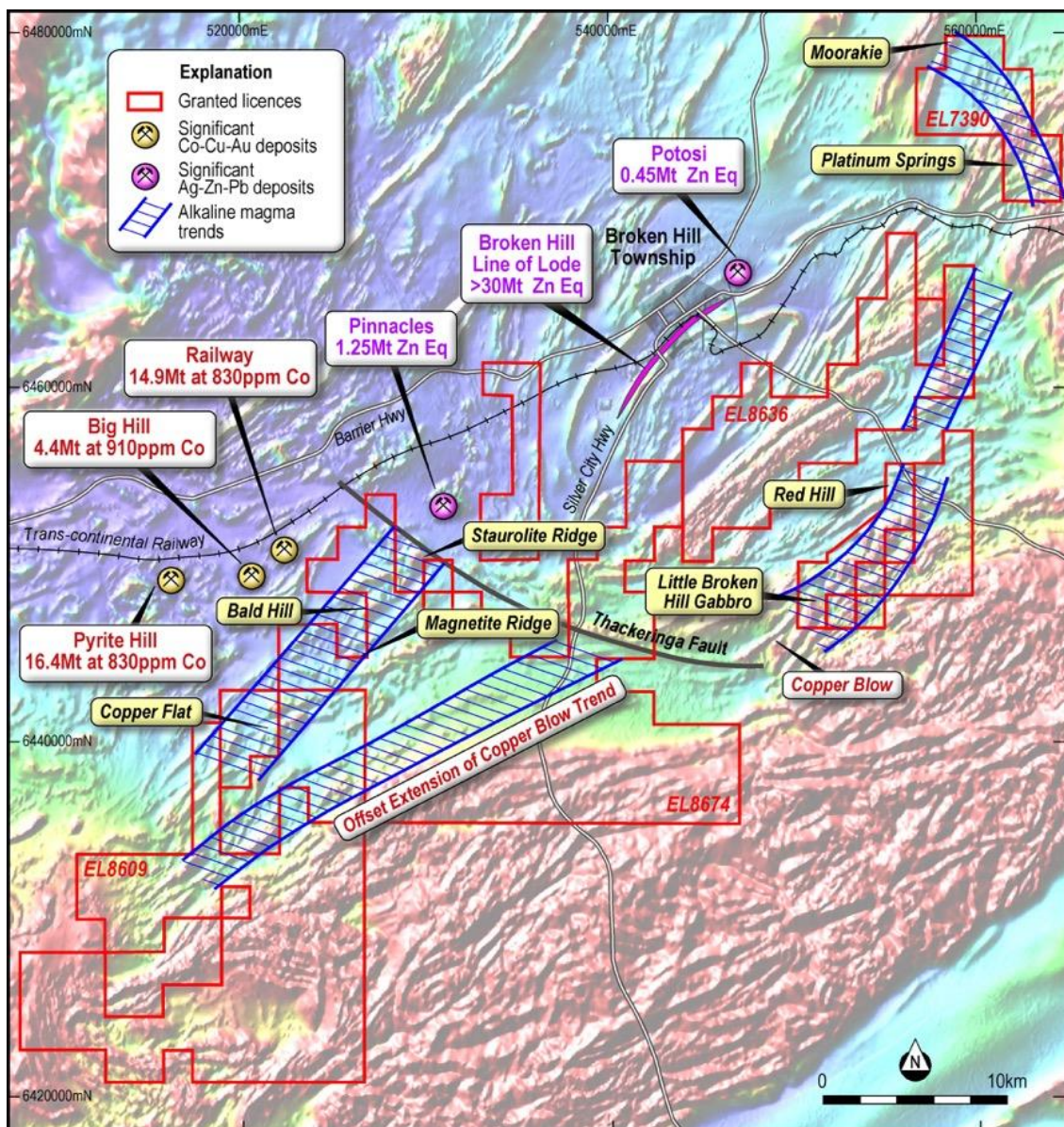


Figure 9. Impact's ground holdings in the Broken Hill area showing key prospects including Red hill, Platinum Springs and Little Broken Hill Gabbro.

Impact and others have discovered some of the highest grades of all six Platinum Group Metals (PGM: platinum, palladium, rhodium, osmium, ruthenium, iridium) in Australia, together with exceptional nickel-copper grades (Figure 9).

For example at the Red Hill Prospect, exceptional grades were returned from drilling by Impact including a stand-out intercept of:

1.2 metres at 254 g/t (9.5 ounces) palladium, 10.4 g/t platinum, 10.9 g/t gold, 7.4% nickel, 1.8% copper, 19 g/t silver, 0.5% cobalt, 4.6 g/t rhodium, 7.2 g/t iridium, 5.6 g/t osmium and 3.1 g/t ruthenium (ASX Announcement 26th October 2015).

A total of 12 out of 13 of Impact's drill holes at Red Hill returned robust widths and grades of similar mineralisation within 70 metres of surface (Figure 10). The mineralisation is open along trend and at depth and follow-up drilling to test for extensions to this remarkable mineralisation is being planned.

At Platinum Springs, drilling by Impact returned a very high grade intercept of magmatic massive sulphide mineralisation that returned:

0.6 metres at 11.5 g/t platinum, 25.6 g/t palladium, 1.4 g/t gold, 7.6% copper, 7.4% nickel and 44.3 g/t silver, 1.3 g/t rhodium, 1.7 g/t iridium, 2.0 g/t osmium and 0.8 g/t ruthenium (ASX Announcements 3rd February 2016 and 31st March 2016).

During the Quarter high grades of the rare platinum group elements rhodium, iridium, osmium and ruthenium have been returned from new assays from seven previously drilled diamond drill holes at Red Hill.

The drill holes had previously only been assayed for palladium and platinum (Figure 10 and ASX Releases October 23rd 2015, October 26th 2015, November 2nd 2015, November 9th 2015, December 8th 2015, January 29th 2016 and March 3rd 2017).

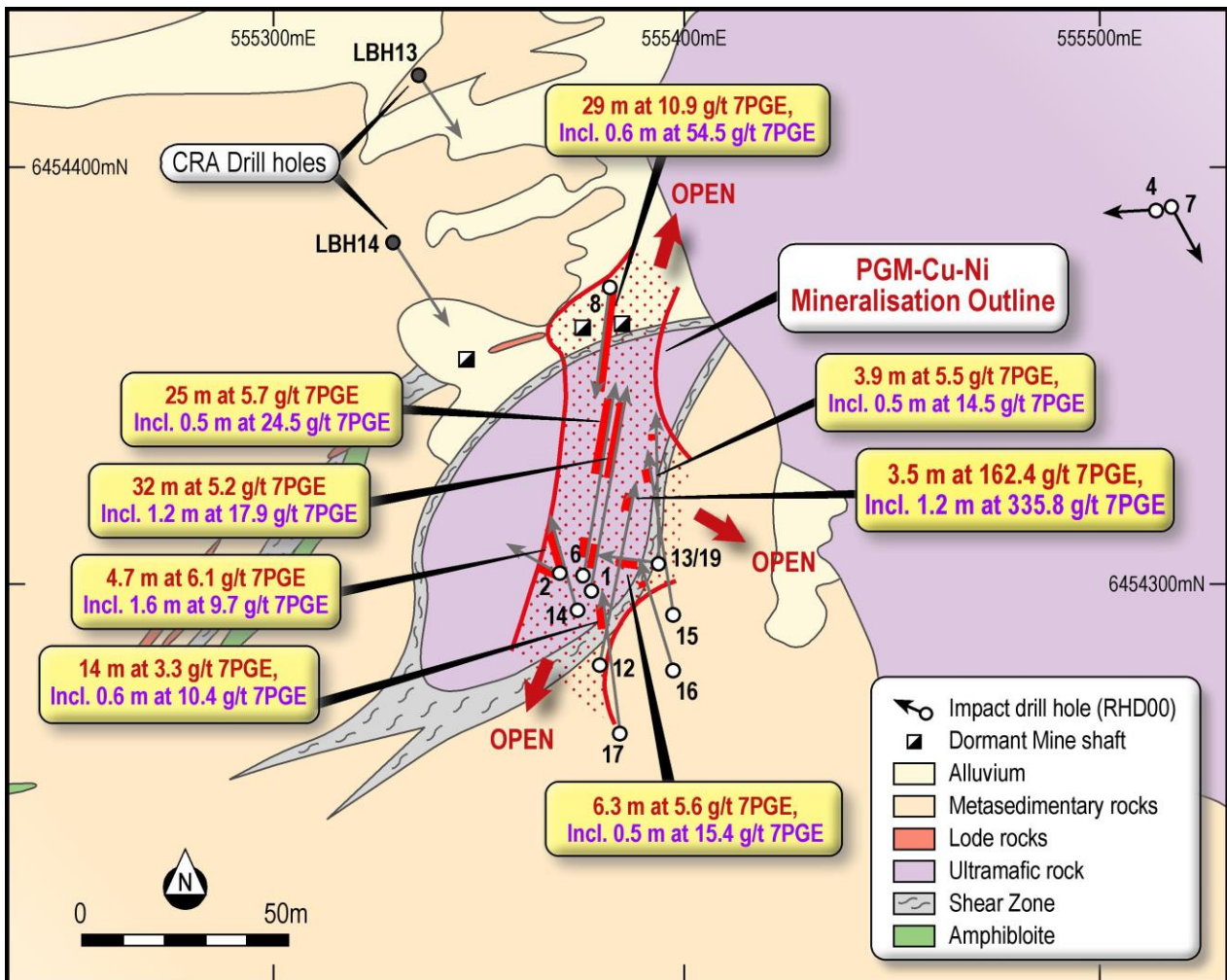


Figure 10. Drill hole location plan for Red Hill showing the location of the newly reported assay results (see ASX Release 7th May 2020 for details).

Seven holes with high grades of palladium and platinum were selected for full-suite PGE analysis by fire assay (with nickel sulphide collection) for rhodium, iridium, osmium, ruthenium, palladium, platinum and gold.

These particular holes were selected because they intersected up and down-dip extensions of the previously reported spectacular intercept from RHD012 (Figure 10 and ASX Release October 23rd 2015). This hole returned:

3.5 metres at 162.4 g/t (5.3 ounces) 7PGE comprising:

5.7 g/t rhodium, 2.6 g/t iridium, 2.0 g/t osmium, 1.1 g/t ruthenium, 144 g/t (4.6 ounces) palladium, 5 g/t platinum, 6 g/t gold, 2.9% nickel, 2.3% copper and 14.5 g/t silver from 67.3m down hole.

This intercept also includes the high grade intercept mentioned above.

The seven drill holes all returned exceptional assays for the rare PGE's and the results are tabulated below and summarised in Figure 10.

Hole ID	From	To	Metres	7PGM (incl. Au)	Pt g/t	Pd g/t	Os g/t	Ir g/t	Rh g/t	Ru g/t	Au g/t	Cu%	Ni%	Ag ppm
RHD001	46.00	78.00	32.00	5.2	1.5	2.3	0.3	0.4	0.3	0.2	0.1	1.0	0.5	11
<i>including</i>	57.27	62.40	5.10	10.9	3.7	3.3	1.1	1.2	0.9	0.5	0.2	1.9	0.9	18
<i>also including</i>	71.60	75.80	4.20	12.7	4.9	5.4	0.6	0.7	0.5	0.5	0.4	2.6	0.5	35
<i>including</i>	57.27	58.47	1.20	17.9	7.9	4.9	1.8	1.8	1.6	0.7	0.1	3.1	2.0	20
RHD006	52.00	77.00	25.00	5.7	1.3	3.0	0.3	0.3	0.3	0.2	0.2	0.9	0.6	7
<i>including</i>	57.88	58.42	0.54	24.5	0.7	8.4	4.0	5.1	3.8	2.4	0.1	1.2	1.9	6
RHD008	0.00	29.00	29.00	10.9	2.5	5.1	0.8	0.9	0.8	0.4	0.4	2.3	0.4	58
<i>including</i>	8.50	9.00	0.50	41.9	4.3	25.8	3.4	3.6	2.6	1.5	0.8	9.4	0.6	155
<i>also including</i>	13.00	13.65	0.65	35.2	7.9	4.0	5.2	7.0	7.2	3.8	0.1	5.3	1.2	8
<i>also including</i>	27.70	28.30	0.60	54.5	19.2	29.7	0.9	1.2	0.9	0.5	2.1	12.2	0.5	147
RHD014	31.00	35.70	4.70	6.1	1.8	3.7	0.1	0.1	0.1	0.0	0.2	0.6	0.5	5
<i>including</i>	32.40	34.00	1.60	9.7	2.4	6.6	0.1	0.1	0.1	0.1	0.4	1.0	0.2	8
RHD015	58.10	62.00	3.90	5.5	2.4	2.0	0.3	0.3	0.2	0.1	0.1	1.4	0.3	13
<i>including</i>	60.50	61.00	0.50	14.5	3.0	5.9	0.4	0.5	0.4	0.1	0.3	0.5	0.3	4
RHD017	41.00	55.00	14.00	3.3	1.2	1.6	0.1	0.1	0.1	0.1	0.1	0.3	0.4	10
<i>including</i>	43.60	44.20	0.60	10.4	3.8	2.9	1.1	1.2	0.8	0.5	0.1	1.8	0.9	79
RHD019	37.40	43.70	6.30	5.6	1.6	3.4	0.1	0.1	0.1	0.0	0.3	0.9	0.5	14
<i>including</i>	37.4	37.9	0.50	15.2	5.0	8.8	0.3	0.3	0.3	0.1	0.4	0.9	0.5	40

Table 1. Composite assay results for the 7PGM (including gold) together with previously reported copper, nickel and silver.

There are some stand out results, for example Hole RHD008 which returned:

29.0 metres at 10.9 g/t 7PGM comprising:

0.8 g/t rhodium, 0.9 g/t iridium, 0.8 g/t osmium, 0.8 g/t ruthenium, 5.1 g/t palladium, 2.5 g/t platinum and 0.4 g/t gold, 2.3% copper, 0.4% nickel and 58 g/t silver from surface.

This intercept also included two veins of very high grade mineralisation that returned:

0.65 metres at 35.2 g/t (1.1 ounces) 7PGM comprising:

7.2 g/t rhodium, 7.0 g/t iridium, 5.2 g/t osmium, 3.8 g/t ruthenium, 4.0 g/t palladium, 7.9 g/t platinum, 0.07 g/t gold, 5.2% copper, 1.2% nickel and 8 g/t silver from 13.0 metres; and

0.6 metres at 54.5 g/t (1.7 ounces) 7GM comprising:

0.9 g/t rhodium, 1.2 g/t iridium, 0.9 g/t osmium, 0.5 ruthenium, 29.7 g/t palladium, 19.2 g/t platinum, 2.1 g/t gold, 12.2% copper, 0.5% nickel and 147 g/t silver from 27.7 metres.

The extensive nature of the rare PGM's in the seven drill holes suggests it is likely that the other five mineralised holes drilled at Red Hill will also contain the same metals. This is important for future metallurgical process test work.

Discussion

These new PGE results confirm again that the mineralisation at Red Hill and other prospects in the Broken Hill area such as Platinum Springs and Little Darling Creek, is exceptional even on a global scale. This is because it is unusual to get such high grades of all the PGE's together, and in addition it also contains gold.

Previous work by Impact has shown that this is because the parent magmas are sourced from the deep mantle and were intruded into the middle to upper crust during the break up of the supercontinent Rodinia about 800 million years ago (Figure 11 and ASX Release March 6th 2019).



Figure 11. Position of the proposed mantle plume head (red circle) responsible for the breakup of Rodinia showing the location of Broken Hill in relation to the Jinchuan and Lengshuiqing Ni-Cu-Co-PGE deposits at about 800 million years ago (after Huang et al., 2015).

At this time Broken Hill was close to Jinchuan in China, one of world's major nickel-copper-PGE deposits (>500 Mt at 1.2% nickel, 0.7% copper and 0.4 g/t total PGE), and which is of the same age as the ultramafic intrusions at Red Hill and Platinum Springs (Figure 11). Accordingly Impact views the Broken Hill province as having exceptional prospectivity for magmatic nickel-copper sulphides.

At Red Hill, the mineralisation comprises variably weathered sulphide mineralisation hosted in veins and faults associated with ultramafic dykes and brittle felsic pegmatites. The dykes are interpreted as apophyses from the main Red Hill intrusion and future exploration will focus on tracking the dykes back towards the intrusion at depth (Figure 10).

The mineralisation extends over a strike length of at least 100 metres and down to a depth of about 60 metres below surface. It is open along trend to the north and south as well as at depth (Figure 10).

A major drill programme of aircore, reverse circulation and diamond drilling has now commenced and will test the three priority prospects: Red Hill, Platinum Springs and the Little Broken Hill Gabbro-Rockwell Trend (Figure 9).

At the Little Broken Hill Gabbro-Rockwell Trend an extensive programme of aircore drilling will test a 4 kilometre long part of the intrusive complex which is under shallow cover and which has not been previously drill tested.

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In April 2020 Impact received a grant of \$75,000 from the \$2 million New Frontiers Cooperative Drilling grants programme awarded by the Department of Planning, Industry and Environment of the New South Wales Government.

The grant, which is awarded on the technical merit of the proposed drill programme, will be used to drill test specific targets at Little Broken Hill Gabbro.

3. ARKUN PROJECT (IPT 100%)

During the Quarter Impact made applications for eight 100% owned Exploration Licences that define a major new project, Arkun, prospective for nickel-copper-platinum group metals and gold in the emerging new province for these metals in the south west Yilgarn Craton of Western Australia (Figure 12).

Relevant ASX announcements by Impact were released on 29th May 2020 and 10th June 2020.

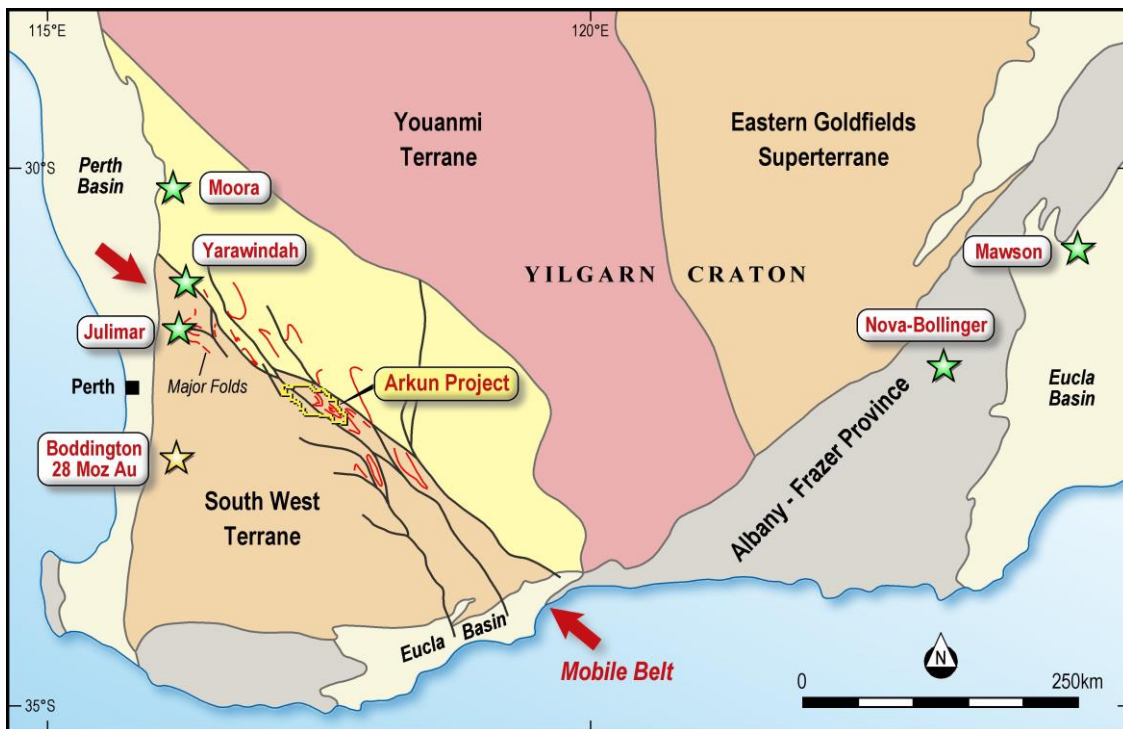


Figure 12. Location and Regional Geology of the Arkun Project and showing key nickel-copper-PGE deposits and recent discoveries.

Anglo American plc, one of the world's leading mining companies and an active explorer for nickel-copper and platinum group metals, lodged Exploration Licence applications covering a vast area of some 10,130 square kilometres shortly after Impact released its first announcement on Arkun (ASX: IPT Release 29 May 2020). Anglo's applications directly surround three sides of Impact's Arkun project (Figures 12 and 13).

The Arkun project, which is centred between York and Corrigin 130 km east of Perth, was first identified as an area of anomalous nickel-copper-gold anomalies in publicly available regional geochemistry data sets (ASX:IPT Release 29 May 2020).

A subsequent interpretation of regional magnetic data by Impact identified the area as lying within a major deformation zone or **mobile belt** that trends NW-SE from the Moora-Julimar-Yarawindah area through Arkun and which may contain deformed and metamorphosed equivalents of those rocks (Figures 12 and 13). This belt is generally not recognised in many regional geology maps and yet is self-evident in the magnetic data. This is a significant breakthrough in understanding for Impact.

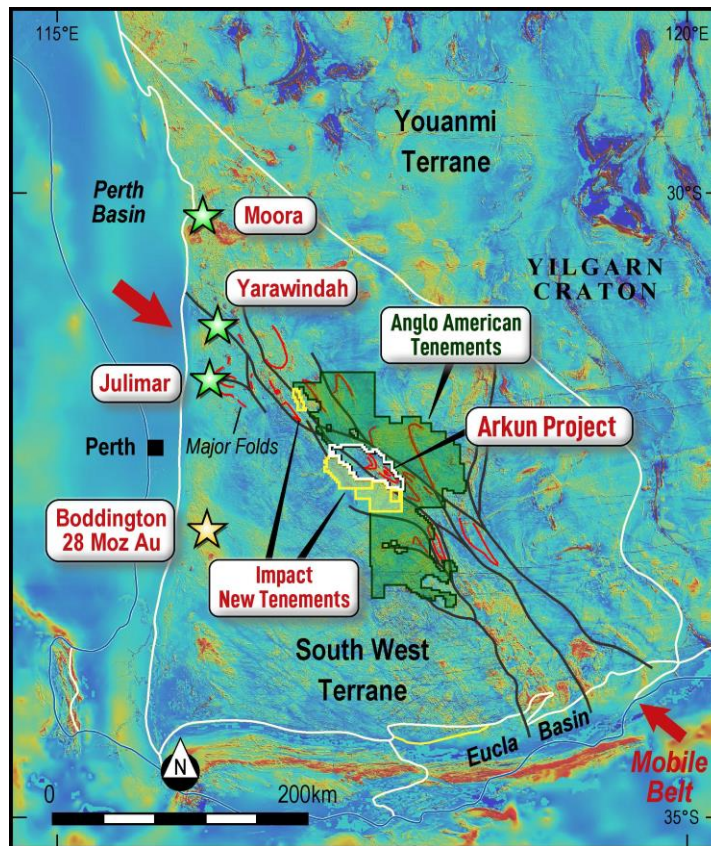


Figure 13. Regional magnetic image showing major structures in the South West Terrane of the Yilgarn Craton. The Julimar-Yarawindah-Moora area is at the north western end of the interpreted mobile belt.

The mobile belt is about 500 km long and up to 30 km wide, and is of a scale that suggests it may mark an ancient terrane boundary or proto-craton margin. Such geological provinces (of varying ages) are well known around the world as prospective terranes for hosting major nickel-copper-PGE deposits with examples such as Nova-Bollinger and Mawson (Proterozoic age – Figure 12), the Thomson fold belt in Canada and the recent discoveries at Yarawindah and Julimar in Western Australia (Figures 12 and 13).

In addition, the project is centred on a significant WNW-trending gravity high evident in regional gravity data and numerous “eye structures” visible in regional magnetic data and similar to those at Nova-Bollinger. Such gravity and magnetic anomalies are used as targeting criteria for similar deposits throughout the Albany-Fraser Province and globally (ASX Release 29 May 2020).

Regional Geochemical Anomalies

The Arkun project also covers several soil and rock chip geochemical anomalies for nickel, copper and gold in regional datasets with widely spaced samples (Figure 14).

Nickel anomalies are present in the publicly available state-wide regolith geochemistry dataset available from the CSIRO (<https://publications.csiro.au/publications/#publication/PIprocite:3fe12d41-ac73-4a8a-8420-47816f0fa509>) with samples taken a nominal 9 kilometres apart (Figure 14).

The copper and gold anomalies were identified in a soil geochemistry dataset that is proprietary to Impact's consultants Milford Resources Pty Ltd with samples taken at about 500 metres apart along roads and tracks.

Nickel values range up to 96 ppm, copper values up to 174 ppm and gold up to 11.5 ppb (Figure 14).

Although these absolute values are modest, the entire area is dominated by sandy soils developed on various substrates. It is well known that such sandy soils may significantly dilute soil geochemistry responses and background values are estimated to less than 10 ppm for nickel and copper and no more than 1 ppb for gold.

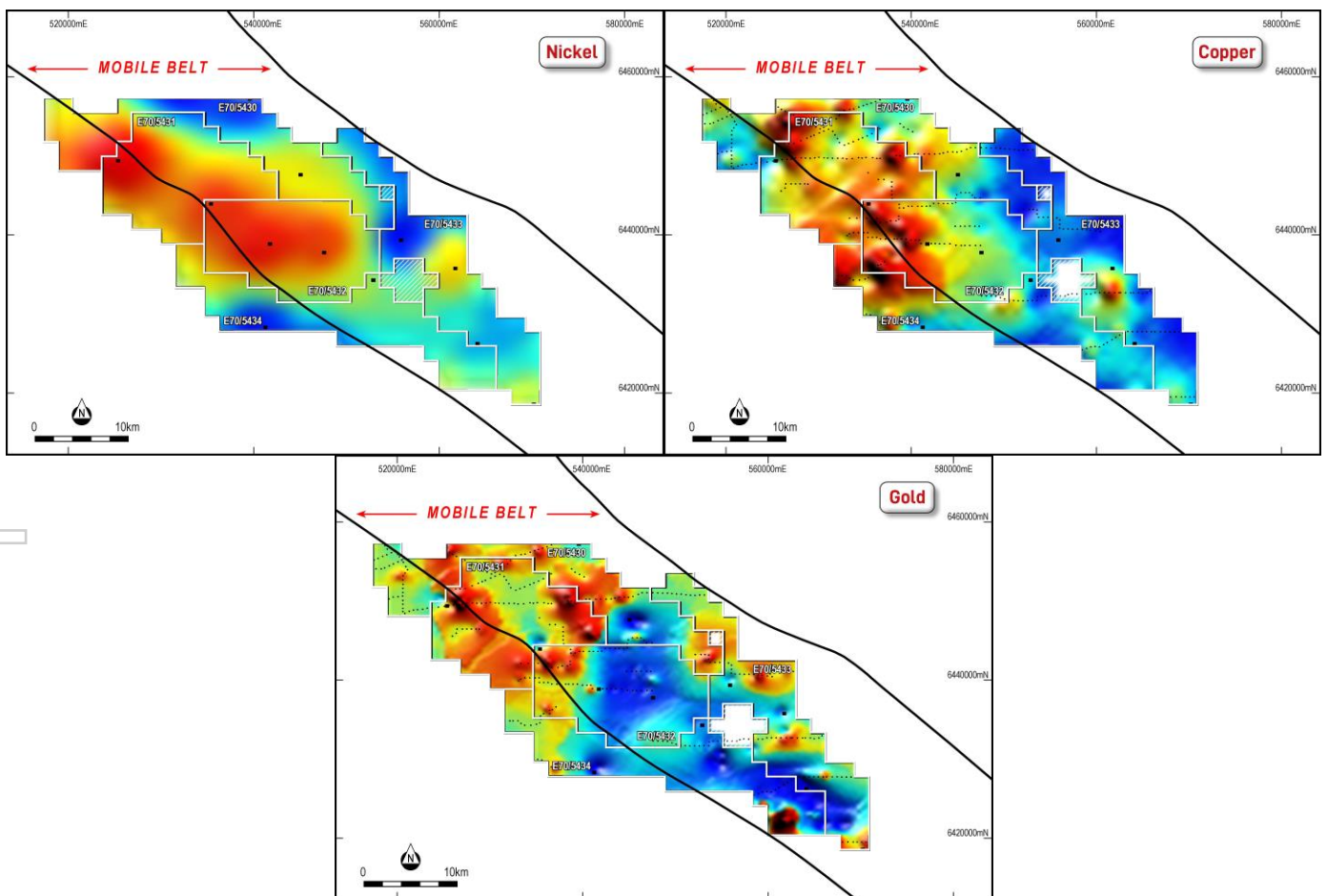


Figure 14. Images of the regional soil geochemistry data showing sample locations, and nickel, copper and gold results. Nickel values range up to 96 ppm (CSIRO data only), copper values up to 174 ppm and gold up to 11.5 ppb (proprietary data, no nickel assays). Warmer colours represent higher assay values.

Accordingly, the anomalous samples are about 10 to 20 times background. Impact considers these responses to be significant given the vast distances between samples.

Next Steps

The eight tenement applications (E70/5430-34, E70/5490 and E70/5504-05) are now pending grant, a process expected to take about 5 months. Impact has commenced reconnaissance work including field checking and rock chip sampling along gazetted roads and tracks to help accelerate exploration prior to grant.

In addition, an interpretation of the surface geology will be completed to assess the effectiveness of the previous soil geochemistry surveys to determine the best surface geochemistry technique for the area. A detailed interpretation of the bedrock geology from the magnetic data will be completed to help identify other priority areas for follow up.

4. CORPORATE

Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) for the current period provides an overview of the Company's financial activities.

Exploration expenditure for the reporting period was \$434,000, including \$200,000 on airborne and ground surveys at the Commonwealth Project. Corporate and other expenditure amounted to \$181,000. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$86,000 and includes salary, directors' fees and superannuation.

Cash at June 30th was \$2.4 million.

In addition Impact completed a capital raising in late July to raise \$3.2 million before costs.



Dr Michael G Jones
Managing Director

Competent Persons Statement

Exploration Results

The review of exploration activities and results contained in this report is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director of the company and works for Impact Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr 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.

Impact Minerals confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements referred to and in the case of mineral resource estimates, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Tenement Information in accordance with Listing Rule 5.3.3

Project / Tenement ID	Status	IPT Interest at start of quarter	IPT Interest at end of quarter
Commonwealth, NSW			
EL5874	Granted	100%	100%
EL8212	Granted	100%	100%
EL8252	Granted	100%	100%
EL8504	Granted	100%	100%
EL8505	Granted	100%	100%
EL8632	Granted	100%	100%
Broken Hill, NSW			
EL7390	Granted	100%	100%
EL8234	Granted	100%	100%
EL8636	Granted	100%	100%
EL8674	Granted	100%	100%
EL8609	Granted	100%	100%
Clermont, Qld			
EPM14116	Granted	100%	100%
Black Ridge, Qld			
EPM26806	Granted	100%	100%
ML2386	Granted	100%	100%
Arkun, WA			
E70/5430	Granted	100%	100%
E70/5431	Granted	100%	100%
E70/5432	Application	100%	100%
E70/5433	Application	100%	100%
E70/5434	Application	100%	100%
E70/5490	Application	100%	100%
E70/5504	Application	100%	100%
E70/5505	Application	100%	100%

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

IMPACT MINERALS LIMITED

ABN

52 119 062 261

Quarter ended ("current quarter")

30 JUNE 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(69)	(217)
(e) administration and corporate costs	(112)	(594)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (R&D Rebate)	34	321
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(145)	(472)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(5)
(d) exploration & evaluation (if capitalised)	(434)	(1,192)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities	-	-
	(b) tenements	-	100
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(434)	(1,097)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,101
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(104)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(2)	1,997
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,012	2,003
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(145)	(472)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(434)	(1,097)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	1,997

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,431	2,431

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	631	712
5.2	Call deposits	1,800	2,300
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,431	3,012

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1 – Directors' fees, salary payments and superannuation.
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

86

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(145)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(434)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(579)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,431
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,431
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2020

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.