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IMPACT MINERALS LIMITED
(and Controlled Entities)

ABN 52 119 062 261

HALF-YEAR FINANCIAL REPORT
31 December 2022

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DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2022.

DIRECTORS

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

- Peter Unsworth – Non-Executive Chairman
- Michael Jones – Managing Director
- Paul Ingram – Non-Executive Director
- Frank Bierlein – Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was exploration for deposits of nickel, gold, copper and platinum group elements mostly within Western Australia.

REVIEW OF OPERATIONS

Arkun Nickel-Copper-PGM Project, WA (IPT 100%)

The following work has recently been completed across the Arkun-Beau-Jumbo Project areas:

1. An extensive airborne HELITEM electromagnetic and magnetic survey comprising 920 line kilometres was completed on 7 blocks covering the priority soil geochemistry targets identified at Beau and Arkun. Final survey data has now been received and further processing and interpretation of the data is underway.
2. Extensive time has been spent completing Land Access Agreements with landowners through the Beau and Arkun areas. A total of 25 agreements have been signed which cover the majority of the Ni-Cu-PGE targets in the northern part of the project area and negotiations are underway for the remaining targets in the southern part of the area. In general, there has been a very good response from landowners in allowing exploration to commence.
3. As a result of the Land Access Agreements, Impact has been able to complete several campaigns of field checking, soil geochemistry and rock chip sampling across some of the priority targets for Ni-Cu-PGE. A total of 949 soil samples and 171 rock chip samples have been collected and submitted for assay. Further soil geochemistry is in progress.
4. Reconnaissance field checking and rock chip sampling has been completed along the main access road at Jumbo to follow up first pass soil geochemistry results. These samples have also been submitted for assay.

Four significant soil geochemistry anomalies have been identified at Beau. The geological terrain, which is very poorly explored, is permissive for significant mineralisation of the types identified, and Impact considers the results from its exploration targeting work in this region thus far highly encouraging.

Commonwealth Gold-Silver-Zinc-Lead-Copper Project, NSW (IPT 100%)

Impact agreed to sell a 75% stake in its Commonwealth Project in the Lachlan copper-gold province of NSW to Burrendong Minerals Limited, a private company looking to list on the ASX in 2023 (ASX Release 8th August 2022). Burrendong has until 29 March 2023 to raise seed capital for an IPO.

Broken Hill Project, NSW (IPT 100%)

IGO Joint Venture (IGO earning a 75% interest in EL7390 and EL8234)

One diamond drill hole was completed at the Yellowstone prospect, part of the greater Platinum Springs project area, which lies at the southern end of the Moorkai Trend, a nine-kilometre-long ultramafic to mafic dyke and chonolith complex that is very poorly explored (ASX Release 16th November 2022).

The drill hole tested a significant electromagnetic (EM) conductor identified by IGO in an extensive ground EM survey completed across the project area earlier this year (ASX Release 3rd March 2022).

The drill hole intersected a narrow zone of sulphide breccia comprising pyrrhotite and pyrite with trace copper sulphide and zinc sulphide. Assays, are expected late this Quarter.

IGO has indicated that it will now complete a further ground EM survey over the Little Darling Creek prospect and await assays before deciding on the next steps.

BHP XPLOR

Impact recently announced that it had been selected as one of the inaugural participants in the BHP Xplor programme, principally to fund exploration at the Company's Broken Hill Project. Impact was one of just 7 successful (out of 249) applicants. The Company sees this as a strong endorsement of both the quality of the application and the proposed program.

BHP Xplor, an accelerator program introduced by BHP in August 2022, is designed to help provide participants with the opportunity to accelerate their growth and the potential to establish a long-term partnership with BHP and its global network of partners.

Impact will receive up to US\$500,000 in cash payments from BHP over the next six months and gain access to a network of internal and external experts to help guide development in the company's technical, business and operational aspects.

The BHP Xplor funding will be used to identify new target areas for copper and other energy metals around the Broken Hill area, where Impact has been quietly adding to its ground position for several years.

Impact believes that there is significant untapped exploration potential at Broken Hill for copper mineralisation and has been working with world-renowned geologist Prof. Tony Crawford on a new model for copper associated with mafic intrusions that are part of the Broken Hill Group rocks.

This is a different exploration model to that being pursued by Impact's joint venture partner IGO Limited on EL7390 and EL8234, which are excluded from the program and comprise a tiny portion of Impact's tenements in the area (ASX release 9th November 2021).

The funding, to be spent over the next six months, will be primarily directed at developing a new, detailed three-dimensional model of the geology of the region based on new insights gained by Impact during its work there over the past ten years, together with an interpretation of magnetic and gravity data.

Under the Xplor program agreement between BHP and Impact, BHP does not acquire an equity interest in Impact or any project. However, Impact commits to certain exclusivity and pre-emption regimes concerning investments in Impact or its projects and data sharing provisions about the six-month program.

Hopetoun, WA (Impact earning 80%)

The Hopetoun Joint Venture lapsed in the December quarter.

Narryer, WA (Impact 80%)

Two field visits to the Narryer project, prospective for REE, gold and lithium, were completed with reconnaissance field checking, soil geochemistry sampling and grab sampling completed. Assays are due in March 2023.

Other Projects (Impact 80%)

Work progressed on analysing the previous exploration results at the Dinninup, Mineral Hill, Dalgaranga and Narryer projects. At Doonia soil geochemistry results, along with drill assay results were received and are being interpreted.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

During the half-year the Group reported an operating loss after tax of \$2,015,967 (half-year to 31 December 2021: loss of 1,083,540). As at 31 December 2022 the Group had net assets of \$16,851,514 (30 June 2022: \$18,557,017) including \$2,109,147 of cash and cash equivalents (30 June 2022: \$3,816,089).

AUDITOR'S DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Hall Chadwick WA Audit Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 31 December 2022.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "Peter Unsworth".

Peter Unsworth
Chairman

Perth, 8 March 2023

Competent Person's Statement

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.

Forward Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning Impact Minerals Limited's (Impact's) current expectations, estimates and projections about the industry in which Impact operates, and beliefs and assumptions regarding Impact's future performance. When used in this document, words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Impact believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Impact and no assurance can be given that actual results will be consistent with these forward-looking statements.

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Impact Minerals Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 8th day of March 2023
Perth, Western Australia

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	CONSOLIDATED	
		31 Dec 2022 \$	31 Dec 2021 \$
Interest and other income	3	22,192	2,840
Other income	3	5,000	114,859
		27,192	117,699
Employee benefits expense		(474,749)	(746,778)
Corporate and administration expenditure		(446,515)	(349,932)
Depreciation and amortisation expense		(9,297)	(8,505)
Occupancy		(33,538)	(40,297)
Impairment of exploration expenditure	7	(1,079,060)	(55,727)
Loss before income tax expense		(2,015,967)	(1,083,540)
Income tax expense		-	-
Net Loss from continuing operations		(2,015,967)	(1,083,540)
Other comprehensive income / (loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Change in the fair value of financial assets	6	(13,750)	367,500
Other comprehensive income (net of tax)		(13,750)	367,500
Total comprehensive loss for the period		(2,029,717)	(716,040)
Total comprehensive loss attributable to the owners of Impact Minerals Limited		(2,029,717)	(716,040)
Loss attributable to the owners of Impact Minerals Limited		Cents per share	Cents per share
Basic Profit/(Loss) per share	13	(0.08)	(0.05)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	CONSOLIDATED	
		31 Dec 2022 \$	30 Jun 2022 \$
Current Assets			
Cash and cash equivalents	4	2,109,147	3,816,089
Trade and other receivables		78,813	107,172
Other current assets		49,147	76,013
Assets held for sale	5	3,482,942	3,482,942
Total Current Assets		5,720,049	7,482,216
Non-Current Assets			
Financial assets at fair value through other comprehensive income	6	208,750	222,500
Property, plant and equipment		18,413	27,710
Exploration expenditure	7	11,173,359	11,195,288
Other non-current assets		289,055	273,055
Total Non-Current Assets		11,689,577	11,718,553
TOTAL ASSETS		17,409,626	19,200,769
Current Liabilities			
Trade and other payables		414,193	508,446
Short-term provisions		143,919	135,306
Total Current Liabilities		558,112	643,752
TOTAL LIABILITIES		558,112	643,752
NET ASSETS		16,851,514	18,557,017
EQUITY			
Issued capital	8	58,426,867	58,426,867
Option reserve	8	1,643,830	1,406,016
Financial asset reserve	9	58,750	72,500
Transactions with non-controlling interest		(1,161,069)	(1,161,069)
Accumulated losses		(42,116,864)	(40,187,297)
TOTAL EQUITY		16,851,514	18,557,017

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued capital \$	Option reserve \$	Financial asset reserve \$	Transactions with non-controlling interest \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	53,787,639	901,996	45,000	(1,161,069)	(37,940,790)	15,632,776
Loss for the period	-	-	-	-	(1,083,540)	(1,083,540)
Other comprehensive income	-	-	367,500	-	-	367,500
Total comprehensive loss for the half-year	-	-	367,500	-	(1,083,540)	(716,040)
Transactions with owners in their capacity as owners						
Fair value of options issued	-	581,000	-	-	-	581,000
Fair value of options expired	-	(152,800)	-	-	152,800	-
Balance at 31 December 2021	53,787,639	1,330,196	412,500	(1,161,069)	(38,871,530)	15,497,736
Balance at 1 July 2022	58,426,867	1,406,016	72,500	(1,161,069)	(40,187,297)	18,557,017
Loss for the period	-	-	-	-	(2,015,967)	(2,015,967)
Other comprehensive income	-	-	(13,750)	-	-	(13,750)
Total comprehensive loss for the half-year	-	-	(13,750)	-	(2,015,967)	(2,029,717)
Transactions with owners in their capacity as owners						
Fair value of options issued	-	324,214	-	-	-	324,214
Fair value of options expired	-	(86,400)	-	-	86,400	-
Balance at 31 December 2022	58,426,867	1,643,830	58,750	(1,161,069)	(42,116,864)	16,851,514

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	CONSOLIDATED	
		31 Dec 2022 \$	31 Dec 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(670,012)	(571,160)
Interest received		6,891	3,217
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(663,121)	(567,943)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		-	(5,467)
Payments for exploration activities		(1,093,821)	(1,418,365)
Proceeds from the sale of tenements		50,000	165,000
Payments for the acquisition of tenements		-	(110,000)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(1,043,821)	(1,368,832)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Share issue costs		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net increase/(decrease) in cash and cash equivalents		(1,706,942)	(1,936,775)
Cash and cash equivalents at beginning of the period		3,816,089	3,415,778
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	2,109,147	1,479,003

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*.

This interim report is intended to provide users with an update on the latest annual financial statements of Impact Minerals Limited and its controlled entities (the consolidated entity). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the consolidated entity for the year ended 30 June 2022, together with any public announcements made during the half-year.

Except for Note 1(b) the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial statements have been prepared on the historical cost basis, except where stated. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

b) New accounting standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an annual accounting period that begins on or after 1 July 2022.

The adoption of the new and revised Standards and Interpretations have not had a material impact on this half-year financial report.

c) Going Concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Group generated a loss for the period of \$2,015,967 (2021: loss of \$1,083,540) and net cash outflows from operating activities of \$663,121 (2021: \$567,943). As at 31 December 2022 the Consolidated Group had a cash balance of \$2,109,147 (30 June 2022: \$3,816,089).

The ability of the Consolidated Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

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The directors have prepared a cash flow forecast which indicates that the Consolidated Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 2: SEGMENT REPORTING

Management has determined that the Group has one material reportable segment, being mineral exploration in Australia.

The Board has considered the requirements of AASB 8 *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Managing Director) in allocating resources and have concluded at this time that there are no separately identifiable segments.

NOTE 3: INTEREST AND OTHER INCOME

	31 Dec 2022 \$	31 Dec 2021 \$
Interest income	22,192	2,840
Gain on sale of tenements	-	114,859
Other income	5,000	-
	27,192	117,699

NOTE 4: CASH AND CASH EQUIVALENTS

	31 Dec 2022 \$	30 Jun 2022 \$
Cash at bank and on hand	184,147	3,791,089
Short-term deposits	1,925,000	25,000
	2,109,147	3,816,089

NOTE 5: ASSETS HELD FOR SALE

Tenements held for sale

	31 Dec 2022 \$	30 Jun 2022 \$
	3,482,942	3,482,942
	3,482,942	3,482,942

In April 2022, the Company announced that it had sold Mining Lease ML 2386 to Peter Campbell FT PtyLtd ("PCFT") an unrelated Company for \$30,000. The Company also granted PCFT an option ("Option") to buy all of the shares in Blackridge Exploration Pty Ltd ("Blackridge" a wholly owned subsidiary of Impact). The assets of Blackridge are three exploration licences EPM26806, EPM27410 and EPM27571. PCFT paid the non-refundable Option Fee of \$50,000 in August 2022 and has two years to exercise the Option. Upon exercise of the Option, PCFT will pay \$350,000 for the shares in Blackridge and the Company will retain a 1% gross gold royalty after the first 5,000 ounces have been recovered from any of the tenements. At 31 December 2022 the Blackridge tenements were held at their fair value (\$342,942).

In August 2022 the Company announced that it had agreed to implement a Share Purchase Agreement ("SPA") with Burrendong Minerals Limited ("Burrendong") whereby Burrendong would acquire 75% of the shares in Impact's wholly owned subsidiary Endeavour Minerals Pty Ltd ("Endeavour"). The principal assets of Endeavour are the Commonwealth Project tenements (EL8504, EL8505, EL5874, EL8212 and EL8252). Burrendong intends to list on the ASX. Burrendong paid Impact an initial non-refundable exclusivity fee of \$25,000 for eight weeks. This exclusivity period has since been extended to 29 March 2023.

At 31 December 2022 the Company's 75% interest in the Commonwealth tenements was held at their fair value (\$3,140,000).

NOTE 6: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Opening balance
Additions
Change in fair value
Closing balance

	31 Dec 2022 \$	30 Jun 2022 \$
	222,500	145,000
	-	50,000
	(13,750)	27,500
	208,750	222,500

The fair value of listed financial assets at fair value through profit and loss has been determined directly by reference to published price quotations in an active market, with movement in fair value recognised in other comprehensive income.

NOTE 7: EXPLORATION EXPENDITURE

	31 Dec 2022 \$	30 Jun 2022 \$
Capitalised cost at the beginning of the period	11,195,288	11,993,262
Exploration expenditure incurred during the period	1,057,131	3,939,357
Sale of the Blackridge Project	-	(475,420)
Sale of 75% interest in the Commonwealth Project	-	(3,140,000)
Impairment expense for the period	(1,079,060)	(1,121,911)
	11,173,359	11,195,288

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Of the total impairment charge of \$1,079,060, \$964,233 relates to the Hopetoun Project. The Hopetoun Project was a joint venture with a private company in which Impact was earning an 80% interest. A significant drill programme was completed to test priority targets in early to mid-2022 as part of an option to proceed to a full joint venture agreement. No significant results were returned from the programme and Impact elected not to proceed to the full joint venture.

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NOTE 8: ISSUED CAPITAL

	31 Dec 2022 \$	30 Jun 2022 \$
Ordinary shares fully paid	58,426,867	58,426,867

a) Movements in ordinary shares on issue

	HALF-YEAR ENDED 31 DEC 2022		YEAR ENDED 30 JUN 2022	
	No.	\$	No.	\$
At the beginning of the period	2,481,370,556	58,426,867	2,023,794,919	53,787,639
- Placement ^(a)	-	-	166,666,667	2,000,000
- Rights issue ^(b)	-	-	290,908,970	3,199,999
- Transaction costs	-	-	-	(560,771)
At the end of the period	2,481,370,556	58,426,867	2,481,370,556	58,426,867

(a) In March 2022, the Company raised \$2,000,000 (before costs) via a placement of 166,666,667 new shares at an issue price of 1.2 cents each.

(b) In June 2022 the Company completed a Renounceable Rights Issue raising \$3,199,999 (before costs) via the issue of 290,908,970 new shares at an issue price of 1.1 cents each together with one free attaching listed option exercisable at \$0.02 on or before 2 June 2024 for every two new shares subscribed for (145,454,389 Listed Options). A further 12,800,000 listed options were issued to the underwriter as part consideration for their services.

b) Movements in options on issue

	HALF-YEAR ENDED 31 DEC 2022		YEAR ENDED 30 JUN 2022	
	No.	\$	No.	\$
At the beginning of the reporting period	365,754,389	1,406,016	157,000,000	901,996
Options issued - unlisted	85,000,000	324,214	90,500,000	606,900
Options issued - listed	-	-	158,254,389	49,920
Options expired	(20,000,000)	(86,400)	(40,000,000)	(152,800)
At the end of the reporting period	430,754,389	1,643,830	365,754,389	1,406,016

NOTE 9: FINANCIAL ASSET RESERVE

Financial asset reserve

Opening balance	
Financial assets at fair value through other comprehensive income (Note 6)	
Closing balance	

	31 Dec 2022 \$	30 Jun 2022 \$
	72,500	45,000
	(13,750)	27,500
	58,750	72,500

NOTE 10: SHARE BASED PAYMENTS

On 24 November 2022, 53,000,000 unlisted options were granted to Directors (or their nominees) following shareholder approval at the 2022 Annual General Meeting. On 7 December 2022, 32,000,000 unlisted options were issued to employees under the Company's Director and Employee Acquisition Plan.

The fair value of options granted was determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free rate for the term of the option.

The following table lists the model inputs for the options granted during the half-year ended 31 December 2022:

Inputs	Issue 50	Issue 51
Number of options	53,000,000	32,000,000
Exercise price	\$0.0125	\$0.0125
Grant date	24 Nov 2022	7 Dec 2022
Expiry date	30 Nov 2025	30 Nov 2025
Vesting date	Immediate	6 Dec 2023
Share price at grant date	\$0.009	\$0.008
Historical volatility	114%	115%
Risk-free interest rate	3.16%	3.07%
Expected dividend yield	0%	0%

The share-based payment expense for the half-year was \$324,214 (2021: \$581,000).

NOTE 11: CONTINGENCIES

There has been no change in contingent liabilities or assets since the annual reporting date.

NOTE 12: COMMITMENTS

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the *Mining Act 1978* (Western Australia), the *Mining Act 1992* (New South Wales) and the *Mineral Resources Act 1989* (Queensland) and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

As at the reporting date, there has been no material change in the commitments since 30 June 2022.

NOTE 13: EARNINGS PER SHARE

	Half-year ended 31 Dec 2022 Cents	Half-year ended 31 Dec 2021 Cents
Basic profit/(loss) per share	(0.08)	(0.05)

The following reflects the income and share data used in the calculations of basic profit/(loss) per share:

	Half-year ended 31 Dec 2022 \$	Half-year ended 31 Dec 2021 \$
Profit / (Loss) used in calculating basic earnings per share	(2,015,967)	(1,083,540)

	Half-year ended 31 Dec 2022 Number	Half-year ended 31 Dec 2021 Number
Weighted average number of ordinary shares used in calculating basic loss per share	2,481,370,556	2,023,794,919

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The issue of potential ordinary shares is antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share has therefore not assumed the conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

NOTE 14: EVENTS SUBSEQUENT TO THE REPORTING DATE

In January 2023, Impact advised that it had been selected to participate in the inaugural BHP Xplor program to help fund exploration at the Company's Broken Hill Project in New South Wales. BHP Xplor, an accelerator program introduced by BHP in August 2022, is designed to help provide participants with the opportunity to accelerate their growth and the potential to establish a long-term partnership with BHP and its global network of partners. Impact will receive up to US\$500,000 in cash payments from BHP over the term of the six-month Agreement and gain access to a network of internal and external experts to help guide development in the technical, business and operational aspects of the Company.

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

- a) The financial statements and notes of Impact Minerals Limited for the half-year ended 31 December 2022 are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*, and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) In the Directors' option there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Peter Unsworth
Chairman

Perth, Western Australia

8 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IMPACT MINERALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Impact Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Impact Minerals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$2,015,967 during the half year ended 31 December 2022. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 8th day of March 2023
Perth, Western Australia

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