

ASX ANNOUNCEMENT

Date: 20 August 2015

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LETTER TO SHAREHOLDERS FROM THE CHAIRMAN

- Launch of a A\$1.9 million rights issue, underwritten to \$1.3 million
- Offer of one (1) Impact share for every six (6) IPT shares held at 2.1cps
- Shareholders are encouraged to apply for shares in excess of their entitlement
- Follows new investment of up to \$7.3 million by Minderoo's Squadron Resources
- Rights issue offered at same price as initial investment by Squadron
- Unprecedented financial backing to fast-track our three flagship Australian projects

Dear fellow Impact shareholder,

I am pleased to report to you today that Impact Minerals (ASX:IPT), in spite of the current downturn in the Australian mineral resources industry and in particular for junior explorers, is securing the required financial commitments to enable your Company to forge ahead in these difficult market conditions.

We are now in a position where we can simultaneously fund and accelerate the pace of exploration at our exciting platinum, gold-silver and base metals projects near Broken Hill, Orange and Kalgoorlie.

Central to this stability going into FY2016 has been your Company's success in securing the backing of a major new cornerstone investor, Squadron Resources Pty Ltd, the private mining investment vehicle of the Minderoo Group which itself represents selected philanthropic and commercial interests of Andrew and Nicola Forrest.

As announced to the ASX on [17 July 2015](#), Squadron is investing an initial A\$3 million into Impact with provision to increase this to \$7.3 million. Tranche 1, an investment of \$2 million, has already been received by Impact.

Tranche 2, a proposed A\$1 million placement to Squadron, is to be put to shareholders for approval at the Company's Annual General Meeting to be held towards the end of September.

In the current challenging market, an investment commitment of this size by Squadron Resources, which also includes options for it to inject additional capital directly into the Broken Hill and Commonwealth Projects, highlights the potential and tenor of Impact's assets in NSW and WA.

To ensure that Impact can confidently and aggressively continue exploration over all three of our Australian projects, your Directors have now resolved to offer shareholders the opportunity to participate in a 1-for-6 rights share issue at 2.1 cents per share the same price at which Squadron proposes to take up its placement shares. The issue is being underwritten to \$1.3 million by Patersons Securities Limited.

Shareholders that wish to take up more than their entitlement are able to apply for additional Shares and there is provision to do this on the Entitlement and Acceptance Form.

In particular therefore I encourage those Shareholders that hold small parcels of Shares to participate and apply to take up additional Shares.

Any additional Shares applied for by Shareholders will be subject to the availability of Shortfall and will be allocated at the discretion of the Directors in consultation with the Underwriter.

With the new funding, Impact will be able to progress exploration on all three of its key Australian projects, being:

- the high grade **nickel-copper-platinum Broken Hill** and **gold-silver-zinc-lead Commonwealth** Projects in NSW; and
- the **nickel-copper-gold Mulga Tank** Project near Kalgoorlie in WA where Impact has been awarded two grants totalling \$275,000 as part of the WA Government's Exploration Incentive Scheme.

Impact's recent discovery of Australia's highest ever platinum grades at the Company's Red Hill prospect at the Broken Hill Project has attracted attention.

The drill results include a 30 metre thick zone at 6 grams per tonne platinum equivalent that contains 5 to 10 metre thick zones at 15 grams per tonne platinum equivalent.

A follow up drill programme of about 1,500 m to test a number of targets, will commence at the end of the rights issue and will also in part be funded by a co-fund grant of \$78,000 for drilling from the NSW Government.

For full details of the drill results quoted, please refer to Impact's announcements dated [17 April 2015](#), [5 May 2015](#) and [19 May 2015](#).

I welcome your participation in this rights issue and look forward to shortly sharing with you, the results of our pending drilling campaigns.

Yours sincerely,



Mr Peter Unsworth
Chairman