

ASX ANNOUNCEMENT

Date: 20 August 2015

Number: 411/200815

CLEANSING NOTICE

Please find attached a notice under Section 708AA(2)(f) of the Corporations Act 2001 (Cth) related to a partly underwritten renounceable rights issue.

The Company notes that it has engaged an independent expert for the purposes of the shareholder approvals to be sought in relation to the Squadron Transaction. The independent expert's report has not been finalised as at the date of this announcement. However, the Company understands that it is the independent expert's preliminary view that the transactions comprising the Squadron Transaction are "not fair but reasonable" in respect of non-associated shareholders of Impact.

The Company stresses that the independent expert's opinion is preliminary and may change. Accordingly, this information should not be relied on for the purpose of assessing any aspect of the Company's activities or objectives, and is being released purely for the purposes of ensuring that the Company complies with its disclosure obligations in the context of the contemporaneous release of a cleansing statement in accordance with the requirements of section 708AA(7) of the Corporations Act. The Company further notes that it anticipates that the final independent expert's report will be released well in advance of the closing date of the rights issue to be announced at the same time as this announcement."



The Manager
ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir

**RENOUNCEABLE RIGHTS ISSUE
NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 (CTH)**

Impact Minerals Limited (ASX: IPT) (**Company**) gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) (as modified by ASX class order 08/35).

The Company announced today a proposed capital raising of approximately \$1,983,181 by way of a partly underwritten renounceable rights issue of shares in the Company. Under the Offer, eligible shareholders with a registered address in Australia and New Zealand will be invited to subscribe for 1 new fully paid ordinary share (New Shares) for every 6 fully paid ordinary shares in the Company held as at 5.00pm (Perth time) on Tuesday, 26 August 2015.

The Company will offer the New Shares without disclosure to investors in reliance on section 708AA of the Act as modified by ASX class order 08/35.

For the purposes of section 708AA(7) of the Act, the Company provides the following information:

1. the Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Act;
2. this notice is given under section 708AA(2)(f) of the Act;
3. as at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. section 674 of the Act;
4. as at the date of this notice there is no excluded information of the type referred to in sections 708AA(8) or (9) of the Act; and
5. The potential effect the Offer will have on the control of the Company, and the consequences of that effect will depend on a number of factors, including investor demand and existing shareholdings. If Eligible Shareholders take up their Rights in full, then the Offer will have no effect on the control of the Company. In this case, Eligible Shareholders will retain their percentage shareholding interest in the Company. The Offer will likely effect the shareholding interests of Shareholders) in the Company if all of the Rights are not accepted:

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impact.

MINERALS

- The shareholding interest of Eligible Shareholders who do not accept all of their Rights will be reduced.
- The shareholding interest of Excluded Shareholders will be reduced because they cannot participate in the Offer.
- The shareholding interest of Eligible Shareholders who accept all of their Rights may increase. This will depend on the number of Shortfall Shares that are issued under the Underwriting Agreement or to other investors at the discretion of the Directors. .
- Shareholders and other persons may acquire or increase their interest in the Company if they acquire Rights (on ASX or from an Eligible Shareholder) or under the Shortfall so long as this interest does not breach the takeover thresholds in the Corporations Act.
- The Underwriter may acquire an interest in the Company upon taking up some or all of the Shortfall under the Underwriting Agreement.

As at the date of this Offer Document, the Company's largest Shareholder is Susanne Bunnenberg, who has voting power of 29.89% in the Company. Her voting power could increase to a maximum of 31.37% by reason of the Offer. This could occur if Ms Bunnenberg was the only Shareholder to accept her Rights under the Offer and the Shortfall was only placed with the Underwriter in accordance with the Underwriting Agreement.

The Offer is partly underwritten by the Underwriter for the first \$1,300,000. The Underwriter could acquire a maximum shareholding interest of 9.36% in the Company. This would only occur if none of the Rights were accepted under the Offer and the Underwriter was required to apply for part of the Shortfall up to the underwritten amount. The Underwriter has entered in to various sub-underwriting agreements to sub-underwrite the Offer.

Yours faithfully,

James Cooper-Jones
Company Secretary
Impact Minerals Limited

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