

Impact Minerals Limited

ACN 119 062 261

Offer Document Renounceable Rights Issue

For a renounceable rights issue of one (1) New Share for every six (6) fully paid ordinary shares in the Company held at 5.00pm (Perth time) on 26 August 2015 at an offer price of \$0.021 (2.1 cents) per New Share, to raise up to \$1,983,181 (**Offer**).

Partly underwritten by Patersons Securities Limited.

The Offer opens on 31 August 2015 and closes at 5.00pm (Perth time) on 9 September 2015 (unless extended).

Important Notice

This document contains important information about the Offer. You should read the entire document.

This Offer Document is not a prospectus or other form of disclosure document. It does not contain all of the information that you may require to make an investment decision or the information that would otherwise be required by Australian law or any other law to be disclosed in a prospectus.

Please read the instructions in this document and the accompanying Entitlement and Acceptance Form regarding your Rights. If you have any questions about the Offer or this Offer Document, you should speak to your professional adviser.

The securities offered by this Offer Document should be considered speculative.

Important information

This Offer Document was prepared by Impact Minerals Limited ACN 119 062 261 (**Company**) and is dated 19 August 2015.

This Offer Document is not a prospectus

This Offer Document contains an offer of New Shares to Eligible Shareholders and has been prepared in reliance on section 708AA (as modified by ASIC Class Order 08/35) of the Corporations Act which allows rights issues to be conducted without a Offer Document. This document is not a prospectus and does not contain all of the information which would be found in a prospectus, or which may be required by an investor to make a decision regarding the Offer. This document has not been lodged with ASIC.

This is an important document and requires your immediate attention

You should carefully read all of this Offer Document before making a decision about the Offer. In particular, you should consider the risk factors set out in Section 4 of this Offer Document which could affect the performance of the Company or the value of your investment in the Company.

Not investment or financial product advice

The information in this Offer Document does not constitute investment or financial product advice and does not take into account your investment objectives, financial situation or particular needs. If you have any questions about the Offer you should contact your stockbroker, accountant or other professional adviser.

The potential tax effects of the Offer will vary between investors. You should consult with your tax adviser about any possible tax consequences.

Information about the Company

Announcements released by the Company are available from the ASX website (www.asx.com.au) and the Company's website (www.impactminerals.com.au). Although these announcements are not incorporated into this Offer Document, you should have regard to them before making a decision whether or not to participate in the Offer, or to otherwise invest in the Company.

The Company may release further announcements after the date of this Offer Document and throughout the Offer Period, which may be relevant to your consideration of the Offer. You should check whether any announcements have been released by the Company after the date of this Offer Document before taking any action or deciding to do nothing in relation to the Offer. These announcements will be available from the ASX website (www.asx.com.au) and the Company's website (www.impactminerals.com.au).

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Document. Any information or representation that is not in this Offer Document may not be relied on as having been authorised by the Company or its related body corporates in connection with the Offer. Except as required by law, and only to the extent required, none of the Company, or any other person warrants or guarantees the future performance of the Company or any return on investment made pursuant to this Offer Document.

Forward looking statements

This Offer Document may contain forward looking statements. Statements that describe the Company's objectives, plans, goals or expectations are or may be forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that may cause the actual results, performance or achievements of the Company to be materially different from the results, performance or achievements expressed or implied by such statements.

Any forward looking statements in this Offer Document are made and reflect views held, only at the date of this Offer Document. The Company makes no representation and gives no assurance or guarantee that the occurrence of the events or the achievement of results expressed or implied in such statements will actually occur. You are cautioned not to place undue reliance on any forward looking statements. Except to the extent required by law (including the ASX listing rules), the Company does not give any undertaking to update or revise any forward looking statements after the date of the Offer Document to reflect any changes in expectations in relation to forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

Past performance

Investors should note that past performance, including past share price performance cannot be relied on as an indicator of, and provides no guidance as to, future Company performance, including future share price performance.

Overseas jurisdictions

This Offer Document has been prepared for Shareholders resident in Australia and New Zealand.

This Offer Document is not, and is not intended to constitute, an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. By applying for New Shares, including the submitting the Entitlement and Acceptance Form or making a payment using BPAY® you represent and warrant that there has been no breach of such laws.

The distribution of this Offer Document outside Australia and New Zealand may be restricted by laws and persons who come into possession of it should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons.

No action has been taken to register or qualify this Offer Document, the New Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia and New Zealand.

The New Shares offered to Eligible Shareholders in New Zealand under this Offer Document are offered in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). This Offer Document is not an investment statement or Offer Document under New Zealand law and may not contain all the information that an investment statement or Offer Document under New Zealand law is required to contain.

Currency

All references in this Offer Document to "\$", "AUD" or "dollar" are references to Australian currency unless otherwise indicated.

Reference to time

All references in this document to time relate to Western Standard Time in Perth, Western Australia.

Defined terms

Terms and abbreviations used in this Offer Document are defined in Section 6 of this Offer Document.

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Key Information

Overview of Offer	
Ratio	One (1) New Share for every six (6) Shares held at the Record Date.
Offer Price	\$0.021 (2.1 cents) per New Share
Maximum number of New Shares to be issued	94,437,193 (approximately)
Maximum funds to be raised	\$1,983,181 (approximately)
Minimum subscription	There is no minimum subscription to the Offer.
Use of funds	Drilling, exploration and evaluation of the Company's mining exploration projects in Australia and to augment working capital.
Who can participate in the Offer	Shareholders on the Record Date with a registered address in Australia or New Zealand.
Underwriting	The Offer is partly underwritten by Patersons Securities Limited (AFSL 239052) for the first \$1,300,000.
Timetable for the Offer	
19 August 2015	Announcement to ASX of the Offer.
24 August 2015	Shares commence trading on the ASX on an ex-rights basis.
24 August 2015	Rights trading commences.
5.00pm (Perth time) 26 August 2015	Record Date – the date for identifying Shareholders entitled to participate in the Offer.
31 August 2015	Offer Document with Entitlement and Acceptance Forms sent to Eligible Shareholders.
31 August 2015	Opening Date – the first day for receipt of acceptances under the Offer and the Shortfall Offer.
2 September 2015	Rights trading ends.
3 September 2015	New Shares quoted on ASX on a deferred settlement basis.
5.00pm (Perth time) 9 September 2015	Closing Date – the last day for receipt of acceptances under the Offer and the Shortfall Offer.
11 September 2015	Announcement to ASX of the results of the Offer and any Shortfall.
16 September 2015	Issue date - New Shares issued under the Offer and the Shortfall Offer and entered into the Share register.
17 September 2015	New Shares expected to commence normal trading on ASX.

The above events, dates and times are indicative only and may be subject to change. The Company reserves the right to amend any of these events, dates and times without notice, subject to the Corporations Act, the ASX listing rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date and to accept late applications. The commencement of trading of New Shares on ASX is subject to confirmation by ASX.

Chairman's Letter

Dear fellow Impact shareholder,

I am pleased to report 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 faithfully

A handwritten signature in black ink, appearing to read 'Peter Unsworth', with a stylized flourish at the end.

Peter Unsworth
Chairman

1. Details of the Offer

1.1 The Offer

The Company is seeking to raise up to \$1,983,181 (before costs) through a renounceable pro rata offer of New Shares to Eligible Shareholders (**Offer**).

Under the Offer, Eligible Shareholders are invited to apply for one (1) New Share for every six (6) Shares held at the Record Date, being 5:00pm (Perth time) on 26 August 2015 at the Offer Price of \$0.021 (2.1 cents) per New Share.

New Shares issued under the Offer will be fully paid and will rank equally with existing Shares on issue.

The Offer opens on 31 August 2015 and will close at 5.00pm (Perth time) on 9 September 2015, unless extended. Settlement of the Offer is expected to occur on 16 September 2015, with New Shares issued under the Offer expected to commence normal trading on 17 September 2015.

The Company currently has 566,623,160 Shares, 42,150,000 Options, 45,000,000 Warrants and 2,000,000 Convertible Notes on issue. Based on the current capital structure, up to 94,437,193 New Shares may be issued under the Offer to raise up to \$1,983,181 (before costs). If any of the Options or Warrants are exercised or the Convertible Notes are converted before the Record Date then the number of New Shares that may be issued under the Offer will increase. However as the exercise price of the Options and Warrants and the conversion price for the Convertible Notes are above the current market price of the Shares, the Company does not expect to issue further Shares pursuant to exercise of Options or Warrants or conversion of the Convertible Notes before the Record Date.

The Company will use the funds raised under the Offer for drilling, exploration and evaluation of the Company's mining exploration projects in Australia and to augment working capital. Further information about the purpose of the Offer and the use of funds is set out in Section 1.5 of this Offer Document.

1.2 Minimum subscription

There is no minimum subscription for the Offer. .

1.3 Underwriting

The Offer is partly underwritten by Patersons Securities Limited for the first \$1,300,000.

1.4 Shortfall

Any New Shares not applied for will form part of the shortfall and may be placed at the Company's discretion in consultation with the Underwriter under the Shortfall Offer.

1.5 Purpose of the Offer and use of funds

The Company is seeking to raise up to \$1,983,181 (before costs) under the Offer.

The funds raised under the Offer will be used to fund drilling, exploration and evaluation of the Company's mining exploration projects in Australia, to pay the costs of the Offer and for working capital purposes of the Company.

In addition to the \$1,983,181 the Company is seeking to raise under the Offer, the Company expects to raise pursuant to the transaction with Squadron Resources Pty Ltd (**Squadron**):

- (a) \$2 million from the issue of 2,000,000 interest-free Convertible Notes to Squadron; and
- (b) \$1 million from the placement to Squadron of 47,619,048 Shares at 2.1 cents per Share.

The Convertible Notes have been issued, while the issue of the Shares to Squadron is subject to Shareholder approval. If Shareholder approval is obtained and the full amount raised under the Offer and the transaction with Squadron, then the Company will raise up to \$4,983,181 (before costs). Further information in respect of the transaction with Squadron is set out in Section 2.3 below.

The table below sets out how the Company will allocate the funds raised under the Offer assuming that the Squadron Transaction is approved by Shareholders:

Use of funds	Allocation of \$1,300,000 ³	Allocation of \$1,983,181 ⁴	Allocation of \$4,983,181 ⁵
Broken Hill drill programme commencing during the first week of September 2015	\$151,998	\$240,000	\$600,000
Commonwealth follow up work to identify new drill targets for the first quarter of 2016	\$50,666	\$80,000	\$200,000
Commonwealth drill programme for the first quarter of 2016	\$303,996	\$480,000	\$1,200,000
Mulga Tank airborne and ground geophysics	\$101,332	\$160,000	\$400,000
Mulga Tank drill programme for the third quarter of 2015	\$202,664	\$320,000	\$800,000
Costs of the Offer	\$120,000	\$120,000	\$120,000
General administration and working capital ⁶	\$369,343	\$583,181	\$1,663,181
Total	\$1,300,000	\$1,983,181	\$4,983,181

Notes:

1. The table assumes that none of the existing Option or Warrant holders exercise their Options or Warrants and that the Convertible Note holder does not convert before the Record Date and participate in the Offer.
2. The Company intends to apply a portion of the amount that is specified in this table for "general administration and working capital" towards future exploration programmes. The quantum to be so applied will depend on the results of the exploration programmes specified in the table.
3. This column assumes that the Company raises \$1,300,000 under the Offer. This is the underwritten amount and is the minimum that will be raised under the Offer. The allocation of the amounts for activities shown in this column assume that the Squadron Transaction is approved by Shareholders.
4. This column assumes that the Company raises \$1,983,181 under the Offer. This the maximum amount that will be raised at full subscription (based on the current number of Shares on issue). The allocation of the amounts for the activities shown in this column assume that the Squadron Transaction is approved by Shareholders.

5. This column sets out how the Company intends to allocate \$4,983,181 being the aggregate of the funds raised under the Offer (\$1,983,181 assuming full subscription) and the Squadron Transaction (\$3,000,000 for tranches 1 and 2) (assuming shareholder approval is obtained).
6. The information in this table is indicative only and is subject to change. In the event the Company raises funds under the Offer that is greater than \$1,300,000 (underwritten amount) but less than \$1,983,181 (full subscription), or Shareholders do not approve the Squadron Transaction, the Company will adjust the amounts to be allocated to the activities described above according to the Company's operational requirements.

1.6 Renounceable Offer – dealing with Rights

The Offer is renounceable. This means that Eligible Shareholders may sell their Rights under this Offer. You may offer to sell your Rights on ASX or transfer them to another person.

Rights trading commences on ASX on 24 August 2015 and is expected to end on 2 September 2015. There is no guarantee that you will be able to sell all or part of your Rights on ASX or that any particular price will be available at which the Rights can be sold.

Options	Action
Selling all of your Rights on ASX	<p>If you wish to sell your Rights on ASX, please contact your stockbroker.</p> <p>You do not need to return your Entitlement and Acceptance Form to the Share Registry if you sell all of your Rights on ASX.</p>
Selling some of your Rights on ASX and taking up the balance of your Rights	<p>If you wish to sell some of your Rights on ASX and take up the balance of your Rights, please:</p> <ul style="list-style-type: none"> • contact your stockbroker in relation to the sale; and • follow the instructions in Section 3.2 of this Offer Document and on the Entitlement and Acceptance Form to accept the balance of your Rights.
Transferring all or part of your Rights to another person	<p>You may elect to transfer all or part of your Rights to another person other than on ASX provided that the purchaser is not an Excluded Shareholder or would not be an Excluded Shareholder if the purchaser was the registered holder of the Shares.</p> <p>If you wish to transfer all or part of your Rights to another person other than on ASX forward a completed standard renunciation form (available from your stockbroker or the Share Registry) together with your Entitlement and Acceptance Form completed by the transferor and transferee to the Share Registry so that it is received no later than 5.00pm (Perth time) on 9 September 2015 and arrange for payment of the amount of the Application Monies in accordance with Section 3 of this Offer Document.</p>

1.7 Closing Date

The Company will accept applications under the Offer from the date of this Offer Document until 5.00pm (Perth time) on 9 September 2015 (or such other date determined by the Directors in their discretion subject to the requirements of the Corporations Act, the ASX listing rules and any other applicable law).

1.8 Your entitlement under the Offer

Your entitlement to participate in the Offer is shown by the number of Rights on the accompanying Entitlement and Acceptance Form and has been calculated based on one (1) New Share for every six (6) Shares you hold at the Record Date.

Fractional rights have been rounded up to the nearest whole number.

If you have more than one holding of Shares, you will be sent separate personalised Entitlement and Acceptance Forms and will receive a separate entitlement for each holding.

1.9 Eligibility to participate in the Offer

The Offer is made to Eligible Shareholders only.

Eligible Shareholders are those Shareholders who at the Record Date have a registered address listed on the Company's share register in Australia or New Zealand.

The Offer is not extended to Shareholders who do not meet this criteria.

1.10 Excluded Shareholders

Shareholders who do not meet the criteria to participate in the Offer are Excluded Shareholders. Excluded Shareholders are not entitled to participate in the Offer to subscribe for New Shares.

The Company has made this decision taking into account the number of Shareholders located outside of Australia and New Zealand, the number and value New Shares to which those Shareholders would otherwise be entitled and the potential cost of complying with the legal requirements and regulatory requirements in those overseas jurisdictions.

The Company has appointed Patersons Securities Limited to be a nominee for Excluded Shareholders to arrange for the sale of the Rights on ASX which would have been offered to the Excluded Shareholders had they been entitled to participate in the Offer and to account to the Excluded Shareholders for the net proceeds. There is no guarantee that these Rights will be sold on ASX or that any particular price will be available at which the Rights can be sold.

1.11 Nominees, custodians and trustees

Persons acting as nominees, trustees, or custodians for other persons must not take up any Rights on behalf of, or send any documents related to the Offer to, any person in any jurisdiction where it is unlawful to do so, or to any person that is acting for the account or benefit of a person in any jurisdiction where it is unlawful to do so. By applying for New Shares, including submitting an Entitlement and Acceptance Form or making a payment using BPAY® you represent and warrant this is the case.

The Company is not required to determine whether or not a registered holder or investor is acting as a nominee, trustee or custodian or the identity or residence of any beneficial holder of Shares. Where any person is acting as a nominee, trustee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Offer by the beneficiary complies with applicable laws.

1.12 Shortfall Offer

Any New Shares not subscribed for under the Offer will form the Shortfall and will be offered under the Shortfall Offer.

The Shortfall Offer is a separate offer under this Offer Document. The issue price of the New Shares forming the Shortfall is 2.1 cents (equal to the issue price under the Offer).

Eligible Shareholders who take up their Rights in full may also apply for additional New Shares forming part of the Shortfall (**Shortfall Shares**) at an offer price of \$0.021 (2.1 cents) per New Share (being the same as the Offer Price under the Offer). 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.

Eligible Shareholders can apply for any number of Shortfall Shares provided that the issue of those New Shares will not result in a breach of the ASX listing rules, the Corporations Act or any other applicable law. Shortfall Shares will only be available where there is a shortfall between the number of New Shares applied for under the Offer and the number of New Shares offered to Eligible Shareholders under the Offer.

Eligible Shareholders who wish to apply for Shortfall Shares must do so at the same time as they apply for New Shares under the Offer. For information about how to apply for Shortfall Shares, please refer to Section 3.2 of this Offer Document.

If applications for additional New Shares forming part of the Shortfall exceed the Shortfall, those applications will be scaled back in proportion to each applicant's Shareholding at the Record Date.

If scaling back occurs the Company will refund the Application Money for the New Shares applied for, but not issued, as soon as possible after the Closing Date without interest. There is no guarantee the Eligible Shareholders will receive any or all of any additional New Shares applied for.

The Directors, in conjunction with the Underwriter, reserve the right to allocate Shortfall Shares in a different manner in their absolute discretion, subject to the ASX listing rules and any restrictions under applicable law within 3 months of the close of the Offer. For the avoidance of doubt, the Directors, in conjunction with the Underwriter, will have discretion as to how to allocate the Shortfall.

As at the date of this Offer Document the Company has received firm commitments in respect of \$650,000 of any Shortfall.

The Company will not allocate Shortfall Shares to the extent that the recipient's voting power would be in breach of the takeover thresholds in the Corporations Act.

The Shortfall Offer will open on 31 August 2015 and will close on 9 September 2015, being the same dates as the Offer. Subject to compliance with the ASX listing rules and the Corporations Act (as relevant), the Company reserves the right to close the Shortfall Offer early or to extend the Closing Date.

2. Effect of the Offer

2.1 Effect on cash reserves

If all of the Rights under the Offer are accepted, the cash reserves of the Company will increase by \$1,983,181 (approximately) before costs of the Offer.

2.2 Effect on capital structure upon completion of the Offer

If all of the Rights under the Offer are accepted, the total number of Shares on issue will increase by up to 94,437,193 (approximately) immediately following completion of the Offer.

Security	Number as at the date of this Offer Document	Number following completion of Offer ¹
Shares	566,623,160	661,060,353
Options ²	42,150,000	42,150,000
Warrants ³	45,000,000	45,000,000
Convertible Notes ⁴	2,000,000	2,000,000

Note:

1. Assumes that no Options or Warrants are exercised before the Record Date, and no Convertible Notes are converted into Shares. Assumes full subscription under the Offer and that 94,437,193 New Shares are issued.
2. There are three series of Options with different expiry dates and exercise prices, comprising 8,000,000 quoted Options exercisable at 20 cents each on or before 30 November 2015, 18,700,000 unquoted Options exercisable at 6 cents each on or before 30 November 2015, and 15,450,000 Options exercisable at 10 cents each on or before 30 November 2016.
3. Warrants are exercisable at 3.25 cents each on or before 7 August 2018.
4. Each Convertible Note has a face value of \$1, and is convertible into Shares at the lower of 2.1 cents per Share and 80% of the 30-day VWAP of the Share price prior to conversion.

2.3 Effect on capital structure assuming completion of the Squadron Transaction

On 17 July 2015 the Company announced to ASX that it had agreed the terms of the funding of up to \$7.3 million from Squadron, part of the Minderoo Group, which represents the philanthropic and commercial interests of Andrew and Nicola Forrest (**Squadron Transaction**).

The Squadron Transaction includes:

- (a) the issue of 2,000,000 interest-free Convertible Notes to Squadron for \$2million, convertible to Shares at a price which is the lower of 2.1 cents or 80% of the 30-day VWAP as at the date notice of conversion is given;
- (b) the issue to Squadron of 45,000,000 Warrants exercisable at 3.25 cents each;
- (c) the issue to Squadron of 47,619,048 Shares at 2.1 cents per Share; and
- (d) the issue to Squadron of 26,428,572 Options exercisable at 3.25 cents each,

subject to shareholder approval of various matters, including issue of the Shares and Options referred to above, with such approval to be sought at the Company's forthcoming annual general meeting.

On 6 August 2015 the Company announced to ASX that it had executed definitive documentation in respect of the transactions comprising the Squadron Transaction. The Warrants and Convertible Notes referred to above were issued to Squadron on 7 August 2015.

The capital structure of the Company following completion of the Offer and the transactions proposed by the Squadron Transaction (assuming shareholder approval is obtained) is set out below:

Security	Number as at the date of this Offer Document	Number following completion of Offer and Squadron Transaction ¹
Shares	566,623,160	708,679,401
Options ²	42,150,000	68,578,572
Warrants ³	45,000,000	45,000,000
Convertible Notes ⁴	2,000,000	2,000,000

Note:

1. Assumes that no Options or Warrants are exercised before the Record Date, and no Convertible Notes are converted into Shares. Assumes full subscription under the Offer and that 94,437,193 New Shares are issued.
2. There are three current series of Options with different expiry dates and exercise prices, comprising 8,000,000 quoted Options exercisable at 20 cents each on or before 30 November 2015, 18,700,000 unquoted Options exercisable at 6 cents each on or before 30 November 2015, and 15,450,000 Options exercisable at 10 cents each on or before 30 November 2016. Under the Squadron Transaction the Company is proposing to issue a further 26,428,572 Options exercisable at 3.25 cents with an expiry date of 3 years from the date of issue.
3. Warrants are exercisable at 3.25 cents each on or before 7 August 2018.
4. Each Convertible Note has a face value of \$1, and is convertible into Shares at the lower of 2.1 cents per Share and the 5-day VWAP of the Share price prior to conversion; if the 5-day VWAP is applied.

2.4 Effects on control

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:

- 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 Bunnberg, 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 Bunnberg 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.

3. How to accept your entitlement under the Offer

3.1 Your options

The number of your Rights are shown on the accompanying Entitlement and Acceptance Form. Before taking any action in relation to the Offer, you should read this Offer Document in its entirety and if required seek professional advice from your accountant, stockbroker or other professional adviser.

You will be sent more than one personalised Entitlement and Acceptance Form if you have more than one holding of Shares. You need to complete each Entitlement and Acceptance Form and make payment of the applicable Application Money for each separate holding.

Options	Action
Take up all or part of your Rights	<p>Please follow the instructions in Section 3.2 of this Offer Document and on the Entitlement and Acceptance Form and to accept all or part of your Rights. Either:</p> <ul style="list-style-type: none">• complete and return the Entitlement and Acceptance Form together with a cheque, bank draft, or money order for the applicable amount of Application Money (for the number of New Shares you wish to apply for) so that it is received by the Closing Date; or• make payment for the applicable amount of Application Money (for the number of New Shares you wish to apply for) using BPAY® so that it is received by the Closing Date. If you use BPAY® you do not need to complete and return the Entitlement and Acceptance Form. <p>If you only take up part of your Rights, you can deal with the balance of your Rights or allow them to lapse. Please refer to Section 0 of this Offer Document if you wish to deal with the balance of your Rights.</p>
Take up all of your Rights and apply for additional New Shares forming part of the Shortfall	<p>If you accept all of your Rights you may also elect to apply for additional New Shares forming part of the Shortfall (Shortfall Shares).</p> <p>Please follow the instructions in Section 3.2 of this Offer Document and on the Entitlement and Acceptance Form to accept all of your Rights and to apply for Shortfall Shares. Either:</p> <ul style="list-style-type: none">• nominate the number of New Shares you wish to apply on the Entitlement and Acceptance Form where indicated and return the completed form together with a cheque, bank draft, or money order for the applicable amount of Application Money (for your Rights plus the number of Shortfall Shares you wish to apply for) so that it is received by the Closing Date; or• make payment of the applicable amount of Application Money (for your Rights plus the number of Shortfall Shares you wish to apply for) using BPAY® so that it is received by the Closing Date. If you use BPAY® you do not need to complete and return the Entitlement and Acceptance Form. <p>Further information about the Shortfall and the allocation policy for the issue of Shortfall Shares under the Shortfall is set out in Section 1.12 of this Offer Document.</p>
Do nothing	<p>You do not need to take any action if you do not wish accept any of your Rights or deal with your Rights.</p> <p>If you do nothing then your Rights will lapse. The New Shares not applied for will form part of the Shortfall.</p>

3.2 How to apply

To take up all or part of your Rights or to apply for additional New Shares forming part of the Shortfall you can accept the Offer by making payment by cheque, draft or money order or using BPAY®.

Cash payments are not accepted.

(a) Acceptance and payment by cheque, bank draft or money order

Please send your completed Entitlement and Acceptance Form to the following address so that it is received by no later than the Closing Date (5.00pm (Perth time) on 9 September 2015).

By mail to the Company's Share Registry:

Computershare Investor Services Pty Ltd
GPO Box 505
Melbourne Victoria 3001

The Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order for the applicable Application Money. The payment must be in Australian currency and drawn on an Australian bank for the Offer Price multiplied by the number of New Shares you are applying for (including any Shortfall Shares). Cheques must be made payable to "Impact Minerals Limited" and crossed Not Negotiable.

If the amount of the your cheque, bank draft or money order is insufficient to pay for the full number of New Shares you have applied for, you will be taken to have applied for the lower number of New Shares as your cleared Application Money will pay for. Alternatively, your application may not be accepted and your Application Money will be refunded to you without interest.

(b) Acceptance and payment using BPAY®

For payment using BPAY®, please follow the instructions on your Entitlement and Acceptance Form (which includes the Biller Code and your Customer Reference Number). You can only make a payment using BPAY® if you are a holder of an account with an Australian financial institution that supports BPAY® transactions.

Your payment must be received by no later than the Closing Date (5.00pm (Perth time) on 9 September 2015). You should take into consideration that your financial institution may implement earlier cut-off times for electronic payment when making payment to ensure that it is received by the Closing Date.

Please note that if you wish to pay using BPAY®:

- you do not need to submit your Entitlement and Acceptance Form but are taken to have made the declarations on that form;
- if you do not pay for all of your Rights, you are deemed to have taken up your Rights in respect of the whole number of New Shares which is covered in full by your Application Money; and

- if you pay an amount in excess of the amount representing all of your Rights, you will be deemed to have applied for the number of Shortfall Shares which that excess represents.

You must ensure that you use the specific Biller Code and Customer Reference Number on your Entitlement and Acceptance Form. Your application may not be accepted if you choose to pay using BPAY® and you do not use the correct Biller Code and/or Customer Reference Number. The Customer Reference Number is used to identify your holding. If you have more than one holding of Shares you will receive multiple Customer Reference Numbers. You must use each Customer Reference Number shown on each Entitlement and Acceptance Form to pay for each holding separately.

3.3 Application Money and refunds

Application Money will be held on trust for applicants until New Shares are issued under this Offer Document.

Any Application Money received in excess of your final allocation of New Shares (including any Shortfall Shares) will be refunded as soon as possible after issue. If the Offer is withdrawn, all Application Money will be refunded as soon as possible. Refund payments will be by cheque made payable to the registered holder and will be sent to the address last recorded on the Company's register of shareholders.

No interest will be paid to applicants on any Application Money which is refunded and any interest earned on Application Money will belong to the Company.

3.4 Effect of taking up your Rights

Submitting an Entitlement and Acceptance Form or making payment using BPAY® constitutes a binding offer to acquire New Shares on the terms and subject to the conditions set out in this Offer Document and, once lodged, cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding.

If an Entitlement and Acceptance Form is not completed or submitted correctly it may still be treated as a valid application. The Company's decision whether to treat an application as valid and how to construe, amend or complete or submit the application is final.

The Company reserves the right (in its sole discretion) to:

- (a) reject any application that it believes comes from a person who is not an Eligible Shareholder; and
- (b) reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Offer proves to be false, exaggerated or unsubstantiated.

3.5 ASX quotation

The Company has applied to ASX for quotation of the New Shares. If ASX does not grant quotation to the New Shares then the Company will not issue any of the New Shares and will refund all Application Money without interest.

3.6 Issue of New Shares

The Company expects to issue the New Shares under the Offer on 16 September 2015 and send holding statements for the New Shares on that date. The New Shares will not be issued until ASX grants permission for quotation of the New Shares.

It is your responsibility to determine your holdings before trading in New Shares. Any person who sells New Shares before receiving confirmation of their holding will do so at their own risk.

The Directors reserve the right not to proceed with the whole or any part of the Offer at any time before the issue of New Shares. In that event, all Application Money will be refunded without interest.

3.7 Enquiries concerning your Rights

If you have any queries concerning your Rights, please contact the Company's Share Registry using the details below:

Computershare Investor Services Pty Ltd
Phone number: 1300 787 272

4. Risk Factors

4.1 Company specific risks

The following risks have been identified as being key risks specific to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and price of its securities.

Future capital requirements

The continued operations of the Company are dependent on its ability to obtain equity financing or generating sufficient cash flows from future operations. On 17 July 2015 the Company announced an agreement for funding of up to A\$7.3 million from Squadron Resources Pty Ltd, the private investment vehicle of the Minderoo Group. Shareholder approval is required for the Company to issue some of the securities to Squadron Resources Pty Ltd under the agreement in exchange for funds. If shareholder approval is not obtained then the investment by Squadron Resources Pty Ltd may not proceed on the terms agreed.

If this occurs there is a risk that the Company will not be able to access capital from equity markets (or via any other forms of available financing) for its existing or future projects or developments, which could have a material adverse impact on the Company's business and financial condition.

Exploration

The success of the Company depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

The actual costs of exploration may materially differ from those estimated by the Company. No assurance can be given that the cost estimates and the underlying assumptions used as a basis for those estimates will be realised in practice, which may materially and adversely affect the Company's viability.

Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value.

Key personnel

Recruiting and retaining qualified personnel is important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance that there will be no detrimental impact on the Company if such persons employed, cease their employment with the Company.

Commodity price fluctuations

In the event of exploration and development success, any future revenue derived through the future sale of copper, gold, nickel and platinum group elements exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for such commodities, forward selling by producers and the level of production costs. Moreover, prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, these commodities.

4.2 Mining industry risks

Mineral exploration and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which, by their nature, are subject to a number of inherent risks, including the following:

Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

Mining and development risks

Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

Title risks

Impact Minerals has in place both internal and external land management and land monitoring to ensure appropriate objections are lodged and protection of the leases is maintained.

Environmental risks

The operations and activities of the Company are subject to its environmental laws and regulations. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Joint venture parties, agents and contractors

There is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party, or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the

insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

Competition

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other causes, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

4.3 General investment risks

Stock market conditions

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the Offer Price for the Shares.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

Liquidity risk

There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the Offer Price.

Securities investment risk

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

Other risks

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk, and other matters that may interfere with the business or trade of the Company.

5. Additional Information

5.1 The Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX listing rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise as well as the lodgement of yearly and half-yearly financial statements, audit or review reports and quarterly reports.

The Company is required to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions. That information is available to the public from the ASX (www.asx.com.au) and the Company's website (www.impactminerals.com.au).

5.2 Underwriting Agreement

The Company and Patersons Securities Limited (**Underwriter**) have entered into an underwriting agreement (**Underwriting Agreement**) pursuant to which the Underwriter has agreed to partly underwrite the Offer at \$0.021 (2.1 cents) per Share for the first 61,904,762 New Shares (being an underwritten amount for the first \$1,300,000). The Underwriter's obligation to subscribe for the Shortfall will be reduced by the number of Rights taken up under the Offer and the Subscription Agreements.

The Underwriter will be paid an underwriting fee of \$50,000, and a corporate advisory fee of \$40,000. In addition, the Company must pay or reimburse the Underwriter for its reasonable costs, professional fees and expenses in relation, and incidental, to the Offer.

The Underwriter may terminate its obligations immediately by written notice to the Company in the following circumstances (where not defined in this Offer Document, capitalised terms are defined in the Underwriting Agreement):

- (a) (**Indices fall**): any of the All Ordinaries Index or the ASX 200 Materials Index as published by ASX is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement;
- (b) (**Share price**): the closing prices of Shares traded on ASX at any time after the date of the Underwriting Agreement is lower than \$0.021 (2.1 cents);
- (c) (**Announcement**): the Company does not lodge an announcement, the rights issue notice to the ASX, together with an appendix 3B by 5.00pm on the lodgement date;
- (d) (**No Official Quotation**): ASX has advised the Company that it will or may not grant Official Quotation on or prior to 11 September 2015;
- (e) (**Squadron Agreements**): the Squadron Agreements are breached, not complied with in accordance with its terms, terminated, modified, amended, or avoided in any way;
- (f) (**Subscription Agreements**): subscription agreements by investors for part of the Shortfall are breached, not complied with in accordance with their terms, terminated, modified, amended or avoided in any way or due performance of its terms is not completed before the shortfall settlement date

- (g) **(Misleading Rights Issue Documentation):** it transpires that there is a material statement in the Rights Issue Documentation that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Rights Issue Documentation or if any statement in the Rights Issue Documentation becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Rights Issue Documentation is or becomes misleading or deceptive or likely to mislead or deceive;
- (h) **(Breach of Material Contracts):** any of the material contracts or contracts described in the Rights Issue Documentation is breached, not complied with according to its terms, terminated or substantially modified;
- (i) **(Restriction on allotment):** the Company is prevented from allotting the New Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (j) **(ASIC or other prosecution):** ASIC gives notice in writing of any deficiency in the Rights Issue Documentation or related documents which is not remedied to the satisfaction of ASIC and the Underwriter or ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the Offer or the Company;
- (k) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act;
- (l) **(Authorisation)** any authorisation which is material to anything referred to in in the Rights Issue Documentation is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (m) **(Indictable offence):** a director or senior manager of the Company or any of its subsidiaries is charged with an indictable offence;
- (n) **(Termination Events):** any of the following events occurs:
 - (i) **(Default):** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking, provided, however, if such default can be rectified the Company fails to rectify the same within 2 business days of written notice of such default;
 - (ii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in the Undertaking Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of constitution or Act):** a contravention by the Company or any of its subsidiaries of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(Adverse change):** an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Undertaking Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;

- (v) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
- (vi) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer;
- (vii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the issue of New Shares or the affairs of the Company or any of its subsidiaries is or becomes misleading or deceptive or likely to mislead or deceive;
- (viii) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation" within the Listing Rules;
- (ix) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (i) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs;
- (x) **(Event of Insolvency)**: an event of insolvency occurs in respect of the Company or any of its subsidiaries;
- (xi) **(Judgment against the Company or any of its subsidiaries)**: a judgment in an amount exceeding \$200,000 is obtained against the Company or any of its subsidiaries and is not set aside or satisfied within 7 days;
- (xii) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or threatened against the Company or any of its subsidiaries, other than any claims foreshadowed in the Rights Issue Documentation;
- (xiii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of the Company or any of its subsidiaries or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or any of its subsidiaries;
- (xiv) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 3 business days (as defined in the Listing Rules) and the Underwriter has not given its prior written consent agreeing to a delay exceeding 3 business days (such consent not to be unreasonably withheld or delayed);
- (xv) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xvi) **(Certain resolutions passed)**: the Company or any of its subsidiaries passes or takes any steps to pass a resolution under section 254N,

section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;

- (xvii) **(Capital Structure)**: the Company or any of its subsidiaries alters its capital structure in any manner not contemplated by the Offer;
- (xviii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or any of its subsidiaries;
- (xix) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world, provided that such circumstance is not existing at the date of the Underwriting Agreement;
- (xx) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs; or
- (xxi) **(Suspension)**: the Company is removed from the Official List or the Shares become suspended from Official Quotation and that suspension is not lifted within 24 hours following such suspension.

The Underwriter may not exercise its rights under item (q) above unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a termination event has or is likely to have, or two or more termination events together have or are likely to have:

- (a) a material adverse effect; or
- (b) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

5.3 Estimated expenses of the Offer

The estimated expenses of the Offer are \$120,000. These costs include ASX fees, legal costs, underwriting fees and expenses, printing, postage and share registry costs.

5.4 Privacy

If you apply for New Shares, you are providing information to the Company that may be personal information for the purposes of the *Privacy Act 1988* (Cth). The Company (and the Share Registry on its behalf) collects, holds and uses personal information in order to assess applications for New Shares, service the needs of Shareholders, and provide facilities and services and to administer the Company.

Access to information may also be provided to the Company's related bodies corporate, agents and service providers, regulatory bodies, mail houses and the Share Registry.

If you do not provide the information requested of you in the Entitlement and Acceptance Form, the Share Registry will not be able to process your application for New Shares or administer your holding of Shares appropriately.

5.5 Governing law

The Offer Document, the Offer and the contracts formed on acceptance of applications are governed by the laws applicable in Western Australia, Australia. Each applicant submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

6. Definitions

Terms and abbreviations used in this Offer Document have the following meaning:

Application Money	Money paid by applicants for New Shares under the Offer and the Shortfall Offer.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.
ASX listing rules or Listing Rules	The listing rules of ASX as waived or modified from time to time.
Board	The board of directors of the Company.
Business Day	Has the meaning given to it in the ASX listing rules.
Closing Date	The time the Offer closes, being 5.00pm (Perth time) on 9 September 2015 (unless extended).
Company or Impact	Impact Minerals Limited (ACN 119 062 261).
Convertible Notes	The convertible notes issued by the Company to Squadron pursuant to the Squadron Agreement as described in Section 2.3.
Corporations Act	<i>Corporations Act</i> 2001 (Cth).
Director	A director of the Company.
Eligible Shareholder	A Shareholder who is eligible to participate in the Offer as set out in Section 1.9 of this Offer Document.
Entitlement and Acceptance Form	The entitlement and acceptance form that accompanies this Offer Document.
Excluded Shareholder	A Shareholder determined by the Company who is not an Eligible Shareholder.
New Shares	A Share offered under this Offer Document.
Offer	The pro rata renounceable rights issue offering Eligible Shareholders one (1) New Share for every six (6) Shares held at the Record Date for the Offer Price.
Offer Document	This offer document dated 19 August 2015 for the Offer.
Offer Price	The price payable per New Share under the Offer being \$0.021 (2.1 cents) per New Share.
Option	An option issued by the Company entitling the holder to subscribe for a Share.

Prescribed Occurrence	<p>The Company or one of its subsidiaries:</p> <ul style="list-style-type: none"> (a) converting all or any of its shares into a larger or smaller number of shares; (b) resolving to reduce its share capital in any way; (c) entering into a buy back agreement; (d) resolving to approve the terms of a buy back agreement under section 257C or 257D of the Corporations Act; (e) making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than: an issue or grant of (or an agreement to issue or grant) options disclosed to the Underwriter prior to the date of the Underwriting Agreement; and an issue or grant of (or an agreement to issue or grant) options pursuant to any employee share option plan or equivalent in place as at the date of the Underwriting Agreement; <ul style="list-style-type: none"> (a) issuing, or agreeing to issue, convertible notes; (b) disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property; (c) charging, agreeing to charge, the whole, or a substantial part, of its business or property; (d) resolving that it be wound up; (e) executing a deed of company arrangement; or <p>any one of the following occurring with respect to the Company or one of its subsidiaries:</p> <ul style="list-style-type: none"> (a) the appointment of a liquidator, provisional liquidator or administrator; (b) the making of an order by a court for winding up; (c) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the relevant company.
Record Date	5.00pm (Perth time) on 26 August 2015.
Right	The right of an Eligible Shareholder to apply for a New Share under the Offer.
Rights Issue Documentation	<p>means:</p> <ul style="list-style-type: none"> (a) the initial ASX announcement referring to the Offer, the Appendix 3B, the notice given to ASX in accordance with Section 708AA of the Corporations Act; and (b) this Offer Document, and the Entitlement and Acceptance Form.

Share	A fully paid ordinary share in the capital of the Company.
Share Registry	Computershare Investor Services Pty Limited (ACN 078 279 277).
Shareholder	A registered holder of Shares.
Shortfall	The number of New Shares not applied for under the Offer before the Closing Date.
Shortfall Offer	The offer of New Shares comprising the Shortfall under this Offer Document.
Shortfall Shares	New Shares not applied for under the Offer before the Closing Date.
Squadron	Squadron Resources Pty Ltd (ACN 604 832 751).
Squadron Agreement	The agreement between the Company and Squadron dated 5 August 2015 whereby Squadron agreed to invest funds on the terms and conditions contained therein.
Underwriter	The underwriter to the Offer, being Patersons Securities Limited (ACN 008 896 311), AFSL 239 052.
VWAP	volume weighted average price.
Warrant	A warrant issued by the Company entitling the holder to subscribe for a Share.