



Impact Minerals (ASX: IPT)

Impact likes jam in the doughnut

It has been a difficult couple of years for mineral explorers but well-regarded Impact Minerals (ASX: IPT) is set for exciting times ahead: hunting potential gold-copper elephants in New South Wales by way of a major drilling program. *By Stephen Bell*

STARTING IN MID-MAY the company plans to drill between 10 and 12 priority targets - out of more than 30 generated so far - across four prospects at its Commonwealth project near Orange.

Impact has an exploration target of more than one million gold equivalent ounces at Commonwealth from multiple targets identified at depth and along trend from the known resource as well as new, untested targets discovered by geophysics and soil geochemistry over an area of eight square kilometres and growing.

In all the company boasts 50 kilometres of strike potential for two types of deposits: volcanogenic massive sulphides analogous to a Woodlawn-style orebody and porphyry copper gold style similar to Cadia-Ridgeway.

Impact Minerals managing director Dr Mike Jones told The Resources Roadhouse the company is well-placed to fund and execute the exciting May drill program.

"One of the things that set us apart over the last couple of years is that we have actually maintained our exploration activity, and as a result have been able to sustain a good share price and market cap in that period," he said.

"The majority was focused on the Broken Hill nickel-copper-PGE project, but is now increasingly on Commonwealth, the gold, silver, lead-zinc and copper project - both in New South Wales.

"We've generated some very high-grade drill results for those metals on both of the projects and we are now entering a phase of significant follow-up drilling, starting



at Commonwealth and then back to Broken Hill later in the year."

The company plans to drill up to 3000m of reverse circulation and diamond drill holes to test as many as a dozen targets at Commonwealth.

The work is expected to begin immediately following the closure of Impact's \$1 million Share Purchase Plan on or around May 16.

"We do have good money in the bank already but we wanted to give shareholders an opportunity to participate in what we think is potentially the most exciting drill program we've ever had at Impact," Jones explained.

"We're looking for extensions to the known deposit and resource at Commonwealth, and we have new targets to follow up at Silica Hill, Welcome Jack and The Doughnut.

"They all occur within a three kilometre radius of Commonwealth itself and there are indications that they could be part of one large, mineralised system."

Impact has generated strong Induced Polarisation(IP) and soil geochemical anomalies from its

surveys over a large area of about 8 square kilometres.

"It all looks like it might be related to one large porphyry copper-gold system, and we think that might be in the centre of the Doughnut - the jam in the middle," Jones continued.

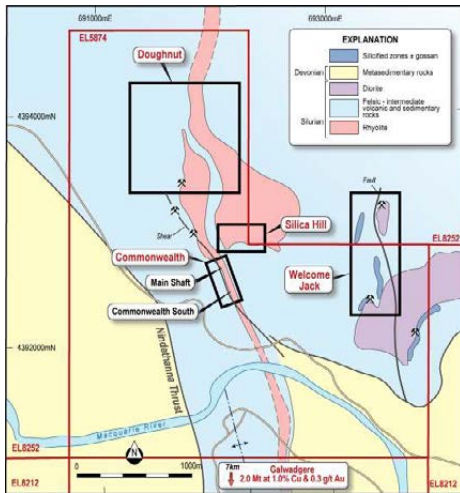
"It's called the Doughnut because of the circular type of soil geochemistry pattern that you get over porphyries, and we potentially might have that.

"These geological tell-tale signs are possibly related to a concentric set of fractures around the core of the buried porphyry.

"That's where fluids leak out of and commonly over the very top of the porphyry you might not get a very strong geochemical or geophysical response at all."

Several exciting targets have been generated at depth and around the known deposit at Commonwealth, where Impact has defined an initial inferred resource of about 100,000 gold equivalent ounces at a grade of 4.5 grams per tonne from surface.

This is an encouraging start to the project, as a potential starter pit with



early payback may already have been found.

On April 18, Impact said that a re-interpretation of Induced Polarisation (IP) geophysical data at Commonwealth identified three new targets at the Silica Hill prospect and two new targets close to the Commonwealth deposit.

At Silica Hill, the company refined the position of three very strong chargeability anomalies.

These are, in part, coincident with a strong gold-silver-lead-in-soil anomaly with associated molybdenum, arsenic, thallium, mercury and selenium that covers many hundreds of square metres and is open to the northwest and northeast.

Meanwhile, at the southern end of the identified deposit, at Commonwealth South, mineralisation dominated by disseminated iron, zinc and lead sulphides was identified in the IP data.

A strong IP anomaly extends below the drilled boundary of the resource and is in part coincident with an interpreted down plunge extension of the deposit.

In addition a strong IP anomaly occurs about 200m west of the deposit in an area that has not been previously drilled.

“These two targets, which are in addition to other new targets recently identified in drill assay data and ground gravity data, will also be tested in the drill program,” Jones said.

Impact is continuing to generate more targets at the two other prospects, which are likely to be revealed leading up to the May drill program.

If the Commonwealth program turns up encouraging drill results, Impact is likely to be in the enviable position of being well-funded for follow-up drilling later in the year at both its NSW projects.

That’s courtesy of last year’s investment by Munderoo, the private company owned by Andrew Forrest.

“It gives Munderoo the right to farm into either or both of the Commonwealth and Broken Hill projects once we’ve spent \$2.5 million on them, and we’ll reach that expenditure threshold at the end of the Commonwealth drill program,” Jones said.

“If they elect to proceed, they will spend another one million on each of the projects to earn a 19.9 per cent interest in both of them.

“So it is potentially two million in further funding.”

Although Commonwealth will be the priority in the near-term, Impact is still keen to commence follow-up work on the highly-promising drill hits from last year at Broken Hill.

Impact reported Drill Hole RHD012 at the Red Hill prospect intersected high grades of the rare platinum group metals rhodium, iridium, osmium and ruthenium over a 1.2m-side interval within an extremely high grade 3.5m wide intercept of palladium, platinum, gold, copper, nickel and silver.

The 3.5m interval, starting 50m below the surface, encountered 3.5m at 159g/t (5.3 ounces) of 6PGE+gold, 2.9 per cent nickel, 2.3 per cent copper and 14.5g/t silver.

“Impact hopes to return to its Broken Hill project later in the year to follow up these spectacular hits,” Jones said.

“We actually got the highest reported grades ever in Australia for a drill hole for platinum group metals.

“We’ve found the grades so it’s a matter of what tonnage we can find around it now.

“But if we could find more of that high-grade material, it wouldn’t take many tonnes to provide us with a mining operation.”

The exploration activities planned by Impact for the remainder of the year come amid a turnaround in market sentiment towards exploration companies, according to Jones.

“Things have picked up recently, people are raising money, especially with gold doing its thing,” he said.

“The last two months have seen a significant turnaround in the whole industry.

“There is a bit more confidence around that we’ve seen the worst.

“Hopefully this is the new normal.”

The Short Story

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