

ASX ANNOUNCEMENT

Date: 10 June 2020

Number: 679/100620

EXPANSION OF THE ARKUN Ni-Cu-PGE PROJECT EAST OF PERTH

- Three new Exploration Licence applications at Arkun covering a further 1,050 sq km for a total of 1,900 sq km 130 km east of Perth.
- Follows lodgement by Anglo American plc of 10,130 sq km of Exploration Licence applications surrounding Arkun lodged on the day of Impact’s first Arkun announcement (ASX Release 29th May 2020).
- Endorsement of the major mobile belt in the SW Yilgarn Terrane, interpreted as a deformed extension of terranes to the NE of Perth including the Julimar-Yarawindah-Moora Ni-Cu-PGE areas.

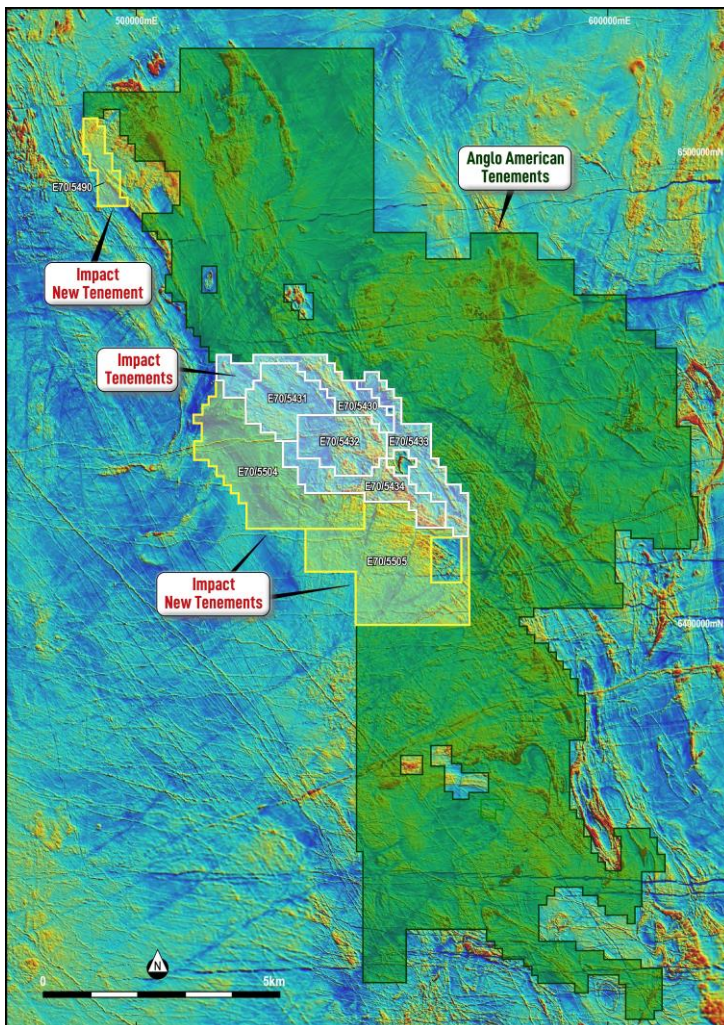


Figure 1. Impact Minerals and Anglo American plc Exploration Licence Applications at Arkun on an image of regional magnetic data.

Perth-based Impact Minerals Limited (ASX:IPT) is pleased to announce that the Company has significantly expanded its ground position at its new 100% owned Arkun project in the emerging new nickel-copper-platinum-metal-group metal province in the south west of Western Australia (Figure 1).

The expansion was prompted in part by the lodgement of Exploration Licence applications covering a vast area of some 10,130 square kilometres by Anglo American plc, one of the world’s leading mining companies and an active explorer for nickel-copper and platinum group metals. Anglo’s applications directly surround three sides of Impact’s Arkun project (Figures 1 and 2).

Anglo’s applications, which comprise one of the largest holdings by a single company in Western Australia, were lodged on the afternoon of 29 May 2020. This was shortly after Impact released its first announcement on Arkun that morning (ASX: IPT Release 29 May 2020).

Impact Minerals Limited Managing Director Dr Mike Jones said “We view the arrival of one of the world’s largest mining companies in the middle of the Western Australian wheatbelt as a very positive endorsement our exploration targeting criteria at Arkun. In addition, it is also an endorsement of the entire concept of a new emerging nickel-copper-PGE province in this part of WA thanks to the recent discoveries at Julimar and Yarawindah.”

“In addition we think it is also a direct recognition of the importance of the proposed mobile belt in this part of the State, a belt we have recently understood to be explored for diamonds in the past, and that we interpret to be a deep structure that may have tapped the mantle and allowed nickel-copper and platinum group metals to migrate into the crust.

“Such deep structures are critical components to the formation of major deposits like Nova-Bollinger and the recent discovery at Mawson. Impact is currently completing reconnaissance work along roads and tracks to move this exciting project forward before grant whilst waiting for statutory drilling approvals at our priority nickel-copper-PGE project at Broken Hill,” Dr Jones said.

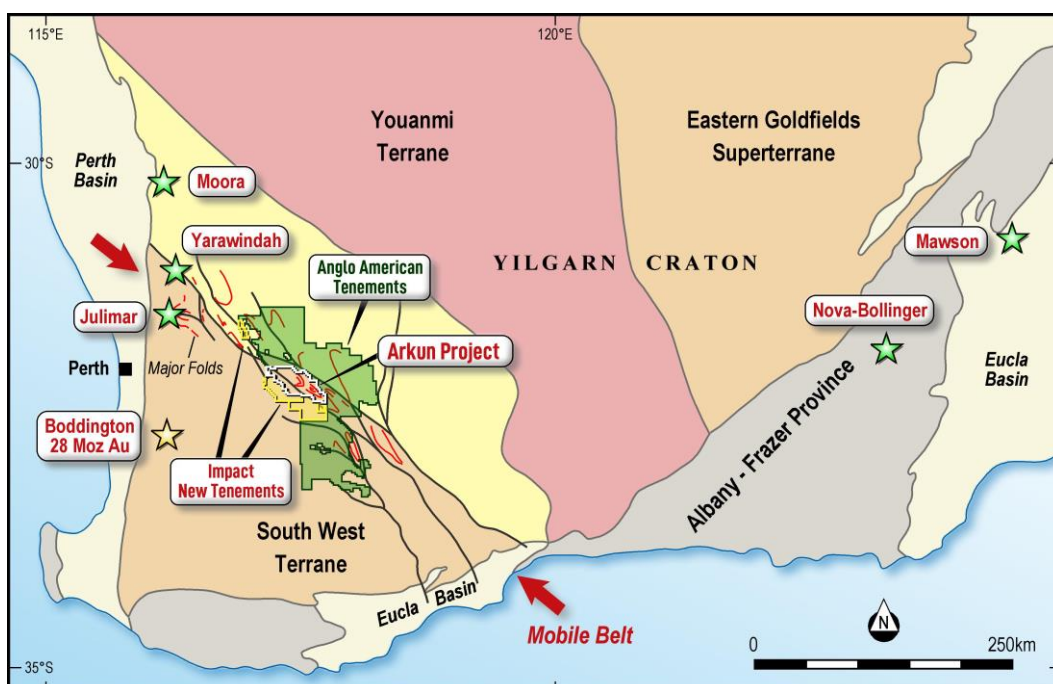


Figure 2. Location and Regional Geology of the Arkun Project and showing key nickel-copper-PGE deposits and recent discoveries.

About the Arkun Project

The Arkun project, which now covers about 1,900 square kilometres, is centred between York and Corrigin 130 km east of Perth and was first identified as an area of anomalous nickel-copper-gold anomalies in publicly available regional geochemistry data sets (ASX:IPT Release 29 May 2020).

A subsequent interpretation of regional magnetic data by Impact has identified the area as lying within a major deformation zone or **mobile belt** that trends NW-SE from the Moora-Julimar-Yarawindah area through Arkun and which may contain deformed and metamorphosed equivalents of those rocks (Figures 2 and 3). This belt is generally not recognised in many regional geology maps and yet is self-evident in the magnetic data. This is a significant breakthrough in understanding for Impact.

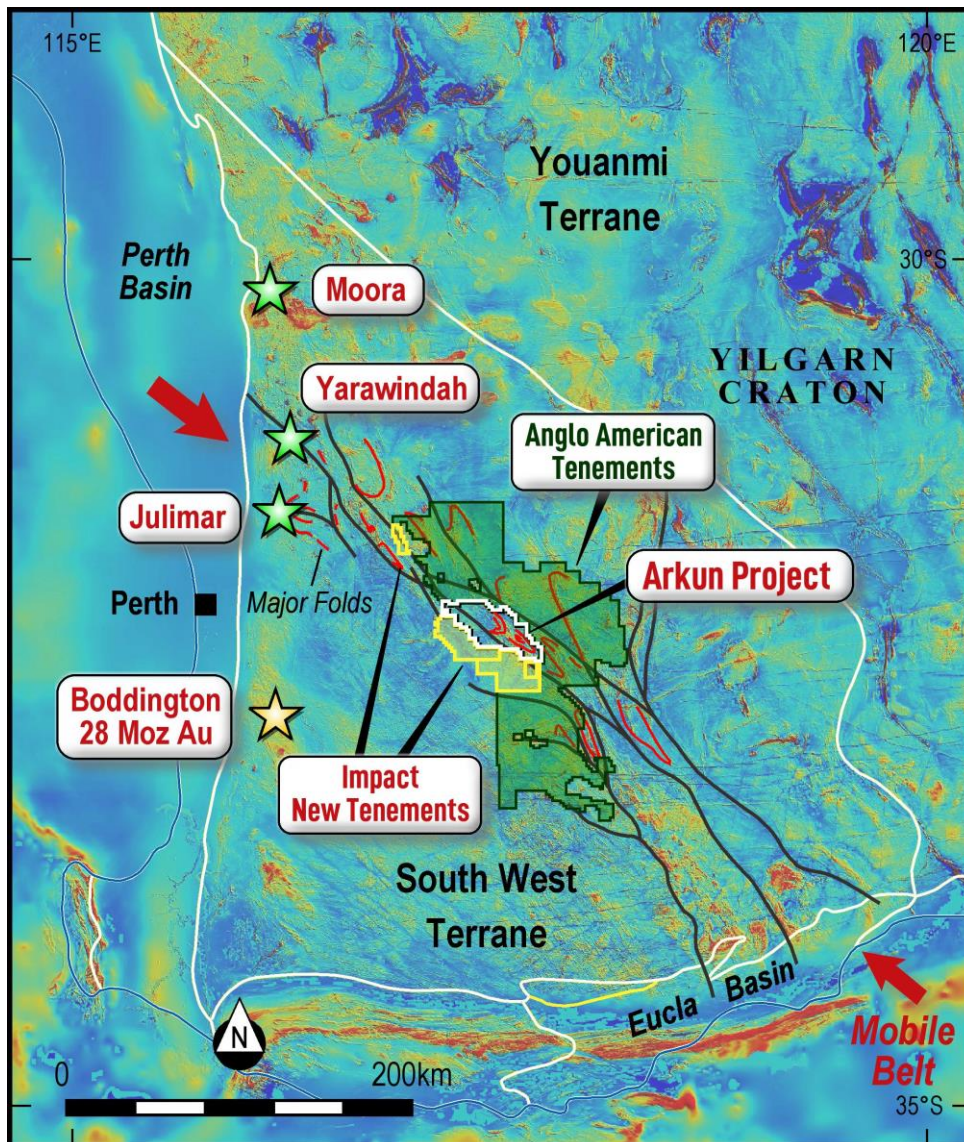


Figure 3. Regional magnetic image showing major structures in the South West Terrane of the Yilgarn Craton. The Julimar-Yarawindah-Moora area is at the north western end of the interpreted mobile belt.

The mobile belt is about 500 km long and up to 30 km wide, and is of a scale that suggests it may mark an ancient terrane boundary or proto-craton margin. Such geological provinces (of varying ages) are well known around the world as prospective terranes for hosting major nickel-copper-PGE deposits with examples such as Nova-Bollinger and Mawson (Proterozoic age – Figure 2), the Thomson fold belt in Canada and the recent discoveries at Yarawindah and Julimar in Western Australia (Figures 2 and 3).

In addition, the project is centred on a significant WNW-trending gravity high evident in regional gravity data and numerous “eye structures” in regional magnetic data similar to those at Nova-Bollinger. Such gravity and magnetic anomalies are used as targeting criteria for similar deposits throughout the Albany-Fraser Province and globally (ASX Release 29 May 2020).

Next Steps

The seven tenement applications (E70/5430-34, E70/5490 and E70/5504-05) are now pending grant, a process expected to take about 5 months. Impact has commenced reconnaissance work including field checking and rock chip sampling along gazetted roads and tracks to help accelerate exploration prior to grant.

In addition, an interpretation of the surface geology will be completed to assess the effectiveness of the previous soil geochemistry surveys to determine the best surface geochemistry technique for the area. A detailed interpretation of the bedrock geology from the magnetic data will be completed to help identify other priority areas for follow up.

COMPLIANCE STATEMENT

This report does not contain any new Exploration Results.

Dr Mike Jones

Managing Director

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). Mike 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.