

## ASX ANNOUNCEMENT

Date: 31 October 2011

ASX: IPT

Number: 190/311011

### SEPTEMBER 2011 QUARTERLY REPORT SUMMARY

#### 1. URANIUM

- **Botswana (Africa, Impact 100%):**

Extensive exploration programme in progress on 16 priority targets;  
First pass RC drilling completed at three prospects. Further drilling contingent on pending assay results;

- **Sale of the Nowthanna Uranium Deposit**

Sale completed of Impact's 40% beneficial interest in the Nowthanna uranium deposit (100% of E51/1075 and 20% of E51/1072) to Toro Energy Limited;

Impact received \$713,000 cash and 5,485,000 shares in Toro;

#### 2. NICKEL-COPPER-PGE

- **Xade Ni-Cu-PGE Option Agreement, Botswana (Impact earning 51%)**

Airborne magnetic and radiometric survey was completed over the northern part of the Xade Complex. Initial interpretation of the data is in progress to identify areas for follow up work. Interpretation of the surface geology commenced.

- **Strategic Alliance with Impala Platinum Limited:**

Tenement applications lodged to secure a significant ground position over extensive outcrops of mineralised rock in southern Africa are still being assessed for grant.

- **Yarrabubba Nickel JV Project, WA (Impact 20%):**

The Statutory Approvals process for a drill programme at Target P1 for porphyry-style copper-molybdenum-gold mineralisation was completed in October. A drill rig is being sourced.

Market Cap

A\$8.1 m (0.069 p/s)

Issued Capital

117,403,328

#### Directors

Peter Unsworth  
Chairman

Dr Mike Jones  
Managing Director

Dr Rodney Fripp  
Executive Director

Paul Ingram  
Non-Executive Director

James Cooper-Jones  
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## 1. Botswana Uranium Project (Impact 100%)

Impact's Botswana Uranium Project comprises an extensive area of over 30,000 square kilometres of Prospecting Licences and applications that cover 450 km of the strike extensions of rocks that host many significant uranium deposits throughout southern Africa, including the adjacent uranium deposits owned by A-Cap Resources Limited at the Letlhakane Project near Serule (Figure 1).

Here A-Cap has reported a combined Indicated and Inferred Resource of 261 Mlb of uranium oxide at an average grade of 152 ppm at a cut-off grade of 100 ppm, in deposits hosted both by near-surface calcrete and by Karoo Supergroup sedimentary rocks. A feasibility study on the Letlhakane Project is in progress.

China Growth Minerals Limited, Impact's largest shareholder with 10.1%, also has a 16.1% shareholding in A-Cap.

Work by Impact has shown that Botswana Uranium Project is prospective for four types of uranium deposits:

- uranium hosted by calcrete and sand in Cainozoic palaeochannels, a style of mineralisation well known in Australia (such as Yeelirrie, >50,000 tonnes  $U_3O_8$ ) and Namibia (such as Langer Heinrich, >50,000 tonnes  $U_3O_8$ );
- deposits hosted by Karoo sedimentary rocks, which host a number of large uranium deposits throughout southern Africa, including at Letlhakane;
- deposits of uranium with associated rare earth oxides hosted by Proterozoic sedimentary and basement rocks with geological characteristics similar to those at and around the unconformity and basement-hosted uranium deposits in Proterozoic rocks in the Athabasca Basin (Canada) and the Pine Creek Geosyncline (Australia).

The known deposits of this style are high grade and are attractive exploration targets. The uranium mines of the Athabasca region collectively produce about 20% of the World's uranium. The uranium deposits mined historically, or currently being mined, range in size up to 450 Mlbs  $U_3O_8$  at an average grade of up to 19%  $eU_3O_8$ , as at the Cigar Lake Mine.

- Bulk-tonnage deposits of uranium hosted in leucocratic granite rocks ("alaskite") similar to the Rossing Mine in Namibia.

Impact made four modest uranium discoveries on its Botswana Uranium Project during its 2010 drill programme at **Lekobolo**, **Morolane** and **Mosolotsane** in Karoo rocks and at **Moiyabana** in Proterozoic basement rocks (Figure 1).

### Exploration During the Quarter

During the Quarter a significant exploration programme continued on 16 priority target areas in the southern part of the Botswana Uranium Project. Eight of the prospects are prospective for uranium deposits hosted by Karoo sedimentary rocks, five for uranium hosted by granite rocks and two particularly extensive areas comprising about 70 km of strike extent are prospective for uranium hosted by Proterozoic sedimentary rocks.

Reverse circulation (RC) drilling was completed at three priority drill targets, all located west of the town of Mahalapye (Figure 1).

The RC drill programme started in the Moiyabana area where there is potential for Karoo-style and Proterozoic deposits in an area about 30 km by 10 km in size and 19 holes for 1,420 m have been completed on widely spaced drill lines up to several kilometres apart. About 20 km of the contact between the basin and underlying basement rocks is coincident with an airborne radiometric anomaly of up to 15 ppm eU<sub>3</sub>O<sub>8</sub>. Field checking along this contact has identified many places with elevated uranium assays of up to 1,000 ppm eU<sub>3</sub>O<sub>8</sub> in weathered Karoo sandstones.

At the Red Hills Prospect 17 RC holes for about 3,229 metres on three lines up to 1 km apart have been completed. The prospect lies within a 40 km long by 2 km wide structural corridor within which the sedimentary rocks show intense and widespread haematite and chlorite alteration as well as anomalous assays of up to about 100 ppm U<sub>3</sub>O<sub>8</sub> and total rare earth oxides (REO) of up to 0.6% (see December 2010 Quarterly Report dated 31st January 2011). These features are similar to those around major deposits such as Cigar Lake (209 Milb at 17% U<sub>3</sub>O<sub>8</sub>) in the Athabasca Basin.

The results of a petrographic study at Red Hills were received and are being interpreted. In addition samples from selected holes were submitted for spectral reflectance studies to help identify alteration minerals.

At Mogome six RC holes for about 1,300 m on four traverses 200 m apart were completed. Here, there is potential for bulk-tonnage uranium deposits hosted by leucocratic granitic rocks ("alaskite"), similar to the Rossing Mine in Namibia. Field checking of a number of airborne radiometric anomalies of up to 20 ppm eU<sub>3</sub>O<sub>8</sub> has identified many areas of granite with up to 1,840 ppm uranium oxide.

### **Drill Results**

As part of Impacts' on-going programme of quality control, the drill samples are routinely measured for uranium using a hand-held spectrometer and these results are compared with the results of the down-hole probe. In previous drill programmes completed by Impact, the two sets of measurements show a moderate correlation.

However in the current drill programme significant differences exist between the two data sets. The cause of these differences is not known and accordingly a number of holes have been sent for chemical assay for verification. Impact was recently informed by the laboratory that turn-around time for samples is between six and ten weeks. The complete set of the first batch of samples is expected soon. These results will determine the scope of follow-up RC and diamond drill programmes.

### **Other Prospects**

At the Khurutse Prospect in the south east part of the project area a large soil survey was completed comprising about 2,500 samples spaced at 800 m by 400 m apart. Of these samples 870 were sent for chemical analysis (MMI Technology). Results have been received and interpretation is in progress.

Field checking and rock chip sampling of several areas of elevated uranium identified in the airborne radiometric data was completed and is on-going.



## 2. Offer to Purchase the Nowthanna Uranium Deposit

Impact announced on the 18 July 2011 that it had signed a non-binding Term Sheet to sell the Company's 40% beneficial share of the Nowthanna uranium deposit in Western Australia to Toro Energy Limited, sole owner of the advanced Wiluna uranium project, 150 kilometres east of Nowthanna.

The sale was completed on October 6<sup>th</sup> 2011 and comprised 100% of Impact's tenement E51/1075 (the Quinns Lake Project) and also the Company's 20% share of E51/1072 (part of the YB Nickel Joint Venture). Toro also agreed to purchase the remaining 80% of E51/1072 from the other parties in the Yarrabubba Joint Venture.

Impact received \$713,000 cash and 5,450,000 Toro Energy Limited shares.

Through the direct shareholding in Toro, Impact will also retain significant upside to the targeted first production from late in 2013 from Toro's Wiluna uranium project in Western Australia as well as its extensive portfolio of uranium prospective exploration assets elsewhere. This includes the recent discovery at Theseus in Western Australia as well as other projects in South Australia, the Northern Territory and Namibia.

Impact will retain its 20% interest in the remaining tenements within the Yarrabubba Project.

## 3. Xade Nickel-Copper-PGE JV Project: Botswana (Impact earning 51%)

The Xade Project covers a poorly explored gabbro intrusion in central Botswana with excellent potential to host deposits of PGEs and nickel-copper sulphides. The Project is close to excellent infrastructure and the very large Orapa diamond mine (Figure 2).

Impact has entered into an option agreement with private company Manica Minerals Limited to spend US\$1.2 million over two years to earn a 51% interest in the Xade Project. Impact may then elect to earn up to a 75% interest by incurring the necessary expenditures to define an Indicated Mineral Resource.

The Xade Complex occurs in the North West Botswana Rift, an igneous province of similar age and geological characteristics to the Mid-Continent Rift region of North America, and which hosts numerous major nickel-copper-PGE deposits, such as:

- the extraordinary Nokomis deposit of disseminated Cu-Ni-PGE mineralisation in the Duluth Complex (Duluth Metals Limited: Indicated Resource of 550 Mt at 0.64% copper, 0.2% nickel and 0.66 g/t total platinum plus palladium plus gold);
- the Eagle nickel-copper massive sulphide deposit of Rio Tinto (3.6 Mt at 3.5% nickel and 2.9% copper); and
- the new PGE-nickel-copper discovery of Magma Metals Limited at the Thunder Bay North Project with an Indicated Resource of 8 Mt at 2.3 g/t platinum equivalent (platinum plus palladium plus copper plus nickel) or 591,000 ounces platinum equivalent.

Results of detailed and systematic geochemical analyses of about 320 metres of Xade diamond core together with re-logging of the diamond core, confirm Impact's view that the Xade Complex is very prospective for deposits of nickel, copper and PGE's.

Drilling and interpretation of previous geophysical surveys by others indicates that the Complex for the most part is buried beneath between 200 m and 600 m of younger rocks and regolith. The shallowest parts are in the north, and this same area has been interpreted as a prospective feeder zone for the entire Complex.

During the Quarter an airborne magnetic gradiometry and radiometric survey was completed over the northern part of the Xade Complex. Preliminary interpretation of the data is in progress to identify areas for follow up work. An interpretation of the surface geology of the project area was started.

#### **4. PGE Strategic Alliance with Impala Platinum Limited**

In mid-2008 the Company entered into a Strategic Alliance with Impala Platinum Limited, the World's second largest platinum producer, to explore for and develop deposits of Platinum Group Elements (PGE's) in southern Africa.

Under the Alliance Impala Platinum will fund project generation work done by Impact up to US\$800,000 and in return will have the first right to earn equity in any projects identified. Projects in which Impala Platinum elects to earn an interest will require a minimum expenditure by Impala of US\$1 million before withdrawal, and a further US\$1 million expenditure to earn 50%. Any projects which Impala Platinum does not elect to progress with can be retained by Impact.

As part of the Alliance work, tenement applications were lodged in the December Quarter to secure a significant ground position over a prospective gabbro intrusion where a reconnaissance field visit identified extensive outcrops of weathered sulphides. Further details will be announced when the tenements are granted.

A number of projects were reviewed during the Quarter, however none have warranted further work at this stage.

#### **5. Yarrabubba Project, Western Australia (Impact 20%)**

The Yarrabubba Project (E51/1072,1073,1404 and E20/563-567,731 and 732) is located 70 km south east of Meekatharra in Western Australia and is prospective for Sudbury-style World Class nickel-copper-PGE deposits.

The Yarrabubba area has most of the geological characteristics of the World Class Sudbury nickel mining camp in Canada. An extremely large sub-circular magnetic low in regional magnetic data and outcrops with distinctive geological features are the signature of a structure caused by a major meteorite impact. It is generally accepted that such an impact occurred at Sudbury and that this gave rise to the many World Class nickel-copper-PGE deposits in that area. Large impact structures host major deposits of other commodities in many places around the world.

### Drill Programme at Target P1

The statutory approvals process was completed in mid-October for a drill programme to test Target P1, identified by previous soil geochemistry programmes, for porphyry-style copper-molybdenum-zinc mineralisation. There have been significant administrative delays in the government and heritage departments responsible for the approvals process.

A drill contractor is now being sourced.

## 6. Corporate

During the period 4,800,000 employee options expired.

### Invictus Gold Limited

Impact owns 16 million shares and 12.8 million options in Invictus Gold Limited, a gold and gold-copper-molybdenum explorer with extensive ground holdings in Queensland. Shareholders are encouraged to read the full announcements by Invictus which can be viewed in full on the ASX Website under the Invictus Gold code of IVG or in the **Latest News** section of the Invictus Gold website <http://www.invictusgold.com.au>.

**Dr Michael G Jones**

**Managing Director**

\* eU and eU<sub>3</sub>O<sub>8</sub> are the equivalent uranium content of materials calculated from either airborne radiometric data and measurements taken with an industry-standard portable spectrometer or a down hole probe respectively.

*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 December 2004 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.*

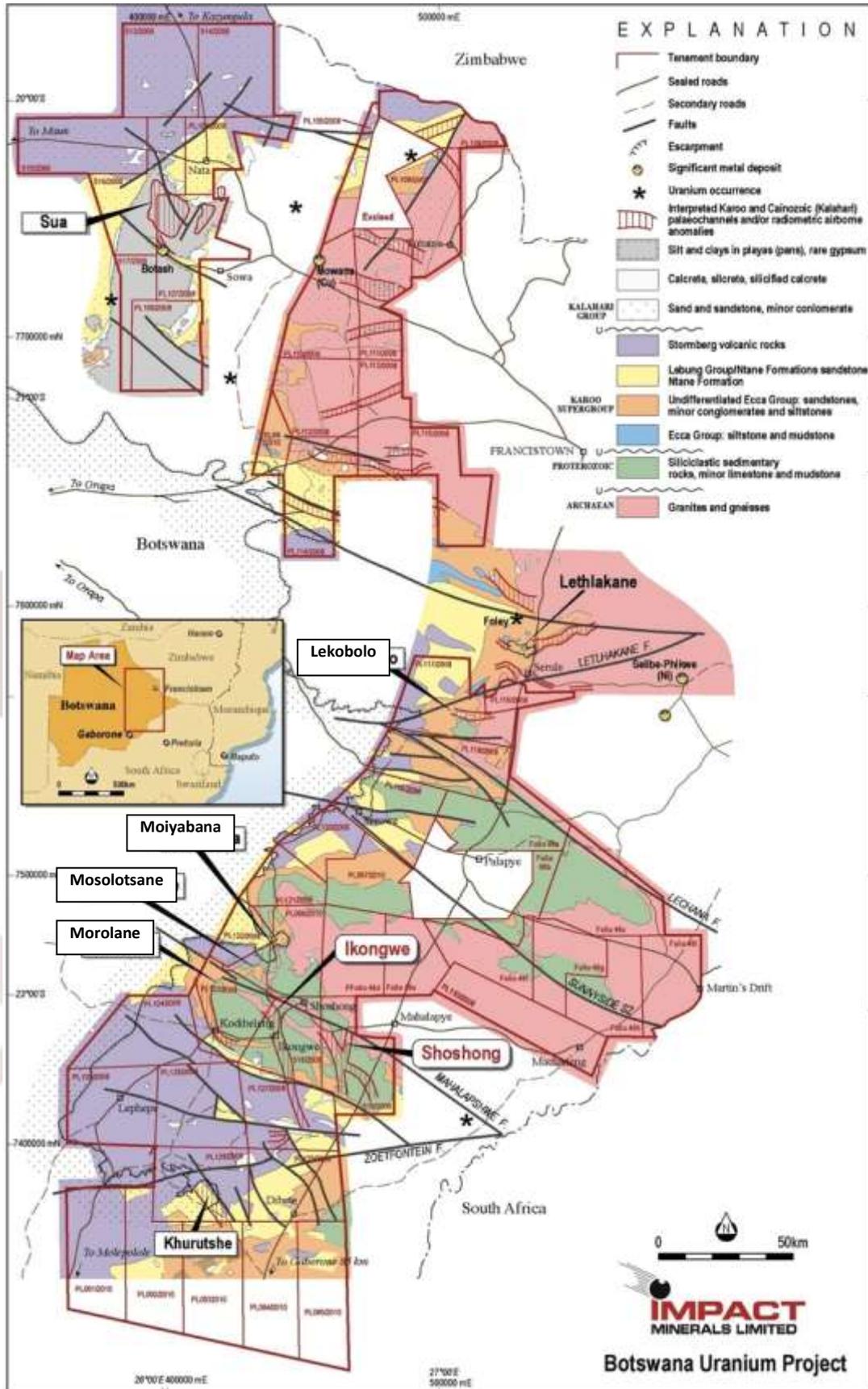


Figure 1. Location and Geology of the Botswana Uranium Project.

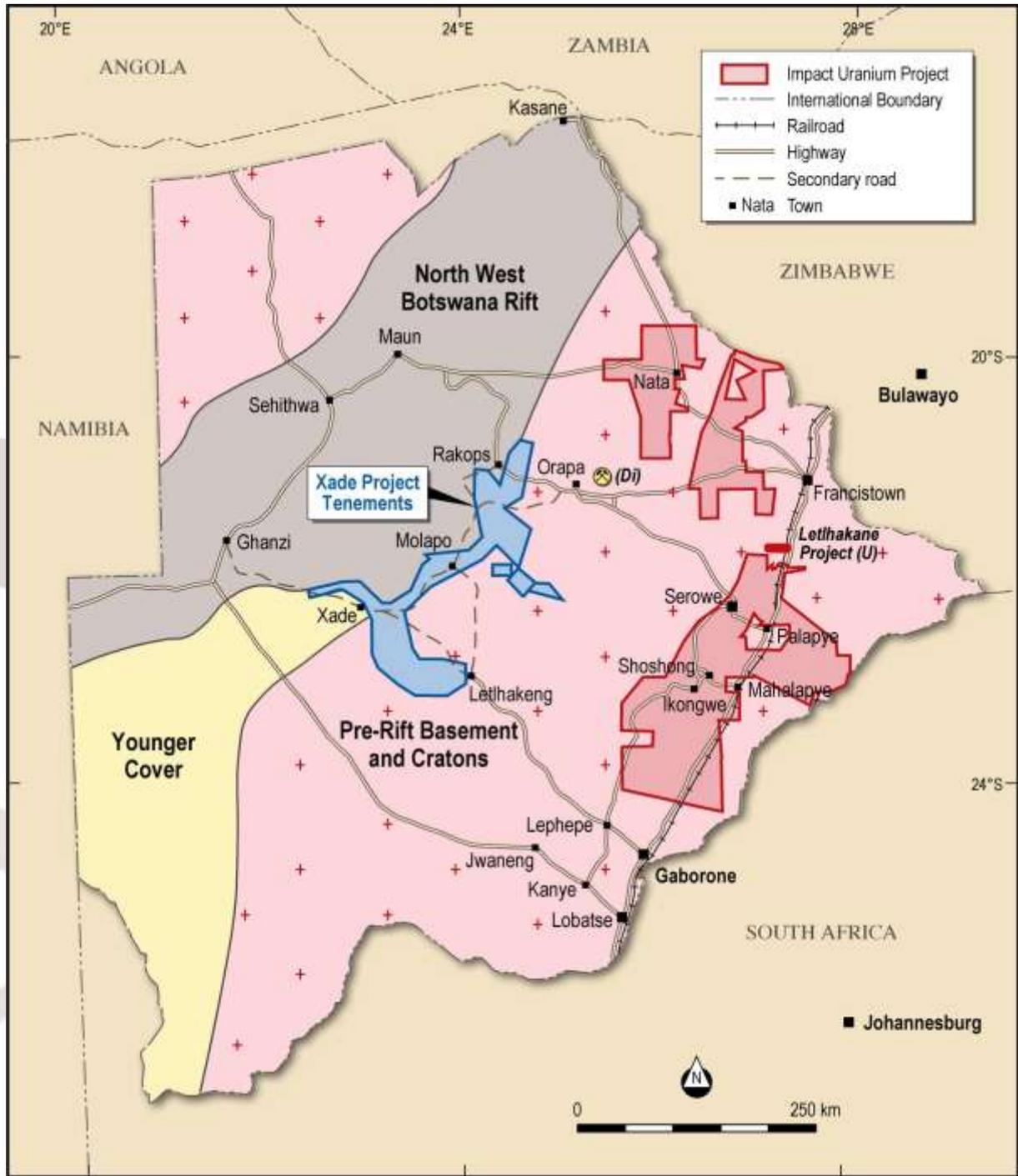


Figure 2. Location of the Xade Nickel-Copper-PGE Project, Botswana.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

IMPACT MINERALS LIMITED

ABN

52 119 062 261

Quarter ended ("current quarter")

SEPTEMBER 2011

### Consolidated statement of cash flows

|  | Current quarter<br>\$A'000 | Year to date (0<br>months)<br>\$A'000 |
|--|----------------------------|---------------------------------------|
| <b>Cash flows related to operating activities</b>  |                            |                                       |
| 1.1 Receipts from product sales and related debtors  |                            |                                       |
| 1.2 Payments for (a) exploration & evaluation<br>(b) development<br>(c) production<br>(d) administration                   | (1,080)                    | (1,080)                               |
| 1.3 Dividends received   |                            |                                       |
| 1.4 Interest and other items of a similar nature received  | 37                         | 37                                    |
| 1.5 Interest and other costs of finance paid   |                            |                                       |
| 1.6 Income taxes paid  |                            |                                       |
| 1.7 Other (provide details if material)  |                            |                                       |
| <b>Net Operating Cash Flows</b>  | <b>(1,225)</b>             | <b>(1,225)</b>                        |
| <b>Cash flows related to investing activities</b>  |                            |                                       |
| 1.8 Payment for purchases of: (a) prospects<br>(b) equity investments<br>(c) other fixed assets<br>(d) environmental bonds |                            |                                       |
| 1.9 Proceeds from sale of: (a) prospects<br>(b) equity investments<br>(c) other fixed assets                               |                            |                                       |
| 1.10 Loans to other entities   |                            |                                       |
| 1.11 Loans repaid by other entities  |                            |                                       |
| 1.12 Other (provide details if material)   |                            |                                       |
| <b>Net investing cash flows</b>  | -                          | -                                     |
| 1.13 Total operating and investing cash flows (carried forward)  | (1,225)                    | (1,225)                               |

+ See chapter 19 for defined terms.

Appendix 5B  
Mining exploration entity quarterly report

|   |  |         |         |
|---|--|---------|---------|
| 1.13  | Total operating and investing cash flows (brought forward) | (1,225) | (1,225) |
| <b>Cash flows related to financing activities</b> |  |         |         |
| 1.14  | Proceeds from issues of shares, options, etc.              |         |         |
| 1.15  | Proceeds from sale of forfeited shares                     |         |         |
| 1.16  | Proceeds from borrowings                                   |         |         |
| 1.17  | Repayment of borrowings                                    |         |         |
| 1.18  | Dividends paid   |         |         |
| 1.19  | Other (provide details if material)                        |         |         |
| <b>Net financing cash flows</b>                   |  | -       | -       |
| <b>Net increase (decrease) in cash held</b>       |  | (1,225) | (1,225) |
| 1.20  | Cash at beginning of quarter/year to date                  | 3,017   | 3,017   |
| 1.21  | Exchange rate adjustments to item 1.20                     |         |         |
| 1.22  | <b>Cash at end of quarter</b>                              | 1,792   | 1,792   |

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

|      |  | Current quarter<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 88                         |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             |                             |                        |
| 3.2 Credit standby arrangements |                             |                        |

### Estimated cash outflows for next quarter

|  | \$A'000   |
|--|-----------|
| 4.1 Exploration and evaluation         | 500       |
| 4.1.a Proceeds from sale of tenements* | (620)     |
| 4.2 Development                        | -         |
| 4.3 Production                         | -         |
| 4.4 Administration                     | 200       |
| <b>Total</b>                           | <b>80</b> |

*\*Relates to the sale of 100% of E51/1075 and 20% of E51/1072 to Toro Energy Limited. This sale was completed and funds transferred during October 2011.*

### Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | 10                         | 3,019                       |
| 5.2 Deposits at call  | 1,782                      | -                           |
| 5.3 Bank overdraft  | -                          | -                           |
| 5.4 Other (provide details)   | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b>  | <b>1,792</b>               | <b>3,019</b>                |

### Changes in interests in mining tenements

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|     | Tenement reference  | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed |                               |                                  |                            |
| 6.2 | Interests in mining tenements acquired or increased           |                               |                                  |                            |

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

|     | Total number   | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|-----|--|---------------|---|--|
| 7.1 | <b>Preference</b>  |               |   |  |
|     | <b>*securities</b>   |               |   |  |
|     | <i>(description)</i>   |               |   |  |
| 7.2 | Changes during quarter   |               |   |  |
|     | (a) Increases through issues                                     |               |   |  |
|     | (b) Decreases through returns of capital, buy-backs, redemptions |               |   |  |
| 7.3 | <b>*Ordinary securities</b>                                      | 117,403,328   | 117,403,328                                   |  |
| 7.4 | Changes during quarter   |               |   |  |
|     | (a) Increases through issues                                     |               |   |  |
|     | (b) Decreases through returns of capital, buy-backs              |               |   |  |
| 7.5 | <b>*Convertible debt securities</b>                              |               |   |  |
|     | <i>(description)</i>   |               |   |  |

+ See chapter 19 for defined terms.

|      |   |               |   |                       |                    |
|------|---|---------------|---|-----------------------|--------------------|
| 7.6  | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted |               |   |                       |                    |
| 7.7  | <b>Options</b><br><i>(description and conversion factor)</i>  | <i>Number</i> |   | <i>Exercise price</i> | <i>Expiry date</i> |
|      |   | 150,000       | - | 15 cents              | 31 July 2012       |
|      |   | 100,000       | - | 20 cents              | 31 July 2012       |
|      |   | 150,000       | - | 20 cents              | 31 July 2013       |
|      |   | 150,000       | - | 20 cents              | 31 July 2014       |
|      |   | 1,000,000     | - | 25 cents              | 31 July 2012       |
|      |   | 150,000       | - | 25 cents              | 31 July 2013       |
|      |   | 3,150,000     | - | 30 cents              | 31 July 2012       |
|      |   | 250,00        | - | 40 cents              | 31 July 2012       |
| 7.8  | Issued during quarter   |               |   |                       |                    |
| 7.9  | Exercised during quarter  |               |   |                       |                    |
| 7.10 | Expired during quarter  |               |   |                       |                    |
| 7.11 | <b>Debentures</b><br><i>(totals only)</i>   | NIL           |   |                       |                    |
| 7.12 | <b>Unsecured notes</b><br><i>(totals only)</i>  | NIL           |   |                       |                    |

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
2011

Date: 20 October

(Company secretary)

+ See chapter 19 for defined terms.

Print name: James Cooper-Jones

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.