

ASX ANNOUNCEMENT

Date: 28 January 2021

No. 731/280121

DECEMBER 2020 QUARTERLY REPORT

1. BROKEN HILL PROJECT, NSW (IPT 100%);

- 13,263 metres of drilling completed at five prospects.

1.1. Platinum Springs

- Breakthrough drill results returned at Plat Central with the discovery of high-grade Ni-Cu-PGM in a Kambalda-style channel at the base of the target ultramafic unit.
 - **PSIPT030** returned 1 metre at 22.7 g/t 7PGE, 3.3 % nickel, 1% copper, 23 g/t silver and 755 g/t cobalt;
 - The 7PGE grade comprises: 10.9 g/t palladium, 7.3 g/t platinum, 0.9 g/t rhodium, 1.3 g/t osmium, 1.4 g/t iridium and 0.6 g/t ruthenium and 0.1 g/t gold;
 - **PSIPT031** returned 7 metres at 3.8 g/t 7PGE, 0.6% copper, 0.5% nickel, 9.4 g/t silver and 167 g/t cobalt *including* 1 metre at 6.3g/t 7PGE, 1.2% copper, 0.8% nickel, 19 g/t silver and 229 g/t cobalt;
 - The 7PGE grade for the 1 metre intercept comprises: 3.6 g/t palladium, 1.8 g/t platinum, 0.1 g/t rhodium, 0.2 g/t iridium, 0.2 g/t osmium and 0.1 g/t ruthenium and 0.3 g/t gold;
 - **PSIPT021** returned 3 metres at 3.3 g/t 3PGE, 0.6% copper and 0.4% nickel.
- The channel was discovered using a proprietary geochemical vector that has an exceptional positive relationship to PGM grade.
- The nickel-copper-PGE mineralisation shows strong lateral zonation across the width of the channel which is likely the product of sulphide fractionation, a process well known in nickel-copper-PGE deposits globally and is a powerful tool to guide further exploration along the entire Moorkai Trend.
- A second similar channel has also been discovered at Platinum Springs East and further interpretation of this area is in progress.

Market Cap

A\$35.6 m (\$0.02)

Issued Capital

1,780,886,441

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1.2 Little Broken Hill and Rockwell;

- The first ever drill programme at these prospects returned strongly anomalous PGM +/- copper and nickel mineralisation over a distance of at least 1,500 metres.
 - The target basal ultramafic unit contains robust widths up to 60 metres thick of strongly anomalous 3PGE mineralisation with individual metre assays of up to 2.6 g/t 3PGE, 1.1% nickel and 0.7% copper;
 - Disseminated copper sulphide present in zones up to 20 metres true thickness and containing disseminated nickel sulphide in one to two metre thick layers in places;
 - Mineralisation is increasing in thickness and grade at depth and to the south towards an interpreted feeder zone for magmatic nickel-copper-PGE sulphides. Mineralisation is open in all directions.
 - Drilling was guided by Impact's proprietary ratio for PGE exploration and successfully identified the zones of disseminated sulphide. However further assays are required for confirmation that the ratio is a good predictor for PGE grade in this area.
- Key drill results included:
 - 61 metres at 0.4 g/t 3PGE from 31 metres RWIPT003 including:
 - 12 metres at 1.4 g/t 3PGE and 0.2% copper from 73 metres which includes;
 - 1 metre at 2.3 g/t 3PGE, 0.4% nickel and 0.2% copper from 73 metres; and
 - 1 metre at 2.6 g/t 3PGE, 0.7% nickel and 0.2% copper from 79 metres.
 - 56 metres at 0.2 g/t 3PGE from 63 metres in RWIPT006 including:
 - 14 metres at 0.8 g/t 3PGE and 0.1% copper from 105 metres which includes;
 - 8 metres at 1.3 g/t 3PGE and 0.2% copper from 107 metres which also includes;
 - 1 metre at 2.6 g/t 3PGE, 0.7% nickel and 0.3% copper from 113 metres.
- These results are extremely encouraging for the discovery of a significant deposit given the remainder of the entire 6.5 kilometre extent of the Little Broken Hill Gabbro is untested.

1.3. Silver-Lead-Zinc rights;

- Impact withdrew from the Strategic Alliance for silver-lead-zinc with Wyloo Metals Limited and Castillo Copper Limited.
- The Company purchased a 20% free carried interest in silver-lead-zinc rights in EL7390 from Silver City Minerals Ltd for \$20,000, and now owns 100% of all metal rights in all tenements at Broken Hill.

2. COMMONWEALTH PROJECT, NSW (IPT 100%)

- IP Survey completed at Apsley. Encouraging results have warranted fast-tracking of statutory approvals for drilling a significant porphyry copper-gold target along trend from the Boda discovery (Alkane Resources Limited).

3. NEW PROJECTS;

3.1. Beau Project, WA (IPT 100%);

- Purchase of Beau Project near the Arkun Ni-Cu-PGE Project in WA for an initial \$10,000 in cash and a further \$50,000 in cash and a 2% GPR upon transfer of the project to Impact.

3.2. Doonia Project, WA (IPT 80%);

- Purchase of an 80% interest in the drill-ready Doonia gold project, 75 km east of Kambalda.
- Significant gold-in-soil anomaly 2.5 km long and up to 1 km wide located over numerous small prominent magnetic anomalies.
- Significant gold-in-regolith anomaly from very wide spaced shallow aircore drilling in the 1990's not followed up at depth.
- Clearly defined drill target.

4. CORPORATE

- Sale of the Clermont Gold Project, Queensland for \$100,000 in shares in Australasian Gold Limited.
- Cash at December 31st 2020 was \$2.6 million.

1. BROKEN HILL PROJECT, NSW (IPT 100%)

During the quarter Impact completed a major drilling campaign at its Broken Hill nickel-copper-PGM project in New South Wales.

The program was extended several times due to ongoing encouraging assay results and a total of 138 drill holes for 13,263 metres was drilled, about 40% more than was originally anticipated. Five prospects were drilled as follows (Figure 1.1):

Prospect	nHoles	nMetres
Little Broken Hill and Rockwell	69	5,698
Platinum Springs	51	4,535
Red Hill and Dora East	18	3,030

Breakthrough drill results were returned from all five prospects and results from Platinum Springs and Little Broken Hill Gabbro-Rockwell were released during the quarter. Final assays from both prospects as well as the other three prospects are due early in Quarter 1 2021 (note that assays for Red Hill were released to the ASX on 21st January 2021).

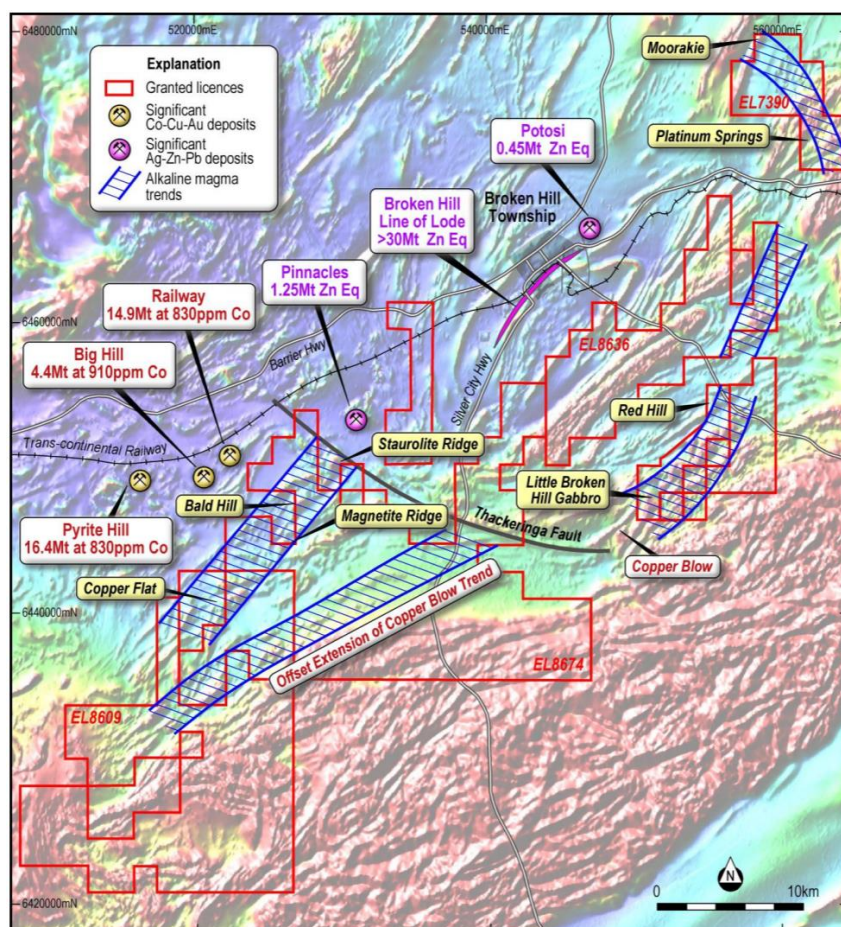


Figure 1.1. Location of Impact's tenements in the Broken Hill area and key prospects for nickel-copper-PGM mineralisation. Platinum Springs, Red Hill and Little Broken Hill Gabbro are in the NE of the map.

1.1 Platinum Springs

A total of 51 RC and aircore drill holes for 4,535 metres of first pass reconnaissance drilling were completed within the Platinum Springs area which includes the Plat Central, Plat West and Plat East prospects (Figure 1.2).

For the first time in nearly four decades of previous exploration at Platinum Springs, zones of coherent higher grade mineralisation have been discovered and a number of important controls on the mineralisation identified.

In particular it has been demonstrated that the highest grade nickel-copper-PGM mineralisation appears to be hosted mostly in Kambalda-style channels at the base of the target ultramafic unit and, in addition, that there is strong lateral zonation of mineralisation within the channel likely related to the process of sulphide fractionation. These new insights are being used to help guide further exploration in the area.

A further breakthrough of considerable exploration significance for PGM exploration throughout the Broken Hill area was the identification early in the Platinum Springs drill programme of a proprietary multi-metal ratio that shows an exceptional positive correlation with PGE grades and offers a possible vector towards higher grade zones (ASX Release 6th October 2020).

Impact demonstrated to its satisfaction that at Platinum Springs hand-held XRF data was of sufficient accuracy and precision compared to the laboratory assay data that it could be used to calculate the ratio in the field and actively used it to guide drilling as the programme progressed. This led directly to the discovery of a basal channel containing high grade mineralisation at the Plat Central prospect.

The results of this drilling are considered very encouraging for the discovery of a major nickel-copper-PGM deposit at Platinum Springs and elsewhere along the entire nine kilometre long Moorkai Trend.

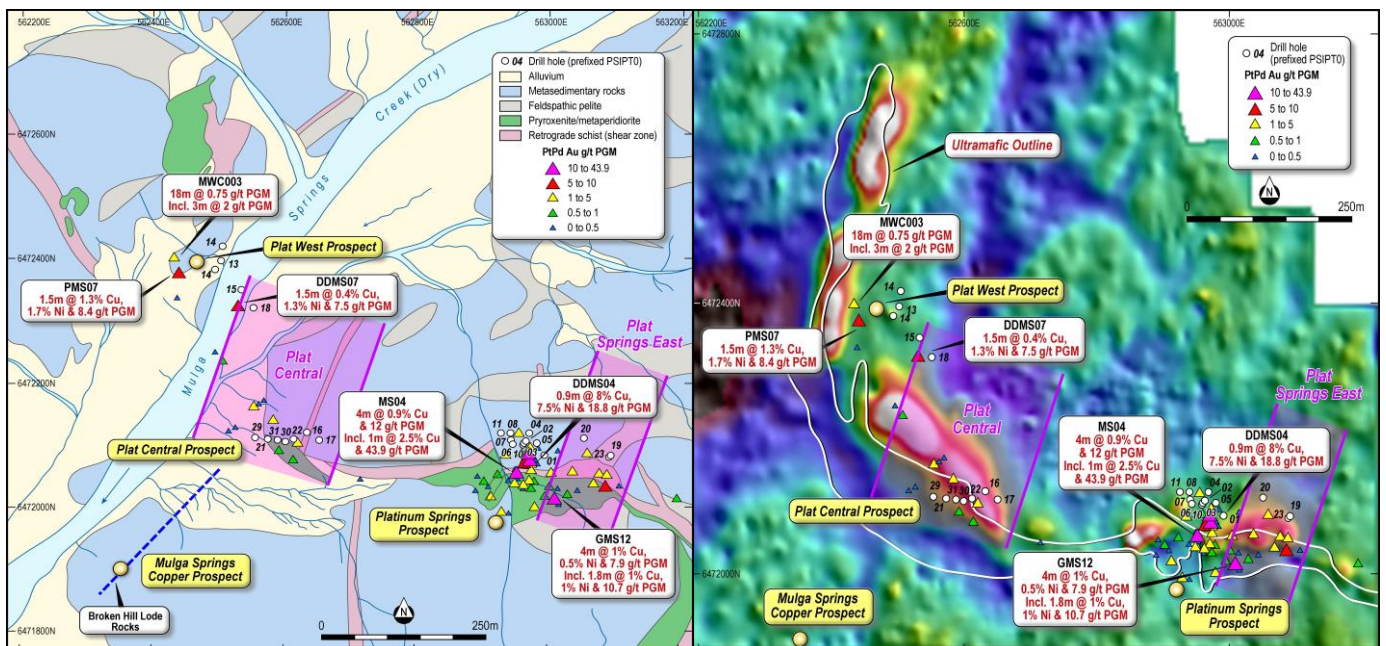


Figure 1.2. Surface geology (left) and image of magnetic data (right) of the Platinum Springs area showing corridors of larger ratios at Plat Central and Plat Springs together with previous drill results.

Break through drill results at Plat Central

Thick zones of modest to high grade gold+platinum+palladium (3PGE) have been discovered at the Plat Central prospect located about 400 metres west of the original Platinum Springs discovery that has been the focus of the majority of previous exploration (Figure 1.2).

Drilling was guided by Impact’s ratio and the drill rig was moved back and forth along the drill traverse to identify a channel structure with a high grade “pinch-out” at the base of the target ultramafic unit (Figure 1.3).

The channel structure is defined by intercepts up to 50 metres thick of low grade PGM-Cu-Ni throughout the ultramafic at the edges of the channel and narrower zones up to 7 metres thick of higher grade within and at the base of the channel (Figure 1.3 and ASX Releases 6th October, 21st October and 2nd December 2020).

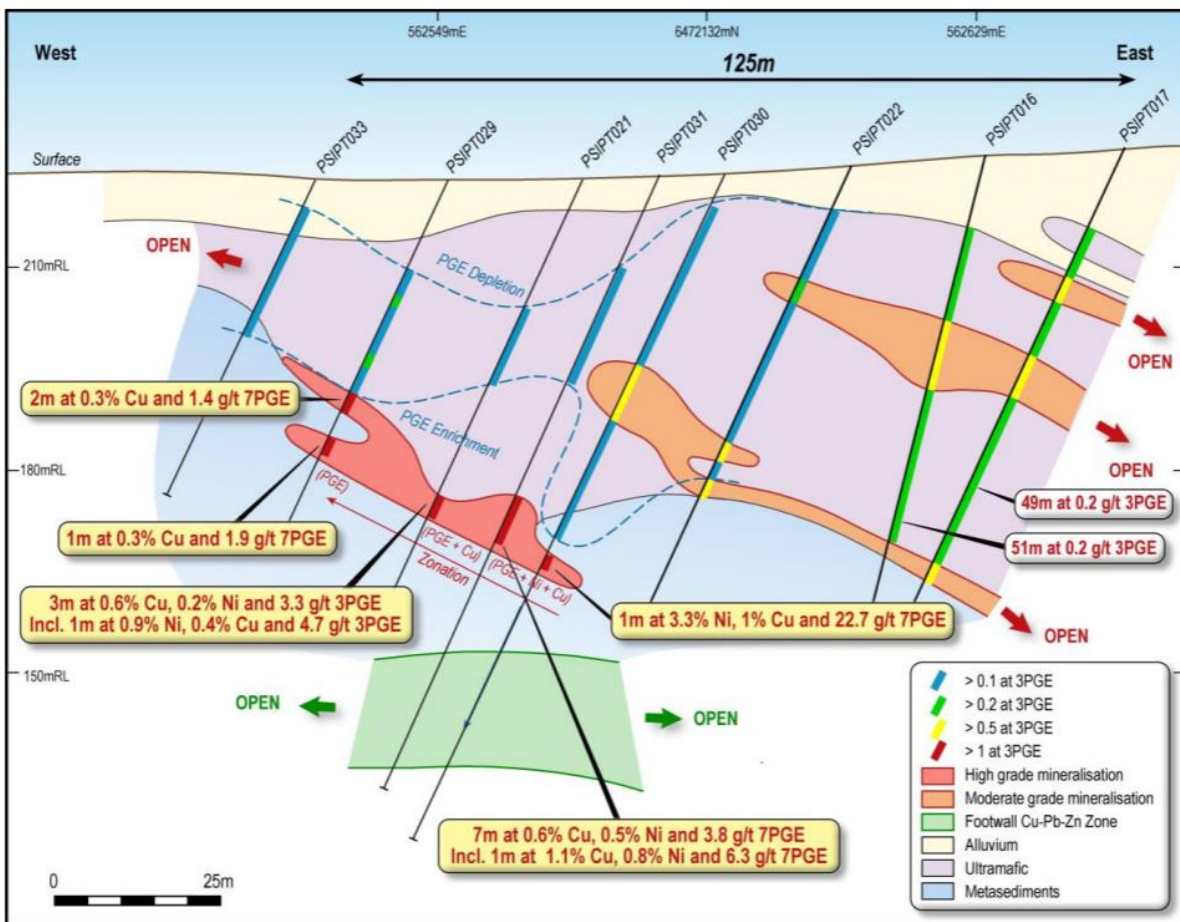


Figure 1.3. Cross-section at Plat Central highlighting high-grade mineralisation within a channel in the host ultramafic unit. Note the strong lateral zonation of mineralisation in the channel away from the "pinch out" in Hole PSIPT030 and the PGE depletion in the parent ultramafic unit immediately above the channel.

For example, outside the channel Hole PSIPT016 returned:

51 metres at 0.21 g/t 3PGE from 11 metres downhole, including 8m at 0.6 g/t 3PGE from 29 metres, which includes 1 metre at 0.3 % nickel, 0.3% copper and 1.5 g/t 3PGE from 30 m.

Hole PSIPT017 returned a similar intercept of:

49 metres at 218 ppb 3PGE from 21 metres downhole, including 7m at 0.4 g/t 3PGE from 33 metres which includes 1 metre at 0.8 g/t 3PGE from 37 metres.

Within the channel four drill holes returned higher grade mineralisation as follows (Figure 1.3):

PSIPT030: 1 metre at 22.7 g/t 7PGE, 3.3 % nickel, 1% copper and 23 g/t silver from 62 m down hole.

The 7PGE grade comprises: 10.9 g/t palladium, 7.3 g/t platinum, 0.9 g/t rhodium, 1.3 g/t osmium, 1.4 g/t iridium and 0.6 g/t ruthenium and 0.1 g/t gold.

PSIPT031 - 7 metres at 3.8 g/t 7PGE, 0.6% copper, 0.5% nickel and 9.4 g/t silver from 53 metres down hole including 1 metre at 6.3g/t 7PGE, 1.2% copper, 0.8% nickel and 19 g/t silver from 58 metres.

The 7PGE grade for the 1 metre intercept comprises: 3.6 g/t palladium, 1.8 g/t platinum, 0.1 g/t rhodium, 0.2 g/t iridium, 0.2 g/t osmium and 0.1 g/t ruthenium and 0.3 g/t gold.

PSIPT021 - 3 metres at 3.3 g/t 3PGE, 0.6% copper and 0.4% nickel from 52 metres down hole including 1 metre at 4.7 g/t 3PGE, 0.9% copper, 0.4% nickel from 52 metres.

The 3PGE grade for the 1 metre intercept comprises: 3.0 g/t palladium, 1.4 g/t platinum and 0.3 g/t gold.

PSIPT029 - 2 metres at 1.4 g/t 3PGE and 0.3% copper from 35 metres down hole and also 1 metre at 1.9 g/t 3PGE and 0.3% Cu from 43 metres in the footwall sedimentary rocks.

The 3PGE grade for the 2 metre intercept is 0.8 g/t palladium, 0.5 g/t platinum and 0.1 g/t gold

As well as helping identify the channel, Impact's ratio also correctly predicted that many of the drill holes completed early in the drill programme at Plat West were likely to return low grade intercepts.

Further details on these drill holes and related intercepts are included in ASX Release 2nd December 2020.

Of note, one hole, PSIPT018, drilled to the north of Plat Central did not reach the base of the ultramafic unit because of drill rig limitations and returned a zone of modest 3PGE results with the end of hole showing an increase in grade (Figure 1.2 and ASX Release 21st October 2020). The hole returned: **31 metres at 94 ppb 3PGE from 129 metres including 2m at 0.24 g/t 3PGE at the end of hole.**

Hole 018 may lie close to the margin of, or actually be within, the northern extension of the Plat Central channel some 200 metres down plunge. Accordingly this hole will be deepened with a more appropriate drill rig as soon as practicable.

In addition, a second channel may also have been identified at Plat East (Figure 1.4). Further interpretation of this area is in progress.

Together the Plat Central and Plat East areas define two corridors as shown in Figure 1.4. There has been little or no drilling to the north of these prospects and large areas remain untested.

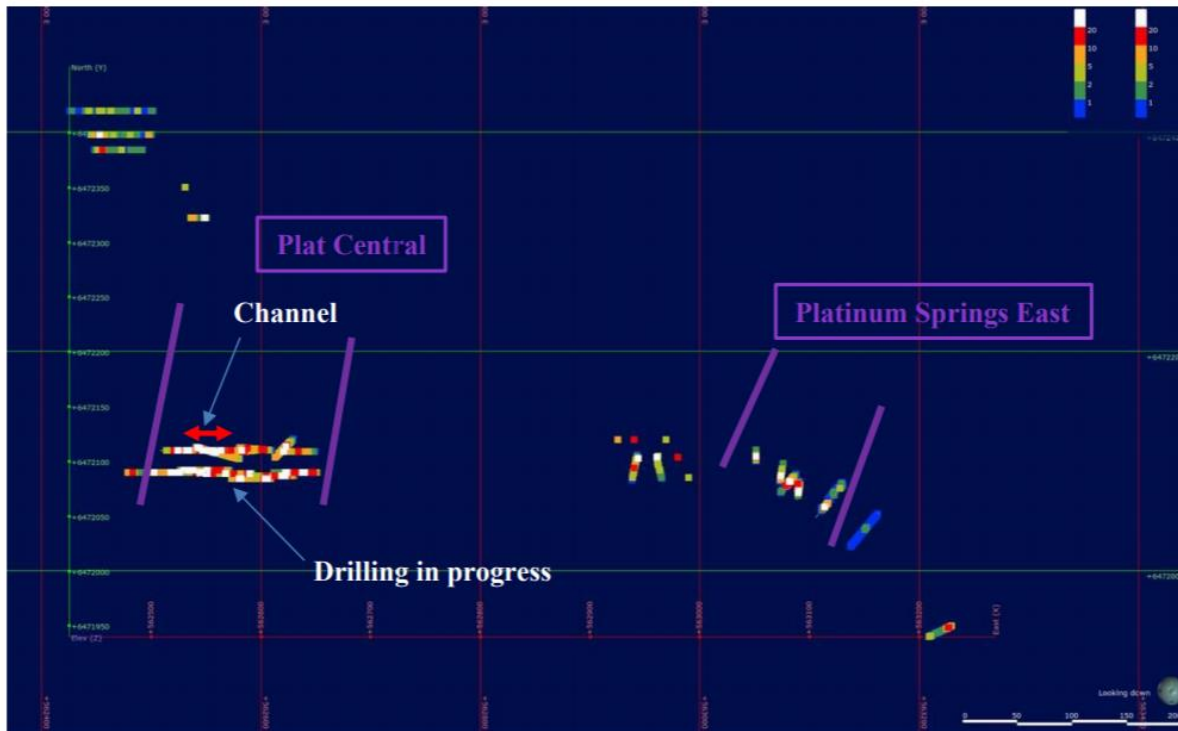


Figure 1.4. Plan view of recent drilling at Platinum Springs showing ratio values as calculated from hand-held XRF data. Note two areas of more coherent elevation of the ratio at Plat Central and Platinum Springs East and the extent of the white dots (highest ratios) over 80-100m within the corridors. The channel at Plat Central clearly extends to the south up-dip. Further drilling has tracked the channel down-dip to the north.

About the Plat Central Channel Structure

The basal channel at Plat Central (Figure 1.3) has a geometry similar to many nickel-copper-PGE sulphide deposits formed at the base of mafic to ultramafic intrusive and extrusive rocks globally (ASX Release 21st October 2020).

The type example of such channels are those at the world class Kambalda nickel mining district of Western Australia. Here, the channels are ribbon-like and are mostly less than 5-7 metres thick, no more than 50-100 metres wide but usually extend for many hundreds of metres to kilometres along the trend of the channel. Figure 1.5 shows a cross section through the Kambalda Dome with numerous channels highlighted for comparison.

Kambalda-style channels are also commonly structurally complex with the potential to form numerous traps along the trend of the channel. It is likely that there are many channels similar to that at Plat Central along the Moorkai Trend and indeed a second channel may be emerging at the Plat East prospect (Figure 1.4 and ASX Release 21st October 2020).

The geometry of the channels is likely to be as variable as those at Kambalda and the potential exists to find a significant body of high-grade mineralisation with further drilling along trend.

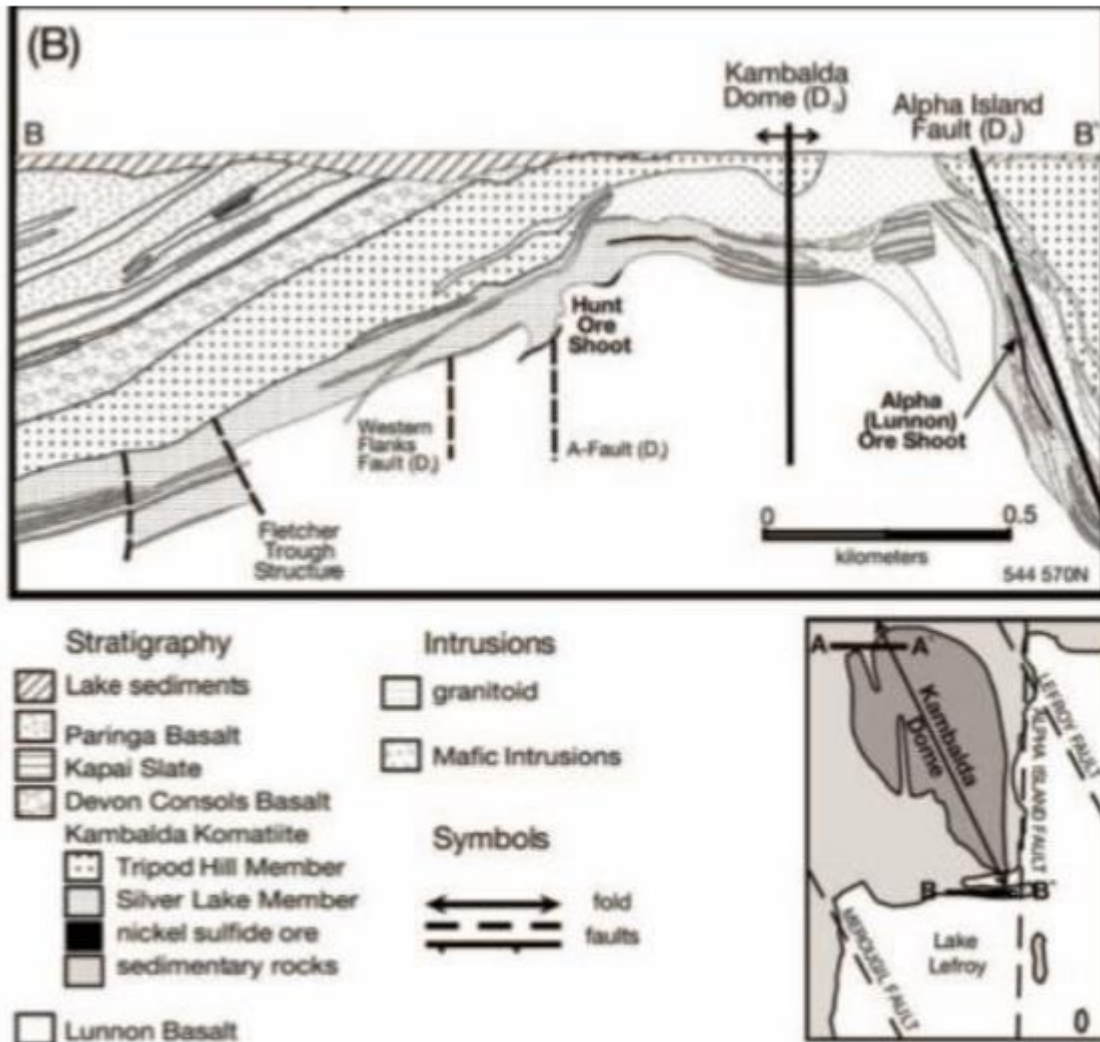


Figure 1.5. Cross-section through the Kambalda Dome showing scale and size of numerous channel structures containing the nickel ore shoots.

It is possible that as the Plat Central channel is tracked along trend it may open out into a larger trap site in places and lead to the formation of a much larger body of massive high-grade nickel-copper sulphide.

Such sulphide-rich bodies are worthy exploration targets as they demonstrably have exceptional PGE grades in the area such as found in PSIPT030 (ASX Release 2nd December 2020) and also Impact's drill hole PSD02 which returned **0.6 metres at 11.5 g/t platinum, 25.6 g/t palladium, 1.4 g/t gold, 7.6% copper, 7.4% nickel and 44.3 g/t silver** from what is likely to be another pinch-out structure (ASX Release 3rd February 2016)

Zonation of Mineralisation within the Plat Central Channel

The mineralisation within the Plat Central channel shows strong lateral zonation at a scale of 10's of metres (Figure 1.3). The highest grade mineralisation occurs in the “pinch-out”, which is a structural “trap” and comprises high grade nickel, copper and PGM mineralisation. This passes laterally into copper-PGM rich mineralisation and finally PGM-only mineralisation at the edge of the channel.

Such a zonation is considered characteristic of a process called “sulphide fractionation” which is well understood in magmatic nickel-copper-PGE systems. The process results in a distribution of metals that is reasonably predictable: proximal nickel-dominant mineralisation passes into copper-dominant mineralisation and then more distal PGM-dominant mineralisation (see text box for further explanation).

Such fractionation may occur over many scales varying from metres to kilometres and can explain the cause of the significant variation in metal content, nickel and copper in particular, seen at Plat Central, the broader Platinum Springs area and the entire Moorkai Trend. The Moorkai Trend is characterised by numerous very high-grade rock chip assays over a nine kilometre strike but has only been drilled in a few places (Figure 1.6).

A sulphide fractionation model may be able to act as a potentially powerful guide to high grade ore along this highly prospective zone.

Sulphide Fractionation

At a certain point in the evolution of an ultramafic (or mafic) magma that is carrying sulphur, nickel, copper and PGE's in solution, if the chemical and physical conditions are correct then an immiscible sulphide liquid containing the nickel-copper-PGE will separate out from the magma. That sulphide liquid is usually denser than the magma and so will move differently to it, commonly sinking towards the base of the host unit or being spread out along magma channels. During this movement, and depending on the composition of the sulphide liquid and pressure and temperature conditions, the liquid may fractionate and precipitate different sulphide minerals over time. This precipitation occurs in a distinct order of nickel first, then copper and finally PGE's, a zonation pattern that is well documented in deposits globally and is eminently present at Plat Central (Figure 1.3).

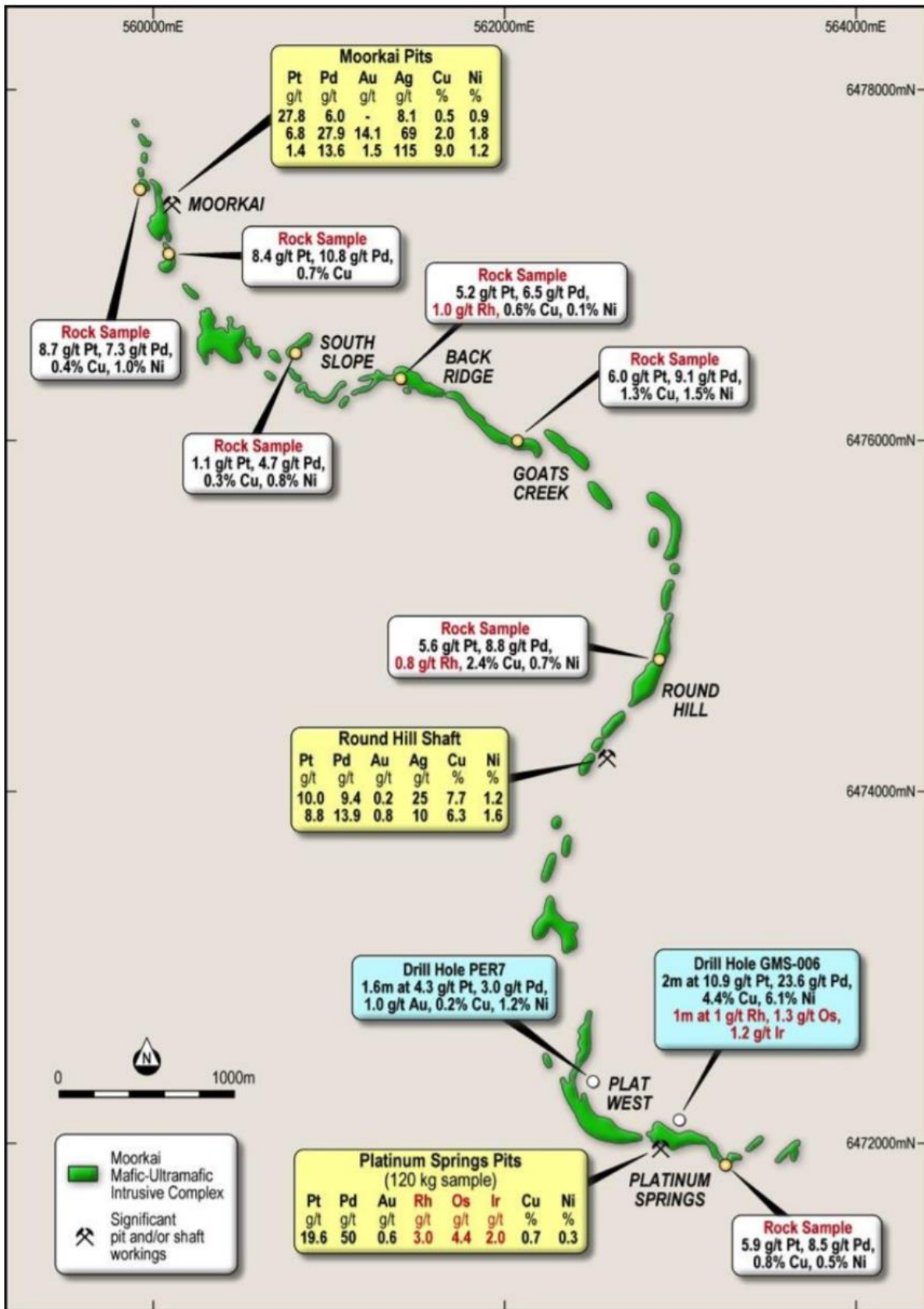


Figure 1.6. Rock chip sample results from along the Moorkai Trend (ASX Release 21st October 2020).

About Impact's Ratio for PGM Exploration

Figure 1.7 shows a graph of the relationship between Impact's geochemical ratio and grades of platinum+palladium+gold (3PGE) as determined by laboratory assay for all available data at Platinum Springs. It includes the ratios from the high-grade intercepts in Hole PSIPT030 and PSD02 as well as a large number of non-material assays of lower grade PGM's (ASX Release 6th October 2020).

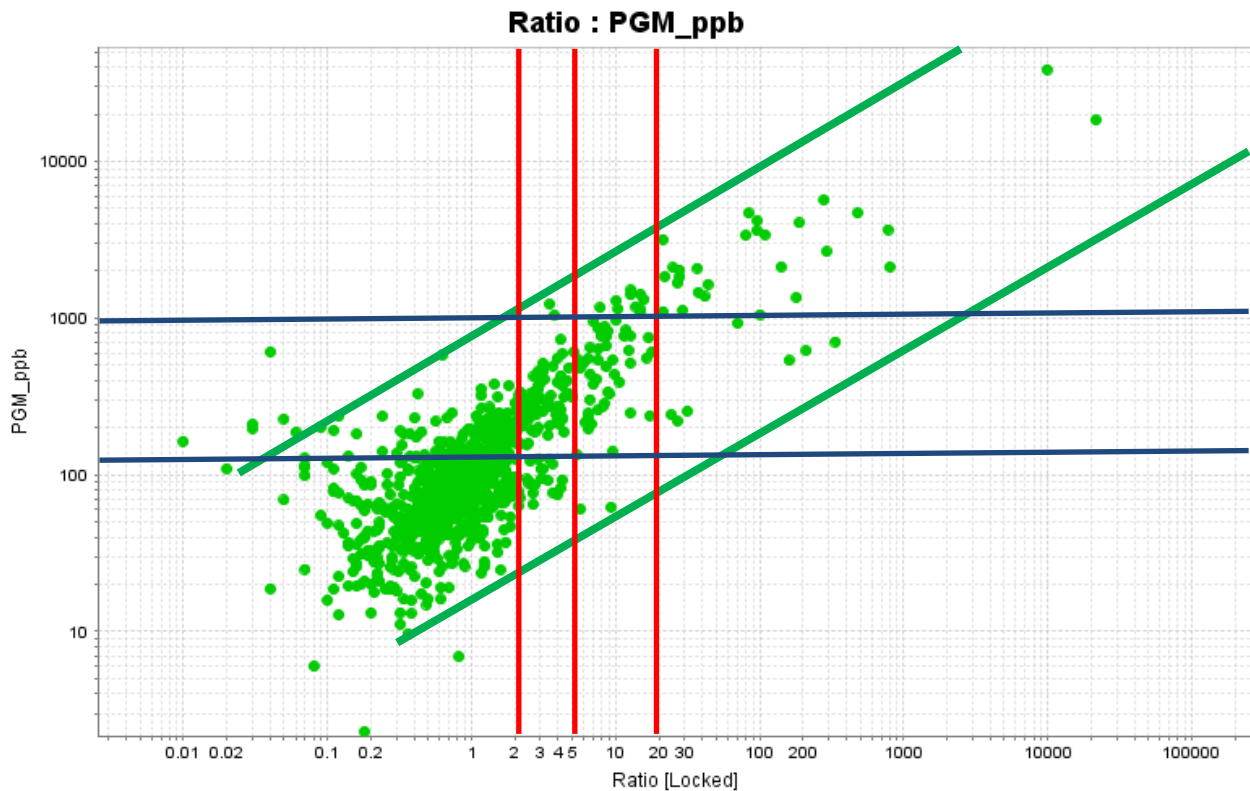


Figure 1.7. Graph of platinum+palladium+gold (3PGE) in parts per billion (1,000 ppb = 1 g/t: y axis) against Impact's proprietary ratio (x axis). Note key thresholds at a ratio of between 2 to 5 and also in particular of more than 20 that mark increases in grade of the 3PGE. Note also that there are some exceptions to the rules.

The positive relationship between the ratio and 3PGE grade is self-evident in the figure. It suggests that anomalous grades of more than 100 ppb 3PGE are generally associated with ratios greater than 2 to about 5 and that ratios greater than 20 are likely to have 3PGE grades greater than about 1.0 g/t.

The ratios for Hole PSIPT030 and PSD02 are visible in the top right hand corner and it is apparent that the ratio is working over several orders of magnitude.

Impact interprets the changes in ratio to reflect changes in specific physico-chemical conditions in the parent ultramafic magma at the time of mineralisation.

The vector may offer a method to help overcome one of the main exploration challenges that Impact and all previous explorers have faced at Platinum Springs which is to discriminate and rank the numerous high grade drill intercepts spread over many hundreds of metres that have proved difficult to track with the drill rig.

This exploration challenge has also discouraged extensive exploration of the entire Moorkai Trend, a major nine kilometre long dyke and chonolith complex of which Platinum Springs is a part of, that has very high grade nickel-copper-PGM's in rock chip samples along its entire length (Figure 1.6 and ASX Release 3rd February 2016). Impact's ratio may also open up the entire Trend to further systematic exploration for the first time.

A similar challenge also occurs in many other chonolith-feeder zone systems around the world where despite commonly complex geometry, significant high-grade mineralisation may persist for long distances down plunge. This is being currently demonstrated for example at the Julimar intrusion in Western Australia (Chalice Gold NL).

Next Steps at Platinum Springs

The sulphide fractionation model and Impact's proprietary ratio have been used to track the basal channel at Plat Central.

Further lines of drill holes have been completed 25 metres to the north and south of the initial line at Plat Central. The ratio indicates that PGE mineralisation is likely to be present over some distance on these lines as well and a detailed interpretation of the data shown in Figure 1.4 is in progress.

Close drill spacings of between 10 and 30 metres have been used and these are similar to those used in exploration for nickel sulphide channels in the Kambalda region.

1.2 Little Broken Hill Gabbro (LBHG) and Rockwell

A total of 69 drillholes (for 5,698 metres of first-pass reconnaissance drilling) were completed at the LBHG-Rockwell prospects. Rockwell covers the northern third of the LBHG.

Assays have only been returned to date for Rockwell and demonstrate that the basal ultramafic unit of the LBGH contains thick widths of modest grades of PGE, nickel and copper with higher grades in many places over a significant strike extent of at least 1,500 metres (Figure 1.8 and ASX Releases 17th and 22nd December 2020).

Importantly the mineralisation at Rockwell appears to be increasing in thickness and grade at depth and also from north to south into a priority target area interpreted by Impact to contain potential "feeder zones" to the main LBHG. Feeder zones are fault-controlled conduits through which hot magma migrates into a larger intrusion from depth and which are common sites for the deposition of nickel-copper sulphides (ASX Releases 9th July 2020 and 17th and 22nd December 2020).

These results support Impact's growing contention that the LBHG may potentially contain a vast reservoir of PGE's and possibly nickel and copper given that the drill programme is the first ever to test the basal unit of the LBHG. The basal unit extends over the entire 6.5 kilometre long extent of the intrusion and is untested elsewhere.

The drilling at LBHG-Rockwell was guided by Impact’s proprietary ratio for PGE exploration and this led directly to the discovery of the areas of encouraging copper and nickel mineralisation at Rockwell (ASX Releases 6th and 21st October 2020, 2nd, 17th and 22nd December 2020).

The assay data received to date suggest that the ratio is also providing a very good guide to the presence or absence of PGE’s at the LBHG. However, there is a relatively poor correlation with grade compared to Platinum Springs. This is likely related to the different whole rock geochemistry of the two separate intrusions. Further research into this difference is underway.

Results

The assay results are shown in Figure 1.9, Figure 1.10 in cross-section and overlain on the magnetic data and an interpretation of that data in Figures 1.11 and 1.12.

The precious metal results are reported as 3PGE (gold+palladium+platinum; Figures 1 and 2) with individual metal assays also listed in ASX Release 22nd December 2020.

The results to date show that the entire basal ultramafic is anomalous in PGE with intercepts of between 20 to 60 metres thick carrying up to 0.4 g/t 3PGE (Figure 1.10). There are several zones of better grade up to 2.6 g/t 3PGE towards the base of the unit.

Importantly the grade and thickness also seems to be increasing down dip as well as from north to south with a possible plunge to the south. However, the mineralisation is evidently open both down dip and to the north and south. (Figures 1.10, 1.11 and 1.12).

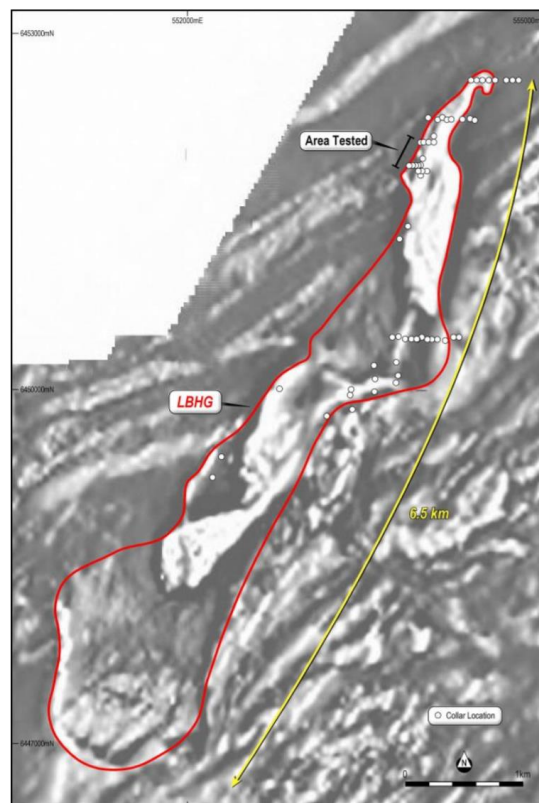


Figure 1.8. First vertical derivative image of airborne magnetic data over the Little Broken Hill Gabbro showing Impact’s drill collars and the area of the basal ultramafic unit tested to date. Drill collars for all of Impact’s drill-holes completed as part of the reconnaissance programme are shown.

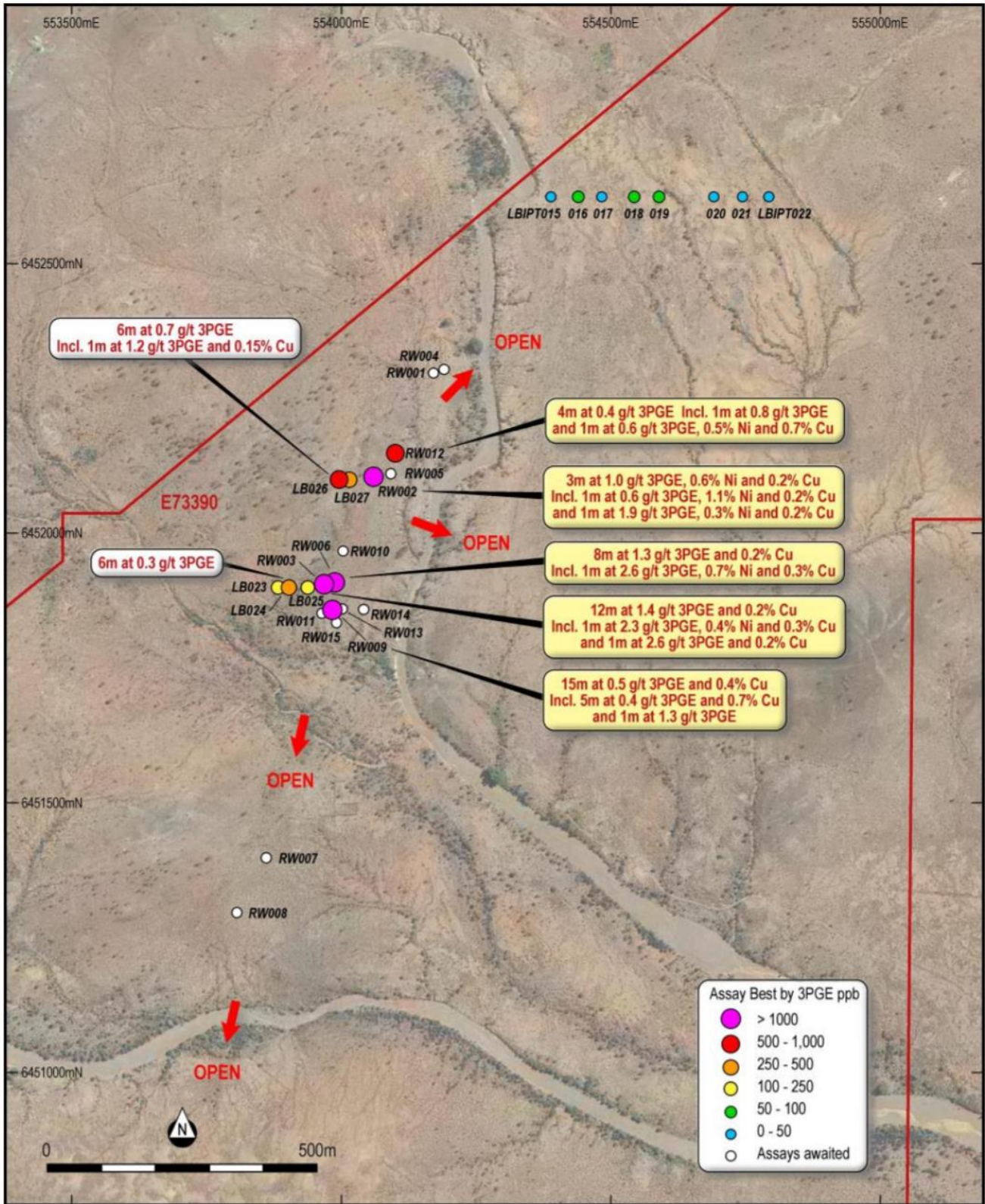


Figure 1.9. Location of Impact’s 28 drill-holes at Rockwell with best down-hole assay results for 3PGE for the 18 drill-holes for which assays have been announced (ASX Release 22nd December 2020).

Hole RWIPT012, the northern most drill hole reported here (Figure 1.9), returned:

22 metres at 0.1 g/t 3PGE from 71 metres down hole including
1 metre at 0.8 g/t 3PGE from 80 metres and
1 metre at 0.6 g/t 3PGE, 0.7% copper and 0.5% nickel from 91 metres.

Hole RWIPT002, drilled 50 metres to the south (Section A, Figure 1.10), returned:

23 metres at 0.2 g/t 3PGE from 33 metres down hole including
3 metres at 1.0 g/t 3PGE, 0.2% copper and 0.6% nickel from 52 metres, which includes
1 metre at 0.6 g/t 3PGE, 0.2% copper and 1.1% nickel from 52 metres and
1 metre at 1.9 g/t 3PGE, 0.2% copper and 0.3% nickel.

Hole LBIPT026 (Section A, Figure 1.10) returned

6 metres at 0.72 g/t 3PGE and 760 ppm copper from surface including
1 metre at 1.2 g/t 3PGE 0.2% copper from 4 metres.

Hole LBIPT027 (Section A, Figure 1.10) returned

7 metres at 0.2 g/t 3PGE and 0.2% copper from surface and
3 metres at 0.26 g/t 3PGE and 0.15% copper from 23 metres.

Holes RWIPT003, RWIPT006, and LBIPT024 were drilled 200 metres south of RWIPT002 (Section B, Figure 1.10).

Hole RWIPT003 returned:

61 metres at 0.4 g/t 3PGE from 31 metres down hole including
12 metres at 1.4 g/t 3PGE and 0.2% copper from 73 metres which includes
1 metre at 2.3 g/t 3PGE, 0.4% nickel and 0.2% copper from 73 metres and
1 metre at 2.6 g/t 3PGE, 0.7% nickel and 0.2% copper from 79 metres.

Hole RWIPT006, drilled down dip of RWIPT002 returned:

56 metres at 0.2 g/t 3PGE from 63 metres down hole including
14 metres at 0.8 g/t 3PGE and 0.1% copper from 105 metres which includes
8 metres at 1.3 g/t 3PGE and 0.2% copper from 107 metres which also includes
1 metre at 2.6 g/t 3PGE, 0.7% nickel and 0.3% copper from 113 metres.

In addition, hole RWIPT006 also returned a zone of anomalous PGE and copper higher up in the sequence of:

8 metres at 0.1% copper and 13 ppb 3PGE from 12 metres.

This is of exploration significance as it is the first indication of a possible second layer of mineralisation within the LBHG which is untested.

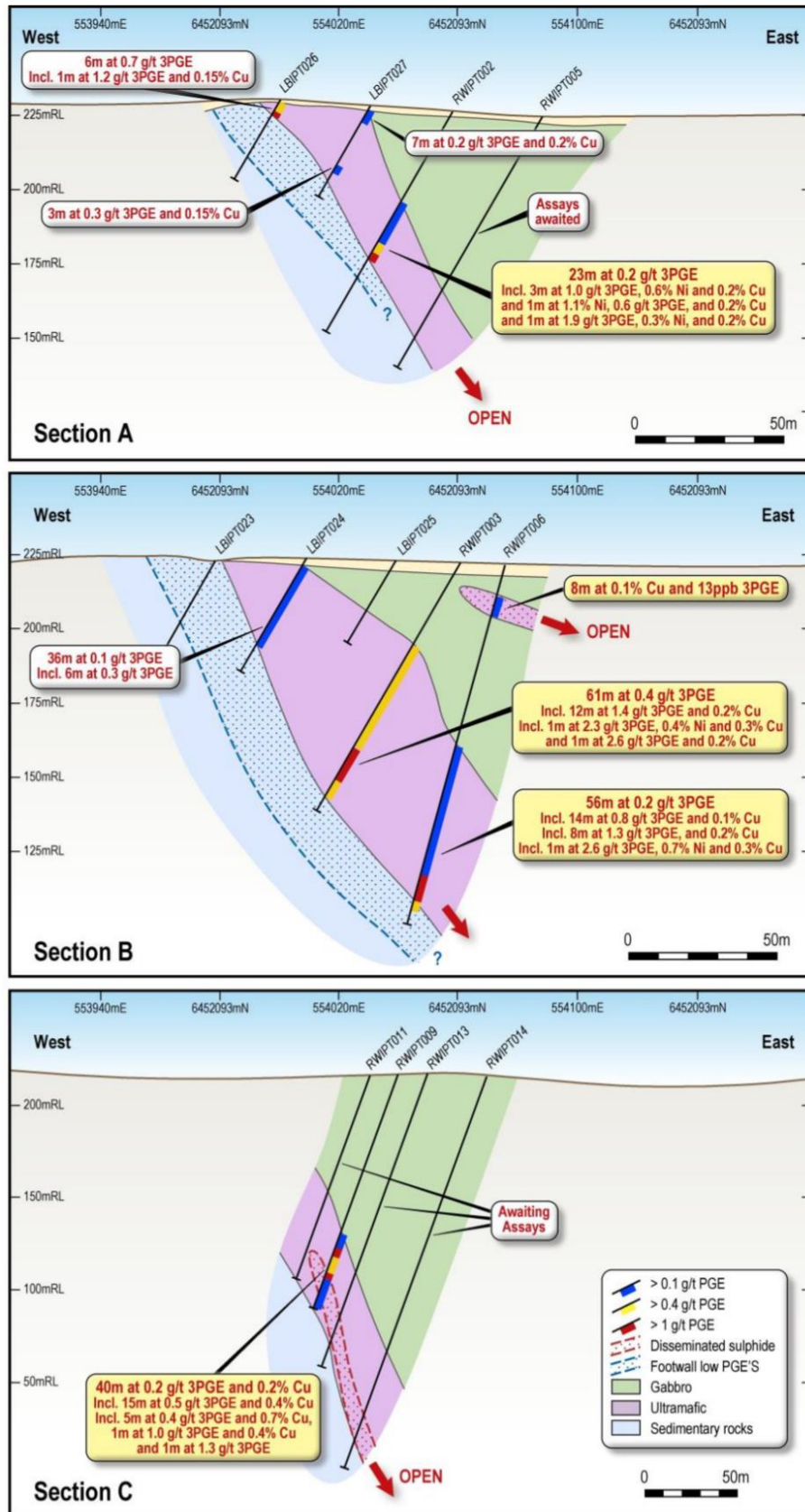
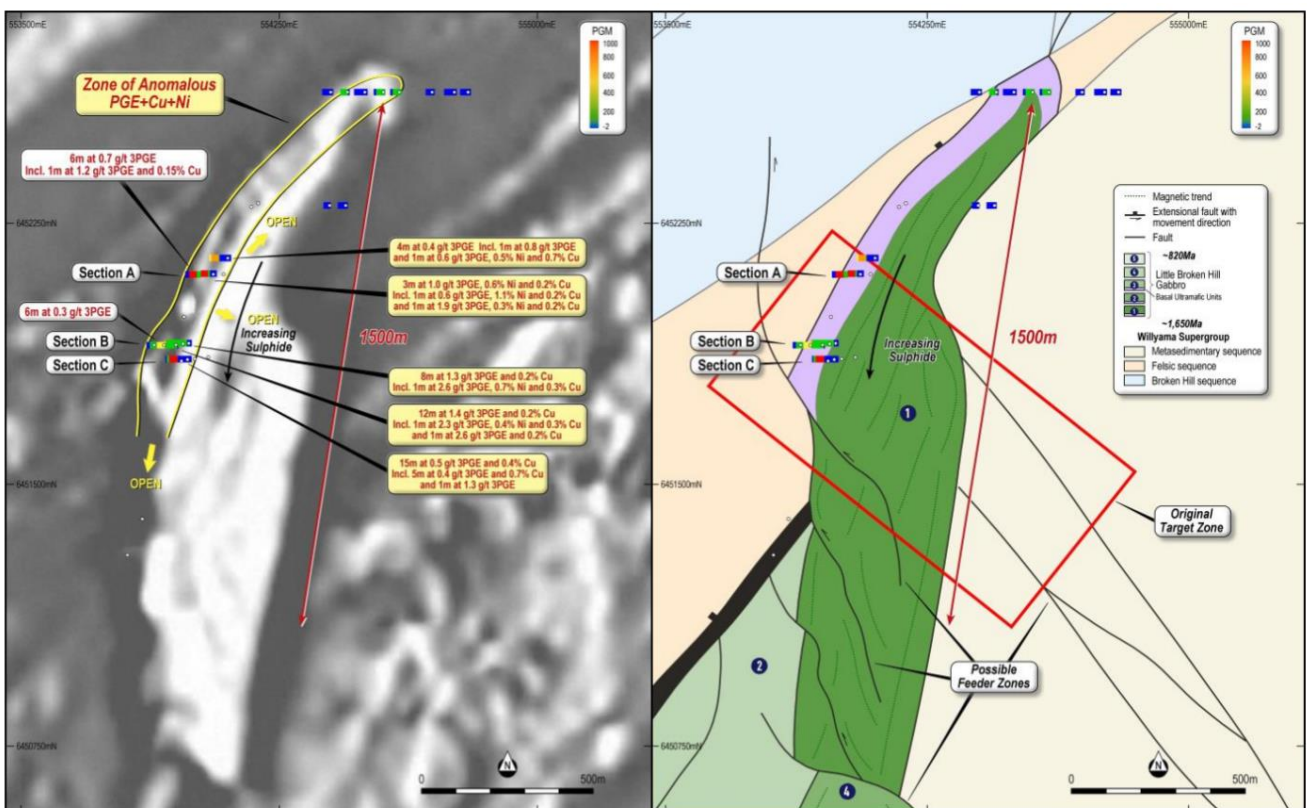


Figure 1.10. Cross-sections through the Rockwell Prospect. Note the increasing sulphide content from north to south. See Figures 1.11 and 1.12 for location of cross-sections.

Hole RWIPT009 was drilled 50 metres south of Holes 003 and 006 and returned increasing copper values:

- 40 metres at 0.2 g/t 3PGE and 0.2% copper from 114 metres down hole including**
- 15 metres at 0.5 g/t 3PGE and 0.4% copper from 120 metres which includes**
- 1 metre at 1.3 g/t 3PGE from 121 metres and**
- 5 metres at 0.4 g/t 3PGE and 0.7% copper from 126 metres which includes**
- 1 metre at 1.1 g/t 3PGE and 0.4% copper from 131 metres.**



Figures 1.11 and 1.12. Assay results plotted over airborne magnetic data (*left*) and an interpretation of the geology from the magnetic data (*right*). Note the increase in mineralisation to the south and into a target area containing interpreted feeder zones (ASX Release 9th July 2020, 17th and 22nd December 2020). Holes with assays yet to be reported are evident.

Discussion

Virtually every drill hole that has penetrated the basal ultramafic unit of the LBHG and gone through to the lowermost contact has intersected anomalous PGE with variably anomalous nickel and copper. The ultramafic unit commonly carries anomalous PGE's over its entire thickness with narrower zones of better grades of up to 2.6 g/t PGE's, 1.1% nickel and 0.7% copper towards the base of the unit.

This is all very encouraging for the potential discovery of a significant nickel-copper-PGE deposit at the base of the LBHG given the very small area tested thus far. It is evident that there is potentially a very large inventory of those metals contained within the target basal unit.

At Rockwell, the abundance and grade of the mineralisation appears to be increasing both to the south and at depth. To the south, a number of faults cut through the intrusion and these have been interpreted as potential feeder zones that were active magma conduits providing fresh pulses of magma into the main gabbro chamber (ASX Release 9th July 2020). These faults are priority areas for follow up drilling (Figures 1.11 and 1.12).

Impact's previous work has shown the LBHG to be of a similar size, age, chemical composition and in the same geodynamic setting as the giant Jinchuan nickel-copper-PGE deposit in China (550Mt at 1.1% nickel, 0.7% copper and 0.5 g/t PGE). These initial scout drilling results are considered to be very encouraging for the discovery of a Jinchuan-style deposit at the LBHG (ASX Release 9th July 2020 and 17th December 2020).

Impact was awarded a grant of \$75,000 towards the drill programme at the Little Broken Hill Gabbro as part of NSW Government's Cooperative Drilling grants program, administered by the Geological Survey of New South Wales. Their support is gratefully acknowledged.

Next Steps at Broken Hill

Extensive follow-up drilling, including diamond drilling for the first time, is clearly required at Platinum Springs, Rockwell and in all likelihood many other places within the LBHG.

A large amount of new data has been generated from the extensive drill programmes now completed at Broken Hill and a significant number of assays are yet to be reported from all five of the prospects tested (Rockwell, LBHG, Platinum Springs, Red Hill and Dora East).

A detailed interpretation of all of this data in context is required in order to prioritise areas for follow up drilling and this will include further research and calibration of Impact's ratio for PGE exploration.

Drilling will resume as soon as practicable in 2021, and discussions are in progress with drilling contractors to determine timing and cost. Statutory approvals are also being prepared.

1.3 Silver-Lead-Zinc rights to the Broken Hill project.

During the Quarter Impact elected to withdraw from the proposed Strategic Alliance with Wyloo Metals Limited and Castillo Copper Limited which was formed to jointly market the silver-lead-zinc rights of Impact's large ground holdings and the other two companies' ground holdings in the Broken Hill area (ASX Release 24th February 2020). A deal that maximised returns to Impact's shareholders did not materialise during the period of the Memorandum of Understanding.

Impact has amassed a considerable amount of intellectual property about the potential for silver-lead-zinc mineralisation, or so-called "Broken Hill-style" of mineralisation, on its extensive land position over the past few years and the company will now pursue its own strategy for these metals.

As part of that strategy, Impact purchased Silver City Minerals Limited's (ASX:SCI) remaining 20% free carried interest in the silver-lead-zinc rights to EL7390 for a consideration of \$20,000 cash (ASX Release 23rd October 2015). The purchase is subject only to Ministerial approval, which is expected in Q1 2021.

On approval, Impact will own 100% of all mineral rights to its entire tenement portfolio at Broken Hill and end a long and complex history of joint ventures on the tenement inherited by Impact when it first purchased an interest in the project.

2. COMMONWEALTH PROJECT, NSW (IPT 100%)

During the Quarter, Impact completed a major Induced Polarisation ground geophysical survey over the Apsley porphyry copper-gold prospect where previous soil and rock chip geochemistry has identified some stand out targets.

The IP survey was extended several times because of encouraging results coincident with the significant soil geochemistry results reported previously (ASX Release 10th August 2020).

Final data has now been received, and a detailed interpretation is in progress. However, the results do indicate drill targets are present and fast tracking of the statutory approvals required for drilling is now underway with a view to drilling as soon as practicable, probably during Quarter 1 2021.

3. NEW PROJECTS

3.1 Beau Project, WA (IPT 100%)

During the Quarter, Impact reached agreement with Beau Resources Pty Limited, an unrelated private company, to purchase 100% of ELA70/5424, a tenement application covering 16 square kilometres and located about 15 km north of Impact's Arkun nickel-copper-platinum group element (PGE) project close to Perth in Western Australia (ASX Release 30th November 2020).

The Beau project covers a prominent oval magnetic anomaly 3,000 metres by 1,500 metres in dimension that lies under shallow cover (likely to be less than 50 metres) and which has never been explored (Figure 3.1). The anomaly is of a similar size and geometry to the Gonneville Intrusion, host to the significant PGE-copper-nickel mineralisation discovered recently at Julimar (Chalice Gold NL) and also the Newleyine intrusion which also hosts nickel-copper-PGE mineralisation (Mandrake Resources Limited; and Figures 3.1 and 3.2).

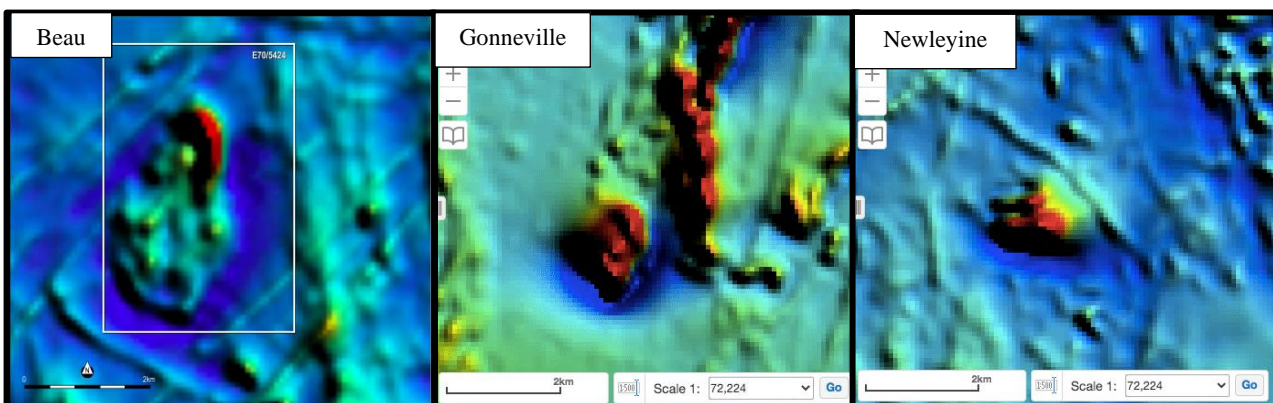


Figure 3.1. Image of regional magnetic data showing the magnetic anomalies at Beau (left), Gonneville (Chalice Gold NL centre) and Newleyine (right) for comparison at the same scale.

The Beau tenement lies completely within exploration licence applications owned by Anglo American Corporation who applied for the ground surrounding Arkun on the same day that Impact announced it had made its applications there (Figures 3.2 and 3.3 and ASX Release 10th June 2020).

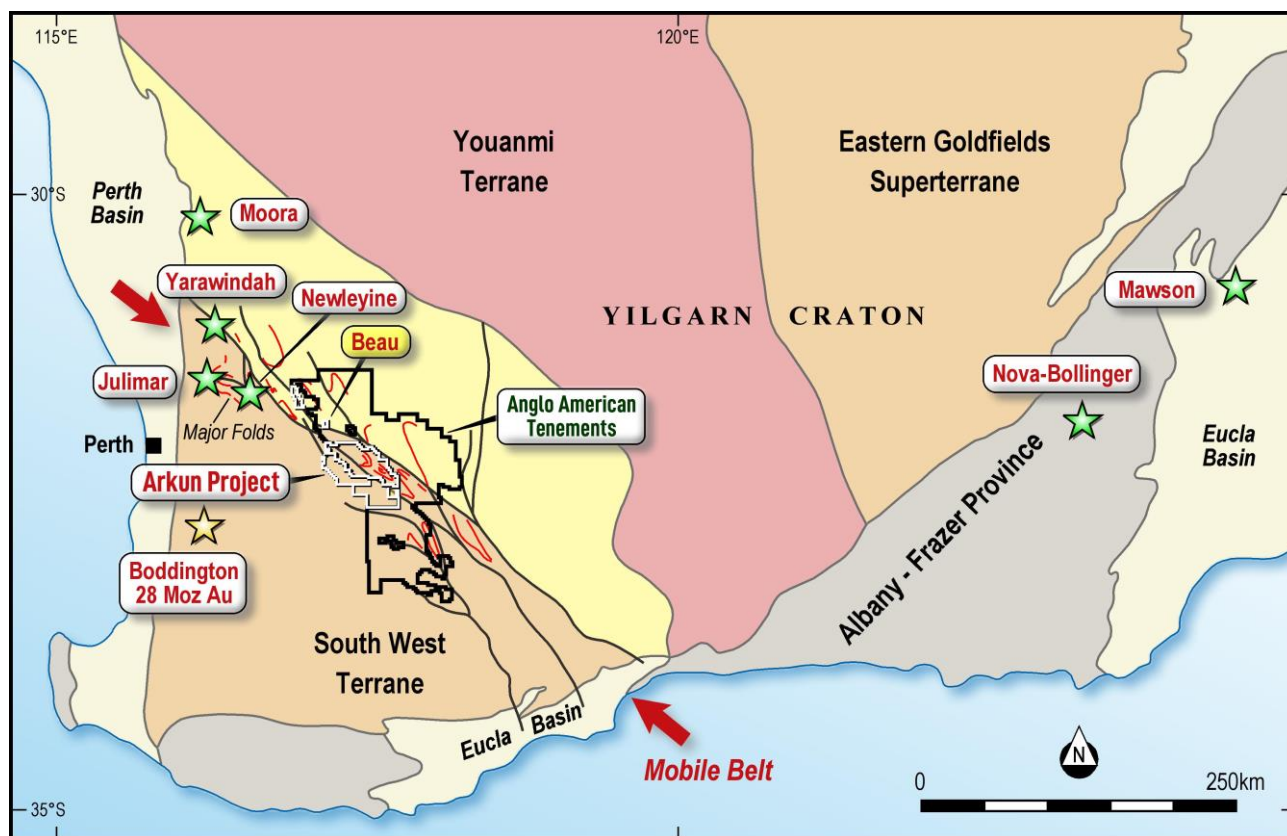


Figure 3.2. Location of the Beau tenement and Arkun Project in SW Western Australia.

The magnetic anomaly is a well defined target and a priority area for follow up when the application is granted, which is expected by the end of Quarter 1 2021.

The terms of the purchase are:

1. \$10,000 on signing.
2. Impact to cover all costs involved in grant of the tenement.
3. Purchase of 100% ownership of the tenement upon grant and transfer of the licence for \$50,000 cash and a 2% GPR. The grant and transfer are subject to ministerial consent.

The Arkun project was staked in 2020 in the centre of the emerging nickel-copper-PGE province of south west Western Australia and following the recent significant PGE discovery at Julimar just 75 km north east of Perth by Chalice Gold NL (Figures 3.2 and 3.3; ASX Release 29th May 2020).

The Arkun tenements should be granted early in Quarter 1 2021.

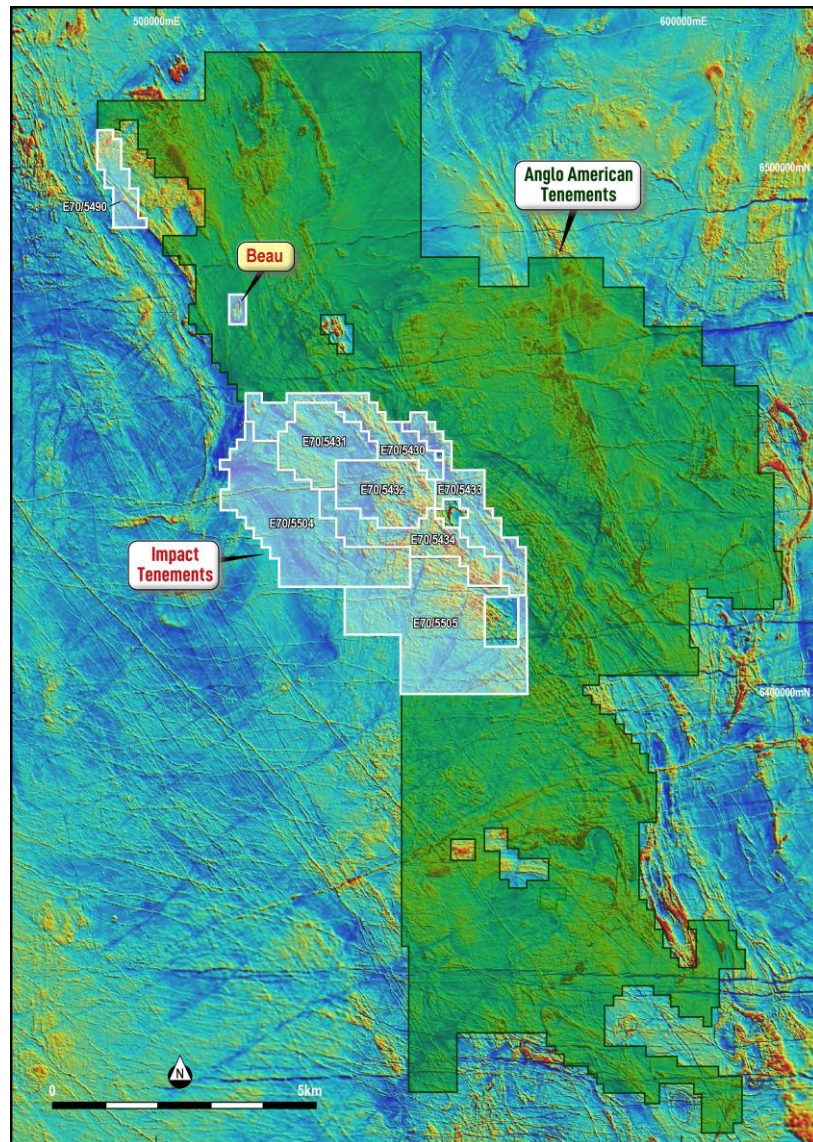


Figure 3.3. Image of regional magnetic data showing the location of the Beau tenement within ground held by Anglo American Corporation.

Next Steps

Impact has commenced an interpretation of the surface and bedrock geology of the Arkun-Beau project area. These will be used to help identify priority areas for follow-up reconnaissance exploration, which will commence upon grant of the tenements.

3.2 DOONIA PROJECT, WA (IPT 80%)

During the quarter, Impact also entered into a joint venture over the Doonia project located 75 kilometres east of Kambalda in Western Australia (Figure 3.4 and ASX Release 17th November 2020).

The target was identified following a review of the Eastern Goldfields for intrusion-hosted gold deposits in light of the Hemi discovery in the Pilbara where a major gold deposit hosted by felsic intrusions has recently been outlined by De Grey Mining Limited.

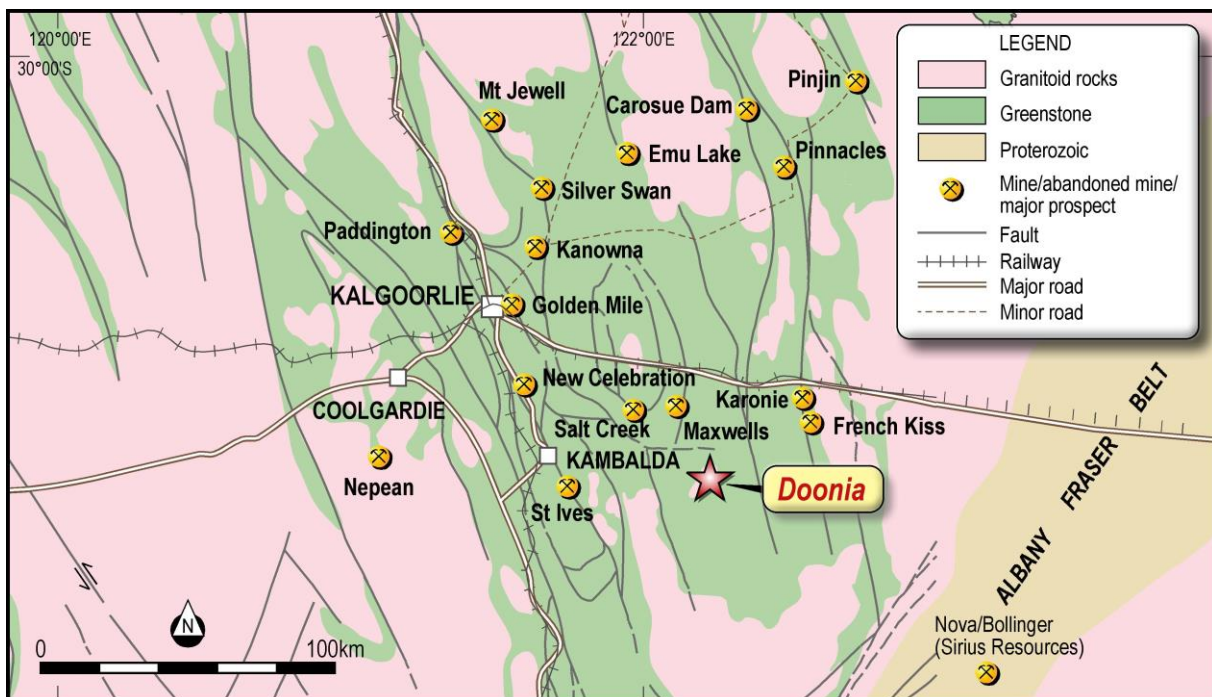


Figure 3.4: Location of the Doonia Project in the Eastern Goldfields of Western Australia.

Doonia was recognised as a large but poorly tested gold-in-soil anomaly that was unpegged and was brought to Impact’s attention by its consultants Milford Resources Pty Ltd and Odette Resources Pty Ltd. Impact has submitted a tenement application to cover the target area and will enter into an 80%-20% unincorporated joint venture with Odette Resources Pty Limited upon grant.

Previous Exploration at Doonia

A total of 721 soil geochemistry samples were taken over the Doonia project in 1999 by WMC Resources Limited at an initial spacing of 800 metres by 200 metres with subsequent infill at a spacing of 200 metres by 200 metres between samples. Two encouraging gold-in-soil anomalies were defined and tested by 65 aircore holes to an average depth of 28 metres (minimum depth 3 metres, maximum depth 52 metres).

Interpretation of the Soil Geochemistry Data

The soil geochemistry results returned values of up to 8 ppb gold, 8.4 ppb bismuth, 440 ppm nickel, and 90 ppm copper.

Although these absolute values are modest, the entire area is underlain by stabilised sandy soils and colluvium on the southern margin of a broad salt lake system. It is well known that such sandy soils may significantly dilute soil geochemistry responses and background values are estimated to be less than 10 ppm for nickel and copper and no more than 1 ppb for gold and bismuth. The maximum values are therefore well above background and of exploration significance, in particular given a previously unrecognised well-developed zonation pattern that is evident in the data (Figures 3.5 and 3.6).

The results of the soil geochemistry survey are presented as additive Z score indices in Figures 3.5 and 3.6. Z scores are a standard statistical calculation of the number of standard deviations a raw data (assay) value is from the mean of the data. For example, a Z score of 2 indicates a value 2 standard deviations above the mean. The higher the Z score, the more anomalous the data point is with respect to the dataset. The mean values for each of the metals of interest described here are also listed in ASX Release 17th November 2020.

Z scores are a standard method of normalising data so that statistically meaningful associations between datasets can be made. In this case the Z scores for individual metals that are commonly associated around gold deposits are simply added together in order to amplify the association. For example, the Z scores for gold and bismuth may be added together to help define the core of an intrusive related gold system.

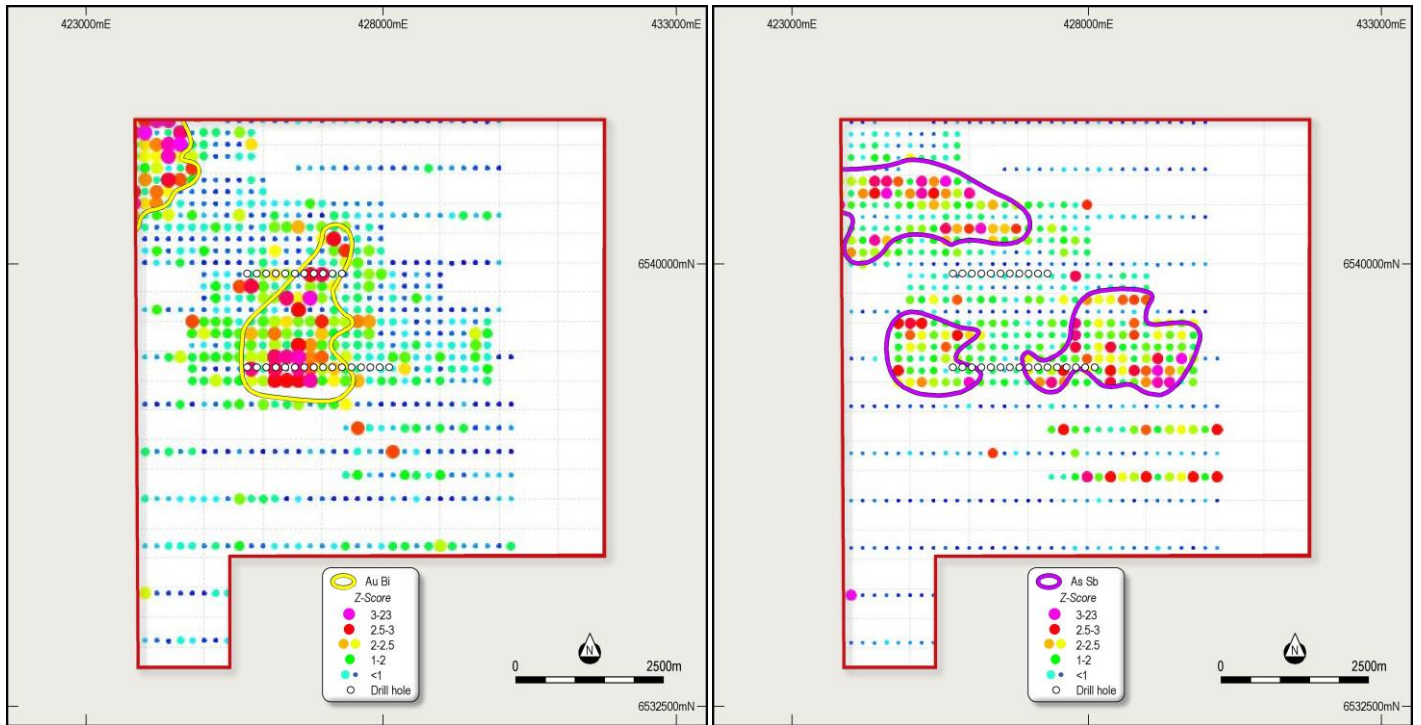
Zoned Soil Geochemistry Anomaly

The soil geochemistry results reveal a very distinct and coherent zoned geochemical anomaly that was not recognised by WMC (Figures 3.5 and 3.6).

A core area of gold+bismuth 2,500 metres long and up to 1,000 metres wide occurs in the centre of the project area and is surrounded by a larger, (albeit somewhat discontinuous) halo of arsenic+antimony (Figures 3.5 and 3.6).

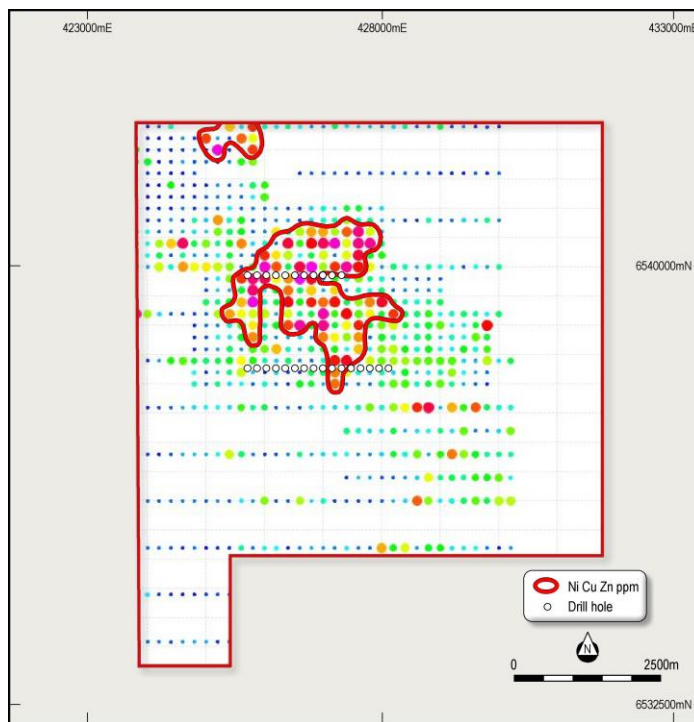
The gold+bismuth zone overlies numerous small magnetic anomalies visible in regional magnetic data which are also coincident with a nickel+copper+zinc-in soil anomaly that covers an area of about 2,500 metres by 2,000 metres (Figures 3.5 and 3.6).

These results are interpreted to be potentially related to a gold-bismuth mineralised system associated with a differentiated mafic to felsic intrusion. The system covers a large area and clearly has the scale to warrant exploration. A second gold+bismuth anomaly is also present in the north west corner of the project area.



Gold+Bismuth

Arsenic+Antimony



Nickel+Copper+Zinc

Figure 3.5. Images of the Z-Scores for gold+bismuth, arsenic+antimony and nickel+copper+zinc. Note that the entire central zoned anomaly extends over several square kilometres.

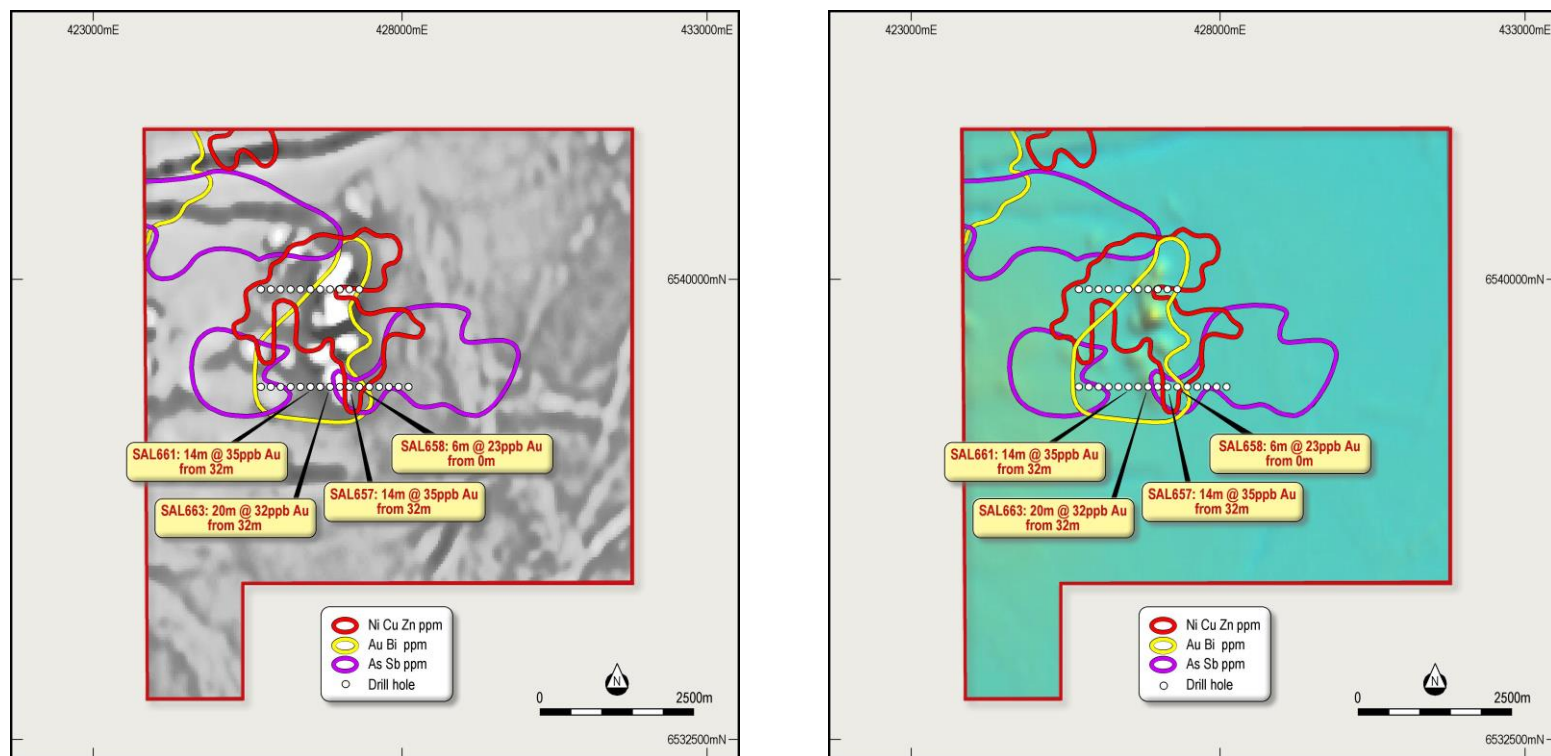


Figure 3.6. Images of regional magnetic data showing the zoned soil geochemistry pattern with a core of gold+bismuth and an outer halo of arsenic+antimony centred over numerous magnetic anomalies. The image at **left** shows a vertical derivative of the magnetic data and the image at **right** shows total magnetic intensity. The nickel+copper+zinc anomaly is well developed over the magnetic anomalies and may reflect a buried intrusion.

Previous Drill Results

The main soil geochemistry anomaly was tested by 27 aircore vertical drill holes by WMC Resources Ltd to an average depth of only 36 metres on two traverses 600 metres apart with holes 160 metres apart. The drilling was limited to weathered rocks and fresh rock was rarely encountered.

Four drill holes on the southern traverses returned significant thicknesses of modest gold mineralisation in the weathered zone as follows (Figure 3.6).

SAL661 returned 14 metres at 35 ppb gold from 32 metres depth;

SAL663 returned 20 metres at 32 ppb from 32 metres;

SAL657 returned 14 metres at 35 ppb from 32 metres; and

SAL658 returned 6 metres at 23 ppb from surface.

A total of 22 holes were drilled to test the second gold-bismuth anomaly and modest copper results were returned from a few holes.

Previous work by Impact has shown that sub-surface gold (and other metal) dispersion halos in weathering environments close to the margins of salt lakes such as at Doonia, are commonly severely depleted and chemically eroded away by acidic ground water flow. Therefore, close spaced drilling to fresh bedrock is required to adequately test gold-in-soil anomalies in such geochemical environments.

Accordingly, the results of the previous drilling, in combination with the zonation pattern evident in the soil geochemistry data, are considered to be very encouraging given the regolith conditions and the very wide drill spacing used. Deep drilling is required to effectively test the target.

Next Steps

The tenement application (ELA15/1790) is pending grant, a process expected to be completed in Quarter 1 2021. Upon grant Impact will complete further detailed soil geochemistry surveys to define specific drill targets for priority follow up.

4. CORPORATE

Impact has reached agreement for the outright sale of its Clermont epithermal gold project (EPM14116) in central Queensland to Australasian Gold Limited, an unrelated company with a suite of similar prospective gold assets in Queensland.

The terms of the sale are \$100,000 in shares in Australasian Gold at a price of 10 cents per share. Australasian Gold will list on the ASX in early 2021 at a listing price of 20 cents per share. Australasian Gold is to cover all costs involved in the transfer of the licence.

Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) for the current period provides an overview of the Company's financial activities.

Cash exploration expenditure for the current period was \$1.7 million primarily at the Broken Hill Project. Corporate and other expenditure amounted to \$276,000. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$93,000 and includes salary, directors' fees and superannuation.

Cash at December 31st 2020 was \$2.6 million.



Dr Michael G Jones
Managing Director

Competent Persons Statement

Exploration Results

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). Dr 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.

Impact Minerals confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements referred to and in the case of mineral resource estimates, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Tenement Information in accordance with Listing Rule 5.3.3

Project / Tenement ID	Status	IPT Interest at start of quarter	IPT Interest at end of quarter
Commonwealth, NSW			
EL5874	Granted	100%	100%
EL8212	Granted	100%	100%
EL8252	Granted	100%	100%
EL8504	Granted	100%	100%
EL8505	Granted	100%	100%
EL8632	Granted	100%	100%
Broken Hill, NSW			
EL7390	Granted	100%	100%
EL8234	Granted	100%	100%
EL8636	Granted	100%	100%
EL8674	Granted	100%	100%
EL8609	Granted	100%	100%
ELA5977	Application	-	-
ELA5978	Application	-	-
ELA6033	Application	-	-
Clermont, Qld			
EPM14116	Granted	100%	100%
Black Ridge, Qld			
EPM26806	Granted	100%	100%
ML2386	Granted	100%	100%
EPM27571	Application	-	-
EPM27410	Application	-	-
Arkun, WA			
E70/5430	Granted	100%	100%
E70/5431	Granted	100%	100%
E70/5432	Application	-	-
E70/5433	Application	-	-
E70/5434	Application	-	-
E70/5490	Application	-	-
E70/5504	Application	-	-
E70/5505	Application	-	-
Doonia, WA			
E15/1790	Application	80%	80%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

IMPACT MINERALS LIMITED

ABN

52 119 062 261

Quarter ended ("current quarter")

31 DECEMBER 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for	-	-
(a) exploration & evaluation		
(b) development	-	-
(c) production	-	-
(d) staff costs	(68)	(116)
(e) administration and corporate costs	(208)	(449)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	10	67
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(258)	(480)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(30)	(30)
(c) property, plant and equipment	(15)	(16)
(d) exploration & evaluation	(1,695)	(2,340)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,740)	(2,386)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,245
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(215)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(4)	3,030
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,597	2,431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(258)	(480)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,740)	(2,386)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	3,030

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,595	2,595

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,093	1,097
5.2	Call deposits	1,502	3,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,595	4,597

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	93
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(258)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,695)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,953)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,595
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,597
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not necessarily. At this time, the Board has not approved budgets for the next two quarters.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: No.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes The Company and its Directors believe that it will be able to manage its expenditures and cash flows to proceed on a going concern basis.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 January 2021

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.