

ASX ANNOUNCEMENT

Date: 29th July 2011

ASX: IPT

Number: 183/290711

JUNE 2011 QUARTERLY REPORT SUMMARY

1. URANIUM

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

Extensive exploration programme commenced on 16 priority targets including up to 10,000 m of drilling;

Drilling commenced in late June 2011 and is targeted at uranium hosted by Karoo and Proterozoic sedimentary rocks and by granite.

- **Offer to Purchase Nowthanna Uranium Deposit**

Non-binding Term Sheet signed with Toro Energy Limited to sell Impact's 40% beneficial interest in the Nowthanna uranium deposit (100% of E51/1075 and 20% of E51/1072);

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

Transaction is subject to final due diligence by Toro and is expected to be completed by 15th September 2011.

2. NICKEL-COPPER-PGE

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

Airborne magnetic and radiometric survey commenced over the northern part of the Xade Complex. Results are expected in September.

- **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%):**

At Target NH1 petrographic studies confirm trace nickel and copper sulphides in the ultramafic rocks intersected in RC drill holes;

The Statutory Approvals process is in progress for a drill programme at Target P1 for porphyry-style copper-molybdenum-gold mineralisation. It is anticipated that drilling could start in September.

3. CORPORATE

- James Cooper-Jones appointed sole Company Secretary;
- 550,000 options cancelled; 150,000 employee options issued;
- \$3.0 million cash as at 30th June 2011.

Market Cap

A\$10.5 m (0.09 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
Company Secretary

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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 deposit:

- 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 including up to at least 10,000 metres of drilling was commenced 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.

There are four priority drill targets, all located west of the town of Mahalapye (Figure 1).

The Red Hill 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_3O_8 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 Mlb at 17% U_3O_8) in the Athabasca Basin.

At Moiyabana South and Mosolotsane North there is potential for Karoo-style deposits in an area about 30 km by 10 km in size. At Moiyabana South a large Karoo sedimentary basin has been identified and 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_3O_8 . Field checking along this contact has identified many places with elevated uranium assays of up to 1,000 ppm eU_3O_8 in weathered Karoo sandstones. Drilling will test this contact over an area of up to 200 square kilometres. A similar target covering about 100 sq km will be drill tested at Mosolotsane North.

At Mogome 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_3O_8 has identified many areas of granite with up to 400 ppm eU_3O_8 . Follow up work and interpretation of chemical assays are in progress and further results will be released when completed. However at least one target area for this style of mineralisation, Mogome, will be drill tested in this programme.

Drilling commenced at the end of June and the first results are being interpreted and will be reported when complete.

Discussions with a number of parties that had approached the Company regarding a potential transaction on the Botswana Uranium Project are on-going and an update will be provided when appropriate.

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 comprises 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 has also agreed to purchase the remaining 80% of E51/1072 from the other parties in the Yarrabubba Joint Venture.

Subject to due diligence by Toro, Impact will receive A\$713,000 and 5,485,000 ordinary Toro shares as its share of the consideration payable. Half of the shares will be escrowed for six months and the remaining half will be escrowed for 12 months.

In addition to due diligence, the sale is subject to the execution of a Sale and Purchase Agreement and statutory or third-party consents and approvals. The parties will endeavour to complete the sale by the 15 September 2011 and the term sheet provides for an exclusivity period in favour of Toro until that date.

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 in Western Australia as well as 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%)

During the December Quarter 2010 Impact entered into an option agreement with private company Manica Minerals Limited in relation to the Xade Project in central Botswana, to explore for deposits of platinum group elements (PGE), nickel and copper (Figure 2).

The agreement with Manica requires Impact 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 Project covers a very large aeromagnetic feature as a large gabbro intrusion with excellent potential to host deposits of PGEs and nickel-copper sulphides.

Manica owns 100% of the Prospecting Licences, with an area of about 11,000 sq km and which cover the entire extent of the ~280 km strike of the Xade Complex. The Project is close to excellent infrastructure and the very large Orapa diamond mine and is poorly explored (Figure 2).

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.

In particular there is chemical evidence that the gabbro magma was contaminated by extensive amounts of granite that may have introduced sulphur into the melt. Such so-called "crustal contamination" is commonly considered to be a pre-requisite for the formation of large nickel-copper-PGE deposits.

In addition there are units with anomalous copper, nickel and PGE values that contain textures indicating they could be distal and lateral equivalents of units that may host massive nickel-copper sulphide deposits, or Bushveld-style PGE deposits.

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 commenced over the northern part of the Xade Complex. The survey will be completed in early August and results are expected in September. This new data will be used to identify target areas for further detailed exploration including drilling.

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.

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.

Target NH1

A maiden RC drill programme for nickel-copper-PGE's was completed in the December Quarter to test target area NH1 and the results were reported in the March Quarterly report.

One significant assay was returned from the drill programme and that was for nickel in a thick ultramafic unit in Hole YBRC004:

62m at 1,594 ppm nickel from 59 m (with 40 ppm copper, 96 ppm cobalt, 6.5 ppb platinum, 5.2 ppb palladium, 2.2 ppb gold and 482 ppm sulphur).

Although other assay results were not significant the ultramafic, and to a lesser extent the mafic rocks, contain anomalous nickel, palladium and platinum, and variably cobalt, copper, gold and sulphur values. The nickel is likely to be contained in the silicate minerals. There is a strong correlation between the PGE's and copper, gold and sulphur.

A petrographic study of selected drill chip samples was completed during the Quarter and this work confirmed that the ultramafic rocks contain trace nickel and copper sulphides. Accordingly the ultramafic units at Target NH1 may be prospective for deposits of nickel, copper and PGE's along strike or down dip.

The Yarrabubba Joint Venture will now assess the future exploration potential of the project for nickel, copper and PGE's. This will be pending the results of a proposed drill programme at Target P1.

Drill Programme at Target P1

The statutory approvals process continued for a drill programme to test Target P1, identified by previous soil geochemistry programmes, for porphyry-style copper-molybdenum-zinc mineralisation. This includes the organisation of Heritage Surveys and a Programme of Works approval from the State Government. It is anticipated that the approvals will be given shortly with the aim of drilling in about September.

6. Corporate

In May 2011 the Company announced the resignation of Joint Company Secretary Mark Pitts. James Cooper-Jones, who had acted as Joint Company Secretary with Mr Pitts since December 2010, will become the sole Company Secretary of the Company.

During the period 550,000 employee options held by employees who have left the service of the company were cancelled and 150,000 unlisted employee options were issued vesting on the 1st December 2011 and exercisable by the payment of 20 cents on or before 31st May 2014.

Cash

Impact's cash balance was \$3.0 million at the end of the Quarter.

Dr Michael G Jones

Managing Director

* eU and eU₃O₈ 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 full time 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.

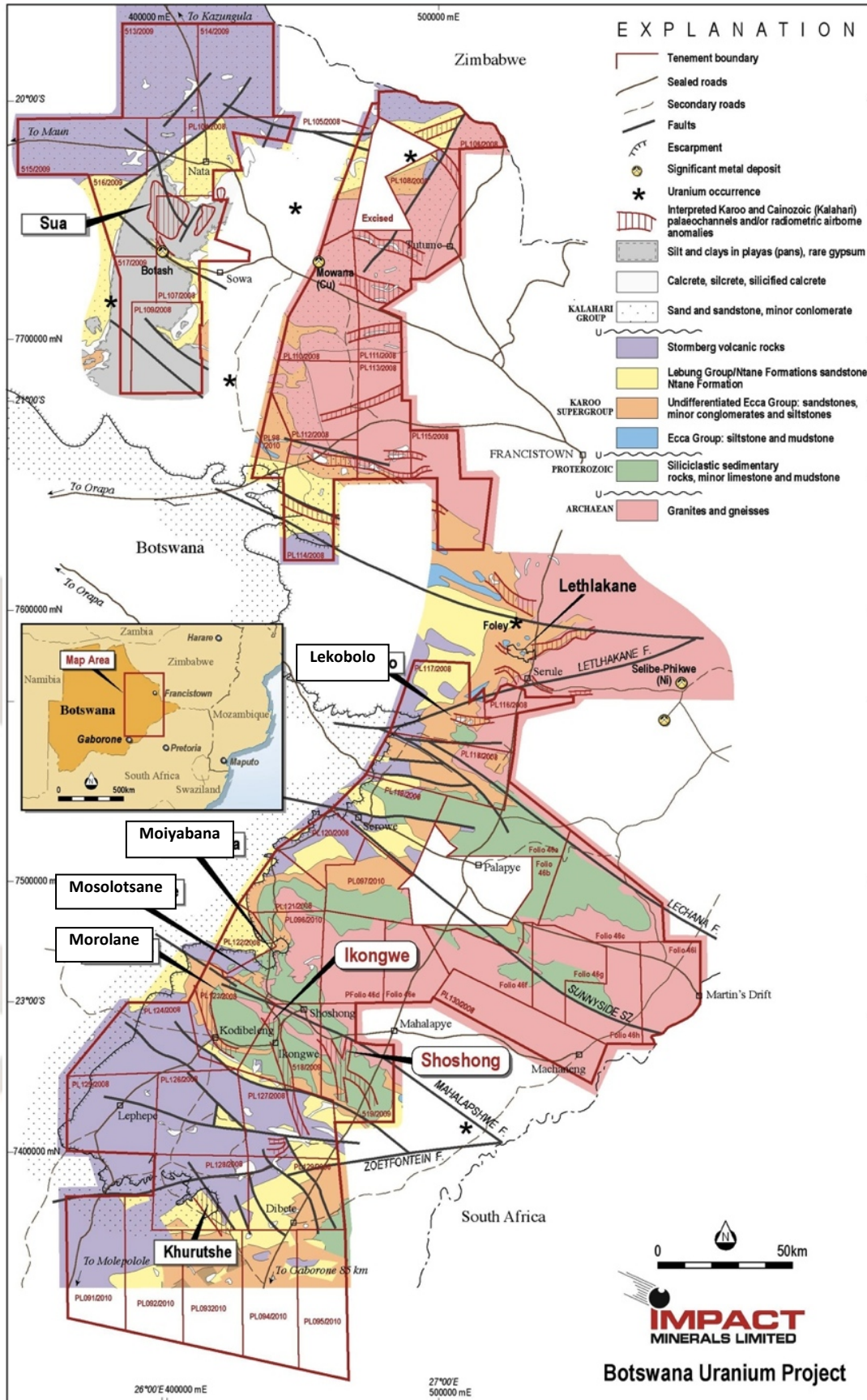


Figure 1. Location and Geology of the Botswana Uranium Project.

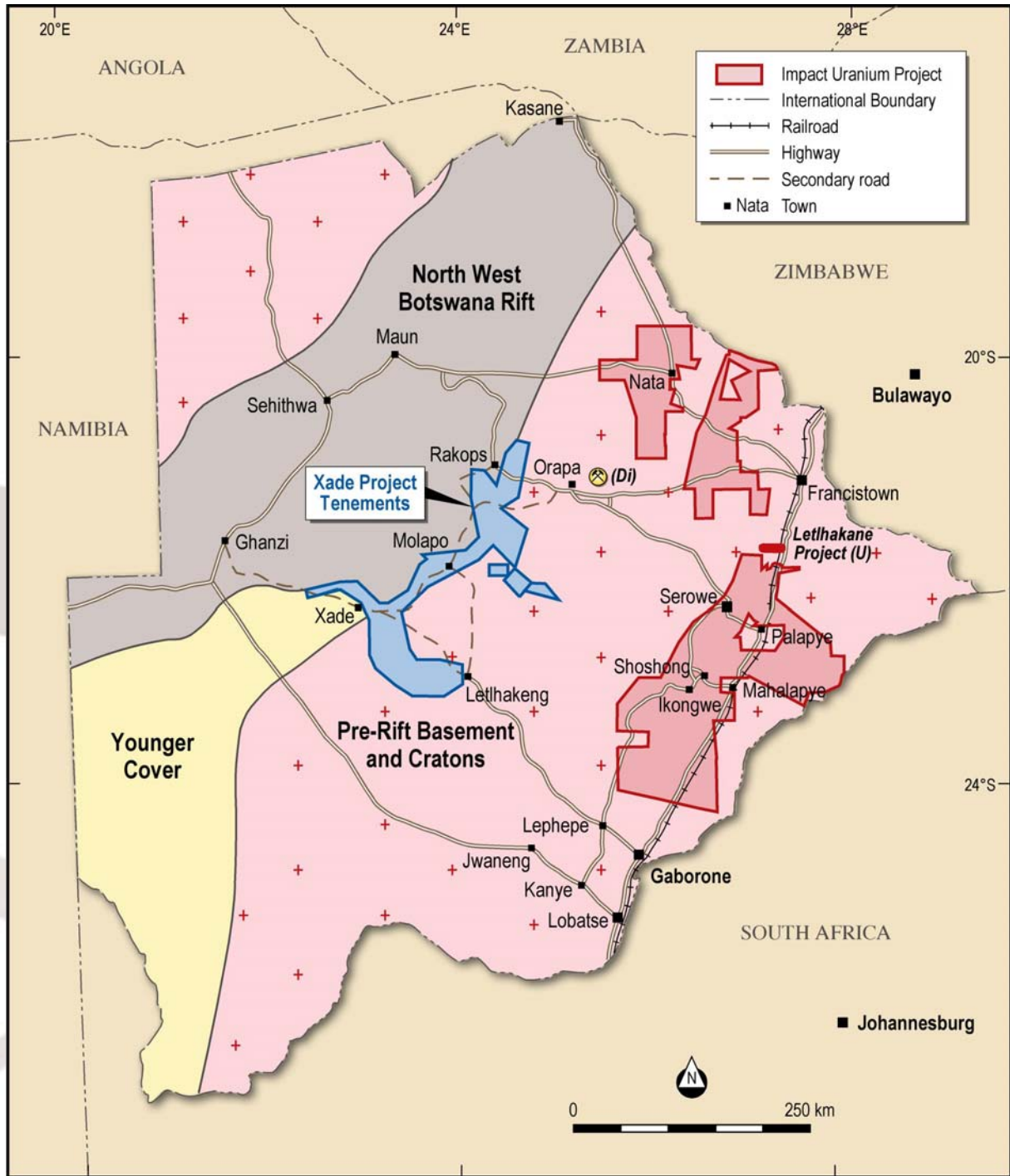


Figure 2. Location of the Xade Nickel-Copper-PGE Project, Botswana.

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")

30 JUNE 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(364)	(2,284)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	103	260
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(431)	(2,969)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets (d) environmental bonds	(39)	(2) (84) (26)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		(166)
1.11 Loans repaid by other entities		317
1.12 Other (provide details if material)		
Net investing cash flows	(39)	39

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(471)	(2,930)
1.13	Total operating and investing cash flows (brought forward)	(471)	(2,930)
	Cash flows related to financing activities		
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		(3)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	(3)
	Net increase (decrease) in cash held	(471)	(2,933)
1.20	Cash at beginning of quarter/year to date	3,490	5,951
1.21	Exchange rate adjustments to item 1.20	0	1
1.22	Cash at end of quarter	3,019	3,019

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 \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	116
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.

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	1,000

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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,019	36
5.2 Deposits at call	-	1,273
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	2,180
Total: cash at end of quarter (item 1.22)	3,019	3,490

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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.

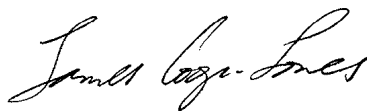
		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3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

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	<i>Number</i>		<i>Exercise price</i>	<i>Expiry date</i>
		150,000	-	15 cents	31 July 2012
		1,000,000	-	20 cents	31 July 2011
		100,000	-	20 cents	31 July 2012
		150,000	-	20 cents	31 July 2013
		150,000	-	20 cents	31 May 2014
		3,800,000	-	25 cents	31 July 2011
		1,000,000	-	25 cents	31 July 2012
		150,000	-	25 cents	31 July 2013
		3,150,000	-	30 cents	31 July 2012
		250,000	-	40 cents	31 July 2012
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>	NIL			
7.12	Unsecured notes <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: 19 July

(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.