IMPACT MINERALS LIMITED

ABN: 52 119 062 261

ANNUAL REPORT 2013

CONTENTS

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IMPACT MINERALS LIMITED

ACN: 119 062 261
ABN: 52 119 062 261

DIRECTORS

Mr Peter Unsworth – Chairman
Dr Michael Jones – Managing Director
Mr Paul Ingram – Non Executive Director
Mr Markus Elsasser – Non Executive Director

COMPANY SECRETARY

James Cooper-Jones

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STOCK EXCHANGE LISTINGS

ASX Limited - IPT

IMPACT
MINERALS LIMITED

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

The 2013 financial year was a transformative year for your company in a number of areas.

First, two new major shareholders with a long term strategy invested in the company.

Secondly, Impact increased its shareholding in and, as at the time of this letter is in the process of merging with, fellow ASX-listed explorer, Invictus Gold Limited.

Thirdly, Impact (together with Invictus) purchased Endeavour Minerals Pty Limited, a private company with a portfolio of advanced exploration projects in Australia. This purchase transformed the focus of Impact and Invictus from large greenfields projects to smaller more advanced projects.

When the merger with Invictus is completed Impact will have three flagship projects in Australia, all with drill ready targets that have the potential to deliver exploration success. At the Mulga Tank and Broken Hill Joint Venture projects, exciting drill targets for high grade deposits of nickel-copper-platinum have been identified. At the Commonwealth Project, further drilling may define a resource centred on the dormant Commonwealth Mine where previous work has identified high grade gold, silver and base metal mineralisation.

Impact is still committed to its projects in Botswana, in particular its large uranium project where a number of significant targets have been identified. A search for a joint venture partner is ongoing for this project.

Impact will also have a longer term strategy of business development in Turkey and will search for joint venture partners for its other early stage projects.

The coming year offers an exciting period for us all as drill programmes progress on the new portfolio of projects.

Thank you for your on-going support.

Peter Unsworth
Chairman

REVIEW OF OPERATIONS

The 2013 financial year was a watershed year for your company. Two new major German shareholders invested in the company and with this support Impact:

- first, via an underwritten rights issue, increased its shareholding in Invictus Gold Limited to 73.3%. Impact was of the view that Invictus was significantly undervalued, in particular because of its investment in Turkey and the Commonwealth Project. That view has not changed and as this report goes to press, Impact is in the process of merging with Invictus in order to gain 100% of the company. The merger is by way of a Scheme of Arrangement whereby Impact has offered 5 shares for every 4 Invictus shares that it does not own. The merger is expected to be completed by mid November.

- secondly, acquired, together with Invictus, Endeavour Minerals Pty Limited, a private company with very prospective projects in W.A. and N.S.W. in Australia, for $1,060,000 comprising $660,000 cash and $400,000 in shares. The transaction was completed in June 2013. This acquisition has been transformative for Impact which (post merger) will be in a position of having three advanced flagship projects: the joint venture rights to nickel-copper-PGM projects at Mulga Tank in Western Australia and Broken Hill in New South Wales as well as the 100% owned Commonwealth Gold and Base Metal Project in New South Wales. The Company is now progressing towards drill programmes on all three of these key projects; and

- thirdly, completed drill programmes in Botswana and, through Invictus, Queensland and Turkey.

On 29 August 2012 Dr Markus Elsasser was appointed to the Board as a Non-Executive Director of the Company. Dr Elsasser is a German financier and investor in the mineral resources industry. He is Head of the Elsasser family office “M. Elsasser & Cie AG 1971” in Dusseldorf, Germany, a Non-Executive Board member of both Arctic Gold AB and Kopy Goldfields AB (exploration companies listed in Sweden), a Non-Executive Director of Stellar Diamonds Plc, London and a Non-Executive Board member of Stellar Resources Limited in Melbourne Australia. Dr Elsasser was previously a Director of Finance at the Dow Chemical Company in Germany and he has extensive General Management experience with former appointments as Managing Director in Australia and Singapore in the chemical and food industries. Dr Elsasser has a degree and PhD in Business Administration from Cologne University, Germany.

The experience and international connections of Dr Elsasser will be of significant help to Impact as it progresses its exploration and development projects in Australia and Africa. The Directors welcome him to the Board.

In January 2013 Dr Rodney Fripp, one of the founders of Impact Minerals, resigned as Director. He was instrumental in the progress of the company’s exploration projects in Botswana and the Company thanks him for his contribution since foundation.

NICKEL-COPPER-PGM PROJECTS

1. MULGA TANK PROJECT, WA

The Mulga Tank Project is located 200 km east of Kalgoorlie in Western Australia and consists of 13 Exploration Licences covering about 425 sq km of the Minigwal greenstone belt in the emerging mineral province of the south eastern Yilgarn Craton and Albany-Fraser Mobile Belt
(Figures 1 and 2).

The project is located about 200 km north of the recently discovered Nova-Bollinger nickel copper deposit (Sirius Resources Ltd), 50 km south west of the recent discovery of disseminated nickel sulphide at the Dragon Project (St George Mining Ltd), 100 km south east of the gold deposits at Tropicana (Anglogold/ Independence Group Ltd) and 50 km west of the large and significant uranium deposit at Mulga Rocks (ERA Ltd: Inferred Resource of 24,520 t at 550 ppm U3O8) (Figure 2).

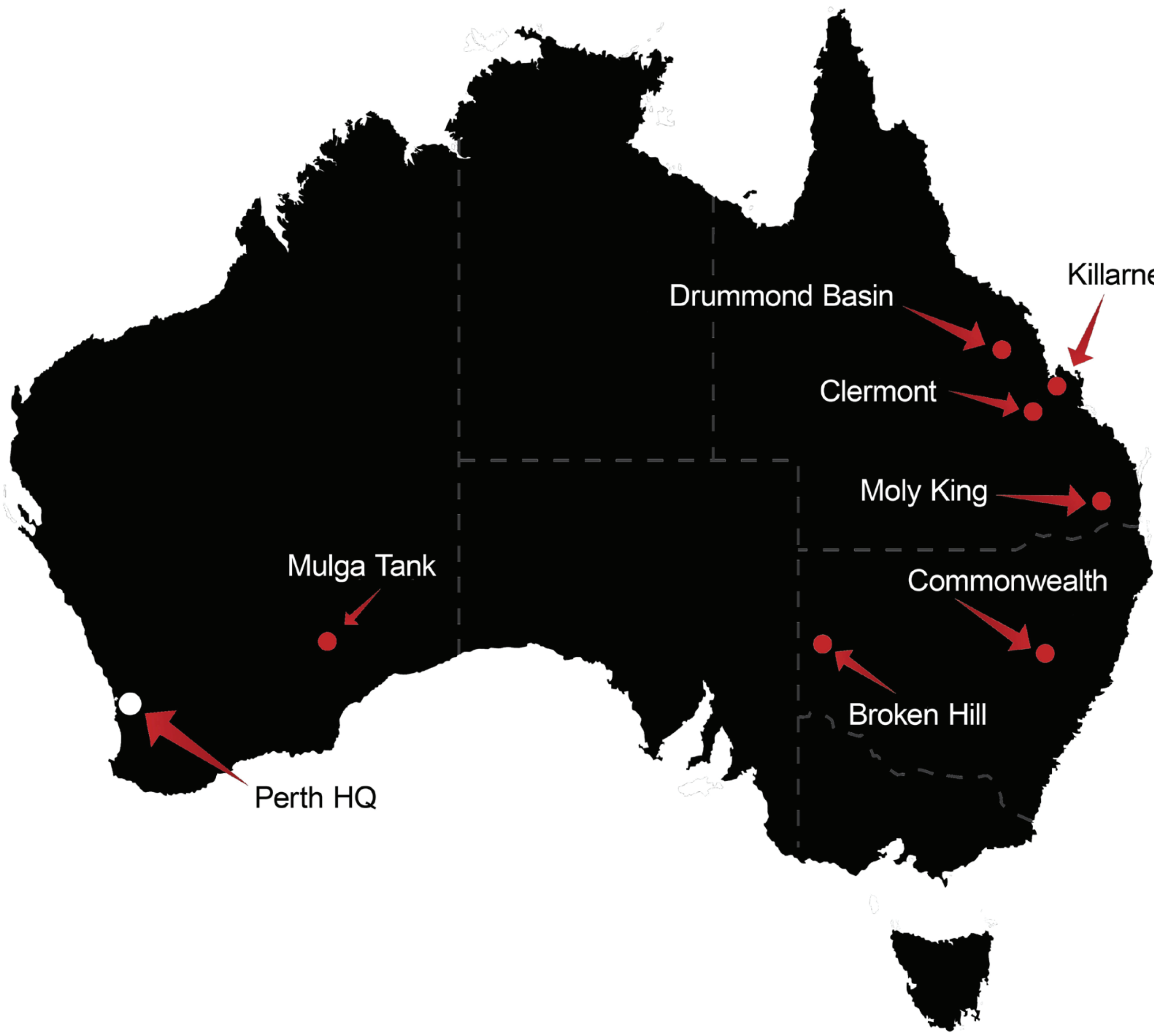


Figure 1: Map of Australia with Project Locations

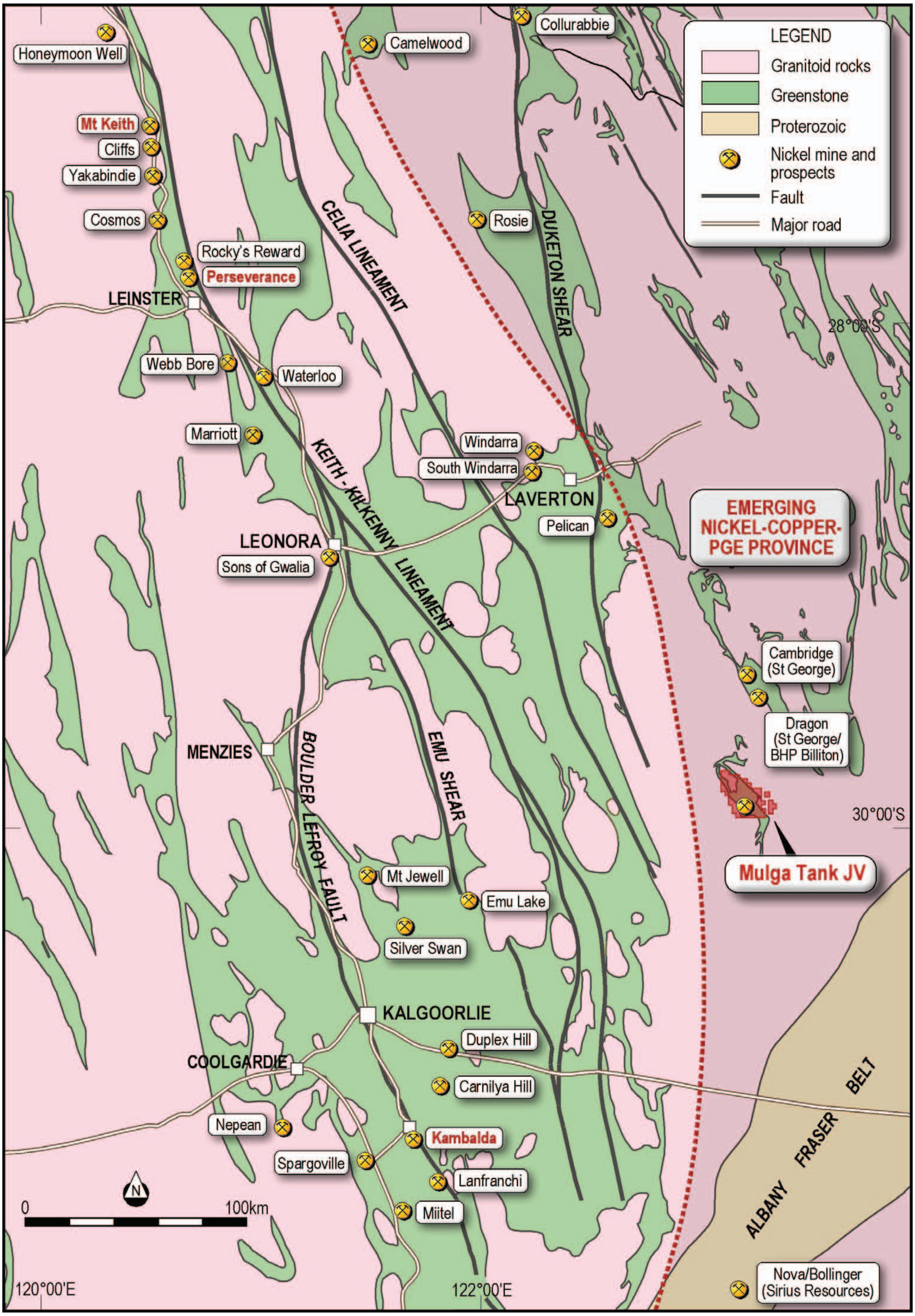


Figure 2: Location of the Mulga Tank Project and significant nickel sulphide mines and prospects including the Perseverance and Rocky's Reward deposits with new nickel-copper-PGE discoveries in the emerging nickel-copper province to the east.

Of the 13 licences in the Mulka Tank Project, Impact:

- owns 100% of six licences (E39/1632 and E39/1633 which are granted and four applications); and
- is earning a 50% interest from Golden Cross Resources Limited (GCR) in the remaining seven licences (E39/988, E39/1072, E39/1439, E39/1440, E39/1441, E39/1442 and E39/1513). A third party owns 20% and 25% of E39/988 and E39/1072 respectively.

In addition, post the agreement with Endeavour, Impact received a three-year extension from GCR on the term for the initial earn-in period to 2017 and discovered that Endeavour's joint venture contribution was $463,000 as at November 2012, equivalent to 100% more than first thought at the time of the initial agreement.

The original joint venture agreement between King Eagle and Endeavour was that Endeavour could earn 50% of GCR's equity in the project by spending $3 million by 2 November 2014. Accordingly Impact must now spend a further $2.2 million to earn its 50% share by 2 November 2017.

The Mulga Tank Project is prospective for:

- **high-grade nickel sulphide deposits** similar to the Perseverance deposit (40 Mt at 1.8% Ni) as well as those at the nearby major mining centres of Kambalda and Forrestania in Western Australia;
- **bulk tonnage nickel deposits** such as Mount Keith near Leinster, WA (>2 Mt nickel metal) and the very large and significant Dumont deposit in Quebec that is progressing towards development (Royal Nickel Corporation (TSX: RNX): Reserve 1.1 Bt at 0.27% nickel, Measured, Indicated and Inferred Resources of 2.1 Bt at 0.26% nickel for a contained 8 Mt of nickel with significant credits for contained cobalt, PGM's and magnetite);
- **gold deposits hosted in faults and shear zones** within the greenstone belt stratigraphy similar to the many multi-million ounce deposits found throughout the Eastern Goldfields Province of the Yilgarn Craton; and
- **uranium deposits hosted by Cainozoic palaeochannels** such as the nearby Mulga Rock deposit.

Exploration in the area has been hindered because of extensive sand cover.

Nickel Exploration

Previous exploration for nickel was focussed on an ultramafic intrusive unit 4.0 km by 3.5 km in dimension and visible as a very strong magnetic anomaly in regional airborne data (Figure 3). The intrusion is interpreted as a flat-lying ultramafic sill.

Four diamond drill holes were completed by previous explorers within the ultramafic unit. All of them returned wide intercepts of Mount Keith-style disseminated nickel mineralisation including:

MTD001: **264 m at 0.2% nickel** from 68 m including **2 m at 0.93% nicke**l;
MTD002: **214 m at 0.19% nickel** from 60 m including **1 m at 0.5 % nickel**;
MTD003: Approximately **248 m at 0.2% nickel** from **60 m including 11 m at 0.37% nickel** which includes **1 m at 1.1% nickel** from 209 m and **1 m at 0.8% nickel** from 212 m;

DD1A: Approximately **14 m at 0.3% nickel** from 195 m including **1 m at 0.6% nickel** and **12 m at 0.18% nickel** from 148 metres.

Disseminated sulphides occur in many places in the drill holes and detailed petrographic and scanning electron microscope work have confirmed extensive pentlandite, violarite and various nickel-cobalt minerals with limited iron sulphides. This is very encouraging.

A total of 29 reverse circulation drill holes were completed at five places to test the bedrock-cover interface along the interpreted southern contact of the ultramafic unit. Anomalous intercepts were returned in several places and include (Figure 3):

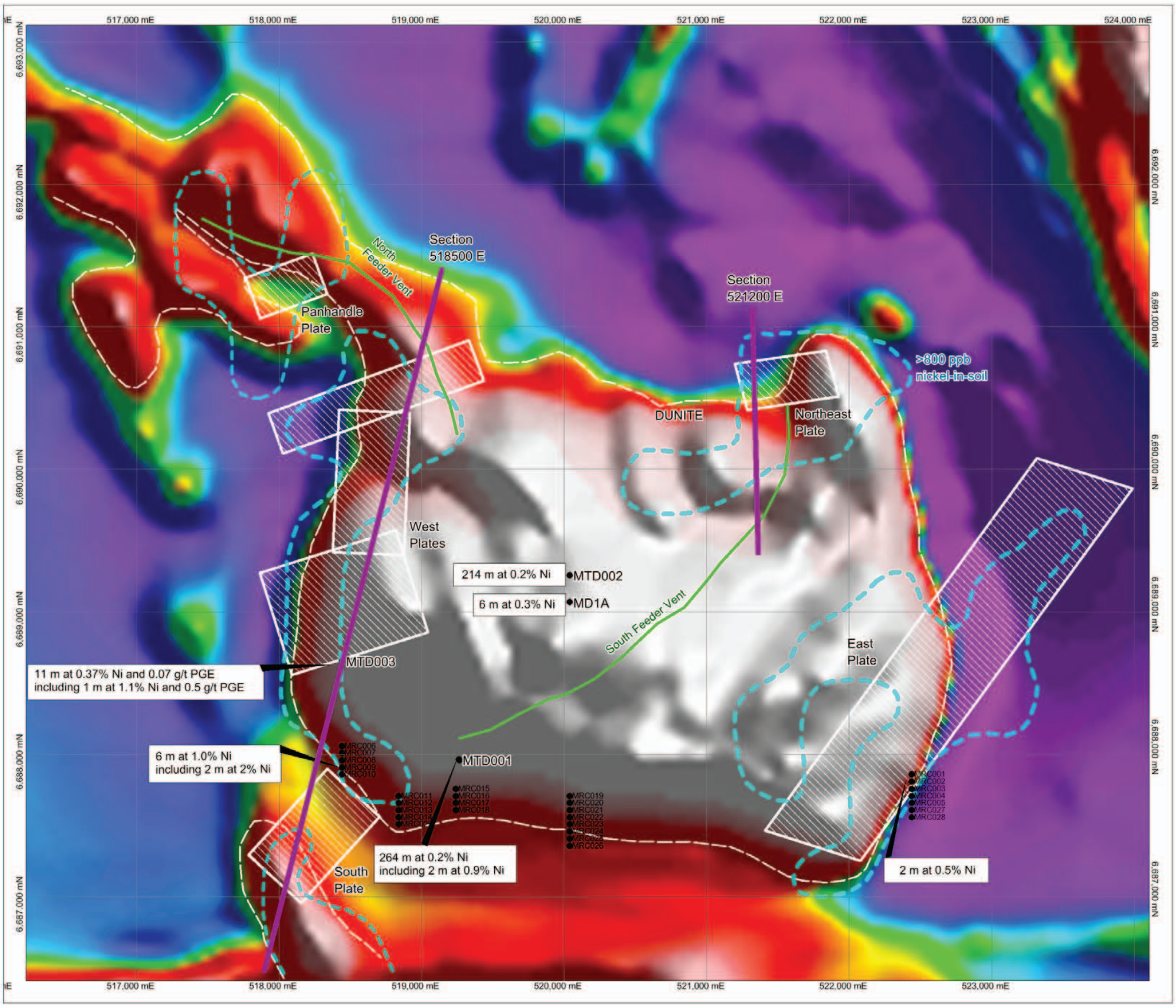


Figure 3: Plan map of the Mulga Tank Dunite (airborne magnetic TMI image) showing the basal contact of the dunite, > 800 ppb nickel-in-soil outline, historic diamond holes (black diamonds), RC holes (white circles) and significant results.

MRC09: 6 m at 1.2% nickel, 0.2% chromium and 280 ppm copper from 64 m, including 2 m at 2% nickel, 0.3% chromium and 445 ppm copper from 67 m; and

MRC03: 9 m at 0.5% nickel and 0.3% chromium from 40 metres.

An ionic leach soil geochemistry survey at 400 m sample spacing with 200 m infill sample spacing was completed by Endeavour over the central part of the project area. Anomalous nickel, copper, gold and silver results were returned from several places above the ultramafic intrusion. In particular, strongly anomalous results were returned from the northwest part of the magnetic anomaly where linear magnetic units abut the ultramafic unit. These linear units have been interpreted as a possible feeder zone to the intrusion and this area is prospective for massive nickel-copper sulphides.

These anomalous drill and soil geochemistry results have not been followed up and are priority areas for further work.

A recently completed ground electromagnetic survey has identified seven conductors with coincident anomalous soil geochemistry that warrant drill testing (Figures 4, 5 and 6). The conductors all occur at or close to the base of

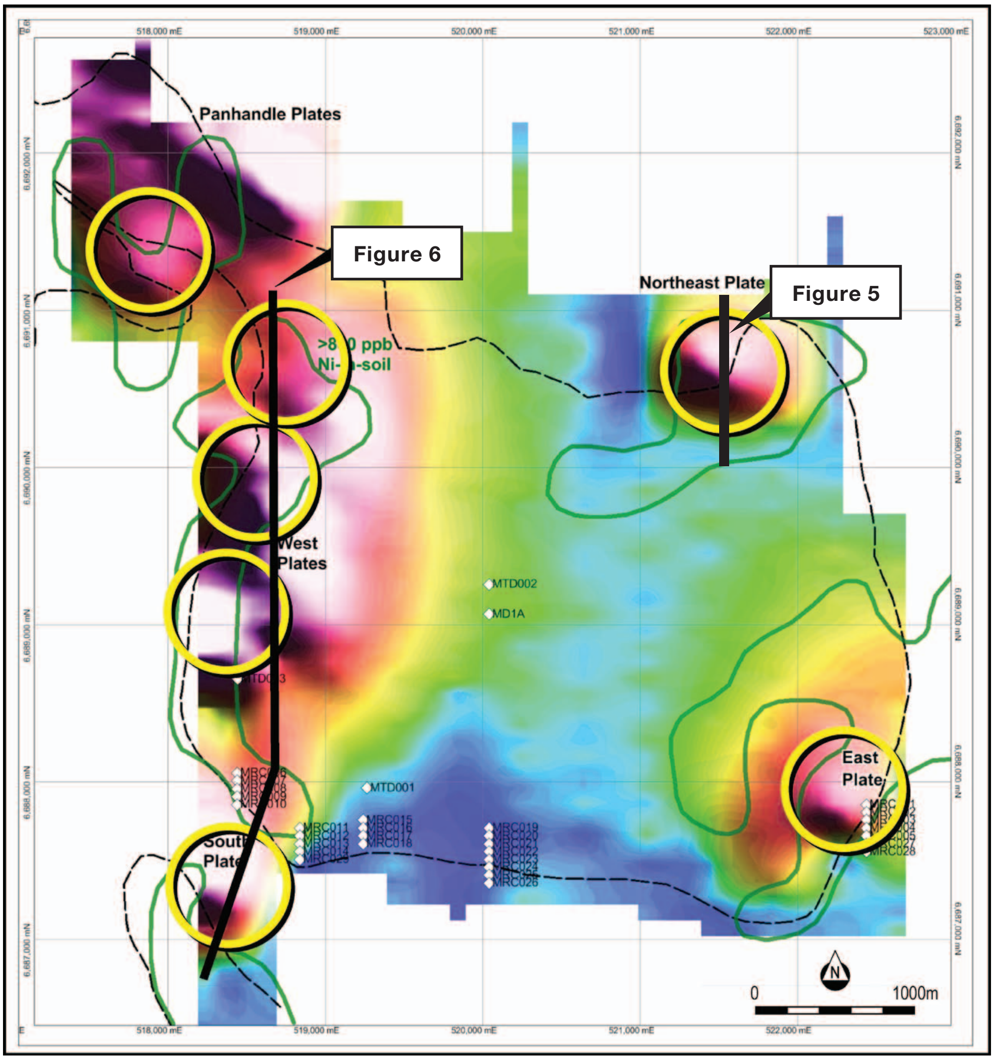


Figure 4: EM late time conductivity image (vertical component, channel 30-35) and the outline of the Mulga Tank Dunite interpreted from airborne magnetic data (black dash), > 800 ppb nickel-in-soil outline (green line) and previous drill holes. The EM conductors are shown in yellow.

the Mulga Tank Dunite as determined from previous drill holes and modelling of magnetic data. The coincidence of the conductors and soil geochemistry responses is very encouraging.

The conductors may be zones of high grade massive nickel-sulphide deposits hosted within ultramafic intrusions such as at Perseverance. Such deposits commonly occur near feeder-vent systems close to the base of the intrusions and Impact has identified two such possible structures within the dunite (Figure 3).

Given the limited exploration completed to date, and the significant size of the Mulga Tank Dunite, Impact considers these significant previous drilling results to be very encouraging for the discovery of both high grade disseminated and massive nickel sulphide deposits.

Impact was awarded a grant of $134,000 under the State Government's Industry Drilling Programme, which will allow Impact to significantly increase the size of its planned drill programme scheduled to commence in November 2013.

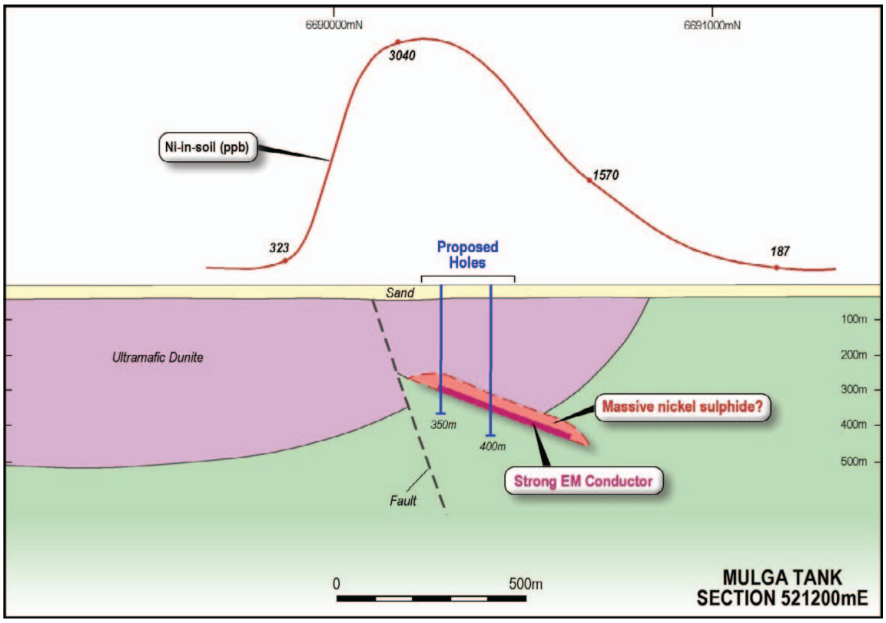


Figure 5: Section line 521200 mE showing the interpreted ultramafic rocks, the Northeast Plate conductor, nickel-in-soil values, interpreted massive nickel sulphide and planned drill holes.

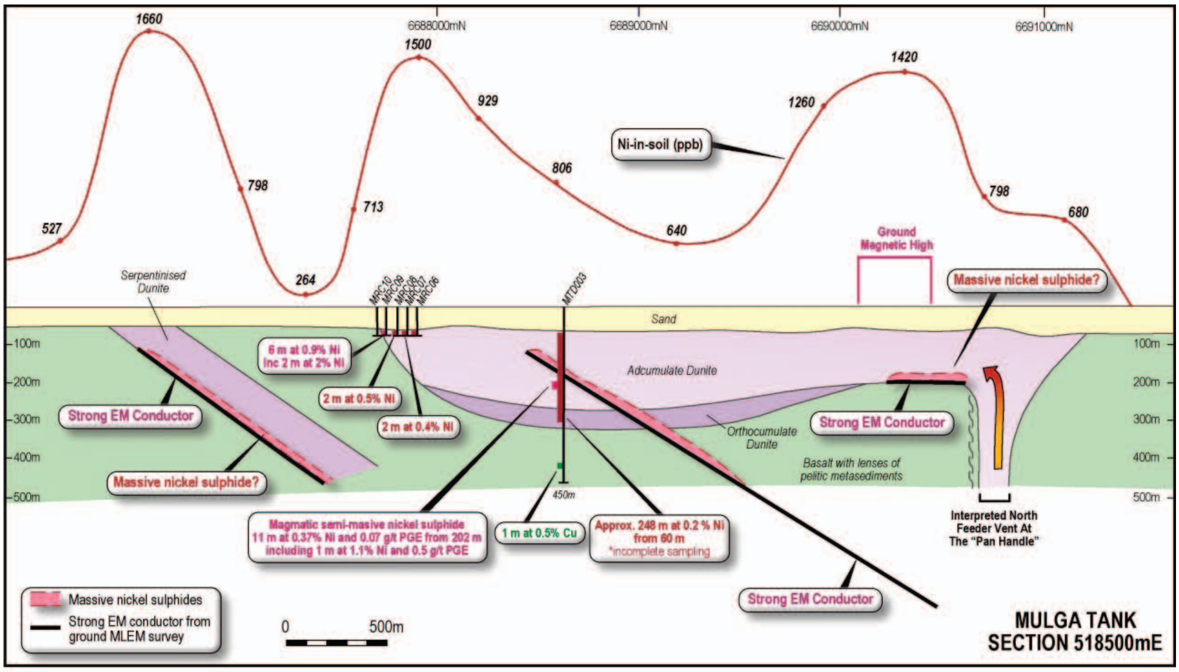


Figure 6: Section line 518500 mE showing the interpreted ultramafic rocks, the West Plate conductors (north), South Plate conductor (south), nickel-in-soil values, significant drill results and interpreted massive nickel sulphide drill targets.

Gold Exploration

The area is poorly explored for gold. The ionic leach soil geochemistry survey identified a number of areas with anomalous gold and silver results that have not been drill tested.

Aircore drilling by previous explorers has occurred in a few places. A narrow intersect of 1 m at 0.6 g/t gold, 0.5 g/t silver and 411 ppm tungsten was returned from one prospect.

2. THE BROKEN HILL JOINT VENTURE, NSW (Impact earning 80%)

The Broken Hill Ni-Cu-PGM Project is located 20 km east of the World Class Broken Hill silver-lead-zinc mine in New South Wales, and consists of one Exploration Licence (EL7390) covering 114 sq km in the south east part of the richly mineralised Curnamona Province (Figures 1 and 7).

Impact owns the farm-in rights to nickel-copper-PGM deposits in mafic-ultramafic complexes within EL7390, which is owned by Golden Cross Resources Ltd (GCR). Impact can earn 51% of the Ni-Cu-PGM rights by spending a further $300,000 by November 2015, and 80% by spending an additional $200,000 by November 2017.

The project area contains many tens of strike kilometres of mafic-ultramafic sills, dykes and stocks that contain gossans and fresh outcrops with very high-grade PGM's, nickel, copper, gold and silver mineralisation (Figures 8 and 9).

There is significant potential for the discovery of bulk tonnage PGM mineralisation together with very high-grade nickel-copper-precious metal massive sulphides throughout the project area.

Previous work was focussed along the basal contact of the Mulga Springs Gabbro, a series of shallow northeast dipping mafic-ultramafic sills extensively developed over 10 km of strike from the Platinum Springs Prospect (previously called the Mulga Springs Prospect) in the south to Moorakie in the north (Figures 8 and 9).

Figure 7: Location of the Broken Hill Ni-Cu-PGM Project.

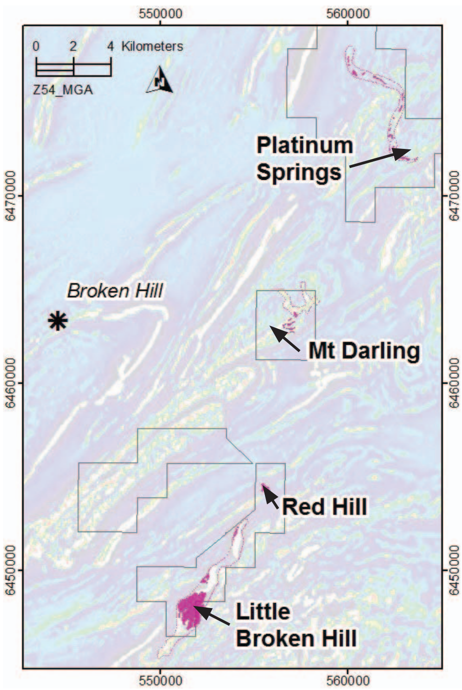


Figure 8: Airborne magnetic data over the Broken Hill area showing interpreted mafic-ultramafic units.

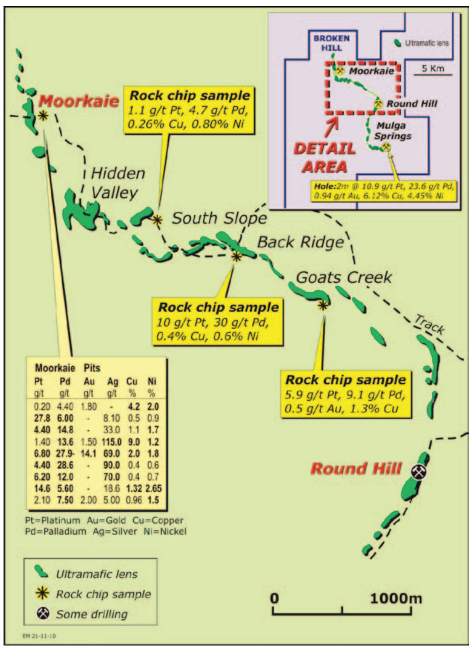


Figure 9: The Mulga Springs Gabbro with gossan locations with strongly enriched Ni-Cu-PGM assays.

High Grade PGM-Ni-Cu-Au-Ag Assays

Outcrops of some of the highest-grade PGM gossans in Australia occur in many places along the Mulga Springs Gabbro and include the very rare PGM metals osmium, iridium and ruthenium. Together with assays from limited drill intercepts of fresh rock, these results are comparable to the world's highest-grade platinum deposits (Table 1).

Mulga Springs
PGM Comparisons to Known Deposits

Metal	Australia			South Africa	USA	Zimbabwe
	Mulga Springs		Munni Munni	Bushveld Merensky Reef	Stillwater	Hartley
g/t	Gossan (ii)	Best Hole GMS006	Best Hole MMD28	Av.	Av.	Av.
Platinum	19.6	10.9	2.25	3.24	4.2	2.64
Palladium	50.0	23.6	3.77	1.37	14.7	1.81
Rhodium	3.0	1.0	NA	0.16	1.68	0.21
Gold	0.57	0.94	0.71	0.26	0.11	0.47
Total PGM + Gold	82.6	36.4	6.73	5.57	22.10	5.49

(ii) An average of assays for Pt, Pd and Au produced by six laboratories, and an average of assays for Osmium 3.0 g/t, Irridium 4.4 g/t, Ruthenium 2.0 g/t and Rhodium 3.0 g/t from three laboratories. Gossan sample of 120 kg prepared by Australian Geostandards Pty Ltd.

Table 1. Comparison of PGM grades at Platinum Springs with major PGM deposits and mines.

For example:

- A representative 120 kg sample of gossans from the basal contact of the gabbro returned assays that averaged **19.6 g/t platinum, 50 g/t palladium, 3 g/t rhodium, 3 g/t osmium, 4.4 g/t iridium, 2 g/t ruthenium, 0.57 g/t gold, 0.34% nickel and 0.71% copper**. (These are the only samples that have been assayed for the entire suite of Platinum Group Metals).
- High-grade massive nickel-copper sulphides and precious metals have been found at the Platinum Springs Prospect with outstanding best intercepts from shallow drill holes of:

  GMS-006: **4 m at 17.9 g/t Pt+Pd+Au, 2.3% nickel and 3.2% copper from 43 m; and**

  DD4: **2.1 m at 8.3 g/t Pt+Pd+Au, 3% nickel and 3.5% copper from 45 m (Figures 9 and 10).**
- At Moorkaie samples from small pits dug on the gossans returned assays with grades (from separate samples) up to:

  27 g/t platinum, 27 g/t palladium, 14 g/t gold, 115 g/t silver, 9% copper and 2.65% nickel. This area has not been drilled.

In addition, significant drill intercepts have not been followed up such as PMS7 located 900 m west of Mulga Springs which intersected **1.5 m at 3.1 g/t platinum, 4.3 g/t palladium, 1 g/t gold, 0.5% copper and 1.3% nickel from 136m.**

In August an electro-magnetic (EM) anomaly was identified by Impact in previous data adjacent to the dormant Red Hill Mine where widespread high grade copper, nickel and platinum group mineralisation has been confirmed.

Reprocessing of the ground EM data acquired in 2005 at a broad line spacing of 200 m, identified a previously unrecognised mid to late time conductor on two lines that may potentially be related to massive sulphide mineralisation (Figure 11).

The EM survey covered a part of the Red Hill Prospect which contains the dormant Red Hill Mine. The mine occurs close to the western contact of an ultramafic dyke that outcrops over an area of 500 m by 250 m (Figure 8).

Mining records sourced by Impact suggest that about 500 tonnes of ore was mined at Red Hill between 1906 and 1937, with face samples returning a grade range of:

2 to 4% copper, 2 to 3% nickel, 5 to 41 g/t PGM and 22 to 70 g/t silver.

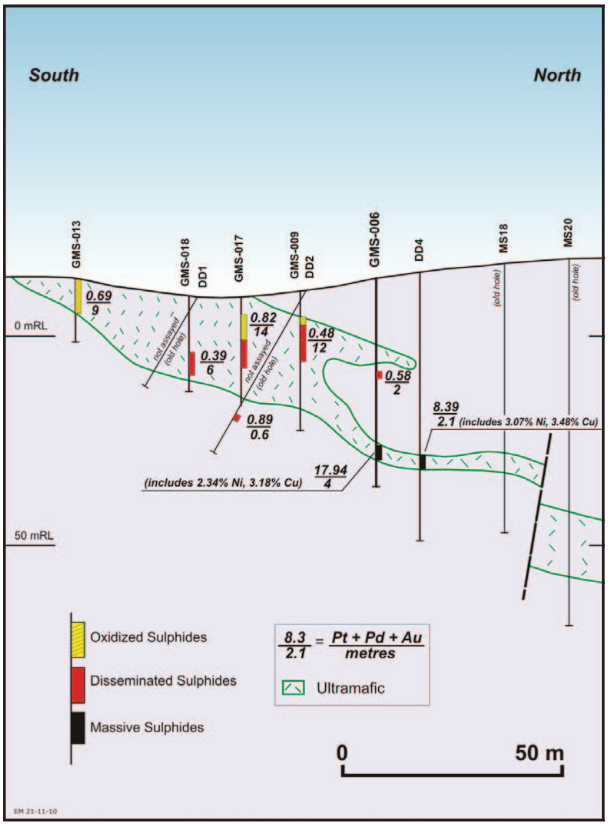


Figure 10: Cross-section through the Platinum-Springs Prospect showing high-grade nickel copper PGM drill intercepts and extensive areas of previously unrecognised lower grade PGM mineralisation.

An interpretation of the old data suggests that four parallel 'lodes', each 1 m to 2.5 m thick were mined. The lodes are open along strike and at depth.

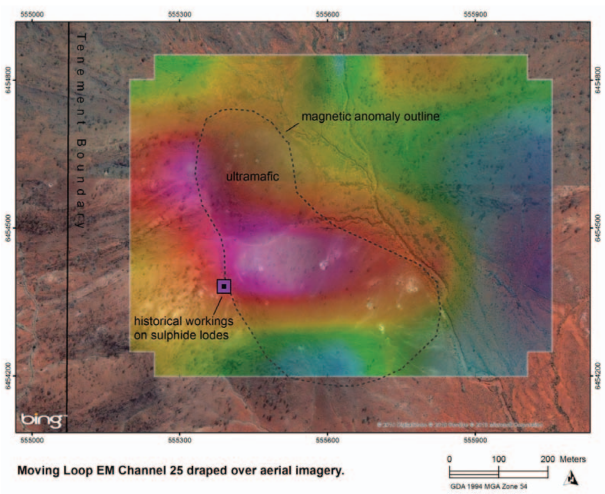


Figure 11: Image of mid-to late time channel EM data from the Red Hill Prospect, Broken Hill. The red to-white colour indicates areas of higher conductivity.

In addition, previous rock chip assays taken over a 130 m by 30 m northeast trending area centred on the Red Hill Mine and close to the contact between the host ultramafic dyke and the surrounding rocks, returned a grade range of:

1 to 36 g/t PGM and 0.2 to 6.1% copper and 0.2 to 1.9% nickel.

These are in part coincident with the EM anomaly. Follow up soil sampling using a hand held XRF machine is in progress.

The EM anomaly is adjacent to the dormant mine and extends the prospect area to at least 500 m of strike. It is expected that further work will identify excellent drill targets.

The Red Hill Prospect has not been drill tested and this area will be a focus for further work in 2014.

REVIEW OF OPERATIONS (CONTINUED)

GOLD PROJECTS

1. COMMONWEALTH PROJECT (100% INVICTUS)

The Commonwealth Project, 95 km north of Orange in NSW, consists of one exploration licence (EL5874) covering 8.6 sq km in the northern part of the Lachlan Fold Belt and was acquired as part of the purchase of Endeavour Minerals Pty Limited. The region is host to many major gold and copper mines including Cadia-Ridgeway (Resources and Reserves of 69.8 Moz of gold and 12.4 Mt of copper) (Figure 12).

The Project area encompasses the dormant Commonwealth gold-silver-base metal mine, the Commonwealth South gold deposit and a further 2 km of strike extensions (Figure 13). The mineralisation has been interpreted as a gold-rich volcanogenic massive sulphide deposit and is possibly similar to that being mined at the Mineral Hill copper-gold-silver-lead-zinc mine 150 km to the east (Kimberley Metals Ltd).

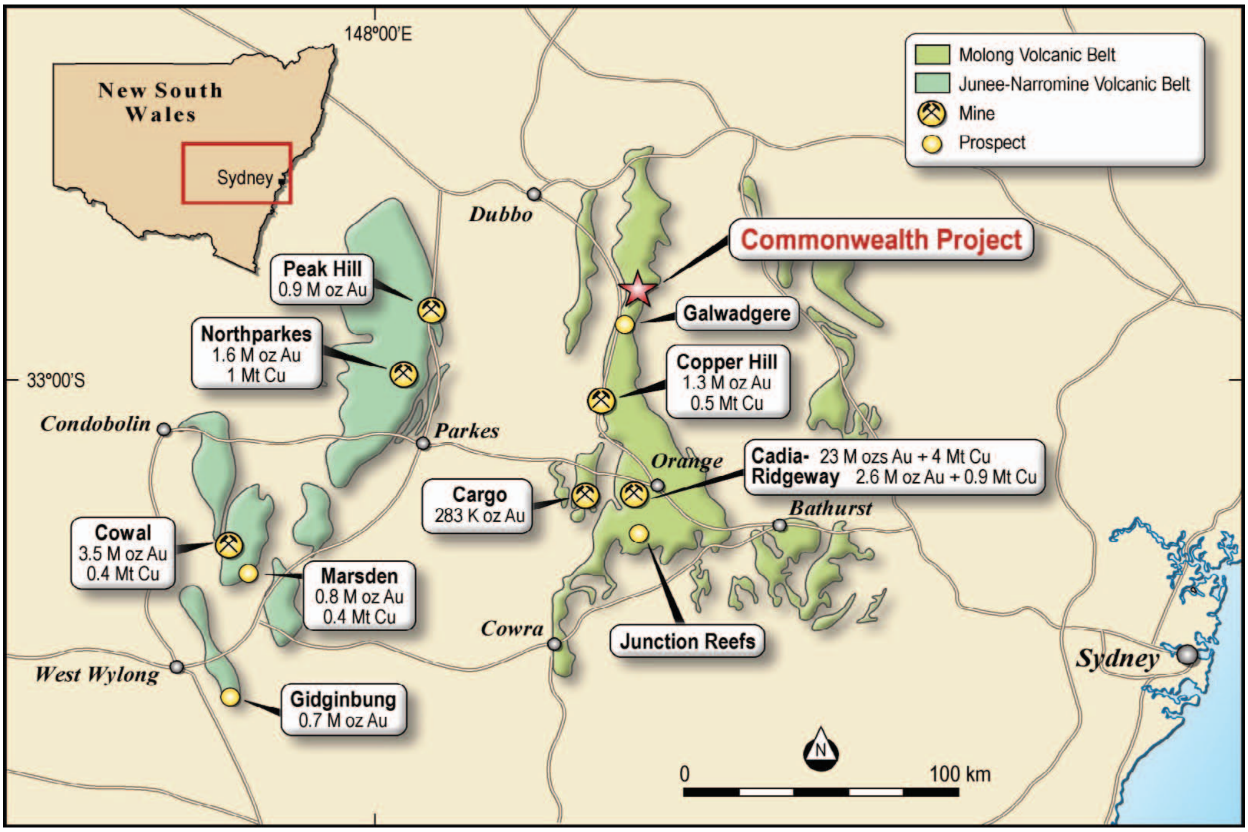


Figure 12: Location of the Commonwealth Project and significant gold-copper mines and prospects within the Late Ordovician volcanic and intrusive belts of the Lachlan Fold Belt.

Mining and previous exploration has focussed on 300 m of strike from the Commonwealth Mine to the Commonwealth South area (Figure 14).

The Project area is poorly drilled and only 69 drill holes over 3,713 m (average depth 53 m) have been completed. In addition most holes have not been assayed for all the ore metals. Despite this, the results indicate excellent exploration potential for the mineralisation to extend along strike and at depth, either as a tabular body or as a series of lenses.

The Commonwealth Mine: A High-Grade, Gold-Silver Rich VMS Deposit

The Commonwealth Mine was discovered in 1900 and mined intermittently until the 1930's. Early production amounted to 470 oz of gold from 480 tons of oxide ore. A blast furnace was installed in 1905 and 6,476 t was mined at a grade of 6 g/t gold, 150 g/t silver, 2% copper, 15% zinc and 7% lead. Operations were suspended in 1908 following flooding and there are no records of significant mining activity since.

In 1985, Cluff Resources Pacific Limited dewatered the mine and completed extensive sampling and mapping of the remnant ore zones as well as four airleg drill holes. The mapping showed that the massive sulphide lens has a true width of between 4 m and 7 metres.

The airleg drill holes returned the following intercepts over about 50 m of strike:

CM85-1: **7 m at 6.2 g/t gold, 346 g/t silver, 0.22% copper, 3.2% lead and 9.2% zinc;**

CM85-2: **3 m at 8 g/t gold, 158 g/t silver, 0.1% copper, 0.8% lead and 2.9% zinc;**

CM85-3: **6 m at 4 g/t gold, 124 g/t silver, 0.5% copper, 2.5% lead, 18.5% zinc;**

CM85-4: **3.2 m at 7 g/t gold, 363 g/t silver, 0.35% copper, 2.9% lead and 18% zinc.**

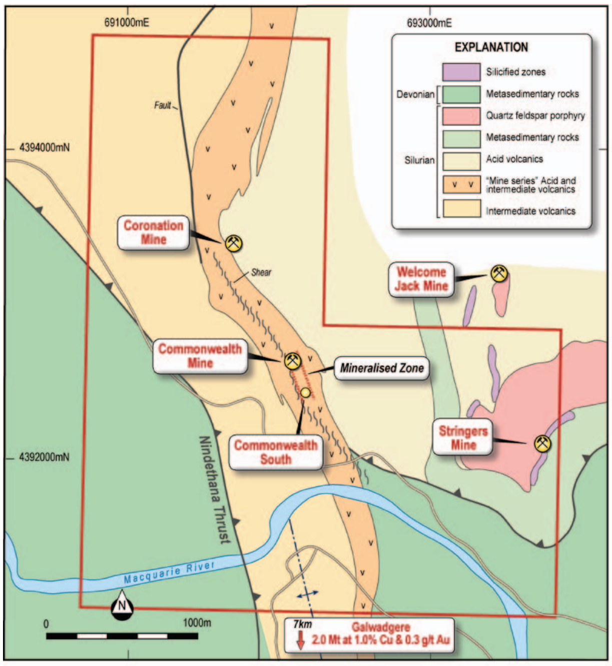


Figure 13: Interpreted bedrock geology of the Commonwealth Project (Exploration Licence 5874).

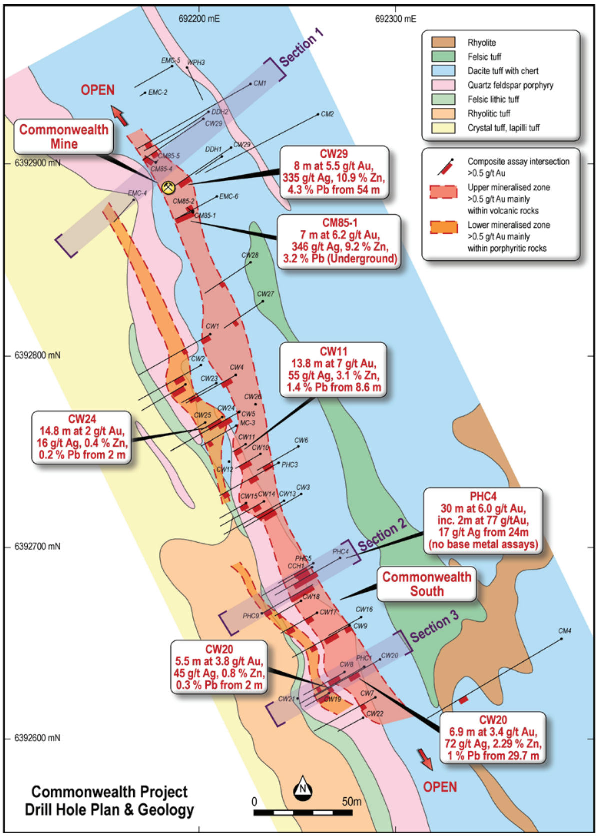


Figure 14: Geology of the Commonwealth Mine to Commonwealth South area with drill hole locations, significant intercepts, projected mineralisation and cross section locations.

REVIEW OF OPERATIONS (CONTINUED)

The Commonwealth South Gold Deposit

The mine workings at Commonwealth were developed on the high-grade poly-metallic massive sulphide lenses. However exploration drilling by Cluff and more recently by Endeavour has shown that there is significant potential for bulk-tonnage, lower-grade gold and silver deposits that were unrecognised by early miners.

Previous reverse circulation drilling outlined a 200 m long area of anomalous gold and silver 120 m south of the South Shaft with better intersections of (Figures 17 and 18):

PHC04: 32 m at 0.95 g/t gold and 16.5 g/t silver from 28 m;
PHC09: 24 m at 2.6 g/t gold and 21 g/t silver from 32 m;
PHC04: 30 m at 6 g/t gold and 17 g/t silver from 28 m including 2 m at 77 g/t gold; and
CW20: 6.9 m at 3.4 g/t gold, 72 g/t silver and 2.2% Zn and 1% lead from 32 m.

Endeavour completed six drill holes close to the Commonwealth Mine and returned a best intercept in the footwall beneath the massive sulphide zone of:

EMC06: 17 m at 3.5 g/t gold and 206 g/t silver from 40 metres.

Together with other drill holes this area has helped define the Commonwealth South gold deposit (Figure 14). These drill intercepts have not been followed up. Historic resource estimates have been completed for the Commonwealth South deposit. However these are not calculated in accordance with the JORC Code and further work is required to properly define resources and reserves. This will be a focus for work in 2014.

Exploration Target

A review of all the drill data indicates the potential for an Exploration Target within the 300 m of strike between the Commonwealth Mine and the Commonwealth South deposit of between **2.8 Mt and 2.9 Mt at between 7 g/t and 8 g/t gold equivalent** for between 640,000 oz and 700,000 oz of gold equivalent (see Notes 1 and 2). This potential is demonstrated in the long section for gold (Figure 15).

In addition, untested magnetic and VLF EM anomalies located along strike to the north of the Main Shaft and to the south of the Commonwealth South deposit suggests excellent potential to significantly increase this Target Mineralisation to over 1 million ounces gold equivalent.

There has been no significant drilling outside the 300 m of strike between the Commonwealth Mine and the Commonwealth South gold deposit.

Six new target areas for follow-up work have also been identified:

At the Commonwealth Mine:

1. A strong conductive trend in the EM data to the north of the deposit suggests a northerly plunge to the massive sulphide mineralisation that has not been drilled.
2. A second zone of mineralisation below the main massive sulphide lens has been intersected in EMC4 (Figures 14 and 16) that is open along strike. This could be the strike extension of a lower mineralised zone intersected in CW24 at Commonwealth South (Figure 14).
3. An area with gold-in-soil assays up to 0.5 g/t with coincident silver-in-soil of up to 23 g/t occurs 250 m north of the mine that has not been drilled.
4. Isolated low frequency EM anomalies located between the Commonwealth Mine and the Coronation Mine to the north are also targets for further massive sulphides (Figure 13).

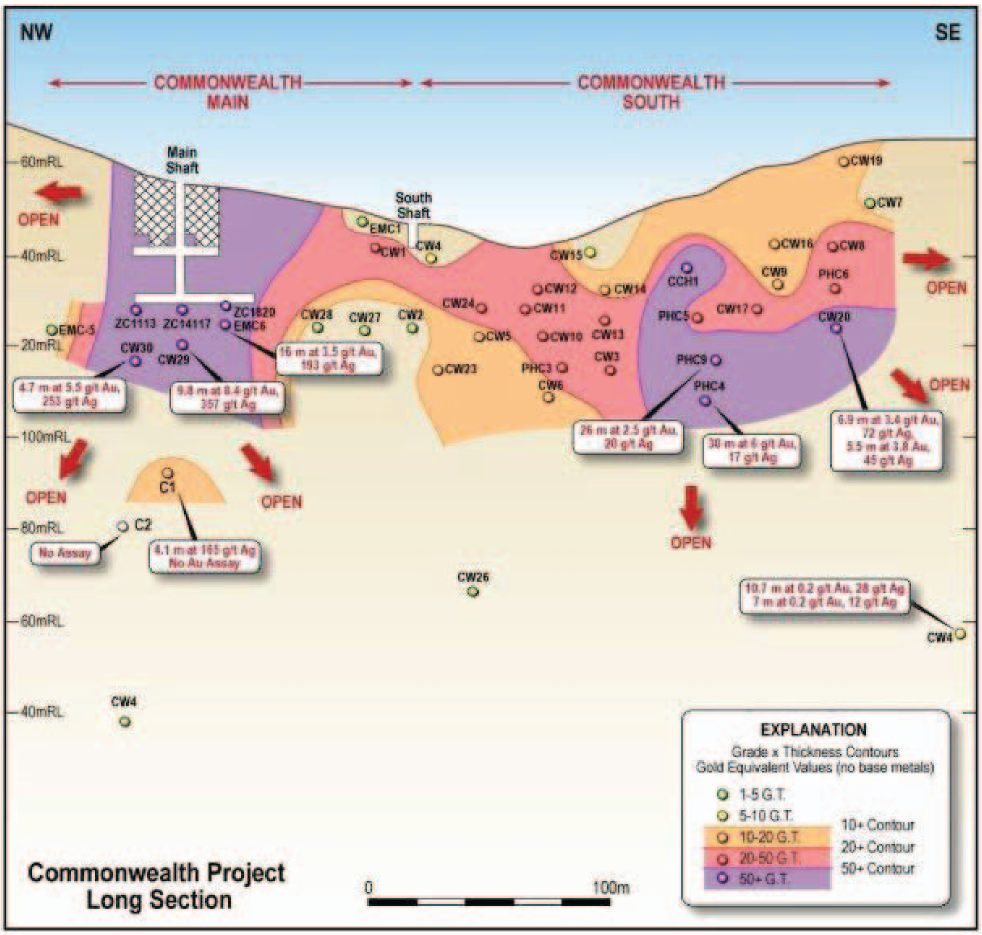


Figure 15: Commonwealth Project: Long section with grade multiplied by thickness contours of gold and silver from drilling intercepts. 50 g*t contours are supportive of very high dollar per tonne ore. Several high grade zones are open down plunge and down dip.

At Commonwealth South:

5. Strong low frequency EM anomalies are located 200 m along strike to the south of Commonwealth South deposit where narrow zones of massive sulphide mineralisation have been intersected by reconnaissance drilling and trenching, including 4 m at 1.4 g/t Au and 38 g/t Ag from 22 m in PHC7.

6. Highly elevated gold-in-soil assays up to 4 g/t as well as zinc up to 440 ppm are located 350 m west of the deposit that has also not been drilled.

Potential For Extensions To High-Grade Gold and Silver Mineralisation

The reassessment of a long section between the Commonwealth Mine and the Commonwealth South Prospect indicated continuous gold and silver mineralisation between the two areas and showed two high-grade shoots (Figure 15).

In particular drill results from the long section confirmed high-grade drill intercepts over robust widths, which had not been followed up at depth or along strike at both the Commonwealth Mine and Commonwealth South.

All of these results confirm the potential for bulk tonnage mining at Commonwealth.

REVIEW OF OPERATIONS (CONTINUED)

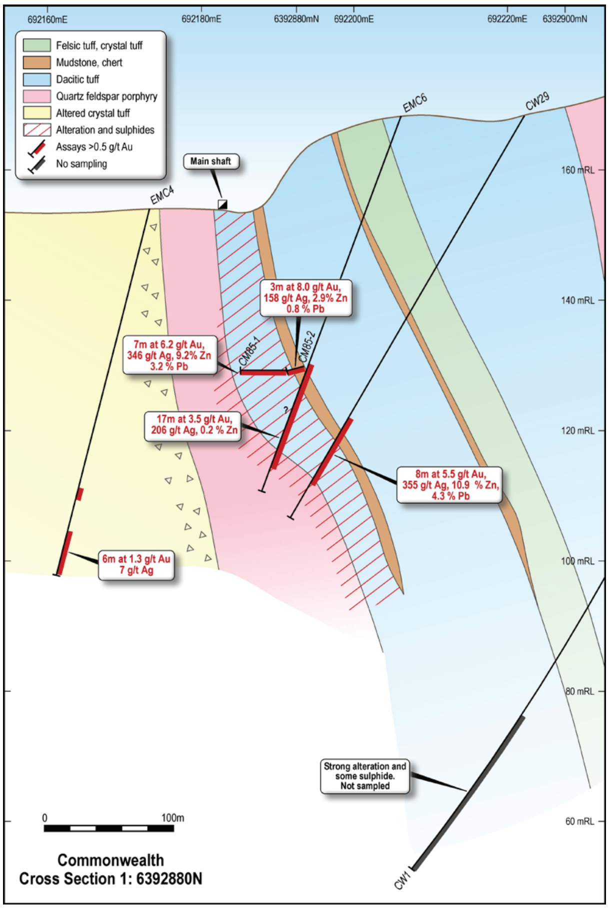


Figure 16: Commonwealth: Cross Section 1 at 6,392,880 mN. Geology and assays for previous drilling.

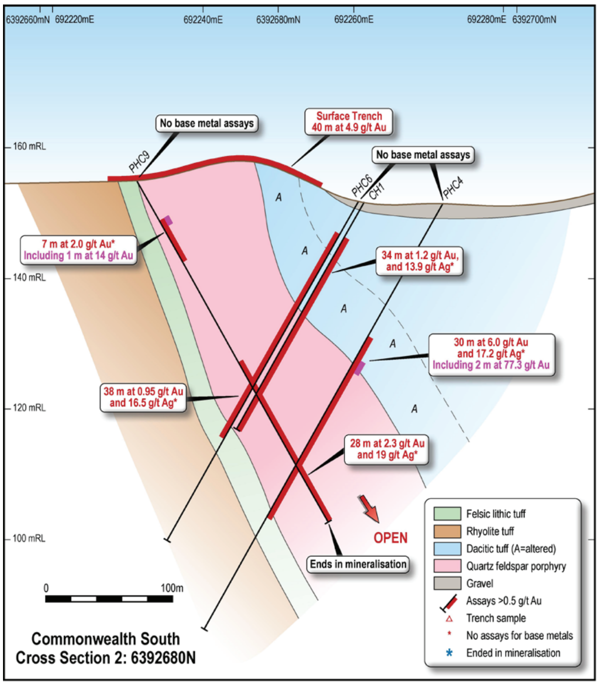


Figure 17: Commonwealth: Cross Section 2 at 6,392,680 mN. Geology and assays for previous drilling.

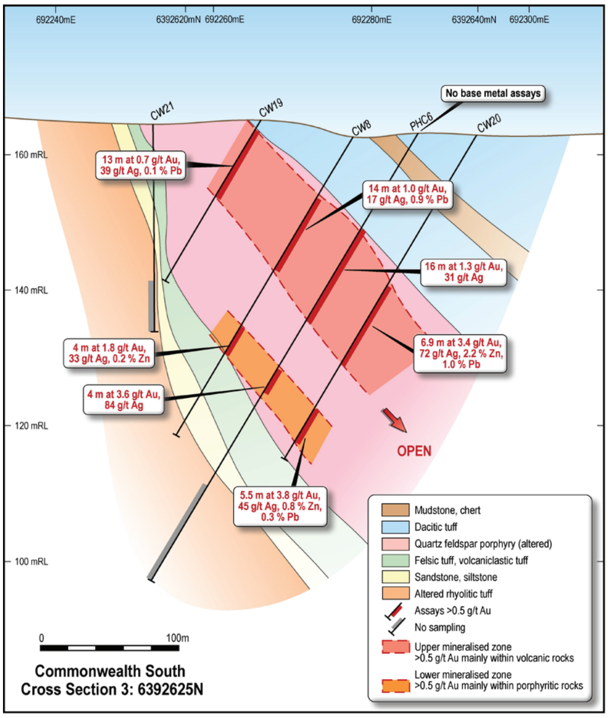


Figure 18: Commonwealth: Cross Section 3 at 6,392,625 mN. Geology and assays for previous drilling.

2. THE HIMMETDEDE SOUTH PROJECT, TURKEY (OPTION TO ACQUIRE 100%, INVICTUS)

During the year Invictus Gold progressed the exploration on the Himmetdede South Project and its business development activities.

Invictus Gold has an option to acquire 100% of the Himmetdede South Project located 200 km south of Ankara in the emerging mineral province of Central Anatolia, Turkey (Figure 19). (See ASX announcement dated **9 July 2012** for further information).

A soil survey identified five target areas, each up to 500 m by 500 m in size, for follow up work including three priority areas (Targets T1 to T3, Figure 20).

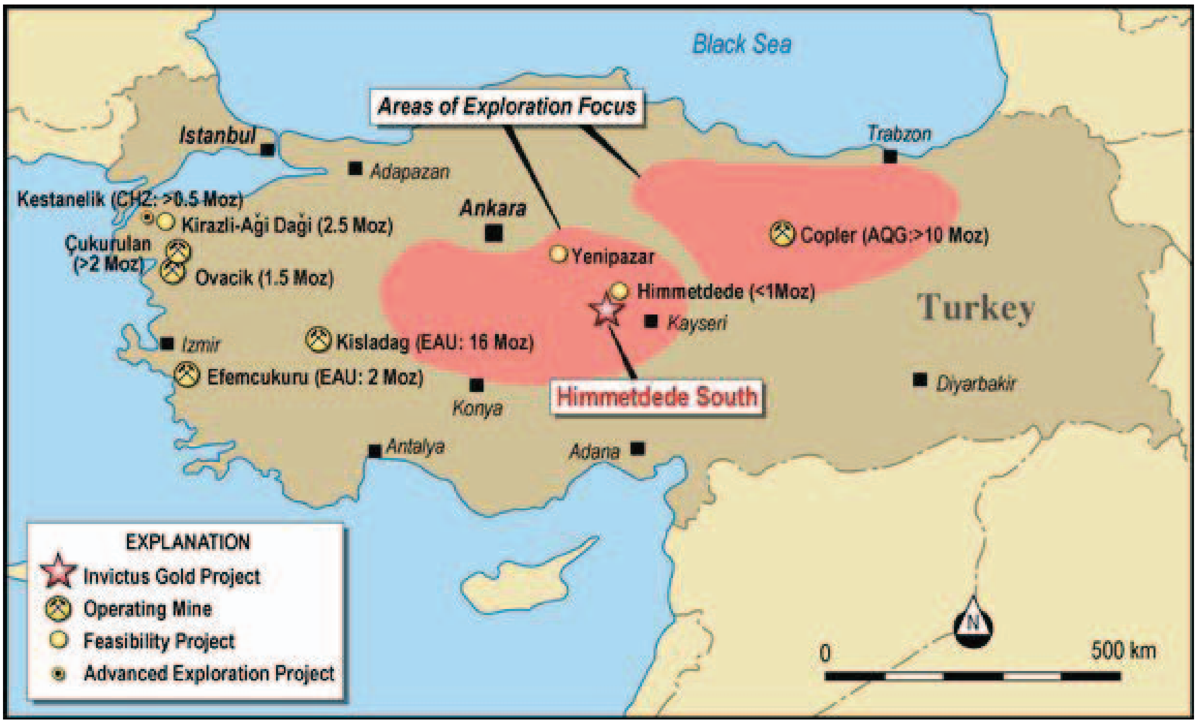


Figure 19: Geology and location of the Himmetdede South Project

The five soil anomalies contained gold responses of between 20 and 220 times background and silver responses of up to 28 times background. Within the anomalies the strongest gold responses commonly occur in north west–south east trending zones, likely to be associated with steeply dipping faults.

The strongest gold responses occurred in priority target T1, located in the north east part of the project area about 1.5 km from the Himmetdede gold deposit owned by Koza Gold A.S. (Figure 20).

Reconnaissance field checking has shown that this area is underlain by limestones with extensive silica-carbonate-haematite-sulphide alteration, similar to that at the Himmetdede gold deposit.

The Himmetdede Gold Deposit (Koza Gold)

The Himmetdede gold deposit is owned by Koza Gold Limited, a company listed on the Istanbul Stock Exchange. The company produces about 400,000 oz of gold per year from projects elsewhere in Turkey.

The Himmetdede deposit, which is now in development, has a total Measured, Indicated and Inferred Mineral Resource of 31 Mt at 0.7 g/t gold for a contained 800,000 ounces of gold.

REVIEW OF OPERATIONS (CONTINUED)

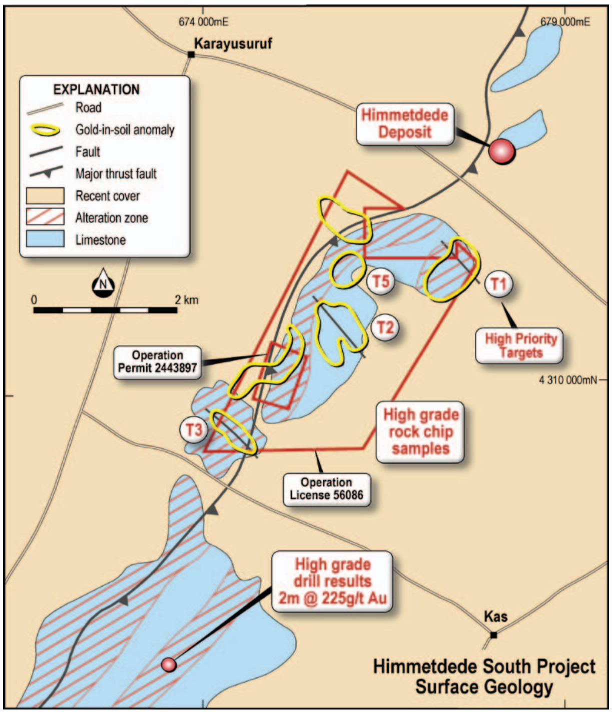


Figure 20: Surface Geology of the Himmetdede South Project

The KS Prospect (private Turkish company)

The KS prospect is located 3 km south west of Invictus Gold's Himmetdede South Project and is also hosted by the same limestone unit as the Himmetdede gold deposit (Figure 20). Drilling ten years ago reported grades of up to 2 m at 225 g/t (7.5 oz per tonne) associated with quartz veins and silicified zones in the limestone.

During the year a drill programme was completed by Invictus Gold at Target T1 in the north east of the Himmetdede South Project in early January 2013 and comprised four diamond drill holes (HDS01 to 04) to depths of up to 450 m each (1,500 metres in total). The holes tested a gold in soil geochemical anomaly and underlying coincident Induced Polarisation (IP) chargeability and resistivity anomalies interpreted as a possible zone of disseminated sulphide and silica (quartz) alteration.

Holes HDS02, HSDS03 and HSD04 contained extensive pyrite-cemented breccias of quartz and carbonate veins with associated extensive silicification of the metasedimentary host rock within 200 m of surface. Best assay results were:

1 m at 21 g/t from 105.4 m in Hole HSD03;

1 m at 4.6 g/t from 236.2 m; and

1 m at 2.1 g/t 269.4 m in Hole HSD02.

The rocks are similar to and in a similar structural position to those described at Koza Gold's Himmetdede gold deposit. Follow up drilling is required.

In addition field checking in the northern part of the licence area has identified a 20 m thick zone of silica-altered metasedimentary rocks and marble with associated quartz veins up to 50 cm thick (Target T5, Figure 20). Loose boulders (float) of similar rocks were also found 200 m upslope from the outcrops. Five large rock chip samples and four samples of float were collected and submitted for fire assay for gold at Acme Laboratories in Ankara. All nine samples returned assays greater than 1 g/t, with a maximum assay of 419 g/t gold. A repeat assay of this sample returned 220 g/t gold.

The zone is similar to the KS prospect (Figure 20) and further sampling to determine if drilling is required is in progress.

The Company applied for one new exploration licence in Western Turkey. Further details will be provided when the licence is granted.

3. DRUMMOND BASIN PROJECTS (INVICTUS 100%)

Invictus Gold owns 100% of a large tenement portfolio in the Drummond Basin in central Queensland, about 200 km south west of Townsville (Figure 21). The Drummond Basin is one of Australia's most prospective areas for world-class porphyry-hosted deposits of gold-silver, gold-copper and gold-copper-molybdenum and for large epithermal vein and stockwork-style deposits of gold and gold-silver-copper. During the year Invictus completed drill programmes at the Scartwater and Retro Extended Prospect (Clermont) in the Drummond Basin.

Retro Extended

At the Retro Extended Prospect drilling confirmed a major 10 km long mineralised system containing significant high-grade silver with associated gold and base metal assays. From south to north, a transition may be present from bulk tonnage porphyry-style mineralisation to high-grade precious and base metal-rich epithermal mineralisation.

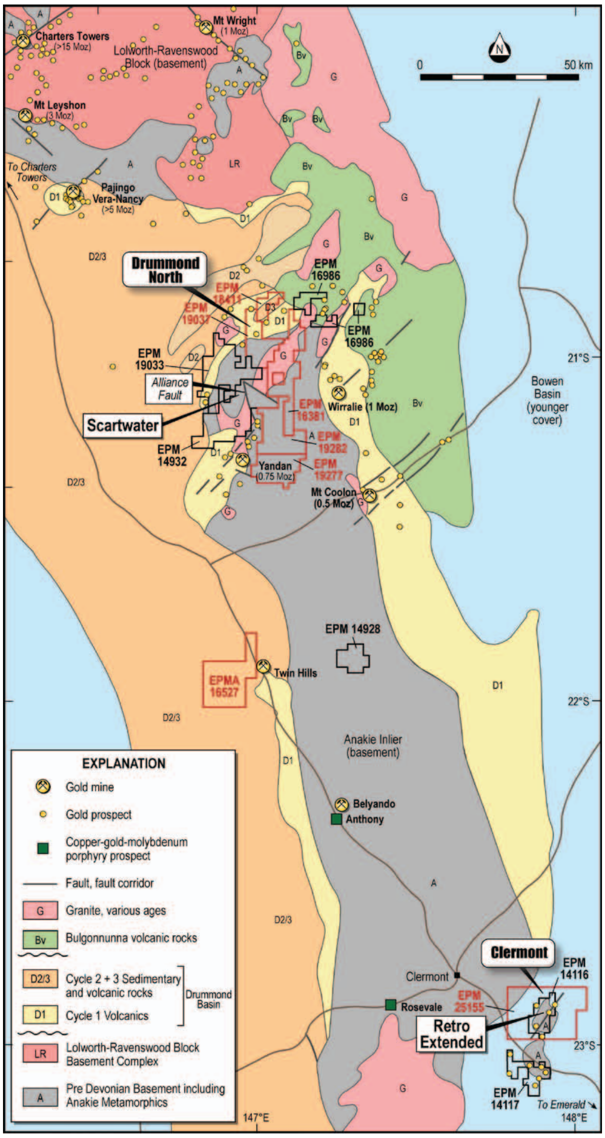


Figure 21: Geology and location of Invictus Gold's projects in the Drummond Basin.

Exploration Target

The results indicate that the Retro Extended Prospect has the potential for an exploration target (Note 3) of between 220,000 and 268,000 tonnes at a grade of between 2.2 to 2.7 g/t gold and 20 to 25 g/t silver for a contained 20,100 to 24,600 ounces of gold and 146,000 to 178,000 ounces of silver in a strike length of 300 m and to an overall depth of 85 m below the surface.

There is significant potential to find many multiples of this Exploration Target both at the Retro Extended Prospect and elsewhere within the Retro Fault System, including Retro South (grab sample assays of 5.4 g/t gold and 75 g/t silver). In addition, there may be a transition to bulk tonnage porphyry-style mineralisation at the Nanya Prospect 5 km to the southwest (assays of up to 98.7 g/t silver, 0.13% molybdenum, 0.16% copper and 4.8% lead in quartz veins in sericite-altered granite).

The Retro Fault System is similar to the 5 km-long Vera-Nancy corridor at the Pajingo Mining Centre located in the northern part of the Drummond Basin where more than 2.3 million ounces of gold has been produced from several mines.

Further work will include ground geophysical surveys between Nanya and Retro to define further drill targets.

REVIEW OF OPERATIONS (CONTINUED)

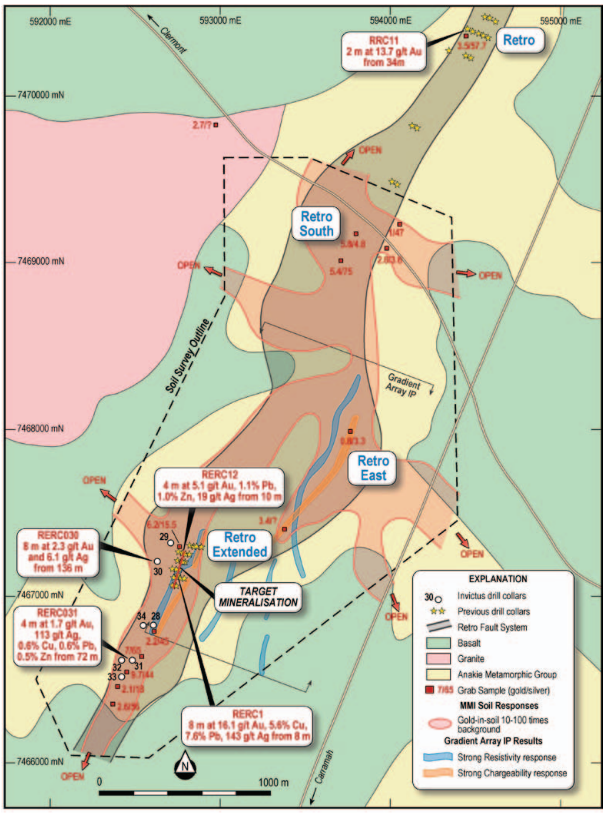


Figure 22: Geology of the Retro Extended area with drill hole locations, rock chip samples and soil geochemistry anomalies.

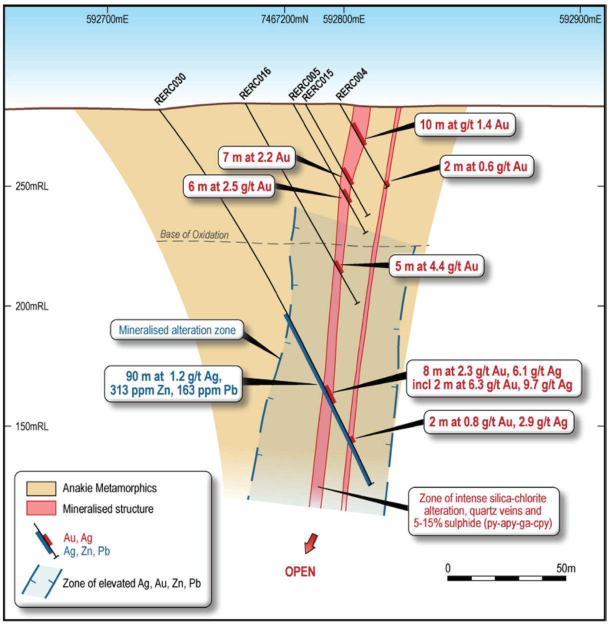


Figure 23: Retro Extended: Section 7,467,200 mN. Geology and assays for hole RERC030 with previous drill results.

Extensions to Previously Identified Mineralisation

Hole RERC030 was drilled to a depth of 130 m below surface (Figures 22 and 23) and intersected two mineralised structures comprising silica-chlorite-epidote altered sandstones with extensive quartz veining and up to 10% sulphides (pyrite, chalcopyrite and arsenopyrite). This zone returned:

8 m at 2.3 g/t gold, 6.1 g/t silver, 0.05% copper, 0.1% lead and 0.1% zinc from 135 m, including
2 m at 6.3 g/t gold, 9.7 g/t silver, 0.04% copper, 0.3% lead and 0.1% zinc from 141 m; and
2 m at 0.8 g/t gold, 4.9 g/t silver with minor copper, lead and zinc from 161 metres.

These two zones occur in the centre of a 50 m thick zone of weaker mineralisation and alteration that returned: 90 m at 1.2 g/t silver, 313 ppm zinc and 163 ppm lead from 100 m (Figure 23).

A north-south long section displaying the grade-times-thickness contours suggests a northerly and steep plunge to the mineralisation which is open both along strike and at depth (Figure 24). Previous explorers did not recognise either the second mineralised structure nor the thickness and vertical extent of the broader mineralised halo, which is significant.

Gold-In-Soil And Silver-In-Soil Anomaly

The soil geochemistry anomaly was drill tested in three places between 250 m and 600 m of strike southwest of the mineralisation at Retro Extended (Figure 22).

a) Two holes were drilled 250 m along strike from previous drill holes to test gold-in-soil responses up to 81 times background that are coincident with a gradient array Induced Polarisation resistivity and chargeability response (from previous work in the 1990's).

- o **Hole RERC028** intersected a mineralised fault in the weathered zone which returned:
  2 m at 1.0 g/t gold, 11.6 g/t silver, 0.06% copper, 0.3% lead and 0.1% zinc from 23 metres.
- o **Hole RERC034** intersected a four metre wide zone of sandstone and siltstone with quartz veins and with up to 10% sulphide including pyrite arsenopyrite and chalcopyrite that returned:
  4 m at 0.2 g/t gold, 2.4 g/t silver with weak copper, lead and zinc from 80 metres.

b) Two holes (Figures 22 and 25) were drilled 450 m along strike from previous drill holes to test laminated and colloform textured quartz veins with malachite staining that returned assays from grab samples of up to 9.7 g/t gold, 106 g/t silver and 4.3% lead.

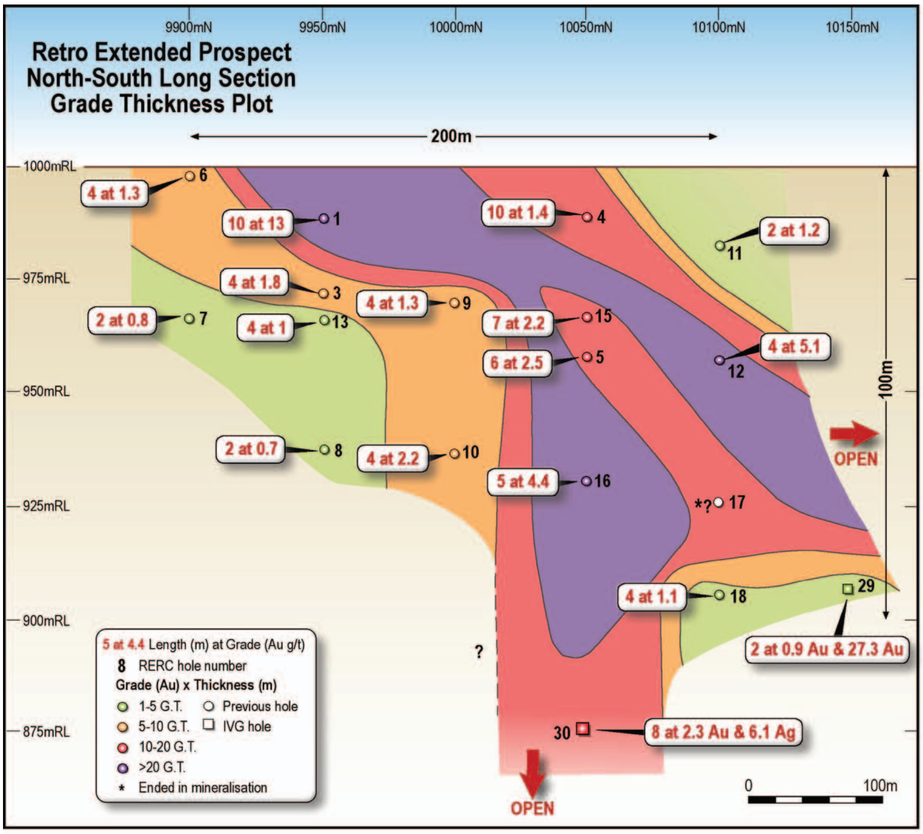


Figure 24: Retro Extended: North-South long section.

- o **Hole RERC031** intersected an 8 m wide zone of intense silica-chlorite altered sandstone with quartz veins and up to 20% sulphide including pyrite, arsenopyrite and galena that returned assays of:
  8 m at 0.9 g/t gold, 63.1 g/t silver, 0.3% copper, 0.4% lead and 0.4% zinc from 72 m, including
  4 m at 1.7 g/t gold, 113 g/t silver, 0.6% copper, 0.6% lead and 0.5% zinc from 73 m, including
  1 m at 3.2 g/t gold, 191 g/t silver, 1.1% copper, 0.8% lead and 0.5% zinc from 76 metres.
- o **Hole RERC032** intersected the down dip extension of the mineralised structure intersected in **RERCO31** and this zone returned:
  4 m at 1 g/t gold, 18.4 g/t silver, 0.1% copper, 0.3% lead and 0.1% zinc from 116 metres.
- o Both drill intersections lie within an 80 m thick (true thickness) zone of anomalous silver, lead and zinc. **Hole RERC031** returned 95 m at 5.6 g/t silver, 700ppm zinc and 510 ppm lead from surface and RERC032 returned 85 m at 1.7 g/t silver, 560ppm zinc and 380 ppm lead from 40 m (Figure 25).

REVIEW OF OPERATIONS (CONTINUED)

c) One hole was drilled 100 m southwest of **RERC032** to test laminated and bladed textured quartz veins that returned assays of up to 2.2 g/t gold and 18.8 g/t silver in grab samples.

   o **Hole RERC033** intersected 4 m wide zone of silica-chlorite altered sandstone and schist with quartz veins and up to 10% sulphide that returned:

4 m at 0.5 g/t gold, 7.3 g/t silver, 0.03% copper, 0.1% lead and 0.2% zinc from 64 metres.

These new drill results at Retro Extended confirm the presence of a very extensive epithermal vein system that extends over a strike length of at least 900 m and possibly up to more than 1,200 m at this prospect alone.

Implications for Exploration and Next Steps

The results indicate that the Retro Fault System is host to a significant mineralised system and demonstrates the potential for the discovery of a significant resource.

Broad zones of silver, lead and zinc mineralisation at Retro Extended indicate that the Retro Fault System has been a major conduit for mineralising fluids, with assays from grab samples suggesting that grades may improve from northeast to southwest towards Nanya. This area may be a target zone for bonanza grade gold and silver veins in the porphyry-epithermal transition zone.
Numerous other soil geochemistry anomalies and quartz veins with anomalous precious and base metal assays remain to be drill tested. In addition, resource definition drilling is warranted at Retro Extended as well as further drilling at depth and along strike.

Further work will include ground geophysical surveys (in particular dipole-dipole/pole IP) between Nanya and Retro to define future drill targets.

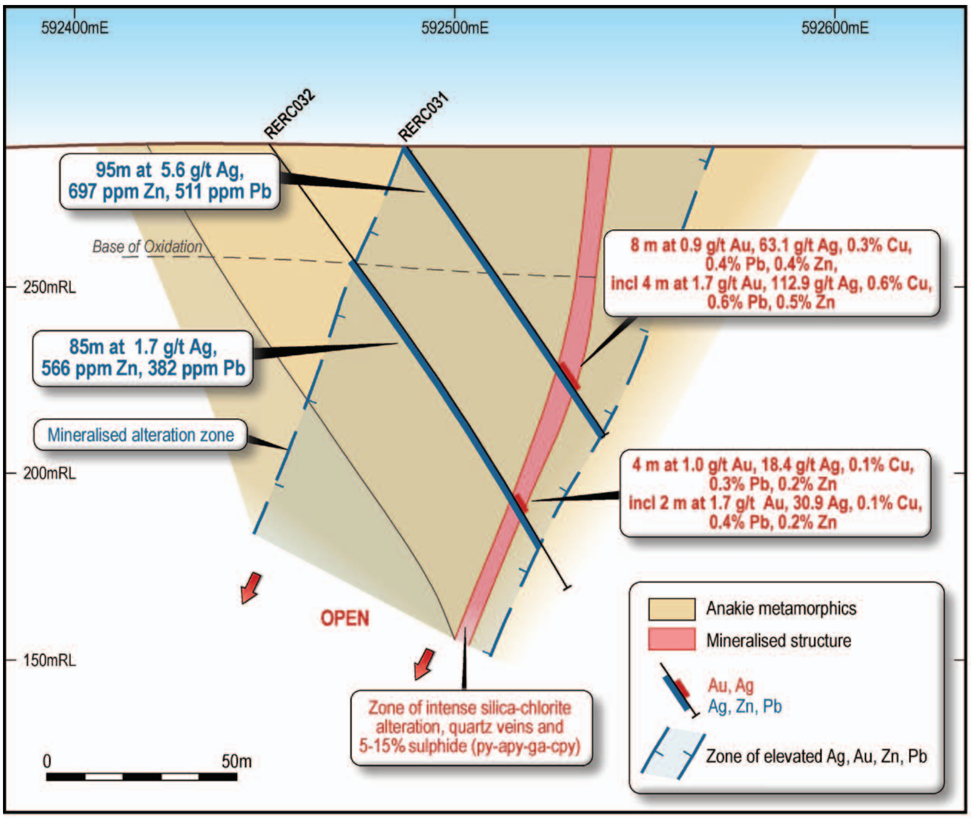


Figure 25: Retro Extended: Section 7,466,600 mN. Geology and assays for holes RERC031 and 032.

Other Prospects

Two diamond drill holes for 731 m were completed at the East Porphyry Prospect and two RC drill holes for 402 m at the Central Prospect at Scartwater in the Drummond West Project (Figure 21).

At the East Porphyry Prospect a significant intercept of 31 m at 0.16 g/t gold and 0.4 g/t silver from 219 m was referred from within the porphyry unit. At the Central Prospect a best intercept of 51 m at 0.16 g/t from surface was returned.

A sale of the Drummond Basin assets is being considered.

4. KILLARNEY AND MOLY KING PROJECTS (INVICTUS 100%)

A review of the Killarney and Moly King Projects during the year confirmed the significant prospectivity of the projects for gold and gold-copper deposits. A joint venture partner is being sought for the projects.

BOTSWANA PROJECTS

1. BOTSWANA URANIUM PROJECT (Impact 100%)

Impact's Botswana Uranium Project comprises an extensive area of 15,000 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 26).

Here A-Cap has reported a combined Indicated and Inferred Resource of 350 Mlb of uranium oxide at an average grade of 150 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.

The Red Hills Prospect

During the year work was focussed at the Red Hills Prospect where, in 2011, Impact discovered a very large multi-metal alteration system that is at least 1,000 m by 1,500 m by 200 m in size and open in all directions.

A major gravity survey covering about 100 sq km and centred over the Red Hills prospect has identified a significant number of gravity anomalies with exploration potential including several that are close to the multi-metal alteration system at Red Hills. These anomalies may represent more concentrated accumulations of sulphide mineralisation as well as alteration minerals such as haematite that characterise the alteration system already identified.

The Company's initial concept for the presence of Proterozoic-age uranium deposits in the Mahalapye area of Botswana has been reinforced with multiple lines of evidence: the mineral alteration assemblages, the nature of the host rocks, altered fault breccias and the regional fault control as well as the thick drill intercepts with anomalous Rare Earth Elements, uranium, copper, silver, lead and zinc.

Unconformity-related deposits of Proterozoic age occur in two global regions: the Athabasca Basin of Canada, and the Pine Creek Orogen of northern Australia. Together they contain six of the 17 largest uranium deposits in the world and have ore grades that are measured in the range of 0.1% to 22% (at McArthur River in Canada). The Mahalapye Complex identified by Impact in Botswana has a similar aerial extent to the Athabasca and Pine Creek regions.

The Company is searching for a joint venture partner for the project.

Sale of Licences

During the year Impact announced that it had entered into a Sale and Purchase Agreement with Sechaba Natural Resources Pty Ltd (Sechaba) and Shumba Coal Ltd (Shumba) for the sale of four non-core Prospecting Licences within the northern part of the Company's Botswana Uranium Project.

Under the agreement, the four licences: PL118/2008, PL120/2008, PL121/2008 and PL097/2010 are to be transferred to Sechaba for a total of US$800,000, consisting of US$250,000 cash and Consideration Shares equal to US$550,000 in Shumba - a company listed on the Botswana Stock Exchange. The sale is subject to statutory renewals and approvals and is expected to be completed by early 2014.

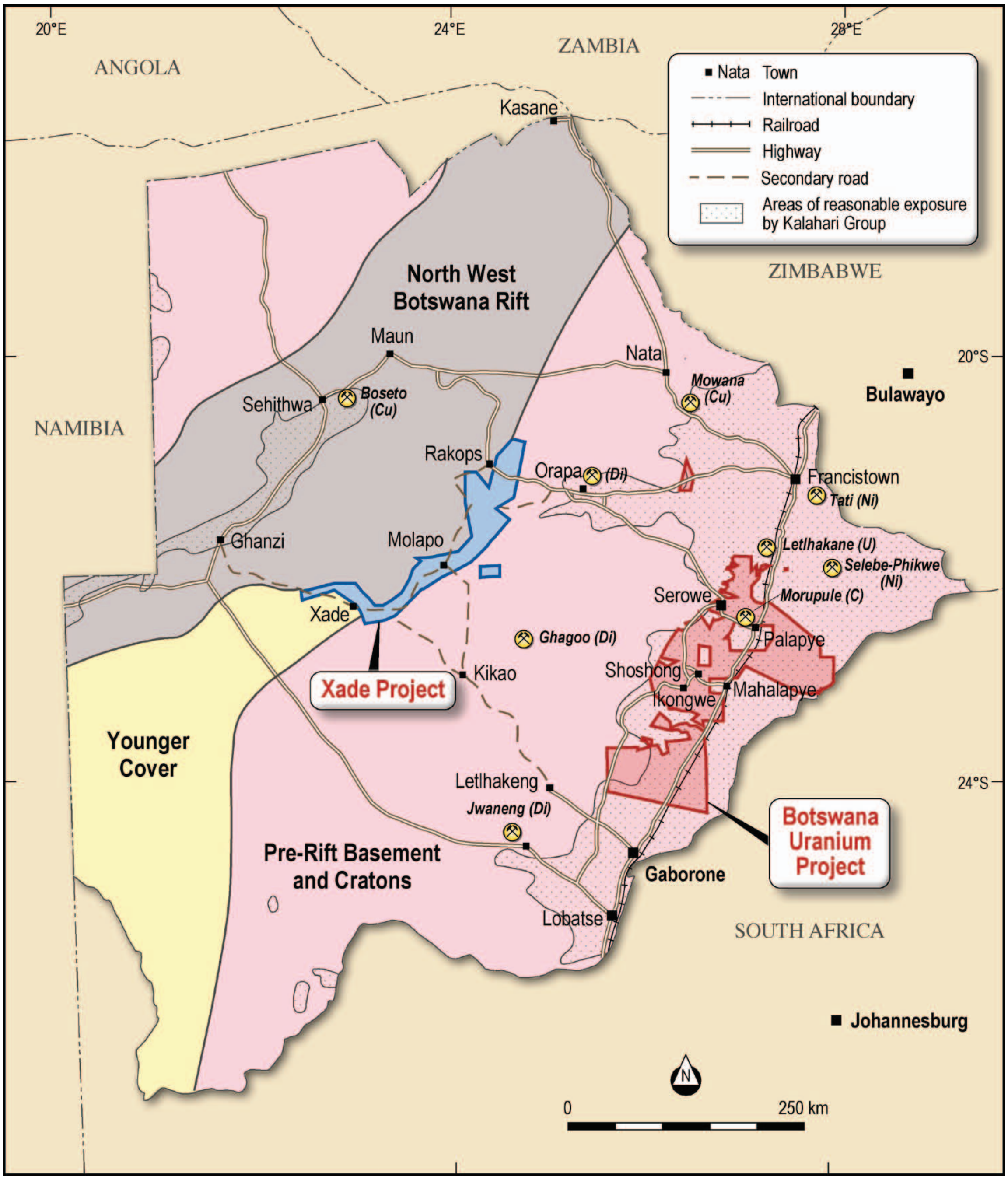


Figure 26: Location of the Xade Cu-Ni-PGE Project and Botswana Uranium Project.

2. XADE NICKEL-COPPER-PGM JV PROJECT: BOTSWANA (Impact earning 75%)

The Xade Project covers a poorly explored gabbro intrusion in central Botswana with excellent potential to host deposits of PGMs and nickel-copper sulphides. The Project is close to excellent infrastructure and the World Class Orapa diamond mine (Figure 26).
In 2010 Impact 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 earned that interest in December 2012 and elected to proceed to a joint venture. Manica elected not to contribute to further expenditure and Impact has now earned about 65% of the project.

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

- the extraordinary Nokomis deposit of disseminated Cu-Ni-PGM 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); and
- the Eagle nickel-copper massive sulphide deposit of Rio Tinto (3.6 Mt at 3.5% nickel and 2.9% copper); and

During the year a drill programme was undertaken to test combined geochemistry and geophysical targets identified by Impact.

Five drill holes to depths of up to 700 m were planned to test five priority areas of interest.

Diamond drilling was completed at one hole (XD02) and was drilled to a depth of 700 metres. The hole intersected basalts at a depth of 578 m beneath the cover rocks of the Karoo Group. The basalts are commonly brecciated and contain vesicles (cavities filled with minerals) that contain trace amounts of chalcopyrite, pyrite and possible native copper in a few places. No significant assays were returned.

Hole XD05 drilled to a depth of 680 m intersected Karoo rocks and an underlying sequence of “red beds” - a sequence of mudstones and sandstones with red haematite alteration with minor pyrite and other sulphides in places. The age of this sequence is unknown.

The rocks intersected are only weakly magnetic and insufficient to explain the magnetic anomalies that were targeted. In addition, the Karoo cover is thicker than estimated by geophysical modelling. A review of the project will be completed after statutory renewal of the licences expected in late 2013.

[1]Note 1: Calculation of gold equivalent grades.

Metal prices used for the gold equivalent grades are:

Gold: $1,650/oz, Silver: $30/oz, Copper: $7,500/t, Zinc: $2,000/t, Lead: $2,300/t

Given the high-grade base metal results it is assumed that very high recoveries of all metals will be achieved. However investors should note that the gold equivalent grades and contained ounces quoted are for comparative purposes only. They should not be used as a basis for investment.

REVIEW OF OPERATIONS (CONTINUED)

Note 2: Parameters used for the calculation of the Exploration Target at the Commonwealth Project.

The Exploration Target described in this report is conceptual in nature and should not be construed as a resource calculated in accordance with the JORC Code. The Exploration Target is based on projections of established grade ranges over appropriate widths and strike lengths having regard for geological considerations including mineralisation style, specific gravity and expected mineralisation continuity as determined by qualified geological assessment. There is insufficient information to determine whether further exploration will result in the definition of a mineral resource.

The Exploration Target quoted is based on a combined Exploration Target for the VMS mineralisation at the Commonwealth Mine and the gold-silver mineralisation discovered in the footwall and along strike to the Commonwealth South area.

For the Commonwealth Mine area the following parameters were used:

Average thickness:	5 m to 6 m as defined by underground mapping and drilling;
Length:	130 m to 150 m as defined by drilling between Main and South Shaft;
Depth:	500 m;
Specific gravity:	5 kg/t as defined from samples taken underground;
Grades:	5.9 g/t gold, 275 g/t silver, 0.3% copper, 3% lead and 11.4% zinc.

For the Commonwealth South area the following parameters were used:

Average thickness:	4 m to 5 m as defined by underground mapping and drilling;
Length:	300 m to 350 m as defined by drilling;
Depth:	500 m.
Specific gravity:	2.5 kg/t;
Grades:	1.8 g/t gold, 34 g/t silver.

Note 3: Parameters used for the calculation of the Exploration Target at the Retro Extended Prospect.

For this report and based on geological data available, the following ranges were assumed for the calculation of the Target Mineralisation:

Strike Length:	250 m as defined by drilling; Width: 70 m as defined by drilling;
Thickness:	4.5 m as defined by drilling and assays; Specific gravity: 2.5 kg/t; and
Grade range:	4.5-5.5 g/t equivalent gold (including silver, copper and lead) as defined by assays.

Competent Persons Statement

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. Mike Jones is a working Director of 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 under taking 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.

FINANCIAL REPORT

FOR YEAR ENDED 30 JUNE 2013

CONTENTS

CORPORATE GOVERNANCE

Introduction

Since the introduction of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Guidelines" or "the Recommendations"), Impact Minerals Limited ("Company") and it's controlled entities ("Consolidated Group") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Commensurate with the spirit of the ASX Guidelines, the Consolidated Group has followed each Recommendation where the Board has considered the Recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Consolidated Group, the Board, resources available and activities of the Consolidated Group. Where, after due consideration, the Consolidated Group's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

Taking into account the size of the Consolidated Group, the Consolidated Group endeavours to comply with the Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("Corporate Governance Principles and Recommendations") . Significant policies and details of any significant deviations from the principles are specified below.

Corporate Governance Council Recommendation 1
Lay Solid Foundations for Management and Oversight

Role of the Board of Directors

The Board has responsibility for protecting the rights and interests of Shareholders and is responsible for the overall direction, monitoring and governance of the Consolidated Group. Responsibility for managing the business on a day-to-day basis has been delegated to the Managing Director and the management team.

The Board is responsible for the overall corporate governance of the Consolidated Group and its subsidiaries. Responsibilities and Functions of the Board are set out under the Board Charter and include:

i. setting the strategic direction of the Consolidated Group, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives;

ii. ensuring that there are adequate resources available to meet the Consolidated Group's objectives;

iii. appointing the Managing Director, evaluating the performance and determining the remuneration of senior executives, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;

iv. evaluating the performance of the Board and its Directors on an annual basis;

v. determining remuneration levels of Directors;

vi. approving and monitoring financial reporting and capital management;

vii. approving and monitoring the progress of business objectives;

viii. ensuring that any necessary statutory licences are held and compliance measures are maintained to ensure compliance with the law and licence(s);

ix. ensuring that adequate risk management procedures exist and are being used;

x. ensuring that the Consolidated Group has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility;

xi. ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Consolidated Group;

xii. ensuring procedures are in place for ensuring the Consolidated Group's compliance with the law; and financial and audit responsibilities, including the appointment of an external auditor and reviewing the financial statements, accounting policies and management processes.

Corporate Governance Council Recommendation 1 Cont'd
Lay Solid Foundations for Management and Oversight cont'd

In complying with Recommendation 1.1 of the Corporate Governance Council, the Company has adopted a Board Charter which clarifies the respective roles of the Board and senior management and assists in decision making processes. A copy of the Board Charter can be found on the Company's website.

Board Processes

An agenda for the meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Chairman, the Managing Director and the Company Secretary.

Corporate Governance Council Recommendation 2
Structure the Board to Add Value

Board Composition

The relevant provisions in the Constitution and the Corporations Act determine the terms and conditions relating to the appointment and termination of Directors. All Directors, other than the Managing Director, are subject to re-election by rotation every three years.

The Board does not have a separate Nomination Committee comprising of a majority of Independent Directors and as such does not comply with Recommendation 2.4 of the Corporate Governance Council. The Board believes that given the size of the Consolidated Group and the stage of its development a separate nomination committee is not warranted at this time. Any changes to Directorships will, for the foreseeable future, be considered by the full Board subject to any applicable laws. Identification of potential Board candidates includes consideration of the skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.

The Board consists of Mr Peter Unsworth, Non-executive Chairman, Dr Michael Jones, Managing Director, Mr Paul Ingram, Non-executive Director and Dr Markus Elsasser, Non-executive Director.

The Constitution requires a minimum number of three Directors. The maximum number of Directors is fixed by the Board but may not be more than 10, unless the members of the Company, in general meeting, resolve otherwise. The skills, experience and expertise of all Directors is set out in the Directors' section of the Company's website.

Although Directors are expected to bring independent views and judgment to the Board's deliberations, it has been determined that none of the Company's Directors other than Mr Paul Ingram and Dr Markus Elsasser, satisfy the criteria for independence as outlined in Recommendation 2.1 of the ASX Corporate Governance Principles.

The Board considers, however, that given the size and scope of the Consolidated Group's operations at present, it has the relevant experience in the exploration and mining industry and is appropriately structured to discharge its duties in a manner that is in the best interests of the Consolidated Group and its Shareholders from both a long-term strategic and operational perspective.

Independent Chairman

The Chairman is not considered to be an independent director and as such Recommendation 2.2 of the Corporate Governance Council has not been complied with. However, the Board believes that Mr Unsworth is an appropriate person for the position as Chairman because of his industry experience as a public company director.

Corporate Governance Council Recommendation 2 (continued)
Structure the Board to Add Value

Roles of Chairman and Managing Director

The roles of Chairman and Managing Director are exercised by different individuals, and as such the Company complies with Recommendation 2.3 of the Corporate Governance Council.

Evaluation of Board Performance

The Company does not have a formal process for the evaluation of the performance of the Board and as such does not comply with Recommendation 2.5 of the Corporate Governance Council. The Board is of the opinion that the competitive environment in which the Company operates will effectively provide a measure of the performance of the Directors. In addition the Chairman assesses the performance of the Board, individual directors and key executives on an informal basis.

Education

All Directors are encouraged to attend professional education courses relevant to their roles.

Independent Professional Advice and Access to Information

Each Director has the right to access all relevant information in respect of the Consolidated Group and to make appropriate enquiries of senior management. Each Director has the right to seek independent professional advice at the Consolidated Group's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

Corporate Governance Council Recommendation 3
Promote Ethical and Responsible Decision Making

The Board actively promotes ethical and responsible decision making.

Code of Conduct

The Board has adopted a Code of Conduct that applies to all employees, executives and Directors of the Company, and as such complies with Recommendation 3.1 of the Corporate Governance Council. This Code addresses expectations for conduct in accordance with legal requirements and agreed ethical standards. A copy of the Code is available on the Company's website.

Security Trading Policy

The Board has committed to ensuring that the Consolidated Group, its Directors and executives comply with their legal obligations as well as conducting their business in a transparent and ethical manner. The Board has adopted a policy and has procedures on dealing in the Company's securities by directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information, and as such complies with Recommendation 3.2 of the Corporate Governance Council.

The Company's Securities Trading Policy is available on the Company's website.

Diversity Policy

The Board has adopted a diversity policy and is committed to ensuring diversity within the Consolidated Group particularly the participation of women. Considering the size and scope of the Consolidated Group the Board has not set a measurable objective for achieving gender diversity, however it is Consolidated Group practice that during the selection and appointment process, the professional search firm supporting the Consolidated Group will provide at least one credible and suitably experienced female candidate.

At 30 June 2013, women made up 29% of the total workforce. There are currently no women in senior management or on the Board of the Company.

The Company's Diversity Policy is available on the Company's website.

Corporate Governance Council Recommendation 4
Safeguarding Integrity in Financial Reporting

Audit Committee

The Board does not have a separate Audit Committee with a composition as suggested by Recommendations 4.1, 4.2 and 4.3 of the Corporate Governance Council. The full Board carries out the function of an audit committee. The Board believes that the Consolidated Group is not of a sufficient size to warrant a separate committee and that the full Board is able to meet objectives of the best practice recommendations and discharge its duties in this area. The relevant experience of Board members is detailed in the Directors' section of the Directors' Report.

Financial Reporting

The Board relies on senior executives to monitor the internal controls within the Consolidated Group. Financial performance is monitored on a regular basis by the Managing Director who reports to the Board at the scheduled Board meetings.

Corporate Governance Council Recommendation 5
Make timely and balanced disclosure

The Board reviews the performance of the external auditors on an annual basis and meets with them during the year to review findings and assist with Board recommendations.

In the absence of a formal audit committee the Directors of the Consolidated Group are available for correspondence with the auditors of the Consolidated Group.

Continuous Disclosure

The Board places a high priority on communication with Shareholders and is aware of the obligations it has, under the Corporations Act and ASX Listing Rules, to keep the market fully informed of information which is not generally available and which may have a material effect on the price or value of the Company's securities.

The Company has adopted policies which establish procedures to ensure that Directors and management are aware of and fulfill their obligations in relation to the timely disclosure of material price sensitive information. A copy of the Company's Disclosure Policy can be found on the Company's website.

Continuous disclosure is discussed at all regular Board meetings and on an ongoing basis the Board ensures that all activities are reviewed with a view to the necessity for disclosure to security holders.

In accordance with ASX Listing Rules the Company Secretary has been appointed as the Company's disclosure officer.

Corporate Governance Council Recommendation 6
Respect the Rights of Shareholders

Communications

The Board fully supports security holder participation at general meetings as well as ensuring that communications with security holders are effective and clear. This has been incorporated into a formal shareholder communication strategy, in accordance with Recommendation 6.1 of the Corporate Governance Council. A copy of the Company's Shareholder Communication Policy is available on the Company's website.

In addition to electronic communication via the ASX web site, the Company publishes all significant announcements together with all quarterly reports. These documents are available in both hardcopy on request and on the Company web site at www.impactminerals.com.au

Shareholders are able to pose questions on the audit process and the financial statements directly to the independent auditor who attends the Company Annual General Meeting for that purpose.

CORPORATE GOVERNANCE (CONTINUED)

Corporate Governance Council Recommendation 7
Recognise and Manage Risk

Risk Management Policy

The Board has adopted a risk management policy that sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to the Managing Director, therefore complying with Recommendation 7.1 of the Corporate Governance Council. The Board is responsible for supervising management's framework of control and accountability systems to enable risk to be assessed and managed. A copy of the Company's Risk Management Policy can be found on the Company's website.

The Consolidated Group is committed to ensuring that sound environmental management and safety practices are maintained for its exploration activities. As the Company is an active uranium explorer it has also incorporated a radiation management plan into its occupational health and safety policies. A copy of the Company's Environmental Policy is available on the Company's website. A copy of the Company's Occupational Health and Safety Policy is available on the Company's website.

The Consolidated Group's risk management strategy is evolving and will be an ongoing process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Consolidated Group's activities.

Risk Reporting

As the Board has responsibility for the monitoring of risk management it has not required a formal report regarding the material risks and whether those risks are managed effectively therefore not complying with Recommendation 7.2 of the Corporate Governance Council. The Board believes that the Consolidated Group is currently effectively communicating its significant and material risks to the Board and its affairs are not of sufficient complexity to justify the implementation of a more formal system for identifying, assessing, monitoring and managing risk in the Company.

Managing Director and Company Secretary Written Statement

The Board requires that the Managing Director and the Company Secretary provide a written statement that the financial statements of the Consolidated Group present a true and fair view, in all material aspects, of the financial position and operational results and have been prepared in accordance with Australian Accounting Standards and the Corporations Act. The Board also requires that the Managing Director and Company Secretary provide sufficient assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is working effectively.

The declarations have been received by the Board, in accordance with Recommendation 7.3 of the Corporate Governance Council.

Corporate Governance Council Recommendation 8
Remunerate Fairly and Responsibly

Remuneration Committee

The Board has not created a separate Remuneration Committee and as such does not comply with Recommendation 8.1 of the Corporate Governance Council. The Board considers that the Consolidated Group is not currently of a size, nor are its affairs of such complexity to justify a separate Remuneration Committee.

The executive Directors and senior executives receive salary packages which may include performance based components designed to reward and motivate. Non executive Directors receive fees agreed on an annual basis by the Board.

The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover.

DIRECTORS' REPORT

The Board ensures that all matters of remuneration will continue to be in accordance with the Corporations Act requirements.

Your directors present their report together with the financial statements of the company and the Consolidated Group (being Impact Minerals Limited and its subsidiary companies) for the financial year ended 30 June 2013.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

Peter J Unsworth
Michael G Jones
Rodney E Fripp (resigned 14 January 2013)
Paul Ingram
Markus Elsasser (appointed 29 August 2012)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activity of the Consolidated Group during the financial year was exploration for deposits of uranium, nickel and platinum group elements.

Other than stated above, there were no significant changes in the nature of the Consolidated Group's principal activities during the financial year.

OPERATING RESULTS

The consolidated loss of the Consolidated Group was $3,951,325 (2012: Loss of $4,484,665), after eliminating non-controlling equity interests.

DIVIDENDS PAID OR RECOMMENDED

There were no dividends recommended or paid during the year.

REVIEW OF OPERATIONS

The period was a transformative year for the consolidated group in a number of areas:

First, two new major shareholders with a long term strategy invested in the company.

Secondly, Impact increased its shareholding in and, as at the time of this letter is in the process of merging with, fellow ASX-listed explorer, Invictus Gold Limited.

Thirdly, Impact (together with Invictus) purchased Endeavour Minerals Pty Limited, a private company with a portfolio of advanced exploration projects in Australia. This purchase transformed the focus of Impact and Invictus from large greenfields projects to smaller more advanced projects.

When the merger is completed Impact will have three flagship projects in Australia, all with drill ready targets that have the potential to deliver exploration success. At the Mulga Tank and Broken Hill Joint Venture projects, exciting drill targets for high grade deposits of nickel-copper-platinum have been identified. At the Commonwealth Project, further drilling may define a resource centred on the dormant Commonwealth Mine where previous work has identified high grade gold, silver and base metal mineralisation.

Impact is still committed to its projects in Botswana, in particular its large uranium project where a number of significant targets have been identified. A search for a joint venture partner is ongoing for this project.

Impact will also have a longer term strategy of business development in Turkey and will search for joint venture partners for its other early stage projects.

DIRECTORS' REPORT (CONTINUED)

FINANCIAL POSITION

The net assets of the Consolidated Group at 30 June 2013 are $13,647,240 (2012: $9,242,783)

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the period the Company attained 73.99% of Invictus Gold Limited. As such the Company has become the Invictus Gold Limited's ultimate holding company.

During and subsequent to the period Mrs. Susanne Bunnenberg and Dr Markus Elsasser have attained interests in Impact Minerals Limited of 42.44% and 5.95% respectively.

Other than stated above there have been no significant changes in the state of affairs of the Consolidated Group that occurred during the financial year.

EVENTS AFTER THE REPORTING PERIOD

On 23rd August 2013 the Company announced that it has executed a merger Implementation agreement pursuant to which the Company proposes to acquire all the issued shares in Invictus Gold Limited that it does not already own under a scheme of arrangement. The scheme of arrangement is subject to regulatory and shareholder approval.

On 19th September 2013, the Company announced a capital raising through a placement of $3,000,000 in capital through the issue of 78,947,368 ordinary shares to sophisticated and professional investors.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Other than matters mentioned in this report, disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations may result in unreasonable prejudice to the Consolidated Group. Therefore, this information has not been presented in this report.

ENVIRONMENTAL ISSUES

The Consolidated Group holds various exploration licences to conduct its exploration activities in Botswana. So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations in all jurisdictions in which the group operates.

NGER ACT

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Consolidated Group for the current or subsequent financial year. The Directors will reassess this position as and when the need arises.

INFORMATION ON DIRECTORS

Mr Peter J Unsworth	**Non-Executive Chairman**
Qualifications	B Com.
Experience	Mr Unsworth, formerly a chartered accountant, has more than 35 years experience in the corporate finance, investment, and securities industries and has a wealth of management experience with both public and private companies. A former Executive Director with a leading Western Australian stockbroking company, Mr Unsworth has been a director of a number of public exploration and mining companies. He recently completed a long period serving as Chairman of the Western Australian Government owned Gold Corporation (operator of The Perth Mint). Mr Unsworth has been a Director of Invictus Gold Limited since 20 August 2011, a company listed on the ASX.
Dr Michael G Jones	**Managing Director**
Qualifications	PhD, MAIG
Experience	Dr Jones completed undergraduate and post-graduate studies in Mining and Exploration Geology at Imperial College, London. His Ph.D work on gold mineralisation saw him move to Western Australia in 1988 to work for Western Mining Corporation exploring for gold and nickel deposits in the Yilgarn. From 1994 he consulted to the exploration and mining industry specialising in the integration of geological field mapping and the interpretation of geochemical, geophysical and remotely sensed data for target generation. Dr Jones has worked on over 80 projects both in greenfields and near mine exploration in a wide variety of mineralised terrains and was the founding director of Lithofire Consulting Geologists in Perth, Australia. He was also the team leader during the discovery of a significant gold deposit at the Higginsville Mining Centre, near Kalgoorlie and an iron ore deposit near Newman, both in Western Australia. Dr Jones has been a Director of Invictus Gold Limited since 20 August 2011, a company listed on the ASX.

DIRECTORS' REPORT (CONTINUED)

Dr Rodney E Fripp	**Executive Director (resigned 14 January 2013)**
Qualifications	PhD, FAusIMM
Experience	Dr Fripp has 38 years experience in all aspects of mineral exploration: from project generation and execution, to management and financial control. He has worked on both underground and open pit mines in South Africa, Zimbabwe and Australia, leading teams that have discovered significant gold reserves. From 1989 to 1995 he was Regional Vice-President of Business Development, Australasia for a major North American mining company, focussing on the technical and financial evaluation of major gold and base metal projects, project acquisition, joint venture negotiation and corporate mergers. He has also filled similar management roles with Australian mining groups. Dr Fripp is currently a Fellow of the Australasian Institute of Mining and Metallurgy and a member of many professional societies. Dr Fripp has been a Director of Invictus Gold Limited from 20 August 2011 to 14 January 2013, a company listed on the ASX.

Mr Paul Ingram	**Non-Executive Director**
Qualifications	B.AppSc, AIMM, MICA
Experience	Mr Ingram is a geologist with extensive experience in managing major mineral exploration programs for several publicly listed companies and has been involved in the mining sector for over thirty years. He has designed and implemented innovative techniques for exploration in remote areas, and has managed projects in countries throughout Australia and east Asia. Mr Ingram has been a director of the following listed companies in the past three years: Polo Resources Limited from January 2008 to January 2012; A-Cap Resources Limited since June 2009; West Australian Metals Limited from July 2009 to January 2011; Consolidated Global Investments Limited since September 2006; Caledon Resources Limited from February 2003 to March 2008; and Australian Pacific Coal Limited since March 2012

Dr. Markus Elsasser	**Non-Executive Director (appointed 29 August 2012)**
Qualifications	PhD,
Experience	Dr. Markus Elsasser is a German financier and investor in the mineral resources industry. He is Head of the Elsasser family office 'M. Elsasser & Cie AG 1971' in Dusseldorf, Germany. Dr. Elsasser has previously been Director of Finance at the Dow Chemical Company in Germany. He has extensive General Management experience with former appointments as Managing Director in Australia and Singapore in the chemical and food industries. Dr Elsasser is a director of Artic Gold AB and Kopy Goldfields AB companies listed on the NASDAQOMX First North, Stellar Diamonds Plc, London and Stellar Resources Limited a company listed on the Australia Securities Exchange.

COMPANY SECRETARY

Mr James Cooper-Jones	
Qualifications	B.A / B.Comm, MIPA, SA Fin, MAICD
Experience	Over his career Mr. Cooper-Jones has held various senior accounting and secretarial roles primarily with listed resource companies and has been involved in the listing of several companies on the ASX.

DIRECTORS INTERESTS

At the date of this report the Directors interests in shares of the Company are as follows:

Impact Minerals Limited

Peter Unsworth	11,348,462 ordinary shares	4,000,000 options to acquire ordinary shares
Michael Jones	6,665,000 ordinary shares	10,000,000 options to acquire ordinary shares
Rodney Fripp (resigned)	6,561,111 ordinary shares	4,000,000 options to acquire ordinary shares
Paul Ingram	Nil	2,000,000 options to acquire ordinary shares
Markus Elsasser	22,117,222 ordinary shares	2,000,000 options to acquire ordinary shares

Invictus Gold Limited

Peter Unsworth	1,138,730 ordinary shares	2,508,000 options to acquire ordinary shares
Michael Jones	130,000 ordinary shares	3,508,000 options to acquire ordinary shares
Rod Fripp (resigned)	375,000 ordinary shares	1,550,000 options to acquire ordinary shares

MEETINGS OF DIRECTORS

During the financial year, 5 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Peter J Unsworth	5	4
Michael G Jones	5	5
Rodney E Fripp (Resigned)	4	4
Paul Ingram	5	4
Markus Elsasser	3	3

DIRECTORS' REPORT (CONTINUED)

OPTIONS – IMPACT MINERALS LIMITED

As at the date of this report 28,250,000 options to acquire ordinary shares remained on issue as follows:

Grant Date	Date of Expiry	Exercise Price	Number of shares under Option
18 Oct 2010	31 Dec 2013	$0.20	150,000
18 Oct 2010	31 Dec 2013	$0.25	150,000
27 May 2011	31 May 2014	$0.20	150,000
20 Dec 2012	30 Nov 2015	$0.06	13,000,000
16 Jan 2013	30 Nov 2015	$0.06	2,900,000
20 Dec 2012	30 Nov 2016	$0.10	9,000,000
16 Jan 2013	30 Nov 2016	$0.10	2,900,000
			28,250,000

OPTIONS – INVICTUS GOLD LIMITED

At the date of this report, the options to subscribe for unissued shares of Invictus Gold Limited are as follows:

Grant Date	Date of Expiry	Exercise Price	Number of shares under Option
21 Jan 2012	30 Nov 2015	$0.20	6,400,000
21 Jan 2012	30 Nov 2015	$0.25	14,400,000
22 Nov 2010	30 Jun 2014	$0.25	6,250,000
30 Sep 2011	30 Sep 2014	$0.25	225,000
30 Sep 2011	30 Sep 2014	$0.30	225,000
20 Dec 2012	30 Nov 2015	$0.10	2,625,000
20 Dec 2012	30 Nov 2016	$0.15	2,625,000
15 Jan 2013	30 Nov 2015	$0.10	1,475,000
15 Jan 2013	30 Nov 2016	$0.15	1,475,000
			35,700,000

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

There have been no unissued shares or interests under option of any controlled entity within the Consolidated Group during or since the end of the reporting period.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

During the year ended 30 June 2013 and since year end no shares were issued on the exercise of options.

INDEMNIFYING OFFICERS OR AUDITOR

During or since the end of the financial year the Consolidated Group paid an insurance premium of $8,737 (2012: $11,607), to insure certain officers of the Consolidated Group. The officers of the Consolidated Group covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability Insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against officers in their capacity as officers of the Consolidated Group. The insurance policy does not contain details of the premium paid in respect of individual officers of the Consolidated Group. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Consolidated Group has not, during or since the financial period, indemnified or agreed to indemnify the auditor of the Consolidated Group or of any related body corporate against a liability incurred as such an auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Group or to intervene in any proceedings to which the Consolidated Group is a party for the purpose of taking responsibility on behalf of the Consolidated Group for all or any part of those proceedings.

The Consolidated Group was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 18 of the Directors report.

REMUNERATION REPORT (Audited)

Remuneration policy

The remuneration policy of Impact Minerals Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and where appropriate offering specific long-term incentives. The Board of Impact Minerals Limited believes that the remuneration policy is appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Consolidated Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Directors and senior executives of the Consolidated Group is as follows:

- The remuneration terms and conditions for the executive directors and other senior executives are developed by the Board of Directors;
- All executives receive a base level of remuneration either in the form of consulting fees or as a salary (which is based on factors such as length of service and experience), superannuation and fringe benefits; and
- The Board of Directors reviews executive packages annually by reference to the Consolidated Group's performance, executive performance and comparable information from industry sectors.

Executives are also entitled to participate in employee share and option arrangements.

The directors and executives receive a superannuation guarantee contribution required by the government, which during the year was 9%, and is currently 9.25%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Consolidated Group and expensed. Options, where issued, are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

Performance conditions linked to remuneration

Fees for non-executive directors are not linked to the performance of the Consolidated Group. However, to align directors' interests with shareholder interests, the Directors are encouraged to hold shares in the company and are able to participate in employee share and option arrangements.

Employment details of members of Key Management Personnel and Other Executives

2013	Position Held as at 30 June 2013 and any Change during the Year	Contract Details (Duration and Termination)	Proportions of Elements of Remuneration Related to Performance		Proportions of Elements of Remuneration Not Related to Performance		
			Non-Salary Cash-based Incentives	Shares/ Units	Options/ Rights	Fixed Salary/ Fees	Total
			%	%	%	%	%
Group Key Management Personnel							
Mr P Unsworth*	Chairman	Refer Note A.	-	-	23%	77%	100%
Dr M Jones*	Managing director	No fixed term. 3 months notice required on termination.	-	-	21%	79%	100%
Dr R Fripp*	Executive director (Technical) (resigned 14 January 2013)	No fixed term. 3 months notice required on termination.	-	-	13%	87%	100%
Mr P Ingram	Non-executive director	Refer Note A.	-	-	23%	77%	100%
Dr M Elsasser	Non-executive director (appointed 29 August 2013)	Refer Note A.	-	-	24%	76%	100%
Mr J Cooper- Jones*	Company Secretary	No fixed term. 1 months notice required on termination.	-	-	7%	93%	100%

*Includes remuneration expenses related to Invictus Gold Limited

REMUNERATION REPORT (CONTINUED)
KEY MANAGEMENT PERSONNEL REMUNERATION

Employment details of members of Key Management Personnel and Other Executives

2012	Position Held as at 30 June 2012 and any Change during the Year	Contract Details (Duration and Termination)	Proportions of Elements of Remuneration Related to Performance		Proportions of Elements of Remuneration Not Related to Performance		
			Non-Salary Cash-based Incentives	Shares/ Units	Options/ Rights	Fixed Salary/ Fees	Total
			%	%	%	%	%
Group Key Management Personnel							
Mr P Unsworth	Chairman	Refer Note A.	-	-	-	100%	100%
Dr M Jones	Managing director	No fixed term. 3 months notice required on termination.	-	-	-	100%	100%
Dr R Fripp	Executive director (Technical)	No fixed term. 3 months notice required on termination.	-	-	-	100%	100%
Mr P Ingram	Non-executive director	Refer Note A.	-	-	-	100%	100%
Dr M Elsasser	-	-	-	-	-	-	-
Mr J Cooper- Jones	Company Secretary (commenced 1 December 2011)	No fixed term. 1 months notice required on termination.	-	-	2%	98%	100%

Note A. The employment terms and conditions of non-executive board members (including the non-executive Chairman) are governed by the constitution of the company. The terms and conditions of executive board members and Consolidated Group executives are formalised in contracts of employment.

Other than as set out above terms of employment require that the relevant company provide an executive contracted person with a minimum of one months' notice prior to termination of contract. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least 1 months' notice. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

There have been no changes in directors and executives subsequent to year-end.

REMUNERATION REPORT (CONTINUED)
KEY MANAGEMENT PERSONNEL REMUNERATION

2013	Short term employee benefits				Post-employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Other $	Super-annuation $	Long service leave $	Options $	Total $
Directors								
P J Unsworth*	100,000	-	-	-	9,000	-	33,372	142,372
M G Jones*	263,110	-	-	-	-	-	68,160	331,270
R E Fripp (resigned)*	228,573	-	-	-	-	-	34,583	263,156
P Ingram	30,000	-	-	-	2,700	-	9,694	42,394
M Elsasser	30,000	-	-	-	-	-	9,694	39,694
Total Directors	651,683	-	-	-	11,700	-	155,503	818,886
Executives								
J Cooper-Jones*	150,000	-	-	-	13,500	-	12,737	176,237
Total Executives	150,000	-	-	-	13,500	-	12,737	176,237
Total Remuneration	801,683	-	-	-	25,200	-	168,240	995,123

*Includes remuneration expenses related to Invictus Gold Limited for full year.

2012	Short term employee benefits				Post-employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Other $	Super-annuation $	Long service leave $	Options $	Total $
Directors								
P J Unsworth	65,000	-	-	-	5,850	-	-	70,850
M G Jones	120,541	-	-	-	-	-	-	120,541
R E Fripp	173,600	-	-	-	-	-	-	173,600
P Ingram	30,000	-	-	-	2,700	-	-	32,700
M Elsasser	-	-	-	-	-	-	-	-
Total Directors	389,141	-	-	-	8,550	-	-	397,691
Executives								
J Cooper-Jones	150,000	-	-	-	13,500	-	3,089	166,589
Total Executives	150,000	-	-	-	13,500	-	3,089	166,589
Total Remuneration	539,141	-	-	-	22,050	-	3,089	564,280

REMUNERATION REPORT (CONTINUED)

SHARE BASED PAYMENT

Options

Options granted by Impact Minerals to Directors and senior executives of the Consolidated Group are issued for no consideration, carry no dividend or voting rights and have varied terms.

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

Impact Minerals Group Key Management Personnel	Remun-eration Type	Grant Date	Number	Grant Value	Reason for Grant	Percentage vested/paid during the year	Percentage forfeited during the year	Percentage remaining as unvested	Vesting date
				$		%	%	%	
P Unsworth	Options	29.11.2012	2,000,000	22,600	(a)	-	-	100	30.11.2013
P Unsworth	Options	29.11.2012	2,000,000	21,400	(a)	-	-	100	30.11.2014
M Jones	Options	29.11.2012	5,000,000	56,500	(a)	-	-	100	30.11.2013
M Jones	Options	29.11.2012	5,000,000	53,500	(a)	-	-	100	30.11.2014
R Fripp	Options	29.11.2012	4,000,000	45,200	(a)	-	-	100	30.11.2013
P Ingram	Options	29.11.2012	1,000,000	11,300	(a)	-	-	100	30.11.2013
P Ingram	Options	29.11.2012	1,000,000	10,700	(a)	-	-	100	30.11.2014
M Elsasser	Options	29.11.2012	1,000,000	11,300	(a)	-	-	100	30.11.2013
M Elsasser	Options	29.11.2012	1,000,000	10,700	(a)	-	-	100	30.11.2014
J Cooper-Jones	Options	27.05.2011	150,000	10,500	(a)	100	-	-	01.12.2011
J Cooper-Jones	Options	16.01.2013	500,000	5,650	(a)	-	-	100	31.11.2013
J Cooper-Jones	Options	16.01.2013	500,000	5,350	(a)	-	-	100	30.11.2014

Invictus Gold Group Key Management Personnel	Remun-eration Type	Grant Date	Number	Grant Value	Reason for Grant	Percentage vested/paid during the year	Percentage forfeited during the year	Percentage remaining as unvested	Vesting date
				$		%	%	%	
P Unsworth	Options	22.11.2010	1,000,000	69,664	(a)	100	-	-	31.12.2011
	Options	22.11.2010	500,000	34,832	(a)	100	-	-	31.12.2012
	Options	20.12.2012	500,000	6,900	(a)	-	-	100	30.11.2013
	Options	20.12.2012	500,000	6,900	(a)	-	-	100	30.11.2014
M Jones	Options	22.11.2010	1,000,000	69,664	(a)	100	-	-	31.12.2011
	Options	22.11.2010	500,000	34,832	(a)	100	-	-	31.12.2012
	Options	20.12.2012	1,000,000	13,800	(a)	-	-	100	30.11.2013
	Options	20.12.2012	1,000,000	13,800	(a)	-	-	100	30.11.2014
R Fripp (resigned)	Options	22.11.2010	1,000,000	69,664	(a)	100	-	-	31.12.2011
	Options	22.11.2010	500,000	34,832	(a)	100	-	-	31.12.2012
	Options	20.12.2012	625,000	8,625	(a)	100	100	-	30.11.2013
	Options	20.12.2012	625,000	8,265	(a)	100	100	-	30.11.2014

(a) Options were awarded as part of the Group's incentive scheme for the retention of key management personnel.

When exercisable, each option is convertible into one ordinary share.

All options expire on the earlier of their expiry date or termination of the employee's employment if not already vested.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (CONTINUED)

SHARE BASED PAYMENT (CONTINUED)

OPTIONS AND RIGHTS GRANTED

The following table discloses the value of options granted, exercised or lapsed during the year:

	Options granted Value at grant date $	Options exercised Value at exercise date $	Options lapsed Value at time of lapse $	Total value of options granted, exercised and lapsed $	Value of options included in remuneration for the year $	Remuneration consisting of options during the year %
Directors						
P J Unsworth*	57,800	-	-	57,800	33,372	23.44%
M G Jones*	144,500	-	-	144,500	68,160	20.57%
R E Fripp*	88,000	-	(60,050)	62,450	34,583	13.14%
P Ingram	22,000	-	-	22,000	9,694	22.87%
M Elsasser	22,000	-	-	22,000	9,694	24.42%
Executives						
J Cooper-Jones*	28,400	-	-	28,400	12,737	7.23%

*Includes remuneration expenses related to Invictus Gold Limited for full year.

Nil shares in the Company have been issued as a result of the exercise of remuneration options by key management personnel.

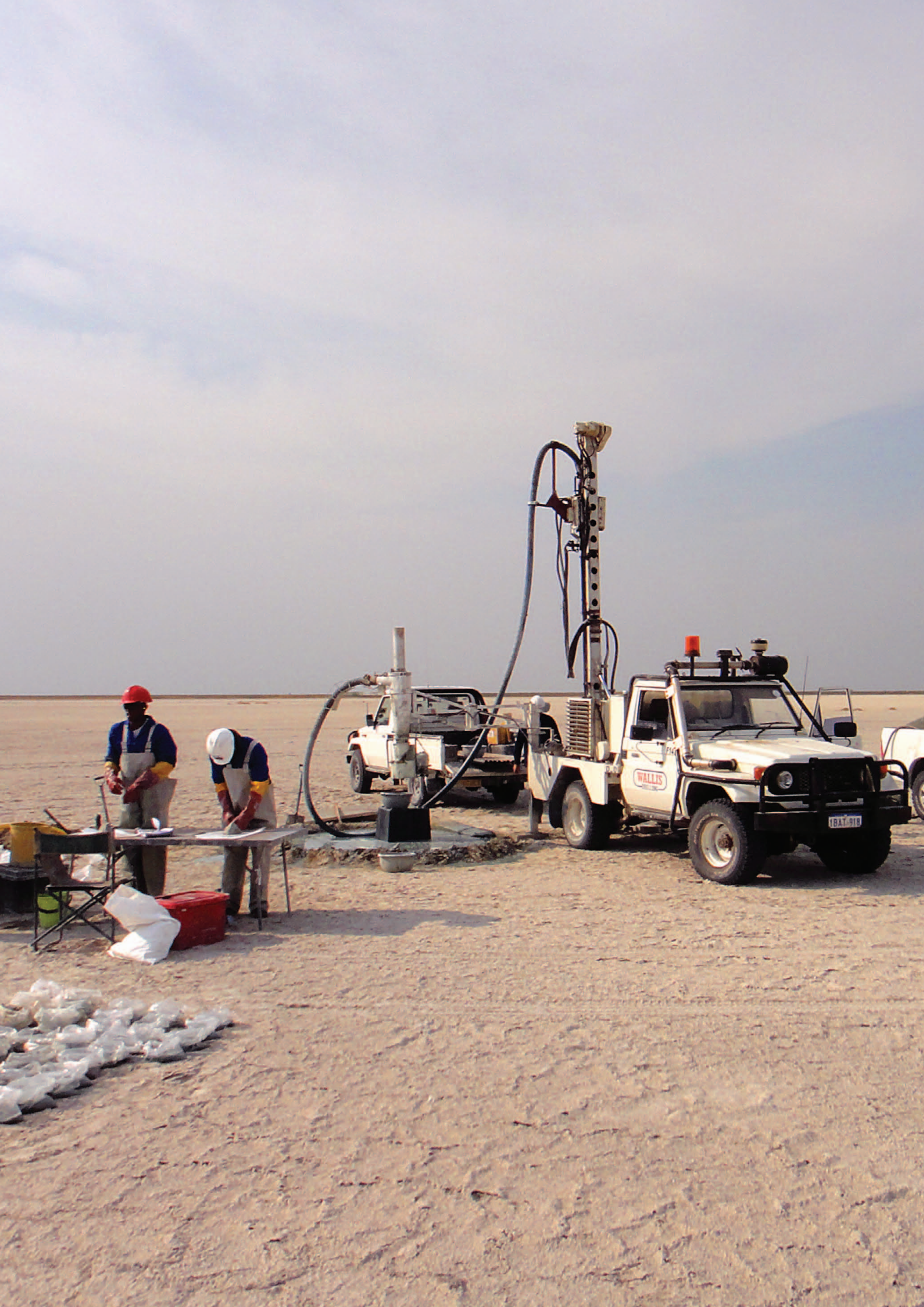
The assessed fair value at grant date of options granted to individuals is allocated equally over the period from grant date to vesting date, (and the amount included in the remuneration tables above). Fair values at grant date are determined using a Black-scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

End of remuneration report.

The Report of the Directors, incorporating the Remuneration Report is signed in accordance with a resolution of the Board of Directors.

Michael Jones

Dr Michael G Jones
Managing Director
26th September 2013


WALLIS

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Impact Minerals Limited and its controlled entities for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Director

DATED at PERTH this 26th day of September 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Interest Income		86,060	70,986
Gain on sale of financial asset		110,869	-
Other Income	2	1,221,062	96,000
Corporate and administration expenses		(1,006,738)	(368,439)
Depreciation expenses		(19,224)	(38,981)
Employee benefits expenses	3	(622,730)	(313,248)
Impairment of exploration expenditure		(1,406,096)	(1,745,419)
Impairment of investment in associate		-	(1,172,287)
Occupancy expenses		(97,345)	(92,443)
Other expenses		-	(174,847)
Share of associates net loss for the period	28	(2,369,358)	(488,114)
Net loss on sale of tenement		-	(257,873)
Loss before income tax		(4,103,500)	(4,484,665)
Income tax expense	4	-	-
Profit/(Loss) for the year	3	(4,103,500)	(4,484,665)
Other comprehensive income:			
Items that might be reclassified to Profit or loss			
Revaluation of shares available for sale		688	(588)
Exchange differences on translating foreign controlled entities		(16,331)	(236,989)
Other comprehensive income for the year, net of tax		(15,643)	(237,577)
Total comprehensive income for the year		(4,119,143)	(4,722,242)
Total Profit/(Loss) for the year attributable to:			
Members of the parent entity		(3,951,325)	(4,484,665)
Non-controlling interest		(152,175)	-
		(4,103,500)	(4,484,665)
Total comprehensive income attributable to:			
Members of the parent entity		(3,978,001)	(4,722,242)
Non-controlling interest		(141,142)	-
		(4,119,143)	(4,722,242)
Basic Loss per share (cents per share)	7	(1.3)	(4.0)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,514,656	1,064,434
Trade and other receivables	9	151,972	301,265
TOTAL CURRENT ASSETS		2,666,628	1,365,699
NON-CURRENT ASSETS			
Plant and equipment	11	23,052	33,323
Investments accounted for using the equity method	10, 28	-	2,543,078
Exploration expenditure	12	11,581,800	5,445,201
Financial assets		-	186,500
Other non-current assets		249,899	45,988
TOTAL NON-CURRENT ASSETS		11,854,751	8,254,090
TOTAL ASSETS		14,521,379	9,619,789
CURRENT LIABILITIES			
Trade and other payables	13	770,450	332,744
Provisions	14	103,689	44,262
TOTAL CURRENT LIABILITIES		874,139	377,006
NET ASSETS		13,647,240	9,242,783
EQUITY			
Issued capital	15	24,366,377	17,284,498
Option reserve	16	353,638	140,314
Foreign currency translation reserve	16	(454,917)	(427,553)
Asset revaluation reserve		-	(688)
Accumulated losses		(11,705,113)	(7,753,788)
Parent interest		12,559,985	9,242,783
Non-controlling interest		1,087,255	-
TOTAL EQUITY		13,647,240	9,242,783

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2013

	Issued Capital $	Foreign currency translation reserve $	Options reserve $	Asset revaluation reserve $	Accumulated losses $	Non-Controlling Interest $	Total Equity $
Balance at 1 July 2012	17,284,498	(427,553)	140,314	(688)	(7,753,788)	-	9,242,783
Loss for the year	-	-	-	-	(3,951,325)	(152,175)	(4,103,500)
Other Comprehensive Income							
Fair value of shares	-	-	-	688	-	-	688
Exchange differences on translation of foreign operations	-	(27,364)	-	-	-	11,033	(16,331)
Total other comprehensive income for the year	-	(27,364)	-	688		11,033	(15,643)
Transactions with owners in their capacity as owners							
Non-controlling interest arising on the acquisition of Invictus Gold Limited	-	-	-	-	-	1,067,793	1,067,793
Purchase of shares from Non-controlling interest	-	-	-	-	-	(62,568)	(62,568)
Shares Issued	7,125,915	-	-	-	-	200,000	7,325,915
Share issue costs	(44,036)	-	-	-	-	-	(44,036)
Fair value of options issued	-	-	213,324	-	-	23,172	236,496
Fair value of options expired	-	-	-	-	-	-	-
Balance at 30 June 2013	24,366,377	(454,917)	353,638	-	(11,705,113)	1,087,255	13,647,240
Balance at 1 July 2011	16,504,296	(190,564)	205,197	(100)	(3,360,585)		13,158,244
Loss for the year	-	-	-	-	(4,484,665)		(4,484,665)
Other Comprehensive Income							
Fair value of shares	-	-	-	(588)	-		(588)
Exchange differences on translation of foreign operations	-	(236,989)	-	-	-		(236,989)
Total other comprehensive income for the year	-	(236,989)	-	(588)	-		(237,577)
Transactions with owners in their capacity as owners							
Shares Issued	846,600	-	-	-	-		846,600
Share issue costs	(66,398)	-	-	-	-		(66,398)
Fair value of options issued	-	-	26,579	-	-		26,579
Fair value of options expired	-	-	(91,462)	-	91,462		-
Balance at 30 June 2012	17,284,498	(427,553)	140,314	(688)	(7,753,788)		9,242,783

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,331,395)	(910,118)
Payments for exploration		(4,533,838)	(2,744,926)
Interest received		86,060	70,986
R&D Tax Rebate		532,715	-
Net cash used in operating activities	21	(5,246,458)	(3,584,058)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments of Endeavour debt		(659,094)	-
Payments for property, plant and equipment		504	(5,109)
Amount paid to minority shareholers		(62,566)	-
Proceeds from the sale of financial assets		297,369	187,088
Proceeds from sale of property, plant and equipment		-	4,059
Proceeds from the sale of tenement		-	669,356
Net cash outflow arising on acquisition	27	(28,966)	-
Net cash used in investing activities		(452,753)	855,394
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,193,467	830,000
Share issue costs		(44,034)	(49,800)
Repayment of loans		-	-
Net cash used in provided by financing activities		7,149,433	780,200
Net increase in cash held		1,450,222	(1,948,464)
Cash at beginning of financial year	8	1,064,434	3,012,898
Cash at end of financial year	8	2,514,656	1,064,434

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

These consolidated financial statements and notes represent those of Impact Minerals Limited and it's controlled entities (Consolidated Group).

The separate financial statements of the parent entity, Impact Minerals Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies set out below have been consistently applied to all years presented.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Group incurred a loss for the year of $4,103,500 (2012: $4,484,665) and net cash outflows from operating activities of $5,246,458 (2012: Cash outflows of $3,584,058).

As at 30 June 2013, the Consolidated Group had a working capital surplus of $1,812,488 (2012: surplus of $988,693).

Subsequent to the reporting date the Company announced a capital raising of $3,000,000 in capital through the issue of 78,947,368 ordinary shares to sophisticated and professional investors. Shares under this raising are to be issued in two tranches. Tranche 1 shares are to be issued under Company's 15% capacity and Tranche 2 to be issued subject to shareholder approval. As at the date of this report the company has received $1,826,548 and issued 48,067,609 Company shares related to Tranche 1. The remaining Tranche 2 funds, being $1,173,452, will be received subject to shareholder approval at a general meeting of shareholders to be held on or around 24 October 2013.

The directors have prepared a cash flow forecast which indicates that the Consolidated Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Impact Minerals Limited at the end of the reporting period.

A controlled entity is any entity Impact Minerals Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A list of controlled entities is contained in Note 26 to the financial statements. All controlled entities have a 30 June financial year-end.

All inter-company balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the Consolidated Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of Profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination, one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and their fair value can be reliably measured.

All transaction costs incurred in relation to the business combination are expensed to the statement of Profit or loss and other comprehensive income.

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of differed tax assets or liabilities are expected to be recovered or settled.

(b) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of Profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Motor vehicles	22.5 %
Plant and equipment	37.5 %
Leasehold improvements	10.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of Profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable areas of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Where relevant, site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(d) Financial Instruments

Initial recognition and Measurement

Financial instruments, including financial assets and financial liabilities, are recognised when the Consolidated Group becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Consolidated Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Loans and receivables are included in current assets except those which are expected to mature within 12 months after the end of the reporting period.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Consolidated Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Held to maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available for sale financial assets are included in non-current assets except those which are expected to mature within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

v. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

At the end of each reporting period, the Consolidated Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the profit or loss. Also, any cumulative decline in Fair Value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

(e) Impairment of Assets

At the end of each reporting period, the Consolidated Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the statement of Profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Interests in Joint Ventures

The Consolidated Group’s share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the Consolidated Group’s interests are shown at Note 29.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Where the Consolidated Group contributes assets to the joint venture or if the Consolidated Group purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Consolidated Group's share of the joint venture shall be recognised. The Consolidated Group recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(g) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the Profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- accumulated losses are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed of.

(h) Employee Benefits

Provision is made for the Consolidated Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity-settled Compensation

The fair value of options granted by the Consolidated Group to employees is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Upon the exercise of options, the balance of the option reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, and deposits available on demand with banks.

(j) Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Investments in Associates

Associates are companies in which the Consolidated Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Consolidated Group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Consolidated Group's share of net assets of the associate company. In addition, the Consolidated Group's share of the profit or loss of the associate company is included in the Consolidated Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition whereby the Consolidated Group's share of the net fair value of the associate exceeds the cost of investment is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the v and the associate are eliminated to the extent of the Consolidated Group's interest in the associate.

When the Consolidated Group's share of losses in an associate equals or exceeds its interest in the associate, the Consolidated Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Consolidated Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Consolidated Group's investments in associates are provided in Note 26.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Group.

Key Estimates — Impairment

The Consolidated Group assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Consolidated Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by the Australian Taxation Office.

Key Estimate - Shared-based payment transactions

The Consolidated Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The total expenses in share based transactions for the Consolidated Group for the year ended 30 June 2013 was $236,492 (2012: $26,579).

Key Judgment

(i) Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Consolidated Group's development and its current environmental impact the directors believe that such treatment is reasonable and appropriate.

(ii) Capitalised exploration and evaluation expenditure

The Consolidated Group's accounting policy is stated at 1(d). A regular review is undertaken of each area of interest to determine the reasonableness of the continuing carrying forward of costs in relation to that area of interest. Refer to Note 12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

AASB 2011-9 — *Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 101]*

This standard requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

AASB 2012-9 — *Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 101]*

This standard requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

AASB 2012-4 — *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel*

Disclosure Requirements [AASB 124]

This standard makes amendments to remove individual key management personnel disclosure requirements from AASB 124.

AASB 9 — *Financial instruments*

AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting form financial liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.

(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
- The remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11

AASB 10 *Consolidated Financial Statements*

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities.

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the group.

Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 127.

AASB 11 *Joint Arrangements*

AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG- 113 Jointly-controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. This may result in a change in the accounting for the joint arrangements held by the group.

Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB128.

AASB 12 *Disclosure of Interests in Other Entities*

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 13	*Fair Value Measurement* AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.
Interpretation 20	*Stripping Costs in the Production Phase of a Surface Mine* This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset". The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate.

The Consolidated Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

NOTE 2: REVENUE AND OTHER INCOME

	Note	2013 $	2012 $
Interest revenue from financial institutions		86,060	70,986
Gain on sale of financial asset		110,869	-
R&D Tax Rebate		740,925	-
Net gain on deemed disposal of investments in associate	28	466,280	
Other Income		13,857	96,000
Total revenue		1,417,991	166,986

NOTE 3: LOSS FOR THE YEAR

Loss before income tax includes the following specific expenses:

	2013	2012
Employee benefits expense		
Salary and wages	162,434	141,211
Superannuation	25,612	19,371
Employee entitlements	28,772	17,169
Fringe benefits tax	-	13,918
Share based payments	236,496	26,579
Directors Fees	169,416	95,000
	622,730	313,248
Rental expense on operating leases		
Rental expense	97,345	79,692
Depreciation expenses		
Depreciation	19,224	38,981
	19,224	38,981

NOTE 4: INCOME TAX EXPENSE

		2013 $	2012 $
a.	The components of tax expense comprise:		
	Deferred income tax expense included in income tax expense comprises :		
	Decrease (Increase) in deferred tax assets	862,462	580,412
	(Decrease) Increase in deferred tax liabilities	(862,462)	(580,412)
	Income tax expense reported in the statement of Profit or loss and other comprehensive income	-	-
b.	The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	Profit from ordinary activities before income tax expense	(4,103,500)	(4,484,665)
	Prima facie tax benefit on profit from ordinary activities before income tax at 30% (2012: 30%)	(1,231,050)	(1,345,400)
	Tax effect of permanent differences:		
	Share based payments	54,879	7,974
	Non-deductible expenses	17,665	9,261
	Gain on disposal of subsidiary	-	-
	Impact of subsidiary for the year	-	-
	Share of associates loss	-	(50,643)
	Impairment of loans to subsidiary	(1,583,485)	-
	Overs and unders from prior years	3,898	419,801
	Unrecognised temporary differences:	285,777	914,082
	Unrecognised temporary differences in equity	-	-
	Tax losses not recognised / (recognised)	743,796	(188,956)
	Capital losses not recognised / (recognised)	(1,108)	1,108
	Impairment of exploration expenditure	1,667,474	-
	NCI adjustment	42,154	-
	Foreign exploration expenditure	-	232,773
	Income tax expense/(benefit) on pre-tax profit	-	-
c.	Deferred tax assets and (liabilities) are attributable to the following:		
	Capital raising costs	136,563	-
	Creditors	86,196	-
	Exploration expenditure	(862,462)	-
	Plant and equipment	12,843	-
	Provisions	24,637	-
	Tax losses recognised to the extent of deferred tax liabilities	602,223	-
		-	-

NOTE 4: INCOME TAX EXPENSE (CONTINUED)

The balance of potential deferred tax assets attributable to tax losses carried forward of $4,244,633 (2012: $1,284,378) and other timing differences of $1,522 (2012: $1,165,835) in respect of the Consolidated Group have not been brought to account because the Directors do not believe it is appropriate to regard realisation of future tax benefit as probable.

All unused tax losses were incurred by Australian entities.

NOTE 5: INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Group's key management personnel for the year ended 30 June 2013.

The totals of remuneration paid to KMP of the Company and the Consolidated Group during the year are as follows.

	2013 $	2012 $
Short-term employee benefits	801,683	539,141
Post-employment benefits	25,200	22,050
Share-based payments	168,240	3,089
Other long term benefits	-	-
	995,123	564,280

KMP Options and Rights holdings

The number of options over ordinary shares in the Company held during the financial year by each director of Impact Minerals Limited and other key management personnel of the Consolidated Group, including their personally related parties, are set out below.

Impact Minerals Limited - 30 June 2013	Balance at start of the year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Remuneration options Vested and Exercisable at end of year	Remuneration options unvested at end of year
Directors							
P Unsworth	500,000	4,000,000	-	(500,000)	4,000,000	-	4,000,000
M Jones	1,000,000	10,000,000	-	(1,000,000)	10,000,000	-	10,000,000
R Fripp (resigned)	1,000,000	8,000,000	-	(5,000,000)	4,000,000	-	4,000,000
P Ingram	300,000	2,000,000	-	(300,000)	2,000,000	-	2,000,000
M Elsasser	-	2,000,000	-	-	2,000,000	-	2,000,000
Executives							
J Cooper-Jones	150,000	1,000,000	-	-	1,150,000	150,000	1,000,000
Total	2,950,000	27,000,000	-	(6,800,000)	23,150,000	150,000	23,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 5: INTERESTS ON KEY MANAGEMENT PERSONNEL (KMP) (CONTINUED)

KMP Options and Rights holdings

The number of options over ordinary shares in Invictus Gold Limited held during the financial year by each director of Invictus Gold Limited and other key management personnel of the Consolidated Group, including their personally related parties, are set out below.

Invictus Gold Limited – 30 June 2013	Balance at start of the year	Granted as remuneration during the year	Lapsed during the year	Other changes during the year	Balance at the end of the year	Remuneration options Vested and Exercisable at end of year	Remuneration options unvested at end of year
Directors							
P Unsworth	1,508,000	1,000,000	-	-	2,508,000	1,508,000	1,000,000
M Jones	1,508,000	2,000,000	-	-	3,508,000	1,508,000	2,000,000
R Fripp (resigned)	1,550,000	1,250,000	-	(1,250,000)	1,550,000	1,550,000	-
Executives							
J Cooper-Jones	150,000	500,000	-	-	650,000	150,000	500,000
Total	4,716,000	4,750,000	-	(1,250,000)	8,216,000	4,716,000	3,500,000

Impact Minerals Limited – 30 June 2012	Balance at start of the year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Remuneration options Vested and Exercisable at end of year	Remuneration options unvested at end of year
Directors							
P Unsworth	1,500,000	-	-	(1,000,000)	500,000	500,000	-
M Jones	2,000,000	-	-	(1,000,000)	1,000,000	1,000,000	-
R Fripp	2,000,000	-	-	(1,000,000)	1,000,000	1,000,000	-
P Ingram	1,000,000	-	-	(700,000)	300,000	300,000	-
M Elsasser	-	-	-	-	-	-	-
Executives							
J Cooper-Jones	150,000	-	-	-	150,000	150,000	-
Total	6,650,000	-	-	(3,700,000)	2,950,000	2,950,000	-

NOTE 5: INTERESTS ON KEY MANAGEMENT PERSONNEL (KMP) (CONTINUED)

2013 KMP Shareholdings

Number of Shares held by Key Management Personnel

Impact Minerals Limited

Directors	Balance 1.7.2012	Received as Compen-sation	Options Exercised	Net Change Other	Balance 30.6.2013
Peter J Unsworth	5,674,231	-	-	5,674,231	11,348,462
Michael G Jones	5,450,000	-	-	1,015,000	6,465,000
Rodney E Fripp	5,450,000	-	-	1,111,111	6,561,111
Paul Ingram	-	-	-	-	-
M Elsasser	-	-	-	22,117,222	22,117,222
Total Directors	16,574,231	-	-	29,917,564	46,491,795
Executives					
J Cooper-Jones	-	-	-	-	-
Total executives	-	-	-	-	-
Total shares	16,574,231	-	-	29,917,564	46,491,795

KMP Shareholdings

Number of Shares held by Key Management Personnel

Impact Minerals Limited

Directors	Balance 1.7.2012	Purchased	Options Exercised	Net Change Other*	Balance 30.6.2013
Peter J Unsworth	20,000	1,118,730	-	-	1,138,730
Michael G Jones	20,000	100,000	-	-	120,000
Rodney E Fripp (resigned)	125,000	250,000	-	-	375,000
Total Directors	165,000	1,468,730	-	-	1,633,730
Executives					
James Cooper-Jones	-	-	-	-	-
Total executives	-	-	-	-	-
Total shares	165,000	1,468,730	-	-	1,633,730

NOTE 5: INTERESTS ON KEY MANAGEMENT PERSONNEL (KMP) (CONTINUED)

2012 KMP Shareholdings

Number of Shares held by Key Management Personnel

Impact Minerals Limited

Directors	Balance 1.7.2011	Received as Compen-sation	Options Exercised	Net Change Other	Balance 30.6.2012
Peter J Unsworth	5,674,231	-	-	-	5,674,231
Michael G Jones	5,450,000	-	-	-	5,450,000
Rodney E Fripp	5,450,000	-	-	-	5,450,000
Paul Ingram	-	-	-	-	-
M Elsasser	-	-	-	-	-
Total Directors	16,574,231	-	-	-	16,574,231
Executives					
J Cooper-Jones	-	-	-	-	-
Total executives	-	-	-	-	-
Total shares	16,574,231	-	-	-	16,574,231

Other KMP Transactions

All transactions with related parties are made on normal commercial terms and conditions except where indicated.

NOTE 6: AUDITORS' REMUNERATION

	2013 $	2012 $
— auditing or reviewing the financial report	63,130	33,000
— other assurance related services	-	-
	63,130	33,000

Included within the 30 June 2013 year is $33,380 in fees relating to the audit of Invictus Gold Limited.

NOTE 7: EARNINGS PER SHARE

	2013 $	2012 $

The calculation of basic earnings per share at 30 June 2013 was based on the loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the financial year, and was calculated as follows:

	2013 $	2012 $
a. Reconciliation of earnings to profit or loss		
Earnings used to calculate basic EPS	(3,951,325)	(4,484,665)
	No.	**No.**
d. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	293,327,379	121,636,328

The diluted earnings per share has not been calculated as the company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options will result in a decreased net loss per share.

NOTE 8: CASH AND CASH EQUIVALENTS

	2013 $	2012 $
Cash at bank and in hand	625,257	86,253
Cash at Bank – at call account	1,889,399	978,181
	2,514,656	1,064,434

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash flow requirements of the Consolidated Group, and earn interest at the respective short-term deposit rates.

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	2,514,656	1,064,434
	2,514,656	1,064,434

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 9: TRADE AND OTHER RECEIVABLES

	2013 $	2012 $
CURRENT		
Trade debtors and other receivables	108,669	214,758
Employee advances	36,172	10,628
Other	7,131	75,879
	151,972	301,265

NOTE 10: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2013 $	2012 $
Associated companies	-	2,543,078
	-	2,543,078

For details of the acquisition of Invictus Gold Limited, see Note 27 and deemed disposal of an associate, see note 28.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2013 $	2012 $
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	325,895	316,482
Accumulated depreciation	(302,843)	(283,159)
	23,052	33,323

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	2013 $	2012 $
PLANT AND EQUIPMENT		
Balance as at beginning of the year	33,323	71,254
Additions	9,465	5,109
Disposals	-	(4,059)
Depreciation expense	(19,736)	(38,981)
Balance at the end of the year	23,052	33,323

NOTE 12: EXPLORATION EXPENDITURE

	2013 $	2012 $
Capitalised cost at the beginning of the period	5,445,201	5,781,182
Opening balances of interests in tenement acquired through the acquisition of Invictus Gold Limited	1,954,697	
Disposal of tenements	-	(1,380,576)
Acquisition of tenements - Endeavour *	1,060,000	-
Impaired	(1,406,096)	(1,745,419)
Exploration expenditure for the year	4,527,998	2,790,014
Cost carried forward	11,581,800	5,445,201

*For details see Note 31

Capitalised exploration expenditure includes $2,813,711 in relation to certain tenements which are currently in the process of being renewed. However, as at the date of this report, the Consolidated Group is not aware of any impediments to the tenements licenses being renewed.

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

NOTE 13: TRADE AND OTHER PAYABLES

	2013 $	2012 $
CURRENT		
Unsecured liabilities:		
Trade payables	462,738	196,312
Sundry payables and accrued expenses	307,712	136,432
	770,450	332,744

Trade payables and accruals are non interest bearing and normally settled on 30 day terms.

Details of the Group's exposure to Interest rate risk and fair value in respect of its liabilities are set out in note 24. There are no secured liabilities as at 30 June 2013.

NOTE 14: PROVISIONS

	2013 $	2012 $
CURRENT		
Employee benefits	103,689	44,262

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 15: ISSUED CAPITAL

	2013 $	2012 $
371,912,552 fully paid ordinary shares with no par value (2012: 134,335,328)	25,194,770	18,068,855
Share issue costs	(828,393)	(784,357)
	24,366,377	17,284,498

	2013 No.	2012 No.	2013 $	2012 $
a. Ordinary shares				
At the beginning of reporting period	134,335,328	117,403,328	17,284,498	16,504,296
Shares issued during the year				
- Placement	50,000,000	16,932,000	1,500,000	846,600
- Entitlement Issue	180,864,342	-	5,425,915	-
- Endeavour acquisition	6,712,882	-	200,000	-
- Transaction costs	-	-	(44,036)	(66,398)
At the end of the reporting period	371,912,552	134,335,328	24,366,377	17,284,498

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

Management's objectives when managing capital is to safeguard their ability to continue operating the Consolidated Group as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Consolidated Group's activities, being mineral exploration, the Consolidated Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Consolidated Group's capital risk management is the current working capital position against the requirements of the Consolidated Group to meet exploration programs and corporate overheads. The Consolidated Group'strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Consolidated Group at 30 June 2012 and 30 June 2013 was as follows:

	2013 $	2012 $
Cash and cash equivalents	2,514,656	1,065,744
Trade and other receivables	151,972	301,265
Trade and other payables	(770,450)	(332,744)
Working capital position	1,896,178	1,034,265

NOTE 16: RESERVES

Option Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTE 17: CAPITAL AND LEASING COMMITMENTS

(a) Exploration

The Consolidated Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Consolidated Group's exploration program and priorities. As at balance date, total exploration expenditure commitments on granted tenements held by the Consolidated Group that have not been provided for in the financial statements and which cover the following twelve month period amount to $3,500,387 (2012: $1,254,606). For the period greater than twelve months to five years commitments amount to $9,571,381 (2012: $6,686,000). There are no commitments greater than five years. These obligations are also subject to variations by farm-out arrangements, or sale of the relevant tenements.

(b) Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are as follows:

	2013 $	2012 $
Within one year	76,633	65,463
Later than one year but not later than 5 years	36,364	97,677
Later than 5 years	-	-
	112,997	163,140

NOTE 18: CONTINGENT ASSETS

a) Sales of Tenements in Botswana:

On 7 May 2013, Impact Minerals Limited entered into a sale and purchase agreement with Sechaba Natural Resources Pty Ltd and Shumba Coal Ltd for the sale of 4 tenements of within the Botswana Uranium Project. Shumba Coal Limited is a company listed in Botswana Stock Exchange.

The sale is subject to successful renewal of Prospecting Rights and Ministerial approvals with the purchase price due and payable in the following tranches:

1. USD $50,000 payable upon the renewal of prospecting rights; and
2. USD $150,000 cash and USD $550,000 shares in Shumba Coal Limited payable upon the approval of the transfer of the transfer by the minister

NOTE 19: CONTINGENT LIABILITIES

(a) Himmetdede Option Agreement:

On the 14th June, 2012 the Invictus Gold Limited entered into an Option Agreement to purchase the Himmetdede South Project in Turkey comprising Operations Licence (Registry Number 56086) and associated Operations Permit. The principal terms of the agreement are:

1. A non-refundable payment of $100,000 on transfer of the Licence to Invictus' Turkish subsidiary (completed);
2. Invictus can withdraw at any time after the first payment and transfer the Licence back to the owner;
3. Further payments as below will secure 100% ownership of the Licence for Invictus:
   - $50,000 on October 6th 2012 (completed);
   - $100,000 on January 6th 2013 (completed);
   - $150,000 on July 6th 2013 (completed);
   - $155,000 on July 6th 2014; and
   - payment of US$7,000 per month for 24 months from January 6th 2015.

When production starts, a 2.5% Net Smelter Royalty is payable to the owner. If production starts before completion of the 24 monthly payments, then only the NSR is payable.

NOTE 20: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Consolidated Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Consolidated Group is managed primarily on the basis of exploration opportunities within Australia and Africa. Operating segments are therefore determined on this basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar geographic characteristics.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Consolidated Group.

(b) Intersegment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

NOTE 20: OPERATING SEGMENTS (CONTINUED)

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(e) Unallocated items

The following items of revenues, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment;

- Impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities

Segment Performance

2013	Australia	Africa	Turkey	Corporate / Treasury	Impact Group: Sub-total	Invictus Group	Consolidated
Performance							
Total Segment revenue	**-**	**49,785**	**-**	**954,183**	**1,003,968**	**414,023**	**1,417,991**
Total Segment expenses	**23,715**	**84,325**	**62,363**	**4,409,100**	**4,579,503**	**941,988**	**5,521,491**
Segment net profit/(loss) before tax	**(23,715)**	**(34,540)**	**(62,363)**	**(3,454,917)**	**(3,575,535)**	**(527,964)**	**(4,103,500)**

Segment assets							
Segment Assets	-	4,939,674	154,174	8,197,724	13,291,571	1,229,808	14,521,379
Total Segment Assets	**-**	**4,939,674**	**154,174**	**8,197,724**	**13,291,571**	**1,229,808**	**14,521,379**
Segment asset increase for the period	(24,449)	115,192	154,174	3,426,866	3,671,483	1,229,808	4,901,590
Included in segment assets are							
Joint Ventures	-	-	-	-	-	-	-
Reconciliation of segment assets to group assets							
Total group assets							14,521,379

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NOTE 20: OPERATING SEGMENTS (CONTINUED)

Segment Performance (continued)

2013	Australia	Africa	Turkey	Corporate / Treasury	Impact Group: Sub-total	Invictus Group	Consolidated
Segment liabilities	-	43,377	2,012	362,960	408,348	465,791	874,139
Segment liabilities	**-**	**43,377**	**2,012**	**362,960**	**408,348**	**465,791**	**874,139**
Reconciliation of segment liabilities to Group liabilities							
Inter-segment eliminations							
Unallocated liabilities							
Total Group Liabilities							**874,139**

2012	Australia	Africa	Turkey	Corporate / Treasury	Impact Group: Sub-total	Invictus Group	Consolidated
Performance							
Total Segment revenue	**568**	**168**	**-**	**166,250**	**166,986**	**-**	**166,986**
Total Segment expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Segment net profit/(loss) before tax	**(501,280)**	**(887,686)**	**-**	**(3,095,699)**	**(4,484,665)**	**-**	**(4,484,665)**

Segment assets							
Segment Assets	24,449	4,824,481	-	4,770,859	9,619,789	-	9,619,789
Total Segment Assets	**-**	**4,824,481**	**-**	**4,770,859**	**9,619,789**	**-**	**9,619,789**
Segment asset increase for the period	(541,594)	750,772	-	(3,910,062)	(3,700,884)	-	(3,700,884)
Included in segment assets are							
Joint Ventures	-	-	-	-	-	-	-
Reconciliation of segment assets to group assets							
Total group assets							**9,619,789**

NOTE 20: OPERATING SEGMENTS (CONTINUED)

Segment Performance (continued)

2012	Australia	Africa	Turkey	Corporate / Treasury	Impact Group: Sub-total	Invictus Group	Consolidated
Segment liabilities	18,228	41,547	-	317,231	377,006	-	377,006
Segment liabilities	**18,228**	**41,547**	**-**	**317,231**	**377,006**	**-**	**377,006**
Reconciliation of segment liabilities to Group liabilities							-
Inter-segment eliminations							-
Unallocated liabilities							-
Total Group Liabilities							377,006

NOTE 21: CASH FLOW INFORMATION

	2013 $	2012 $
a. Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit/(Loss) after income tax	(4,103,500)	(4,484,665)
Non cash flow in profit		
Depreciation	19,224	38,981
Share based expenses	236,496	26,579
Share of associates net loss for period	2,369,358	488,114
Loss/(profit) on sale of financial asset	(110,869)	257,873
Impairment of investment in associate	-	1,172,287
Impairment of exploration expenditure	1,406,096	1,745,419
Gain on Deemed disposal of associate	(466,280)	-
Changes in net assets and liabilities		
(Increase)/ decrease in assets:		
Prepayments	-	-
Trade and other debtors	(149,293)	(71,309)
Other non-current assets	-	(34,085)
Capitalised expenditure	(4,944,823)	(2,710,841)
Increase / (decrease) in liabilities:		
Trade and other creditors	437,706	(20,326)
Provisions	59,427	7,915
Cash flow from operations	(5,246,458)	(3,584,058)

NOTE 21: CASH FLOW INFORMATION (CONTINUED)

b. Non-cash Financing and Investing Activities

Refer to Note 31 for further disclosure.

NOTE 22: SHARE BASED PAYMENTS

i. During the period share options were granted to employees to take up ordinary shares at the following exercise prices. The options hold no voting or dividend rights, are not, without the approval of the Board of Directors, transferrable. These options are not listed and unless otherwise agreed by the Directors these options lapse when an employee ceases employment with the Consolidated Group.

Impact Minerals Limited

Grant date	Vest date	Expiry date	Exercise price	Number
20.12.2012	30.11.2013	30.11.2015	$0.06	13,000,000
20.12.2012	30.11.2013	30.11.2016	$0.10	9,000,000
16.01.2013	30.11.2013	30.11.2015	$0.06	2,900,000
16.01.2013	30.11.2013	30.11.2016	$0.10	2,900,000

Invictus Gold Limited

Grant date	Vest date	Expiry date	Exercise price	Number
20.12.2012	30.11.2013	30.11.2015	$0.10	3,250,000
20.12.2012	30.11.2014	30.11.2016	$0.15	3,250,000
15.01.2013	30.11.2013	30.11.2015	$0.10	1,475,000
15.01.2013	30.11.2014	30.11.2016	$0.15	1,475,000

ii. Options granted to key management personnel include:

Impact Minerals Limited

Grant date	Vest date	Expiry date	Exercise price	Number
20.12.2012	30.11.2013	30.11.2015	$0.06	13,000,000
20.12.2012	30.11.2013	30.11.2016	$0.10	13,000,000
16.01.2013	30.11.2013	30.11.2015	$0.06	500,000

Invictus Gold Limited

Grant date	Vest date	Expiry date	Exercise price	Number
20.12.2012	30.11.2013	30.11.2015	$0.10	2,625,000
20.12.2012	30.11.2014	30.11.2016	$0.15	2,625,000
15.01.2013	30.11.2013	30.11.2015	$0.10	250,000
15.01.2013	30.11.2014	30.11.2016	$0.15	250,000

NOTE 22: SHARE BASED PAYMENTS (CONTINUED)

iii. A summary of the movements of all company options issued is as follows:

	Impact Minerals Limited		Invictus Gold Limited	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2011	9,900,000	26c	35,050,000	23c
Granted	500,000	22c	450,000	28c
Expired	(4,800,000)	23c	(8,000,000)	20c
Options outstanding as at 30 June 2012	5,600,000	26c	27,500,000	24c
Granted	31,800,000	8c	9,450,000	13c
Expired	(4,650,000)	29c	-	-
Forfeited	-	-	(1,250,000)	13c
Cancelled	(4,500,000)	11c	-	-
Options outstanding as at 30 June 2013	28,250,000	8c	35,700,000	21c
Options vested and therefore exercisable as at 30 June 2013	450,000	22c	-	-

As at the date of exercise, the weighted average of share price of options exercised during the year was nil.

The weighted average remaining contractual life of options outstanding at year end was 2.8 years. The weighted average exercise price of outstanding options at the end of the reporting period was 8 cents.

The fair value of options granted to employees is deemed to represent the value of employee services received over the vesting period.

The weighted average fair value of options granted during the year was 8 cents. These values were calculated using the Black Scholes option pricing model applying the following inputs:

Impact Minerals Limited

Grant Date	Vesting Date	Expiry Date	Exercise Price	Options	Share Price at Grant	Risk Rate	Consideration
20.12.12	30.11.13	30.11.15	$0.06	13,000,000	$0.03	3.17%	nil
20.12.12	30.11.13	30.11.16	$0.10	13,000,000	$0.03	3.17%	nil
16.01.13	30.11.13	30.11.15	$0.06	2,900,000	$0.03	3.17%	nil
16.01.13	30.11.13	30.11.16	$0.10	2,900,000	$0.03	3.17%	nil

Invictus Gold Limited

Grant Date	Vesting Date	Expiry Date	Exercise Price	Options	Share Price at Grant	Risk Rate	Consideration
20.12.12	30.11.13	30.11.15	$0.10	3,250,000	$0.031	2.97%	nil
20.12.12	30.11.14	30.11.16	$0.15	3,250,000	$0.031	2.97%	nil
15.01.13	30.11.13	30.11.15	$0.10	1,475,000	$0.031	2.97%	nil
15.01.13	30.11.14	30.11.16	$0.15	1,475,000	$0.031	2.97%	nil

NOTE 22: SHARE BASED PAYMENTS (CONTINUED)

The level of volatility anticipated for the purposes of the model was 82.1% for all options, The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. Dividends were assumed to be NIL.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

iv. There were no shares granted to key management personnel during the year.

NOTE 23: RELATED PARTY TRANSACTIONS

An amount of $217,904 (2012: $238,306) was received from Invictus Gold Limited for shared administrative and other expenses.

Invictus Gold has a loan facility with the Company. The total amount available for drawdown under this facility is $750,000. The total drawn down amount as at 30 June 2013 is $425,726. Interest is charged at 6% per annum.

Other than stated above there were no related party transactions during the period apart from interest free loans advanced by Impact Minerals Limited to the 100% owned subsidiaries for operating and tenement costs.

NOTE 24: FINANCIAL RISK MANAGEMENT

The Consolidated Group's principal financial instruments comprise cash and short-term deposits. The Consolidated Group has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations.

The Consolidated Group's activities expose it to a variety of financial risks, including, credit risk, liquidity risk and cash flow interest rate risk. The Consolidated Group is not materially exposed to foreign exchange or price risk.

Risk management is carried out by the Board of Directors, who evaluate and agree upon risk management and objectives.

(a) Market Risk

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Consolidated Group.

The Consolidated Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services (in $USD, Botswana Pula and Turkish Lira) currencies other than the company's measurement currency.

(ii) Price Risk

Equity Securities Price Risk

The Consolidated Group does not have any investments classified on the statement of financial position as either available for sale or at fair value through profit or loss and is therefore considered to have no exposure to equity securities price risk.

(iii) Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cashflows associated with the instruments will fluctuate due to changes in market interest rates. The Consolidated Group has adopted a simple interest rate management policy involving short-term deposits, with AA rated institutions, for varying periods, depending on the immediate cash requirements of the Consolidated Group. Interest is earned at the respective short-term deposit rates.

At the date of this report, The Consolidated Group has not entered into any financing arrangements, and is therefore not exposed to any material interest rate risk on borrowings at this stage.

NOTE 24: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest Rate Risk

The Group holds the following financial instruments:

	Notes	Floating interest rate	Fixed interest rate			Non-interest bearing	Total	Weighted average interest rate
			1 year or less	Over 1 to 5 years	More than 5 years			
		$	$	$	$	$	$	%
2013								
Financial assets								
Cash	8	2,514,656	-	-	-	-	2,514,656	*
Trade and other receivables	9	-	-	-	-	401,871	401,871	-
		2,514,656	-	-	-	401,871	2,916,527	
Financial liabilities								
Trade creditors and accruals	13	-	-	-	-	770,450	770,450	-
		-	-	-	-	770,450	770,450	-

* Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash flow requirements of the Consolidated Group, and earn interest at the respective short-term deposit rates.

	Notes	Floating interest rate	Fixed interest rate			Non-interest bearing	Total	Weighted average interest rate
			1 year or less	Over 1 to 5 years	More than 5 years			
		$	$	$	$	$	$	%
2012								
Financial assets								
Cash	8	1,063,173	-	-	-	1,261	1,064,434	2.57
Trade and other receivables	9	-	-	-	-	301,265	301,265	-
		1,063,173	-	-	-	302,526	1,365,699	
Financial liabilities								
Trade creditors and accruals	13	-	-	-	-	332,744	332,744	-
		-	-	-	-	332,744	332,744	2.57

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(c) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Consolidated Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Consolidated Group.

Credit risk exposures

Credit risk related to balances with banks and other financial institutions is managed by the Consolidated Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least BB. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2013 $	2012 $
Cash and cash equivalents			
- AA Rating (being AUD banks)		2,296,842	1,030,963
- BB		174,905	-
- Other		42,909	33,471
Total cash and cash equivalents	8	2,514,656	1,064,434

No material exposure is considered to exist by virtue of the possible non performance of the counterparties to financial instruments and cash deposits.

(d) Liquidity Risk

The Consolidated Group's exposure to liquidity risk is limited to cash, receivables and creditors and is set out in Notes 8, 9 and 13.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate credit facility. The Consolidated Group manages liquidity risk by continuously monitoring forecast and actual cash flows. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

(e) Fair value estimation

The net fair value of financial assets and liabilities of the Consolidated Group approximated their carrying amount. Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred.

The Consolidated Group has no financial assets and liabilities where the carrying amount exceeds the net fair value at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and notes to the financial statements.

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. All financial instruments measured at fair value are level one, meaning fair value is determined from quoted prices in active markets for identical assets.

(f) Sensitivity Analysis

At 30 June 2013, if interest rates had changed by -/+ 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Consolidated Group would have been $10,663 lower/higher (2012: $10,663 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

NOTE 25: PARENT ENTITY DISCLOSURE

The following information has been taken from the books and records of the parent company, Impact Minerals Limited, and has been prepared in accordance with Accounting standards.

	2013	2012
	$	$
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Profit/(Loss) for the period	(7,185,499)	(4,226,666)
Other comprehensive income	-	-
Total comprehensive result for the period	(7,185,499)	(4,226,666)
STATEMENT OF FINANCIAL POSITION		
Current assets	2,340,644	1,106,935
Non current assets	7,299,384	8,391,565
Total assets	9,640,028	9,498,500
Current liabilities	351,825	257,106
Total liabilities	351,825	257,106
Net Assets	9,288,203	9,241,394
Total equity of the parent entity comprising of :		
Share capital	24,366,377	17,284,496
Option reserve	290,055	140,315
Asset revaluation reserve	-	(688)
Foreign currency translation reserve	-	-
Accumulated losses	(15,368,229)	(8,182,731)
Total Equity	9,288,203	9,241,394

Contractual commitments

The parent entity does not have any commitments for the acquisition of property, plant and equipment.

Contingent liabilities

There are no material contingent liabilities of the parent entity for 30 June 2013.

NOTE 26: CONTROLLED ENTITIES

a) Controlled Entities Consolidated - Direct

Name	Principal Activities	Country of Incorporation	Ownership Interest 2013 %	Ownership Interest 2012 %
Unlisted:				
Aurigen Pty Ltd	Exploration	Australia	100	100
Drummond East Pty Ltd	Exploration	Australia	100	100
Seam Holdings Ltd (i)	Investment	British Virgin Islands	100	100
Impact Minerals (Botswana) Pty Ltd (ii)	Exploration	Botswana	100	100
Drummond Uranium Pty Ltd	Exploration	Australia	100	100
Siouville Pty Ltd	Exploration	Australia	100	100
Brentwood Investment Pty Ltd (iii)	Exploration	Namibia	100	100
Impact Madencilik Sanayi Ve Ticaret A.S (iv)	Exploration	Turkey	100	100
Xade Minerals (Pty) Ltd	Exploration	Botswana	100	100
Invictus Gold Limited (v)	Exploration	Australia	73.29	44

(i) Seam Holdings Limited is a subsidiary of Drummond East Pty Ltd.
(ii) Impact Minerals (Botswana) Pty Ltd (formerly Icilion Investments Pty Ltd) is a wholly owned subsidiary of Seam Holdings Limited.
(iii) Brentwood Investment Pty Ltd is a wholly owned subsidiary of Seam Holdings Limited.
(iv) Impact Madencilik Sanayi Ve Ticaret A.S is a wholly owned subsidiary of Drummond Uranium Pty Ltd
(v) Invictus Gold Limited is an entity controlled by Impact Minerals.

Loans to and Investments In Controlled Entities

Loans are provided by the Parent Entity to its controlled entities for their respective operating activities. Amounts receivable from controlled entities are non-interest bearing with no fixed term of repayment. The carrying value of investments in controlled entities are recognised as an asset in the Parent Entity. The future successful commercial application of these projects or the sale to third parties supports the recognition and recoverability of these assets held in the Parent Entity.

Details of loans provided are listed below:

	2013 $	2012 $
Aurigen Pty Ltd	606,894	702,648
Drummond East Pty Ltd	33,653	33,423
Seam Holdings Ltd	9,902	9,902
Impact Minerals (Botswana) Pty Ltd	4,820,120	5,597,236
Drummond Uranium Pty Ltd	10,580	10,280
Siouville Pty Ltd	136,372	136,372
Brentwood Investment Pty Ltd	201	104
Impact Madencilik Sanayi Ve Ticaret A.S	207,077	-
Xade Minerals (Pty) Ltd	-	-
Invictus Gold Limited	502,317	46,074
	6,327,116	6,536,039

NOTE 26: CONTROLLED ENTITIES (continued)

b) Controlled Entities Consolidated – Through Invictus Gold Limited

Name	Principal Activities	Country of Incorporation	Ownership Interest 2013 %	Ownership Interest 2012 %
Unlisted:				
Drummond West Pty Ltd	Exploration	Australia	100	100
Invictus (Turkey) Pty Ltd	Exploration	Australia	100	100
Invictus Madencilik Sanayi ve Ticaret A.S.	Exploration	Turkey	100	100
Endeavour Minerals Pty Ltd	Exploration	Australia	100	-

Loans to and Investments In Controlled Entities

Loans are provided by the Parent Entity to its controlled entities for their respective operating activities. Amounts receivable from controlled entities are non-interest bearing with no fixed term of repayment. The carrying value of investments in controlled entities are recognised as an asset in the Parent Entity. The future successful commercial application of these projects or the sale to third parties supports the recognition and recoverability of these assets held in the Parent Entity.

Details of loans provided are listed below:

	2013 $	2012 $
Drummond West Pty Ltd	3,405,301	2,283,474
Invictus (Turkey) Pty Ltd	-	-
Invictus Madencilik Sanayi ve Ticaret A.S.	1,529,900	-
Endeavour Minerals Pty Ltd	-	-
	4,935,201	2,329,548

Details of investments are listed below:

	2013 $	2012 $
Aurigen Pty Ltd	4,006	4,006
Drummond East Pty Ltd	96	96
Seam Holdings Ltd	-	-
Impact Minerals (Botswana) Pty Ltd	-	-
Drummond Uranium Pty Ltd	100	100
Siouville Pty Ltd	100	100
Brentwood Investment Pty Ltd	-	-
Impact Madencilik Sanayi Ve Ticaret A.S	-	-
Xade Minerals (Pty) Ltd	-	-
	4,302	4,302

NOTE 27: ACQUISITION OF SUBSIDIARY

On the 22 November 2012, the Group acquired a further 31.29% interest in Invictus Gold Limited thereby moving its interest to 75.29% and giving Impact Minerals Limited control of the Company on the 12 June 2013. Invictus Gold Limited acquired Endeavour Minerals Pty Ltd as such the Company's interest in Invictus Gold Limited moved to 73.29%. Invictus Gold Limited is engaged in Gold exploration activities.

Consideration transferred	**$**
Cash	2,612,928
Deemed consideration for the acquisition of the investment previously recognised as an associate.	640,000
	3,252,928

ASSETS ACQUIRED AND LIABLITIES ASSUMED AT THE DATE OF ACQUISITION

Current Assets	**$**
Cash and cash equivalents	2,583,962
Trade and other receivables	11,667
Non Current Assets	
Property, plant and equipment	764
Exploration expenditure	1,954,697
Other non-current assets	58,867
Current Liabilities	
Trade and other payables	(263,940)
Provisions	(24,622)
Net Assets	**4,321,395**

NON CONTROLLING INTEREST

The Non Controlling interest (24.71%) in the Subsidiary Invictus Gold Limited recognised at the acquisition date was measured by the reference to the fair value of the Non- Controlling Interest and amounted to $1,067,790. The fair value was determined based on the 4 cents rights issues which occurred on 22 November 2012.

Discount on acquisition	**$**
Consideration transferred	3,252,928
Fair value of the Non- controlling interest	1,067,790
Less: Fair value of the net assets	(4,321,395)
Discount on acquisition	677

Net cash outflow arising on acquisition	**$**
Consideration paid in cash	2,612,928
Less: Cash and cash equivalents balances acquired	(2,583,962)
Net cash outflow arising on acquisition	28,966

NOTE 28: DEEMED DISPOSAL OF ASSOCIATE

On the 22 November 2012, the Group acquired further 31.29% interest in Invictus Gold Limited thereby moving its interest to 75.29% resulting in the Company becoming a subsidiary of Impact Minerals Limited. In line with AASB 3 Business Combinations, the transaction resulted in a deemed disposal of Impact Mineral Limited's investment in associate.

	$
Deemed proceeds *(Refer (i))*	640,000
Less: Fair value of the net assets disposed *(Refer (ii))*	(173,720)
Net gain on deemed disposal of investment in associate	466,280

(i) The deemed proceeds was based on the 4 cents right issues which occurred on 22 November 2012.

(ii) During the period Invictus Gold Limited wrote down its capitalised exploration expenditure by $5,278,283. Refer below to the reconciliation of the investment in Associate (Invictus Gold Limited) prior to Impact Minerals Limited obtaining control of Invictus Gold limited.

	$
Opening Balance as at 1 July 2012	2,543,078
Share of associate loss until control was obtained by Impact Minerals Limited	(2,369,358)
Closing balance as at 22 November 2012	173,720

NOTE 29: JOINT VENTURE INTERESTS

Impact Minerals Limited has a 51% interest in the Xade Joint Venture whose principal activity is mineral exploration on the Xade project in Botswana.

The Consolidated Group's share of assets employed in the joint venture is:

Non-Current Assets	2013 $	2012 $
Exploration Expenditure	1,760,718	703,868
Share of total assets of joint venture	1,760,718	703,868
Net interest in joint venture	1,760,718	703,868

NOTE 30: SUSEQUENT EVENTS

On 23rd August 2013 the Company announced that it has executed a merger Implementation agreement pursuant to which Impact Minerals limited proposes to acquire all the issued shares in the Company that it does not already own under a scheme of arrangement. Under this proposed scheme of arrangement all unlisted options would be cancelled. The scheme of arrangement is subject to regulatory and shareholder approval.

On 19th September 2013, the Company announced a capital raising through a placement of $3,000,000 in capital through the issue of 78,947,368 ordinary shares to sophisticated and professional investors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 31: ENDEAVOUR MINERALS PTY LTD ACQUISITION

a) During the year 100% ownership interest in Endeavour Minerals Pty Ltd and its related assets was acquired by the Consolidated Group.

	Note	Fair Value
Purchase consideration by Invictus Gold Limited:		
- Ordinary shares		200,000
- Cash		205,735
		405,735
Purchase consideration by Impact Minerals Limited:		
Ordinary shares		200,000
Cash		454,265
		654,265
Total Consideration		1,060,000
Net Assets of Endeavour at the time of acquisition		111,131
Exploration expenditure at fair value		948,869
	12	1,060,000

NOTE 32: COMPANY DETAILS

The principal and registered office of the company is:

Impact Minerals Limited
309 Newcastle Street
NORTHBRIDGE WA 6003

DIRECTOR'S DECLARATION

IMPACT MINERALS LIMITED ABN 52 119 062 261 AND CONTROLLED ENTITIES

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 19 to 60, are in accordance with the Corporations Act 2001 and:

    a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
    b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company and Consolidated Group;

2. The Chief Executive Officer and Chief Finance Officer have each declared in accordance with S295A of the Corporations Act 2001, that:

    a) the financial records of the Consolidated Group for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;
    b) the financial statements and notes for the financial year comply with the Accounting Standards; and
    c) the financial statements and notes for the financial year give a true and fair view; and

3. In the director's opinion there are reasonable grounds to believe that the Consolidated Group will be able to pay its debts as and when they become due and payable.

Signed at Perth this 26th day of September 2013.
Dr Michael G Jones
Managing Director

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Impact Minerals Limited

We have audited the accompanying financial report of Impact Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

a. The financial report of Impact Minerals Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in directors' report of the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Impact Minerals Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Director

DATED at PERTH this 26th day of September 2013

ADDITIONAL INFORMATION
FOR LISTED PUBLIC COMPANIES

The following additional information, applicable at 31 July 2013, is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Shareholding

a. **Distribution of Shareholders**	**Number of Holders**	**Number of Shares**
Category (size of holding)		
1 – 1,000	18	1,297
1,001 – 5,000	158	568,560
5,001 – 10,000	147	1,291,906
10,001 – 100,000	488	20,416,970
100,001 – and over	252	349,633,819
	1,063	371,912,552

b. The number of shareholders holding less than a marketable parcel is 417.

c. The names of the substantial shareholders listed in the holding company's register as at 15 August 2013 are:

	Number	**% of issued capital**
Shareholder		
M. Elsasser & Cie AG 1971	22,117,222	5.95
Susanne Bunnenberg	154,999,999	42.44

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

— Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

ADDITIONAL INFORMATION
FOR LISTED PUBLIC COMPANIES

Name		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Rank	**Name**	**Units**	**% of Units**
1.	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	173,197,378	46.57
2.	CHINA GROWTH MINERALS LIMITED	11,840,470	3.18
3.	P J ENTERPRISES PTY LIMITED <SUPER FUND A/C>	8,000,000	2.15
4.	BASALIS PTY LTD <BASALIS SUPER FUND A/C>	6,561,111	1.76
5.	IMAGE INTERPRETATION TECHNOLOGIES PTY LTD	6,450,000	1.73
6.	BALINTORE PTY LTD <MCKENZIE SUPER FUND A/C>	5,841,667	1.57
7.	PAYZONE PTY LTD	5,400,002	1.45
8.	A W D CONSULTANTS PTY LTD <STEVENS SUPER FUND A/C>	4,900,000	1.32
9.	MR SIMON ROLFES	4,166,667	1.12
10.	DR LEON EUGENE PRETORIUS	4,000,000	1.08
11.	OLLD PTY LTD <CESARE SCALISE FT A/C>	3,545,745	0.95
12.	MANOTEL PTY LTD	3,348,462	0.90
13.	MR WILLIAM HENRY HERNSTADT	3,100,000	0.83
14.	MR PETER DAVID TIMMS	2,848,894	0.77
15.	MR JOHN ANTHONY CHAY + MRS KELLIE ANNE CHAY	2,200,000	0.59
16.	MR JOHN BLAINE <BLAINE FAMILY A/C>	2,000,000	0.54
17.	DR LEON EUGENE PRETORIUS	2,000,000	0.54
18.	MS JENNIFER ANNE TIMMS	1,994,150	0.54
19.	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	1,984,235	0.53
20.	TOWNS CORPORATION PTY LTD <PAE FAMILY A/C>	1,831,000	0.49
Totals:	**Top 20 holders of ORDINARY SHARES (GROUPED)**	**255,209,781**	**68.62**

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited. The ASX code is IPT.

NOTES

IMPACT
MINERALS LIMITED

IMPACT
MINERALS LIMITED