



ASX ANNOUNCEMENT

Date: 30 October 2012

ASX: IPT

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SEPTEMBER 2012 QUARTERLY REPORT SUMMARY

1. \$7 MILLION CAPITAL RAISING

- Placement to raise A\$1.5 million to two private investors;
- One-for-one non-renounceable entitlement offer to all shareholders to raise \$5.5 million;
- Offer closes Friday 2 November 2012 at 5 PM EST and 2 PM WST.

2. IMPACT TO UNDERWRITE CAPITAL RAISING BY INVICTUS GOLD LIMITED

- Invictus Gold has announced a two-for-one renounceable rights issue at \$0.04 per share to raise \$2.88 million (before costs);
- Impact has agreed to take up its entitlement (\$1.2 million or 16 million shares) and underwrite the balance of the Offer (up to \$1.68 million or 40 million shares);
- Invictus Offer closes Friday 16 November 2012.

3. NEW BOARD MEMBER

- Dr Markus Elsasser was appointed to the Board of Impact as a Non-Executive Director. He holds 16,666,667 shares in the Company.

4. XADE Cu-Ni-PGE PROJECT, BOTSWANA (Impact earning 51%)

- Five areas of interest for drilling identified from interpretation of data from airborne geophysical and soil geochemistry surveys;
- Drilling to start in early November.

5. BOTSWANA URANIUM PROJECT (Impact 100%)

- Interpretation of the major gravity survey covering about 100 sq km and centred over the Red Hills Prospect where Impact has discovered a very large multi-metal alteration system continued;
- A significant number of gravity anomalies for follow up work have been identified including several that are close to Red Hills. These anomalies may represent more concentrated accumulations of mineralisation and associated alteration minerals and field checking is in progress.

6. CORPORATE

- Cash \$1.6 million.

Market Cap

A\$4.6 m (0.025 p/s)

Issued Capital

184,335,328

Directors

Peter Unsworth
Chairman

Dr Mike Jones
Managing Director

Dr Rodney Fripp
Executive Director

Paul Ingram
Non-Executive Director

Markus Elsasser
Non-Executive Director

James Cooper-Jones
Company Secretary

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1. CAPITAL RAISING OF \$7 MILLION OFFER CLOSES FRIDAY 2 NOVEMBER 2 PM WST, 5 PM EST

Activities during the Quarter were focussed on a major capital raising of A\$7 million. The raising comprised a placement of 50 million new shares at A\$0.03 per share to two private investors to raise \$1.5 million and a one-for-one non-renounceable entitlement offer to all shareholders at A\$0.03 per share to raise A\$5.53 million.

One of the private investors has committed to take up their entitlement of \$1 million and has also agreed to partially underwrite the offer for up to a further A\$2.4 million (being 80 million new shares at A\$0.03 per share). No fee is payable on any of the monies raised.

The placement was approved at a General Meeting of the Company on Friday 28 September 2012.

The terms of the Offer are as follows:-

- one (1) new fully paid ordinary share for every one (1) share held;
- issue price of A\$0.03 per share;
- shareholders may apply for additional shares over and above their entitlements;
- if fully subscribed, the entitlement issue will raise A\$5.53 million; and
- the new shares will be fully paid and will rank equally with the existing shares on issue.

The Directors intend to take up their entitlements, either partially or in full.

Pursuant to the Offer, the Directors will have the right to place any shortfall within 3 months from the close of the Offer at a price of not less than A\$0.03 per share.

The funds from the Placement and the Offer will be used for:

- maiden drill programmes at the Xade Cu-Ni-PGE Project;
- further exploration on the Company's Botswana uranium project and follow up drilling at the Red Hills Prospect, Botswana Uranium Project where a very large multi-metal alteration system (U-LREE-Ag-Pb-Zn-Cu) has been identified; and
- underwriting of a rights issue in Invictus Gold Limited.

2. IMPACT TO UNDERWRITE CAPITAL RAISING BY INVICTUS GOLD LIMITED

On 1 October 2012 Invictus Gold Limited announced a two-for-one renounceable rights issue at \$0.04 per share to raise A\$2.88 million.

Impact, which holds a 44% (undiluted) interest in Invictus has agreed that it will take up its entitlement of 16 million shares (\$1,280,000) in the Invictus Offer and will also underwrite the balance of the Invictus Offer for up to a further 40,012,000 new shares (a further A\$1,600,480).



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The underwriting is subject to Impact receiving subscriptions for at least \$3.4 million under the Impact Entitlement Offer.

Impact considers Invictus Gold Limited to be very undervalued given the nature and size of its portfolio of exploration projects and that there is considerable upside potential to the Invictus share price.

In Queensland, Invictus has discovered two porphyry intrusions that contain thick drill intercepts of low grade gold and silver mineralisation. Detailed studies and follow up soil geochemistry and ground geophysical surveys have identified drill targets for higher grade mineralisation both at depth and along strike. These targets are a priority for further work.

In Turkey, Invictus recently announced the acquisition of an option to purchase 100% of the Himmetdede South Gold Project in the emerging mineral province of central Anatolia in Turkey. The Project is adjacent to the 800,000 ounce Himmetdede gold deposit that is mooted for development in 2013. Drill targets have now been identified at Himmetdede South from soil geochemistry results.

Invictus considers Turkey to be a very attractive destination for exploration and has made the decision to expand its operations into the country because it is:

- very prospective for the discovery of major gold and gold-copper deposits. In particular most of the country lies within the Tethyan Metallogenic Belt that is host to many multi-million ounce gold and multi-million pound copper deposits;
- very poorly explored despite a long history of mining; and
- has a positive fiscal and legislative regime for mining.

Impact is excited about the exploration results achieved by Invictus to date and the potential for future exploration success.

3. APPOINTMENT OF NEW DIRECTOR

On 3 September 2012 Impact announced the appointment of Dr Markus Elsasser to the Board as a Non-Executive Director of the Company.

Dr Elsasser (56) 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.

He has previously been Director of Finance at the Dow Chemical company in Germany and 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.



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He is a Non-Executive Board member of Arctic Gold AB, an exploration company listed in Sweden.

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, and the Directors welcome him to the Board.

4. XADE NICKEL-COPPER-PGE JV PROJECT: BOTSWANA (Impact earning 51%)

The Xade Project covers a poorly explored gabbro intrusion in central Botswana with excellent potential to host deposits of PGEs and nickel-copper sulphides. The Project is close to excellent infrastructure and the World Class Orapa diamond mine (Figure 1).

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

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-PGE deposits, such as:

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

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

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

During the Quarter an interpretation of the results of a major MMI soil geochemistry survey comprising 3,017 samples taken at a spacing of 400 m by 400 m over a 50 km strike of the northern sector of the Xade Complex was completed (Figure 2). The results of this work were combined with additional interpretation of the detailed airborne magnetic survey completed by Impact in 2011 to identify targets for drilling.



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Five drill holes to depths of up to 700 m are planned to test five priority areas of interest (Figure 2). The drill programme will comprise reverse circulation drilling to the base of the Karoo Supergroup rocks that overlie the Xade Complex, followed by diamond drilling in the gabbro.

Drilling will commence in early November and updates will be provided to the market as the programme progresses.

5. BOTSWANA URANIUM PROJECT (Impact 100%)

Impact's Botswana Uranium Project comprises an extensive area of 26,000 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 3).

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

The Red Hills Prospect

During the Quarter 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 during its 2011 drill programme (Figures 4 and 5).

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.

Field checking of the gravity anomalies is in progress.

Analytical data and mineral alteration studies have shown that the alteration zone at Red Hills comprises an **Upper Zone** and **Lower Zone**, both of which thicken towards the east (Figures 4 and 5):

The **Upper Zone** is developed mainly in Proterozoic sandstones of the Palapye Group, is up to 50 m thick and contains anomalous copper, silver, lead and zinc associated with strong sericite alteration.



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The **Lower Zone** is developed mainly in Proterozoic conglomerates beneath the sandstones as well as in fault breccias in underlying basement granite and granite gneiss of the Mahalapye Complex. The Lower Zone is at least 100 m thick and contains anomalous REE's (in particular lanthanum and cerium) together with uranium. It is characterised by intense potassium feldspar and specular haematite alteration. In addition quartz-carbonate-fluorite veins have been intersected.

The Company's initial concept for the presence of Proterozoic-age uranium deposits in the Mahalapye area of Botswana has been reinforced with multiple avenues of evidence: the mineral alteration assemblages, the nature of the host rocks, the 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

Significant analytical results, previously reported, include (Figures 4 & 5):

- RHRC001:** 32 m at 0.11% Total Rare Earth Elements (TREE) from 85 m; and 56 m at 0.1% TREE and 16 ppm U₃O₈ from 166 m;
- RHRC003:** 72 m at 0.1% TREE and 11 ppm U₃O₈ from 25 metres.
- RHRC008:** 97 m at 0.11% Total Rare Earth Elements (TREE) and 11 ppm U₃O₈ from 105 m;
- RHRC010:** 32 m at 0.13% TREE and 10 ppm U₃O₈ from 45 m;
- RHRC011:** 48 m at 0.13% TREE from 36 m; and 31 m at 15 ppm U₃O₈ from 111 m;
- RHRC014:** 57 m at 0.1% TREE from surface, including 24 m at 0.15% TREE and 20 ppm uranium from 6 m in sedimentary rocks and basement granite; and 12 m at 0.1% TREE from 214 metres.

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.

6. CORPORATE AND BUSINESS DEVELOPMENT

The Company's cash balance at September 30th 2012 was \$1.6 million.

Invictus Gold Limited

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



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Toro Energy Limited

Impact also owns 2,742,650 Toro Energy Limited shares with a current market value of about \$180,000.

Dr Michael G Jones
Managing Director

The review of exploration activities and results contained in this report is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director of the company and works for Impact Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mike Jones has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

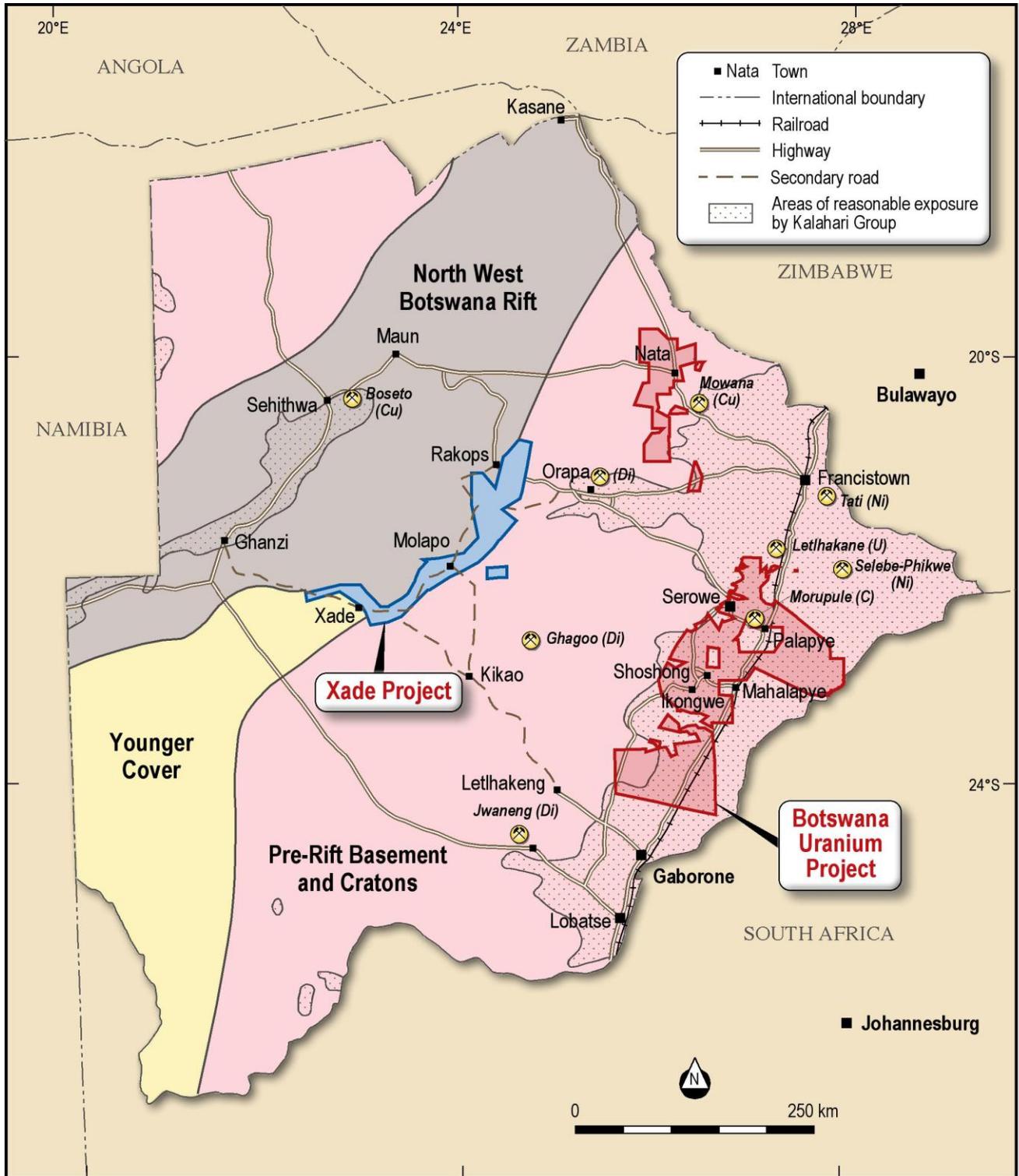


Figure 1. Location of Impact's Projects in Botswana

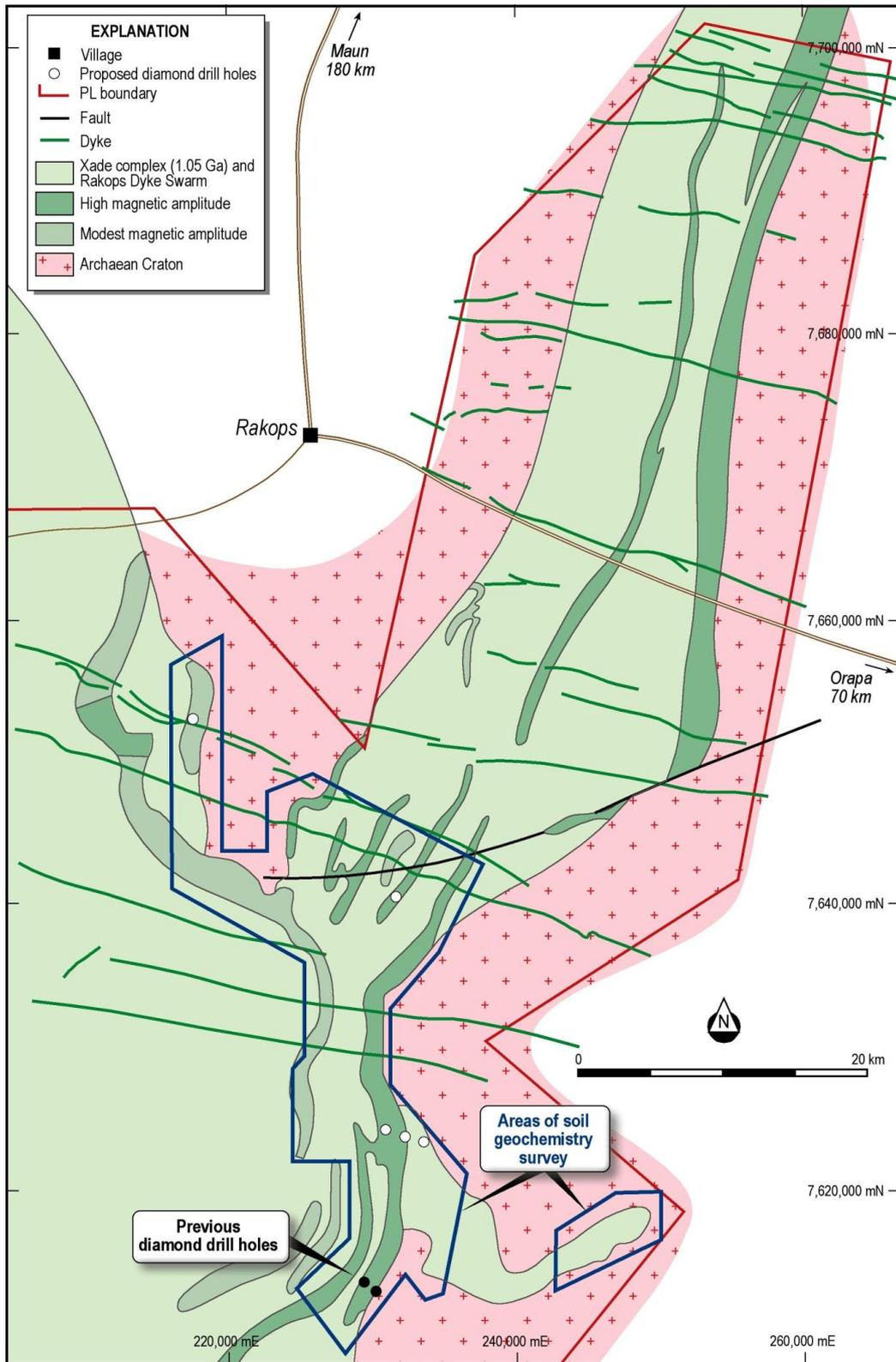


Figure 2. Bedrock geology map of the northern Xade Complex interpreted from airborne magnetic data and showing the four drill sites.

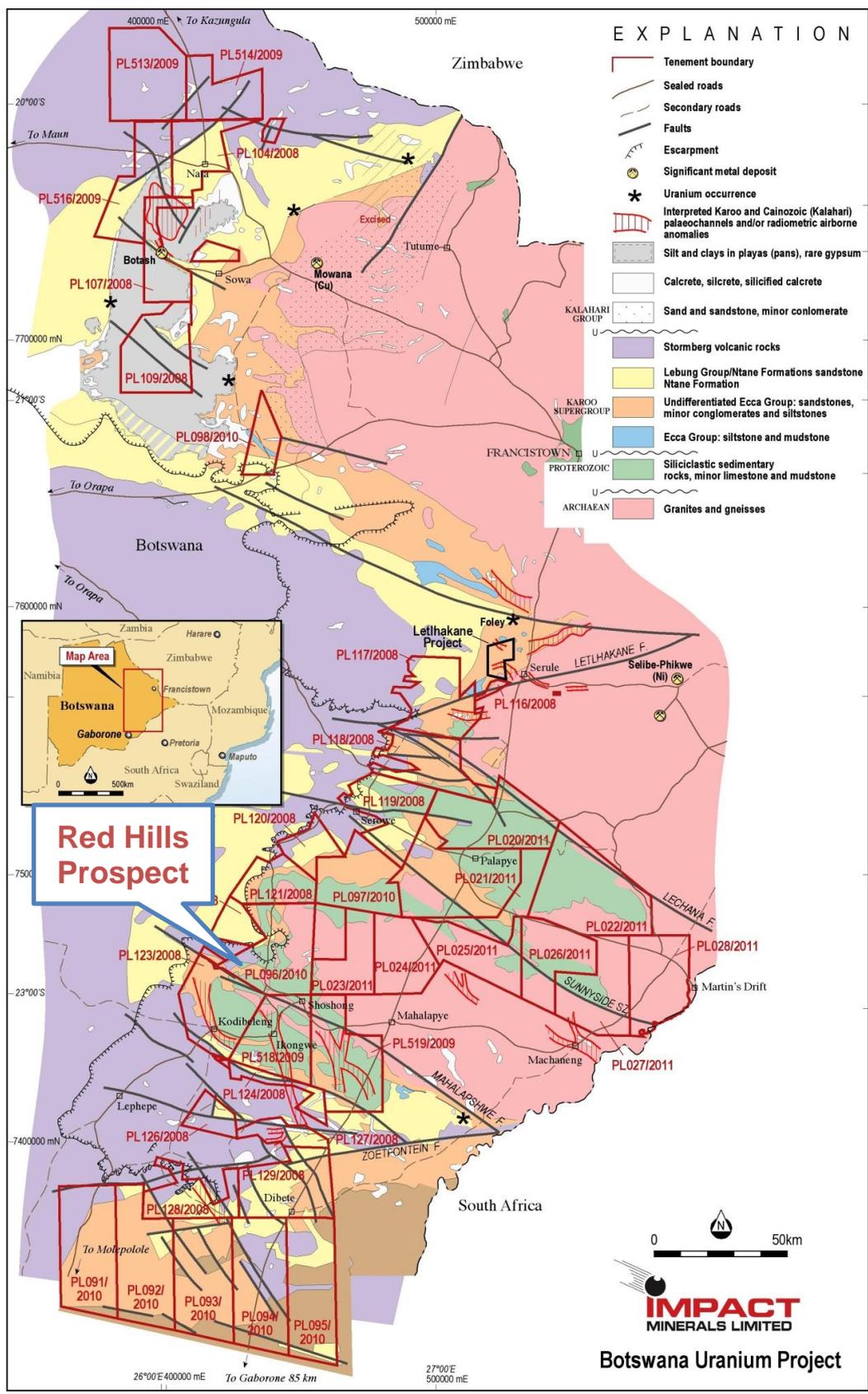


Figure 3. Geology of the Botswana Uranium Project.

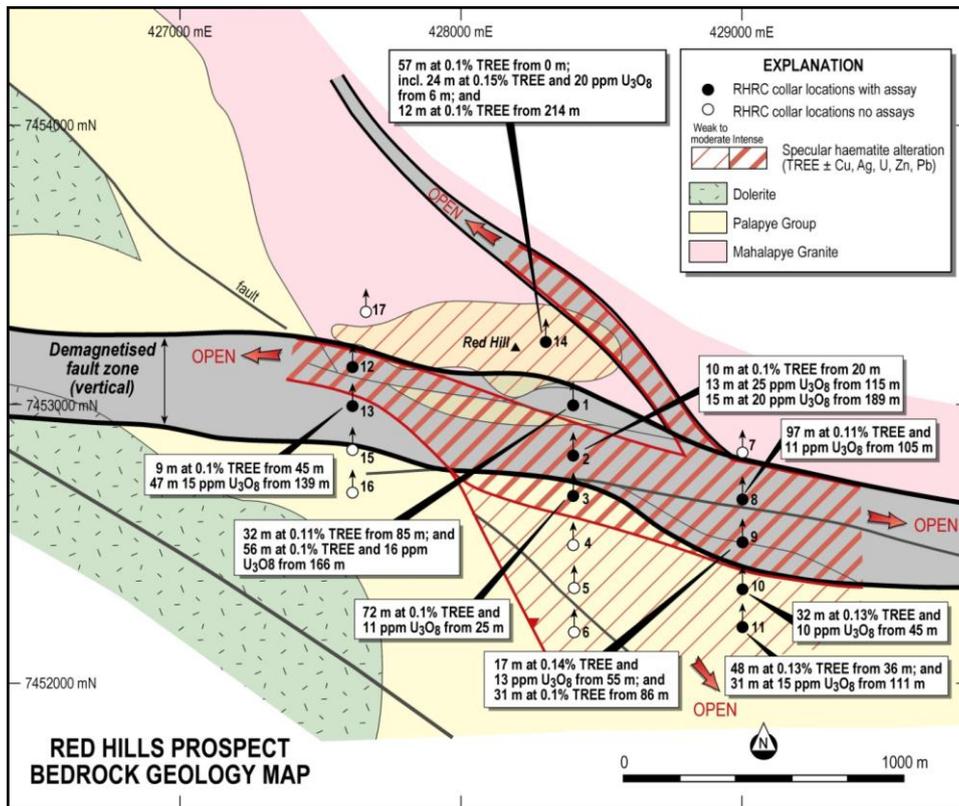


Figure 4. The Geology and Alteration System at the Red Hills

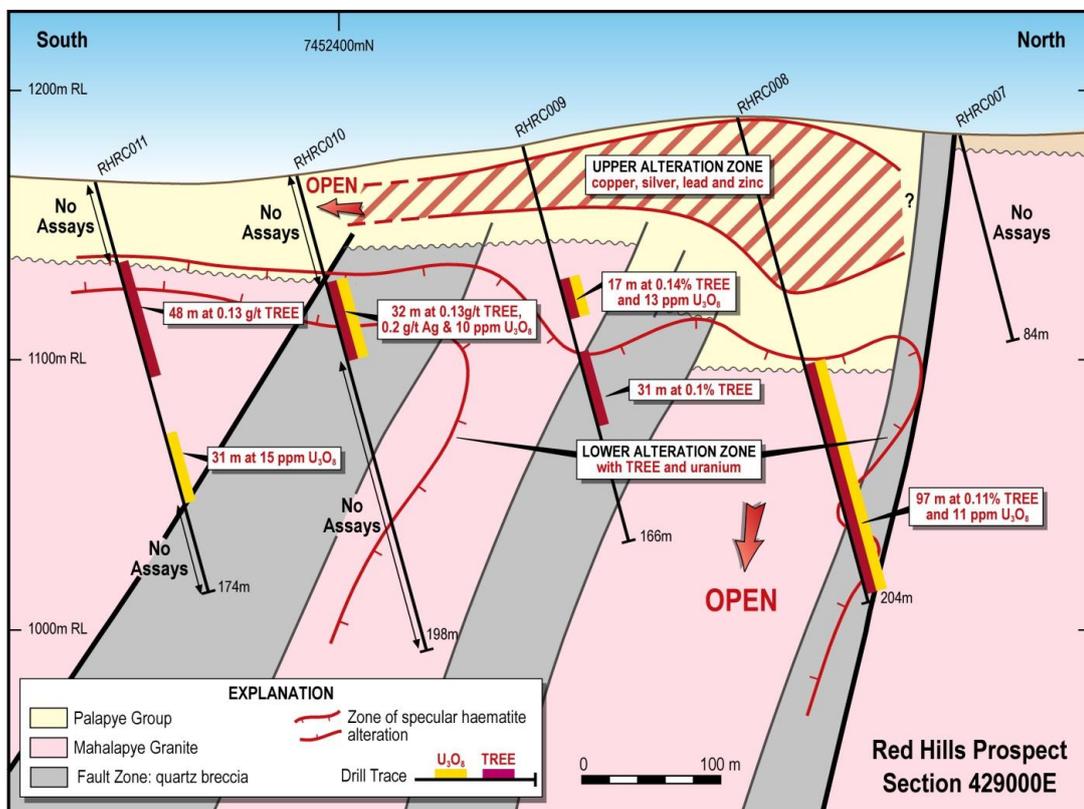


Figure 5. Cross section through the Red Hills Prospect on Traverse 429,000 mE and showing the Upper Zone and Lower Zone of the alteration system.