

### ASX ANNOUNCEMENT

Date: 30 October 2019

No. 643/301019

## SEPTEMBER 2019 QUARTERLY REPORT

### 1. BLACKRIDGE GOLD PROJECT, QLD (IPT 100%, option to buy 95%)

- Very encouraging results from wet gravity processing plant in Phase 2 bulk sampling.
- Gold returned from all 12 trenches taken over 1,000 metres of trend with grades ranging from 0.07 g/m<sup>3</sup> to 2.17 g/m<sup>3</sup> at an average of 0.36 g/m<sup>3</sup>. A continuously mineralised near-surface zone of 1,500 metres length is now recognised.
- All material is free digging down to at least 4 to 5 metres below surface with gold present in places throughout the profile. Large volumes of such material are demonstrably present at Blackridge over the 1,500 metres of trend.
- Gold shows exceptional liberation characteristics with estimated gold recoveries in the range of at least 95-98%. This is confirmed by direct recovery of gold of less than 10 parts per billion in some samples and very low head grades averaging 25 parts per billion for cyanide-leached panned tailings (taken as a check on the efficiency of the processing plant).
- Passive seismic survey recently completed to help determine the 3-D geometry of the area and a detailed review of previous exploration work from the 1980's is completed.
- Discussions on-going with specialist contractors to determine size and scale of the next round of sampling.
- Comparison with recent results from Novo Resources Corporation Egina Project in the Pilbara region of Western Australia indicates the potential for a significant increase in overall grade at Blackridge with closer spaced samples.

### 2. COMMONWEALTH PROJECT (IPT 100%)

- New and updated Inferred Resources return **88,800 ounces of contained gold, and 3,300,000 ounces of contained silver with significant zinc and lead credits**, all within 250 metres of surface and with potential for bulk open pit mining.

### Market Cap

A\$11.9 m (0.009 p/s)

### Issued Capital

1,321,679,789

### Listed Options

499,910,556

IPTOA

### Directors

**Peter Unsworth**  
Chairman

**Dr Michael Jones**  
Managing Director

**Paul Ingram**  
Non-Executive Director

**Markus Elsasser**  
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- Updated Inferred Resource at Commonwealth (Main Shaft to Commonwealth South) of **912,000 tonnes at 2.4 g/t gold, 44 g/t silver, 1.2% zinc and 0.5% lead including 142,000 tonnes at 4.5 g/t gold, 161 g/t silver, 4.6% zinc and 1.7% lead in the high grade massive sulphide lens at Main Shaft.**
- A maiden Inferred Resource at Silica Hill of **710,000 tonnes at 0.8 g/t gold and 88 g/t silver.**
- All Resources are open at depth and along trend beyond exceptional drill results such as:  
Main Shaft: **5.7 metres at 3.8 g/t gold, 347 g/t silver, 10.8% zinc and 3.7% lead including 0.5 metres at 4.9 g/t gold, 917 g/t silver, 10.2% zinc and 4.6% lead.**  
Commonwealth South: **8 metres at 5.1 g/t gold, 20 g/t silver, 1.3% zinc and 0.5% lead including 0.5 metres at 34.3 g/t gold, 40 g/t silver, 5.8% zinc and 2.3% lead; and 4 metres at 41.8 g/t gold (1.3 ounces per tonne), 93 g/t silver, 5.5% zinc and 2.3% lead.**  
Silica Hill: **22.5 metres at 1.7 g/t gold and 276 g/t silver; including 0.3 metres at 1.8 g/t gold and 4,200 g/t (135 ounces or 0.42%) silver; and also including 0.8 metres at 13.6 g/t gold and 40 g/t silver.**
- Options for funding of the next phase of work being considered whilst Impact is focussed on the near-term production potential of the Blackridge project in Queensland.

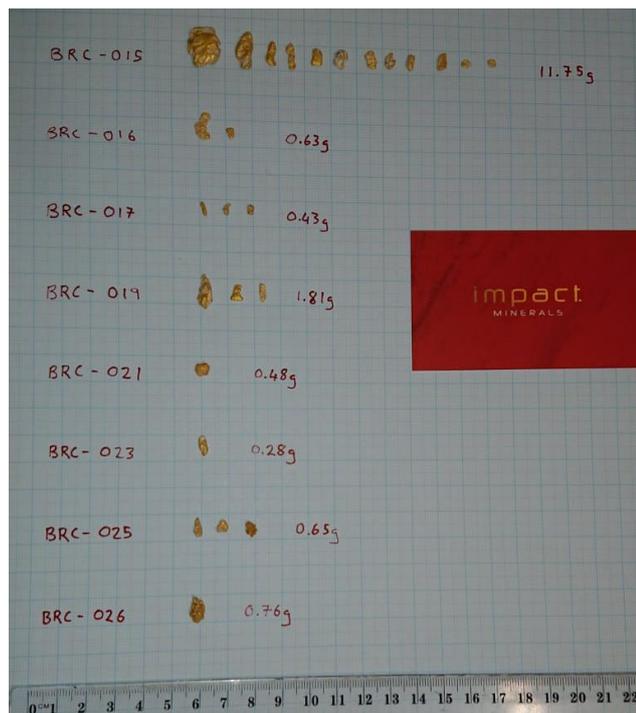
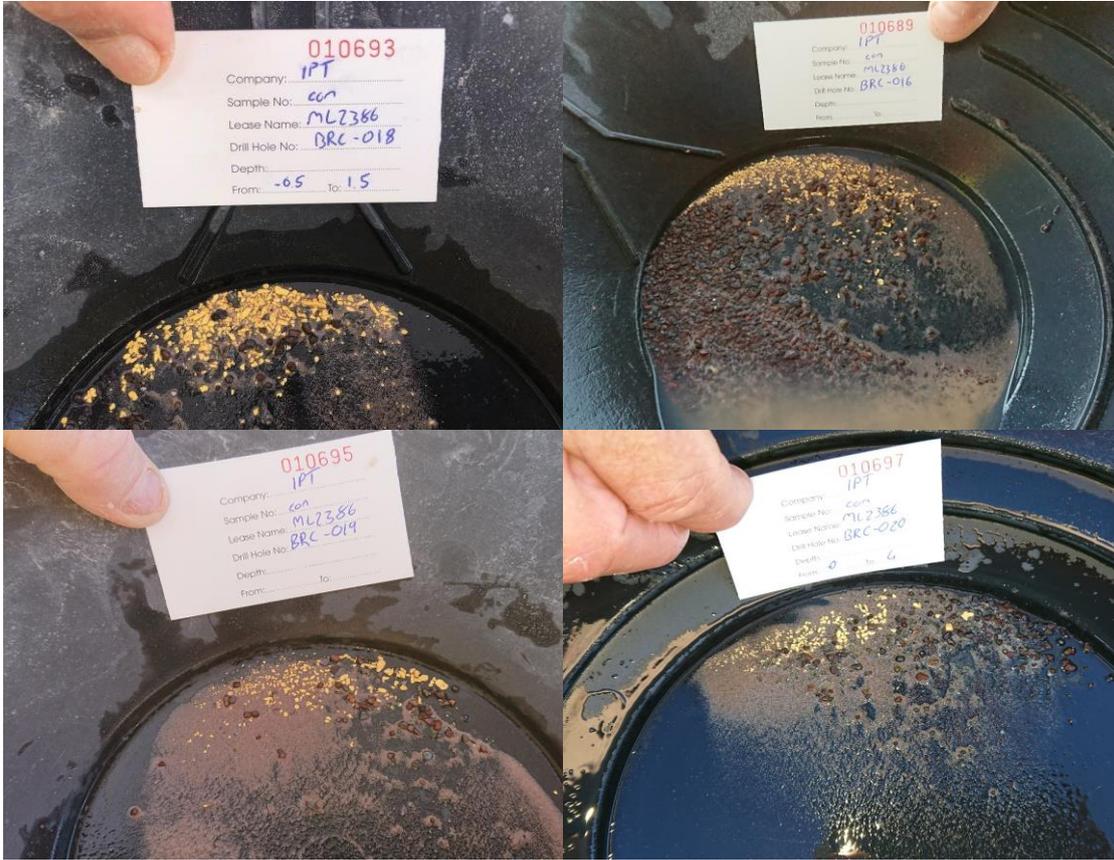
### 3. BROKEN HILL PROJECT (IPT 100%)

- Metallurgical research project ongoing.

### 4. CORPORATE

- Cash at September 30<sup>th</sup>: \$1.5 million.
- Agreement to sell one sub-block in EL8505 to Alkane Resources Limited for a non-refundable cash consideration of \$101,000 plus GST.
- Resignation of Mr Eamon Hannon as Director.

## 1. BLACKRIDGE GOLD PROJECT (IPT 100% and option for 95%)



**Figure 1.** Examples of the panned concentrates from Foxes Lead on ML2386 and picture of nuggets from all trenches. All gold is the property of Impact Minerals Limited.

## 1.1 INTRODUCTION

The results of Impact Minerals Limited's second phase of bulk sampling at its Blackridge gold project, located 25 km north of Clermont in central east Queensland has confirmed the potential for significant volumes of free digging oxide material with exceptional gold recoveries of at least 95% and probably as high as +98% using simple wet gravity processing (ASX Release September 18<sup>th</sup> 2019).

Following successful results from the Phase 1 sample program, comprising samples weighing up to 1 tonne, a second-hand mobile water processing plant capable of processing up to 50 tonnes of material per day was purchased and commissioned by Impact for a second phase of bulk sampling (ASX Releases October 23<sup>rd</sup> 2018 and June 18<sup>th</sup> 2019).

This second programme comprised 17 samples processed in 4 groups:

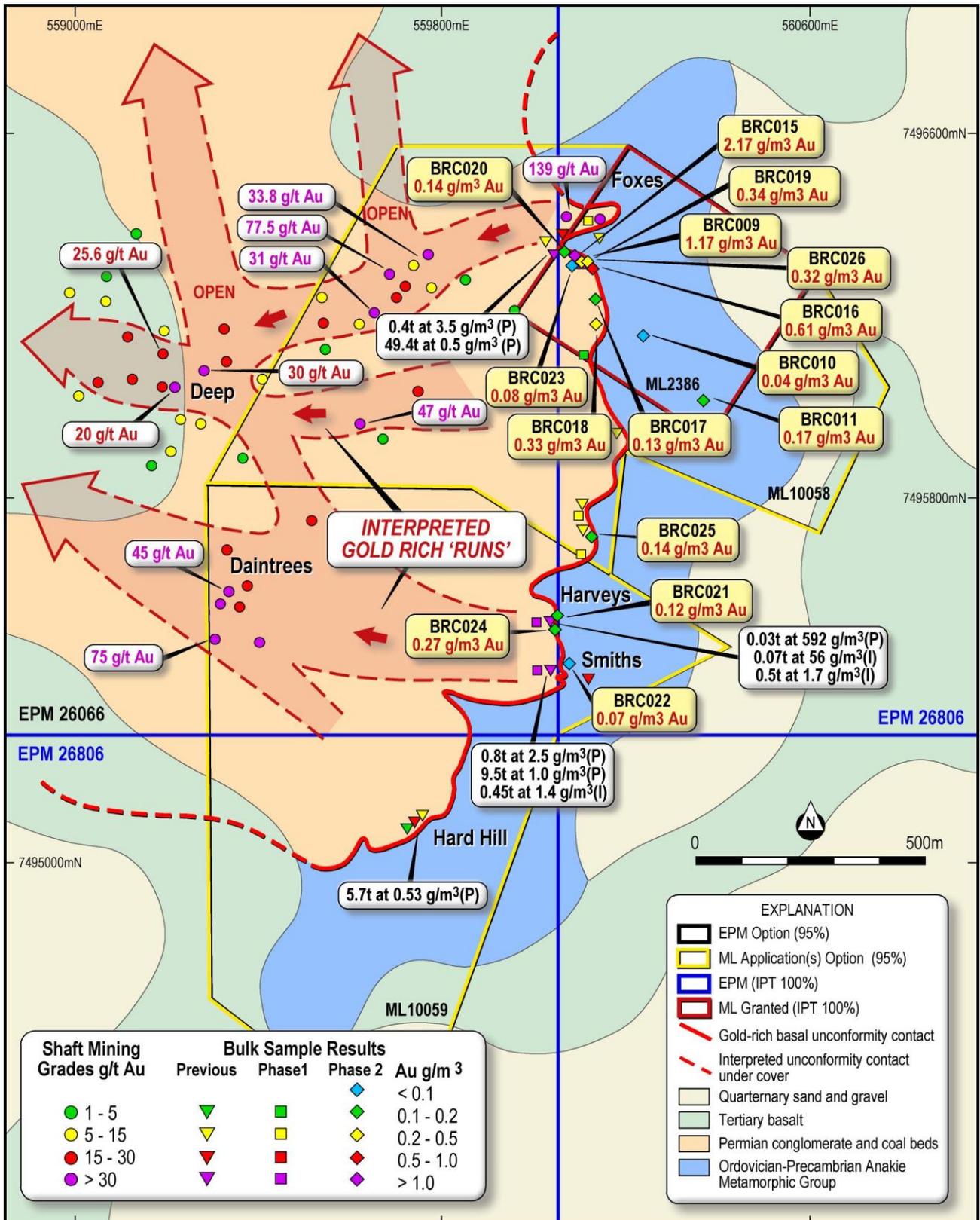
1. Eleven samples of between 11.6 tonnes and 14.7 tonnes in weight taken from 11 trenches over 1,000 metres of trend and targeting a two metre thick zone around the basal target unconformity. In addition one 900 kg sample from a trench dug in Phase 1 work that could not be processed because of excessive clay was also processed. Sticky clay can prevent liberation of gold by simple physical trapping of gold particles.
2. Two samples taken from a further trench to test a 4 metre thick part of the profile.
3. Two smaller bulk samples of soil taken during Phase 1 work from an area of known gold nuggets on granted mining lease ML2386 and which also could not be processed because of excessive clay content were also processed.
4. One sample of oversized material consisting of all the oversize material from the first 6 trenches which had extensive clay was also processed as a check on the effect of the clay.

For each sample, a panned concentrate was collected and sent for gravimetric fire assay at Intertek Laboratories in Perth. In addition the tailings from the **panned** samples ("**panned tailings**") were sent for cyanide leaching by the Leachwell method at ALS Laboratories in Townsville to check for potential losses of gold by Impact's processing methodology to the fine tailings. In addition the trenches and samples were detected for gold nuggets using a handheld metal detector.

Details on the sampling method, how the presented assay results and estimates of gold recoveries were calculated are given in Table 1 and in ASX Release September 18<sup>th</sup> 2019.

The results shown in Figure 2 are described below for each group of samples and for the panned tailings. Figure 1 shows examples of the panned concentrates and also the weights and sizes of the nuggets found in the trenches.

It is appropriate given the nature of the material sampled to report the results in grams per loose cubic metre as was done previously (ASX Release October 23<sup>rd</sup> 2018). Grams per tonne values are also given in Table 1.



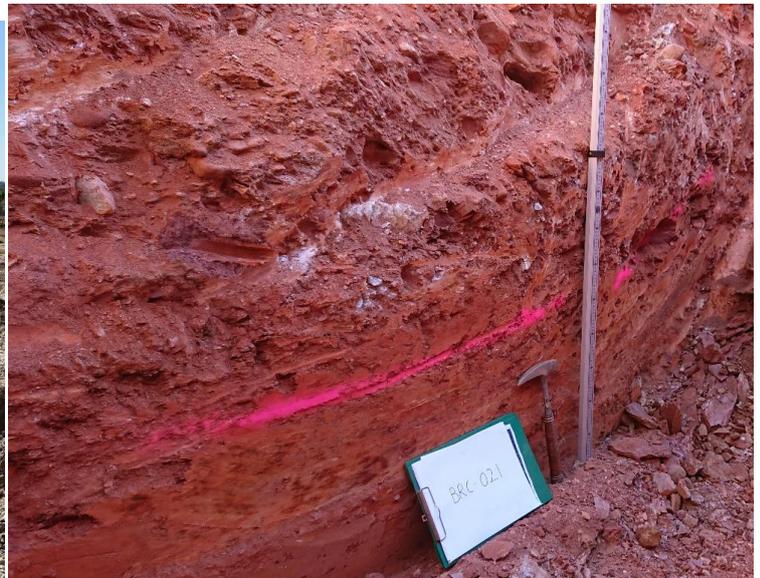
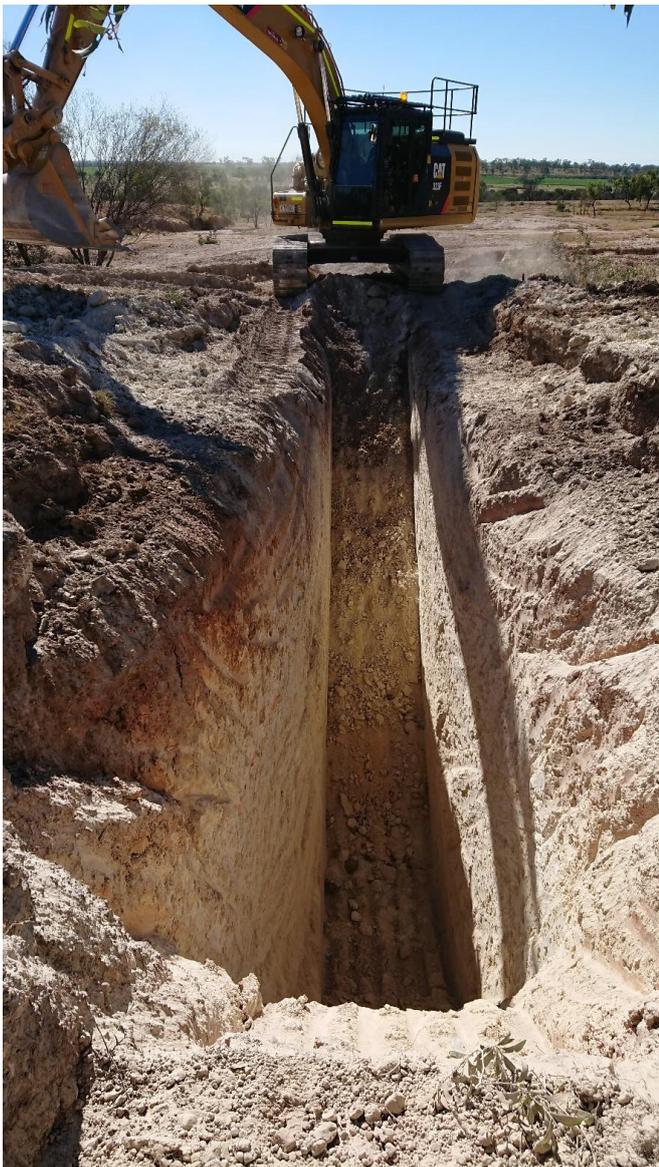
**Figure 2.** Gold results, previous gold production, geology and mining lease locations for the central Blackridge project area. All results are presented in grams per loose cubic metre. The second phase sample results are highlighted in the yellow call out boxes.

## 1.2 GOLD RESULTS FROM THE 12 TRENCHES

The 12 trenches and one sample from Phase 1 were taken at varying intervals of between 50 metres and a few hundred metres over a strike length of 1,000 metres (Figure 2).

All samples were free digging, supporting Impact's previous belief that there are potentially large volumes of easily mineable oxide material in at least the top 4 to 5 metres of the profile at Blackridge (Figure 3). The depth of the oxide material is unknown but previous drilling in the area indicates relatively easily processed material may be present down to at least 25 metres or more in many places (ASX Release May 29<sup>th</sup> 2018).

In addition, every trench returned gold with values ranging from 0.07 g/m<sup>3</sup> to 2.17 g/m<sup>3</sup> at an average of 0.36 g/m<sup>3</sup>. The values are calculated from the panned concentrate, the Leachwell assays and the weight of nuggets (Table 1 and described in detail below).



**Figure 3.** Photographs showing the free digging nature of the oxide material in the top 4 to 5 metres and also the target unconformity. Samples were taken approximately 1.5 metres above to 0.5 metres below the unconformity. There are large volumes of free-digging material across the Blackridge project.

Eight of the 12 trenches returned gold nuggets and the grades are mostly influenced by the number of nuggets in the sample (Table 1). In particular Trench BRC015 returned 11.5 grams of nuggets from 12 tonnes of rock to give a grade of 2.17 g/m<sup>3</sup> (Figures 1 and 2 and Table 1).

Trench BRC015 lies close to the start of “Foxes Lead”, one of the high-grade “runs” mined in the late 1800’s and early 1900’s (Figure 2 and ASX Release October 23<sup>rd</sup> 2018). Previous production data from this era indicates that the number of nuggets is likely to significantly increase as the high-grade runs are approached with reported grades commonly of more than one ounce per tonne (Figure 2, ASX Release October 23<sup>rd</sup> 2018).

These leads are quite robust and extend continuously down dip for at least 1,500 metres in places (Figure 2).

Numerous leads may be present along the unconformity within the area of the mining leases (Figure 2). Previous Phase 1 sampling indicated the Smiths and Harveys prospects may lie at the start of a lead that was missed by previous miners (ASX release October 23<sup>rd</sup> 2018). However these trenches have returned low to modest results in Phase 2 (Figure 2 and Table 1).

In summary these new results combined with the Phase 1 work suggest to Impact that the basal unconformity could be weakly to moderately mineralised over the entire 1,000 metres of trend sampled and that it is potentially mineralised for a further 500 metres to the south, past the Hard Hill prospect (Figure 2).

In addition Impact considers it possible that further closer spaced sampling could return more nuggets along the entire unconformity and in particular close to the high grade leads, thus potentially increasing the average grade.

### **1.3 GOLD RESULT FROM THE UNITS ABOVE THE TARGET HORIZON**

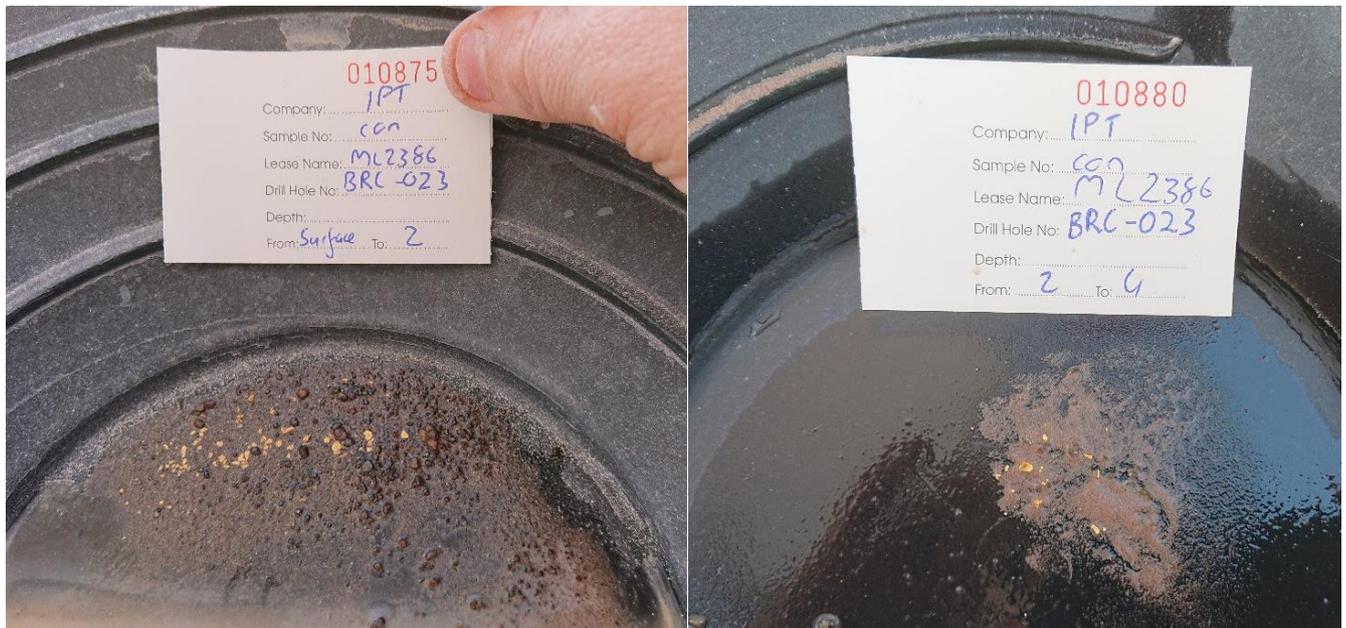
In Trench BRC023 on ML2386 two samples were taken from surface to a depth of four metres at two metre intervals to test the gold grades in the basal four metres of the profile which was to include the target unconformity.

However, the basal conglomerate was not identified and so Impact considers it likely that the unconformity was not reached and that the trench bottomed in sandstone units above the target conglomerate. It was not possible to dig the trench deeper because of safety concerns.

The two samples returned grades of 0.08 g/m<sup>3</sup> from surface to 2 metres depth and 0.01 g/m<sup>3</sup> from 2 metres to 4 metres depth. The panned concentrates for these samples are shown in Figure 4.

It is remarkable that these concentrates represent back calculated head grades of less than 10 parts per billion and attest to the unique processing characteristics of the oxide-hosted gold.

Although low grade, the samples do indicate that gold is present for a minimum of four metres above the unconformity, possibly more, and, that the gold can also be extracted relatively easily and cheaply from the weathered oxide material.



**Figure 4.** Panned concentrates from 0-2 metres and 2-4 metres deep in Trench BRC023. Note that the deeper sample has probably not sampled the target unconformity. This gold represents values of 5 parts per billion in the original material.

Wide diameter (0.9 metres) Calweld drilling was completed in a few places on ML2386 and surrounding areas in the early 1980's. This data is currently being reviewed but does indicate the basal 8 to 10 metres of the sedimentary sequence may contain anomalous gold.

This means that much of the overburden above the main unconformity target zone may have the potential to be ore rather than barren waste. This would particularly be the case if the profile contains coarser gold nuggets in places, and if so, then there would be clear potential at Blackridge for a large bulk mining operation.

Further investigation of the gold content of the entire sedimentary package, which has generally been ignored by previous explorers, is required and this includes further bulk sampling.

#### 1.4 GOLD IN THE SOIL PROFILE OVER ML2386

The area immediately east of the main target unconformity on ML2386 and MLAs 100158 and 159 comprises a well-developed soil profile over the Anakie metamorphic basement rocks and loose scree of both Anakie and Permian rocks (Figure 2). This area has been prospected extensively for gold nuggets over the years using hand held metal detectors.

Two samples of the soil, taken during Phase 1 work and found to be clay rich and unable to be processed, were processed during Phase 2 using the larger trommel.

The two samples, which weighed 0.7 t and 0.6 t returned 0.04 g/m<sup>3</sup> and 0.17 g/m<sup>3</sup> (Figure 2).

The samples were taken from areas where several small nuggets weighing up to a few grams had been recently found by prospectors. Accordingly, the *in situ* grades would have been higher if these nuggets were to be incorporated into the amount of gold recovered.

These results indicate there is potential for gold to be hosted in large volumes of loose free digging soil in the top few metres over much of the granted mining lease ML2386 and even larger quantities on MLA100158 and 159 (Figure 2). This supports the results of Phase 1 work which also demonstrated large volumes of gold-bearing scree and colluvium are present on Impact's mining leases. Further sampling is required in these areas.

#### 1.5 OVERSIZE SAMPLE

During the processing of the first six trenches, the oversize material from the trommel was found to contain significant sticky clay. This is a well-known phenomenon in sluicing operations and is called "clay-balling". The balls of clay can contain gold particles.

The oversize material from these 6 trenches was re-processed as one sample through the trommel and this successfully removed virtually all remaining clay to leave a very clean gravel as oversize.

The oversize sample returned a total weight of 0.8 grams of contained gold (Figure 5). Back calculated to the original sample weight, this is a value of **less than 10 parts per billion**.

The efficiency of the reprocessing indicates to Impact that much of the gold in the clay balls would be captured in one phase of processing in a larger trommel which would have greater physical abrasion and water lubrication of the sample.



**Figure 5.** Panned concentrate from the re-processing of the first 6 samples which contained sticky clay (Sample 10873 Table 1). Back calculated to the original sample weights this is about 10 parts per billion and attests to the efficiency of the processing method. It is likely that a larger trommel would have captured much of this gold in one phase of processing.

## 1.6 RESULTS OF CYANIDE LEACHING ON THE PANNED TAILINGS

The panned tailings from all 17 samples were sent for cyanide leaching to check that no significant gold had been missed by the sluicing and panning process.

The total weight of panned tailings was 330 kg which came from a total of 168.7 tonnes of original bulk sample material (Table 1). This represents a mass concentration of almost 100 to one.

Two 3 kg samples were sub-sampled from each of the tailings samples and leached with cyanide. This is a total of 102 kg or 31% of the total tailings.

For the A samples, assays between 0.5 g/t and 43 g/t gold and averaging 9.3 g/t gold were returned.

For the B samples, gold assays between 0.1 g/t and 25.7 g/t gold and averaging 7.5 g/t were returned.

These results equate to an average head grade of less than **25 parts per billion** when back calculated to the original sample weights of between 10.4 tonnes and 14.7 tonnes. This is unsurprising given the very high mass concentration and it should be noted that this does **not** reflect the primary head grade.

**These are very low values and attest to the efficacy of the wet gravity operation and therefore demonstrate the exceptional liberation characteristics of the gold particles in the oxide material at Blackridge.**

However, the **absolute** gold grades in the tailings themselves are exceptional with an overall average grade of all material leached of 8.4 g/t (average of the A plus B sample). This upgrade has been achieved mostly by the removal of the coarse barren pebbles in the host conglomerate by the sluicing process and the concentration of very low levels of gold.

Accordingly, significant tonnages of tailings generated by a large scale operation could be a potentially very valuable resource if re-processed by other methods, in particular towards the end of any mine life.

Further test work on the liberation of the gold in the tailings is warranted.

### 1.7 ESTIMATE OF GOLD RECOVERY

It is estimated that gold recoveries are in the range 95-98%. This is based on:

- a) the very low values of gold back calculated from the oversize sample from the first six trenches;
- b) the lack of nuggets in the oversize material;
- c) the very clean nature of the original pebbles in the oversize material; that is, no matrix or clay attached to the pebbles; and
- d) the very low levels of gold in the panned fines as determined by cyanide leaching.

The most likely loss of significant gold would have been undetected nuggets in the oversize material or loose material in the trenches and in the tailings from the sluice. These are not considered material at this stage of exploration.

### 1.8 NEXT STEPS

The Phase 2 bulk sampling programme has demonstrated the potential for large volumes of easily mined and easily processed material from surface to a depth of at least 5 metres with exceptional liberation characteristics.

Further sampling is required to establish the grade distribution in the profile above the target unconformity horizon, as this will have a significant influence on the strip ratio of any potential open pit mine. Previous drilling has demonstrated that gold is present sporadically throughout the entire 100 metre thick sedimentary package at Blackridge (ASX Release May 29<sup>th</sup> 2018).

In addition further sampling at closer spaced intervals is required **along** the unconformity from north to south to determine if zones of better grade are present (Figure 2).

For comparison, a recent announcement by Novo Resources Limited (TSXV:NVO) about its Egina Project in the Pilbara region of Western Australia has demonstrated average grades of gold nuggets of up to 1 g/m<sup>3</sup> in large volumes of recent alluvial material (Refer to NVO announcement of August 22<sup>nd</sup> 2018). The announcement indicates that the majority of the gold comes from nugget-rich areas that are less than 20 metres wide, much smaller than the sampling density used by Impact.

The next most practical step forward for Impact would be to commence much larger sampling programmes on the granted mining lease and the mining lease applications once granted. Impact is considering its options for doing this work which will include discussions with various speciality contractors.

In addition further work is in progress to better determine the potential for a large bulk mining opportunity at Blackridge and this includes a passive seismic survey to help determine the depth to the unconformity. The survey has been completed and final results are awaited.

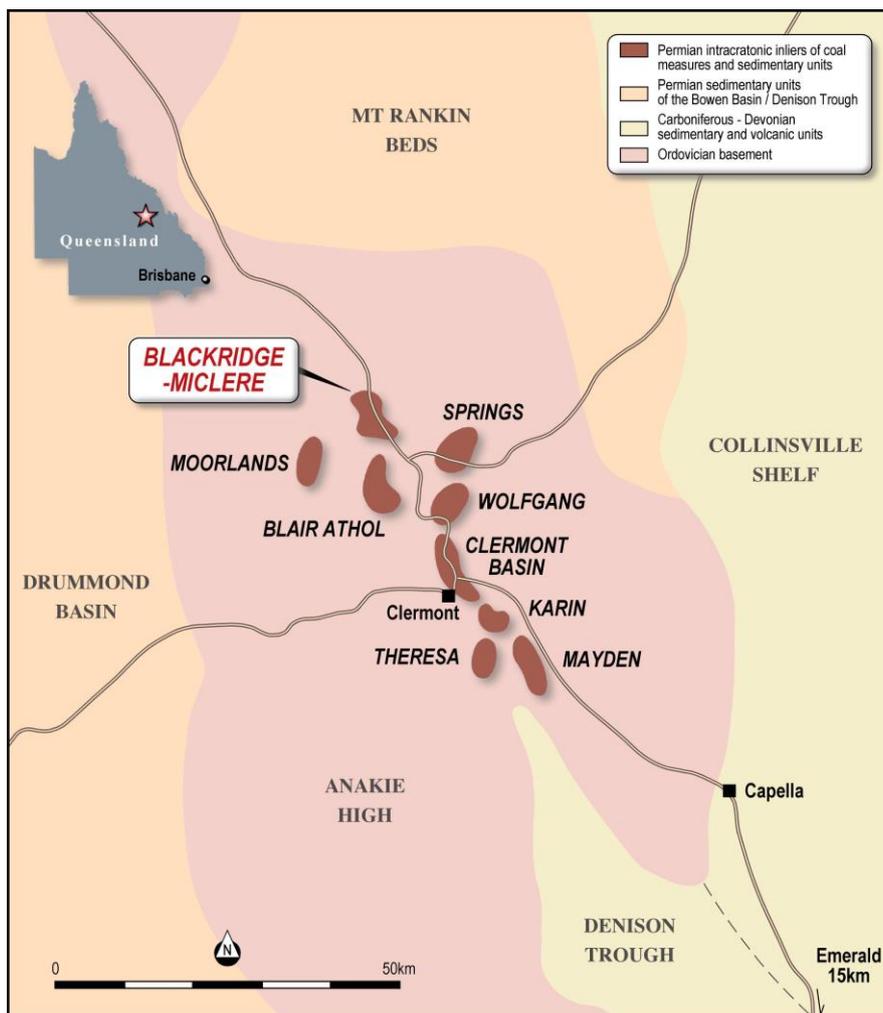
A review of previous work is also on-going including an extensive body of work completed by Denison Resources Limited in the late 1980's (ASX Release May 29<sup>th</sup> 2018).

## ABOUT THE BLACKRIDGE PROJECT

Impact's project covers 91 square kilometres and comprises one 100% owned Exploration Permit (EPM26806) and one Exploration Permit (EPM26066) and four Mining Lease applications (ML 100158, 59, 60 and 61) for which Impact has an option to buy 95% from Rock Solid Holdings Pty Limited (Figures 2, 6 and 7; ASX Release May 29<sup>th</sup> 2018).

A payment of \$200,000 is due by November 18<sup>th</sup> 2019 in order to trigger the option. Discussions are in progress with Rock Solid Holdings about this payment.

In addition, Impact has also purchased Mining Lease ML2836 which lies in the centre of the project area (ASX Release August 31<sup>st</sup> 2018). The Mining Lease, which is fully granted, has been acquired from a local prospector for a cash payment of \$30,000 and replacement of environmental bonds of approximately \$7,000. Mining can commence on this lease subject only to the submission of a Plan of Operations to the Queensland Department of Mines.

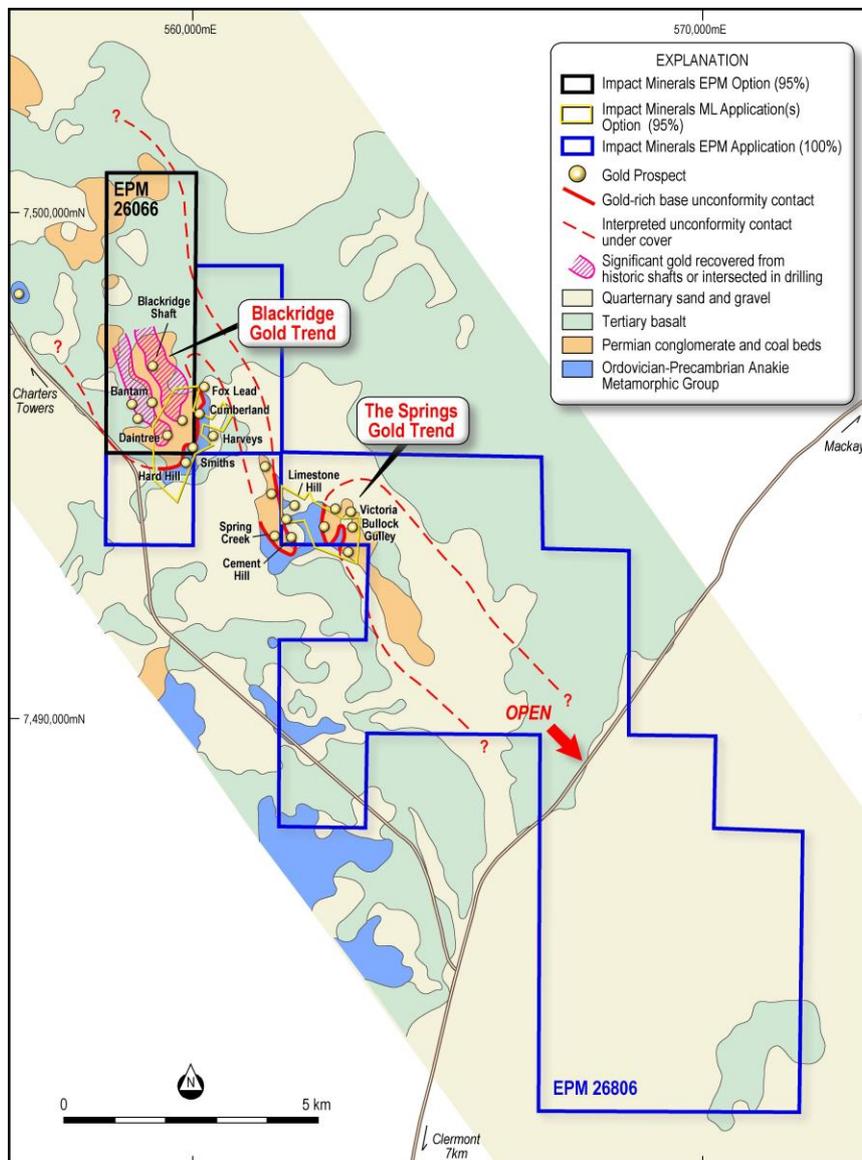


**Figure 6.** Location and regional geology of the Blackridge Project.

The gold produced at Blackridge was mostly hosted in basal conglomerates of Permian-aged sedimentary basins which include the mined coal measures that unconformably overlie the Anakie metamorphic rocks of Middle Ordovician age and older (Figures 6 and 7).

The unconformity is present at surface over about 1,500 metres of trend at Blackridge. Much of the lease is covered by loose gravel with only a few outcrops of conglomerate and schist in places. This cover, within which small gold nuggets have been found by prospectors over many years, has hindered previous exploration and there has been no recent systematic exploration in the area.

Progress has also been made on the grant of the four MLA's under option from Rock Solid Holdings Pty Ltd as well as the Compensation Agreement with the landowner. Native Title negotiations are also underway.



**Figure 7.** Tenure and geology of the Blackridge Project.

TRENCH AND SAMPLE DETAILS										PANNED CONCENTRATE GRAVIMETRIC				LEACHWELL ASSAYS				NUGGETS		Totals (Con+Ave Leachwell+Nuggets)	
Trench ID	Prospect	Easting	Northing	Overall Depth (m)	Sample Interval From	Sample Interval To	Bulk Sample Weight (t)	Sample ID	Sample Weight g	Assay Value g/t	Sample ID	Original Sample weight kg	A Sample Gold g/t	B Sample Gold g/t	Weight of gold (g)	Gold g/t	Gold g/m3				
<b>RESULTS FROM 11 TRENCHES</b>																					
BRC015	Foxes	560095	7496330	4	2.5	4	12	10687	40.20	105447	10688	17.97	17.15	13.85	11.5	1.36	2.17				
BRC016	Foxes	560129	7496291	1.5	0.5	1.5	12.2	10689	78.73	46583	10690	19.82	13	4.58	0.63	0.38	0.61				
BRC017	Foxes	560125	7496240	1.5	0.5	1.5	14.7	10691	30.63	17696	10692	24.5	8	11.6	0.43	0.08	0.13				
BRC018	Foxes	560128	7496189	4	2.5	4	12.8	10693	27.28	119698	10694	24.07	19.05	19.65	0.21	0.21	0.33				
BRC019	Foxes	560116	7496315	1.5	0.5	1.5	13.6	10695	22.92	38204	10696	23.19	8.04	11.35	1.81	0.22	0.34				
BRC020	Foxes	560061	7496339	5	2	5	13.4	10697	46.52	20400	10698	17.1	0.486	0.149	0.09	0.09	0.14				
BRC021	Harveys	560055	7495545	4	2	4	14.2	10699	3.03	147881	10700	19.39	2.82	3.53	0.48	0.07	0.12				
BRC022	Smiths	560077	7495452	3	1.5	3	13.8	10871	7.48	66824	10872	16.71	2.05	3.67	0.04	0.04	0.07				
BRC024	Harveys	560048	7495511	2	0.5	2	12.8	10882	3.69	388443	10883	19.94	43.5	25.7	0.17	0.17	0.27				
BRC025	Cumberland	560123	7495717	2	0.5	2	13	10884	4.65	83062	10885	18.63	4.56	4.33	0.65	0.09	0.14				
BRC026	Foxes	560103	7496313	2.5	1	2.5	11.6	10886	3.91	256769	10887	30	15.8	14.15	0.76	0.20	0.32				
<b>RESULTS FROM PROFILE IN 12th TRENCH</b>																					
BRC023	Foxes	560085	7496299	2	0	2	12.4	10875	2.62	131417	10876	14.76	0.585	0.741	0.28	0.05	0.08				
BRC023	Foxes	560085	7496299	4	2	4	12.2	10880	1.28	30064	10881	17.93	0.453	1.435	0.00	0.00	0.01				
<b>RESULTS FROM PHASE 1 SAMPLES</b>																					
BRC009	Foxes	560109	7496318	1.60	0.6	1.6	0.9055	10619	2.43	194403	10877	12.41	3.27	3.9	0.73	1.17					
BRC010	Flats	560233	7496168	0.30	0	0.3	0.732	10620	5.83	1854	10878	12.24	17.4	6.84	0.03	0.03	0.04				
BRC011	Flats	560377	7496020	0.70	0	0.7	0.6005	10621	14.26	2919	10879	12.8	1.14	0.148	0.11	0.17					
<b>RESULTS OF OVERSIZE</b>																					
Oversize	Foxes	N/A	N/A				10.4	10873	4.49	152035	10874	28.56	0.784	2.28	0.08	0.08	0.12				

Table 1. Sample details, assay results and nugget weights.

## 2. COMMONWEALTH PROJECT

During the Quarter Impact announced a significant increase in resources at the Company's 100% owned Commonwealth gold-silver-zinc-lead-copper project 95 km north of Orange in New South Wales including a maiden resource for the silver-rich Silica Hill Prospect (Figure 8) (ASX Release August 22<sup>nd</sup> 2019).

The new resource contains **88,800 ounces of gold and 3.3 million ounces of silver** all of which occurs from surface to a depth of 250 metres and well within range of potential open pit mining.

The Mineral Resources at Commonwealth and Silica Hill have been prepared in accordance with the JORC 2012 Code by independent resource consultants Optiro and follows several drill programmes across the project area completed in late 2018.

The updated Inferred Resource for the Commonwealth deposit at a cut-off of 0.5 g/t gold is (Figure 9):

COMMONWEALTH (MAIN SHAFT TO COMMONWEALTH SOUTH)								
Resource Classification Cut-off 0.5 g/t gold	Tonnes	Gold (g/t)	Contained gold (oz)	Silver (g/t)	Contained silver (oz)	Zinc (%)	Lead (%)	Copper (%)
Inferred	912,000	2.4	70,800	44	1,300,000	1.20%	0.50%	0.08

A separate Inferred Mineral Resource (included within the overall resource) has also been calculated for the massive sulphide lens at Main Shaft alone to demonstrate the high grade nature of such deposits that are the principal target for Impact's exploration programme. The Main Shaft Inferred Resource is:

MAIN SHAFT MASSIVE SULPHIDE LENS								
Resource Classification Cut-off 0.5 g/t gold	Tonnes	Gold (g/t)	Contained gold (oz)	Silver (g/t)	Contained silver (oz)	Zinc (%)	Lead (%)	Copper (%)
Inferred	142,000	4.5	20,600	161	737,500	4.6	1.7	0.2

At Silica Hill the maiden Inferred Resource at a 50 g/t silver cut-off is:

SILICA HILL						
Resource Classification Cut-off 50 g/t silver	Lode	Tonnes (t)	Silver (g/t)	Contained silver (oz)	Gold (g/t)	Contained gold (oz)
Inferred	North	397,000	89	1,136,000	1	12,900
Inferred	South	313,000	87	871,000	0.5	5,100
	<b>TOTAL</b>	<b>710,000</b>	<b>88</b>	<b>2,007,000</b>	<b>0.8</b>	<b>18,000</b>

The resources are open along trend and at depth and extensive further resource definition and extensional drilling is required to follow up key intercepts at Main Shaft, Commonwealth South and Silica Hill as outlined below.

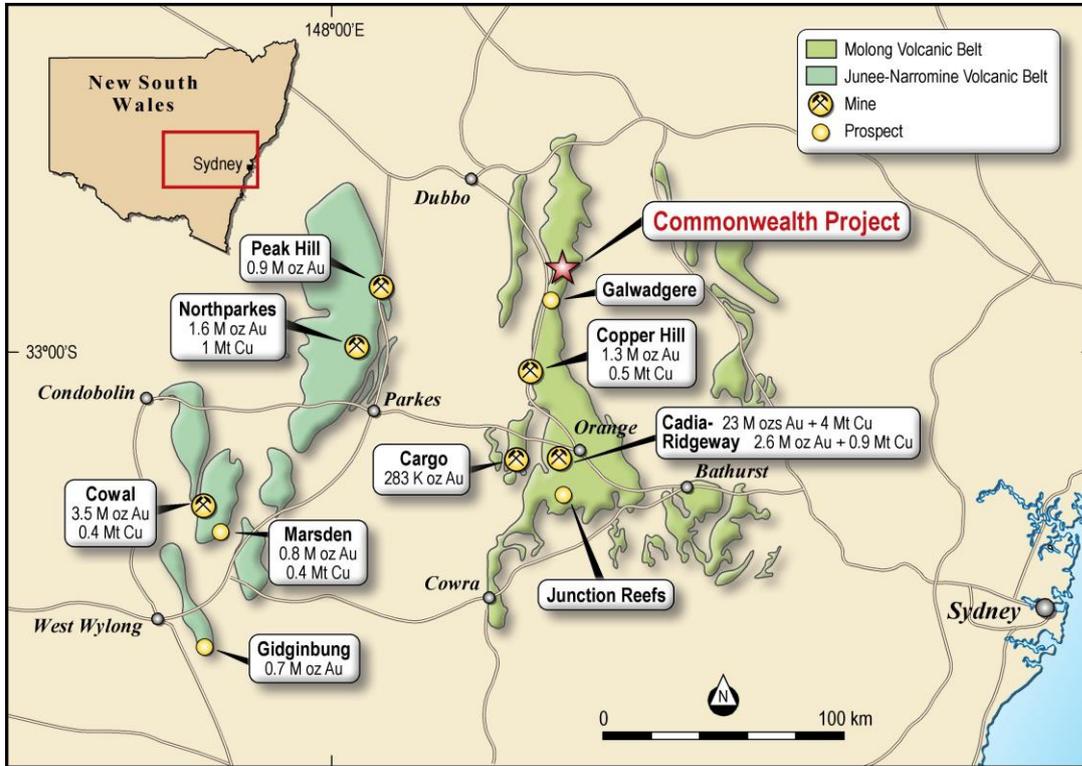


Figure 8. Location of the Commonwealth Project in the Lachlan Fold Belt of NSW, home to many significant gold and copper mines.

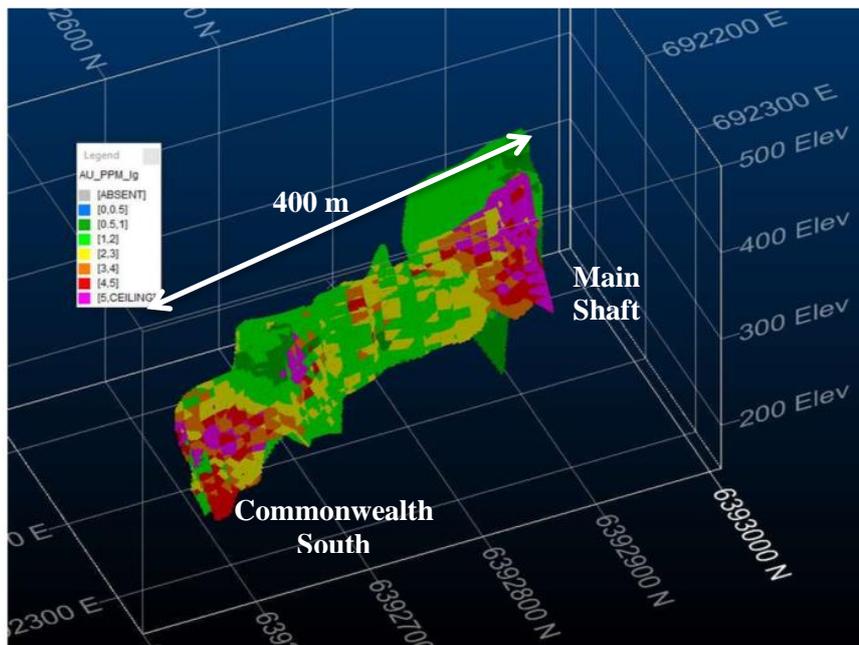


Figure 9. Block model of the resource from Commonwealth South (left) to Main Shaft (right). The high grade blocks in red and pink show that the deposit is open along trend and at depth.

## 1.1 FURTHER EXPLORATION AT MAIN SHAFT

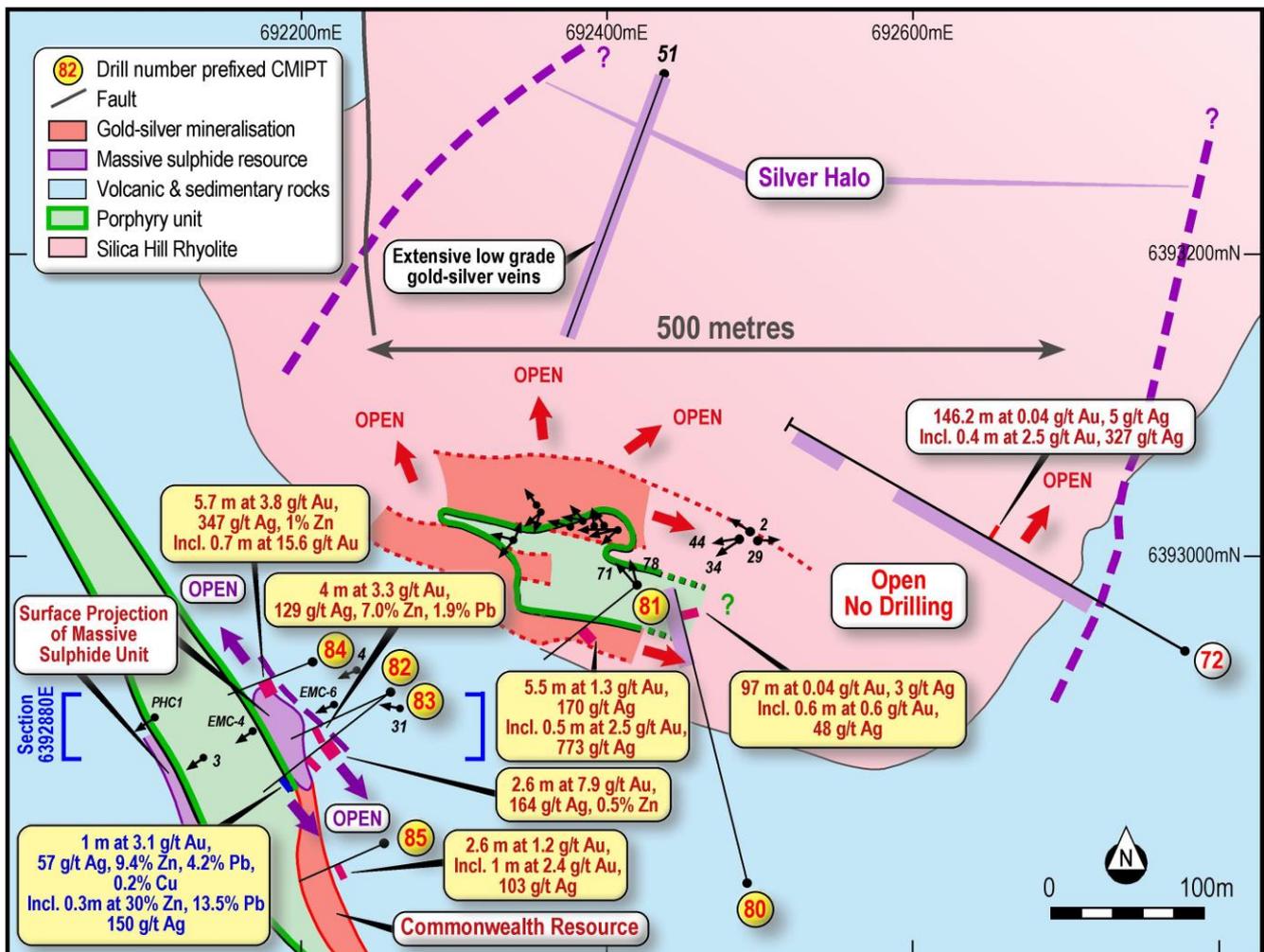
At **Main Shaft** the massive sulphide lens is still open at depth and along trend to the north and south east. For example the resource is open to the north down plunge from drill hole CMIPT084 and at depth below drill holes CMIPT021 and CMIPT082 (Figures 10 and 11).

Hole CMIPT084 returned:

**5.7 metres at 3.8 g/t gold, 347 g/t silver, 10.8% zinc and 3.7% lead from 52.1 metres down hole; including 0.7 metres at 15.6 g/t gold, 245 g/t silver, 8.6% zinc and 1.9% lead; and 0.5 metres at 4.9 g/t gold, 917 g/t silver, 10.2% zinc and 4.6% lead from 56.9 metres.**

Hole CMIPT021 returned:

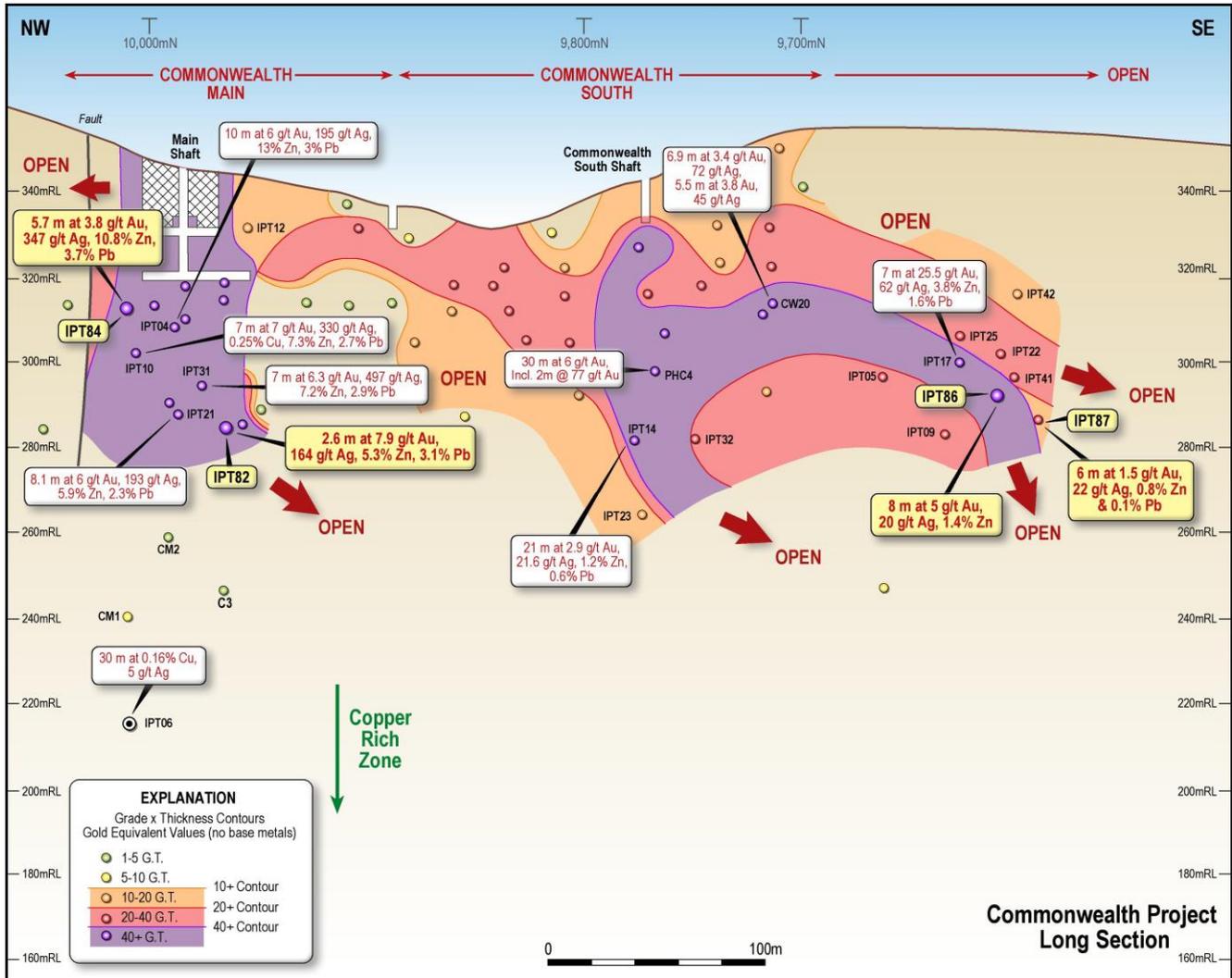
**8.1 metres at 6 g/t gold, 193 g/t silver, 5.9% zinc, 2.3% lead and 0.16% copper from 71 metres including 2.9 metres at 9.3 g/t gold, 201 g/t silver, 11.6% zinc, 4.7% lead and 0.2% copper.**



**Figure 10. Location of drill assays from the 2018 drill programme at Main Shaft and Silica Hill (yellow labels). The Main Shaft resource is labelled “Massive Sulphide Resource”. The Silica Hill Prospect is in the centre of the map.**

Hole CMIPT083 returned:

**4 metres at 3.3 g/t gold 129 g/t silver, 7% zinc and 1.9% lead from 96.4 metres down hole; including 2.1 metres at 5.1 g/t gold, 239 g/t silver, 12.8% zinc and 3.5% lead.**



**Figure 11. Long section through the upper zone of mineralisation along the Commonwealth deposit and showing significant areas that require drill testing.**

In addition Hole CMIPT083 at Main Shaft also intersected a narrow high grade massive sulphide unit about 30 metres below the Main Shaft unit and together with other drill holes confirms the discovery of a second massive sulphide unit that is at least 100 metres by 150 metres in dimension and is untested at depth (Figures 10 and 12).

The second massive sulphide unit returned:

**1 metre at 3.1 g/t gold, 57 g/t silver, 9.4% zinc and 4.2% lead and 0.2% copper from 143 metres down hole; including 0.3 metres at 0.8 g/t gold, 150 g/t silver, 30.2% zinc and 13.5% lead.**



**Figure 12. Second massive sulphide unit in Hole CMIPT083: massive and brecciated massive sphalerite (red-brown) with lesser galena. Up to 3% chalcopyrite (yellow) is present in places.**

## 2.2 FURTHER EXPLORATION AT COMMONWEALTH SOUTH

At Commonwealth South, at the southern end of the Commonwealth Resource, two diamond drill holes completed in late 2018 identified significant extensions to the near-surface resource both along trend and at depth (Figures 11 and 13).

Hole CMIPT086 returned:

**8 metres at 5.1 g/t gold, 20 g/t silver, 1.3% zinc and 0.5% lead from 94 metres down hole; including 5 metres at 7.7 g/t gold, 25 g/t silver 2.1% zinc and 0.7% lead; which includes 0.5 metres at 34.3 g/t gold, 40 g/t silver, 5.8% zinc and 2.3% lead from 97.6 metres.**

Hole CMIPT087 returned:

**6 metres at 1.5 g/t gold, 22 g/t silver, 0.7% zinc and 0.2% lead from 96.8 metres down hole; including 0.35 metres metres at 8.9 g/t gold, 21 g/t silver, 3.5% zinc and 0.6% lead.**

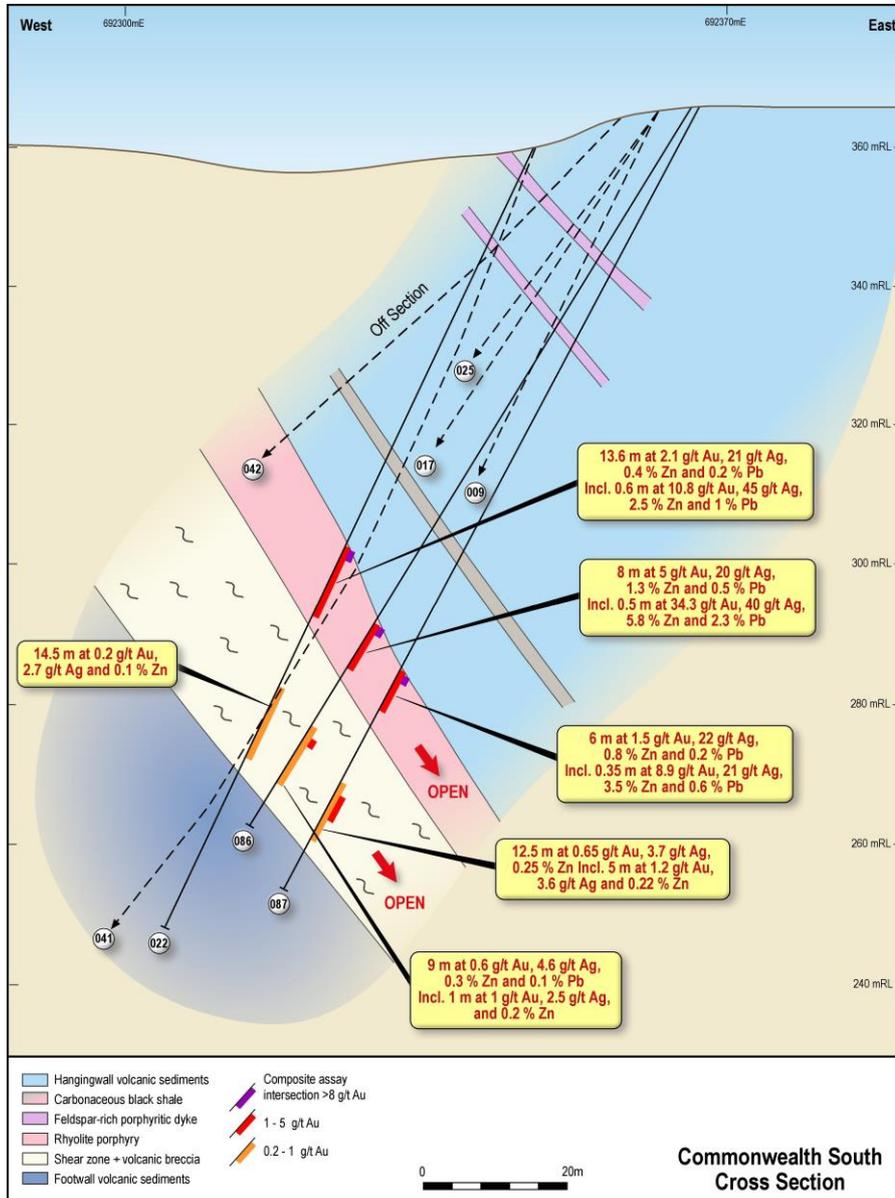
In addition follow up drilling is required immediately down plunge to the south of drill hole CMIPT017 (Figure 11) which returned:

**7 metres at 25.5 g/t gold, 62 g/t silver, 3.8% zinc, 1.6% lead and 0.1% copper from 88 metres including:  
4 metres at 41.8 g/t (1.3 ounces per tonne) gold, 93 g/t silver, 5.5% zinc, 2.3% lead from 90 metres.**

A second lower zone of mineralisation has also been intersected at Commonwealth South from about 115 metres down hole with increasing gold grades at depth. The best result is from Hole CMIPT087 and is the deepest intercept in the zone and which returned (Figure 13):

**12.5 metres at 0.65 g/t gold, 3.7 g/t silver, 0.25% zinc from 116.5 metres down hole; including 5 metres at 1.2 g/t gold, 3.6 g/t silver and 0.2% zinc from 188.2 metres.**

A significant number of drill holes have now intersected a lower zone of mineralisation over the entire length of the Commonwealth deposit. The grade appears to be improving at depth, and is very poorly tested.



**Figure 13. Commonwealth South. NE-SW Cross-section showing drill results for Holes 086 and 087 and showing upper and lower zones of mineralisation**

### 2.3 FURTHER EXPLORATION AT SILICA HILL

Silica Hill is a virgin discovery by Impact and is located 60 metres to 250 metres north east of Main Shaft (Figures 10 and 14). The mineralisation comprises a North Lode and South Lode both comprising high grade veins and disseminations of sulphide with gold and extensive visible silver minerals (antimony and arsenic sulphosalts: proustite-pyrargyrite). These minerals are exceptionally rare in Australia and contribute to some exceptional silver grades in specific veins.

There are also zinc and lead credits to the mineralisation at Silica Hill with the sulphides present being similar to those at Commonwealth-Main Shaft. They are interpreted as being part of the same overall mineralised system.

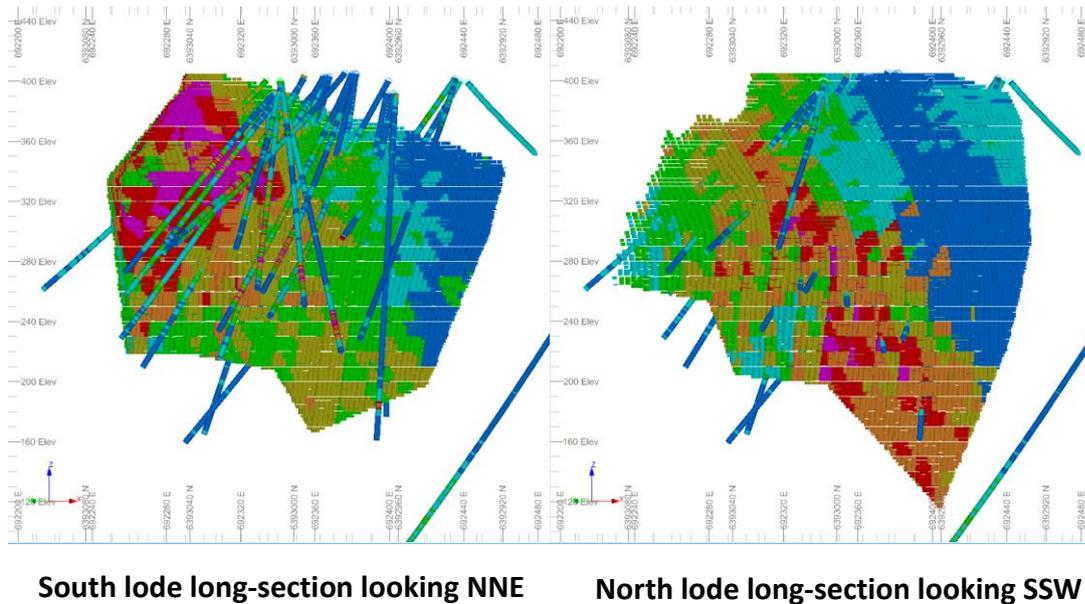


Figure 14. Resource block model of Impact's Silica Hill discovery.

The disseminated mineralisation between the veins has helped form thick zones of near-surface modest grade mineralisation with the potential for bulk open pit mining. For example discovery hole CMIPT011 returned bonanza-grade silver within a thick zone of silver-gold mineralisation as follows:

**48.6 metres at 137 g/t silver (4.4 ounces) and 0.5 g/t gold from 122 metres down hole, including, 23 metres at 224 g/t silver (7.2 ounces) and 1.0 g/t gold from 147.7 metres, which includes 0.9 metres at 3,146 g/t silver (101 ounces) and 2.4 g/t gold from 148.1 metres.**

In addition Hole CMIPT077 returned:

**22.5 metres at 1.7 g/t gold and 276 g/t silver from 166.7 metres down hole; including 0.3 metres at 1.8 g/t gold and 4,200 g/t (135 ounces or 0.42%) silver from 174.4 metres; and also including 0.8 metres at 13.6 g/t gold and 40 g/t silver from 187.7 metres.**

And Hole CMIPT074 returned:

**21.8 metres at 0.6 g/t gold and 273 g/t silver from 137.9 metres down hole; including 0.5 metres at 0.5 g/t gold and 1,485 g/t (48 ounces) silver from 143 metres; and 0.4 metres at 1.6 g/t gold and 6,240 g/t (200 ounces or 0.62%) silver from 148.5 metres.**

Three diamond drill holes have also established that there is a low grade silver halo of up to 10 g/t silver around the Silica Hill mineralisation that is at least 500 m by 500 m in dimension (Figure 10). For example Hole CMIPT072 returned 146 metres at 0.04 g/t gold and 5 g/t silver. In addition CMIPT078 drilled at the eastern end of the northern mineralised zone returned the thickest intercept of gold and silver to date in this zone and indicates improving grades to the east and returned:

**117 metres at 0.3 g/t gold and 11 g/t silver.**

This attests to the scale of the mineralised system at Silica Hill which is still open in all directions and further deeper drilling is required.

## 2.4 NEXT STEPS

Further drilling is required at Commonwealth. Impact is currently focussed on its Blackridge Gold Project in Queensland which has potential for near-term gold production. Accordingly the Company is assessing its options for further funding at Commonwealth.

## 3. BROKEN HILL PROJECT (IPT 100%)

Impact's Broken Hill project covers 727 km<sup>2</sup> and extends over about 40 km of strike north east to the Moorkai Trend (ASX Release 3 May 2017).

Very high grade primary nickel-copper-PGM-gold mineralisation has been discovered along this complex by Impact at both the Red Hill Prospect, at the northern end of the Rockwell-Little Broken Hill trend; and also the Platinum Springs Prospect at the southern end of the Moorkai Trend.

At Red Hill exceptional grades have been returned from drilling including a stand out intercept in vein hosted sulphide of

**1.2 metres at 10.4 g/t platinum, 10.9 g/t gold, 254 g/t (9.5 ounces) palladium, 7.4% nickel, 1.8% copper, 19 g/t silver and 0.5% cobalt** (ASX Release 26 October 2015).

At Platinum Springs drilling returned a very high grade intercept in magmatic massive sulphide of **0.6 metres at 11.5 g/t platinum, 25.6 g/t palladium, 1.4 g/t gold, 7.6% copper, 7.4% nickel and 44.3 g/t silver (cobalt not analysed)** (ASX Releases 3 February 2016 and 31 March 2016).

Earlier this year Impact initiated an in-house research project on the nature of the PGM and gold mineralisation and its metallurgical characteristics. This work is designed to demonstrate potential recoveries from the high grade and unusual mineralisation present at Red Hill and Platinum Springs.

Initial results are expected by Q1 2020.

## 4. CORPORATE

- Cash at September 30th was \$1.5 million.
- Impact Minerals signed a binding agreement to sell one sub-block of EL8505, a non-core Exploration Licence within the company's 100% owned Commonwealth Project in New South

Wales to Alkane Resources Limited. Alkane agreed to pay a non-refundable cash consideration of \$101,000 plus GST on completion, subject to Ministerial approval and final due diligence.

- Mr Eamon Hannon resigned as a director of the Company in order to concentrate on his position as Managing Director of Buxton Resources Limited and his other business activities. The company wishes Eamon every success in his future endeavours and would like to thank him for his significant contribution to the Company during his time as a director.



Dr Michael G Jones  
Managing Director

#### **Competent Persons Statement**

##### **Exploration Results**

*The review of exploration activities and results contained in this report is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director of the company and works for Impact Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Jones has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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

##### **Forward Looking Statements**

*This document may contain certain forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Impact Minerals Limited's (Impact's) current expectations, estimates and projections about the industry in which Impact operates, and beliefs and assumptions regarding Impact's future performance. When used in this document, words such as "anticipates", "could", "plans", "estimates", "seeks", "intends", "may", "potential", "should" and similar expressions are forward-looking statements. Although Impact believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Impact and no assurance can be given that actual results will be consistent with these forward-looking statements.*

*Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this document speak only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Impact does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward-looking statement is based.*

## Tenement Information in accordance with Listing Rule 5.3.3

Project / Tenement ID	Status	IPT Interest at start of quarter	IPT Interest at end of quarter
<b>Commonwealth, NSW</b>			
EL5874	Granted	100%	100%
EL8212	Granted	100%	100%
EL8252	Granted	100%	100%
EL8504	Granted	100%	100%
EL8505	Granted	100%	100%
EL8632	Granted	100%	100%
<b>Broken Hill, NSW</b>			
EL7390	Granted	100%	100%
EL8234	Granted	100%	100%
EL8636	Granted	100%	100%
EL8674	Granted	100%	100%
EL8609	Granted	100%	100%
<b>Mulga Tank, WA</b>			
E39/988	Relinquished	100%	0%
E39/1072	Relinquished	100%	0%
E39/1439	Relinquished	100%	0%
E39/1441	Relinquished	100%	0%
E39/1513	Relinquished	100%	0%
E39/1761	Relinquished	100%	0%
E39/1766	Relinquished	100%	0%
E39/1767	Relinquished	100%	0%
E39/1997	Relinquished	100%	0%
E39/2018	Relinquished	100%	0%
E39/2019	Relinquished	100%	0%
E39/2065	Relinquished	100%	0%
<b>Clermont, Qld</b>			
EPM14116	Granted	100%	100%
<b>Black Ridge, Qld</b>			
EPM26066	Granted	100%	100%
EPM26806	Granted	100%	100%
ML2386	Granted	100%	100%

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

**IMPACT MINERALS LIMITED**

### ABN

52 119 062 261

### Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(285)	(285)
(b) development	-	-
(c) production	-	-
(d) staff costs	(48)	(48)
(e) administration and corporate costs	(162)	(162)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(487)</b>	<b>(487)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,003	2,003
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(487)	(487)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>1,516</b>	<b>1,516</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	516	503
5.2 Call deposits	1,000	1,500
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,516</b>	<b>2,003</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	86
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' fees, salary payments and superannuation.

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	400
9.2 Development	-
9.3 Production	-
9.4 Staff costs	60
9.5 Administration and corporate costs	130
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>590</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E39/988	Relinquished	100%	-
	E39/1072	Relinquished	100%	-
	E39/1439	Relinquished	100%	-
	E39/1441	Relinquished	100%	-
	E39/1513	Relinquished	100%	-
	E39/1761	Relinquished	100%	-
	E39/1766	Relinquished	100%	-
	E39/1767	Relinquished	100%	-
	E39/1997	Relinquished	100%	-
	E39/2018	Relinquished	100%	-
	E39/2019	Relinquished	100%	-
	E39/2065	Relinquished	100%	-
	EL8505	Sale of sub-block	100%	100%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

**Compliance statement**

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



Sign here: .....  
(Director/Company Secretary)

Date: 30 October 2019

Print name: Bernard Crawford

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.