

## Impact Minerals

**Recommendation:** Buy  
**12 month price target:** \$0.04

Sector: Materials

ASX Code: IPT  
Share Price: \$0.023  
52 Week -  
High: \$0.044  
Low: \$0.01  
Issued Ordinary Shares: 566.4M  
Options: 42.2M  
Cash: \$1.07M  
Market Cap: \$13.02M  
Enterprise Value: \$11.95M

### Major Shareholders

Bunenberg Family 30%  
Directors 9%  
Top Twenty 56%

### Directors

Chairman: Peter Unsworth  
Managing Director: Dr Mike Jones  
Non-Executive Director: Dr Markus Elsasser  
Non-Executive Director: Paul Ingram

Author:

Proactive Investors  
+61 2 9299 5001

## Impact Minerals to shine with Platinum Group Metals find at Broken Hill

- [Impact Minerals \(ASX:IPT\)](#) holds three projects with exceptional potential to deliver a major discovery.
- Broken Hill is a high grade platinum discovery that is located 20km from the world class Broken Hill silver-lead-zinc mine.
- The discovery contains the highest platinum grades reported in Australia at Red Hill; including a 30 metre thick zone at 6 grams per tonne platinum equivalent, and 5 to 10 metre thick zones at 15 gram per tonne platinum equivalent.
- Shallow drilling at Red Hill has discovered a thick zone of massive, disseminated and vein hosted nickel and copper sulphide and oxide containing high grade platinum and rare metals such as rhodium, iridium, osmium, and ruthenium.
- Proactive Investors believes that Red Hill has conceptual potential for a multi-million tonne resource that may be present down dip and proximal to early stage drilling.
- Regional potential at Broken Hill has produced spectacular results from rock chip and bulk samples over 9 kilometres of strike within the Moorkai Intrusive Complex and previous drilling at Platinum Springs intersected 52.6 grams per tonne of platinum equivalent over 2 metres.
- Drilling of a Volcanogenic Massive Sulphide “VMS” lens at Commonwealth has defined a maiden JORC resource of 110,000 ounces at 4.7 grams per tonne gold equivalent.
- VMS conceptual potential at Commonwealth and adjacent Silica Hill is targeting in excess of 1 million ounces of gold and has an analogue with nearby Woodlawn with 7 million gold equivalent ounces.
- Commonwealth also has very significant porphyry and copper potential at The Doughnut and Coronation Trend prospects.
- Mulga Tank in Western Australia contains very similar geology to Rocky’s Reward and Venus nickel resources containing more than 1.5 million tonnes of nickel metal.
- Early stage drilling at Mulga Tank tested four of six targets that contained high tenor nickel and copper in komatiites, veins, and Dunite.
- Proactive Investors forecasts a 12 month share price target of \$0.04 per share with additional and very significant upside from ongoing exploration.

## BACKGROUND

[Impact Minerals \(ASX:IPT\)](#) was established to explore for nickel, gold, and [Platinum Group Metals](#) (PGM's) worldwide and listed on the Australian Stock Exchange in November 2006.

That focus is now directed at three Australian projects called Broken Hill, for PGM's with nickel and copper, Commonwealth, for high grade gold, silver, zinc, lead, and copper, and Mulga Tank, for high grade nickel and gold.

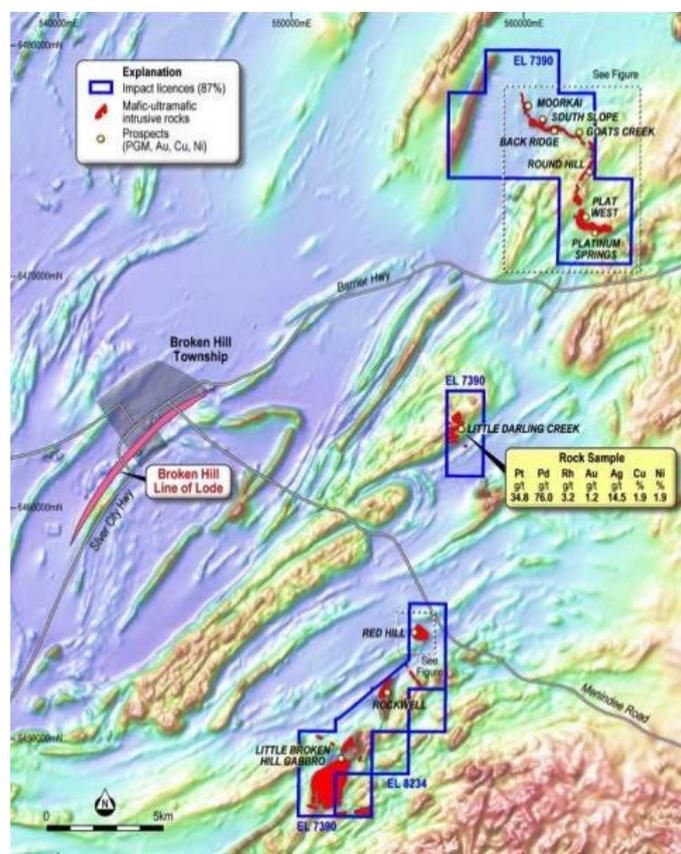
The Company is well supported for funding purposes by major shareholders who hold 56% of capital.

### BROKEN HILL HIGH GRADE PLATINUM PROJECT (IMPACT 87% EARNING 90%)

The Broken Hill high grade platinum project is made up of three separate tenement blocks that encompass a number of highly prospective targets containing widespread high grade PGM results within an ultramafic belt that extends for a strike distance of about 40 kilometres.

These rare [Platinum Group Metals](#) include platinum, palladium, rhodium, osmium, iridium, and ruthenium.

The tenement holdings are located 10 to 20 kilometres north and southeast of Broken Hill in New South Wales and are very close to road access, local utilities, mining services, and a mining oriented workforce.



MAP ONE: Broken Hill High Grade Platinum Project Area

Impact has identified at least 10 prospects and 3 high priority targets within EL8234 and EL7390 which is in a Joint Venture with Golden Cross with Impact earning up to a maximum of 95% and include:

- Red Hill which contains the high priority Red Hill discovery, and prospects at Rockwell and the Little Broken Hill Gabbro.
- Platinum Springs which is a high priority target containing a previous high grade drill intercept of 2 m at 52.6 grams per tonne platinum equivalent, and forms the southern extension of prospects known as Plat West, Round Hill, Back Ridge, Southern Slope, and a high priority target at Moorkai.
- Moorkai reported exceptional rock chip assays with values up to 10.9 grams per tonne platinum, 28 grams per tonne palladium, 9% copper, and 2.6% nickel.

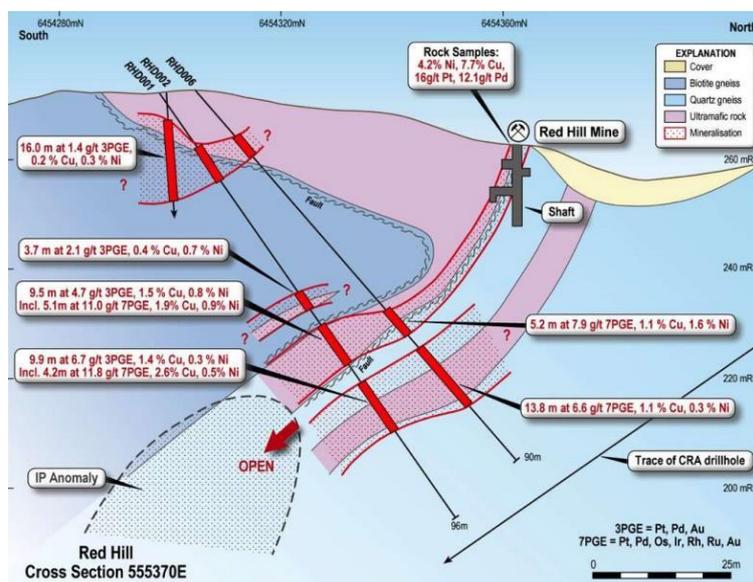
## RED HILL

The Red Hill discovery includes the historic Red Hill Mine that was mined for copper from 1906 to 1937 down to vertical shaft depth of 36 metres and produced about 500 tonnes of ore from four parallel lodes each between 1 and 2.5 metres wide.

Face sampling of historic workings returned 2 to 4% copper, 2 to 3% nickel, 5 to 41 grams per tonne platinum and 22 to 70 grams of silver, with lodes open along strike and at depth.

Surface rock chip sampling over an area measuring 130 metres by 30 metres to the northeast of the Red Hill Mine returned 1 to 36 grams per tonne PGE's and 0.2 to 6.1% copper near the western contact of ultramafic.

Mineralisation is contained in veins and breccias that are associated with an ultramafic intrusion with drilling indicating that the mineralised zone is 25 to 30 metres thick and dips shallowly to the south with mineralisation open at depth.



MAP TWO: Red Hill Mine New High Grade Platinum Discovery open at depth

A maiden drilling program was completed in January 2015 that discovered two mineralised zones at a vertical depth of 25 to 40 metres that lie below and along strike from historic workings at the historic Red Hill Mine.

These zones are known as the Upper Zone and Lower Zone with assays confirming that the:

- Upper Zone (Drill hole RHD001) is 9.5 metres wide and hosts a grade of 9.3 grams per tonne platinum equivalent, which includes 4.7 grams per tonne of platinum, palladium and gold and 1.5% copper from 53.7 metres downhole (not vertical), and included 5.1 metres at a grade of 14.3 grams per tonne platinum equivalent which includes 11 grams per tonne of platinum, palladium, gold, osmium, iridium, rhodium, and ruthenium, 1.9% copper and 0.9% nickel from 57.3 metres downhole.
- Upper Zone (Drill hole RHD006) is 5.2 metres wide and hosts a grade of 12.7 grams per tonne platinum equivalent, which included 7.9 grams per tonne of platinum, palladium, and gold, 1.1% copper and 1.6% nickel from 54.2 metres downhole.
- Lower Zone (RHD001) is 9.9 metres wide and hosts a grade of 9.1 grams per tonne platinum equivalent which includes 6.7 grams per tonne of platinum, palladium, and gold, 1.4% copper and 0.3% nickel from 67 metres downhole, and included 4.2 metres at a grade of 15 grams per tonne platinum equivalent which includes 11.8 grams per tonne of platinum, palladium, gold, osmium, iridium, rhodium and ruthenium, 2.6% copper and 0.5% nickel from 71.6 metres downhole.
- Lower Zone (RHD006) is 13.8 metres wide and hosts a grade of 8.1 grams per tonne platinum equivalent which includes 6.6 grams per tonne platinum, palladium, gold, osmium, iridium, rhodium and ruthenium, 1.1% copper and 0.3% nickel from 63.2 metres downhole.

These results define broader intercepts of bulk mineable width within RHD001 of 32 metres at 6.4 grams per tonne platinum equivalent from a depth of 46 metres and RHD006 of 25.5 metres at 6.9 grams per tonne platinum equivalent from a depth of 52 metres.

The very shallow mineralised drill intersections are interpreted to be close to true width and appear to be increasing in width and grade at depth, and represent high dollar per tonne mining targets.

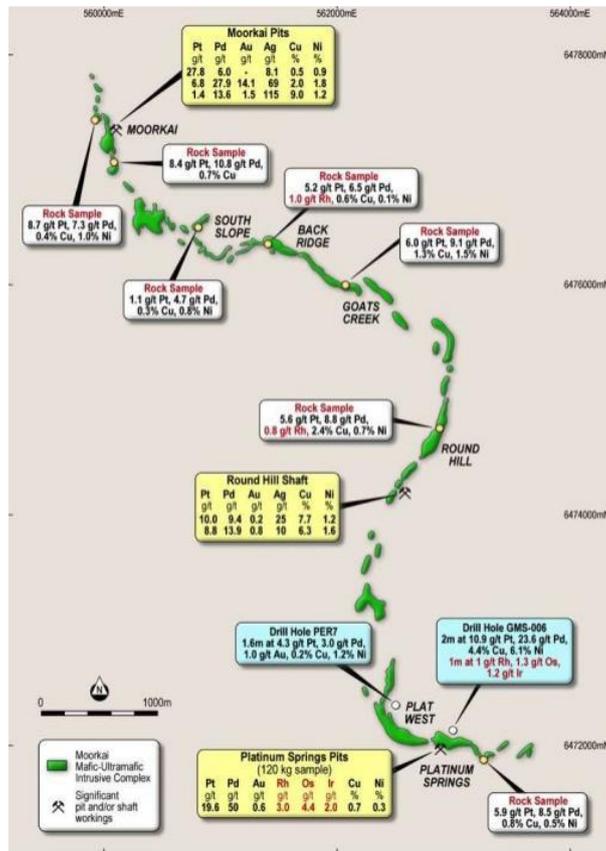
An Induced Polarisation chargeability anomaly identified in a ground geophysical survey indicates potential for additional mineralisation at depth and along strike from the currently defined Upper and Lower Zones.

These technical studies married to drilling data and surface sampling have led to the identification of six drill targets numbered T1 to T6 down to depths of up to 150 metres and across an area of about 500 square metres.

Impact currently has an 87% interest in for the rights to nickel, platinum and other metals associated with mafic and ultramafic complexes within the licence area.

Should Golden Cross dilute its interest to less than a 5% interest then Impact has the right to purchase that interest for \$1.

Silver City retains the rights to base metal, silver and gold mineralisation associated with Broken Hill style mineralisation within the licence area.



MAP THREE: High grade platinum targets developing along entire Moorkai Intrusive Complex

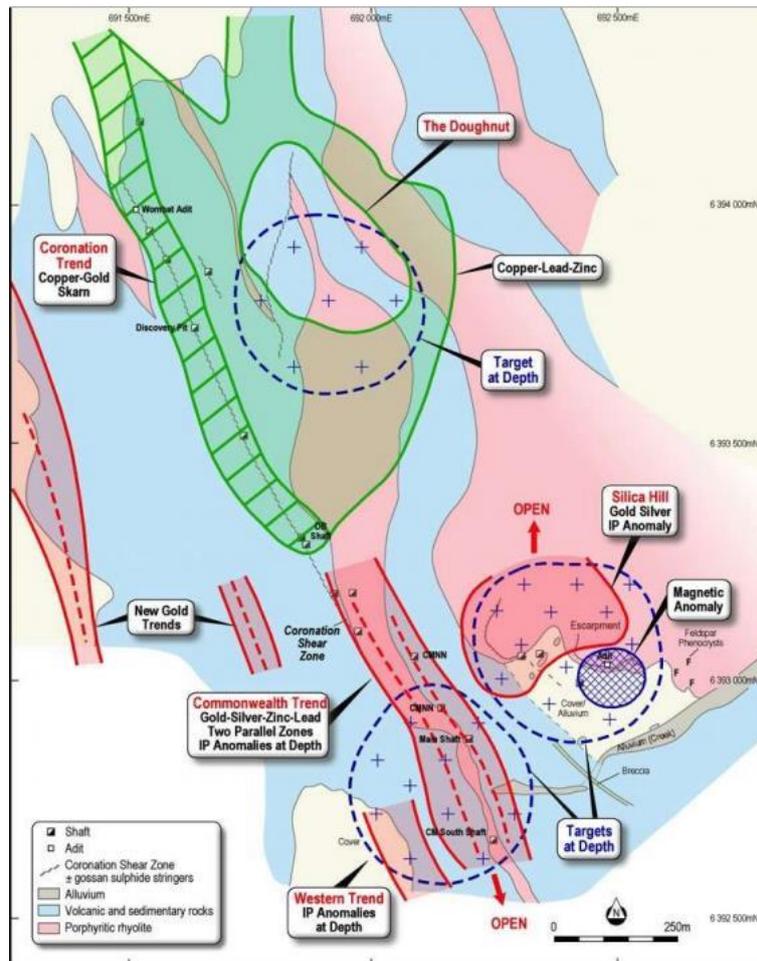
The Moorkai Intrusive Complex has reported spectacular rock chip assay results along its entire strike length of nine kilometres that extends from the Moorkai prospect to Platinum Springs. Extensive drilling has only been undertaken at Platinum Springs and this returned a very high grade drill result of 2 metres at 52.9 g/t platinum comprising 10.9 g/t platinum, 23.6 g/t palladium, 4.4% copper and 6.1% nickel.

The entire area is prospective for deposits similar to those at Thunder Bay in Canada (owned by [Panoramic Resources](#) Ltd). There is clear potential for the discovery of >1 million oz of platinum at Broken Hill.

### COMMONWEALTH GOLD, SILVER AND BASE METAL PROJECT (IMPACT 100%)

The Commonwealth Project is located 100 kilometres north of Orange in New South Wales and covers 315 square kilometres within the prolific Lachlan Fold Belt that is highly prospective for both Volcanogenic Massive Sulphide “VMS” and very large porphyry copper gold deposits.

This belt hosts major gold, silver and base metal mines that include VMS style resources at Woodlawn (Heron Resources) hosting 7 million gold equivalent ounces; and porphyry style at Cadia-Ridgeway (Newcrest Mining) hosting 70 million ounces of gold, and 12 million tonnes of copper.



MAP FOUR: Large VMS and porphyry style targets at Commonwealth

The Commonwealth Trend hosts the dormant Commonwealth Mine (main shaft) which is a high grade gold Volcanogenic Massive Sulphide Prospect with potential for early small scale production.

On 19 February 2015 Impact announced a maiden JORC Inferred Mineral Resource at Commonwealth which was independently prepared by Optiro for an estimate of 720,000 tonnes at 4.7 grams per tonne gold equivalent for a contained 110,000 gold equivalent ounces, comprising 2.8 grams per tonne gold, 48 grams per tonne silver, 1.5% zinc, 0.6% lead and 0.1% copper.

Currently defined mineralisation extends from surface to an average depth of 90 metres, and has a strike length of 400 metres and is up to 25 metres thick.

The resource remains open along strike and at depth, contains both massive sulphide mineralisation at the Main Shaft prospect and disseminated vein and lesser massive sulphide mineralisation at the Commonwealth South prospect.

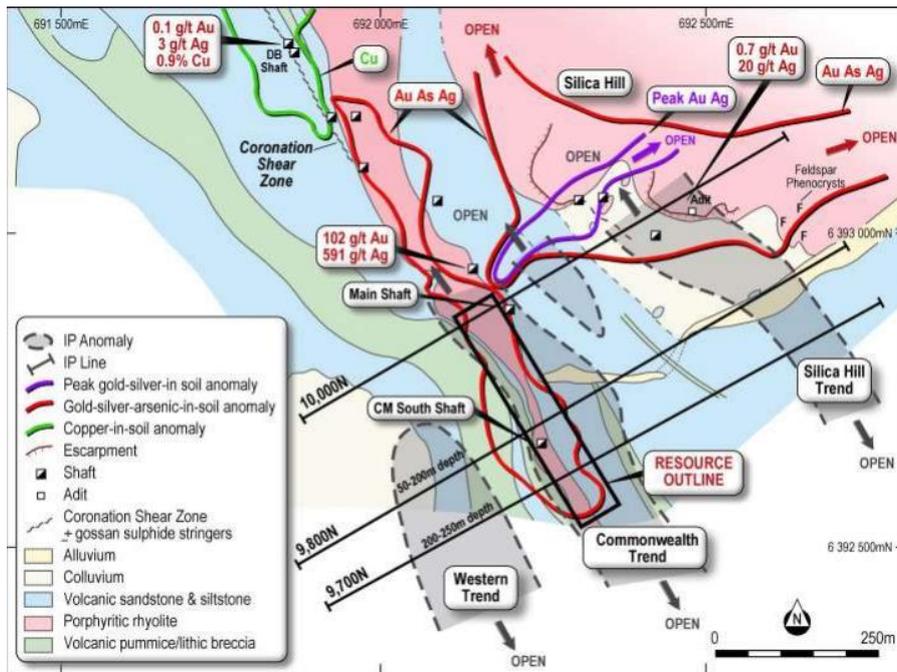
The defined resource immediately around the Main Shaft is extremely high grade and includes 145,000 tonnes at 10 grams per tonne of gold equivalent for 47,000 of gold equivalent ounces comprising 4.3 grams per tonne gold, 142 grams per tonne silver, 4.8% zinc, 1.7% lead, and 0.2% copper.

Potential for addition of further high grade resources is illustrated by a drill hole that reported 4 metres at 41

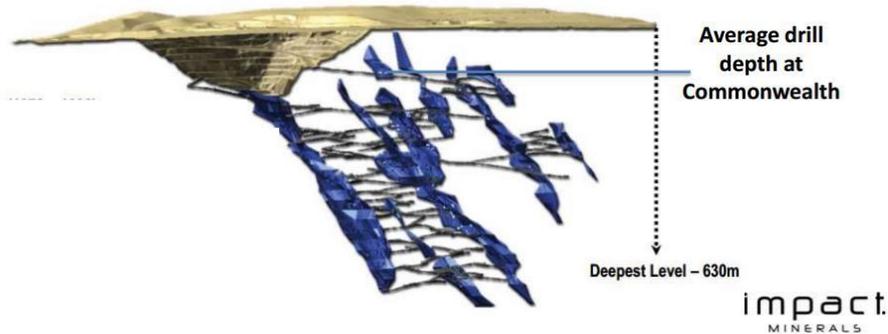
grams per tonne gold at the current edge of the open ended mineralised zone.

A ground gravity survey and ground Induced Polarisation survey have been completed and are being interpreted, and follow up soil surveys are planned for Silica Hill and Doughnut target areas.

Follow up drilling is scheduled to commence later in 2015.



MAP FIVE: Commonwealth & Silica Hill targets represent large VMS targets



MAP SIX: 3D view of mineralised lenses at the Woodlawn deposit which extend to at least 630 m below surface.

Also shown for comparison is the average drill depth at Commonwealth.

Commonwealth represents a conceptual target with potential to exceed one million ounces of gold equivalent. The area is poorly explored with the average drill depth being less than 100 metres. By comparison the Woodlawn deposit contains VMS mineralisation down to at least 630 m below surface.

Induced Polarisation studies have identified three trends known as the Western, Commonwealth and Silica Hill that are all open and carry multiple targets.

Silica Hill is a large sulphide-silica alteration system that is at least 300 metres thick and 500 metres long with high grade silver results that may be a possible epithermal feeder zone.

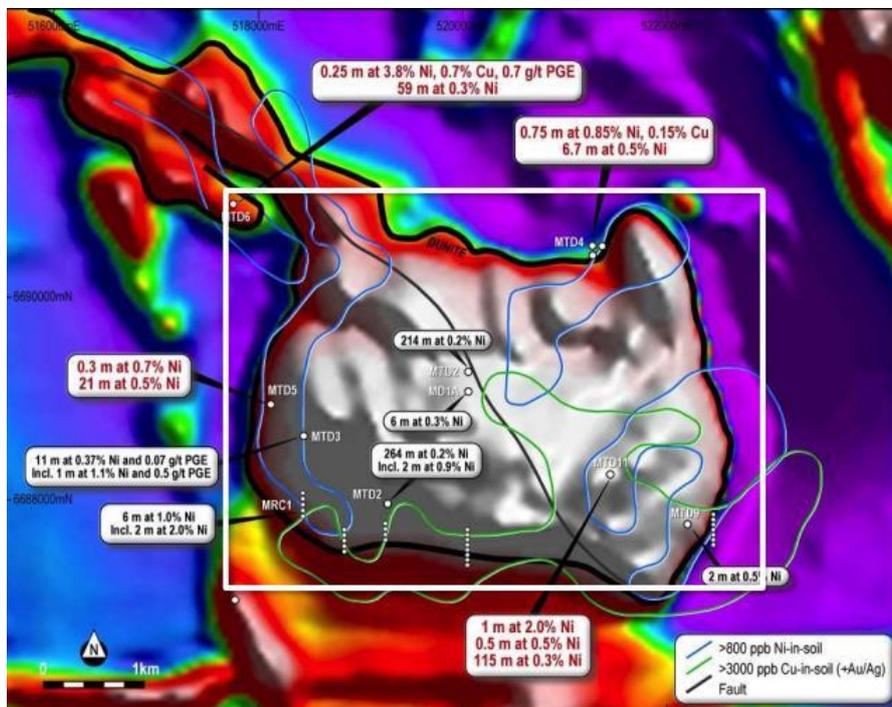
The northern end of the property contains the Coronation Trend and the Doughnut which hosts conceptual multimillion ounce gold potential in porphyry-copper-gold targets.

Impact has identified metal assemblages in soil geochemistry that indicative of copper and gold porphyry, skarn, and silver, gold, and base metals over many square kilometres.

### MULGA TANK (IMPACT 100%)

The Mulga Tank Project covers 425 square kilometres in the emerging nickel province of southwest Western Australia that is host to [Sirius Resources](#) Nova Nickel Deposit, Independence Group's Tropicana Gold Mine, a disseminated nickel sulphide discovery at Dragon owned by St. George Mining, and a significant uranium deposit at Mulga Rocks.

Mulga Tank is highly prospective for bulk tonnage nickel deposits such as Mount Keith (>2 Mt of contained nickel), high grade nickel sulphide deposits similar to those found at Kambalda and Forrestania, greenstone hosted gold deposits found throughout the Eastern Goldfields and within the Yilgarn Craton, and palaeochannel uranium deposits such as the nearby Mulga Rocks.



MAP SEVEN: Mulga Tank Dunite represents a very large nickel target

Impact has discovered high tenor nickel, copper and platinum values within the Minigwal greenstone belt that contains the Mulga Tank Dunite, which is a circular and strongly magnetic feature that covers a 15 square kilometre area.

Drilling results reported to date include:

- High tenor veins at the base of the Mulga Tank Dunite reported 0.25 metres at 3.8% nickel, 0.7% copper and 0.7 grams per tonne of Platinum Group Equivalents, and 0.3 metres at 0.7% nickel.
- High tenor nickel sulphide in multiple komatiites in a flow channel reported 0.76 metres at 0.85% nickel, 0.35% copper, 0.28 grams per tonne of Platinum Group Equivalents, and 6.7 metres at 0.5% nickel.
- Extensive disseminated nickel in the Mulga Tank Dunite reported 2 metres at 1.3% nickel and multiple zones of 0.5 metres at 0.5% to 1.2% nickel within an intersection of 115 metres at 0.3% nickel; other thick intercepts include 21 metres at 0.4% nickel, and 59 metres at 0.3% nickel.

The Mulga Tank project hosts a very large greenstone belt that includes over 20 kilometres of strike which has never been explored for nickel.

The Western Australian Government's Exploration Incentive Scheme has awarded a grant of \$275,000 to test several areas including the basal contact of the Mulga Tank Dunite for high grade nickel, copper and Platinum Group Metal deposits.

A detailed exploration program and budget is now being prepared for near term follow up drilling.

#### **AFRICA – BOTSWANA URANIUM PROJECT (IMPACT 100%)**

The Botswana Project areas comprise approximately 30,000 square kilometres of Prospecting Licenses that contain significant strike extensions to the host rocks found at the nearby Letlhakane Uranium Project owned by [A-Cap Resources](#).

Letlhakane hosts an Inferred Resource of 261 million pounds of U3O8 at an average grade of 150 parts per million or ppm (at a 100 ppm cut-off grade) contained within near surface calcretes of the Kalahari Group and sedimentary rocks of the Karoo Group.

Early stage drilling at the Moiyabana Prospect which is located about 150 kilometres south west of Letlhakane has identified broad U3O8 mineralisation within granitic gneiss and migmatite.

Intersections included 4.2 metres at 320 ppm eU3O8 from a depth of 35 metres, and 16 metres at 115 ppm eU3O8 from a depth of 2 metres.

The newly discovered mineralisation at Moiyabana has geological characteristics similar to the unconformity and high grade uranium deposits in Proterozoic rocks found in the Athabasca Basin of Canada and the Pine Creek Orogen of Australia.

Further work is planned on recovery of the uranium price.

#### **BOTSWANA XADE NICKEL-COPPER-PGE JOINT VENTURE (IMPACT 51%)**

The Xade Prospecting Licenses cover 9,000 square kilometres and include a very large aeromagnetic feature

interpreted from existing drilling as a large gabbro intrusion.

It has the same dimension as one half of the PGE fertile and world class Bushveld complex found in neighbouring South Africa with 75% of the world's platinum, and has similar geological characteristics to the Midcontinent Rift of North America which also hosts numerous major copper-nickel-PGE deposits.

A joint venture partner is being sought for this project.

## ANALYSIS AND VALUATION

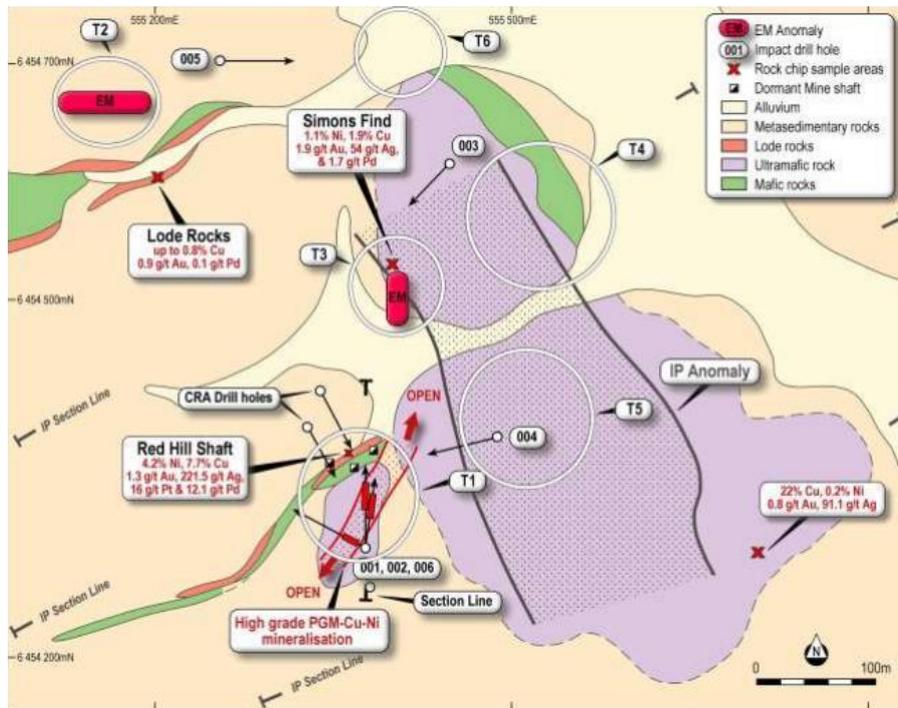
[Impact Minerals](#) is capitalised at \$13.02 million, of which \$1.07 million is cash for an Enterprise Value of \$11.95 million for a current portfolio of three high priority Australian projects and two Botswana projects for nickel and uranium.

The current Enterprise Value includes:

- JORC resources at the Commonwealth Project of 110,000 high grade gold equivalent ounces with a grade of 4.7 grams per tonne gold equivalent that remain open along strike and at depth and represent a near term mining opportunity.
- Drilling and technical studies at the Broken Hill Platinum Project are indicating potential for presence of widespread and high grade [Platinum Group Metals](#) across multiple prospects, including potential for the presence of a significant near surface resource at Red Hill.
- Drilling, soil sampling and Induced Polarisation studies at Mulga Tank are indicating the widespread presence of disseminated and massive nickel sulphides.

The Upper and Lower Zones at Red Hill are assaying within a 9.1 to 15 gram per tonne platinum equivalent range which translates into a gold equivalent range of 8.2 – 13.5 grams per tonne of gold.

The Upper and Lower Zones are estimated at a thickness of 25 to 30 metres, and indicate conceptual tonnage potential of approximately 625,000 to 750,000 tonnes per each 100 by 100 metre rock block.



MAP EIGHT: IP Anomaly & Ultramafic Rock target has very significant conceptual upside

Projecting extension of this conceptual tonnage estimate at width and at depth (generated from drilling and IP data) pushes the project potential into multi-millions of tonnes.

Additional conceptual upside flows from indications that the ore zones thicken at depth.

This conceptual and speculative estimate is provided to illustrate the very significant upside that is present, and will be shortly tested by the next round of drilling.

### PGM's at Red Hill

Australian investors have little direct local exposure to high grade platinum exploration and development of local platinum mines, with the nearest comparison being high grade gold developers.

[Doray Minerals \(ASX:DRM\)](#) is a Western Australian high grade gold developer and producer with two projects hosting 1.16 million ounces of gold at a grade of 7.8 grams per tonne at Andy Well and Deflector.

Doray carries an Enterprise Value of \$77.8 million which equates to an Enterprise Valuation of \$66.07 per gold ounce and serves as an excellent proxy for valuation purposes.

Andy Well took 48 months to discover and develop, with initial production flowing from a high grade open pit that led into a much longer term underground mining operation.

Red Hill also exhibits potential for high grade, shallow, open pitable ore which may have potential for low CAPEX and OPEX as the first stage of a mining operation.

Proactive Investors believes that the next stage of drilling at Red Hill could significantly increase the resource

potential within the Upper and Lower Zones, as will ongoing exploration on nearby high priority targets and prospects.

The Enterprise Value of the Mulga Tank nickel project can be ascertained by local peer group comparisons that include [St George Mining \(ASX:SGQ\)](#) with an Enterprise Value of \$10 million that is developing a nickel project 50 kilometres to the north of Mulga Tank, and [Rumble Resources \(ASX:RTR\)](#) with an Enterprise Value of \$8.5 million for nickel projects within the Fraser Range.

Proactive has calculated an Enterprise Value for Mulga Tank of \$9.25 million being the peer group average.

Proactive Investors calculates an Enterprise Value of \$5.2 million to the current 4.7 gram per tonne gold resource at Commonwealth, based on the [Northern Star \(ASX:NST\)](#) recent acquisition of the Central Tanami Project for \$30 per resource ounce at a grade of 3 grams per tonne gold.

Botswana uranium and nickel assets are assigned a nominal value of \$1 million.

We believe that the Broken Hill Platinum Project represents a major growth opportunity for [Impact Minerals](#). We have calculated a valuation of \$10 million for the project based on results to date. However, Proactive notes this could be very conservative in the event of further strong exploration results at the Project.

Further drilling and development work at Red Hill is expected to generate a JORC Compliant Mineral Resource and a significant price catalyst.

#### **PRICE CATALYSTS – NEAR TERM**

- Broken Hill follow up 1,000 metre drilling program to get underway at Red Hill in Q3 of 2015.
- Commonwealth Interpretation of Induced Polarisation and ground gravity survey underway in Q2 of 2015, with follow up drilling in Q4 of 2015.
- Silica Hill geochemistry studies underway Q2 of 2015.
- Silica Hill and Doughnut follow up drilling programs in Q4 of 2015.
- Mulga Tank airborne magnetic survey and ground EM/SAM surveys followed by joint venture in Q3 – Q4 of 2015.

While early days at Red Hill, the grade and extensions of the previously untested zones - afford significant promise. With some of the intercepts contained as what is known as 7PGM minerals which includes high value PGM's of osmium, iridium and rhodium the exploration program will be keenly watched.

The results from Red Hill are part of a series of early exploration on six initial prospects within the wider Broken Hill project JV area.

Located just 20 kilometres from the World Class Broken Hill silver-lead-zinc mine, [Impact Minerals](#) is exploring in elephant country, which is the key.

Proactive calculates an Enterprise Value of \$25.45 million or \$0.04 per share (undiluted) with very significant additional upside potential with further exploration success at Broken Hill, Commonwealth, and Mulga Tank.

**Proactive Investors Australia is the market leader in producing news, articles and research reports on ASX “Small and Mid-cap” stocks with distribution in Australia, UK, North America and Hong Kong / China.**

You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made.

However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The contributors make every effort to ensure that the information and material contained in this report is accurate and correct and has been obtained from reliable sources. However, no representation is made about the accuracy or completeness of the information and material and it should not be relied upon as a substitute for the exercise of independent judgment. Proactive Investors does not accept any liability, including negligence, for any loss or damage arising from the use of, or reliance on, the material contained in this report. There are general risks associated with any investment in securities. Investors should be aware that these risks might result in loss of income and capital invested.

**WARNING:** No recipients should rely on any recommendation (whether express or implied) contained in this document without obtaining specific advice from their advisers. All investors should therefore consider the appropriateness, in light of their own objectives, financial situation and/or needs, before acting on the advice.

**DISCLOSURE:** Proactive Investors, its directors, associates, employees or representatives may not effect a transaction upon its or their own account in the investments referred to in this report or any related investment until the expiry of 24 hours after the report has been published.