

ASX ANNOUNCEMENT

Date: 30 January 2020

No. 653/300120

DECEMBER 2019 QUARTERLY REPORT

1. COMMONWEALTH PROJECT (IPT 100%)

- Numerous new targets for porphyry copper-gold mineralisation have been identified at Impact's Commonwealth project along trend from the recent Boda-Kaiser discovery (Alkane).
- A number of priority areas have been field checked including:
 - Boda South** – an unexplored area of poor exposure where the Boda-Kaiser intrusive complex may extend for up to 500 metres on to Impact's ground based on regional magnetic data;
 - Apsley** – an area of magnetic anomalies in Ordovician volcanic rocks with direct similarities to the Boda-Kaiser area and where fresh copper sulphides bornite and chalcopyrite occur in magnetic rocks;
 - Spicers Creek** – extensive quartz veining and weathered copper mineralisation in skarn-altered volcanics with previous high grade rock chips of 21% copper and 3.2 g/t gold were returned from weathered rocks (results are enriched by weathering processes).
- Follow up work on these three targets was completed in January with assays expected by early March.
- Other targets have been identified on the Day Dawn and Pine Hill projects, located south of Commonwealth and near the Copper Hill deposit (resources of 1.3 Moz gold and 0.5 Mt of copper), and at depth below the Commonwealth high sulphidation massive sulphide deposit.
- A full synthesis and review of previous exploration data is underway with a view to further field programmes as soon as practicable.

2. BROKEN HILL PROJECT, NSW (IPT 100%)

- Review of previous exploration results in progress in light of record palladium prices including the Red Hill Prospect where previous drilling by Impact returned 1.2 metres at 254 g/t (9 ounces) palladium, 10.4 g/t platinum, 7.4% nickel, 1.8% copper, 19 g/t silver and 0.5% cobalt.

3. BLACKRIDGE GOLD PROJECT, QLD (IPT 100%)

- Impact decided not to proceed with the exercise of its option to acquire 95% of Rock Solid Holdings Ltd. Accordingly the proposed trial mining programme at Blackridge did not take place.

4. CORPORATE

- Cash at December 31st was \$1.1 million.

Market Cap

A\$10.5 m (0.008 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
Non-Executive Director

Bernard Crawford
Company Secretary

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1. COMMONWEALTH PROJECT (IPT 100%)

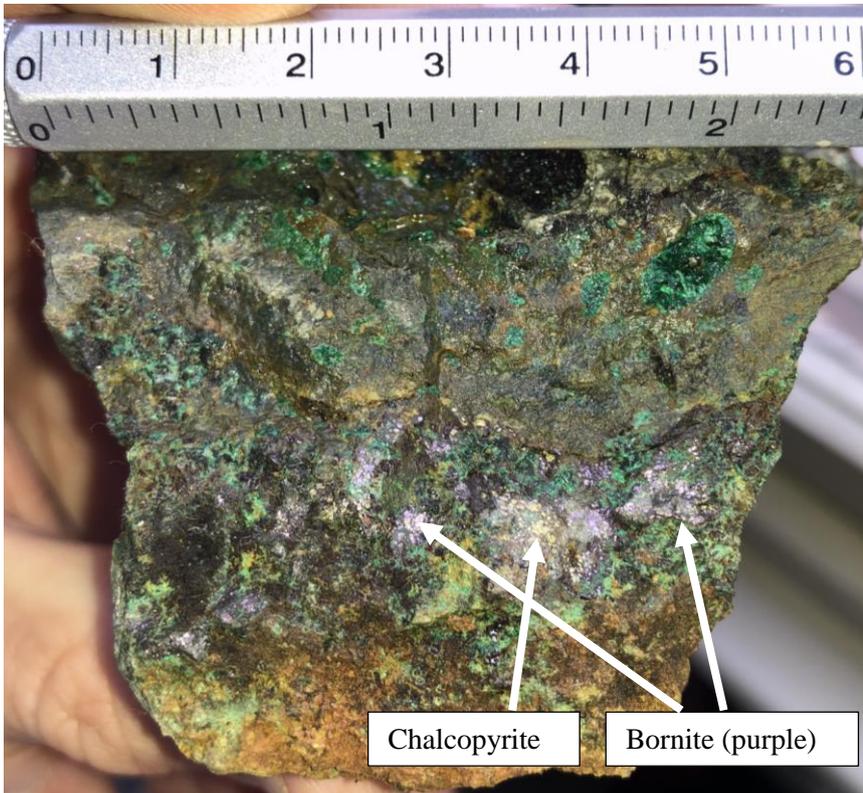


Figure 1. Apsley Prospect:
Sample of volcanic rock with extensive bornite (purple) and chalcopyrite (yellow) as well as copper oxides and carbonates (green) within moderately magnetic volcanic rock. Sample from Z55 683,854E 6,390,589.

New priority targets for porphyry copper-gold mineralisation have been identified within Impact's extensive 100% owned Commonwealth project in the prolific copper-gold rich Lachlan Fold Belt in New South Wales following a review of the project prompted by the recent discoveries of porphyry copper-gold at Boda-Kaiser (Alkane Resources Limited), immediately along trend from one of Impact's targets, and Thursday's Gossan in Victoria (Stavely Minerals Limited).

Preliminary field work on several of the targets has identified significant copper mineralisation at surface including for example the Apsley prospect where extensive primary copper sulphides (bornite and chalcopyrite) and copper oxides have been identified (Figure 1). Assays from rock chip samples were received in January and follow up field checking and sampling has already been completed (ASX Release 14 January 2020).

The new targets have been identified directly by Impact and also by a prospectivity analysis of the licences completed by well respected consultants Kenex Limited using "Weights of Evidence", spatial data computer modelling across Impact's entire portfolio covering 900 square kilometres in the Lachlan Fold Belt. This portfolio also includes the Day Dawn and Pine Hill Projects to the south of Commonwealth where the targets are still being assessed (Figures 2 and 3).

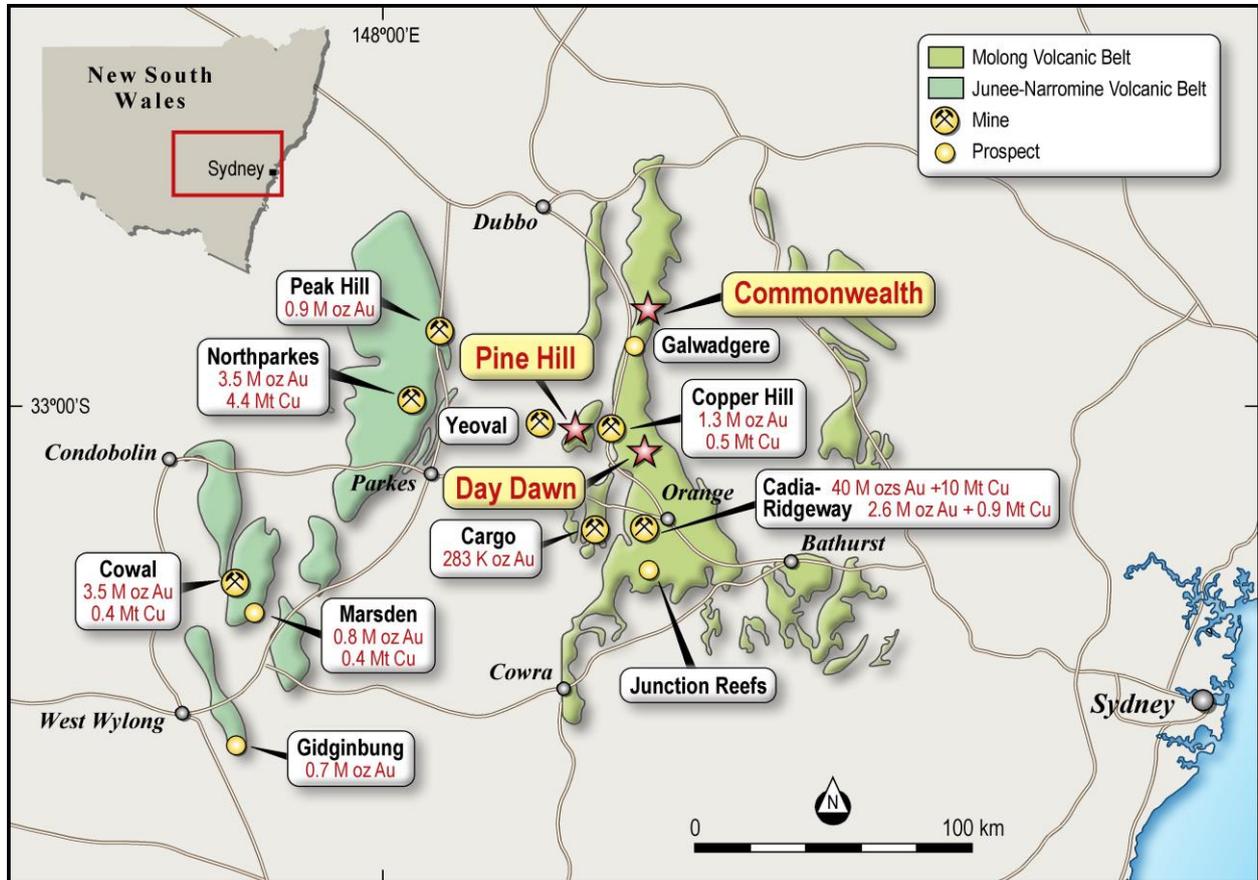


Figure 2. Location of Impact’s Commonwealth Pine Hill and Day Dawn Projects in the Lachlan Fold Belt of NSW, home to many significant gold and copper mines.

Weights of evidence modelling provides an excellent “first pass” filter to identify areas of interest based mostly on the presence or absence of key geological parameters such as major faults, prospective host rock and previous geochemical anomalies etc.

As well as targets for porphyry copper-gold mineralisation, Kenex also identified targets for copper-gold skarn and volcanogenic massive sulphide mineralisation and these are also being assessed.

In addition an assessment of the potential for porphyry copper gold mineralisation is underway at depth beneath the Commonwealth massive sulphide deposit where Impact recently announced an upgrade to the Inferred Resource of **912,000 tonnes at 2.4 g/t gold, 44 g/t silver, 1.2% zinc and 0.5% lead** (ASX Release 22 August 2019). Numerous narrow high grade intercepts of copper occur at depth below the massive sulphide body and Impact has interpreted the entire system as having formed by submarine venting of fluids from a porphyry copper gold system at depth (ASX Release 13 April 2018).

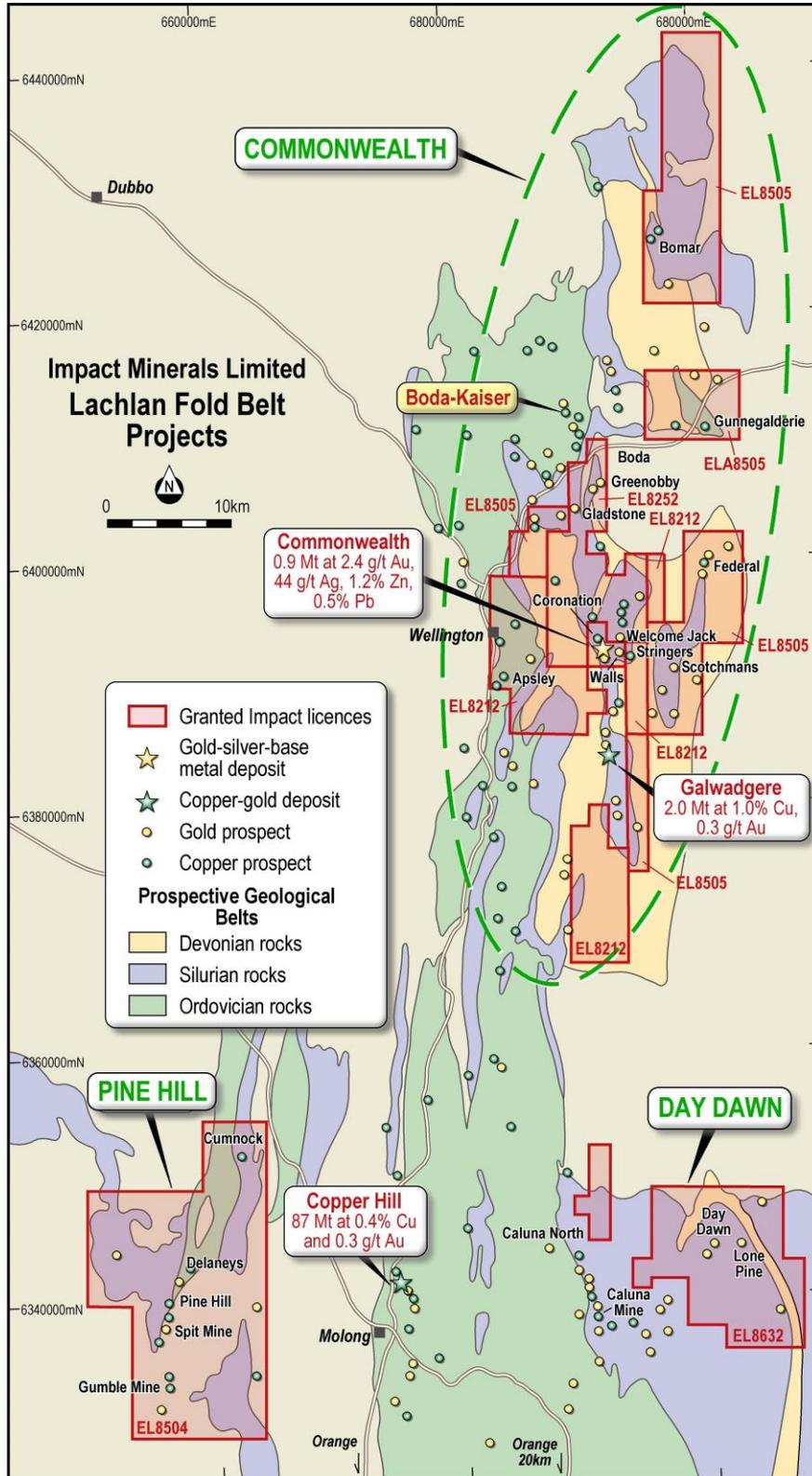


Figure 3. The geology, gold and copper mineral occurrences and Impact’s Projects in the Lachlan Fold Belt.

PRIORITY TARGETS FOR PORPHYRY COPPER-GOLD AT THE COMMONWEALTH PROJECT

Key features of the priority targets for porphyry copper gold and copper-gold skarn deposits in the Commonwealth project area are described below and shown on a geology map in Figure 4 and a corresponding image of regional government magnetic data in Figure 5. Further synthesis and review of previous exploration data and ranking of targets for follow up is in progress.

Targets have been identified in rocks of Ordovician, Lower Silurian and Devonian aged rocks, all of which are host to significant porphyry copper mineralisation in eastern Australia.

All rock chip results quoted have been reported to the Geological Survey of New South Wales and are from public databases.

Boda South: This area lies immediately along trend from the Boda discovery and is poorly exposed. The regional magnetic data suggests that the southern end of the Boda-Kaiser intrusive complex extends on to Impact's ground for up to at least 500 metres where it is then truncated by the Nindethanna Thrust, a major deep-seated structure that traverses much of the central part of the project area (Figures 4 and 5). This thrust may have buried extensions to the Boda-Kaiser complex.

The target also contains Lower Silurian Volcanics in the immediate hanging wall (eastern side) of the thrust which are prospective for porphyry copper-gold deposits similar to North Parkes where the intrusions which are of the same age and chemical affinity as the Volcanics, are non-magnetic and not mappable in regional magnetic data.

Apsley: This target is centred 8 km south of Wellington and covers a number of magnetic anomalies within Ordovician basalts and andesites. These are direct analogies to the magnetic response at Boda-Kaiser associated with the skarn mineralisation and parent porphyry intrusion. Previous explorers reported rock chips up to 6.5% copper and 13 g/t silver. Recent field checking by Impact has found extensive areas of copper mineralisation in the area including primary copper sulphides such as bornite and chalcopyrite (Figure 1). This is encouraging for the presence of near surface significant porphyry copper-gold mineralisation.

Spicers Creek (formerly Gunnegalderie): This target occurs in the north east of the Commonwealth project and comprises magnetic anomalies within Ordovician and Devonian rocks. Field checking by Impact has identified copper mineralisation associated with quartz veins within mafic schists, hornfels and epidote-garnet skarn. The rocks are cut by porphyry dykes. Previous rock chip results of up to 21% copper and 3.2 g/t gold were recorded in weathered samples.

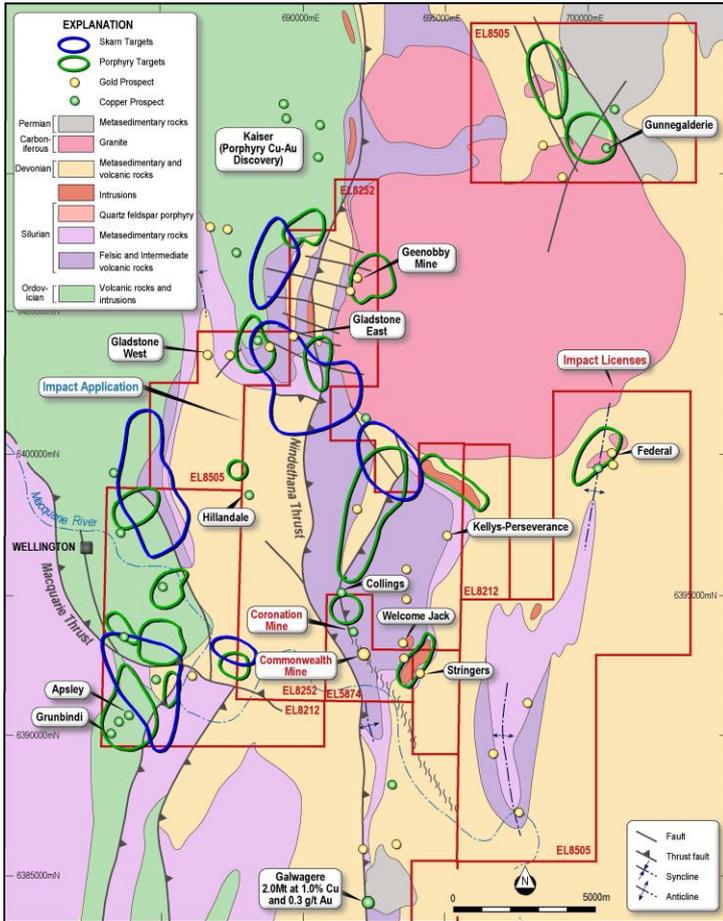


Figure 4. Geology of the Commonwealth Project. Targets have been identified in Ordovician, Silurian and Devonian aged rocks. Ordovician and Lower Silurian aged rocks are key periods of time for porphyry copper-gold deposits in the Lachlan Fold Belt.

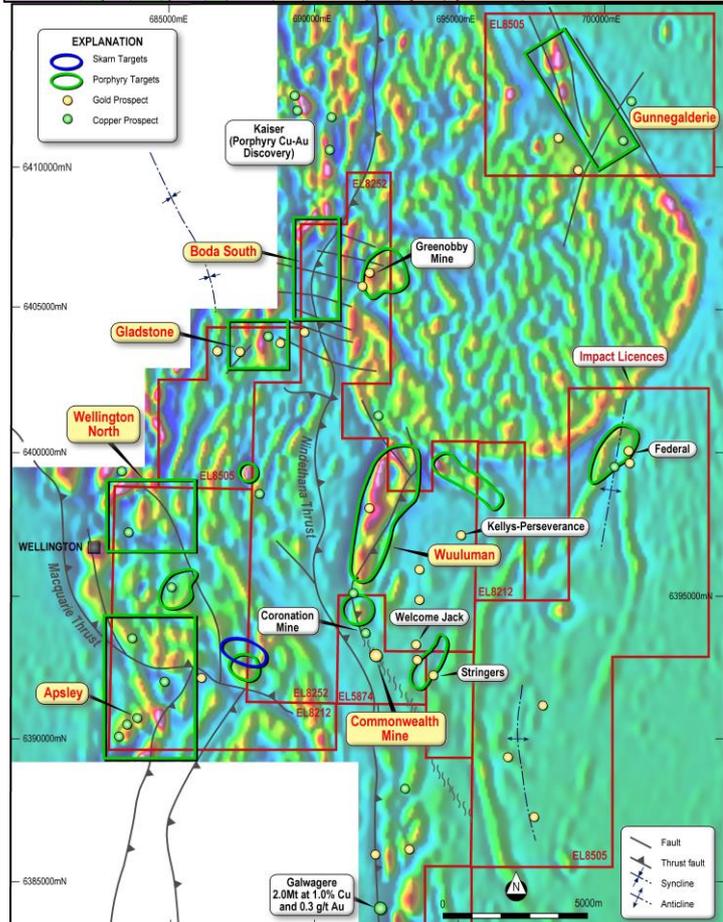


Figure 5. Commonwealth Project: Image of regional magnetic data with more magnetic rocks in warmer colours. Note the magnetic anomalies associated with the Kaiser-Boda discovery where magnetite occurs in skarns and in the host intrusion. The magnetic anomalies extend into Impact's ground at Boda South.

Gladstone: This target lies south west of Boda South and is along trend from and extension of the Lady Ilse prospect of Magmatic Resources Limited. It covers multiple magnetic anomalies in the Lower Silurian volcanics with numerous recorded copper-gold occurrences that returned historic rock chip results of up to 9.9 g/t gold, 3.2% copper and an exceptional silver result of 4,550 g/t silver.

Wuuluman: This target is a magnetic anomaly in Devonian rocks associated with numerous gold and lesser copper occurrences. It is along trend from Impact's Commonwealth deposit and has been poorly explored.

Federal: This target covers a magnetic anomaly in the core of a fold hinge in Devonian rocks. There are several copper-gold occurrences in the area. A small gold mine operated intermittently here from 1907 to 1942 with a recorded production of 797 ounces of gold at an average grade of 21 grams per tonne. Historic rock chip samples returned assays up to 48 g/t, 188 g/t silver and 4.3% lead.

NEXT STEPS

Impact's review of its Lachlan Fold Belt portfolio has reinforced the Company's belief that its tenements have significant prospectivity for the discovery of a major porphyry copper gold deposit. This is in addition to the potential for the discovery of further massive sulphide deposits similar to Commonwealth and which shows strong similarities to the world class Eskay Creek project in the famous Golden Triangle of British Columbia (ASX Release 13 April 2018).

Preliminary field work on some of the priority targets has already identified areas of copper-gold-silver mineralisation that require follow up soil geochemistry programmes and further synthesis and review of previous exploration data. Work thus far has focussed on the Commonwealth project but work is also required on the Pine Hill and Day Dawn projects to the south.

In addition research continues into the possible genetic links between porphyry copper gold mineralisation in the Lachlan Fold Belt and the unique high sulphidation massive sulphide deposit at Commonwealth. Impact has previously proposed that the Commonwealth deposit is the product of submarine venting of fluids from a buried porphyry copper system (Figure 6 and ASX Release 13 April 2018).

This is a potentially powerful model for generating new exploration targets in rocks of Lower Silurian age, extensive tracts of which are present on Impact's licences in the region.

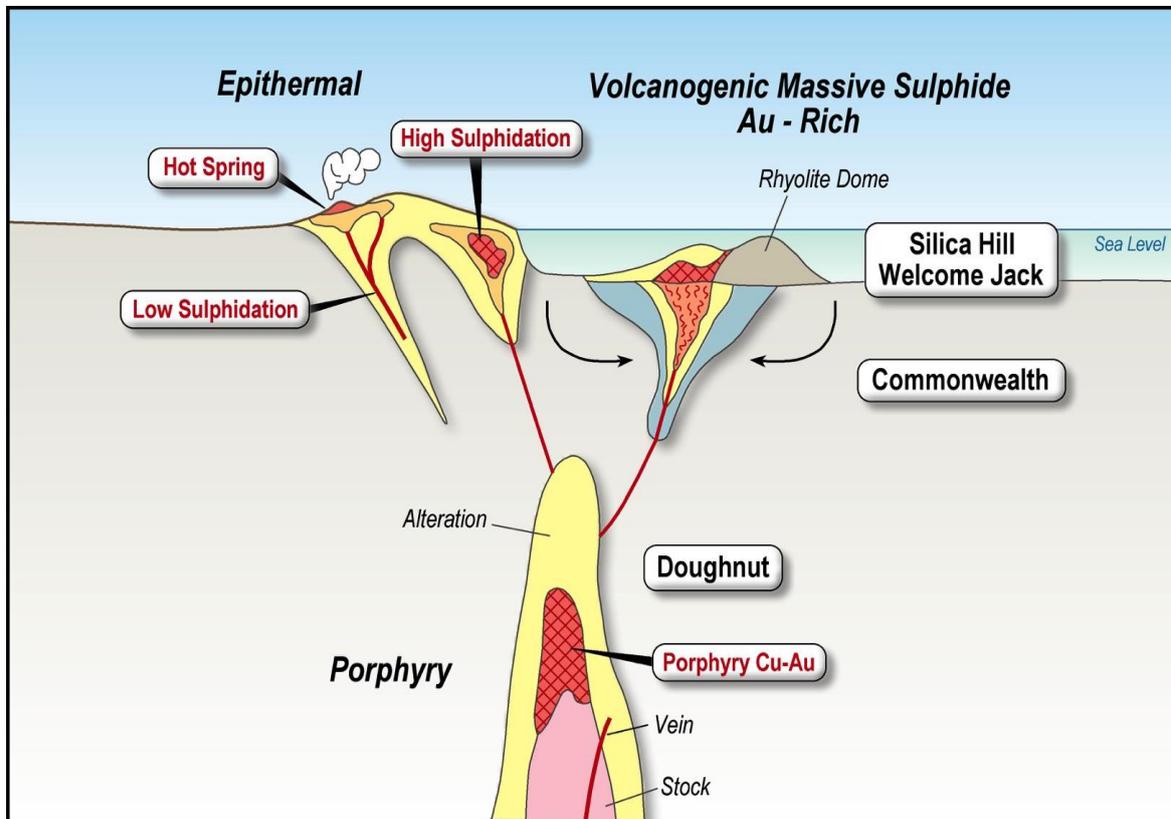


Figure 6. Conceptual model for the upper parts of porphyry copper-gold systems: most models for porphyry-to-epithermal transitions are based on work done in sub-aerial environments. In submarine environments the epithermal mineralisation may be characterised by gold rich high sulphidation volcanogenic massive sulphide deposits such as Commonwealth.

2. BROKEN HILL PROJECT (IPT 100%)

Impact has commenced a major review of its Broken Hill nickel-copper-platinum group metals project in New South Wales in the light of recent record palladium prices.

Impact's work in the area has identified a new geodynamic framework for the Broken Hill area which shows that the high grade nickel-copper-platinum mineralisation was formed in a similar place to, at the same time as, and by the same processes that led to the formation of the Jinchuan deposit in China, one of the world's largest magmatic sulphide ore bodies.

A major target generation exercise based on this new framework is in progress.

These results add to previous work by Impact which has identified numerous areas for follow up work for high grade deposits of nickel-copper-platinum group metals (PGM)-cobalt along the entire length of a mafic-ultramafic complex interpreted from regional magnetic and gravity data to extend over about 40 km of trend (ASX Announcements 3 May 2017 and 13 December 2018).

Very high grade primary nickel-copper-PGM-gold mineralisation has been discovered along this complex by Impact at both the Red Hill Prospect and also the Platinum Springs Prospect.

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 Announcement 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 Announcements 3 February 2016 and 31 March 2016).

The entire 40 km long belt has been very poorly explored and many targets remain to be followed up. This will be a focus of work for Impact in the next Quarter.

In addition research into the metallurgical recovery of the PGM's is also continuing.

3. BLACKRIDGE GOLD PROJECT (IPT 100%)

Following extended discussions regarding a renegotiation of the option agreement that Impact Minerals Limited (ASX:IPT) had with Rock Solid Holdings Pty Ltd over key Mining Lease applications at the Blackridge gold project north of Clermont in central Queensland, the Board of Impact elected not to proceed with the exercise of its option to acquire 95% of the company (ASX Release 28 November 2019).

Accordingly, the proposed trial mining programme at Blackridge will also not take place (ASX Release 8 October 2019).

The discussions came about because very large bulk samples and trial mining was not a consideration at the time of the original option agreement negotiations. Such an approach only became required after the results of various bulk sampling programmes were completed by Impact (ASX Release 30 October 2019).

In addition, the commercial terms of a proposed royalty payment by Impact to Rock Solid Holdings Pty Ltd during the trial mining period, could not be agreed upon.

Impact will continue to focus its efforts on the Company's other existing key exploration projects in New South Wales: the Commonwealth copper-gold project and the Broken Hill nickel-copper-PGM project.

The Company in the past few months has also been assessing several other key opportunities as part of an ongoing programme of project evaluation and this work will also continue.

4. CORPORATE

- Cash at December 31st was \$1.1 million.



Dr Michael G Jones
Managing Director

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
Commonwealth, NSW			
EL5874	Granted	100%	100%
EL8212	Granted	100%	100%
EL8252	Granted	100%	100%
EL8504	Granted	100%	100%
EL8505 (*)	Granted	100%	100%
EL8632	Granted	100%	100%
Broken Hill, NSW			
EL7390	Granted	100%	100%
EL8234	Granted	100%	100%
EL8636	Granted	100%	100%
EL8674	Granted	100%	100%
EL8609	Granted	100%	100%
Clermont, Qld			
EPM14116	Granted	100%	100%
Black Ridge, Qld			
EPM26806	Granted	100%	100%
ML2386	Granted	100%	100%

(*) Sale of One Sub-block

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")

31 DECEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(239)	(524)
(b) development	-	-
(c) production	-	-
(d) staff costs	(63)	(111)
(e) administration and corporate costs	(100)	(262)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	13
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)	-	-
1.9 Net cash from / (used in) operating activities	(397)	(884)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,516	2,003
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(397)	(884)
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	-	-
4.6	Cash and cash equivalents at end of period	1,119	1,119

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	619	516
5.2 Call deposits	500	1,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,119	1,516

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	94
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.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	300
9.2 Development	-
9.3 Production	-
9.4 Staff costs	70
9.5 Administration and corporate costs	110
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	480

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL 8505 (NSW)	Sale of one 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 January 2020

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.