ASX ANNOUNCEMENT

Date: 29 April 2021
No. 745/290421

MARCH 2021 QUARTERLY REPORT

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

- Outstanding drill results from the **Red Hill** and **Platinum Springs** prospects.
- Follow-up work programs include drilling at **Red Hill**, **Platinum Springs** and **Rockwell-Little Broken Hill Gabbro**, to commence upon completion of Impact's maiden drill program at Apsley.

1.1 Red Hill

- Significant drill intercept of **138m at 0.3g/t 3PGE** (palladium+platinum+gold) including: **12m at 1.5g/t 3PGE, 0.3% Ni and 0.2% Cu,** marking the first significant indication of Ni-Cu-PGM mineralisation within the **Red Hill** chonolith intrusion;
  - The intercept is still open at depth;
  - Additional drillholes into the margin of the Red Hill Intrusion returned significant 3PGE+/-Cu+/-Ni in zones between four and 33 metres thick.
- Recent work by the CSIRO shows that chonoliths with mineralised chilled margins like that seen at Red Hill have a strong chance of hosting significant massive sulphide deposits either at the base of the intrusion, in "throttle zones" or in shallow dipping parts of the intrusion.
  - Analogies to the Red Hill target area are the **Eagle** and related **Eagle East** (4.6Mt at 3.7%Ni and 3%Cu and 1.2 Mt at 5.%Ni and 4.3% Cu) chonoliths of the Mid-Continental Rift in North America (Lundin Mining).

Market Cap

A$34 m (0.019 p/s)

Issued Capital

1,780,886,441
(Pre Placement)

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1.2 Platinum Springs

- Interpretation of final **Platinum Central** (PGM-Cu-Ni) drilling/assay results yielded significant expansion of basal channel target, identification of a second basal channel, containing good grades of mineralisation, as well as high-grade mineralisation *within* the host ultramafic unit (ASX Release 9th March 2021);
    - Basal channel extension drillholes intercepted:
        - **PSIPT044**: 36m at 0.7g/t 3PGE from 3m, *including*
            - 3m at 5.4g/t 3PGE, 0.9% Cu and 1.5% Ni from 76m, *which includes*
            - 1m at 10.3g/t 3PGE, 2.3% Cu, 3.3% Ni, 88g/t Si and 711ppm Cu;
        - **PSIPT036**: 19m at 1.5g/t 3PGE, 0.2% Cu from 51m, *including*
        - 5m at 5g/t 3PGE, 0.6% Cu and 0.6% Ni from 64m;
        - Basal channel now tracked for over 150m along trend and open in both directions;
    - Second basal channel:
        - **PSIPT034**: 5m at 1.3g/t 3PGE, 0.2% Cu and 3% Ni from 65m, *including*
            - 1m at 2g/t 3PGE, 0.5% Cu and 0.4% Ni;
        - **PSIPT049**: 1m at 4.6g/t 3PGE, 0.2% Cu and 0.8% Ni.
    - Intra-ultramafic mineralisation:
        - **PSIPT044**: 13m at 1.9g/t 3PGE, 0.5% Cu and 0.4% Ni from 9m, *including*
            - 2m at 6.7g/t 3PGE, 2.0% Cu and 1.1% Ni from 19m, *which includes*
            - 1m at 8.5gt 3PGE, 3.0% Cu and 1.4% Ni;
        - **PSIPT035**: 9m at 1.3g/t 3PGE, 0.2% Cu from 18m, i*ncluding*
            - 1m at 3.7g/t 3PGE, 0.6% Cu and 0.6% Ni from 22m.
- Basal channel defined from exploratory drilling at **Platinum East**;
    - **PSIPT019**: 27m at 0.5g/t 3PGE from 22m, *including*
        - 3m at 2.7g/t 3PGE, 0.4% Cu and 0.5% Ni from 41m, *which includes*
        - 1m at 4.7g/t 3PGE, 0.6% Cu and 1.1% Ni from 42m
- Mineralisation has now been defined along 1,000m+ of trend at Platinum Springs with significant untested gaps >250m;
- Numerous basal channels are likely to exist along the remainder of the 9km+ Moorkai Trend.

2. COMMONWEALTH PROJECT, NSW (IPT 100%)

2.1 Apsley

- Drilling is ongoing at Apsley to test multiple drill targets of significant size and depth defined by chargeability and resistivity anomalies in ground Induced Polarisation (IP) data;
    - These IP anomalies occur within the *core zone* of a large 2,000m long by 500m wide soil geochemistry anomaly defined by Cu-Au-Pt-Pd, a metal assemblage characteristic of alkalic porphyry deposits such as **Cadia-Ridgeway**;

3. DOONIA PROJECT, WA (IPT 80%)

- A review of previous data shows strong similarities to the recent discovery at the **Burns project** (Lefroy Exploration Limited). Exploration will be expedited on grant of tenement expected by May 2021.

4. ARKUN PROJECT, WA (IPT 100%)

- Structural interpretation of magnetic data for this WA PGM-Ni-Cu project is currently being modelled.

5. CORPORATE

- Cash at March 31st 2021 was $1.1 Million
- Post quarter end the Company announced that it had received firm commitments to raise $4,000,000 (before costs) via a placement of 242,424,242 shares at 1.65 cents per share.

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

The Broken Hill Ni-Cu-PGM Project covers a suite of mafic to ultramafic intrusions that occur in a 40km long belt from Little Broken Hill in the south-west to Red Hill, Darling Creek, Platinum Springs and Moorakai in the north-east (Figure 1).

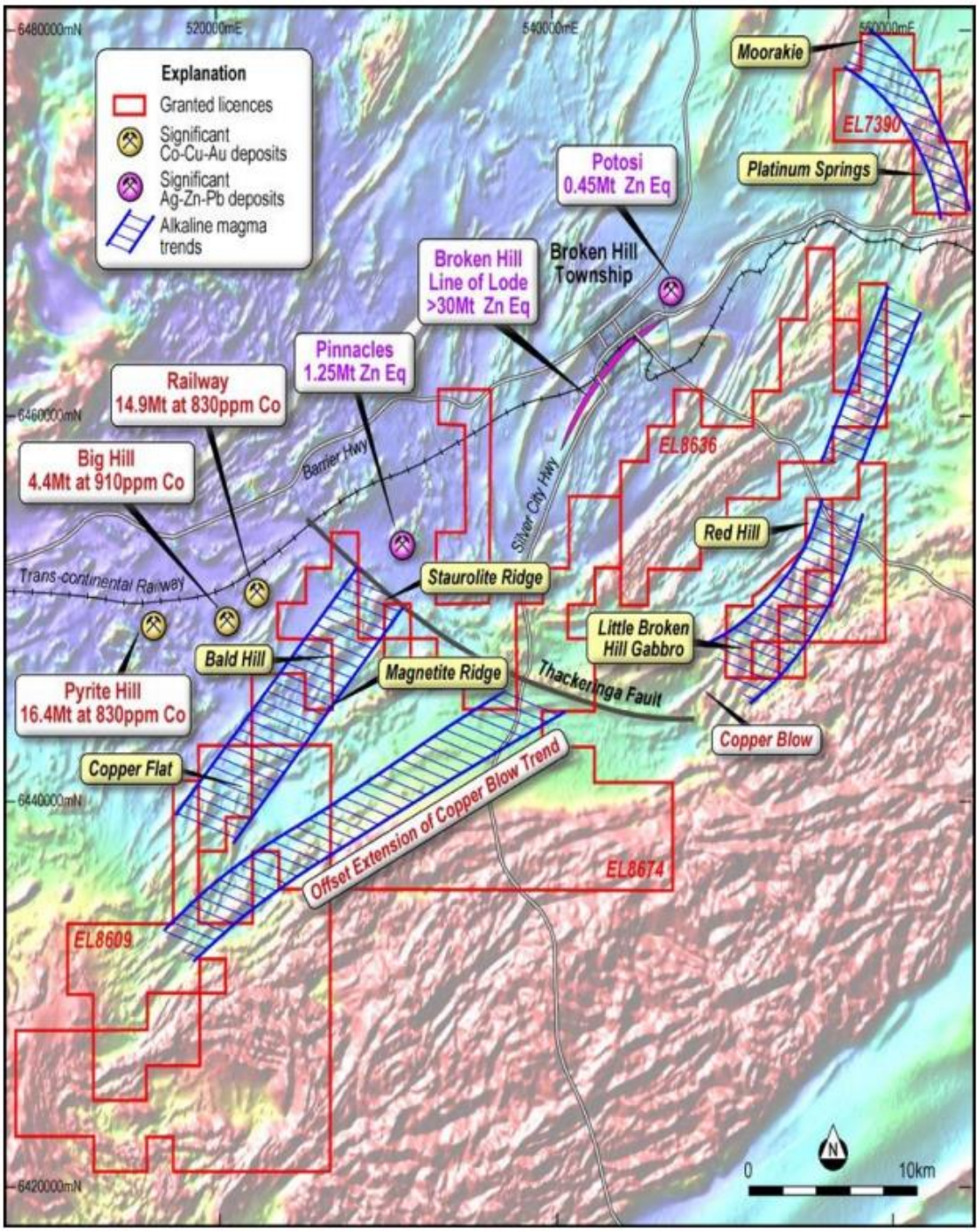


Figure 1: Impact's ground-holdings in the Broken Hill area, showing key prospects including Red Hill, Platinum Springs and Little Broken Hill Gabbro.

The ultramafic intrusions are all about 827 million years old, and relate to the break-up of the supercontinent Rodinia, and a rising plume of mafic-ultramafic magma likely derived from the core-mantle boundary. At that time, Broken Hill was located close to Jinchuan, one of the world's largest Ni-Cu-PGM deposits (>550Mt at 1.2% Ni, 0.7% Cu, 0.5g/t PGM), which is also of a similar age (Figure 2).

Figure 2: Position of the proposed mantle plume-head (red circle) responsible for the breakup of Rodinia, showing the location of Broken Hill in relation to the Jinchuan and Lengshuiqing Ni-Cu-Co-PGE deposits at about 800 million years ago (after Huang et al., 2015).

1.1 Red Hill

Recent drilling at Impact Minerals Limited's Red Hill prospect (within the 100% Impact owned NSW Broken Hill Project) demonstrates that the chonolith-shaped ultramafic intrusion at the Red Hill body hosts significant thicknesses of disseminated PGM+Cu+Ni mineralisation both close to surface and within ~30m of the contact with the surrounding rocks (Figure 3).

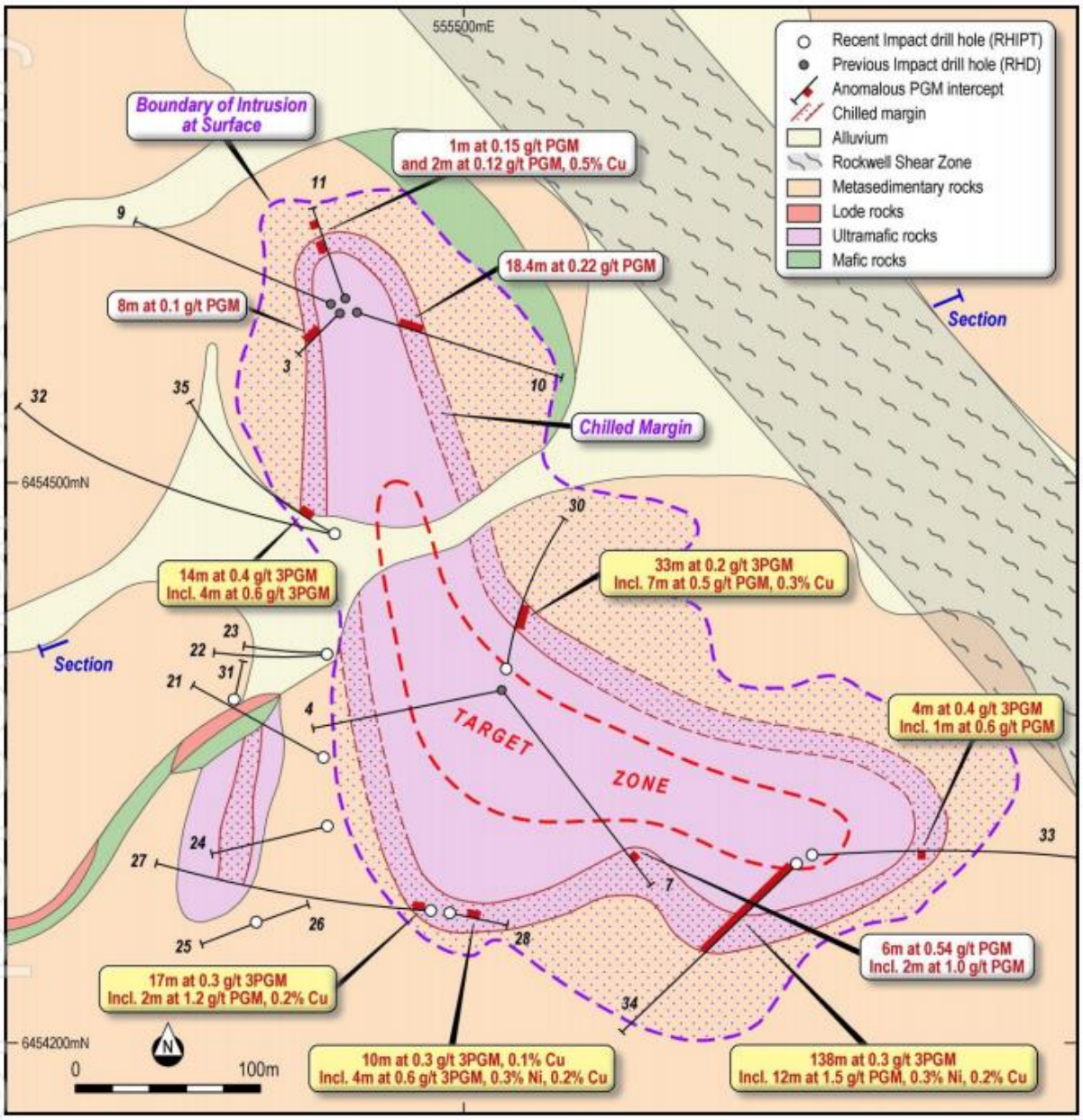


Figure 3: Geology of the Red Hill prospect with significant drill results. Yellow labels denote 2020 drill results, and white previous drilling. Note the almost continuous ring of anomalous PGM+Cu+Ni around the intrusion. This ring lies within 30m of the margin of the chonolith and is part of the chilled margin to the intrusion. The deeper target zone for follow-up drilling is also highlighted.

A review of all 12 drillholes that have penetrated the margin of the Red Hill Chonolith (8 drillholes from the 2020 campaign and four from previous drilling) has shown that ten of them, including RHIPT027, RHIPT028, RHIPT030, RHIPT033, RHIPT034 and RHIPT035, contain strongly anomalous intercepts of 3PGM, with variable copper and nickel, within about 30m of the contact with the surrounding rocks (ASX Release 21st January 2021).

Key drill results included:

- 138m at 0.3g/t 3PGM (Pd+Pt+Au) from surface in **RHIPT034**, *including*
  - 2m at 2.3g/t 3PGM from 75m; and
  - 12m at 1.5g/t 3PGM and 0.2% Cu from 103m, *which includes*

    - 2m at 2.3g/t 3PGM, 0.3% Cu and 0.3% Ni from 109m; and
    - 2m at 1.1 g/t 3PGM and 0.2% Cu from 135m.
- 14m at 0.4g/t 3PGM from 80m in **RHIPT035**.
- 33m at 0.2g/t 3PGM from X in **RHIPT030**; *including*
    - 7m at 0.5gt 3PGM and 0.3% Cu from 110m, *which includes*
    - 1m at 0.6g/t 3PGM and 0.45% Cu from 112m.
- 17m at 0.3g/t 3PGM from 2m in **RHIPT027**, *including*
    - 2m at 1.2g/t 3PGM and 0.2% Cu from 8m.
- 10m at 0.3g/t 3PGM from 23m in **RHIPT028**, *including*
    - 4m at 0.6g/t 3PGM and 0.2% Cu from 26m.
- 4m at 0.4g/t 3PGM from 105m in **RHIPT033**.

Together, these intercepts define a "ring of PGM" around the intrusion at depth where the mineralisation occurs within the so-called "chilled margin" of the intrusion (Figure 3).

The term "chilled margin" simply refers to the contact zone between a parent intrusion and the surrounding rock. When hot liquid magma is intruded into colder country rock, the magma close to the contact cools much more quickly than the main body of magma, and usually solidifies as a "chilled margin". As more magma is emplaced, the intrusion expands and the chilled margins protect the hotter magma from cooling as quickly, allowing the younger magma to pass through.

The presence of significant mineralisation in the chilled margin of the Red Hill chonolith has two implications for exploration at Red Hill:

1. It is universally accepted that the chemistry of the chilled margin reflects the primary composition of the parental magma. That is, because it cooled quickly, it was less likely to be affected by the many processes that can alter the chemistry of an intrusion as it evolves. Accordingly, the presence of extensive mineralisation in the margin indicates for the first time the parental magma of the Red Hill was extremely mineral-rich, and carried significant amounts of PGM, Copper and Nickel. Therefore, the potential exists to form a massive sulphide deposit in an appropriate trap-site.
2. Recently published scientific work, particularly that of the CSIRO, has shown that many chonoliths and other steeply dipping mafic-ultramafic intrusions that host significant massive sulphide deposits commonly have mineralised chilled margins up to hundreds of metres away from the deposits themselves.

In many cases, the chilled margins may lie well *above* the massive sulphide deposits, which can occur at the base of the intrusions or in "throttle-zones" or shallower dipping shelves within the intrusion (Figure 3). Although this may seem contradictory, the research work has also shown that in intrusions with strong vertical magma flow, massive sulphides are often deposited as the magma slows its ascent and drains back down into the main conduit. This "backflow" also causes penetration of sulphide and related hydrothermal fluids into the surrounding rock away from the intrusion. This can also lead to the centres of the upper parts of the intrusion being devoid of mineralisation in many places as is also seen at Red Hill.

For the technically minded, a very elegant model for chonolith development formed by Prof. Steve Barnes and co-workers at the CSIRO, and one which Impact is using to help drive its exploration program at Broken Hill is shown in Figure 4.

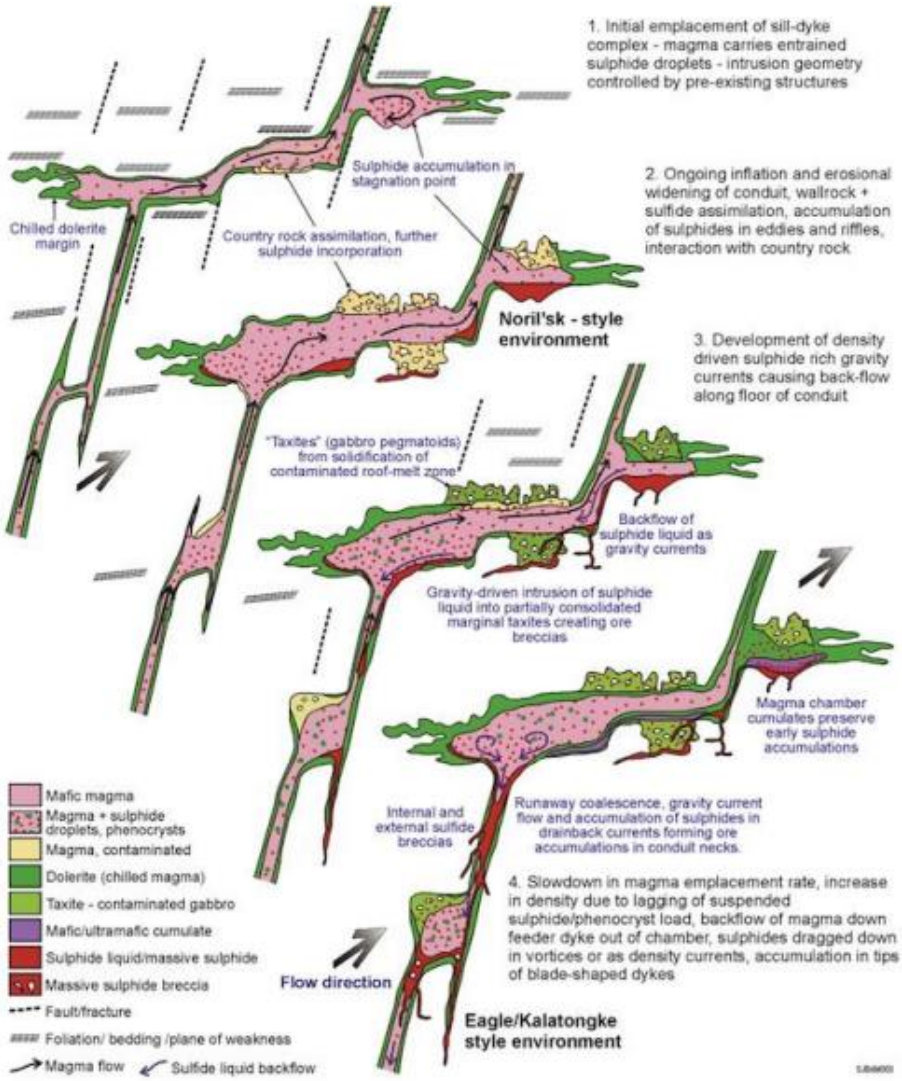


Fig. 8. Schematic illustration of components of the crustal portion of an idealised magmatic plumbing system, showing a hypothetical sequence of events leading to the development of Noril'sk style, Eagle–Kalatongke style and Voisey's Bay style settings for mineralisation. See text for full explanation.

Figure 4: Model for the formation of Ni-Cu-PGM deposits within evolving magma conduits including chonoliths. Note the weaker mineralisation within and close to the chilled margins (from Barnes, S. J., et al. Ore Geology Reviews Volume 76, July 2016, Pages 296-316)

The model also helps explain the presence at Red Hill of the hydrothermal veins containing exceptional grades of PGM and associated small dykes emanating from the contact zone of the main intrusion (Figure 3 and ASX release 7th May 2020). The veins may represent fluids that escaped from the intrusion as magma drained from it and it cooled. Although follow-up drilling of the veins only returned weakly anomalous mineralisation at depth and along trend, the presence of the veins attest again to the very high grade nature of the fluids and parental magma in the Red Hill intrusion.

The exploration implication of all this is very clear – there is a compelling drill target deeper within the Red Hill chonolith. Follow-up drilling will be incorporated into a major drill programme being designed to follow up the breakthrough results that Impact returned at Platinum Springs and Little Broken Hill Gabbro.

Drilling will resume at Broken Hill as soon as practicable. To help optimise drill hole locations, magnetic response modelling of the intrusion is currently underway, using the magnetic susceptibility data collected throughout the 2020 drilling campaign.

The Eagle and related Eagle East deposits in the mid-Continental Rift Nickel-Copper-PGM province of North America can be regarded as analogues for Red Hill. The deposits are of modest tonnage but exceptional grade and accordingly are ideal targets for junior exploration companies. Eagle has a global resource of ca. 4.6Mt at 3.7% Ni and 3% Cu, and Eagle East has a pre-mine resource of about 1.2Mt at 5.1% Ni and 4.3% Cu (Lundin Mining Corp. NI 43-101 Report on the Company's website).

The host chonoliths have a near-surface expression in size and morphology comparable to Red Hill. Figure 5 shows a cross-section through the two chonoliths and, by comparison, should also demonstrate the potential at depth of Red Hill.

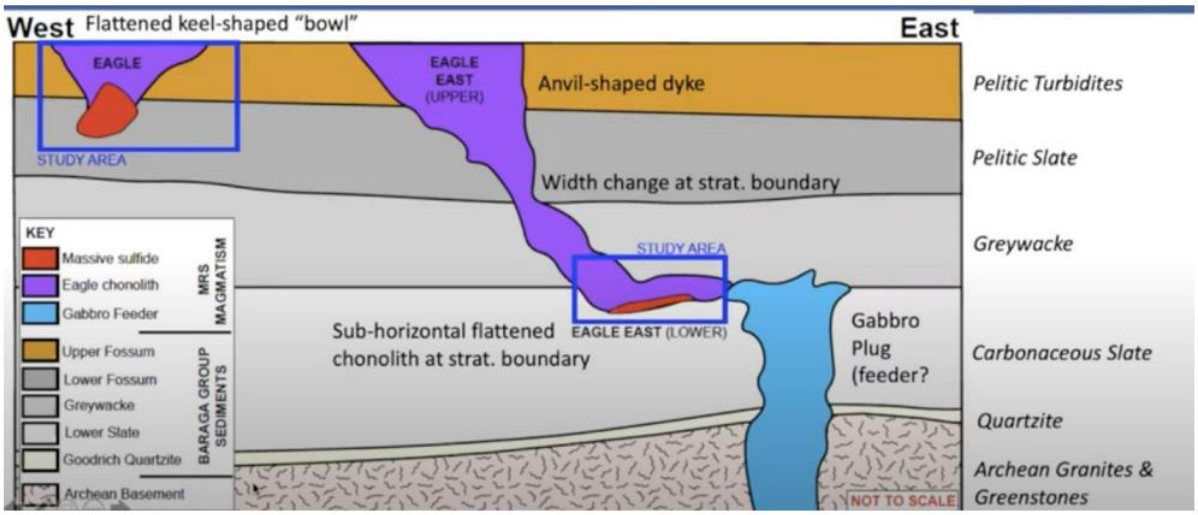


Figure 5: Simplified cross-section through the Eagle and Eagle East deposits.

1.2 Platinum Springs

Further high-grade assays for PGM+Cu+Ni have significantly expanded the mineralised footprint at the Plat Central and Plat East Prospects, which form part of the larger Platinum Springs area at the southern end of the Moorakai Trend, characterised by extensive high grade PGM-Cu-Ni in rock chip samples, which remains poorly explored (Figure 1).

Previous exploration by Impact has established for the first time that high-grade PGM-Ni-Cu mineralisation in the Platinum Springs area commonly occurs as disseminated to massive sulphide mineralisation within Kambalda-style channels at the base of the host ultramafic unit (ASX Releases 9th March 2021, 2nd December 2020 and 6th October 2020).

The channels were discovered and then tracked by drilling guided exclusively by Impact's proprietary geochemical ratio, which has been shown to have an exceptional positive correlation with PGM grades. The recently reported drill results have identified a second channel at Plat Central and a further channel at Plat East. All three are open along-trend, both up- and down-plunge. Additionally, high-grade PGM-Ni-Cu has been identified within the host ultramafic unit, supporting the potential for a larger bulk mining opportunity should further drilling be successful.

Plat Central

Four east-west traverses were drilled at Plat Central, covering about 150m of trend of the host ultramafic. Results for Traverse *6,472,110mN* (**T3,** Figure 9) were reported 9th March 2021. Those for **T1**, **T2** and **T4** have yielded further significant intercepts (Figure 6).

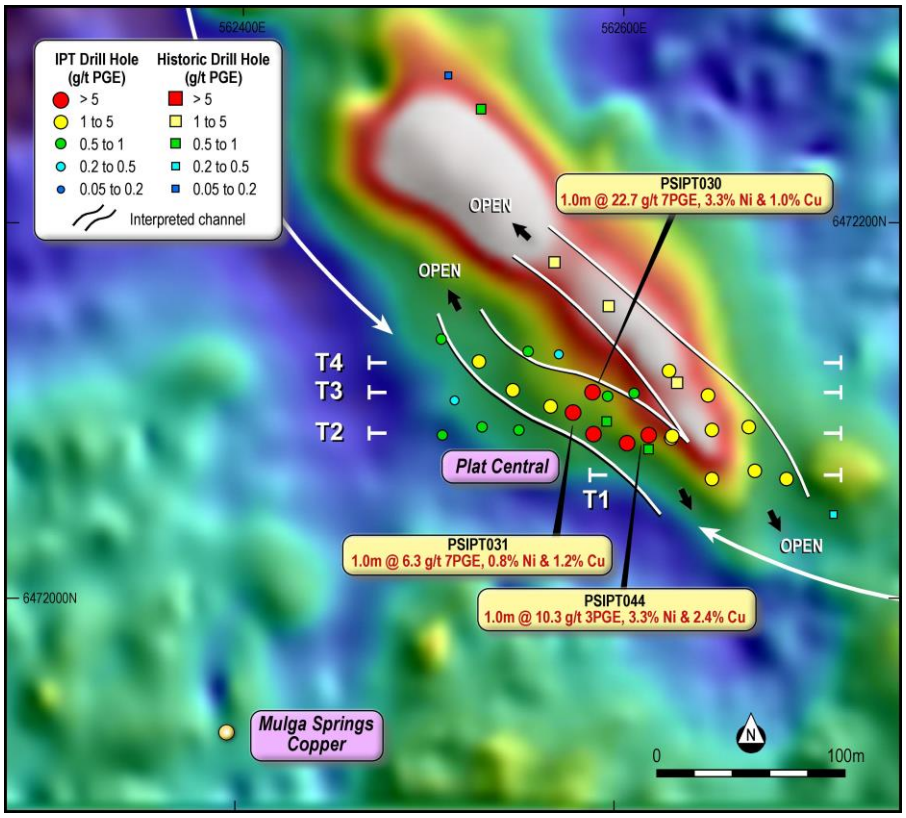


Figure 6: Image of magnetic data over the Plat Central prospect, showing maximum 3PGM values in drill-holes completed both by Impact Minerals and previous explorers. Two interpreted channels are shown that may merge towards the south-east and are open in that direction and to the north-west. Identified Traverses are T1 (6,472,060mN), T2 (6,472,090mN), T3 (6,472,110mN) and T4 (6,472,130mN).

East-dipping Basal Channel.

Drilling in the main east-dipping basal channel (*6,472,090mN*, **T2**, Figure 8) returned

- 36m at 0.7g/t 3PGM (Pd+Pt+Au) from 3m in **PSIPT044**, *and*
- 3m at 5.4g/t 3PGM, 1.0% Cu and 1.5% Ni from 76m in **PSIPT044**, *which includes*
    - 1m at 10.3g/t 3PGM, 2.4% Cu , 3.3% Ni, 88g/t Ag and 711ppm Co from 770m.
- 39m at 0.3g/t 3PGE from surface in **PSIPT036**, *including*
    - 19m at 1.5g/t 3PGM and 0.2% Cu from 51m, *which includes*
    - 5m at 5g/t 3PGM, 0.6% Cu and 0.6% Ni from 64m.
- 57m at 0.2g/t 3PGM from 3m in **PSIPT037**, *including*
    - 1m at 6.0g/t 3PGM from 58m.

A comparison with the previously reported **T3** cross-section (*6,472,110mN*, Figure 9) indicates that this channel is the extension of the channel on that Traverse which returned an intercept of:

1m at 22.7g/t 7PGM (10.9g/t Pd, 7.3g/t Pt, 0.9g/t Rh, 1.3g/t Os, 1.4g/t Ir, 0.6g/t Ru and 0.1g/t Au), 3.3% Ni, 1% Cu, 2.3g/t Ag and 755g/t Co from 62m (**PSIPT030**, ASX Release 2nd December 2020).

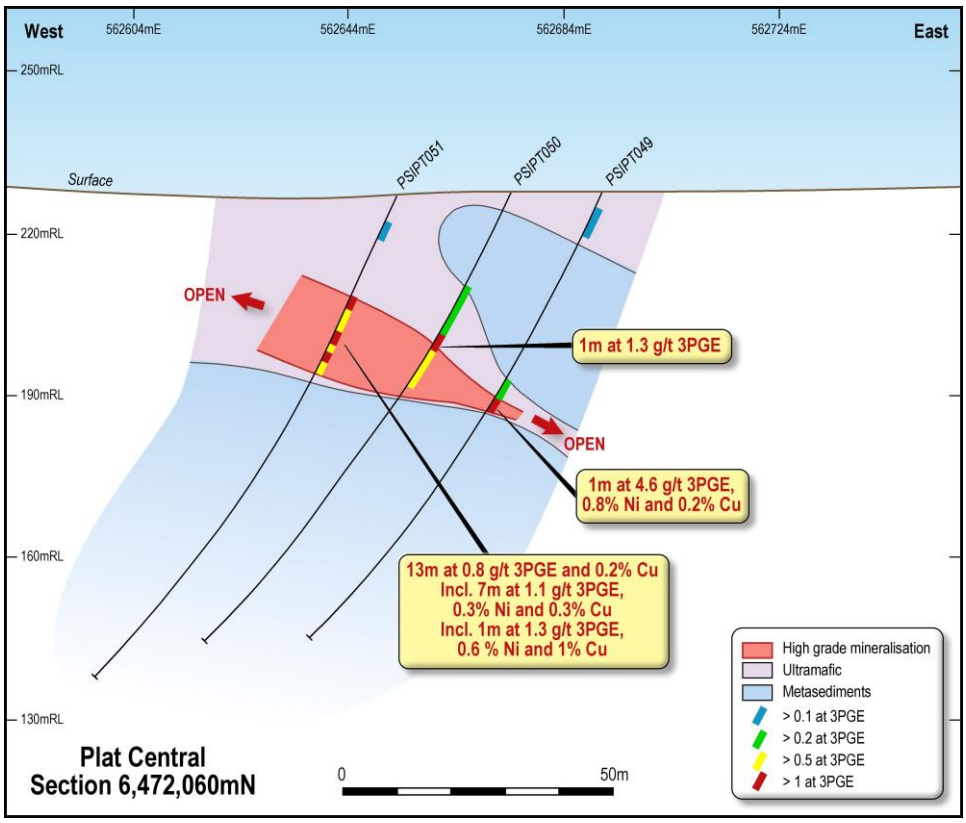


Figure 7: Cross-section along Traverse *6,472,060mN* (**T1**), showing a channel structure interpreted to be the extension of the second channel at Plat Central. The first channel may be present further to the west.

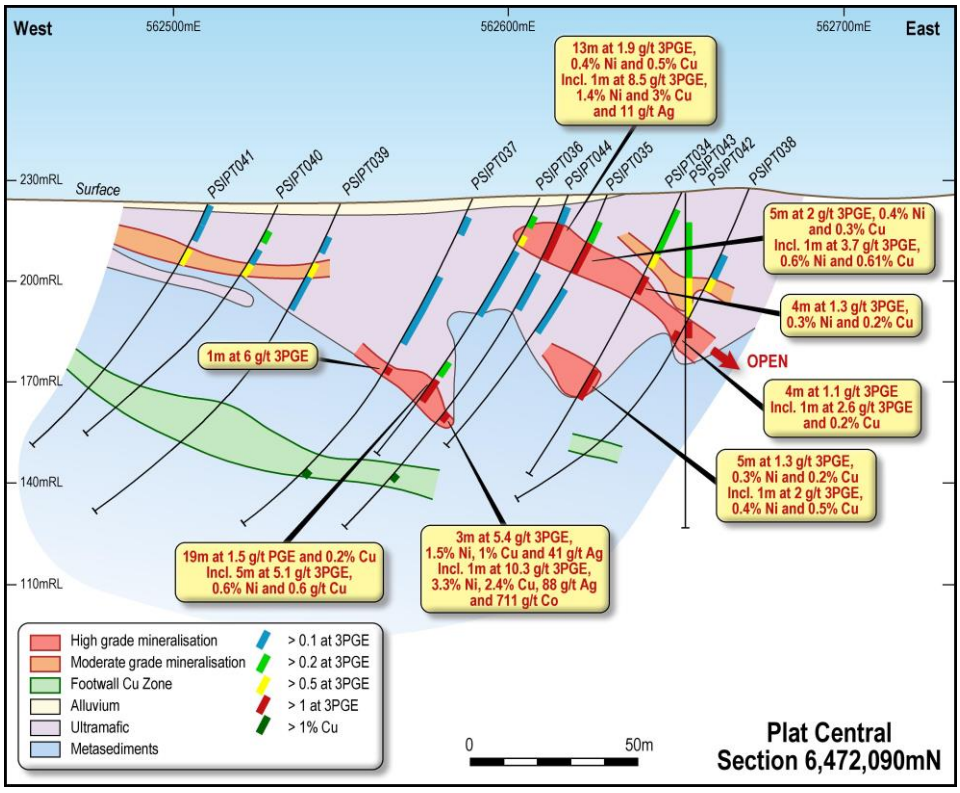


Figure 8: East-west cross-section along Traverse *6,472,090mN* (**T2**). Note the central east-dipping channel structure, a second basal channel and the upper zone of east-dipping high-grade mineralisation.

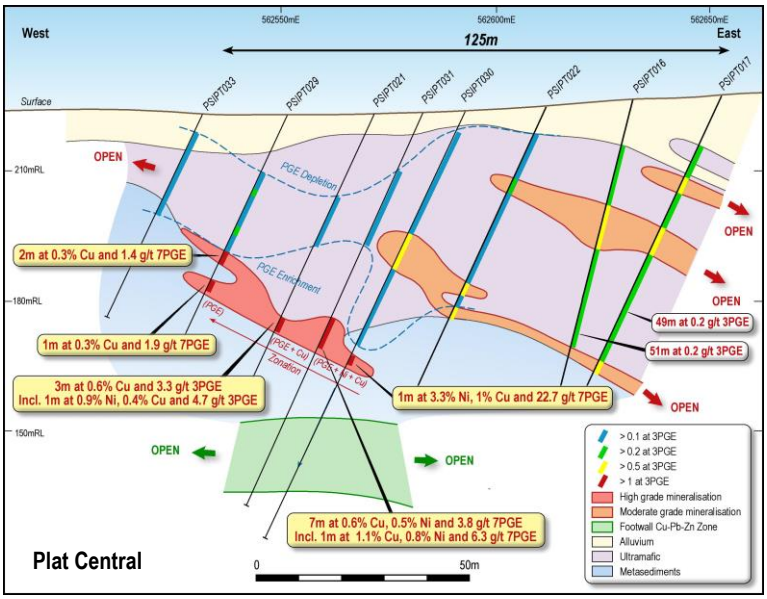


Figure 9: Cross-section on Traverse *6,472,110mN* (**T3**) shown at the same scale as Figure 7. Results for this section were reported to the ASX on 2nd December 2020.

Discovery of a second, parallel channel to the East.

A second channel structure was intersected east of the basal channel by **PSIPT034** (Figure 8), which returned:

- 5m at 1.3g/t 3PGM, 0.2% Cu and 3% Ni from 65m, *including*
- 1m at 2g/t 3PGM, 0.5% Cu and 0.4% Ni from 69m.

Three holes drilled on **T1** (Traverse *6,472,060mN*, Figure 7) also define a channel structure which is interpreted as an extension of this second channel, 30m to the south. All three returned significant intercepts, listed from west to east:

- 34m at 0.4g/t 3PGM from 2 metres in **PSIPT051**; *including*
  - 13m at 0.8g/t 3PGM and 0.2% Cu from 20m; *which includes*
  - 2m at 1.1g/t 3PGM and 0.2% Cu from 20m; *and*
  - 7m at 1.1g/t 3PGM and 0.3% Cu; *which includes*
  - 1m at 1.3g/t 3PGM, 1% Cu and 0.6% Ni from 26m;
- 25m at 0.3g/t 3PGM from 25m in **PSIPT050**; *including*
  - 1m at 1.3g/t 3PGM from 32m;
- 5m at 0.2g/t 3PGM from 40m in **PSIPT049**; *including*
  - 1m at 4.6g/t 3PGM, 0.8% Ni and 0.2% Cu from 45m.

Mineralisation is open in both directions particularly to the west, where an extension of the first channel may be present.

Upper Mineralised Zone.

An east-dipping pod of modest to high-grade PGM-Cu-Ni mineralisation is present in 6 holes on traverse **T2** (*6,472,090mN*, Figure 8), including (west to east):

- 13m at 1.9g/t 3PGM, 0.5% Cu and 0.4% Ni from 9m in **PSIPT044**; *including*
  - 2m at 6.7g/t 3PGM, 2.0% Cu and 1.1% Ni from 19m; *which includes*
  - 1m at 8.5g/t 3PGM, 3.0% Cu, 1.4% Ni and 11g/t Ag from 19m;
- 9m at 1.3gt 3PGM, 0.2% Cu and 0.3% Ni from 29m in **PSIPT035**;
- 1m at 1.4g/t 3PGM and 0.2% Cu from 28m in **PSIPT043**; along with
  - 2m at 1.5g/t 3PGM and 0.2% Cu from 42m; and
  - 1m at 2.1g/t 3PGM and 0.4% Cu from 49m.

Four holes drilled on **T4**, the northernmost Traverse (*6,472,130mN*, Figure 6) returned thick intercepts of low grade 3PGM's with narrow zones of high grade in places (e.g.):

- 24m at 0.2g/t 3PGM from 9m in **PSIPT046**; *including*
  - 1m at 1.2g/t 3PGM from 31m.

As suggested in Figure 6, drilling on this traverse has not intersected the high-grade basal channel interpreted on transverses **T1** to **T3** (6,472,060-6,472,110mN). This may be a function of the relatively wide spacing of up to 30m between drillholes.

Plat East.

A further channel structure has also been discovered by Impact at the Plat East Prospect, centred about 500m east of Plat Central (Figures 10 and 11). The channel is defined by eight drill-holes, four with significant results at or towards the base of the host ultramafic unit as follows (Figure 11):

- 27m at 0.5g/t 3PGM from 22m in **PSIPT019**; *including*
  - 3m at 2.7g/t 3PGM, 0.4% Cu and 0.5% Ni from 41m; *which includes*
  - 1m at 4.7g/t 3PGM, 0.6% Cu and 1.2% Ni from 42m; *plus*
  - 2m at 1.1g/t 3PGM from 47m;
- 32m at 0.3g/t 3PGM from 26m in **PSIPT023**; *including*
  - 1m at 2.7g/t 3PGM, 0.2% Cu and 0.3% Ni from 43m;
- 43m at 0.2g/t 3PGM from 21m in **PSIPT024**; *including*
  - 4m at 1.2g/t 3PGM, 0.2% Cu and 0.3% Ni from 43m;
- 11m at 0.6g/t 3PGM from 38m in **PSIPT026**; *including*
  - 1m at 1.4g/t 3PGM and 0.2% Cu from 46m; *and*
  - 1m at 4.4g/t 3PGM from 48m.

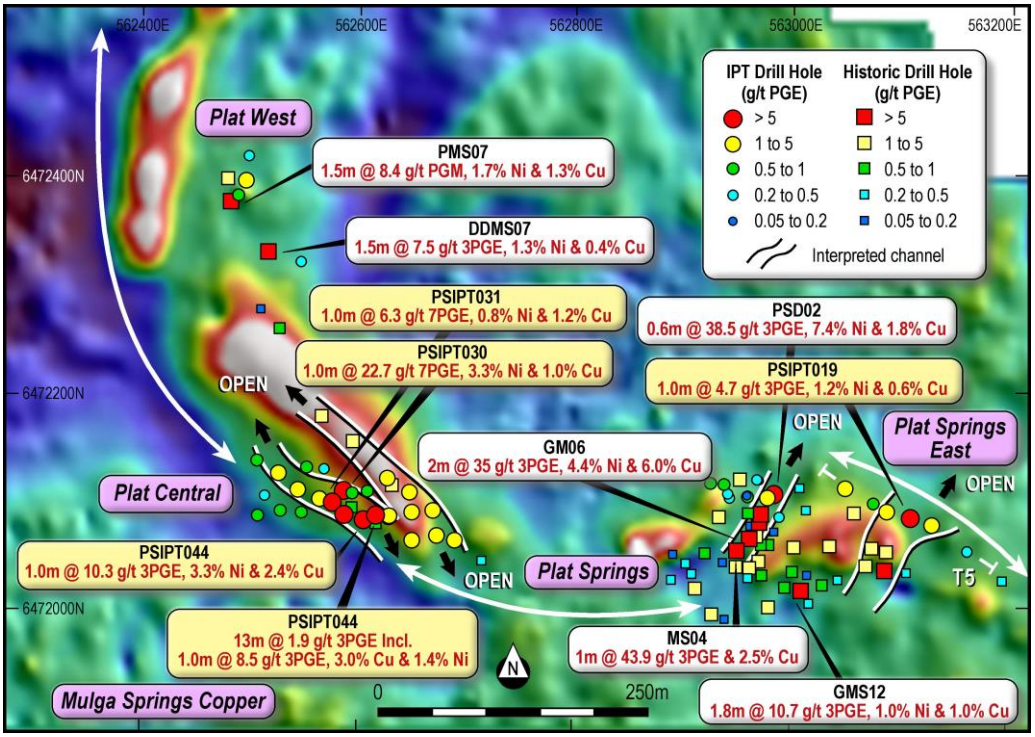


Figure 10: Image of magnetic data over the Platinum Springs area, including the Plat West, Plat Central and Plat East prospects, and the original Platinum Springs prospect. Note the extensive distribution of high-grade PGM's over at least 1,000m of trend.

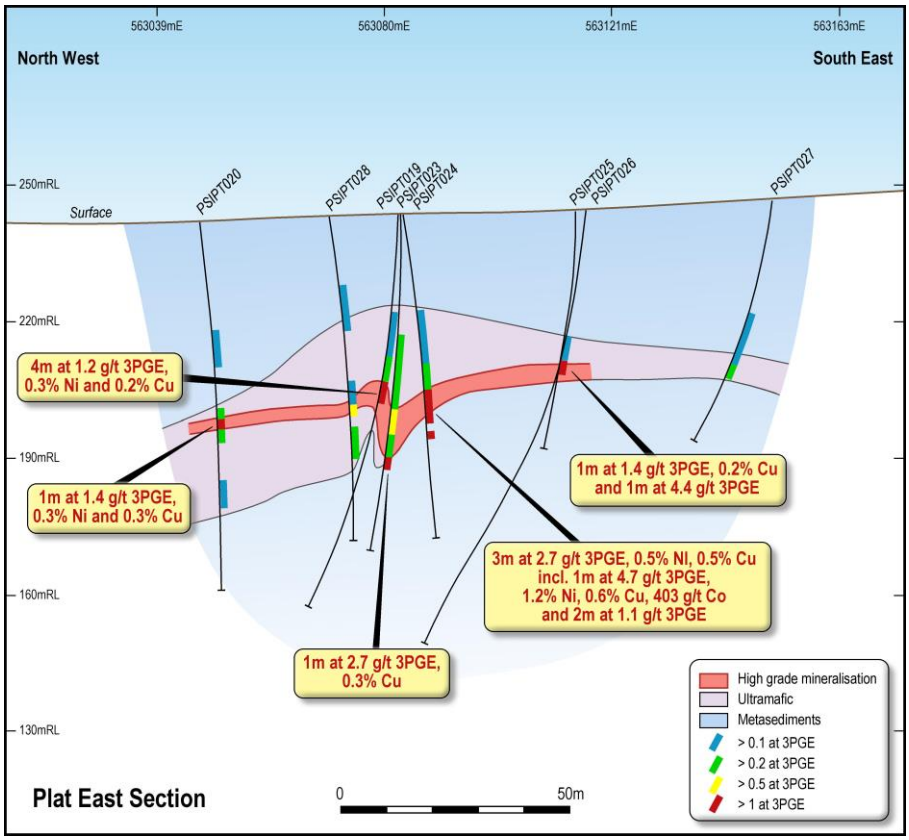


Figure 11: Cross-section at Plat East (traverse **T5**, Figure 10). The unusual geometry may be related to a structure associated with the emplacement of the mineralisation. The trend of the channel is unknown but may be north-east south-west parallel to high-grade mineralisation at the nearby Platinum Springs prospect (Figure 6).

In addition, as at Plat Central, thick low-grade intervals of 3PGM was intercepted within the host ultramafic unit, as well as higher grade intercepts closer to the upper contact –

- 24m at 0.2g/t 3PGM from 42m in **PSIPT020**; *including*
    - 1m at 1.4g/t 3PGM and 0.3% Cu from 45m.

The clear trend of the Plat East channel is not evident at the present wide drill-spacing (up to 40m) here, and further drilling is required. It is possible the channel is trending north-east and parallel to the trend of high-grade drill results at the nearby Platinum Springs area (Figure 10). Previous drilling at Plat Springs identified a possible north-east trending channel-like structure which, again, will need to be investigated/explored. Hole **PSD02** (drilled by Impact in 2015, shown in Figure 10) returned 0.6m at -

- 11.5g/t Pt; 25.6g/t Pd; 1.4g/t Au; 7.8% Cu; 7.4% Ni; 44.3g/t Ag; 0.16% Co; 1.3g/t Rh; 1.7g/t Ir; 2.0g/t Os; 0.8g/t Ru from 57.1m downhole.

Next Steps.

Follow-up drilling is clearly required at both Red Hill and Platinum Springs, to test the Red Hill intrusion and chilled-margin mineralisation, and infill/extend the channel systems and the larger low-grade upper mineralised zone at Platinum Springs.

At Platinum Springs, all of these results have now defined significant PGM-Copper-Nickel mineralisation over 1,000m of trend from Plat East to Plat West, and there is extensive PGM-Copper-Nickel mineralisation in rock chip samples along the entire 9km long dyke-chonolith complex that comprises the main Moorkai Trend (Figure 12). Accordingly, Impact considers it highly likely that numerous Kambalda-style basal channels remain to be discovered along the Moorkai Trend.

A large amount of new data has been generated from the extensive drill program completed at Broken Hill in 2020, and a detailed synthesis and interpretation of the data in context is in progress to prioritise targets for follow-up.

The exploration challenge is how to track the channels along trend to areas where they are larger and more continuous. Impact is working on three methods to track them at broader drill-spacing.

Firstly, it is very likely that at Plat Springs (like the basal channels at Kambalda, which are mostly less than 5-7m thick, generally 20-100m wide, and extend for many hundreds of metres to kilometres along the trend of the channel in ribbon-like geometry) there are important structural controls on the development of the channels. Targeting of large potential structural traps is in progress, using a multi-methodology combination of 3D modelling of the basal contact of the ultramafic, detailed interpretation of magnetic data, and comprehensive field mapping. A key area has already been identified, at the marked bend in the Moorkai Trend a few hundred metres west of Plat Central (Figure 10). This is a priority area for follow-up drilling.

Modelling of the magnetic response of the Red Hill chonolith system is also underway to determine its geometry, using the extensive magnetic susceptibility data collected by Impact across multiple drill campaigns.

Secondly, further research is underway on Impact's proprietary ratio that is a good predictor for PGM grade to determine if it can be modified to provide larger scale vectors to high grade mineralisation. If successful, this may allow drilling to take place at broader and more cost-effect drill spacings.

Thirdly, consideration is being given to completing a ground EM geophysical survey to potentially identify further high-grade massive sulphide bodies comparable to but more extensive than those found for example in holes PSD02 and PSIPT030.

These programs will commence after completion of the company's maiden drill program at it's Apsley porphyry Au-Cu prospect.

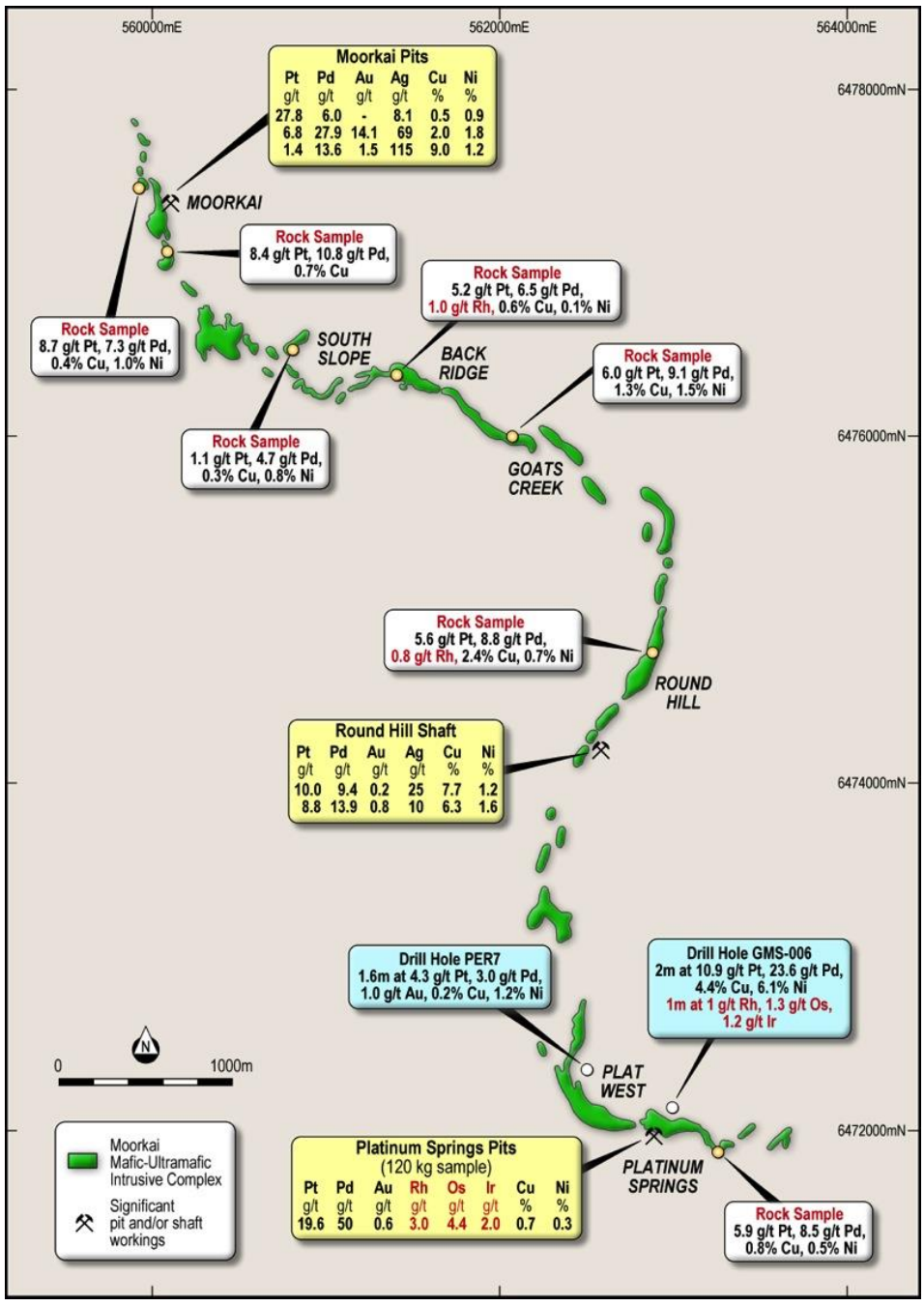


Figure 12: Rock chip sample and key drill results from previous exploration along the Moorkai Trend.

2. COMMONWEALTH PROJECT, NSW (IPT 100%)

2.1 Apsley Prospect

A maiden RC drilling program is currently underway at Apsley, testing a number of high priority IP geophysical and soil geochemistry anomalies that have many of the characteristics of those around major porphyry copper-gold deposits around the world.

The Apsley Prospect, within Impact's wholly owned Commonwealth project in the Lachlan copper-gold province of New South Wales (Figure 13), covers a large and significant soil geochemistry anomaly which comprises a core zone 2,000m long and 500m wide with coincident copper-gold-platinum and palladium anomalies which is surrounded by a larger zone or halo of zinc-lead and manganese. Together these zones define a soil anomaly that covers nearly four square kilometres (ASX Release 10th August 2020) starting close to surface and extending to considerable depth, supporting Impact's contention that the whole area is potentially part of one large mineralised system, representing a major porphyry copper-gold deposit.

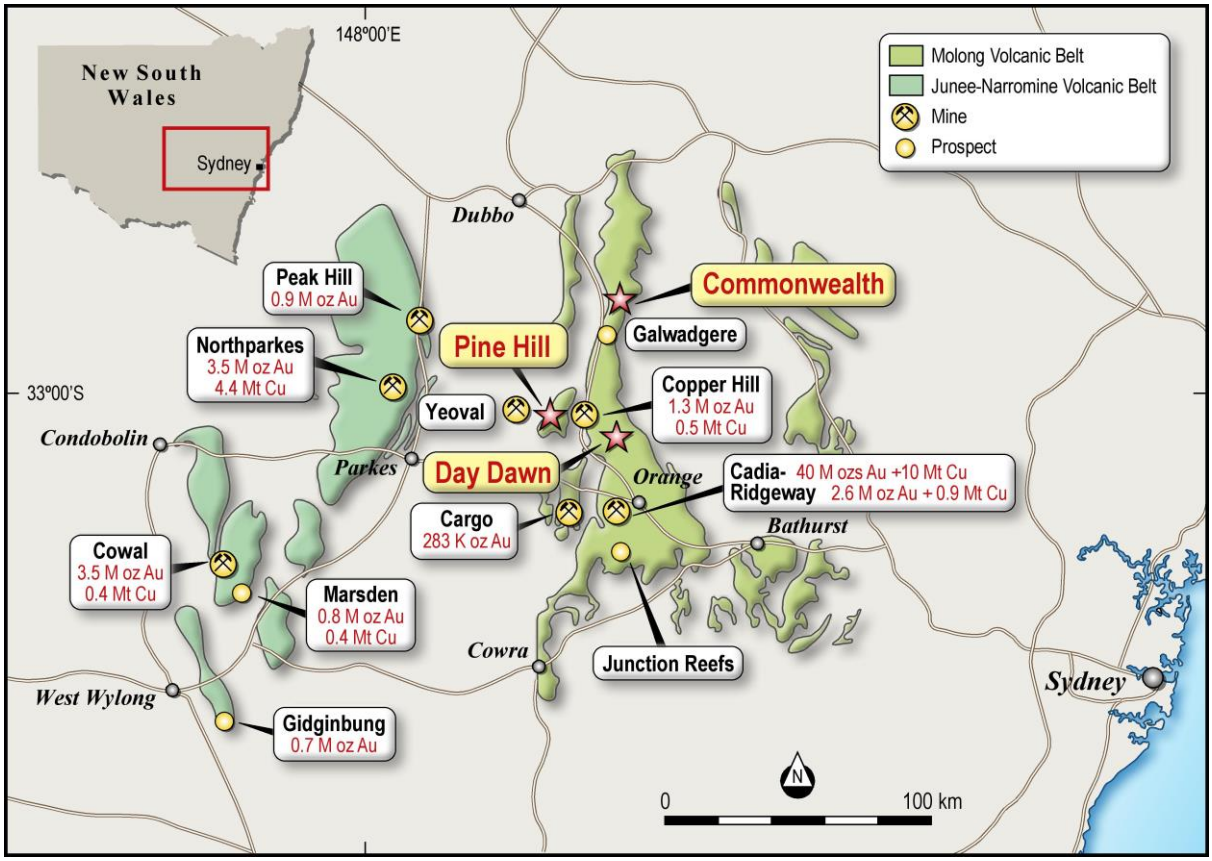


Figure 13: Location of Impact's Commonwealth, Pine Hill and Day Dawn Projects covering about 900sq km of the Lachlan Fold Belt of NSW, home to many significant gold and copper mines.

An Induced Polarisation (IP) survey, for a total of 11 traverses, was completed over the entire soil geochemistry anomaly, with a further three traverses completed to the north.

Significant IP chargeability and resistivity anomalies were defined on all 11 survey traverses with five priority traverses showing an excellent correlation with the soil geochemistry. The chargeability, resistivity and soil geochemistry results for two stand-out traverses from the priority five are shown in Figure 14 together with the proposed location of drill holes to test the various anomalies.

On Traverse *6,390,200 mN* two very strong chargeability anomalies, separated by a resistivity anomaly, extend from surface to a depth of at least 300 metres. The anomalies lie directly below strong geochemical responses dominated by gold, platinum and palladium and together these define a target zone up to 600 metres wide (Figure 14).

On Traverse *6,390,600 mN* a very strong chargeability anomaly extends from surface to a depth of about 200 metres, where it is possibly truncated by a low-angle structure which separates it from a deeper resistivity anomaly. The anomalies lie directly below strong geochemical responses dominated by copper, platinum and palladium and together these also define a target zone that is up to 600 metres wide (Figure 14).

Similar relationships are also self-evident on the other three priority traverses. In addition, similar correlations but with weaker IP and soil geochemistry responses are present on most of the other traverses.

The chargeability anomalies in particular can be tracked across numerous traverses thus implying continuity to the anomalies over hundreds of metres of trend in places. Figure 16 shows an interpretation of the extent of the chargeability anomalies on an image of the airborne magnetic data over the Apsley target. The correlation with the copper-gold-platinum-palladium core of the soil geochemistry anomaly and mapped porphyry intrusions is very evident (ASX Release 10th August 2020).

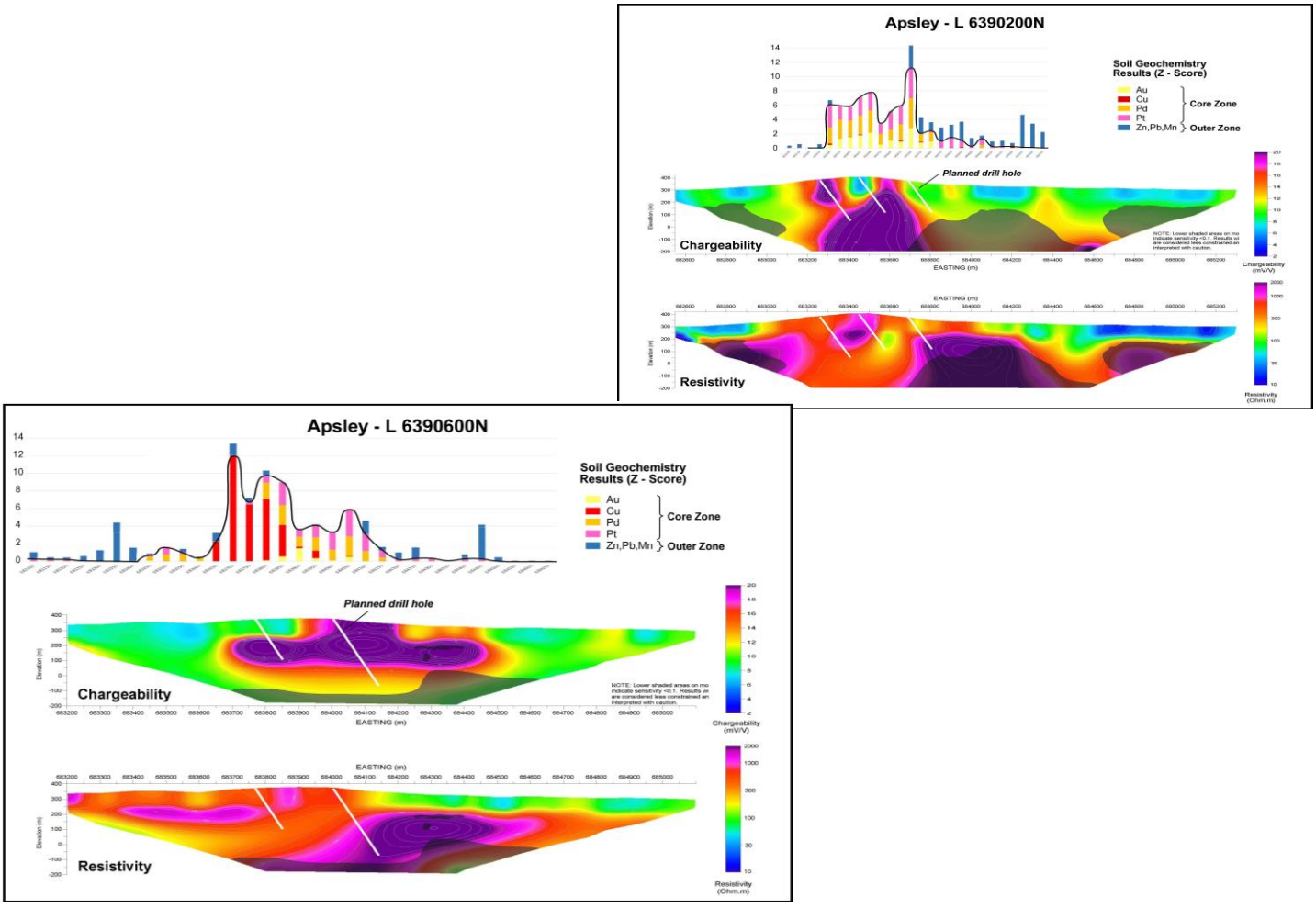


Figure 14: IP and Soil Geochemistry results shown as stacked bar charts of the Z scores for Traverses 6,390,200mN and 6,390,600mN.

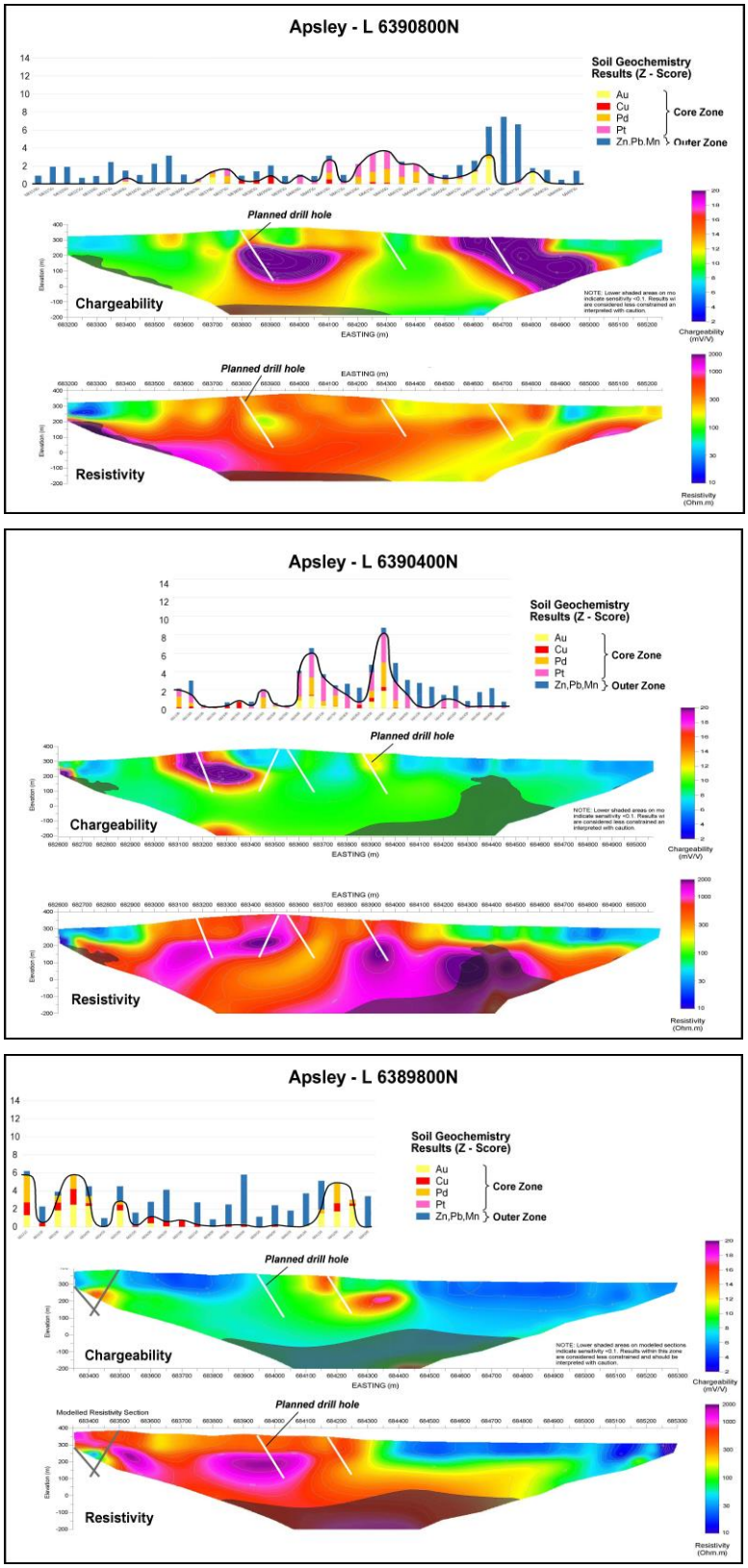


Figure 15: IP and Soil Geochemistry results for Traverses 6,390,800mN (top), 6,390,400mN (centre) and 6,389,800mN (bottom).

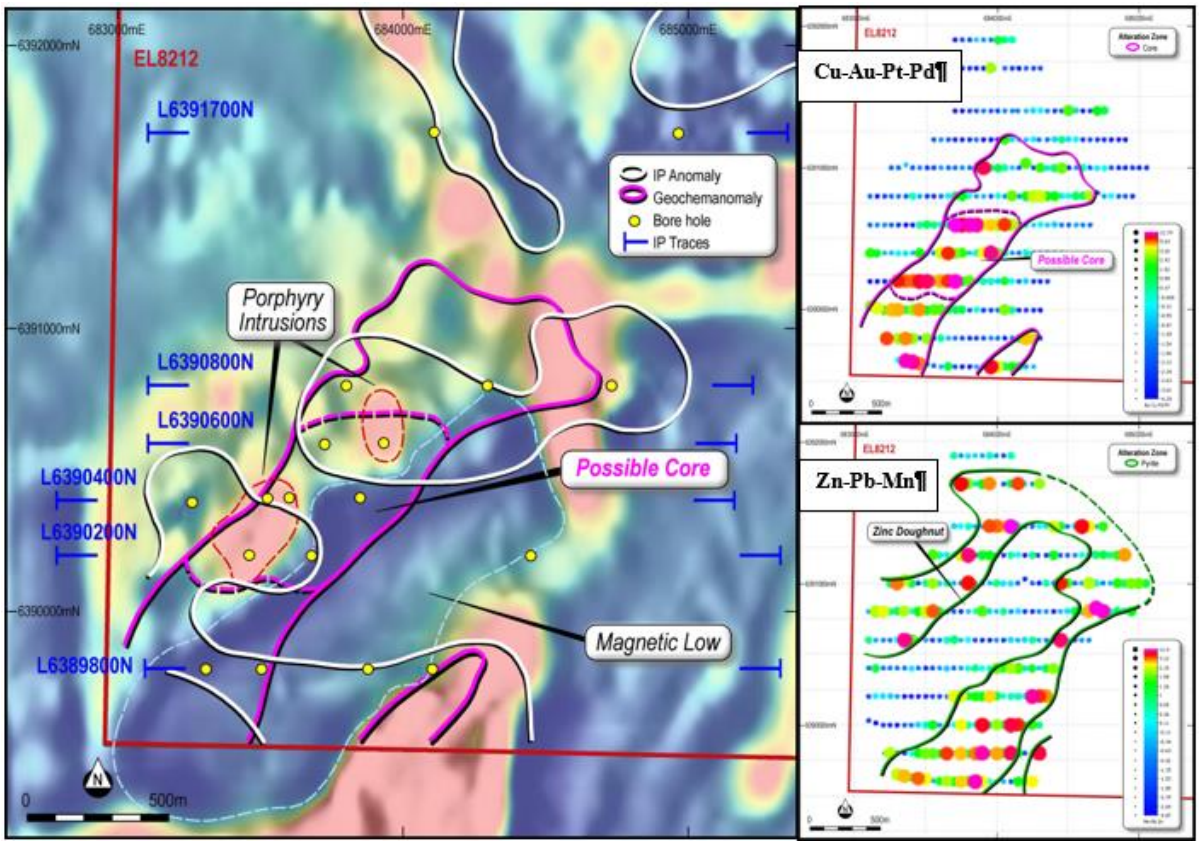


Figure 16: Image of airborne magnetic data over the Apsley prospect with more magnetic units in warmer colours showing the interpreted outlines of the chargeability anomalies and the core of the soil geochemistry anomaly. Note also the coincidence with the isolated magnetic anomalies that are targets for the parent porphyry intrusions to any copper-gold mineralisation.

For reference, the result of the soil geochemistry survey (shown as additive Z-scores) are also shown. The core zone of copper-gold-platinum-palladium (top right) is surrounded by an outer zone of zinc-lead-manganese thus defining a classic zinc donut. In addition, the outer zone is also in part concident with a significant magnetic low which may reflect replacement of magnetite in the host rocks by pyrite as may be expected in outer alteration zones of porphyry systems (for further discussion of these results and the zonation around porphyry copper-gold deposits see ASX Release 10th August 2020 and 16th March 2021).

The Apsley area contains many characteristic features associated with giant alkaline copper-gold deposits, of which Cadia-Ridgeway and North Parkes are the type examples in the Lachlan Fold Belt (ASX Releases 16th February 2021 and 12th March 2021), including:

1. Widespread copper-bearing shoshonite host rocks of Ordovician age (a specific high-K alkaline volcanic and intrusive rock);
2. Rock chip samples and soil geochemistry anomalies with metal assemblages and alteration minerals characteristic of the inner to outer zones of large porphyry copper-gold deposits;
3. The presence of platinum and palladium together with the copper and gold anomalism in the core of the soil anomaly. Platinum-group metals are commonly considered diagnostic in alkalic porphyry copper-gold deposits;
4. A so-called “zinc donut” evident in the soil geochemistry data, a characteristic pattern that is well understood and seen around many significant porphyry copper-gold deposits globally.
5. An association with magnetic anomalies that may represent the parent intrusion to the system or ‘skarn’ alteration directly associated with copper-gold mineralisation as seen at the recent

Boda discovery of Alkane Resources Limited (ASX:ALK) and ASX Releases 22nd November 2019, 23rd April 2020, 23rd June 2020, 10th August 2020.

For reference, a schematic model and detailed description of the metal assemblages and alteration zones around a porphyry copper deposit is given in ASX Release 12th March 2021.

The IP data and it's spatial coincidence with the soil geochemistry and magnetic data adds immensely to the prospectivity of the Apsley area and further supports Impact's contention that the entire area may be part of one very large mineralised system (ASX Release 10th August 2020).

3. DOONIA PROJECT, WA (IPT 80%)

Impact's 80% owned Doonia gold project is located 75km east of the world-class St Ives gold mining centre in Western Australia, and was identified following a review of the Eastern Goldfields for intrusion-hosted gold deposits in light of the Hemi discovery in the Pilbara, where a major gold deposit hosted by felsic intrusions has recently been outlined by De Grey Mining Limited (Figure 17 and ASX Release 17th November 2020), and the discovery of significant gold-copper mineralisation hosted by a magnetic intrusion at the Burns Project located just 20km west of Doonia (Lefroy Exploration Limited, ASX:LEX) .

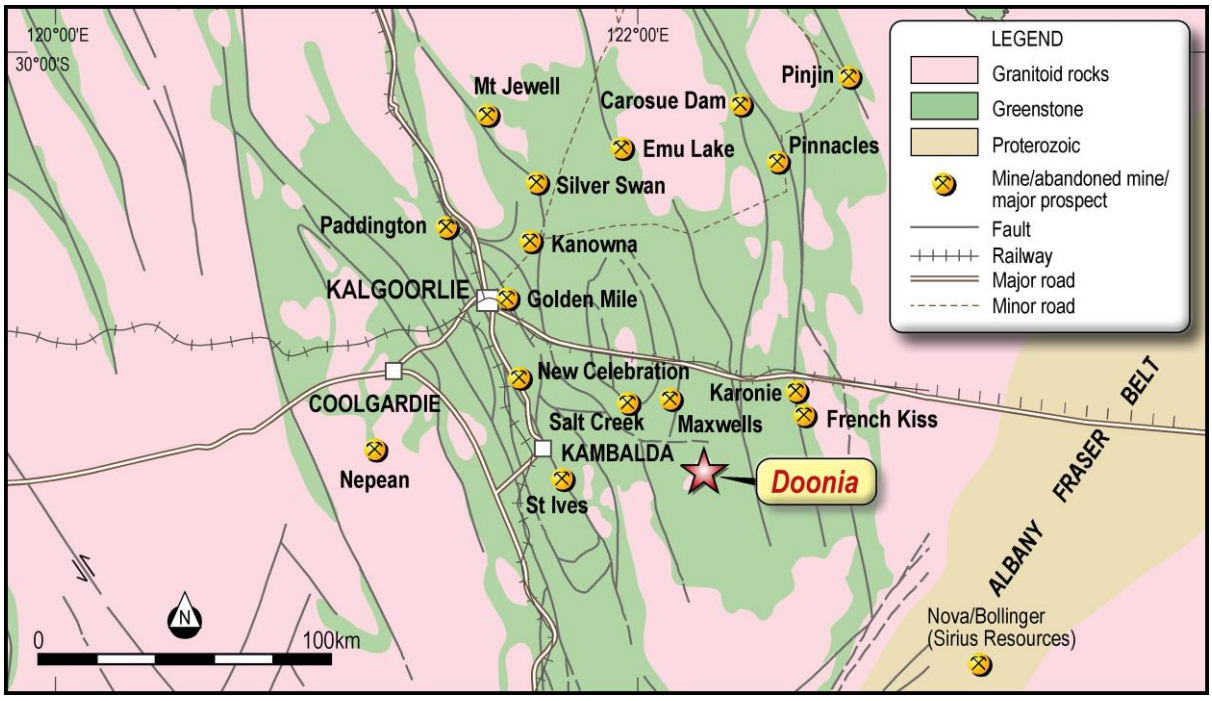


Figure 17: Location of the Doonia Project in the Eastern Goldfields of Western Australia.

The Burns Project area was first identified as part of the same regional exploration program by WMC Resources Limited that identified Doonia. Both areas were subject to broad-spaced aircore drilling but despite modest gold anomalism being returned in places, further work was not recommended.

The Burns discovery indicates that the drill-spacing used by WMC was inadequate for the regolith environment that occurs under and around salt lake environments as previously described by Impact for Doonia (ASX Release 17th November 2020.

There are also two strong geological similarities between Doonia and Burns:

Firstly, in regional magnetic data they are both characterised by similar sized modest positive magnetic anomalies (Figure 18). At Burns the magnetic response is at least in part directly associated with magnetic alteration related to the gold-copper mineralisation. The source of the magnetic anomaly at Doonia is as yet unidentified.

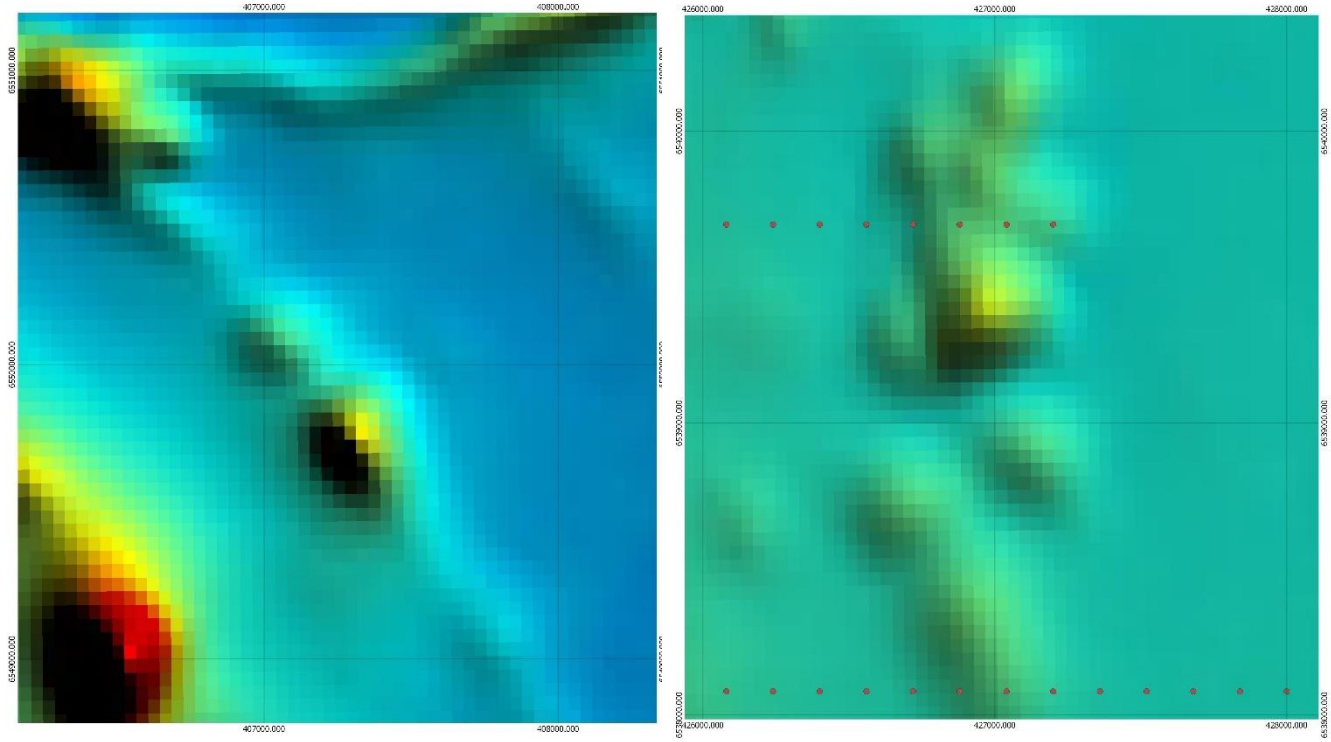


Figure 18: Regional magnetic data over the Burns prospect (left) and Doonia project (right) at the same scale.

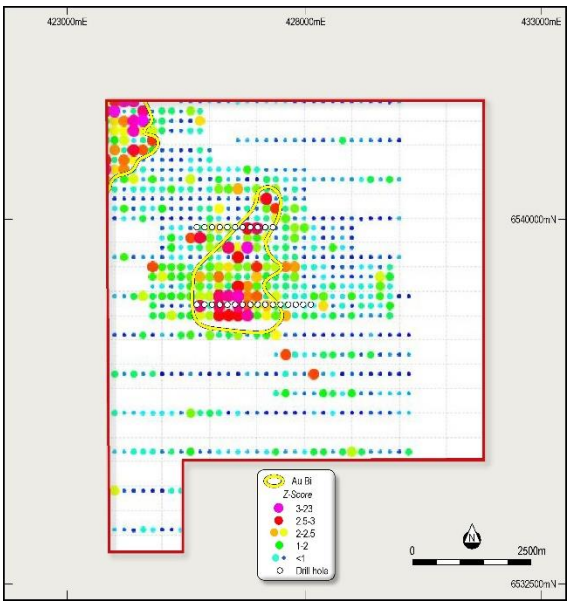
Secondly, the Burns mineralisation is characterised by a metal association of copper-molybdenum-silver-bismuth-tellurium-arsenic. Of these metals, only copper-bismuth-arsenic were assayed for in the previous soil geochemistry data at Doonia, but together with other metals assayed for, Impact identified a very distinct and coherent zoned geochemical anomaly that was not recognised by WMC (Figures 19 and 20).

A core area of gold+bismuth 2,500m long and up to 1,000m wide occurs in the centre of the project area and is surrounded by a larger, albeit partly discontinuous, halo of arsenic+antimony (Figures 19 and 20).

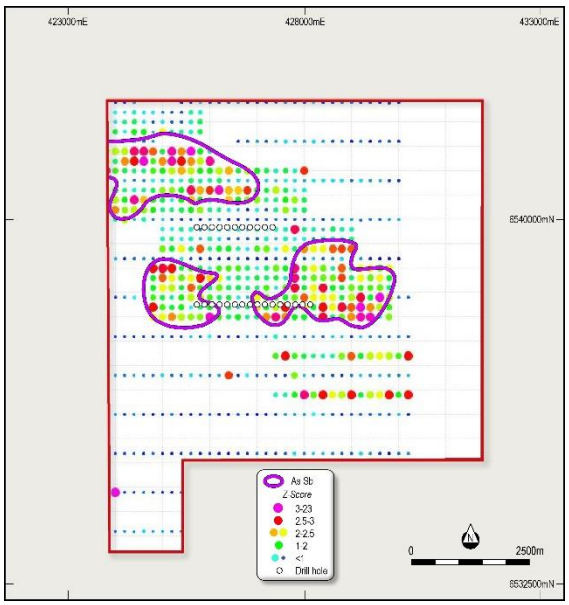
The gold+bismuth zone overlies the numerous small magnetic anomalies visible in the regional magnetic data and which are also coincident with a nickel+copper+zinc in soil anomaly that coves an area of about 2,500m by 2,000m (Figures 19 and 20).

These results are interpreted to be potentially related to a gold+bismuth mineralised system associated with a different mafic to felsic intrusion. The system covers a large area and clearly has scale. A second gold+bismuth anomaly is also present in the north-west corner of the project area.

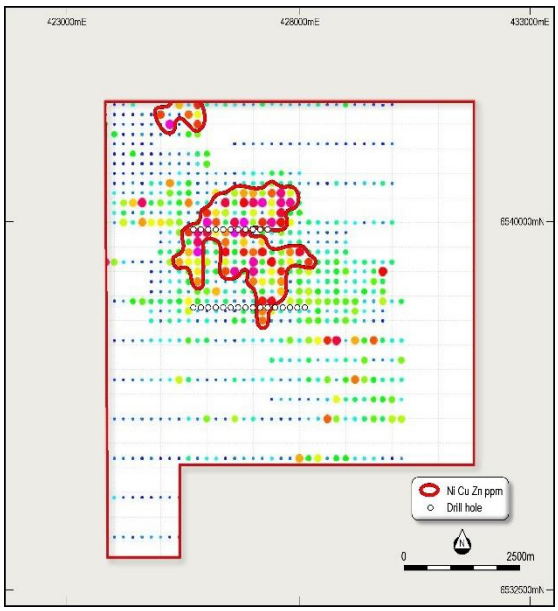
Impact intends to expedite exploration at Doonia upon grant of the tenement.



Gold+Bismuth



Arsenic+Antimony



Nickel+Copper+Zinc

Figure 19: Images of the additive Z-scores for gold+bismuth, arsenic+antimony, and nickel+copper+zinc. Note that the entire central zoned anomaly extends over several square kilometres.

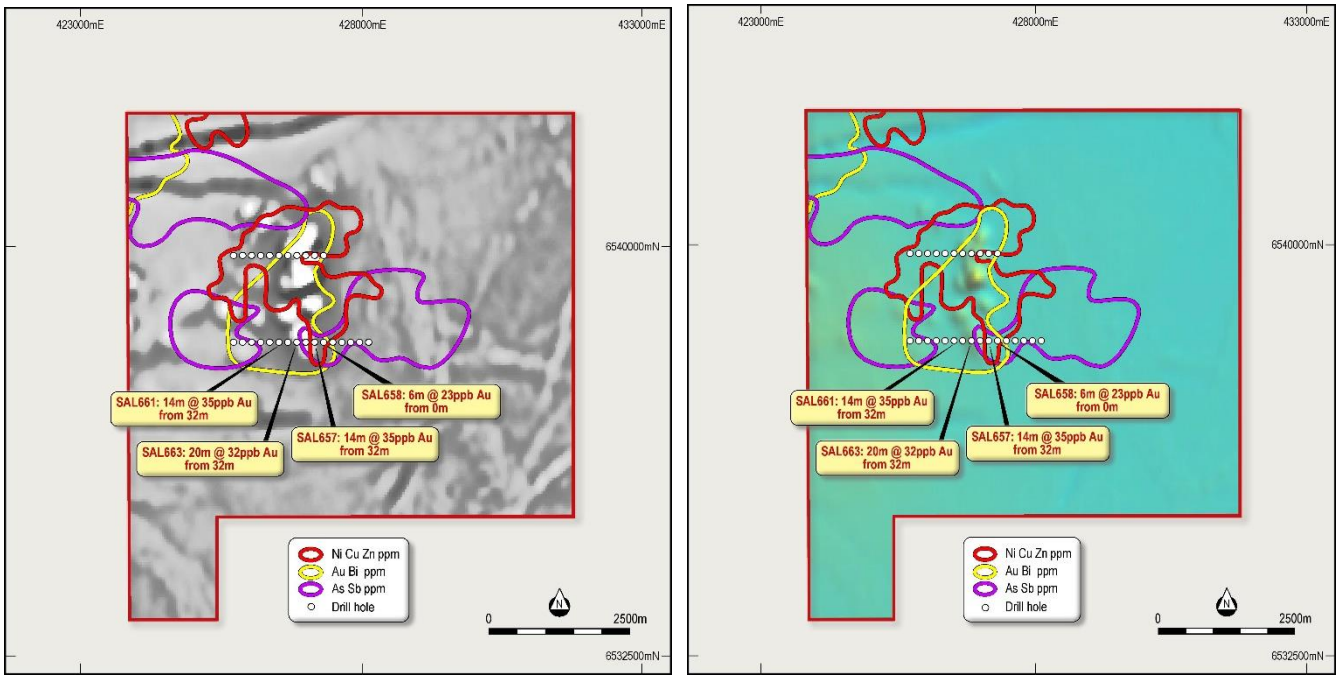


Figure 20: Images of regional magnetic data showing the zoned soil geochemistry pattern with a core of gold+bismuth and an outer halo of arsenic+antimony centred over numerous magnetic anomalies. The left image shows a vertical derivative of the magnetic data and the right a total magnetic intensity image. The nickel+copper+zinc anomaly is well developed over the magnetic anomalies and may reflect a buried intrusion.

4. ARKUN PROJECT, WA (IPT 100%)

An interpretation of regional airborne magnetic data is in progress covering Impact's large 100% owned Arkun project centred about 150 kilometres east of Perth in the emerging PGM-Cu-Ni province of the western Yilgarn Craton (ASX Release 10th June 2020).

The interpretation will be used to define major structures and target host rocks that are prospective for magmatic nickel-copper-PGM sulphide deposits similar to the Julimar discovery (Chalice Mining Ltd ASX:CHN). Follow up field checking and soil geochemistry surveys will be planned over targets identified.

5. CORPORATE

Post quarter end the Company announced that it had received firm commitments to raise $4,000,000 (before costs) via a placement of 242,424,242 shares at 1.65 cents per share.

Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) for the current period provides an overview of the Company's financial activities.

Cash exploration expenditure for the current period was $1.3 million. Corporate and other expenditure amounted to $268,000. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was $94,000 and includes salary, directors' fees and superannuation.

Cash at March 31st 2021 was $1.1 million.

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.

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%
EL9036	Granted	-	100%
EL9037	Granted	-	100%
EL9038	Granted	-	100%
Clermont, Qld			
EPM14116	Disposed	100%	-
Black Ridge, Qld			
EPM26806	Granted	100%	100%
ML2386	Granted	100%	100%
EPM27571	Application	-	-
EPM27410	Application	-	-
Arkun, WA			
E70/5424	Granted	-	100%
E70/5430	Granted	100%	100%
E70/5431	Granted	100%	100%
E70/5432	Granted	-	100%
E70/5433	Granted	-	100%
E70/5434	Granted	-	100%
E70/5490	Granted	-	100%
E70/5504	Granted	-	100%
E70/5505	Granted	-	100%
Doonia, WA			
E15/1790	Application	-	-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

IMPACT MINERALS LIMITED

ABN	Quarter ended ("current quarter")
52 119 062 261	**31 MARCH 2021**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) exploration & evaluation		
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(64)	(180)
	(e) administration and corporate costs	(204)	(653)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	21
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	67
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(265)**	**(745)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	(30)
	(c) property, plant and equipment	(11)	(27)
	(d) exploration & evaluation	(1,265)	(3,605)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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**	**(1,276)**	**(3,662)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,245
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(217)
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**	**(2)**	**3,028**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,595	2,431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(265)	(745)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,276)	(3,662)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	3,028

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,052**	**1,052**

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	1,052	1,093
5.2	Call deposits	-	1,502
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)**	**1,052**	**2,595**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	94
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**
7.5	**Unused financing facilities available at quarter end**		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(265)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,265)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,530)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,052
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,052
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes - please refer to the Company's ASX announcement dated 21 April, 2021.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes - please refer to the Company's ASX announcement dated 21 April, 2021.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes - please refer to the Company's ASX announcement dated 21 April, 2021.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 29 April 2021

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.