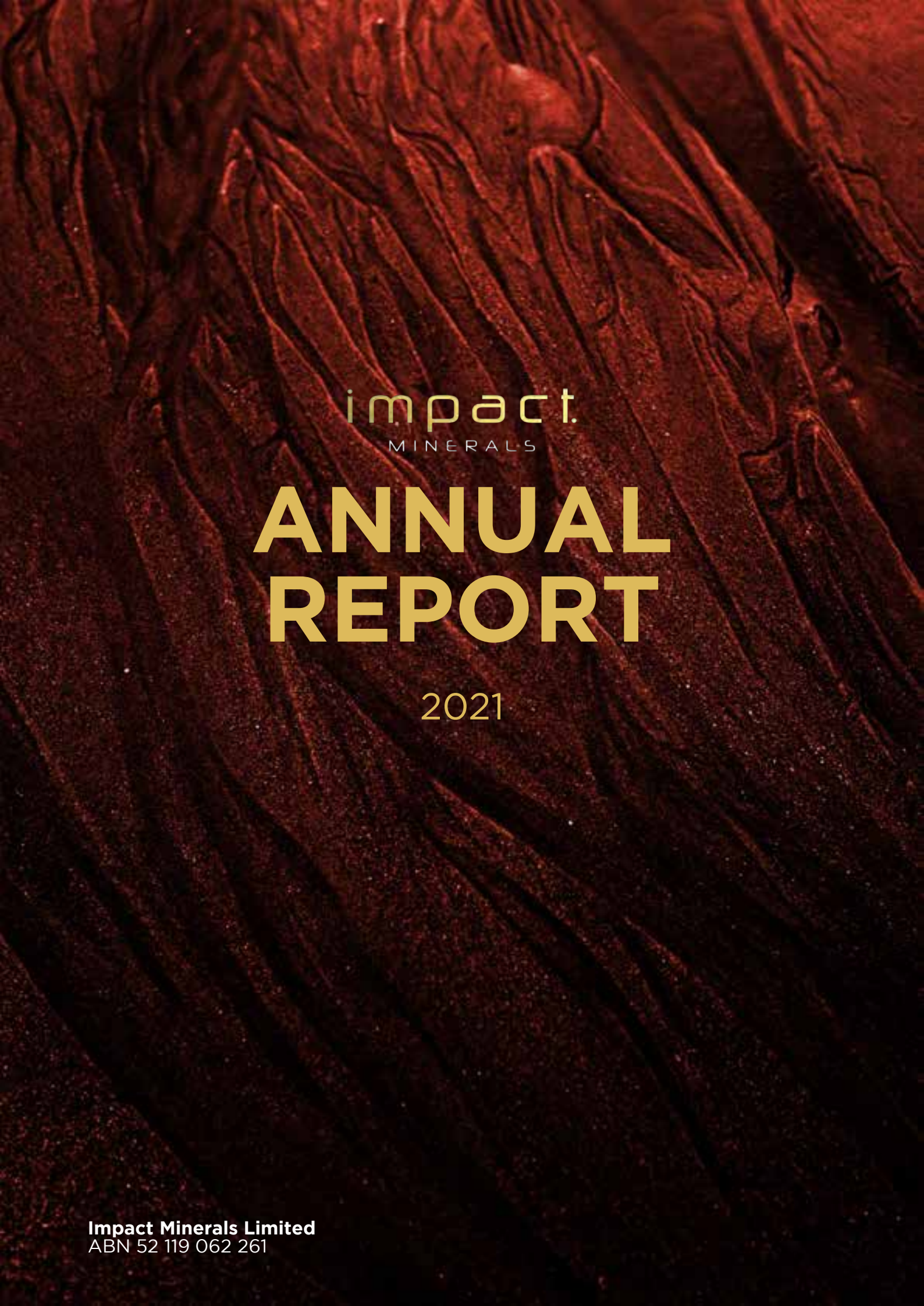
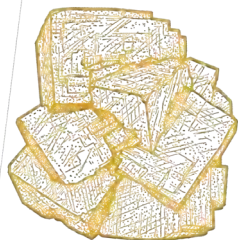




impact.
MINERALS

ANNUAL REPORT

2021



CORPORATE DIRECTORY

DIRECTORS

PETER UNSWORTH

Non-Executive Chairman

MICHAEL JONES

Managing Director

PAUL INGRAM

Non-Executive Director

MARKUS ELSASSER

Non-Executive Director

COMPANY SECRETARY

BERNARD CRAWFORD



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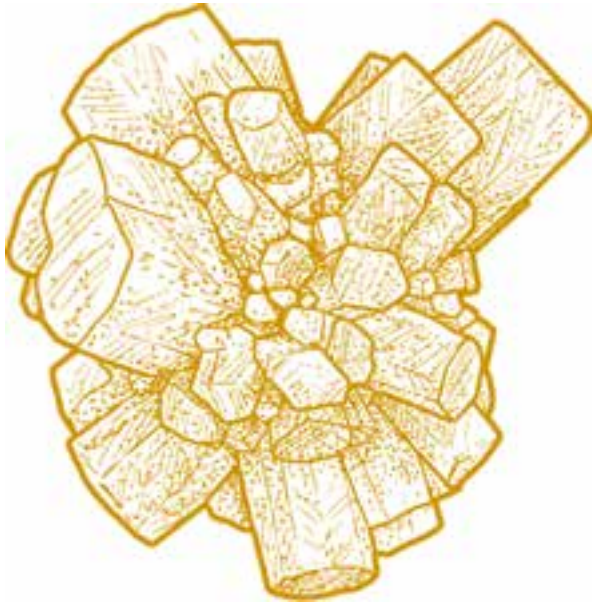


SECURITIES EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Ltd ("ASX")

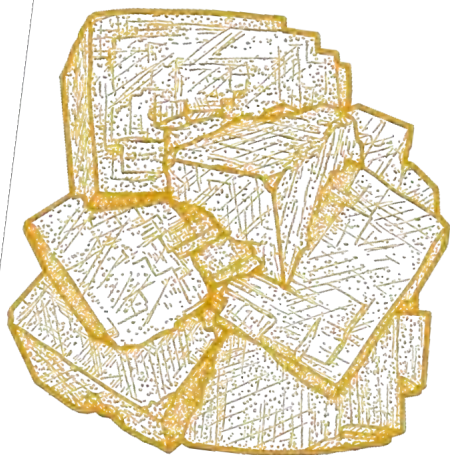
Home Exchange: Perth, Western Australia

ASX Code: IPT



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CHAIRMAN'S LETTER

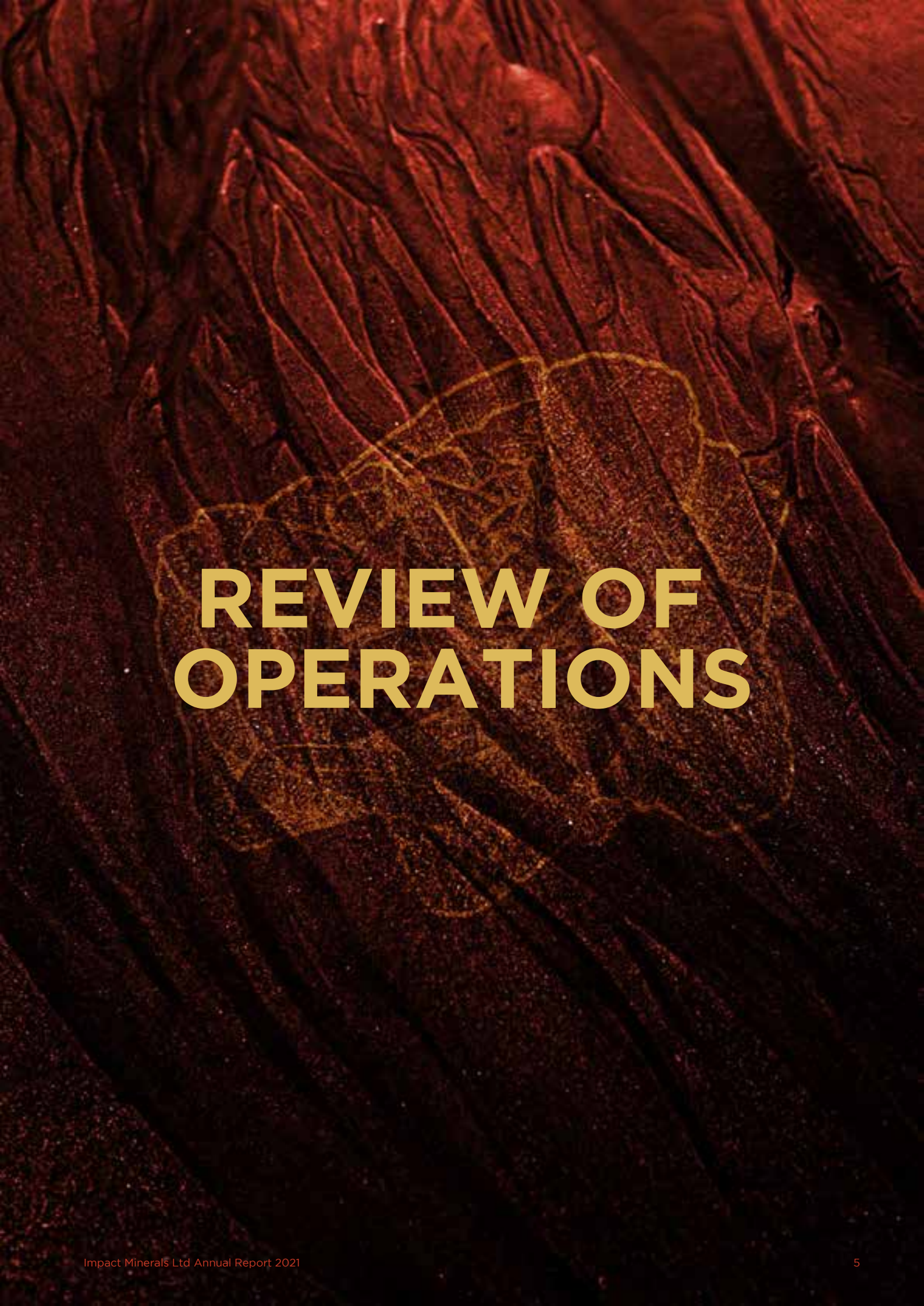
The year to 30th June 2021 has been yet another extremely active and encouraging one for your Company. The key highlights, which are detailed in the attached Review of Operations, were achieved in difficult circumstances as the effects of the COVID lockdowns caused disruption to Impact's planned programmes. The company's Managing Director Dr Mike Jones and his team of two geologists, Exploration Manager James Cumming and geologist George Martin Johnson worked tirelessly during the year to continue to organise major drill programmes in New South Wales as well as progress Impact's earlier stage projects in Western Australia. They have delivered breakthrough results at a number of projects which has created a platform for a very exciting 2022 and I thank them for their efforts.

A major drill programme was completed at the company's flagship Broken Hill nickel-copper-platinum group metal project in New South Wales. Significant results were returned from all three prospects drilled, Red Hill, Platinum Springs and in particular at the Little Broken Hill Gabbro. This work also led to the discovery of a geochemical ratio that can be calculated from measurements made by a hand held XRF instrument at the drill site and which is a good predictor of the grade of platinum group metals (PGMs). This is a major breakthrough for Impact as it allows a quick assessment of the likely grade of the PGM's as the drill rig is operating rather than having to wait for several months for assays to be returned from the laboratory. The ratio will play a big part in follow up drill programmes.

In Western Australia, a significant new gold target, Doonia, was acquired in a joint venture east of Kambalda in the Eastern Goldfields. This is a compelling walk up drill target that will be drilled in late 2021. In addition 17 priority targets were identified for nickel-copper-PGM at the Arkun project 150 km east of the major PGM discovery at Julimar made by Chalice Mining NL. This discovery has shown the south west of Western Australia to be an emerging mineral province for a range of commodities and Impact is now a major ground holder in this region.

More details on the Company's activities and projects are set out in the Review of Operations. We are looking forward to an exciting 2022 with further drill programmes on our key projects.

Peter Unsworth
Chairman



REVIEW OF OPERATIONS



REVIEW OF OPERATIONS

Impact Minerals Limited is an Australian Exploration Company listed on the Australian Securities Exchange (ASX-IPT).

The company is a project generator and developer and explores a large portfolio of tenement holdings of 4,000 sq km within major mining regions of Australia featuring significant potential for high-grade mineral deposits of gold, silver, lead, zinc, copper, cobalt, nickel and platinum group metals. The company has five active exploration projects, each containing multiple, high-grade mineral discoveries:



BROKEN HILL PROJECT

851 sq km in the Broken Hill region New South Wales and prospective for **nickel-copper-platinum group metals and silver-lead-zinc deposits.**



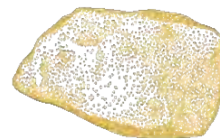
COMMONWEALTH PROJECT

714 sq km in the Lachlan Fold Belt in New South Wales prospective for **porphyry copper-gold** as well as volcanogenic massive sulphide deposits of **gold, silver and base metals.**



ARKUN-BEAU PROJECT

2,182 sq km centred between York and Corrigin 100 km east of Perth prospective for **nickel-copper-platinum group metals and gold.**



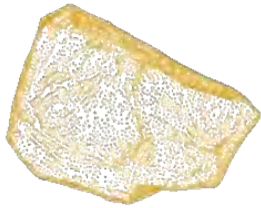
DOONIA PROJECT

62 sq km located 80 km east of Kambalda in Western Australia and prospective for **gold.**



BLACKRIDGE PROJECT

140 sq km covering Permian sedimentary rocks near Clermont in central Queensland and prospective for **conglomerate-hosted gold deposits.**



BROKEN HILL PROJECT

1.0 Broken Hill Project (IPT 100%)

The Broken Hill nickel-copper-platinum group metal project (Ni-Cu-PGM) covers a suite of mafic to ultramafic intrusions that occur in a 40 km long belt from Little Broken Hill in the south-west to Red Hill, Darling Creek, Platinum Springs and Moorkai in the north-east. It is part of Impact's larger 100% owned Broken Hill project that covers about 1,000 km² and which is also highly prospective for silver-lead-zinc mineralisation similar to the world class Broken Hill deposit (Figure 1.0).

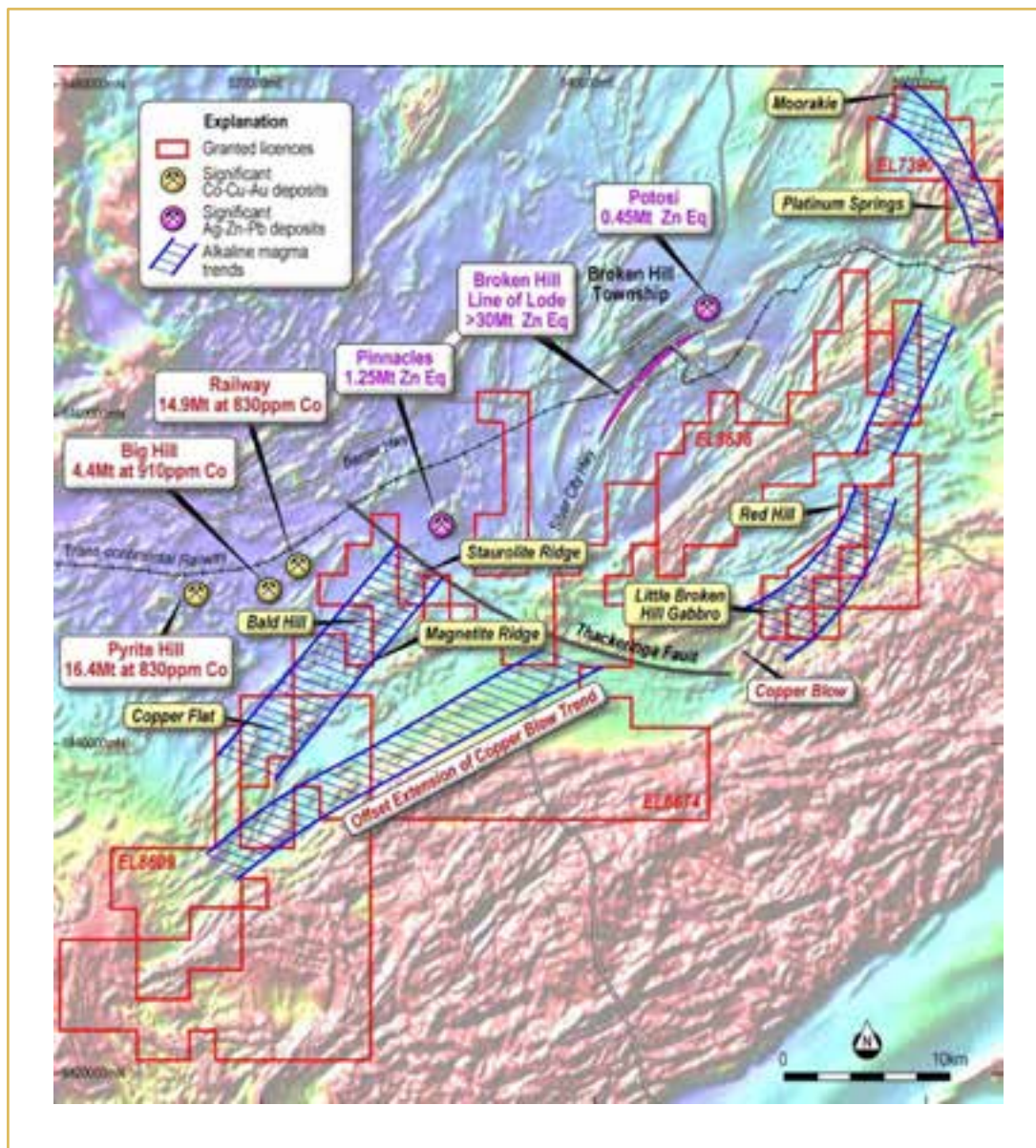


Figure 1.0 Impact's ground holdings in the Broken Hill area showing key prospects including Red Hill, Platinum Springs and Little Broken Hill Gabbro.

During the year, Impact completed a major drilling campaign for Ni-Cu-PGM at three prospects: Platinum Springs, Red Hill and Little Broken Hill Gabbro. The program was extended several times due to ongoing encouraging assay results, and a total of 138 drill holes for 13,263 m were completed.



BROKEN HILL PROJECT

The success of the drill programme was driven by the discovery by Impact of a geochemical ratio that can be measured with a hand held XRF instrument at the drill site that shows a relationship to the grade of palladium+platinum+gold as determined by laboratory assays.

1.1 About Impact's Ratio for PGM Exploration

In the normal course of exploration there is a significant time lag between drilling for PGM mineralisation and receipt of assays. This is because PGM minerals are mostly not visible to the naked eye, do not occur in association with visible sulphide minerals and can not be read directly with hand held instruments because of the high detection limits for precious metals.

Accordingly there is usually a significant time lag between drilling, receipt of assays and follow up drilling. The ratio allows the drill rig to track mineralisation in real time during the programme. This is possibly a first in PGM exploration globally and is a major advantage for Impact as it moves forward with follow up drill programmes that are clearly required at Broken Hill.

Figure 1.1 shows a graph of the relationship between Impact's geochemical ratio and grades of platinum+palladium+gold (3PGM) as determined by laboratory assay for all available data at the Platinum Springs prospect (ASX Release 6th October 2020).

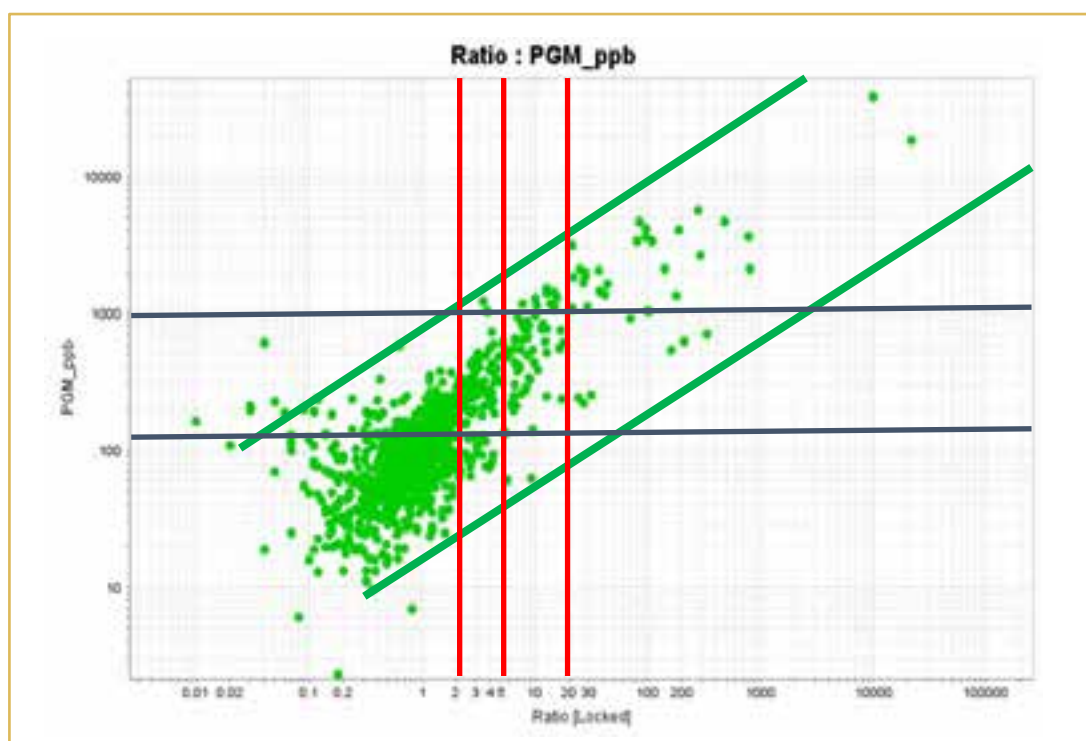


Figure 1.1. Graph of platinum+palladium+gold (3PGM) in parts per billion (1,000 ppb = 1 g/t: y axis) against Impact's proprietary ratio (x axis). Note key thresholds at a ratio of between 2 and 5 and also in particular of more than 20 that mark increases in grade of the 3PGM. Note also that there are some exceptions to the rules.

The positive log linear relationship between the ratio and 3PGM grade is self-evident in the figure. It suggests that anomalous grades of more than 100 ppb 3PGM are generally associated with ratios greater than 2 to about 5 and that ratios greater than 20 are likely to have 3PGM grades greater than about 1.0 g/t.



BROKEN HILL PROJECT

It is also apparent that the ratio is working over several orders of magnitude and offers a possible vector towards higher grade zones (ASX Release 6th October 2020).

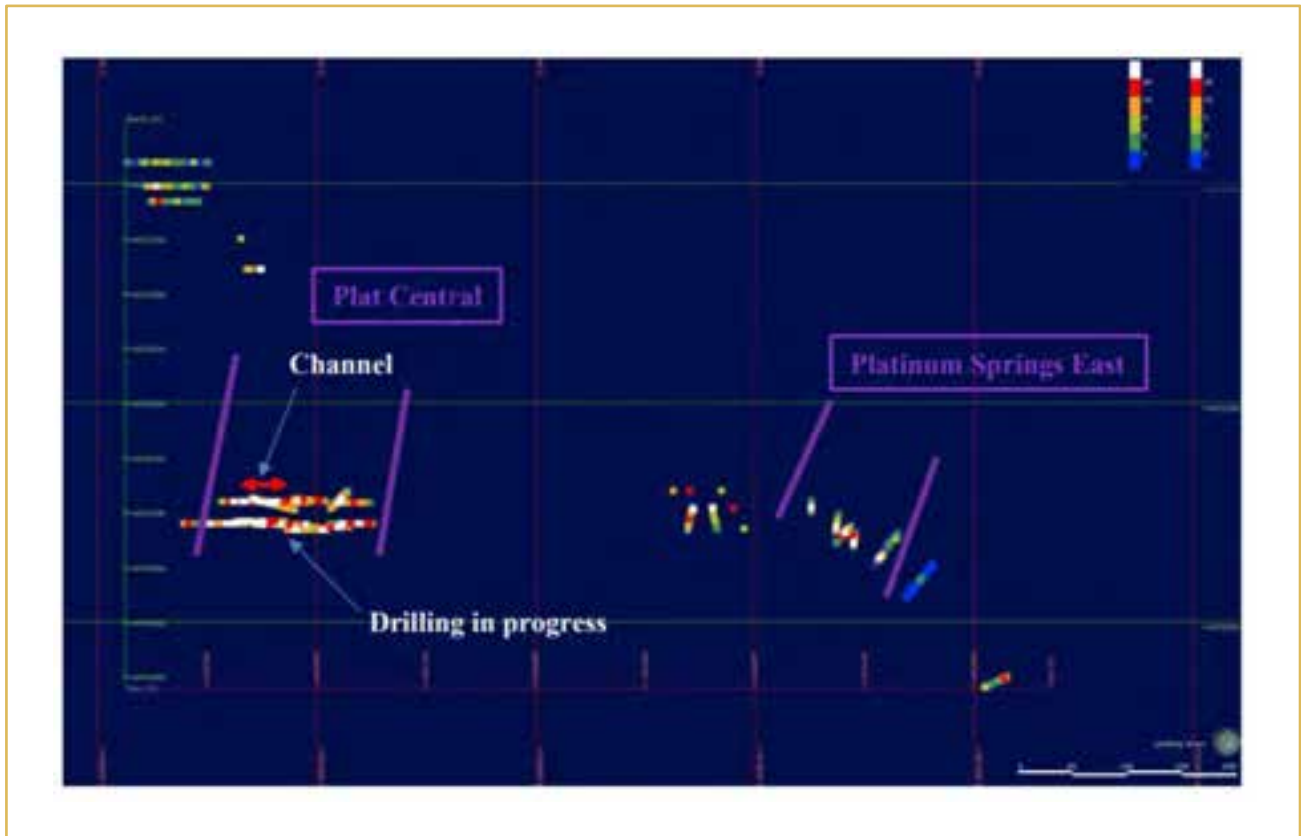


Figure 1.2. Map of the Platinum Springs Prospect showing the best ratio-in-hole value for vertical drill holes. It is evident the ratio (highest numbers in white) has led to the discovery of coherent zones of higher grade mineralisation.

The benefits of the ratio can be seen in Figure 1.2 which is a map of the ratios in the drill holes. It is evident that the ratio has provided vectors to areas of high grade mineralisation such as Plat Central and Plat East and has effectively sterilised other areas such as Plat West.

Impact interprets the changes in ratio to reflect changes in specific physico-chemical conditions in the parent ultramafic magma at the time of mineralisation which control the precipitation of the platinum group metals.

Impact has demonstrated to its satisfaction that hand-held XRF data is of sufficient accuracy and precision compared to the laboratory assay data that it can be used to calculate the ratio in the field and actively used to guide drilling as the programme progresses.

The ratio may offer a method to help overcome one of the main exploration challenges that Impact and all previous explorers have faced for over 40 years at Broken Hill for Ni-Cu-PGM which is to discriminate and rank the numerous high grade rock chip samples and drill intercepts spread over many kilometres of trend that have proved difficult to track with the drill rig.

For example, the entire Moorkai Trend, a major 9 km long dyke and chonolith complex in the north east of the project area, has very high-grade nickel-copper-PGM's in rock chip samples along its entire length (Figure 1.3 and ASX Release 3rd February 2016). However, extensive drilling has



BROKEN HILL PROJECT

only been done at the southern end around Platinum Springs with sporadic success. Impact's ratio delivered break through drill results for the first time in this area and accordingly may also open up the entire Moorkai Trend to systematic exploration for the first time.

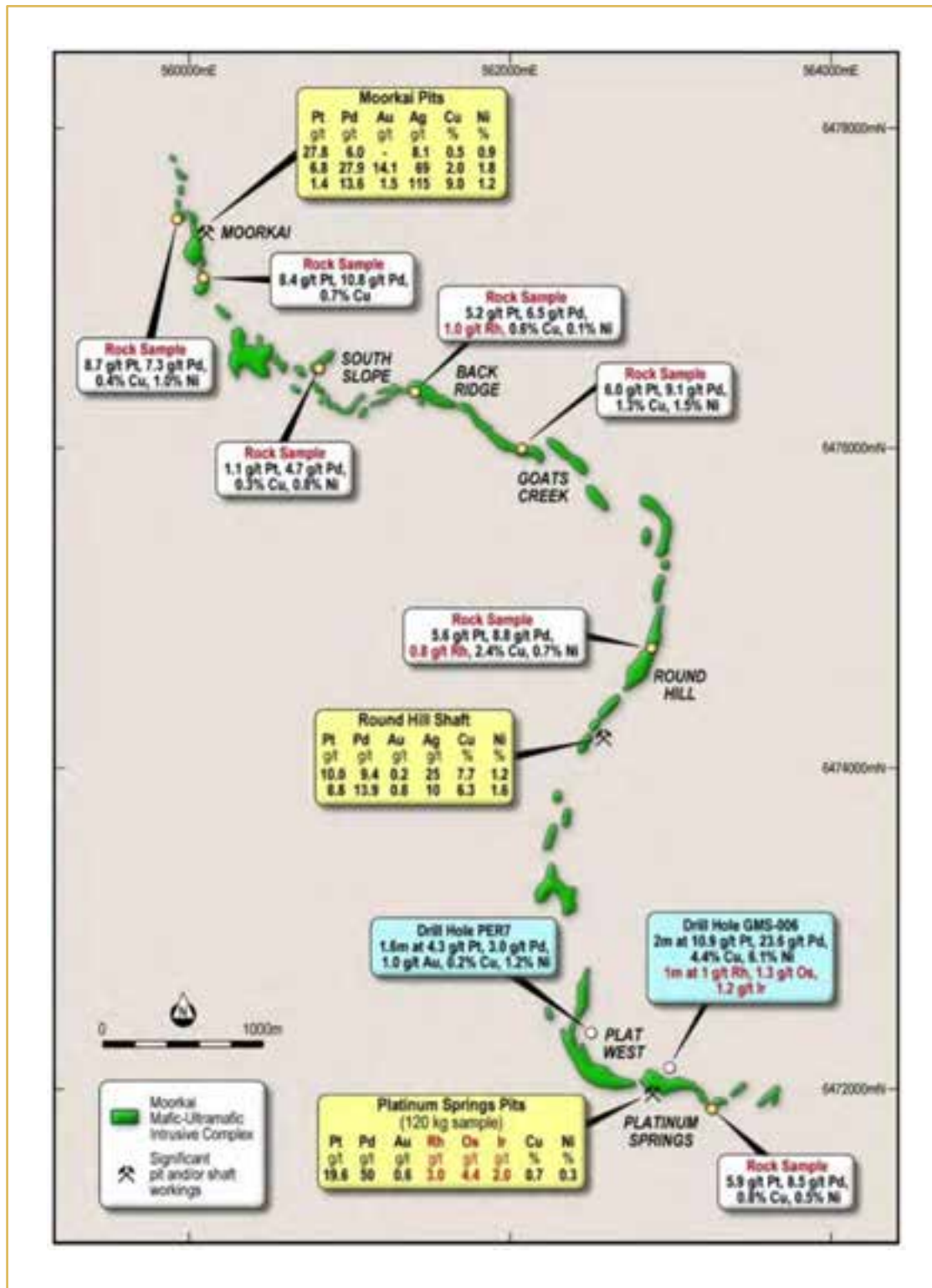


Figure 1.3. Rock chip sample results from along the Moorkai Trend and significant previous drill results (ASX Release 21st October 2020).

The greater Platinum Springs area covers four main areas at the southern end of the Moorkai Trend that were tested by 51 first pass reconnaissance RC and aircore drill holes in the 2020 drill programme: Plat Springs, Plat Central, Plat East and Plat West. These areas cover parts of a significant change in trend of the Moorkai dyke from north-south to east-west over a distance of about 1,500 m (Figures 1.4 and 1.5).

Impact Minerals Ltd Annual Report 2021



BROKEN HILL PROJECT

The majority of previous work has focussed on the Plat Springs Prospect (previously called Mulga Springs) where near surface gossans were first recorded. Numerous drill holes tested the dyke at depth. However, this work was mostly done with an exploration model of a large, layered intrusion in mind in which high grade PGM's were expected along a large strike length of the host intrusion.

Work by Impact suggests that massive sulphide units hosted in Kambalda-style structural channels is a more appropriate geometric exploration model to follow. Such styles of nickel-copper-PGM sulphide mineralisation are more challenging to discover, but once confirmed can persist for long distances down plunge.

A previous drill hole completed by Impact (PSD02: ASX Release 3rd February 2016) intersected a narrow unit of magmatic nickel-copper-PGM sulphides in a structural channel at the base of the ultramafic unit and returned 0.6 m at 11.5 g/t platinum, 25.6 g/t palladium, 1.4 g/t gold, 1.3 g/t rhodium, 1.7 g/t iridium, 2.0 g/t osmium and 0.8 g/t ruthenium 7.6% copper and 7.4% nickel (ASX Releases 3rd February 2016, 31st March 2016).

Impact is exploring for larger channels that may host significantly thicker intercepts of this type of massive sulphide and they are attractive exploration targets.



BROKEN HILL PROJECT

1.2.1 The Plat Central Prospect

Thick zones of modest to high grade gold+platinum+palladium (3PGM) were discovered at the Plat Central prospect located about 400 m west of the original Plat Springs prospect that was the focus of the majority of previous exploration (Figures 1.4 and 1.5).

Drilling was guided by Impact's ratio and the drill rig was moved back and forth along the drill traverse to identify a channel structure with a high grade "pinch-out" at the base of the target ultramafic unit (Figure 1.6).

The channel structure is defined by intercepts up to 50 m thick of low grade PGM-Cu-Ni throughout the ultramafic at the edges of the channel and narrower zones up to 7 m thick of higher grade within and at the base of the channel (Figure 1.6 and ASX Releases 6th October, 21st October and 2nd December 2020).

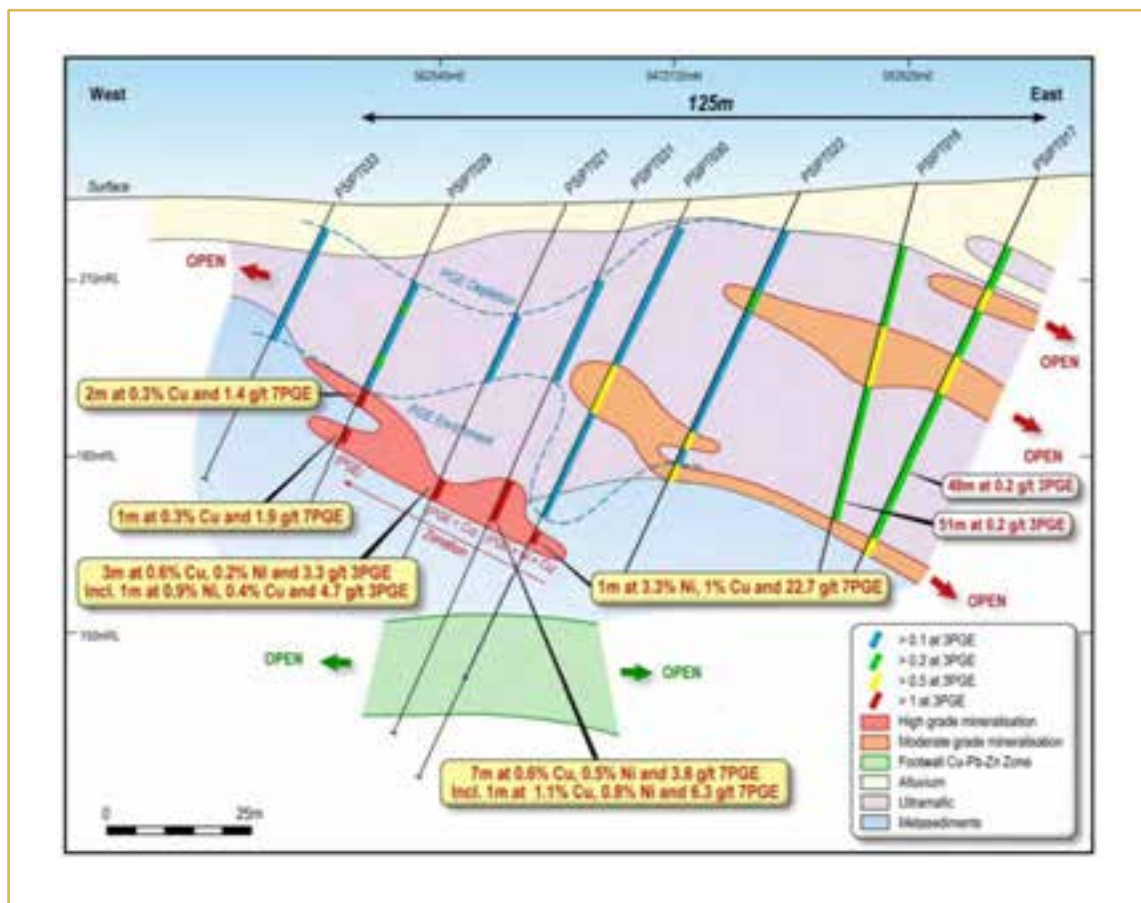


Figure 1.6. Cross-section on Traverse T3 (Figure 1.7) at Plat Central highlighting high-grade mineralisation within a channel in the host ultramafic unit. Note the strong lateral zonation of mineralisation in the channel away from the "pinch out" in Hole PSIPT030 and the PGM depletion in the parent ultramafic unit immediately above the channel. Also note the copper rich unit below the channel which may have been a source of sulphur and metal within the channel..

For example, outside the channel Hole PSIPT016 returned:

51 m at 0.21 g/t 3PGM from 11 m downhole, including 8m at 0.6 g/t 3PGM from 29 m, which includes 1 m at 0.3 % nickel, 0.3% copper and 1.5 g/t 3PGM from 30 m.



BROKEN HILL PROJECT

Hole PSIPT017 returned a similar intercept of:

- **49 m at 218 ppb 3PGM from 21 m downhole, including 7m at 0.4 g/t 3PGM from**
- **33 m which includes 1 m at 0.8 g/t 3PGM from 37 m.**

Within the channel four drill holes returned higher grade mineralisation as follows (Figure 1.6):

PSIPT030: 1 m at 22.7 g/t 7PGM, 3.3 % nickel, 1% copper and 23 g/t silver from 62 m down hole.

The 7PGM grade comprises: 10.9 g/t palladium, 7.3 g/t platinum, 0.9 g/t rhodium, 1.3 g/t osmium, 1.4 g/t iridium and 0.6 g/t ruthenium and 0.1 g/t gold.

This intercept which is the highest grade returned at Plat Central also had the highest value of Impact's ratio as expected.

PSIPT031 - 7 m at 3.8 g/t 7PGM, 0.6% copper, 0.5% nickel and 9.4 g/t silver from 53 m down hole including 1 m at 6.3g/t 7PGM, 1.2% copper, 0.8% nickel and 19 g/t silver from 58 m.

The 7PGM grade for the 1 m intercept comprises: 3.6 g/t palladium, 1.8 g/t platinum, 0.1 g/t rhodium, 0.2 g/t iridium, 0.2 g/t osmium and 0.1 g/t ruthenium and 0.3 g/t gold.

PSIPT021 - 3 m at 3.3 g/t 3PGM, 0.6% copper and 0.4% nickel from 52 m down hole including 1 m at 4.7 g/t 3PGM, 0.9% copper, 0.4% nickel from 52 m.

The 3PGM grade for the 1 m intercept comprises: 3.0 g/t palladium, 1.4 g/t platinum and 0.3 g/t gold.

PSIPT029 - 2 m at 1.4 g/t 3PGM and 0.3% copper from 35 m down hole and also 1 m at 1.9 g/t 3PGM and 0.3% Cu from 43 m in the footwall sedimentary rocks.

The 3PGM grade for the 2 m intercept is 0.8 g/t palladium, 0.5 g/t platinum and 0.1 g/t gold

As well as helping identify the channel, Impact's ratio also correctly predicted that many of the drill holes completed early in the drill programme at Plat West were likely to return low grade intercepts.

Further details on these drill holes and related intercepts are included in ASX Release 2nd December 2020.

Of note, one hole, PSIPT018, drilled to the north of Plat Central did not reach the base of the ultramafic unit because of drill rig limitations and returned a zone of modest 3PGM results with the end of hole showing an increase in grade (Figure 1.5 and ASX Release 21st October 2020). The hole returned: **31 m at 94 ppb 3PGM from 129 m including 2m at 0.24 g/t 3PGM at the end of hole.**

Hole 018 may lie close to the margin of, or actually be within, the northern extension of the Plat Central channel some 200 m down plunge. Accordingly, this hole will be deepened with a more appropriate drill rig as soon as practicable.

Follow up drilling took place on three further traverses (T1, T2 and T4) to track the channel to the north and south. This work defined a NW-SE trend to the basal channel and also identified a second, sub-parallel channel structure to the north east (Figure 1.7).



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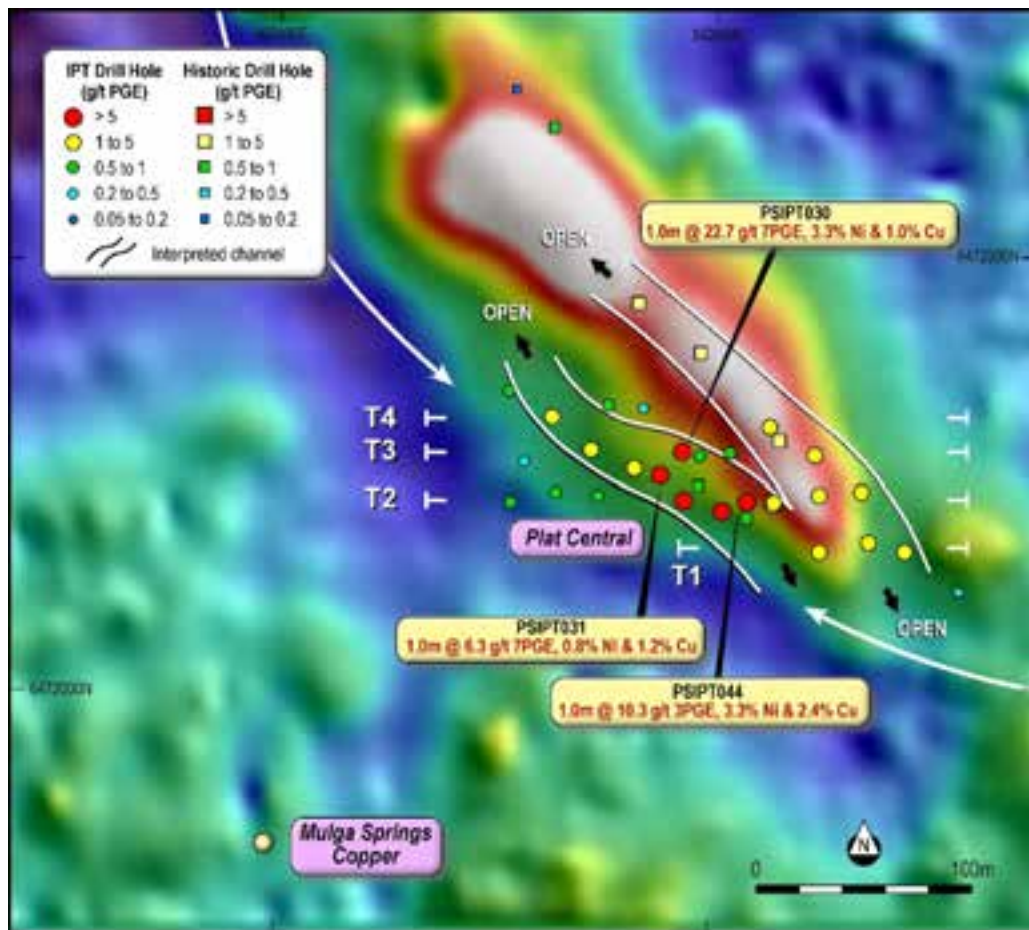


Figure 1.7. A close up of the magnetic data over the Plat Central prospect, showing maximum 3PGM values in drill-holes completed both by Impact Minerals and previous explorers. Two interpreted channels are shown that may merge towards the south-east and are open in that direction and to the north-west. Identified Traverses are T1 to T4.

On Traverse T2 drilling defined a high grade extension to the channel on T3 as defined by several drill holes (Figure 1.8):

- 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 3PGM 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.



BROKEN HILL PROJECT

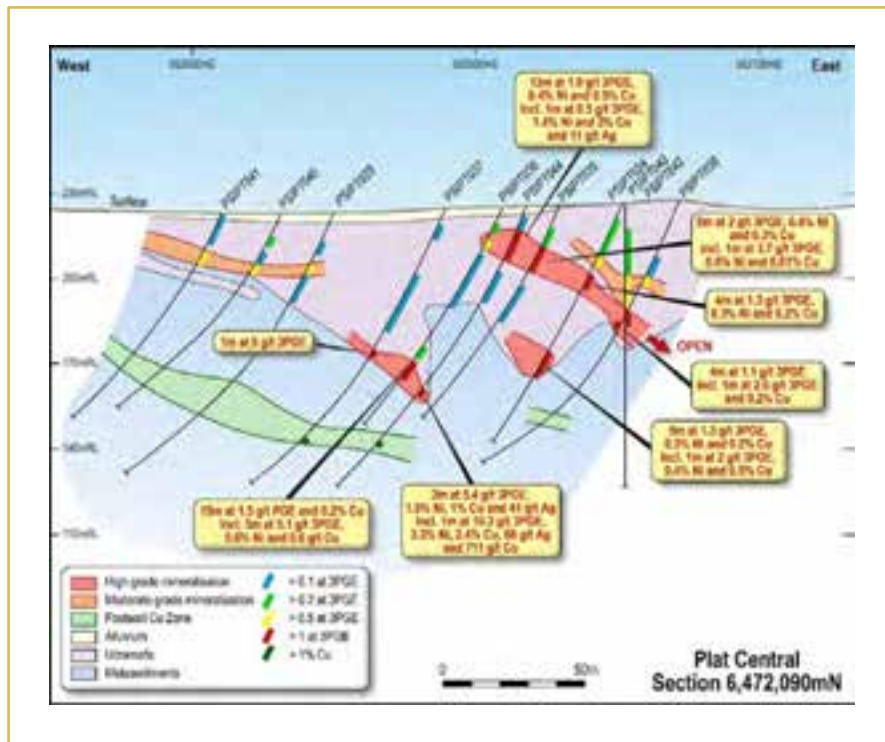


Figure 1.8. East-west cross-section along Traverse 6,472,090mN (**T2**). Note the central east-dipping channel structure, a second basal channel and the upper zone of east-dipping high-grade mineralisation.

Drilling on traverse T2 also discovered the second parallel channel in **PSIPT034** which returned (Figures 1.7 and 1.8):

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

Three holes drilled on **T1** (Figure 1.7) also define a channel structure which is interpreted as an extension of this second eastern channel with all three returning significant intercepts (Figures 1.7 and 1.9):

- 34m at 0.4g/t 3PGM from 2 m 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 25 m in **PSIPT050**; including
 - 1m at 1.3g/t 3PGM from 32 m;
- 5m at 0.2g/t 3PGM from 40 m in **PSIPT049**; including
 - 1m at 4.6g/t 3PGM, 0.8% Ni and 0.2% Cu from 45 m.

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



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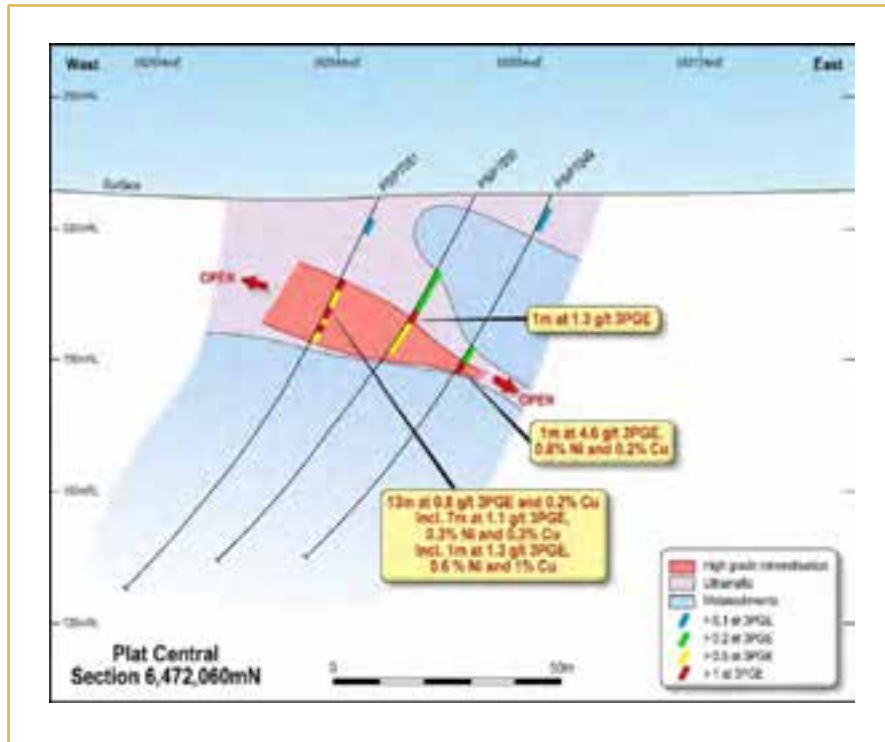


Figure 1.9. Cross-section along Traverse 6,472,060mN (**T1**), showing a channel structure interpreted to be the extension of the second channel at Plat Central. The first channel may be present further to the west

In addition an upper mineralised zone in the host ultramafic unit was also defined by the drilling on Traverse T2 where an east-dipping pod of modest to high-grade PGM-Cu-Ni mineralisation is present in 6 holes (Figure 1.8), including:

- 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.

1.2.2 The Plat East Prospect

A further channel structure has also been discovered by Impact at the Plat East Prospect, centred about 500m east of Plat Central (Figures 1.2, 1.4 and 1.5). 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 1.10):

- 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 41 m; which includes
 - 1m at 4.7g/t 3PGM, 0.6% Cu and 1.2% Ni from 42 m; plus
 - 2m at 1.1g/t 3PGM from 47 m;



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- 32m at 0.3g/t 3PGM from 26 m in **PSIPT023**; including
 - 1m at 2.7g/t 3PGM, 0.2% Cu and 0.3% Ni from 43 m;
- 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 43 m;
- 11m at 0.6g/t 3PGM from 38m in PSIPT026; including
 - 1m at 1.4g/t 3PGM and 0.2% Cu from 46 m; and
 - 1m at 4.4g/t 3PGM from 48 m.

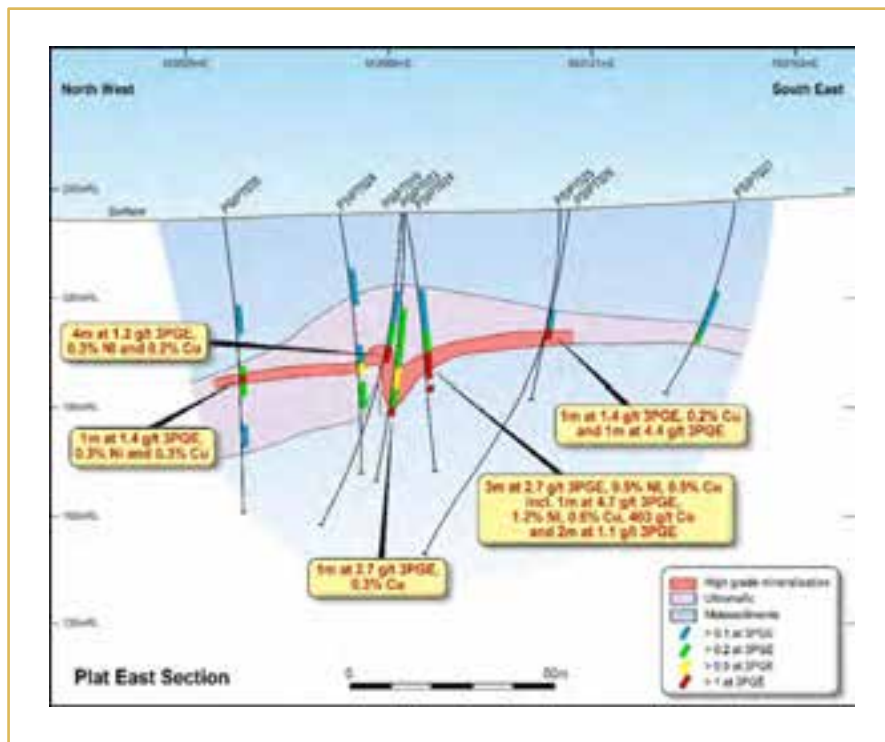


Figure 1.10. Cross-section at Plat East. The unusual geometry may be related to a structure associated with the emplacement of the mineralisation.

In addition, as at Plat Central, thick low-grade intervals of 3PGM were intersected in the host ultramafic unit, as well as higher grade intercepts closer to the upper contact:

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

The trend of the Plat East channel has not been established because of a relatively 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 Plat Springs area (Figure 1.5)



BROKEN HILL PROJECT

1.2.3 About the Channel Structures at Platinum Springs

The basal channel structures identified in the Platinum Springs area are the first zones of coherent higher grade mineralisation discovered in nearly four decades of previous exploration at Platinum Springs. They were discovered exclusively by Impact's geochemical ratio.

In addition the channels have a geometry similar to many nickel-copper-PGM sulphide deposits formed at the base of mafic to ultramafic intrusive and extrusive rocks globally (ASX Release 21st October 2020).

The type example of such channels are those at the world class Kambalda nickel mining district of Western Australia. Here, the channels are ribbon-like and are mostly less than 5-7 m thick, no more than 50-100 m wide but usually extend for many hundreds of metres to kilometres along the trend of the channel. Figure 1.11 shows a cross section through the Kambalda Dome with numerous channels highlighted for comparison.

Kambalda-style channels are also commonly structurally complex with the potential to form numerous traps along the trend of the channel. It is likely that there are many channels similar to that at Plat Central along the entire 9 kilometre long Moorkai Trend.

The geometry of the channels is likely to be as variable as those at Kambalda and the potential exists to find a significant body of high-grade mineralisation with further drilling along trend.

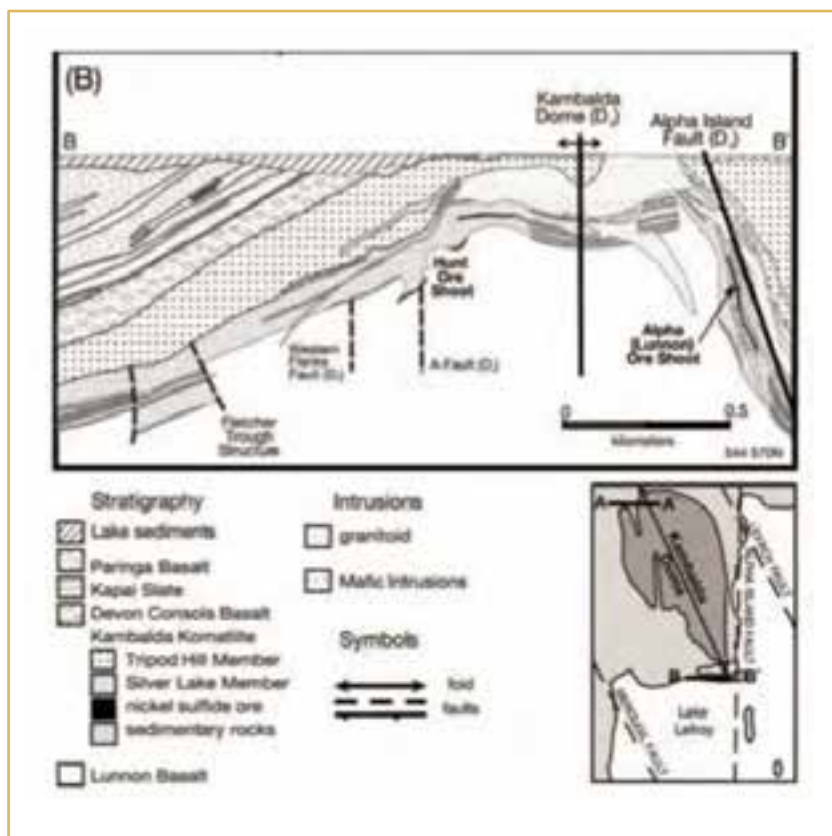


Figure 1.11. Cross-section through the Kambalda Dome showing scale and size of numerous channel structures containing the nickel ore shoots.



BROKEN HILL PROJECT

It is possible therefore that as the channels are tracked along trend they may open out into larger trap sites in places and lead to the formation of a much larger body of massive high-grade nickel-copper sulphide.

Such sulphide-rich bodies are worthy exploration targets as they demonstrably have exceptional PGM grades in the area such as found in PSD02 and PSIPT030.

1.2.4 Zonation of Mineralisation within the Plat Central Channel

The mineralisation within the Plat Central channel shows strong lateral zonation at a scale of 10's of metres (Figure 1.6). The highest-grade mineralisation occurs in the “pinch-out”, which is a structural “trap” and comprises high grade nickel, copper and PGM mineralisation. This passes laterally into copper-PGM rich mineralisation and finally PGM-only mineralisation at the edge of the channel.

Such a zonation is considered characteristic of a process called “sulphide fractionation” which is well understood in magmatic nickel-copper-PGM systems. The process results in a distribution of metals that is reasonably predictable: proximal nickel-dominant mineralisation passes into copper-dominant mineralisation and then more distal PGM-dominant mineralisation (see text box for further explanation).

Such fractionation may occur over many scales varying from metres to kilometres and can explain the cause of the significant variation in metal content, nickel and copper in particular, seen at Plat Central, the broader Platinum Springs area and the entire Moorkai Trend. A sulphide fractionation model may be able to act as a potentially powerful guide to high grade ore along this highly prospective zone.

Sulphide Fractionation

At a certain point in the evolution of an ultramafic (or mafic) magma that is carrying sulphur, nickel, copper and PGMs in solution, if the chemical and physical conditions are correct then an immiscible sulphide liquid containing the nickel-copper-PGM will separate out from the magma. That sulphide liquid is usually denser than the magma and so will move differently to it, commonly sinking towards the base of the host unit or being spread out along magma channels. During this movement and, depending on the composition of the sulphide liquid and pressure and temperature conditions, the liquid may fractionate and precipitate different sulphide minerals over time. This precipitation occurs in a distinct order of nickel first, then copper and finally PGMs, a zonation pattern that is well documented in deposits globally and is eminently present at Plat Central (Figure 1.6).

In addition it is commonly accepted that many nickel-copper-PGM deposits form by precipitation of metals from magmas that reach saturation levels of sulphur. Such so-called sulphur saturation is commonly triggered by the absorption of sulphur rich wall rocks as the magma intrudes the younger host rocks.

Figure 1.6 shows that a copper sulphide rich unit is present immediately below the channel at Plat Central and Impact considers it likely that this unit is potentially the source of some of the sulphide in the channel.

Of note, about 200 m to the southwest of the centre of the target, is a small historic shallow digging called the Mulga Springs Copper Prospect (Figure 1.4). The copper mineralisation is associated with so-called Broken Hill lode rocks characteristic of the alteration around early silver-lead-zinc-copper sulphide mineralisation. These lode rocks trend towards Plat Central and it is likely it is the same unit.

Tracking this copper-rich unit along trend may also be an important vector towards high grade mineralisation where it intersects the Moorkai dyke.



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Next Steps at Platinum Springs

Extensive further drilling is required at Platinum Springs. The sulphide fractionation model and Impact's proprietary ratio will be used to help guide the drilling which will be focussed on areas likely to have the potential to form larger structural traps than those already discovered.

The hinge of the change in trend of the Moorkai dyke between Plat Central and Plat West is a priority area for follow up.

Close drill spacings of between 10 m and 30 m will be required to fully define the channels, similar to those used in exploration for nickel sulphide channels in the Kambalda region.

1.3 Little Broken Hill Gabbro

The Little Broken Hill Gabbro (LBHG) is a large mafic to ultramafic intrusion that lies about 25 km south of Broken Hill (Figure 1.0). It is the largest of the various disparate intrusions of this composition that occur south and east of Broken Hill and has been dated at about 827 Ma, much younger than the host Willyama Supergroup rocks.

The LBHG is evident in airborne magnetic data (Figure 1.12a) and is about 7 km long and up to 1 km thick. There are no detailed published studies on the gabbro, and it is poorly understood. However it is comprised of a number of individual units or lobes that have differing magnetic and chemical properties (compare Figures 1.12a and 1.12b and Figure 1.3).

Importantly, about 70% of the gabbro and 4 km of trend is covered by up to about 25 m of alluvium (Figure 1.12c). This cover has been a hindrance to previous exploration and only very limited sampling and drilling has been completed by previous explorers away from the areas of outcrop.

This work returned only modest results and discouraged further exploration given the very high-grade nickel-copper-PGM results returned from the other prospects in the region.

Accordingly there is significant potential for the discovery of a major deposit at the LBHG which was previously undrilled compelling targets exist under the alluvial cover or at depth.

During the year, a new interpretation of airborne magnetic data over the Red Hill to Little Broken Hill Gabbro area showed that it is of the same scale as, and contains similar internal structures to, those that host many of the world's major nickel-copper-PGM deposits such as Jinchuan and Voiseys Bay.

Three important lines of evidence for this are:

1. The structural controls on the intrusion and formation of the LBHG.
2. The age and geodynamic setting of the LBHG and related mafic and ultramafic rocks.
3. The internal chemistry of the individual units within the LBHG which is a work in progress.

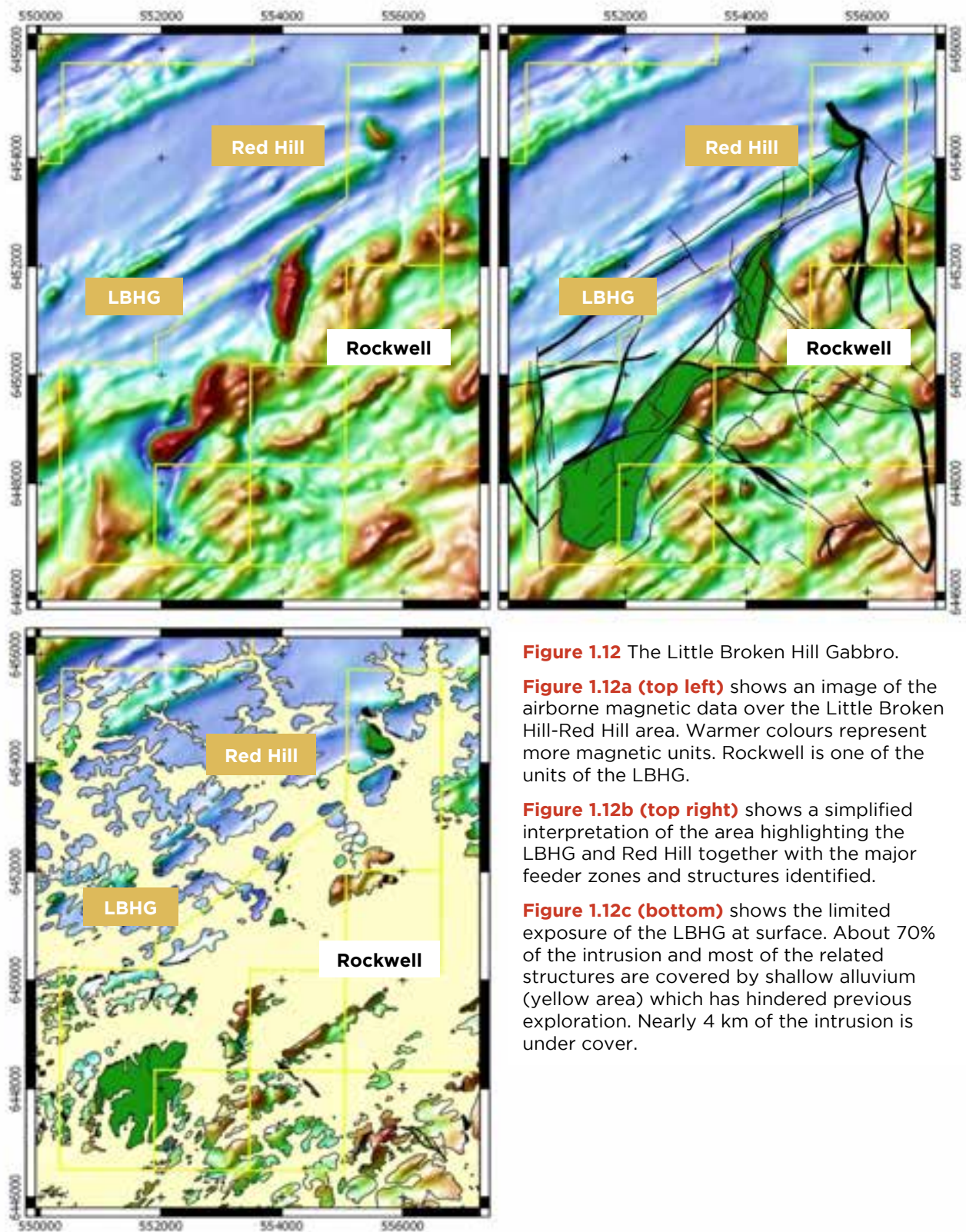
1.3.1 The Structural Controls on the Intrusion of the Little Broken Hill Gabbro

A new interpretation of the internal geometry and structure of the Little Broken Hill Gabbro was completed in-house by Impact and based on available 50 m line spaced airborne magnetic data, geological maps by the Geological Survey of New South Wales and field checking.

The interpretation is shown in Figure 1.13 and for the technically minded, details are provided in ASX release 9th July 2020.



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The interpretation suggests that the Little Broken Hill Gabbro is a mid-crustal magma chamber that was fed at least in part by ultramafic to mafic magmas sourced from the mantle such as those at Red Hill and the 9 km long Platinum Springs-Moorkaie trend. Those magmas were demonstrably carrying extensive nickel-copper-PGMs both as magmatic sulphides such as at Platinum Springs and in related hydrothermal fluids such as at Red Hill. These deep-seated magmas fed the mid-crustal chamber through a sequence of extensional faults and shears that constitute feeder zones for the main intrusive body. Three possible feeder zones have been identified (Figure 1.13).

In addition, Impact has recognised five different units within the LBHG each of which has different magnetic, chemical and field characteristics (Figure 1.13). The geometry of the units, four of which are folded, are best explained as the product of repeated pulses of magma being injected from the feeder zones into a laterally expanding magma chamber. Each new pulse of magma causes gravitational instabilities in the chamber leading to slumping and sliding of the magmas towards the centre and edges of the chamber.

Such gravity slides have been shown to be important controls on the deposition and sorting of magmatic massive sulphide in a number of major deposits including the Bushveld Complex in South Africa.

Feeder zones, and associated gravity slides, are well known loci for nickel-copper-PGM mineralisation. A very good example of a feeder zone is the Eastern Deeps mineralisation at the world class Voiseys Bay in Canada (>150 Mt at 1.6% nickel, 0.9% copper and 0.1% cobalt) as shown in Figure 1.14. Here, a significant massive sulphide body and a related large cloud or halo of disseminated sulphide has been deposited at the exit point of a feeder zone which in itself was carrying extensive sulphide mineralisation.

This is a useful conceptual model for Little Broken Hill Gabbro, and the search is now on in the first instance to find an outer halo of disseminated sulphide in this intrusion which may then provide vectors to the ultimate target of massive sulphide.



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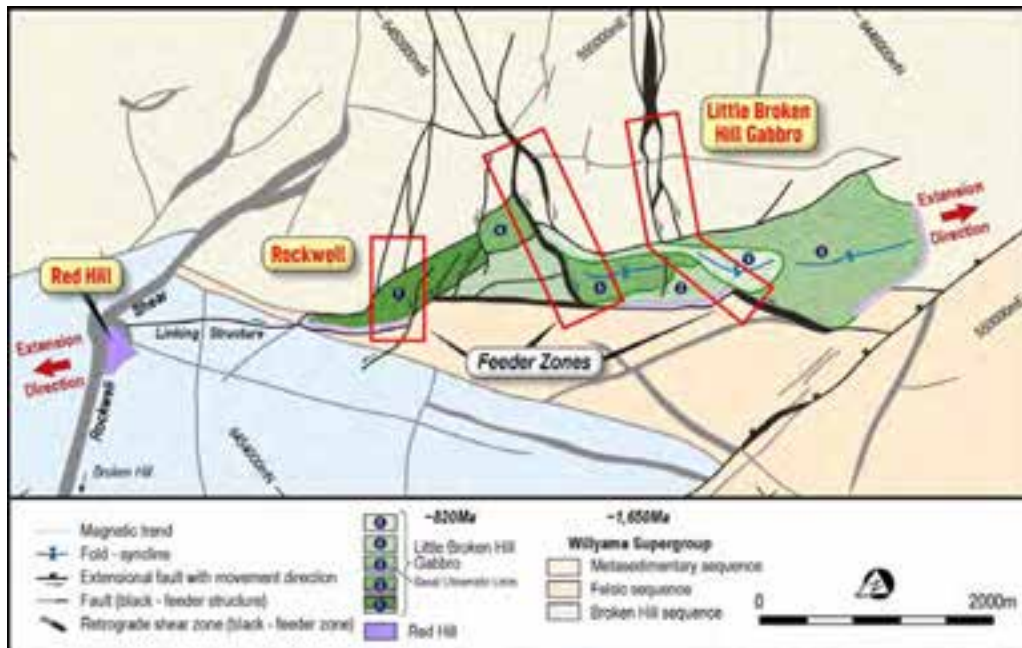


Figure 1.13. Interpretation of the Little Broken Hill Gabbro. Note the opposite fault slip direction either side of the central of the three possible feeder zones identified. The gabbro has expanded further to the right of this zone (SW) than the left (NE-Rockwell Lobe)

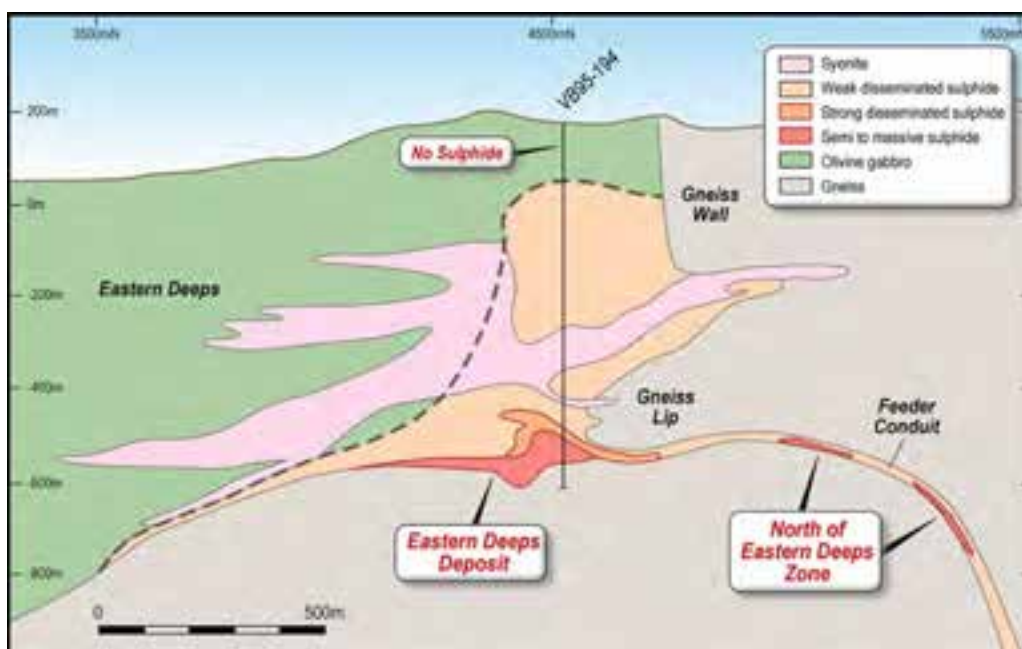


Figure 1.14. Cross-section through the Eastern Deeps deposit at Voiseys Bay. Note the feeder zone to the main intrusion and the large halo of disseminated sulphide mineralisation adjacent to the feeder. The massive sulphide body is some 600 m deep and there is no surface expression of mineralisation.



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1.3.2 2020 Drill Programme at Little Broken Hill Gabbro

A total of 69 first pass reconnaissance RC and aircore drill holes were completed at the LBHG. This was the first drill programme to ever test the intrusion and the programme was also guided by Impact's proprietary ratio for PGM exploration.

Three specific areas were tested by these scout drill holes (Figure 1.15).

1. **Rockwell** which covers the northern one third of the LBHG intrusion.
2. **The Western Contact** zone which was drilled in three places to further test the basal ultramafic unit 2 km southwest of Rockwell.
3. **Central LBHG** which was drilled to test for halos or so-called "leakage anomalies" within the upper gabbro units of the LBHG that overlie one of the more significant interpreted "feeder zones" (Figures 1.13 and 1.15).

Significant results, all of which require follow up drilling, were returned from all three areas with details in ASX Releases 17th December, 22nd December 2020 and 15th April 2020.

Rockwell RC drill programme

The assay results, reported as 3PGM (gold+palladium+platinum) are shown in plan view in Figure 1.15, cross-section in Figure 1.16 and overlain on the magnetic data Figure 1.17. Individual metal assays are listed in the various ASX release quoted above.

The results to date show that the basal ultramafic unit of the LBHG is anomalous in PGM over at least 1,500 m of trend with robust intercepts of between 20 and 60 m thick carrying up to 0.4 g/t 3PGM. There are several zones of better grade up to 2.6 g/t 3PGM, 1.1% nickel and 0.7% copper towards the base of the unit.

Importantly, the grade and thickness also seem to be increasing down dip as well as from north to south with a possible plunge to the south. However, the mineralisation is evidently open both down dip and to the north and south. (Figures 1.15, 1.16 and 1.17).

Stand out drill intercepts from Rockwell include:

Hole RWIPT003 returned:

- **61 m at 0.4 g/t 3PGM from 31 m down hole including**
- **12 m at 1.4 g/t 3PGM and 0.2% copper from 73 m which includes**
- **1 m at 2.3 g/t 3PGM, 0.4% nickel and 0.2% copper from 73 m and**
- **1 m at 2.6 g/t 3PGM, 0.7% nickel and 0.2% copper from 79 m.**

Hole RWIPT006 returned:

- **56 m at 0.2 g/t 3PGM from 63 m down hole including**
- **14 m at 0.8 g/t 3PGM and 0.1% copper from 105 m which includes**
- **8 m at 1.3 g/t 3PGM and 0.2% copper from 107 m which also includes**
- **1 m at 2.6 g/t 3PGM, 0.7% nickel and 0.3% copper from 113 m.**



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In addition, hole RWIPT006 also returned a zone of anomalous PGM and copper higher up in the sequence of:

8 m at 0.1% copper and 13 ppb 3PGM from 12 m.

This is of exploration significance as it is the first indication of a possible second layer of mineralisation higher up within the LBHG which is untested.

Hole RWIPT009 was drilled 50 m south of Holes 003 and 006 and returned increasing copper values:

- **40 m at 0.2 g/t 3PGM and 0.2% copper from 114 m down hole including 15 m at 0.5 g/t 3PGM and 0.4% copper from 120 m which includes**
- **1 m at 1.3 g/t 3PGM from 121 m and**
- **5 m at 0.4 g/t 3PGM and 0.7% copper from 126 m which includes**
- **1 m at 1.1 g/t 3PGM and 0.4% copper from 131 m.**

Hole RWIPT013 returned:

- **51 m at 0.3 g/t 3PGM from 140 m which includes**
- **6 m at 0.5% copper, 0.4% nickel and 0.3 g/t 3PGM from 154 m and**
- **5 m at 0.5% copper, 0.4% nickel and 0.6 g/t 3 PGM from 161 m and**
- **1 m at 0.2% copper and 1.1 g/t 3PGM from 186 m.**

Other results include:

- **Hole RWIPT012 returned:**
- **22 m at 0.1 g/t 3PGM from 71 m down hole including**
- **1 m at 0.8 g/t 3PGM from 80 m and**
- **1 m at 0.6 g/t 3PGM, 0.7% copper and 0.5% nickel from 91 m.**

Hole RWIPT002 returned:

- **23 m at 0.2 g/t 3PGM from 33 m down hole including**
- **3 m at 1.0 g/t 3PGM, 0.2% copper and 0.6% nickel from 52 m, which includes**
- **1 m at 0.6 g/t 3PGM, 0.2% copper and 1.1% nickel from 52 m and**
- **1 m at 1.9 g/t 3PGM, 0.2% copper and 0.3% nickel.**



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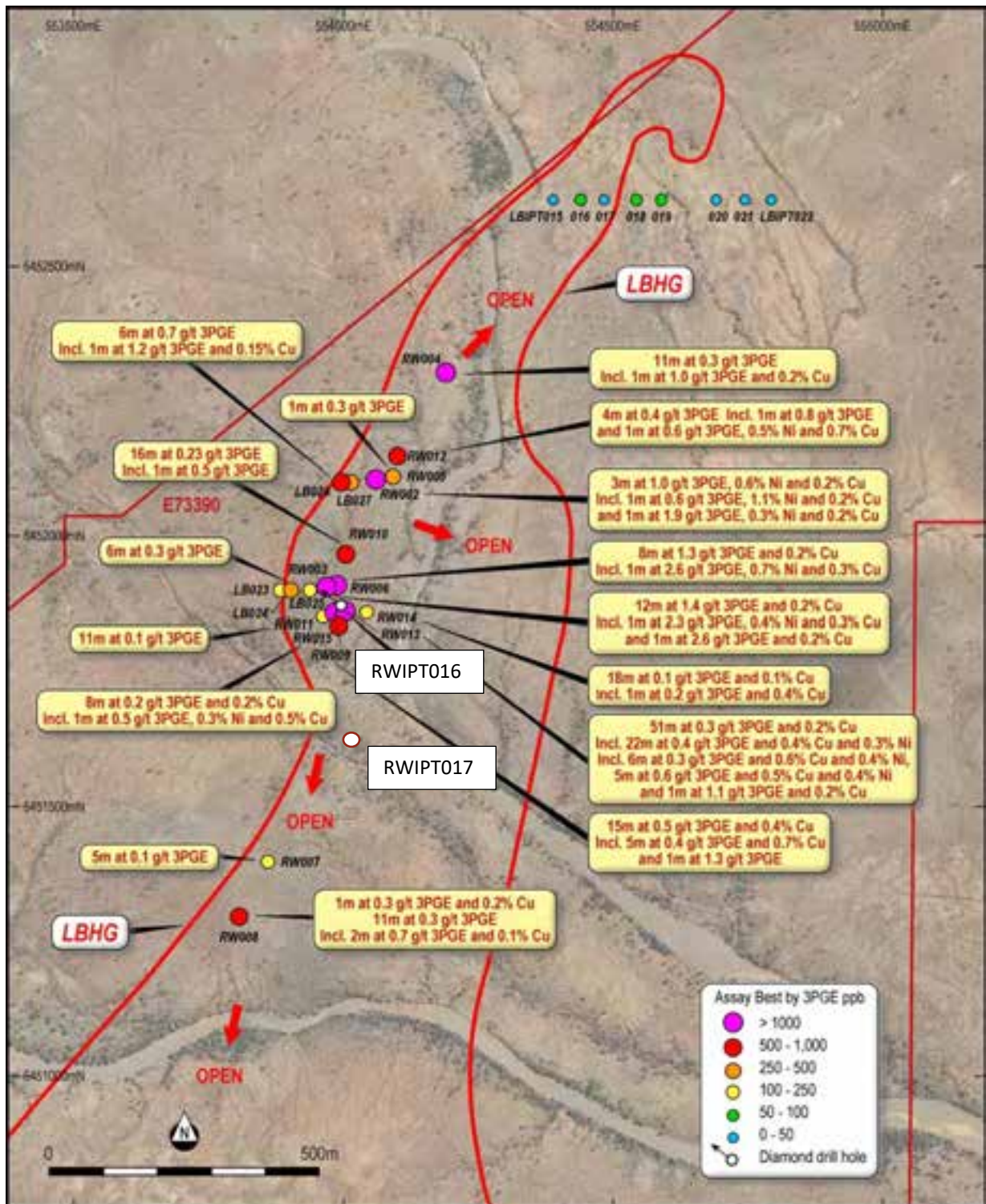


Figure 1.15. Location of Impact's drill holes at Rockwell with best down hole assay results for 3PGM and showing the location of diamond drill holes RWIPT016 and RWIPT017 (ASX Release 23rd June 2021). The northern line of drill holes with weaker results are vertical aircore drill holes that are no more than 50 m deep. They have probably not effectively tested the basal ultramafic unit at depth and deeper RC drilling is required.



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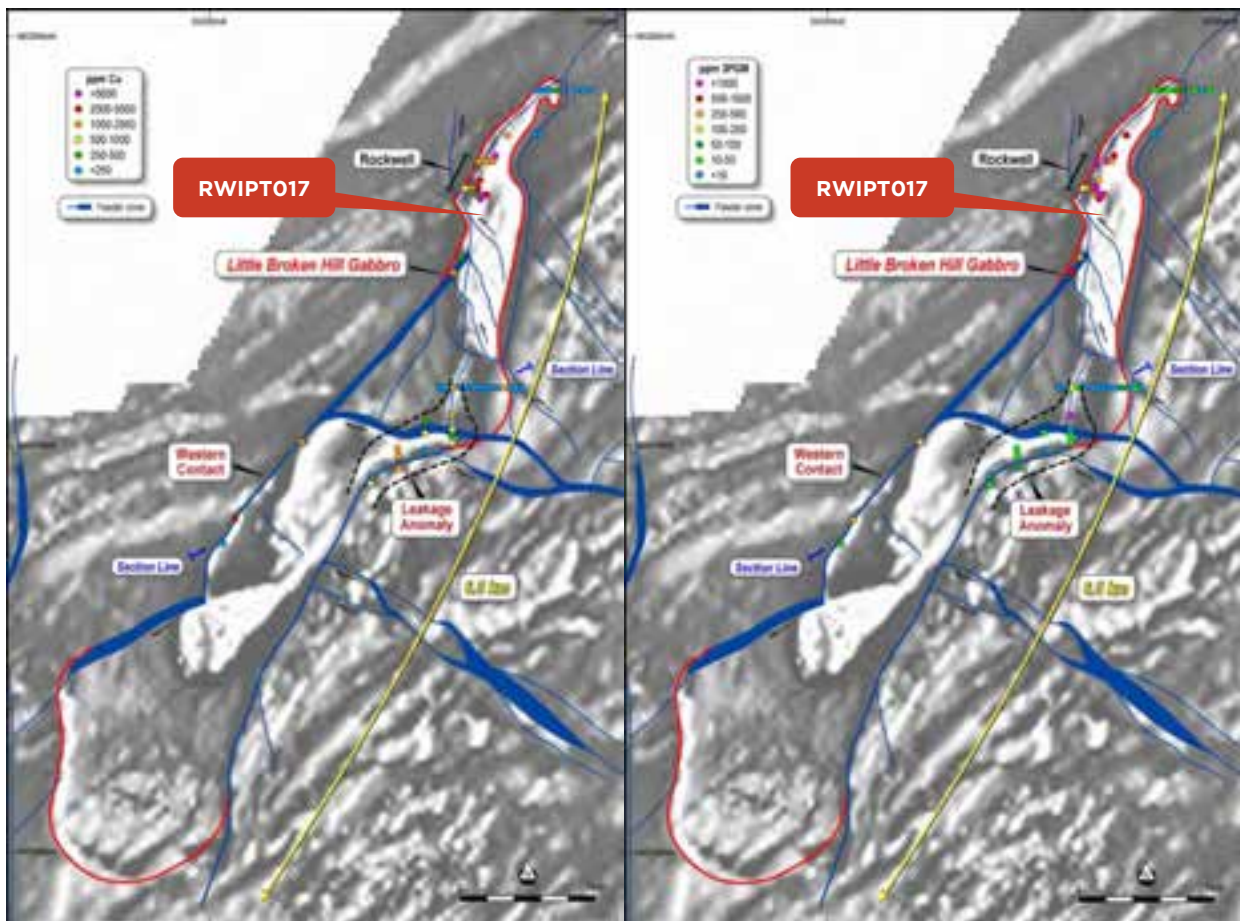


Figure 1.16. First vertical derivative image of airborne magnetic data over the Little Broken Hill Gabbro showing interpreted feeder zones in blue, Impact's drill collars and best results down hole for copper and 3PGM (palladium+platinum+gold). Note the widespread mineralisation over the length of the intrusion. The LBHG is clearly very fertile with significant potential to discover a major PGM-nickel-copper deposit

In addition, two holes were drilled 400 m and 500 m south of the main area of drilling at Rockwell to test the basal ultramafic unit along trend. Anomalous results were returned from both holes including (Figures 1.15 and 1.16):

- **11 m at 0.3 g/t 3PGM from 40 m in Hole RWIPT008 which includes**
- **2 m at 0.7 g/t 3 PGM from 47 m with up to 0.1% copper in a few places.**

These are the first holes in this part of the basal ultramafic unit of the intrusion and are again considered very encouraging, in particular given the increase in grade and depth seen to the north at Rockwell.

Together these results indicate significant PGM-copper-nickel mineralisation extends to a depth of at least 150 m from surface and for at least 1,500 m along trend at Rockwell. This demonstrates that the Little Broken Hill Gabbro has the potential to host a significant deposit at depth or along trend.



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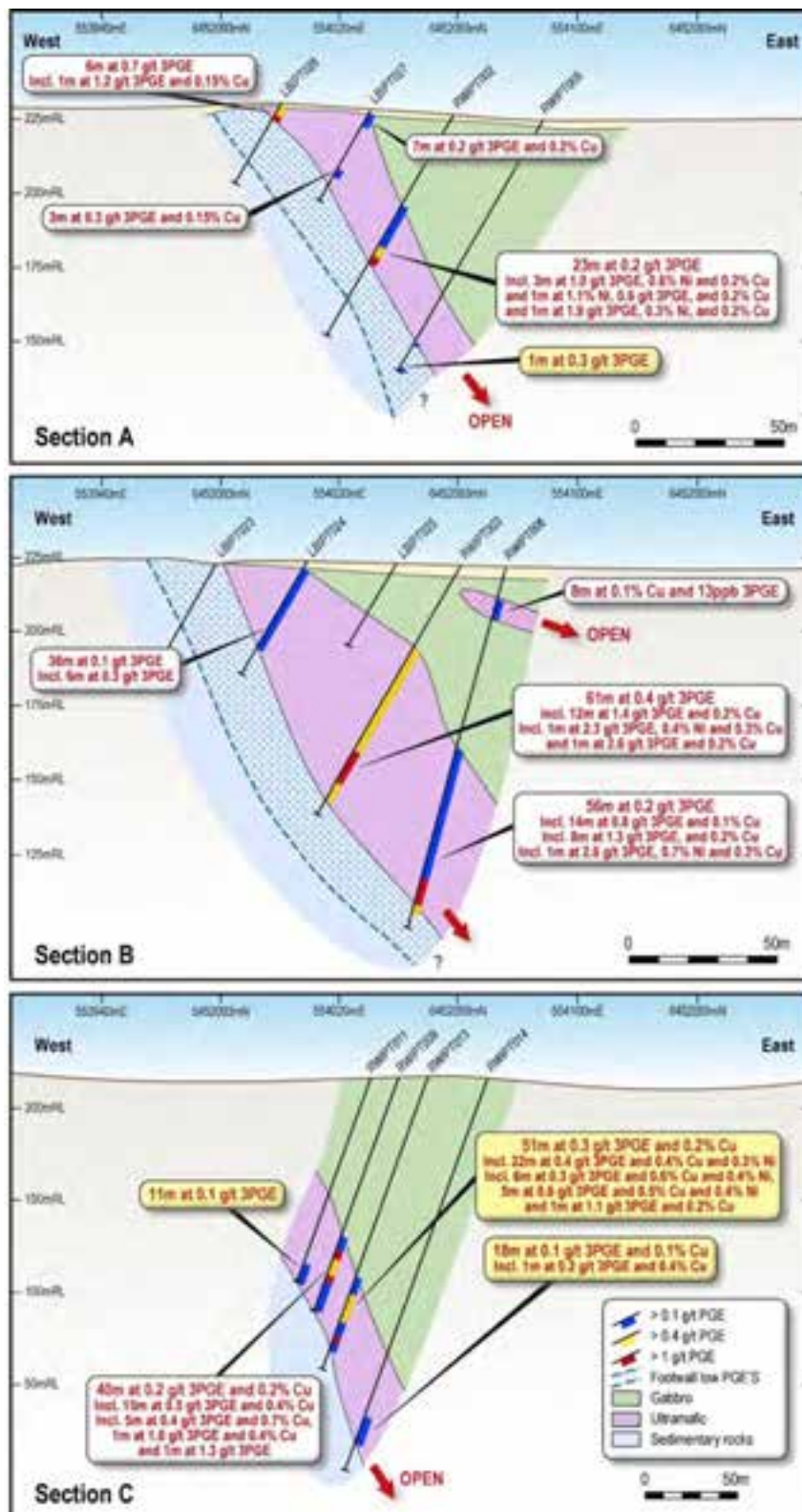


Figure 1.17. Cross-sections through the Rockwell Prospect with new drill results in yellow. Note the increasing PGM content with width of the basal ultramafic (see Figure 1.15 for location of cross sections from Drill Hole IDs)



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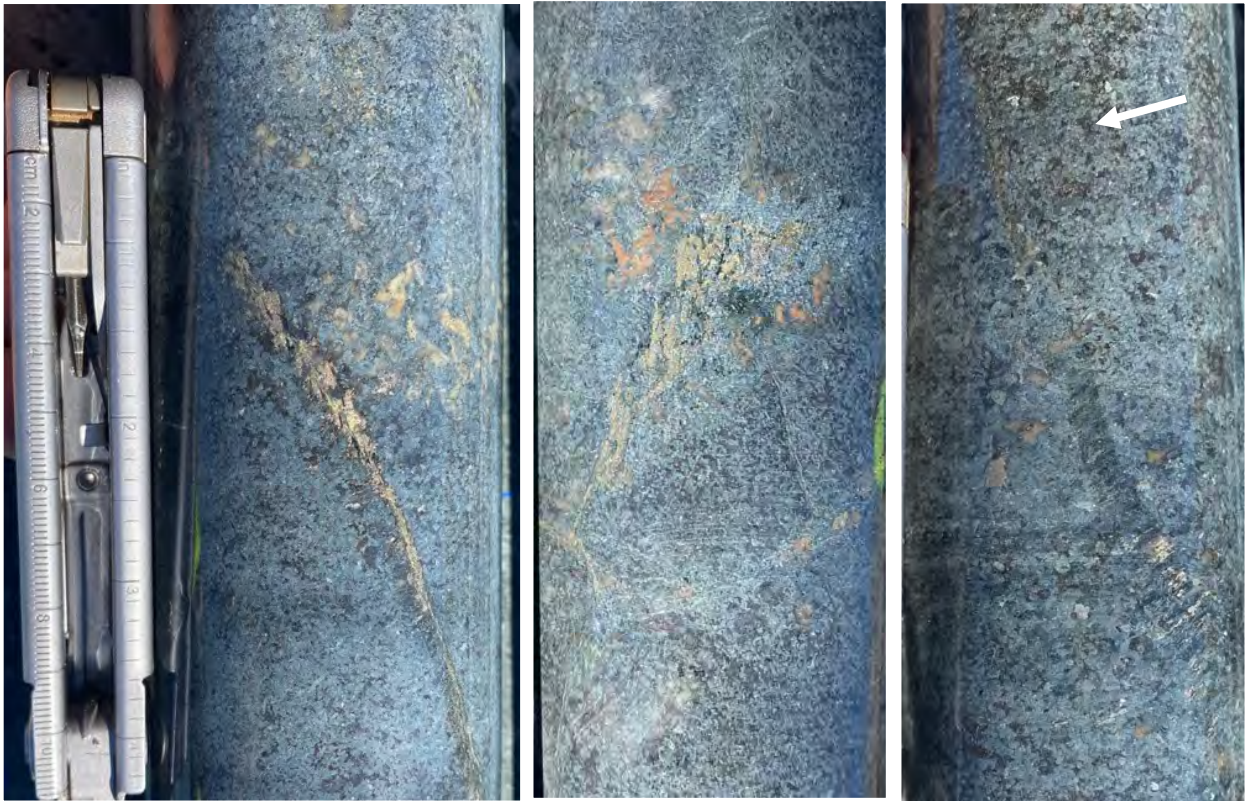


Figure 1.18. Photographs of diamond core from selected intervals from 95 m to 98 m down hole in RWIPT016. The photographs show disseminated to blebby to vein hosted sulphide mineralisation comprising pyrite-pyrrhotite-chalcopyrite (copper sulphide) and lesser pentlandite (nickel sulphide). Fine grained disseminated sulphide occurs in many places in this interval (see arrow for example)

Rockwell Diamond Drill Holes

Two diamond drill holes, RWIPT016 and 017, were completed in early June 2021 at Rockwell, the first ever diamond drill holes into the Little Broken Hill Gabbro.

Hole RWIPT016 was drilled to test between the encouraging drill intercepts in reverse circulation drill holes RWIPT003 and 013 (Figures 1.15 and 1.17) to give a better understanding of the nature of the mineralisation.

Hole RWIPT017 was targeted close to an interpreted feeder zone to the LBHG about 150 m to the south of previous drilling (Figures 1.13 and 1.17).

RWIPT016

Hole RWIPT016 intersected the basal 95 m of the LBHG which comprises 71 m of gabbro that overlies the target basal ultramafic unit which, in this location is 24 m thick true thickness (ASX Release 3rd June 2021). The entire ultramafic unit contains trace to up to 1% disseminated sulphide with a zone of more intense blebby and vein sulphide from 95 m to 98 m down hole (Figure 1.18 and ASX Release 3rd June 2021). The sulphides comprise pyrite, pyrrhotite, chalcopyrite and pentlandite in decreasing order.



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Of note, the more visible sulphides are associated with a coarsening of the surrounding crystals in the host ultramafic (Figure 1.18). This is indicative of the mineralisation being released from the fractionating magma as it cooled.

Such fractionation processes have been shown to be an important control on the formation of the basal Kambalda-style channels at Platinum Springs. Impact believes that similar but much larger channels may be present at the base of the LBHG (ASX Release 2nd December 2020).

Such channels of massive sulphide may be detectable by electromagnetic geophysical methods, and consideration is being given to completing a high-powered ground EM survey over much of the very poorly explored LBHG to also search for significant conductors.

However, it should be noted that there is still significant potential for a low sulphide PGM dominant deposit at LBHG and that such deposits will not be detected by EM methods. In such a case exploration will also be driven by Impact's proprietary ratio for PGM exploration (ASX Release 23rd June 2021).

RWIPT017

Hole RWIPT017 intersected a 100-metre-thick zone of disseminated to blebby pyrite sulphide mineralisation containing extensive low-grade copper (Figure 1.19, ASX Release 23rd June 2021).



Figure 1.19. Extensive pyrite in layered gabbro. Note how the sulphide blebs which are up to 0.5 mm in dimension are intergrown with, and are an integral part of, the minerals within the gabbro. These textures are characteristic of magmatic sulphides and extend over a true thickness of about 100 m.

The sulphide zone, which occurs within a strongly magnetic gabbro at least 125 m thick, comprises up to 5% pyrite that is intimately intergrown with other minerals in the gabbro, a texture considered characteristic of so-called “magmatic sulphides” (Figure 1.19).

In addition, from 25 m down hole, the sulphide zone contains a 50-metre-thick interval with between 100 ppm and 250 ppm copper and up to 500 ppm copper in places as measured with a handheld XRF instrument. Impact considers it likely that the copper occurs as very small crystals of chalcopyrite that are not readily visible although further detailed examination of the core is in progress.



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The presence of magmatic sulphides with copper is considered to be an important indicator of so-called “sulphide saturation”, a process that is a key requisite for the formation of large PGM-copper-nickel sulphides within mafic and ultramafic intrusions. This is the first evidence that such a process has occurred at the LBHG and is an exciting development for the project as a whole.

1.3.3 2020 Drill Programme at the Western Contact of the LBHG

Three shallow scout drill holes to test the basal ultramafic unit over a 1 km strike extent were completed along the central west contact of the LBHG (Figure 1.16).

Two of the drill holes returned encouraging anomalous results:

- **16 m at 500 ppm copper and 0.2 g/t 3PGM from 83 m in Hole LBIPT053** which includes
- **2 m at 0.3% copper and 0.2 g/t 3PGM from 89 m and 3 m at 0.1% copper and**
- **0.4 g/t 3PGM from 94 m; and**
- **7 m at 0.3 g/t 3PGM from 146 m in LBIPT052.**

The ultramafic unit in the third hole LBIPT054 contained weak 3PGM up to about 20 ppb over its entire 12 m width.

Given the very wide drill spacing and essentially random location of the drill holes, these results further confirm the prospectivity of the basal ultramafic unit over many kilometres of strike along the western contact of the LBHG. It is of note that at Rockwell similar results were found closer to surface with better grades intersected at depth (Figure 1.17).

Impact considers it likely that the basal ultramafic unit contains PGM-copper-nickel mineralisation over much of its 7 km extent and extensive further exploration is required.

1.3.4 2020 Drill Programme at the Central Little Broken Hill Gabbro

The Central LBHG area is centred on a major fault WNW-trending fault that cross cuts the entire LBHG and which is interpreted as one of the main feeder zones to the intrusion (Figure 1.16).

However, it was considered likely that the feeder zone was most prospective at some depth where it intersects the basal ultramafic unit. Accordingly, the Central LBHG area was drilled to test for near surface halos or “leakage anomalies” that may have come from massive sulphide bodies buried deeper within the intrusion.

Of the 30 aircore and RC holes completed, 12 returned very encouraging results and an area at least 1,000 m x 500m minimum size with anomalous copper (>250 ppm) and 3PGM (>20 ppb) has been identified. This is centred over the interpreted feeder zone and has a possible westerly plunge (Figures 1.16 and 1.20).

Of note, there is a standout gold-copper intercept in Hole LBIPT040 associated with quartz veins in the target feeder zone fault which returned (Figures 1.16 and 1.20):

- **4 m at 0.13% copper and 1.5 g/t gold from 150 m** which includes
- **1 m at 1.3 g/t gold and 0.18% copper from 151 m** and
- **1 m at 4.5 g/t gold and 0.17% copper from 152 m.**



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These results are all supportive of the potential for more significant mineralisation at depth in and around the feeder zone. Modelling of the magnetic and gravity data over the LBHG is now underway to determine the likely depth to the base of the intrusion to help guide further drilling and determine the efficacy of a ground EM survey that may help to identify conductive zones that may represent massive nickel-copper sulphide deposits.

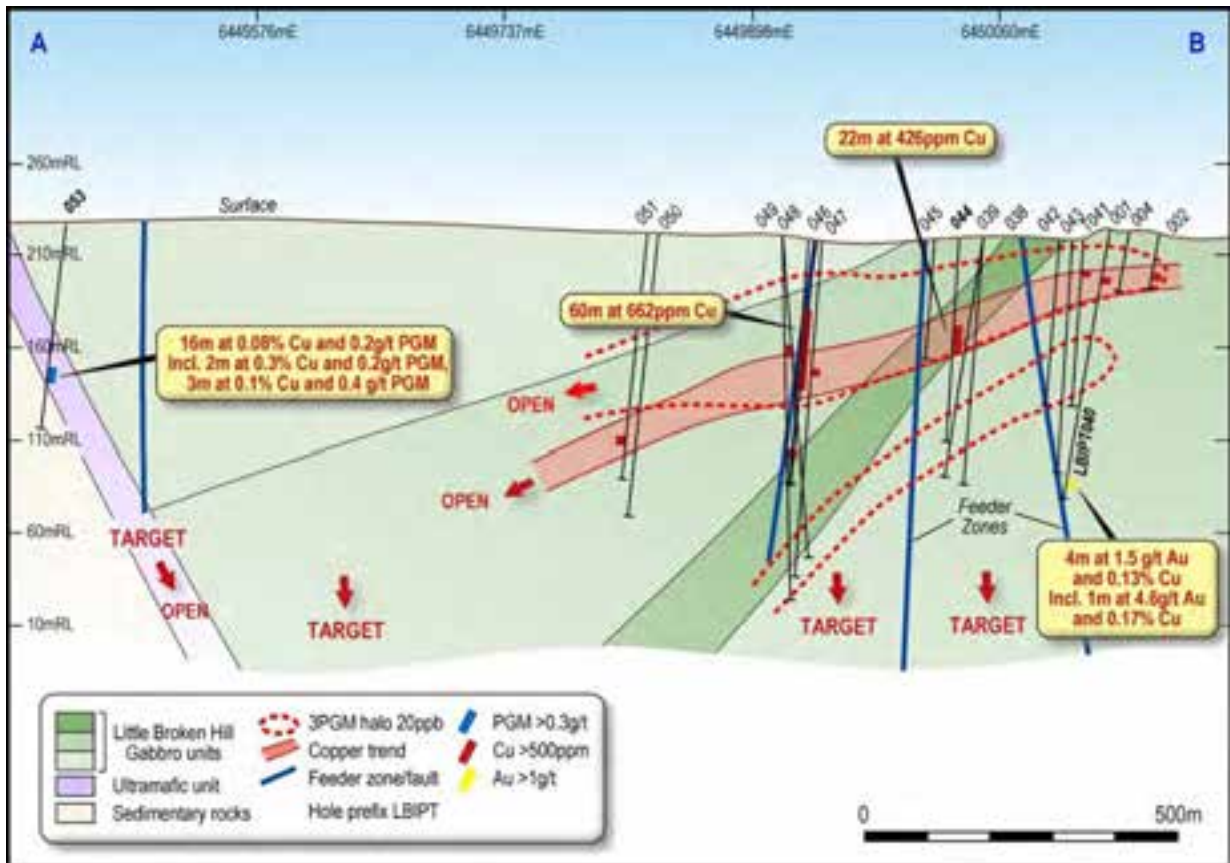


Figure 1.20. Oblique cross section through the LBHG showing drill results from the Central LBHG area and also the Western Contact (Hole O53). Significant anomalous copper and 3PGM mineralisation is present over a large area and at depth. This is encouraging for the discovery of a massive sulphide deposit at depth.

1.3.5 Discussion

Virtually every drill hole that has penetrated the basal ultramafic unit of the LBHG and gone through to the lowermost contact has intersected anomalous PGM with variably anomalous nickel and copper. The ultramafic unit commonly carries anomalous PGMs over its entire thickness with narrower zones of better grades of up to 2.6 g/t PGM's, 1.1% nickel and 0.7% copper towards the base of the unit.

This is all very encouraging for the potential discovery of a significant nickel-copper-PGM deposit at the base of the LBHG given the very small area tested thus far. It is evident that there is potentially a very large inventory of those metals contained within the target basal unit.

At Rockwell, the abundance and grade of the mineralisation appears to be increasing both to the south and at depth. To the south, a number of faults cut through the intrusion, and these have



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been interpreted as potential feeder zones that were active magma conduits providing fresh pulses of magma into the main gabbro. These faults are priority areas for follow up drilling (Figure 1.16).

Impact was awarded a grant of \$75,000 towards the drill programme at the Little Broken Hill Gabbro as part of NSW Government's Cooperative Drilling grants program, administered by the Geological Survey of New South Wales. Their support is gratefully acknowledged.

1.4 2020 Drill Programme at Red Hill

The Red Hill prospect covers a modest sized chonolith or tube-like ultramafic intrusion that contains extensive low grade PGM's within it and very high grade Ni-Cu-PGM mineralisation in the footwall hosted in veins and faults associated with small late-stage dykes sourced from the main intrusion.

The 2020 RC drill campaign at Red Hill confirmed the main intrusion hosts significant thicknesses of disseminated PGM mineralisation with lesser copper and nickel, both close to the surface and within about 30 m of the contact with the surrounding rocks (Figure 1.21).



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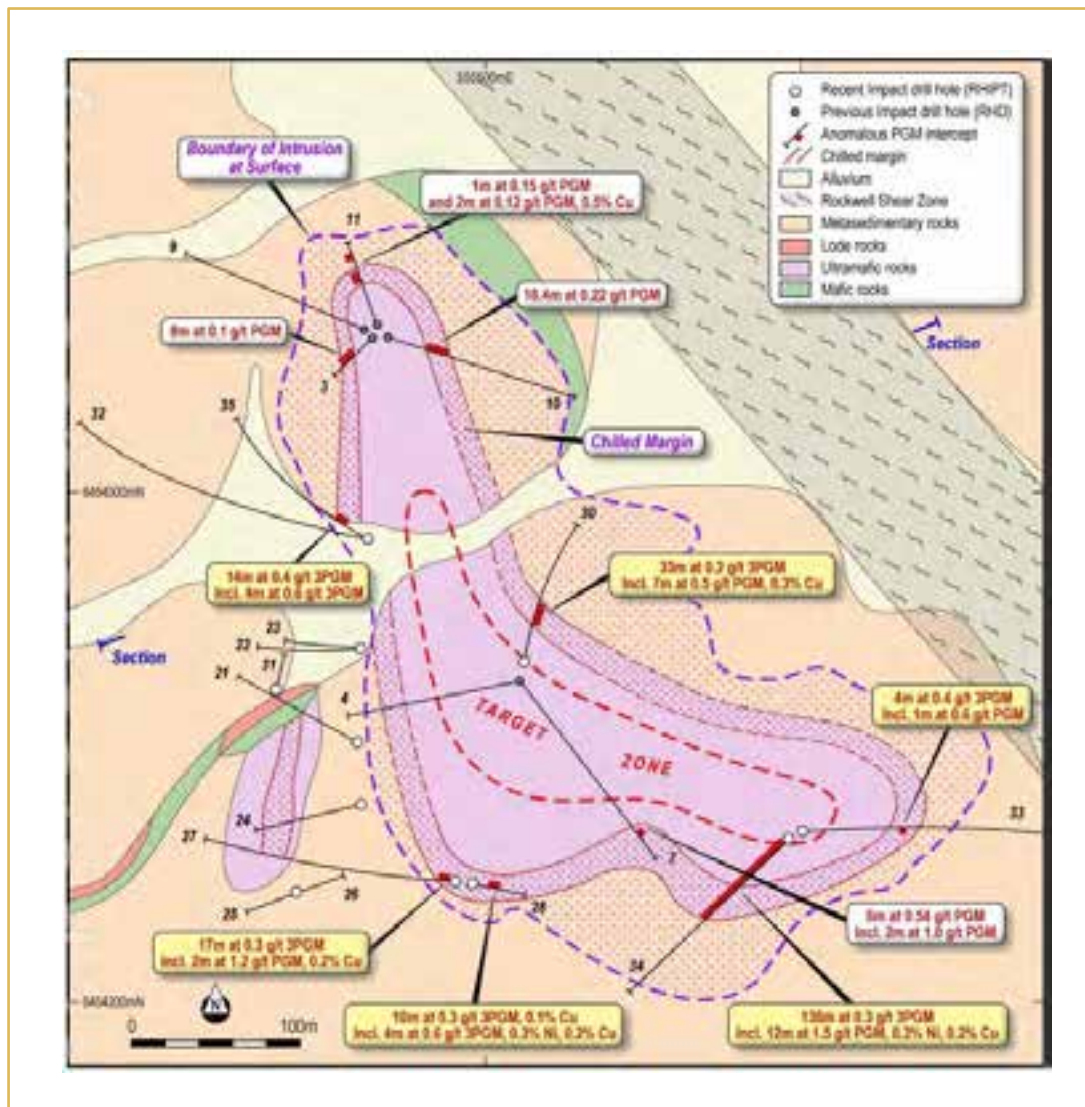


Figure 1.21. Geology of the Red Hill prospect with significant drill results. Yellow labels denote 2020 drill results, and white previous drilling. Note the almost continuous ring of anomalous PGM+Cu+Ni around the intrusion. This ring lies within 30m of the margin of the chonolith and is part of the 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) showed that ten of them contained 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.



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- 14m at 0.4g/t 3PGM from 80m in RH IPT035.
- 33m at 0.2g/t 3PGM from X in RH IPT030; including
 - 7m at 0.5g/t 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 RH IPT027, including
 - 2m at 1.2g/t 3PGM and 0.2% Cu from 8m.
- 10m at 0.3g/t 3PGM from 23m in RH IPT028, including
 - 4m at 0.6g/t 3PGM and 0.2% Cu from 26m.
- 4m at 0.4g/t 3PGM from 105m in RH IPT033.

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 1.21).

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 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. Such deposits can occur at the base of the intrusions or in “throttle-zones” or shallower dipping shelves within the intrusion. 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 1.22.



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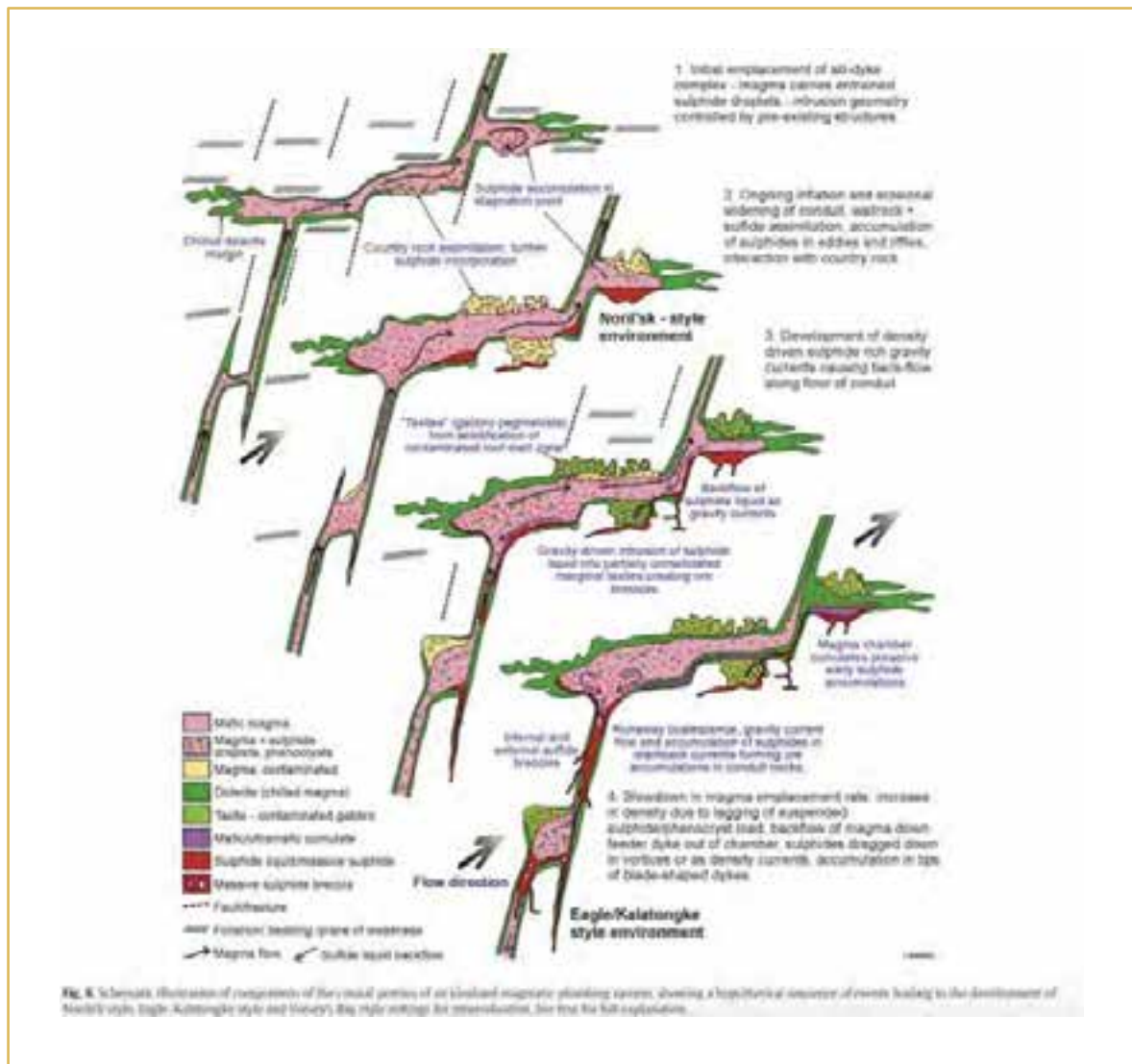


Figure 1.22. Model for the formation of Ni-Cu-PGM deposits within evolving magma conduits including chonoliths. Note the weaker mineralisation within and close to the chilled margins (from Barnes, S. J., et al. Ore Geology Reviews Volume 76, July 2016, Pages 296-316)

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 (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 also attest 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.

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



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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 1.23 shows a cross-section through the two chonoliths and, by comparison, should also demonstrate the potential at depth of Red Hill.

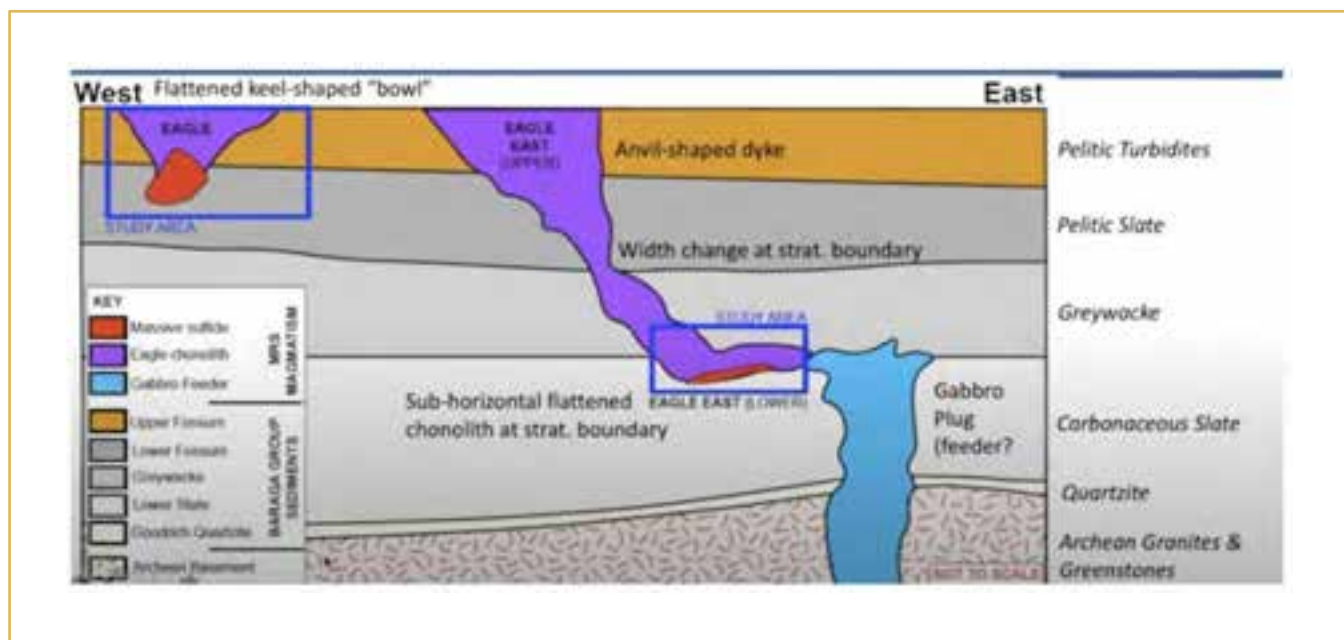


Figure 1.23. Simplified cross-section through the Eagle and Eagle East deposits.

1.5 The Age, Size and Geodynamic Setting of the Ultramafic Rocks at Broken Hill

The LBHG is about 827 million years old and related to the break-up of a supercontinent called Rodinia by a rising “plume” of mafic to ultramafic magma derived from the mantle (Figure 1.24, Wingate et al 1998). Unpublished age dating by Impact indicates all of the mafic-ultramafic rocks in the Broken Hill area are likely to be of a similar age.

At that time, Broken Hill was located close to Jinchuan, one of the world's largest nickel-copper-PGM deposits (>500Mt at 1.2% Ni 0.7% Cu 0.4 g/t PGM) which is also of a similar age (Figure 1.24). This geodynamic framework of a rising mantle plume is widely recognised as a crucial component to the formation of major magmatic nickel-copper-PGM sulphide deposits (ASX Release March 6th, 2019.)

The Voiseys Bay deposit also formed in a similar geodynamic environment but at an earlier time in the Earth's history, 1.3 billion years ago.



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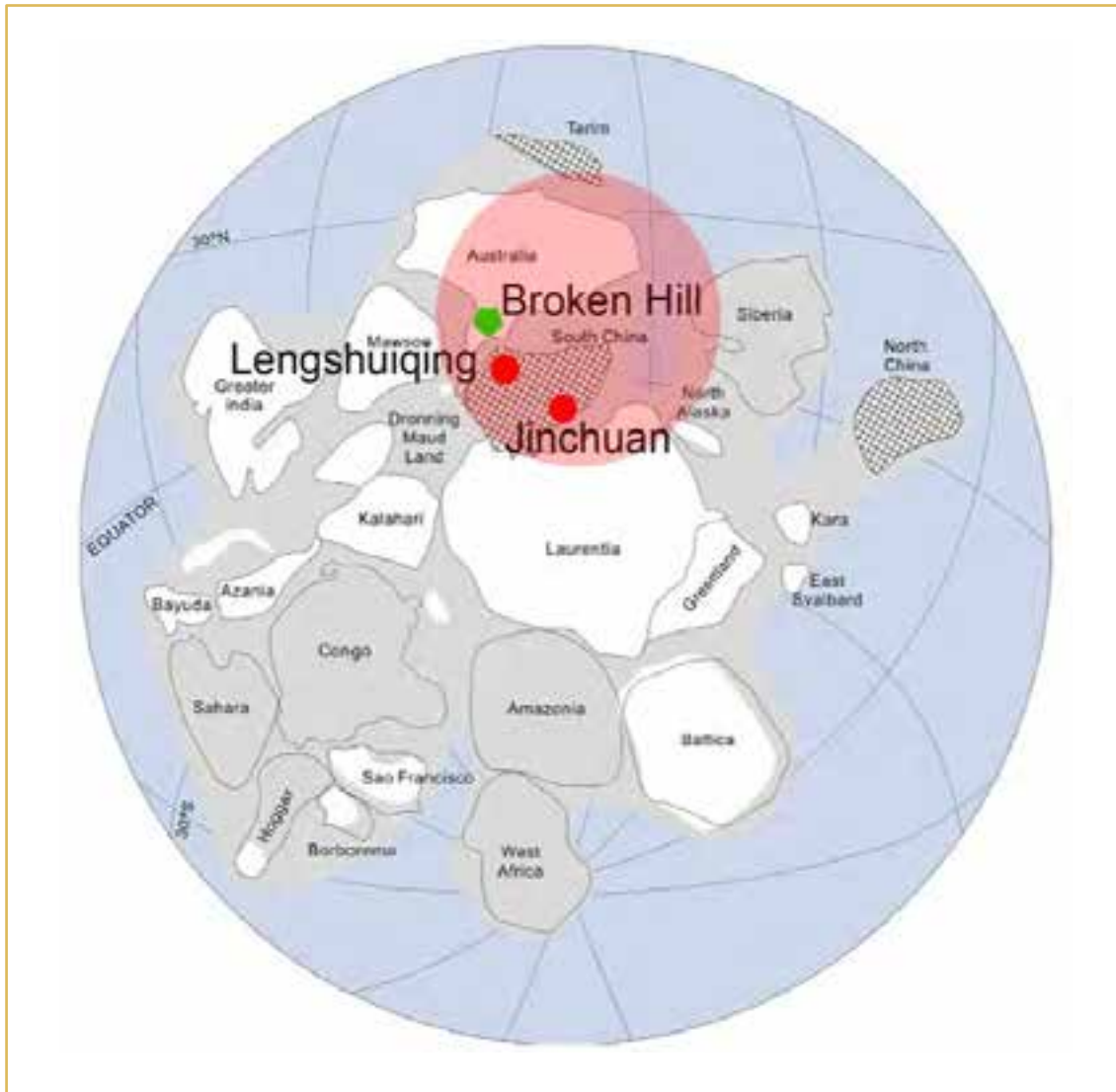


Figure 1.24. Position of the proposed mantle plume head (red circle) responsible for the breakup of Rodinia showing the location of Broken Hill in relation to the Jinchuan and Lengshuiqing Ni-Cu- Co-PGM deposits at about 800 million years ago (after Huang et al., 2015).

A comparison of the size of the Little Broken Hill Gabbro and the host intrusions at Jinchuan and Voiseys Bay is shown in Figure 1.25. The geometric similarities are obvious.

Importantly, more than 95% of the mineralisation at both Jinchuan and Voiseys Bay occurs at depths of up to many hundreds of metres below surface and the deposits are for the most part “blind”, that is, there are no surface indications of the underlying world class orebodies (Figures 1.14 and 1.25).

This is an important consideration in exploration at the LBHG given there is limited drilling below 150 metres.

Such comparisons clearly demonstrate that the LBHG has the correct scale, geodynamic setting and lack of previous exploration to host a major nickel-copper-PGM deposit.



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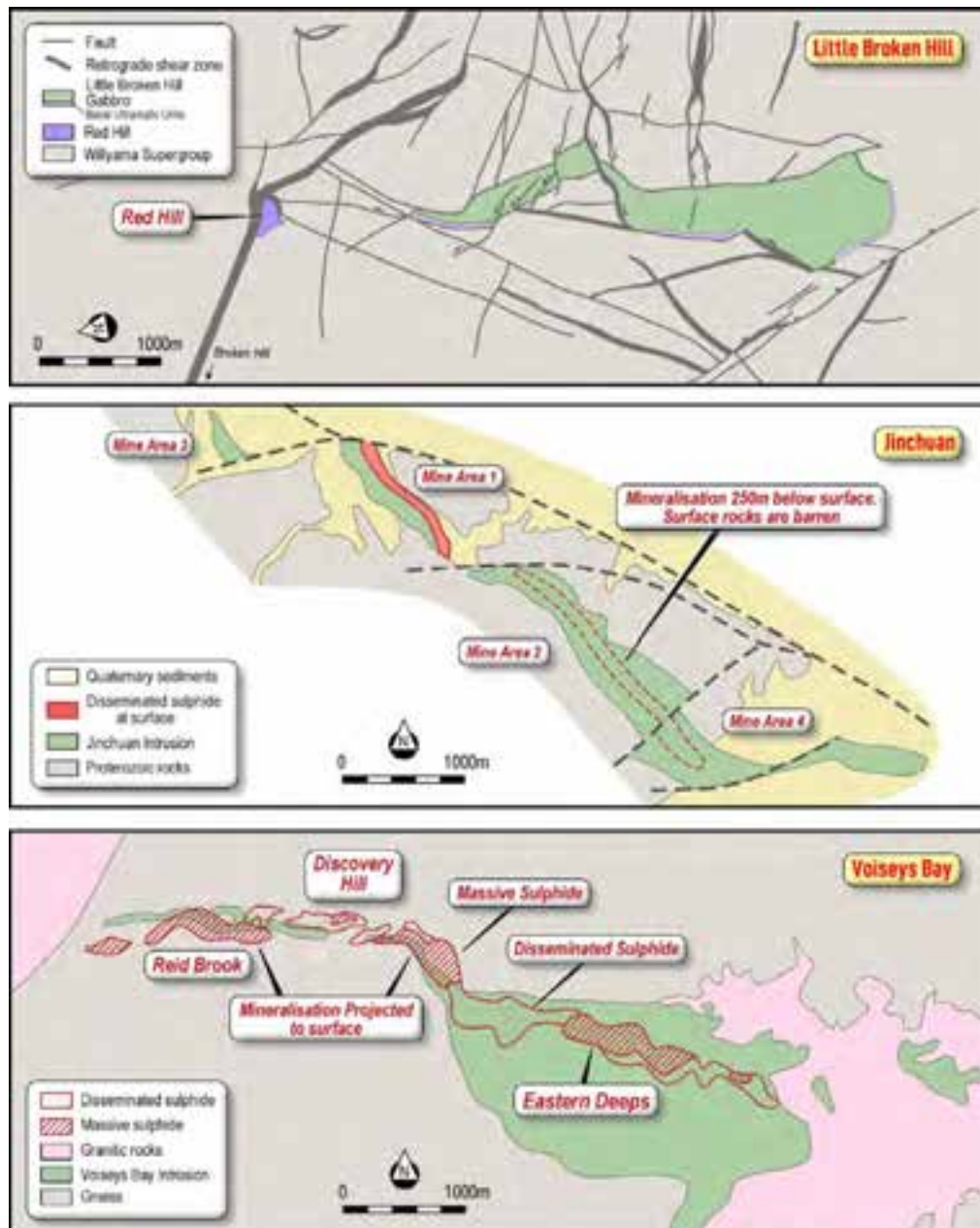


Figure 1.25. Comparison of the Little Broken Hill Gabbro-Red Hill area with Jinchuan and Voiseys Bay. Note the similar scale and also how most of the mineralisation at Jinchuan and Voiseys Bay is at depth.

1.6 Discussion and Next Steps at Broken Hill

The size, geodynamic setting and chemical composition of the mafic-ultramafic rocks at Broken Hill, and the LBHG in particular, are of a similar size, age, chemical composition and in the same geodynamic setting as the giant Jinchuan nickel-copper-PGM deposit in China (550Mt at 1.1% nickel, 0.7% copper and 0.5 g/t PGM). There is clear potential to find a similar sized deposit at Broken Hill.



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The results of Impact's 2020 drill campaign and in particular the first major drill campaign at the LBHG, albeit reconnaissance in nature are considered to be very encouraging both for the discovery of a Jinchuan-style disseminated deposit or a Voisey's Bay-style massive sulphide deposit (ASX Release 9th July 2020, 17th December 2020, 3rd June 2021, 23rd June 2021).

Virtually every drill hole that has penetrated the basal ultramafic unit of the LBHG, the primary target horizon, has intersected strongly anomalous PGM with variably anomalous nickel and copper.

The anomalous PGM's generally occur throughout the entire thickness of the ultramafic unit with narrower zones of better grades of up to 2.6 g/t 3PGM's, 1.1% nickel and 0.7% copper occurring towards the base of the unit in places. It is evident that there is potentially a very large inventory of those metals contained within the lower ultramafic unit.

The newly discovered sulphide zones that contain variable amounts of copper in the gabbro units above the basal ultramafic also identify for the first time these units as potential hosts for deposits of massive PGM-copper-nickel sulphide.

The mineralisation discovered by Impact at the LBHG is open along trend and down dip and, given the very small area tested thus far, this is considered very encouraging for the potential discovery of a significant nickel-copper-PGM deposit either at the base of, or somewhere within, the LBHG. Extensive follow-up drilling is clearly required at many places.

Follow-up drilling is also clearly required at both Red Hill and Platinum Springs, to test the Red Hill intrusion and chilled-margin mineralisation at depth, 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 1,000 m of trend from Plat East to Plat West, and there is extensive PGM-copper-nickel mineralisation in rock chip samples along the entire 9 km long dyke-chonolith complex that comprises the main Moorkai Trend (Figure 1.3). 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.

It is likely that Impact's proprietary ratio that is a good predictor for PGM grade will play an important role in future exploration at the project and research is underway 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-effective drill spacings.

1.7 Silver-Lead-Zinc rights to the Broken Hill project.

During the year, Impact entered and then withdrew from a proposed Strategic Alliance with Wyloo Metals Limited and Castillo Copper Limited which was formed to jointly market the silver-lead-zinc rights of Impact's large ground holdings and the other two companies' ground holdings in the Broken Hill area (ASX Release 24th February 2020).

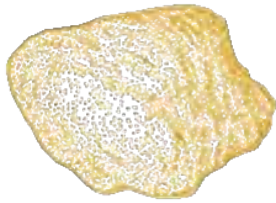
A deal that maximised returns to Impact's shareholders did not materialise during the period of the Memorandum of Understanding. Impact has amassed a considerable amount of intellectual property about the potential for silver-lead-zinc mineralisation, or so-called "Broken Hill-style" of mineralisation, on its extensive land position over the past few years and the company will now pursue its own strategy for these metals.



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As part of that strategy, Impact purchased Silver City Minerals Limited's (ASX:SCI) remaining 20% free carried interest in the silver-lead-zinc rights to EL7390 for a consideration of \$20,000 cash (ASX Release 23rd October 2015).

Impact now owns 100% of all mineral rights to its entire tenement portfolio at Broken Hill and end a long and complex history of joint ventures on the tenement inherited by Impact when it first purchased an interest in the project.



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2.0 COMMONWEALTH PROJECT, NSW (IPT 100%)

During the year, significant progress was made at several prospects at Impact's Commonwealth project in the Lachlan copper-gold province in New South Wales, home to major copper-gold deposits such as Cadia-Ridgeway and North Parkes as well as the recent discovery at Boda (Figures 2.0 and 2.1; and ASX:ALK Releases 9th September 2019 and 19th May 2020).

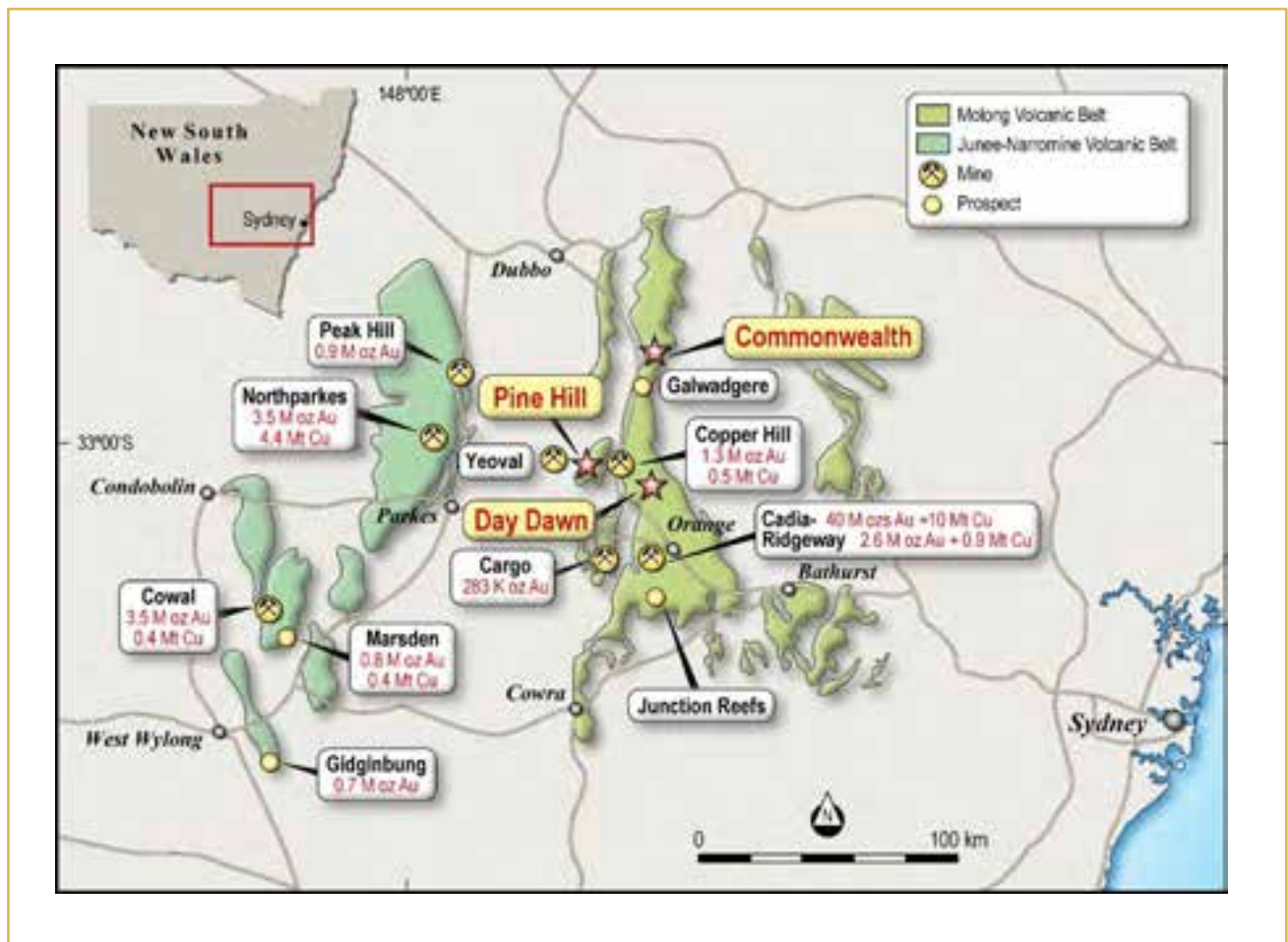


Figure 2.0 Location of Impact's Commonwealth, Pine Hill and Day Dawn Projects covering about 900 km² of the Lachlan Fold Belt of NSW, home to many significant gold and copper mines.

Five prospects, Apsley, Spicers Creek, Gladstone, Greenobbys and Boda South, were identified as priority areas for follow up exploration following the Boda-Kaiser discovery in late 2019 (Figure 2.1 and ASX Releases 22nd November 2019, 23rd April 2020 and 23rd June 2020).



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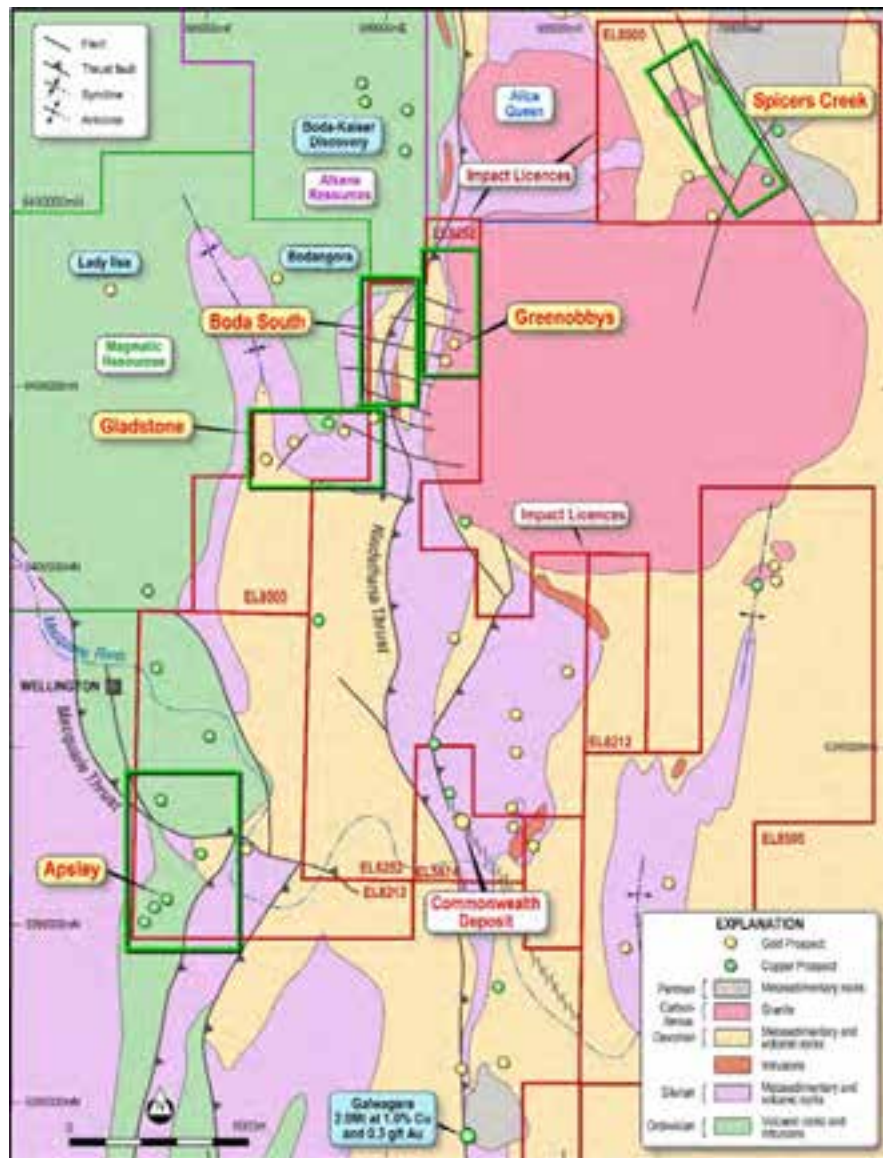


Figure 2.1. Priority prospects for follow up work and geology of the Commonwealth Project. Note the location of the Boda-Kaiser prospects (Alkane Resources) and the Lady Ilse prospect (Magmatic Resources Limited) where drilling is in progress.

Of these, **Apsley**, **Spicers Creek** and **Boda South** have significant porphyry copper gold potential because each prospect has characteristics commonly seen around alkaline porphyry copper-gold systems globally such as Cadia-Ridgeway and Boda. These include:

1. copper-bearing high potassium alkaline (shoshonite) host rocks of Ordovician age;
2. metal assemblages and alteration minerals characteristic of the outer to inner zones of porphyry systems; and
3. an association with magnetic anomalies that may represent “skarn” alteration directly associated with copper-gold mineralisation as also seen at Boda.



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All five priority areas were covered by an airborne magnetic and radiometric survey during the year, and Apsley was prioritised for follow up work soil geochemistry because of widespread copper mineralisation found at surface (ASX Release 22nd November 2019, 23rd April 2020).

2.1 Apsley Prospect

A soil geochemistry survey covering about 5 km² of the Apsley project was completed during the year. This data together with the airborne magnetic data defined almost textbook examples of the zonation expected around a large porphyry copper-gold deposit.

Drill testing of several of the priority areas identified by the zonation was also completed.

Exploration for porphyry copper-gold deposits is driven by models of the zonation of metal assemblages and alteration minerals present around well studied deposits such as Yerington in the U.S.A. A schematic diagram of such a model is shown in Figure 2.2 and has been used to help guide the interpretation of the exploration data at Apsley.

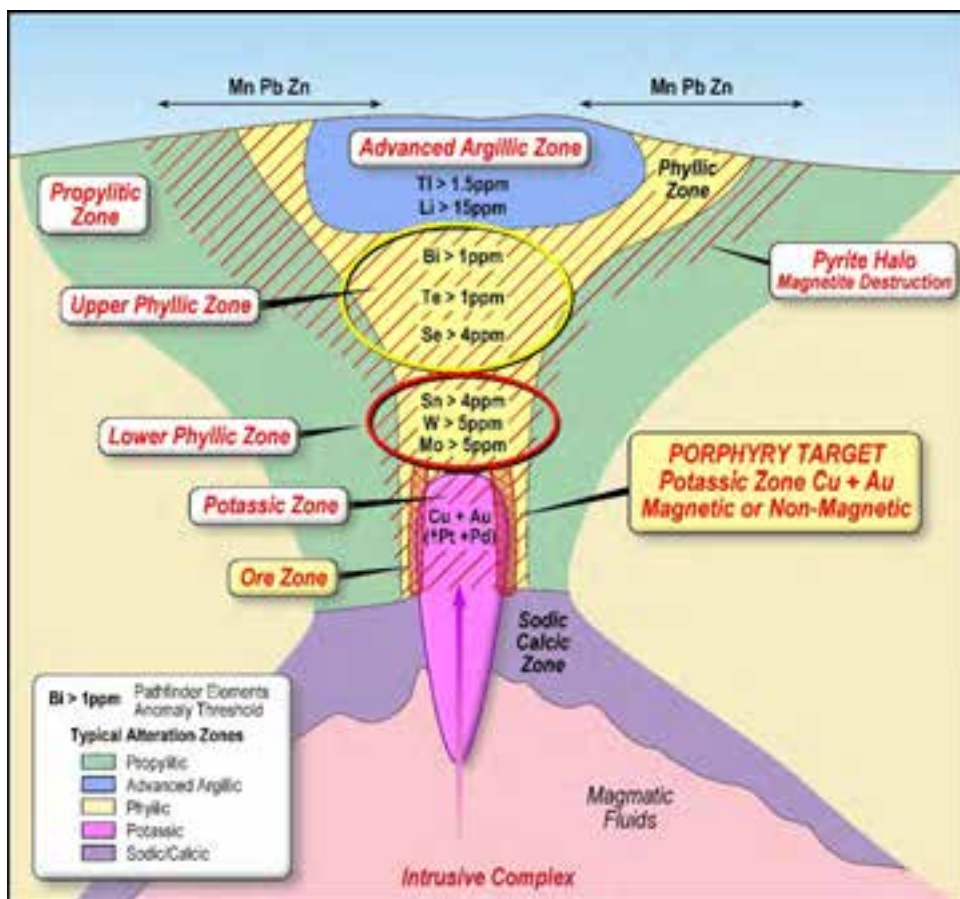


Figure 2.2. Model of the alteration zones and metal assemblages expected around major porphyry copper-gold deposits. In plan view, these zones would be concentrically arranged around the host porphyry, and this gives rise to the zinc doughnut phenomenon.



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Interpretation of the Soil Geochemistry and Airborne Magnetic Data at Apsley

Figure 2.3 shows an interpretation of the soil geochemistry at Apsley highlighting alteration zones based on the additive Z scores for the metal assemblages seen in the five principal alteration zones commonly present around porphyry copper-gold deposits (Figure 2.2).

Figure 2.4 shows the interpreted alteration zones on the new airborne magnetic data.

Key features identified include:

1. A 2,000 m long x 500 m wide northeast trending zone of anomalous gold-copper-palladium and platinum, an assemblage characteristic of the core area of an alkalic porphyry copper deposit (Figure 2.3a).
2. The most strongly anomalous part of this core overlaps with two discrete magnetic highs (Figure 2.4a). These are potential targets for the parent porphyry intrusions and this area is a priority area for follow up work.
3. This “core” lies entirely within a “zinc doughnut”, defined by a very large outer halo of anomalous zinc-lead-manganese that covers an area of at least 3 km² (Figures 2.3b and 2.4a).
4. Within the outer halo, there are two areas, each about one square kilometre in size, that contain variably overlapping, more discrete zones of the specific metal assemblages related to the lower phyllic (Mo-W-Sn), upper phyllic (Se-Te-Bi) and advanced argillic (Sb-As-Li-Tl) zones (Figures 2.3 c, d and e and Figure 2.4b).
5. The two areas occur to the north and southeast of the core. The northern area shows a central zone of advanced argillic alteration surrounded by more expansive lower and upper phyllic zones. This would be consistent with a porphyry intrusion buried at depth and is the second priority area for follow up.
6. In the southeastern area, there is a very marked concentric zoning to the alteration zones which decrease in size from the advanced argillic zone, through to the upper phyllic and lower phyllic zones and centred on a smaller zone of anomalous Au-Cu-Pd-Pt which is 500 m long x 200 m wide (Figure 2.3a and 2.4b). This zone occurs along the contact of a regionally extensive magnetic unit that may be an equivalent to the Boda Intrusive Complex which hosts the Boda-Kaiser discovery. This is also a potential target area for a parent porphyry intrusion and is a third priority area for follow-up.
7. These patterns may be explained by three separate porphyry bodies or alternatively they may represent one deposit that has been dismembered by faulting.
8. The eastern edge of the main core zone and much of the southeastern outer alteration zones are partly coincident with a significant low in the airborne magnetic data that is 2,000 m long x 750 m wide (Figure 2.4). This may in part reflect destruction of magnetite in the host rocks by pyrite as may be expected in these particular alteration zones.

All of this data is consistent with a slightly tilted (oblique) section across one or more closely associated porphyry copper-gold systems.

An Induced Polarisation (IP) survey, for a total of 11 traverses, was also 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



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chargeability, resistivity and soil geochemistry results for two stand-out traverses from the priority five are shown in Figure 2.5 together with the 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 m. The anomalies lie directly below strong geochemical responses dominated by gold, platinum and palladium and together these define a target zone up to 600 m wide (Figure 2.5).

On Traverse 6,390,600 mN a very strong chargeability anomaly extends from surface to a depth of about 200 m, 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 m wide (Figure 2.5).

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.



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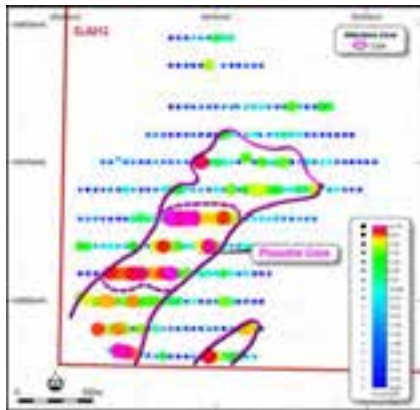


Figure 2.3a. Au-Cu-Pd-Pt Core

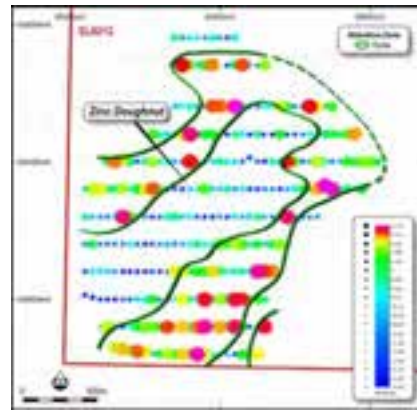


Figure 2.3b. Zn-Pb-Mn Outer Halo/Pyrite Zone

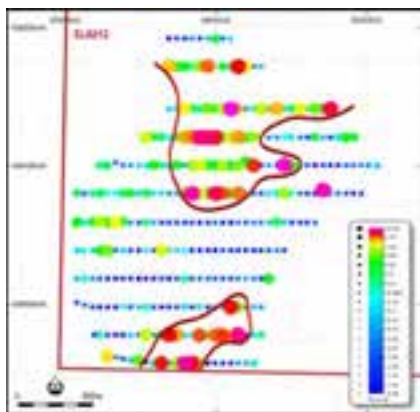


Figure 2.3c. Mo-W-Sn Lower Phyllic Zone

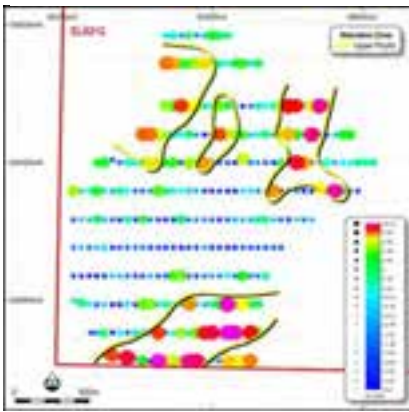


Figure 2.3d. Se-Bi-Te Upper Phyllic Zone

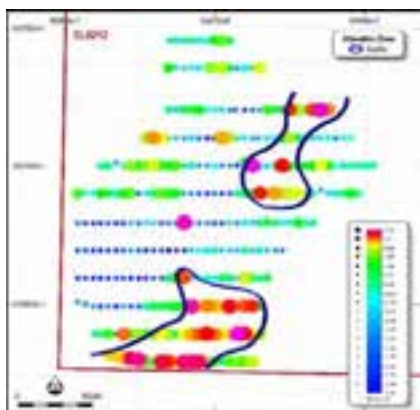


Figure 2.3e. Sb-As-Li-Tl Advanced Argillic Zone

Figure 2.3. Results of the soil geochemistry survey plotted as additive Z scores. Note the very prominent “zinc doughnut” defined by the Zn-Pb-Mn data which is antipathetic to the core of Au-Cu-Pd-Pt.

The results of the soil geochemistry survey are presented as additive Z score indices. Z scores are a standard statistical calculation of the number of standard deviations a raw data (assay) value is from the mean of the data. For example, a Z score of 2 indicates a value 2 standard deviations above the mean. The higher the Z score, the more anomalous the data point is with respect to the dataset.

Z scores are a standard method of normalising data so that statistically meaningful associations between datasets can be made. In this case the Z scores for individual metals that occur within assemblages specific to the alteration zones around a porphyry copper-gold deposit are simply added together in order to amplify the association. For example, the Z scores for gold, copper, palladium and platinum for each sample may be added together to help define the core of an alkalic porphyry system.



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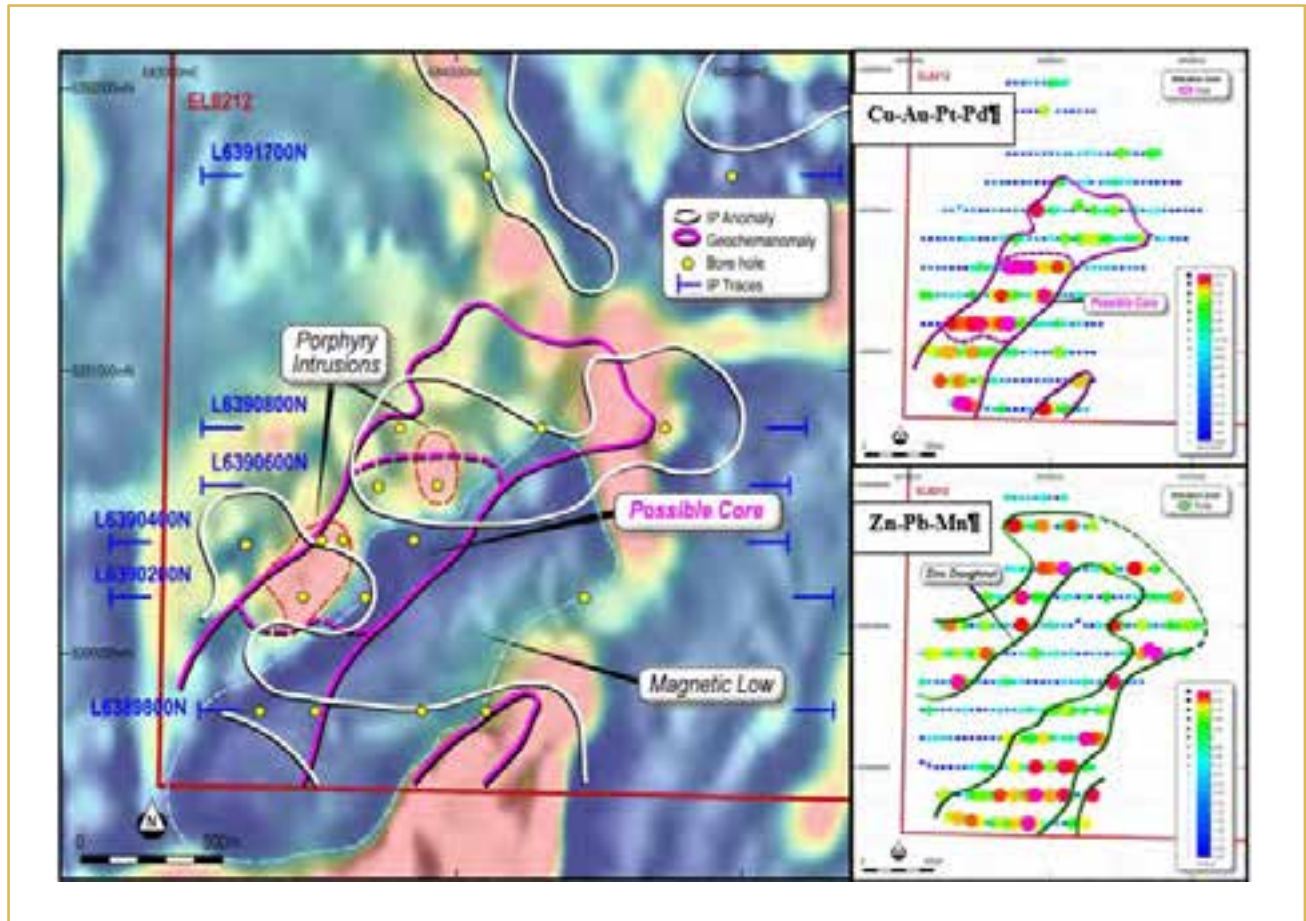


Figure 2.4: Image of airborne magnetic data over the Apsley prospect with more magnetic units in warmer colours showing the interpreted outlines of the chargeability anomalies and the core of the soil geochemistry anomaly. Note: The coincidence with the isolated magnetic anomalies that are targets for the parent porphyry intrusions to any copper-gold mineralisation.



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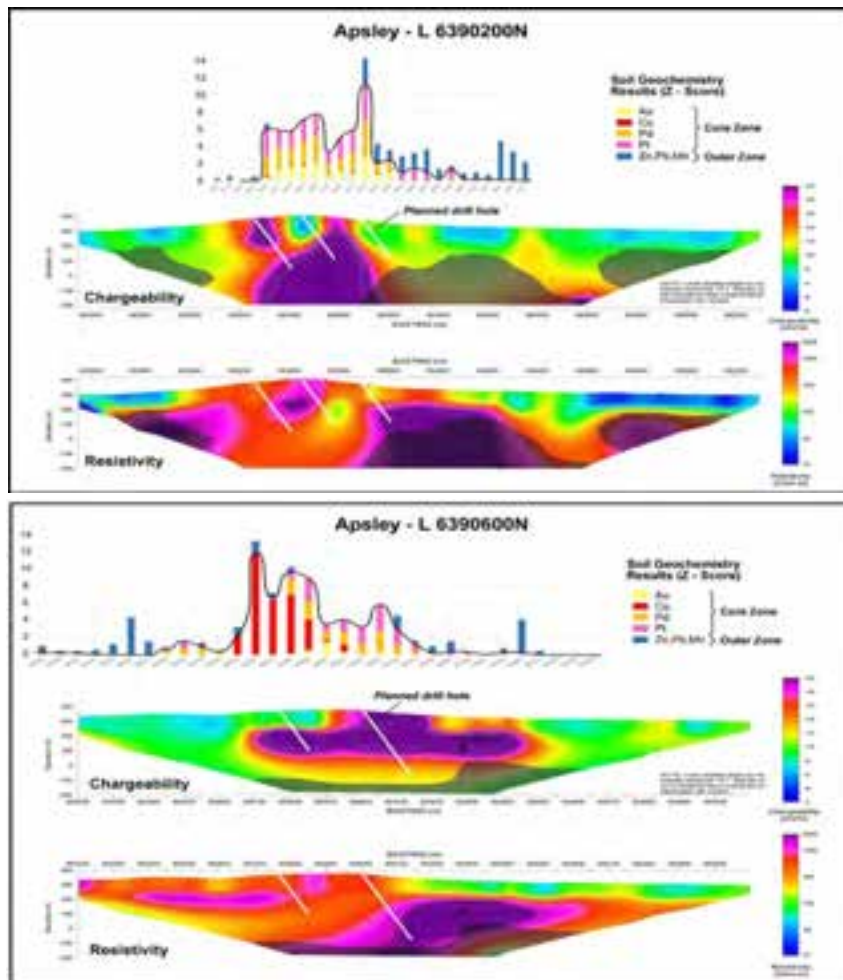


Figure 2.5. IP and Soil Geochemistry results shown as stacked bar charts of the Z scores for Traverses 6,390,200mN and 6,390,600mN.

Drilling at Apsley

During the year, 17 reverse circulation drill holes for 4,954 m were also completed at Apsley.

The drill holes, which are the first ever holes to be drilled at the prospect, tested parts of the priority areas identified in the soil geochemistry and IP data at widely spaced reconnaissance intervals (ASX Releases 10th August 2020, 16th February 2021, 12th March 2021, 16th April 2021).

The drilling identified a wide variety of porphyry, volcanic and variably carbonaceous sedimentary rocks that for the most part dip west at shallow to moderate angles. In places the porphyry units may have a steeper dip suggesting they may be later cross-cutting intrusions.

The rocks are variably altered to chlorite, epidote, hematite and lesser biotite and contain weakly disseminated pyrite and very fine grained, weak to moderately disseminated copper-bearing minerals in zones up to 60 m thick (close to true thickness). There is strong K-feldspar alteration in places, in particular in hole APIPT001 which has returned a 60 m thick intersection of altered porphyritic rock (Figure 2.6).



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Measurements of major elements such as potassium, aluminium, iron, calcium with a hand-held XRF instrument indicate widespread alteration typical of the outer distal zones of a porphyry copper system together with more localised zones of potassic alteration typical of the inner more proximal zones of such systems.

The upper zones of the nearby Boda-Kaiser discovery (Alkane Resources Limited) are characterised by weak to modest alteration and gold-dominant mineralisation with significant copper and gold only appearing at depth in a steeply dipping system.

Final assays were significantly delayed because of a back log at the laboratory and were received well after June 30th.

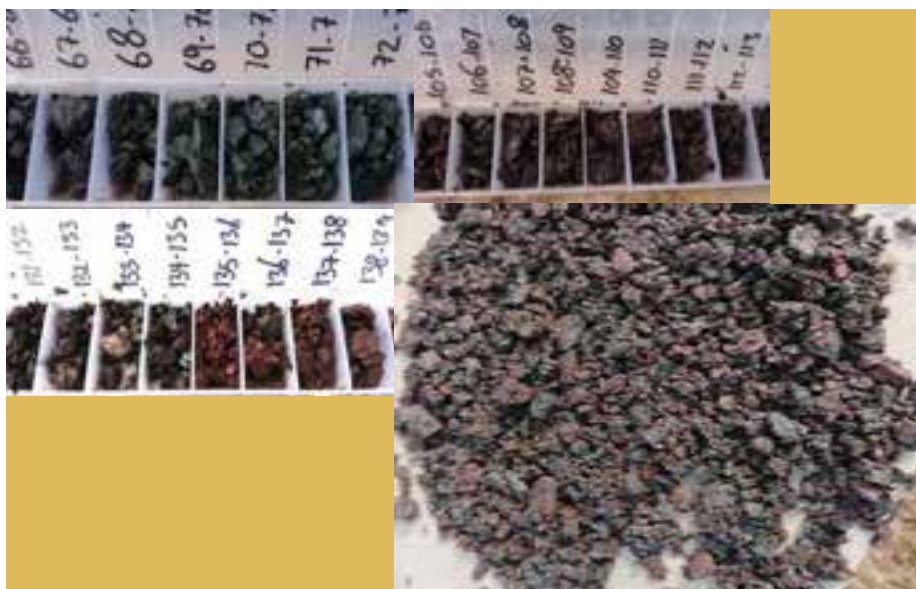


Figure 2.6. Alteration in Hole APIPT001. Strong chlorite-epidote alteration (top left) passes into strong hematite alteration (top right) then strong K-feldspar alteration in a porphyritic unit (bottom left). A close up of the strong K-feldspar unit is shown in the bottom right from 137 m downhole and is typical of more proximal alteration.

2.2 Other Prospects

The detailed airborne magnetic and radiometric survey completed over the western parts of the Commonwealth project has allowed new insights into the geology and structure of the broader area to be made. An image of the magnetic data covering the Gladstone, Greenobbys and Boda South prospects is shown in Figure 2.7 and the associated simplified geology in Figure 2.8.

Gladstone

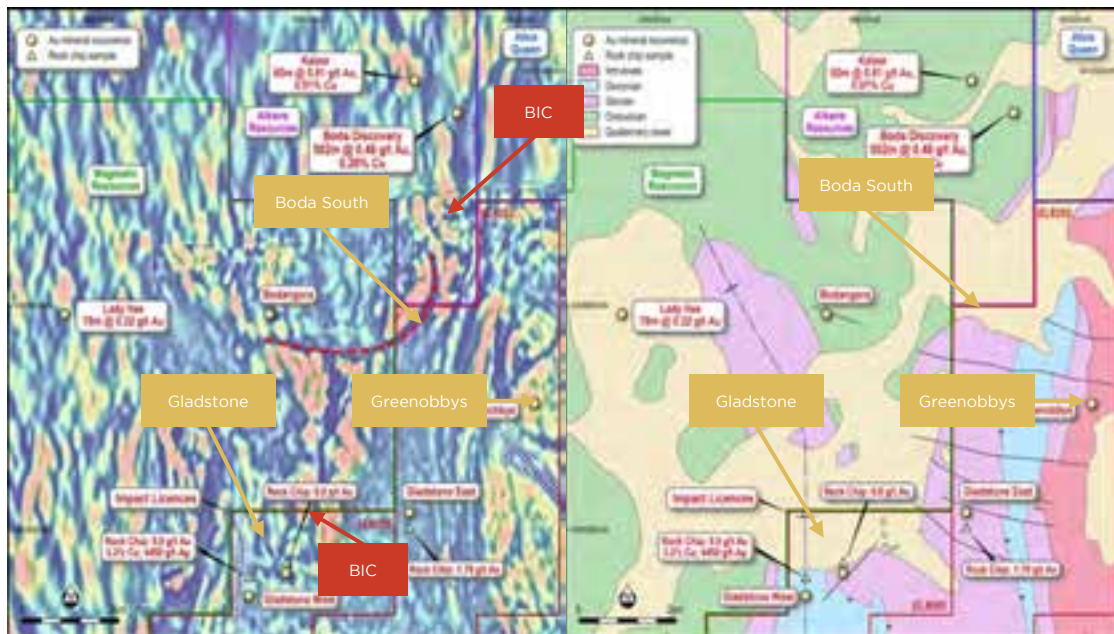
It is now evident that the southern extension of the Boda Intrusive Complex, host to the Boda deposit, extends for up to 1,000 m on to Impact's tenements from ground held by Magmatic Resources Limited (ASX:MAG) immediately to the north (Figure 2.7). This was not known with certainty beforehand because of the poor resolution of the previous magnetic data. A review of previous maps has also identified small outcrops of Ordovician rocks that



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poke through thin alluvial cover in this area (Figure 2.8). There has been no mapping or sampling of this area and it is very prospective for porphyry copper-gold deposits.

In addition, a major 2,000 m long north-south trending structure has been identified close to the western edge of the tenement recognisable as a zone of magnetite destruction up to a few hundred metres wide (Figure 2.7).



Figures 2.7 and 2.8. Image of magnetic data and simplified surface geology of the Gladstone-Greenobbys-Boda South area (see also Figure 2.1). The location of the Boda-Kaiser discovery and the Lady Ilse prospect (Magmatic Resources Limited) are also shown. The white hatched areas at Gladstone and Greenobbys are zones of magnetite destruction caused by hydrothermal fluids and are priority areas for follow up.

A rock chip sample taken by Newcrest Mining Limited at the edge of this structure in 1996 returned rock chip results from a quartz vein of 9.9 g/t gold, 3.2% copper and an exceptional silver result of 4,550 g/t silver (Gladstone West Figure 2.8; and ASX Release 23rd April 2020). Of note, the vein occurs in Devonian rocks and may be of a similar age and silver-rich nature to those at Greenobbys. Small workings and diggings are present along the structure for a few hundred metres. This has never been followed up.

Two other rock chips samples taken 750 m east returned 0.8 g/t gold and at Gladstone East an assay of 1.8 g/t gold was returned (Figures 2.7 and 2.9: ASX Release 23rd April 2020). There was no significant silver at these prospects.

Greenobbys

At Greenobbys the new magnetic data shows that the vein system occurs at the margin of a magnetic granite called the Wuuluman Granite (Carboniferous age). Of note is a northwest trending magnetic low that is up to 500 m thick and lies about 1 kilometre south of the vein system at Greenobbys (Figure 2.7). This is a clear zone of destruction of magnetite by



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hydrothermal fluids which has never been explored and is a priority area for follow up field checking.

Impact has identified high grade epithermal gold-silver mineralisation at Greenobbys that is much younger than the porphyry copper-gold mineralisation and which has not been extensively explored for in the entire region.

Here, rock chips returned up to 9.5g/t gold (six samples with more than 1 g/t gold) and 215 g/t silver (7 ounces of silver with four samples containing more than 1 ounce per tonne) from veins of K-feldspar and quartz. In addition, the veins contain a remarkable array of pathfinder metals in particular bismuth (up to 745 ppm), molybdenum (up to 519 ppm) and tellurium (up to 40 ppm), together with appreciable amounts of the pathfinder metals selenium-thallium-antimony-arsenic-lead-barium and tungsten (ASX Release 23rd June 2020).

All of these features are interpreted to indicate the veins are related to fluids released from a potassium rich granite and which may represent a “telescoped” epithermal system covering at least several hundred square metres. The veins are open along trend and at depth as there is no recorded drilling in the area.

Telescoping refers to the significant overlap between proximal and distal metal and mineral assemblages and suggests the possible rapid collapse of the parent hydrothermal system. This is encouraging for the discovery of bonanza gold-silver veins.

Together, Gladstone and Greenobbys indicate an emerging region for high grade gold and silver epithermal mineralisation in rocks much younger than those that host the porphyry copper-gold mineralisation. Impact has extensive ground holdings for this style of mineralisation (Figure 2.1).

At Boda South the new magnetic data confirms that the southern end of the Boda Intrusive Complex (BIC) that controls the porphyry copper-gold mineralisation at Boda-Kaiser also extends on to Impact's tenements. The magnetic units are associated with a marked curvilinear structure that may represent the edge of the original intrusive complex (Figure 2.7).

Given the prospective nature of the BIC, modelling of magnetic data is required to determine the depth to the intrusive complex at Boda South and this is in progress.

Next Steps

The assay data from the Aspley drill programme will be interpreted on receipt, and this will determine the nature and extent of follow-up work required. Impact is considering its options for the future of the Commonwealth Project.



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2.3 Commonwealth and Silica Hill Deposits

The focus on porphyry copper exploration during the year lead to no work being done at the Commonwealth and Silica Hill deposits where Mineral Resources containing **88,800 ounces of gold and 3.3 million ounces of silver** have been defined (ASX Release August 22nd 2019).

The Mineral Resources were prepared in accordance with the JORC 2012 Code by independent resource consultants Optiro and are stated in the tables below.

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

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

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

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

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

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

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



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ABOUT THE MINERAL RESOURCE ESTIMATE AT COMMONWEALTH

The mineralisation at Commonwealth-Main Shaft is typical of a volcanogenic massive sulphide (VMS) type system, containing high grade gold, silver, zinc, lead and copper mineralisation which occurs at the upper contact of a porphyritic rhyolite with the overlying volcanic sedimentary rocks.

The Commonwealth Resource strike length is 400 m and it is open along trend in particular to the south. The mineralisation has been defined to a maximum depth of 150 m and is still open.

The total number of holes drilled at the Commonwealth Project by Impact and previous explorers in a number of separate drill campaigns is 132. Of these holes, 66 were used in the estimation to define a wireframe model. Impact has twinned some of the historical higher grade intersections and these have largely confirmed the grades and widths. The average depth of the drill holes is 52 metres highlighting the shallow nature of the deposit. Holes were drilled with a variety of azimuths and dips to ensure the mineralised units were intersected at optimal angles.

Quality control measures employed by Impact included the use of certified standards (1% of total sample population), field duplicates (2% of total sample population) and blanks (2% of total sample population). No previous quality assurance/quality control (QAQC) has been carried out at the Commonwealth Project. Analysis of the standards and blanks showed acceptable to good levels of accuracy in the assaying and little contamination. The duplicate samples matched the originals with a high degree of precision.

The drill hole database was reviewed and validated. The top cuts used were gold 30 ppm, silver 500 ppm, copper 1% and zinc 10%.

Three-dimensional solid wireframes were constructed from sectional interpretations of the mineralisation using a nominal 0.5 g/t gold cut-off grade. Drill hole intercepts were composited downhole to 1 m lengths and gold, silver, copper, zinc, lead and arsenic grade estimation was carried out using ordinary kriging with hard boundaries.

Three search passes, with increasing search distances and decreasing minimum sample numbers, were employed to fully inform the model. All elements filled all cells in the first three search passes.

The Commonwealth Mineral Resource estimate has been classified as an Inferred Mineral Resource in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012). Mineral Resources have been classified on the basis of confidence in geological and grade continuity, geological modelling confidence, grade continuity and limited QAQC. No Measured or Indicated Mineral Resources have been defined.

The Mineral Resource estimate for the Commonwealth Project has been reported above a 0.5 ppm gold cut-off grade. The estimate has been depleted for previous historic mining.



COMMONWEALTH PROJECT

ABOUT THE MINERAL RESOURCE ESTIMATE AT SILICA HILL

The mineralisation at Silica Hill lies between 60 m and 200 m north east of the Commonwealth deposit. It comprises a stockwork of veins and disseminations of gold, silver, zinc, lead and copper minerals typical of certain epithermal styles of mineralisation. Visible silver minerals such as proustite and pyrargyrite are common. The mineralisation is hosted by a large flow banded rhyolite flow or sill with large phenocrysts of quartz and feldspar throughout the unit. Within the rhyolite is a second porphyry unit of a different composition that separates the two main zones of mineralisation.

The Silica Hill Resource strike length is 500 metres and it is open along trend in particular to the south. The mineralisation has been defined to a maximum depth of 290 metres and is still open.

The Mineral resource comprises two limbs, one being south-south west dipping lode (South Lode) that truncates a north- northeast steeply dipping lode (North Lode). These Mineral Resources have a total strike length of 240 metres and extend vertically to about 190 metres below surface for the North Lode and to 290 metres below surface for the South Lode. The horizontal width is variable ranging from 4 metres to 40 metres and averaging 20 metres where the two limbs are separate and 75 metres wide where the two limbs join.

Thirty four drill holes, 10 RC and 24 diamond, have been completed at Silica Hill, all drilled by Impact. Of these holes, 32 were used in the estimation to define a wireframe model.

Quality control measures employed during drill programmes by Impact included the use of certified standards (1% of total sample population), field duplicates (2% of total sample population) and blanks (2% of total sample population). Analysis of the standards and blanks showed acceptable to good levels of accuracy in the assaying and little contamination. The duplicate samples matched the originals with a high degree of precision.

The drill hole database was reviewed and validated. Three-dimensional solid wireframes were constructed from sectional interpretations of the mineralisation using a nominal 15 g/t silver cut-off grade. Drill hole intercepts were composited downhole to 1 m lengths and gold and silver grade estimation was carried out using top-cut ordinary kriging with hard boundaries.

The top cuts used were respectively 525 g/t silver and 4.8 g/t gold for the north lode and 350 g/t silver and 2.5 g/t gold for the south lode.

Three search passes, with increasing search distances and decreasing minimum sample numbers, were employed to fully inform the model. For silver 15% of the blocks and for gold 6% of the blocks did not receive an estimate in the first three passes. These blocks were assigned the nearest estimated grade.

The Mineral Resource estimate for Silica Hill has been reported above a 50 g/t silver cut-off grade.

The Silica Hill Mineral Resource estimate has been classified as an Inferred Mineral Resource in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012). Mineral Resources have been classified on the basis of confidence in geological and grade continuity, geological modelling confidence, grade continuity and limited QAQC. No Measured or Indicated Mineral Resources have been defined.



ARKUN-BEAU PROJECT

3. ARKUN-BEAU PROJECT, WA (IPT 100%)

In mid 2020 Impact made applications for eight 100% owned Exploration Licences that comprise a major new project prospective for nickel-copper-platinum group metals and gold in the emerging new province for these metals in the south west Yilgarn Craton of Western Australia (Figure 3.0).

This followed the significant nickel-copper-PGM discovery at Julimar by Chalice Mining NL in 2019.

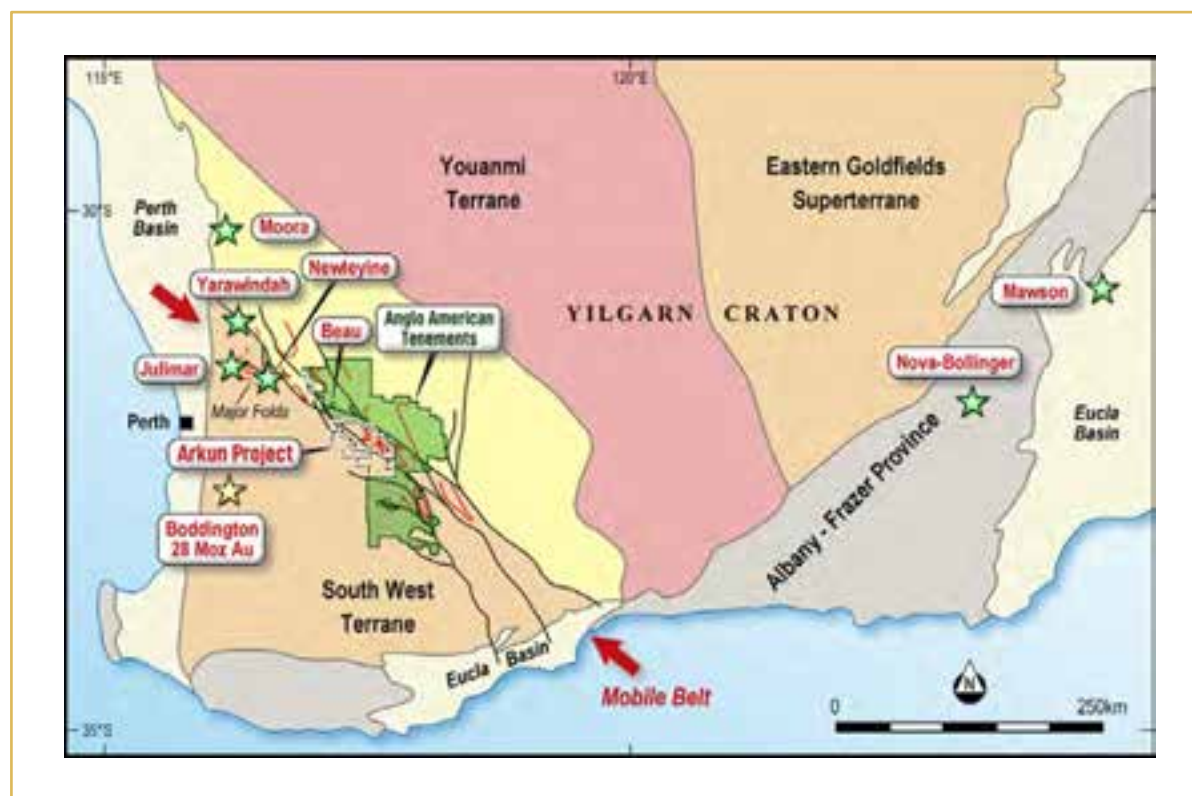


Figure 3.0. Location and Regional Geology of the Arkun Project and showing key nickel-copper-PGE deposits and recent discoveries.

Anglo American plc, one of the world's leading mining companies and an active explorer for nickel-copper and platinum group metals, lodged Exploration Licence applications covering a vast area of some 10,130 square kilometres on the same day that Impact released its first announcement on Arkun (ASX: IPT Release 29 May 2020). Anglo's applications directly surround three sides of Impact's Arkun project (Figure 3.1).

The Arkun project, which is centred between York and Corrigin 130 km east of Perth, was identified as an area of anomalous nickel-copper-gold anomalies in publicly available regional geochemistry data sets.

A subsequent interpretation of regional magnetic data by Impact identified the area as lying within a major deformation zone or mobile belt that trends NW-SE from the Moora-Julimar-Yarawindah area through Arkun and which may contain deformed and metamorphosed equivalents of those rocks (Figures 3.0 and 3.1). This belt is generally not recognised in many regional geology maps and yet is self-evident in the magnetic data. This is a significant breakthrough in understanding for Impact.



ARKUN-BEAU PROJECT

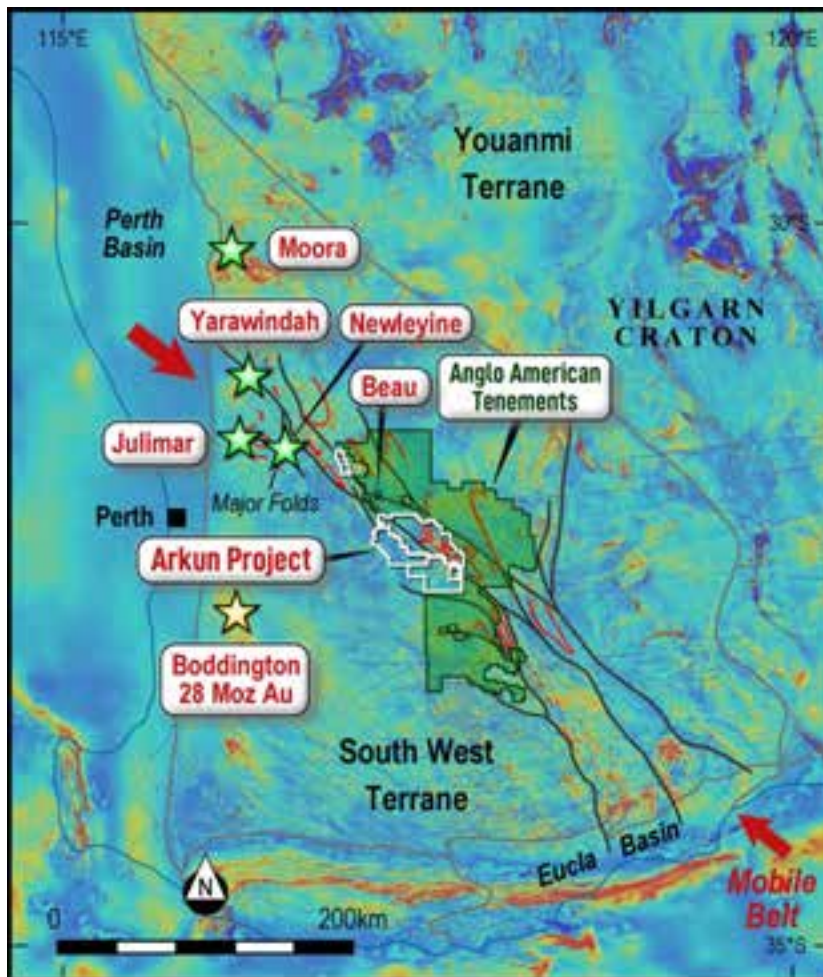


Figure 3.1. Regional magnetic image showing major structures in the South West Terrane of the Yilgarn Craton. The Julimar-Yarawindah-Moora area is at the north western end of the interpreted mobile belt.

The mobile belt is about 500 km long and up to 30 km wide and is of a scale that suggests it may mark an ancient terrane boundary or proto-craton margin. Such geological provinces (of varying ages) are well known around the world as prospective terranes for hosting major nickel-copper-PGE deposits with examples such as Nova-Bollinger and Mawson (Proterozoic age – Figure 3.0), the Thomson fold belt in Canada and the recent discoveries at Yarawindah and Julimar in Western Australia (Figures 3.0 and 3.1).



ARKUN-BEAU PROJECT

During the year, Impact reached agreement with Beau Resources Pty Limited, an unrelated private company, to purchase 100% of EL70/5424, a tenement covering 16 km² and located about 15 km north of Impact's Arkun nickel-copper-platinum group element (PGE) project close to Perth in Western Australia.

The Beau project covers a prominent oval magnetic anomaly 3,000 m x 1,500 m in dimension that lies under shallow cover (likely to be less than 50 m) and which has never been explored (Figure 3.2). The anomaly is of a similar size and geometry to the Gonneville Intrusion, host to the significant PGE-copper-nickel mineralisation discovered recently at Julimar and also the Newleyine intrusion which also hosts nickel-copper-PGE mineralisation (Mandrake Resources Limited; and Figure 3.2).

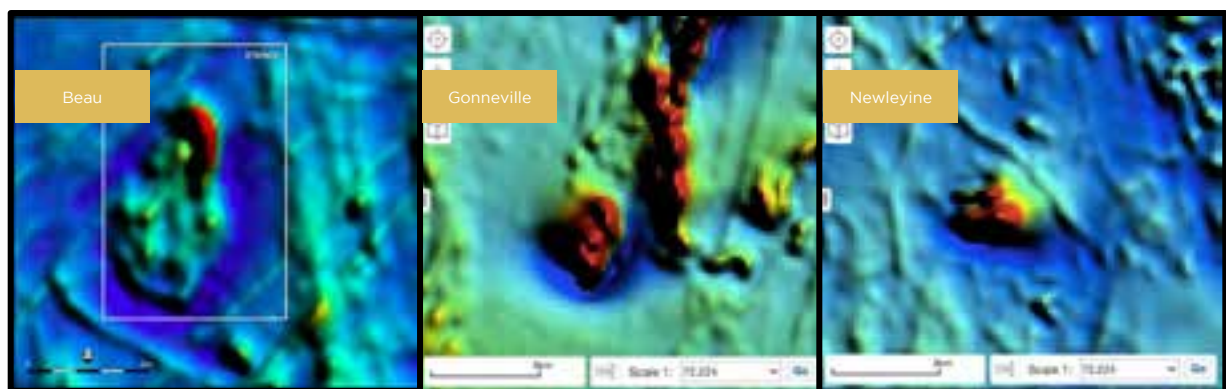


Figure 3.2: Image of regional magnetic data showing the magnetic anomalies at Beau (left), Gonneville (Chalice Gold NL centre) and Newleyine (right) for comparison at the same scale.

The Beau tenement lies completely within Anglo American's exploration licences (Figure 3.1).

The terms of the purchase were:

1. \$10,000 on signing.
2. Impact to cover all costs involved in grant of the tenement (now complete).
3. Purchase of 100% ownership of the tenement upon grant and transfer of the licence for \$50,000 cash and a 2% GPR (also completed).

All of the Arkun-Beau tenements were granted during the year with the project now covering about 1900 km² and the following work was completed:

1. An interpretation of the bedrock geology from regional airborne magnetic data and the surface geology from airborne radiometric data.
2. Reconnaissance field checking and rock chip sampling (ASX Release 16th April 2021).
3. Identification of 17 priority targets for follow up work and completion of reconnaissance soil geochemistry traverses over 15 of the targets.

The interpretation of the magnetic data, the surface geology and reconnaissance field checking, and rock chip samples has shown the following:

1. It is likely that mafic and ultramafic rocks are more widespread than shown on the regional Geological Survey maps.



ARKUN-BEAU PROJECT

2. The mafic and ultramafic rocks contain low levels of PGE up to 25 to 30 ppb platinum+palladium+gold in rock chip samples in at least several places. The assay values are not considered material but do attest to the significant prospectivity of the area.
3. Most of the project area is covered by residual soils and ferricrete with limited transported cover. Accordingly, it is likely that the previous regional soil geochemistry surveys were moderately effective and that conventional soil geochemistry techniques can be used for follow-up soil sampling. This will allow quick assessments of target areas to be made.

These observations have been used in conjunction with conceptual models for nickel-copper-PGM mineralisation to identify 17 first pass targets for follow up work (Figure 3.3). First pass soil geochemistry surveys have been completed over 15 of the targets with samples taken at 100 m intervals along gazetted roads and tracks (ASX Release 10th June).

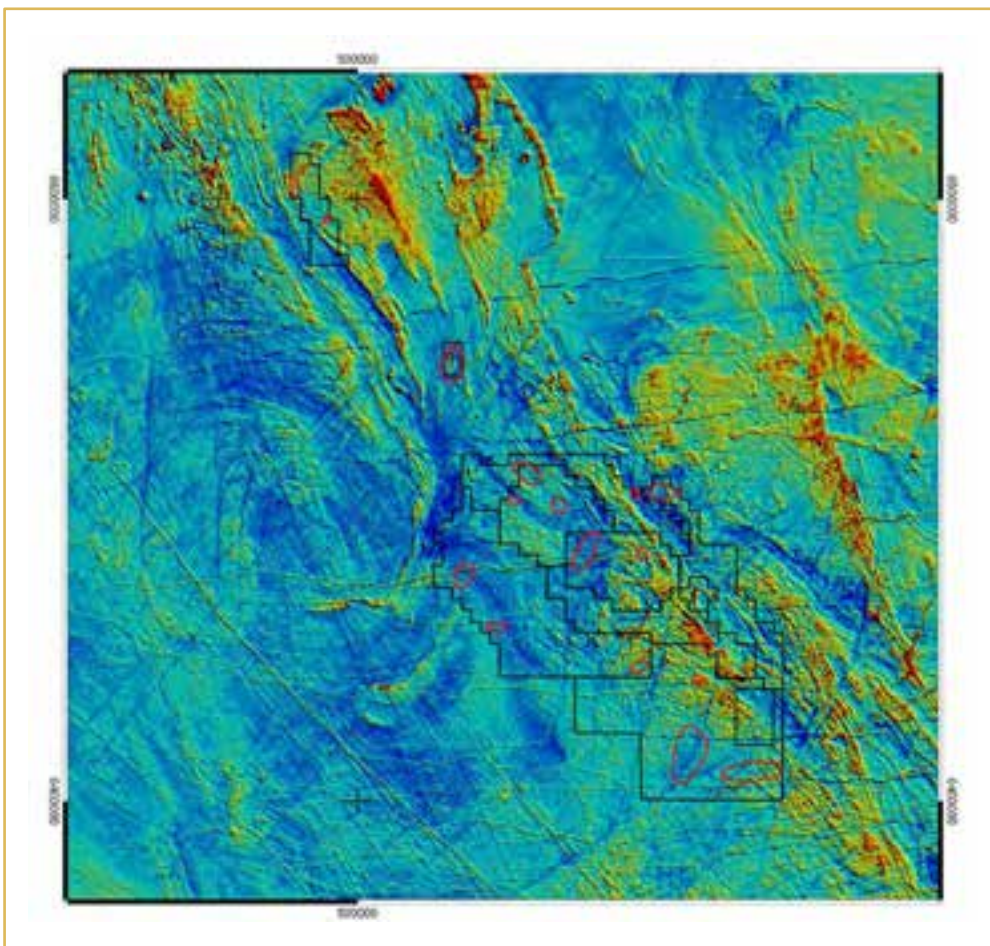
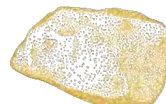


Figure 3.3. Location of priority targets for follow up on Impact's tenements.

Next Steps

The results of the soil geochemistry survey are expected as this report goes to press. Follow up work will comprise further detailed soil geochemistry, mapping and rock chip sampling together with geophysical surveys to identify drill targets. It is likely that extensive land access negotiations will also be required.



DOONIA PROJECT

Although these absolute values are modest, the entire area is underlain by stabilised sandy soils and colluvium on the southern margin of a broad salt lake system. It is well known that such sandy soils may significantly dilute soil geochemistry responses and background values are estimated to be less than 10 ppm for nickel and copper and no more than 1 ppb for gold and bismuth. The maximum values are therefore well above background and of exploration significance.

The soil geochemistry results reveal a very distinct and coherent zoned geochemical anomaly that was not recognised by WMC (Figure 4.1).

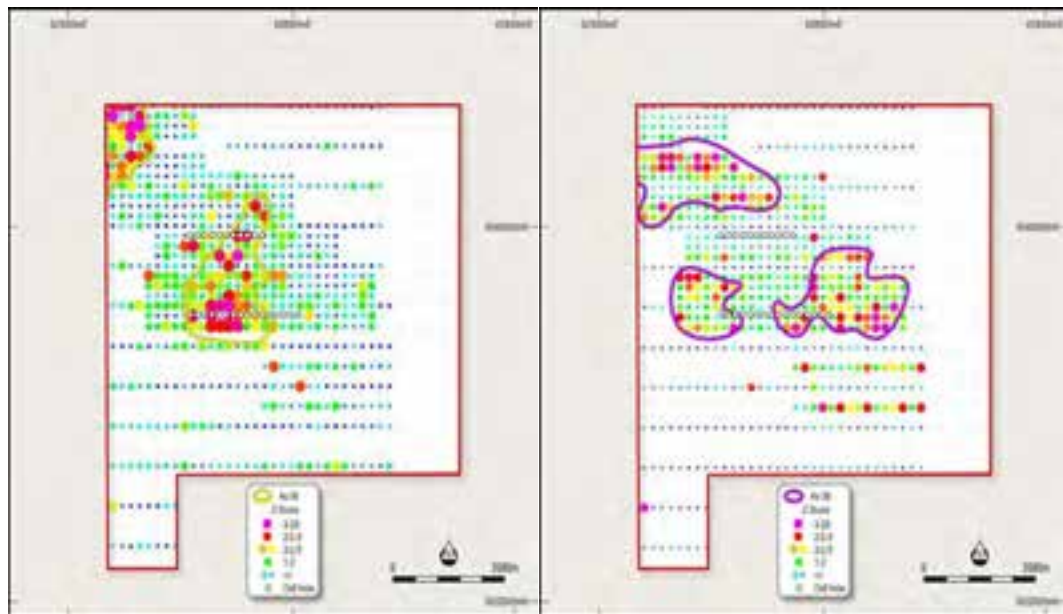
A core area of gold+bismuth 2,500 m long and up to 1,000 m wide occurs in the centre of the project area and is surrounded by a larger, (albeit somewhat discontinuous) halo of arsenic+antimony (Figure 4.1).

The gold+bismuth zone overlies numerous small magnetic anomalies visible in regional magnetic data which are also coincident with a nickel+copper+zinc-in soil anomaly that covers an area of about 2,500 m x 2,000 m (Figure 4.2).

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

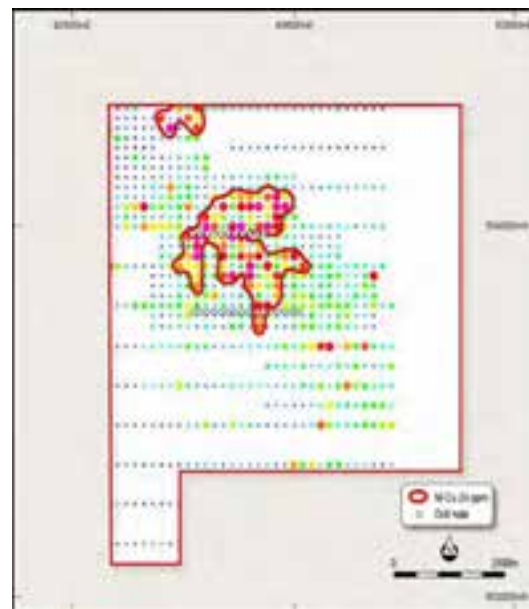


DOONIA PROJECT



Gold+Bismuth

Arsenic+Antimony



Nickel+Copper+Zinc

Figure 4.1: Images of the Z-Scores for gold+bismuth, arsenic+antimony and nickel+copper+zinc. Note that the entire central zoned anomaly extends over several square kilometres.

Z scores are a standard statistical calculation of the number of standard deviations a raw data (assay) value is from the mean of the data. For example, a Z score of 2 indicates a value 2 standard deviations above the mean. The higher the Z score, the more anomalous the data point is with respect to the dataset. The mean values for each of the metals of interest described here are also listed in ASX Release 17th November 2020.

Z scores are a standard method of normalising data so that statistically meaningful associations between datasets can be made. In this case the Z scores for individual metals that are commonly associated around gold deposits are simply added together in order to amplify the association. For example, the Z scores for gold and bismuth may be added together to help define the core of an intrusive related gold system.



DOONIA PROJECT

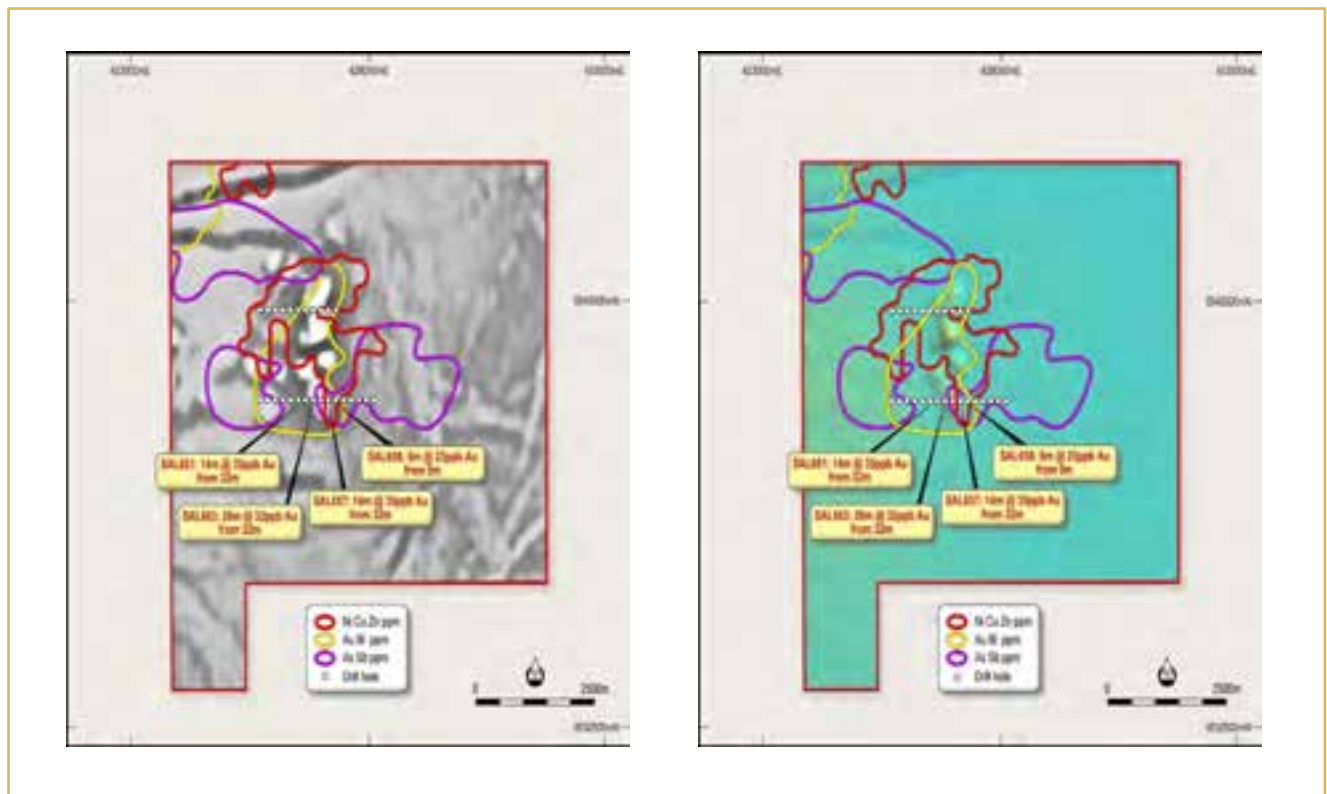


Figure 4.2. Images of regional magnetic data showing the zoned soil geochemistry pattern with a core of gold+bismuth and an outer halo of arsenic+antimony centred over numerous magnetic anomalies. The image at left shows a vertical derivative of the magnetic data and the image at right shows total magnetic intensity. The nickel+copper+zinc anomaly is well developed over the magnetic anomalies and may reflect a buried intrusion.

4.3 Previous Drill Results

The main soil geochemistry anomaly was tested by 27 aircore vertical drill holes by WMC Resources Ltd to an average depth of only 36 m on two traverses 600 m apart with holes 160 m apart. The drilling was limited to weathered rocks and fresh rock was rarely encountered.

Four drill holes on the southern traverses returned significant thicknesses of modest gold mineralisation in the weathered zone as follows (Figure 4.2):

- SAL661 returned 14 m at 35 ppb gold from 32 m depth;
- SAL663 returned 20 m at 32 ppb from 32 m;
- SAL657 returned 14 m at 35 ppb from 32 m; and
- SAL658 returned 6 m at 23 ppb from surface.

Previous work by Impact has shown that sub-surface gold (and other metal) dispersion halos in weathering environments close to the margins of salt lakes such as at Doonia, are commonly severely depleted and chemically eroded away by acidic ground water flow. Therefore, close spaced drilling to fresh bedrock is required to adequately test gold-in-soil anomalies in such geochemical environments.

Accordingly, the results of the previous drilling, in combination with the zonation pattern evident in the soil geochemistry data, are considered to be very encouraging given the regolith conditions and the very wide drill spacing used. Deep drilling is required to effectively test the target.



DOONIA PROJECT

4.4 The Burns Discovery

During the year, a significant discovery of gold-copper mineralisation hosted by a magnetic intrusion was made at the Burns Project located just 20 km west of Doonia (Figure 4.0: Lefroy Exploration Limited, ASX:LEX).

The Burns Project area was first identified as part of the same regional exploration program by WMC Resources Limited that identified Doonia and both areas were subject to broad-spaced aircore drilling. However 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 described above (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 4.3). 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.
- 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, these have defined the very distinct and coherent zoned geochemical anomaly and is a compelling similarity.



DOONIA PROJECT

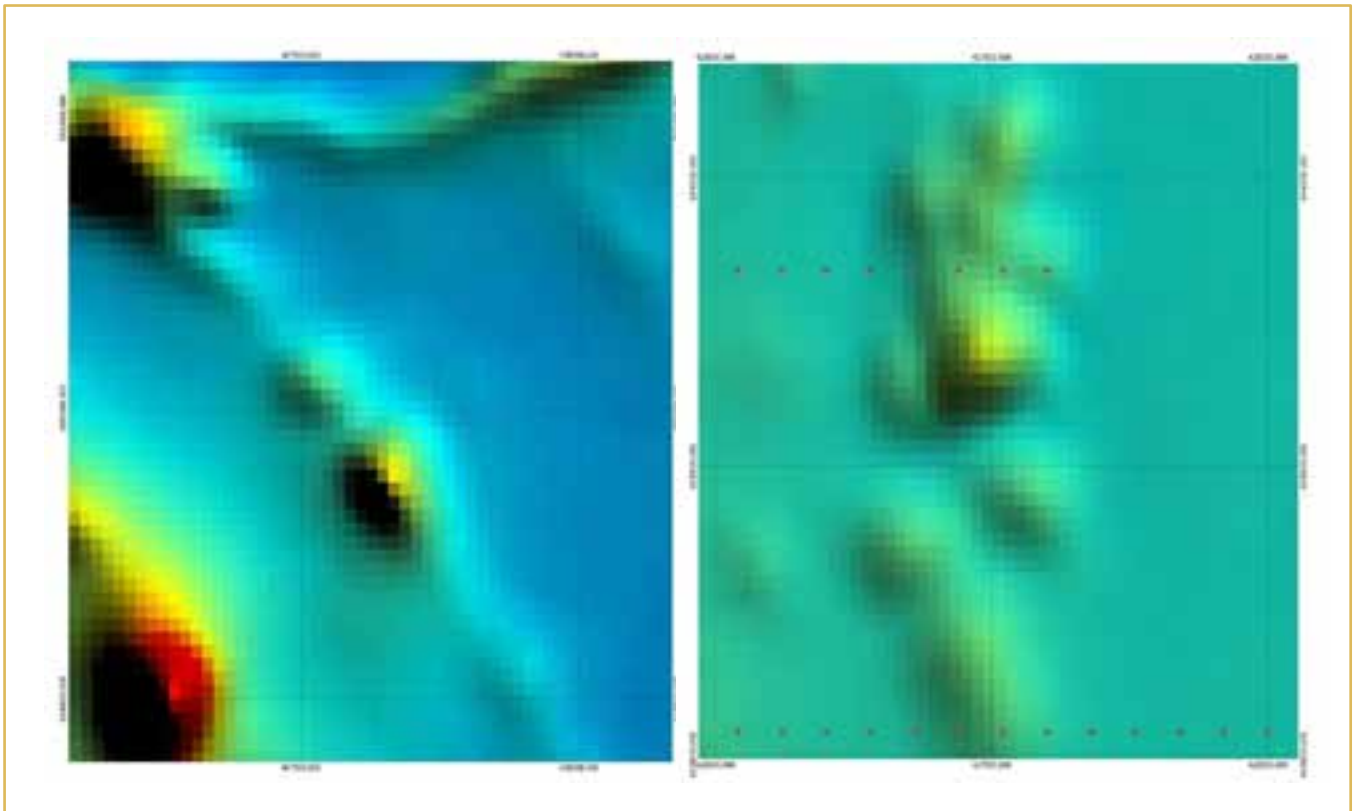


Figure 4.3. Regional magnetic data over the Burns prospect (left) and Doonia project (right) at the same scale.

4.5 A major intrusive complex at depth?

A large ovoid magnetic anomaly, about 6 km by 6 km in size, that lies directly beneath the Doonia project was identified in images of regional magnetic data that were reprocessed to enhance the magnetic contrast between different units in the magnetically quiet metasedimentary basin (Mt Belches Group) within which Doonia lies. The anomaly is interpreted as a large magnetic intrusion, that has been emplaced at some depth into the metasedimentary rocks that underlie most of the project area (Figure 4.4).

In addition, the reprocessed data better defined the cluster of magnetic anomalies occur above the central east part of the larger anomaly (Figure 4.4). These anomalies have short strike lengths and do not appear to be part of the linear stratigraphy that characterises much of the surrounding greenstone belt terrain. They are interpreted as possible near surface magnetic porphyry intrusions that may be related to and sourced from the larger buried intrusion.

They are centred under the gold-bismuth soil geochemistry anomaly (Figure 4.4). These results are interpreted to be potentially related to a gold-bismuth mineralised system associated with a differentiated mafic to felsic intrusion. The system covers a large area and is a priority drill target.



DOONIA PROJECT

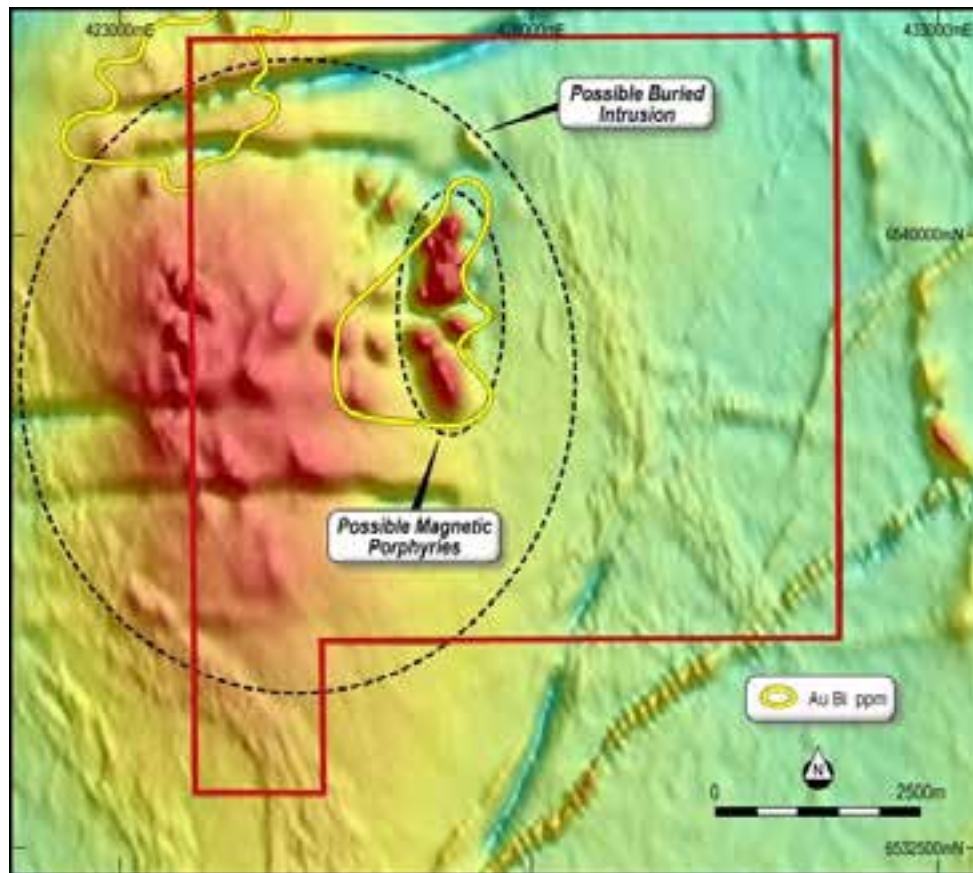


Figure 4.4. Image of regional magnetic data over the Doonia project with warmer colours indicating more magnetic units. A large, oval, deep-seated anomaly is centred directly under the project area above which a cluster of near surface anomalies is present and which are interpreted as possible magnetic intrusions. These smaller anomalies are coincident with a gold-bismuth soil geochemistry anomaly (ASX Release 17th November 2020).

Next Steps

Statutory approvals and the required heritage surveys, to be conducted in conjunction with the Ngadju Group, are now being organised. In addition, field checking, and confirmatory sampling will also be conducted with the aim of drilling by Q4 2021.



BLACKRIDGE GOLD PROJECT

5. BLACKRIDGE GOLD PROJECT (IPT 100%)

The Blackridge project covers about 150 square kilometres of the Blackridge-Miclere gold field located near Clermont in central Queensland and comprises three 100% owned Exploration Permits (EPM26806, EPM27410, EPM27571) and one granted Mining Lease ML2386 (Figures 5.0 and 5.1; ASX Release July 17th 2020).

The project covers about 90% of the southern half of the greater Miclere-Blackridge area that produced over 300,000 ounces of gold in the late 1800s and early 1900s (Figure 5.0 and ASX release 29th May 2018).

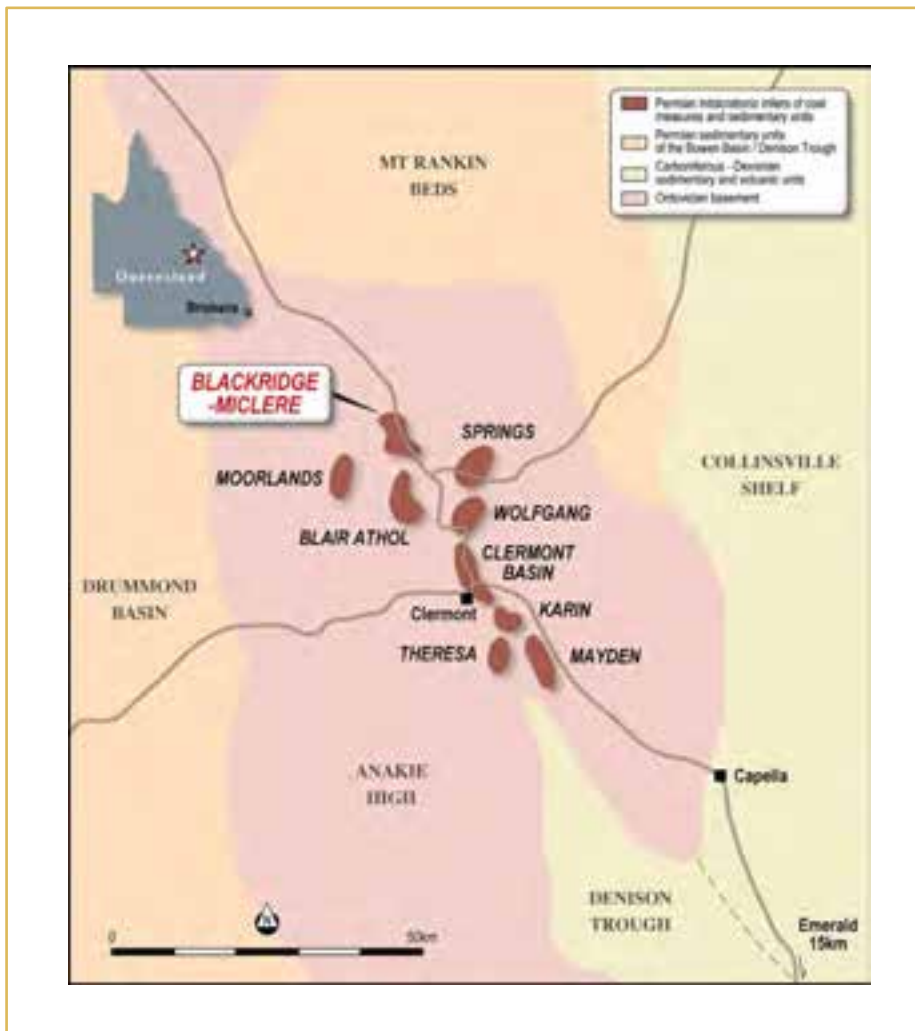


Figure 5.0. Location and Regional Geology of the Arkun Project and showing key nickel-copper-PGE deposits and recent discoveries.

The gold at Blackridge was mined mostly underground in the form of coarse gold nuggets within a two metre thick conglomerate unit located at the very base of a sedimentary sequence of Permian age that overlies an older sequence of rocks known as the Anakie Metamorphics. The Permian sequence also hosts major coal resources (Figure 5.0)



BLACKRIDGE GOLD PROJECT

The basal contact, or unconformity, is present at surface over about 1,500 metres of trend at Blackridge. Much of the area however is covered by loose gravel with only a few outcrops of conglomerate and schist in places and this has hindered previous exploration with no recent systematic exploration having occurred in the area.

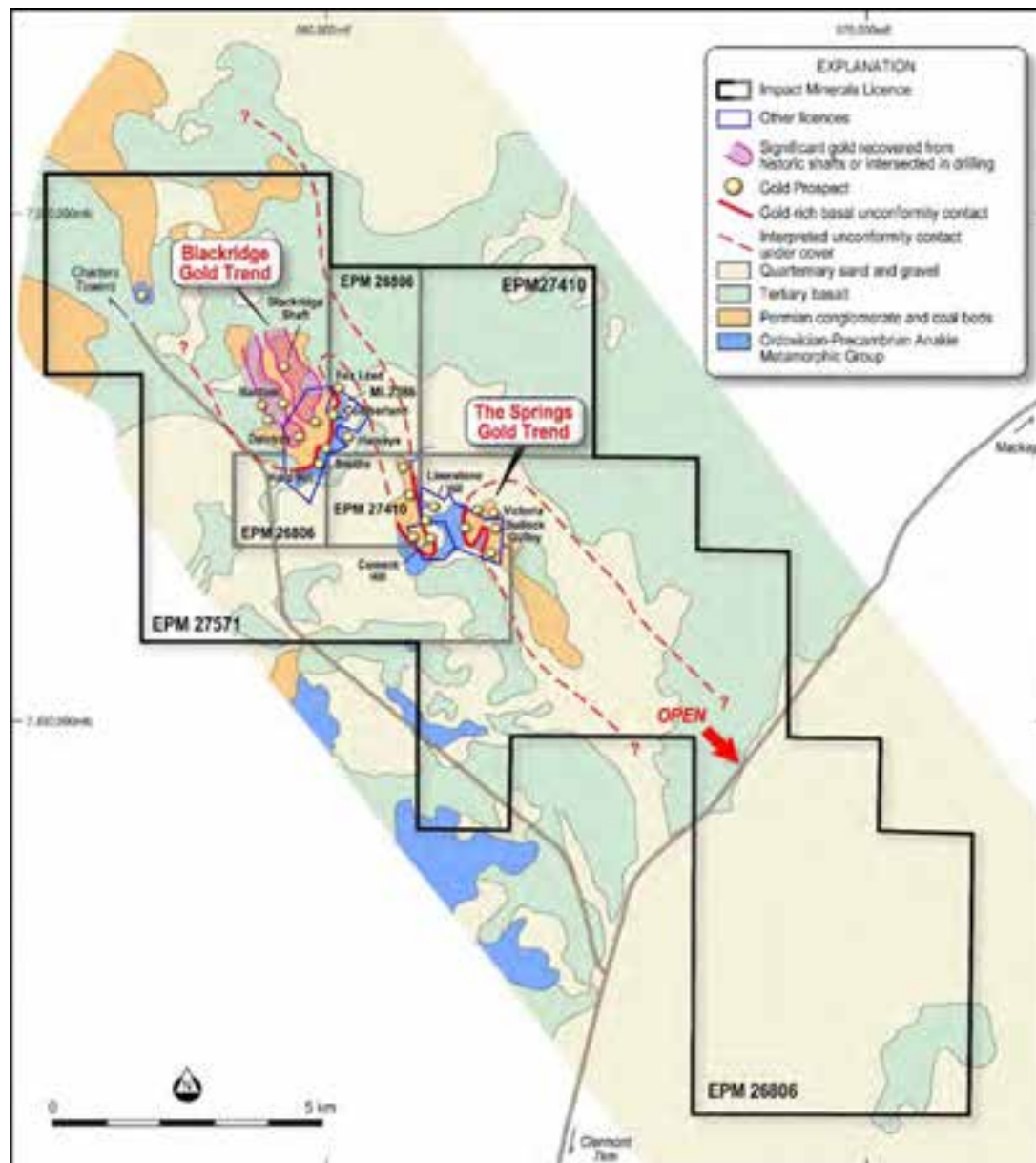


Figure 5.1. Geology and Impact's tenement holdings at the Blackridge project. Note the extensive Tertiary basalt cover that overlies the target Permian conglomerates and which has hindered exploration.



BLACKRIDGE GOLD PROJECT

The coarse nature of the gold in the conglomerates at Blackridge also leads to a significant “nugget effect” in exploration sampling and, in general, very large samples are required to accurately estimate the gold grade. This has also hindered modern exploration in the area where standard narrow diameter reverse circulation drill holes have been the predominant method of sampling. It is highly unlikely that assays from one metre RC samples would be large enough to allow an accurate estimate of the true grade of gold.

During the year Impact lodged two new 100% owned applications, Hard Hill and Pewt’s Hill, for Exploration Permits for Minerals (EPM’s) (Figure 5.1 and ASX Release 17th July 2020).

The applications cover ground previously tested by reverse circulation drilling at Hard Hill and by reverse circulation and large diameter (95 cm) Calweld drilling at Pewt’s Hill.

The Calweld drilling with its larger samples showed a significant increase in the grade, thickness and lateral extent of gold mineralised intervals compared to adjacent reverse circulation drill holes. This is very encouraging for further exploration in the broader project area given the widespread occurrence of robust widths and grades of gold returned from the previous RC drilling.

5.1 Impact’s Strategy at Blackridge

Impact has been actively exploring at Blackridge since mid-2018 following an option agreement with Rock Solid Holdings Pty Ltd (Rock Solid) to acquire a 95% interest in one EPM and four mining lease applications (ASX Release 29th May 2018). Impact’s option with Rock Solid expired in late 2019 because the original option agreement could not be renegotiated to account for trial mining (ASX Release 28th November 2019). Rock Solid allowed its EPM to lapse and this area is now covered by one of Impact’s new licences, EPM27571.

Impact’s strategy at Blackridge was to undertake trial mining of the conglomerate to determine the potential for larger scale bulk mining. This followed two successful bulk sampling programmes which returned an average grade of 0.36 grams per cubic metre over significant strike lengths (which included samples taken on the four mining lease applications (ASX Release 18th September 2019).

The bulk samples demonstrated that two unique geological features have combined at Blackridge to offer a potential large bulk mining opportunity. First there is a large volume of very weathered oxide material that is soft and very easy to dig. Secondly the oxide material contains gold with exceptional recoveries of at least 95% and probably as high as 98% using simple wet gravity processing techniques. Accordingly, the oxide material could potentially be cheap to mine and process at low cut off grades in the first instance (ASX Release 18th September 2019).

The bulk mining concept was further supported by the recognition by previous explorers in reverse circulation drilling of first, other gold bearing units lying well above the basal two metre thick unit that had been mined historically, and secondly, the presence of gold bearing conglomerates down dip for over 2 km of strike to a depth of only 100 m below surface (ASX Release 29th May 2018 and 23rd October 2018).

Impact’s new applications now cover the majority of this deeper ground containing the mineralised conglomerates thus opening up the opportunity for the company to reconsider the potential for large scale open pit mining at Blackridge.



BLACKRIDGE GOLD PROJECT

5.2 About the New Licences

Pewt's Hill Licence (EPM27410)

The Pewt's Hill licence covers one sub-block between the Blackridge and Springs Trends which includes the Pewt's Hill Prospect and four sub-blocks to the north-east (Figure 5.1).

Only the Pewt's Hill area has been explored previously. It comprises a ridge of conglomerate that is 1,000 m long and up to 350 m wide that rises above the surrounding Tertiary basalt. The unconformity is present at surface on the eastern side of the ridge (Figure 5.2).

There are areas of extensive historic mine shafts both close to the unconformity and further up in the sedimentary sequence to the west. In addition, there is a zone of topsoil in the southeast that contains extensive nuggets and has been prospected in recent decades (Figure 5.2).

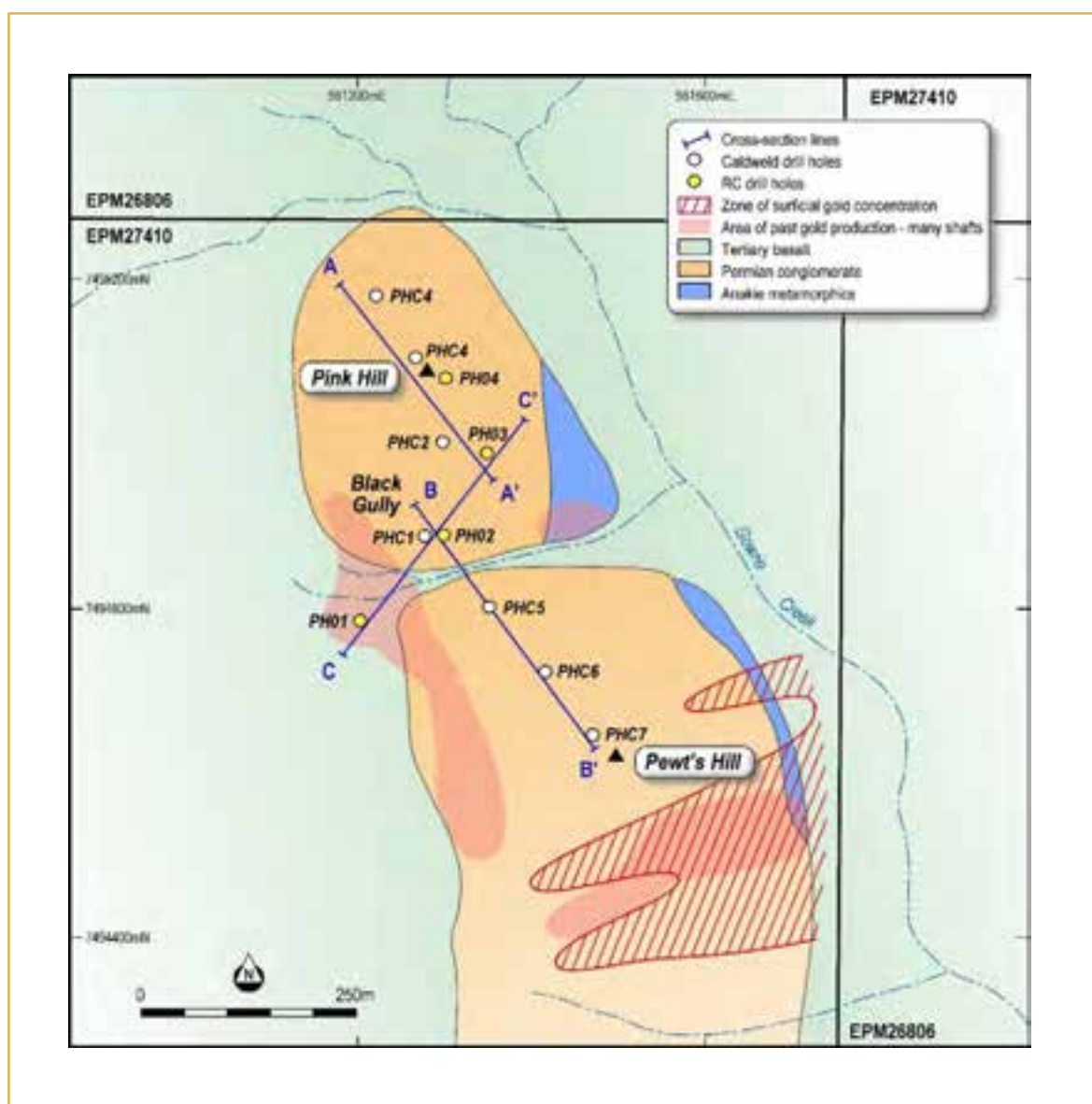


Figure 5.2 Geology and drill hole locations of the Pewt's Hill Prospect showing areas of previous mining and recent surficial gold accumulation. Cross sections shown in Figure 5.3 are highlighted in blue.



BLACKRIDGE GOLD PROJECT

Four reverse circulation (RC) drill holes (PH01-04) and seven large diameter (95 cm) Calweld drill holes (PHC1-7) were completed in 1987 and 1988 by Denison Resources Limited (Figures 5.2 and 5.3).

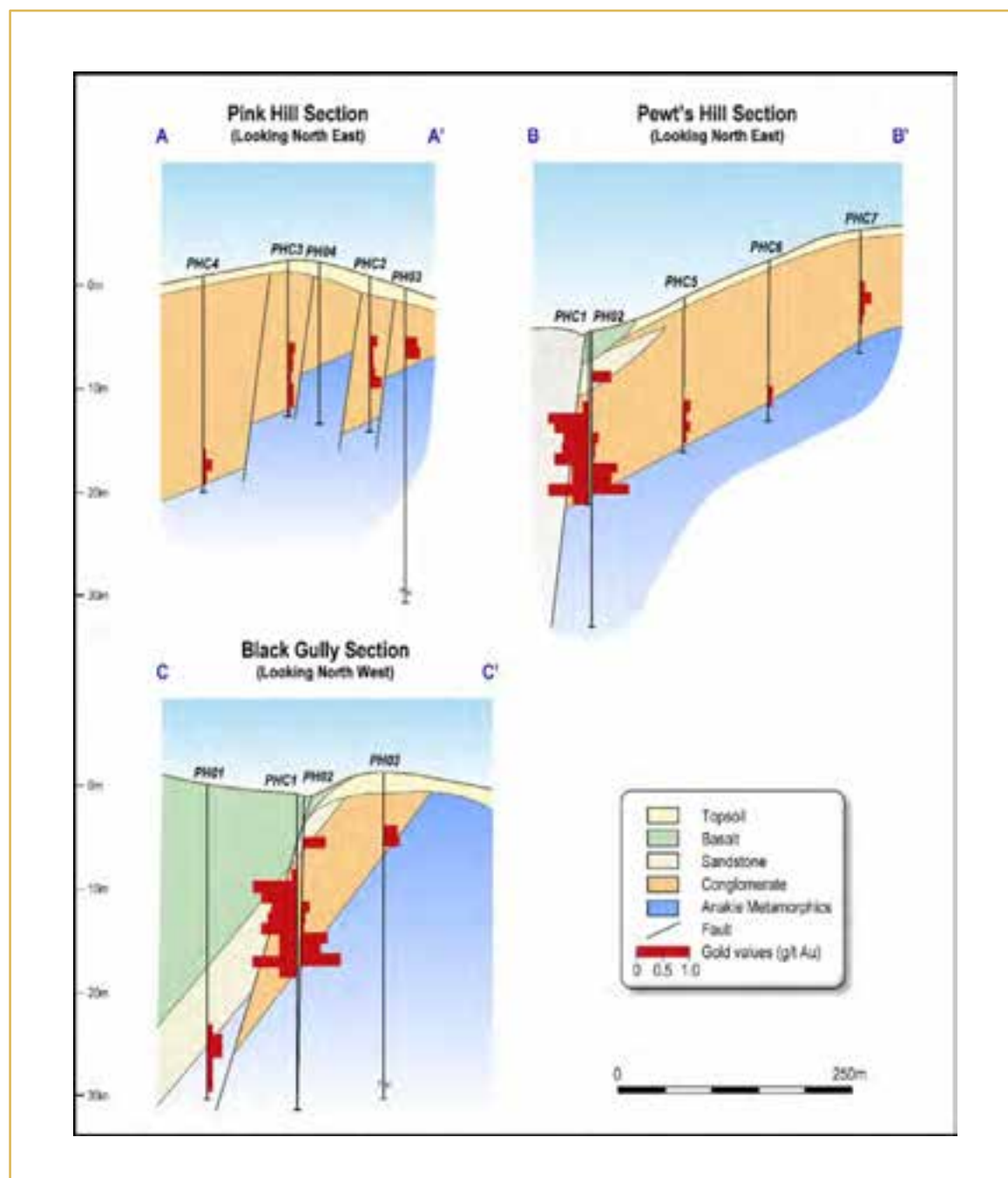


Figure 5.3. Cross sections through the Pewt's Hill prospect (see Figure 5.2 for locations). Note the increased thickness, grade and lateral extent of gold demonstrated by the Calweld drill holes in comparison to the RC drill holes.

Reverse circulation hole PH02 intersected significant gold associated with an interpreted fault and was twinned with Calweld drill hole PHC1. PH02 returned an intercept of 6 m at 0.38 g/t gold (2.28 gram.metres) and PHC1 returned 9.8 m at 0.6 g/t gold (5.88 gram.metres). That is, the mineralised



BLACKRIDGE GOLD PROJECT

intercept in the Calweld drill hole was nearly 50% thicker and returned 2.6 times the gold content on a gram-times-metre basis.

All the Calweld drill holes returned increased widths and grades of gold when compared to the RC results and also significantly increased the lateral extent of the gold bearing units (Figure 5.3).

This is a significant result because this is the only location in the entire Blackridge project area where this type of comparison has been done. It is clear that the RC drill holes have significantly underestimated the grade and thickness of gold. **The implication is that as sample size increases, the gold grade and contained gold within the conglomerate units may also increase significantly.**

A careful study of Figure 5.3 also shows that the best gold results are adjacent to a significant fault which, along with gold in places, extends into the underlying basement and that the gold grade decreases away from the fault. This suggests that the gold may be related to hydrothermal fluids that have migrated out of the fault and into the surrounding conglomerate. This has also been suggested for the main producing areas at Blackridge (ASX Release 29th May 2018). These faults have never been explored for gold anywhere in the Blackridge area.

In addition, it is evident that the Permian conglomerate units extend at depth beneath overlying younger Tertiary basalt cover. The basalt covers an extensive area around Blackridge and may overlie a significant amount of Permian sedimentary units (Figure 5.1). These areas have never been explored and greatly increases the search space for gold within Impact's licences.

Hard Hill (EPM27571)

The Hard Hill licence covers the majority of the down dip extent of the main conglomerate unit that was mined historically at Blackridge (Figures 5.1 and 5.4). Two lines of evidence suggest that gold in this area occurs over a very large area of at least 2,000 m down dip from surface outcrops of the unconformity to a depth of only 100 m below surface, and for at least 1,200 m along trend (Figures 5.1 and 5.4).

First, a compilation of previous production data from the many shafts at Blackridge completed by Impact has defined the higher grade runs or leads that were mined historically. These leads are quite robust and are up to 200 m wide and extend down dip for at least 1,500 m in places. They were mined mostly at grades of between 10 g/t to 20 g/t but occasionally at higher grades of up to several ounces per tonne (Figure 5.4 and ASX Release 23rd October 2018). The runs are open in many directions on the Hard Hill application and have not been followed up (Figure 5.4).

Secondly, extensive RC drilling by Denison Resources Limited (Denison) in the late 1980's demonstrated the presence of reasonably continuous gold-bearing sedimentary units over a distance of 1,200 m on a cross-section which itself lies about 2,000 m down dip to the northwest from the surface outcrops (Figures 5.4 and 5.5 and ASX Release 29th May 2018).



BLACKRIDGE GOLD PROJECT

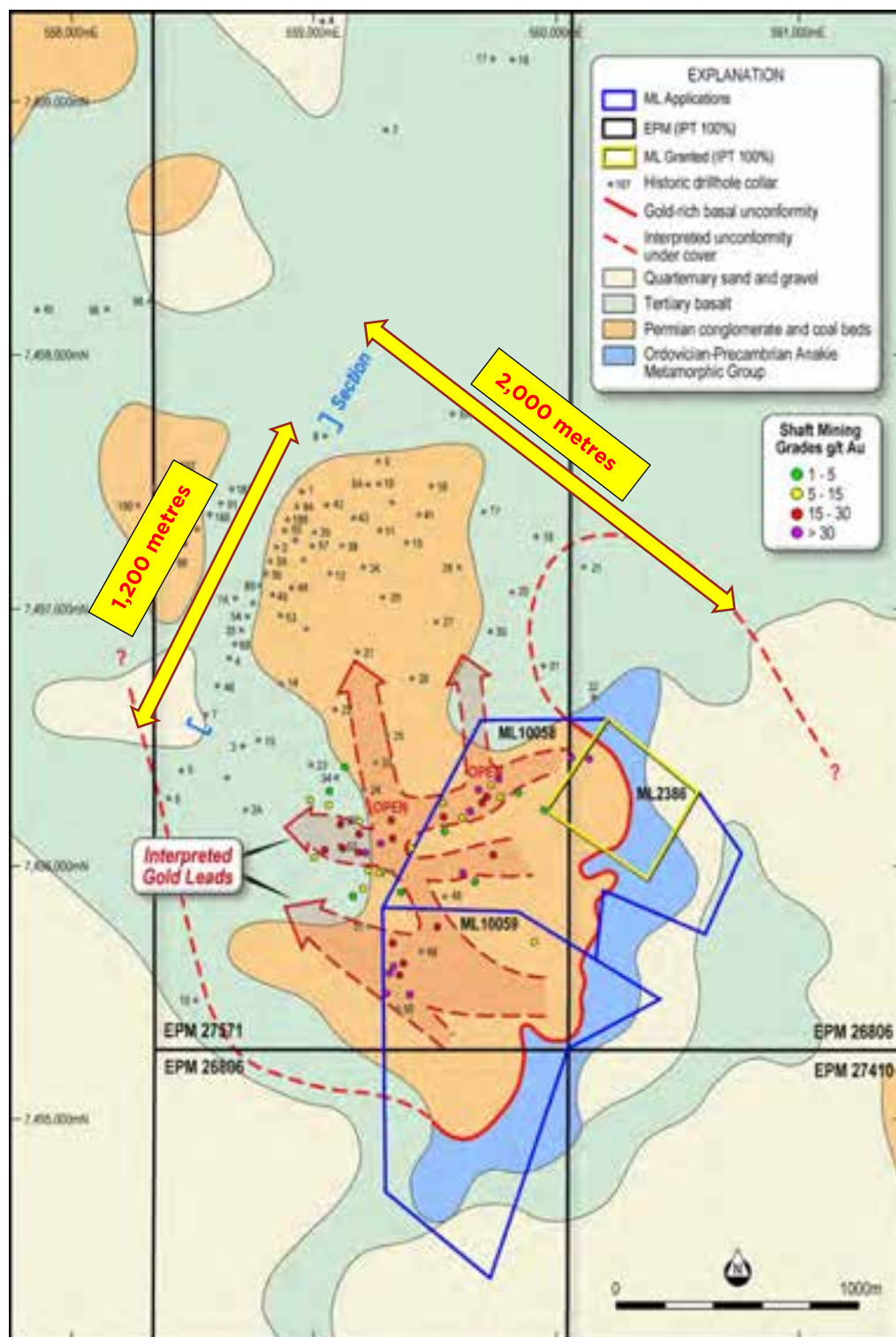


Figure 5.4. Geology of the Blackridge gold field showing interpreted leads of high-grade gold and previous RC drill holes.



BLACKRIDGE GOLD PROJECT

Evidently, the conglomerate that hosts the gold is present over a very large area within Impact's licences.

Gold grades reported by Denison in the basal units near the unconformity of up to 1 m at 11.9 g/t gold are good evidence for high grade zones at depth at Blackridge. In addition, there is significant potential closer to surface for gold hosted by carbonaceous black shale horizons which returned calculated gold grades from roto sluicing of the RC samples of up to 2 m at 12.6 g/t gold (Figure 5.5 and ASX Release 29th May 2018).

In addition, the time and cost involved in the nature of the sampling caused Denison to be selective in their sampling and there are clear indications in Figure 5.5 of multiple gold-bearing horizons that have not been sampled

(Figure 5.5 also shows a comparison of the calculated gold grades and the fire assay results for the same sample intervals and demonstrate a significant nugget effect—see ASX Release 29th May 2018 for a detailed discussion and details on the sampling procedures).

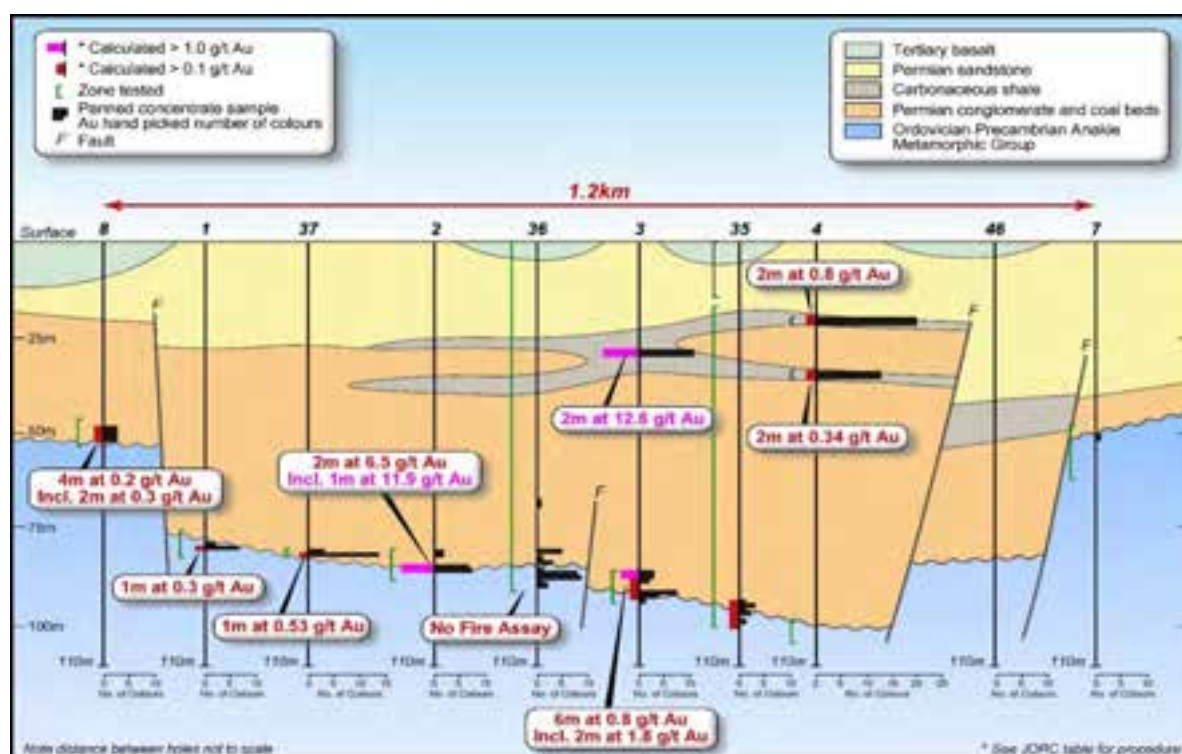


Figure 5.5. Cross-section from Figure 5.4 showing the results of RC drilling at Blackridge. Note: Gold-bearing units occur over a distance of about 1.2 km in a broad palaeochannel or depocentre and that there are multiple gold-bearing units within the sedimentary package.

Next Steps

The Company's review of the Blackridge exploration data has shown that it is highly probable that previous work may have significantly underestimated the amount of gold present at Blackridge and that higher grades may be delineated with an appropriate sampling methodology.



BLACKRIDGE GOLD PROJECT

New techniques and procedures for mining nuggetty conglomerate-hosted gold are currently being pioneered by Novo Resources Corporation in the Pilbara region of Western Australia with good success. Impact has been following Novo's progress closely and is now formulating plans to emulate this work at Blackridge.

6. OTHER

During the year, Impact reached agreement for the outright sale of its Clermont epithermal gold project (EPM14116) in central Queensland to Australasian Gold Limited, an unrelated company with a suite of similar prospective gold assets in Queensland.

The terms of the sale were \$100,000 in shares in Australasian Gold at a price of 10 cents per share. Australasian Gold listed on the ASX in May 2021. Impact still holds the shares which are escrowed until May 2022.

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). Mike Jones has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mineral Resources

The information in this report which relates to Mineral Resources at Commonwealth-Main Shaft is based upon information compiled by Susan Havlin, who is a Member of the Australasian Institute of Mining and Metallurgy. Susan Havlin is an employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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. Susan Havlin consents to the inclusion in the release of a summary based upon her information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially effects the information included in the original market announcement and, in the case of estimates of Minerals Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented, have not been materially modified from the original market announcement.

The information in this report which relates to Mineral Resources at Silica Hill is based upon information compiled by Kahan Cervoj, who is a Member of the Australasian Institute of Mining and Metallurgy. Kahan Cervoj is an employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit 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. Kahan Cervoj consents to the inclusion in the release of a summary based upon his information in the form and context in which it appears.



BLACKRIDGE GOLD PROJECT

The information in this report that relates to the Mineral Resources at Commonwealth Main Shaft and Silica Hill is based on information announced to the ASX on 22nd August 2019. The Company confirms that it is not aware of any new information or data that materially effects the information included in the original market announcement and, in the case of estimates of Minerals Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented, have not been materially modified from the original market announcement.

Mineral Resource and Ore Reserve Governance Controls

Impact Minerals Limited ensures that the Minerals Resources quoted are subject to governance arrangement and internal controls. Internal and external reviews of Mineral Resource estimation procedures and results are carried out by a team of experienced technical personnel that is comprised of highly competent and qualified professionals. These reviews have not identified any material issues.

Impact reports its Mineral Resources on at least an annual basis in accordance with the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (the JORC Code), 2012 or 2004 Edition as stated. Competent Persons named in this report are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

The Company's procedures for drilling, sampling techniques and analysis are regularly reviewed and audited by independent experts. Assays are undertaken by independent, internationally accredited laboratories with a QA/QC program delivering acceptable levels of accuracy and precision.

Forward-Looking Statements

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

FINANCIAL STATEMENTS

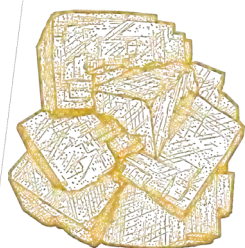
For the year ended 30 June 2021

impact.
MINERALS

Impact Minerals Limited
ABN 52 119 062 261



DIRECTOR'S REPORT



DIRECTOR'S REPORT

Your Directors present their report on the consolidated entity consisting of Impact Minerals Limited (“the Company”) and its subsidiaries (“the Group” or “the Consolidated Entity”) and its subsidiaries at the end of the year ended 30 June 2021.

DIRECTORS

The following persons were Directors of Impact Minerals Limited during the whole of the financial year and up to the date of this report unless noted otherwise:

- Peter Unsworth, Non-Executive Chairman
- Michael Jones, Managing Director
- Paul Ingram, Non-Executive Director
- Markus Elsasser, Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was exploration for deposits of nickel, gold, copper and platinum group elements.

FINANCIAL RESULTS

The consolidated loss of the Group after providing for income tax for the year ended 30 June 2021 was \$4,760,174 (2020: \$1,685,165).

DIVIDENDS

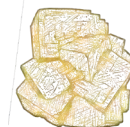
No dividends have been paid or declared since the start of the financial year. No recommendation for the payment of a dividend has been made by the Directors.

OPERATIONS AND FINANCIAL REVIEW

During the year Impact completed major exploration programmes at its Broken Hill Ni-Cu-PGM and Commonwealth Cu-Au projects in NSW and also added to its land position in Western Australia.

At the 816 km² Broken Hill project a major 10,000 metre RC drill programme delivered break through drill results at three key prospects. At Platinum Springs high grade mineralisation was found in a basal channel structure, the first coherent zone of mineralisation found at the prospect in 40 years of exploration. At Red Hill a standout 139 metre thick intercept of modest mineralisation indicates potential for mineralisation at depth. At the Little Broken Hill Gabbro, the first ever drill programme at the prospect, identified highly anomalous and low grade PGE's over 1,500 m of strike and still open for a further 4-5 kilometres. Follow up drill programmes are planned for 2022-23.

At the 903 km² Commonwealth Project in the prolific copper-gold province of the Lachlan Fold Belt in NSW, a significant target was identified at Apsley that had strong and coincident geophysical and soil geochemistry anomalies. A 5,000 metre drill programme was completed at the end of the financial year and a large copper halo was identified. Further work including drilling is required at the prospect. Two tenements were sold during the year to a private company that is expecting to complete an IPO in late 2021.



DIRECTOR'S REPORT

At the Arkun project in Western Australia a new project, Beau, was purchased. This covers a modest but extensive circular magnetic anomaly that is of a similar geometry to the Gonneville intrusion, the host to the recent major Julimar discovery (Chalice Mining Limited ASX:CHN). In addition, 17 targets for follow up work were identified across the Arkun project, including Beau, and a soil geochemistry survey was completed along gazetted roads and tracks, with assays to be received. The 17 areas were identified from an interpretation of magnetic data.

In Queensland, Impact sold its Clermont project to now listed company Australasian Gold Limited (ASX:A8G) for 1,000,000 shares. The shares are escrowed until April 2022. There was no activity at the Blackridge project and Impact is considering its options for it.

FINANCIAL

As at 30 June 2021, the Group had net assets of \$15,632,776 (2020: \$13,377,076) including cash and cash equivalents of \$3,415,778 (2020: \$2,431,426).

RESPONSE TO COVID-19

Impact is continuing to review the ongoing situation relating to the COVID-19 pandemic and the implications for the health and wellbeing of our employees, contractors and stakeholders. The Company has been pro-active with respect to its response to COVID-19 and has developed operational procedures and plans in line with official health advice and government directives. Impact will continue to operate within these guidelines and will adapt its procedures as required.

The impact on the Group's operations to date has not been material and whilst the situation with regards to COVID-19 remains uncertain, the Company remains an active explorer across its projects and does not foresee, at this time, that it will have a material impact on future operations.

Competent Persons Statement

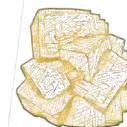
The review of operations contained in this report is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director of the Company and works for Impact Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation 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 previous market announcements 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

- In July 2020, the Company raised \$3,245,000 (before costs) via a placement of 216,333,333 new shares at an issue price of 1.5 cents each.
- In April 2021, the Company raised \$4,000,000 (before via a placement of 242,424,242 new shares at an issue price of 1.65 cents each.



DIRECTOR'S REPORT

EVENTS SINCE THE END OF THE FINANCIAL YEAR

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are not aware of any developments that might have a significant effect on the operations of the Group in subsequent financial years not already disclosed in this report.

ENVIRONMENTAL REGULATION

The Group is subject to significant environmental regulation in respect of its exploration activities. Tenements in Western Australia, New South Wales and Queensland are granted subject to adherence to environmental conditions with strict controls on clearing, including a prohibition on the use of mechanised equipment or development without the approval of the relevant government agencies, and with rehabilitation required on completion of exploration activities. These regulations are controlled by the Department of Mines, Industry Regulation and Safety (*Western Australia*), the Department of Industry (*New South Wales*) and the Department of Natural Resources, Mines and Energy (*Queensland*).

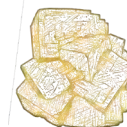
Impact Minerals Limited conducts its exploration activities in an environmentally sensitive manner and the Group is not aware of any breach of statutory conditions or obligations.

Greenhouse gas and energy data reporting requirements

The Directors have considered compliance with the *National Greenhouse and Energy Reporting Act 2007* which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements for the year ended 30 June 2021, however reporting requirements may change in the future.

Peter Unsworth B.Com (Non-Executive Chairman), Director since 28 April 2006

Experience and expertise	Mr Unsworth, formerly a chartered accountant, has more than 40 years' experience in the corporate finance, investment, and securities industries and has a wealth of management experience with both public and private companies. A former Executive Director with a leading Western Australian stockbroking company, Mr Unsworth has been a Director of a number of public exploration and mining companies. He is a former Director and Chairman of the Western Australian Government owned Gold Corporation (operator of The Perth Mint).	
Other current directorships	None	
Former directorships in last three years	Stealth Global Holdings Limited (appointed July 2018, retired October 2019)	
Special responsibilities	Chair of the Board	
Interests in shares and options	Ordinary shares – Impact Minerals Limited	15,994,098
	Unlisted options – Impact Minerals Limited	30,000,000



DIRECTOR'S REPORT

Michael Jones PhD, MAIG (Managing Director), Director since 31 March 2006

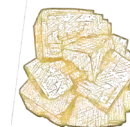
Experience and expertise	Dr Jones completed undergraduate and post-graduate studies in Mining and Exploration Geology at Imperial College, London. His PhD work on gold mineralisation saw him move to Western Australia in 1988 to work for Western Mining Corporation exploring for gold and nickel deposits in the Yilgarn. From 1994, he consulted to the exploration and mining industry specialising in the integration of geological field mapping and the interpretation of geochemical, geophysical and remotely sensed data for target generation. Dr Jones has worked on over 80 projects both in Greenfields and near mine exploration in a wide variety of mineralised terrains and was the founding Director of Lithofire Consulting Geologists in Perth, Australia. He was also the team leader during the discovery of a significant gold deposit at the Higginsville Mining Centre, near Kalgoorlie and an iron ore deposit near Newman, both in Western Australia.	
Other current directorships	None	
Former directorships in last three years	None	
Special responsibilities	Managing Director	
Interests in shares and options	Ordinary shares – Impact Minerals Limited	7,715,052
	Unlisted options – Impact Minerals Limited	66,000,000

Paul Ingram B.AppSc, AIMM, MICA (Non-Executive Director), Director since 27 September 2009

Experience and expertise	Mr Ingram is a geologist with extensive experience in managing major mineral exploration programs for several publicly listed companies and has been involved in the mining sector for over forty years. He has designed and implemented innovative techniques for exploration in remote areas and has managed projects in countries throughout Australia and east Asia.	
Other current directorships	A-Cap Resources Limited (Director since June 2009)	
Former directorships in last three years	None	
Special responsibilities	None	
Interests in shares and options	Ordinary shares – Impact Minerals Limited	580,680
	Unlisted options – Impact Minerals Limited	16,000,000

Markus Elsasser PhD (Non-Executive Director), Director since 9 August 2012

Experience and expertise	Dr Markus Elsasser is a German financier and investor in the mineral resources industry. He is Head of the Elsasser family office 'M. Elsasser & Cie AG 1971' in Dusseldorf, Germany. Dr Elsasser has previously been Director of Finance at the Dow Chemical Company in Germany. He has extensive General Management experience with former appointments as Managing Director in Australia and Singapore in the chemical and food industries.	
Other current directorships	None	
Former directorships in last three years	None	
Special responsibilities	None	
Interests in shares and options	Ordinary shares – Impact Minerals Limited	23,310,402
	Unlisted options – Impact Minerals Limited	16,000,000



DIRECTOR'S REPORT

COMPANY SECRETARY

Bernard Crawford B.Com, CA, MBA, AGIA ACG (appointed 4 April 2016)

Mr Crawford is a Chartered Accountant with over 30 years' experience in the resources industry in Australia and overseas. He has held various positions in finance and management with NYSE, TSX and ASX listed companies. Mr Crawford is the CFO and/or Company Secretary of a number of public companies. He holds a Bachelor of Commerce degree from the University of Western Australia, a Master of Business Administration from London Business School and is a Member of Chartered Accountants Australia and New Zealand and the Governance Institute of Australia.

MEETINGS OF DIRECTORS

The number of formal meetings of the Company's Board of Directors held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

Directors	Number of meetings attended	Number of meetings eligible to attend
Peter Unsworth	5	5
Michael Jones	5	5
Paul Ingram	5	5
Markus Elsasser	4	5

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

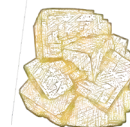
Mr Ingram, being a Director retiring by rotation who, being eligible, will offer himself for re-election at the Annual General Meeting.

REMUNERATION REPORT (AUDITED)

The Directors present the Impact Minerals Limited 2021 Remuneration Report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year.

The report contains the following sections:

- Key management personnel covered in this report
- Remuneration governance and the use of remuneration consultants
- Executive remuneration policy and framework
- Relationship between remuneration and the Group's performance
- Non-executive director remuneration policy
- Voting and comments made at the Company's 2020 Annual General Meeting
- Details of remuneration
- Service agreements
- Details of share-based compensation and bonuses
- Equity instruments held by key management personnel
- Loans to key management personnel
- Other transactions with key management personnel.



DIRECTOR'S REPORT

a) Key management personnel covered in this report

Non-Executive and Executive Directors (see pages 82 to 83 for details about each director)

Name	Position
Peter Unsworth	Non-Executive Chairman
Michael Jones	Managing Director
Paul Ingram	Non-Executive Director
Markus Elsasser	Non-Executive Director

b) Remuneration governance and the use of remuneration consultants

The Company does not have a Remuneration Committee. Remuneration matters are handled by the full Board of the Company. In this respect the Board is responsible for:

- the over-arching executive remuneration framework;
- the operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- remuneration levels of executives; and
- non-executive director fees.

The objective of the Board is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

In addition, all matters of remuneration are handled in accordance with the Corporations Act requirements, especially with regards to related party transactions. That is, none of the Directors participate in any deliberations regarding their own remuneration or related issues.

Independent external advice is sought from remuneration consultants when required, however no advice was sought during the year ended 30 June 2021.

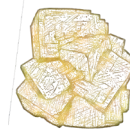
c) Executive remuneration policy and framework

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

All executives receive consulting fees or a salary, part of which may be taken as superannuation, and from time to time, options. The Board reviews executive packages annually by reference to the executive's performance and comparable information from industry sectors and other listed companies in similar industries.

All remuneration paid to specified executives is valued at the cost to the Group and expensed. Options are valued using a Black-Scholes option pricing model.



DIRECTOR'S REPORT

d) Relationship between remuneration and the Group's performance

Emoluments of Directors are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of Directors. Fees paid to Non-Executive Directors are not linked to the performance of the Group. This policy may change once the exploration phase is complete and the Group is generating revenue. At present the existing remuneration policy is not impacted by the Group's performance including earnings and changes in shareholder wealth (e.g. changes in share price) with the exception of incentive options issued to Directors, subject to shareholder approval.

The Board has not set short term performance indicators, such as movements in the Company's share price, for the determination of Non-Executive Director emoluments as the Board believes this may encourage performance which is not in the long-term interests of the Company and its shareholders. The Board has structured its remuneration arrangements in such a way it believes is in the best interests of building shareholder wealth in the longer term. The Board believes participation in the Company's Incentive Option Scheme motivates key management and executives with the long-term interests of shareholders.

e) Non-Executive Director remuneration policy

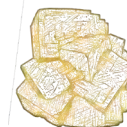
The Board policy is to remunerate Non-Executive Directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Non-Executive Directors receive a Board fee but do not receive fees for chairing or participating on Board committees. Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.

The maximum annual aggregate Non-Executive Directors' fee pool limit is \$250,000 as approved by shareholders at the Company's 2016 Annual General Meeting ("AGM") held on 9 November 2016.

Fees for Non-Executive Directors are not linked to the performance of the Group. Non-Executive Directors' remuneration may also include an incentive portion consisting of options, subject to approval by shareholders.

f) Voting and comments made at the Company's 2020 Annual General Meeting

Impact Minerals Limited received more than 99% of "yes" votes on its Remuneration Report for the 2020 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.



DIRECTOR'S REPORT

g) Details of remuneration

The following table show details of the remuneration received by the Group's key management personnel for the current and previous financial year.

Name	Short-term employment benefits		Post-employment benefits	Share-based payments		Total	% of remuneration to total from shares and options
	Salary & fees \$	Non-monetary benefit \$	Super-annuation \$	Shares \$	Options \$		
2021							
<i>Directors</i>							
P Unsworth	56,240	-	5,343	-	25,015	86,598	28.9
M Jones	246,879	-	-	-	51,795	298,674	17.3
P Ingram	28,585	-	2,715	-	13,701	45,001	30.4
M Elsasser	31,300	-	-	-	13,701	45,001	30.4
TOTALS	363,004	-	8,058	-	104,212	475,274	-
2020							
<i>Directors</i>							
P Unsworth	50,000	-	4,750	-	121,027	175,777	68.9
M Jones	246,879	-	-	-	252,379	499,258	50.6
P Ingram	20,000	-	1,900	-	66,090	87,990	75.1
M Elsasser	21,900	-	-	-	66,090	87,990	75.1
E Hannon ⁽¹⁾	3,742	-	-	-	-	3,742	-
TOTALS	342,521	-	6,650	-	505,586	854,757	-

(1) Resigned 10 September 2019.

h) Service agreements

M Jones, Managing Director

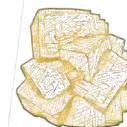
Dr Jones is remunerated pursuant to an ongoing Consultancy Services Agreement. Dr Jones was paid fees of \$246,879 for the year ended 30 June 2021. The notice period (other than for gross misconduct) is three months.

(i) Details of share-based compensation and bonuses

Options

Options over ordinary shares in Impact Minerals Limited are granted under the Employee Option Acquisition Plan ("Option Plan"). Participation in the Option Plan and any vesting criteria are at the Board's discretion and no individual has a contractual right to participate in the Option Plan or to receive any guaranteed benefits. Any options issued to Directors of the Company are subject to shareholder approval. No options were issued to Directors in the 2021 financial year.

Further information on the fair value of share options and assumptions is set out in Note 25 to the financial statements.



DIRECTOR'S REPORT

j) Equity instruments held by key management personnel

The following tables detail the number of fully paid ordinary shares and options over ordinary shares in the Company that were held during the financial year and the previous financial year by key management personnel of the Group, including their close family members and entities related to them.

Options

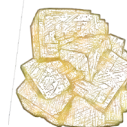
	Opening balance at 1 July	Granted as remuneration	Options exercised	Net change (other)	Balance at 30 June	Vested but not exercisable	Vested and exercisable	Vested during the year
2021								
<i>Directors</i>								
P Unsworth	32,000,000	-	-	(2,000,000)	30,000,000	-	30,000,000	13,000,000
M Jones	71,000,000	-	-	(5,000,000)	66,000,000	-	66,000,000	28,000,000
P Ingram	17,000,000	-	-	(1,000,000)	16,000,000	-	16,000,000	7,000,000
M Elsasser	17,000,000	-	-	(1,000,000)	16,000,000	-	16,000,000	7,000,000
TOTALS	137,000,000	-	-	(9,000,000)	128,000,000	-	128,000,000	55,000,000
2020								
<i>Directors</i>								
P Unsworth	19,333,335	18,000,000	-	(5,333,335)	32,000,000	-	19,000,000	8,000,000
M Jones	41,250,001	36,000,000	-	(6,250,001)	71,000,000	-	43,000,000	20,000,000
P Ingram	8,000,000	10,000,000	-	(1,000,000)	17,000,000	-	10,000,000	4,000,000
M Elsasser	8,000,000	10,000,000	-	(1,000,000)	17,000,000	-	10,000,000	4,000,000
TOTALS	76,583,336	74,000,000	-	(13,583,336)	137,000,000	-	82,000,000	36,000,000

During the year, no ordinary shares in the Company were issued to Directors as a result of the exercise of remuneration options.

Shareholdings

	Opening balance at 1 July	Granted as remuneration	Options exercised	Net change (other)	Balance at 30 June
2021					
<i>Directors</i>					
P Unsworth	15,994,098	-	-	-	15,994,098
M Jones	7,715,052	-	-	-	7,715,052
P Ingram	580,680	-	-	-	580,680
M Elsasser	23,310,402	-	-	-	23,310,402
TOTALS	47,600,232	-	-	-	47,600,232
2020					
<i>Directors</i>					
P Unsworth	15,994,098	-	-	-	15,994,098
M Jones	7,715,052	-	-	-	7,715,052
P Ingram	580,680	-	-	-	580,680
M Elsasser	23,310,402	-	-	-	23,310,402
TOTALS	47,600,232	-	-	-	47,600,232

The assessed fair value at grant date of options granted to individuals is allocated equally over the period from grant date to vesting date, (and the amount included in the remuneration tables above). Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.



DIRECTOR'S REPORT

k) Loans to key management personnel

There were no loans to individuals or members of key management personnel during the financial year or the previous financial year.

l) Other transactions with key management personnel

There were no other transactions with key management personnel during the financial year or the previous financial year.

END OF REMUNERATION REPORT (AUDITED)

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
8 Nov 2018	30 Nov 2021	\$0.03	40,000,000
8 Nov 2018	30 Nov 2022	\$0.0375	20,000,000
8 Nov 2019 and 15 Nov 2019	5 Nov 2023	\$0.0149	93,000,000
30 Apr 2021	29 Apr 2023	\$0.03	4,000,000
TOTAL			157,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

In August and November 2020, the Company issued a total of 2,708,434 ordinary shares to employees upon the cashless exercise of 8,000,000 options with an exercise price of \$0.0149 and expiring on 5 November 2023. The terms of the Company's Directors' and Employees' Option Acquisition Plan provides for a Cashless Exercise Facility.

CORPORATE GOVERNANCE STATEMENT

The Company's 2021 Corporate Governance Statement has been released as a separate document and is located on the Company's website at <http://www.impactminerals.com.au/corporate-governance/>.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium to insure the Directors and Officers of the consolidated entity against any liability incurred as a Director or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits the disclosure of the nature of the liabilities covered or the amount of the premium paid.

DIRECTOR'S REPORT

The Group has not entered into any agreement with its current auditors indemnifying them against claims by a third party arising from their position as auditor.

NON-AUDIT SERVICES

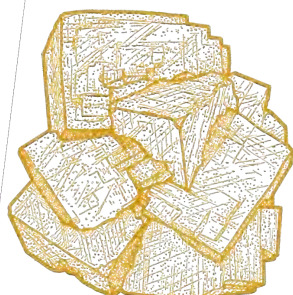
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (Hall Chadwick WA Audit Pty Ltd) for audit and non-audit services provided during the year are set out in Note 20. During the year ended 30 June 2021, no fees were paid or were payable for non-audit services provided by the auditor of the consolidated entity (2020: \$Nil).

AUDITOR'S INDEPENDENCE DECLARATION

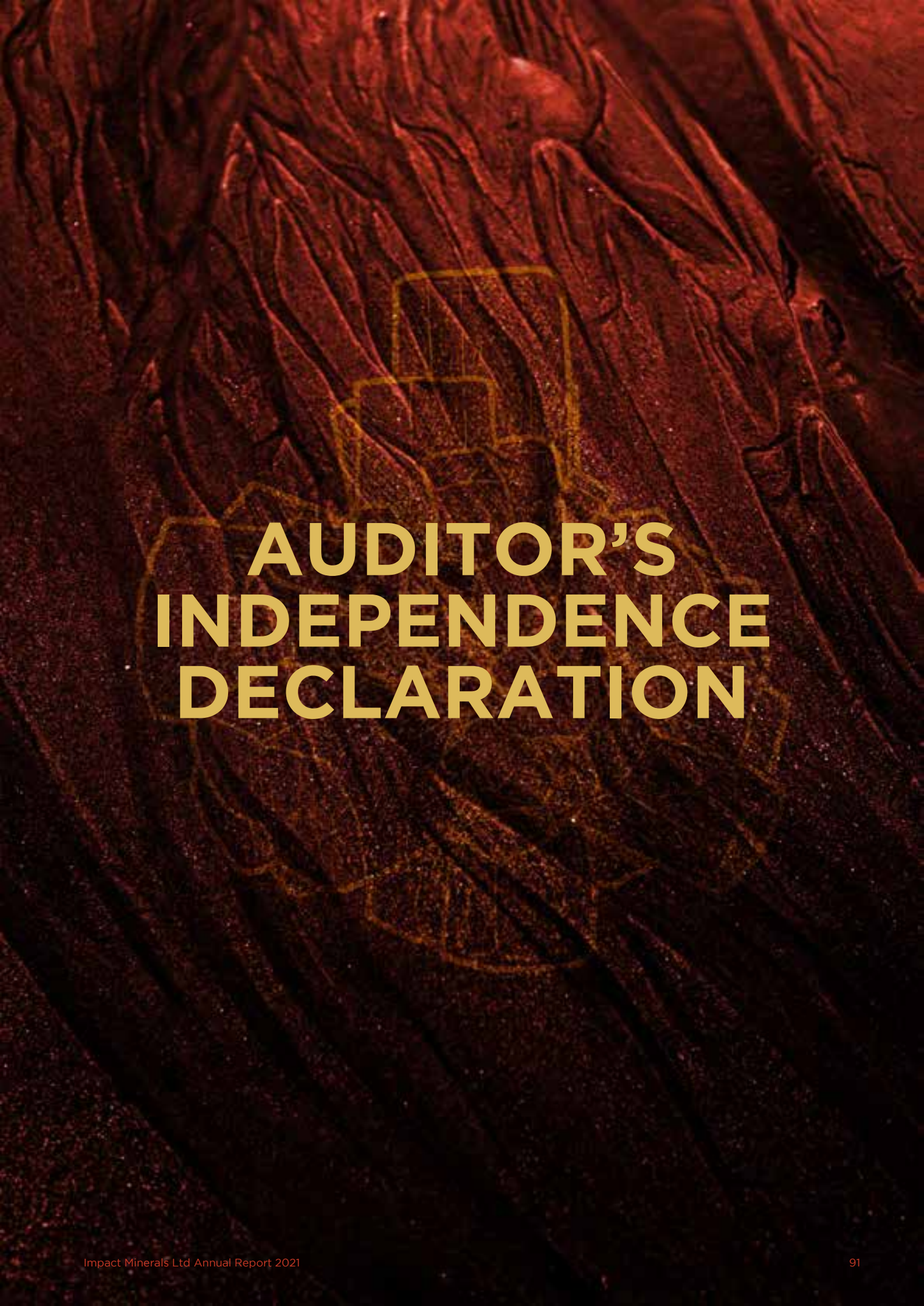
A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors.



Peter Unsworth
Chairman

Perth, 16 September 2021



AUDITOR'S INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION

HALL CHADWICK

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Impact Minerals Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick
HALL CHADWICK
Chartered Accountants

Mark Delaurentis
MARK DELAURENTIS CA
Partner

Dated at Perth this 16th day of September 2021

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**CONSOLIDATED STATEMENT
OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED
30 JUNE 2021**



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

		CONSOLIDATED	
		2021	2020
		\$	\$
Revenue from operating activities	Notes 3(a)	15,630	20,703
Other income	3(a)	140,152	477,526
Corporate and administration expense		(717,709)	(546,103)
Depreciation expense	11	(39,072)	(39,388)
Employee benefits expense	3(b)	(383,217)	(888,680)
Impairment of exploration expenditure	12	(3,712,774)	(113,146)
Loss on disposal of controlled entity		-	(504,731)
Occupancy expense		(63,184)	(91,346)
Loss before tax from continuing operations		(4,760,174)	(1,685,165)
Income tax expense	5	-	-
Loss for the year from continuing operations		(4,760,174)	(1,685,165)
Other comprehensive income (OCI)			
<i>Items that will not be reclassified to profit or loss</i>			
Change in the fair value of financial assets through OCI	10	45,000	-
Other comprehensive income for the year (net of tax)		45,000	-
Total comprehensive loss for the year attributable to the owners of Impact Minerals Limited		(4,715,174)	(1,685,165)
		Cents per share	Cents per share
Loss per share attributable to the owners of Impact Minerals Limited			
Basic and diluted loss per share	19	(0.26)	(0.12)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
AS AT 30 JUNE 2021**



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		CONSOLIDATED	
		2021	2020
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,415,778	2,431,426
Trade and other receivables	7	38,999	72,433
Other current assets	8	27,047	35,234
Assets held for sale	9	115,141	-
Total Current Assets		3,596,965	2,539,093
Non-Current Assets			
Financial assets at fair value through other comprehensive income	10	145,000	-
Property, plant and equipment	11	25,319	37,549
Exploration expenditure	12	11,993,262	10,946,163
Other non-current assets	13	262,555	151,055
Total Non-Current Assets		12,426,136	11,134,767
TOTAL ASSETS		16,023,101	13,673,860
LIABILITIES			
Current Liabilities			
Trade and other payables	14	299,789	210,496
Short-term provisions	15	90,536	86,288
Total Current Liabilities		390,325	296,784
TOTAL LIABILITIES		390,325	296,784
NET ASSETS		15,632,776	13,377,076
EQUITY			
Issued capital	16	53,787,639	46,931,843
Option reserve	17 a)	901,996	1,005,268
Transactions with non-controlling interest	17 b)	(1,161,069)	(1,161,069)
Financial asset reserve	10	45,000	-
Accumulated losses	18	(37,940,790)	(33,398,966)
TOTAL EQUITY		15,632,776	13,377,076

The Consolidated Statement Financial Position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2021**



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Issued capital	Option reserve	Foreign currency translation reserve	Financial asset reserve	Transactions with non-controlling interest	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$	\$
At 1 July 2019	44,900,024	577,577	(504,747)	(506,456)	(1,161,069)	(31,445,495)	11,859,834
Total comprehensive loss for the year	-	-	-	-	-	(1,685,165)	(1,685,165)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year (net of tax)	-	-	-	-	-	(1,685,165)	(1,685,165)
Transactions with owners in their capacity as owners							
Transfer to retained earnings	-	-	-	506,456	-	(506,456)	-
Derecognition of foreign exchange reserve	-	-	504,747	-	-	-	504,747
Shares issued	2,135,505	-	-	-	-	-	2,135,505
Share issue costs	(103,686)	-	-	-	-	-	(103,686)
Fair value of options issued	-	665,841	-	-	-	-	665,841
Fair value of options expired	-	(238,150)	-	-	-	238,150	-
At 30 June 2020	46,931,843	1,005,268	-	-	(1,161,069)	(33,398,966)	13,377,076
At 1 July 2020	46,931,843	1,005,268	-	-	(1,161,069)	(33,398,966)	13,377,076
Total comprehensive loss for the year	-	-	-	-	-	(4,760,174)	(4,760,174)
Other comprehensive income	-	-	-	45,000	-	-	45,000
Total comprehensive loss for the year (net of tax)	-	-	-	45,000	-	(4,760,174)	(4,715,174)
Transactions with owners in their capacity as owners							
Shares issued	7,303,750	-	-	-	-	-	7,303,750
Share issue costs	(502,114)	-	-	-	-	-	(502,114)
Fair value of options issued	-	169,238	-	-	-	-	169,238
Exercise of options	54,160	(54,160)	-	-	-	-	-
Fair value of options expired	-	(218,350)	-	-	-	218,350	-
At 30 June 2021	53,787,639	901,996	-	45,000	(1,161,069)	(37,940,790)	15,632,776

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT
OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2021**



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	CONSOLIDATED	
		2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,027,057)	(792,814)
Interest received		20,589	18,071
Other income received		27,700	5,757
Research and development tax rebate		93,502	287,189
Government grants		67,470	33,540
NET CASH FLOWS USED IN OPERATING ACTIVITIES	26	(817,796)	(448,257)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(26,842)	(5,176)
Payments for exploration activities		(4,840,546)	(1,214,584)
Payments for the acquisition of tenements		(103,750)	-
Proceeds from disposal of tenements		-	100,000
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(4,971,138)	(1,119,760)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,245,000	2,100,505
Share issue costs		(471,714)	(103,686)
NET CASH FLOWS FROM FINANCING ACTIVITIES		6,773,286	1,996,819
Net increase/(decrease) in cash and cash equivalents		984,352	428,802
Cash and cash equivalents at beginning of the year		2,431,426	2,002,624
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6	3,415,778	2,431,426

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: CORPORATE INFORMATION

The consolidated financial report of Impact Minerals Limited for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 16 September 2021.

Impact Minerals Limited is a for-profit company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange. The nature of the operation and principal activities of the consolidated entity are described in the attached Directors' Report.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and have been applied consistently to all periods presented in the consolidated financial statements and by all entities in the consolidated entity.

NOTE 2: STATEMENT OF COMPLIANCE

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of Impact Minerals Limited also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

New and amended accounting standards and interpretations adopted by the Group

No new standards or interpretations relevant to the operations of the Group have come into effect for the reporting period.

Accounting Standards that are mandatorily effective for the current reporting year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2020. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business*
- AASB 2018-7: *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-1: *Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2019-3: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*
- AASB 2019-5: *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: STATEMENT OF COMPLIANCE (Continued)

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies

a) Basis of measurement

Historical cost convention

These consolidated financial statements have been prepared under the historical cost convention, except where stated.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed where appropriate.

b) Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Group incurred a loss for the year of \$4,760,174 (2020: loss of \$1,685,165); included in this loss were impairment expenses of \$3,712,774 (2020: \$113,146). During the year the Consolidated Group incurred net cash outflows from operating and investing activities of \$817,796 (2020: \$448,257). As at 30 June 2021 the Consolidated Group had a cash balance of \$3,415,778 (2020: \$2,431,426).

The ability of the Consolidated Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

Management have prepared a cash flow forecast, which indicates that the Consolidated Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecast and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the Directors are confident of the Company's ability to raise additional funds as and when they are required.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: STATEMENT OF COMPLIANCE (Continued)

Should the Consolidated Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the group up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

c) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2021 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is used to account for business combinations by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, and the Consolidated Statement of Changes in Equity respectively.

d) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: STATEMENT OF COMPLIANCE (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Impact Minerals Limited.

f) Functional and presentation of currency

The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentational currency.

g) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss as incurred over the period of the lease.

Leases in which a significant portion of the risks and rewards of ownership are transferred to the Group as lessee are classified as finance leases. At the commencement date of a lease, the Group recognises a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The Group separately recognises the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

h) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. All other short-term employee benefit obligations are presented as payables.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: STATEMENT OF COMPLIANCE (Continued)

Other long-term obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service, is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

The Group provides benefits to employees of the Company in the form of share options. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value. No termination benefits, other than accrued benefits and entitlements, were paid during the period.

i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: STATEMENT OF COMPLIANCE (Continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

j) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Financial assets designated at fair value through OCI (equity instruments)

This is the category most relevant to the Group. Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: STATEMENT OF COMPLIANCE (Continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: REVENUE AND EXPENSES

a) Revenue from operating activities

	CONSOLIDATED	
	2021 \$	2020 \$
Interest income	15,630	20,703
Gain on sale of tenements	-	100,000
Research and development tax rebate	93,502	287,189
Other government rebates	16,430	84,580
Other income	30,220	5,757
Total revenue from operating activities	155,782	498,229

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Interest income is recognised as it accrues.

Amounts received or receivable from the Australian Tax Office (ATO) in respect of the Research and Development Tax Rebate (R&D Rebate) are recognised in Other Income for the year in which the claim is lodged with the ATO. Management assesses its research and development activities and expenditures to determine if these are likely to eligible under the R&D Rebate.

b) Employee benefits expense

	CONSOLIDATED	
	2021 \$	2020 \$
Wages, salaries and other remuneration expenses	110,795	112,578
Directors' fees	116,125	95,642
Superannuation fund contributions	17,459	14,619
Share-based payment expense (Note 25)	138,838	665,841
Total employee benefits expense	383,217	888,680

NOTE 4: SEGMENT INFORMATION

The Group operates in one geographical segment, being Australia and in one operating category, being mineral exploration. Therefore, information reported to the chief operating decision maker (the Board of Impact Minerals Limited) for the purposes of resource allocation and performance assessment is focused on mineral exploration within Australia. The Board has considered the requirements of AASB 8: *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker in allocating resources and have concluded at this time that there are no separately identifiable segments



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 5: INCOME TAX

a) Major components of income tax expense are as follows:

Current income tax expense/(benefit)	-	-
Deferred income tax expense/(benefit)	-	-
Income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-

b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Loss from ordinary activities before income tax expense	(4,760,174)	(1,685,165)
Prima facie tax benefit on profit from ordinary activities before income tax at 27.5% (2020: 27.5%)	(1,309,048)	(463,420)
<i>Tax effect of permanent differences:</i>		
- Share-based expense	38,180	183,106
- Non-deductible expenses	2,805	142,773
- Government grant received	(30,231)	(102,237)
- Tax losses not recognised	1,298,294	239,778
Income tax expense/(benefit) on pre-tax profit	-	-

c) Deferred tax assets and (liabilities) are attributable to the following:

Accrued expenses	8,392	7,554
Capital raising costs	143,135	72,504
Exploration expenditure	(2,617,229)	(2,310,030)
Plant and equipment	(6,963)	(10,326)
Provision for employee entitlements	24,897	23,729
Other	1,460	96
Tax losses	2,446,308	2,216,473
	-	-

d) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items as the Directors do not believe it is appropriate to regard realisation of future tax benefits as probable:

- Tax losses	7,029,303	5,943,960
- Capital losses	488,929	651,887
	7,518,232	6,595,847



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 5: INCOME TAX (Continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Company and its wholly-owned Australian controlled entities have formed a tax consolidated group. The head entity of the tax consolidated group is Impact Minerals Limited.

No deferred tax asset has been recognised in the Consolidated Statement of Financial Position in respect of the amount of either these losses or other deferred tax expenses. Should the Company not satisfy the Continuity of Ownership Test, the Company will be able to utilise the losses to the extent that it satisfies the Same Business Test.

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Short-term deposits

CONSOLIDATED	
2021 \$	2020 \$
890,778	631,426
2,525,000	1,800,000
3,415,778	2,431,426

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less.

The weighted average interest rate for the year was 0.36% (2020: 1.16%).

The Group's exposure to interest rate risk is set out in Note 24. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 7: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2021 \$	2020 \$
Current		
GST	35,095	15,992
Government grants / rebates	-	51,040
Other	3,904	5,401
	38,999	72,433

Trade receivables are normally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that these amounts will be received when due. The Group's financial risk management objectives and policies are set out in Note 24.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

NOTE 8: OTHER CURRENT ASSETS

	CONSOLIDATED	
	2021 \$	2020 \$
Deposits	27,047	35,234
	27,047	35,234

NOTE 9: ASSETS HELD FOR SALE

	CONSOLIDATED	
	2021 \$	2020 \$
Tenements held for sale	115,141	-
	115,141	-

In February 2021, the Company announced that it had reached an agreement for the sale of tenement EL8632 and the northern part of block EL8505 in the Company's Lachlan Fold Belt portfolio to Orange Minerals Pty Ltd an unrelated company. The consideration is (a) a non-refundable deposit of \$15,000; (b) \$50,000 in shares in a new listed company and \$180,000 in cash; and (c) a 1% Net Smelter Royalty.

As at 30 June 2021 the sale had not been completed and the licences subject to this agreement were held at their carrying value.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 10: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	CONSOLIDATED	
	2021 \$	2020 \$
Opening balance	-	-
Additions	100,000	-
Change in fair value	45,000	-
Closing balance	145,000	-

In November 2020, the Company sold its Clermont epithermal gold project (EPM14116) in central Queensland to Australasian Gold Limited, an unrelated public company with a suite of similar prospective gold assets in Queensland. The Company received \$100,000 in shares in Australasian Gold Limited (ASX: A8G) at an issue price of 10 cents per share and the Company recognised an impairment charge on the tenement of \$757,594.

Australasian Gold Limited listed on the Australian Securities Exchange in May 2021. The fair value of the shares in A8G has been determined by reference to published price quotations in an active market, with movement in fair value recognised in other comprehensive income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2021 \$	2020 \$
Office equipment		
- At cost	72,373	71,000
- Accumulated depreciation	(71,366)	(69,997)
Total office equipment	1,007	1,003
Site equipment		
- At cost	92,252	92,252
- Accumulated depreciation	(90,442)	(69,835)
Total site equipment	1,810	22,417
Computer equipment		
- At cost	203,177	177,708
- Accumulated depreciation	(180,675)	(163,579)
Total computer equipment	22,502	14,129
Total property, plant and equipment	25,319	37,549

Property, plant and equipment is stated at historical cost less accumulated depreciation. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year:

	Office equipment \$	Site equipment \$	Computer equipment \$	Total \$
2021 – Consolidated				
Balance at the beginning of the year	1,003	22,417	14,129	37,549
Additions	1,373	-	25,469	26,842
Depreciation expense	(1,369)	(20,607)	(17,096)	(39,072)
Carrying amount at the end of the year	1,007	1,810	22,502	25,319
2020 – Consolidated				
Balance at the beginning of the year	2,551	47,095	22,114	71,760
Additions	-	-	5,177	5,177
Depreciation expense	(1,548)	(24,678)	(13,162)	(39,388)
Carrying amount at the end of the year	1,003	22,417	14,129	37,549

NOTE 12: EXPLORATION AND EVALUATION

	CONSOLIDATED	
	2021 \$	2020 \$
Opening balance	10,946,163	9,777,828
Exploration expenditure incurred during the year	4,975,014	1,281,481
Sale of Lachlan Fold Belt tenements (refer Note 9)	(115,141)	-
Sale of Clermont project (refer Note 10)	(100,000)	-
Impairment expense	(3,712,774)	(113,146)
Closing balance	11,993,262	10,946,163

The Group recognised an impairment charge of \$757,594 in relation to the disposal of its Clermont project (refer Note 10). Further impairment losses of \$2,955,180 were booked following a review of the Group's remaining tenements.

Exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 12: EXPLORATION AND EVALUATION (Continued)

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mineral property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

NOTE 13: OTHER NON-CURRENT ASSETS

Deposits paid

CONSOLIDATED	
2021	2020
\$	\$
262,555	151,055
262,555	151,055

NOTE 14: TRADE AND OTHER PAYABLES

Trade creditors

Other payables and accruals

CONSOLIDATED	
2021	2020
\$	\$
252,485	129,911
47,304	80,585
299,789	210,496

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Trade creditors are unsecured, non-interest bearing and are normally settled on 30-day terms. The Group's financial risk management objectives and policies are set out in Note 24. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 15: PROVISIONS

Short-term

Employee entitlements

CONSOLIDATED	
2021	2020
\$	\$
90,536	86,288
90,536	86,288



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16: CONTRIBUTED EQUITY

a) Share capital

Ordinary shares fully paid

CONSOLIDATED	
2021 \$	2020 \$
53,787,639	46,931,843

b) Movements in ordinary shares on issue

Balance at 30 June 2019

Share issued during the year:

- Placement ^(a)

- Share issue ^(b)

- Transaction costs

Balance at 30 June 2020

Share issued during the year:

- Placement ^(c)

- Share issue ^(d)

- Option conversion ^(e)

- Share issue ^(f)

- Placement ^(g)

- Transaction costs

Balance at 30 June 2021

CONSOLIDATED	
Number	\$
1,321,679,789	44,900,024
233,389,496	2,100,505
4,425,345	35,000
-	(103,686)
1,559,494,630	46,931,843
216,333,333	3,245,000
838,065	18,750
2,708,434	54,160
1,996,215	40,000
242,424,242	4,000,000
-	(502,114)
2,023,794,919	53,787,639

a) In February 2020, the Company raised \$2,100,505 (before costs) via a placement of 233,389,496 new shares at an issue price of 0.9 cents each.

b) In May 2020, the Company issued 4,425,345 new shares as part consideration for geological consulting services in relation to the identification of, and application for, five tenements in the Yilgarn Craton of Western Australia (Arkun project).

c) In July 2020, the Company raised \$3,245,000 (before costs) via a placement of 216,333,333 new shares at an issue price of 1.5 cents each.

d) During the reporting period the Company issued a total of 838,065 new shares as part consideration for geological consulting services in relation to the identification of, and application for, the Doonia project (tenement E15/1790).

e) During the reporting period the Company issued 2,708,434 new shares for nil consideration on the cashless exercise of 8,000,000 employee options.

f) In January 2021, the Company issued 1,996,215 new shares as part consideration for geological consulting services in relation to the grant of the five tenements in the Yilgarn Craton of Western Australia (Arkun project) refer Note (b) above.

g) In April 2021, the Company raised \$4,000,000 (before costs) via a placement of 242,424,242 new shares at an issue price of 1.65 cents each.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16: CONTRIBUTED EQUITY (Continued)

c) Movements in options on issue

Balance at beginning of the financial year
Options granted
Options exercised
Options expired
Balance at the end of the financial year

CONSOLIDATED	
2021 Number	2020 Number
176,500,000	590,910,556
4,000,000	101,000,000
(8,000,000)	-
(15,500,000)	(515,410,556)
157,000,000	176,500,000

Refer to Note 25 for details of share-based payments.

NOTE 17: RESERVES

a) Option Reserve

Option reserve
Opening balance
Fair value of options issued ^(a)
Options exercised
Transfer to retained earnings upon expiry/lapse of options
Balance at the end of the financial year

CONSOLIDATED	
2021 \$	2020 \$
1,005,268	577,577
169,238	665,841
(54,160)	-
(218,350)	(238,150)
901,996	1,005,268

a) No Director or employee options were issued during the year. The fair value of Director and employee options is determined at grant date and is expensed over the vesting period for those options. During the year 4,000,000 unlisted \$0.03 options expiring on 29 April 2023 were issued to the lead manager of the April 2021 Placement as part consideration for their services (these options were valued at \$30,400)

The options reserve is used to recognise the fair value of options issued to employees and contractors. The details of share-based payments made during the reporting period are shown at Note 25.

b) Transactions with non-controlling interest

The transactions with non-controlling interest reserve records items related to the acquisition of shares in Invictus Gold Limited.

NOTE 18: ACCUMULATED LOSSES

Balance at the beginning of the financial year
Net loss attributable to members
Transfer from financial asset reserve
Transfer from share option reserve upon lapse of options
Balance at the end of the financial year

CONSOLIDATED	
2021 \$	2020 \$
(33,398,966)	(31,445,495)
(4,760,174)	(1,685,165)
-	(506,456)
218,350	238,150
(37,940,790)	(33,398,966)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 19: LOSS PER SHARE

Basic and diluted loss per share

2021 Cents	2020 Cents
(0.26)	(0.12)

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

Profits/(losses) used in calculating basic and diluted loss per share

2021 \$	2020 \$
(4,760,174)	(1,685,165)

Weighted average number of ordinary shares used in calculating basic loss per share

2021 Number	2020 Number
1,802,937,566	1,401,776,231

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The issue of potential ordinary shares is antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share has therefore not assumed the conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

NOTE 20: AUDITOR'S REMUNERATION

Audit services

Hall Chadwick WA Audit Pty Ltd

- Audit and review of the financial reports

Total remuneration

CONSOLIDATED	
2021 \$	2020 \$
34,750	35,000
34,750	35,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 21: CONTINGENT ASSETS AND LIABILITIES

Contingent assets

The Group had contingent assets in respect of:

Future bonus and royalty payments

In September 2018 the Company completed the sale of its wholly owned subsidiary Drummond East Pty Ltd, the holder of its seven Pilbara licences, to Pacton Gold Inc. (Pacton). Under the terms of the Sale Agreement Pacton must pay a CAD\$500,000 Bonus to the Company upon publishing a measured, indicated or inferred gold resource of more than 250,000 ounces on the licences. The Company retains a 2% NSR royalty on the licences with Pacton retaining the right to buy back 1% of the royalty for CAD\$500,000 at any time.

Contingent liabilities

The Group had contingent liabilities in respect of:

Future royalty payments

In March 2016, Impact Minerals Limited completed the acquisition of tenement EL7390 from Golden Cross Resources Limited ("Golden Cross") for \$60,000 cash. Golden Cross retains a royalty equal to 1% of gross revenue on any minerals recovered from the tenement. At its election, Impact has the right to buy back the royalty for \$1.5 million cash at any time up to a decision to mine, or leave the royalty uncapped during production.

During the year the Company completed the acquisition five tenements in the Yilgarn Craton of Western Australia ("Arkun project"). Milford Resources Pty Ltd ("Milford"), an unrelated private company, was paid \$50,000 in cash and \$75,000 in Impact shares for geological consulting services in assisting the Company to identify this project. Milford retains a 1% net smelter royalty on any minerals recovered.

During the year the Company acquired tenement EL70/5424 which covers 16 km² approximately 15 km north of Impact's Arkun nickel-copper-platinum group project from Beau Resources Pty Ltd ("Beau"), an unrelated private company for \$60,000 cash. Beau retains a 2% gross revenue royalty on any minerals recovered.

NOTE 22: EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no events subsequent to the reporting date which are sufficiently material to warrant disclosure.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23: COMMITMENTS

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the *Mining Act 1978* (Western Australia), the *Mining Act 1992* (New South Wales) and the *Mineral Resources Act 1989* (Queensland) and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

As at balance date, total exploration expenditure commitments on granted tenements held by the Group that have not been provided for in the financial statements and which cover the following 12 month period amount to \$2,112,089 (2020: \$1,093,837). For the period greater than 12 months to five years, commitments amount to \$5,143,297 (2020: \$7,971,526). These obligations are also subject to variations by farm-out arrangements, or sale of the relevant tenements.

Commitments in relation to the lease of office premises are payable as follows:

	CONSOLIDATED	
	2021 \$	2020 \$
Within one year	20,002	20,002
Later than one year but not later than five years	-	-
Later than five years	-	-
	20,002	20,002

NOTE 24: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Commodity risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 24: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial instruments are cash, short-term deposits, receivables and payables.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest-bearing financial assets and liabilities that the Group uses.

Interest-bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

	Floating interest rate \$	Fixed interest rate maturing in			Non- interest bearing \$	Total \$
		1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Consolidated – 2021						
Financial assets						
Cash and cash equivalents	-	2,525,000	-	-	890,778	3,415,778
Trade and other receivables	-	-	-	-	38,999	38,999
	-	2,525,000	-	-	929,777	3,454,777
Weighted average interest rate	-	0.66%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	299,789	299,789
	-	-	-	-	299,789	299,789
Weighted average interest rate	-	-	-	-	-	-
Consolidated – 2020						
Financial assets						
Cash and cash equivalents	631,426	1,800,000	-	-	-	2,431,426
Trade and other receivables	-	-	-	-	72,433	72,433
	631,426	1,800,000	-	-	72,433	2,503,859
Weighted average interest rate	0.56%	1.47%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	210,496	210,496
	-	-	-	-	210,496	210,496
Weighted average interest rate	-	-	-	-	-	-

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 24: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below:

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below:

	Carrying value at period end \$	Profit or loss		Equity	
		100 bp increase \$	100 bp decrease \$	100 bp increase \$	100 bp decrease \$
Consolidated – 2021					
Financial assets					
Cash and cash equivalents	3,415,778	13,433	(13,433)	13,433	(13,433)
Cash flow sensitivity (net)		13,433	(13,433)	13,433	(13,433)
Consolidated – 2020					
Financial assets					
Cash and cash equivalents	2,431,426	17,793	(17,793)	17,793	(17,793)
Cash flow sensitivity (net)		17,793	(17,793)	17,793	(17,793)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The Group trades only with recognised, creditworthy third parties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure to credit risk is the carrying value of the receivable, net of any provision for doubtful debts.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. This risk is minimised by reviewing term deposit accounts from time to time with approved banks of a sufficient credit rating which is AA and above.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	CONSOLIDATED	
	2021 \$	2020 \$
Cash and cash equivalents	3,415,778	2,431,426
Trade and other receivables	38,999	72,433
	3,454,777	2,503,859



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 24: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. The Group's exposure to foreign currency risk is minimal at this stage of its operations.

Commodity price risk

The Group's exposure to commodity price risk is minimal at this stage of its operations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The following are the contractual maturities of financial liabilities:

	Carrying amount \$	Contractual cash flows \$	6 months or less \$
Consolidated - 2021			
Trade and other payables	299,789	-	299,789
	299,789	-	299,789
Trade and other receivables	38,999	-	38,999
	38,999	-	38,999
Consolidated - 2020			
Trade and other payables	210,496	-	210,496
	210,496	-	210,496
Trade and other receivables	72,433	-	72,433
	72,433	-	72,433

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Group is equal to their carrying value.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 24: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Group's capital is performed by the Board.

The capital structure of the Group consists of net debt (trade payables and provisions detailed in Notes 14 and 15 offset by cash and bank balances) and equity of the Group (comprising contributed issued capital, reserves, offset by accumulated losses detailed in Notes 16, 17 and 18).

The Group is not subject to any externally imposed capital requirements. None of the Group's entities are subject to externally imposed capital requirements.

NOTE 25: SHARE-BASED PAYMENTS

Share Option Plan

The Group has a Director and Employee Option Acquisition Plan ("Option Plan") for Directors, employees and contractors of the Group. In accordance with the provisions of the Option Plan, as approved by shareholders at the 2018 Annual General Meeting, executives and employees may be granted options at the discretion of the Directors. Options issued to Directors are subject to approval by shareholders.

Each share option converts into one ordinary share of Impact Minerals Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option. The options carry neither rights of dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 25: SHARE-BASED PAYMENTS (Continued)

The following share-based payment arrangements were in existence during the reporting period:

Option series	Number	Grant date	Expiry date	Vesting date	Exercise price	Fair value at grant date
28 ⁽¹⁾	12,500,000	29 Sep 2015	29 Sep 2020	29 Sep 2018	\$0.07	\$0.0143
32 ⁽¹⁾	3,000,000	13 May 2016	29 Sep 2020	29 Sep 2018	\$0.07	\$0.0132
38	40,000,000	8 Nov 2018	30 Nov 2021	30 Nov 2019	\$0.03	\$0.00382
39	20,000,000	8 Nov 2018	30 Nov 2022	30 Nov 2020	\$0.0375	\$0.00432
40	37,000,000	8 Nov 2019	5 Nov 2023	Immediate	\$0.0149	\$0.00677
41	37,000,000	8 Nov 2019	5 Nov 2023	5 Nov 2020	\$0.0149	\$0.00677
42 ⁽²⁾	13,500,000	15 Nov 2019	5 Nov 2023	Immediate	\$0.0149	\$0.00677
43 ⁽³⁾	13,500,000	15 Nov 2019	5 Nov 2023	5 Nov 2020	\$0.0149	\$0.00677
44 ⁽⁴⁾	4,000,000	30 Apr 2021	29 Apr 2023	Immediate	\$0.03	\$0.0076

- 1) Expired during the reporting period.
- 2) During the reporting period the Company issued 1,357,324 new shares for nil consideration on the cashless exercise of 4,000,000 of these employee options.
- 3) During the reporting period the Company issued 1,351,110 new shares for nil consideration on the cashless exercise of 4,000,000 of these employee options.
- 4) Options issued to lead manager of April 2021 placement.

Fair value of share options granted during the year

The fair value of share options at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free rate for the term of the option. The fair value of options is determined at grant date and is expensed over the vesting period for those options. No director or employee options were issued during the reporting period. The fair value of Director and employee share options expensed during the year was \$138,838 (2020: \$665,841).

The model inputs for options granted during the year ended 30 June 2021 are as follows:

Inputs	Issue 43
Exercise price	\$0.03
Grant date	30 Apr 2021
Vesting date	30 Apr 2021
Expiry date	29 Apr 2023
Share price at grant date	\$0.017
Expected price volatility	112%
Risk-free interest rate	0.07%
Expected dividend yield	0%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 25: SHARE-BASED PAYMENTS (Continued)

Movements in share options during the year

Movement in the number of share options on issue during the year:

	2021		2020	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the year	176,500,000	0.03	590,910,556	0.04
Granted during the year	4,000,000	0.03	101,000,000	0.01
Exercised during the year	(8,000,000)	0.0149	-	-
Expired during the year	(15,500,000)	0.07	(515,410,556)	0.04
Outstanding at the end of the year	157,000,000	0.02	176,500,000	0.03
Exercisable at the end of the year	157,000,000	0.02	106,000,000	0.03

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.72 years (2020: 2.54 years).

Share options outstanding at the end of the year

Share options issued and outstanding at the end of the year have the following exercise prices

Expiry date	Exercise price \$	2021 Number	2020 Number
29 September 2020	0.07	-	15,500,000
30 November 2021	0.03	40,000,000	40,000,000
30 November 2022	0.0375	20,000,000	20,000,000
5 November 2023	0.0149	93,000,000	101,000,000
29 April 2023	0.03	4,000,000	-
Totals		157,000,000	176,500,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 26: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2021 \$	2020 \$
Cash flows from operating activities		
Profit/(Loss) for the year	(4,760,174)	(1,685,165)
Non-cash flows in profit/(loss):		
- Depreciation	39,072	39,388
- Share-based remuneration	138,838	665,841
- Exploration expenditure write-off	3,712,774	113,146
- Government grants receivable	51,040	(51,040)
- Gain on sale of tenements	-	(100,000)
- Loss on disposal of controlled entity	-	504,731
Changes in assets and liabilities		
- Decrease in trade and other receivables	1,497	1,927
- Decrease in other current assets	8,187	-
- Increase/(Decrease) in trade creditors and accruals	(13,277)	42,277
- Increase in provisions	4,247	20,638
Net cash used in operating activities	(817,796)	(448,257)

Non-cash investing and financing activities

There were no non-cash investing and financing activities during the year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 27: RELATED PARTY DISCLOSURE

a) Parent entity

	Class	Country of incorporation	Ownership	
			2021 %	2020 %
Impact Minerals Limited	Ordinary	Australia	-	-

b) Subsidiaries

	Class	Country of incorporation	Ownership	
			2021 %	2020 %
Aurigen Pty Ltd	Ordinary	Australia	100	100
Siouville Pty Ltd	Ordinary	Australia	100	100
Invictus Gold Limited	Ordinary	Australia	100	100
Drummond West Pty Ltd ⁽ⁱ⁾	Ordinary	Australia	100	100
Endeavour Minerals Pty Ltd ⁽ⁱⁱ⁾	Ordinary	Australia	100	100
Blackridge Exploration Pty Ltd ⁽ⁱⁱⁱ⁾	Ordinary	Australia	100	100

(i) Drummond West Pty Ltd is a wholly owned subsidiary of Invictus Gold Limited.

(ii) Endeavour Minerals Pty Ltd is a wholly owned subsidiary of Invictus Gold Limited.

(iii) Blackridge Exploration Pty Ltd is a wholly owned subsidiary of Drummond West Pty Ltd.

c) Key management personnel compensation

	2021 \$	2020 \$
Short-term employee benefits	363,004	342,521
Post-employment benefits	8,058	6,650
Share-based payments	104,212	505,586
	475,214	854,747

Detailed remuneration disclosures are provided in the Remuneration Report on pages 85 to 89. A total of \$246,879 (2020: \$246,879) was capitalised as exploration expenditure.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 28: PARENT ENTITY DISCLOSURE

Financial Performance

Profit/(loss) for the year	(4,760,174)	(1,446,475)
Other comprehensive income	-	-
Total comprehensive profit/(loss)	(4,760,174)	(1,446,475)

Financial Position

ASSETS

Current assets	3,596,965	2,539,093
Non-current assets	10,111,428	8,820,060

TOTAL ASSETS

13,708,393	11,359,153
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LIABILITIES

Current liabilities	387,446	293,906
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TOTAL LIABILITIES

387,446	293,906
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NET ASSETS

13,320,947	11,065,247
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EQUITY

Issued capital	53,787,639	46,931,843
Option reserve	901,996	1,005,268
Financial asset reserve	45,000	-
Transactions with non-controlling interest	(1,161,069)	(1,161,069)
Accumulated losses	(40,252,619)	(35,710,795)

TOTAL EQUITY

13,320,947	11,065,247
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No guarantees have been entered into by Impact Minerals Limited in relation to the debts of its subsidiaries.

Impact Minerals Limited's commitments are disclosed in Note 23.



DIRECTOR'S DECLARATION

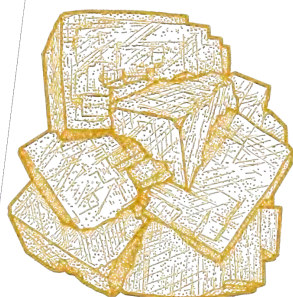
DIRECTOR'S DECLARATION

The Directors of Impact Minerals Limited declare that:

- 1) in the Directors' opinion, the financial statements and notes set out on pages 94 to 130 and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
 - a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance, for the financial year ended on that date; and
 - b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), *Corporations Regulations 2001* and mandatory professional reporting requirements.
- 2) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2; and
- 3) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Managing Director and Chief Financial Officer for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the Directors.



Peter Unsworth
Chairman

Perth, 16 September 2021



INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMPACT MINERALS LIMITED

Report on the Audit of the Financial Report

Opinion

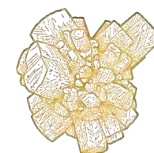
We have audited the financial report of Impact Minerals Limited ('the Company') and its subsidiaries ('the Consolidated Entity'), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



INDEPENDENT AUDITOR'S REPORT

HALL CHADWICK

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$4,760,174 during the year ended 30 June 2021. As stated in 2021, these events or conditions, along with other matters as set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Mineral Exploration Expenditure \$11,993,262 (Refer to note 12) Mineral exploration expenditure is a key audit matter due to: • The significance of the balance to the Consolidated Entity's financial position; • The level of judgement required in evaluating management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset; and • The assessment of impairment of mineral exploration expenditure being inherently	Our audit procedures included but were not limited to: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programmes planned for those tenements; • For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; • We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; • We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating



INDEPENDENT AUDITOR'S REPORT

HALL CHADWICK 

Key audit matter	How our audit addressed the key audit matter
difficult	budgets for each area of interest; We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: • the licenses for the right to explore expiring in the near future or are not expected to be renewed; • substantive expenditure for further exploration in the specific area is neither budgeted or planned; • decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; • data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.

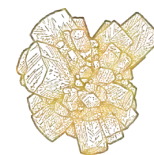
Other information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a



INDEPENDENT AUDITOR'S REPORT

HALL CHADWICK

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



INDEPENDENT AUDITOR'S REPORT

HALL CHADWICK 

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 19th day of September 2021



ADDITIONAL SHAREHOLDER INFORMATION

as at 24 September 2021

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows.

1. Distribution of Holders of Equity Securities

Analysis of number of equity security holders by size of holding:

Shares Held	Shareholders
1 - 1,000	152
1,001 - 5,000	105
5,001 - 10,000	113
10,001 - 100,000	1,999
100,001 and over	1,866
Total	4,235

The number of holders of less than a marketable parcel of ordinary fully paid shares is 1,123.

2. Substantial Shareholders

Substantial shareholders (i.e. shareholders who hold 5% or more of the issued capital):

	Number of shares	Percentage held
ABC BETEILIGUNGEN AG	202,789,541	10.02
MRS SUSANNE BUNNENEGER	200,199,999	9.89

3. Voting Rights

a) Ordinary Shares

Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting, every shareholder present in person or by proxy, representative of attorney will have one vote on a show of hands and on a poll, one vote for each share held.

b) Options

No voting rights.

4. Quoted Securities on Issue

The Company has 2,023,794,919 quoted shares on issue.

5. On-Market Buy Back

There is no current on-market buy back.



ADDITIONAL SHAREHOLDER INFORMATION

as at 24 September 2021

6. Unquoted Equity Securities

	Number on issue	Number of holders
Options exercisable at \$0.03 on or before 30 November 2021	40,000,000	5
Options exercisable at \$0.0375 on or before 30 November 2022	20,000,000	5
Options exercisable at \$0.03 on or before 29 April 2023	4,000,000	3
Options exercisable at \$0.0149 on or before 5 November 2023	93,000,000	8

7. Twenty Largest Holders of Quoted Ordinary Shares

Shareholder	Number of shares	Percentage held
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	221,928,667	10.97
ABC BETEILIGUNGEN AG	138,000,000	6.82
WHALE WATCH HOLDINGS LIMITED	70,000,000	3.46
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	51,470,363	2.54
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	34,503,480	1.70
DEUTSCHE BALATON AKTIENGESELLSCHAFT	33,300,000	1.65
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	26,676,518	1.32
BNP PARIBAS NOMS PTY LTD <DRP>	26,666,026	1.32
MR WALTER LEONARD PARSONS STONE	25,000,000	1.24
MR YUNG WING HO & MRS KATHERINE KAM LING HO <VIC & KATHY SUPER FUND A/C>	20,588,070	1.02
CITICORP NOMINEES PTY LIMITED	15,767,462	0.78
AVIANA HOLDINGS PTY LTD	13,157,895	0.65
NO BULL HEALTH PTY LTD	13,000,000	0.64
CHINA GROWTH MINERALS LIMITED	11,840,470	0.59
YANARA NOMINEES PTY LTD <S&V WOOD SUPER FUND A/C>	11,287,356	0.56
IAE STUDY IN AUSTRALIA PTY LTD <IAE SUPERANNUATION FUND A/C>	10,400,000	0.51
P J ENTERPRISES PTY LIMITED <SUPER FUND A/C>	10,385,913	0.51
MR DEON DAVID THOMPSON	10,000,000	0.49
MR WILLIAM MICHAEL GATACRE	10,000,000	0.49
RICKTARR PTY LTD <SG & F SUPER FUND A/C>	10,000,000	0.49
	763,972,220	37.75



TENEMENT SCHEDULE

Project / Tenement	Location	Status	Interest
Commonwealth Project	New South Wales		
EL5874		Granted	100%
EL8212		Granted	100%
EL8252		Granted	100%
EL8504		Granted	100%
EL8505		Granted	100%
EL8632		Granted	100%
Broken Hill Project	New South Wales		
EL7390		Granted	100%
EL8234		Granted	100%
EL8636		Granted	100%
EL8674		Granted	100%
EL8609		Granted	100%
EL9036		Application	-
EL9037		Application	-
EL9115		Application	-
Blackridge Project	Queensland		
EPM26806		Granted	100%
ML2386		Granted	100%
EPM27571		Application	-
EPM27410		Application	-
Arkun Project	Western Australia		
E70/5424		Granted	100%
E70/5430		Granted	100%
E70/5431		Granted	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 Project	Western Australia		
E15/1790		Granted	80%



impact.
MINERALS

ANNUAL REPORT

2021

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