ANNUAL REPORT

2019

Excellence in Exploration

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impact. MINERALS

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Michael Jones	Managing Director
Paul Ingram	Non-Executive Director
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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, IPTOA

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CHAIRMAN'S LETTER

Dear Fellow Shareholder

It is my pleasure to present the Impact Minerals Limited Annual Report for the year ended 30 June 2019.

The 2019 financial year was a challenging 12 months for the junior resource sector on the Australian Securities Exchange. Few stories gained traction and the focus of investors was very much on the producers and developers.

During this time your company remained very active and moved all of its projects forward, in particular the Blackridge gold project in Queensland which is showing potential as a large bulk mining opportunity, as well as Commonwealth and Broken Hill. Blackridge will also be a focus in the coming year.

Funding during 2019 came in part from the sale of the shares in Pacton Gold received as part of the sale of the company's Pilbara assets the previous year.

On behalf of the Board, I would like to acknowledge the dedication and commitment of our first-class exploration team, who continue to work tirelessly to deliver significant results. I would also like to thank the communities in which we operate for their ongoing support and assistance.

Peter Unsworth

Chairman

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 portfolio of tenement holdings (~1,800 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 with active drill testing:

Blackridge Project: 91 sq km covering Permian sedimentary rocks near Clermont in central Queensland and prospective for conglomerate-hosted gold deposits.

Commonwealth Project: 903 sq km in the Lachlan Fold Belt in New South Wales prospective for volcanogenic massive sulphide deposits of gold, silver and base metals as well as porphyry copper-gold.

Clermont Project: 70 sq km in the Anakie Inlier and also close to Clermont which is prospective for epithermal and quartz vein-hosted gold deposits.

Broken Hill Project: 726 sq km in the Broken Hill region prospective for silver-lead-zinc, nickel-copper-platinum group metals and copper-cobalt-gold deposits. This project recently became subject to an earn-in JV announced in July 2018 which will result in cash and share payments to Impact as well as exploration expenditure to advance the project.

BLACKRIDGE GOLD PROJECT (IPT100% AND OPTION FOR 95%)

Impact's Blackridge gold project is located 25 kilometres north of Clermont in central Queensland. It covers 91 square kilometres and comprises one 100% owned granted mining lease (ML2386), one 100% owned Exploration Permit (EPM26806) and an option to purchase 95% of a further Exploration Permit (EPM26066) and four Mining Lease applications (ML 100158, 159, 160 and 161) from Rock Solid Holdings Pty Limited (Figures 1, 2 and 3).

Mining Lease ML2386, which is fully granted, covers about 400 metres of the gold-bearing horizon at Blackridge (Figures 2 and 3) and was acquired during the year from a local prospector for a cash payment of $30,000 and replacement of environmental bonds of approximately $7,000. This granted Mining Lease is an excellent strategic acquisition as it allows immediate access for large bulk samples, a key factor in determining grade in nugget-rich gold deposits such as Blackridge.

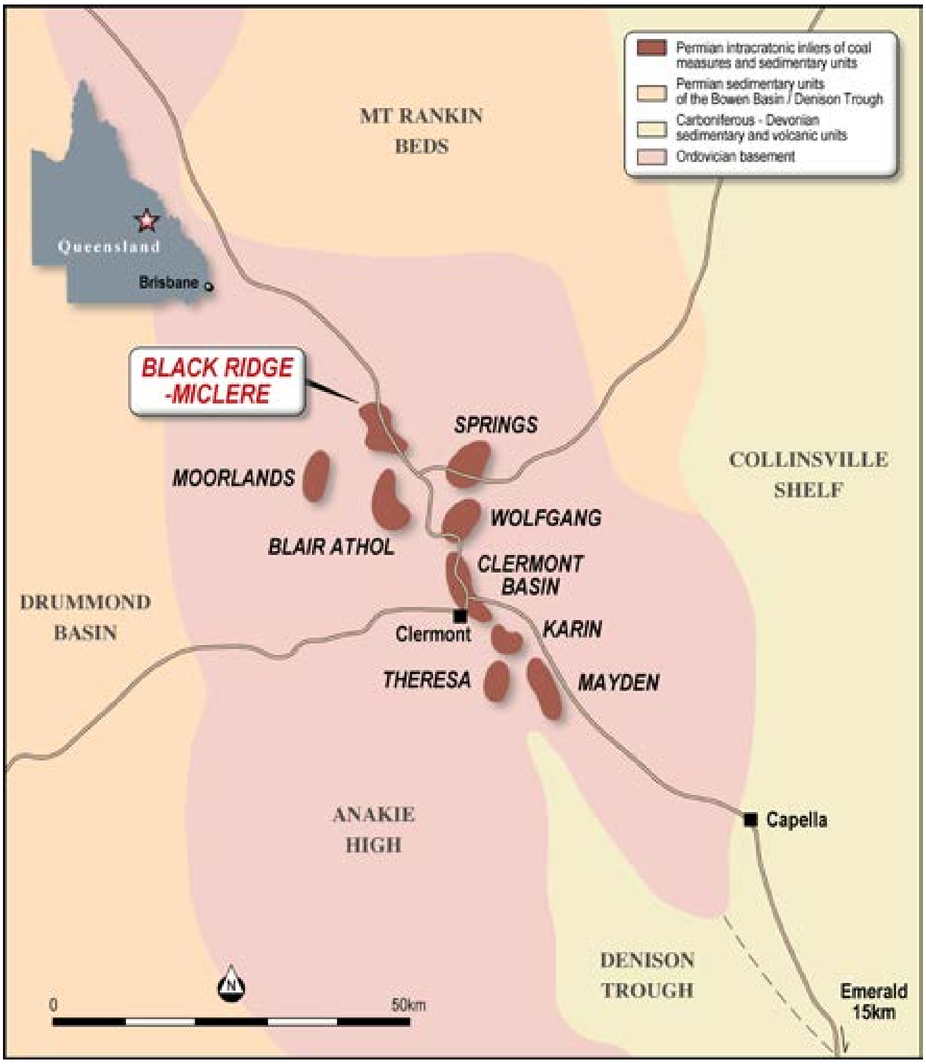

Figure 1. Location and regional geology of the Blackridge gold project. The project lies at the southern end of the Blackridge-Miclere Basin, the northern-most of a series of Permian intracratonic sedimentary basins that are also host to major coal deposits.

The project covers the historic Blackridge and Springs mining centres which together with other areas around Clermont produced about 185,000 ounces of gold from 1879 to the early 1900's from surface down to depths of about 70 metres in small shafts and related underground workings.

Further discoveries were made in the Clermont area in the 1930's and total production from the region is estimated by the Geological Survey of Queensland to be more than 300,000 ounces of gold.

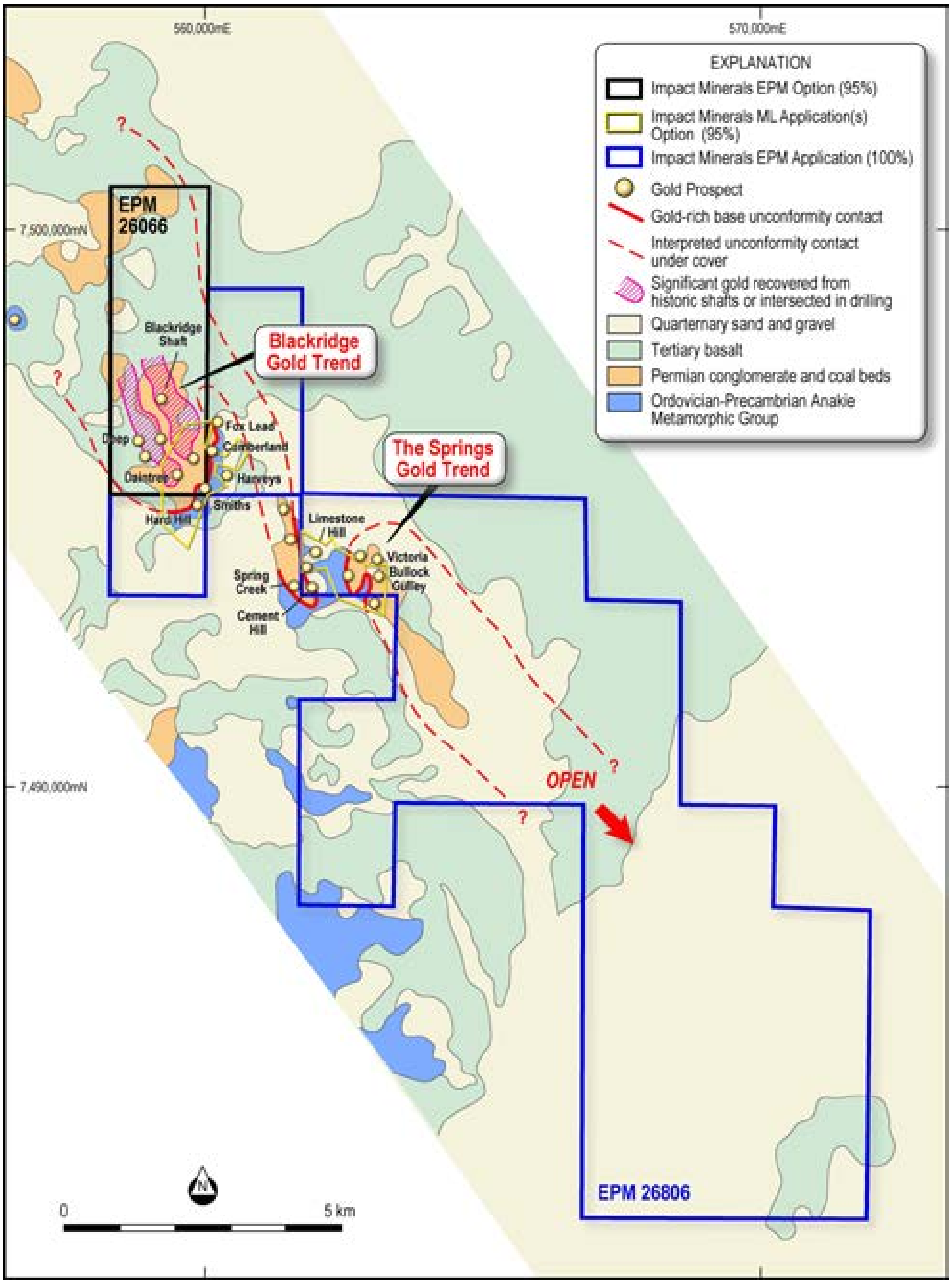

Figure 2. Tenure and geology of the Blackridge gold project.

The gold produced at Blackridge was mostly hosted in basal conglomerates of Permian-aged sedimentary basins which include the mined coal measures that unconformably overlie the Anakie metamorphic rocks of Middle Ordovician age and older (Figures 2 and 3).

The unconformity is present at surface over about 2,000 metres of trend at Blackridge (Figure 3). Much of the lease is covered by loose gravel with only a few outcrops of conglomerate and schist in places. This cover, within which small gold nuggets have been found by prospectors over many years, has hindered previous exploration and there has been no recent systematic exploration in the area.

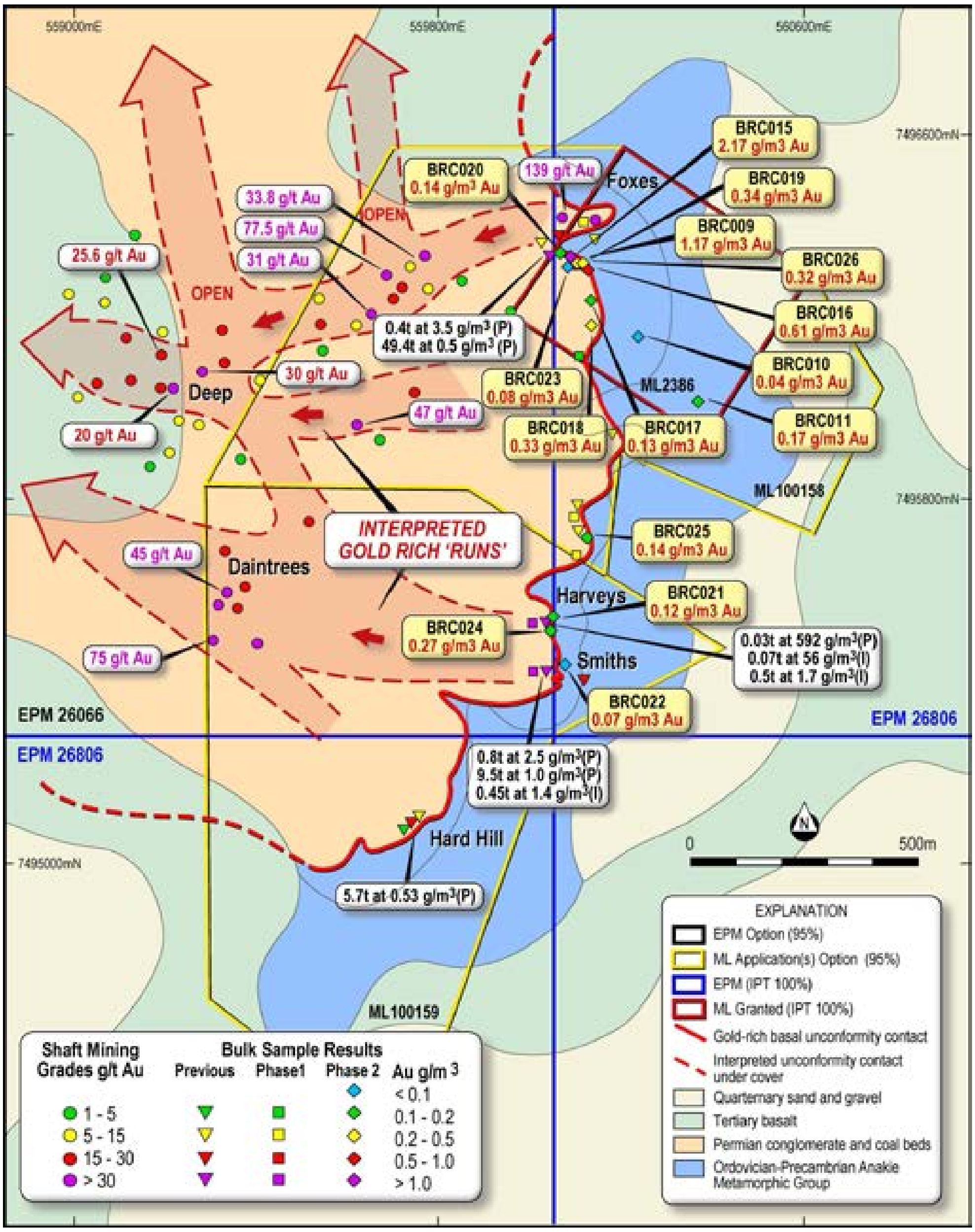

Figure 3. Gold production data and Phase 1 bulk sample results at Blackridge.

Historic average mining grades in the basal conglomerates at the unconformity at Blackridge were between 10 g/t and 20 g/t gold with higher grades of up to 10 ounces per tonne (320 g/t) gold in places, for example at the Bantam shaft as recorded by Lionel Ball of the Geological Survey of Queensland in 1905 (Figure 4,Geological Survey of Queensland Publication No. 201: publically available).

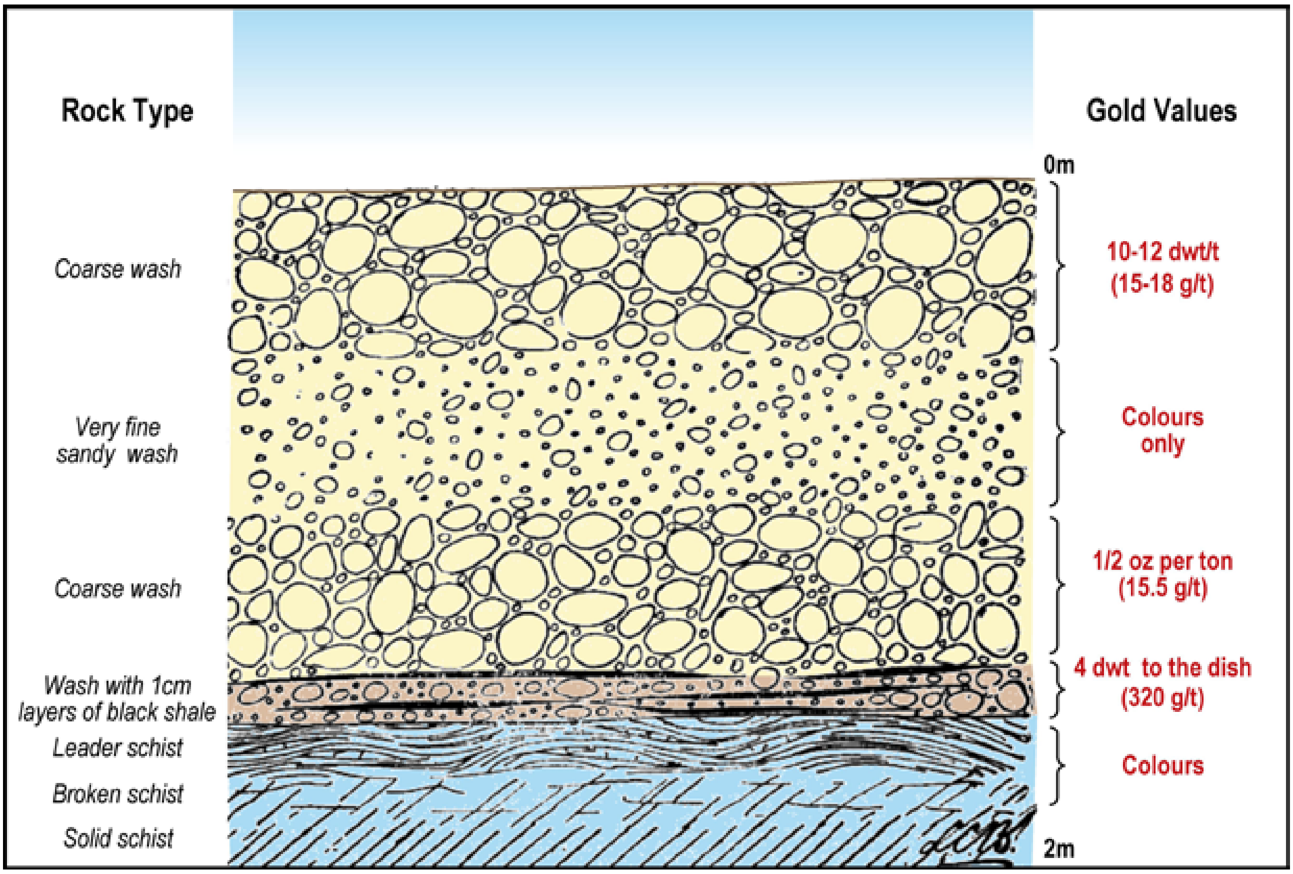

Figure 4. Section from the Bantam shaft at Blackridge (from Ball, 1905 Geol Surv. Qld Publ. 201). The section covers the basal two metres of a shaft about 70 metres deep.

Figure 4 is a coloured reproduction of a figure from Ball's report showing the distribution of gold within the basal six feet (1.8 metres) of sedimentary rock at the Bantam shaft. There are high grades of gold throughout the sequence with very high grades of up to 10 ounces per tonne in the basal conglomerate "wash" which also contains narrow units of black shale.

PREVIOUS GOLD PRODUCTION AT BLACKRIDGE

The distribution of the old shafts and mapping by the Geological Survey indicates that the high grade zones occur in linear fault-controlled zones which the original miners called "runs" or "leads" (Figure 3).

Impact has compiled production data from 82 small mine shafts recorded by Ball (1905) and also from work by Denison Resources Limited (Herbert, 1989: Geology and Gold Potential, Blackridge, Clermont, Queensland #CR20347).

This data has demonstrated that high grade gold was mined over an area of at least one square kilometre from surface to depths of up to 80 metres.

The mined grades were generally in the range of 10 g/t to 20 g/t with numerous shafts recording grades of several ounces per tonne. The mining widths were generally narrow and averaged about 0.3 metres to 0.5 metres but up to 2 metres in a few places. A number of the shafts dug were considered barren by the miners and no significant gold was recorded.

Of all shafts, 53 have been located to within +/-50 metres on a map of the area in Ball's publication and their distribution helps define the higher grade runs which are interpreted to be up to 200 metres wide, at least 500 metres long and which are open in many areas along trend (Figure 3). In addition the data shows that gold is present at lower grades of between 1 g/t and about 5 g/t between the runs.

Exploration by Impact to identify further runs will be a key factor to help delineate and potentially exploit higher grade gold areas on the project.

All of the gold mined at Blackridge was coarse nuggety gold. It can be difficult to estimate grade in these deposits because of the "nugget effect". Impact has also shown that previous exploration drilling at Blackridge in the late 1980's may have underestimated the grade at the project because of a potentially significant nugget effect. Accordingly, large bulk samples are the most cost effective exploration method for such a nuggety style of gold mineralisation and two phases of sampling, Phase 1 and Phase 2, have now been completed at Blackridge.

Phase 1 Sampling

The purpose of Impact's surface sampling programme was two-fold:

1. a "first pass look" at the distribution of gold along the unconformity and in a few places up to several metres above the unconformity; and

2. to help assess the surface material for likely processing routes for larger sampling programmes.

The bulk samples consist of three main materials types: free-digging friable conglomerate (14 samples); hard indurated (solid) rock conglomerate (one sample); and weathered clay-rich conglomerate (three samples).

The 14 samples of friable free-digging conglomerate were wet processed in a modified commercially available rotary gold concentrator. The other samples could not be effectively processed with the concentrator and were processed in Phase 2 work.

The Phase 1 work, in which each bulk sample weighed up to about one tonne, demonstrated that the project area potentially contains large volumes of free-digging, gold-mineralised oxide material (weathered rock) that was easily processed using simple water-based gravity separation equipment.

Another significant observation of the bulk sampling work is that gold up to 3.5 g/m^3 at Foxes was taken from conglomerate units up to several metres above the unconformity. Such gold-rich units could potentially add significantly to the bulk mining potential of the project as they are further targets for ore above the main target horizon along the unconformity. There has been little exploration work done or gold assay results from more than two metres above the unconformity.



Figure 5. Examples of free-digging material at Blackridge for Phase 1 bulk samples.

Figure 6. Visible gold returned from Samples 10615 (right) and 10615 (below). The tip of the pencil is 0.5 mm across for scale. All gold is the property of Impact Minerals Limited.

Results of Phase 1 Sampling

Three samples from three locations returned no gold. Of the remaining samples, gold values ranged from 0.04 g/m^3 to 2.16 g/m^3 with one high grade result of 56 g/t from a 70 kg sample at the Harveys prospect (Figure 3). Examples of the range in size of the gold grains from two of the samples are shown in Figure 6.

In addition the owner of the Blackridge project, Rock Solid Holidings Pty Ltd, has accurately recorded the location of, and the amount, of gold retrieved from this material in grams per cubic metre at 19 locations from the use of a one metre cubed dry blower (Figure 3).

All locations recorded anomalous gold of between 0.15 g/m^3 and 3.5 g/m^3 as well as one very high grade result of 592 g/m^3 from a smaller sample also at Harveys (Figure 3).

Impact has visited these sites with the owner and verified the sample locations. Impact has no reason to doubt the validity of the gold results, which in part have been confirmed by the range of gold values returned by Impact where samples were taken close to those taken by the owner.

Two of the higher grade gold results from the bulk samples come from the Harveys and Foxes prospects and indicate the potential for high grade runs in these areas that are unmined (Figure 3). It is possible that further high grade runs are present close to surface but are hidden beneath the extensive surface disturbance throughout the area. Further bulk sampling is required to assess this potential.

Together these results show that anomalous gold is present over nearly two kilometres of strike extent at Blackridge and that there are likely to be high grade runs close to surface that have not been mined.

Phase 2 Sampling

The aim of the Phase 2 work was to help determine the efficacy of wet processing on larger samples of oxide material up to 14 tonnes in weight and determine the potential for even larger samples or possible trial mining to be undertaken in future phases of work.

In order to expedite the results of the Phase 2 programme, a second-hand small mobile water processing plant capable of processing up to 50 tonnes of material per day was purchased by Impact.

A total of 13 bulk samples were taken in Phase 2 for about 160 tonnes of material, mostly on the company's 100% owned granted Mining Lease ML2386 (Figure 3). The water processing plant performed exceptionally well with the free digging oxide material separating easily in the trommel and sluice. Results are pending.

The results of this work will be used as a basis to determine if an Exploration Target can be calculated for the gold mineralisation at Blackridge. This would underpin internal economic studies in order to make a decision on the nature of the next stage of work at the project.

Once all the mining leases are granted, nearly 2,000 metres of strike of the target unit will be available for bulk sampling and/or trial mining.

Evidence for Hydrothermal Gold at Blackridge

Previous exploration work by Denison Resources Limited (Herbert, 1989: Geology and Gold Potential, Blackridge, Clermont, Queensland #CR20347) which included extensive RC drilling, opening up of some of the underground workings, bulk testing, mineralogy, geochemistry and isotope analysis suggested that some of the gold at Blackridge may be related to a delicate interplay between sedimentary and hydrothermal processes.

A similar phenomenon has recently been proposed for some of the gold in conglomerates in the Pilbara (unpublished public presentation by researchers working for Novo Resources Corporation).

A detailed study of Blackridge was completed in the mid 1990's by researchers from James Cook University in Queensland who showed that some of the gold mineralisation had indeed been derived from hydrothermal fluids and were not transported nuggets. In particular it was documented that major faults and veins of iron carbonate (siderite) were closely associated with the gold and that the gold had been precipitated from hot fluids (Zhou et al Journal of Economic Geology Volume 89 pp 1469-1491).

This is an important factor in exploration for this style of deposit and a cornerstone to Impact's forward programme. In particular it suggests that the gold at Blackridge may have a more predictable distribution and allow resources and reserves to be calculated in a straightforward manner.

Next Steps

All of this work indicates the potential for a large mineralised system at Blackridge. Further bulk samples have been taken with results awaited and this will help to determine the gold grade distribution close to surface.

In addition shallow drill holes are also required to help determine the effectiveness of drilling as a sampling medium.

The purchase of Mining Lease ML2386 during the year has provided a strategic advantage by allowing very large samples to be taken where appropriate and this may include trial mining.

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

1. COMMONWEALTH GOLD-SILVER-BASE METAL PROJECT (IPT 100%)

During the year eight diamond drill holes were completed at Impact's 100% owned Commonwealth Project located 100 km north of Orange in New South Wales and confirmed significant extensions to the mineralisation at the Main Shaft, Silica Hill and Commonwealth South Prospects (Figure 7). Importantly a second massive sulphide body below Main Shaft's massive sulphide lens was identified for the first time.

The mineralisation at all four Prospects is still open along trend and at depth and further drilling is required.

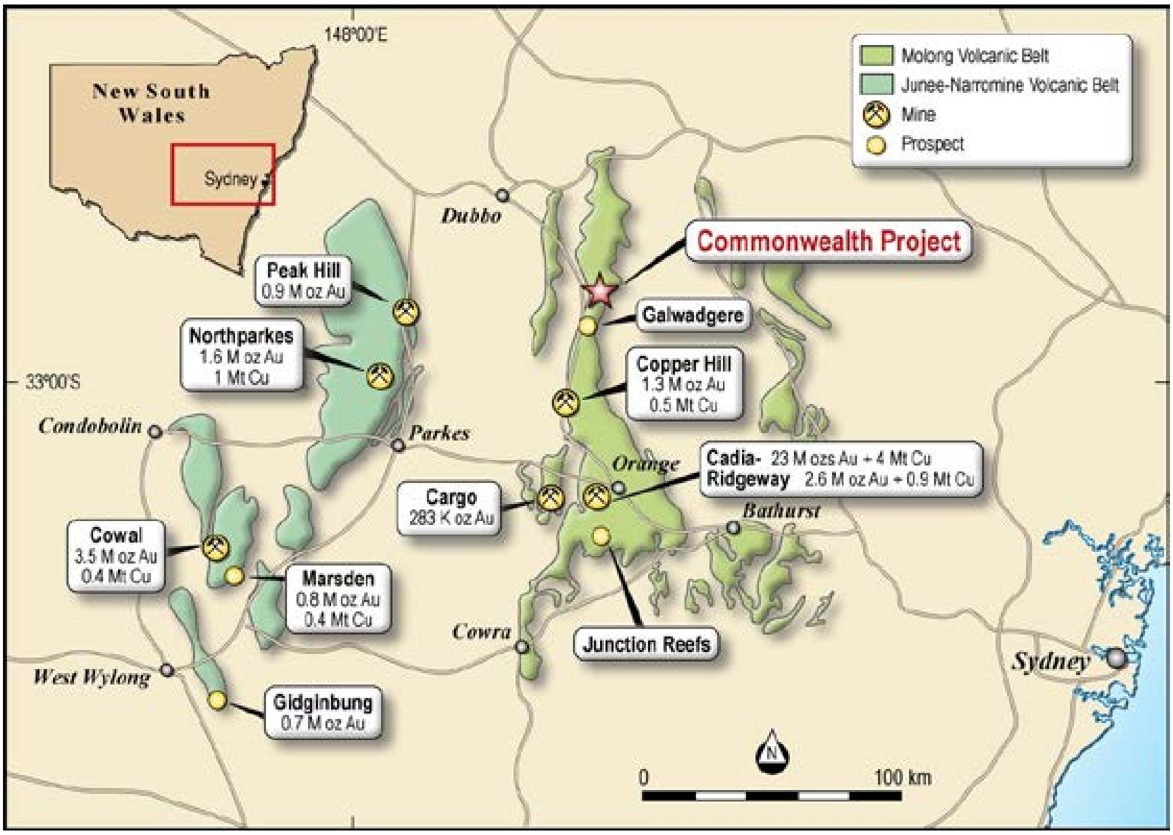

Figure 7. Location of the Commonwealth Project within the Lachlan Fold Belt of NSW, home to many significant gold and copper mines.

Main Shaft Massive Sulphide Unit

At **Main Shaft** four diamond drill holes were completed to test for extensions at depth and along trend from the previously identified gold and silver-rich massive sulphide lens.

All four holes intersected varying widths of massive and/or semi-massive sulphide mineralisation at the upper eastern contact of the Commonwealth porphyry. The second massive sulphide unit, which was intersected in one hole in this programme, lies immediately below the lower western contact of the Commonwealth porphyry (Figures 8 and 9). The other 3 holes did not penetrate to the lower contact.

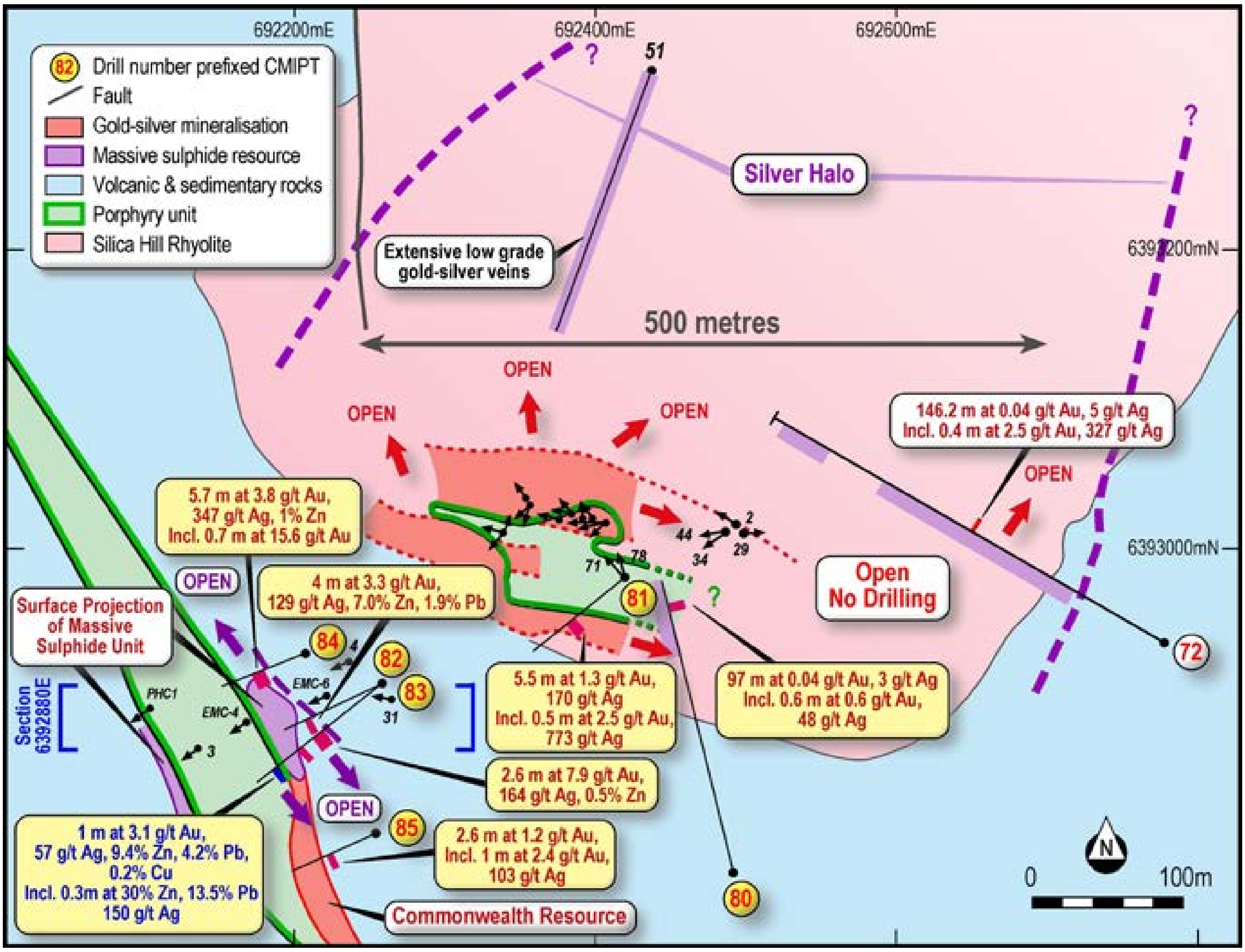

Figure 8. Location of new drill assays at Main Shaft and Silica Hill (yellow labels).
The Main Shaft Prospect covers the area labelled "Massive Sulphide Resource". The Silica Hill Prospect is in the centre of the map. The Commonwealth South Prospect lies just south of the map.

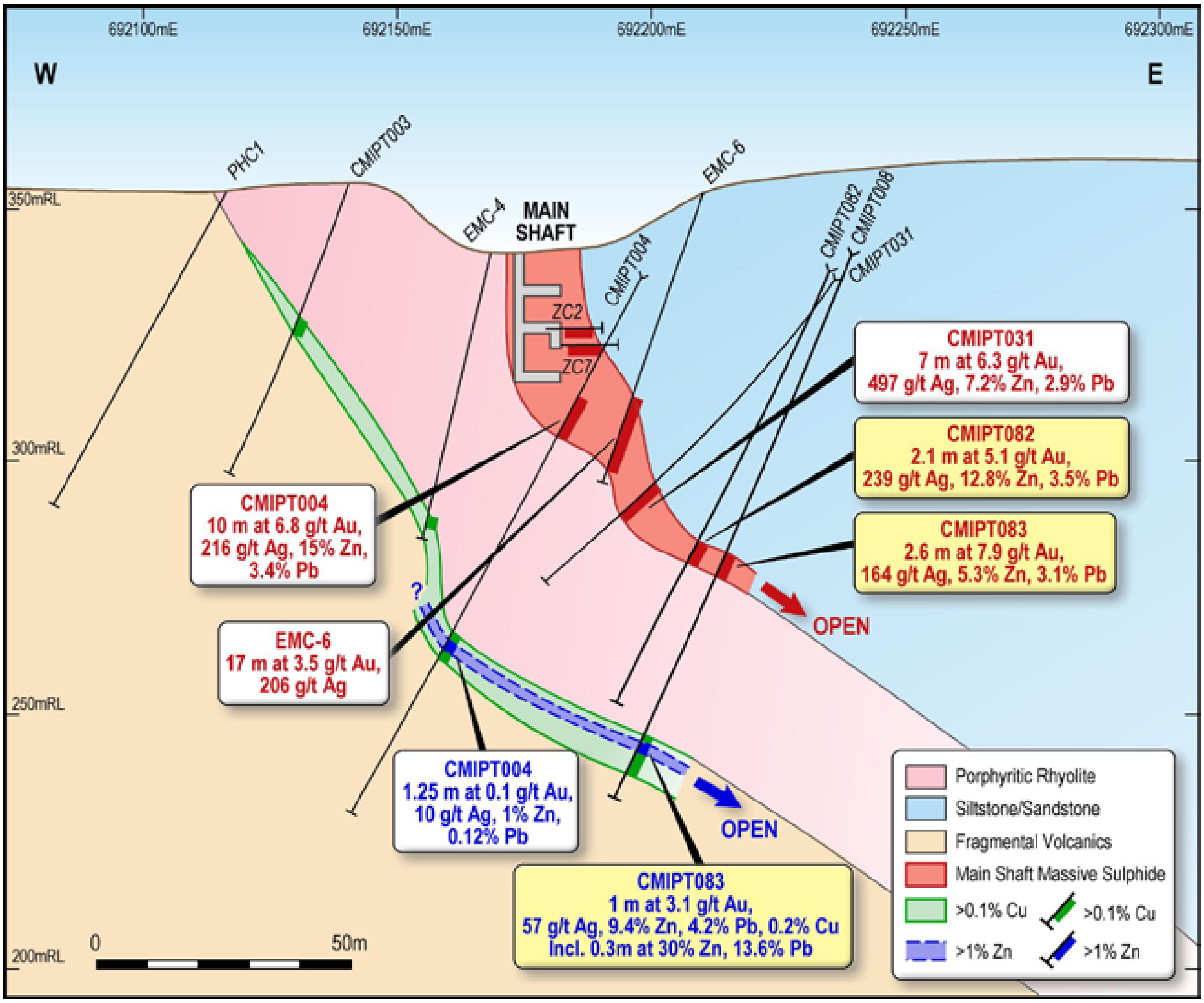

Figure 9. Cross section showing the upper and lower massive sulphide units at Main Shaft (see Figure 13 for section location). Both lenses are open at depth.

Hole **CMIPT084** was drilled 15 metres north of the massive sulphide lens and intersected 5.7 metres true width of massive sulphide from 52.1 metres down hole at the hanging wall contact of the Commonwealth porphyry unit (Figure 8). Figure 10 shows the pyrite-rich and sphalerite-rich styles of mineralisation for comparison.

Hole 84 returned:
5.7 metres at 3.8 g/t gold, 347 g/t silver, 10.8% zinc and 3.7% lead from 52.1 metres down hole; *including* 0.7 metres at 15.6 g/t gold, 245 g/t silver, 8.6% zinc and 1.9% lead from 52.5 metres;
***and* 0.5 metres at 4.9 g/t gold 917 g/t silver 10.2% zinc and 4.6% lead from 56.9 metres down hole.**

This has extended the massive sulphide lens at Main Shaft for 15 to 20 metres along trend to the north and importantly for any future mining operation, the mineralisation is within 30 metres of surface.

54.1m - 54.3m

54.3m - 54.4m

Figure 10. Hole CMIPT084: Photographs of end-member styles of massive sulphide mineralisation: massive pyrite (bronze colour) with fine grained sphalerite and galena (upper) and massive sphalerite (red-brown) with galena (silver grey) (lower). Similar styles of mineralisation occur in all four new drill holes at Main Shaft.

Hole **CMIPT082** was drilled 20 metres down dip from previous high grade drill intercepts and intersected two metres true width of semi-massive sulphide with surrounding disseminated sulphide (Figures 8 and 9).

Hole 082 returned:
4 metres at 3.3 g/t gold, 129 g/t silver, 7% zinc and 1.9% lead from 96.4 metres down hole; *including* 2.1 metres at 5.1 g/t gold, 239 g/t silver, 12.8% zinc and 3.5% lead from 98 m down hole.

Hole **CMIPT083** was drilled 20 metres along trend from Hole 082 and intersected 2.6 metres true width of semi-massive sulphide.

Hole 083 returned:
2.6 metres at 7.9 g/t gold, 164 g/t silver, 5.3% zinc and 3.1% lead from 96.9 metres down hole.

Importantly, these intercepts all indicate the upper massive sulphide unit at Main Shaft extends from surface to a depth of about 100 metres and is still open below and to the south (Figures 8 and 9).

Hole **CMIPT085** was drilled in an area of little drilling about 70 metres along trend to the south of the massive sulphide lens at Main Shaft (Figure 8). This hole intersected 1.5 metres true width of brecciated massive sulphide and is the first indication of massive sulphide in this area. This is encouraging as it suggests there is potential here for further near surface mineralisation.

Hole 085 returned:
2.6 metres at 1.2 g/t gold including 1m at 2.4 g/t gold, 103 g/t silver from 49.3 metres down hole.

Second Massive Sulphide Unit

In addition to the intercept of the massive sulphide unit at Main Shaft, Hole CMIPT083 also intersected a 20 metre thick zone of alteration and patchy sulphide mineralisation from 130 metres down hole below the Commonwealth porphyry (Figure 8).

Within the zone is a one metre thick zone of brecciated massive sulphide comprised mostly of sphalerite with patches of chalcopyrite (Figure 11).

Figure 11. Hole CMIPT083: massive and brecciated massive sphalerite (red-brown) with lesser galena. Up to 3% chalcopyrite (yellow) is present in places.

In this zone Hole 083 returned:
1 metre at 3.1 g/t gold, 57 g/t silver, 9.4% zinc, 4.2% lead and 0.2% copper from 143 metres down hole.

This includes a narrow zone of massive high grade sphalerite which returned
0.3 metres at 0.8 g/t gold, 150 g/t silver, 30.2% zinc and 13.6% lead.

The massive sulphide unit is the first confirmed presence of a high grade gold-rich massive sulphide unit below the Commonwealth porphyry. It occurs within a copper-rich mineralised horizon that is up to 50 metres thick and has been intersected in 12 previous drill holes.

The previous drill holes contain higher grade intercepts in places which are interpreted to be along-trend continuations of Hole 083.

For example Hole CMIPT006 returned 31 metres at 0.13% copper and 5 g/t silver including
1 metre at 1% copper, 1.1% zinc, 0.4% lead, 34 g/t silver and 0.4 g/t gold; and
Hole CMIPT050 returned 49 metres at 0.1% copper including
0.8 metres at 2.5% copper, 4% zinc, 0.5% lead, 39 g/t silver and 0.2 g/t gold.

The results suggest the massive sulphide unit is increasing in grade, gold content and potentially thickness with depth (Figure 9).

All of this indicates significant exploration potential for another thicker massive sulphide unit down plunge and below the level of current drilling (Figures 8 and 9).

Silica Hill

At **Silica Hill** two diamond drill holes were completed to test down dip and along-trend extensions to the previously discovered high grade gold and silver mineralisation (Figure 8).

Hole **CMIPT081** was drilled 65 metres along trend from previous high grade drill intercepts and intersected an eight metre thick true width zone of disseminated and wispy bands of up to 20% pyrite in places from 202 metres down hole. A stronger mineralised zone about five metres thick was intersected from 212 metres down hole.

Hole 081 returned:
5.5 metres at 1.3 g/t gold and 170 g/t silver from 212 metres down hole
including 0.5 metres at 2.5 g/t gold and 773 g/t silver.

Hole **CMIPT080** was drilled 125 metres along trend from Hole 081 and intersected a 24 metre thick true width zone of patchy to pervasive silica-sericite-sulphide alteration with disseminated and narrow veins of pyrite with trace pathfinder metals arsenic, zinc and lead from 317 metres down hole. This includes a 0.5 metre thick quartz sulphide vein with visible silver minerals at 317.5 metres down hole.

Hole 080 returned a broad alteration zone of 93 metres at 0.04 g/t gold and 3 g/t silver with a narrow zone of 0.6 metres at 0.6 g/t gold and 48 g/t silver.

Both of these holes demonstrate a continuation of the Silica Hill mineralised system for at least 200 metres along trend. However the zone is narrower than previous drill holes to the west (Figure 8).

The mineralisation is open at depth, in particular to the west, and this is a key target for follow up drilling. The mineralisation at Silica Hill is still open in all directions and further deeper drilling is required.

Commonwealth South

At Commonwealth South, located 400 metres south of Main Shaft, the two diamond drill holes tested the down plunge extension of a previous high grade drill intercept of 7 metres at 25.5 g/t gold, 62 g/t silver, 3.8% zinc and 1.6% lead in Hole CMIPT017.

The results have materially extended the down plunge extent of high grade mineralisation at the southern end of the deposit, beyond the extent of the current resource outline (Figures 8 and 12). The results also further demonstrate that the deposit contains numerous narrow high grade veins commonly carrying grades of between 10 g/t and more than 30 g/t gold.

In addition a second, lower zone of mineralisation below the Commonwealth rhyolite has been confirmed below the main zone of mineralisation (Figure 13). Both zones are open at depth and along trend and further drilling is required (Figures 13 and 14).

Upper Zone

In the upper, main zone of mineralisation located within the Commonwealth rhyolite unit (Figures 12 and 13), drill hole CMIPT086 returned:

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

In addition drill hole CMIPT087 returned:

6 metres at 1.5/g/t gold, 22 g/t silver, 0.8% zinc and 0.2% lead from 96.8 metres down hole; *including* 0.35 metres at 8.9 g/t gold, 21 g/t silver, 3.5% zinc and 0.6% lead.

A long section of the deposit shows that the high grade zones are open at depth and along trend (Figure 14). In addition an east to south-east plunge on the ore zones is also evident. Further drilling is required.

Lower Zone

The lower zone of mineralisation at Commonwealth South comprises a 9 metre to 15 metre thick zone of alteration and weak zinc, lead and iron sulphides but with increasing grades, and gold in particular with depth (Figure 8). The best result is from the deepest intercept in the zone which is in Hole 087 and that returned:

12.5 metres at 0.6 g/t gold, 3.7 g/t silver, 0.25% zinc from 116.5 metres down hole; *including* 5 metres at 1.2 g/t gold, 3.6 g/t silver and 0.2% zinc from 188.2 metres.

A significant number of drill holes have now intersected this lower zone of mineralisation over the entire length of the Commonwealth deposit (Figure 12).

This lower zone, which appears to be increasing in grade at depth, is poorly tested throughout the entire length of the Commonwealth deposit.

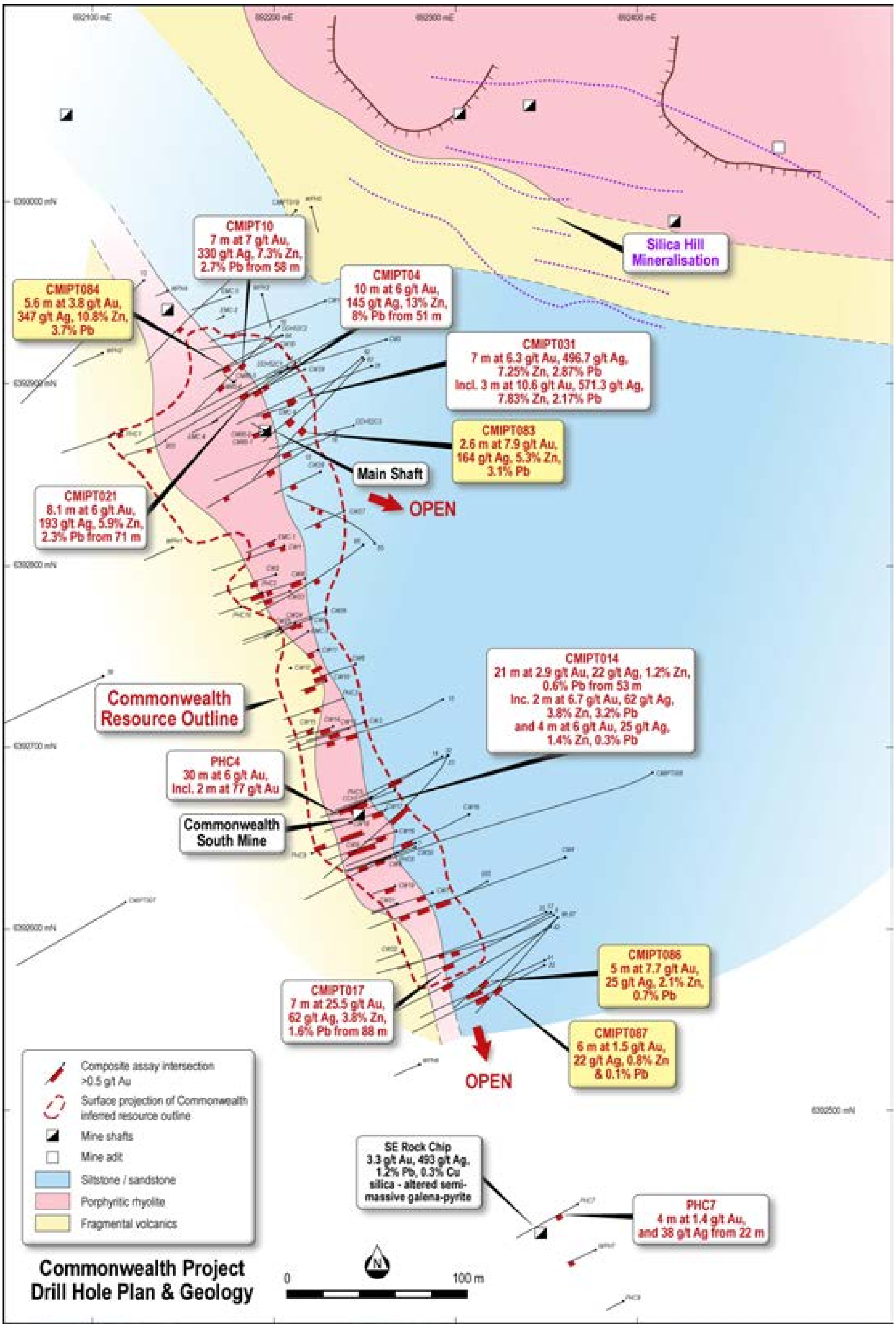

Figure 12. Location of recent drill assays at Commonwealth South (Holes 86 and 87) as well as key massive sulphide intercepts from Main Shaft Holes (Holes 83 and 84) (yellow labels).
The dotted Red outline shows the surface projection of the Commonwealth Inferred Resource.

The extensive mineralisation and drill holes at the Silica Hill prospect north east of Main Shaft have been omitted for clarity.

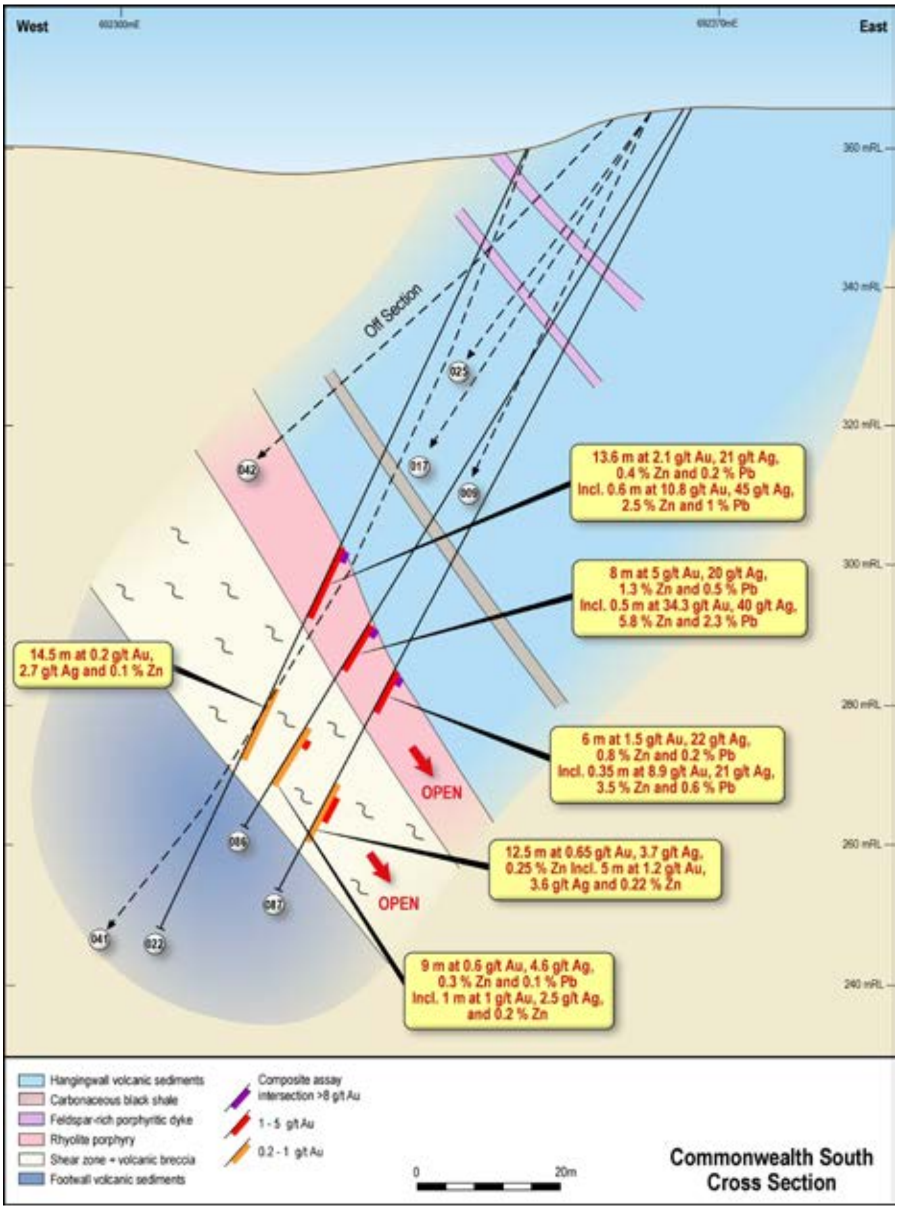

Figure 13. NE-SW Cross-section showing drill results for Holes 086 and 087 and showing upper and lower zones of mineralisation.

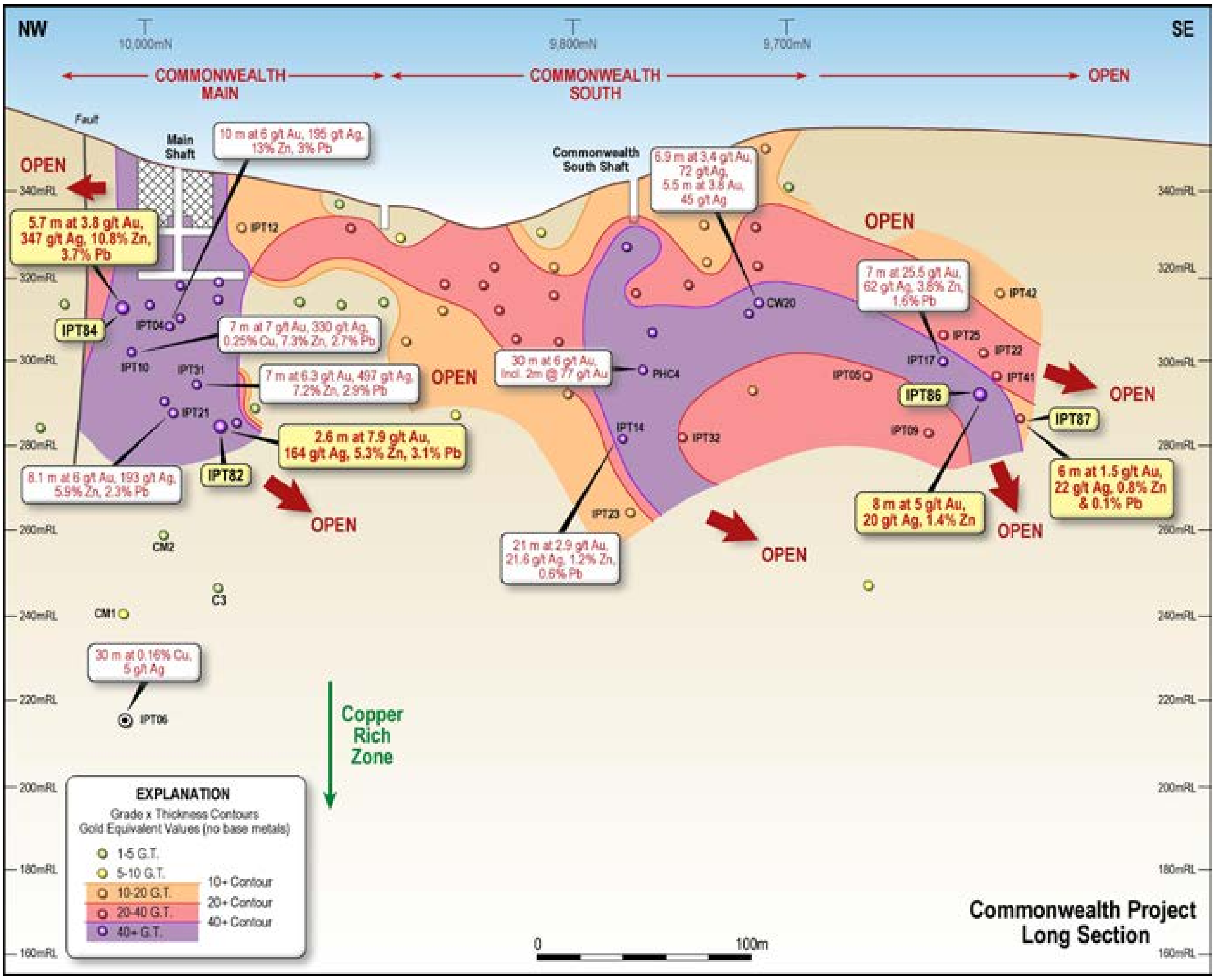

Figure 14. Long section through the upper zone of mineralisation along the Commonwealth deposit and showing significant areas that require drill testing.

The Eskay Creek gold-silver base metal deposit

Impact has previously demonstrated compelling similarities between the mineralisation at Commonwealth-Silica Hill and the Eskay Creek deposit in the famous "Golden Triangle" of northern British Columbia, Canada. The drill holes completed during the year further confirms this comparison.

The discovery of Eskay Creek, in 1988, followed about 50 years of exploration in the area for gold, silver and base metal mineralisation which was first found close to the actual mine in 1932. It is the type example of a high sulphidation volcanogenic massive sulphide (VMS) deposit, a style of depoist only recognised in the past 30 years.

Over its 14 year mine life Eskay Creek produced approximately 3.3 million ounces of gold and 160 million ounces of silver at average grades of 45 g/t gold and 2,224 g/t silver from 2.2 million tonnes of ore. It was once the world's highest-grade gold mine and fifth-largest silver mine by volume. Cut-off grades ranged from 12 to 15 g/t AuEq for mill ore and 30 g/t AuEq for direct shipping smelter ore.

In recent months TSX:V listed company Skeena Resources Limited has started to re-explore at Eskay Creek and surrounding area and considerable attention has been aroused from some outstanding drill intercepts from remnant ore positions in the mine.

The similarities between Commonwealth, also interpreted as a high sulphidation VMS, and Eskay Creek include:

1. the host rocks and the style of mineralisation, in particular the presence of fragmental massive sulphides;
2. the contained commodity (gold, silver sulphosalts, zinc, lead) and pathfinder metals (in particular extensive barite and lesser arsenic and antimony);
3. the high grades of individual units and veins of commodity metals; for example, some of the the higher-grade gold and silver veins discovered by Impact at Silica Hill returned **0.9 metres at 23 g/t gold and 1,100 g/t silver and 1 metre at 12.2 g/t gold and 680 g/t silver** in CMIPT 046. In addition there are exceptional grades of silver within individual veins with the highest discovered to date of **0.4 m at 1.6 g/t gold and 6,240 g/t silver** in Hole 074; and
4. a very well developed alteration mineral assemblage that shows very clear timing relationships of early silica-pyrite-K feldspar progressively overprinted by sericite and then chlorite.

Figure 15 shows a plan map of Eskay Creek with Commonwealth shown at the same scale and highlighting the size of the massive sulphide lens at Main Shaft in comparison.

It is clear there is significant scope at Commonwealth to discover many more massive sulphide lenses. It is evident from the comparison and also from recent drilling by Skeena Resources at Eskay Creek that the target lenses are sometimes only 10's of metres wide (as opposed to their thickness). Accordingly the drill spacing required to effectively test these lenses has to be of the order of 25 metres between drill holes as they can be easily missed.

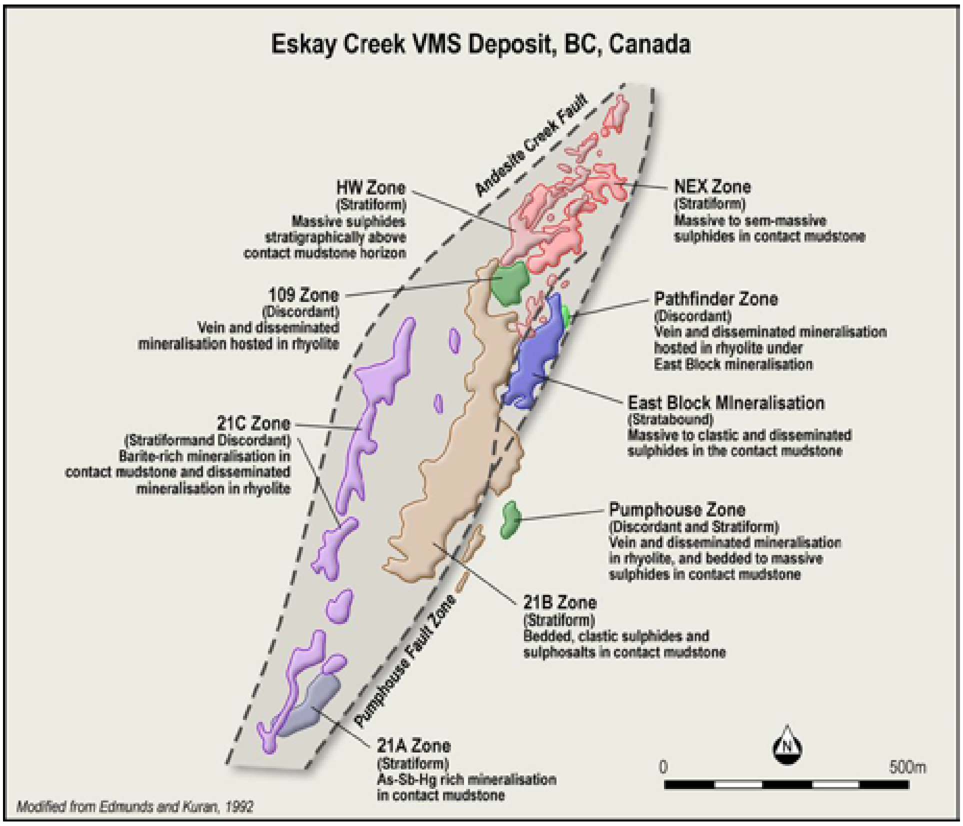

Figure 15. Comparison of Eskay Creek and Commonwealth (Figure 7) at the same scale. Note the massive sulphide lens at Main Shaft (blue ellipse) and compare to the widths of all but the largest lens at Eskay Creek. Close spaced drilling is required in further exploration.

NEXT STEPS

All of these results indicate the potential to increase the Inferred Resources at Commonwealth both for the overall resource, which extends from Main Shaft to Commonweath South, and for the higher grade massive sulphide resource within it, at Main Shaft). Further extensive drilling is required.

A detailed synthesis and interpretation of all data collected will be commenced with a view to a resource upgrade in 2019. In addition further drilling is required at all prospects.

STATEMENT OF RESOURCES

The current Inferred Resource at Commonwealth was prepared in accordance with the JORC 2012 Code by independent resource consultants Optiro. At a 0.5 g/t gold cut off the entire Inferred Resource is:

Category	Tonnes	Au ppm	Ag ppm	Cu%	Pb%	Zn%
Inferred	720,000	2.8	48	0.1	0.6	1.5

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

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

Category	Tonnes	Au ppm	Ag ppm	Cu%	Pb%	Zn%
Inferred	145,000	4.3	142	0.2	1.7	4.8

The Commonwealth deposit comprises two areas, Main Shaft and Commonwealth South. The mineralisation at Main Shaft comprises massive sulphide with high grade gold, silver, zinc, lead and copper mineralisation at the upper contact between a rhyolite unit and overlying volcanic sedimentary rocks. Mineralisation at Commonwealth South occurs at both the upper and lower contacts of the rhyolite and is dominated by 1-50 mm thick stringers and disseminations of sulphide, often associated with intense brecciation and faulting of the rhyolite.

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.

Twenty one new holes were drilled by Impact in 2014. The total number of holes into the Commonwealth project is 108, comprising 49 reverse circulation (RC) holes, 45 diamond holes,10 underground channel samples and four underground drill holes. Of these holes, 52 intersected the mineralisation wireframe and were used in the estimation. Although some of the holes are from previous explorers, Impact has twinned some of the higher grade intersections and these have largely confirmed the grades and widths.

Quality control measures employed during Impact's drill programme 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 by Optiro. 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 down-hole 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. Less than 1% of blocks were not filled in the first three passes. Further estimation passes were run to assign mean grades to un-estimated blocks.

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. Grades have been reported as individual elements (gold, silver, zinc, lead and copper).

CLERMONT PROJECT (IPT 100%)

A drill programme to test five target areas for vein-hosted epithermal gold mineralisation at Impact's Clermont Project located 30 km south of the town of Clermont in central Queensland was completed during the year.

The project is located in the southern part of the Drummond Basin in Central Queensland, a prolific epithermal gold-silver belt which hosts several world class gold deposits such as Pajingo (Vera-Nancy) (>5 Moz), Mt Leyshon (>3 Moz) and Mt Wright (>1 Moz) (Figure 16).

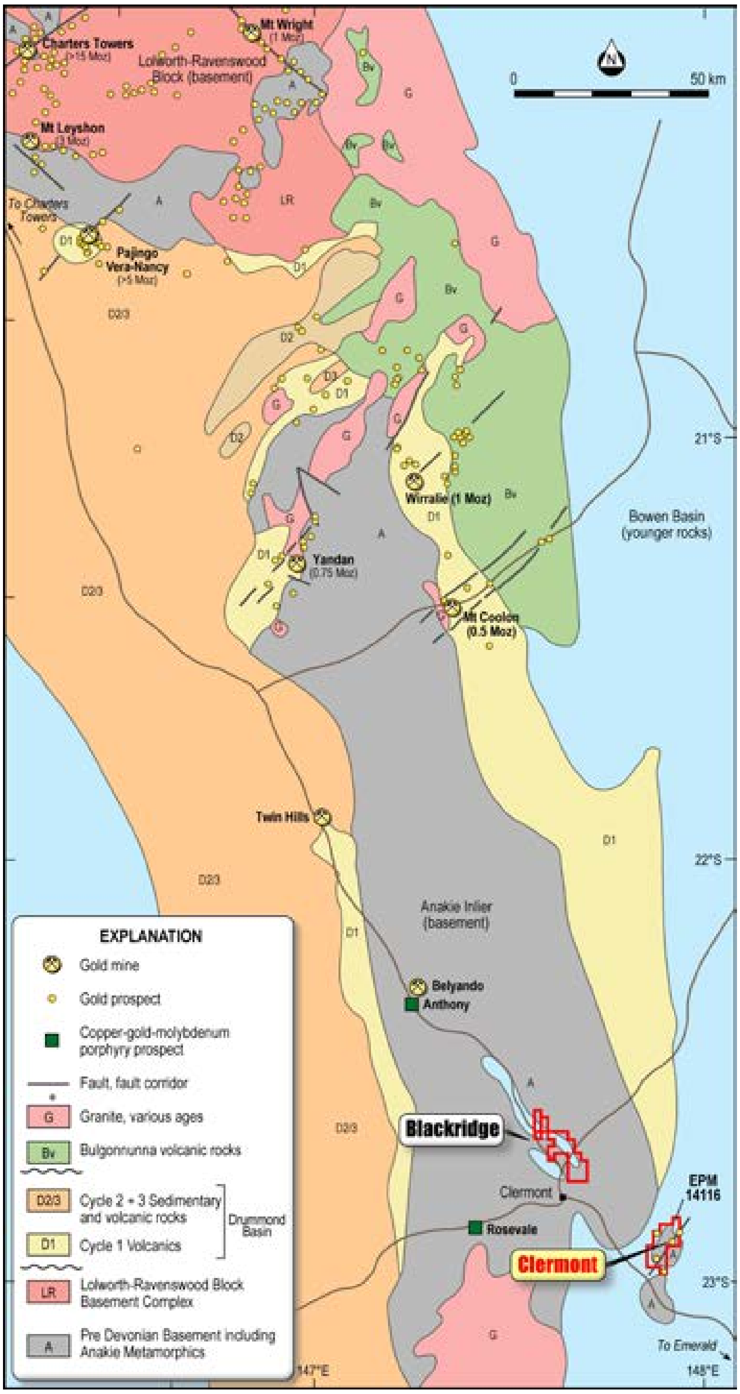

Figure 16. Location of the Clermont Project in the Drummond Basin, central Queensland.

Until this drill programme little was known in detail about both the nature of the gold-silver-base metal mineralisation and also the structural controls on the quartz veins at the project despite more than 25 years of exploration.

Four targets were tested: Retro Extended; Rosewood; Retro and Snakegrass. Drill hole locations and key intercepts are shown in Figure 17. No significant results were returned from Snakegrass which is outside the main Retro Fault Zone (RFZ) and the soil geochemistry anomaly tested is unexplained (Figure 17).

The drill programme delivered two breakthrough outcomes for the project:

1. A very encouraging high grade gold-silver-base metal intercept at Retro Extended in the diamond drill hole with confirmation of epithermal textures and the nature of the sulphide mineralisation.

2. Recognition that the high grade intercept lies at the southern end of a two kilometre long target zone for further high grade mineralisation identified in a distinctive pattern of metal zonation along the RFZ.

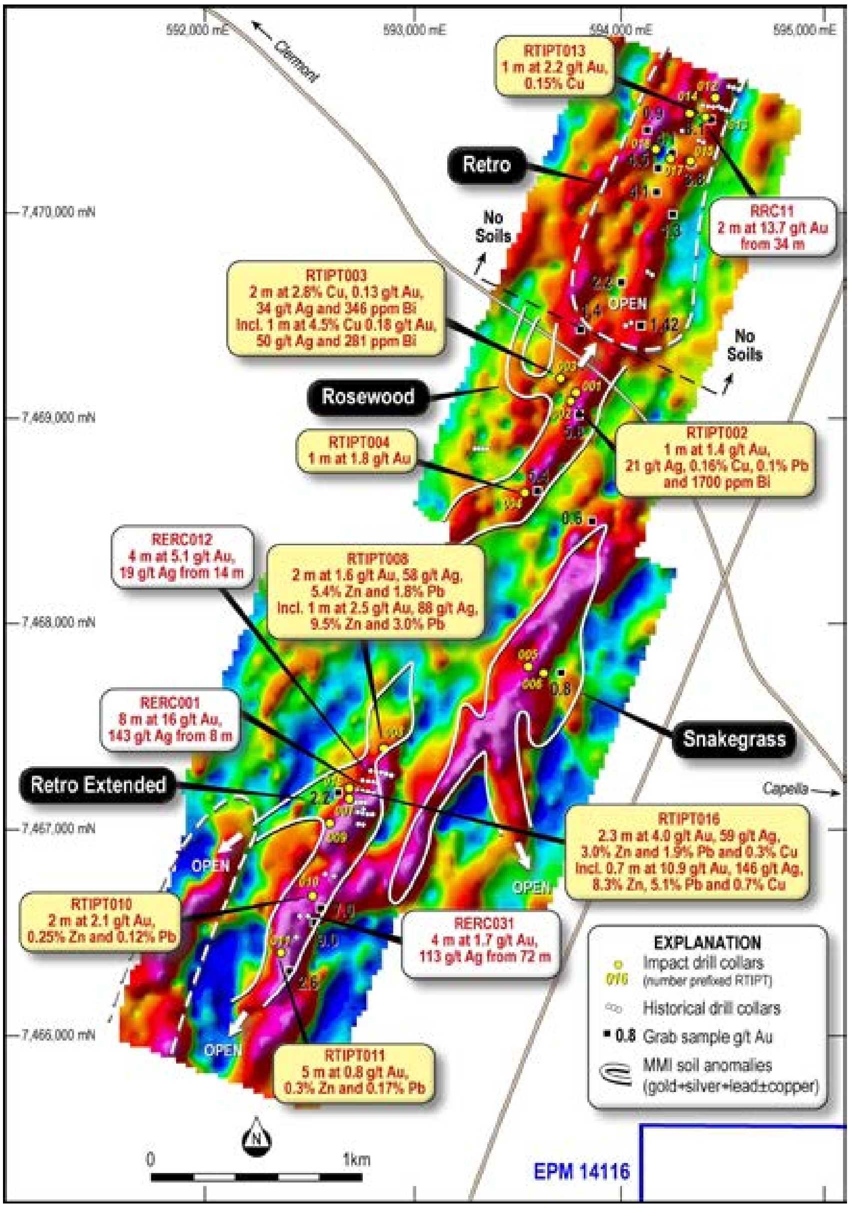

Figure 17. Image of Gradent Array IP resisitivity data along the Retro Fault Zone showing soil anomalies, drill targets and key drill results.

Warmer colours are high resistivity zones and are likely to represent zones of quartz veins. Also shown are the four drill targets and previous relevant drill results.

1. **High grade drill intercept of epithermal mineralisation at Retro Extended**

Diamond drill hole RTIPT016, designed to test the down dip extension of previous modest drill intercepts at Retro Extended, intersected a 2.5 metre thick zone of quartz veins containing high grade gold silver and base metals (Figure 18). This zone returned a stand out drill intercept from 229.1 metres down hole of:

2.3 metres at 4 g/t gold, 59 g/t silver, 3% zinc, 1.9% lead, 0.3% copper and 100 ppm bismuth including

0.7 metres at 10.9 g/t gold 146 g/t silver 8.3% zinc, 5.1% lead, 0.7% copper and 310 ppm bismuth from 229.5 metres down hole.

This zone is interpreted to be the down dip extension of the thicker lower grade mineralisation intersected in previous drill holes and it appears to be in a position where the structure has a steeper dip. This indicates a strong, as yet unknown, structural control to areas of higher grade mineralisation.

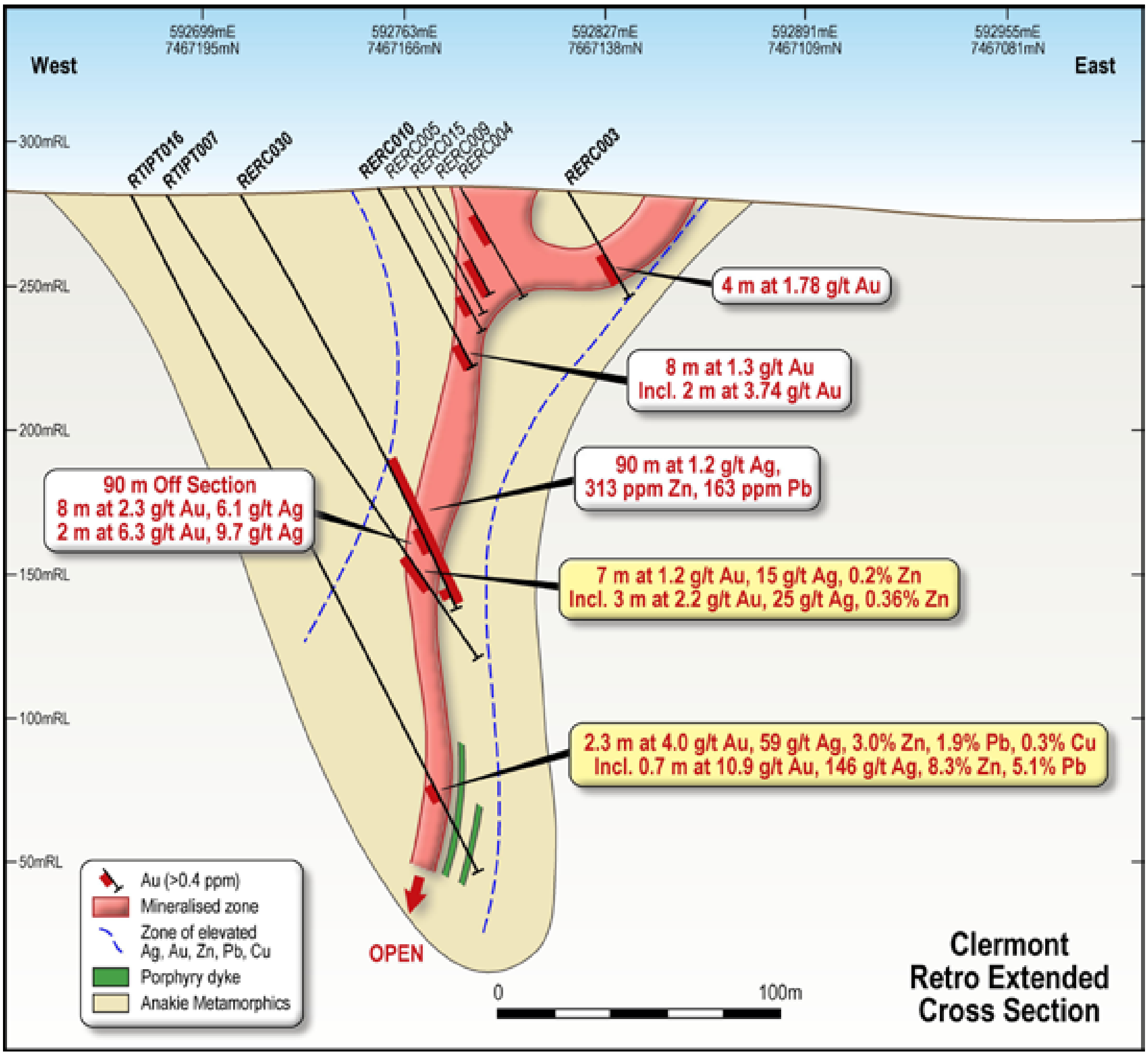

Figure 18. Section 7,467,200 mN. Geology and assays for holes RTIPT016 and RTIPT007 with previous drill results

The quartz veins show well developed mineral zonation with copper sulphide dominant at the edge of the vein through to dark brown to honey coloured zinc sulphides, and finally in the centre, colloform to crustiform quartz-chalcedony characteristic of epithermal veins (Figure 19). The copper and zinc sulphides are both intergrown with lead sulphide.

These textures indicate that the mineralisation is part of one evolving mineral system with progressive cooling of the parent fluid.

Figure 19. Diamond drill core from 230 metres downhole in RTIPT016. Copper sulphides (chalcopyrite) is yellow coloured at base of core; brown to honey coloured zinc sulphide (sphalerite) in the centre; and colloform to crustiform quartz-chalcedony in upper right.

In addition two hornblende porphyry dykes are present just below the quartz veins and within the Retro Fault Zone and these are interpreted to be likely sourced from a crystalllising intrusion driving the entire system (Figure 18).

In addition two further holes at Retro Extended returned encouraging results: RTIPT007 and 008.

Hole RTIPT007 was drilled above Hole 016 (Figure 18) and returned an intercept of:

7 metres at 1.2 g/t gold, 15 g/t silver and 0.2% zinc from 156 metres down hole including 3 metres at 2.2 g/t gold, 25 g/t silver, 0.36% zinc and 0.15% copper.

Hole RTIPT008, drilled 200 metres north of RTIPT016, is the most northerly drill hole at Retro Extended (Figure 17) and returned:

2 metres at 1.6 g/t gold, 58 g/t silver, 5.4% zinc, 1.8% lead and 103 ppm bismuth from 72 metres down hole including 1 metre at 2.5 g/t gold, 88 g/t silver, 9.5% zinc, 3.0% lead and 170 ppm bismuth.

Together, these new results from Retro Extended suggest that the grade of gold, base metal and bismuth mineralisation is increasing with depth and along trend to the north.

2. **Metal Zonation along the Retro Fault Zone**

Simple additive z-score indices for the various metal assemblages at each of the different prospects clearly show for the first time at Clermont that the mineral system is strongly zoned from Retro in the north to Retro Extended in the south (Figure 20).

At **Retro** all drill holes returned low to modest levels of gold, weak copper mineralisation and extensive low levels of molybdenum, tellurium and tungsten with no signifcant lead and zinc, for example Hole RTIPT013 returned:

1 metre at 2.2 g/t gold, 0.15% copper, 137 ppm bismuth, 27 ppm molybdenum, 0.8 ppm tellurium and 15 ppm tungsten from 108 metres down hole.

Additive z-score indices show the enrichment in Cu-Mo-Bi-Te-W at Retro (Figure 20).

At **Rosewood** an increasing silver and lead content is seen together with a strong gold-copper-bismuth+/-molybdenum-tellurium-tungsten association, including a high grade copper intercept in Hole RTIPT003 which returned:

1 metre at 0.18 g/t gold, 49 g/t silver, 4.5% copper, 281 ppm bismuth, 53 ppm molybdenum, 1.2 ppm tellurium and 10 ppm tungsten from 139 metres down hole.

In addition Hole RTIPT002 returned an exceptional bismuth intercept of:

1 metre at 1.4 g/t gold, 21 g/t silver, 0.1% lead, 0.16% copper, 1,700 ppm bismuth, 28 ppm molybdenum, 5.4 ppm tellurium and 9 ppm tungsten from 25 metres down hole.

At Retro Extended the additive Z scores indices for holes described above and others show an enrichment in As-Ag-Sb+/-Au at the southern end of the prospect with more Zn-Pb-Cu enrichment and Cu-Au-Bi-Te in the centre of the prospect (Figure 20).

These metal assemblages and relative zonation together with the other new insights from the diamond drill core has allowed Impact to develop a powerful exploration model to target high grade ore shoots for the next phase of exploration.

EXPLORATION MODEL AND NEW TARGET AREA

A comparison of the precious, base and pathfinder metals in the drill assay data with their average crustal abundances indicates that overall the mineral system along the Retro Fault Zone is very enriched in bismuth and tellurium (>1000 times average crustal abundance) and also arsenic-antimony-gold-silver (>100 times average crustal abundance). In addition the bismuth and tellurium show a strong mathematical correlation to molybdenum, tungsten and copper.

Under the exploration model being used by Impact and developed by well respected porphyry and epithermal mineralisation consultant, Dr Gregg Morrison, this poly-metallic assemblage is characteristic of a direct genetic link to fluids related to the emplacement of intrusions of intermediate composition emplaced at a shallow crustal level (epizonal).

The intermediate dykes present in the diamond drill hole and similar ones mapped at surface at Retro are interpreted to be related to the parent intrusive suite.

The system is zoned from areas interpreted to be proximal to the core of the as yet unidentified main intrusive centre at Retro to the north, progressing southwards to Rosewood and then to more distal areas at Retro Extended two kilometres to the south (Figures 20 and 17).

The most prospective parts for high grade gold-silver-base metals in such a polymetallic system lie in the "transition zone" between the proximal and distal environments. This is in contrast for example to porphyry copper-gold systems where the gold is in the core of the system.

At Clermont, this key target area lies in the very poorly drilled area between Retro and Retro Extended and including Rosewood with a total strike length of 2 kilometres (Figure 20).

The exploration challenge is to find thicker shoots of coherent high grade mineralisation within this target area. It is well known in epithermal vein systems that even subtle changes in dip and strike of the host fault of as little as 5 degrees are enough to cause signifcant increases in thickness and grade of the ore shoots. For example Figure 21 shows a long section of the 5 Moz Pajingo mine (Figure 16) with Retro Extended shown at the same scale. The key structural positions controlling the high grade shoots at Pajingo were not revealed until extensive drilling 150 metres below surface had been completed.

All of these results indicate there is significant exploration potential along the Retro Fault System for the discovery of a major deposit and that further exploration is warranted as a priority.

NEXT STEPS

A detailed structural interpretation of the IP resistivity and conductivity data is in progress to identify specific targets for follow up drilling. This work will focus on identifying changes in dip and strike of the host structure which may be a focus for high grade ore shoots.

A follow up drill programme will be designed based on this work. It is likely that close spaced drilling at a maximum of 50 metres between sections will be required along the target area.

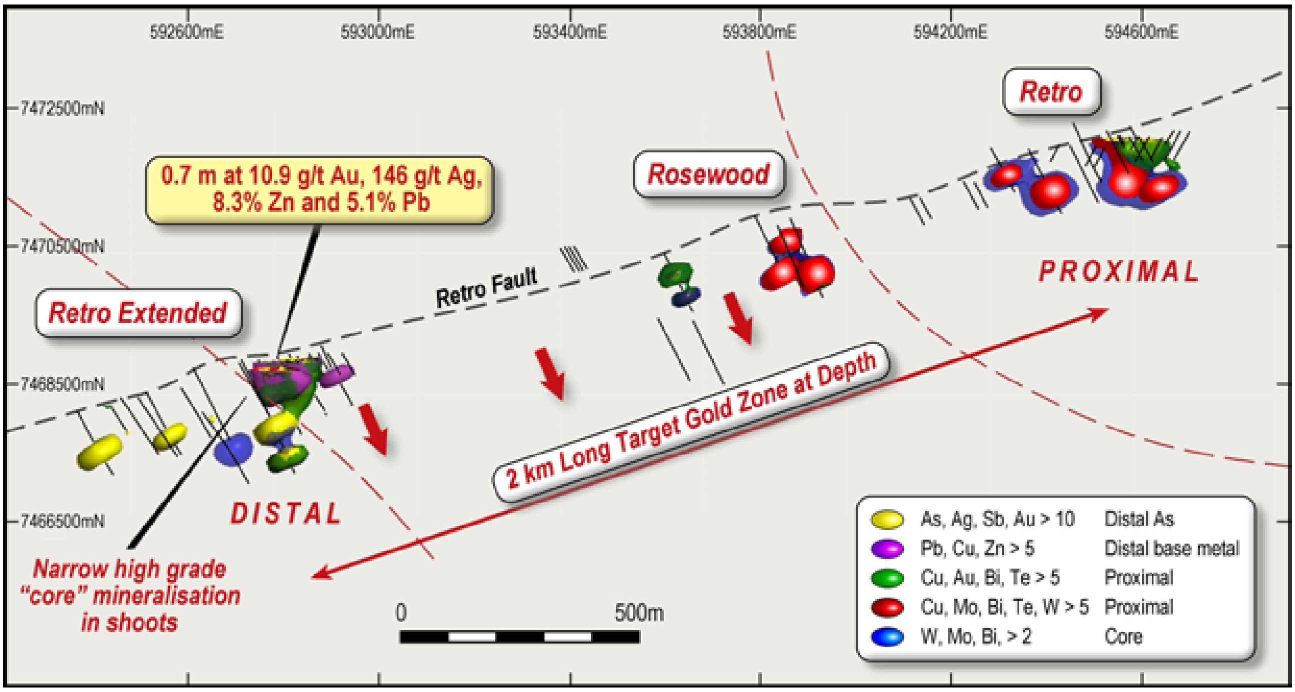

Figure 20. 3-D View looking towards the north west along the Retro Fault Zone showing high grade drill intercept at the end of a 2 km long target zone for high grade gold. The figure shows drill traces and 3D shells of the Z-scores for various metal assemblages and highlighting a proximal to distal transition from Retro, with an interpreted parent intrusion at depth, to Retro Extended.

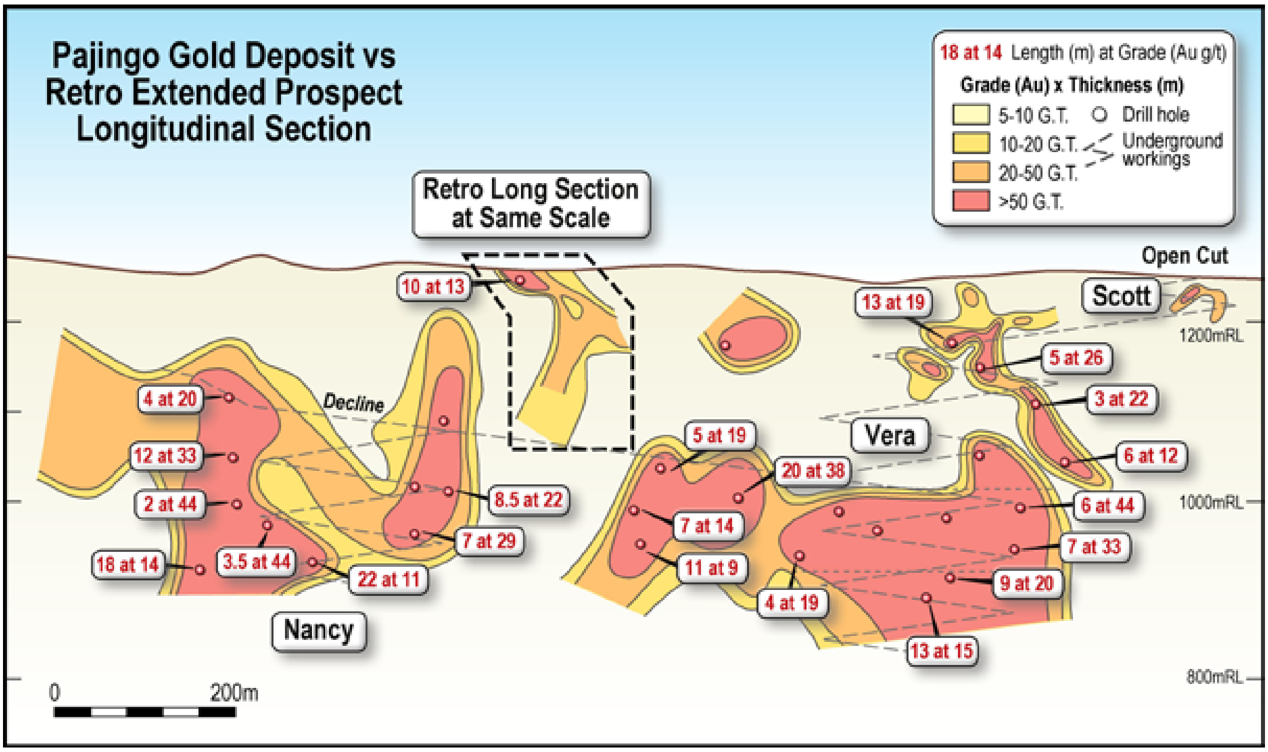

Figure 21. Comparison of Pajingo and Retro Extended at the same scale.

BROKEN HILL PROJECT (IPT 100%)

An exciting new geodynamic framework for exploration at Impact's 100% owned Broken Hill Project in New South Wales was identified during the year following the widespread recognition of alkaline magmatic rocks throughout the Company's ground holdings and the wider Broken Hill area (Figure 22).

The project covers 726 km^2 of the highly prospective Curnamona Province.

New work by Impact, done in conjunction with Independent Expert Emeritus Professor Ken Collerson of the University of Queensland, has now demonstrated that the alkaline rocks are related to a deep seated mantle plume that was related to the breakup of the Rodinia supercontinent about 800 million years ago.

At this time, Broken Hill and the surrounding Curnamona Province were positioned close to the world class nickel-copper-PGE deposit of Jinchuan (>500 Mt at 1.2% nickel, 0.7% copper and 0.4 g/t total PGE) and the significant Lengquisheng deposit (>30 Mt at 0.8% nickel and 0.3% copper (unknown PGE), which after breakup drifted to become part of China (Figure 23).

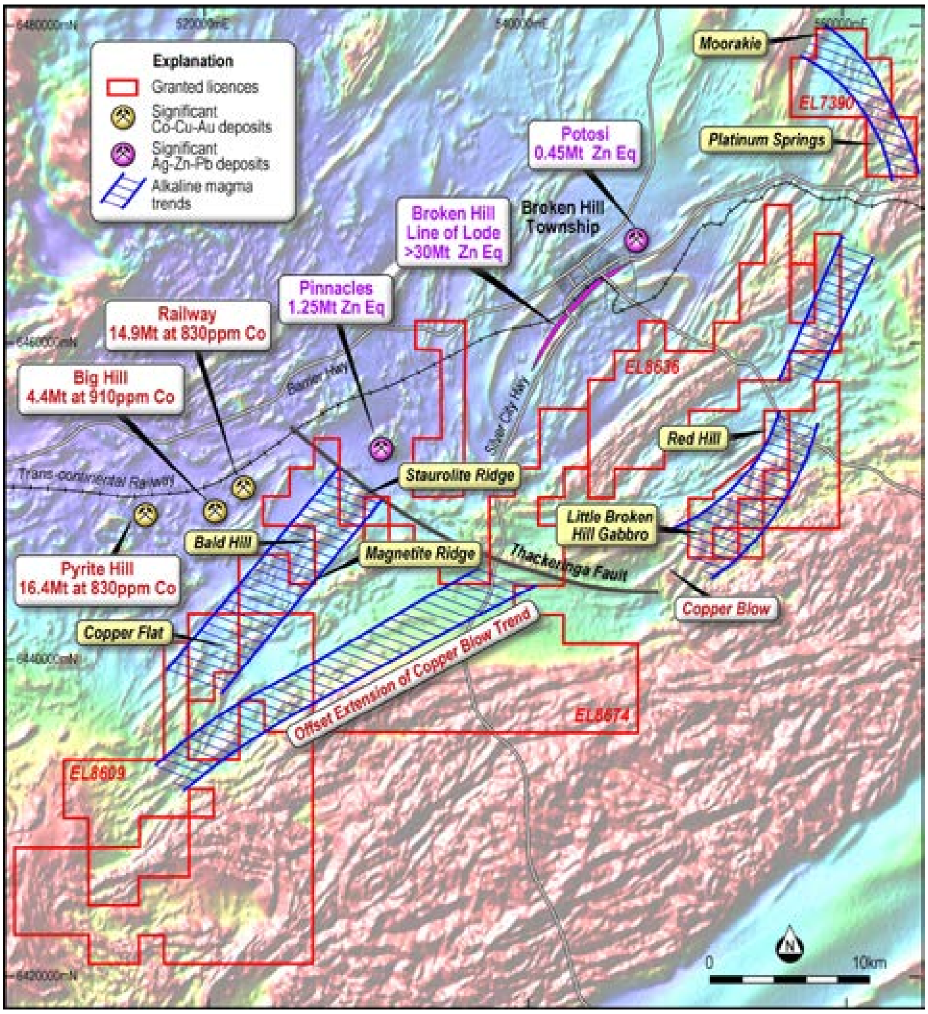

Figure 22. Location of alkaline magma trends in the Broken Hill area. The Little Broken Hill to Moorkaie Trend contains rocks of potassic ultramafic to alkaline gabbro composition. The Copper Flat to Staurolite Ridge Trend contains rocks of alkaline gabbro to carbonatite composition. An offset of the Copper Blow Trend is interpreted to the south of the Thackeringa Fault Zone.

These major deposits formed as an integral part of processes associated with the mantle plume and accordingly confirm that the Broken Hill area and Impact's ground in particular have the correct geo-dynamic setting to host a range of deposit styles related to this geodynamic setting including major nickel-copper-PGE, IOCG and carbonatite-related deposits.

Figure 23. 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 NiCuCo-PGE deposits at about 800 million years ago (after Huang et al., 2015).

In support of this concept, Silver City Minerals Limited (ASX:SCI) announced during the year the discovery of extensive IOCG mineralisation at its Copper Blow prospect located along trend to the south west of Impact's Rockwell-Little Broken Hill prospect area (Figure 22).

The mineralisation has been compared to that at the large Starra and Ernest Henry mines in the Mt Isa Province of Queensland based on the style of mineralisation and associated cobalt, molybdenum, zinc and rare earth metals (see announcement by Silver City Minerals 28 November 2018).

Drill results reported by Silver City include **4 metres at 6.1% copper, 4.2 g/t gold, 13 g/t silver and 200 ppm cobalt.** Other intercepts (silver and cobalt not assayed) include **11.8 metres at 6.7% copper and 1.9 g/t gold and 3 metres at 4.6% copper** often associated with thicker lower grade intercepts which attest to a large mineralised system continuous over several kilometres where drilled; for example, **86 metres at 0.6% copper and 0.14 g/t gold.**

The mineralisation comprises ironstone-hosted copper-gold mineralisation that extends for over four kilometres of trend and is open to the east onto ground held by Impact. A northern and southern mineralised trend have been identified by Silver City, with all drilling focussed on the northern trend. The southern trend is covered by up to 15 metres of recent transported cover and is poorly explored (Figure 24).

Both trends are characterised by strong magnetic signatures and both units, in particular the southern, poorly exposed trend, extend on to Impact's tenement and abut or end at a large gabbro body called the Little Broken Hill Gabbro (LBHG - Figure 24).

New rock chip samples and previous work along the Little Broken Hill Gabbro-Rockwell Trend

New reconnaissance work by Impact suggests that further targets for IOCG-style mineralisation are present along the eastern contact of the Little Broken Hill Gabbro. Ten rock chip samples were taken from variably weathered gabbroic rocks and ironstone of which two returned highly anomalous results of:
6.5 g/t gold, 11.8% copper, 0.15 g/t palladium, 0.01 g/t platinum, 27 g/t silver, 414 ppm cobalt and 1,140 ppm zinc; and

0.4 g/t gold, 37 ppb palladium, 3 g/t silver, 0.8% copper, 139 ppm cobalt and 230 ppm zinc.

Both of these samples came from close to the southern magnetic unit where it deflects strongly to the north against the LBHG (Figure 24).

This magnetic unit has not been explored and indeed may actually occur at depth below the exposed contact of the Little Broken Hill Gabbro. **The gabbro is interpreted as a possible feeder zone to the IOCG mineralisation.**

Previous explorers also identified gold, copper and PGE bearing samples in this area. In 1986, Shell reported two anomalous rock chip samples, one from the eastern contact of the Little Broken Hill Gabbro (LBHG) which returned 105 ppb platinum, 115 ppb palladium and 820 ppm copper; and one from the western contact which returned 2.6 g/t gold (Figure 24).

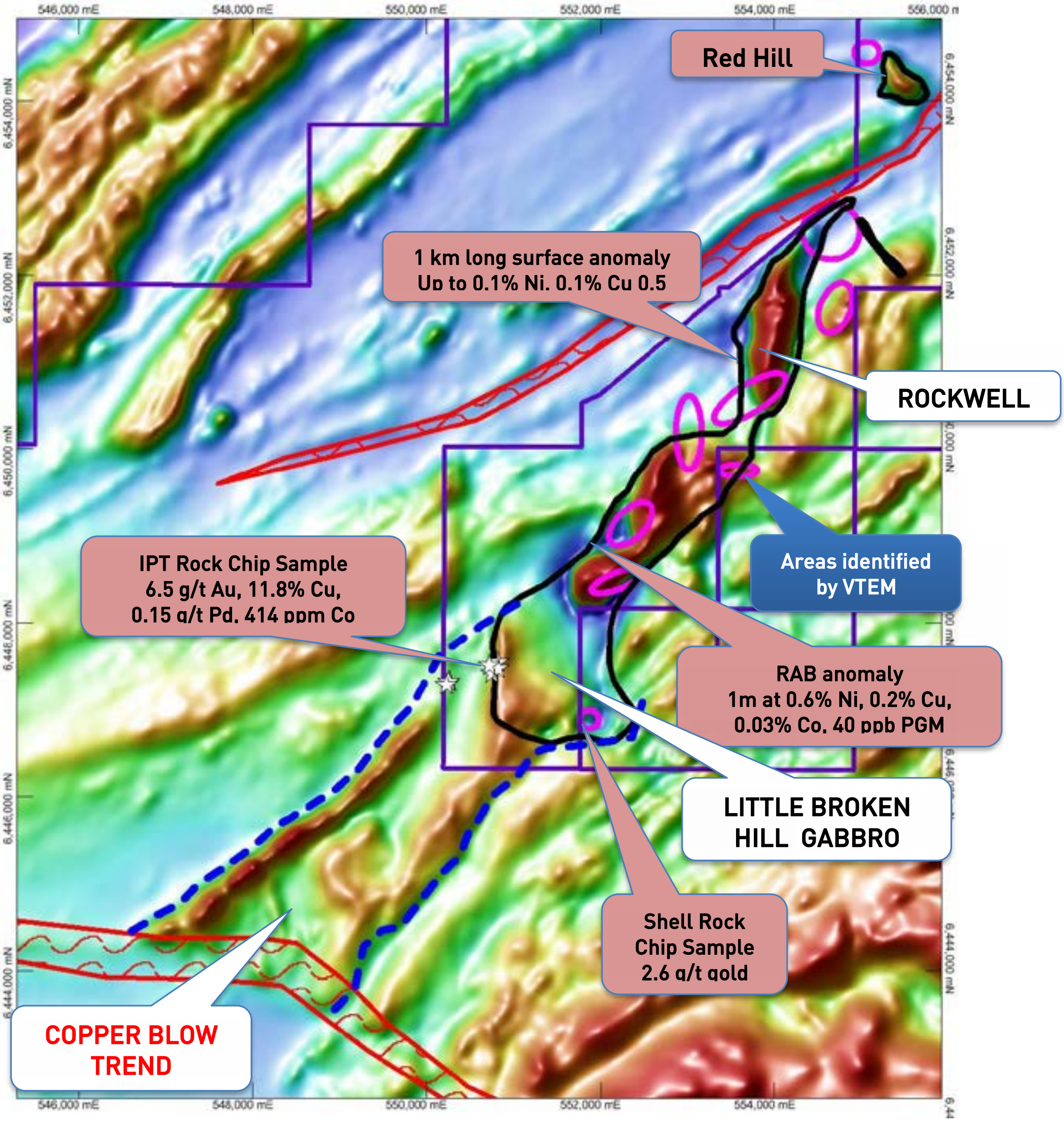

Figure 24. Image of magnetic data over the Rockwell-Little Broken Hill-Copper Blow Trend showing extension of magnetic units along trend from Copper Blow towards the LBHG. Areas identified by VTEM survey shown in pink together with key previous exploration results.

Implications for Exploration

Impact's work has shown that the high grade nickel-copper-PGE mineralisation at Broken Hill was formed in a similar place to, at the same time as, and by the same processes that led to the formation of the Jinchuan deposit in China, one of the world's largest magmatic sulphide deposits.

The confirmation of widespread alkaline intrusions across the Broken Hill region confirms there are at least several very deep seated structures in the area that have tapped the core-mantle boundary at about 800 million years ago and released mineralised magmas and fluids.

The structures facilitated an upwelling mantle plume related to the breakup of the supercontinent Rodinia between 830 - 720 Ma when Rodinia was over the Pacific Superplume.

This new geodynamic framework has allowed the Broken Hill area to be viewed with “fresh eyes” in terms of its prospectivity for a wide range of mineral deposits formed later in the geological history than the major silver-lead-zinc deposit Broken Hill itself. A major target generation exercise based on this work is in progress.

These results add to previous work by Impact which has identified numerous areas for follow up work for high grade deposits of nickel-copper-platinum group metals (PGM)-cobalt both along the Rockwell to Little Broken Hill Trend and along the entire length of a mafic-ultramafic complex interpreted from regional magnetic and gravity data to extend over about 40 km of strike north east to the Moorkai Trend (Figure 22).

Very high grade primary nickel-copper-PGM-gold mineralisation has been discovered along this complex by Impact at both the Red Hill Prospect and also the Platinum Springs Prospect (Figure 22).

At Red Hill exceptional grades have been returned from drilling including a stand out intercept in vein hosted sulphide of:
1.2 metres at 10.4 g/t platinum, 10.9 g/t gold, 254 g/t (9.5 ounces) palladium, 7.4% nickel, 1.8% copper, 19 g/t silver and 0.5% cobalt (ASX Announcement 26th October 2015).

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

Both the Rockwell-Little Broken Hill Trend and the Moorkai Trend have been very poorly explored and many targets remain to be followed up.

For example, at Rockwell a coherent near-surface geochemical anomaly one kilometre long and 150 metres wide has been defined in shallow 2 metre deep auger drill holes along the north western margin of the complex with results of up to 0.1% nickel, 0.1% copper and 0.5 g/t PGM over a one metre thick intercept. There has been no drilling at depth.

Along the Moorkai Trend only Platinum Springs has been explored in detail. Exceptional high grade rock chip samples have been returned from numerous prospects between the Platinum Springs and Moorkai Prospects, a distance of about 9 km along the Moorkai.

It is evident that considerable scope exists to discover a significant nickel-copper-PGM-cobalt deposit within Impact’s Broken Hill project area.

In addition, it has been shown that alkaline magmas are the deep seated parental magmas to many world-class Iron Oxide Copper Gold Deposits (Figure 25). Impact interprets all of its data, in particular the association of high grade gold-copper with the high grade PGE mineralisation, to indicate the unusual mafic-ultramafic rocks at Broken Hill to be parental magmas for IOCG style mineralisation throughout the region.

This is an important exploration breakthrough for the company and comes at a time of record prices for palladium.

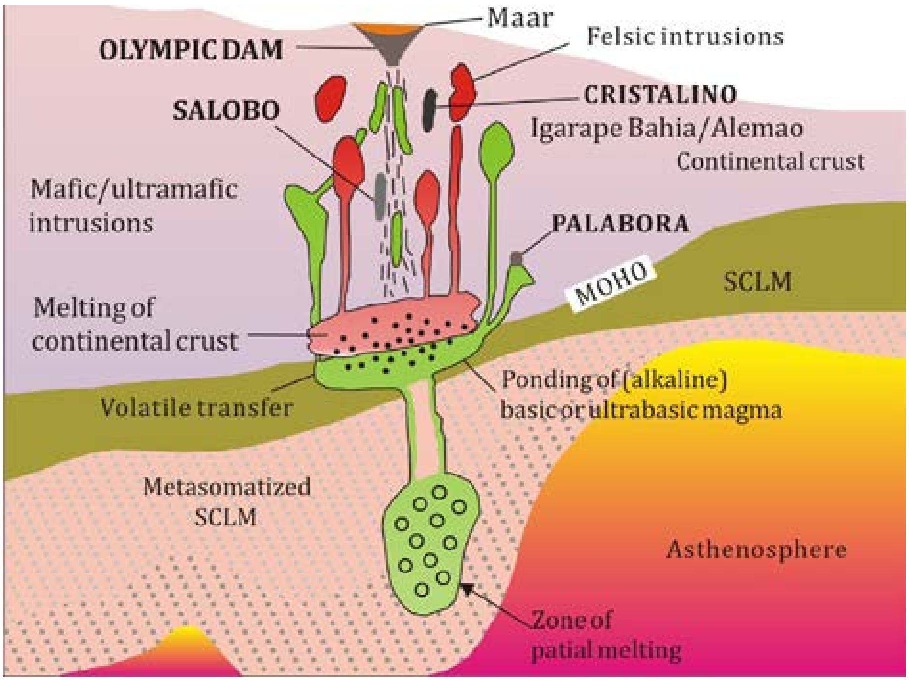

Figure 25. Model for IOCG Deposits from Groves and Santosh 2015.

COMPETENT PERSON'S STATEMENT

Exploration Results

The review of exploration activities and results contained in this report is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director of the company and works for Impact Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Jones has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears. Impact Minerals confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements referred to and in the case of mineral resource estimates, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Mineral Resources

The information in this report which relates to Mineral Resources is based upon information compiled by Mr Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Glacken 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" (the JORC Code). Mr Glacken consents to disclosure of the information in this report in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This document may contain certain forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Impact Minerals Limited's (Impact's) current expectations, estimates and projections about the industry in which Impact operates, and beliefs and assumptions regarding Impact's future performance. When used in this document, words such as "anticipates", "could", "plans", "estimates", "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.

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

FINANCIAL REPORT

CONTENTS

DIRECTORS' 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 2019.

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
- Eamon Hannon, Non-Executive Director (resigned 10 September 2019)

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 2019 was $7,293,169 (2018: $812,796).

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 work has increasingly focussed on the Company's **Blackridge Gold Project** located 30 km north of Clermont in central east Queensland. Here, Impact has one granted mining lease and four mining lease applications with the potential for near-term gold production. The gold is coarse and subject to a significant nugget effect. Accordingly bulk samples are required to give a better estimate of grade and two bulk sampling programmes were completed.

About 8.5 tonnes of samples were collected in Phase 1 covering the likely range of ore processing properties. The majority of samples were successfully wet processed and the results identified significant potential for new high grade runs and possible large volumes of lower grade gold above the main target unconformity.

Accordingly Phase 2 sampling was initiated and for this Impact purchased and commissioned a 50 tonne per day mobile wet processing plant with assays pending. The programme further confirmed the successful use of simple water-based gravity processing and the presence of large volumes of free-digging, easily processable oxide ore on the mining leases.

A review of previous gold production has demonstrated high grade gold was mined over an area of at least one square kilometre extending from surface down dip to depths of up to 80 metres. These areas will the focus of on-going work.

At the **Commonwealth Project**, a drill programme completed in late 2018 confirmed significant extensions to the near surface resources at the project.

In addition a second and new narrow high grade massive sulphide unit was discovered about 30 metres below the Main Shaft massive sulphide lens which is at least 100 metres by 150 metres in dimension and untested at depth.

The drilling results provided further confirmation of strong geological similarities to the Eskay Creek VMS mine in British Columbia (production of 3.3 million ounces of gold and 160 million ounces of silver) where recent renewed exploration around the dormant mine shows close spaced drilling (25 metres) is required to track the target high grade massive sulphide lenses down dip at Commonwealth (TSX:V Skeena Resources Limited).

At the **Clermont Project**, Impact completed a drill programme with the first diamond drill hole delivering a stand out drill intercept of 0.7 metres at 10.9 g/t gold, 146 g/t silver, 8.3% zinc and 5.1% lead in a 2.5 metre thick zone of epithermal veins. The drill hole lies at southern edge of a two kilometre long target for further high grade mineralisation identified from zoned metal assemblages in the drill assay data and characteristic of epithermal veins related to magmatic fluids sourced from a porphyry intrusion of intermediate composition. The target zone lies between a core/proximal zone of Cu-Mo-Bi-Te-W close to the parent intrusion and a distal epithermal zone of As-Ag-Sb+/-Au.

A major programme of close spaced drilling to identify high grade shoots is required.

At **Broken Hill**, new rock chip samples have confirmed high grade gold and copper along trend from the discovery of high grade IOCG style mineralisation by Silver City Minerals Ltd. The area is at the southern end of a 40 km long corridor of very high grade gold-PGE-bearing ultramafic alkaline rocks known to be parent magmas to IOCG-style deposits.

A new geodynamic framework for exploration at Broken Hill was recognised in light of a previous discovery of very high grade palladium and platinum and record prices for palladium.

Widespread alkaline magmatic rocks have been recognised throughout the Broken Hill area, including the first documented occurrence of carbonatite in the region. These alkaline rocks are prospective for a wide variety of high grade Ni-Cu-Platinum Group Metals, Iron Oxide Copper Gold and Cu-Au-Co-Rare Earth Element mineralisation.

The rocks are related to an upwelling mantle plume that helped cause the breakup of the Rodinia supercontinent 800 million years ago at which time Broken Hill was close to the major Jinchuan and Lengquisheng Ni-Cu-PGE deposits now part of China.

New targets being generated for a reinvigorated exploration programme at the project.

The sale of the **Pilbara Gold** tenements to Pacton Gold was completed.

FINANCIAL

Exploration and evaluation costs totalling $8,262,146 (2018: $228,353) were impaired during the year in accordance with the Group's accounting policy. The relinquished Mulga Tank tenements resulted in write down of exploration and evaluation expenditure of $4,991,134. Further impairment losses of $3,271,012 were booked following a review of the Group's remaining tenements.

As at 30 June 2019, the Group had net assets of $11,859,834 (2018: 19,522,107) including cash and cash equivalents of $2,002,624 (2018: $3,514,002).

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 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 the Company was paid a total of CAD$325,000 (AUD$340,758) in cash and 2,125,000 common shares in Pacton. The Pacton shares were subsequently sold on-market for AUD$422,580.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

In August 2019, the Company announced that it had signed a binding agreement to sell one sub-block of a tenement in the Commonwealth Project, New South Wales to Alkane Resources Limited for cash consideration of $101,000.

On 10 September 2019 Mr Eamon Hannon resigned as a Non-Executive Director of the Company.

Other than the above, 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 and Mines (*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 2019, however reporting requirements may change in the future.

INFORMATION ON DIRECTORS

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	Stealth Global Holdings Limited (Director since July 2018)	
Former directorships in last three years	None	
Special responsibilities	Chair of the Board	
Interests in shares and options	Ordinary shares – Impact Minerals Limited Listed options – Impact Minerals Limited Unlisted options – Impact Minerals Limited	15,994,098 3,333,335 16,000,000

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 Listed options – Impact Minerals Limited Unlisted options – Impact Minerals Limited	7,715,052 1,250,001 40,000,000

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 Unlisted options – Impact Minerals Limited	580,680 8,000,000

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 Unlisted options – Impact Minerals Limited	23,310,402 8,000,000

Eamon Hannon B.Sc (Geol) (Non-Executive Director), Director since 30 November 2017, resigned 10 September 2019		
Experience and expertise	Mr Hannon is a Director of Squadron Resources, a geologist and Fellow of the AusIMM and has a wealth of experience within the minerals industry from grass roots exploration through to project development. Mr Hannon is currently Managing Director of Buxton Resources Limited (ASX:BUX). Mr Hannon has also previously worked for Fortescue Metals Group (ASX: FMG) from early 2004 to late 2012 in the role of Director, Exploration and Evaluation. During that period he led the teams to delineate in excess of 10 billion tons of iron ore resources and greater than 1 billion tons of iron ore reserves. With over 20 years of experience, Mr Hannon has explored for and developed gold, base metals and industrial mineral projects in more than 10 countries across the globe. He was integral to the major mining development of the Svartliden gold mine in Scandinavia.	
Other current directorships	Buxton Resources Limited (Managing Director since February 2016)	
Former directorships in last three years	None	
Special responsibilities	None	
Interests in shares and options	Ordinary shares – Impact Minerals Limited Unlisted options – Impact Minerals Limited	Nil Nil

COMPANY SECRETARY

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

Mr Crawford is a Chartered Accountant with over 25 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 2019, and the number of meetings attended by each Director were:

	Number of meetings attended	Number of meetings eligible to attend
Peter Unsworth	6	6
Michael Jones	6	6
Paul Ingram	6	6
Markus Elsasser	4	6
Eamon Hannon (1)	5	6

(1) Resigned 10 September 2019.

The directors also have a number of informal meetings with management during the year, both in person and by conference call.

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Elsasser, 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 2019 Remuneration Report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year.

The report contains the following sections:

a) Key management personnel covered in this report
b) Remuneration governance and the use of remuneration consultants
c) Executive remuneration policy and framework
d) Relationship between remuneration and the Group's performance
e) Non-executive director remuneration policy
f) Voting and comments made at the Company's 2018 Annual General Meeting
g) Details of remuneration
h) Service agreements
i) Details of share-based compensation and bonuses
j) Equity instruments held by key management personnel
k) Loans to key management personnel
l) Other transactions with key management personnel.

a) Key management personnel covered in this report

Non-Executive and Executive Directors (see pages 45 to 47 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
Eamon Hannon (1)	Non-Executive Director

(1) Resigned 10 September 2019.

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 period ended 30 June 2019.

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.

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 2018 Annual General Meeting

Impact Minerals Limited received more than 99% of "yes" votes on its Remuneration Report for the 2018 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

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 $		
2019							
Directors							
P Unsworth	53,750	-	5,106	-	26,033	84,889	30.7
M Jones	262,209	-	-	-	65,083	327,292	19.9
P Ingram	24,583	-	2,336	-	13,016	39,935	32.6
M Elsasser	26,919	-	-	-	13,016	39,935	32.6
E Hannon (1)	25,410	-	-	-	-	25,410	-
TOTALS	392,871	-	7,442	-	117,148	517,461	
2018							
Directors							
P Unsworth	65,000	-	6,175	-	13,234	84,409	15.7
M Jones	273,550	-	-	-	33,086	306,636	10.8
P Ingram	25,000	-	2,375	-	6,617	33,992	19.5
M Elsasser	27,375	-	-	-	6,617	33,992	19.5
E Hannon(1)	14,583	-	-	-	-	14,583	-
F Gooding(2)	10,417	-	-	-	-	10,417	-
TOTALS	415,925	-	8,550	-	59,554	484,029	

(1) Appointed 30 November 2017, resigned 10 September 2019.

(2) Resigned 30 November 2017.

No components of remuneration are linked to the performance of the Group. During the year Dr Jones agreed to a reduction of his fees by 5% effective 1 October 2018 and a further 5% effective 1 June 2019. The other directors agreed to reductions in their Directors fees of between 20% and 30% during the year.

h) Service agreements

M Jones, Managing Director

Dr Jones is remunerated pursuant to an ongoing Consultancy Services Agreement. Dr Jones was paid fees of $262,209 for the year ended 30 June 2019. 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. Options issued to Directors in the 2019 financial year were approved by shareholders at the 2018 Annual General Meeting.

Further information on the fair value of share options and assumptions is set out in Note 23 to the financial statements.

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
2019								
Directors								
P Unsworth	11,333,335	12,000,000	-	(4,000,000)	19,333,335	-	7,333,335	2,000,000
M Jones	21,250,001	30,000,000	-	(10,000,000)	41,250,001	-	11,250,001	5,000,000
P Ingram	4,000,000	6,000,000	-	(2,000,000)	8,000,000	-	2,000,000	1,000,000
M Elsasser	4,000,000	6,000,000	-	(2,000,000)	8,000,000	-	2,000,000	1,000,000
TOTALS	40,583,336	54,000,000	-	(18,000,000)	76,583,336	-	22,583,336	9,000,000
2018								
Directors								
P Unsworth	11,333,335	-	-	-	11,333,335	-	9,333,335	2,000,000
M Jones	21,250,001	-	-	-	21,250,001	-	16,250,001	5,000,000
P Ingram	4,000,000	-	-	-	4,000,000	-	3,000,000	1,000,000
M Elsasser	4,000,000	-	-	-	4,000,000	-	3,000,000	1,000,000
TOTALS	40,583,336	-	-	-	40,583,336	-	31,583,336	9,000,000

During the year, no ordinary shares in the Company were issued 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
2019					
Directors					
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
2018					
Directors					
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.

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
29 Sep 2015 and 13 May 2016	29 Sep 2019	$0.045	15,500,000
Various (listed)	15 Jun 2020	$0.04	499,910,556
29 Sep 2015 and 13 May 2016	29 Sep 2020	$0.07	15,500,000
8 Nov 2018	30 Nov 2021	$0.03	40,000,000
8 Nov 2018	30 Nov 2022	$0.0375	20,000,000
TOTAL			590,910,556

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

There were no shares issued on the exercise of options during the year and up to the date of this report.

CORPORATE GOVERNANCE STATEMENT

The Company's 2019 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.

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 (Bentleys Audit and Corporate (WA) Pty Ltd) for audit and non-audit services provided during the year are set out in Note 18. During the year ended 30 June 2019, no fees were paid or were payable for non-audit services provided by the auditor of the consolidated entity (2018: $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, 12 September 2019

Bentleys
THINKING AHEAD

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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 2019, 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

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 12th day of September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
Revenue from operating activities	3(a)	45,337	71,740
Other income	3(a)	1,848,663	670,277
Corporation and administration expense		(496,807)	(637,674)
Depreciation expense		(31,188)	(3,996)
Employee benefits expense	3(b)	(305,162)	(396,942)
Impairment of exploration expenditure	10	(8,262,146)	(228,353)
Occupancy expense		(91,866)	(65,418)
Financing costs	3(c)	-	(222,430)
Loss from continuing operations before income tax		(7,293,169)	(812,796)
Income tax expense	5	-	-
Loss after income tax for the period attributable to the owners of Impact Minerals Limited		(7,293,169)	(812,796)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Change in the fair value of financial assets	8	(506,456)	-
Items that may be reclassified to profit or loss			
Exchange rate differences on translating foreign operations		73	(926)
Other comprehensive income for the period (net of tax)		(506,383)	(926)
Total comprehensive loss for the period attributable to the owners of Impact Minerals Limited		(7,799,552)	(813,722)
		Cents per share	Cents per share
Loss per share attributable to the owners of Impact Minerals Limited			
Basic loss per share	17	(0.55)	(0.07)

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 2019

	Notes	CONSOLIDATED 2019 $	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	2,002,624	3,514,002
Trade and other receivables	7	23,320	668,167
Assets held for sale	8	-	170,763
Total Current Assets		2,025,944	4,352,932
Non-Current Assets			
Property, plant and equipment	9	71,760	9,629
Exploration expenditure	10	9,777,828	15,441,823
Other non-current assets	11	195,183	183,926
Total Non-Current Assets		10,044,771	15,635,378
TOTAL ASSETS		12,070,715	19,988,310
LIABILITIES			
Current Liabilities			
Trade and other payables	12	145,231	255,325
Short-term provisions	13	65,650	210,878
Total Current Liabilities		210,881	466,203
TOTAL LIABILITIES		210,881	466,203
NET ASSETS		11,859,834	19,522,107
EQUITY			
Issued capital	14	44,900,024	44,900,024
Option reserve	15	577,577	1,418,620
Foreign currency translation reserve	15	(504,747)	(504,820)
Financial asset reserve	8	(506,456)	-
Transactions with non-controlling interest	15	(1,161,069)	(1,161,069)
Accumulated losses	16	(31,445,495)	(25,130,648)
TOTAL EQUITY		11,859,834	19,522,107

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Issued capital $	Option reserve $	Foreign currency translation reserve $	Financial asset reserve $	Transactions with non-controlling interest $	Accumulated losses $	Total equity $
At 1 July 2017	36,933,610	1,297,282	(503,894)	-	(1,161,069)	(24,317,852)	12,248,077
Total comprehensive loss for the period	-	-	-	-	-	(812,796)	(812,796)
Other comprehensive income		-	(926)	-	-	-	(926)
Total comprehensive loss for the period (net of tax)	-	-	(926)	-	-	(812,796)	(813,722)
Transactions with owners in their capacity as owners							
Share issued	8,289,140	-	-	-	-	-	8,289,140
Share issue costs	(322,726)	-	-	-	-	-	(322,726)
Fair value of options issued	-	121,338	-	-	-	-	121,338
At 30 June 2018	44,900,024	1,418,620	(504,820)	-	(1,161,069)	(25,130,648)	**19,522,107**
At 1 July 2018	44,900,024	1,418,620	(504,820)	-	(1,161,069)	(25,130,648)	**19,522,107**
Total comprehensive loss for the period	-	-	-	-	-	(7,293,169)	(7,293,169)
Other comprehensive income	-	-	73	(506,456)	-	-	(506,383)
Total comprehensive income for the half-year	-	-	73	(506,456)	-	(7,293,169)	(7,799,552)
Transactions with owners in their capacity as owners							
Fair value of options issued	-	137,279	-	-	-	-	137,279
Fair value of options expired	-	(978,322)	-	-	-	978,322	-
At 30 June 2019	44,900,024	577,577	(504,747)	(506,456)	(1,161,069)	(31,445,495)	**11,859,834**

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 2019

	Notes	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,028,616)	(969,169)
Interest received		47,386	67,260
Other income received		-	25,383
Research and development tax rebate received		1,357,076	-
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	24	375,846	(876,526)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(93,319)	(8,990)
Payments for exploration activities		(2,582,462)	(3,496,102)
Proceeds from disposal of tenements	8	340,758	-
Proceeds from disposal of financial assets	8	422,580	-
Proceeds from non-refundable deposit on Broken Hill JV		25,219	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(1,887,224)	(3,505,092)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	6,289,140
Share issue costs		-	(310,726)
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	5,978,414
Net increase/(decrease) in cash and cash equivalents		(1,511,378)	1,596,796
Cash and cash equivalents at beginning of the period		3,514,002	1,917,206
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	2,002,624	3,514,002

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 2019

NOTE 1: CORPORATE INFORMATION

The consolidated financial report of Impact Minerals Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 12 September 2019.

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

The following standards relevant to the operations of the Group and effective from 1 July 2018 have been adopted. The adoption of these standards did not have any material impact on the current period or any prior period unless otherwise and is not likely to affect future periods.

- *AASB 9: Financial Instruments;*
- *AASB 15: Revenue from Contracts with Customers; and*
- *AASB 2016-5: Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions.*

Impact of the adoption of AASB 9: *Financial Instruments* ("AASB 9")

The adoption of AASB 9 has resulted in the realised gain/(loss) on disposal of the Group's financial assets being recognised in other comprehensive income, whereas previously it would have been recorded in profit or loss.

New accounting standards and interpretations

The following new and amended accounting standards and interpretations relevant to the operations of the Group have been published but are not mandatory for the current financial year. The Group has decided against early adoption of these standards and has not yet determined the potential impact on the financial statements from the adoption of these standards and interpretations.

The key new standards which may impact the Group in future years are detailed below:

New or revised requirement	Application date of standard	Application date for Group
AASB 16: *Leases* This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.	1 Jan 2019	1 Jul 2019

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 $7,293,169 (2018: loss of $812,796); included in this loss were impairment losses of $8,262,146 (2018: $228,353). During the year the Consolidated Group incurred net cash outflows from operating and investing activities of $1,511,378 (2018: $4,381,618). As at 30 June 2019 the Consolidated Group had a cash balance of $2,002,624 (2018: $3,514,002)

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.

The directors 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 forecasts 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.

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.

c) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2019 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.

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 of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

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 on a straight-line basis over the period of the lease.

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.

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.

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.

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.

NOTE 3: REVENUE AND EXPENSES

a) Revenue from operating activities

	CONSOLIDATED 2019 $	2018 $
Interest income	45,337	71,740
Gain on sale of tenements (refer Note 8)	1,099,031	-
Other income	37,449	25,383
Research and development tax rebate	712,183	644,894
Total revenue from operating activities	1,894,000	742,017

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

	2019 $	2018 $
Wages, salaries and other remuneration expenses	18,433	127,484
Directors' fees	130,662	142,375
Superannuation fund contributions	18,788	17,745
Share-based payment expense	137,279	109,338
Total employee benefits expense	305,162	396,942

c) Financing costs

	2019 $	2018 $
Share-based payment – options granted	-	604,922
Option cost unwound in prior periods	-	(382,492)
Option cost unwound during the period	-	(222,430)
Unamortised option cost	-	-

In August 2015 2,000,000 Convertible Notes (Notes) were issued to Squadron Resources Pty Ltd (Squadron) at an issue price of $1 per Note. In February 2018 148,148,148 shares were issued to Squadron on conversion of the Notes.

Included in financing costs in the prior period are transaction costs relating to the fair value of 45,000,000 options issued with the Notes and which were amortised over the life of the Notes.

NOTE 4: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on the basis of exploration opportunities within Australia and Africa. Operating segments are therefore determined on this basis. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar geographic characteristics.

	Australia $	Africa $	Corporate $	Consolidated $
2019				
Segment performance				
Segment income	1,099,031	-	794,969	1,894,000
Segment expense	8,262,146	-	925,023	9,187,169
Profit/(Loss) before tax	(7,163,115)	-	(130,054)	(7,293,169)
Segment assets and liabilities				
Assets	9,777,828	2,250	2,290,637	12,070,715
Liabilities	76,486	-	134,395	210,881
Net assets	9,701,342	2,250	2,156,242	11,859,834
2018				
Segment performance				
Segment income	-	-	742,017	742,017
Segment expense	228,353	21,769	1,304,691	1,554,813
Profit/(Loss) before tax	(228,353)	(21,769)	(562,674)	(812,796)
Segment assets and liabilities				
Assets	15,441,823	2,178	4,544,309	19,988,310
Liabilities	49,834	-	416,369	466,203
Net assets	15,391,989	2,178	4,127,940	19,522,107

NOTE 5: INCOME TAX

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
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:		
Profit from ordinary activities before income tax expense	(7,293,169)	(812,796)
Prima facie tax benefit on profit from ordinary activities before income tax at 27.5% (2018: 27.5%)	(2,005,622)	(223,519)
Tax effect of permanent differences:		
- Share-based expense	37,752	30,068
- Non-deductible expenses	5,259	70,668
- Government grant received	(195,850)	(177,346)
- Benefit of capital loss for which a DTA was not recognised	(302,234)	-
- Tax losses not recognised	2,460,695	298,932
- Foreign tax rate difference	-	1,197
Income tax expense/(benefit) on pre-tax profit	-	-
c) Deferred tax assets and (liabilities) are attributable to the following:		
Accrued expenses	6,598	9,936
Capital raising costs	72,990	34,325
Exploration expenditure	(1,984,799)	(3,588,279)
Plant and equipment	2,514	3,357
Provision for employee entitlements	18,053	54,826
Other	(80)	48
Tax losses	1,884,724	3,485,787
	-	-
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	5,819,026	3,635,145
- Capital losses	488,929	651,887
	6,307,955	4,287,032

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

	CONSOLIDATED	
	2019 $	2018 $
Cash at bank and on hand	502,624	514,002
Short-term deposits	1,500,000	3,000,000
	2,002,624	3,514,002

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 1.92% (2018: 1.93%).

The Group's exposure to interest rate risk is set out in Note 22. 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.

NOTE 7: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2019 $	2018 $
Current		
Research and development tax rebate	-	644,894
GST/VAT	17,534	17,827
Other	5,786	5,446
	23,320	668,167

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 22.

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

NOTE 8: ASSETS HELD FOR SALE

	CONSOLIDATED	
	2019 $	2018 $
Tenements held for sale	-	170,763
	-	170,763

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 the Company was paid a total of CAD$325,000 (AUD$340,758) in cash and 2,125,000 common shares in Pacton. As at 30 June 2018 the licences subject to the Sale Agreement were held at their carrying value. The Company recognised a gain on the sale of the tenements of $1,099,031.

The 2,125,000 Pacton shares were subsequently sold on-market for $422,580 with the Company recognising a loss on the fair value of the financial assets of $506,456 through Other Comprehensive Income.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2019 $	2018 $
Leasehold improvements		
- At cost	7,400	7,400
- Accumulated depreciation	(7,400)	(7,203)
Total leasehold improvements	-	197
Office equipment		
- At cost	71,000	67,076
- Accumulated depreciation	(68,449)	(66,408)
Total office equipment	2,551	668
Site equipment		
- At cost	92,252	32,253
- Accumulated depreciation	(45,157)	(27,275)
Total site equipment	47,095	4,978
Computer equipment		
- At cost	172,531	143,135
- Accumulated depreciation	(150,417)	(139,349)
Total computer equipment	22,114	3,786
Total property, plant and equipment	71,160	9,629

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.

NOTE 9: 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:

	Leasehold improvements $	Office equipment $	Site equipment $	Computer equipment $	Total $
2019 – Consolidated					
Balance at the beginning of the year	197	668	4,978	3,786	9,629
Additions	-	3,924	59,999	29,396	93,319
Depreciation expense	(197)	(2,041)	(17,882)	(11,068)	(31,188)
Carrying amount at the end of the year	-	2,551	47,095	22,114	71,760
2018 – Consolidated					
Balance at the beginning of the year	788	1,263	532	2,052	4,635
Additions	-	-	5,632	3,358	8,990
Depreciation expense	(591)	(595)	(1,186)	(1,624)	(3,996)
Carrying amount at the end of the year	197	668	4,978	3,786	9,629

NOTE 10: EXPLORATION AND EVALUATION

	CONSOLIDATED	
	2019 $	2018 $
Opening balance	15,441,823	12,585,274
Exploration expenditure incurred during the year	2,598,151	3,255,665
Sale of Pilbara tenements (refer Note 8)	-	(170,763)
Impairment expense	(8,262,146)	(228,353)
Closing balance	9,777,828	15,441,823

The Group has relinquished its Mulga Tank tenements resulting in an impairment of $4,991,134. Further impairment losses of $3,271,012 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:

i) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

ii) 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.

NOTE 10: 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 11: OTHER NON-CURRENT ASSETS

	CONSOLIDATED	
	2019 $	2018 $
Deposits paid (primarily tenement bonds)	185,750	174,494
Other non-current assets	9,433	9,432
Closing balance	195,183	183,926

NOTE 12: TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2019 $	2018 $
Trade creditors	98,728	196,155
Other payables and accruals	46,503	59,170
	145,231	255,325

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

NOTE 13: PROVISIONS

	CONSOLIDATED	
	2019 $	2018 $
Short-term		
Employee entitlements	65,650	210,878
	65,650	210,878

NOTE 14: CONTRIBUTED EQUITY

a) Share capital

	CONSOLIDATED	
	2019 $	2018 $
Ordinary shares fully paid	44,900,024	44,900,024

b) Movements in ordinary shares on issue

	CONSOLIDATED	
	Number	$
Balance at 1 July 2017	848,436,136	36,933,610
Share issued during the year:		
- Shortfall issue [(a)]	162,634,949	2,927,429
- Placement [(b)]	124,960,556	2,499,211
- Placement [(c)]	37,500,000	862,500
- Conversion of convertible notes [(d)]	148,148,148	2,000,000
- Transaction costs	-	(322,726)
Balance at 30 June 2018	1,321,679,789	44,900,024
Balance at 30 June 2019	1,321,679,789	44,900,024

(a) In September 2017 the Company raised $2,927,429 (before costs) via a Shortfall Offer to the May 2017 Share Purchase Plan. The issue was under the same terms as the Share Purchase Plan with the issue of 162,634,949 new shares at an issue price of 1.8 cents each together with three free attaching listed options exercisable at $0.04 on or before 15 June 2020 for every two new shares subscribed for (243,952,410 Listed Options).

(b) In November 2017, the Company raised $2,499,211 (before costs) via a placement. The Company issued 124,960,556 new shares at an issue price of 2 cents each together with one free attaching listed option exercisable at $0.04 on or before 15 June 2020 for every share subscribed for (124,960,556 Listed Options).

(c) In December 2017, the Company raised $862,500 (before costs) via a placement. The Company issued 37,500,000 new shares at an issue price of 2.3 cents each together with one free attaching listed option exercisable at $0.04 on or before 15 June 2020 for every share subscribed for (37,500,000 Listed Options).

(d) In February 2018 Squadron Resources Pty Ltd (Squadron) elected to convert the $2,000,000 of Convertible Notes (Notes) that it held in the Company into shares. Pursuant to the terms of the Notes, Squadron converted the Notes into the Company's shares at a conversion price of 1.35 cents, being the lower of 2.1 cents per share or 80% of the 30 day Volume Weighted Average Price prior to the date of the Conversion Notice. Accordingly 148,148,148 shares were issued to Squadron on conversion of the Notes.

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.

NOTE 14: CONTRIBUTED EQUITY (Continued)

c) Movements in options on issue

	CONSOLIDATED	
	2019 Number	2018 Number
Balance at beginning of the financial year	629,339,128	218,926,162
Options issued pursuant to the Share Purchase Plan (listed)	-	-
Options issued pursuant to the Shortfall offer (listed)	-	243,952,410
Options issued pursuant to Placement (listed)	-	162,460,556
Options issued to lead manager of placement (listed)	-	4,000,000
Options granted	60,000,000	-
Options expired	(98,428,572)	-
Balance at the end of the financial year	590,910,556	629,339,128

NOTE 15: RESERVES

	CONSOLIDATED	
	2019 $	2018 $
Option reserve		
Opening balance	1,418,620	1,297,282
Fair value of options issued	137,279	121,338
Transfer to retained earnings upon expiry/lapse of options	(978,322)	-
Balance at the end of the financial year	577,577	1,418,620

The options reserve is used to recognise the fair value of options issued to employees and contractors.

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

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 16: ACCUMULATED LOSSES

	CONSOLIDATED	
	2019 $	2018 $
Balance at the beginning of the financial year	(25,130,648)	(24,317,852)
Net loss attributable to members	(7,293,169)	(812,796)
Transfer from share option reserve upon lapse of options	978,322	-
Balance at the end of the financial year	(31,445,495)	(25,130,648)

NOTE 17: EARNINGS PER SHARE

	2019 Cents	2018 Cents
Basic loss per share	(0.55)	(0.07)

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

	2019 $	2018 $
Profits/(losses) used in calculating basic earnings per share	(7,293,169)	(812,796)

	2019 Number	2018 Number
Weighted average number of ordinary shares used in calculating basic loss per share	1,321,679,789	1,137,553,715

Basic earnings per share

Basic earnings per share is calculated by dividing the profit 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.

NOTE 18: AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2019 $	2018 $
Audit services		
Bentleys Audit and Corporate (WA) Pty Ltd		
- Audit and review of the financial reports	35,000	34,000
Total remuneration	35,000	34,000

NOTE 19: 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 E7390 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.

NOTE 20: EVENTS OCCURRING AFTER THE REPORTING PERIOD

In August 2019, the Company announced that it had signed a binding agreement to sell one sub-block of a tenement in the Commonwealth Project, New South Wales to Alkane Resources Limited for cash consideration of $101,000.

On 10 September 2019 Mr Eamon Hannon resigned as a Non-Executive Director of the Company.

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

NOTE 21: 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 $934,729 (2018: $1,115,434). For the period greater than 12 months to five years, commitments amount to $5,272,085 (2018: $6,597,992). There are no commitments greater than five years. These obligations are also subject to variations by farm-out arrangements, or sale of the relevant tenements.

NOTE 21: COMMITMENTS (Continued)

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

	CONSOLIDATED	
	2019 $	2018 $
Within one year	40,004	43,640
Later than one year but not later than five years	-	40,004
Later than five years	-	-
	40,004	83,644

NOTE 22: 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.

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.

NOTE 22: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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 – 2019						
Financial assets						
Cash and cash equivalents	501,994	1,500,000	-	-	630	2,002,624
Trade and other receivables	-	-	-	-	23,320	23,320
	501,994	1,500,000	-	-	23,950	2,025,944
Weighted average interest rate	0.85%	2.30%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	145,231	145,231
Financial liabilities	-	-	-	-	-	-
	-	-	-	-	145,231	145,231
Weighted average interest rate	-	-	-	-	-	-
Consolidated – 2018						
Financial assets						
Cash and cash equivalents	514,002	3,000,000	-	-	-	3,514,002
Trade and other receivables	-	-	-	-	668,167	668,167
	514,002	3,000,000	-	-	668,167	4,182,169
Weighted average interest rate	1.33%	2.33%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	255,325	255,325
Financial liabilities	-	-	-	-	-	-
	-	-	-	-	255,325	255,325
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.

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:

NOTE 22: 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:

	Carrying value at period end	Profit or loss		Equity	
		100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	$	$	$	$	$
Consolidated – 2019					
Financial assets					
Cash and cash equivalents	2,002,624	23,455	(23,455)	23,455	(23,455)
Cash flow sensitivity (net)		23,455	(23,455)	23,455	(23,455)
Consolidated – 2018					
Financial assets					
Cash and cash equivalents	3,514,002	37,115	(37,115)	37,115	(37,115)
Cash flow sensitivity (net)		37,115	(37,115)	37,115	(37,115)

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	
	2019	2018
	$	$
Cash and cash equivalents	2,002,624	3,514,002
Trade and other receivables	23,320	668,167
	2,025,944	4,182,169

NOTE 22: 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 is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the Company's measurement currency (namely $USD and Botswana Pula). 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 – 2019			
Trade and other payables	145,231	-	145,231
	145,231	-	145,231
Trade and other receivables	23,320	-	23,320
	23,320	-	23,320
Consolidated – 2018			
Trade and other payables	255,325	-	255,325
	255,325	-	255,325
Trade and other receivables	668,167	-	668,167
	668,167	-	668,167

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.

NOTE 22: 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 12 and 13 offset by cash and bank balances) and equity of the Group (comprising contributed issued capital, reserves, offset by accumulated losses detailed in Notes 14, 15 and 16).

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 23: 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 2015 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.

NOTE 23: 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
25(1)	45,000,000	7 Aug 2015	7 Aug 2018	Immediate	$0.0325	$0.0185
26(1)	26,000,000	29 Sep 2015	29 Sep 2018	29 Sep 2016	$0.0367	$0.0139
27	12,500,000	29 Sep 2015	29 Sep 2019	29 Sep 2017	$0.045	$0.0149
28	12,500,000	29 Sep 2015	29 Sep 2020	29 Sep 2018	$0.07	$0.0143
29(1)	26,428,572	21 Oct 2015	21 Oct 2018	Immediate	$0.0325	N/A
30(1)	1,000,000	13 May 2016	29 Sep 2018	29 Sep 2016	$0.0367	$0.012
31	3,000,000	13 May 2016	29 Sep 2019	29 Sep 2017	$0.045	$0.0133
32	3,000,000	13 May 2016	29 Sep 2020	29 Sep 2018	$0.07	$0.0132
33(2)	89,497,590	21 Jun 2017	15 Jun 2020	Immediate	$0.04	N/A
34(2)	243,952,410	11 Sep 2017	15 Jun 2020	Immediate	$0.04	N/A
35(2)	124,960,556	7 Nov 2017	15 Jun 2020	Immediate	$0.04	N/A
36(2)	37,500,000	21 Dec 2017	15 Jun 2020	Immediate	$0.04	N/A
37(2)	4,000,000	21 Dec 2017	15 Jun 2020	Immediate	$0.04	N/A
38(3)	40,000,000	8 Nov 2018	30 Nov 2021	30 Nov 2019	$0.03	$0.00382
39(3)	20,000,000	8 Nov 2018	30 Nov 2022	30 Nov 2020	$0.0375	$0.00432

(1) Expired during the reporting period.

(2) Listed options issued in 2017 as part of the Share Purchase Plan (SPP), Shortfall Offer to the SPP, Placement and as part consideration to the Lead Manager of the Placement.

(3) Options issued to Directors at the 2018 Annual General Meeting.

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 share options issued during the year was $137,279 (2018: $109,338).

The model inputs for options granted during the year ended 30 June 2019 are as follows:

Inputs	Issue 38	Issue39
Exercise price	$0.03	$0.0375
Grant date	8 Nov 2018	8 Nov 2018
Vesting date	30 Nov 2019	30 Nov 2020
Expiry date	30 Nov 2021	30 Nov 2022
Share price at grant date	$0.012	$0.012
Expected price volatility	80.8%	80.8%
Risk-free interest rate	2.168%	2.168%
Expected dividend yield	0%	0%

NOTE 23: SHARE-BASED PAYMENTS (Continued)

Movements in share options during the year

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

	2019		2018	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding at the beginning of the year	629,339,128	0.04	218,926,162	0.04
Issued pursuant to shortfall offer (listed)	-	-	243,952,410	0.04
Issued pursuant to placements (listed)	-	-	162,460,556	0.04
Issued to lead manager (listed)	-	-	4,000,000	0.04
Granted during the year	60,000,000	0.03	-	-
Expired during the year	(98,428,572)	0.03	-	-
Outstanding at the end of the year	590,910,556	0.04	629,339,128	0.04
Exercisable at the end of the year	530,910,556	0.04	613,839,128	0.04

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.13 years (2018: 1.68 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 $	2019 Number	2018 Number
7 August 2018	0.0325	-	45,000,000
29 September 2018	0.0367	-	27,000,000
21 October 2018	0.0325	-	26,428,572
29 September 2019	0.045	15,500,000	15,500,000
15 June 2020 (listed)	0.04	499,910,556	499,910,556
29 September 2020	0.07	15,500,000	15,500,000
30 November 2021	0.03	40,000,000	-
30 November 2022	0.0375	20,000,000	-
Totals		590,910,556	629,339,128

NOTE 24: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2019 $	2018 $
Cash flows from operating activities		
Profit/(Loss) for the period	(7,293,169)	(812,796)
Non-cash flows in profit/(loss):		
- Depreciation	31,188	3,996
- Share-based remuneration	137,279	109,338
- Finance costs	-	222,430
- Exploration expenditure write-off	8,262,146	228,353
- Research and development tax rebate	-	(644,894)
- Gain on sale of tenements	(1,099,031)	-
- Non-refundable deposit	(25,219)	-
Changes in assets and liabilities		
- Decrease/(Increase) in trade and other receivables	644,554	14,347
- Decrease/(Increase) in other non-current assets	-	(1,455)
- Increase/(Decrease) in trade creditors and accruals	(148,185)	22,523
- Increase/(Decrease) in provisions	(133,717)	(18,368)
Net cash from/(used in) operating activities	375,846	(876,526)

Non-cash investing and financing activities

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

NOTE 25: RELATED PARTY DISCLOSURE

a) Parent entity

	Class	Country of incorporation	Ownership 2019 %	Ownership 2018 %
Impact Minerals Limited	Ordinary	Australia	-	-

b) Subsidiaries

	Class	Country of incorporation	Ownership 2019 %	Ownership 2018 %
Aurigen Pty Ltd	Ordinary	Australia	100	100
Siouville Pty Ltd	Ordinary	Australia	100	100
Drummond East Pty Ltd(i)	Ordinary	Australia	-	100
Seam Holdings Pty Ltd	Ordinary	British Virgin Islands	-	100
Icilion Investments (Pty) Ltd	Ordinary	Botswana	100	100
Invictus Gold Limited	Ordinary	Australia	100	100
Drummond West Pty Ltd(ii)	Ordinary	Australia	100	100
Endeavour Minerals Pty Ltd(iii)	Ordinary	Australia	100	100
Blackridge Exploration Pty Ltd(iv)	Ordinary	Australia	100	100

(i) Sold to Pacton Gold Inc. during the reporting period.
(ii) Drummond West Pty Ltd is a wholly owned subsidiary of Invictus Gold Limited.
(iii) Endeavour Minerals Pty Ltd is a wholly owned subsidiary of Invictus Gold Limited.
(iv) Blackridge Exploration Pty Ltd is a wholly owned subsidiary of Drummond West Pty Ltd.

c) Loans to and investments in controlled entities

Loans are provided by the Parent Entity to its controlled entities for their respective operating activities. Amounts receivable from controlled entities are non-interest bearing with no fixed term of repayment. The carrying value of investments in controlled entities is recognised as an asset in the Parent Entity. The future successful commercial application of these projects or the sale to third parties supports the recognition and recoverability of these assets held in the Parent Entity.

	2019 $	2018 $
Aurigen Pty Ltd	607,130	607,130
Siouville Pty Ltd	136,372	136,372
Drummond East Pty Ltd	n/a	204,416
Seam Holdings Pty Ltd	n/a	9,902
Icilion Investments (Pty) Ltd	5,712,920	5,669,068
Drummond West Pty Ltd(i)	3,527,418	3,527,418
	9,983,840	10,154,306

(i) Loan from Invictus Gold Limited.

NOTE 25: RELATED PARTY DISCLOSURE (Continued)

d) Key management personnel compensation

	2019 $	2018 $
Short-term employee benefits	392,871	415,925
Post-employment benefits	7,442	8,550
Share-based payments	117,148	59,554
	517,461	484,029

Detailed remuneration disclosures are provided in the Remuneration Report on pages 48 to 52

NOTE 26: PARENT ENTITY DISCLOSURE

	2019 $	2018 $
Financial Performance		
Profit/(loss) for the year	(6,301,123)	(961,789)
Other comprehensive income	(506,456)	-
Total comprehensive profit/(loss)	(6,807,579)	(961,789)
Financial Position		
ASSETS		
Current assets	2,023,694	4,179,991
Non-current assets	8,422,094	14,169,831
TOTAL ASSETS	10,445,788	18,349,822
LIABILITIES		
Current liabilities	208,003	463,325
TOTAL LIABILITIES	208,003	463,325
NET ASSETS	10,237,785	17,886,497
EQUITY		
Issued capital	44,900,024	44,900,024
Option reserve	577,577	1,418,620
Financial asset reserve	(506,456)	-
Transactions with non-controlling interest	(1,161,069)	(1,161,069)
Accumulated losses	(33,572,291)	(27,271,078)
TOTAL EQUITY	10,237,785	17,886,497

No guarantees have been entered into by Impact Minerals Limited in relation to the debts of its subsidiaries.

Impact Minerals Limited had no expenditure commitments as at 30 June 2019 other than the commitment in relation to the lease of office premises as disclosed in Note 21.

DIRECTORS' DECLARATION

The Directors of Impact Minerals Limited declare that:

1) in the Directors' opinion, the financial statements and notes set out on pages 55 to 87 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 2019 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 2019.

Signed in accordance with a resolution of the Directors.

Peter Unsworth
Chairman

Perth, Western Australia

12 September 2019

Independent Auditor's Report

To the Members of Impact Minerals Limited

Bentleys
THINKING AHEAD

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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 2019, 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 2019 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.

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 $7,293,169 during the year ended 30 June 2019. As stated in Note 2(b), 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 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
Exploration and Evaluation Expenditure – $9,777,828 (Refer to Note 10) Exploration and evaluation expenditure is a key audit matter due to: – The significance of the balance to the Consolidated Entity's consolidated 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 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. – The assessment of impairment of exploration and evaluation expenditure being inherently difficult.	Our procedures included, amongst others: — 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 budgets for each area of interest;

Key audit matter	How our audit addressed the key audit matter
	— 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.
Disposal of Pilbara Gold Project (Refer to note 8) 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 the Company was paid a total of CAD$325,000 (AUD$340,758) in cash and 2,125,000 common shares in Pacton. The Company recognised a gain on the sale of the tenements of $1,099,031.	Our audit procedures included amongst others: — Reviewing the terms of the sales agreement and assessed the conditions; — Reviewed the calculation of the Gain on disposal of Pilbara Gold Project; — Assessed the accounting treatment of shares received as part of the Consideration received from Pacton Gold Inc; — Verified the disposal of the shares and calculations on the loss on disposal of the consideration shares; — Assessed the disclosures in the financial report.

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 2019, 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.

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 control.

- Obtain an understanding of internal control 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 control.

- 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 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 2019. 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.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants

Doug Bell

DOUG BELL CA
Partner

Dated at Perth this 12th day of September 2019

ADDITIONAL SHAREHOLDER INFORMATION

AS AT 18 SEPTEMBER 2019

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	136
1,001 - 5,000	105
5,001 - 10,000	113
10,001 - 100,000	901
100,001 and over	780
Total	2,035

The number of holders of less than a marketable parcel of ordinary fully paid shares is 956.

2. Substantial Shareholders

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

	Number of shares	Percentage held
MRS SUSANNE BUNNENBERG	200,199,999	15.15
SQUADRON RESOURCES PTY LTD	195,767,196	14.81
ABC BETEILIGUNGEN AG	190,314,650	14.40

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 1,321,679,789 quoted shares on issue. The Company has 499,910,556 quoted options on issue exercisable at $0.04 on or before 15 June 2020.

5. On-Market Buy Back

There is no current on-market buy back.

6. Unquoted Equity Securities

	Number on issue	Number of holders
Options exercisable at $0.045 on or before 29 September 2019	15,500,000	10
Options exercisable at $0.07 on or before 29 September 2020	15,500,000	10
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

7. Twenty Largest Holders of Quoted Ordinary Shares

Shareholder	Number of shares	Percentage held
J P MORGAN NOMINEES AUSTRALIA LIMITED	276,755,445	20.94
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	200,794,825	15.19
ABC BETEILIGUNGEN AG	116,254,948	8.80
DEUTSCHE BALATON AKTIENGESELLSCHAFT	50,700,000	3.84
V7 INVESTMENT & DEVELOPMENT <THE ZHOU FAMILY A/C>	22,855,650	1.73
AVIANA HOLDINGS PTY LTD	13,157,895	1.00
CHINA GROWTH MINERALS LIMITED	11,840,470	0.90
CITICORP NOMINEES PTY LIMITED	11,495,013	0.87
SUTTON NOMINEES PTY LTD <W M GATACRE FAMILY FUND A/C>	11,483,847	0.87
YANARA NOMINEES PTY LTD <S&V WOOD S/F A/C>	11,287,356	0.85
P J ENTERPRISES PTY LIMITED <SUPER FUND A/C>	10,385,913	0.79
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT DRP>	9,324,926	0.71
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	8,042,540	0.61
MR YUNG WING HO + MRS KATHERINE KAM LING HO <VIC & KATHY SUPER FUND A/C>	7,315,888	0.55
SDG NOMINEES PTY LTD <T J STRAPP SUPER FUND A/C>	6,833,334	0.52
MR MARKUS ELSASSER	6,643,735	0.50
BALINTORE PTY LTD <MCKENZIE SUPER FUND A/C>	6,216,667	0.47
MR JOSEPH ADAM LEE	6,000,000	0.45
MANOTEL PTY LTD	5,608,185	0.42
BASALIS PTY LTD <BASALIS SUPER FUND A/C>	5,475,000	0.41
	798,471,637	60.41

8. Twenty Largest Holders of Quoted $0.04 Options exercisable on or before 15 June 2020

Option Holder	Number of options	Percentage held
ABC BETEILIGUNGEN AG	155,632,402	31.13
TOWNS CORPORATION PTY LTD <PAE FAMILY A/C>	14,200,000	2.84
CITICORP NOMINEES PTY LIMITED	11,650,001	2.33
MR MICHAEL REX HUNT	11,000,000	2.20
J P MORGAN NOMINEES AUSTRALIA LIMITED	10,166,668	2.03
NEW FRONTIER RESOURCES	10,000,000	2.00
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,960,556	1.99
GOFFACAN PTY LTD	8,520,000	1.70
YANARA NOMINEES PTY LTD <S&V WOOD S/F A/C>	8,333,334	1.67
AUSGLOBAL CAPITAL PTY LTD	8,000,000	1.60
M & K KORKIDAS PTY LTD <M&K KORKIDAS P/S S/FUND A/C>	7,000,000	1.40
MR ROBERT KEITH HOWARD	6,656,877	1.33
MR MARK ARLEN ISHKANIAN	6,000,000	1.20
MR JOHN ARTHUR JARVIS <JOHN JARVIS FAMILY A/C>	5,844,445	1.17
MR BASIM MOZAYAN	5,200,000	1.04
MS DEBORAH ELENA WHITE	5,000,000	1.00
MR ALISTAIR C WILLIAMS <0883005 A/C>	5,000,000	1.00
SAHARA POOL & SOLAR PTY LTD	4,716,667	0.94
ERIC ANTHONY FREDERICK BENNIK	4,555,247	0.91
FCS PREMIER PTY LTD <FCS SUPER FUND A/C>	4,500,000	0.90
	301,936,197	60.40

There are 270 holders of the quoted options.

TENEMENT SCHEDULE

Project / Tenement	Location	Status	IPT Interest at end of quarter
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%
Clermont Project	Queensland		
EPM14116		Granted	100%
Blackridge Project	Queensland		
EPM26806		Granted	100%
ML2386		Granted	100%

impact.

MINERALS

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