

ASX ANNOUNCEMENT

Date: 9 November 2021

IGO TO FARM IN TO THE BROKEN HILL Ni-Cu-PGM PROJECT, NSW

- IGO can spend \$18 million over 8 years to earn a 75% interest in EL7390 and EL8234 in two stages:
\$6 million to earn a 51% interest and a further \$12 million to earn a further 24% interest.
- Minimum expenditure of \$500,000 before withdrawal.
- Impact to retain 100% of its other extensive ground holdings in the Broken Hill area with significant potential for copper-silver-zinc-lead mineralisation.
- Impact to increase its focus on its Western Australian assets, in particular the Doonia gold project where drilling will commence by early December and the Arkun Ni-Cu-PGM project.

Impact Minerals Limited (ASX: IPT) is pleased to announce that IGO Newsearch Pty Ltd, a 100% owned subsidiary of IGO Limited (ASX: IGO) has agreed to farm into Impact's Broken Hill nickel-copper-platinum group metals (PGM) project in New South Wales (Figure 1).

Impact Minerals' Managing Director Dr Mike Jones said "We are extremely pleased to announce this joint venture with IGO, one of Australia's most outstanding exploration and mining companies. We had a number of approaches from major companies for a joint venture after our last major drill campaign at Broken Hill but chose IGO because of their technical capacity, in particular their deep penetrating EM systems capability and experience, and also the way they have approached our negotiations".

"We have established that a large amount of deep drilling will be required to further explore the exciting prospects we have generated at the project and it is appropriate that a well-funded partner with excellent credentials is brought in to help fund what could be quite significant expenditures going forward."

The joint venture will also allow us to further increase our focus on our Western Australian projects where we have now secured a drill rig for our Doonia gold project and hope to be up and running by early December. In addition, we are increasingly excited about the lithium, rare earth and nickel-copper-PGM targets we identified recently at our Arkun project which is rapidly becoming a very significant project for Impact in a very under-explored part of Western Australia." Dr Jones said.

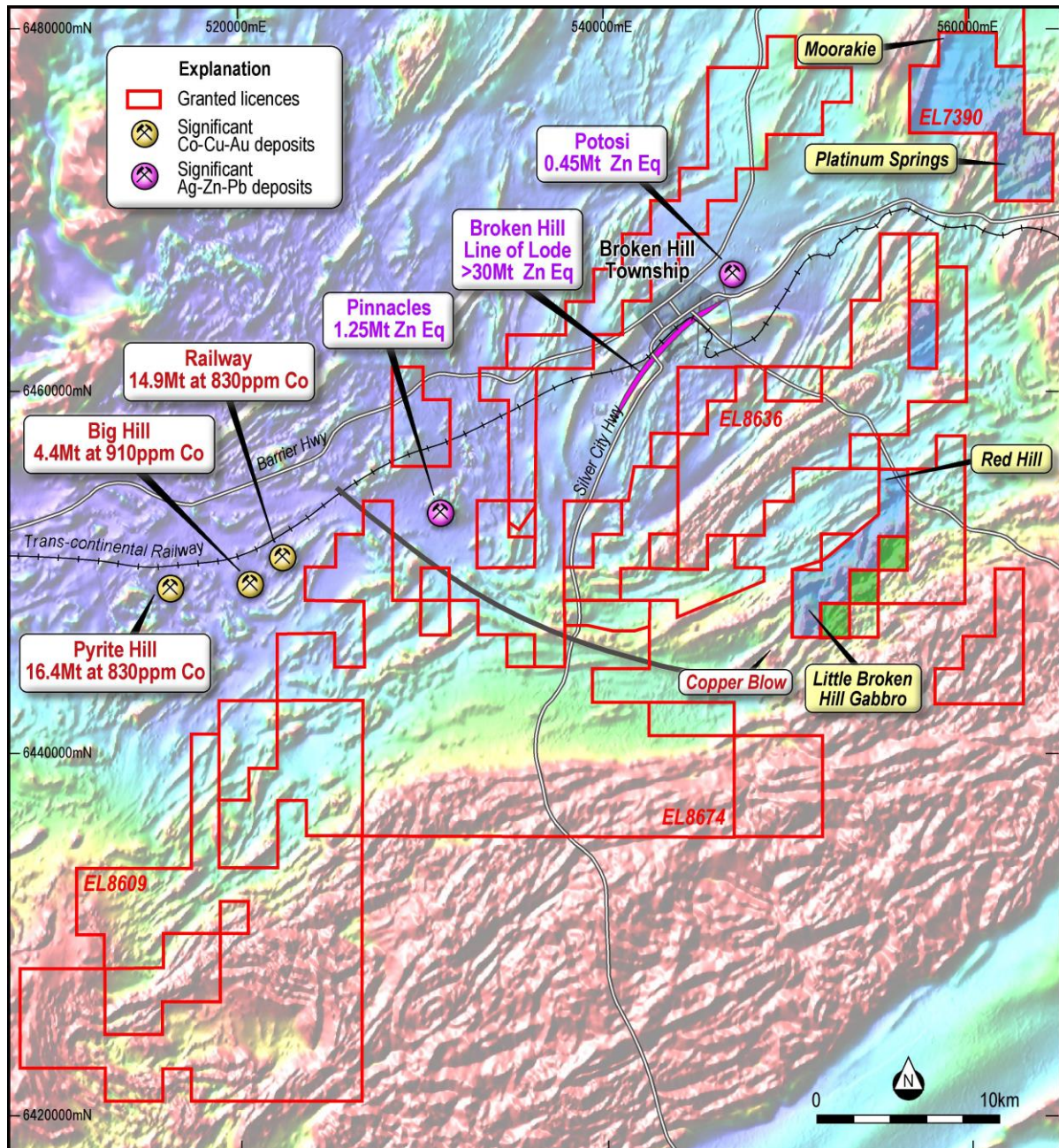


Figure 1. Impact's ground holdings around Broken Hill. EL7390 (blue) and EL8234 (green) are highlighted.

The principal terms of the deal, which applies only to EL7390 and EL8234, two of the 11 tenements that comprise Impact's holdings around Broken Hill, are:

1. IGO can spend \$6 million over four years to earn a 51% interest in the project (Stage 1 earn in). An unincorporated joint venture between IGO and Impact will be formed at this time.
2. IGO can spend a further \$12 million over a further four years to earn a 75% interest in the project (Stage 2 earn in).

3. After Stage 2 is complete, the parties can elect to contribute pro-rata or dilute. If one party's interest dilutes to less than 10% then its interest will convert to a 1% Net Smelter Royalty.
4. If, after completing Stage 1, IGO elects not to proceed to Stage 2 or, during Stage 2 does not meet its expenditure requirements, IGO will revert to a 49% interest in the project giving Impact a majority 51% interest.
5. A minimum expenditure of \$500,000 in the first year is required. IGO can withdraw prior to the minimum expenditure being reached by paying the lesser amount of either the balance of unspent minimum expenditure or \$200,000.

During the first year of the farm in IGO intends to complete ground electromagnetic (EM) geophysical surveys using a deep penetrating SQUID system over at least the Moorkai Trend and the Little Broken Hill Gabbro.

The Moorkai Trend is a nine kilometre long ultramafic to mafic dyke and chonolith complex that is very poorly explored. Drilling by Impact at the southern end of the Trend has returned high grades of nickel-copper-PGM's in the Platinum Springs area in a channel-like structure at the base of the ultramafic unit (ASX Release 9th March 2021). There has been no drilling of significance along the rest of the Trend.

At the Little Broken Hill Gabbro, Impact completed the first ever drill programme across the seven-kilometre-long intrusion and identified numerous areas of highly anomalous nickel, copper and/or PGM's in the basal unit to the intrusion over several kilometres (ASX Release 15th April 2021).

Extensive further deep drilling is required at both prospects and the initial work by IGO will be aimed at identifying specific EM targets that may represent targets for high grade massive sulphide deposits.

The farm-in applies only to two tenements, EL7390 and EL8234, of Impact's extensive tenement holdings at Broken Hill (Figure 1). The remaining tenements, which are all 100% owned by Impact, are considered by Impact to be one of the most under explored parts of Australia given the long history of mining at the nearby Broken Hill deposit itself.

There has been limited exploration for the best part of 30 years in the area and there is significant potential on this ground for the discovery of major deposits of silver-lead-zinc and in particular copper.

NEXT STEPS FOR IMPACT

The farm-in and joint venture at Broken Hill will allow Impact to further increase its focus on its Western Australian projects, Arkun and in particular Doonia.

At the Doonia gold project, Impact has now secured a drill rig and with all statutory permits in place the company is aiming to commence drilling by late November-early December when the rig has finished its current contract. The drill programme will test a significant 2.5 km by 1 km sized gold-bismuth soil geochemistry anomaly that overlies a cluster of isolated magnetic anomalies that may represent targets for intrusion related gold similar to the recent Burns discovery (ASX:LEF) located 30 km to the west (ASX Release 7th September 2021).

At Arkun, Impact has also recently released exceptional soil results for nickel-copper-PGM, lithium-caesium-tantalum pegmatites as well as Rare Earth Elements (ASX Releases 21st September 2021 and 27th October 2021). These results have confirmed Impact's contention that Arkun is a highly prospective and vastly under explored part of the emerging mineral province of southwest Western Australia. Impact is now looking to complete follow-up work to identify targets for drill testing in 2022.

COMPLIANCE STATEMENT

This report contains no new Exploration Results.

Dr Mike Jones

Managing Director

The review of exploration activities and results contained in this report is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director of the company and works for Impact Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mike Jones has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.