

### ASX ANNOUNCEMENT

Date: 25 May 2022

#### COMPANY UPDATE

- **Diamond drill programme completed at Hopetoun: target shear zone intersected 60 metres up dip.**
- **First pass soil geochemistry surveys completed over priority targets at Hopetoun.**
- **Airborne EM survey completed over priority targets at the Arkun-Beau Ni-Cu-PGM Project.**
- **Soil geochemistry surveys completed at Beau and in progress at four other priority targets at Arkun following successful land access negotiations.**
- **Drill assay results awaited at Doonia.**
- **Negotiations in progress for the Commonwealth and Broken Hill projects in NSW.**
- **Renounceable rights issue to close on Friday 27<sup>th</sup> May 2022.**

Impact Minerals Limited (ASX:IPT) is pleased to provide an update on the company's recent activities across its extensive portfolio of exploration projects in Western Australia.

This work is part of the Company's change in strategic focus from eastern Australia to the emerging mineral province of south west Western Australia following the recent Julimar PGE-Ni-Cu discovery (ASC:CHN) and also home to the world class Greenbushes lithium-tantalum mine (ASX:IGO and Figure 1).

Impact has assembled a significant number of projects in this highly prospective region, both 100% owned, (Arkun-Beau and Dinninup) and in joint venture (Hopetoun, Jumbo, Narryer and Dalgara). In addition, the company is in a joint venture at the Doonia gold project near Kambalda where drill results are awaited (Figure 1).

Current work programmes are aimed at defining drill targets at the flagship Arkun-Beau project and progressing with drill targets already defined at Hopetoun. The other projects are also being progressed via compilations of previous work and preliminary interpretations of the surface and bedrock geology with a view to identifying areas of interest for on-ground follow up exploration.

Funds from the current Renounceable Rights Issue, which closes this Friday, the 27<sup>th</sup> May 2022, will be used to fund this work which will include extensive drill programmes later in the year and into 2023.

Shareholders who still wish to participate and who have not yet received their entitlement forms, or who are unsure of the process to follow to apply for their entitlement, should contact the Impact office.

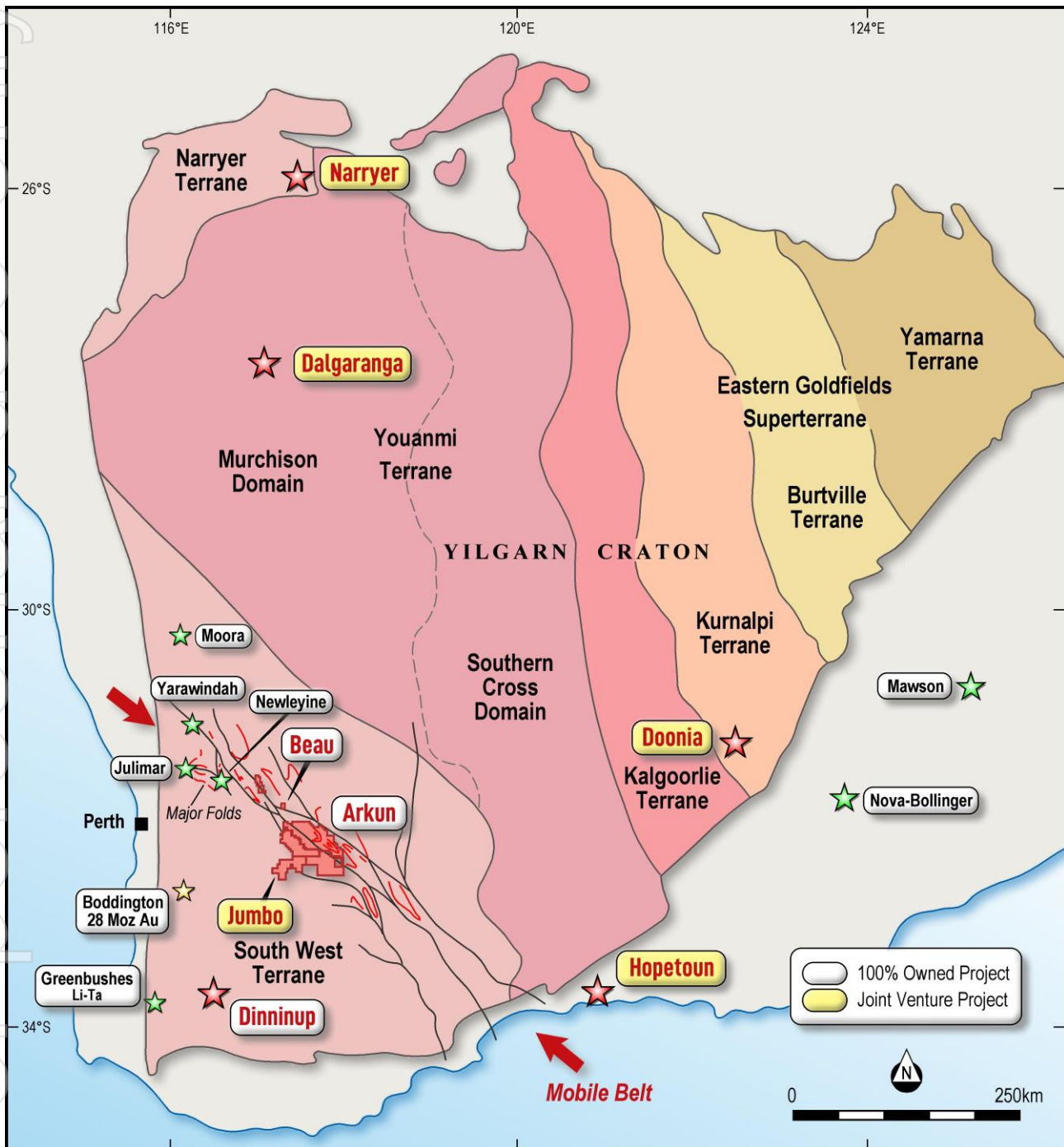


Figure 1. Location of Impact's projects in Western Australia.

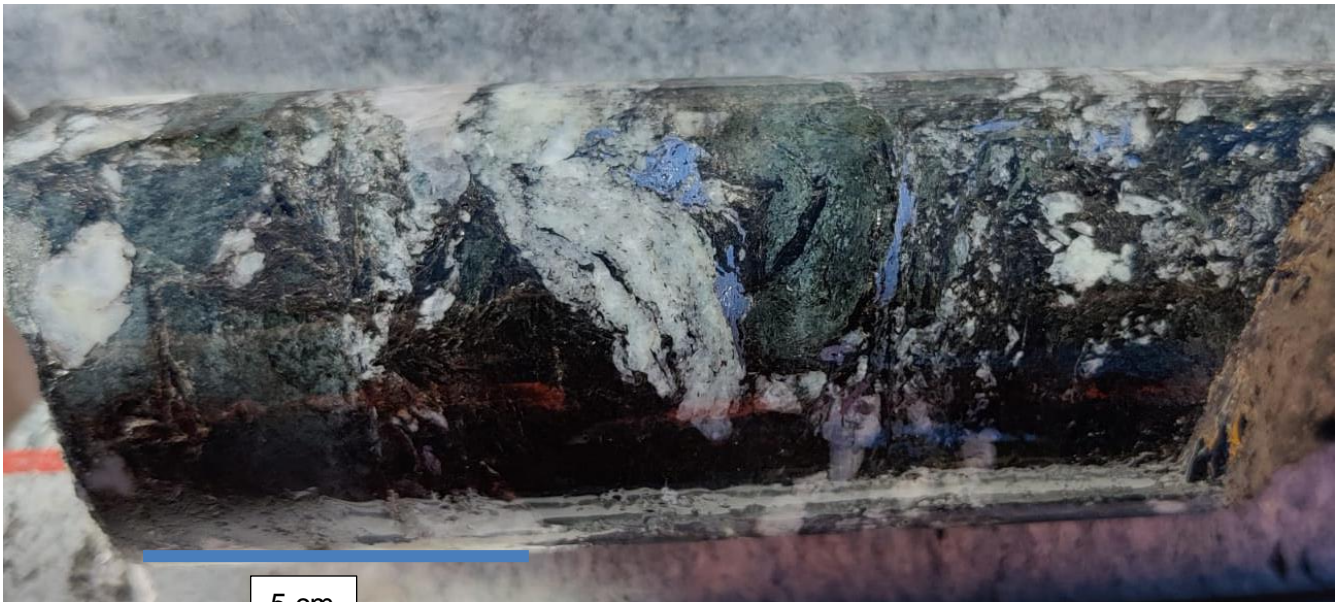
## HOPETOUN

At Hopetoun, where Impact is earning an 80% interest in the project (ASX Release 8<sup>th</sup> December 2021), six drill ready targets have been identified of which two, the Top Knotch and Silverstar copper-gold-silver prospects, are fully permitted for drill testing. Four diamond drill holes, two each at Top Knotch and Silverstar were recently completed (ASX Releases 19<sup>th</sup> April 2022 and 22<sup>nd</sup> April 2022).

At Silverstar, a second drill hole was recently completed to test the up-dip extension of a 25 metre thick (true width) shear zone with extensive alteration minerals and minor disseminated chalcopyrite-pyrrhotite mineralisation (ASX Release 22<sup>nd</sup> April 2022).

The second drill hole intersected the same shear zone at about 180 metres down hole and 60 metres up dip from the first hole. The shear zone is of a similar thickness and appearance in the second hole but in addition, one narrow zone of deformed quartz veins about 25 cm thick was intersected at 190 metres down hole which contains up to 5% molybdenite together with anomalous bismuth values up to 250 ppm as measured with a handheld XRF instrument (Figure 2).

The Company emphasises that these estimates are based on visual observations only and that chemical assays will be required to determine the absolute amounts of any metals present. The core is being transported to Perth where it will be logged and sampled in detail. Assays are expected in July.



**Figure 2.** Large “slugs” of grey-blue molybdenite in a zone of fractured quartz veins with associated biotite (dark brown) and chlorite (green).

All of this is encouraging and follow work including drilling will be required. Statutory approvals for the drill programmes are being compiled together with those required for the other targets at Hopetoun.

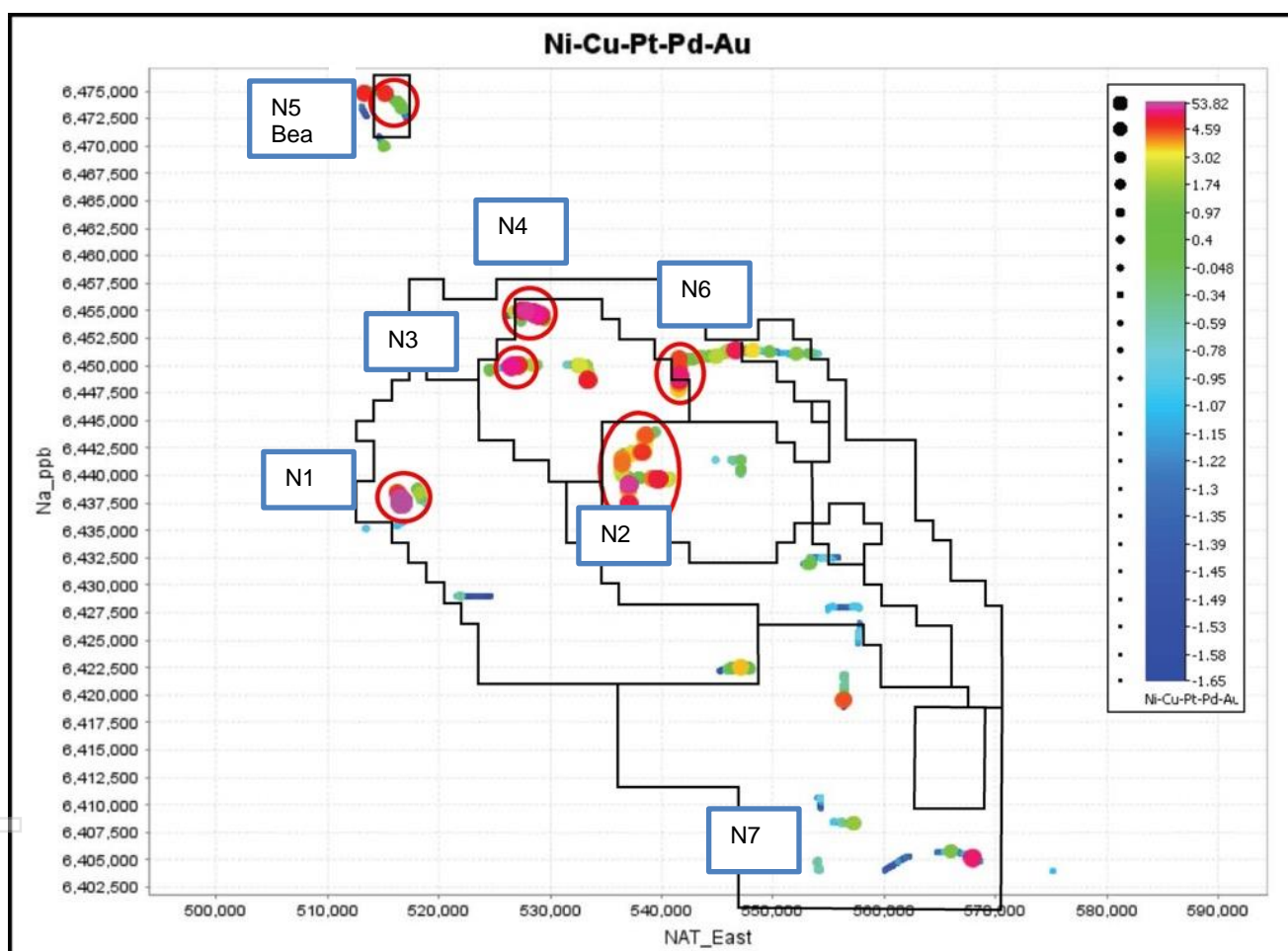
The Hopetoun area has received very little exploration because of a perception that much of the area is underlain by barren Proterozoic gneisses. In addition, there is extensive younger cover which has hindered previous explorers.

However, a review of the regional airborne magnetic data over the area suggests that much of the gneiss terrane may be an extension of the Ravensthorpe greenstone belt to the north which contains numerous mines and deposits of lithium (Mt Cattlin mine, Allkem Limited, ASX:AKE), nickel sulphide (the dormant RAV 8 mine and associated deposits), copper-gold (including the Kundip historic mining centre where recent exploration has returned exceptional copper-gold results, Medallion Metals Ltd ASX:MM8), zinc-lead-copper (Trilogy deposit ASX:MM8) as well as nickel laterite (First Quantum Minerals Limited TSX:FM).

## ARKUN-BEAU

An airborne EM survey was completed last week over 7 priority areas at the Arkun-Beau project at a broad line spacing of 400 metres between survey lines. Six of these areas were identified in geophysical data and returned strong soil geochemical responses (N1 to N6). One further area with a strong geophysical response but limited soil geochemistry response was also surveyed (N7; Figure 3).

Processing of the data will commence shortly with final data expected in late June.



**Figure 3.** Location of 7 priority targets for Ni-Cu-PGM-Au at the Arkun project and the focus of the recently completed airborne EM survey.

In addition, Land Access Agreements have been completed with 21 land owners at Arkun which allow access for soil geochemistry surveys. Although access is now hampered in a number of areas by active farming and seeding in the region, follow up soil geochemistry surveys are underway on four priority areas with the Beau area already completed. Samples are being taken on a nominal 400 m by 400 m or 200 m grid spacing. Results are expected in late June and July.

## **OTHER WESTERN AUSTRALIAN PROJECTS**

At Narryer, Dalgarranga, Denninup and Jumbo compilations of previous exploration data is in progress. In addition interpretations of the surface geology from aerial photographs, satellite data and radiometric data and of the bedrock geology from magnetic and gravity data are also underway.

All of this data will be synthesised and interpreted with the aim of identifying areas of interest for follow up ground work which will include mapping rock chip and soil geochemistry surveys as well as ground geophysics where warranted.

Assays results from six RC drill holes are due in June from the Doonia gold project located near Kambalda. The drill programme was greatly reduced because of difficult drilling conditions and many areas remain to be drill tested.

## **BROKEN HILL AND COMMONWEALTH PROJECTS, NEW SOUTH WALES**

At the Broken Hill Project a large and significant electromagnetic survey has been underway since late January and funded by IGO Limited (ASX:IGO). This work is part of a joint venture to explore for nickel-copper-PGM on EL7390 and EL8234 where IGO has the right to earn up to a 75% interest in the two tenements (ASX Release 9<sup>th</sup> November 2021).

A significant conductor modelled to be centred at a depth of about 350 metres below surface and 420 metres long has already been identified at the southern end of the nine kilometre long Moorkai Trend where previous drilling discovered high grade nickel-copper-PGM hosted by massive sulphides. This conductor is considered prospective for massive sulphide mineralisation based on its discrete dimensions and high conductance, and is a priority target for follow-up work (ASX Release 3<sup>rd</sup> March 2022).

The survey along the Moorkai Trend is now about 95% complete. The geophysical survey crew will then move to the Little Broken Hill Gabbro where previous drilling by Impact identified for the first time large areas of low grade PGM-copper-nickel in the basal ultramafic unit of the intrusion.

In addition, negotiations are in progress with respect to a joint venture over Impact's remaining tenements at Broken Hill and also at the Commonwealth Project in the Lachlan copper-gold province also in New South Wales. The company emphasises that there is no guarantee that these negotiations will be successfully concluded.

**Dr Mike Jones**

Managing Director

### ***Competent Persons Statement***

*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.*

**APPENDIX 1 - SECTION 1 SAMPLING TECHNIQUES AND DATA**

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Drill core has yet to be sampled
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	N/A
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	N/A
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	Diamond drilling NQ plus sonic pre-collar
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	N/A
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	N/A
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	N/A
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Core has yet to be logged in detail
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging is qualitative. Only visual estimates of sulphide mineralisation have been made to date.
	<i>The total length and percentage of the relevant intersections logged</i>	N/A

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Criteria	JORC Code explanation	Commentary
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	N/A
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	N/A
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	N/A
	<i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i>	N/A
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	N/A
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Samples have yet to be submitted to a laboratory
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	N/A
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Duplicate samples are not required at this early stage of exploration.
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The results have not been verified by independent or alternative companies. This is not required at this stage of exploration.
	<i>The use of twinned holes.</i>	N/A
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary assay data will be entered into standard Excel templates for plotting in QGIS and IOGAS.
	<i>Discuss any adjustment to assay data.</i>	N/A
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Drill holes were located by handheld GPS.
	<i>Specification of the grid system used.</i>	The grid system for Hopetoun is MGA_GDA94, Zone 51.

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Criteria	JORC Code explanation	Commentary
	<i>Quality and adequacy of topographic control.</i>	N/A
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	N/A
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	N/A
	<i>Whether sample compositing has been applied.</i>	N/A
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	N/A.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	N/A.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	N/A
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	At this stage of exploration a review of the sampling techniques and data by an external party is not warranted.

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Hopetoun project comprises three tenements E74/563, E74/697 and E70/730 in joint venture with Octo Resources Pty Limited. Impact is earning an 80% interest in the tenement by free carrying SSE to a Decision to Mine. Octo has signed Land Access agreements with the various Native Title claimants that cover the area.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing with no known impediments.
<b>Exploration done by other parties</b>	Acknowledgment and appraisal of exploration by other parties.	There has been no significant previous work at this project.
<b>Geology</b>	Deposit type, geological setting and style of mineralisation.	Nickel-copper-PGE sulphide mineralisation associated with mafic to ultramafic intrusions and gold-copper in deformed and metamorphosed greenstone belts. LCT Pegmatites, REE and Rb granites and pegmatites.



Criteria	JORC Code explanation	Commentary
<b>Drill hole Information</b>	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> </ul>	N/A
<b>Data aggregation methods</b>	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p>	N/A.
	<p>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p>	N/A
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	N/A
<b>Relationship between mineralisation widths and intercept lengths</b>	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</p>	N/A
<b>Diagrams</b>	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	Refer to Figures in body of text.
<b>Balanced reporting</b>	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	All results reported are representative

Criteria	JORC Code explanation	Commentary
<b>Other substantive exploration data</b>	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Assessment of other substantive exploration data is not yet complete however considered immaterial at this stage.
<b>Further work</b>	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	Follow-up work programmes will be subject to interpretation of results which is ongoing.

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