ASX ANNOUNCEMENT 31 October 2022

SEPTEMBER 2022 QUARTERLY REPORT

HIGHLIGHTS

1. Broken Hill, WA (IPT 100%:IGO earning 75%)

- IGO to drill EM conductor at Platinum Springs as soon as practicable.
- All statutory approvals are in place.

2. Arkun-Beau, WA (IPT 100%)

- Airborne EM survey, soil geochemistry surveys, field checking and rock chip sampling completed at priority targets for Ni-Cu-PGE.
- Extensive time spent completing Land Access Negotiations across the project area.
- Four large and significant soil geochemistry anomalies identified at Beau, including:
  - a large copper-nickel-PGM-silver-cobalt anomaly up to 2.5 km by 1 km in size and associated with previously unrecognised layered mafic gabbros.
  - a gold-palladium anomaly about 500 metres in diameter.
  - two lithium-caesium-tantalum anomalies each about 1 km in dimension that may be part of a large zoned intrusive pegmatite system.
- Field checking and relevant follow-up sampling of all areas were completed in August to identify reconnaissance drill targets as quickly as practicable.
- A reconnaissance drill programme will be organised as soon as practicable and subject to access and the harvest period.

3. Commonwealth, NSW (IPT 100%)

Terms agreed for the sale of a 75% interest in its 100% owned Commonwealth Project in the Lachlan copper-gold province of New South Wales.

4. Corporate

Cash: $2.8
Date of AGM 24th November 2022.

COMPANY DETAILS

Market Cap: A$17m (0.007 p/s)

Issued Capital: 2,481,370,556

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DIRECTORS

Mr Peter Unsworth
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Dr Michael Jones
Managing Director

Mr Paul Ingram
Non-Executive Director

Dr Frank Bierlein
Non-Executive Director

Mr Bernard Crawford
Company Secretary

OVERVIEW

During the Quarter Impact continued work on its 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 (ASX:CHN) and also the home to the world class Greenbushes lithium-tantalum mine (Figure 1).

Impact has assembled a significant number of projects in this highly prospective region, both 100% owned, (Arkun-Beau, Dinninup, Mineral Hill and Martup) and in joint venture (Hopetoun, Jumbo, Narryer and Dalgaranga). In addition, the Company is in a joint venture at the Doonia gold project near Kambalda (Figure 1).

Current work programmes are aimed at defining drill targets at the flagship Arkun-Beau-Jumbo area and progressing interpretation of data at Doonia. The other projects are also being progressed via compilations of previous work and preliminary interpretations of the surface and bedrock geology to identify areas of interest for follow up exploration.

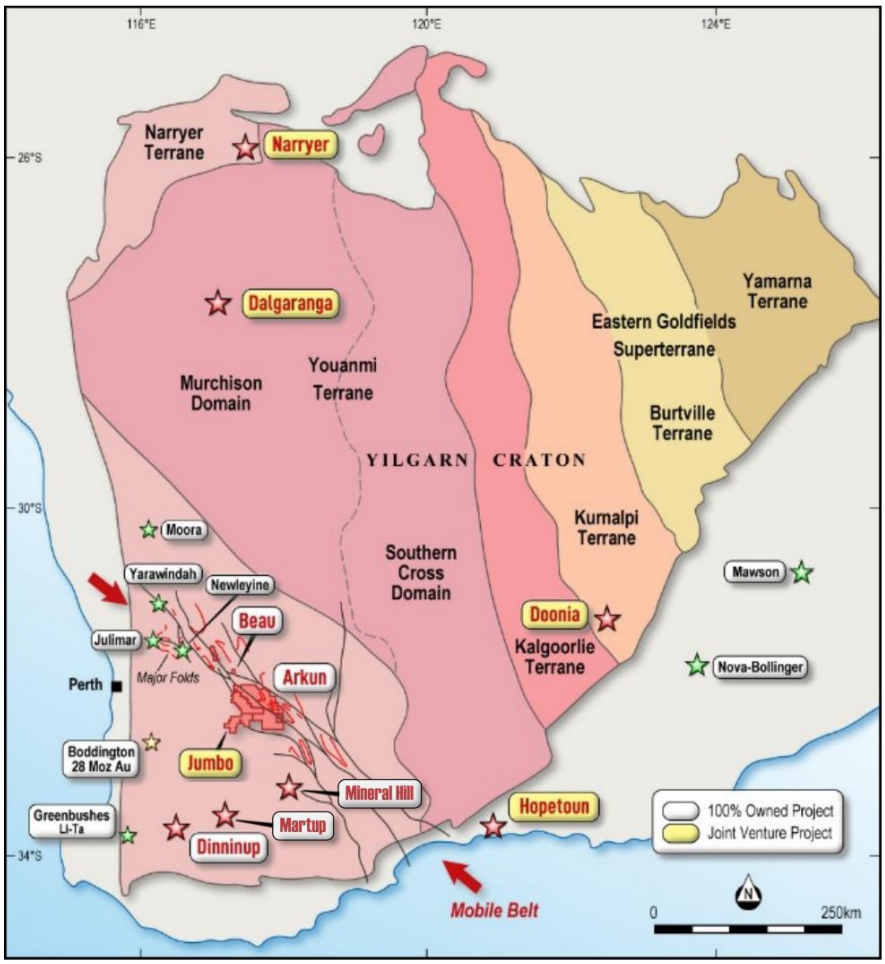

Figure 1. Location of Impact's projects in Western Australia.

PROJECT REPORTS

1. BROKEN HILL, NSW (IPT 100%: IGO earning 75%)

During the Quarter, the large and significant electromagnetic survey at Impact's Broken Hill project in New South Wales, funded IGO Limited (ASX:IGO), was completed. This work is part of a joint venture to explore for nickel-copper-PGM on EL7390 and EL8234 where IGO has the right earn up to a 75% interest in the two tenements (ASX Release 9th November 2021).

A significant conductor modelled to be centred at a depth of about 350 metres below surface and 420 metres long was 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 3rd March 2022).

IGO has indicated that it will drill this conductor as soon as practicable. All statutory approvals are in place and drilling will commence as and when IGO can source a drill rig, either in Q4 2022 or Q1 2023.

2. ARKUN-BEAU-JUMBO Ni-Cu-PGM, WA (IPT 100% and 80%)

The following work has recently been completed across the Arkun-Beau-Jumbo Project areas:

1. An extensive airborne HELITEM electromagnetic and magnetic survey comprising 920 line kilometres was completed on 7 blocks covering the priority soil geochemistry targets identified at Beau and Arkun (Figures 2 and 3). Final survey data has now been received and further processing and interpretation of the data is underway with results expected in November.

2. Extensive time has been spent completing Land Access Agreements with landowners through the Beau and Arkun areas. A total of 25 agreements have been signed which cover the majority of the Ni-Cu-PGE targets in the northern part of the project area and negotiations are underway for the remaining targets in the southern part of the area. In general, there has been a very good response from landowners in allowing exploration to commence.

3. As a result of the Land Access Agreements, Impact has been able to complete several campaigns of field checking, soil geochemistry and rock chip sampling across some of the priority targets for Ni-Cu-PGE. A total of 949 soil samples and 171 rock chip samples have been collected and submitted for assay.

4. Reconnaissance field checking and rock chip sampling has been completed along the main access road at Jumbo to follow up first pass soil geochemistry results. These samples have also been submitted for assay.

This work will allow further refinement of areas of interest for follow up work which will include drilling. Access is limited in some places until later in the year when the harvest season is completed. There is still significant follow up work to be done on the other targets and this is a priority for Impact going forward.

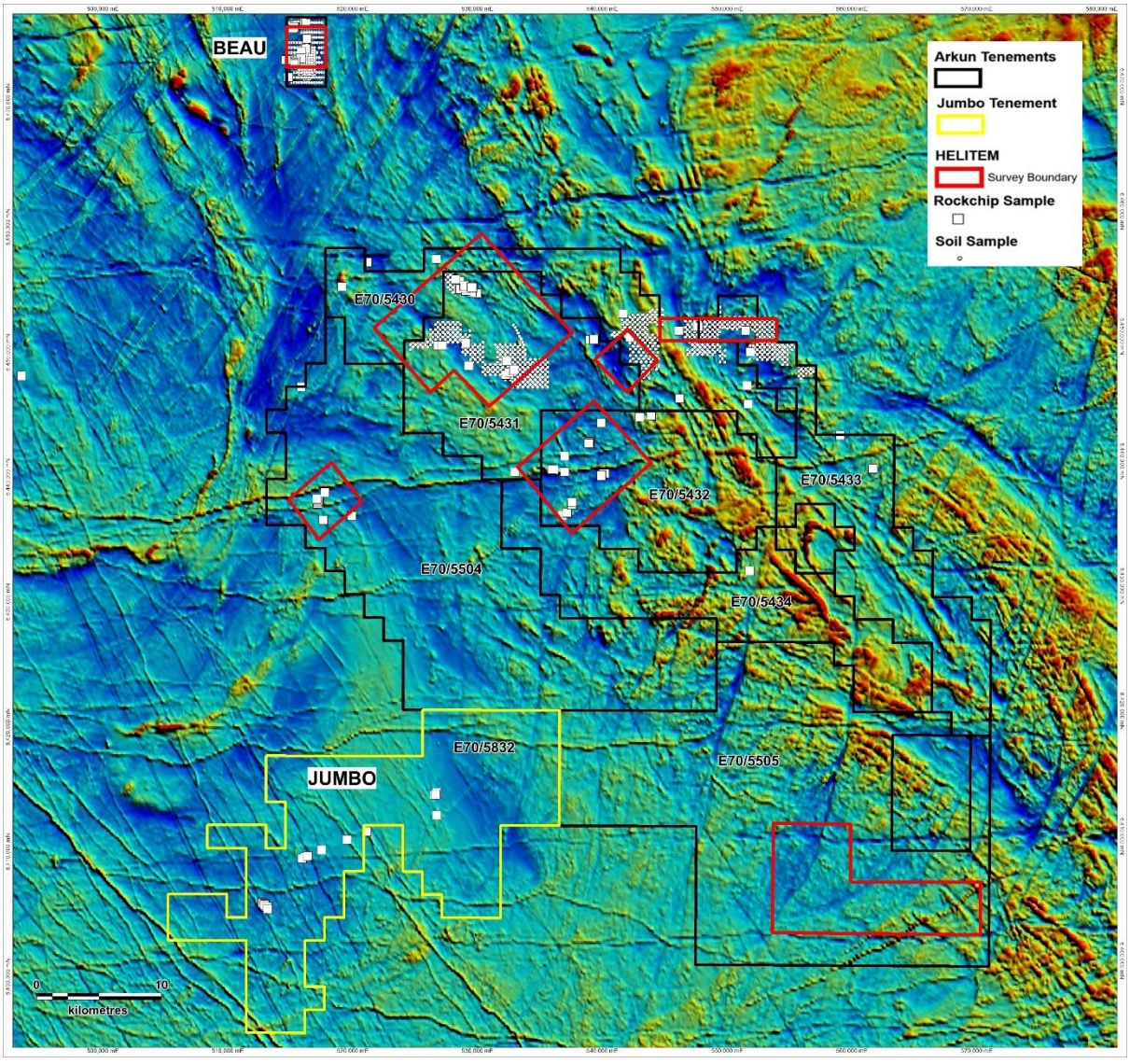

Figure 2. Location of airborne HELITEM survey areas, soil geochemistry surveys and rock chip samples recently completed by Impact.

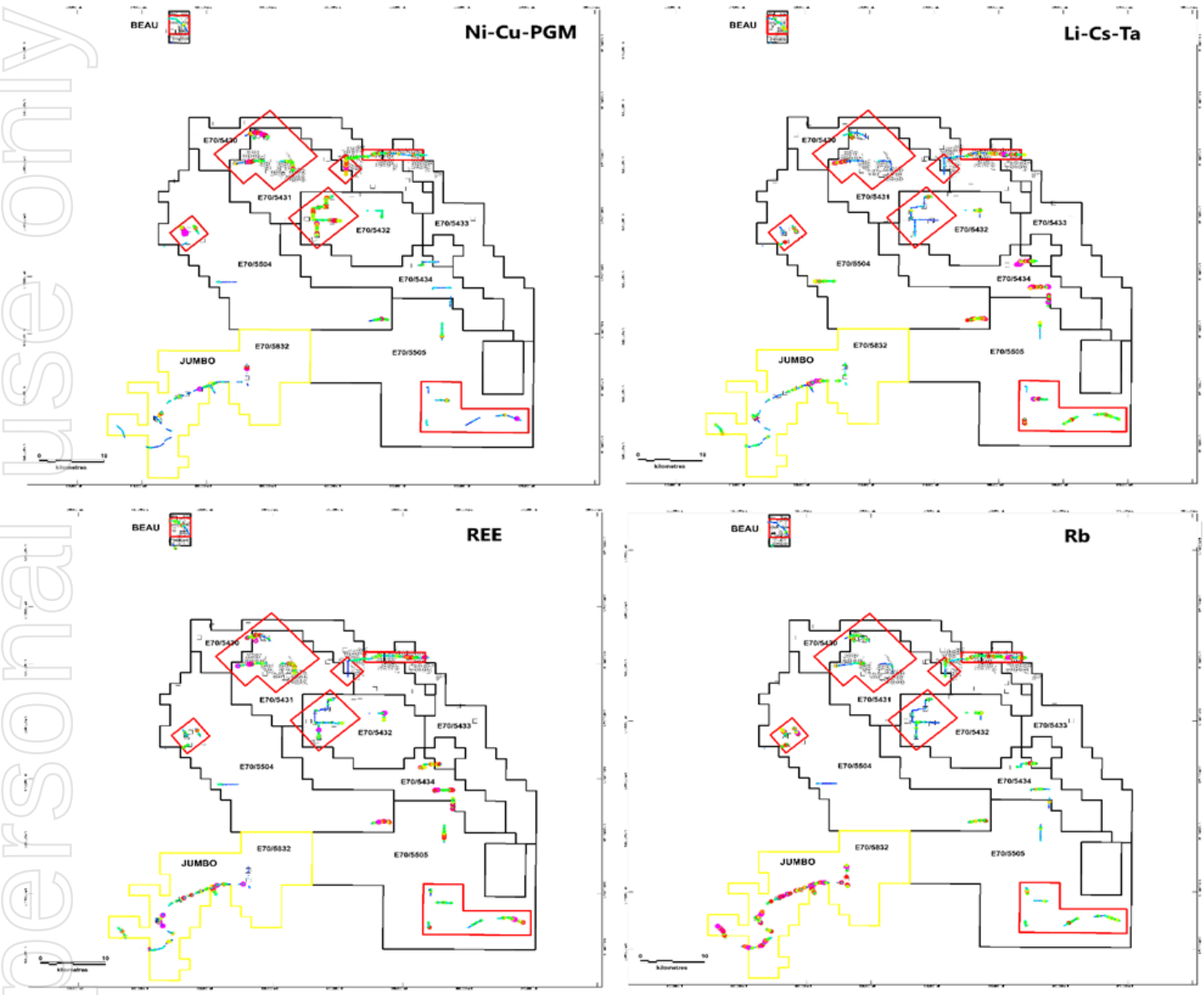

Figure 3. Airborne EM survey blocks (in red) over previous roadside soil geochemistry anomalies for Ni-Cu -PGM, Li-Cs-Ta, REE and Rb (additive Z scores: see ASX Releases 8th March 2022, 27th October 2021 and 21st September 2021 for details).

Previous work by Impact across the Arkun and Beau project areas using a proprietary geophysical-geochemical technology owned by Southern Sky Energy Pty Ltd, identified 17 broad areas of interest, principally for Ni-Cu-PGM mineralisation, for follow-up work (ASX Release 10th June 2021).

Reconnaissance soil geochemistry traverses along gazetted roads and tracks over 15 of these targets identified a total of 22 more specific targets for both Ni-Cu-PGM mineralisation and, for the first time in the area, lithium-caesium-tantalum pegmatites and Rare Earth Elements (REE). A number of the original targets returned anomalous soil results for more than one style of mineralisation. Targets for both Ni-Cu-PGM and lithium were identified at Beau (ASX Release 21st September 2021).

Results of the Soil Geochemistry Survey

During the Quarter four significant anomalies were identified at Beau by a more detailed follow-up soil geochemistry survey, one each for nickel-copper-PGM and gold-palladium and two for lithium-caesium-tantalum.

The samples were taken at a spacing of 200 metres by either 200 metres or 400 metres and submitted for the ionic leach method at ALS Laboratories in Perth.

The results of the soil geochemistry survey are described below and presented as additive *response ratios* in Figures 2 to 7. Further details on the survey, the analytical technique and calculation of the response ratios can be found in the ASX Release 15th July 2022.

1. NICKEL-COPPER-PALLADIUM-PLATINUM-GOLD RESULTS

The results for nickel-copper-palladium-platinum, together with spatially associated metals silver, cobalt and gold are shown as additive response ratios on an image of the regional magnetic data in Figure 4. These metals are considered pathfinder metals for many mafic-associated massive sulphide systems globally (ASX Releases 10th June 2021 and 21st September 2021).

One large coherent anomaly that is up to 2.5 km long north-south and 1 km wide with combined responses up to 88 times background has been identified in the north west of the Beau tenement (Figure 4). Particularly strong responses occur along two traverses (Traverse A and B, Figure 5).

On Traverse A strong responses in particular for copper-nickel-palladium-cobalt occur at the western end of the traverse in an area where there are numerous loose boulders of layered gabbro (Figure 6).

Layered gabbros are mostly found as part of large mafic intrusions that host massive nickel-copper sulphide deposits. Impact is the first company to record such rocks in the area. This is a highly encouraging development and further field checking is required.

On Traverse B moderate responses for copper-nickel-cobalt-palladium occur over a broad area of about one kilometre. This area has not been field checked and is also a priority area for follow up work.

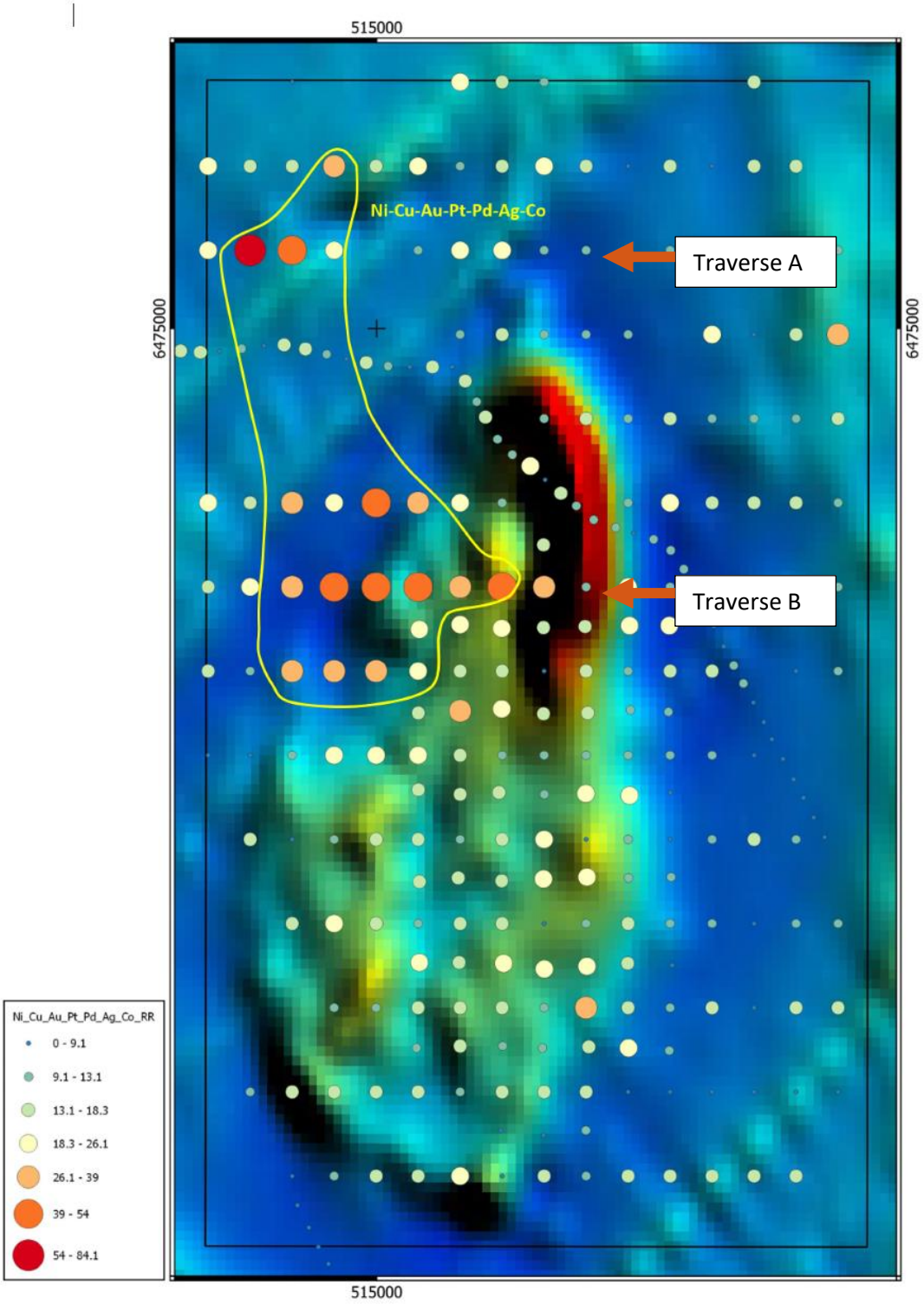

Figure 4. Combined response ratios for nickel-copper-cobalt-platinum-palladium-silver-gold-cobalt plotted on an image of the regional magnetic data (more magnetic units in warmer colours). The main soil anomaly is highlighted and is mostly coincident with rocks of low magnetic response and interpreted as part of a large mafic intrusion. The strong magnetic unit in the northeast is probably a unit of banded iron formation.

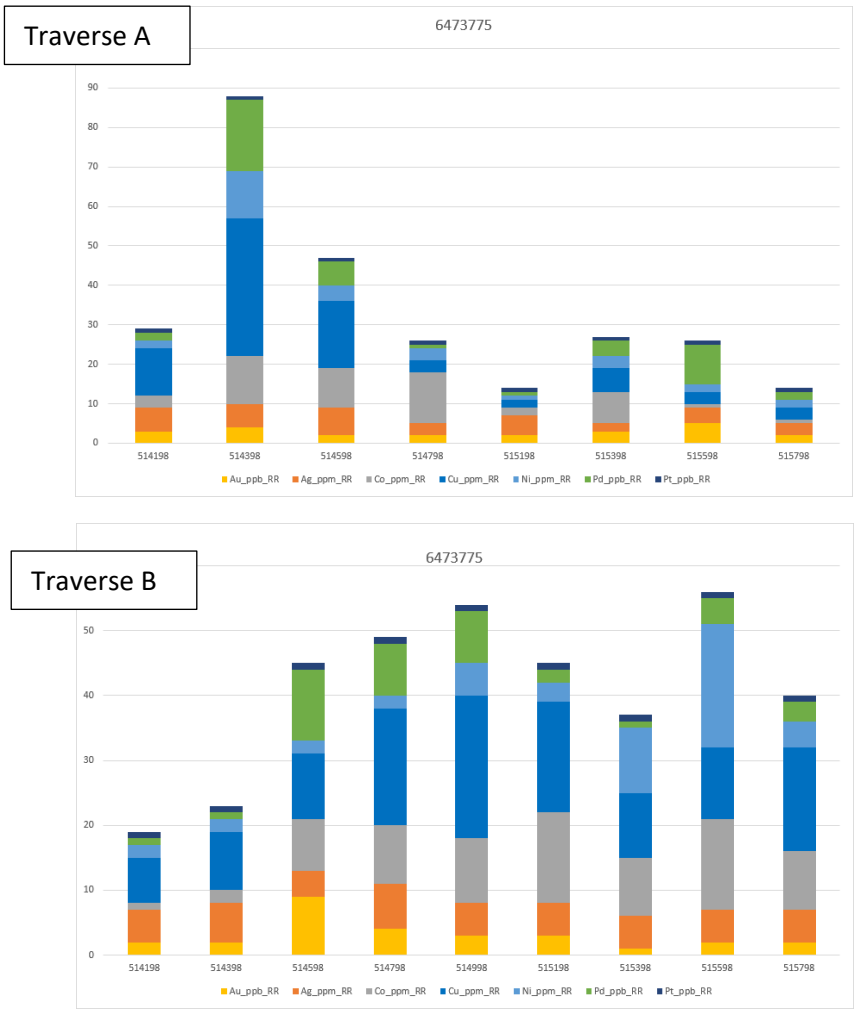

Figure 5. Stacked bar charts of additive response ratios for Traverse A (top) and Traverse B (bottom).

Figure 6. Loose boulder of rhythmically layered gabbro from Traverse A. Such textures occur within many layered mafic intrusions globally that host major metal deposits.

2. GOLD

A discrete gold-palladium-in-soil anomaly about 500 metres in diameter has been identified in the central part of the Beau project (Figure 7). The responses for both metals are moderate and are associated with strong magnesium responses. Although not discussed here, magnesium is strongly correlated with REE elements in the soil geochemistry data and together these suggest the responses may be related to an alkaline intrusion. The area has not been field checked and this is a priority area for further work.

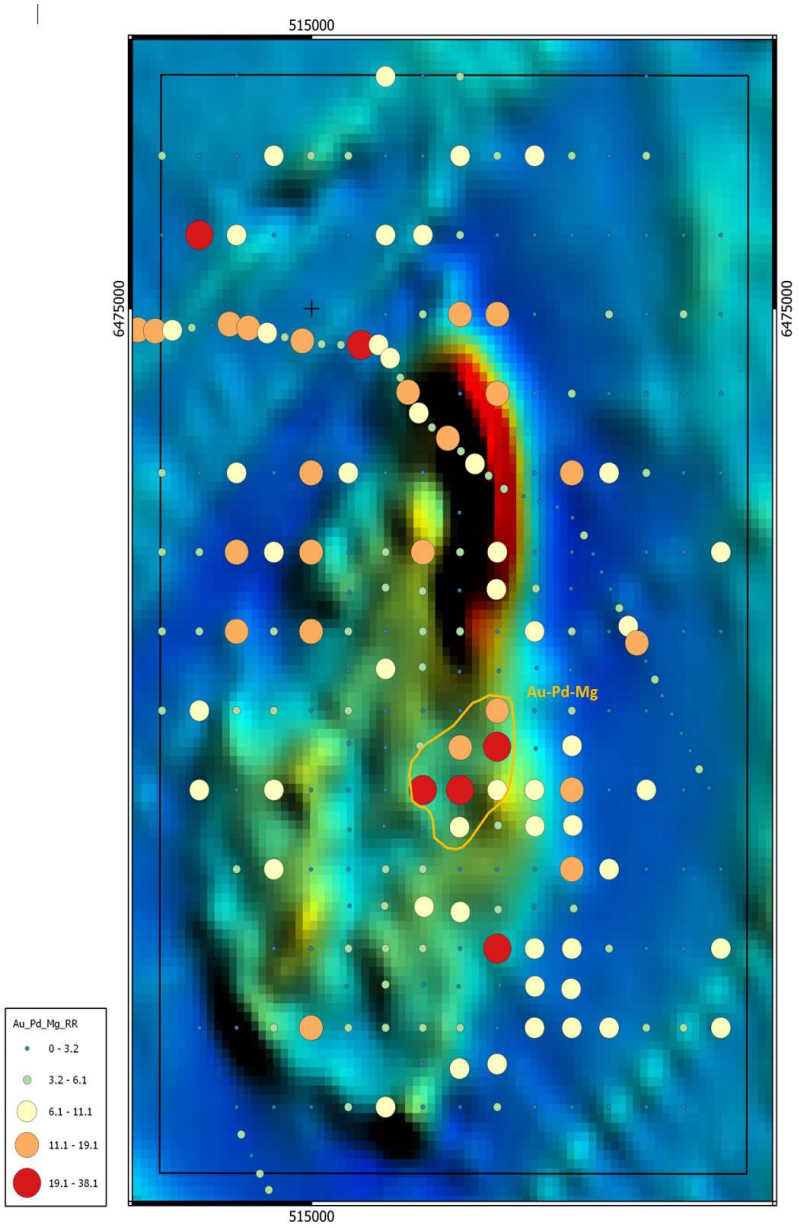

Figure 7. Combined response ratios for gold-palladium-magnesium plotted on an image of the regional magnetic data (more magnetic units in warmer colours) and showing a coherent anomaly about 500 metres in diameter. The elevated magnesium responses show a strong correlation to elevated REE responses. This area has not been field checked.

3. LITHIUM-CAESIUM-TANTALUM

Two large irregular shaped soil anomalies each about 1 kilometre in dimension with modest to strong response ratios for lithium-caesium-tantalum have been identified in the north east and central parts of the Beau project.

As well as these three metals, there are also variable responses for the associated metals beryllium and niobium and additive response ratios for all five metals are shown in Figure 8. Particularly strong responses occur on Traverse C (Figure 8 and Figure 9).

These five metals commonly form part of a zoned system of pegmatites in a widely used model for exploration for lithium-dominant pegmatites (Figure 8). Responses for the individual metals do vary significantly within the two areas identified, but together the responses are permissive of a large zoned pegmatite system. There are indications of such zonation along Traverse C (Figure 7). Of note, the southern anomaly also partly rings the gold-palladium anomaly, suggesting a possible genetic relationship.

Both of the geochemical anomalies occur in areas of poor outcrop and extensive laterite and require detailed field checking and possible infill soil geochemistry samples to better define any possible zonation.

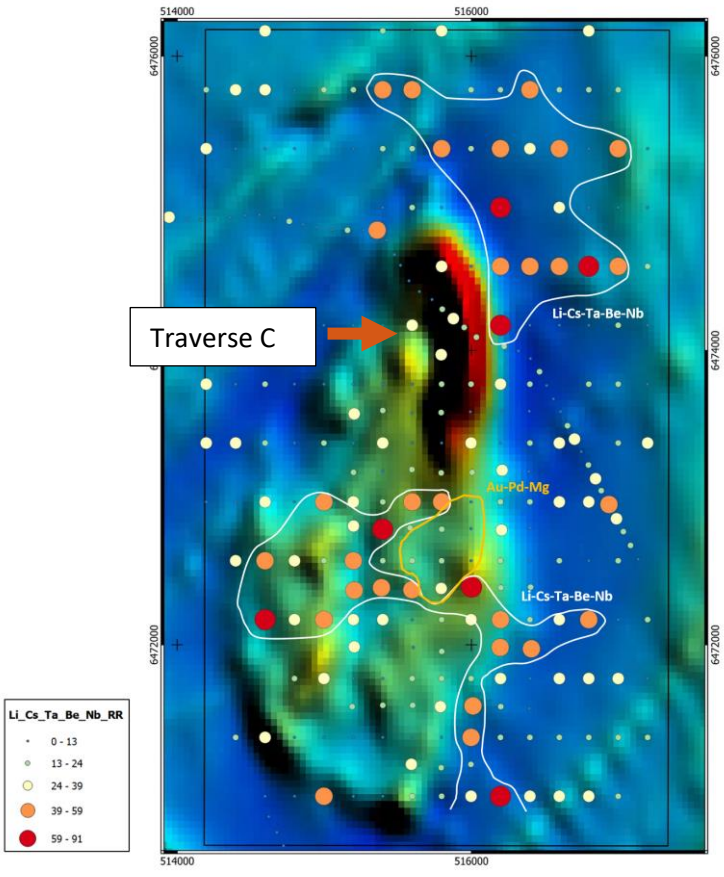

Figure 8. Combined response ratios for lithium-caesium-tantalum-beryllium-niobium plotted on an image of the regional magnetic data (more magnetic units in warmer colours). These areas have not been field checked.

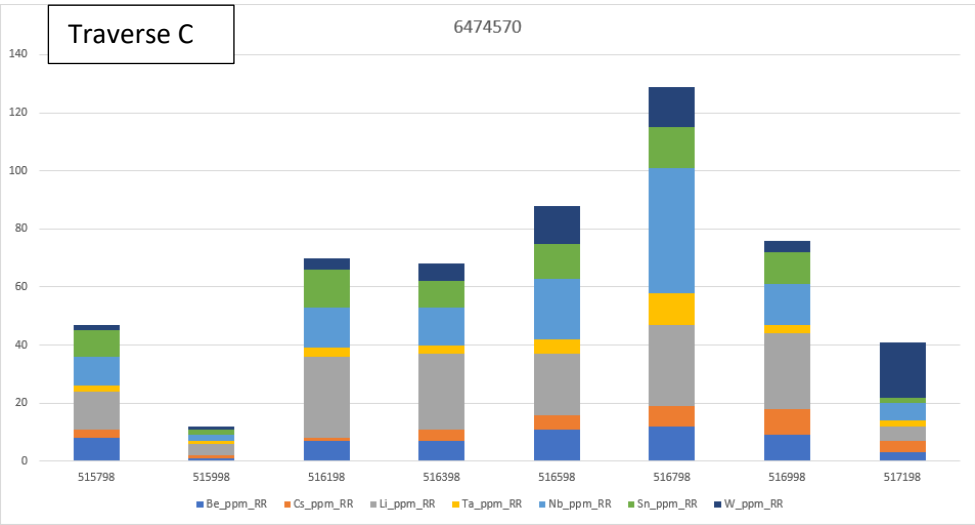

Figure 9. Stacked bar charts of additive response ratios for Traverse C. The elements are plotted in order from bottom to top as per the exploration model and suggest they may be part of a zoned system (Figure 7).

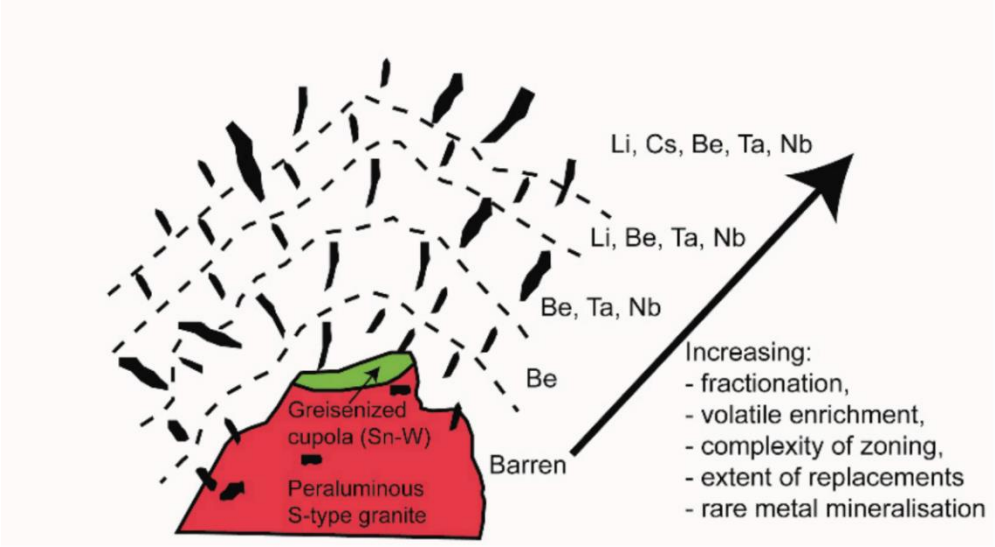

Figure 10. Cartoon of a widely used exploration model for zoned pegmatite systems showing a core of beryllium (Be) dominant mineralisation passing outwards to tantalum, niobium, lithium and caesium dominant mineralisation.

4. DISCUSSION AND NEXT STEPS

The results of Impact's first ever detailed soil geochemistry programme at Beau and within the greater Arkun-Beau-Jumbo project area has successfully identified four high-priority target areas for further work and cover a wide range of battery and precious metals. The geological terrain, which is very poorly explored, is permissive for significant mineralisation of the types discussed here, and Impact considers the results from its exploration targeting work in this region thus far highly encouraging.

It is equally encouraging that Impact's targeting methodology and exploration workflow exemplified here has returned numerous areas for follow-up work and this augers well for Impact's other projects throughout the emerging mineral province of Western Australia where the same work flow is being applied (Figure 1).

A further 600 soil samples have already been taken across a number of other targets within the Arkun project and have been submitted to ALS for assay. Results are expected in November.

At Beau, follow-up field checking and sampling has also been completed with the aim of prioritising areas for reconnaissance drill traverses as soon as practicable. Access will be restricted for drilling until the harvest period later in the year. This will however allow time for the statutory approvals to be lodged.

3. COMMONWEALTH PROJECT (IPT 100%)

As announced to ASX on 8th August 2022, Impact has agreed terms for the sale of a 75% interest in its 100% owned Commonwealth Project in the Lachlan copper-gold province of New South Wales. The principal terms of the sale, which is to Burrendong Minerals Limited, an unrelated public company looking to list on the ASX, are:

1. A non-refundable option fee of $25,000 for an eight-week Exclusivity Period to complete a Share Purchase Agreement (SPA) and Joint Venture Agreement (JVA). The Exclusivity Period has been extended to 8th November, 2022.
2. On execution of the SPA Impact to receive a non-refundable payment of $250,000 cash.
3. Following execution of the SPA Burrendong will have nine months to complete a listing on the ASX.
4. Upon listing Impact will receive a further $250,000 cash, a 19.9% interest in the newly listed company and will also retain a 25% interest in the project.
5. The project will then operate under an Incorporated Joint Venture with Burrendong to sole fund exploration until the earlier of the first $5 million of expenditure or a Decision to Mine.
6. Normal dilution clauses will subsequently apply and if Impact reduces to less than a 10% interest it will convert to a royalty of 2% NSR.
7. Impact shareholders will be entitled to a priority right to subscribe for up to $3,000,000 worth of shares.
8. Impact will have the right to nominate a Director to the Board of Burrendong.
9. Upon listing, Burrendong has the right to purchase Impact's interest in the project at a price to be agreed between the parties or at a price determined by an independent third-party valuation.

4. HOPETOUN WA (Impact earning 80%)

During the Quarter results were received from the diamond drill programme and these are being interpreted. Discussions are underway to renegotiate the terms of the joint venture.

5. OTHER PROJECTS

Work progressed on analysing the previous exploration results at the Dinninup, Mineral Hill, Dalgaranga and Narryer projects.

At Doonia soil geochemistry results, along with drill assay results were received and are being interpreted.

6. CORPORATE

DATE OF AGM

The 2022 Annual General Meeting of the Company will take place on Thursday 24 November 2022. A Notice of Meeting has been released to ASX and Shareholders have been notified.

Financial Commentary

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

Cash exploration expenditure for the period was 768k. Corporate and administration expenditure amounted to $334k. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was $96k and includes salary, directors' fees and superannuation.

Cash at September 30th was $2.8 million.

Dr Michael G Jones
Managing Director

Competent Persons Statement

Exploration Results

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

Impact Minerals confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements referred to and in the case of mineral resource estimates, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Tenement Information in accordance with Listing Rule 5.3.3

Project / Tenement	Location	Status	IPT Interest at start of quarter	IPT Interest at end of quarter
Commonwealth	**New South Wales**			
EL5874		Granted	100%	100%
EL8212		Granted	100%	100%
EL8252		Granted	100%	100%
EL8504		Granted	100%	100%
EL8505		Granted	100%	100%
Broken Hill	**New South Wales**			
EL7390		Granted	100%	100%
EL8234		Granted	100%	100%
EL8636		Granted	100%	100%
EL8674		Granted	100%	100%
EL8609		Granted	100%	100%
EL9036		Granted	100%	100%
EL9037		Granted	100%	100%
EL9115		Granted	100%	100%
EL9294		Granted	100%	100%
EL9384		Granted	100%	100%
ELA6519		Application	-	-
Blackridge	**Queensland**			
EPM26806		Granted	100%	100%
EPM27571		Granted	100%	100%
EPM27410		Granted	100%	100%
Arkun	**Western Australia**			
E70/5424		Granted	100%	100%
E70/5430		Granted	100%	100%
E70/5431		Granted	100%	100%
E70/5432		Granted	100%	100%
E70/5433		Granted	100%	100%
E70/5434		Granted	100%	100%
E70/5490		Granted	100%	100%
E70/5504		Granted	100%	100%
E70/5505		Granted	100%	100%
E70/5816		Granted	100%	100%
Doonia	**Western Australia**			
E15/1790		Granted	80%	80%

Project / Tenement	Location	Status	IPT Interest at start of quarter	IPT Interest at end of quarter
Jumbo	**Western Australia**			
E70/5852		Granted	80%	80%
Dalgaranga	**Western Australia**			
E59/2620		Granted	80%	80%
Narryer	**Western Australia**			
E52/3967		Granted	80%	80%
E52/3985		Granted	80%	80%
Hopetoun	**Western Australia**			
E74/563		Earning In	-	-
EL74/730		Application	-	-
E74/679		Earning In	-	-
Dinninup	**Western Australia**			
E70/5842		Granted	100%	100%
E70/6111		Granted	-	100%
E70/6112		Granted	-	100%
E70/6113		Granted	-	100%
E7016178		Granted	-	100%
Martup	**Western Australia**			
E70/5761		Granted	100%	100%
Mineral Hill	**Western Australia**			
E70/5780		Granted	100%	100%
Gascoyne	**Western Australia**			
E52/4113		Application	-	-
E52/4114		Application	-	-