

MAY 1, 2023

CORPORATE RELEASE

Placement to Raise \$4 Million and Exercise of the Lake Hope Option

- \$4 million raised via a Placement at 1.2 cents to professional and sophisticated investors, including \$3 million from Impact's largest shareholder, a German Family Office.
- Funds will be used primarily to accelerate the Pre-Feasibility Study (PFS) and Mining Lease Application at the Lake Hope Project, an advanced High Purity Alumina (HPA) project located near Hyden in the Tier One jurisdiction of Western Australia.
- Impact has also exercised its option to proceed with the farm-in to earn an 80% interest in the Lake Hope Project by completing the PFS.
- Early-stage exploration to continue on the Arkun battery metals project in Western Australia.

Impact Minerals Limited (ASX:IPT) (**Company**) is pleased to announce that it has received firm commitments to raise \$4,000,000 via a placement (**Placement**) of 333,333,333 shares (**Placement Shares**) at 1.2 cents per share, a 5% premium to the 15 day VWAP, and giving the Company a cash balance of approximately \$5 million.

Impact's two largest shareholders, the Bunnenberg Family Office and ABC Beteiligungen, a subsidiary of Deutsche Balaton AG, an investment company listed on the Frankfurt Stock Exchange, have contributed \$3.25 million to the placement.

Impact Minerals would like to thank Ignite Equity, who assisted with the balance of the capital raising being \$750,000. Ignite Equity is a Melbourne-based boutique Corporate Advisor specialising in cornerstone and lead-managed placements.

The funds will be used to accelerate the development of the advanced Lake Hope High Purity Alumina (HPA) project located 500 km southeast of Perth in the Tier 1 jurisdiction of Western Australia. Impact recently announced it had the option to acquire an 80% interest in Lake Hope by completing a Pre-Feasibility Study on the project, and the Company has also now exercised that option following the completion of due diligence (ASX Releases March 21st 2023 and April 6th 2023).

Impact Minerals' Managing Director, Dr Mike Jones, said, *"We are extremely pleased with the backing of our major investors which is a resounding vote of confidence in our decision to enter the HPA market by developing the advanced Lake Hope Project in Western Australia. Since announcing the acquisition, our work has confirmed the project's significant potential, and we have now exercised the option to earn an 80% interest by completing a Pre-Feasibility Study. With the new funds, we can now accelerate this study and also produce final products that can be provided to potential customers for qualification testing. We have already made considerable strides in advancing the project, with just the final set of assays for the recently completed infill drilling left to complete our maiden resource estimate by the end of this Quarter. We then intend to submit a Mining Lease application in the next Quarter in tandem with the feasibility studies. We are forging ahead at full speed, and these funds will allow us to maintain our momentum"*.

Placement Summary

The Placement Shares are to be issued under the Company's available placement capacity as follows:

- 68,529,611 Shares pursuant to Listing Rule 7.1; and
- 264,803,722 Shares pursuant to Listing Rule 7.1A.

The Placement is being made at a 5.0% premium to the 15-day VWAP.

The indicative timetable for completion of the Placement is as follows:

Settlement of the Placement: 3 May 2023

Issue of Shares: 5 May 2023

ASX quotation of Shares: 8 May 2023

Exercise of the Lake Hope Option

Having completed its due diligence, Impact has also exercised its option to earn an 80% interest in the Lake Hope HPA Project, owned by Playa One Limited, by sole funding a Pre-Feasibility Study on the project (ASX Release March 21st 2023).

Under the Terms of the Binding Term Sheet, Impact will now pay to the shareholders of Playa One Limited \$175,000 cash and issue 50 million fully paid ordinary shares (escrowed for 12 months) and 30 million unlisted options exercisable at 1.125c and vesting 12 months from the date of issue and expiring on 1 December 2025.

The 50 million Shares and 30 million unlisted options will be issued under the Company's available Listing Rule 7.1 placement capacity.

The shares and unlisted options will be issued with the Placement Shares.

The other key terms of the acquisition are:

1. Upon completion of a PFS, Impact can enter an incorporated joint venture with the Playa One shareholders (through an entity representing them, Playa Two Pty Ltd). If so, it will acquire an immediate 80% interest in Playa One by issuing up to 120 million fully paid ordinary shares capped at a maximum value of \$8 million (based on the 5-day VWAP before the election) to the Playa One Shareholders.
2. Upon completion of a Definitive Feasibility Study (DFS) to be sole-funded by Impact, Impact will issue up to 100 million fully paid ordinary shares capped at a maximum value of \$10 million (based on the 5-day VWAP before the ASX announcement of the completion of the DFS) to the Playa One Shareholders.
3. Playa One shareholders will be free-carried to a Decision to Mine. Impact will maintain all Playa One tenements in good standing during this time.
4. If a Decision to Mine is made, the Playa One Shareholders may contribute to mine development costs or be diluted. If their interest falls below 7.5%, it will convert to a 2% net smelter royalty.

Following completion of the Placement, the Company will have a cash balance of approximately \$5 million. An Appendix 3B and an Appendix 2A will follow this release as appropriate.

About the Lake Hope Project

The Lake Hope Project contains globally unique high-grade aluminium clay minerals in the top few metres of a playa lake, which has unique physical and chemical properties that allow for low-cost mining and offsite metallurgical processing via a novel and cost-disruptive acid leaching process.

Preliminary economic studies indicate that the production of HPA and related products from Lake Hope will be cost-competitive with current producers and other developers in Australia and globally.

An Exploration Target for contained alumina (Al_2O_3) in the top 0.5 m to 1.5 m or so has been calculated from initial drill and assay results of between 2.6 million to 4.7 million tonnes at a grade of between 24.3% Al_2O_3 and 26.7% Al_2O_3 for a contained **0.69 Mt to 1.25 million tonnes of Al_2O_3** .

Initial un-optimised metallurgical test work indicates that recoveries of about 85% of material that can be processed into HPA are achievable.

Exploration Target Disclaimer

Investors should be aware that the potential size and grade of Lake Hope's alumina deposit are conceptual in nature. Insufficient work has been undertaken to estimate a JORC 2012-compliant Mineral Resource Estimate, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. In addition, further metallurgical test work is required to confirm the recovery rates.

Further details on the Exploration Target are given in the ASX Release dated March 21st 2023. Table 1 summarises the critical statistics for the Exploration Target.

Lake	Surface Area m ²	Thickness	Tonnage Range		Al ₂ O ₃ Grade		Contained Alumina	
			Min	Max	Min	Max	Min	Max
West	1,300,000 m ²	0.4 to 1 m	1,650,000 t	3,310,000 t	24.5%	27.0%	403,000 t	895,000 t
East	685,000 m ²	0.4 to 2 m	930,000 t	1,390,000 t	24.0%	26.0%	289,000 t	360,000 t
Combined			2,590,000 t	4,740,000 t	24.3%	26.7%	692,000 t	1,250,000 t

Table 1. Lake Hope Exploration Target, 2022. Columns may not sum correctly due to rounding.

Next Steps

The unique nature of Lake Hope, which allows for very low cost, low environmental footprint, free-dig mining, and straightforward metallurgical processing, presents a clear path to producing high-purity alumina products that command high margins in a global market forecast to expand dramatically over the next decade.

As such, the Lake Hope Project presents a compelling opportunity for Impact Minerals and its shareholders.


A detailed work programme, budget and timeframe are currently being prepared. However, Impact is now working towards the following goals over the next three to six months:

- Calculation of a maiden Mineral Resource Estimate in accordance with the JORC 2012 Code.
- Completion of a Scoping Study.
- Baseline environmental studies.
- Baseline heritage surveys, continued discussions with the Ngadju First Nations Group in respect of the application for the Mining Lease.
- Lodgement of an application for a Mining Lease.
- Commencement of a Pre-Feasibility Study.

The Lake Hope Project has become the main focus of Impact's activities going forward. The PFS and DFS are estimated to have a relatively low cost compared to other more conventional projects. This will allow exploration to continue at Impact's other projects, particularly the Arkun project in the emerging mineral province of southwest Western Australia. In addition, work will also continue at Broken Hill under the BHP Xplor programme (ASX Release January 17th 2023). Statutory commitments are also expected to be maintained on other projects.

This report contains no new Exploration Results.

Authorised for release by the Board of the Company.



Dr Michael G Jones

Managing Director

Competent Person's Statement

The review of exploration activities and results in relation to the Lake Hope Project, the Exploration Target and the metallurgical test work contained in this report is based on information compiled by Roland Gotthard, a Member of the Australian Institute of Mining and Metallurgists. He is an employee of 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). Mr Gotthard has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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