

ASX ANNOUNCEMENT

Date: 15 May 2017

Number: 512/150517

LODGEMENT OF PROSPECTUS

Impact Minerals Limited (**Company**) (ASX: IPT) is pleased to advise that the attached Prospectus has today been lodged with the Australian Securities and Investments Commission.

The Prospectus is for the offer of the Share Purchase Plan and for the offer of the shortfall to the Share Purchase Plan, to raise up to \$4,001,400.

Pursuant to the Share Purchase Plan, existing Shareholders resident in Australia or New Zealand who were on the Company's register of Shareholders at Wednesday, 10 May 2017 (**Eligible Shareholders**) are entitled to subscribe for up to \$15,000 of fully paid ordinary shares in the Company at \$0.018 each (**New Shares**), with three free attaching options exercisable at \$0.04 each on or before 15 June 2020 (**Free Attaching Options**) for every two New Shares subscribed for.

Any New Shares and Free Attaching Options (**Offer Securities**) not subscribed for under the Share Purchase Plan will form the Shortfall and will be offered under the Shortfall Offer, which forms a separate offer under the Prospectus. An individual, including an Eligible Shareholder, may apply for additional Offer Securities under the Shortfall Offer provided they are eligible under all applicable securities laws to receive an offer under the Shortfall Offer.

The funds raised will be used to fund a drill programme of up to 3,000 metres of reverse circulation and diamond drilling to test targets on the Silica Hill Prospect at the Company's 100% owned Commonwealth gold-silver-base metal project, for follow up work at the high grade Broken Hill copper-nickel-PGM project and Mulga Tank and for general working capital.

For further information please contact:

Dr Mike Jones
Managing Director
Impact Minerals Limited
+61 8 6454 6666



Impact Minerals Limited
ACN 119 062 261

Prospectus

For the offer to each Eligible Shareholder to subscribe for up to \$15,000 of New Shares at an issue price of \$0.018 per New Share, with three free attaching Options exercisable at \$0.04 each on or before 15 June 2020 for every two New Shares issued, to raise up to \$4,001,400 (**Share Purchase Plan**), and for the offer of the shortfall to the Share Purchase Plan (**Shortfall Offer**).

The Share Purchase Plan opens on Friday, 19 May 2017
and closes at 5.00pm (WST) on Friday, 9 June 2017.

The Shortfall Offer opens on Friday, 19 May 2017
and closes at 5.00pm (WST) on Friday, 16 June 2017.

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this document and on the accompanying Application Form regarding acceptance of the Offers. If you do not understand this document, you should consult your professional adviser. The Securities offered by this Prospectus should be considered as a speculative investment.

Important Information

General

This Prospectus is dated 15 May 2017 and was lodged with the Australian Securities and Investment Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange (**ASX**) takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of 'continuously quoted securities' (as defined in the Corporations Act) prepared in accordance with section 713 of the Corporations Act. In preparing this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

Offer Securities will not be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Electronic prospectus

This Prospectus may be viewed in electronic form at www.impactminerals.com.au by Australian investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request during an Offer Period by contacting the Company. The information on the Company's website does not form part of this Prospectus.

Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

Applications

Applications for Offer Securities by eligible participants may only be made on printed copies of an Application Form attached to or accompanying the Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of an Offer. By returning an Application Form, lodging an Application Form with your stockbroker or otherwise arranging for payment for Offer Securities in accordance with the instructions on the Application Form, an Applicant will be taken to acknowledge that they have received and read this Prospectus, have acted in accordance with the terms of the Offer to which the Application Form applies and have agreed to all of the terms and conditions as detailed in this Prospectus.

Applicants from overseas

This Prospectus does not make any offer to investors who reside outside of Australia and New Zealand. The distribution of this Prospectus and the

Application Form (including electronic copies) outside Australia may be restricted by law. This Prospectus does not, and is not intended to, constitute an offer or invitation in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. If you come into possession of these documents, you should observe such restrictions and should seek your own advice about such restrictions. Please refer to Section 3.7 for further information.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at www.asx.com.au). The contents of any website or filing with ASIC or ASX by the Company are not incorporated into this Prospectus and do not constitute part of an Offer unless otherwise expressly stated. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest the Company or subscribe for Offer Securities.

The Company has not authorised any person to give any information or make any representation in connection with an Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon.

Forward-looking statements

This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, except during an Offer Period and otherwise as required by law, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

Meaning of Terms

Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 10.

Currency

References to "\$", "A\$", "AUD", or "dollar" are references to Australian currency, unless otherwise stated.

Time

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

Corporate Directory

Directors

Mr Peter J Unsworth
(Non-Executive Chairman)

Dr Michael Jones
(Managing Director)

Mr Paul Ingram
(Non-Executive Director)

Dr Markus Elsasser
(Non-Executive Director)

Ms Felicity Gooding
(Non-Executive Director)

Company Secretary

Mr Bernard Crawford

Registered Office and Principal Office

26 Richardson Street
West Perth WA 6005

Telephone: +61 (0)8 6454 6666

Email: info@impactminerals.com.au

ASX Code

IPT

Website

www.impactminerals.com.au

Solicitors to the Offer

Jackson McDonald
Level 17, 225 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9426 6611

Facsimile: +61 8 9321 2002

Share Registry*

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace,
Perth WA 6000

Telephone: 1300 850 505
+61 8 9415 4000

Auditor*

Bentleys Audit and Corporate (WA) Pty Ltd
London House
Level 3, 216 St Georges Terrace
Perth WA 6000

*Included for information purposes only. This entity has not been involved in the preparation of this Prospectus.

Contents

	Page
Important Information	i
Corporate Directory	ii
Contents.....	iii
Key Offer Information	1
1. Investment Overview	2
2. Details of the Share Purchase Plan	8
3. Applications for Offer Securities.....	12
4. Effect of the Offers.....	18
5. Risk Factors	22
6. Rights and liabilities attached to Offer Securities	26
7. Continuous disclosure documents	30
8. Additional information	32
9. Directors' statement.....	37
10. Glossary of Terms	38

Key Offer information

Indicative timetable

Event	Target Date
Record Date for determining Shareholders' entitlements to participate in the Share Purchase Plan (5.00pm WST)	Wednesday, 10 May 2017
Lodgement of Prospectus with ASIC	Monday, 15 May 2017
Despatch of Prospectus	Friday, 19 May 2017
Opening Date of Share Purchase Plan and Shortfall Offer	Friday, 19 May 2017
Closing Date of Share Purchase Plan Offer (5.00pm WST)	Friday, 9 June 2017
Closing Date of Shortfall Offer (5.00pm WST)	Friday, 16 June 2017
General Meeting	Tuesday, 20 June 2017
Issue of Offer Securities	Wednesday, 21 June 2017
Quotation of Securities	Thursday, 22 June 2017
Despatch of Holding Statements for New Shares and Free Attaching Options	Friday, 23 June 2017

Note: These dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close the Share Purchase Plan early, extend the Share Purchase Plan, or accept late Applications, either generally or in particular cases. Investors who wish to submit an Application and subscribe for Securities under the Share Purchase Plan are encouraged to do so as soon as possible after the Share Purchase Plan opens.

Key Share Purchase Plan details

Offer	Details
Price per Share under the Share Purchase Plan	\$0.018
Shares offered under the Share Purchase Plan	222,300,000
Free Attaching Options offered under the Share Purchase Plan	333,450,000
Cash proceeds of the Share Purchase Plan (before costs)	\$4,001,400

Note: The figures in the table above assume full subscription under the Share Purchase Plan.

1. Investment overview

1.1 Introduction

On 15 May 2017, Impact Minerals Limited announced its intention to raise up to \$4,001,400 by way of a share purchase plan to existing Shareholders (**Share Purchase Plan**) and the offer of the shortfall to the Share Purchase Plan (**Shortfall Offer**).

Pursuant to both the Share Purchase Plan and the Shortfall Offer, investors will be able to subscribe for new fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.018 each, with three free attaching options exercisable at \$0.04 each, on or before 15 June 2020 (**Free Attaching Options**) for every two New Shares issued.

Pursuant to the Share Purchase Plan, existing Shareholders on the Company's register of Shareholders at Wednesday, 10 May 2017 are entitled to subscribe for up to \$15,000 of New Shares at \$0.018 each, with three Free Attaching Options for every two New Shares issued.

The Share Purchase Plan is capped at \$4,001,400 with the Company accepting valid applications on a first-come first-served basis.

Any New Shares and Free Attaching Options (**Offer Securities**) not subscribed for under the Share Purchase Plan will form the Shortfall and will be offered under the Shortfall Offer, which forms a separate offer under this Prospectus. An individual, including an Eligible Shareholder, may apply for additional Offer Securities under the Shortfall Offer provided they are eligible under all applicable securities laws to receive an offer under the Shortfall Offer.

If, after the close of the Share Purchase Plan and Shortfall Offer, any Offer Securities have not been subscribed for under the Share Purchase Plan or Shortfall Offer, the Directors reserve the right to place some or all of those Offer Securities within 3 months of the close of the Offers.

The issue of Offer Securities under the Share Purchase Plan, the Shortfall Offer and pursuant to the placement of any remaining Offer Securities, is conditional on shareholder approval at a general meeting to be held on or about Tuesday, 20 June 2017.

The funds raised by the Share Purchase Plan, Shortfall Offer and placement of any remaining Offer Securities will be used to fund a drill programme of up to 3,000 metres of reverse circulation and diamond drilling to test targets on the Silica Hill Prospect at the Company's 100% owned Commonwealth gold-silver-base metal project, for follow up work at the high grade Broken Hill copper-nickel-PGM project and Mulga Tank and for general working capital.

1.2 Use of funds raised from the Share Purchase Plan

The Share Purchase Plan and Shortfall Offer will raise funds of up to \$4,001,400, which the Company intends to use as follows:

Use of funds	Amount at half subscription	Amount at full subscription
Drill Programme at Commonwealth Gold Silver Base Metal Project	\$1,100,000	\$1,350,000
Follow up work at Broken Hill Project	\$200,000	\$650,000
Follow up work at Mulga Tank	\$200,000	\$600,000
Costs of the Share Purchase Plan	\$58,100	\$65,240
Working capital	\$442,600	\$1,336,160
Total	\$2,000,700	\$4,001,400

Note: the information in the above table is current as at the Prospectus Date. The use of funds may change depending on any intervening events or changes in the Company's circumstances. The Board reserves the right to change the way funds are used and applied.

On completion of the Share Purchase Plan and Shortfall Offer, the Company will have sufficient funds to carry out the objectives stated in this Prospectus.

1.3 Company's exploration projects

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

The Commonwealth Project comprises 1,000km² of exploration licences located 100km north of Orange, NSW. The exploration project is focused on the Lachlan Fold Belt, host to the Cadia-Ridgeway mining centre (40 million ounces of gold and 12 million tonnes of copper).

Work by Impact at the Commonwealth prospect in 2014 outlined a maiden Inferred Resource (JORC 2012 Code) of 720,000 tonnes at 2.8 g/t gold and 48 g/t silver centred on historic underground workings at the Commonwealth "Main Shaft". Mineralisation extends over 400 metres strike length, up to 25 metres width and contains a high-grade core of massive sulphides.¹

Current exploration is focused on immediate additions to existing resources including:

- (a) The depth projection of the massive sulphide lens at Main Shaft beyond a bonanza drill intersection of 7 metres at 6.3 g/t gold, 496 g/t silver, 7.2% zinc, 2.9% lead and 0.2% copper from 91 metres in CMIPT031, along with strike and depth extensions of the Inferred Resource envelope.²
- (b) A new discovery at the Silica Hill prospect (located 200 metres northeast of Main Shaft) where drill hole CMIPT046 intersected 41.3 metres at 2.0 g/t gold and 176 g/t silver from 61 metres.³
- (c) A new discovery at the Walls prospect (located 1,200 metres east of Commonwealth Main Shaft) where CMIPT027 intersected 20 metres at 0.5 g/t gold, 27 g/t silver and 1.1% zinc.⁴

BROKEN HILL Ni-Cu-PGE PROJECT (100% IPT)

The Broken Hill Project covers 517 square kilometres near Broken Hill, NSW. The project is prospective for both nickel-copper-PGE mineralisation associated with ultramafic rocks and zinc-lead-silver in "Broken Hill-style" deposits hosted mostly by metasedimentary rocks and amphibolite.

Impact has recently reported several significant high grade drill results from at least three prospects:

- (a) The Red Hill prospect features Impact drill hole RHD012, which recorded a bonanza drill intersection of 3.5 metres at 5 g/t platinum, 6 g/t gold, 144 g/t palladium, 2.9% nickel, 2.3% copper and 14.5 g/t silver in heavy matrix sulphide.⁵
- (b) The Platinum Springs prospect revealed high grade massive nickel-copper-PGE sulphides with drill hole PSD02 intersecting 2.75 metres at 3.5 g/t platinum, 7 g/t

¹ Company's announcement to ASX entitled "Maiden High Grade Resource at Commonwealth NSW", dated 19 February 2015.

² Company's announcement to ASX entitled "High Grade Extensions to the Commonwealth Deposit and Walls", dated 30 June 2016.

³ Company's announcement to ASX entitled "High Grade Gold and Silver at Silica Hill" dated 13 September 2016.

⁴ Company's announcement to ASX entitled "High Grade Extensions to the Commonwealth Deposit and Walls", dated 30 June 2016.

⁵ Company's announcement to ASX entitled "Extremely High Grade Drill Intercept at Broken Hill" dated 23 October 2015.

palladium, 0.4 g/t gold, 2% copper, 1.9% nickel and 11.6 g/t silver from 55 metres down hole.⁶

- (c) The Dora East prospect represents a new discovery of high grade zinc-lead-silver mineralisation with RHD018 intersecting 5.1 metres at 10% zinc, 0.8% lead, 40.4g/t silver from 148.4 metres in massive and disseminated sulphides. Note that Silver City Minerals Limited has a 20% free carried interest to a Decision to Mine in the silver-lead-zinc rights on E7390 which contains Dora East.⁷

Impact's exploration results to date indicate the potential for a platinum mineralisation stretching over a 40km belt of mafic-ultramafic rocks within the richly-endowed Curnamona Craton. The mafic intrusions are dated circa 820 Ma and appear coeval with a major global nickel-mineralising event which included the formation of the world-class Jinchuan nickel-copper deposit in China.

Numerous surface gossans have produced some of the highest platinum and palladium grades in Australia which the Company intends to test with more drilling in 2017.

MULGA TANK Ni-Cu-PGE PROJECT (100% IPT)

The Mulga Tank project covers about 420km² of the Minigwal greenstone belt located 200km east of Kalgoorlie, WA.

Impact has identified three styles of nickel sulphide mineralisation within the Mulga Tank Dunite and surrounding rocks:

- (a) High grade veins in the basal accumulate layer of the Mulga Tank Dunite with drill results of: 0.25m at 3.8% nickel, 0.7% copper and 0.7g/t PGE and 0.3m at 0.7% nickel.
- (b) High grade nickel sulphide in multiple komatiites within a flow channel featuring drill results of: 0.75m at 0.85% nickel, 0.35% copper and 0.28g/t PGE (Pt+Pd+Au).
- (c) Disseminated nickel in the Mulga Tank Dunite with drill results of 115m at 0.3% nickel, 21m at 0.4% nickel and 59m at 0.3% nickel.⁸

The style of mineralisation and the nature of the ultramafic rocks are similar to those that host the significant nickel deposits elsewhere in the Yilgarn Craton, for example, Perseverance (45Mt at 2% nickel), Rocky's Reward (9.6Mt at 2.4% Ni) and Mt Keith (>2Mt contained nickel).

Exploration for nickel and gold is continuing with the completion of three major geophysical and geochemical surveys (airborne magnetic and radiometric survey covering most of the project area, an innovative combined ground and airborne electrical survey (HeliSAM) over the Panhandle and Mulga Tank Dunite prospects, and collection of 2,500 soil samples for geochemistry).

In the June Quarter of 2016, Impact was awarded a grant of \$150,000 as part of the Western Australian Government's Exploration Incentive Scheme (**EIS**) for drilling at the Mulga Tank Project. The EIS is a co-funding initiative for exploration in under-explored areas of WA and awarded on a dollar-for-dollar basis for direct drilling costs. The program is designed to encourage innovative exploration and prioritised high quality, technically sound proposals that demonstrate new exploration concepts.

⁶ Company's announcement to ASX entitled "Very high grade Assays from Platinum Springs" dated 3 February 2016.

⁷ Company's announcement to ASX entitled "Exceptional Zinc-Silver Grades at Red Hill", dated 8 December 2015.

⁸ Company's announcement to ASX entitled "Mulga Tank Drill Assays" dated 29 January 2014.

1.4 Competent Persons Statement

Where identified, information contained within this Explanatory Statement has been extracted from the Company's announcements to ASX listed in the footnotes.

The Competent Person responsible for the information contained within those reports is Dr Michael Jones, who is a Member of the Australian Institute of Geoscientists. Dr Jones has sufficient experience with the style of mineralisation and types of deposits under consideration, and to the activities undertaken, 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).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

1.5 Key risks

The key risks of investing in the Company are set out below. These risks are not an exhaustive list. Further details of specific risks and general investment risks are set out in Section 5. These risks may adversely affect the Company's financial position, prospects and price of its securities.

(a) Exploration risks

The success of the Company depends on the delineation of economically mineable reserves and resources. Exploration of the Company's existing exploration tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration tenements.

(b) Operational and technical risks

Mining and exploration development operations are vulnerable to a variety of operational and technical matters, and force majeure circumstances, including mechanical failure of plant and equipment and environmental and weather factors which prevent or impede land access. Such factors may prevent exploration and mining activities and/or lead to cost overruns.

(c) Environmental risks

The operations and activities of the Company are subject to environmental laws and regulations. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company intends to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(d) Future capital requirements

The Company will most likely require further financing for its future business activities, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders, undertaken at lower prices than the current market price or involve restrictive conditions which limit the Company's operations and business strategies.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay

or suspend its operations and this could have a material adverse effect on the Company's activities and its ability to continue as a going concern.

1.6 The Board

The Company is managed by the Board of Directors. The Board currently comprises five Directors, including one Executive Director and four Non-Executive Directors.

Mr Peter J Unsworth B.Com
Non-Executive Chairman

Mr Unsworth, formerly a chartered accountant, has more than 35 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 director of the Western Australian Government owned Gold Corporation (operator of The Perth Mint), having previously been a director and chairman from 1996 to 2008.

Mr Unsworth currently has no other directorships.

Dr Michael Jones PhD, MAIG
Managing Director

Dr Jones completed undergraduate and post-graduate studies in Mining and Exploration Geology at Imperial College, London. His Ph.D. 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 Craton. 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.

Dr Jones currently has no other directorships.

Mr Paul Ingram B. AppSc, AIMM, MICA
Non-Executive Director

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.

Mr Ingram is currently a director of A-Cap Resources Limited (since June 2009) and Consolidated Global Investments Limited (since September 2006).

Dr Markus Elsasser PhD
Non-Executive Director

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. Dr Elsasser has a degree and PhD in Business Administration from Cologne University, Germany.

Dr Elsasser currently has no other directorships.

Ms Felicity Gooding B.Com, CA
Non-Executive Director

Ms Gooding is the Chief Operating Officer and Chief Financial Officer of the Minderoo Group, the philanthropic and private business holdings of Mr and Mrs Andrew and Nicola Forrest.

A Chartered Accountant with more than 15 years' experience, Ms Gooding has specialised in due diligence, mergers and acquisitions, and equity and debt financing across various sectors in Washington DC, Singapore and London.

Ms Gooding has held senior positions at PwC, Diageo Plc and Fortescue Metals Group Ltd where she was instrumental in the raising of more than A\$5 billion for project expansion financing. Prior to joining Minderoo, Ms Gooding was an executive at potash development company, Sirius Minerals Plc.

Ms Gooding is a nominee director of Squadron Resources Pty Ltd, a substantial Shareholder of the Company.

Ms Gooding currently has no other directorships.

2. Details of the Share Purchase Plan

2.1 The Share Purchase Plan

By this Prospectus, the Company invites Eligible Shareholders to participate in the Share Purchase Plan.

Under the Share Purchase Plan, the Company offers, to Eligible Shareholders, a total of 222,300,000 New Shares at an issue price of \$0.018 each and a total of 333,450,000 Free Attaching Options, to raise up to \$4,001,400 (before costs).

Eligible Shareholders may apply for New Shares and Free Attaching Options, but are not required to do so.

The Share Purchase Plan is subject to the terms and conditions set out in this Prospectus.

The Share Purchase Plan under this Prospectus invites each Eligible Shareholder to apply for up to 833,334 New Shares at \$0.018 each, with three free attaching Options for every two New Shares issued, totalling \$15,000, regardless of the number of Shares held by that Eligible Shareholder.

Applications for New Shares and Free Attaching Options under the Share Purchase Plan may be made with respect to any one of the following amounts:

Subscription amount	Number of New Shares	Number of Free Attaching Options
\$1,000	55,556	83,334
\$3,000	166,667	250,001
\$5,000	277,778	416,667
\$10,000	555,556	833,334
\$15,000	833,334	1,250,001

Where an Application would otherwise result in a fraction of a Share being issued, that fraction will be rounded up. Similarly, any fractions of a Free Attaching Option will be rounded up.

The Offer is made on a 'first-come, first-served' basis.

2.2 Eligibility to participate

(a) Eligibility determination

Shareholders who were registered in the Company's register of Shareholders with an Australian or New Zealand address at the Record Date (i.e. 5.00pm (WST) on Wednesday, 10 May 2017) will be Eligible Shareholders and may participate in the Share Purchase Plan, except in respect of any Shares such registered Shareholder holds on behalf of another person who resides outside of Australia or New Zealand.

Due to foreign securities laws, it is not practical for Shareholders resident in countries other than Australia and New Zealand to be offered the opportunity to participate in the Share Purchase Plan.

Importantly, a person who was registered as a holder of Shares with an address in Australia or New Zealand on the Record Date, but who does not hold any Shares at the Record Date, is not eligible to participate in the Share Purchase Plan. Refer to Section 3.7 for more information relating to Shareholders resident outside Australia.

(b) Joint holders

Shareholders who are joint holders of Shares are taken to be a single registered Shareholder for the purposes of the Share Purchase Plan and the certification in the Application Form by any joint holder is taken to have been given by all joint holders.

A Shareholder who receives more than one invitation to participate in the Share Purchase Plan (e.g. if the Shareholder holds Shares in more than one capacity) may not apply for New Shares:

- (i) with an aggregate value of more than \$15,000; or
- (ii) which would result in the aggregate value of the New Shares applied for (including through a Custodian (see Section 3.8 below)) under the Share Purchase Plan and any similar arrangement in the last 12 months being more than \$15,000.

2.3 Custodians

An Eligible Shareholder who holds Shares as Custodian (see Section 3.8 below) for one or more persons on the Record Date (**Beneficiaries**) may apply for up to the maximum number of Offer Securities for each Beneficiary for whom the Custodian holds Shares.

The Custodian must annexe a certificate (**Custodian Certificate**) to its Application Form setting out the following information:

Item	Requirements
Nature of relationship	Either or both of the following: <ul style="list-style-type: none">• that the Custodian holds Shares on behalf of one or more Beneficiaries who are residents in Australia or New Zealand (each a Participating Beneficiary) who are not Custodians; or• that another Custodian (Downstream Custodian) holds beneficial interests in Shares on behalf of one or more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian, on the Record Date and that each Participating Beneficiary has instructed the Custodian or the Downstream Custodian (as applicable) to apply for Offer Securities under the Share Purchase Plan on their behalf.
Participating Beneficiary details	The number of Participating Beneficiaries as well as their names and addresses.
Holding	Either: <ul style="list-style-type: none">• the number of Shares that the Custodian holds on behalf of each Participating Beneficiary; and/or• in the case of a Downstream Custodian, the number of Shares to which each Participating Beneficiary's beneficial interest relates.
Application amount	The number or dollar amount of Offer Securities that each Participating Beneficiary has instructed the Custodian or the Downstream Custodian (as applicable) to apply for on behalf of each Participating Beneficiary.

Item	Requirements
Confirmation that maximum application not exceeded	That the total Application Moneys for: <ul style="list-style-type: none"> <li data-bbox="628 237 1407 360">• Offer Securities applied for under the Share Purchase Plan for each Participating Beneficiary for whom the Custodian acts, directly or indirectly through a Downstream Custodian; and <li data-bbox="628 371 1407 524">• any other Shares issued to the Custodian or Downstream Custodian, in the capacity as custodian or nominee for each Participating Beneficiary, under any arrangement similar to the Share Purchase Plan in the last 12 months does not exceed \$15,000.
Provision of Prospectus to Beneficiaries	That a copy of the Prospectus was given to each Beneficiary.
Downstream Custodians	In the case where Shares are held for a Downstream Custodian, the name and address of each Downstream Custodian.

Custodians should request a Custodian Certificate when making an Application on behalf of Participating Beneficiaries.

To request a Custodian Certificate or further information on how to apply, a Custodian should contact the Share Registry at any time from 8.30am to 5.00pm (WST) Monday to Friday during the Offer Period, using the contact details set out in the Corporate Directory section above.

2.4 Timetable

The Share Purchase Plan will open on Friday, 19 May 2017 and will close at 5.00pm (WST) on Friday, 9 June 2017.

The Directors reserve the right to extend the Offer Period of the Share Purchase Plan, or close the Share Purchase Plan prior to the Share Purchase Plan Closing Date, subject to the requirements of the Corporations Act and the Listing Rules.

The full timetable for the Share Purchase Plan is set out on page 1 of this Prospectus.

2.5 Raising amount and scale back

The final amount that is raised under the Share Purchase Plan will be determined by the Directors at their discretion.

Applications will be accepted on a 'first-come, first-served' basis. The Directors reserve the right to reject or scale back, on an equitable basis, any Applications at the Directors' discretion. If an Application is rejected or scaled back, the Company will promptly return to the Applicant the relevant Application Moneys, without interest.

There is no minimum aggregate amount to be raised pursuant to the Offers.

2.6 Conditional Offers

The issue of New Shares and Free Attaching Options under the Share Purchase Plan and Shortfall Offer is subject to Shareholder approval to be sought at the General Meeting.

2.7 Underwriting

The Share Purchase Plan is not underwritten.

2.8 Rights and liabilities attaching to New Shares and Free Attaching Options

The New Shares issued under this Prospectus and on the exercise of Free Attaching Options will be fully paid and will rank equally in all respects with existing Shares. Each Free Attaching Option will be exercisable at \$0.04 on or before 15 June 2020. A summary of the rights and liabilities attaching to the New Shares and Free Attaching Options is set out in Section 6.

2.9 Shortfall Offer

Any New Shares and Free Attaching Options not subscribed for under the Share Purchase Plan will form the Shortfall and will be offered under the Shortfall Offer.

The Shortfall Offer is a separate offer under this Prospectus. The issue price of the New Shares under the Shortfall Offer is \$0.018 (equal to the issue price under the Share Purchase Plan).

An individual, including an Eligible Shareholder, may apply for additional New Shares and Free Attaching Options under the Shortfall Offer provided they are eligible under all applicable securities laws to receive an offer under the Shortfall Offer.

The Shortfall Offer will open on Friday, 19 May 2017 and will close at 5.00pm (WST) on Friday, 16 June 2017.

The Directors reserve the right to extend the Offer Period of the Shortfall Offer, or close the Shortfall Offer prior to the Shortfall Offer Closing Date, subject to the requirements of the Corporations Act and the Listing Rules.

If after the close of the Share Purchase Plan and Shortfall Offer, any Shortfall has not been subscribed for under the Share Purchase Plan or Shortfall Offer, the Directors reserve the right to place some or all of those Offer Securities within 3 months of the close of the Offers.

The Directors will have discretion as to how to allocate the Shortfall both under the Shortfall Offer, and after the close of the Offers.

The Company cannot guarantee that you will receive the number of Shortfall Securities you apply for. If you do not receive any or all of the Shortfall Securities you applied for, the excess Application Moneys will be returned to you without interest.

The Company will not allocate Shortfall Securities to the extent that the recipient's voting power in the Company would exceed 20%.

3. Applications for Offer Securities

3.1 Making an Application

An Eligible Shareholder that would like to participate in the Share Purchase Plan, and an individual (including an Eligible Shareholder) that would like to apply for additional Offer Securities under the Shortfall Offer can do so by completing and lodging the relevant Application Form which accompanies this Prospectus. An Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications for New Shares and Free Attaching Options under the Share Purchase Plan may be made with respect to any one of the following amounts:

Subscription amount	Number of New Shares	Number of Free Attaching Options
\$1,000	55,556	83,334
\$3,000	166,667	250,001
\$5,000	277,778	416,667
\$10,000	555,556	833,334
\$15,000	833,334	1,250,001

Where an Application would otherwise result in a fraction of a Share being issued, that fraction will be rounded up. Similarly, any fractions of a Free Attaching Option will be rounded up.

Application Forms may be submitted as paper copies or, for Applicants using BPAY® (available to Eligible Shareholders with respect to the Share Purchase Plan only), in electronic format as outlined below.

Applicants who wish to apply under an Offer are urged to lodge the relevant Application Form(s) as soon as possible. Applications under the Share Purchase Plan will be dealt with on a 'first-come, first-served' basis and either or both Offers may close early without prior notice.

If an Application Form is not completed correctly or if the accompanying payment is for an incorrect amount, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such an Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more New Shares than is indicated by the amount of Application Money.

If the exact amount of required Application Moneys are not tendered with an Application, the Company reserves the right to either:

- (a) return the Application Form and/or Application Moneys received and not issue any New Shares to the Applicant; or
- (b) issue to the Applicant the maximum number of New Shares represented by the Application Moneys received and refund any excess amount to that Applicant by cheque as soon as possible, without interest.

Payments of Application Moneys must not be made in cash.

Eligible Shareholders that have not received their Prospectus and personalised Application Form(s), or require a replacement via post or email, should contact the Share Registry using the contact details set out in the Corporate Directory section above.

Brokerage or transfer/stamp duty is not payable in relation to the Offers.

The Company reserves the right to accept a lesser amount to the total number of Shares applied for by an Applicant on the Application Form, at the Company's complete discretion.

The Company reserves the right to refuse a completed Application Form if it has reason to believe that the Applicant has not received a Prospectus in paper or electronic form, or if it has reason to believe that the Prospectus or Application Form provided to the Applicant has been altered or tampered with in any way.

Payment by cheque or money order

Unless an Applicant pays using BPAY® as outlined below, an Application Form must be accompanied by a personal cheque or money order, payable in Australian dollars, for an amount equal to the number of New Shares for which the Applicant wishes to apply, multiplied by the Offer Price of those Shares.

Cheques or money orders must be made payable to "Impact Minerals Limited" and should be marked "Not Negotiable".

Completed Application Forms and accompanying cheques or money orders must be received by the Share Registry before 5.00pm (WST) on the Closing Date of the relevant Offer at the following address:

Impact Minerals Limited
c/- Computershare Investor Services Pty Limited
GPO Box 505, Melbourne
VIC 3001 Australia

Payment using BPAY®

Applicants who are existing Shareholders and who wish to submit an Application and make payment using BPAY® should follow the instructions on the Application Form which includes the 'Biller Code' and the Applicant's individual 'Customer Reference Number'.

Applicants can only make payment using BPAY® with respect to the Share Purchase Plan, and if they have an account with an Australian financial institution that supports such transactions. BPAY® is also not available to any person who is not an existing Shareholder.

Applicants must ensure to use the specific 'Biller Code' and 'Customer Reference Number' on their individual Application Form. An Application may not be accepted if these details are incorrect. The 'Customer Reference Number' is used to identify each Applicant's holding.

Applicants with more than one holding of Shares may receive multiple 'Customer Reference Numbers'. Such Applicants can apply under one or more of their holdings, provided that they do not apply for more than \$15,000 worth of New Shares in total for all holdings.

Payments must be made in Australian dollars for an amount equal to the number of New Shares for which the Applicant wishes to apply, multiplied by the Offer Price.

An Application Form **does not** need to be submitted to the Company. However, by paying Application Moneys, the Applicant will be taken to have made the declarations on the Application Form.

BPAY® payments of Application Moneys must be received before 5.00pm (WST) on the Closing Date of the relevant Offer.

Applicants should take into account when making an Application that their individual financial institutions may implement earlier cut-off times for BPAY® payments. It is an Applicant's responsibility to ensure that the Application Moneys are received before the Closing Date of the relevant Offer.

3.2 Effect of making an Application

Once an Application has been made, it cannot be revoked.

All valid Applications shall be deemed accepted if received before the Closing Date of the relevant Offer, except that once an aggregate of \$4,001,400 has been received in Applications, the Company reserves the right to return an Application Form and/or Application Moneys and will not issue any Offer Securities to that Applicant.

If an Eligible Shareholder makes an Application, that person:

- (a) irrevocably and unconditionally agrees to the terms of the Offer set out in this Prospectus;
- (b) acknowledges that their Application is irrevocable and unconditional;
- (c) agrees to pay the Offer Price for each New Share which they have applied for under the Offer, subject to any scale back (refer to Section 2.5); and
- (d) warrants and represents to the Company that they are an Eligible Shareholder entitled to participate in the Share Purchase Plan.

3.3 Application Money to be held on trust

Application Money will be held by the Company on trust in accordance with the requirements of the Corporations Act until the Securities to which the Application Money pertains are issued under the Share Purchase Plan and Shortfall Offer, or a refund of Application Money occurs in the circumstances described in this Prospectus. The Company will retain any interest earned on Application Money, including in the event of any refund of Application Money.

3.4 Issue of Offer Securities

New Shares and Free Attaching Options under the Share Purchase Plan and Shortfall Offer are expected to be issued on the date specified in the timetable in the Key Information section on page 1 of this Prospectus.

The sale by an Applicant of New Shares or Free Attaching Options prior to the receipt of a Holding Statement is at the Applicant's own risk.

The Directors reserve the right to allocate the New Shares and Free Attaching Options as they see fit.

3.5 ASX quotation

Application for Official Quotation on ASX of the New Shares and Free Attaching Options issued pursuant to this Prospectus will be made within 7 days after the Prospectus Date.

If the New Shares or Free Attaching Options offered under this Prospectus are not admitted to Official Quotation within 3 months after the Prospectus Date (i.e. by 15 August 2017), the Company will not issue any New Shares or Free Attaching Options under the Share Purchase Plan. Application Moneys received by the Company for Offer Securities will be refunded in full without interest in accordance with the Corporations Act.

The fact that ASX may agree to grant Official Quotation of the New Shares or Free Attaching Options is not to be taken in any way as an indication of the merits of the Company or its Securities.

3.6 Withdrawal

The Directors may decide to withdraw this Prospectus or an Offer at any time before the issue of any Offer Securities.

3.7 Applicants outside of Australia

This Prospectus does not constitute an offer of Offer Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offers.

It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued Offer Securities. Return of a duly completed Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such regulations.

The Company has not taken any action to register or qualify the Offer Securities or an Offer, or otherwise to permit a public offering of the Offer Securities, in any jurisdiction outside Australia.

New Zealand resident Shareholders

The New Shares and Free Attaching Options offered under this Prospectus are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand).

This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Other overseas resident Shareholders

This Prospectus may not be released or distributed in any country other than Australia and New Zealand. The Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any country other than Australia and New Zealand.

Neither the Share Purchase Plan, Shortfall Offer or the Offer Securities have been, and nor will they be, registered under the Securities Act of 1933 of the United States of America (as amended) (**US Securities Act**). The Offer Securities may not be offered or sold in the United States of America, except in transactions exempt from, or otherwise not subject to, registration under the US Securities Act and applicable securities laws in any States of the United States of America.

The distribution of this Prospectus and accompanying Application Forms (including electronic copies) outside Australia or New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

3.8 Determination of Custodians

A Shareholder is a Custodian if they satisfy any of the following:

Category	Requirements
Licensee	<p>That Shareholder hold an Australian financial services licence (under the Corporations Act) that covers:</p> <ul style="list-style-type: none">the provision of a custodian or depository service; orthe operation of an IDPS (as that term is defined in ASIC Class Order 13/763).

Category	Requirements
Exempt by regulation or legislative instrument	<p>That Shareholder is exempt under:</p> <ul style="list-style-type: none"> regulation 7.6.01(1)(k) of the <i>Corporations Regulations 2001</i> (Cth) (Corporations Regulations); regulation 7.6.01(na) of the Corporation Regulations; ASIC Class Order 14/1000 or 14/1001; Schedule 2 to the <i>ASIC Corporate (Repeal and Transitional) Instrument 2016/396</i>; an instrument, not being a legislative instrument, made by ASIC and which applies to the person on terms similar to Schedule 2 of <i>ASIC Corporate (Repeal and Transitional) Instrument 2016/396</i> or any of the ASIC Class Orders repealed by that legislative instrument; or paragraph 911A(2)(h) of the Corporations Act, <p>from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service.</p>
Superannuation trustee	That Shareholder is the trustee of a self-managed superannuation fund or a superannuation master trust (as those terms are defined in ASIC Class Order 09/425).
Responsible entity	That Shareholder is a responsible entity of an IDPS-like scheme as that term is defined in ASIC Class Order 09/425.
Registered holder	That Shareholder is noted on the Company's register of Shareholders as holding the Shares on account of another person.

If a Shareholder holds Shares as a trustee or nominee for another person or persons but is not a Custodian as defined above, that Shareholder cannot participate for beneficiaries for whom they hold Shares in the manner described above. In such instance, the rules for multiple single holdings (above) apply.

The Company reserves the right to reject any Application to the extent that it considers that the Application (whether alone or in conjunction with other Applications) does not comply with the requirements set out above.

The Company also reserves the right to reject Applications in accordance with the terms and conditions of this Prospectus.

3.9 CHESS and issuer sponsorship

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Rules. The Company operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of its Securities.

Under CHESS, the Company does not issue certificates to the holders of Securities. Instead, the Company provides holders with a Holding Statement (similar to a bank account statement) that sets out the number of Offer Securities allotted and issued to them under this Prospectus.

This Holding Statement also advises investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer sponsored sub-register.

A Holding Statement is routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time; however, a charge may be incurred for additional statements.

3.10 Taxation implications

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Offer Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions for potential Applicants.

Neither the Company nor any of its advisers or officers accept any responsibility or liability for any taxation consequences to potential Applicants in relation to an Offer. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.

3.11 Privacy disclosure

The Company collects information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant's Security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement.

The Company and the Share Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act (**Privacy Act**):

- (a) the Share Registry for ongoing administration of the Company's register;
- (b) the Company's related bodies corporate (as that term is defined in the Corporations Act), agents, contractors and third party service providers, as well as to ASX, ASIC and other regulatory authorities (including the Australian Taxation Office); and
- (c) the printers and the mailing house for the purposes of preparing and distributing Holding Statements and for the handling of mail.

If an Applicant becomes a Security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the Securities held) in its public register. This information must remain in the Company's register of Shareholders even if that person ceases to be a Security holder of the Company. Information contained in the Company's register of Shareholders is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Security holders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) the Company or the Share Registry. An Applicant can request access to their personal information by writing to the Company through the Share Registry.

3.12 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety.

If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or financial advisor.

4. Effect of the Offers

4.1 Principal effect of the Offers on the Company

The principal effects of the Offers, assuming the Offers are fully subscribed, will be to:

- (a) increase the number of Shares on issue from 788,771,085 Shares as at the Prospectus Date to 1,011,071,085 Shares, representing a dilution of 21.99% (assuming no Options are exercised and no convertible notes are converted);
- (b) increase the number of Options on issue from 129,428,572 Options as at the Prospectus Date to 462,878,572 Options; and
- (c) increase cash reserves by up to approximately \$3,936,160 immediately after completion of the Offers and payment of the costs and expenses set out in Section 1.2, including the estimated expenses of the Offers.

4.2 Effect on capital structure

The capital structure of the Company following completion of the Offers (assuming the Offers are fully subscribed) is set out below:

Securities	Full subscription
Shares on issue at the Prospectus Date	788,771,085
New Shares issued under the Offers	222,300,000
Options on issue at the Prospectus Date	129,428,572
Options issued under the Offers	333,450,000
Convertible notes on issue at the Prospectus Date	2,000,000
Convertible notes issued under the Offers	Nil
Total Shares on issue at completion of the Offers	1,011,071,085
Total Options on issue at completion of the Offers	462,878,572
Total convertible notes on issue at completion of the Offers	2,000,000

All of the Options the Company currently has on issue are unquoted. A summary of the terms of those Options is as follows:

- (a) 45,000,000 Options exercisable at \$0.0325 each on or before 7 August 2018;
- (b) 27,000,000 Options exercisable at \$0.0367 each on or before 29 September 2018;
- (c) 15,500,000 Options exercisable at \$0.045 each on or before 29 September 2019;
- (d) 15,500,000 Options exercisable at \$0.07 each on or before 29 September 2020; and
- (e) 26,428,572 Options exercisable at \$0.0325 each on or before 21 October 2018.

All of the convertible notes the Company currently has on issue are unquoted. The convertible notes have a face value of \$1 each and mature on 7 August 2018. The Notes are convertible into Shares at a conversion price that is the lower of \$0.021 per Share, and 80% of the 30 day volume weighted average price prior to the date of the conversion notice. If all convertible notes were converted at an issue price of \$0.021 per Share, 95,238,095 Shares would be issued.

4.3 Pro forma statement of financial position

Set out below is:

- (a) the unaudited consolidated statement of financial position of the Company as at 31 December 2016; and

- (b) the unaudited pro forma consolidated statement of financial position of the Company as at 31 December 2016 incorporating the effect of the Offers at full subscription.

The unaudited pro forma consolidated statement of financial position has been derived from the financial statements of the Company and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offers had occurred by 31 December 2016. The historical and pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma statement of financial position has been prepared on the basis that there are no material movements in the assets and liabilities of the Company between 31 December 2016 and the completion of the Offers except for:

- (a) at maximum subscription, the issue of 222,300,000 New Shares at \$0.018 each and 333,450,000 Free Attaching Options, thereby raising up to \$4,001,400 of capital pursuant to the Prospectus; and
- (b) costs of the Offers will be approximately \$65,240.

The unaudited consolidated pro forma statement of financial position has been prepared on the basis that there are no material movements in the assets and liabilities of the Consolidated Entity between 31 December 2016 and the completion of the Offers except for those noted above.

No allowance has been made for expenditure incurred in the normal course of business from 31 December 2016 to the latter of the Closing Dates.

Unaudited Consolidated Pro Forma Statement of Financial Position

	Consolidated (unaudited)	Maximum subscription (\$4,001,400)	
	31 Dec 2016	Pro-forma Adjustments	Pro-forma After Issues
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	1,489,119	3,936,160	5,425,279
Trade and other receivables	1,137,463	-	1,137,463
Other current assets	201,457	-	201,457
TOTAL CURRENT ASSETS	2,828,039	3,936,160	6,764,199
NON-CURRENT ASSETS			
Property and equipment	3,432	-	3,432
Exploration expenditure	11,542,191	-	11,542,191
Other non-current assets	176,883	-	176,883
TOTAL NON-CURRENT ASSETS	11,722,506	-	11,722,506
TOTAL ASSETS	14,550,545	3,936,160	18,486,705
CURRENT LIABILITIES			
Trade and other payables	446,591	-	446,591
Financial liabilities	2,000,000	-	2,000,000
Provisions	99,466	-	99,466
TOTAL CURRENT LIABILITIES	2,546,057	-	2,546,057
TOTAL LIABILITIES	2,546,057	-	2,546,057
NET ASSETS	12,004,488	3,936,160	15,940,648
EQUITY			
Issued capital	35,950,384	3,936,160	39,886,544
Option reserve	1,199,068	-	1,199,068
Foreign currency translation reserve	(503,389)	-	(503,389)
Transactions with non-controlling interest	(1,161,069)	-	(1,161,069)
Accumulated losses	(23,480,506)	-	(23,480,506)
TOTAL EQUITY	12,004,488	3,936,160	15,940,648

Notes:

This table is prepared on the basis of the following assumptions:

- The Company issues 222,300,000 Shares at an issue price of \$0.018 each pursuant to the Offers, raising a total of \$4,001,400 before costs, and approximately \$3,936,160 after costs of the Offers.
- There is no adjustment for the operating costs of the Company between 31 December 2016 and the date of completion of the Offers.

4.4 Substantial holdings

A “substantial holding” is defined under section 9 of the Corporations Act to mean a relevant interest in 5% or more of the voting shares of a company.

The table below sets out the Shareholders with a substantial holding as at the Prospectus Date.

Name	Number of Shares	Percentage interest
Mrs Susanne Bunnenberg	200,199,999	25.38%
Squadron Resources Pty Ltd	47,619,048	6.04%

Notes:

- The figures in the table assume that:
 - additional Shares are not issued after the Prospectus Date; and
 - none of the Options on issue at the Prospectus Date are exercised
- The Shares in which Mrs Bunnenberg holds a relevant interest are held by JP Morgan Nominees Australia, which acts as her custodian.

4.5 Effect of the Offers on control of the Company

As at the Prospectus Date, the Company has 788,771,085 Shares and 129,428,572 unlisted Options on issue.

Assuming Shareholder approval is obtained for the issue of New Shares and Free Attaching Options under the Share Purchase Plan, Squadron Resources Pty Ltd may obtain up to 833,334 New Shares and 1,250,001 Free Attaching Options.

Mrs Bunnenberg is not a resident of either Australia or New Zealand, and so is not permitted to participate in the Share Purchase Plan or Shortfall Offer.

Set out in the table below are the potential relevant interests of Mrs Bunnenberg and Squadron Resources Pty Ltd in the Company on completion of the Share Purchase Plan and Shortfall Offer, assuming that:

- Squadron Resources Pty Ltd subscribes for 833,334 New Shares and 1,250,001 Free Attaching Options under the Share Purchase Plan;
- neither Squadron Resources Pty Ltd nor Mrs Bunnenberg participate in the Shortfall Offer (on the basis that they have not indicated that they will participate in the Shortfall Offer); and
- the maximum number of Offer Securities are issued.

Name	Current percentage interest	Maximum percentage interest post-Share Purchase Plan
Mrs Susanne Bunnenberg	25.38%	19.80%
Squadron Resources Pty Ltd	6.04%	4.79%

5. Risk Factors

5.1 Introduction

Activities in the Company and its controlled entities, as in any business, are subject to risks which may impact upon the Company's future performance. There can be no guarantee that the Company will achieve its stated objectives.

Potential investors should read the entire Prospectus and review announcements made by the Company to ASX (at www.asx.com.au under the code IPT) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

An investment in the Company's Securities should be considered speculative. Securities carry no guarantee with respect to the payment of any dividends, returns of capital or the market value of those Securities.

Potential investors should consider the risk factors set out in Section 1.5 above and in Sections 5.2, 5.3 and 5.4 below which the Directors believe represent some of the general and specific risks that Shareholders should be aware of when evaluating the Company and deciding whether to acquire any Securities in the Company. The following risk factors are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

5.2 Company specific risks

In addition to the key risk set out in Section 1.5 above, the following risks have been identified as being key risks specific to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and price of its quoted Securities.

(a) Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value.

(b) Key personnel

Recruiting and retaining qualified personnel is important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. If such persons cease to be employed or otherwise engaged by the Company for whatever reason, the Company may be adversely affected.

(c) Commodity price fluctuations

In the event of exploration and development success, any future revenue derived through the future sale of gold exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for such commodities, forward selling by producers and the level of production costs. Moreover, prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, these commodities.

5.3 Mining industry risks

Mineral exploration and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which, by their nature, are subject to a number of inherent risks, including the following:

(a) **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Ability to exploit successful discoveries**

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as those of the Company.

(c) **Mining and development risks**

The profitability of the Company depends upon the successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

(d) **Realising value from projects**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(e) **Title risks**

The Company's interests in tenements in Western Australia, New South Wales and Queensland are governed by legislation in each jurisdiction and are evidenced by the granting of mining concessions. Each mining concession is granted subject to conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if the tenement conditions are not met.

(f) **Joint venture parties, agents and contractors**

There is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party, or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(g) **Competition**

The Company competes with other companies, including major mining companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There cannot be any assurance that the Company will be able to compete effectively with these companies.

(h) **Other**

Whilst the Company currently has not incurred any liabilities and is adequately insured, no assurance can be provided as to potential uninsured losses or liabilities that may arise in the future.

5.4 General investment risks

(a) **Securities market conditions**

As with all securities market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the Offer Price under the Share Purchase Plan.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) **Price and exchange rate fluctuation**

The revenue derived through the sale of mineral commodities targeted by the Company exposes the potential income of the Company to price and exchange rate risks. Prices of mineral commodities fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for such commodities, forward selling by producers and the level of production costs. Moreover, prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, these commodities.

(c) **Liquidity risk**

There cannot be any guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the Shares.

(d) **Securities investment risk**

Applicants should be aware that there are risks associated with any Securities investment. Securities quoted on a securities market, and in particular securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Securities regardless of the Company's performance.

(e) **Other risks**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk, and other matters that may interfere with the business or trade of the Company.

6. Rights and liabilities attached to Offer Securities

6.1 Rights and liabilities attaching to Shares

Full details of the rights and liabilities attaching to the Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office and on the Company's website (www.impactminerals.com.au).

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares:

(a) Share capital

All issued ordinary fully paid shares rank equally in all respects.

(b) Voting rights

At a general meeting of the Company, every holder of Shares present in person, by an attorney, representative or proxy has one (1) vote on a show of hands and on a poll, one (1) vote for each Share held, and for every partly paid Share held, a fraction of a vote equivalent to the proportion which the amount paid (not credited) on the Share is of the total amounts paid and payable (excluding amounts credited) on the Share. Where there is an equality of votes, the chairperson has a casting vote.

(c) Dividend rights

Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend (at present there are none), all dividends as declared by the Directors shall be payable on all Shares out of the Company's profits:

- (i) in accordance with the Corporations Act; and
- (ii) in proportion to the amount of capital paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid.

The Directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or other Securities of the Company.

(d) Rights on winding-up

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among Shareholders in the proportion which the amount paid (including amounts credited) on the Shares of a Shareholder is of the total amounts paid and payable (including amounts credited) on the Shares of all shareholders.

A liquidator may, with the sanction of a special resolution of Shareholders:

- (i) distribute among the Shareholders the whole or any part of the property of the Company; and
- (ii) decide how to distribute the property as between the Shareholders or different classes of Shareholders.

No Shareholder is compelled to accept any property, including shares or other securities in respect of which there is any liability.

(e) **Transfer of Shares**

Shares in the Company may be transferred by such means in accordance with the Constitution, the Corporations Act, Listing Rules and ASX Settlement Rules.

The Company may refuse to register a transfer of Shares only in those circumstances permitted by the Company's Constitution, the Listing Rules and ASX Settlement Rules.

(f) **Further increases in capital**

Subject to the Company's Constitution, the Corporations Act, the Listing Rules and the ASX Settlement Rules, the Company may:

(i) issue and allot unissued Shares; and

(ii) grant Options,

to such persons, and on such terms, as the Directors determine.

(g) **Variation of rights attaching to Shares**

The rights attaching to any class of Shares (unless otherwise provided by their terms of issue) may be varied by a special resolution passed at a separate general meeting of the holders of those Shares of that class, or in certain circumstances, with the written consent of the holders of at least seventy-five percent (75%) of the issued Shares of that class.

(h) **General meeting**

Each holder of Shares will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Corporations Act and the Listing Rules.

6.2 Terms and conditions of Free Attaching Options

The Free Attaching Options offered pursuant to this Prospectus are regulated by the Constitution, the Corporations Act, the Listing Rules and general law.

Each Free Attaching Option will be issued on the following terms and conditions:

(a) **Entitlement**

Each Free Attaching Option entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary Share in the Company.

(b) **No payment on grant**

The Option Holder is not required to pay any amount on the grant to the Option Holder of a Free Attaching Option.

(c) **Exercise price**

The exercise price of each Free Attaching Option is \$0.04 (**Exercise Price**).

(d) **Expiry date**

Each Free Attaching Option may be exercised at any time before 5.00pm (WST) on 15 June 2020 (**Expiry Date**). Any Free Attaching Option not exercised by the Expiry Date will automatically expire.

(e) **Holding Statement**

The Company must give the Option Holder a Holding Statement stating:

- (i) the number of Free Attaching Options issued to the Option Holder;
- (ii) the Exercise Price of the Free Attaching Options; and
- (iii) the date of issue of the Free Attaching Options.

(f) **Transfer**

The Free Attaching Options are transferable.

(g) **Quotation of Free Attaching Options**

The Company will apply to ASX for Official Quotation of the Free Attaching Options.

(h) **Quotation of Shares**

The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Free Attaching Options.

(i) **New issues**

The Option Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company unless they have exercised their Free Attaching Options before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

(j) **Bonus issues**

If the Company makes a bonus issue of Shares or other Securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Free Attaching Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Free Attaching Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Free Attaching Option before the record date for determining entitlements to the issue.

(k) **Reorganisation**

- (i) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Free Attaching Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (ii) Any calculations or adjustments which are required to be made will be made by the Company's Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (iii) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Free Attaching Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Free Attaching Option.

(l) **Exercise**

- (i) To exercise Free Attaching Options, the Option Holder must give the Company or its Share Registry, at the same time:
 - A. an exercise notice (in the form approved by the Board of the Company from time to time) specifying the number of Free Attaching Options being exercised and Shares to be issued; and
 - B. payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company.
- (ii) The Option Holder may only exercise Free Attaching Options in multiples of 10,000 Free Attaching Options unless the Option Holder exercises all Free Attaching Options held by the Option Holder.
- (iii) Free Attaching Options will be deemed to have been exercised on the date the exercise notice and Exercise Price are received by the Company.

(m) **Re-issue of certificate or Holding Statement**

If the Option Holder exercises less than the total number of Free Attaching Options registered in the Option Holder's name:

- (i) the Option Holder must surrender their Free Attaching Option Holding Statement (if any); and
- (ii) the Company must cancel the Free Attaching Option Holding Statement (if any) and issue the Option Holder a new Free Attaching Option Holding Statement or holding statement stating the remaining number of Free Attaching Options held by the Option Holder.

(n) **Issue**

- (i) Within five Business Days after receiving an application for exercise of Free Attaching Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.
- (ii) Subject to the Constitution, all Shares issued on the exercise of Free Attaching Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.

(o) **Governing law**

These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

7. Continuous disclosure documents

7.1 Continuous disclosure obligations

This is a Prospectus for the offer of continuously quoted securities (as defined in the Corporations Act) of the Company and is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering Prospectus.

The Company is a “disclosing entity” for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The Shares to be issued under this Prospectus are in a class of securities that were quoted on the stock market of ASX at all times in the 12 months before the issue of this Prospectus. Further, the Company will apply for quotation of the Free Attaching Options to be issued under this Prospectus, which are also options to subscribe for continuously quoted securities (i.e. Shares).

7.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company’s 2016 annual financial report to shareholders on 28 September 2016:

Date	Description of ASX Announcement
11 May 2017	Share Purchase Plan to raise up to \$4 Million
10 May 2017	Trading Halt
9 May 2017	Priority Drill Targets for Gold-Silver at Silica Hill, NSW
5 May 2017	Cobalt-Copper-Gold Potential of the Broken Hill Project
3 May 2017	VTEM at Broken Hill
28 April 2017	March 2017 Quarterly Report
21 April 2017	Exploration Update - Commonwealth Gold-Silver Project, NSW
3 March 2017	The Cobalt Potential of the Broken Hill Project
24 February 2017	Half Yearly Report and Accounts
22 February 2017	Silica Hill and Commonwealth Continue to Expand
17 February 2017	Exploration Update
31 January 2017	Quarterly Cashflow Report
17 January 2017	Quarterly Activities Report
13 January 2017	Impact Receives \$1.07 Million Research & Development Refund
21 December 2016	Drilling Update - Further Mineralisation at Silica Hill
5 December 2016	Drilling Commences at the Silica Hill Gold-Silver Discovery
2 December 2016	Appendix 3Y x 4
1 December 2016	Expiry of Unlisted Options
25 November 2016	Amended Announcement

Date	Description of ASX Announcement
25 November 2016	Company Update
11 November 2016	Early December Follow Up Drilling at Silica Hill
9 November 2016	Results of Annual General Meeting
9 November 2016	2016 AGM Presentation by Managing Director
31 October 2016	September 2016 Quarterly Report
14 October 2016	Impact Triples Groundholding Around Commonwealth
07 October 2016	Notice of Annual General Meeting/Proxy Form
28 September 2016	Appendix 4G
28 September 2016	Corporate Governance Statement

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Copies of documents lodged with ASX, in relation to the Company, including the Company's corporate governance policies, may be obtained from the Company's website (www.impactminerals.com.au) or at ASX's website (www.asx.com.au using ASX Code 'IPT').

The Company will provide a copy of each of the following documents, free of charge, to any person on request from the Prospectus Date until the latter of the Closing Dates:

- (a) the annual financial report of the Company for the financial year ended 30 June 2016, being the annual financial report of the Company most recently lodged with the ASIC before the issue of this Prospectus;
- (b) the half year financial report of the Company for the half year ended 31 December 2016, being the half year financial report of the Company most recently lodged with ASIC before the issue of this Prospectus; and
- (c) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in Section 7.2(a) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

8. Additional information

8.1 General Meeting

The Board intends hold a General Meeting of its Shareholders on or about Tuesday, 20 June 2017 at which Shareholder approval will be sought under Listing Rule 7.1 for the issue of New Shares and Free Attaching Options under the Share Purchase Plan and the Shortfall Offer, and for the placement of any remaining Offer Securities within the 3 month period after the close of the Offers.

The issue of New Shares and Free Attaching Options under the Share Purchase Plan and the Shortfall Offer, and the placement of any remaining Offer Securities is conditional on the approval of Shareholders being obtained at the General Meeting.

The final date of the General Meeting may change, but the Board intends to convene the meeting as early as practicable.

8.2 Material and related party contracts

(a) Executive service agreement – Dr Michael Jones

On 10 November 2010, the Company entered into a consultancy services agreement with Image Interpretation Technologies Pty Ltd and Dr Michael Jones pursuant to which Dr Jones provides his services to the Company in the capacity of Managing Director. Under this agreement, Image Interpretation Technologies Pty Ltd is entitled to fees in the amount of \$273,550 per annum.

(b) Investment agreement with Squadron Resources Pty Ltd

On 17 July 2015, the Company announced that it had agreed the terms of the funding of up to \$7.3 million from Squadron Resources Pty Ltd (**Squadron**), being part of the Munderoo Group, Andrew Forrest's private investment vehicle (**Squadron Transaction**). The key terms of the Squadron Transaction were as follows:

- (i) an initial \$3 million investment comprising the issue of interest free convertible notes for \$2 million (convertible to Shares at the lower of \$0.021 and the price that is 80% of the 30 day volume weighted average price of Shares as at the date the notice of conversion is given), and a \$1 million placement of Shares at an issue price of \$0.021 per Share;
- (ii) the issue of 71,428,572 Options (comprising 45,000,000 Options exercisable at \$0.0325 each on or before 7 August 2018, and 26,428,572 Options exercisable at \$0.0325 each on or before 21 October 2018) to raise approximately \$2.3 million on exercise;
- (iii) an option to invest a further \$1 million into either or both of the Commonwealth Project and Broken Hill Project to earn a 19.9% interest in the nickel-copper-PGE rights on EL7390 (not including the Broken Hill style mineralisation on EL7390) and a 19.9% interest in EL8234; and
- (iv) the appointment of Squadron's nominee to the Board as a Non-Executive Director.

Ms Felicity Gooding was appointed to the Board as a Non-Executive Director on 18 February 2016 as Squadron's nominee.

(c) Directors' indemnity and insurance deeds

The Company has entered into deeds of access, indemnity and insurance with each Director.

Under the deeds, the Company has undertaken, subject to the restrictions in the Corporations Act, to:

- (i) indemnify each Director and officer in certain circumstances;
- (ii) maintain directors' and officers' insurance cover (if available) in favour of each Director whilst a Director and for 7 years after the Director has ceased to be a Director;
- (iii) cease to maintain directors' and officers' insurance cover in favour of each Director if the Company reasonably determines that the type of coverage is no longer available; and
- (iv) provide access to any Company records which are relevant to the Director's holding of office with the Company, for a period of 7 years after the Director has ceased to be a Director.

The deeds otherwise contain terms and conditions considered standard for deeds of this nature.

8.3 Litigation

As at the Prospectus Date, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

8.4 Security holding interests of Directors

At the Prospectus Date the relevant interest of each of the Directors in the Shares and Options of the Company are as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Peter J Unsworth	Nil	13,771,875	8,000,000	Nil
Dr Michael Jones	Nil	6,881,718	20,000,000	Nil
Paul Ingram	Nil	580,680	4,000,000	Nil
Dr Markus Elsasser	Nil	23,310,402	4,000,000	Nil
Ms Felicity Gooding	Nil	Nil	Nil	Nil

Notes:

1. Mr Unsworth holds a relevant interest in 10,385,913 Shares as director and shareholder of PJ Enterprises Pty Ltd, and a relevant interest in 3,385,962 Shares as a director and shareholder of Manotel Pty Ltd. Of the 8,000,000 Options held by Mr Unsworth, 4,000,000 Options are exercisable at \$0.0367 each on or before 29 September 2018, 2,000,000 Options are exercisable at \$0.045 each on or before 29 September 2019, and 2,000,000 Options are exercisable at \$0.07 each on or before 29 September 2020.
2. Dr Jones holds a relevant interest in 6,881,718 Shares as a director and shareholder of Image Interpretation Technologies Pty Ltd. Of the 20,000,000 Options held by Dr Jones, 10,000,000 Options are exercisable at \$0.0367 each on or before 29 September 2018, 5,000,000 Options are exercisable at \$0.045 each on or before 29 September 2019, and 5,000,000 Options are exercisable at \$0.07 each on or before 29 September 2020.
3. Mr Ingram holds a relevant interest in 580,680 Shares as a director and shareholder of Fabian Entertainment and Management Services Pty Ltd. Of the 4,000,000 Options held by Mr Ingram, 2,000,000 Options are exercisable at \$0.0367 each on or before 29 September 2018, 1,000,000 Options are exercisable at \$0.045 each on or before 29 September 2019, and 1,000,000 Options are exercisable at \$0.07 each on or before 29 September 2020.
4. Dr Elsasser holds a relevant interest in 23,310,402 Shares as a director and shareholder of M. Elsasser & Cie AG 1971. Of the 4,000,000 Options held by Dr Elsasser, 2,000,000 Options are exercisable at \$0.0367 each on or before 29 September 2018, 1,000,000 Options are exercisable

at \$0.045 each on or before 29 September 2019, and 1,000,000 Options are exercisable at \$0.07 each on or before 29 September 2020.

8.5 Remuneration of Directors

The Constitution provides that the Directors may be paid for their services as Directors, as determined by the Company prior to the first annual general meeting. Such payment, in relation to Non-Executive Directors, is to be paid by way of a fixed sum and not by a commission or percentage of operating revenue or Company profits. The sum fixed, which is currently \$250,000, may be divided amongst the Directors as they may from time to time agree or, in the absence of agreement, in equal shares.

Subject to the provisions of any contract between the Company and any Executive Director, the remuneration for Executive Directors may be fixed by the Directors from time to time.

A Director may be paid fees or other amounts as the Directors determine, where a Director performs duties or provides services outside the scope of their normal duties. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The table below sets out the current cash remuneration of each Director.

Director	Financial year ended 30 June 2015	Financial year ended 30 June 2016
Mr Peter J Unsworth	\$77,642, comprising: <ul style="list-style-type: none"> • Director fee of \$65,000; • superannuation of \$6,175; and • Options to the value of \$6,467. 	\$131,338, comprising: <ul style="list-style-type: none"> • Director fee of \$65,000; • superannuation of \$6,175; and • Options to the value of \$60,163.
Dr Michael Jones	\$239,717, comprising: <ul style="list-style-type: none"> • fee of \$223,550 pursuant to consultancy services agreement; and • Options to the value of \$16,167. 	\$373,957, comprising: <ul style="list-style-type: none"> • fee of \$223,550 pursuant to consultancy services agreement; and • Options to the value of \$150,407.
Mr Paul Ingram	\$29,421, comprising: <ul style="list-style-type: none"> • Director fee of \$12,500; • superannuation of \$1,188; • Shares to the value of \$12,500; and • Options to the value of \$3,233. 	\$57,456, comprising: <ul style="list-style-type: none"> • Director fee of \$25,000; • superannuation of \$2,375; and • Options to the value of \$30,081.
Dr Markus Elsasser	\$28,233, comprising: <ul style="list-style-type: none"> • Director fee of \$12,500; • Shares to the value of \$12,500; and • Options to the value of \$3,233. 	\$57,456, comprising: <ul style="list-style-type: none"> • Director fee of \$27,375; and • Options to the value of \$30,081.
Ms Felicity Gooding	Nil (appointed as a Director on 18 February 2016).	Director fee of \$10,417.
Mr Aaron Hood	Nil (appointed as a Director on 5 August 2015, resigned on 18 February 2016).	Director fee of \$12,500.

Note: Ms Felicity Gooding's and Mr Aaron Hood's fees are payable to Squadron Resources Pty Ltd.

Further information relating to the remuneration of Directors can be found in the Company's 2016 Annual Report, which can be found on the Company's website (www.impactminerals.com.au) or ASX announcements webpage for the Company (ASX Code: IPT).

8.6 Expenses of the Offers

The expenses of the Offers (assuming full subscription) are expected to comprise the following estimated costs.

Expense	Amount
ASIC fees	\$2,350
ASX fees	\$25,890
Legal fees (exclusive of GST)	\$15,000
Printing, distribution and Share Registry expenses	\$22,000
TOTAL	\$65,240

8.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus:

- (a) all other persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have, and have not had in the 2 years before the Prospectus Date, any interest in:
- (i) the formation or promotion of the Company;
 - (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
 - (iii) the Offers; and
- (b) amounts have not been paid or agreed to be paid (whether in cash, Securities or otherwise), and other benefits have not been given or agreed to be given, to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offers.

Expert/advisor	Service or function	Amount paid or to be paid
Jackson McDonald (a partnership)	Solicitors to the Offers	<p>Jackson McDonald will be paid approximately \$15,000 (plus GST) for services related to this Prospectus and the Offers.</p> <p>Jackson McDonald has been paid or is entitled to be paid approximately \$74,589 (plus GST) for legal services provided to the Company in the period 2 years prior to the Prospectus Date.</p>

Computershare Investor Services Pty Limited	Share Registrar	Computershare Investor Services Pty Limited will be paid approximately \$22,000 (plus GST) for services to be provided in relation to receiving and managing subscriptions under the Offers. Computershare Investor Services Pty Limited has been paid or is entitled to be paid approximately \$91,895 (plus GST) for the provision of share registry and printing services to the Company in the period 2 years prior to the Prospectus Date.
---	-----------------	--

8.8 Market prices of Shares on ASX

Information about the closing market price of Shares quoted on ASX during the 3 month period prior to the date of this Prospectus is set out in the table below.

	Price	Date
Highest	\$0.028	3 March 2017
Lowest	\$0.016	8 May 2017 and 12 May 2017
Latest	\$0.016	12 May 2017

Note: trading data prepared by ASX, who has not consented to its use in this Prospectus.

8.9 Consents and liability statements

The following persons have given their written consent to be named in the Prospectus in the form and context in which they are named and to the inclusion of a statement or report in this Prospectus in the form and context in which it is included:

Party	Capacity in which named	Statement or report in this Prospectus
Jackson McDonald (a partnership)	Solicitors to the Offers	Not applicable
Computershare Investor Services Pty Limited	Share Registry	Not applicable

Each of the parties named above as providing their consent:

- (a) did not authorise or cause the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section 8.9; and
- (c) to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in this Section 8.8.

9. Directors' statement

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:

A handwritten signature in black ink, appearing to read 'P. Unsworth', with a stylized flourish at the end.

Peter J Unsworth
Non-Executive Chairman

Date: 15 May 2017

10. Glossary of Terms

A\$ or \$	Australian dollars.
Applicant	A person who applies for Offer Securities under and in accordance with this Prospectus.
Application	A valid application for Offer Securities offered under this Prospectus.
Application Form	The application forms that accompany this Prospectus, being the application form for the Share Purchase Plan, and the application form for the Shortfall Offer, or either of those applications forms as the case may be.
Application Moneys	Money received from an Applicant in respect of an Application.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'.
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Rules	The settlement rules of ASX Settlement.
Board	The board of Directors of the Company.
Business Day	Has the meaning given to that term in the Listing Rules.
CHESS	Clearing House Electronic Sub-register System operated by ASX Settlement.
CHESS Statement or Holding Statement	A statement of shares registered in a CHESS account.
Closing Date	The Share Purchase Plan Closing Date and Shortfall Offer Closing Date, or either one of those dates as the case may be.
Company or Impact	Impact Minerals Limited (ACN 119 062 261).
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Custodian	A custodian, trustee or nominee holder of Shares within the meaning of "custodian" in ASIC Class Order 09/425.
Director	A director of the Company as at the Prospectus Date.
Eligible Shareholder	A Shareholder who is registered as the holder of Shares on the Record Date and is resident in Australia or New Zealand.
Executive Director	An executive Director of the Company.
Free Attaching Option	An option to subscribe for a Share, exercisable at \$0.04 each, on or before 15 June 2020, and otherwise on the terms and conditions set out in Section 6.2.

General Meeting	The general meeting of Shareholders to be held on or about Tuesday, 20 June 2017.
GST	Goods and services tax.
JORC Code	'The Australian Code for Reporting of Mineral Resources and Ore Reserves' (2012 edition) prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.
Listing Rules	The official listing rules of ASX.
New Share	A new Share, which the Company may issue to investors under the Share Purchase Plan or Shortfall Offer.
Non-Executive Director	A non-executive Director of the Company.
Offer Period	With respect to an Offer, the period commencing on the Opening Date and ending on the relevant Closing Date.
Offer Price	\$0.018 per New Share.
Offer Securities	A Share or an Option offered under this Prospectus.
Offers	The Share Purchase Plan and the Shortfall Offer, or either one of those offers as the case may be.
Offer Securities	New Shares and Free Attaching Options, or either of those Securities as the case may be.
Official Quotation	The admission of Securities to the official list of the ASX.
Opening Date	The opening date of the Offers, being Friday, 19 May 2017.
Option	An option to subscribe for a Share.
Privacy Act	<i>Privacy Act 1988</i> (Cth).
Prospectus	This document, including the Application Form.
Prospectus Date	The date of lodgement of this Prospectus with ASIC, being Monday, 15 May 2017.
Record Date	The date at which entitlement of Shareholders to participate in the Share Purchase Plan is determined, being 5.00pm (WST) on Wednesday, 10 May 2017.
Related Bodies Corporate	Has the meaning given to that term in the Corporations Act.
Section	A section of this Prospectus.
Securities	Has the meaning given to that term in section 761A of the Corporations Act and includes a Share and an Option.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	The holder of a Share.
Share Registry	The Company's Share Registry, Computershare Investor Services Pty Limited.

Share Purchase Plan	The offer to each Eligible Shareholder of up to 833,334 New Shares at an issue price of \$0.018 per Share totalling \$15,000, and three Free Attaching Options for every two New Shares issued.
Share Purchase Plan Closing Date	The closing date of the Share Purchase Plan, being 5.00pm WST on Friday, 9 June 2017.
Shortfall	The shortfall to the Share Purchase Plan.
Shortfall Offer	The offer of the Shortfall.
Shortfall Offer Closing Date	The closing date of the Shortfall Offer, being 5.00pm WST on Friday, 16 June 2017.
Shortfall Securities	The Offer Securities offered under the Shortfall Offer.
WST	Western Standard Time, being the time in Perth, Western Australia.