

ASX ANNOUNCEMENT

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CAD\$5.5 MILLION JOINT VENTURE WITH TSX:V LISTED BLUEBIRD BATTERY METALS INC ON IMPACT'S BROKEN HILL PROJECT

- **CAD\$150,000 Cash**
- **5,250,000 shares in BlueBird (current market value CAD\$2.63 million)**
 - **CAD\$2.25 million expenditure over 3 years to earn a 75% interest**
 - **A further CAD\$500,000 of shares in BlueBird over the 3 year earn-in.**

Impact Minerals Limited (ASX:IPT) is pleased to announce that it has signed a binding Letter of Intent (“LOI”) to joint venture its Broken Hill project with TSX Venture exchange-listed BlueBird Battery Metals Incorporated (TSX:V BATT).

Under the terms of the farm-in Bluebird has the right to earn a 75% interest in the five Exploration Licences that comprise Impact’s Broken Hill project by payments of cash and shares and exploration expenditures totaling CAD\$5.525 million (at the last closing price of BlueBird shares of CAD\$0.50).

Impact Mineral’s Managing Director Dr Mike Jones said “We are very pleased to partner with BlueBird Battery Metals on the Broken Hill Project. The management of BlueBird have a strong track record in exploration discovery and resource development and they are committed to exploration success on their Australian portfolio. They have chosen to focus on the Broken Hill project because of its prospectivity for a wide range of metals that will form a critical part of the emerging market for batteries and renewable energy sources and we look forward to working with them on their exploration programme. This will include early drilling on the targets Impact has already identified.”

“Our partnership with BlueBird is also a successful outcome of the strategic review of our portfolio completed earlier this year and which has also led to the recently announced sale of our Pilbara gold project and drill programmes at our Commonwealth Project in New South Wales and Clermont Project in Queensland. All of this forms part of our overall strategy of generating first class projects and finding partners where appropriate.”

Impact and BlueBird have also reached a unique agreement, detailed below, that protects Impact’s shareholding in the short term from any down side movement in BlueBirds share price and also allows BlueBird a short to medium term right to buy back one third of the shares issued to Impact at a price of CAD\$0.75 per share and a further one third at CAD\$1.25 per share.

DETAILS OF THE JOINT VENTURE TRANSACTION

The principal terms of the joint venture are:

- A non-refundable payment of CAD\$25,000 cash (completed).
- A cash payment of CAD\$125,000 and the issue of 5,250,000 shares (“Tranche 1”) in BlueBird at a deemed price of CAD\$0.40 (“Tranche 1 Price”) on the later of the signing of a Definitive Agreement (“DA”) or the approval of the transaction by the TSX Venture Exchange. The Definitive Agreement is to be completed within 45 days of signing of the LOI.
- On-ground exploration expenditures totaling CAD\$2.25 million as follows:
 - A minimum of CAD\$500,000 within one year of signing the DA (“Year 1”).
 - A further CAD\$750,000 by the end of Year 2.
 - A further CAD\$1 million by the end of Year 3.
- The issue of a further CAD\$500,000 of shares in BlueBird as follows:
 - CAD\$125,000 in shares prior to the end of Year 1.
 - CAD\$125,000 in shares prior to the end of Year 2.
 - CAD\$250,000 in shares prior to the end of Year 3.

In addition, on the date which is 6 months after execution of the Definitive Agreement (“Bonus Date”), BlueBird will issue to Impact a maximum of 1,050,000 common shares of BlueBird (“Bonus Shares”) as follows:

- (i) if the volume weighted average price of BlueBird’s common shares on the TSXV calculated over the 30 day period immediately prior to the Bonus Date (“Bonus VWAP”) is at least 20% greater than the Tranche 1 Price, no Bonus Shares will be issued;
- (ii) if the Bonus VWAP is not less than 15% and is less than 20.00% greater than the Tranche 1 Price, 225,000 Bonus Shares will be issued to Impact;
- (iii) if the Bonus VWAP is not less than 10% and is less than 15.00% greater than the Tranche 1 Price, 500,000 Bonus Shares will be issued to Impact;
- (iv) if the Bonus VWAP is not less than 5% and is less than 10.00% greater than the Tranche 1 Price, 775,000 Bonus Shares will be issued to Impact; and
- (v) if the Bonus VWAP is less than the Tranche 1 Price or is less than 5.00% greater than the Tranche 1 Price, 1,050,000 Bonus Shares will be issued to Impact.

The Bonus Shares will be subject to a statutory hold period expiring four months from the date of issue. Also, Impact will grant BlueBird an exclusive call option to buy back (or arrange the buy back of such shares by a third party or third parties):

- (i) one third (1,750,000) of Impact’s initial shareholding in BlueBird at a price of CAD\$0.75 per common share for a period of 12 months from execution of the Definitive Agreement (“First Option Period”); and

(ii) one third (1,750,000) of Impact's initial shareholding in BlueBird at a price of CAD\$1.25 per common share for a period of 18 months from execution of the Definitive Agreement ("Second Option Period").

Impact will agree not to dispose or otherwise deal with:

(iii) the First Option Shares during the First Option Period; or

(iv) the Second Option Shares during the Second Option Period,

without the prior written consent of BlueBird.

Dr Michael G Jones
Managing Director

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

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